

Learning about Irregular Migration from a unique survey

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Plan of the talk

- 1. Motivations**
- 2. Summary of the SIMI contents: brief overview of the data**
- 3. Intention to return and propensity to remit: very preliminary results**
- 4. Plan for future work**

Motivations for studying Irregular Migration

- 1) an issue which catalyzes a **great deal of attention** from the general public (not only policymakers and social scientists);
- 2) according to “tentative” estimates the number of irregular migrants is considerable in many developed countries [US: 8 million in January 2000 (stock); Europe: 500.000 in 2001 (flow)];
- 3) large, persistent and often increasing economic disparities together with increasingly strict immigration policy in rich countries inevitably lead to **more irregular migration** for the years to come;

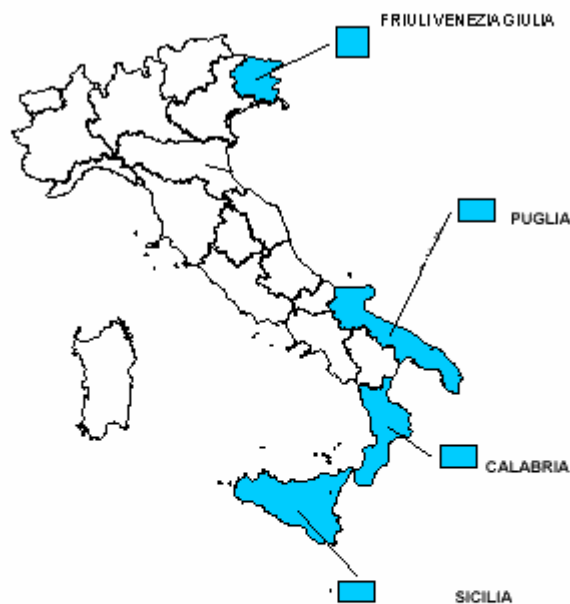
For most European countries the **phenomenon is relatively new**. Not long time ago countries like Italy were major source of migrants.

As for many new social changes, irregular migration often generates **widespread sentiments of distrust** and **fear** in the general public which sometimes flow into xenophobic attitudes.

The lack of information greatly contributes to this hostility.

Survey on Illegal Migration in Italy (SIMI)

- WHO ?** sampling unit: illegal immigrants, ≥ 18 -years-old, in Italy ≤ 6 months
sample size 920: illegal migrants crossing Italian borders in 2003
- WHERE ?** data collected in “hosting centers” (Centre of Temporary Permanence), helping centers, public canteen and voluntary services. In 4 border regions (Friuli Venezia Giulia, Apulia, Calabria and Sicily)
- HOW ?** dynamic sampling technique (trained interviewers drew a random sample every week on the basis of the center arrival lists classified by nationality and gender).
With the help of a multicultural and multi-religion non-profit organization and the cooperation of a group of linguistic and cultural mediators



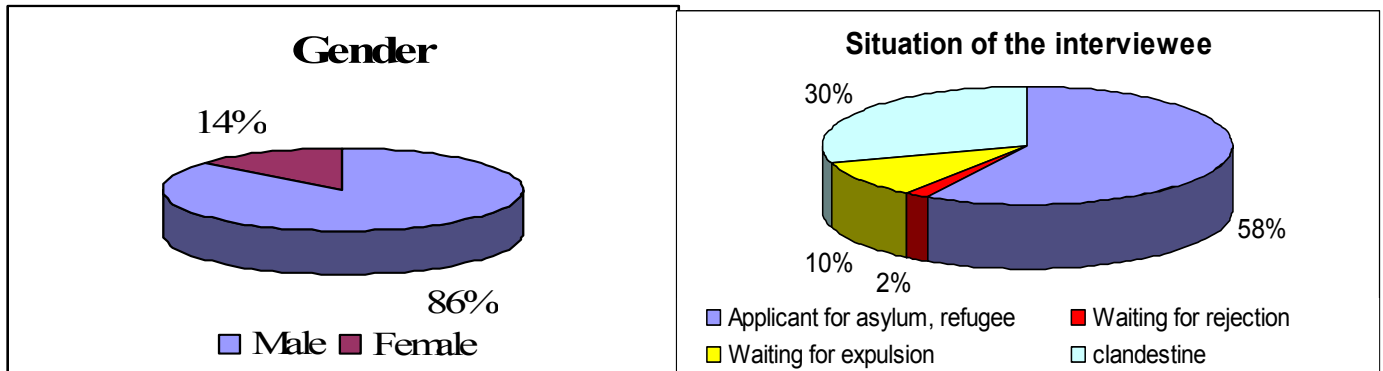
LEGENDA:

