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WIDER Webinar | Ahmed Mushfiq Mobarak | Yale University
Discussant | Barbara Barungi | Imara Africa Consulting
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Responding to COVID-19 in developing countries

30 June 2020



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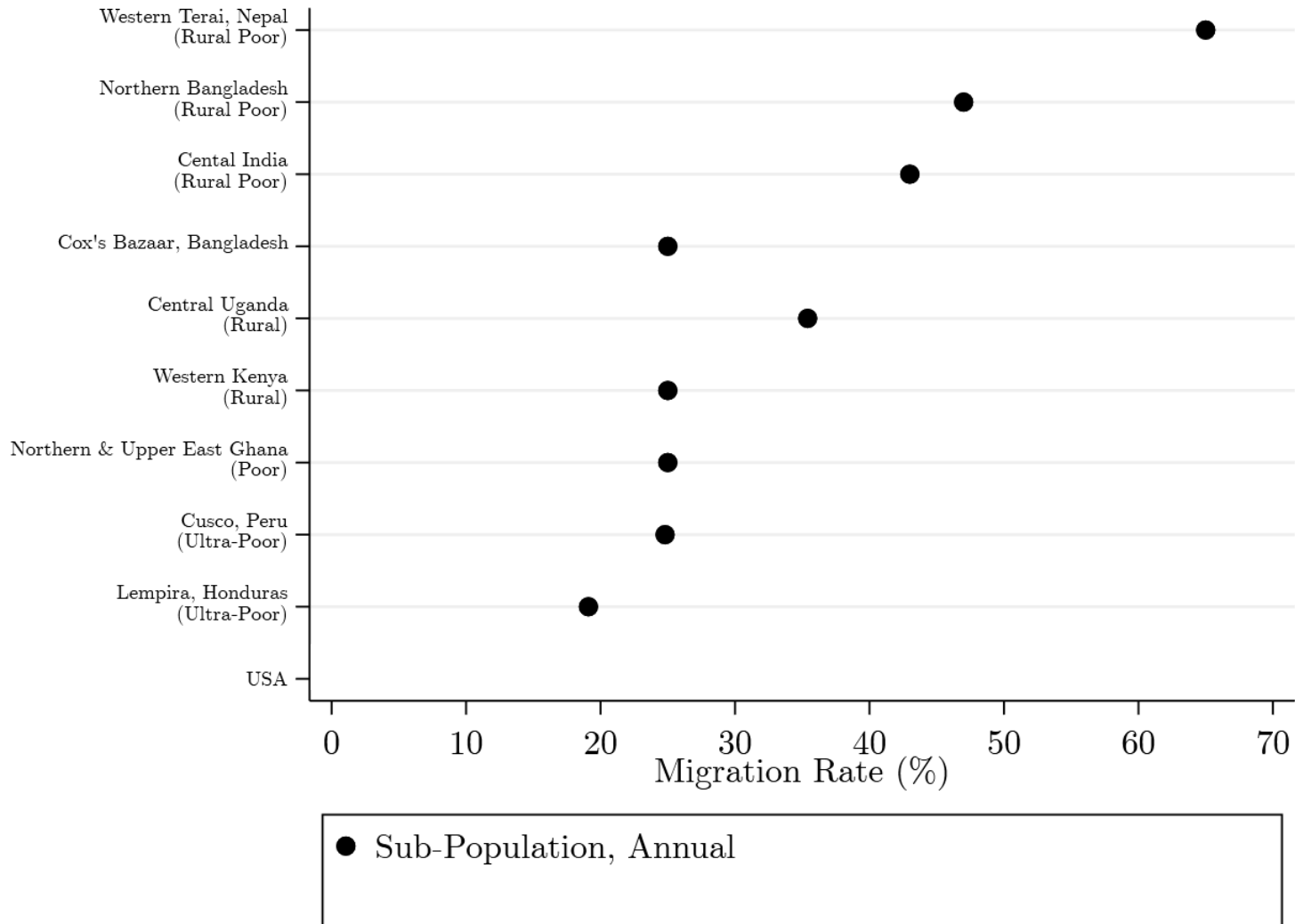
RESEARCH INITIATIVE ON INNOVATION & SCALE



Mobility and Migration during COVID-19

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Why Focus on Migrants?



Observed trends:

Migration episodes of <12 months:

Substantial fraction of households

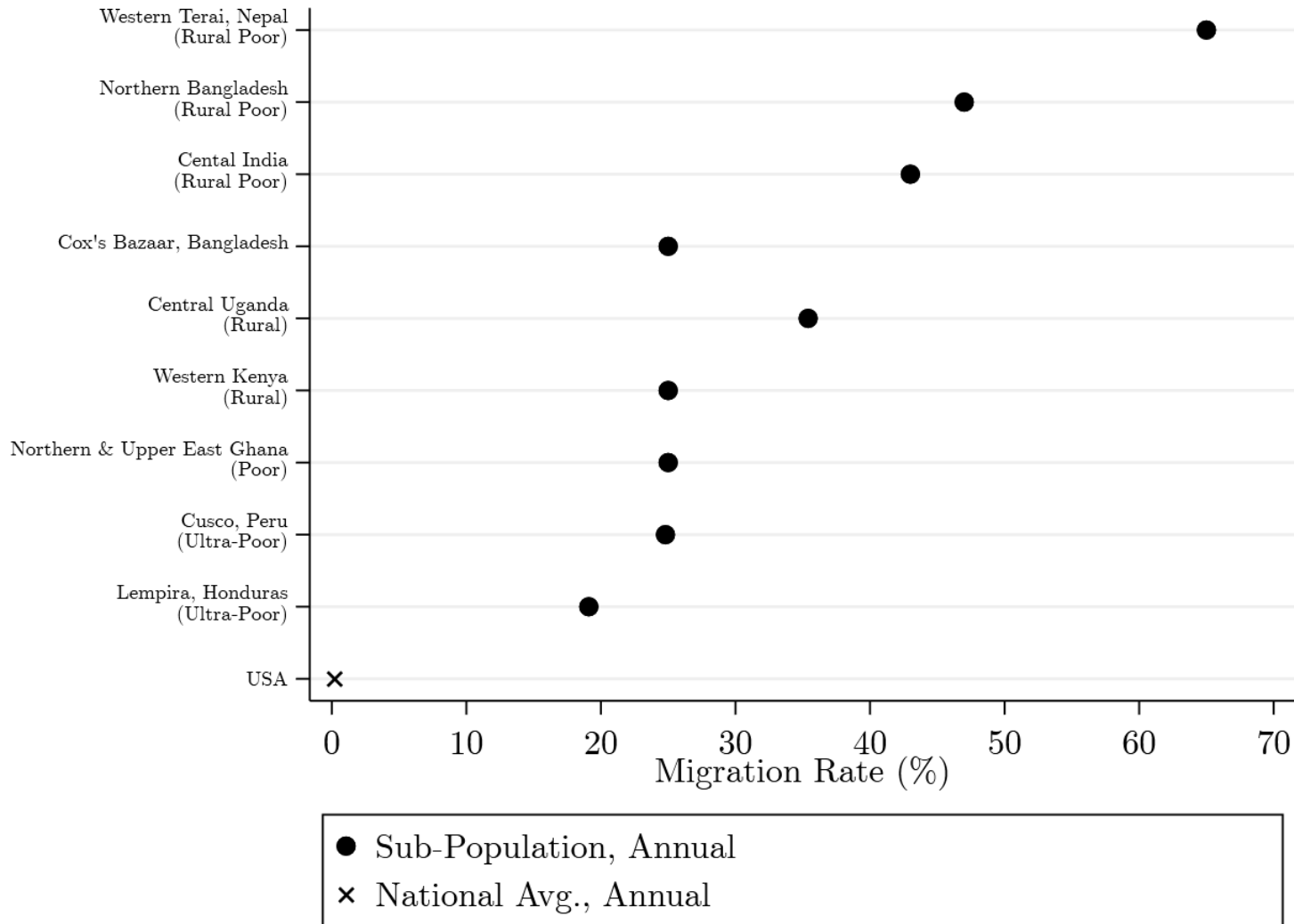
What is the fraction among households in the United States?

- A. <1%
- B. 1-5%
- C. 5-15%
- D. >15%



Why Focus on Migrants?

...short-term migration is a popular livelihood strategy in many developing nations



