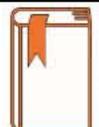


## Income and Remittances Ethiopia



## Research Agenda

This research project tries to understand whether migration improves the living standards of migrant sending households. Economic models of migration implicitly assume that migration will have positive impacts on living standards. However, there are several reasons to be cautious about jumping to conclusions too quickly. The project uses household surveys over time to compare families with and without migrants. These surveys will provide useful profiles of migrants, allow us to compare migrant-sending households with the broader population thereby enabling us to explain some of the key questions such as "does migration make people better off?", "is it a route out of poverty?", "is migration worth the risk?", and "what happens to people left behind?".



## Main Research Questions

- How much does household welfare improve as a result of members migrating?
- How important are remittances in ensuring migration benefits migrant-sending households?
- What are the important drivers of migrant intentions?



The main objective of the research study is to understand whether and to what extent migrant-sending households benefit from migration by explicitly identifying the counterfactual scenario, which is the welfare level that might have been enjoyed by the household if they had not experienced any migration.



## Potential Contributions of this Research Project

The overwhelming majority of evidence on the impact of migration on household welfare relies on cross section data. Some approaches track households which move and find large gain in consumption for households which leave their original communities. Others track households as they migrate and also identify large welfare gains from migration. This project study would differ from these approaches as the focus would be on the welfare of households who send migrants, rather than of household members who migrate or households which migrate in their entirety. This approach provides a useful complement to the tracking-based surveys by examining welfare of migrant-sending households and to explore the ways in which migration impacts their welfare. Our initial work in Ethiopia using just baseline data suggests that on average households do benefit from having a migrant, principally because of remittances. But the benefits vary and largely accrue to households which we believe were better off to start with. Our research will allow us to test these findings more rigorously. The findings of this research will inform migration policy and practice for the Government of Ethiopia and other national and regional organizations working on migration.



