

The Factors of Investment at Home among African Migrants A Comparative Event-History Analysis on Senegalese and Congolese Migration

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Short abstract:

The objective of this paper is to study the investments of Senegalese and Congolese migrants at home, as a way to better understand under what circumstances international migrants can contribute to the development of their origin country. Our analyses firstly describe investment patterns of African migrants bringing quantitative answers to the following questions: To what extent do African migrants invest in their home country? Do they invest in their home village/town or in cities? In what domain do they invest (land, housing or business)? And, when do they invest? Secondly, multivariate and longitudinal analyses (discrete time models) allow to studying the determinants of investment during the life course, taking account of time-changing situation of the interviewees both at the individual and contextual level. The quantitative data for this study comes from the international MAFE-Project (Migration between Africa and Europe). It mainly consists in life histories collected both in origin (Senegal and Congo) and European destination countries (France, Spain, Italy, UK, Belgium).

Nowadays, all public institutions, whatever their level, tend to consider migration as a possible driver of development. International organisations such as the United Nations, the World Bank, and the International Monetary Fund disseminate this idea throughout their recent reports. Regional organisations are also in line with this view. On the one hand, receiving regions, such as the European Union, see the (supposed) positive impact of international migration on development in origin countries as a means to reduce immigration. And, on the other hand, sending regions, such as ECOWAS, explicitly call on their migrants to be actors in development. Finally, national governments have the same expectations and some of them have developed schemes aimed at facilitating migrants' investments in their origin country. There is thus an extraordinary policy consensus on the expected effect of migration on development. Yet, actually, there is little empirical evidence to corroborate these policy expectations. Macro data on remittances tend to confirm the important contribution of the international migrants' money to national economies. Studies multiply on the role of remittances to reduce poverty at the household level. But, so far, the role of migrants for investments in origin countries remains poorly tackled.

Objective and context

Previous analyses have shown that current migrants tend to invest more than non-migrants in land or housing and returnees more in businesses (Mezger and Beauchemin 2010). Migration experience thus appears as a factor encouraging investments at origin. It remains that investment is a selective process, in which only some migrants engage. Building on this result, the goal of

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our paper is to provide a comparative analysis of the factors explaining under what circumstances migrants choose to invest or not in their home country.

Our analyses will be based on two very different countries and migrant populations: the Senegalese and the Congolese migrants in Europe. The stake of the comparison is to identify to what extent the determinants of investment vary according to the context of origin. Our analyses will furthermore allow to take into account the influence of the receiving context on the probability to invest in the home country.

Senegalese Migration

Senegal is a Sahelian country located in West Africa. As most of its neighbours, it is one of the poorest countries in the world according to international indicators. It is also highly affected by international emigration. The Senegalese Ministry in charge of migration estimates that about 2,000,000 of its nationals live abroad, i.e. there would be one expatriate for five people living within the country. Another source, based on census data in destination countries, indicates that there are 11 Senegalese people in OECD countries for 1,000 individuals in Senegal, against a ratio of 4.5 for the whole sub-Saharan Africa (Lucas, 2006). In the late 1990s, the remittances transferred through official channels amounted to almost 3% of the Senegalese GDP, and informal remittances are believed to be the equivalent. Various qualitative studies have shown the impact of collective remittances systems in Senegal, especially in the rural region of the Senegal River Valley (Lavigne-Delville 2000). Recent works have also shown the surge of investments in urban areas, and especially in the housing sector in Dakar, capital city of the country (Tall 1994). According to our knowledge, no complementary study indicates whether migrants are directly involved in the development of economic activities.

Congolese Migration

While Senegal has been a quite stable country since its independence, RD Congo has been affected by a series of economic and political crises that encouraged a growing out-migration flow. Neighbouring countries are the main destinations of international migrants. However, migration flows to Western countries, especially Europe, have progressed within the last decades. Belgium, as the ex-colonial power, was for long the main destination country. However, destinations diversified, with UK or Germany becoming increasingly popular among migrants as receiving places (Beauchemin, Schoumaker et al. 2010; Schoumaker, Vause et al. 2010). While being abroad, Congolese migrants are not cut from their origin country: 61% of them send money or goods to their household of origin and remittances are more common among those who stay in European countries (Mangalu 2010). However, so far, very few is known about the investments of migrants at home.

Data

The analyses performed in this paper will rely on a new data source extracted from the MAFE-project (Migration between Africa and Europe)⁴. This project aims at filling the gap, largely

⁴ Results presented in this paper have been obtained within the Migration between Africa and Europe project (MAFE). The research leading to these results has received funding from the European Community's Seventh Framework Programme under grant agreement 217206. The MAFE project is coordinated by INED (C. Beauchemin)

admitted, in data availability on African international migration (Lucas, 2006; Hatton, 2004). The design of the MAFE survey builds on the following key studies on international migration in the world. First, the “Mexican Migration Project” (MMP), which is a major longitudinal dataset that provided numerous insights into patterns and consequences of Mexican migration to the United States (Massey 1987). The MMP design was adapted to ensure its applicability to African migration. Second, recent experience with *biographic surveys* in Europe and in Africa has provided inspiration for the design of the MAFE project questionnaires (GRAB 1999; Poirier et al. 2001; Schoumaker 2006). Third, the project “Push and Pull Factors of International Migration”, a large Eurostat-funded project in the mid-1990’s collecting data from selected countries in West Africa, the Mediterranean region and Europe, has provided inputs with regard to the research design and sampling strategy (Groenewold et al. 2004).

