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# International Migration and Economic Development

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## Keywords

international migration, remittances, brain drain, brain gain, economic development

## Abstract

International labor migration from developing to developed countries generates income gains for migrants that dwarf those from any known development intervention, with workers routinely experiencing 4–5-fold wage increases upon migration. These individual gains translate into massive remittance flows to developing countries that far exceed foreign aid flows. This review synthesizes the rapidly growing literature on migration's impacts on origin countries, emphasizing studies with credible causal identification. The evidence progresses from individual and household effects, where migrants and their families experience substantial gains in income, education investments, and consumption smoothing, to broader impacts on the origin area, including regional economic development and widespread human capital formation. Contrary to concerns about so-called brain drain, recent research reveals brain gain effects whereby migration opportunities increase educational investments and skill formation. Migration also has additional positive effects through trade and investment linkages, knowledge transfers, and changing social norms. This review also discusses policies for enhancing migration's development impacts and key areas for future research.

## 1. INTRODUCTION

International labor migration has emerged as one of the most powerful forces shaping global economic development in the twenty-first century. In 2020, an estimated 281 million people lived outside their country of birth, representing a 62% increase from 173 million in 2000 (United Nations 2020). The income gains experienced by migrants themselves when moving from developing to developed countries are nothing short of extraordinary. Workers routinely experience 4–5-fold or greater wage increases upon migration, and in some migration corridors the gains exceed 1,000% (Clemens et al. 2019). These gains are likely larger than those achievable through any in situ development intervention (Pritchett & Hani 2020). As Clemens (2011) put it, there are "trillion-dollar bills on the sidewalk" waiting to be picked up through the liberalization of international labor mobility.

Out of these massive individual gains, migrants send substantial funds back to their home countries. As shown in **Figure 1**, migrant remittances have grown from $71 billion in 2000 to $656 billion in 2023, making them one of the largest types of international financial flows to developing countries (World Bank 2023a). These flows are typically more than double the official development assistance, and in recent years they have surpassed foreign direct investment flows.

Nearly all developing country governments have incorporated international migration into their development policy-making. United Nations (2019) finds that 94% of developing countries with populations over one million have a dedicated government agency implementing migration policy, 88% have agencies focused on overseas employment or diaspora engagement, and 78% have policies promoting migrant remittances. The vast majority of developing countries view migration not as a problem to be contained but as an opportunity to be harnessed for development. International financial institutions also recognize that migration policy is a key component of national development policy (World Bank 2023b).

A substantial body of research has examined how international migration affects development outcomes in migrants' countries of origin. The gains to migrants themselves are well-documented,

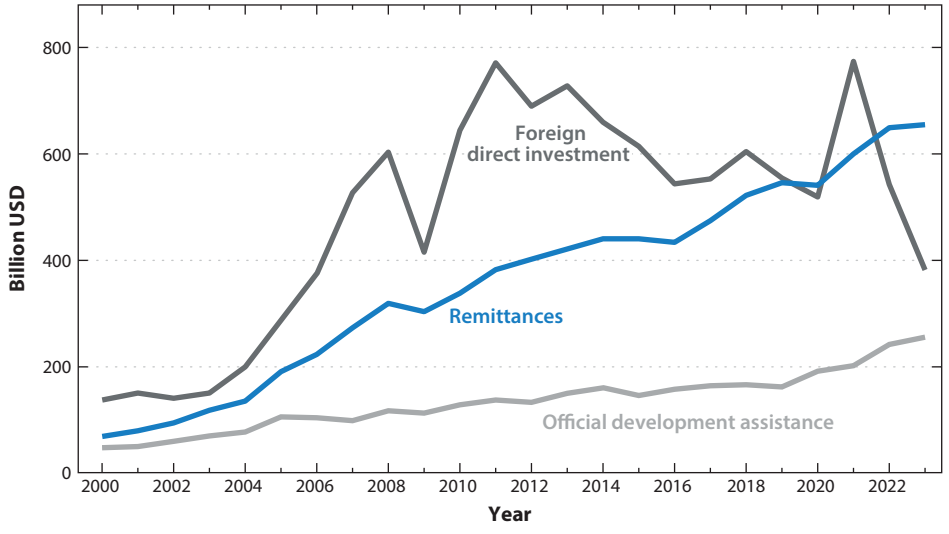


**Figure 1**

Financial flows to developing countries. Developing countries are low- and middle-income countries as defined by the World Bank. Data from World Bank (2024).

and much research also establishes positive impacts on the migrant families left behind. Our understanding of how migration affects the origin communities more broadly is less developed, but it is growing and evolving. Many open questions are ripe for continued research: What economic gains does international migration bring for migrants, origin households, and origin communities? What costs—such as family disruption or migrant worker abuse—might offset some of these gains? Does migration result in brain drain or brain gain for origin societies? What other impacts might result from international migration in areas such as innovation, politics, or social norms? What policies might enhance the benefits of international migration for home areas and reduce any negative consequences?

This review synthesizes the continually growing literature on migration's impacts on origin countries, with a particular focus on studies employing credible causal identification strategies. In keeping with prior surveys (Yang 2011, McKenzie & Yang 2024), I emphasize research that uses experimental and quasi-experimental methods to establish causal relationships.[1]

Here I focus exclusively on international migration from developing to developed countries. The review progresses systematically from individual- and household-level effects, where the causal evidence is strongest, to area-level aggregate effects, where compelling evidence is emerging but the literature remains more limited. I do not address impacts on destination populations, on which there is an extensive separate literature (see National Academies of Sciences, Engineering, and Medicine 2017 for a review). The growing economics literature on forced displacement is also largely outside the scope of this review, as the underlying market failures and appropriate policy responses are likely distinct for refugees as compared to voluntary labor migrants.[2]

The review is organized into seven sections. Section 2 documents how migration helps migrants themselves, reviewing evidence on the massive income gains from international movement. Section 3 examines impacts on the migrant families left behind, focusing on how remittances and other channels affect household well-being, consumption smoothing, and investment decisions.

Section 4 broadens the lens to examine how migration affects origin areas as a whole, reviewing evidence on regional economic development, structural transformation, and aggregate welfare effects. Section 5 reviews the important debate over brain drain versus brain gain. Section 6 explores other important effects on origin areas, including impacts on foreign direct investment and trade linkages, innovation and knowledge transfers, and political and social norms.

Finally, Section 7 discusses migration policies specifically designed to enhance development impacts, including policies to facilitate migration, efforts to protect migrants abroad, interventions for information provision, and interventions to increase migrant control over remittances. In each section I share thoughts on future research directions.

## 2. MIGRATION HELPS MIGRANTS

The income gains from international migration are among the largest gains documented in the development economics literature. Moving from a developing to a developed country for work is associated with substantial income gains that are orders of magnitude larger than the likely impacts of further liberalization of international trade or capital flows, or of in situ efforts to raise domestic incomes in developing countries (Clemens 2011, Pritchett & Hani 2020).

[1]In the literature on the impact of immigration on destination countries, Dustmann et al. (2016) demonstrate why this methodological focus is crucial, showing that different empirical approaches in the immigration literature can yield conflicting results depending on their underlying assumptions and identification strategies.
[2]Recent reviews of forced migration research in economics include those by Ruiz & Vargas-Silva (2013), Maystadt et al. (2019), and Verme & Schuettler (2021).

