

## Chapter 11

# Boosting immigrants' contribution to development and promoting their integration

*Immigrants contribute in many ways to the economic and social development of their host country. Several of the IPPMD project partner countries – Burkina Faso, Costa Rica, Côte d'Ivoire and the Dominican Republic – are increasingly important destinations for immigration thanks to their better growth and job prospects relative to other countries in their regions. This chapter explores the immigration trends for these countries, drawing on the IPPMD data. It presents evidence from the survey on the potential contribution made by immigrants to their host economy, as well as several obstacles in the way of fulfilling their development potential. Public policies can contribute to improving the integration of immigrants in their countries of destination.*

For the last 50 years, immigration has been on the rise, particularly in OECD member countries (OECD, 2014a). Social and economic stability and high growth rates have attracted millions of workers from other countries, many from developing ones. Nevertheless, OECD countries are not the only countries to receive immigrants. Some developing countries with better growth and job prospects than others in their region have become regional hubs for immigrants who may not be able to afford, desire or have the opportunity to go to the richer OECD countries.

Even though immigrants contribute to the economy in many ways (OECD, 2014b), policy makers often neglect to support their economic and social integration. This is particularly the case in a number of developing countries (OECD, 2011). However, migrant rights and integration matter – making immigrants feel part of the country's social fabric can reinforce social cohesion and promote higher productivity. This is why the 2030 Agenda for Sustainable Development and the Sustainable Development Goals (SDGs) makes it clear that immigration and integration are key components of development. SDG 8.8, in particular, underlines the importance of protecting the labour rights of migrant workers (UN, 2015).

Several of the IPPMD countries, including Burkina Faso, Costa Rica, Côte d'Ivoire and the Dominican Republic, are important destinations for immigration. This chapter explores the immigration trends for these countries, drawing on the IPPMD data. It presents evidence from the survey on the potential contribution that immigrants can make to their host economy, as well as the obstacles that prevent them from fulfilling this potential. It concludes with policy recommendations to maximise the integration of immigrants for their benefit and for development more widely.

Table 11.1. **Immigration, sectoral policies and development: Key findings**

How does immigration affect countries of origin?	How do sectoral policies affect immigrant integration?
<ul style="list-style-type: none"> <li>● Immigration provides an ample supply of labour for the economy and can fill labour shortages in certain sectors.</li> </ul>	<ul style="list-style-type: none"> <li>● A lack of a formal labour contract or access to agricultural aid reduces immigrants' economic integration.</li> </ul>
<ul style="list-style-type: none"> <li>● Households with immigrants invest more in non-agricultural businesses than households without immigrants.</li> </ul>	<ul style="list-style-type: none"> <li>● The lack of access to education programmes, health facilities and social protection undermines social integration.</li> </ul>
<ul style="list-style-type: none"> <li>● Immigrants are less educated and immigrant children are less likely to go to school than native-born individuals.</li> </ul>	<ul style="list-style-type: none"> <li>● Immigrants who have formal labour contracts (or regular migration status) are more likely to invest in the host country than native-born individuals.</li> </ul>
<ul style="list-style-type: none"> <li>● Immigrants are less likely to pay taxes than native-born individuals, but they also receive fewer government transfers.</li> </ul>	

Note: These findings do not apply to all countries. More country-specific findings can be found in the IPPMD country reports.

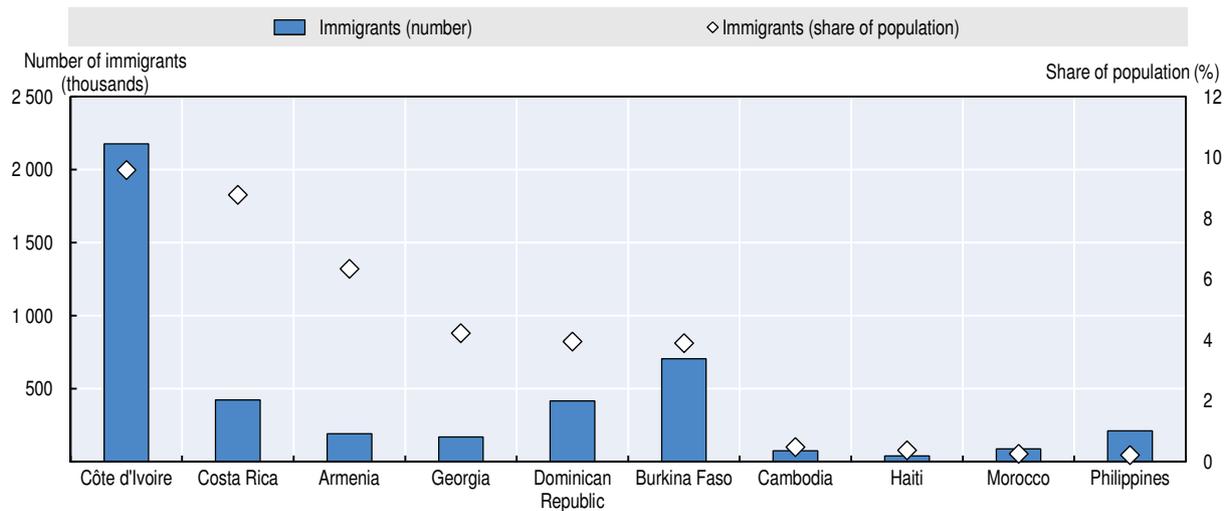
## Immigration is quantitatively important in six of the IPPMD countries

The IPPMD partner countries reflect a variety of migration experiences – not all of them are important immigration countries quantitatively (Figure 11.1). Côte d'Ivoire, with 2.2 million immigrants, has by far the largest immigrant stock of the ten IPPMD partner

countries and the largest share of immigrants in its population (9.6%). Immigration is also quantitatively important in Armenia, Burkina Faso, Costa Rica, the Dominican Republic and Georgia, as a share of the population.

**Figure 11.1. Immigration rates vary widely across countries**

Total number of immigrants vs. share of immigrants to population (2015)



Note: According to UNDESA, the definition of an international immigrant is any person who changes his or her country of usual residence and has lived in the host country for at least one year. Countries are ordered according to the share of immigrants in the population, starting with the highest.

Source: UNDESA, International migrant stock: The 2015 revision, [www.un.org/en/development/desa/population/migration/data/estimates2/index.shtml](http://www.un.org/en/development/desa/population/migration/data/estimates2/index.shtml).