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Overview of the DATA

1) Demographic, economic and social characteristics

They come from 55 different countries and significantly from Iraq 9,6%, Liberia 9%, Sudan 5,4%, Morocco 5,1%, Senegal 4,8%, Turkey 4,8%

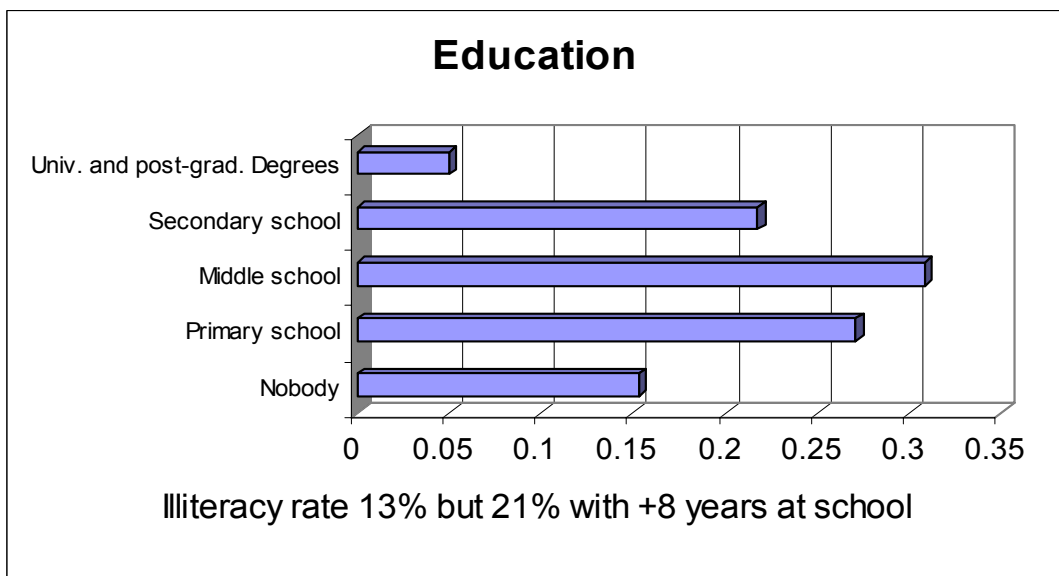
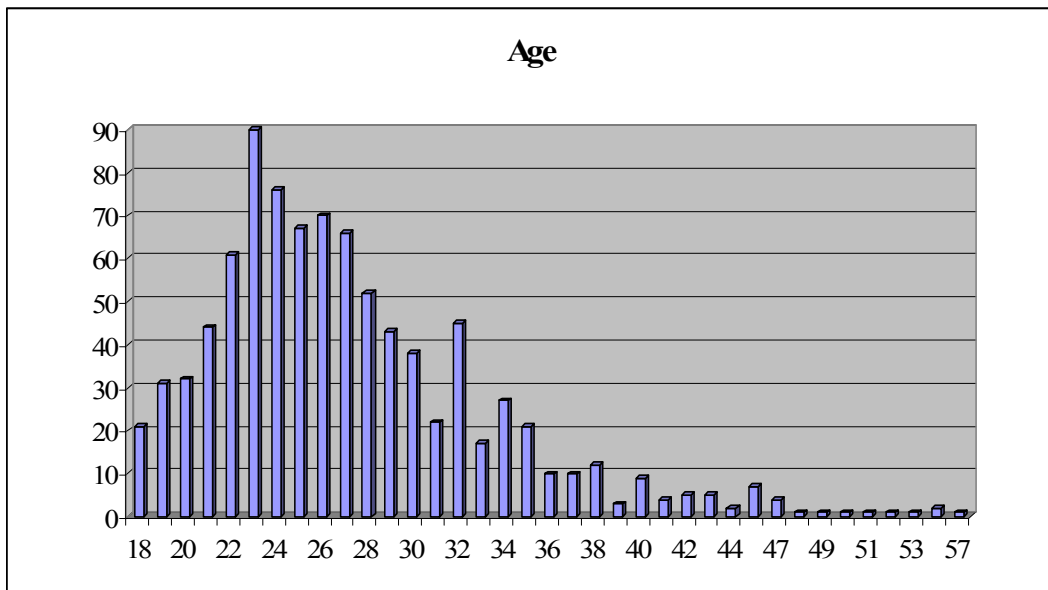