Studies of randomized lotteries (implemented by governments) provide compelling causal evidence of these gains. Gibson et al. (2018) study the impacts of New Zealand's Pacific Access Category and Samoan Quota schemes, which randomly allocate migration opportunities to Pacific Island residents. They find 4–5-fold income gains for lottery winners that persist up to a decade later. Mobarak et al. (2023) analyze a visa lottery for Bangladeshi workers to migrate to Malaysia, documenting a tripling of migrant incomes and improvements in well-being for migrants and their origin households.

The experimental evidence is reinforced by systematic comparisons of earnings for migrants versus nonmigrants in nationally representative survey data. Clemens et al. (2019) estimate the "place premium": the wage gain from working in the United States rather than a developing country. The authors make wage comparisons for observably identical workers (e.g., born in the same non-US country and with identical other observables) in the US Census and in one of 42 analogous origin-country surveys. For the median overseas country in their sample, moving to the United States increases [purchasing power parity (PPP)-adjusted] wages by a factor of 3.95, with a range going from 1.7 (Morocco) to 16.4 (Yemen). For the median country, they estimate the lower-bound absolute annual income gain to be $13,600 (in 1999 PPP terms).

These income gains are not merely short-term but represent persistent improvements in living standards. The magnitude of these effects—often several hundred percent increases in earnings—dwarfs the impacts of virtually any other development intervention. To put this in perspective, a randomized controlled trial of a development program would be considered highly successful if it increased participant incomes by 10–30% (Banerjee & Duflo 2009, Banerjee et al. 2015, Bouguen et al. 2019). International labor mobility thus represents one of the most powerful antipoverty tools available to the global community (Clemens 2011).

Future research should seek to broaden the evidence base on the economic benefits of international migration for migrants themselves in a wider range of settings. At the same time, it is important to conduct future research that quantifies the costs of international migration to migrants. In addition to the financial costs, migration has important nonpecuniary costs. Workers often face mistreatment and abuse in destination countries, particularly in lower-skilled occupations.

There has been very little empirical research in economics that seeks to quantify the costs against the benefits of international migration. A rare exception is offered by Naidu et al. (2023), who use a randomized controlled trial (RCT) to study the effects of international migration from India for construction work in the United Arab Emirates (UAE). Workers' incomes double, but workers also bear substantial financial costs and experience physical and psychological costs from migrant work. Pecuniary and nonpecuniary costs together offset a substantial portion of the wage gains from migration. Future research should seek to expand this evidence base, systematically measuring the range of financial and nonpecuniary costs of international migration. Such costs must be gauged alongside wage gains for a complete assessment of the effects of migration on migrant well-being.

## 3. MIGRATION HELPS MIGRANT FAMILIES

The substantial income gains from international migration generate significant benefits not only for the migrants themselves, but also for the family members they leave behind. These benefits flow through multiple channels, with remittances representing the most direct and well-documented mechanism. However, the impacts are likely to be due not only to remittances. For example, migrants also provide informal insurance for households back home via their savings held overseas as well as their substantial (unremitted) income streams, and this improved ability

to cope with risk can encourage households to make investments, for example, in small enterprises and education.

Yang (2008b) provides evidence of these effects by exploiting a natural experiment arising from the 1997 Asian Financial Crisis. Overseas Filipino workers in dozens of countries experienced sudden, heterogeneous changes in exchange rates that generated exogenous variation in the Philippine peso value of their foreign earnings. When migrants experienced more positive exchange rate shocks, there were substantial positive impacts on their origin households over the subsequent 15 months. A 25% improvement in the exchange rate facing migrants led to a 15% increase in remittances. Overall, this positive shock led mainly to higher household investments rather than higher consumption. Educational spending rose by 13% and school attendance increased for both boys and girls. Households increased their entrepreneurial activity, with hours worked in self-employment rising by 12%. Notably, overall labor supply remained stable, suggesting that remittances enabled productive labor reallocation rather than simply reducing work effort. In related work examining the impacts of these same exchange rate shocks, Yang & Martinez (2006) demonstrate that these positive effects on household welfare translate into measurable poverty reduction.

Studies of randomized migration lotteries provide further compelling evidence of benefits to migrant families. Gibson et al. (2018) analyze the long-term impacts of New Zealand's Pacific Access Category and Samoan Quota schemes, which randomly allocate migration opportunities to Pacific Island residents. They find that households of lottery winners experience substantial and persistent improvements in living standards. Consumption per adult equivalent increases significantly, and there are notable improvements in housing quality, durable goods ownership, and access to basic services. The effects persist for years after the initial migration, suggesting that the benefits represent genuine welfare improvements rather than temporary adjustments.

Mobarak et al. (2023) provide evidence from a government lottery that randomly allocated work permits to Bangladeshis for temporary work in Malaysia. Winning the lottery led to dramatic improvements in household welfare that extended far beyond the direct income gains. The households of lottery winners experienced large increases in consumption and asset accumulation, improved housing conditions, and enhanced food security. The consumption gains were so large that they moved many households out of poverty entirely.

Additional evidence comes from studies exploiting policy discontinuities for exogenous variation. Clemens & Tiongson (2017) examine a natural experiment in the Philippines where a language test cutoff score quasi-randomly allocated workers to temporary overseas employment in Korea. They find that migration has important reduced-form effects on household financial behavior, tripling expenditure on education and health, reducing borrowing, and raising savings. Migration causes families to send children to private schools and private clinics, but it does not affect nonmigrants' labor supply.[3]

Beyond education, migration can facilitate entrepreneurial investments in origin areas. Yang (2006) demonstrates how Filipino migrant workers' decisions to return from overseas and invest in household enterprises are closely linked. Drawing on the 1997 Asian Financial Crisis exchange rate shocks, the study reveals that a substantial fraction of migrants appear to be "target earners" who accumulate savings overseas until reaching a threshold amount, then return home and invest in small enterprises. This pattern suggests that temporary migration can serve as a mechanism

[3]A number of other studies have also found that migration of a household member leads to increased educational investments in origin households (Gibson et al. 2011, 2013; Theoharides 2018).

for overcoming capital constraints that would otherwise hinder entrepreneurial activity in origin areas. Relatedly, Kırdar (2009) studies return migration from Germany, finding that migrants return to source countries once they have achieved target savings levels. Bossavie et al. (2025) find that international labor migration promotes capital accumulation for self-employment activities in Bangladesh. Their data show that 76% of self-employed return migrants used savings accumulated abroad as their primary source of business financing, with return migrants accounting for one-third of all new nonagricultural enterprises in Bangladesh.

The benefits extend to health investments as well. Mobarak et al. (2023) document improvements in household dietary diversity and health care utilization among lottery winners' families, suggesting that migration's benefits encompass multiple dimensions of human welfare.