In short, the MAFE survey design rests on two principles.

(1) *Longitudinal data.* Among other objectives, the MAFE survey was built to study the consequences of international migration. To do so, we need information not only at the time of the survey but at the time of migration and at the time of the possible subsequent changes (Bilsborrow et al. 1997). For instance, to study whether migration has an impact on investment, we need to know whether an individual has invested before or after migration. The causal relationship can be established only if the investment follows migration. We thus collected life histories on various aspects: family formation, education and employment, housing, migration etc. One module is specifically dedicated to belongings and investments (land, housing, business) and provides detailed information on the timing of investments (from purchase to sale or bankruptcy); type of investment; financial sources etc. and will thus provide us with a rich data source for this paper.

(2) *A transnational sample.* Our contention, in line with recognized recommendations (Bilsborrow et al. 1997; Massey 1987), is that data collected only at the place of origin or at the destination are not sufficient to study the impact of migration. On the one hand, surveys carried out only in sending countries tend to collect poor information on the migrants themselves, either through proxy respondents (since migrants are absent by definition) or from a biased sample of those who use to return at particular times of the year. Neither do they provide an accurate or representative picture of the migration experience. On the other hand, surveys carried out in receiving countries can collect information on the current migrants’ investments but they do not allow for a comparison of migrants with non-migrants, which is essential to determine the impact of migration. We thus collected data both at origin (among non-migrants and return migrants in Senegal and RD Congo) and in destination places (among current migrants at the time of the survey). For cost and practical reasons, the samples at origin are limited to the regions of Dakar and Kinshasa, where households and individuals were randomly selected (numbers in the following table). Current migrants were interviewed in the main Senegalese and Congolese destinations in Europe (Senegalese in Spain, Italy, and France; Congolese in Belgium and UK). Data collection was performed in all countries in 2008 and 2009.

and is formed, additionally by the Université catholique de Louvain (B. Schoumaker), Maastricht University (V. Mazzucato), the Université Cheikh Anta Diop (P. Sakho), the Université de Kinshasa (J. Mangalu), the University of Ghana (P. Quartey), the Universitat Pompeu Fabra (P. Baizan), the Consejo Superior de Investigaciones Científicas (A. Gonzalez-Ferrer), the Forum Internazionale ed Europeo di Ricerche sull’Immigrazione (E. Castagnone), and the University of Sussex (R. Black). For more details, see: <http://www.mafeproject.com/>

In this paper, we only use the samples of those interviewees who have had an experience of international migration, whatever their location at the time of the survey (see table below).

MAFE Migrants Samples

MAFE Congo		MAFE Senegal	
Survey Country	Number of interviewees	Survey Country	Number of interviewees
DR Congo	308 return migrants	Senegal	269 return migrants
Belgium	279 migrants	France	200 migrants
United Kingdom	150 migrants	Italy	203 migrants
		Spain	200 migrants

Methods

The first part will describe personal investments in Senegal and in Congo of migrants before migration, during their stay abroad and after their return. Two types of analyses will be performed to better understand the process of investment after migration. We will first compute survival functions in order to study the timing of migrants' investments in durable assets and thus to assess to what extent migrants invest or not in their origin country. Second, we will describe their investments, considering both the location of their investment (in the home village or town or somewhere else) and the type of investment (housing, land or business).

Secondly, multivariate and longitudinal analyses will allow to studying the determinants of investment during the life course, taking account of time-changing situation of the interviewees both at the individual and contextual level. Life histories will be analysed with discrete-time event history models, using "person-years" datasets (i.e. each individual appears in the dataset with a line per year from 1970 to 2008). The discrete-time event history model, estimated through binary logistic regression (Allison 1995), is specified as follows:

$$\log\left(\frac{p_{it}}{1-p_{it}}\right) = \alpha_t + \beta' \cdot \mathbf{X}_{it}$$

where p_{it} is the conditional probability that an individual i experiences the event under study (investment in land, housing or business) at duration t (starting from 1970), given that the event has not already occurred. α_t represents the baseline hazard function. \mathbf{X}_{it} is a vector of time-constant and time-varying community level covariates.

Separate analyses will be done on Senegalese and Congolese migrants. Independent variables will cover three main domains:

- the family situation of the interviewee, with indications of its transnational nature: matrimonial status (single, in a couple with a "left behind" partner⁵ or with a cohabitating partner) ; with "left behind" children and/or reunified children;

⁵ « Left behinds » are people related to the migrant who stayed at origin when the migrant left.

- the socio-economic situation of the interviewee: occupational status, income stability, education level, type of housing;
- the kind of migratory experience: duration of stay abroad, country of residence, legal status, visits to the origin country and indicators of individual vs. collective organisation of migration (using information on who decided and who paid the initial travel)

At the end, expected results should provide new empirical evidence on the relationships between migration and investment and thus contribute to a better understanding of the circumstances that help migrants to invest at home and thus to promote development in their origin countries.

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