Estimating the effects of migration and remittances on the left-behind in Cambodia

Background
The number of formal international migrants, from Cambodia, increased on average by 33% per annum during 2001-2015. Thailand remains the most popular destination among migrants (both formal and informal routes) - mainly due to inexpensiveness, convenience and proximity.

Research question and objectives
There is increasing demand for reliable evidence base to inform policy solutions to related issues, and options to harness maximum development benefits. This project aims to conduct rigorous analysis of the effects of internal and international emigration on households’ wellbeing - including the level, depth and severity of poverty, as well as labour participation. The study also examines the heterogeneous effects of emigration on the above outcomes.

Key findings
The analysis of data shows that, compared to their “non-migrant” counterparts, emigrant households
- are larger, including more working age members
- are better educated
- come from rural areas
- have lower poverty headcount
The researchers found evidence that emigration helps:
1. reduce poverty incidence
Relative to comparable non-migrant households:
- poverty headcount of households with at least one migrant is 3-5% lower, and 5-7% for those with one international migrant.
2. increase total consumption:
- consumption level of households with one internal migrant is 10-12% higher, and 12-14% for those with one international migrant.
3. reduce poverty depth, but the effect is small at 1% for internal migrant-sending households, and 1-2% for those with international migrants.
However, the results also show that emigration reduces incentives to work among left-behind household members, who work 8-10% less than those of non-migrant households.
The researchers also disentangled the heterogeneous effects of emigration and found that:
• Total consumption decreases due to emigration for households below poverty line.
• The effect on poverty incidence depends on the duration (length) of emigration - reduction is more important in households with longer periods of migration.

Policy implications
Considerations for policymaking:
Results suggest that emigration, often combined with remittances, could be a short-term solution to help reduce poverty. However, the negative effect of emigration (through remittances) on labour supply of the left-behind household members must be taken into account if/when considering this solution for the medium and long terms. In any case, emigration seems not be a viable solution for poor households (below poverty line) - for whom direct subsidies and/or other social protection programmes may be more effective.

Recommendations on data:
The researchers recommend a more systematic way of surveying migrants and migrant-sending households, for methodological purposes. If no panel data is kept, including retrospective questions about migrants and their households could be beneficial.

Data and methodology
Data: 2009 Cambodia Socio-Economic Survey (CSES)
Sample of 12,000 households, in 24 provinces/cities
Data shows that the majority of migrants (internal and int’l):
- Are young (15-35), with no significant difference in gender
- Transfer remittances to households through informal channels
Method: Propensity Score Matching
• To identify and compare outcomes of households with at least one migrant to those of households without migrants (i.e. building two groups of comparable households.).

Heterogeneous effects of emigration on various outcomes

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