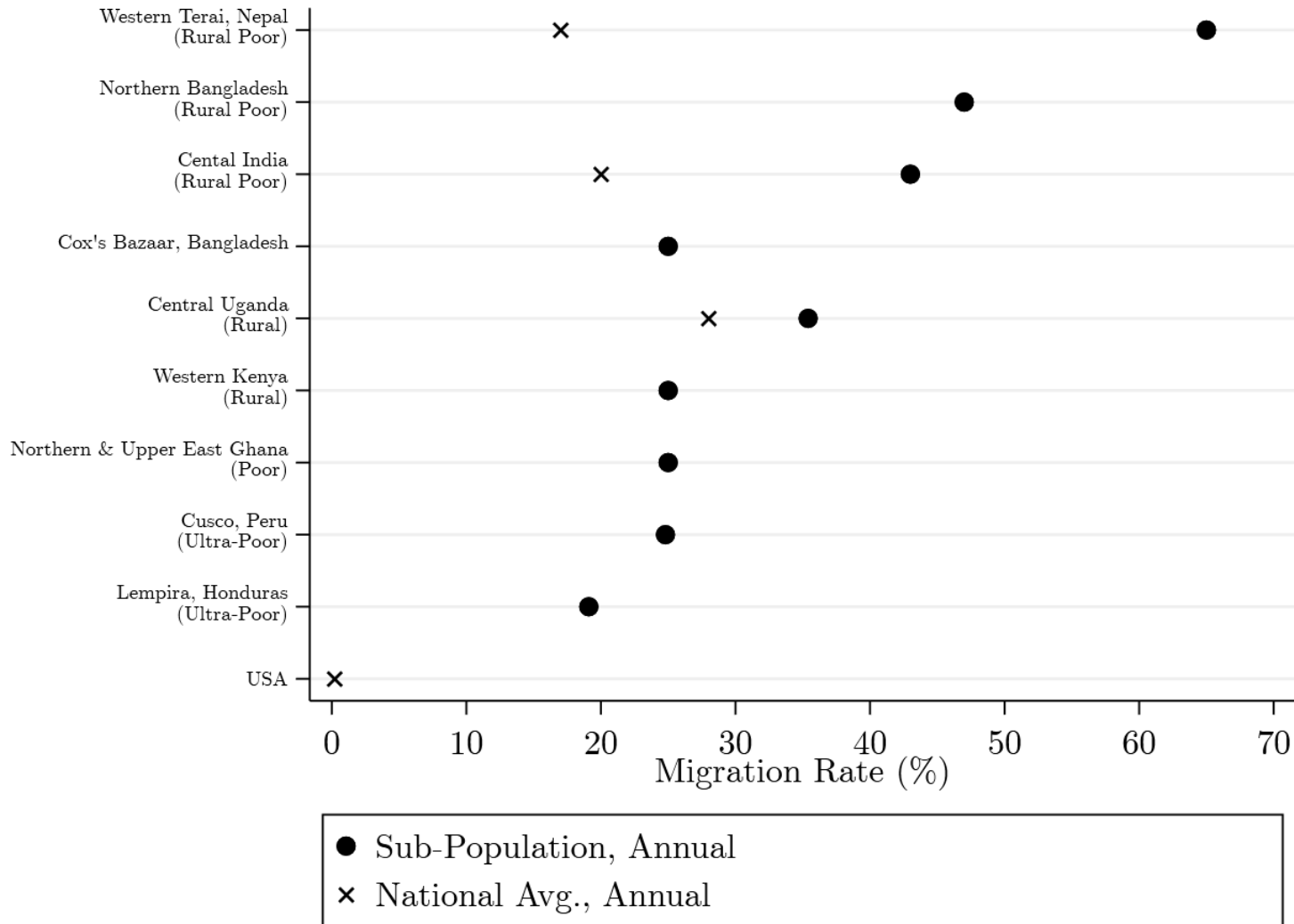
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- Comparison: 0.2% of U.S.

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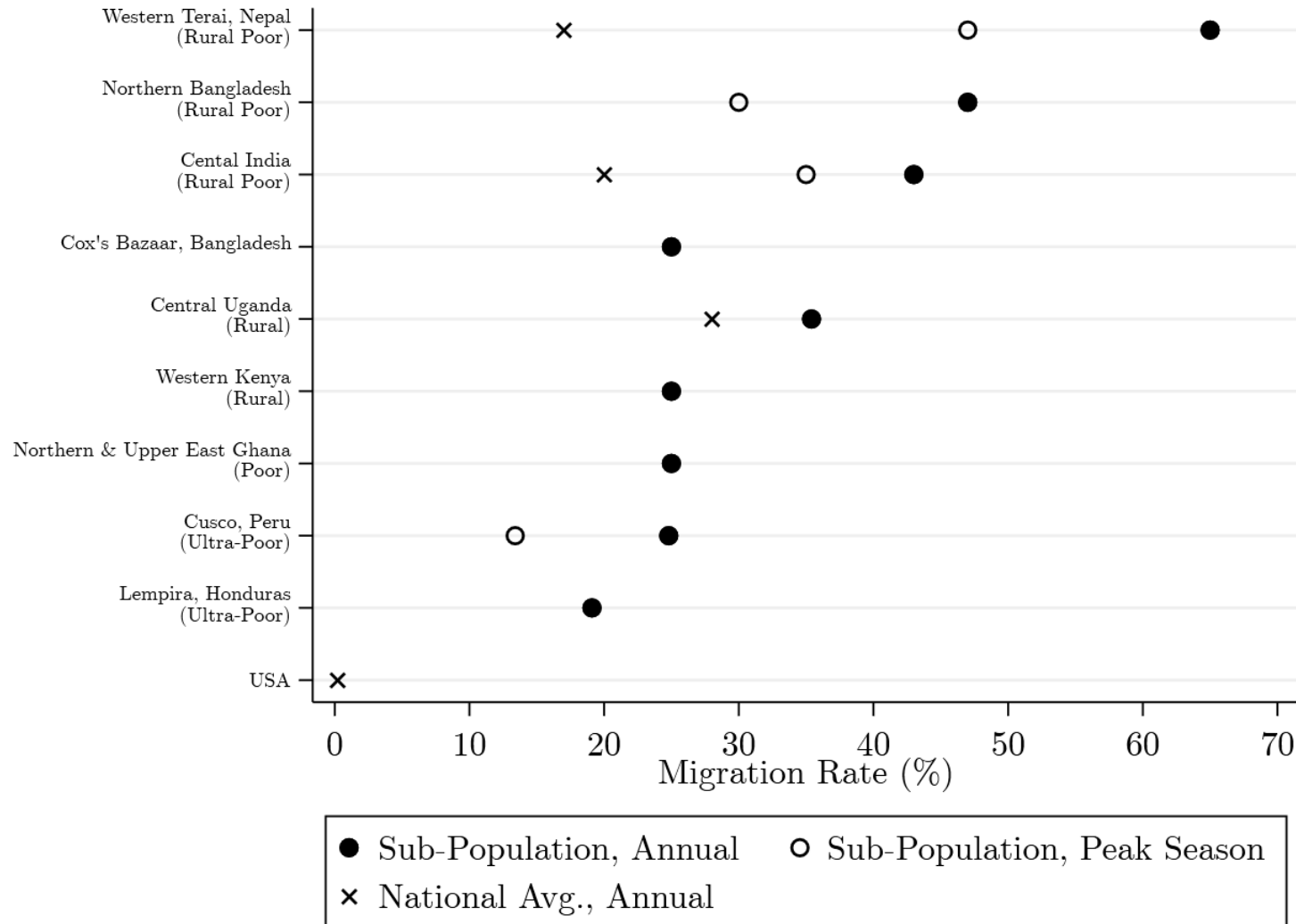
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- Concentrated among identifiable regions and sub-populations
 - Typically poor, often rural
 - 2-3 times national average

Why Focus on Migrants?

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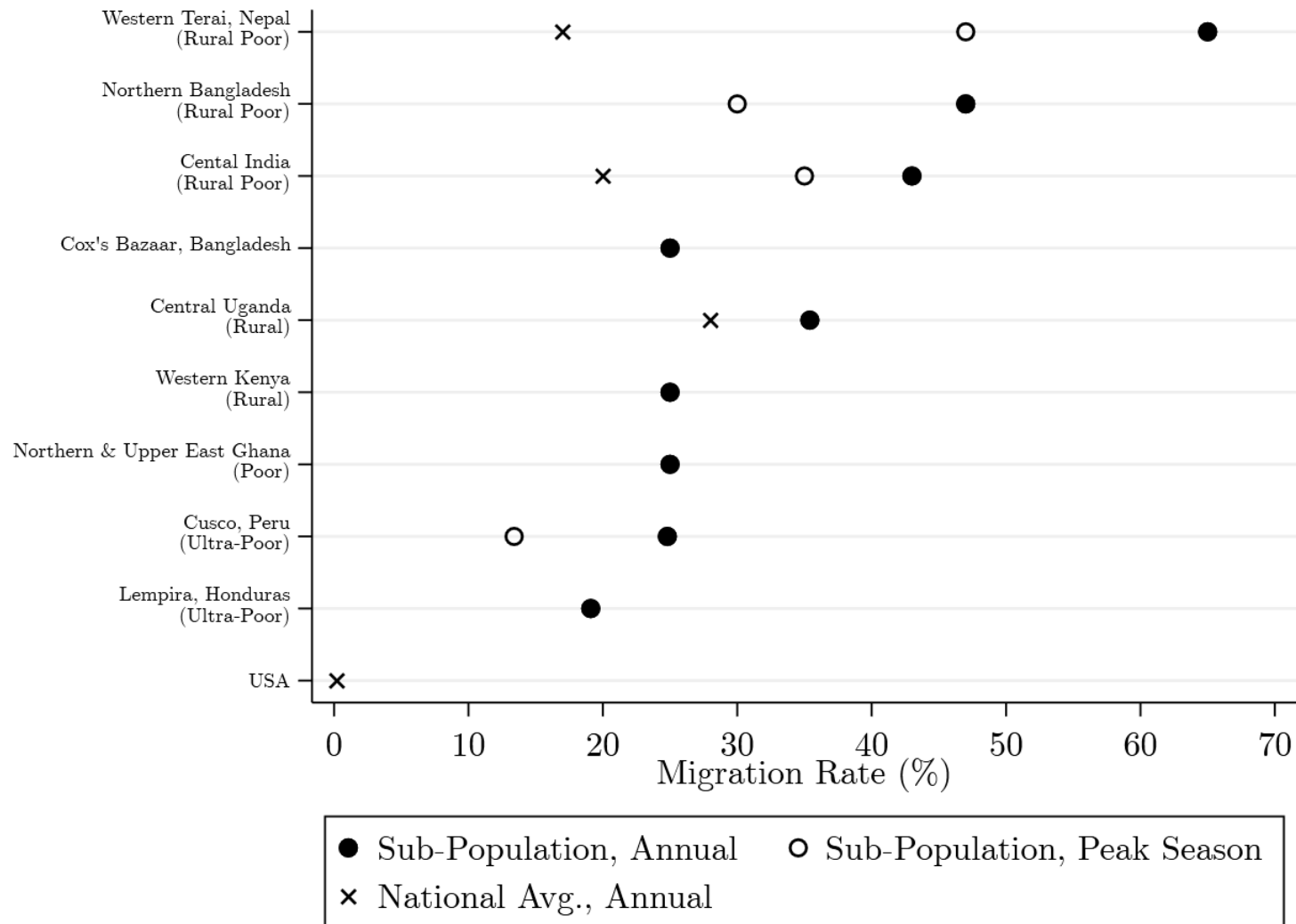