Applicant for asylum:

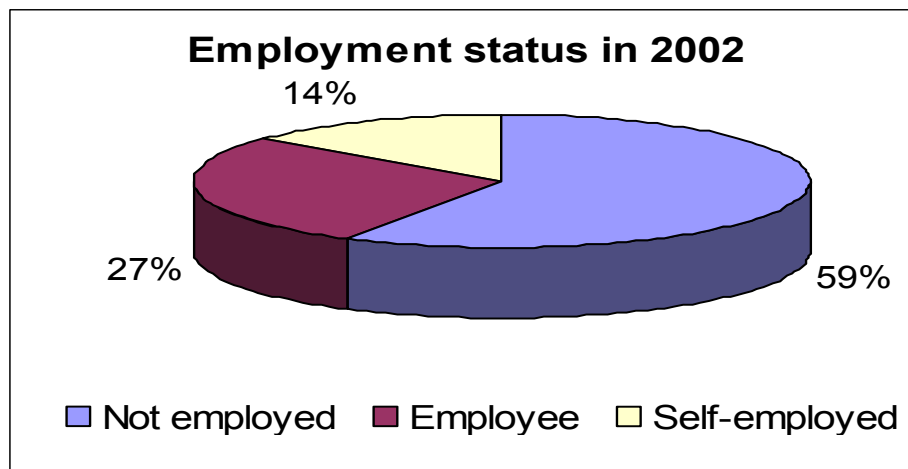
- * individuals under temporary protection for humanitarian aid
- * individuals that should be repatriated to a country where they would be prosecuted, or that would be repatriated to a country where they would not be protected from prosecution

Clandestine:

- * a foreigner with an expired visa (or without) that has been in Italy for less than 6 months