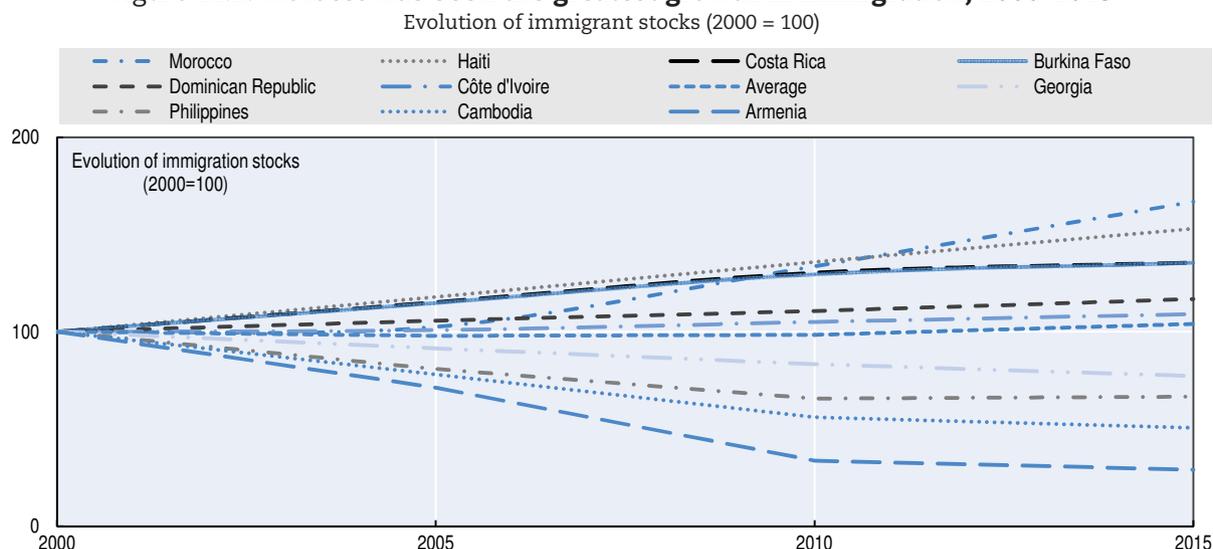
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A snapshot in time of immigrants in a country reveals little about the evolution of migration flows. Normalising immigration levels at 100 in the year 2000 and following their evolution to 2015 shows that, even though the number of immigrants in the country is low, Morocco has experienced the highest relative growth (67%) of the ten countries (Figure 11.2). In addition, countries that already had large stocks of immigrants in 2000 also grew over the 2000-15 period, including Costa Rica (36%), the Dominican Republic (17%) and Côte d'Ivoire (9%). In contrast, Armenia had negative growth in its immigration stocks over the period (-71%), as did Cambodia (-49%), the Philippines (-33%) and Georgia (-23%) – a sign that many immigrants have left the country. On average, the stock of immigrants in the IPPMD countries grew by about 4%.

The IPPMD project collected data on immigrants in six countries: Armenia, Burkina Faso, Costa Rica, Côte d'Ivoire, the Dominican Republic and Morocco. As explained in Chapter 2, the objective of the methodological framework was to sample migrant and non-migrant households in equal parts (50/50).<sup>1</sup> The migrant sample was not constrained in any way for Burkina Faso and Côte d'Ivoire, therefore the share of immigrants in the migrant sample reflects their relative importance with regard to other migration dimensions, such as emigration and return migration. In Costa Rica, emigrant households were difficult to track down and many refused interviews, so the immigrant household sample is likely overstated in comparison. In addition, in the Dominican Republic, the sampling frame was constrained to an equal amount of immigrant and emigrant/return migrant households, though slightly more immigrant households were interviewed in the end. Because of the low totals of immigrant households sampled in Armenia and Morocco, a full analysis was

not possible in these countries.<sup>2</sup> As such, this chapter focuses solely on the data collected in Burkina Faso, Costa Rica, Côte d'Ivoire and the Dominican Republic.

Figure 11.2. **Morocco has seen the greatest growth in immigration, 2000-2015**



Note: According to UNDESA, the definition of an international immigrant is any person who changes his or her country of usual residence and has lived in the host country for at least one year.

Source: UNDESA, International migrant stock: The 2015 revision, [www.un.org/en/development/desa/population/migration/data/estimates2/index.shtml](http://www.un.org/en/development/desa/population/migration/data/estimates2/index.shtml).

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Table 11.2 summarises the data collected for the IPPMD project. As expected, the share of immigrants is relatively high in Costa Rica (81% of migrant sample) and Côte d'Ivoire (61%), consistent with official data, while the lower rates in Burkina Faso (32%) are also a reflection of official data. In absolute numbers, the number of sampled immigrants is high in Costa Rica (1 578), Côte d'Ivoire (1 347) and the Dominican Republic (1 016).<sup>3</sup>

Table 11.2. **The share of immigrant households sampled reflects the official statistics**

Country	Number of individual immigrants sampled	Immigrant households sampled			Non-migrant households sampled	
		Total	Share of total sample (%)	Share of migrant sample (%)	Total	Share of total sample (%)
Armenia	133	81	4	8	996	50
Burkina Faso	449	264	12	32	1 375	63
Costa Rica	1 578	757	34	81	1 299	58
Côte d'Ivoire	1 348	708	30	61	1 180	50
Dominican Republic	1 016	529	26	55	1 073	53
Morocco	52	39	2	4	1 126	50

Note: Immigrants are individuals born in another country and who have lived at least 3 months in the current one. Immigrant households are those with at least one member that is an immigrant. Non-migrant households are those with no emigrants, returned migrants or immigrants.

Source: Authors' own work based on IPPMD data.

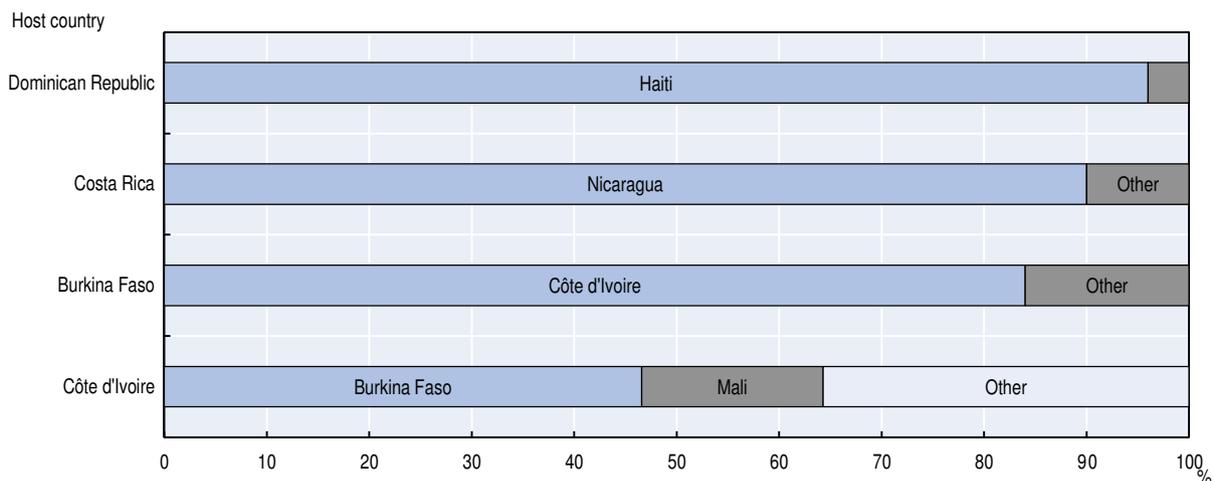
Where immigrants come from plays an important role in how they immigrate and the success of their integration in the host country. In all countries, more than 97% of immigrants come from low and middle-income countries. This has implications for the

types of immigrants who arrive, as well as their propensity to return to their home country. Immigrants who leave a low-income country to live in another low-income country have typically lower levels of education than those who go to high-income countries (Campillo-Carrete, 2013; Dumont et al., 2010) where admission restrictions are more severe (Long et al., 2006). In other words, the positive self-selection of migrants based on human capital is less evident in migration corridors between developing countries. In addition, while many integration approaches are based on countries that tend to be relatively homogenous in terms of language, culture and ethnicity, this is often not the case in the fractionalised and multi-ethnic countries where borders are porous and immigration controls lax (OECD, 2011).

Burkina Faso, Costa Rica, Côte d'Ivoire and the Dominican Republic also differed in the variety of source countries for their immigrant stocks. In Burkina Faso, Costa Rica and the Dominican Republic, more than 80% of immigrants in the IPPMD data originate from a single, neighbouring country (Côte d'Ivoire, Nicaragua and Haiti respectively) (Figure 11.3). The countries of origin of immigrants in Côte d'Ivoire are more varied, although two-thirds of them come from just two countries: Burkina Faso and Mali. The immigrants in the IPPMD partner countries thus mostly originate from low and middle-income countries, largely because they lack the skills and means to find jobs in wealthier countries. According to data collected by Gallup, Burkinabè, Haitians and Nicaraguans may prefer to emigrate to France, Spain or the United States, but it is only the relatively more educated who succeed (Gallup, 2016). This situation could benefit Costa Rica, Côte d'Ivoire and the Dominican Republic; many jobs remain vacant in those countries, because native-born workers do not want them. For instance, in Costa Rica jobs in the agricultural, domestic work and transport sectors are not being filled (Sojo-Lara, 2015). Such sectors could all receive a boost from the many lower-educated immigrants who are motivated to find work.