When households send a member away as an international migrant, they also enjoy the benefits of improved informal insurance—a better ability to cope with risk. Yang & Choi (2007) demonstrate that migrant family members provide substantial protection against income volatility in origin areas. Among households in the Philippines with overseas migrant members, rainfall shock–driven income changes led to offsetting changes in remittances: Remittances fell when local income rose and increased when local income fell. Roughly 60% of exogenous declines in income were replaced by remittance inflows from overseas. This insurance function extends to larger-scale disasters as well. Yang (2008a) shows that hurricane damage in the poorest developing countries leads to large inflows of migrants' remittances, amounting to 20% of experienced damages—a response roughly one-quarter as large as the response of foreign aid.[4]

Beyond the insurance provided by existing migrants, migration itself serves as an important risk-coping mechanism: Households can respond to negative shocks by sending additional family members abroad. Mahajan & Yang (2020) and Ibáñez et al. (2026) show that weather shocks in source countries (respectively, hurricanes worldwide and high temperatures in El Salvador) increase migration to the United States, with the migration responses being facilitated by existing migrant networks. Murathanoglu (2023) shows that typhoons increase international labor migration from affected Philippine municipalities by 3.7–4.3% of the mean migration rate, with remittances rising by 6.7% in the short run following typhoon exposure. The effectiveness of migration as a shock-coping mechanism depends critically on international labor demand conditions, with both migration and remittance responses being substantially larger during periods of high overseas labor demand.[5]

These findings demonstrate that the benefits of international migration extend well beyond the migrants themselves to encompass the families they left behind in the home country. Well-being improves for those who remain in the origin countries on several dimensions: higher consumption; enhanced investment in education, health, and small enterprises; and better insurance against shocks.

While most studies of the impacts of international migration on origin households find positive impacts, an exception is represented by Gibson et al. (2011), who study Tongan families whose members migrated to New Zealand via lotteries. They find that households experienced significant resource constraints in the initial postmigration period. Total household income per capita fell, as increased remittances were insufficient to offset the loss of migrants' domestic labor earnings.

[4]However, access to insurance can also affect migration rates. In the context of internal migration in rural India, Munshi & Rosenzweig (2016) demonstrate that well-functioning informal insurance networks actually reduce migration by providing consumption smoothing, reducing the informal-insurance motivation for migration. This suggests that migration and local risk-sharing mechanisms are to some degree substitutes.

[5]Internal migration also serves a risk-coping role, as shown by Minale (2018) in China, Kleemans & Magruder (2018) and Kleemans (2023) in Indonesia, and Letta et al. (2024) in Nigeria.

The remaining family members had fewer durable assets and shifted toward cheaper foods like rice and root crops while consuming fewer fruits and vegetables. The only notable positive effects were reduced body mass index and waist-to-hip ratios for adults (resulting from decreased food intake in a population with high obesity rates). There were minimal impacts on children's education and health. These results highlight that the initial period of adjustment to a member's migration can impose welfare costs on those left behind.

Future research should continue to study the impacts of international migration on origin households. Expanding the evidence base would help reveal circumstances under which the unusual findings of Gibson et al. (2011), showing that net economic gains for households left behind were negative, are likely to occur.

In addition, more research is needed on other potential costs for origin households. A key underresearched topic is the costs of family separation. Antman (2011) studies the short-run effect of Mexican fathers' migration to the United States on left-behind children's schooling and labor supply. She finds reductions in study time and increased work hours, driven by older boys (aged 12–15). These negative impacts may reflect older boys having to take on work in Mexico during the transition period in which their migrant fathers have not yet found work in the United States. More research is needed to establish whether such short-run negative effects are found in other settings, the circumstances under which they may arise, and the extent to which these effects are offset by more positive impacts in the longer run. It would also be valuable to measure nonpecuniary phenomena in origin households, such as stress and other psychological dimensions of well-being. A full assessment of the gains from migration to origin households must account for such potential losses, how they vary across contexts, and how they may change from the short to the long run.

## 4. MIGRATION HELPS ORIGIN AREAS

Beyond the effects on migrants' origin households, international migration can have more widespread economic effects on entire origin regions. The evidence on this front has grown substantially in recent years, though the literature remains more limited than that on household-level studies due to the methodological challenges of identifying area-level causal effects.

Important evidence of impacts on origin areas comes from two recent studies of negative shocks experienced by migrant populations. Caballero et al. (2023) examine how Mexican migrant exposure to employment shocks during the Great Recession (2007–2009) in the United States affected origin communities. Using exposure variation across Mexican municipalities, due to the specific US locations of migrants from Mexican source areas, they find that negative shocks to migrant employment led to reduced educational investments in origin areas. Theoharides (2020) exploits the sudden closure of migration opportunities for Filipino women to work as entertainers in Japan, examining how this policy change affected origin communities. The study finds that areas more dependent on this migration stream experienced significant negative effects: lower household incomes and higher rates of child labor.

The impacts of international migration on migrants' origin areas can be long-lasting and increasing over time. Khanna et al. (2026) study how persistent improvements in international migrant income prospects affect long-run economic development across Philippine provinces. Exploiting exchange rate shocks from the 1997 Asian Financial Crisis that differentially affected provinces depending on their overseas migrant destinations, they document substantial positive impacts that grow over subsequent decades. The positive exchange rate movements initiate a long-run process of educational investment, more migration, and increased higher-skilled (and higher-wage) migration, resulting in substantial increases in migrant income over time. Migrant

incomes are invested in education and small enterprises at home, leading migrants' origin areas to see increases in income from domestic (nonmigrant) sources as well. Remarkably, three-quarters of the long-run income gains come from increases in domestic income rather than migrant income itself. This process leads to the structural transformation of the economy away from agriculture and toward the modern sectors (particularly the service sector).

Analysis of a historical migration episode provides additional evidence of the long-run development effects of labor migration. Dinkelman & Mariotti (2016) and Dinkelman et al. (2024) study the effects of Malawian labor migration to South African mines, exploiting variation in colonial-era migrant recruitment stations and a short-term bilateral migrant labor program in 1967–1974. They find that areas with greater exposure to this time-limited migration opportunity exhibit significantly higher educational attainment, better health outcomes, and more developed local economies decades later. The primary mechanisms through which the effects operate appear to be human and physical capital accumulation funded by migrant earnings.

These findings collectively suggest that the benefits of international migration extend well beyond the migrants themselves and their immediate families to encompass broader origin communities. International migration not only has positive economic effects on origin areas in the short run but also can initiate virtuous cycles in the long run in which migrants invest their earnings in human and physical capital in origin areas. These investments can bear fruit in the long run in the form of higher domestic (nonmigrant) earnings; increased migration rates in higher-skilled, higher-wage migrant work; and, ultimately, structural transformation of the economy away from agriculture and toward the modern sectors.

Future research should seek to expand the evidence base on the impacts of international migration on outcomes in origin areas. It would be important to understand whether the positive effects found in the existing studies—on Malawi, Mexico, and the Philippines—also apply in a broader range of migration settings. It would be particularly important to find other opportunities to estimate long-run effects in settings where migration opportunities remain and can potentially evolve—as in the Philippines, where labor migration flows have persisted and grown over time. Studying settings where migration opportunities remain to the present day is valuable because a key aspect of the long-run gain from migrant income opportunities could be investments in education that facilitate higher future migration rates and more migration in high-skilled and high-wage jobs.

