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The impact of migrants' remittances and investment on rural youth

by
Manuel Orozco
Mariellen Jewers

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Authors:

Manuel Orozco, Mariellen Jewers

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About the authors

Manuel Orozco is currently a senior director of remittances and development at the Inter-American Dialogue, a fellow of the Center for International Development at Harvard University, and senior migration remittances advisor for IFAD.

Orozco is a member of the Committee on Economic Inclusion at FDIC and chair of Central America at the U.S. Foreign Service Institute at the U.S. Department of State and has taught at American University and George Washington University. He holds a PhD in political science from the University of Texas at Austin, a master's degree in public administration and Latin American studies, and a BA in international relations from the National University of Costa Rica.

Orozco has published widely on migration, remittances, Latin America, globalization, democracy, conflict in war-torn societies and minority politics. He has analysed and designed development strategies in more than 100 countries globally. His books include *Centro América en la Mira: La migración en su relación con el desarrollo y oportunidades para el cambio* (Ed. Teseo, 2015), *Migrant remittances and development in the global economy* (Lynne Rienner Spring, 2013), *América Latina y el Caribe: Migración, remesas y desarrollo* (FLACSO, 2012) and *Remittances: Global opportunities for international person-to-person money transfers* (2005).

Mariellen Malloy Jewers is vice president of the Open Avenues Foundation, located in Boston, Massachusetts. Jewers was executive director of Women Encouraging Empowerment, where she advanced strategic programming to promote immigrant women's rights and self-advocacy in education and health. As a research scientist at the George Washington University, she managed a multi-method independent evaluation of a pioneering innovation in graduate medical education to better train physicians in underserved and rural areas in the United States.

Jewers is also an experienced policy analyst with a demonstrated record of communicating the equity implications of policy to diverse audiences. Her work has been published by the United States Agency for International Development (USAID), the Migration Policy Institute, the Inter-American Dialogue, the *New England Journal of Medicine* and *Academic Medicine*. Jewers graduated Phi Beta Kappa with a BA in economics from the University of Massachusetts Amherst, holds a master's degree in international affairs from Columbia University and is a doctoral candidate at the George Washington University.

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Abstract

In an increasingly globalized world community, rural international migration is often characterized by engagements or links that migrants establish with their home countries, home towns and relatives in their country of origin through transnational economic and social activities. This background paper analyses how migrants positively contribute to the sustainable economic development of rural youth in their countries of origin. Specifically, this paper details migrants' contribution to youth rural development through transnational economic engagement, which positively impacts financial inclusion, creation of employment opportunities and the promotion of entrepreneurship.

Transnational engagement activities include money transfers (family remittances), philanthropy, entrepreneurship, capital investment, homeland goods consumption and knowledge transfer. We find that youth are doubly disadvantaged relative to adults in rural areas and relative to their urban counterparts, making remittances and other forms of engagement particularly important in helping this especially vulnerable group. Transnational engagement that occurs in rural areas and targets issues such as education or nutrition can disproportionately benefit youth. Other transnational engagement, such as knowledge transfer or partnership, establishes youth as agents of their own development and economic well-being. Though the activities differ, underlying all forms of transnational engagement is a reinforcement of social and cultural identities and connection with countries of origin for both migrants and descendants of migrants.

1. Introduction

Rural international migration occurs in countries of high and low levels of structural and rural transformation (Appendix I).¹ Sending money across borders to rural homes is one central feature among migrants originating from rural communities. As a proportion of GDP, their remittances to rural areas contribute 4 per cent to their countries' local economies. The flow of money to rural localities not only highlights the significance of remittances for households across many countries with varying levels of rural transformation but also represents a development opportunity to expand their rural transformations.

Sending remittances is just one of many forms of engagement in the rural economy and society. Migrants contribute directly and indirectly to economic and social well-being through various channels of engagement with their home countries, including consumption of homeland goods, philanthropy and capital investments, among other activities. Migrants' transnational economic engagement has had positive impacts in rural areas within countries across the structural and rural transformation classification continuum, suggesting that migrants' transnational engagement is a flexible tool for rural development worldwide. I., 2019).