Observed trends:

Migration episodes of <12 months:

- Substantial fraction of households
 - Comparison: 0.2% of U.S.
- Concentrated among identifiable regions and sub-populations
 - Typically poor, often rural
 - 2-3 times national average
- Concentrated at specific times of year
 - Peak season accounts for more than half of annual rate

There is room for policy work to understand the local characteristics of migration



Policy implications:

Policy analysis should focus on:

- Which populations are at risk?
 - Market-level effects in areas with high migration
 - Migration linkages to areas of high exposure
- What time of year are they at risk?
 - Migration occurs when local opportunities are scarce
 - Often related to agricultural cycle
 - Early return means future income will be lower

Samples studied:

Government to Government (G2G) Visa Lottery

- ❑ Sample of households that participated in a visa lottery which awarded visas for Bangladeshis to work in Malaysia

Cox's Bazar Panel Survey

- ❑ Representative sample of both refugees and Bangladeshis living in the refugee affected Cox's Bazar district of southern Bangladesh.

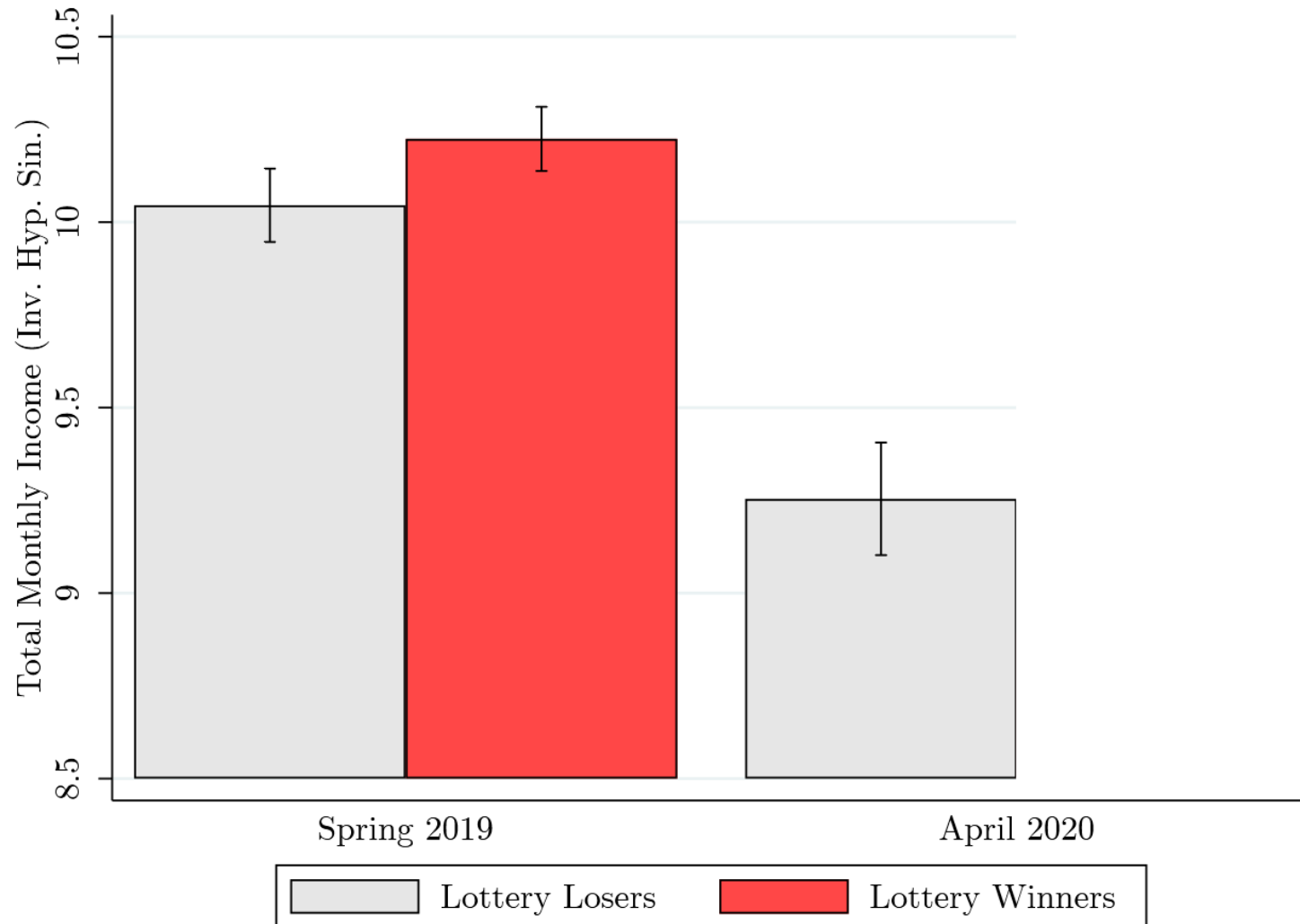
No Lean Season

- ❑ Sample of rural, landless households in agricultural communities in Northern Bangladesh

Nepal Seasonal Migration

- ❑ Sample of rural, poor low-income households from two of the poorer districts in Nepal

Evidence on migration and income during COVID from a visa lottery



The effect of migration on earnings:

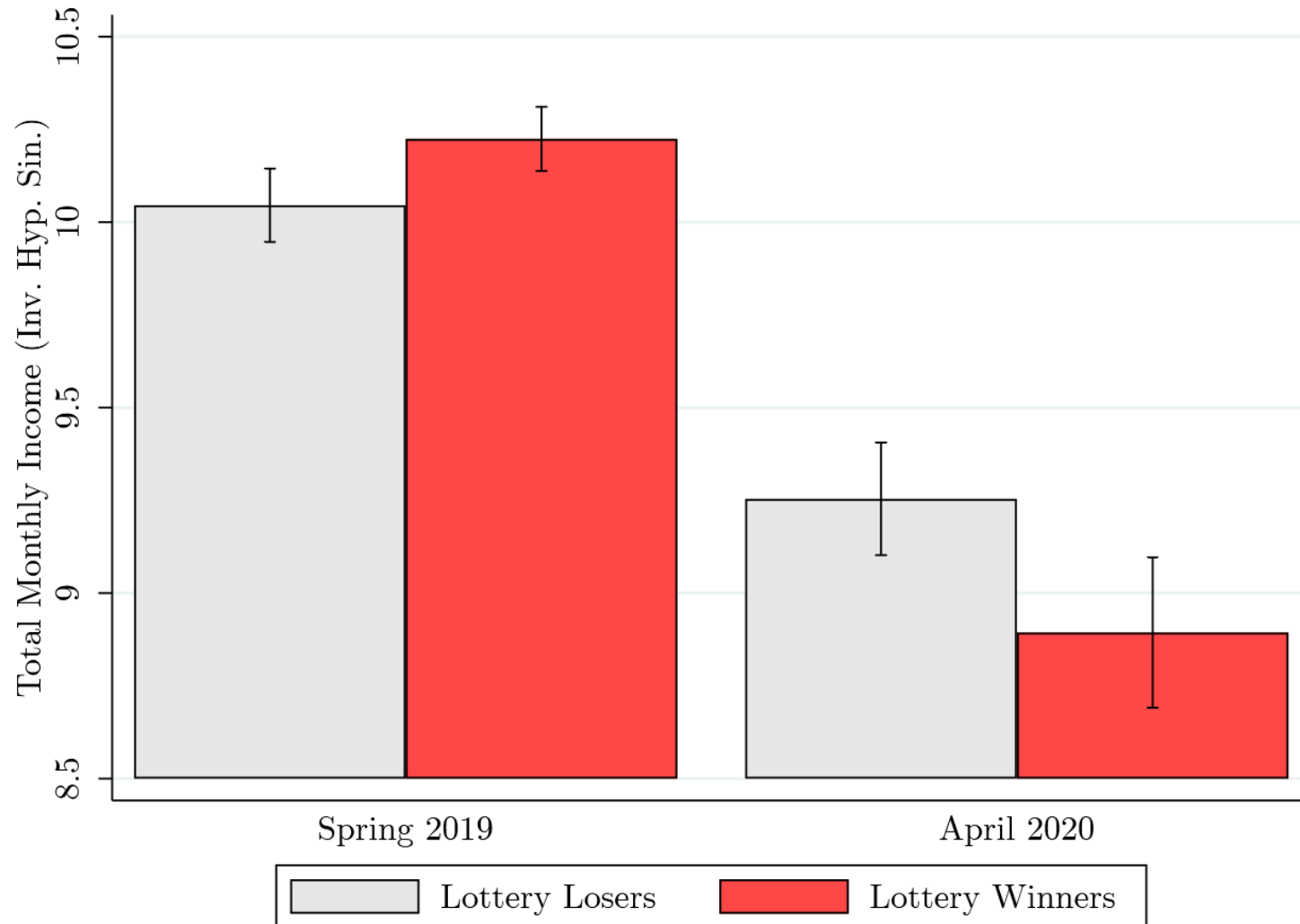
Previously, households that migrated due to the visa lottery earned 18-100% more than lottery losers.

COVID-19 lowered income by 31% among non-migrant households.