Figure 11.3. **Many immigrants come from a single neighbouring country**

Share of immigrants' country of origin (%), by host country



Source: Authors' own work based on IPPMD data.

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The IPPMD data also show that, for immigrants in Costa Rica and the Dominican Republic, better economic conditions, such as wages and job prospects, were the main reasons for choosing these countries, whereas in Burkina Faso it was a mix of study and family reasons. In Côte d'Ivoire, where Burkinabè and Malians have a long-standing

tradition of working in the cacao fields and in trade, most immigrants stated that they chose to come because they knew someone who lived in the country (not shown). Those immigrating for economic reasons are usually motivated to work and fill gaps in the labour market (OECD, 2014b). They may, in addition, choose the destination country based on their skills. Those who immigrate through social networks typically find jobs through the same networks, whose characteristics may largely determine what sectors and occupations immigrants enter.

In general, immigration experience varies highly from country to country. The weight of immigration and the type and diversity of migration corridors, as well as the characteristics of migrants, influence how immigration in turn affects the country. The following section discusses these impacts.

### **Despite their positive contribution, immigrants' full economic potential is still untapped**

In Chapters 3 to 7, the impact of immigration was discussed in the context of the labour market, agriculture, education and social protection and health. The overall finding was that, although immigrants make a positive contribution to the economy, their full potential is still untapped for a variety of reasons. This section summarises the positive ways in which immigrants contribute, but then outlines areas where their contribution could be improved. These can be summarised as follows:

1. Immigrants contribute labour to the host country.
2. Immigrants invest in the host country.
3. Immigrant education levels are low, and sometimes underused.

#### ***Immigrants contribute labour to the host country***

Both the literature and the IPPMD research provide ample evidence of the many ways in which immigrants contribute to the host economy. They fill labour shortages, pay taxes, and boost the working-age population and technological progress (OECD, 2014b). Moreover, contrary to common belief, their impact on the wage levels and employment of native-born workers is often zero or negligible (Friedberg and Hunt, 1995; OECD, 2007), including in developing countries (Gindling, 2009, on Costa Rica).

As is evident in Chapter 3, immigrants bring valuable labour to the country, and are more likely than native-born individuals to be working and to be in their most productive years. It specifically shows that immigrants have a higher rate of employment than native-born workers in Costa Rica, Côte d'Ivoire and the Dominican Republic, and that they particularly contribute to three sectors: agriculture, construction and activities related to motor vehicles.

The characteristics of migrants differ across countries. In the Dominican Republic, more than 60% of immigrants are men, highest among the four countries under analysis (Table 11.3). This is largely driven by the fact that many immigrants in the Dominican Republic work in agricultural occupations (34% of all immigrants), which is dominated by men (41% of all immigrant men work in agriculture). Immigrants are more likely to be working in agriculture than native-born individuals in Côte d'Ivoire (45% vs. 40%), Costa Rica (24% vs. 15%) and the Dominican Republic (34% vs. 13%). In Burkina Faso, immigrants are less likely than native-born individuals to be working in the agricultural sector (60% vs. 37%), but they may be immigrating for different reasons and have different characteristics than the immigrants in the aforementioned countries (Box 11.2).<sup>4</sup>

Table 11.3. **The majority of immigrants are young men**

Share of immigrants by gender and average age

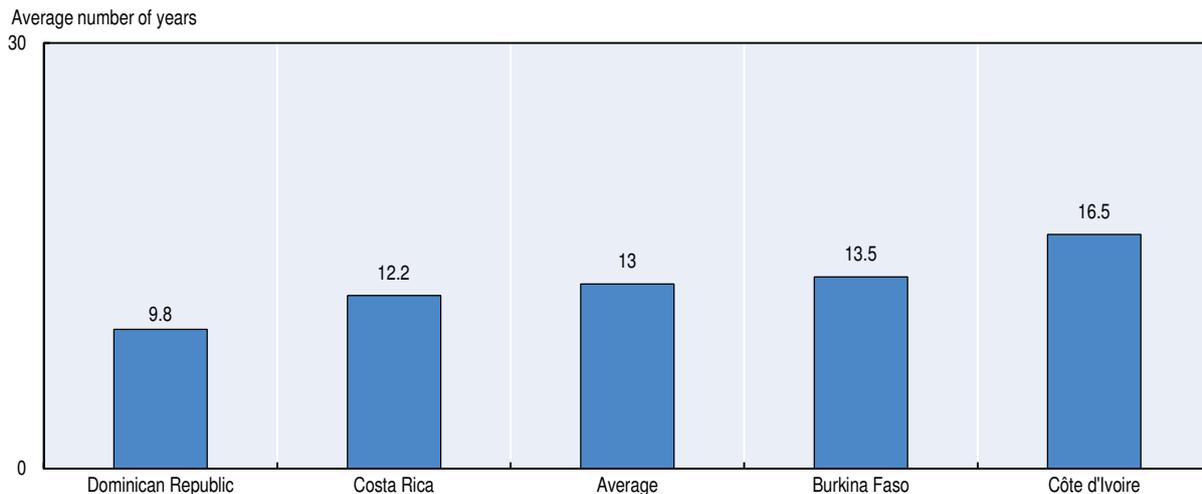
Country	Share of immigrants that are men (%)	Average age (current, in years)
Burkina Faso	50	24
Costa Rica	48	37
Côte d'Ivoire	58	38
Dominican Republic	61	31
Average (unweighted by sample size)	54	33

Source: Authors' own work based on IPPMD data.

Studies on the integration of immigrants in host countries suggest that migrating at a younger age as well as spending more years in the host country are important determinants for better outcomes (see Huber, 2015 for a review). Immigrants in the IPPMD survey countries also tend to be young (Table 11.3) and to spend many years in the country. Immigrants have lived in their host country for more than ten years on average (Figure 11.4), which according to the EU and OECD (2015) is the nominative threshold for immigrants to be settled. Subtracting the average age of immigrants by the average amount of time they have been in the country shows that immigrants normally arrive at the latest in their 20s – at the start of their most productive years. Provided that they have worked since that time in the host country, it also shows that they have contributed for many years.

Figure 11.4. **Immigrants have lived in their host country for more than ten years on average**

Average number of years since the immigrant last entered the host country



Source: Authors' own work based on IPPMD data.

