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**FMU Policy Brief No.
04/2018
(13 June 2018)**

**Does development aid
contribute to curbing
migration flows to
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By Gabriele Restelli



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As discussed in [FMU Policy Brief 01/2017](#), with the launch of the European Agenda on Migration in May 2015 and the following Valletta Summit, we have witnessed a convergence of pre-existing geopolitical interests with an expanding EU preoccupation with the so-called refugee 'crisis', and immigration in general. Development aid has been increasingly advocated as a tool to stem inflows of migrants and asylum seekers, by both addressing assumed 'root causes' and allocating resources to border control activities.

This *development aid in place of migration policy* underlies assumptions which have been largely disproved by empirical research. In particular, economic development and international mobility have been shown to be interconnected processes, rather than substitutes. Moreover, the evidence base supporting the impact of development aid on migration flows is limited and contradictory. While there are several channels through which development aid could affect migration and its determinants, available evidence suggests that the overall effect is unlikely to be a reduction in flows. Even under the best circumstances, to potentially obtain a deterring effect, donors need to commit to much higher investments in development assistance than they did over past decades. As shown by the EU Trust Fund for Africa, this is likely to translate into resources drained from traditional development objectives.

This policy brief wishes to problematise this approach by examining the assumptions EU policies rest upon and the related evidence base. Investigating the mechanisms potentially underlying the aid/migration nexus, we argue that development policy should return to prioritising development goals (i.e., poverty eradication) over migration control objectives.

Policy background

According to the United Nations High Commissioner for Refugees (UNHCR), [2016 marked the highest peak of displacement](#) in history with more than 65 million individuals forced to leave their homes because of violence, conflict or natural disasters. [This is believed](#) to be a worse scenario even if compared to World War II. Moreover, [2016 was the deadliest year in migration history](#), as far as records go, claiming more than 5,000 human lives in the Mediterranean Sea alone.

In response to the above, significant funding has been mobilised by European Union (EU) authorities and member states [to deter refugees and migrants at Europe's borders](#). The main reason is that, according to official statistics, since 2014 European countries have experienced [record numbers of refugees and migrants](#) arriving in their territories. The current EU migration policy includes [border externalization](#) and development aid packages to both encourage transit countries to 'cooperate' to deter migrants and to address so-called 'root causes'.

The idea of managing migration through addressing 'root causes' became part of EU policy in the 1980s and [gained popularity through the 1990s](#). It re-emerged with the establishment of the *European Union Emergency Trust Fund for stability and addressing root causes of irregular migration and displaced persons in Africa* (EUTF for Africa). Presenting the aid partnership, [the EU's High Representative](#) said, "We are ready to invest in long-term economic and social development, improving people's life and tackling the drivers of migration". The fund aims at marrying traditional migration instruments, such as border management and surveillance, with measures investing in development programmes.

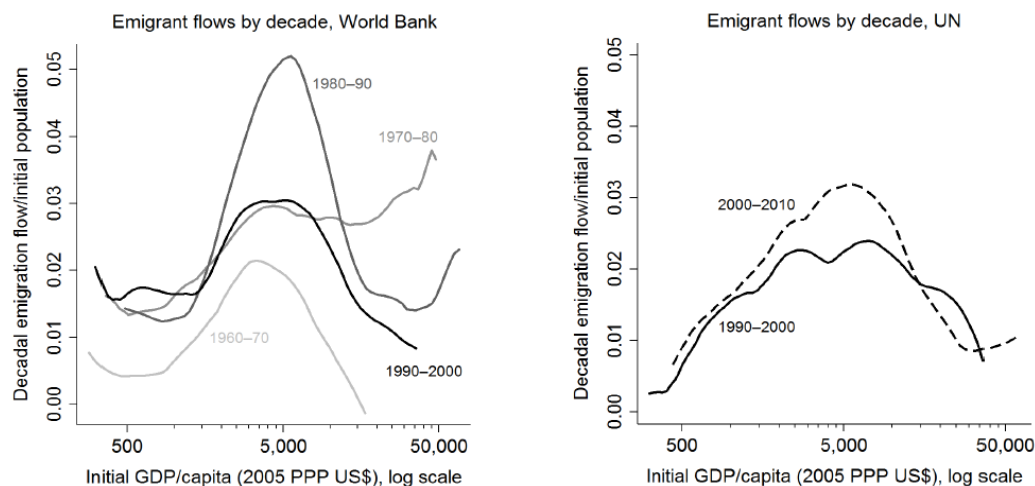
This policy is rooted in the European agenda on migration, which has [mainstreamed the use of development measures](#) to reduce incentives for irregular migration. The increasing use of aid to pursue migration management objectives has been highlighted by both the [European Parliament and Non-Governmental Organizations](#). [They called](#) on the European Commission and member states not to "instrumentalize aid" for migration control at the expense of a fundamental reorientation of EU development policy away from poverty eradication.