## 5. BRAIN GAIN VERSUS BRAIN DRAIN

One of the most contentious debates in the migration and development literature concerns whether the departure of highly skilled workers from developing countries represents a net loss (brain drain) or can actually increase human capital formation in origin countries (brain gain).[6] The traditional brain drain concern focuses on the direct loss of human capital when educated workers emigrate. When doctors, engineers, scientists, and other skilled professionals leave developing countries, they take with them years of education and training, often subsidized by their home governments. This direct loss can be substantial: Across Sub-Saharan Africa, the Caribbean, and the Pacific, people with tertiary education are 30 times more likely to emigrate than those who are less educated (Docquier et al. 2007). In some countries, emigration rates for specific skilled professions reach extraordinary levels. For example, 91% of Ethiopian-born PhD holders and one-third of doctors trained in Ghana have emigrated (Batista et al. 2025).

[6]For extensive reviews, readers are referred to Docquier & Rapoport (2012) and Batista et al. (2025).

In theory, migration opportunities can incentivize human capital investments in origin countries, potentially leading to net brain gain effects (Mountford 1997, Ortega 2005). Migrant remittances can pay for educational costs, and the prospect of future migration can also incentivize educational investments that would not have occurred otherwise. If not all of those who invest in education actually migrate, the origin country can end up with more skilled workers than it would have had without the migration opportunity.[7]

Empirical evidence using credible identification strategies has found such effects: Migration opportunities can actually increase rather than decrease the total stock of skilled workers in origin countries. Recent studies carefully establish causality by exploiting sudden policy changes that generated exogenous variation in migration opportunities. Abarcar & Theoharides (2024) provide compelling evidence of brain gain in the context of Filipino nurse migration. When the United States expanded work visas for foreign nurses between 2000 and 2006, enrollment in nursing programs in the Philippines increased dramatically. For each nurse who migrated to the United States, approximately nine new nurses were licensed in the Philippines, resulting in a substantial net increase in the country's nursing workforce. This effect was facilitated by the expansion of nursing programs, particularly at private institutions, demonstrating the importance of having flexible educational infrastructure that can respond to increased demand.

Shrestha (2016) demonstrates brain gain in a different context, examining how the British Army's shift toward education-based recruitment criteria for Nepalese Gurkha soldiers increased human capital investments. When education became a requirement for military service abroad, eligible Gurkha males increased their completed years of schooling by over one year on average. Crucially, the net effect was positive even after accounting for those who emigrated, as the vast majority of those who invested in education remained in Nepal.

Similarly, Khanna & Morales (2023) provide compelling evidence of brain gain in the context of Indian IT workers and US immigration policy. Leveraging variation in H-1B visa caps and demand shocks, they demonstrate that increased migration opportunities to the United States induced substantial educational and occupational responses in India. When the propensity to migrate increased, there was a meaningful shift toward computer science majors and occupations among populations with stronger migrant connections to the United States. While the H-1B program facilitated some migration to the United States, visa caps meant that many skilled workers who had acquired computer science skills remained in India, creating a substantial brain gain. This educated workforce enabled a rapid growth in India's IT sector, with the country eventually becoming a major exporter of software and overtaking the United States in IT exports by the mid-2000s.

Historical evidence provides additional support for long-term brain gain effects. Fernández Sánchez (2025) examines the century-long impacts of mass emigration from Galicia (Spain) to Latin America, finding that while emigration initially reduced literacy rates, it generated substantial and persistent human capital gains in future decades. The study identifies two important mechanisms: diaspora-funded school construction, where Galician migrant associations financed educational infrastructure in their origin communities, and norm diffusion, where migrants transmitted beliefs about the value of education that created lasting cultural changes. These effects demonstrate how temporary migration episodes can generate lasting improvements in human capital through diaspora investment and cultural transmission channels.

[7]Early empirical evidence for these brain gain effects came from cross-sectional and panel data studies. Beine et al. (2008) provide evidence using emigration data by education level, showing that countries combining relatively low levels of human capital and low emigration rates experience brain gain.

There are a number of fruitful directions for future research. Whether outmigration of skilled individuals leads to brain gain or brain drain may depend critically on several factors. Research should seek to explore the preconditions for brain gain versus brain drain. First of all, it is likely important that the origin country have adequate training infrastructure that can expand to accommodate increased demand for skills. Also, there should probably be sufficient uncertainty about migration outcomes; if everyone who invests in education is guaranteed to migrate, no brain gain occurs.

Furthermore, for brain gain to be beneficial in the end, the skills acquired in preparation for migration should be at least partially useful in the domestic economy, even for those who do not migrate. While the literature has shown that the emergence of migration opportunities can increase the total number of workers with specific skills (like nursing or IT), more research is needed on whether such skills may be mismatched vis-à-vis the skills most needed to promote overall development and well-being in society.

Relatedly, most current research on the topic has focused on a few large middle-income countries with relatively robust and responsive educational systems. Less is known about brain drain effects in smaller, poorer, or more fragile countries, where educational infrastructure may be less flexible and domestic opportunities more limited. Research in these other contexts can help reveal the key conditions under which brain drain or brain gain occurs.

## 6. MIGRATION HAS BROADER EFFECTS ON ORIGIN AREAS

International migration can reshape origin societies in a range of other dimensions. This section reviews evidence of impacts on business development, foreign direct investment, and trade; innovation and knowledge transfer; and the transmission of social and political norms.

### 6.1. Business Development, Foreign Direct Investment, and Trade

Skilled emigrants contribute to economic development in their origin countries by facilitating business connections, capital flows, and trade relationships. Migrant networks serve as bridges between origin and destination economies, reducing information asymmetries and transaction costs that would otherwise limit cross-border economic activity. The importance of these network connections is well-established: Munshi (2003) demonstrates that Mexican migrants with larger village-of-origin networks in the United States are significantly more likely to find employment, highlighting how social connections facilitate economic integration and information transmission across borders. Beine et al. (2015) suggest that networks lower assimilation costs for future migrants and increase the probability of obtaining visas through family reunification programs.

Recent studies using credible research designs demonstrate that migrant networks significantly increase foreign direct investment flows to origin countries. Burchardi et al. (2019) exploit historical variation in migrant settlement patterns across US counties to show that areas with larger migrant networks send substantially more foreign direct investment to migrants' origin countries. Mayda et al. (2022) exploit quasi-experimental variation in US refugee resettlement locations and show that a 10% increase in the number of refugees from a given origin country increases foreign direct investment flows to that country by approximately 2%, suggesting that even forced migrants can serve as important bridges facilitating cross-border investment. Cross-country analysis reinforces these findings, revealing strong associations between the stock of tertiary-educated migrants and foreign direct investment flows to migrants' origin countries (Javorcik et al. 2011).

Manufacturing sector evidence provides additional support for the business development channel. Kerr (2008) employs a difference-in-differences strategy exploiting an immigration reform that affected the presence in the United States of high-skilled scientists and engineers from

different origin countries. The study finds that a 10% increase in the migrant ethnic network increases manufacturing output in the sending country by 3%, operating through enhanced technology transfer and business connections between coethnic entrepreneurs.