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### **Immigrants contribute by investing and contributing financially in the host country**

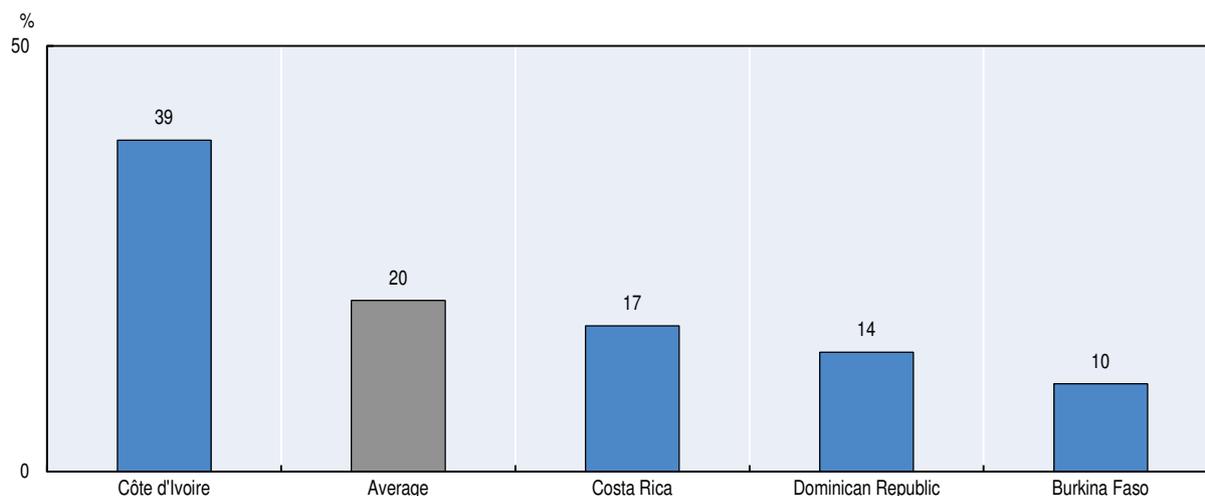
Immigrants contribute more than just their labour; they may also pay taxes in their host country. While the IPPMD data show that immigrants may not be as likely to pay taxes as native-born individuals, but when they do pay taxes, they contribute as much as their native-born counterparts (Chapter 7). Given this fact, and the fact that they also receive fewer social benefits than the native-born population, there is potential for immigrants to have a net positive effect on the fiscal balance of their host country, particularly if they have formal labour contracts. This would be consistent with research in OECD countries, which suggests that the overall net contribution of immigrants to the fiscal balance tends to be

close to zero. Immigrants do tend to have a less favourable net fiscal position than native-born individuals however, mainly explained by lower contributions rather than dependence on benefits (OECD, 2013).

On average, 20% of individual immigrants across all IPPMD countries claimed to have directly invested in their host country, but it is Côte d'Ivoire that stands out as the country with the highest rate (Figure 11.5). Here about half of the immigrants answered that they invested in the agricultural sector (both in farming and livestock activities), while in the other countries they had mainly invested in real estate.

Figure 11.5. **Immigrants invest to varying degrees in their host country**

Share of immigrants that have invested in the host country (%)



Note: The figure is based on the responses from a direct question on whether the individual immigrant had invested in the country.

Source: Authors' own work based on IPPMD data.

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Investments can also take shape in the form of household-level businesses. Compared to households without immigrants, those with immigrants are indeed more likely to own a non-agricultural business. This was particularly the case in Burkina Faso and Côte d'Ivoire, but also to a lesser extent in Costa Rica (Figure 11.6). Not only are they more likely to own a non-agricultural business, but those that do are also more likely to hire at least one employee from outside the household, in each of those countries.

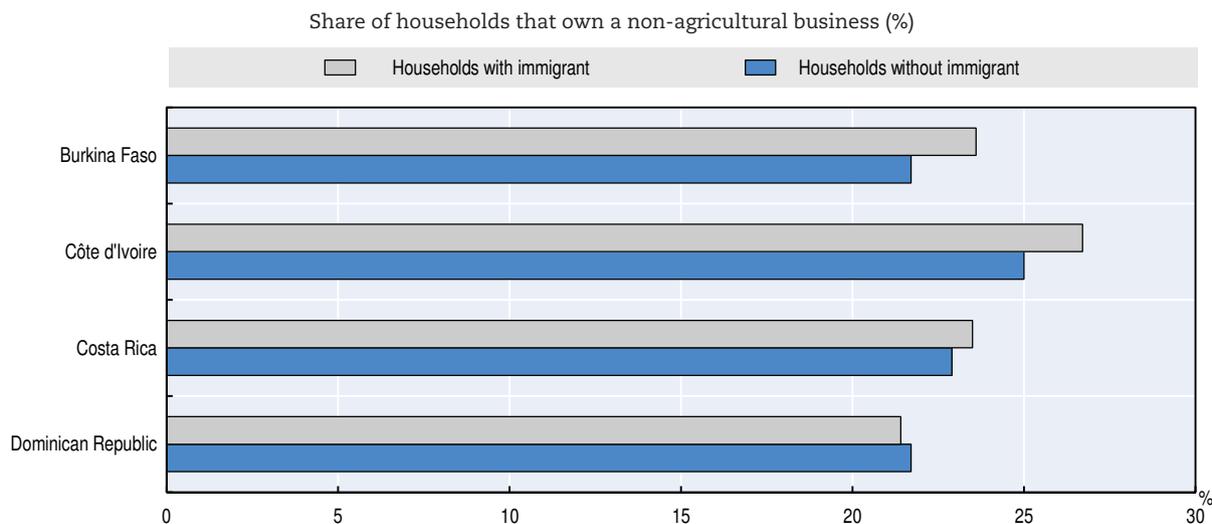
Investments can also generate spillover benefits. While immigrant households are less likely to run their own agricultural activities, those who do – such as farming and animal rearing – are more likely than non-immigrant households to hire workers from outside the household in Burkina Faso and to bring their produce to the market in the Dominican Republic, thereby benefitting the wider economy (Chapter 4).

### **Immigrants' lower education levels and overqualification rates are a missed opportunity for host countries**

In addition to age at migration and years of residence in the host country, level of education is also a major determinant for successful integration (Huber, 2015). Immigrants are on average less educated than the native-born population. Native-born individuals are much more likely to have post-secondary level education than immigrants (Figure 11.7). This partly reflects the fact that the better-educated immigrants tend to go to richer countries,

mostly in the OECD. Not all immigrants can choose where they live and work; this is largely determined by their skills. Low and middle-income countries are often a second option for immigrants, who cannot afford or are barred entry to their first choice.

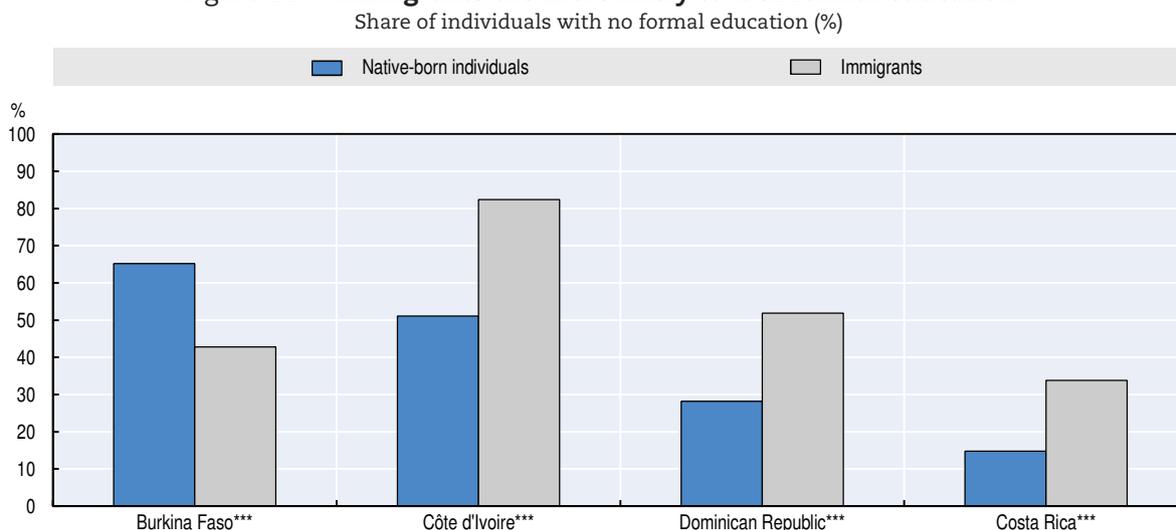
Figure 11.6. **Households with immigrants are more likely to own a non-agricultural business than households without them**



Source: Authors' own work based on IPPMD data.

