



# Achieving positive rural migration outcomes in rural areas

## Rural migration: a significant component of migration

Rural migration – migration to, from and between rural areas – is a large component of both internal and international migration flows. Some 250 million people have migrated internationally during their lifetime, many originating from rural areas. Even more people have migrated internally, with more than 1 billion in developing countries alone. Moreover, in a sample of 31 developing countries, more than half of the people living in rural areas during their childhood migrated internally. Eighty percent of internal moves involve rural areas, but less than 30 percent constitute rural–urban migration, while the rest are rural–rural or urban–rural movements. Many refugees and internally displaced people come from rural areas, and many are hosted in rural areas as well. For example, more than 80 percent of refugees in sub-Saharan Africa are found in rural areas. Not all migration is permanent or long-term. There are large, but mostly undocumented, migrants flows between different rural and urban areas in search of employment opportunities (circular migration), not least in the form of seasonal migration linked to agricultural production cycles.

## Rural migration has significant impacts, both positive and negative, on areas of origin

Migration from rural to urban areas forms part of the process of economic development and transformation of societies. This historical urbanization process continues today, even though in many countries at lower levels of development people are moving in even larger numbers between rural areas. The movement of people out of agriculture and into other sectors with higher productivity – manufacturing and services, mostly located in urban areas – contributes to economic growth and higher incomes for migrants from rural areas. However, migration also has profound impacts on the rural areas of

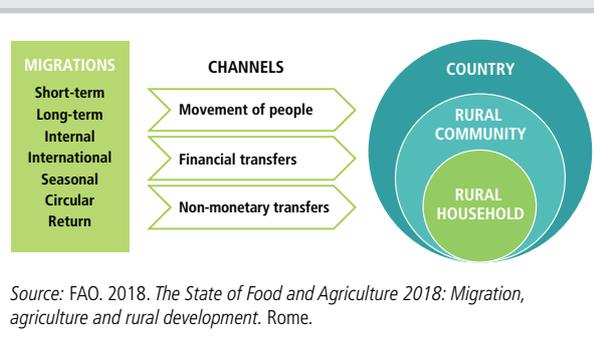


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## KEY MESSAGES

- ▶ Migration from rural areas is significant, and policy-makers must seek to maximize its positive impacts on development.
- ▶ In rural areas of origin, there can be important payoffs from supporting productive capacity and livelihoods as migrant labourers move away.
- ▶ It is also important to enhance the contribution of migrants to the development of rural areas of origin through remittances and return migration.
- ▶ The promotion of circular and seasonal migration can allow rural households to diversify their livelihoods and increase their incomes.

FIGURE 1. Impact channels of migration



origin, some positive and some negative. These are transmitted through three main channels (Figure 1). First, the outflow of people has direct impacts on households of origin – affecting supply of household labour and household composition – as well as on rural labour markets. Second, remittances sent by migrants back to their households of origin allow for increased household consumption and/or investments. Finally, there may

be non-monetary transfers of ideas, skills and social patterns from migrants to their places of origin.

Assessing empirically the impact of migration on rural areas of origin is challenging, and the evidence is mixed. At the household level, loss of labour can lead to reduced production in agriculture or other activities. Remittances, however, may allow households to invest in productive activities. The net effect of the two will vary by location and circumstances, and may be either positive (as found in a case study from Northwest China) or negative (as in Nepal, where rural migration led to labour shortages, while households receiving remittances did not invest in improving agriculture). Remittances also allow households to increase their consumption and invest in education and nutrition of children, with long-term benefits. Furthermore, migration, whether permanent or temporary, allows households to diversify their sources of income, build wealth and invest in assets.

The positive impacts of out-migration from rural areas can spill over into entire rural communities. Reduced labour supply can lead to increased wages in local labour markets, often benefitting the poorest segments of the population. Increased demand for locally produced goods and services as a result of remittances can boost the local economy and lead to increased incomes. A widely cited case study from Bangladesh shows that promoting seasonal migration to urban areas benefits not only migrants and their families but also indirectly improves the welfare of the broader rural community, due to higher local wages and increased economic activity. Migrants can also help improve rural communities by investing in economic activities through community development projects. In Moldova, for example, with one-third of the population residing abroad, a programme for attracting remittances aims at promoting business development by migrants and their families, while other policies support the reintegration of return migrants and encourage them to invest in the Moldovan economy.



## What can be done to maximize the positive impacts of migration on rural areas of origin?

Maximizing the positive impacts of migration on rural areas of origin is a major policy challenge. The following policy recommendations highlight important areas of focus.

- ▲ **Support productive capacity and livelihoods in areas of out-migration.** Policies should actively assist rural communities in addressing the potentially negative impacts of out-migration, in particular due to the loss of labour and often of the youngest and most productive part of the labour force. Agricultural labour productivity can be enhanced by promoting investment in mechanization and improved inputs, and by ensuring access to relevant research and extension. It is also critical to address gender constraints that limit women's access to resources, markets and credit.
- ▲ **Enhance the contribution of migrants to the development of their areas of origin.** Strengthening linkages between migrants and areas of origin can have positive impacts on rural areas of out-migration. This includes facilitating and reducing the cost of sending remittances and promoting their investment in rural areas.
- ▲ **Promote return migration – both national and international – as a resource for development.** Facilitating the reintegration of returning migrants into local economic and social life can bring benefits, as they often bring human capital and financial resources (as shown by the case of Moldova). Policies that promote business development by migrants can also encourage them to return and invest in their communities of origin.
- ▲ **Facilitate circular and seasonal migration.** Temporary migration of rural residents can allow their households to diversify sources of livelihoods and increase incomes. Policies facilitating such migration can have major positive impacts on rural households and communities (as illustrated by the case of Bangladesh).
- ▲ **Promote development of regional urban centres.** Developing infrastructure to strengthen links between rural areas and small cities can bring employment opportunities closer to rural inhabitants, with potential for development impacts on rural communities. *Inter alia* this can also facilitate circular and seasonal migration from rural areas.

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