Trade facilitation represents another important mechanism through which migration networks benefit origin economies. Migrants reduce trade costs by providing market intelligence, facilitating connections between importers and exporters, and helping firms navigate foreign regulatory environments. Natural experiments derived from Vietnamese refugee resettlement in the United States (Parsons & Vézina 2018) and Japanese ethnic networks formed during World War II imprisonments (Cohen et al. 2017) provide compelling causal evidence that migrants facilitate trade with their origin countries. Both studies document substantial effects on bilateral trade flows. The Vietnamese refugee study finds larger effects for more skilled migrants and in more skill-intensive sectors.

The trade effects appear to be bidirectional, benefiting both origin and destination countries through expanded export opportunities and access to lower-cost imports. Having a more skilled diaspora generates larger trade impacts (Bahar & Rapoport 2018), consistent with the hypothesis that educated migrants are better able to identify profitable trading opportunities and navigate the complexities of international commerce.

However, the business development effects of migration are not universally positive. Evidence from Italy using shift-share instrumental variables shows that recession-induced emigration of young, skilled workers can reduce new firm creation in migrants' origin areas (Anelli et al. 2023). This suggests that in the short run, particularly during economic downturns, the direct loss of entrepreneurial human capital can outweigh the potential benefits from diaspora networks.

Similarly, staggered difference-in-differences analysis of Eastern European countries' accession to the European Union reveals short-term negative effects on productivity in origin countries as skilled workers emigrate. Giesing & Laurentsyeva (2017) find that tertiary-educated worker emigration initially increases labor costs and reduces productivity in origin economies. Importantly, however, these negative effects dissipate over time as firms adjust their production technologies and business practices, highlighting the importance of distinguishing between short-run disruption and long-run adaptation.

The type of migrant also matters for business development impacts. Survey evidence from academic high achievers across Pacific countries reveals that it is uncommon for academics and scientists to directly facilitate business development through trade deals, knowledge transfers to firms, or venture capital provision (Gibson & McKenzie 2012). By contrast, migrant IT workers from countries like India, China, Israel, and Taiwan have played crucial roles in providing venture capital, technical knowledge, and network connections that helped establish and grow technology industries in their home countries (Saxenian 2007).

## 6.2. Innovation and Knowledge Transfer

High-skilled emigrants can facilitate innovation and scientific progress in their origin countries. They can also serve as conduits for knowledge transfer from technologically advanced destination countries back to their origin countries. Fackler et al. (2020) use policy variation in Europe to provide credible identification, finding that increases in high-skilled immigration due to changes in European labor mobility laws lead to increases in patent applications in migrants' origin countries.

Knowledge transfer often happens alongside return migration. When Chinese provinces provide incentives to attract overseas returnees, local companies that hire directors with foreign experience see improved management practices and higher firm valuations and profits (Giannetti et al. 2015). Bahar et al. (2024) exploit the natural experiment of Yugoslavian refugees returning from Germany after the 1990s wars and show that industries with 10% more returning refugees

exhibited 1–1.6% higher exports. The effects were driven primarily by refugees in knowledge-intensive occupations who had worked at high-paying German firms. Similarly, employees of multinational corporations in India who are assigned to returnee managers file significantly more US patents, suggesting that returned migrants transfer valuable innovation capabilities to their domestic colleagues (Choudhury 2016). These studies demonstrate how temporary migration can generate lasting productivity improvements in origin places through the international transfer of industrial knowledge.

Studies have also documented positive knowledge transfer effects stemming from the return migration of research scholars or academics. The Fulbright Fellowship Program, which requires fellows to return to their home countries, generates substantial research impacts: Returning fellows are cited 90% more than comparable control groups (Kahn & MacGarvie 2016). Studies of top academic achievers from Pacific countries show that while return migrants may not have greater direct research impact compared to similar nonmigrants, they serve as the primary source of cross-border research knowledge transfers (Gibson & McKenzie 2014). Return migration of US-trained African scientists increases their nonmigrant colleagues' publication output by 12% through improved access to international knowledge and research connections (Fry 2023).

Conversely, losing potential innovators through emigration can inhibit economic growth and innovation in origin countries. This creates a fundamental tension: Migration can provide access to global knowledge networks that drive local innovation, but it may also reduce the number of innovators working domestically (Prato 2025). The net effect depends on whether the knowledge inflows from diaspora networks can compensate for the direct loss of innovative human capital (Agrawal et al. 2011).

Firm responses to changes in human capital availability further complicate the innovation impacts of migration. When migration increases the supply of skilled workers, through either brain gain effects or return migration, firms may respond by investing in skill-complementary technologies that enhance productivity. Conversely, when skilled emigration reduces domestic human capital, firms may substitute toward labor-saving technologies or reduce their innovation efforts entirely. Coluccia & Spadavecchia (2021) study the impacts of US immigration restrictions in the 1920s on migrants from Italy, finding that the resulting increase in low-skilled labor supply discouraged Italian firms from investing in productivity-enhancing technologies, as firms substituted toward the more abundant factor of production.

### 6.3. Social and Political Norm Transmission

High-skilled migration can transmit social and political norms between destination and origin countries, potentially reshaping institutions, governance quality, and social practices in migrant-sending areas. This norm transmission occurs through multiple channels: Migrants may transfer values and practices acquired abroad when they return home, diaspora communities may use their resources and connections to promote social and political change, and remittances may alter power dynamics within households and communities.

Experimental evidence finds that migration shapes political attitudes among migrants themselves. Gaikwad et al. (2025) conducted an RCT facilitating international migration, connecting individuals in India with job opportunities in the Persian Gulf region's hospitality sector. Two years after the program began, individuals in the treatment group were significantly more accepting of ethnic, cultural, and national out-groups. Migration also bolstered support for international cooperation and cultivated cosmopolitan identities, demonstrating that the experience of migration can foster tolerance and reduce anti-globalization attitudes among migrants themselves.

Evidence from a post-Communist country provides particularly compelling insights into how migration can facilitate democratic transitions. Barsbai et al. (2017) examine the remarkable case

of Moldova, where the emigration wave following the 1998 Russian financial crisis contributed to the eventual fall of Europe's last Communist government. They exploit the quasi-experimental variation arising from the fact that Moldovan emigrants moved to destinations with different levels of democratic development, both to more democratic Western European countries and to less democratic Russia. Areas with higher emigration rates to Western Europe experienced significant shifts in electoral outcomes and political preferences during the following decade. Crucially, the direction of emigration mattered: Migration to more democratic destinations promoted democratic values in origin communities, while migration to less democratic destinations did not generate these effects. Emigrants serve as conduits for cultural diffusion, bringing back democratic norms acquired in destination countries. The political norm transmission effects of migration depend critically on the institutional characteristics of destination countries, with migrants serving as vectors for democratization when they move to more democratic societies.

Other studies have found similar results, underscoring that international migration can promote democratic political norms and have other positive effects on political behavior and institutions in migrants' origin societies (Chauvet & Mercier 2014, Docquier et al. 2016, Mercier 2016, Batista et al. 2019). Relatedly, cross-country evidence suggests that international education in high-quality democracies can improve governance in origin countries. Spilimbergo (2009) finds that sending students to study in established democracies is associated with subsequent improvements in the quality of democratic institutions in their home countries. This effect appears to operate through the transmission of democratic values that students acquire abroad.