2. Migrant contributions to local development and rural youth

2.1 Framing migrants' contributions: transnational economic engagement

In an increasingly globalized world community, rural international migration is often characterized by engagement or links that migrants establish with their home countries, home towns and relatives in their country of origin through transnational economic and social activities. These activities predominantly include money transfers (family remittances), philanthropy, entrepreneurship, capital investment, homeland goods consumption and knowledge transfer. Though the activities differ, underlying all forms of transnational engagement is a reinforcement of social and cultural identities and connection with countries of origin for both migrants and descendants of migrants.

Money transfers (family remittances) contribute to rural youth development through several channels, including higher incomes and income smoothing as well as access to finance (such as through the expansion of the payment ecosystem, which encompasses remittance service providers, partners and payment regulations in receiving countries, types of transfers platforms, and the availability of financial institution and products for both senders and recipients). Money transfers combined with entrepreneurship translate into employment opportunities via increased investment in rural agriculture. Capital investment is crucial for investment in non-agricultural service industries that grow alongside increased agricultural productivity in rural areas. Table 1 shows how migrants' economic activities contribute to home countries' development and specifically to rural youth.

¹ Please see IFAD'S rural and structural transformation classification methodology for more details IFAD (2016a).

Table 1. Evaluation framework

Migrant activity	Contribution	Rural youth
Money transfers	Higher incomes, smoothing consumption	Education, health, savings
Money transfers	Expansion of payment ecosystem	Access to payment systems and technology
Philanthropy	Donations in social development	Schools, nutrition centres
Entrepreneurship, capital investment, knowledge transfer	Increase investment in agriculture, equity and liquid capital, improvement in soft skills	Employment and entrepreneurship
Nostalgic trade: home country goods consumption	Imports of manufactured food	Rural agricultural and non-agricultural employment opportunities

Source: Authors' elaboration.

2.2 Remittances and financial access: impact on rural households and rural youth

Though circumscribed by local context historical trends in globalization, remittances have long been a potent force for enabling conditions by which households enjoy higher quality of life, increased potential for upward mobility, improved material well-being and greater freedom more generally (Orozco, 2013a). Primary data on remittances presented here include several countries classified as having high structural and rural transformation, as well as one country with low levels of both. Earlier research on remittances spans countries with high and low levels of structural and rural transformation, which suggests that international remittances are an important aspect of development in diverse contexts.

Indeed, because remittance monies are fungible, households are able to use remittances for a variety of purposes: for consumption, as precautionary savings or for productive investment (Orozco, et al., 2015). The fungibility of remittances is particularly important for rural youth given that their stage in life presents diverse paths and needs for individuals within one community, one country or even one household. In rural areas, youth assume adult responsibilities within households at younger ages, making understanding the occupation, gender and financial behaviour of youth remittance recipients in rural areas particularly relevant in the discussion of rural youth development (Bennell, 2007).

Remittances are customarily counter-cyclical to household shocks: migrants send more home when recipient households experience economic hardship (Ratha, 2009). A study of Pakistan that differentiated between internal and international remittances found that international remittances (more than internal remittances) bolstered rural households' accumulation of assets and precautionary savings (Ahmed et al., 2018). For youth relatives of migrants, who often have lower financial capital and stability, the immediate income-smoothing capacity of remittances is especially important (Orozco, 2013). Remittances are also known to prevent youth from having to drop out of school, from suffering from malnutrition or from losing their housing. Remittances can be particularly effective in preventing rural youth from dropping out of school during household shocks or larger economic downturns. Enabling youth to stay in school has been shown to be associated with mental well-being among impoverished youth in rural Malawi (Rock et al., 2016).

Studies from Latin America found that remittances are important in helping households decide to keep youth in school and promote health through stable housing (Alcaraz et al., 2012; Adams and Cuecuecha, 2010). Insofar as education, health and social well-being improvements create space for rural youth to pursue quality employment opportunities, remittances can serve as a crucial support that reap benefits well into adulthood.