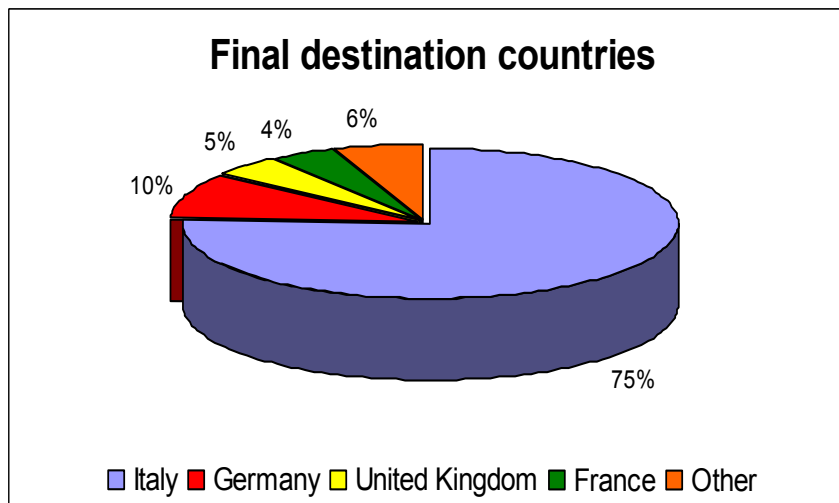
2) Living Standard before Migration



The 70% of them have low skills

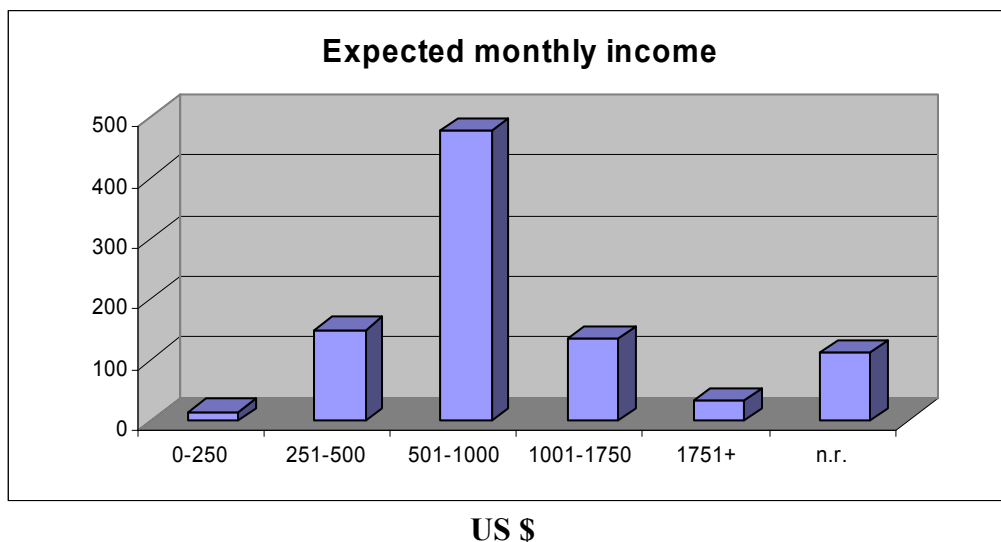
Income variables	Valid responses	mean (US\$)	std. dev.
Monthly individual income	454	144.7	151.2
Monthly family income	618	216.2	231.7
Monthly family expenditures for food and drinks	828	133.7	131.5
Expected monthly income at final destination	809	937.3	858.2

4) Motivations and Future Expectations

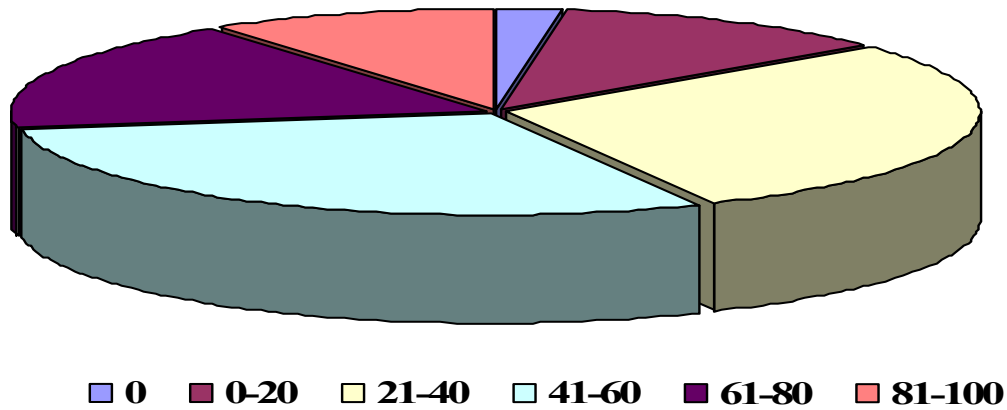


Which kind of job were they expecting to do?

- Construction industry 15%
- Agricultural worker: 10%
- Cleaning: 9%
- no idea: 24% (much less for individuals in “migroneetworks”)



Expected percentage of remittances



in US\$

Are you expecting to return home?

Yes	58,4 %
No	40,6 %
na	1%

How long are you expecting to be away?

