



Development Aid and International Migration

- Aid has negligible effects on irregular flows to Italy
- Estimated costs to deter one regular migrant is in the range of \$4-\$7 million
- Aid is better used for other purposes, where it's more effective

Background

In response to record numbers of refugees and migrants arriving in Europe since 2014, EU institutions and member states have mobilized significant funding to address the so-called 'root causes' through development programs. One recent example is the \$5 billion *European Union Emergency Trust Fund for stability and addressing root causes of irregular migration and displaced persons in Africa* (EUTF for Africa).

The use of development assistance to reduce migration is rooted in neoclassical theories of migration. In this view, people move from poorer to richer areas. If development aid can redistribute wealth from North to South, it should lead to reduced migration by decreasing the economic gap between donors and recipients.

This study asks whether that policy lever is effective, specifically: has development aid contributed to reducing irregular migration through Italy.

Methodology

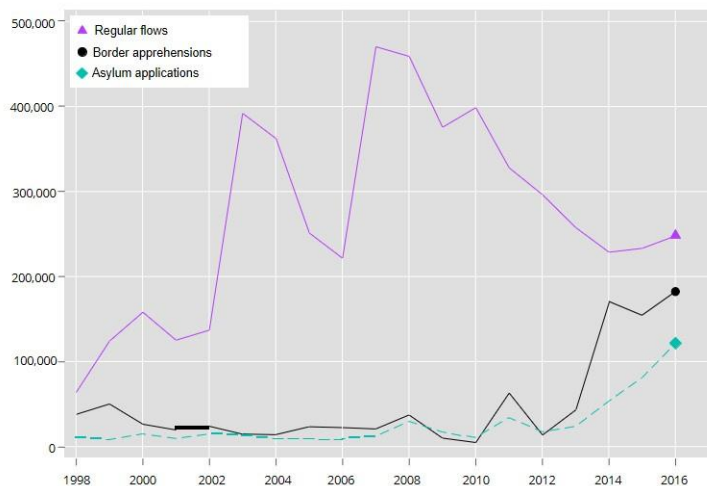
We focus on one destination because there is limited comparability of national migration statistics and potentially large problems of double counting. We choose Italy as it is one of three key entry points to Europe, via the Central Mediterranean Route.

Until recently, literature measured migration flows through visas and work/residence permits. But regular migrants are not the main target of deterrence policies. We bring new evidence adopting two measures to directly test the effect of aid on irregular flows.

First, we use the number of illegal crossings detected along the Italian segment of Europe's external border between 2009 and 2016. Second, we use the number of asylum applications lodged in Italy from 2003 to 2016.

We account for other determinants of migration such as population size, income at origin and entry regulations. In this way we can isolate any effects of development aid on migration flow. We consider both bilateral aid from Italy and total aid from all other donor countries.

Figure 1: Aggregate Immigrant Flows to Italy from Non-DAC Countries, 1998-2016



Empirical Results

Our main finding is that any effect of bilateral or total aid on irregular migration is small, and tends to be statistically insignificant.

The most optimistic case we can make is that bilateral aid from Italy has a small deterring effect on the number of irregular migrants only from richer countries with per capita income of over 8,000 PPP\$. To give a sense of the magnitude, taking the case of Iraq in 2016, **this result implies a cost of around \$1.8 million to deter a single border crossing.**

When using the number of asylum applications, the most significant result is the effect of bilateral aid from Italy is always positive and small. Increasing bilateral aid from Italy to a given country is associated with a small increase in the number of asylum seekers from that country.

Using measures of regular migration, we find an estimated cost of deterring one migrant in the range of \$4-\$7 million. While previous work often reported statistically significant results, they are of similar magnitude.

Taken together the empirical evidence indicate that aid is not effective at deterring migration.

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Full article available at: <https://onlinelibrary.wiley.com/doi/abs/10.1111/twec.13017>

Policy Implications

There is no convincing evidence that development assistance reduced migration flows. In the best-case scenario, aid will have a very limited deterring impact on migration flows with high costs per deterred migrant.

Development cooperation has been found to have positive impacts in many areas. Spending should be concentrated where the added value is greatest. Allocating aid to respond to immigration concerns diverts resources from poverty alleviation objectives, while not being effective at delivering migration control outcomes.

Policy coherence must be ensured when aiming at tackling the 'root causes' of migration. We find that other factors, such as low incomes, conflict, entry regulations and population size may have a more robust effect than aid. Development initiatives should be considered in coherence with other policy areas that can affect migration, such as immigration, trade and agriculture.

Effective evaluation designs should be integrated into ongoing projects that aim at affecting the drivers of migration. This will complement studies at the macro level. Future programming could then rely on stronger evidence to steer assistance towards sectors and modalities that maximize potential gains.