Remittances can facilitate rural households' investment in education, housing and nutrition, which positively change individuals' earning capacity over a lifetime (Nguyen et al., 2017; Hirstev et al., 2009). Although research varies in their findings, the preponderance of evidence suggests that remittances foster youth human capital accumulation (Fonta et al., 2015; Anderson, 2010). A study of 69 countries found significant and positive relationships between international indicators of development, which measure longer-term impacts on education of remittances (Zhunio et al., 2012). In Ecuador, international remittances were associated with improved health knowledge, in addition to increased expenditures on preventative and curative health services (Ponce et al., 2011). Beyond enrolment, remittances improved the quality of educational investment measured by private school enrolment in Peru (Salas Garcia, 2014). The extent to which schooling choice fosters improved networks for employment and social support is especially important for rural youth, who often lack networks that foster upward mobility relative to their urban peers.

Differences in gender are a fundamental point of examination when discussing the development impacts of remittances and financial inclusion among rural youth. Marriage and motherhood largely define women's household situations, personal options and priorities in determining how to allocate remittances. The average age that women have their first child is between 27 and 28 years old in Latin America and the Caribbean, and in Asia; in Africa around one out of every 10 females aged 15-19 became mothers from 2010 to 2015 (United Nations, 2015). As of 2010, anything from 30 per cent to over 60 per cent of women between the ages of 20 and 24 had been married in developing countries throughout the world (UNDESA, 2013). Remittances have been associated with improvements in women's decision-making autonomy and positively related to entrepreneurship (Fleury, 2016). These outcomes, however, are dependent on age, with older women making more gains than younger women in leveraging remittances for entrepreneurship (IOM, n.d.).

Inclusive financial access – increasing opportunities for poor and low-income people to own financial asset-building products, to connect with formal institutions and to obtain credit – is fundamental to multiplying the impact of remittances in improving people's present and future economic well-being and potential for upward mobility (CGAP, 2018). Remittances have the potential to be a powerful conduit for financial access, particularly within a functional financial ecosystem (Efobi et al., 2015; Aggarwal et al., 2011). Remittances forward financial institutions' presence in rural and poor urban communities with remittance recipients, and foster demand for financial products through increasing people's current incomes (Ambrosius and Cuecuecha, 2016; Dendir, 2017). In rural communities, lack of access to financial services circumscribes youth's capacity to channel remittances into human capital investments, productive employment and entrepreneurship (Dávalos, 2017). Unfortunately, rural residents and youth customarily have lower rates of account ownership, which suggests that rural youth might have especially low bancarization (Orozco, et al., 2014).

This section examines a subset of data collected on 54,138 remittance recipients and 59,447 non-recipients during financial education projects undertaken in Armenia, Azerbaijan, El Salvador, Georgia, Guatemala, Jamaica, Kyrgyzstan, Mexico, Moldova, Nicaragua, Tajikistan and

Uzbekistan between 2005 and 2013.² Data from these countries were collected using comparative forms translated into local languages, and country teams were trained using a copyrighted framework developed by Manuel Orozco.³ El Salvador, Georgia, Guatemala, Jamaica, Kyrgyzstan, Mexico and Nicaragua are classified as having high structural and high rural transformation; Tajikistan is classified as having low structural transformation and high rural transformation. The remaining countries in this analysis were not classified but probably range between high and low rural and structural transformation.

We define youth using the United Nations definition of youth to be anyone between the ages of 15 and 24 years old. Youth overall, youth who received remittances and rural youth who received remittances were not evenly distributed across ages 15 to 24 in our dataset. Roughly 18 per cent were adolescents (ages 15 to 19), with the overwhelming majority (82 per cent) being between 20 and 24 years old. The age distribution suggests that our results are most applicable to older youth as opposed to adolescents.