What happened to income for migrant households after COVID-19?

- A. It remained the same.
- B. It fell, but not by as much.
- C. It fell by the same amount.
- D. It fell by even more.

Lottery winners have gone from being better off to being worse off than lottery losers



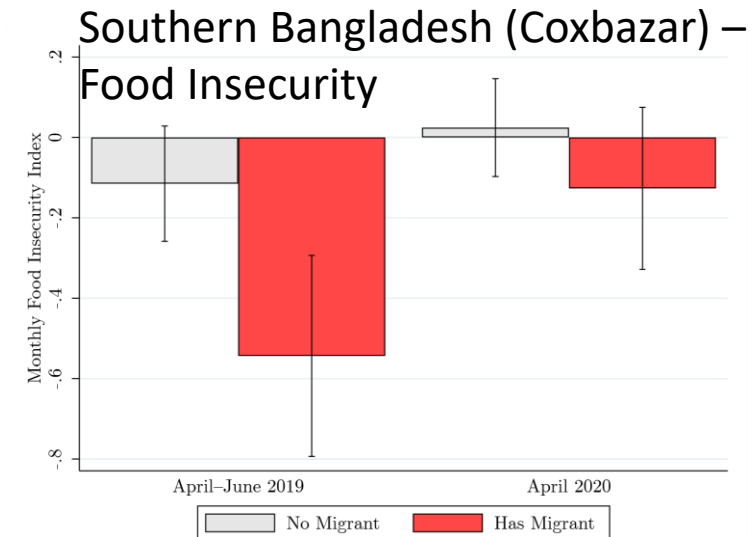
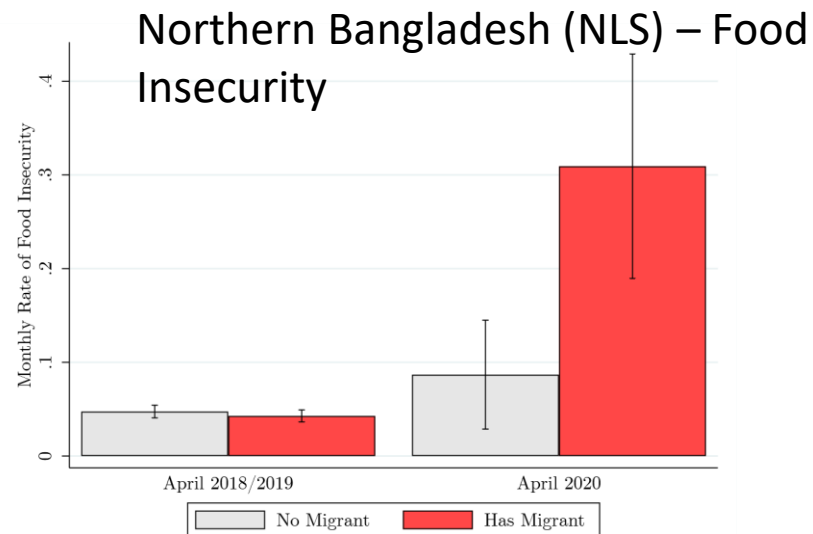
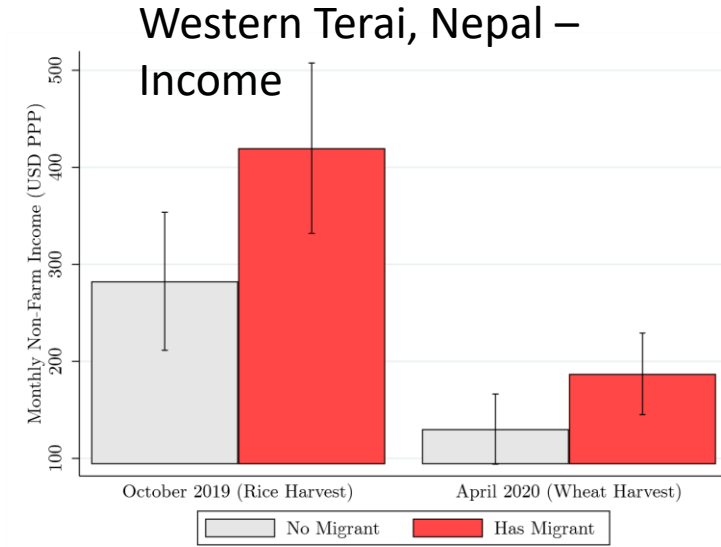
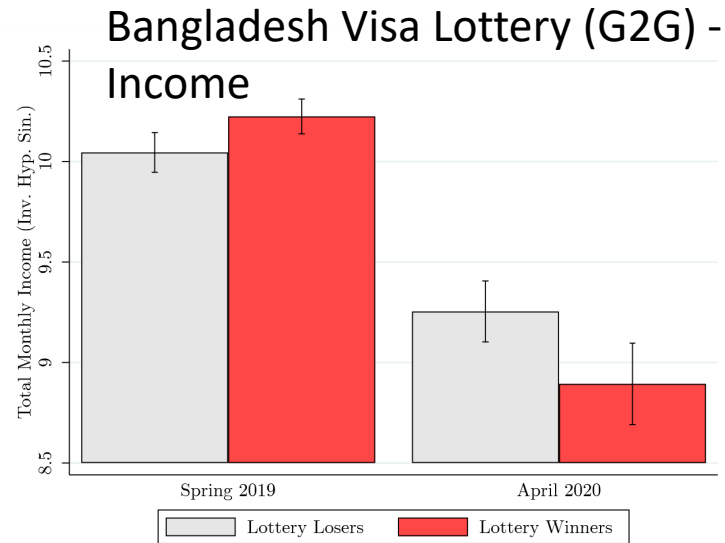
The effect of migration on earnings:

Previously, households that migrated due to the visa lottery earned 18-100% more than lottery losers.

COVID-19 lowered income by 31% among non-migrant households.

Migrant households are even worse off and earn 36% less than non-migrant households during COVID-19.

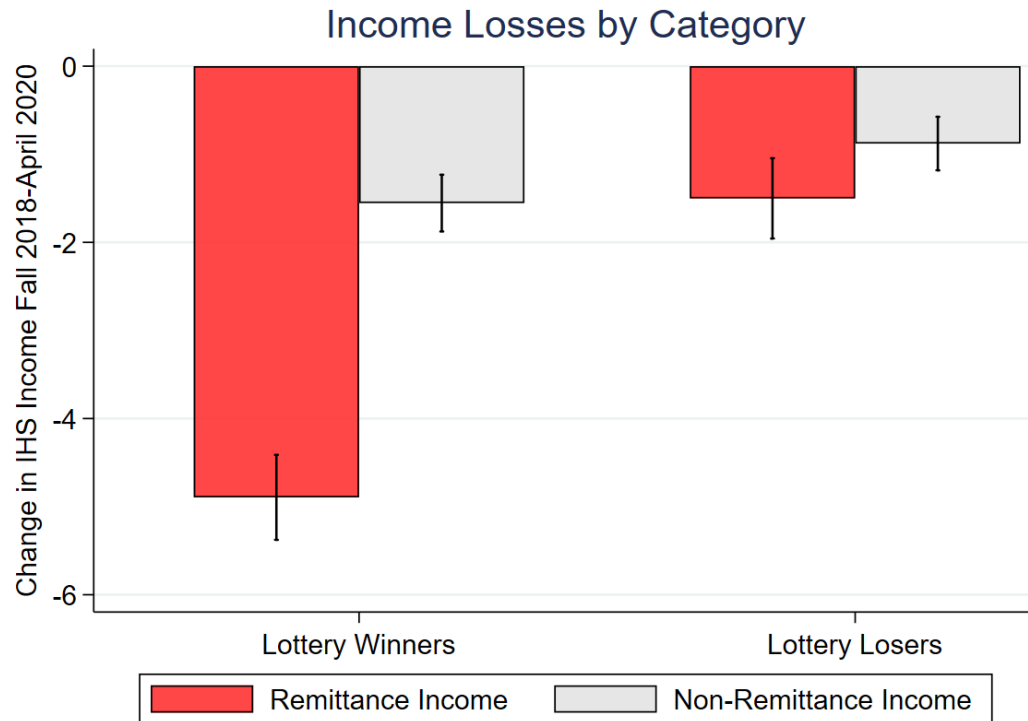
Income and food security among migrant families have dropped more than income and food security among non-migrant families across multiple samples



Remittance income declined for migrant-sending households in Nepal & Bangladesh

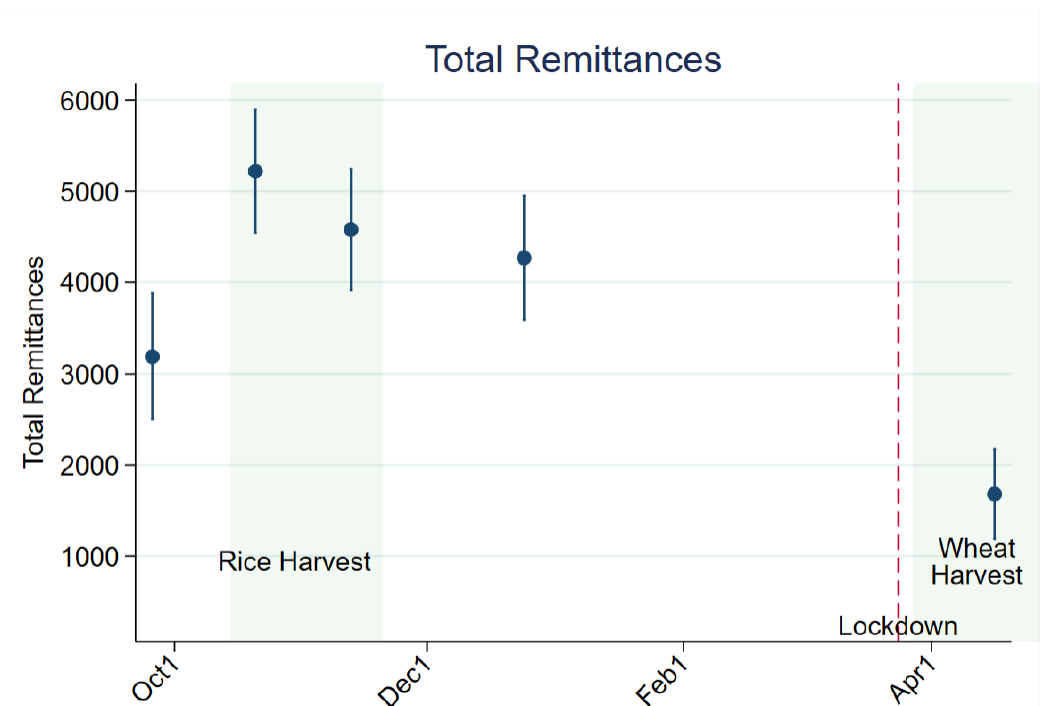
Bangladesh

- ❑ Remittances represent a disproportionate share of income losses for both lottery winners and losers.