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Figure 11.7. **Immigrants are more likely to lack formal education**



Note: Statistical significance calculated using a chi-squared test is indicated as follows: \*\*\*, 99%; \*\*, 95%; \*, 90%. Formal education is defined as education occurring in a structured environment whose explicit purpose is teaching students.

Source: Authors' own work based on IPPMD data.

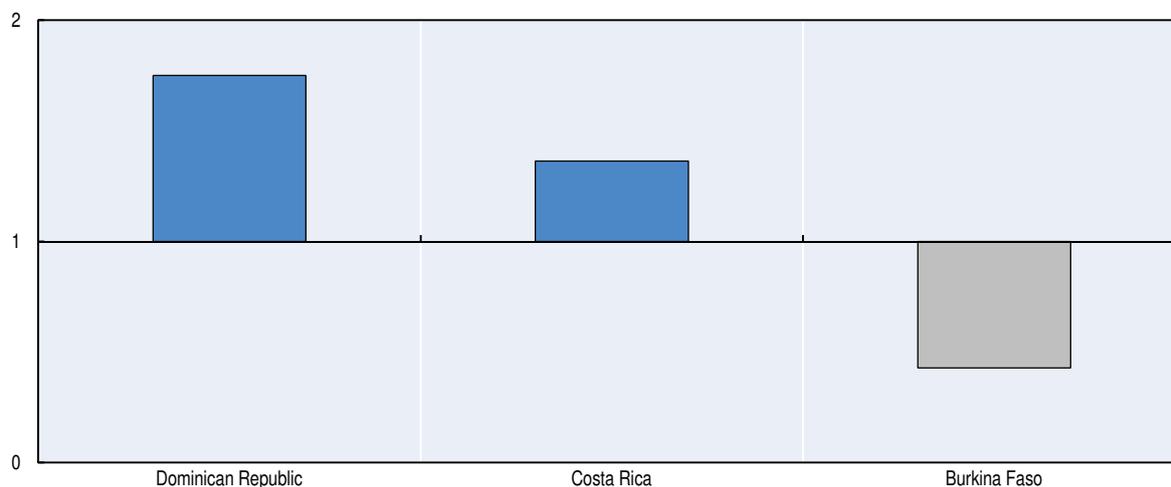
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In terms of job matching, immigrants in Costa Rica and the Dominican Republic are less likely to be overqualified than native-born individuals, meaning the use of immigrant human capital is more adequately matched for the type of job performed (Figure 11.8). However, both countries have generally high rates of overqualification for immigrants and native-born workers. The difference between native-born individuals and immigrants in Costa Rica is

15% vs. 11%, while in the Dominican Republic it is 35% vs. 20%. While immigrants are less overqualified compared to their native-born counterparts, their overqualification rates are still high, and remain a missed opportunity.

In contrast, it is immigrants who are more often overqualified than the native-born population in Burkina Faso, although the average rates are relatively lower (7% vs. 3%). Burkina Faso is therefore missing an opportunity to better use the existing skills of immigrants in the country. This may not be surprising given that Burkina Faso is primarily an agrarian and informally driven economy, and where education levels are lower than in Côte d'Ivoire, from where many immigrants originate. Reducing overqualification would allow for a better allocation of skills in the country – while sending a positive signal to future waves of potential immigrants.

**Figure 11.8. The rate of immigrant overqualification varies by country**  
Ratio of the share of overqualified native-born individuals over that of immigrants



Note: Overqualification is measured by mapping the skills level of occupations (Chapter 3) to the level of education. If the ratio is above 1, the share of people who are overqualified for their jobs is higher for the native-born population than immigrants; the opposite is true for a ratio below 1. Côte d'Ivoire is excluded due to data availability.

Source: Authors' own work based on IPPMD data.

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## Public policies can help tap the potential offered by immigrants

Despite their positive contributions to the economy, immigrants fall short on a number of key outcomes in their host country, and this is not only a missed opportunity for them, but also for the host country. Public policies play a large role in these shortcomings and may undermine immigrants' full contribution. The integration of immigrants is crucial to maintaining social cohesion and obtaining the best outcomes for immigrants, native-born populations and host countries in general.

While immigrant integration is high on many EU and OECD countries' policy agendas (EU and OECD, 2015), it is often neglected in developing countries (OECD, 2011). The EU and OECD's Indicators of Immigrant Integration (EU and OECD, 2015) provides a framework on which to measure basic integration outcomes for immigrants. These include labour market outcomes (employment status, self-employment, overqualification) and educational attainment as well as poverty and health-related outcomes. Indicators can also take the shape of perception of discrimination or home ownership.

Public policies can help immigrants integrate into their host country. For instance, a recent study on 14 European Union countries found that more liberal product market regulation, less centralised wage bargaining and more inclusive trade unions lead to better integration outcomes for immigrants (Huber, 2015). In addition to public policies, certain explicit migration policies can also reflect the level of integration, such as the acquisition of nationality.

The public policies that have so far been discussed can be classified into two categories:

1. policies that foster economic integration in the host country
2. policies that are conducive to successful social integration in the host country.

This section outlines the main obstacles to fulfilling immigrants' potential in the host country and how public policies can help tap this potential.

### ***A lack of formal labour contract or access to agricultural aid reduces immigrants' economic integration***

As the majority of people immigrate for labour or financially motivated reasons, economic integration is likely the central component of an immigrant's integration process. The EU and OECD (2015) immigrant integration indicators feature four indicators on labour outcomes, including employment, unemployment, self-employment and overqualification. Having a job therefore is a fundamental part of the integration process. The previous section concluded that immigrants are more likely to be employed than the native-born, which bodes well for their economic integration. In addition, studies show that the net positive financial contribution of immigrants to their host countries, discussed earlier, is dependent on their level of labour market integration (Huber, 2015).

However, this says little on the quality of that employment – an area in which policy can have a role. In Burkina Faso, immigrants are more often overqualified than native-born individuals, which may translate as a loss for the host country but also a source of frustration and economic loss for the immigrant. Moreover, non-agricultural working immigrants are less likely to have a formal labour contract than native-born workers. Not only is this detrimental to their integration and the protection of their basic human rights, it potentially also lowers their productivity and implies that they are less likely to contribute to payroll taxes.

Investment can be a key vector for successful integration. Providing conditions that enable immigrants to invest in the country can be beneficial for a sector in need of a boost. Although many immigrants work in the agricultural sector, households with immigrants are less likely to run their own farming businesses than households without them and, this is perhaps why they also make fewer investments or own productive assets in the sector (Chapter 4). Being able to run their own activities would enable immigrants to invest, generate capital and help expand the sector. In addition, as they are more likely to be employed in that sector, immigrants also have a better insight into how the sector works, providing them with an inside track. Access to public policies could improve the situation, as immigrant households in Burkina Faso and Côte d'Ivoire are less likely to benefit from agricultural subsidies, while those in Costa Rica are less likely to be covered by an agricultural insurance mechanism. Moreover, clear guidelines on how to access, purchase and cultivate land can be beneficial in boosting investment but also limiting conflicts (Box 11.1).