Few months	4 %
1 or 2 years	12 %
3-10 years	30%
More than 10 years	3%
I don't know	51%

Should we expect more incoming illegal migrants from those countries?

Why do you think that friends and relatives of your age remained in the country of origin?

- for lack of finance: **31.4%**
- higher attachment to family and job: 8.9%
- satisfied with their job: 4.2%
- less risky: 10%
- they will migrate in the future: **16.8%**
- other reason: 28.6%

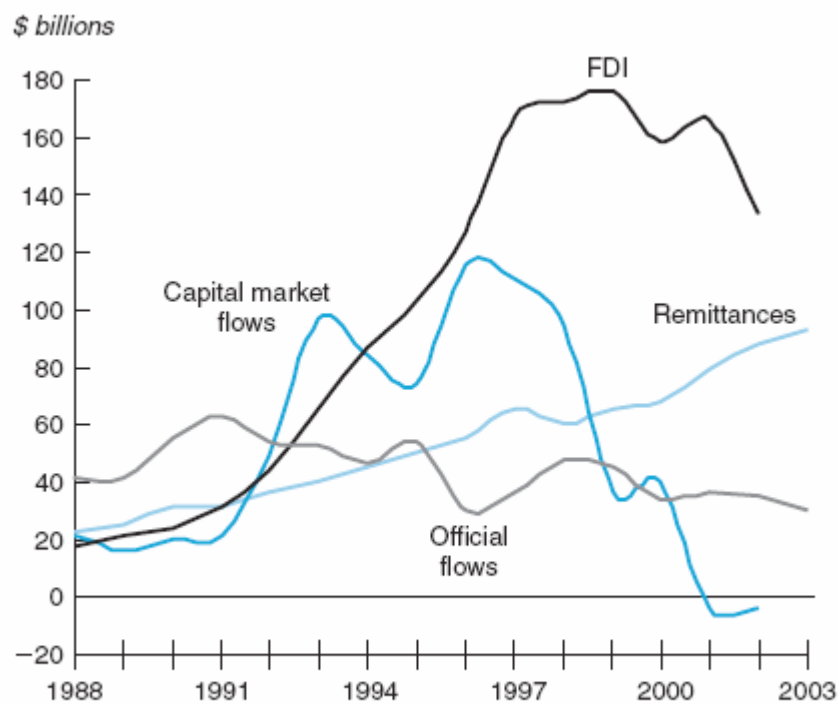
Intention to return and propensity to remit (some very preliminary results)

General motivations

Return migration and remittances are the two main channels linking migration and economic development in the migrants' sending countries both at the macro and micro level.

In 2002 the international flow of remittances to developing countries stood to \$80 billion, a figure which is **much higher than the total official aid flows**.

Future trends of remittance levels as well as their use are of great significance from an economic policy prospective for both migrant-sending and host countries



Sources: IMF, *Balance of Payments Yearbook*, various years, and World Bank staff estimates.

Returns and remittances

As international remittances provide a significant share of disposable income, migrants with a higher probability to return are expected to remit a larger share of their earnings.

Since return migrants transfer with themselves entrepreneurship, remittances may be cumulated to finance investment to start a new activity upon return rather than to enlarge family's consumption.

We focus on the relationship between **skill profile, planned duration of the migration experience and the propensity to remit**.

First task: analysis of remittance behaviour

The richness of the data set allow us to explore the “expectations at the gate” about the remittance behaviour of illegal immigrants under at least three well known hypotheses which are widely taken into consideration in the literature of *legal* migration.

Pure altruism \Rightarrow Migrants remit purely to increase the well-being of the family members left behind.