Micro-level evidence from Cape Verde demonstrates how diaspora engagement can enhance demand for better governance. Areas with more emigrants, particularly educated emigrants to the United States, display greater demand for improved public services (Batista & Vicente 2011). This suggests that exposure to higher-quality institutions abroad can raise expectations for governance quality at home, creating political pressure for institutional improvements.

Experimental evidence provides additional support for norm transmission effects. A randomized intervention to improve the integration of Cape Verdean immigrants in Portugal generated spillover effects on their closest contacts in Cape Verde, who increased support for gender equity in household decision-making by 4–6% and electoral participation by 12% relative to contacts of migrants not offered the intervention (Batista et al. 2024). This demonstrates that even temporary improvements in migrant experiences abroad can transmit back to origin communities through network effects.

Gender norm transmission represents another important channel through which migration can affect social outcomes in origin countries. Evidence from the Bangladesh–Malaysia visa lottery described above shows dramatic improvements in female decision-making power within the families of successful lottery applicants. Lottery winners' wives were 148% more likely to be identified as household heads, and there was a 75% increase in the number of females holding exclusive decision-making authority in those families (Mobarak et al. 2023). These changes in gender norms can produce downstream benefits for child health and development, as female empowerment is associated with improved investments in children's education and welfare.

Migration can also generate significant changes in reproductive health norms in origin communities. Studies have found that exposure to different reproductive health policies and practices abroad is associated with differences in fertility behavior in origin areas (Beine et al. 2013, Bertoli & Marchetta 2015). Using a shift-share identification strategy, Godlonton & Theoharides (2025) find that labor migrants' exposure to more liberalized reproductive health policies abroad results in lower fertility rates in their origin communities in the Philippines. These effects operate through the transmission of knowledge about family planning technologies and changing social norms around optimal family size.

The nature of norm transmission via migrants depends on the characteristics of destination countries. When migrants move to more conservative societies, they may return with less progressive values. Evidence from Jordan shows that migrants returning from conservative Arab countries bring back more traditional gender norms compared to those returning from more liberal destinations (Tuccio & Wahba 2018).

### 6.4. Future Research

Future research can profitably explore the effects of international migration on many other outcomes in origin communities. Environmental and climate outcomes are of first-order importance. Several interrelated questions arise. Do remittances fund more environmentally sustainable practices (solar panels, clean cookstoves)? How does migration affect communities' resilience to weather shocks? Do remittances fund climate adaptation infrastructure? If migration promotes structural transformation of the economy from agriculture to the modern sectors, how does this affect deforestation and management of common-property resources?

It would also be valuable to examine impacts on inequality, social capital, and related community outcomes. How does international migration affect inequality in origin areas? What are the effects on local institutions, civic participation, and community cohesion in migrants' origin areas? Religious and cultural practices are of particular interest: How does migration affect religiosity, religious group membership, and contributions to religious and other charitable organizations?

Another area of importance is the provision of public goods and quality of public services. How does migration affect the provision and quality of public services (schools, health care, infrastructure) in origin areas? Areas with more international out-migrants could demand more and better-quality services from their governments, perhaps due to changing norms about political participation or via income effects (if better-off households make more demands from government). Alternately, governments might provide fewer public goods in areas with more out-migrants, if migrants fund private and quasi-public goods that governments would otherwise provide. An important step in this direction is described by Hilmy (2025), who shows that positive shocks to migrant income prospects (due to exchange rate shocks) in Indonesia lead to greater provision of government public schools in migrants' origin areas.

## 7. MIGRATION POLICIES FOR DEVELOPMENT

Given the substantial evidence on migration's positive development impacts, what are the implications for policy? What policies and interventions can raise these benefits while reducing the potential costs? This section examines evidence on policies designed to enhance the development impacts of migration.

### 7.1. Facilitating Migration

Given the enormous wage gains resulting from international migration, and the existing evidence on positive impacts on origin households and communities, policies that reduce barriers to migration have substantial potential for poverty reduction and economic development.

Temporary worker programs represent one of the most politically feasible approaches to expanding migration opportunities. Countries across South Asia, Southeast Asia, Latin America, and other developing regions have created extensive temporary migration systems that send millions of workers abroad annually under bilateral agreements (International Labour Organization 2022). These programs can generate substantial development benefits while addressing destination countries' concerns about permanent settlement.

One way to facilitate migration in some contexts would be to alleviate financial or credit constraints. Angelucci (2015) demonstrates that households randomly assigned to receive cash

transfers in Mexico become substantially more likely to send migrants to the United States. The effect appears to operate by raising household access to loans for migration, likely because with the ongoing cash transfer they are seen as safer borrowers by creditors. This suggests that policies reducing financial barriers to migration, such as improved access to credit markets or migration financing programs, could help expand migration opportunities even without changes in destination country policies.

However, dramatic expansions of legal migration opportunities face significant political obstacles in destination countries. Despite the economic evidence of the gains from increased labor mobility, public opinion in developed countries often opposes expanded immigration (Hanson 2009). Mayda (2006) demonstrates that individual attitudes toward immigration are systematically related to economic factors, reflecting labor market competition concerns. Facchini & Mayda (2008) show how these individual attitudes translate into policy outcomes: Restrictive immigration policies align with the preferences of voters who generally oppose expanded immigration. Anti-immigration attitudes may be difficult to change, since many are emotionally based, as found by Manzoni et al. (2024) in a survey experiment in Italy.

Given these political constraints, policymakers have explored innovative approaches that can expand migration opportunities while addressing destination country concerns. One promising model is Global Skill Partnerships (GSPs) (Clemens 2015). GSPs reframe immigration from creating competition for jobs to filling documented skill shortages in destination countries. GSPs involve bilateral agreements in which destination countries help finance technical training programs in origin countries specifically targeting occupations where domestic labor supply is insufficient, such as health care, construction, IT, and hospitality. This approach directly addresses public concerns about job displacement by ensuring that migrants arrive with precisely the skills that destination country employers cannot find domestically, while simultaneously strengthening origin countries' training capacity and retaining of many skilled workers at home.[8]

Another innovative approach involves market-based mechanisms for coordinating migration policies. Fernández-Huertas Moraga & Rapoport (2014) propose tradable immigration quotas that would allow countries to reveal their comparative advantages in hosting immigrants while internalizing the positive externality that migration creates for global poverty reduction. Such mechanisms could potentially expand migration opportunities while addressing destination countries' concerns about the costs of immigration.

These policy innovations are examples of creative institutional designs that may help expand legal pathways for migration in the face of political constraints. The challenge for development policy is to build on these promising approaches while also focusing on leveraging the substantial existing stock of international migrants more effectively for the development of migrants' origin communities.

## 7.2. Protecting Migrants and Improving Working Conditions

Improving migrants' working conditions and reducing exploitation represent both a human rights imperative and a development opportunity. Better-treated migrants are likely to earn more, stay abroad longer, and send more remittances home. The evidence base is relatively scarce, but recent evidence demonstrates that simple, low-cost interventions can help improve migrant outcomes.

[8]Several countries have piloted GSPs: Belgium in North Africa's information and communication technologies sector, Australia and New Zealand with hospitality workers from Pacific Islands, Germany in construction and engineering partnerships globally, and the United Kingdom with health care partnerships in Sub-Saharan Africa (Postel 2022).