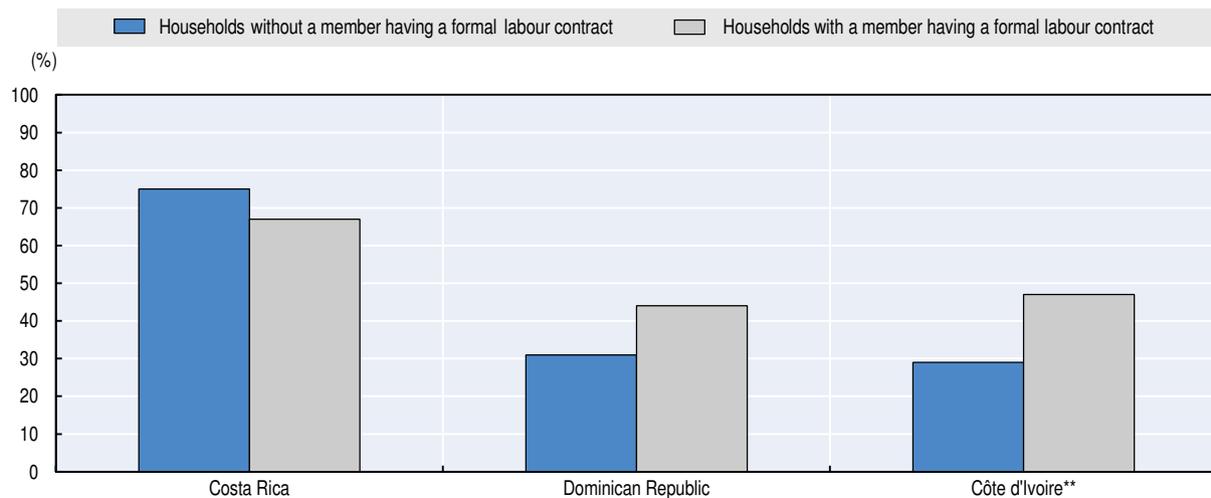
### Box 11.1. Avoiding a free-for-all in Côte d'Ivoire

Stakeholders underlined the fact that many immigrants come to Côte d'Ivoire with the idea that the agricultural sector is unregulated. This sentiment is not unfounded, given that Côte d'Ivoire has managed its agricultural land with the long-standing unwritten rule that the land belongs to the person who works it. While the influx of workers is beneficial to the country, many stakeholders argue that immigrants have been expanding cultivation into protected land, to the detriment of the environment – and to the dismay of native-born Ivoirians. Moreover, land rights are not well registered, adding to the problem of agricultural land control. While the unwritten rule was meant to boost the agricultural sector in Côte d'Ivoire, what it meant for land rights was and remains unclear. The government has recognised the issue in the past, but the 1998 law on the management of rural land is not easily understood by most people, including immigrants. For example, while the *de facto* approach has been to work the land that is available, immigrants cannot own any. According to the current law, land owned through customary law can be sold, but an immigrant (non-national) cannot own land rights. A minor reform in 2013 obliges agricultural land to be registered before 2019, but the process of land registration in Côte d'Ivoire is costly and few landowners have done so at the present date. Better control of land rights and agricultural delimitations would likely have an effect on the type of workers immigrating to Côte d'Ivoire, and perhaps encourage immigrants to invest in land already slated for agriculture or to look for work in other sectors. Such steps must also go hand in hand with other policies, such as rehabilitating the country's forests.

A positive by-product of integration is the purchase of fixed assets in the host country, such as a home or land (EU and OECD, 2015). Such purchases can be valuable investments for the host country if they are put to productive use. They reflect the fact that immigrants view their economic and social contribution to the country as a potentially permanent and safe one.<sup>5</sup> The decision to purchase a fixed asset in the host country can be linked to the level of integration or financial security. Policy can play a role here by increasing incentives or ease through which employers and employees work through formal labour contracts. For instance, immigrant households that have at least one member with a formal labour contract are more likely to have purchased a home in their host country in both Côte d'Ivoire and the Dominican Republic, compared to immigrant households without any member with a formal labour contract (Figure 11.9).<sup>6</sup> In the Dominican Republic, immigrant households with members that have a formal labour contract are more likely to have purchased land in the country (56% vs. 23%).

Investments may materialise in other forms as well. Immigrant households with at least one member having a formal labour contract were more likely to own a business in Côte d'Ivoire, and those households were more likely to have hired at least one employee (55% vs. 30%). Such a dynamic extends to other types of public policies as well. In Burkina Faso, agricultural households that benefited from agricultural subsidies were also more likely to own a non-agricultural business (28% vs. 23%) as well as those that own their main agricultural plot through land reform (28% vs. 20%). While the immigrant sample is small, the finding suggests that agricultural subsidies may increase business ownership in general, including for immigrant households.

Figure 11.9. **In some countries, formal labour contracts are linked with home ownership**  
Share of households owning their home in the host country, amongst households with immigrant (%)



Note: Statistical significance calculated using a chi-squared test is indicated as follows: \*\*\*: 99%, \*\*: 95%, \*: 90%.

Source: Authors' own work based on IPPMD data.

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### **The lack of access to education programmes, health facilities and social protection undermines social integration**

In addition to economic integration, integration is also a function of social outcomes, such as those in education, health and social protection. The previous section has already underlined that immigrants fall short on education outcomes. They have low levels of education compared to native-born individuals, and child immigrants are less likely to attend school than native-born children. Education is a fundamental tool for the social integration of immigrants and their households, as it helps them learn the local language, understand the context and history of the country and to build social networks. In fact, according to the findings in Chapter 5, immigrants who are educated in Costa Rica are also more likely to stay than those who are not.

Ensuring immigrants are covered by educational programmes is at the core of both social and economic integration. In addition to increasing productivity, education has the potential to accelerate the integration process by transferring language skills and mixing immigrants with native individuals, reinforcing social networks in the country. It is therefore in the interest of the host country to provide immigrants and their children with an education, as it will increase their productivity, and future earnings capacity. IPPMD data from Costa Rica, Côte d'Ivoire and the Dominican Republic show that although households with immigrants do benefit from education programmes, it is rarely to the same extent as households without immigrants. This is true for conditional cash transfer (CCT) programmes and scholarships (Costa Rica and the Dominican Republic) as well as distribution programmes (Côte d'Ivoire and the Dominican Republic). Such low access is not conducive to social integration in the country.

Another important component of social integration is access to health facilities. Excluding vulnerable groups from health access will not only make them less productive, but can lead to vectors of disease, particularly in poor and marginalised parts of cities (UN-Habitat and WHO, 2016). Here, as well, immigrants fare poorly. Immigrants tend to live further from the nearest medical clinic than native-born individuals in Costa Rica and Côte d'Ivoire, and those with jobs are less likely to have medical benefits through their employment. Lack

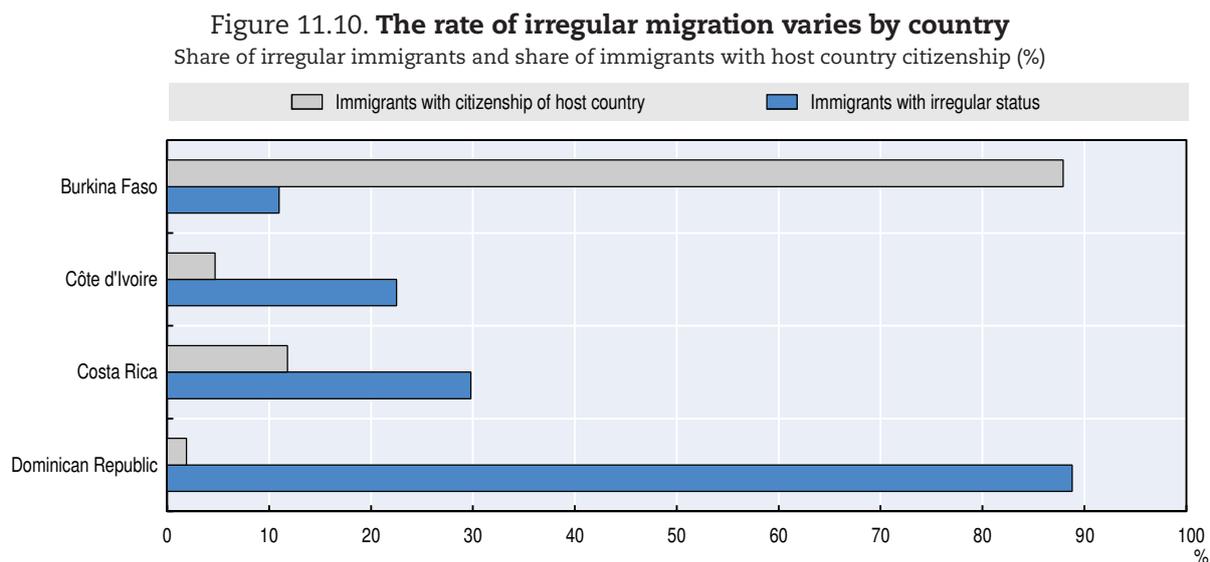
of such medical coverage extends beyond the individual, since the worker may have family, including children, who are also not covered by such benefits.