A flawed assumption

The use of development assistance to reduce migration relies on a theoretical conceptualization of migration rooted in neoclassical theories. [These](#) have framed mobility choices as the result of inequality between origin and destination areas. In this view, migration and economic development are negatively and linearly correlated and, hence, [each other's substitutes](#). If development aid can be seen as [wealth redistribution](#) from North to South, it is expected that [emigration will decrease](#) as the economic gap between donors and recipients is reduced through development assistance.

An alternative framework has questioned this linearity of development-migration relations, theorising a [migration hump](#).¹ These theories posit that economic development, state formation and patterns of population mobility are highly interconnected. More developed societies experience higher internal and external mobility, because migration is an integral component of the development process, rather than its substitute. Development and migration relations would follow an inverted – U shape, changing direction when per capita income reaches somewhere [around USD 6,000 – 8,000](#). According to this view, [foreign aid is likely to lead to more migration](#) in the short to medium term, because it improves individuals' purchasing power, [thus allowing them to afford the costs of migration](#).

Figure 1. The migration hump: emigration flows on income at origin



Source: [Clemens, 2014](#).

Current empirical evidence strongly supports the latter view. While indeed international migration flows are associated to differences between destination and origin supporting the idea that people move towards higher income countries ([Beine & Parson, 2015](#); [Mayda, 2010](#)); credit constraints are also found to be a hindering factor ([Beine et al., 2016](#); [Berthélemy et al., 2009](#)). Because people need resources to migrate, additional resources will produce more migration if the initial income level is low. As pictured in Figure 1, the overall effect of increasing income depends on whether the positive effect, through loosening the *budgetary constraints*, outweighs the negative effect, through reducing *income differentials*. At early stages of economic development, increasing income would result in additional emigration. This is consistent [with the observation](#) that typical emigration countries, such as Mexico, Morocco and Philippines, are not amongst the lower income ones.

‘Tackling the root causes’: do donors follow their own rhetoric?

Although donors motives in allocating aid vary greatly, it has been shown that they do concentrate more resources to countries that are sources of [asylum seekers](#) and [migrants](#) reaching their territories. However, while there has recently been a lot of talk about tackling ‘root causes’, most policy documents fail to outline what those root causes are. For instance, the EU Trust Fund mentions four priority areas:

- Economic and employment opportunities
- Community resilience
- Governance and conflict prevention
- Migration control and management

On the one hand, this only partially covers the relevant determinants of migration and it does not provide a comprehensive analysis of the role of specific drivers. On the other hand, it seems to emphasize smuggling networks as a root cause, seemingly failing to acknowledge that these are mostly a consequence to the lack of regular migration patterns. Thus, beyond generic references to economic opportunities and access to basic services, it is difficult to understand what specific drivers are expected to be targeted by aid projects.