Our approach for identifying remittance recipients in rural areas is based on a methodology developed by the IFAD's Remittance Facility research team since 2007, which is used to produce statistics on remittances in IFAD's biannual Sending Money Home studies (IFAD, 2007, 2009, 2012, 2015a, 2016b, 2017). "Remittance recipients" means those who reported receiving remittances personally. Our proxy for remittance destination is the remittance payment point in the recipient country. Payment points are customarily located in communities where families of migrants live, and include bank branches, microfinance institutions, post offices, retail stores and foreign exchange bureaux.⁴ To ensure quality control, the payment point locations were checked against proprietary company data for the specific locality where the remittance service providers transfer remittances.⁵

Although defining a rural area in a way that aligns with the available information on populations and payout locations is particularly challenging (Salvatore et al., 2005), population data are available for cities with more than 100,000 people in nearly every country (United Nations, 2016). The urban/rural designation is based on the definition of urban or a location that is located inside the city limits of the capital city or any city with more than 100,000 inhabitants. Various Sending Money Home reports have used this urban definition for populations and remittance payout locations. Specifically, we classified all recipients living in areas outside a capital city or in a city with fewer than 100,000 inhabitants as rural.

Among recipients of all ages, 72 per cent of remittance recipients ($n = 38,196$) were located in a rural area, and youth accounted for 16 per cent ($n = 5,623$) of rural remittance recipients of all ages. Most (82 per cent, $n = 5,490$) rural youth who had a relative abroad received remittances. Although slightly lower than among rural adults (86 per cent, $n = 32,284$), the high prevalence of

² White tests and histograms showed that the continuous variables were neither normally distributed nor homoscedastic. For these variables we use unequal and unpaired Welch's *t*-tests to examine significance in differences by remittance receipt, youth, rurality and gender. For categorical and ordinal variables we relied upon non-parametric Mann-Whitney tests and chi-squared tests for differences in distribution and medians.

³ Data collection took place as part of the Inter-American Dialogue's Financial Literacy Program, which promotes financial inclusion, education and savings mobilization by transforming transactional clients, such as migrants and remittance recipients, into informed consumers who take advantage of the financial products available to them. These projects have been conducted in 13 countries worldwide. For more information see: [https://www.thedialogue.org/resources/?iad_program\[\]=12](https://www.thedialogue.org/resources/?iad_program[]=12).

⁴ See the respective Sending Money Home reports for payer reference and category for each region (IFAD, 2007, 2009, 2012, 2015a, 2016b, 2017).

⁵ The statistical correlation between payment point data gathered by Orozco's research team and RSP proprietary data was statistically significant with a r^2 of 0.82; this supports confidence that the methodology is quite accurate at predicting the geographic distribution of the location of payment points.

remittance receipts among youth with migrant relatives indicates that there are in practice no large differences in receiving remittances based on being a youth or adult in rural areas. When looking at all youth remittance recipients ($n = 8,427$), a substantially larger proportion (67 per cent, $n = 5,623$) lived in rural areas as opposed to urban areas. Nearly half (45 per cent, $n = 5,623$) of the 12,582 rural youth in our dataset were remittance recipients.

Rural youth recipients were fairly evenly split between male and female, with slightly more (54 per cent, $n = 5,623$) being female. However, in seven of the 11 countries slightly more rural youth recipients were male than rural adult recipients (table 2). Despite small differences overall and within countries, youth recipients do not show substantially different gender compositions from adult rural or overall remittance recipients in any nation studied here.

Table 2. Gender composition, remittance recipients, overall, rural adults and rural youth, across countries

Country	All remittance recipients	Rural remittance recipients adults	Rural youth remittance recipients
	Female (%)	Female (%)	Female (%)
Armenia	63	53	56
Azerbaijan	44	46	45
El Salvador	79	79	72
Georgia	65	64	58
Guatemala	68	67	73
Jamaica	72	79	78
Kyrgyzstan	61	71	65
Mexico	75	76	77
Moldova	65	66	67
Nicaragua	80	87	78
Tajikistan	31	30	27
Total	58	59	54

Source: Authors' elaboration based on primary survey data.