In addition to these work benefits, other mechanisms that may increase social protection for workers do not reach immigrants. For instance, in Costa Rica and Côte d'Ivoire, immigrants are less likely to work in an environment where there is a labour union – limiting the possibility of negotiating benefits, safety standards and generally better working conditions. In Costa Rica, Côte d'Ivoire and the Dominican Republic, immigrants are also less likely to have a pension plan, meaning their employers are not contributing towards their economic well-being after retirement, or following their departure.

Immigrants who are not well socially integrated may decide to return to their home countries. Social protection coverage, for instance, affects the likelihood of immigrants planning to return. Although there was no universal trend across countries, Chapter 7 demonstrated that this was the case for specific programmes and specific countries. Return was more common for immigrants who were further away from health facilities in Costa Rica and those without employment benefits, or membership in a labour union in the Dominican Republic.

### **Migration policy plays a major role in immigrant integration**

Public policies play an important role in the integration of immigrants. Nevertheless, migration policies, perhaps more than for any other migration outcome, have a fundamental role and may hold the key to unlocking immigrants' potential. Immigrants often do not have regular migration status, identified in the IPPMD project as having a residency or work permit or having host country citizenship. because either they have entered the country through irregular channels, or they have overstayed their visa. This is particularly the case in the Dominican Republic, for instance, where nearly 90% of immigrants do not have proper documentation (Figure 11.10). Despite a long and widespread regularisation programme in Costa Rica (Sojo-Lara, 2015), stakeholders mention that the cost of regularisation can be high for many immigrants who therefore do not participate.



Note: Irregular immigrants lack the official documents required to live or work in the host country. Official documents include residency or work permits. Immigrants with host country citizenship are considered to have regular status. All immigrants are included in the sample.

Source: Authors' own work based on IPPMD data.

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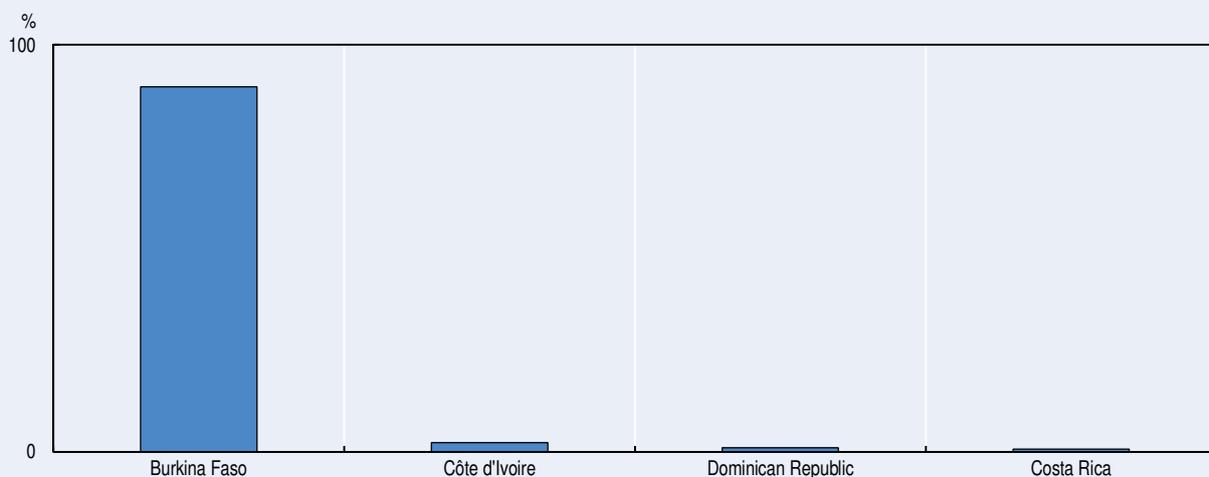
As an example, immigrants in Burkina Faso, many of whom have citizenship of their host country, have better outcomes and access to public programmes than immigrants in Costa Rica, Côte d'Ivoire and the Dominican Republic (see Box 11.2). Having regular migration status, for instance, can provide immigrants with easy access to public programmes. In Costa Rica (47% vs. 21%) and the Dominican Republic (73% vs. 33%), immigrants were more likely to have a formal labour contract if they had regular migration status in the country.

### Box 11.2. Productive integration by Burkina Faso's immigrants

In general, immigrants in Burkina Faso have better access to public programmes and have better outcomes than immigrants in other IPPMD countries. For instance, households with immigrants tend to be richer and more likely to invest in their own agricultural activities than households with immigrants in the other countries in the survey. They are also more likely to have regular migration status than immigrants in other IPPMD partner countries and more likely to have some level of formal education than native-born individuals (Figures 11.7 and 11.10). This is because they are the children of parents born in Burkina Faso (Figure 11.11), even though they are technically immigrants, as they themselves were not born in Burkina Faso. In fact, 90% of immigrants in Burkina Faso display this trait, which is result of the conflicts in Côte d'Ivoire that began in 2002, after which their parents returned to their home country. In many ways, they are more similar to return migrants than other immigrants in the country. Having a parent born in the host country typically means that one can turn to a social network for help. Such links help immigrants establish themselves more quickly, including finding a job and housing, dealing with administrative matters and sending children to school. It also helps them integrate more smoothly.

Figure 11.11. **Most immigrants in Burkina Faso are children of native-born parents**

Share of immigrants with parents born in the host country (%)



Note: Immigrant status is based on country of birth for the purposes of this project, regardless of the birthplace of one's parents or of nationality (Chapter 2). This definition is consistent with the general approach used in the comparative statistics of the OECD, the United Nations and the World Bank.

Source: Authors' own work based on IPPMD data.

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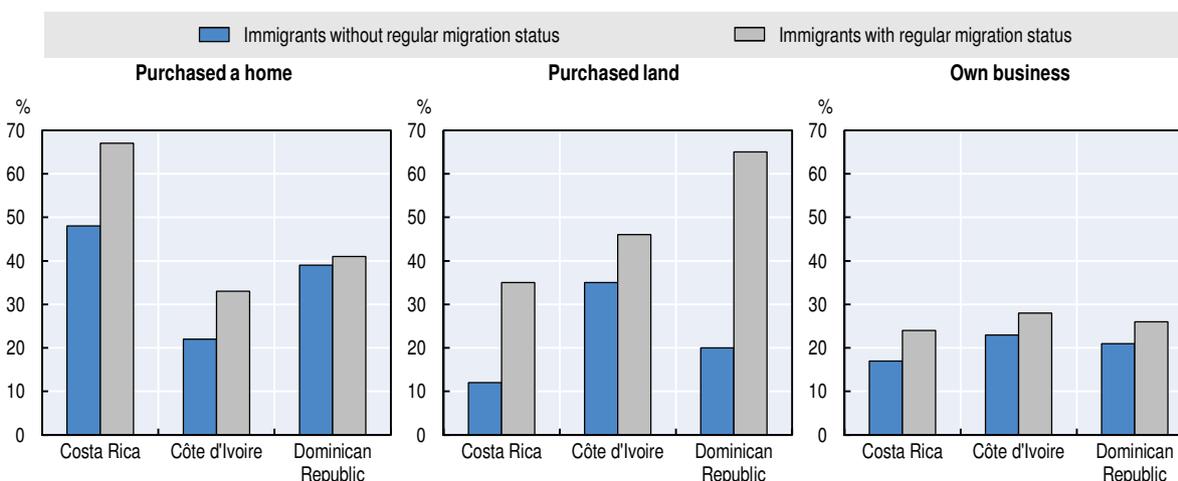
Project stakeholders, particularly in Côte d'Ivoire and Costa Rica, explained that feelings towards immigrants are often negative in their countries, bordering on discrimination. There are economic benefits to regularising immigrants, but they are mostly successful when the level of discrimination against the group being regularised is low (Machado, 2012).<sup>7</sup> In Burkina Faso, immigrants speak the local languages and

have family in the country. They may therefore be treated the same as a return migrant, as they share several characteristics. These differences are apparent in the share of immigrants who plan to return to their home country. In the Dominican Republic, nearly 20% of immigrants plan to return, followed by Costa Rica (13%), Côte d'Ivoire (11%) and Burkina Faso – the lowest, at 4%.