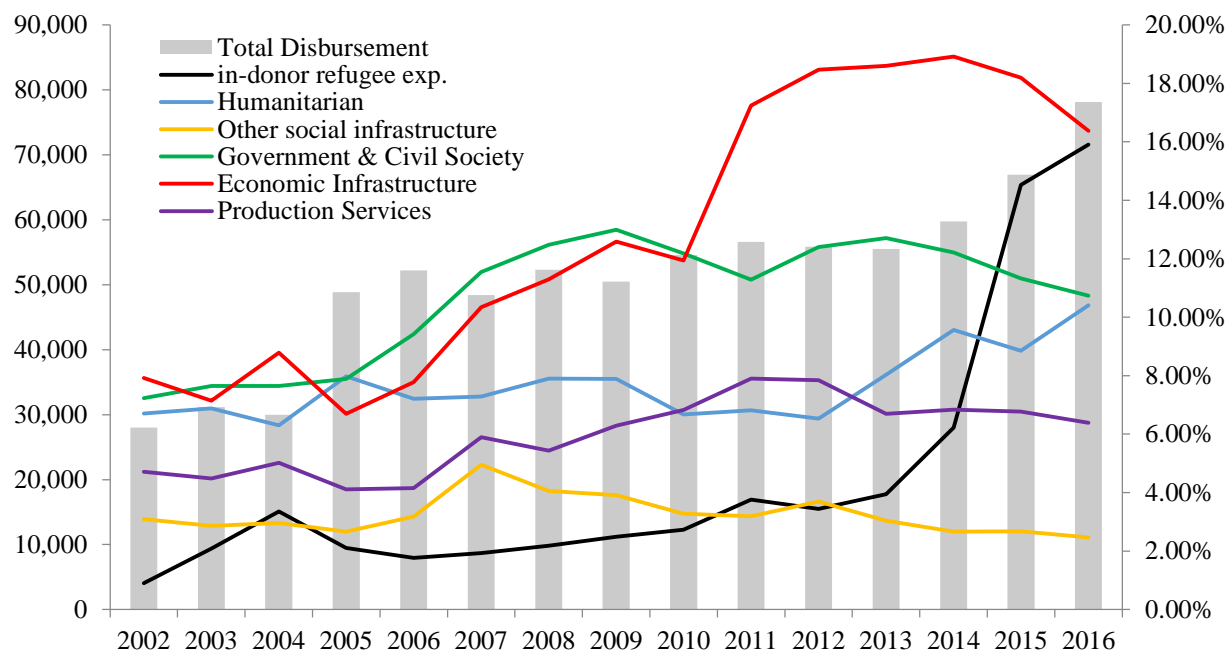
Even adopting these broad categories, the allocation of Official Development Assistance of the European Commission and EU members shows trends in contrast with the ‘addressing the root causes’ narrative. As displayed in Figure 2, an increasing share of development aid remains within European territories. In-donor refugee expenses peaked at 16% of overall disbursement in 2016, compared to less than 4% in 2013. To the contrary, sectors that are closely linked to

¹ *Migration Hump* and *Migration Transition* are either used to refer to the [same theoretical framework](#) or to refer to the same conceptual apparatus but [applied to short and long term](#) processes, respectively.

those “root causes”, such as Economic Infrastructure, Production Services, Government and Civil Society, have declined from 2015.

In addition, while donors reporting categories have not been changed to reflect the inclusion of ‘[orderly, safe, regular and responsible migration](#)’ as a development objective within [the 2030 agenda](#), there is evidence that an increasing amount of resources are [being diverted towards migration management and support for security forces](#). This reinforces [the concern that](#) current EU policies contribute to distorting the fundamental meaning of development aid in contrast to its very own founding treaties (i.e., [Article 208 TFEU](#)), while potentially supporting actions which are incompatible with international protection obligations.

Figure 2. Total aid given by EC and Member States (in USD Millions, left) and share of aid categories (right)



Source: [Creditor Reporting System](#)/OECD

‘Tackling the root causes’: how could aid influence migration?

Even if aid was allocated to the ‘right’ sectors, that would not yield noteworthy results in terms of migration outcomes. First, as discussed above, it should be acknowledged that the effect of aid through economic opportunities can result in both more and less migratory movements. Supporting economic growth, development aid could reduce differences in income levels thus exerting a deterring influence on migration. But, development assistance could also contribute to alleviating the *budgetary constraints* that prevent would-be migrants from actually migrating. The former effect, [which is not supported by conclusive evidence in literature](#), would however take longer than the former. [The most optimistic estimates](#) indicate that growth would need to be sustained for at least three generations to exert a deterring effect on emigration. Thus, even when aid does contribute to economic and human development, at lower income levels it will still lead towards higher emigration, because of increased resources available.

Second, development assistance could have a positive influence on migration by increasing the *attractiveness* of the donor for citizens of the recipient country. More bilateral contacts through the implementation of aid projects increase the information available among potential migrants in the recipient country, which implies lower transaction costs. Also, [more aid could induce recipient populations to perceive the donor country as more generous](#) in terms of social expenditure. [This would especially attract unskilled migrants](#), who tend to prefer destination countries with a more redistributive social welfare system. To the contrary, countries with large skill-related wage differences tend to attract a disproportionate share of more educated migrants; a phenomenon referred to as [positive sorting](#).