Income, employment and savings among rural youth remittance recipients

It is well documented that youth migrants and youth relatives of migrants are especially disadvantaged in terms of financial stability, earnings capacity and financial access compared with adult migrants and adult remittance recipients (Orozco, 2013). Similarly, relatives of migrants in rural households are more likely to be in poverty and have lower levels of human capital opportunities than their urban peers (IFAD, 2008).

Our analyses reveal that rural youth are even more disadvantaged relative to their urban youth counterparts or to adults in rural areas. Excluding remittances, the average annual income of rural youth is US\$1,044 less than their urban counterparts (p -value < 0.01). While the difference is smaller between youth and adults in rural areas, it is still meaningful, with rural youth's income lagging behind rural adults' annual income by US\$355 (p -value < 0.01). To the extent that youth and adults in rural areas face similar basic needs but youth incomes are meaningfully lower than adults', the role of remittances for income smoothing may be particularly relevant among rural youth. Given their very low incomes without remittances, remittances might serve as a needed economic subsidy for education or health care.

A very small proportion of rural youth was unemployed (5 per cent, $n = 570$), regardless of whether they received remittances or not. The low youth unemployment, however, was coupled with low incomes (excluding remittances). In rural areas, employed adults made an average of US\$929 more a year than employed youth (p -value < 0.001). Among youth, rural youth had significantly lower incomes than urban youth employed in similar occupations (p -value < 0.001). To the extent that rural youth and adults are engaged in occupations that do not provide high premiums to experience, rural youth might be underemployed and/or face lower wages relative to urban youth for the same type of work. We did find that a much larger proportion of rural youth remittance recipients were students (37 per cent, $n = 2,075$) than of rural youth non-recipients (19 per cent, $n = 1,343$). To the extent to which additional schooling will help mitigate underemployment and low-wage employment among rural youth, the higher proportion of students among remittance-receiving rural youth is especially promising.

Remittances have been found to reduce income poverty in developing countries worldwide, to varying degrees (Acosta et al. 2008; Orozco, 2013; Berhe Mekonnen, 2014). Earlier studies have demonstrated that remittances either reduce income inequality or leave it unchanged, indicating that remittance receipt does not systematically differ across income groups (Orozco, 2013). We find that remittance receipt among rural youth has similar poverty alleviation qualities to those seen in populations overall. Without remittances, rural youth recipients' mean annual income, US\$2,504 (standard error US\$50), was much lower than non-recipients' income, US\$3,840 (standard error US\$59); this difference was statistically significant at conventional levels (p -value < 0.001). Once remittances were factored in, however, the average annual income of rural youth recipients was US\$1,009 higher than that of non-recipients ($p < 0.001$).

Excluding remittances, the average income of rural youth in our sample is US\$1,044 less than that of their urban counterparts; a much larger proportion of rural youth remittance recipients were students (37 per cent, $n = 2,075$) than of rural youth non-recipients (19 per cent, $n = 1,343$). Once remittances were factored in, however, the average annual income of rural youth recipients was US\$1,009 higher than that of non-recipients (p -value < 0.001). A substantial majority of rural youth saved (65 per cent, $n = 7,570$), and 52 per cent ($n = 6,101$) had some type of financial product regardless of whether they received remittances or not. A higher proportion of non-recipients reported saving or investing (70 per cent among non-recipients versus 59 per cent among recipients, chi-squared $p < 0.001$), but remittance recipients saved an average of US\$139 more than non-recipients annually (p -value < 0.001). Similarly, a higher proportion of non-recipients had a financial product (64 per cent among non-recipients versus 38 per cent among recipients, chi-squared $p < 0.001$).

The differences in financial product and savings use might be due to the differences in incomes without remittances, as the non-recipient youth were financially better off than recipient youth without considering remittances. However, the higher amount of savings among remittance-receiving rural youth than among non-recipients is noteworthy. The amount of savings among rural youth who receive remittances could promote confidence in dealing with unexpected expense, even if the expense exceeds their current savings. Surveys of migrants in the United States showed a strong increase in confidence among savers with higher amounts of savings (Orozco and Jewers, 2014).