The outcomes of better integration through regular migration status can be very beneficial to the host country, as immigrants may in turn feel more secure in their economic and social investment in the country. For instance, immigrant household heads that have regular migration status are more likely to own a home, land and a non-agricultural business in Costa Rica, Côte d'Ivoire and the Dominican Republic (Figure 11.12).

**Figure 11.12. Immigrants with regular migration status are more likely to invest in the host country**

Share of immigrant household heads that have invested in the host country



Note: Irregular immigrants lack the official documents required to live or work in the host country. Official documents include residency or work permits. Immigrants with host country nationality are considered to have regular status. All immigrants are included in the sample.

Source: Authors' own work based on IPPMD data.

StatLink  <http://dx.doi.org/10.1787/888933418676>

## Policy recommendations

Contrary to the many negative perceptions held about immigrants, this study confirms that they can play a potentially important role in development. This chapter showed that immigrants are young, motivated to work and often do so in sectors that are in demand, while not being burdens on their host country's purse. However, they have low levels of education and their children are more often out of school compared to native-born individuals, which is a missed opportunity for host countries. In the case of Burkina Faso, the fact that immigrants are underemployed is a lost opportunity for the country.

Immigrants can offer more to their host country if they are given the right conditions. Despite their contribution, their economic and social integration lags behind. While they do have jobs, which is a primary vector for economic integration, those jobs are often not covered by formal labour contracts. Immigrant households, moreover, are typically not beneficiaries of agricultural aid. Social protection coverage can help channel better integration outcomes, including investment in the host country. For instance, having a

member of the household with a formal labour contract is linked with home ownership in the host country.

In addition, immigrants also lag behind on social integration. Not only are their children less likely to be in school, but immigrant households are less likely to benefit from educational programmes like conditional cash transfers, scholarships and distributional programmes. Moreover, the jobs they have are not covered by formal labour contracts, and neither do they include benefits such as health benefits, pension programmes and access to a labour union. Households with immigrants also tend to live further away from the nearest health facility than households without them.

Migration policy plays an important role. In fact, having regular migration status in the host country is linked with higher investment rates by immigrant households, which can be an important determinant to feeling part of the fabric of society. Cost is not the only obstacle to regularisation; an adequate understanding of the procedures involved, including a minimum ability to read and write, is also important.

To maximise the chance of successful integration of immigrants, public policies should focus on the following recommendations:

**Table 11.4. Policies to make the most of immigration**

CROSS-CUTTING RECOMMENDATIONS	
<b>Labour market</b>	<ul style="list-style-type: none"> <li>● Develop better information systems, through an extended network of employment agencies, to help immigrant as well as native-born workers find the jobs that best correspond to their skills.</li> <li>● Increase training opportunities to upgrade general skill levels and ensure that immigrant job seekers do not have any legal barriers to the labour market.</li> </ul>
<b>Agriculture, investment and financial services</b>	<ul style="list-style-type: none"> <li>● Reduce <i>de facto</i> barriers to investment by immigrants in the agricultural sector, such as lack of access to land and markets; as well as in the non-agricultural sector, such as lack of building and land rights.</li> <li>● Use websites and investment one-stop shops to encourage potential immigrants to invest in the host country.</li> <li>● Make agricultural aid, such as subsidies and training, accessible to settled immigrants through residential registration permits for instance, to encourage their productivity and investment.</li> </ul>
<b>Education</b>	<ul style="list-style-type: none"> <li>● Provide equal access to education in general, and to immigrant students in particular, for example by implementing targeted policy programmes, such as cash transfers and scholarships for vulnerable groups, including immigrants.</li> <li>● Invest in educational infrastructure in areas with increased education demand from immigration to ensure universal access, good quality schooling and social integration and cohesion.</li> </ul>
<b>Social protection and health</b>	<ul style="list-style-type: none"> <li>● Increase <i>de jure</i> and <i>de facto</i> access to social protection, such as pension plans, medical benefits, access to labour unions and the provisions covered by formal labour contracts.</li> <li>● Adjust investments in health facilities in neighbourhoods where there are high levels of immigration.</li> </ul>
TARGETED RECOMMENDATIONS	
<b>Migration and development</b>	<ul style="list-style-type: none"> <li>● Facilitate and mainstream the channels for immigrating and registering formally in the host country.</li> <li>● Adopt measures to fight discrimination against immigrants and ensure they are enforced.</li> </ul>

### Notes

1. There are three notable exceptions where this is not necessarily the case: Burkina Faso, Costa Rica and Haiti.
2. This likely reflects the fact that the immigration rate in Armenia has been decreasing since 2000, and that the number of immigrants in Morocco is still low, despite the rapid growth rate. This is despite an effort to oversample immigrant households in Morocco.
3. In addition to individual and household level data, the IPPMD team collected immigration data at the community level. In each community, an official representative was asked the estimated share of households that have at least one member born in another country. The mean community-level results for the five countries where data is available are higher than official individual immigration rates as expected, as they are household rates, but they do reflect the higher importance of immigration in Côte d'Ivoire (28%), Costa Rica (27%) compared to Armenia (10%). It is notable that the mean rate across Dominican communities is considerably lower than what would be expected (9%),

meaning the communities in which data was collected are not necessarily the most representative of the immigrant population in the country. In addition, the rate in Burkina Faso is also higher than would be expected (27%), and could be due to differences in the definition of an immigrant (country of birth vs. nationality) or to inaccuracies due to recent changes in population following the conflicts in Côte d'Ivoire.

4. These figures include international standard classification of occupations (ISCO) codes listed as agricultural elementary occupations.
5. In terms of home purchases, Costa Rica (64%) stands out as having a very high rate compared to the other countries, whereas the rates are lower in Burkina Faso (30%), Côte d'Ivoire (31%) and the Dominican Republic (41%). In terms of land, there was less variation across the countries; the highest rate was in Côte d'Ivoire (45%) and the lower rates in Burkina Faso (29%), Costa Rica (31%) and the Dominican Republic (29%).
6. Due to missing data, the number of individuals providing a response on the type of contract and whether a house was purchased in the host country is not the same in Costa Rica, which explains why the average share of households purchasing a house differs between the numbers in the text and Figure 11.9.
7. There is also evidence to show that providing citizenship to immigrants can lead to better integration outcomes (Bauböck, 2013).

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**From:**  
**Interrelations between Public Policies, Migration  
and Development**

**Access the complete publication at:**  
<https://doi.org/10.1787/9789264265615-en>

**Please cite this chapter as:**

OECD (2017), "Boosting immigrants' contribution to development and promoting their integration", in *Interrelations between Public Policies, Migration and Development*, OECD Publishing, Paris.

DOI: <https://doi.org/10.1787/9789264265615-13-en>

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