Third, *political accountability and openness* is another determinant of migration that can be affected by development aid. Whether aid promotes transition to more democratic and open regimes [remains to be seen](#). However, assuming that under the best circumstances it does, this is likely to have a dual effect on increased migration flows. On the one hand, improving political conditions and rights tends to be associated with more emigration ([Adsera & Pytlikova, 2015](#); [Neumayer, 2005](#)). On the other hand, one’s perception of his/her country of origin as corrupt positively influences migration aspirations ([Dimant et al., 2013](#); [Lapshyna, 2014](#)). Thus, even when aid contributes to the creation of more open and democratic societies, the result is likely to be an increase of migration as the [former effect precedes the](#)

[latter.](#)

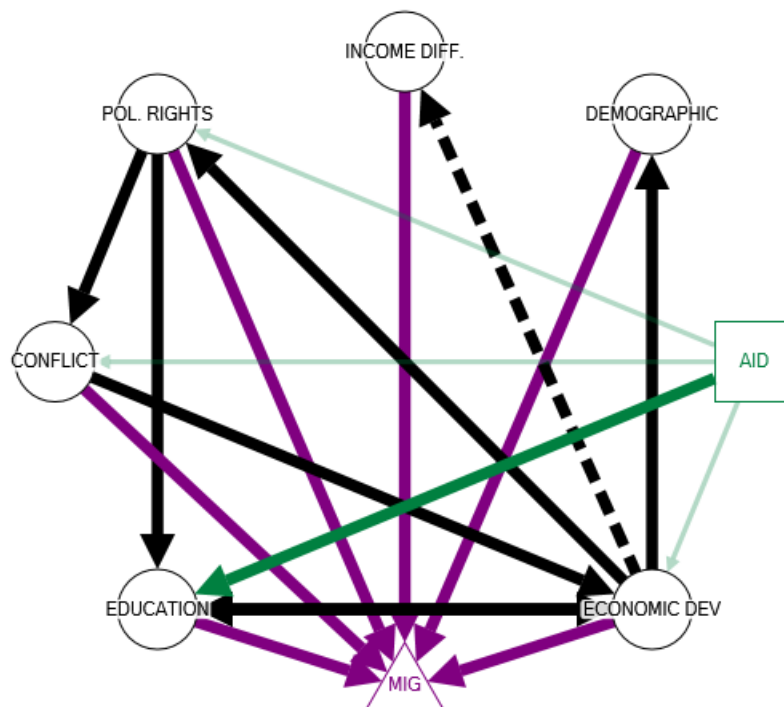
A fourth channel, through which aid effect could be exerted, is related to *violence and conflict*. The presence of internal conflict is an important push factor that forcibly displaces people and undermines political as well as economic stability ([Beine & Parson, 2015](#); [Hatton & Williamson, 2005](#); [Neumayer, 2005](#)). Violence has been found to be a particularly important driving force [in recent flows to Europe](#). However, whether development assistance contributes to reducing conflict has been questioned. For instance, [studies suggest that humanitarian](#) and [food aid](#) contribute to prolong the duration of a conflict, because prone to seizure and looting by warring parties. Similarly, [development programmes might be sabotaged](#) by politically driven groups, resulting in intensified violence. Thus, whether aid does contribute to conflict resolution, and in turn also reduces displacement and migration, will likely depend on several specific conditions, including delivery modalities, type of conflict and predetermined stability of the area.

A last channel is related to *education and schooling*. Although this strand of research is more recent and limited, it clearly points towards a positive effect of aid on enrolment, attendance and completion rates. Because there tends to be more emigration [from countries with higher levels of tertiary education](#) and [emigrants are generally more educated](#) than those who stay behind, if aid works in the education sector, it is likely to lead to more migration to Europe.

In addition to the above, aid can induce recipient governments to cooperate towards deterring emigration by introducing *conditionality*. Donors often make their disbursements conditional on tougher controls on migrants' outflows in recipient countries. For instance, presenting the new Migration Partnership Framework, the [European Commission announced](#) that 'a mix of positive and negative incentives will be integrated into development and trade policies to reward those countries willing to effectively cooperate with the EU on migration management'. However, this should not be seen as one of the effects of development assistance, but rather as the result of a *carrot and stick* policy, where migration is reduced with the stick and aid is the carrot dangled in front of relevant countries of origin and transit. Moreover, conditionality tends to backfire as recipient governments can also threaten not to cooperate on migration control, should their demands not be met. [Erdogan's Turkey](#) and [Gheddafi's Libya](#) are good examples of this.