Pure self-interested \Rightarrow Remittances are funds sent home as an insurance in case of unsuccessful outcome of migration [i.e. to insure one's inheritance, to maintain status and return with social capita, to invest in assets in the home area and ensure their careful maintenance, because of the intention to return home]

Tempered altruism or Enlightened self-interested \Rightarrow Remittances are a self-enforcing contractual arrangement between family and migrant [i.e. the household as a whole has a strategy to have members to migrate elsewhere, either as means of risk-sharing or as an investment in access to higher earnings (Co-insurance); mutual beneficial agreements include repayment of the migrants' education or other expenses in the context of a household diversification strategy]

Little is known about *illegal* migration. In general, illegal migrants are more likely to return [Stark and Galor (1997)] and are expected to implement more informal loans because of imperfect credit markets in poor emigration countries [Ilahi and Jafarey (1998)].

Summary of the predictions on the propensity to remit

	Pure-self interest	Altruism
Natural Disaster		<i>Positive effect</i>
Male	<i>No prediction</i>	<i>Negative effect</i>
High Education	<i>Positive effect (Co-insurance)</i>	<i>Positive effect</i>
age / age ²		<i>Negative/ Positive effect</i>
Children at home		<i>Positive effect</i>
Household income		<i>Negative effect</i>
Reason of migration (to earn)	<i>Positive effect</i>	<i>Positive effect</i>
Expected income growth	<i>Negative effect</i>	<i>Positive effect</i>
	<i>Positive (Co-insurance)</i>	
Crisis (ICRG)	<i>Positive effect</i>	<i>Positive effect</i>
Family ownership	<i>Positive effect</i>	<i>Negative effect</i>
		<i>Positive (Tempered altruism)</i>
Intention to return	<i>Positive effect</i>	
High Qualification	<i>Positive effect (Co-insurance)</i>	
Debt for Financing Trip	<i>Positive effect</i>	
Debt with Family Friends	<i>Positive effect (Co-insurance)</i>	

Ordered Probit Model ¹

Dependent variable : Percentage of remittance ranking ranges from 1 to 6

Variables	Altruism	Pure self-interest	Full Specification
Natural Disaster	0.358* (-0.112)		0.38* (0.12)
Male	-0.07 (0.158)	-0.097 (0.158)	-0.124 (0.166)
High Education	0.255* (0.12)	0.194** (0.11)	0.217** (0.119)
Age	0.039 (0.045)		0.041 (0.045)
Age²	-0.001 (0.0001)		-0.001 (0.0006)
Children at home	0.406* (0.13)		0.406* (0.138)
Household Income	-0.0001 (0.0002)		-0.0001 (0.0002)
Reason Earning	0.222* (0.107)	0.201** (0.109)	0.197** (0.112)
Expected Income Growth	0.002* (0.001)	0.002* (0.001)	0.002* (0.001)
Crisis	0.003 (0.003)	0.005** (0.003)	0.004 (0.003)
Ownerships	-0.172** (0.102)	-0.162 (0.104)	-0.189** (0.106)
Return		0.072 (0.12)	0.024 (0.124)
High Qualification		0.05 (0.053)	0.061 (0.055)
Debt Financing Trip		-0.582 (0.411)	-0.64 (0.415)
Debt with Family Friends		0.604 (0.408)	0.632 (0.412)
Clandestine	-0.478* (0.174)	-0.459* (0.178)	-0.476* (0.177)
Asylum	0.246 (0.19)	0.316** (0.189)	0.239 (0.188)
Number of observations	451	450	433
Log likelihood	-665	-678	-640
Pseudo R ²	0.055	0.041	0.057

¹ * significance at 5% level ** significance at 10% level

Main Implications

- **Pure self-interest specification**

The **characterizing variables** have the right sign but are statistically not significant
⇒ not very convincing hypothesis

- **Altruism specification**

The **characterizing variables** have the right sign and most of them are statistically significant ⇒ more convincing hypothesis

- **Full specification**

All variables characterizing Altruism maintain their significance.
Ownership might be interpreted as a proxy for expectation of future earning rather than a source of investment.

Note that both the **gender** and age effect might not be significant given the limited variability of the data in our sample

Future work

On this topic

- * Do the factors that influence the remittance level also influence the decision to remit?
- * Some preliminary work has been done on return as well. More needs to be done on the relation among duration, return and remittance.

Also in the research agenda

Are illegal immigrants positively self-selected?