Barsbai et al. (2026) conducted an RCT among Filipino women working as domestic workers in Hong Kong and Saudi Arabia, testing an intervention that encouraged workers to show employers a family photo while providing a small gift when starting employment. The intervention caused domestic workers to experience less mistreatment, have a more satisfactory relationship with the employer, and be more likely to stay with the employer. Follow-up experiments with potential employers suggest that the mechanism appears to be a reduction in employers' perceived social distance from their employees. The study reveals that simple humanizing interventions can have meaningful impacts on migrant treatment.

Information interventions also show promise for protecting migrant workers. Shrestha & Yang (2019) conducted a randomized experiment among Filipino domestic workers in Singapore, providing information about legal rights related to changing employers. The treatment led to improvements in knowledge of legal rights related to changing jobs as well as in job conditions (e.g., improved hours and other conditions of work). Treatment effects were concentrated among workers who initially had low knowledge of their legal rights and those with poor initial job conditions, who also became more likely to change employers in response to treatment.

Regularization programs providing legal status and work authorization in destination countries represent another important policy tool for protecting vulnerable migrants. Ibáñez et al. (2022) evaluate the impacts of a regularization program in Colombia for refugees from Venezuela, showing how legal status can improve access to formal employment and basic services. Even unpaid work can have substantial positive impacts on the psychosocial well-being of vulnerable migrants, as found by Hussam et al. (2022) among Rohingya refugees in Bangladesh.

These studies highlight the potential for simple interventions to improve migrant well-being and labor mobility. At the same time, there is a great need for further research on effective approaches to protect migrant workers and allow them to exercise their legal rights.[9]

## 7.3. Information Provision

Information provision to migrants represents another widely considered policy tool. Studies of the effects of information interventions for migrants reveal that better information can often have unexpected effects on financial behaviors, migrant integration, social network formation, and migration decisions themselves.

Financial education is a common intervention with complex effects that depend on program design and targeting. Doi et al. (2014) conducted an RCT among Indonesian migrant households, assigning female migrants and their families to four groups: control, migrant-only training, family member–only training, and combined training. The results revealed striking complementarities: Training the migrant and family member together increased formal savings by approximately 40% and substantially improved financial planning and budgeting. Training only the family member produced smaller positive effects, while training only the migrant had virtually no impact on family members' financial behaviors. These findings demonstrate that financial education's effectiveness in migrant households requires coordinated training of both sides of the transnational household to align financial knowledge and decision-making. Seshan & Yang (2014) provide additional evidence, finding that a brief motivational workshop for Indian migrant workers in Qatar increased joint financial decision-making with spouses back home and raised savings among migrants who had initially low savings levels. The study demonstrates that even minimal interventions can have measurable effects when properly targeted.

[9]A systematic review by Evagora-Campbell et al. (2022) found only two papers on interventions addressing determinants of migrant worker health.

Information interventions can have unexpected effects on social network formation. Barsbai et al. (2024) conducted an RCT among new Filipino immigrants to the United States, providing improved information about settling in the country. Contrary to expectations, the treatment led immigrants to acquire fewer new social network connections. Treated immigrants made 16–28% fewer new friends and acquaintances and were 65% percent less likely to receive support from organizations of fellow immigrants. The treatment had no effect on employment, well-being, or other outcomes. These findings suggest that information and social network links can serve as substitutes in the immigrant integration process: Better-informed immigrants may invest less in expanding their social networks upon arrival because they have less need for the information and support that networks provide.

Evidence from origin countries reveals similarly complex effects of information provision on migration decisions. Beam et al. (2016) conducted a large-scale randomized experiment in the Philippines testing the impact of facilitating international labor migration through information provision, job search assistance, and documentation support. Despite providing comprehensive information about overseas work opportunities, application processes, and financing options, the interventions had no identifiable effect on international labor migration rates. Even their most intensive treatment, which doubled the rate of job offers, failed to increase actual migration. The study found that substantial fractions of those induced to search for overseas jobs were screened out by recruitment agencies and overseas employers, while others who received job offers ultimately rejected them.

These findings suggest that lack of information is not a primary barrier to migration in some contexts. In high-migration contexts like the Philippines, demand-side factors—and potential migrants' aversion to migration due to risk or other reasons—may be more binding constraints than information gaps. Unilateral migration facilitation efforts in migrants' origin areas may have limited impacts without complementary bilateral agreements or demand-side interventions.

However, information provision can be effective when targeted at specific decision-making processes. Tjaden & Dunsch (2021) conducted an RCT in Senegal testing peer-to-peer information interventions about the risks of irregular migration to Europe. The intervention used emotional films and in-person discussions with past migrants to provide relatable information about migration dangers. Three months after the intervention, treated individuals showed increased subjective information levels, higher risk awareness, and reduced intentions to migrate irregularly. The effects appeared to operate through enhanced trust and identification with peer messengers rather than through factual knowledge transmission, as the intervention had no substantial effects on factual migration knowledge.

In addition, the relationship between information access and migration may depend on the type and source of information. Adema et al. (2022) show that mobile Internet access increases both the desire and plans to emigrate, using global data from 112 countries. They find that 3G rollout causally increases emigration intentions, particularly among higher-income individuals, primarily by reducing the costs of acquiring information about potential destinations. This suggests that while targeted information interventions may have varied effects, broader improvements in information access through technology can significantly influence migration aspirations.

The contrast between these studies illustrates that the effectiveness of information interventions depends critically on the specific information provided, the delivery mechanism, and the decision context. Information about opportunities is less effective than anticipated, while emotionally salient risk information delivered through trusted peer networks can influence migration intentions. The Senegal study's success may reflect the particular salience of safety information for dangerous irregular migration routes, where the gap between perceived and actual risks is substantial.

These findings collectively suggest that information interventions should be designed with careful attention to how information interacts with existing knowledge sources, social networks, and decision-making processes. Policymakers should consider whether information provision might crowd out other valuable forms of support or learning and whether the specific type of information addresses genuine knowledge gaps.

## 7.4. Facilitating Migrant Control

Experimental evidence points to promising interventions that increase migrants' control over how remittances are used by households in origin countries. These interventions address a key challenge in transnational households: Migrants and recipients may have different preferences regarding savings, investment, and consumption decisions. Recent research reveals that these preference differences reflect both strategic behavior and inadvertent information asymmetries that can shape household financial decision-making.

Research has demonstrated the existence of information asymmetries in transnational households. Ambler (2015) conducted experiments among Salvadoran migrants in Washington, DC, and their families in El Salvador. The study found that migrants strategically send less money home out of windfall income when the windfall is not revealed to recipients, while remittance recipients make spending choices closer to migrants' preferences when those preferences are shared. The study demonstrates that information problems run in both directions, affecting both migrant remittances and the spending decisions of remittance-receiving households.