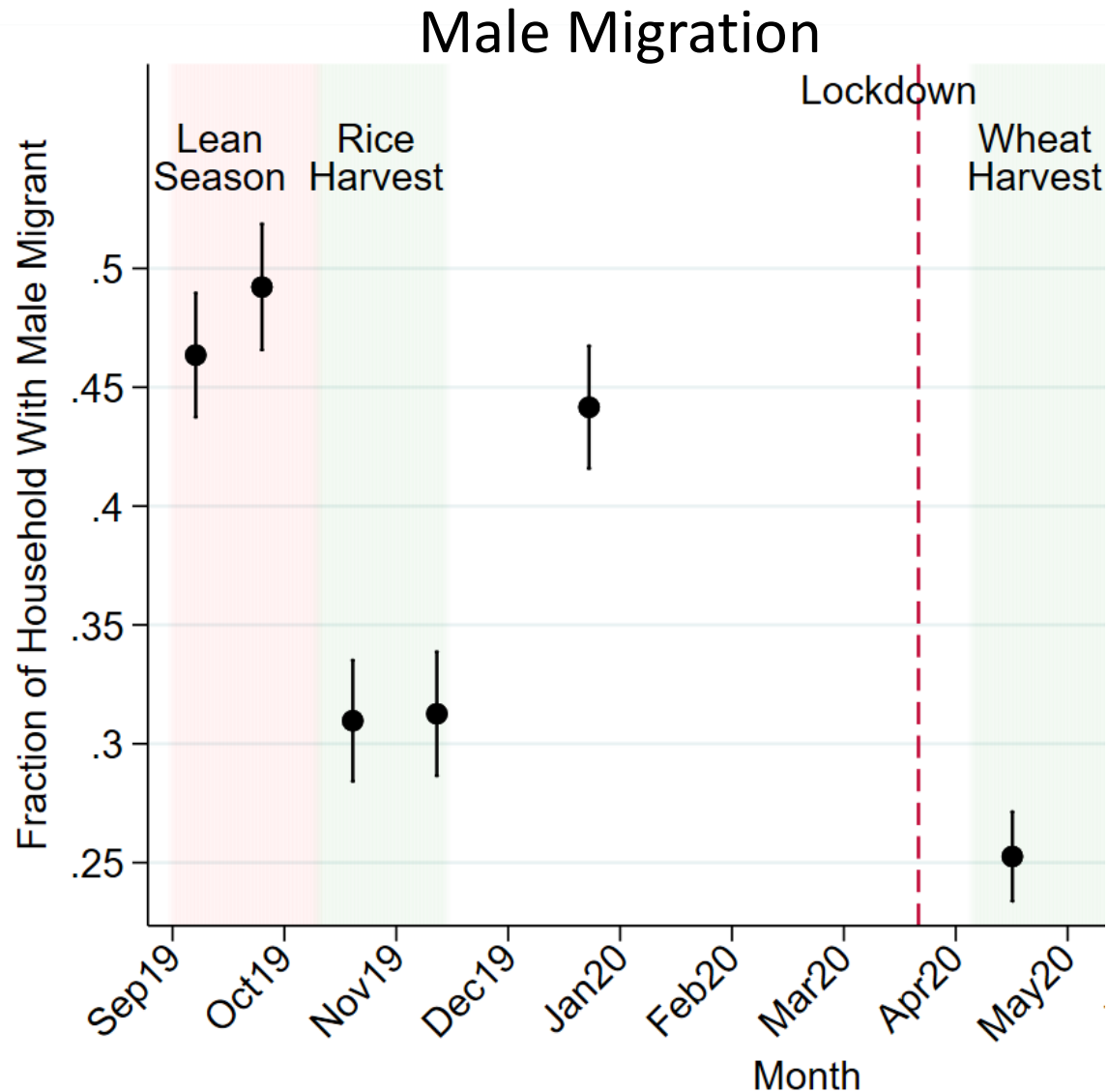


Nepal

- ❑ Households in Western Terai received an average of 4900 NPR in late 2019
- ❑ This fell to 1,700 NPR last month



Both because migrants were forced to return...



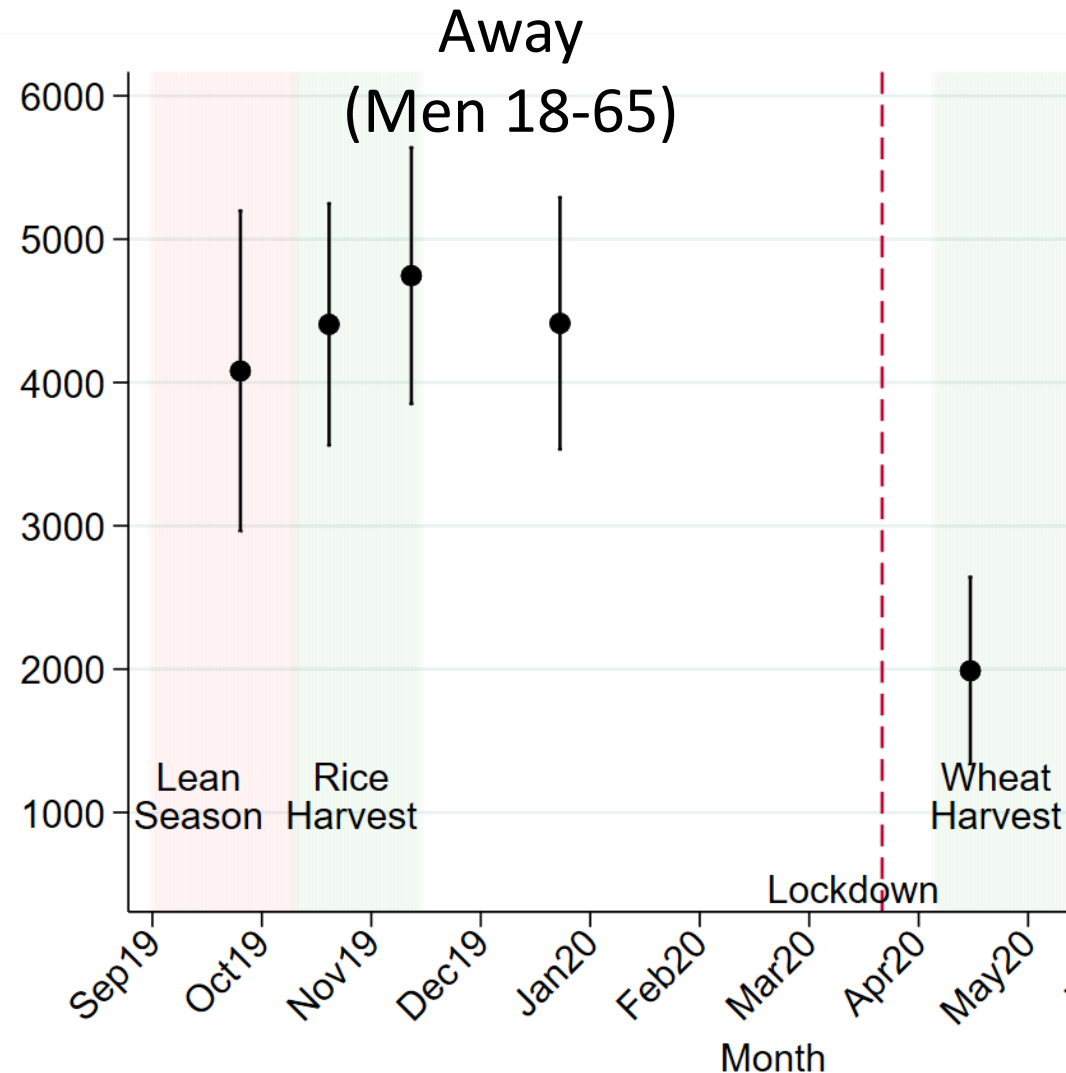
Observed trends:

Returnees

- Because many migrants were forced to return
- Both from India and from cities in Nepal

...and also because those still away are sending less money back

Monthly Remittances Per Migrant



Observed trends:

Remittances also drop

- ❑ Migrants still away are also sending less money back home
- ❑ Drops 57% from ~Rs. 4600 to Rs. 2000

Reasons why migrants don't make up lost remittance income in local labor markets

Traditional barriers to reintegration for returning migrants:

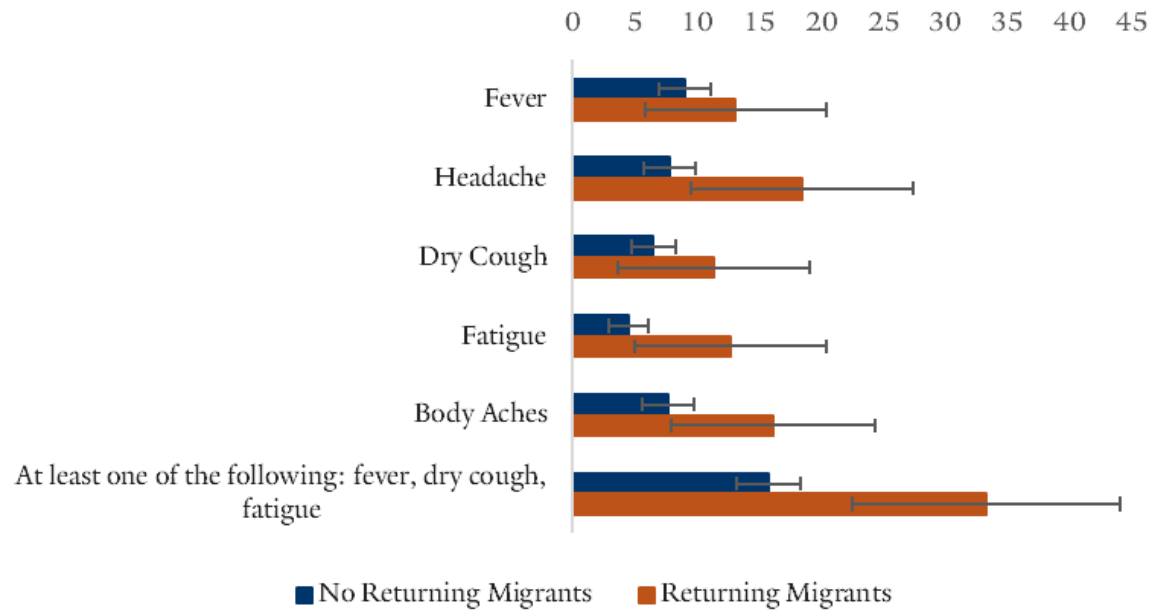
- Labor market skills from migration do not transfer to local occupations
- Loss of economic or social network while migrant is away

New barrier unique to COVID-19: **Stigma from risk of illness**

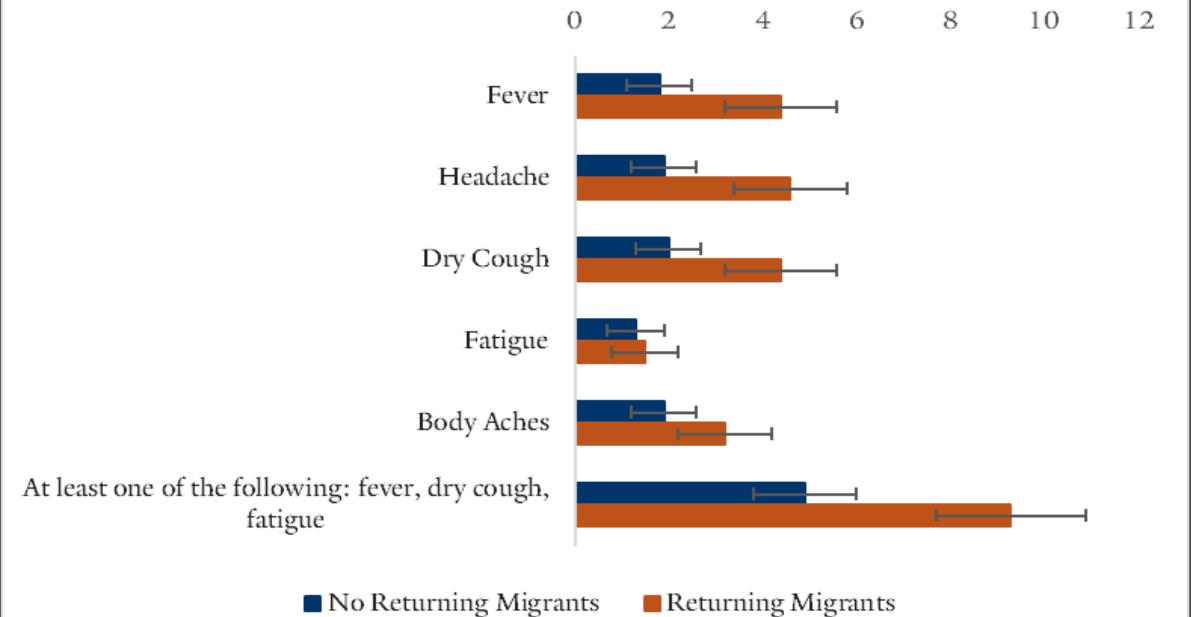
- In a BRAC survey, 40% of returnees say they were not supported by friends and relatives.
- Visa lottery winners are 25% less likely to attend Friday prayers.
 - There is no difference in prayer overall, only the social component.
- In Cox's Bazaar, people with COVID symptoms are 33% more likely to be denied medical treatment if they traveled in the past two weeks.

Returnee Presence is associated with COVID-19 symptoms

Symptoms reported by households' migration history (Cox's Bazar sample)



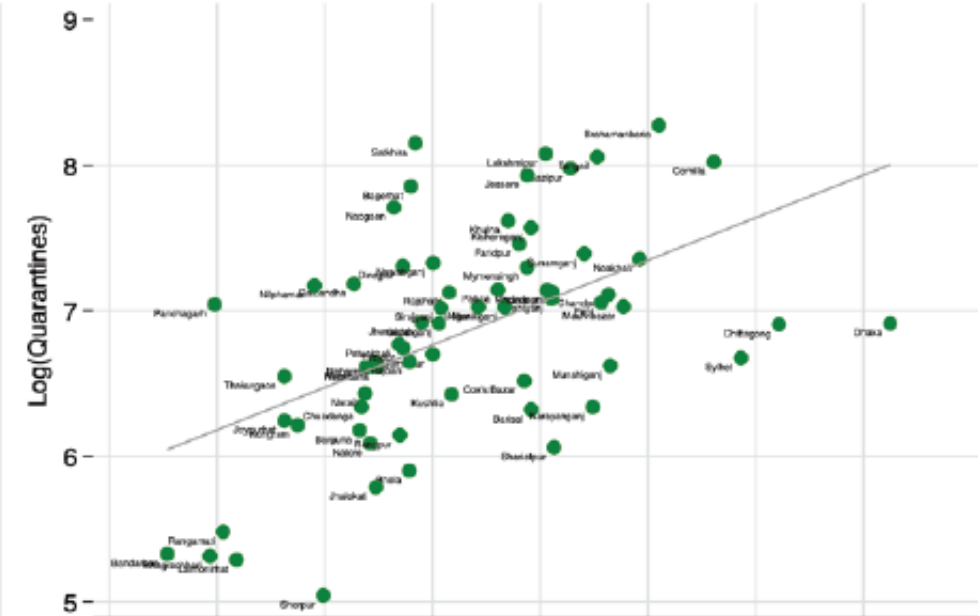
Symptoms reported by households' migration history (visa applicant sample)



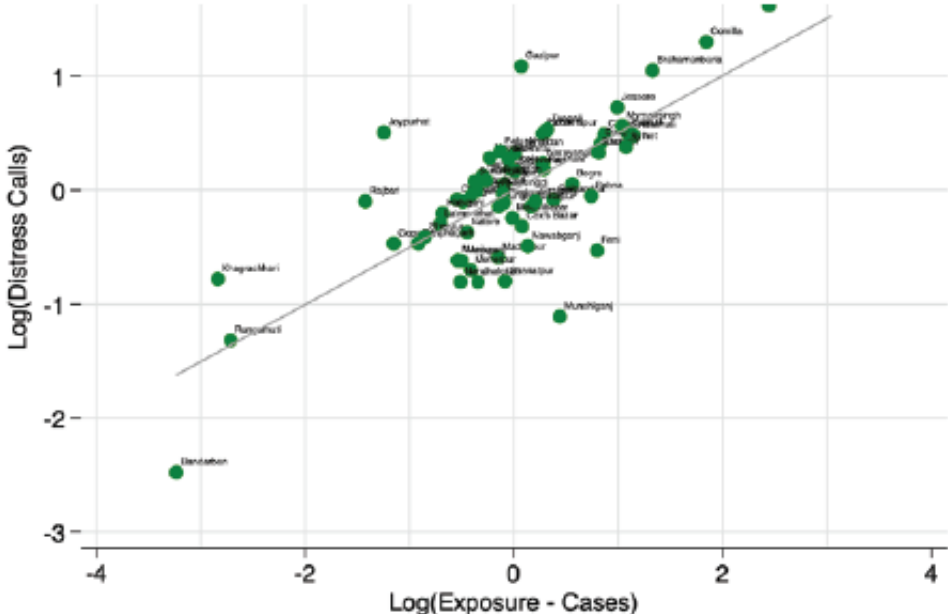
- ❑ Strong correlation between returning migrants and self-reported common COVID-19 symptoms
- ❑ In both Cox's Bazar and visa lottery samples, likelihood of reporting symptoms at least doubles for households reporting a returning migrant
- ❑ The relationship is much weaker in the NLS sample, which consists of primarily domestic migrants

At the meso-level, COVID incidence is positively correlated with infection intensity at migration destinations