Table 3 provides a profile of income, remittances, savings and occupations among rural youth remittance recipient households. Rural youth receive remittances an average of six times per year (standard deviation (SD) 7), with an average amount per transfer of US\$228 (SD 344) across all the countries in our dataset. Remittances accounted for almost half (46 per cent) of rural youth's total income. In contrast, urban youth had a lower remittance dependency (41 per cent, p -value < 0.01) and rural adults had a higher dependency (49 per cent, p -value < 0.01). Whereas

rural youth trail rural adults by US\$355 in income excluding remittances, adults on average receive US\$755 more in annual remittances. The higher remittance dependency among rural adults than rural youth highlights the substantially lower remittance amount youth receive each year than adults in rural areas. These data align with earlier analyses of adult versus youth remittance receipt.

Remittances have a decidedly rural bias, but access to payment locations in receiving countries often does not reflect this (Mazzacuto et al., 2008; Demircuc-Kunt et al., 2011). For example, people in rural Bangladesh account for 87 per cent of the national population, but just 16 per cent of remittance payment points are in rural areas.⁶ Of the 119,642 remittance service providers' payment points in China, just 21 per cent are rural. In India and Pakistan, the remittance service providers' branches are distributed more evenly between rural and urban areas, with 47 per cent of Indian payment points and 42 per cent of Pakistani payment points in rural areas. Given that 82 per cent of India's population and 75 per cent of Pakistan's population is rural, however, the rural networks of payment points are still inefficient in both countries. Our findings show that rural youth receive roughly the same number of transactions a year as rural adults, but at lower average amounts per transaction. Within this context expanding payment points and lowering transaction costs for remittance receipt will relatively benefit rural youth because they may gain more in their individual remittance transaction amounts.

⁶ All data in this paragraph are from primary surveys undertaken by Manuel Orozco and his research staff unless otherwise cited.

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Table 3. Rural youth remittance recipients

Rural remittance recipients all ages			Rural youth (aged 15-24) remittance recipients					
Country	Total (N)	Youth (%)	Average annual income without remittances (US\$) (SD)	Remittances received each year (US\$) (SD)	Remittances of total income (%)	Financial product (%)	Savings (US\$)	Most common occupations
Armenia N = 564	202	19	3 675 (4 803)	3 744 (3 727)	46	31	–*	Student, other
Azerbaijan N = 3,084	1 659	10	4 946 (7 018)	7 722 (56 719)	43	38	–	Student, other
El Salvador N = 5,516	4 760	11	2 912 (2437)	2 270 (2 208)	43	40	832 (2 152)	Student, housewife
Georgia N = 5,637	1 343	20	5 535 (5 665)	2 691 (3 801)	35	54	–	Unemployed, student
Guatemala N = 14,406	13 847	12	3 075 (3 592)	3 698 (4 760)	50	52	842 (2 579)	Housewife, business
Jamaica N = 4,318	1 993	19	5 016 (4 122)	1 688 (2 748)	23	95	1 060 (3 054)	Unemployed, employee
Kyrgyzstan N = 1,821	492	5	1 673 (956)	2 593 (5 954)	39	19	218 (192)	Professional, housewife
Mexico N = 2,475	2 444	10	1 631 (1 263)	1 967 (2 076)	49	23	145 (262)	Housewife, employee
Moldova N = 1,331	853	12	1 434 (1 780)	1 188 (1 203)	44	52	250 (1 128)	Other, student
Nicaragua N = 907	23	39	3 965 (2 329)	6 544 (8 964)	48	22	–	Student, housewife
Tajikistan N = 14,082	10 580	20	1 099 (2 935)	1 021 (1 433)	50	18	118 (445)	Student, professional
Total N = 54,138	38 196	15	2 504 (3 749)	2 345 (10 205)	46	65	558 (2 041)	Housewife, other

Source: Authors' elaboration based on primary survey data. *Dashes mean that average were not possible because of lack of data.