Therefore, several channels through which migration can be affected directly or indirectly by aid, can be identified. Figure 3 synthetizes these relations. The dashed lines indicate a negative relationship, whereas the thickness of the lines represents the strength of available empirical evidence. On the one hand, the assumption that aid, contributing to economic development, would reduce migration has been proven wrong for lower-income countries. On the other hand, there are many other ways in which migration could be affected, and many of them point towards an increase in migration flows if aid works.

Figure 3. Aid effects on migration determinants



The empirical evidence of aid effects on migration flows

The overall effect of development aid will depend on the interaction of the aforementioned mechanisms. Different types of aid programme, delivery modalities and conditions in recipient countries will determine the extent to which each migration-relevant outcome is affected. Thus far, only a few studies have empirically investigated the overall impact of aid on migration. The evidence is limited and contradictory. A first group of studies, support the trade-off between aid and migration to donor countries. To the contrary, others find a positive effect of aid on migration from countries with per capita income below 8,000 USD, also finding that the mobility increase is larger for skilled migrants. Finally, a third group finds no significant effect of bilateral aid, highlighting that individual donors have no control over migration to themselves.

Diving into methodological issues that might explain the contradictory results is not necessary because even when a deterring effect is found, it is of very limited magnitude. For instance, according to [Gamso & Yuldashev \(2016\)](#), increasing aid targeted at better governance by 10% of the recipient country's GDP would reduce emigration rates by a mere 1%. Taking the case of flows towards Italy from Morocco in 2105, donors would have needed to increase Governance Aid by 21,000% in order to achieve a reduction in arrivals from 14,880 to 14,731 in 2016.

Thus, the assertion that aid has an overall deterring effect on migration is not supported by convincing evidence. To the contrary, broader literature on aid and migration suggests many ways in which aid could foster mobility if it achieves intended objectives. Moreover, even when such a deterring effect is identified, estimates indicate that donors need to increase their disbursements in an unprecedented and unrealistic way to obtain a noteworthy impact.

Policy implications

A first conclusion, which policymakers should consider, is that **there is no convincing evidence to claim that development assistance will reduce migration flows to Europe**. However, given the many channels through which aid can influence the determinants of migration, donors could turn their interest at how to shape migration flows rather than aiming at stemming them. For instance, development aid could improve the schooling and education levels of those travelling. Nevertheless, this should be done keeping development policy objectives as a priority. While the [integration of migration into the UN development agenda](#) can be regarded as a success, by moving towards the desirable 'making migration work for development', the mere instrumentalization of aid for migration control purposes is certainly not.

Given that in the best-case scenario, aid would have a very limited deterring impact on migration flows, **policymakers should consider whether the expected results, in terms of stemming migration, justify the investment, which is likely to have detrimental effects on development goals**. As widely debated in the [existing literature](#), development cooperation and humanitarian action are challenging policy areas where, even in the best of circumstances, it is difficult to achieve sustained results. There are consequently compelling arguments for concentrating spending where the added value is greatest. Allocating aid to respond to immigration concerns [subtracts resources](#) from poverty alleviation objectives, while being neither an effective nor efficient tool to deliver expected migration control outcomes.

Policy makers should consider development policy in coherence with other policies, such as trade, agriculture and labour, that might yield opposite effects. [Evidence](#) shows that migration is, at least partially, driven by the demand for cheap labour force in [segmented labour markets](#) in European countries. [It has also been shown](#) that higher trade integration of countries of origin might be associated with higher mobility. Therefore, the persisting request for low paid labour as well as enhanced bilateral trade could completely offset the potential deterring impact of aid on migration from developing countries. Thus, policy coherence has to be considered when aiming at tackling the 'root causes' of migration.

A last implication is the need for proper evaluation of current aid programmes targeting migration flows. Given that current policies rely on a very weak evidence base, **donors should make sure that effective research designs are integrated into the projects that aim at affecting the drivers of migration. This would allow evaluating their impact along with any externalities as well as unexpected benefits**. Thus, future programming could rely on stronger evidence to steer assistance towards those sectors and modalities that maximize the gains for destination and origin countries as well as the migrants themselves.