(a) COMPARING CAAB DATA WITH QUARANTINES

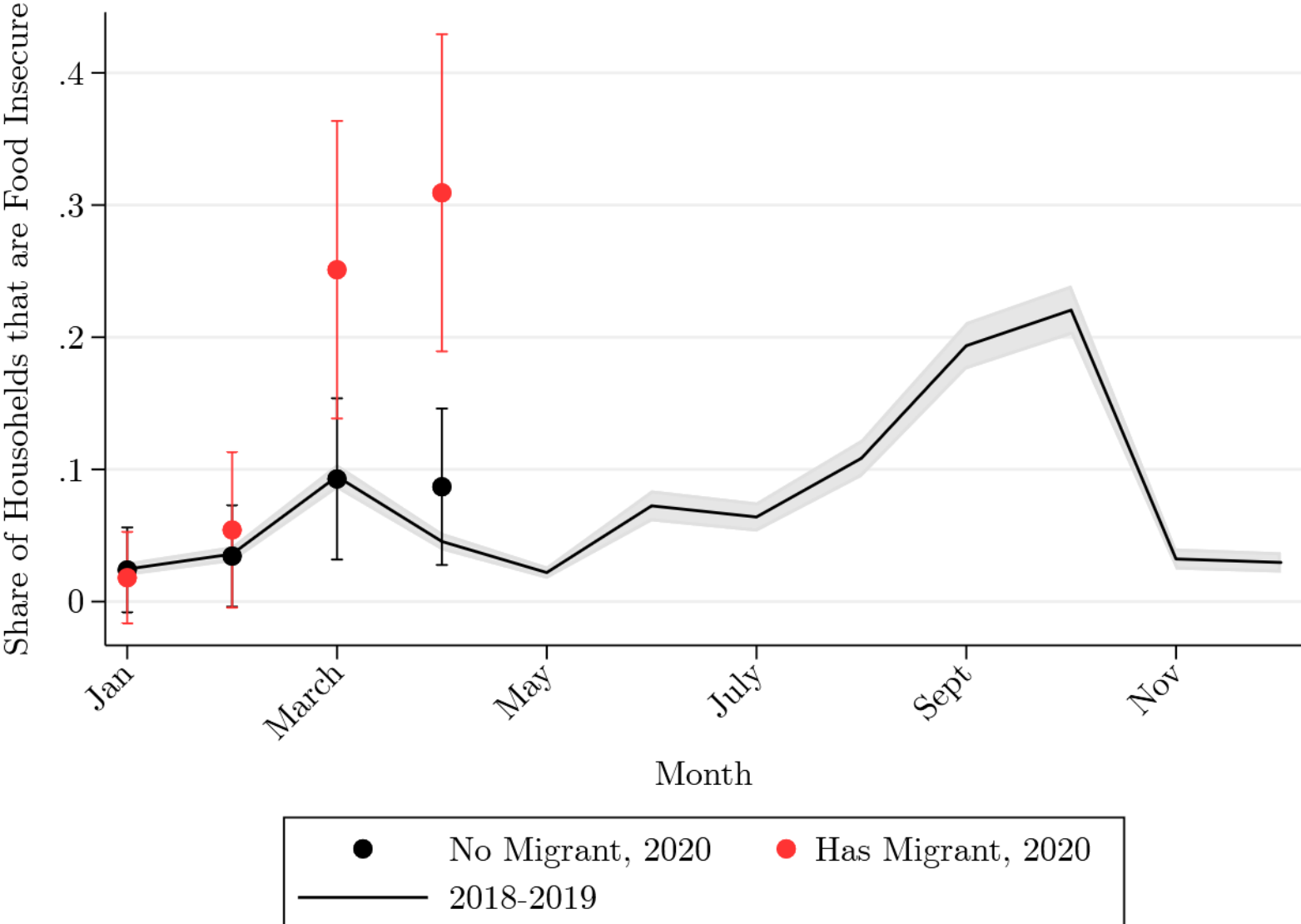


(b) COMPARING CAAB DATA WITH DISTRESS CALLS



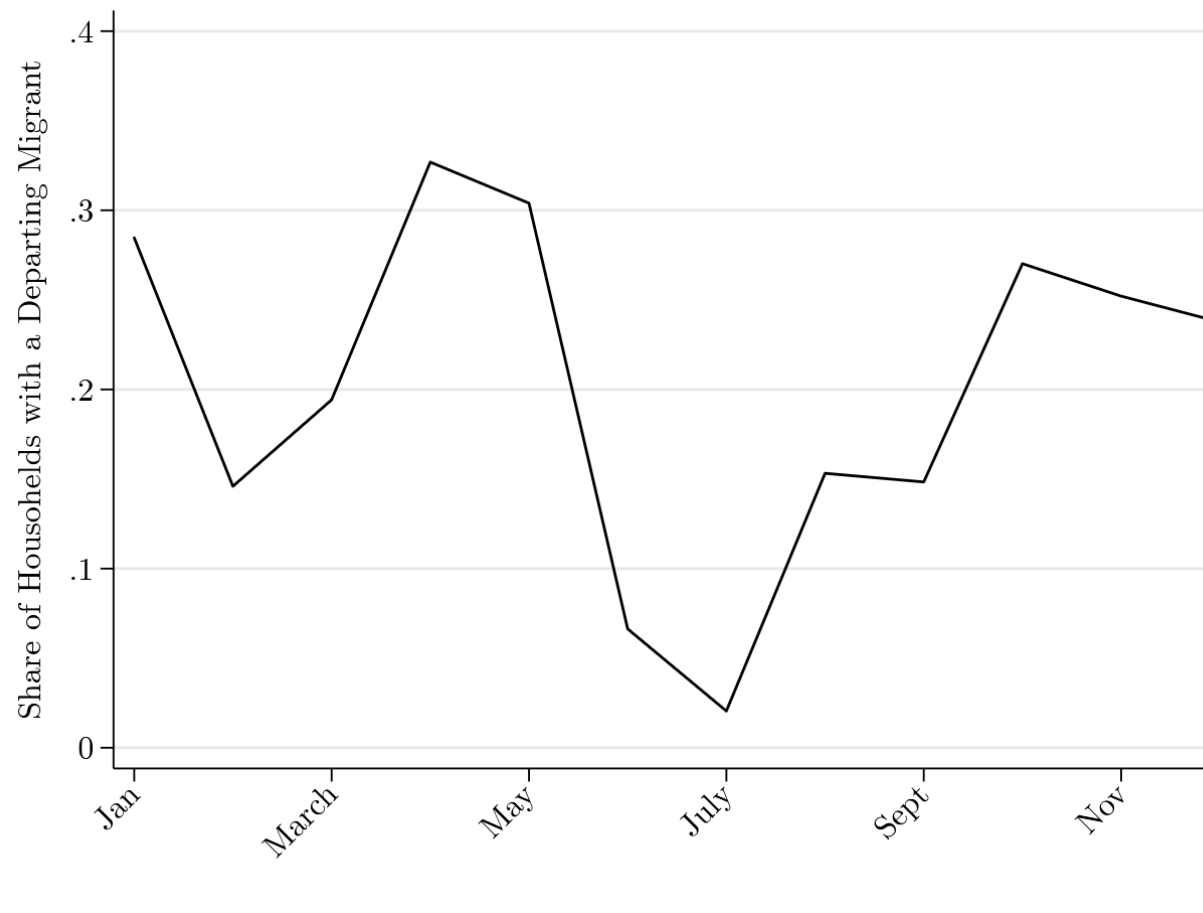
- ☐ X-axis plots the exposure-intensity measure based on migration linkages to international destinations by district
- ☐ This is positively correlated with the number of quarantines (left) and number of distress calls (right) per district

Food security among migrant families is already worse than in a typical lean season