Remittances and rural youth financial behaviour

A substantial proportion of rural youth remittance recipients (46 per cent, $n = 8,545$) had at least one financial product. Across all countries the most common financial product was a savings account (table 4). Although the proportion varied between countries, 14 per cent of all rural youth had current accounts and 16 per cent had debit cards. Use of insurance products and loans was low across all countries, but rural youth ownership of these products reached 12 per cent, 16 per cent and 24 per cent in Georgia, Jamaica and Moldova, respectively.

Table 4. Financial products usage among rural youth remittance recipients (%)

Country	Rural youth (aged 15-24) remittance recipients					
	Current account	Savings account	Debit card	Credit card	Loan product	Insurance
Armenia <i>N = 12</i>	–	8	8	8	23	–
Azerbaijan <i>N = 162</i>	14	3	1	13	17	7
El Salvador <i>N = 534</i>	7	33	5	1	–	5
Georgia <i>N = 270</i>	32	16	7	8	21	12
Guatemala <i>N = 873</i>	36	86	18	3	–	–
Jamaica <i>N = 370</i>	–	95	91	2	5	16
Kyrgyzstan <i>N = 26</i>	4	–	–	–	15	–
Mexico <i>N = 255</i>	20	4	1	1	2	3
Moldova <i>N = 105</i>	24	2	37	1	3	24
Nicaragua <i>N = 9</i>	–	22	11	–	–	–
Tajikistan <i>N = 2,157</i>	3	8	4	–	3	–
Total	14 <i>(n = 4,403)</i>	32 <i>(n = 4,773)</i>	16 <i>(n = 4,362)</i>	2 <i>(n = 4,384)</i>	3 <i>(n = 5,623)</i>	3 <i>(n = 5,623)</i>

Source: Authors' elaboration based on primary survey data.

*Dashes mean no respondent indicated that they had the product.

Among rural youth remittance receivers, young women were statistically significantly more likely to save (p -value < 0.001) and likely to have larger savings (p -value < 0.05) than their male counterparts. Importantly, while personal income did not differ between young men and women, household income was statistically significantly higher for young women than for young men (p -value < 0.001).

Because our dataset spans countries that vary in factors that usually drive differences between men and women, such as age of first marriage, mean age of childbearing and other gendered norms, we cannot reasonably assign a rationale for these differences. Nevertheless, it is useful to note that gendered differences in financial well-being and saving are working in opposite directions for rural young men and rural young women in our dataset.

2.3 Migrant philanthropy and rural development

Transnational migration and globalization have transformed the relationship between individuals and their surrounding communities. This is the particular experience of migrants in their homelands as well as their host countries. In this context of transnationalism, new players have emerged, expanding the scope of international interaction. One such player is the home town association (HTA) formed by immigrants who seek to support their places of origin, maintain relationships with local communities and retain a sense of community as they adjust to life in their new home countries. An HTA is an organization formed by migrants who live in the same community and share a common nationality. They are often formed with the purpose of contributing to their home countries, by transferring money and resources to their homeland.

The large majority of these HTAs work in rural communities and focus their efforts on education and health initiatives that benefit children and youth. Available data on Chinese and Salvadoran HTAs in the United States demonstrate a sizeable proportion that focus on rural areas in their home countries. Of 249 Chinese HTAs in the United States surveyed in 2010, 27 per cent operated in rural villages (Portes and Fernández-Kelly, 2015). The work of HTAs typically targets the most vulnerable populations, such as children and the elderly, and, although it is primarily philanthropic in nature, it often overlaps with economic development activities (table 5). The typical activities performed by HTAs range from charitable aid to projects that address basic or public infrastructure, including building and maintaining schools, waterworks, and electricity or telecommunications networks (Goldring, 2003).