Recent work by Rehman (2023) provides evidence of strategic misreporting in migrant households using a field experiment among Filipino migrants in the UAE and their spouses in the Philippines. The study found that spouses staying behind systematically underreport their income by 31% when it is observable to migrants, with these reporting patterns consistent with strategic behavior aimed at influencing migrant remittances. Both migrants and their spouses harbor biased beliefs about each other's finances, highlighting the pervasive nature of information asymmetries in transnational relationships.[10]

Joseph et al. (2018) provide evidence using matched administrative data from the UAE that directly demonstrate how asymmetric information affects remittance patterns. Comparing administrative data on migrants' actual earnings and remittance transactions, they show that the income elasticity of remittances depends critically on whether income changes are observable to the families at home. The study finds that remittance responsiveness to income changes is greater when those changes are more easily verifiable by families in origin countries. This suggests that migrants strategically vary their remittance behavior based on what income information families can observe or verify.

Given these information asymmetries and preference differences, migrants demand mechanisms to enhance their monitoring and control over remittance uses, and interventions that provide such mechanisms do affect how remittances are used. Ashraf et al. (2015) conducted an RCT among US-based migrants from El Salvador, offering financial tools that improved migrants' ability to ensure that remittances were deposited and accumulated in savings accounts in their home country. The results revealed strong demand for monitoring and control: Migrants

[10]The measurement challenges documented by De Arcangelis et al. (2023), who compared remittance administrative records (from a remittance company) with self-reported remittances from both migrants and recipients, further illustrate these information problems. While migrant-reported remittances were only 6% lower than administrative records, recipient-reported remittances were 23% lower than migrant reports on average.

assigned to treatments offering greater oversight were significantly more likely to open savings accounts and accumulated substantially more savings in El Salvador.[11]

Education is another area where increased migrant control can lead to increased investments. Ambler et al. (2015) implemented an RCT offering Salvadoran migrants the ability to directly fund educational expenses for students of their choice in El Salvador, with additional treatments providing matching funds. While there was no demand for unmatched educational remittances, demand became positive when matched funds were offered. The intervention generated substantial crowd-in effects: For each dollar received by beneficiaries in El Salvador, educational expenditures increased by $3.72. The matching offer led to increased educational spending, higher private school attendance, and reduced youth labor supply in El Salvador.

Similar findings emerge from other contexts. De Arcangelis et al. (2015) found that Filipino migrants in Italy shared more with home country family members when they could channel funds toward education or signal that funds should be used for education. The demand for such directed giving was positively correlated with real-world uptake of an educational remittance service that allowed migrants to pay schools directly.

These studies collectively indicate that interventions that give migrants greater monitoring capability, enable directed giving toward specific purposes, or facilitate explicit communication about spending preferences can raise the extent to which remittances are saved and used for longer-term investments such as education and enterprise development.

## 7.5. Future Research

Migration-related policies with the highest potential impact on development remain those that simply allow more migration in the first place. While political constraints make dramatic expansions of migration opportunities unlikely in the near term, there are opportunities to enhance development impacts via interventions for the existing stock of migrants. This review has discussed several promising approaches, particularly interventions that improve migrant treatment, provide information, and give migrants greater control over remittance uses. All these areas still have a relatively thin evidence base, so further studies of interventions in these areas will be beneficial, particularly in different migration corridors.

There is scarce or zero evidence on the impacts of other types of migration-related interventions. A few avenues of research seem particularly worthwhile. Reducing remittance transaction costs is a widely stated policy priority. The UN Sustainable Development Goals call for reducing remittance costs to below 3% by 2030 (United Nations 2015), recognizing that high fees disproportionately burden poor migrant families. The rapid growth of mobile money and other financial technologies offers promise for reducing costs. Some experimental evidence exists: Ambler et al. (2014) found that fee reductions increased both the magnitude and the frequency of remittances sent by Central American migrants, and Nakasone et al. (2024) tested fintech comparison tools for remittances. However, the overall evidence base remains thin relative to the policy priority placed on this issue. This is an important area for future research.

[11] Research on preferences for in-kind versus cash transfers provides additional insights into migrants' desire for control. Batista et al. (2015) conducted a lab-in-the-field experiment with urban participants in Mozambique, finding that people share more with counterparts when they have the option of giving in kind (goods) compared to giving in cash. The effect appears driven by a desire to control how recipients use transferred resources. Torero & Viceisza (2015) tested whether Salvadoran migrants in the Washington, DC area prefer to send remittances as grocery vouchers or cash. They found that migrants prefer remittances to arrive as cash rather than groceries when stakes are high, but the preference for cash appears to reflect migrants' desire to maintain flexibility over recipient spending rather than a rejection of control mechanisms entirely.

Diaspora engagement policies attempt to harness the resources and networks of emigrants without requiring their physical return. These include diaspora bonds for development financing (Ketkar & Ratha 2010), programs to facilitate diaspora investment in origin countries, and efforts to leverage diaspora knowledge and networks for trade and technology transfer. Systematic evaluation of such programs remains limited, representing an important area for future research.

Policies to encourage return migration represent another potential avenue for increasing development impacts. Bucheli & Fontenla (2022) demonstrate that return migrants can generate positive spillovers for origin communities through entrepreneurship, skill transfer, and business network effects. Several countries have implemented programs offering financial incentives, tax benefits, or simplified bureaucratic procedures for return migrants, and these represent valuable avenues for research.

## 8. CONCLUSION

International migration from developing to developed countries represents one of the most powerful forces for economic development available to the global community. International migration generates extraordinary income gains for the migrants themselves, and it also has substantial positive impacts on the families left behind, with migrant resources funding educational investments, entrepreneurial activities, and consumption smoothing. Studies have also found that when migrants' income prospects improve, there can be positive effects on their entire origin areas in terms of human capital accumulation and general growth in consumption and income.

Contrary to concerns about brain drain, recent research reveals brain gain in many contexts: Migration opportunities increase educational investments and skill formation in origin countries. Migration also generates broader development benefits through enhanced business linkages, foreign direct investment, trade facilitation, innovation and knowledge transfers, and the transmission of positive social and political norms.

The existing evidence base has important implications for development policy. Facilitating international labor mobility should be considered a key component of economic development strategy. While political constraints in destination countries limit the scope for dramatic migration expansions, even modest increases in labor migration could generate substantial welfare gains. In addition, policies that enhance the development impacts of existing migration flows show considerable promise. Interventions that improve working conditions abroad, alleviate information constraints, and give migrants greater control over remittance uses can amplify migration's development benefits.

Future research should continue to expand the evidence base in several key dimensions. Priority areas include broadening the evidence on migration's impacts beyond the current focus on middle-income countries to encompass smaller, poorer, and more fragile states. It is also important to provide more evidence on migration's potential costs, such as the costs of family separation, exploitation and abuse of migrant workers, and initial postmigration adjustment costs for origin households.

It remains crucial to explore the preconditions for brain gain versus brain drain, in particular the capacity of educational systems to satisfy demand for skills in migrant work. Research is also needed on the effects of migration on environmental outcomes, inequality and social cohesion, and the quality of governance and public goods provision.

On the policy front, studies of interventions to protect migrant workers, improve working conditions, and enhance migrants' control over remittance uses show promise, but more evidence is needed. Systematic evaluation of initiatives for diaspora engagement, return migration, and remittance cost reduction is an important research priority. Expanding this evidence base is essential for

designing policies that maximize migration's development potential while minimizing its negative consequences, so as to harness a promising tool for global poverty reduction.

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