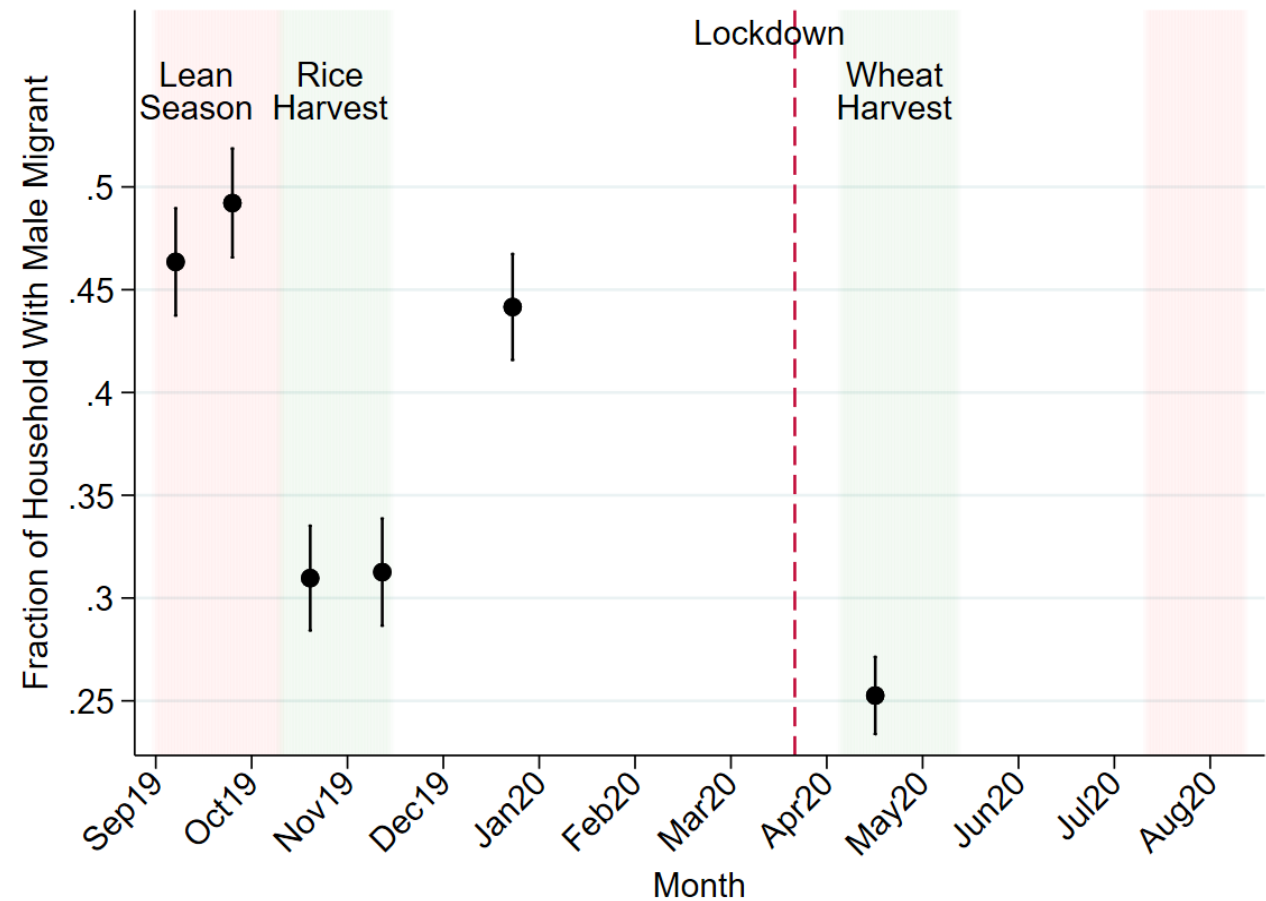


The impact on migrant households will be even greater during times of year when local labor productivity is typically low

Northern Bangladesh

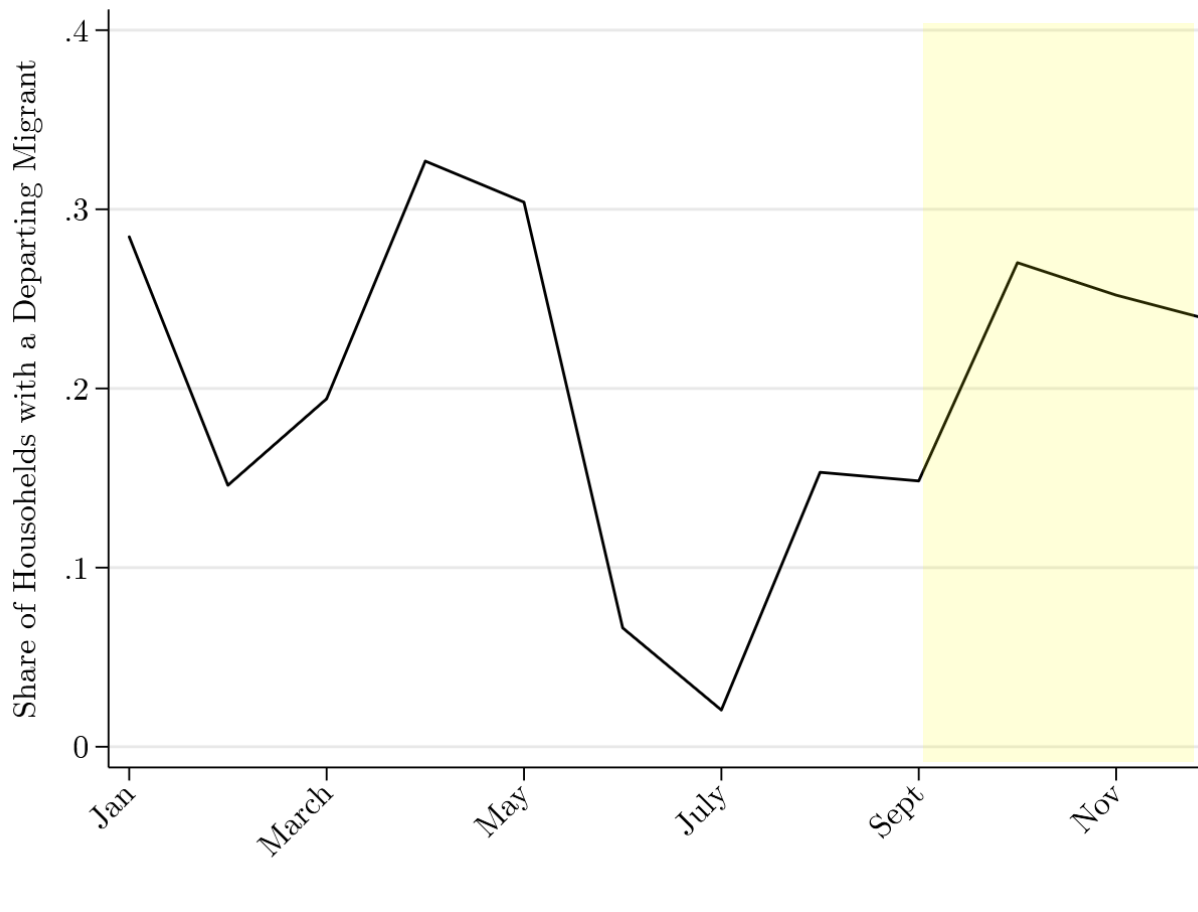


Western Terai, Nepal

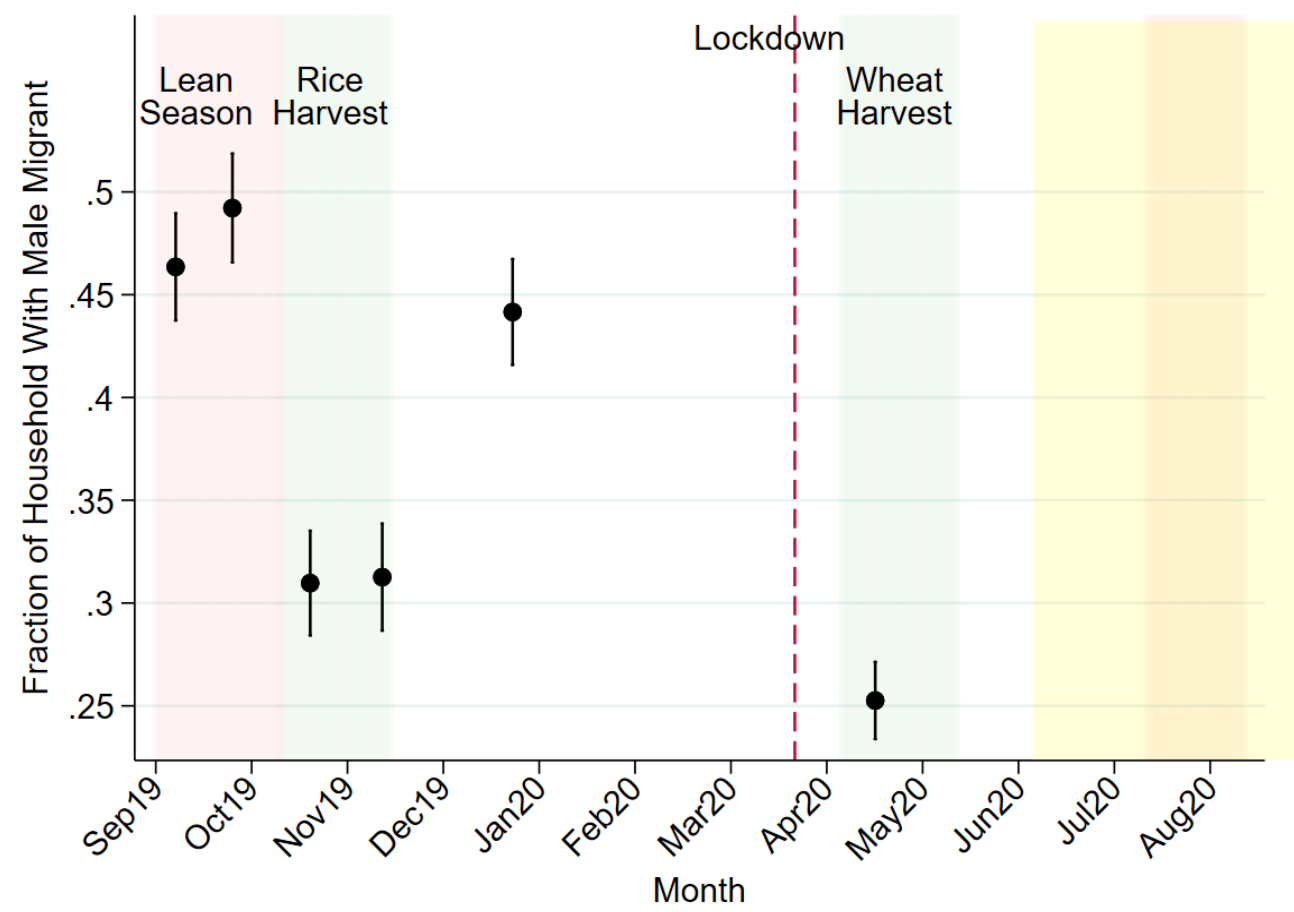


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Northern Bangladesh



Western Terai, Nepal



Executive Summary of migration-COVID links evident in the data



❑ Remittances of migrant workers are an important source of income for households in South Asia



❑ Migrant sending households have experienced sharper declines in income



❑ Migrant returnee presence in the community is associated with COVID-19 symptoms



❑ Returning migrants face stigma, which makes labor market reintegration difficult

Policy Implication



WB estimates a 22% drop in remittances in South Asia

Bangladesh only collected 1.08 billion USD in April 2020, a 25% YOY drop from Apr 2019

Ensuring that households that rely on remittances meet their basic need should be a priority

Support migrants to reintegrate into local labor markets or repatriate to destinations

Impending lean seasons in Nepal and Bangladesh may exacerbate these effects

