The evidence presented in this Report relies on analyses of the effects of migration and migration policies on migrants and refugees, as well as on origin and destination societies. However, a rigorous assessment of such effects is difficult. The difficulties often underpin the debates in the academic community, but even more so among practitioners, policy makers, and political stakeholders. Attributing specific economic or social effects to migration requires resolving complex methodological challenges.

**Benchmarking challenges**

Determining the effects of migration in a rigorous manner—whether on migrants, refugees, or origin and destination societies—would require comparing two situations: one with a certain set of migration policies and an identical one without those policies. In practice, however, there are no such identical situations. For researchers and practitioners alike, the challenge is to identify situations that can provide suitable comparisons or benchmarks and to correct for possible biases.

A second methodological challenge arises from the diversity of situations among migrants and refugees, as well as among origin and destination societies. Transposing the conclusions of an analysis conducted in a specific context and at a specific point in time to another context and time is not obvious (it is often referred to as assessing the external validity of the results of a study). For example, to what extent are the results of a cash transfer program for Syrian refugees in Türkiye informative when considering similar programs for Somali refugees in the Republic of Yemen? In large part due to the availability of data, most academic studies, including many of those discussed in this Report, have focused on the impacts of migration to high-income countries such as the United States or those in the European Union. Furthermore, some studies were conducted in the recent or distant past. Applying such findings to current low- and middle-income contexts requires careful consideration of their external validity.

**Migrants**

Migrants differ from nonmigrants in many dimensions such as income, wealth, education, age, and connections abroad, as well as abilities, drive, desires, risk preferences, and motivations. Even when people move under duress, some of these factors matter. Comparing a migrant with a nonmigrant who stayed in the origin country to determine the effect of migration is thus potentially misleading. For example, in some contexts migrants are more willing than nonmigrants to take risks. They may have higher earnings than nonmigrants after they migrate, but is it because they migrated, or is it because they were willing to take risks in the first place? Similarly, comparing a migrant with a citizen, for example, to assess the effects of their distinct status can also be erroneous. Citizens may have distinct characteristics that explain differences in outcomes, such as when young people move to aging countries.
To address such issues, researchers have made various attempts to construct comparison benchmarks that included but were not limited to the following:

- **Learn from a migration lottery that allocates visas randomly among those who apply.** The average characteristics of those who migrated (those who obtained a visa) are similar to the characteristics of those who did not. The differences in their respective outcomes, such as their poverty levels after several years, can thus be attributed to the effects of migration. This approach was used for studies of permanent migration from Tonga to New Zealand; of temporary work migration from Bangladesh to Malaysia; and of skills training and placement in a randomized controlled trial for Indian workers in India interested in hospitality jobs in Gulf Cooperation Council countries.

- **Measure differences in outcomes between migrants and nonmigrants that are comparable.** For example, the Republic of Korea offered visas to migrants whose Korean language test scores were above a given threshold. Those who scored just above the threshold—and who migrated—were largely comparable with those who scored just below. Comparing outcomes between the two groups provides an appropriate benchmark to assess the effects of migration. Similar approaches have leveraged unanticipated changes in migration opportunities stemming from changes in host country policies or fluctuations in exchange rates for remittances. In such instances, those who are less affected can serve as a benchmark for those who are more so.

- **Use available data on migrant and nonmigrant characteristics to disentangle the effects of migration from those of other factors.** For example, individuals—migrants and nonmigrants—with similar education, age, location of origin, household profile, and other features for which data are available can be compared. But interpreting such comparisons can be difficult because some important factors—such as motivation or entrepreneurial spirit—are difficult to observe and quantify. The interpretation of the results thus must account for possible biases.

### Societies

The same difficulty applies when examining the impact of migration on origin and destination societies. The questions are similar: to what extent can specific effects be attributed to migration? For example, if regions that receive large numbers of migrants fare better than others economically, is it because of migrants' contributions? Or perhaps it is the other way around—migrants went primarily to regions that were already booming.

In principle, such questions could be addressed by comparing outcomes in migrant-receiving (or migrant-sending) communities with those in identical communities not affected by migration. However, such identical communities rarely exist. Societies or communities that receive migrants may have strong sociocultural or historical ties with migrants (or their origin communities) or thriving economies, compared with those that do not. Likewise, communities of origin may differ from other communities in terms of their economies or networks with potential destinations. The very factors that make them the origins of or destinations for migrants differentiate them from other communities.

To construct benchmarks against which migration effects can be assessed, researchers have used different approaches that include but are not limited to the following:

- **Draw lessons from countries' implementation of dispersal policies that settled migrants or refugees in different localities within the territory in a random manner.** Because the allocation was random, destination communities can be compared with other communities that were candidates to host migrants but ended up with none or only very few. Random dispersal policies adopted in countries such as Denmark or Sweden led to multiple studies on the impact of immigration.
• Rely on “natural experiments” that may have prompted migration to certain regions such as sudden policy changes (for example, sudden naturalizations), economic shocks, or catastrophic weather events. An influential early study of the impact of immigration on wages was based on the sudden arrival of Cuban refugees into Miami between April and October 1980, when the Cuban government allowed anyone who wanted to leave the country to do so (the so-called Mariel boatlift).10 Similar studies were conducted of the immigration of Jews from the Soviet Union to Israel in the 1970s and 1980s.
• Compare areas with and without preexisting settlement patterns by some ethnic groups.11 Immigrants are more likely to move to areas already settled by co-ethnic households. In practice, when implemented correctly12 this exercise enables comparison of areas that might otherwise be similar in economic terms but have different migration inflows due to earlier settlements. Applications of such an approach include evaluation of the effects of European immigration to US cities between 1910 and 1930 and the effects of Syrian refugee migration on labor markets in Türkiye.13
• Track outcomes over time and evaluate whether localities with more migrants evolved differently than those with fewer or no migrants. The localities with more migrants should also be compared with ones similar in characteristics for which data are available (such as size of the economy, population, and distance to major trading centers). However, it is still possible that other characteristics—such as governance quality and geography—could explain in part differences in outcomes and development trajectories, irrespective of immigration. Interpretations therefore should take into account such possible distortions.

Notes
1. See McKenzie and Yang (2022) for a detailed review of methodological challenges.
6. Clemens (2019); Dinkelman and Mariotti (2016).
9. For example, see Dahlberg, Edmark, and Lundqvist (2012); Dustmann, Vasiljeva, and Damm (2019).
11. See Altonji and Card (1991) for a pioneering application of this idea, often referred to as the “shift-share instrument.”
12. For a discussion of the methodological challenges of such an approach, see Goldsmith-Pinkham, Sorkin, and Swift (2020); Jaeger, Ruist, and Stuhler (2018).
13. See Altındağ, Bakış, and Rozo (2020); Del Carpio and Wagner (2015); Tabellini (2020).

References