While the activities of HTAs and the diaspora⁷ are diverse, these groups have largely attracted attention in the development community for the work they do in their countries of origin. They often deal with the most immediate needs of their home communities, such as in the wake of a natural disaster, or if the community does not have a way to meet the most basic human needs such as basic education or a reliable water supply. For example, groups working in Latin America, South-East Asia and Africa donate school or medical supplies to local institutions, or provide basic infrastructure through the construction of clinics, classrooms, parks and homes (Orozco and Rouse, 2007). HTAs have the potential to improve the quality of life of households in a given community by facilitating projects that might otherwise be impossible for resource-constrained rural communities to implement.

⁷ Although there is no agreed definition of diasporas, they are largely defined through the combination of shared social and cultural identities of their countries of origin and their relationships with their home countries (IOM, 2011; Orozco et al., 2015).

Table 5. Project activity among HTAs in Europe

Activity	% of HTA projects focused on activity
Economic development (education included)	14
Migrant integration	11
Rural development	10
Health and sanitation	10
Cultural promotion	6
Literacy	6
Democratization and Human Rights	7
Poverty alleviation	5
Other	28

Source: Authors' elaboration based on primary data from 3x1 programme.

These types of projects are significant because of the potential they have to promote equity, an important component of development philosophy. The activities of HTAs may provide aid in communities where the capacity of the local government has fallen short. For example, more than a third (37 per cent) of 46 HTAs in the United States operating in Colombia, the Dominican Republic and Mexico worked with local chapters to supervise and carry out development projects their localities that otherwise would have been considered public works. At the same time, over half (52 per cent, n = 24) maintained contact with local government entities, suggesting that HTAs provide an important complement, as opposed to substitute, for local governments in their home towns. In this section we first provide a landscape of HTA density, nationality and types of engagement on a global scale to showcase the dynamic and growing force of HTAs worldwide. Then, using Mexican and Guatemalan HTAs as units of analysis, we detail the operational aspects and type of development impact that has been made possible in rural areas by these HTAs.

HTAs' global presence

While the total number of HTAs worldwide is unknown, as these associations change in number every year, their presence is significant. Data from various national sources provide insight into the density of formally registered HTAs worldwide (Table 6). Previous studies of migrants organized to support their home towns showed that at least 20 per cent belong to an association (Orozco and Rouse, 2007. According to a national Italian survey, 1,272 migrant organizations based in Italy reported activities focused on their home countries.⁸ A search of France's online register for associations formed since 1999 returned 786 associations working on immigrant and refugee interests in France.⁹ A survey of immigrant associations in Spain found that 27 per cent of 103 responding immigrant associations reported activities focused on international development (Aparicio Gómez and Tornos Cubillo, n.d.).

⁸ The mapping of migrant associations was carried out in 2014 by the IDOS Study and Research Centre, as part of the IN.CO.NT.RO initiative, promoted by the Ministry of Labour and Social Policies, General Directorate of Immigration and Integration Policy, and cofinanced by the European Fund for the Integration of Third-Country Nationals. Two years later (May 2016), the database was updated, also thanks to the collaboration of mapped migrant citizens' associations.

⁹ http://www.journalofficiel.gouv.fr/association/index.php?ACTION=Rechercher&HI_PAGE=1&HI_COMPTEUR=0&original_method=get&WHAT=&JTH_ID=003000%2F003050&JAN_BD_CP=&JRE_ID=&JAN_LIEU_DECL=&JTY_ID=ASSOCIATION&JTY_WALDEC=&JTY_SIREN=&JPA_D_D=&JPA_D_F=&rechercher.x=44&rechercher.y=11&rechercher=Rechercher

The number of HTAs varies by nationality, too, though perceived low HTA formation among nationalities might be due to lack of data as opposed to actual lack of engagement. A 2010 survey of 279 Chinese HTAs in the United States found that some HTAs had thousands of members (Portes and Fernández-Kelly, 2015). A survey of Colombian, Mexican and Dominican HTAs in the United States showed that the average membership was 562 people (Princeton University, 2008). In a study of 900 HTAs led by African migrants in eight European countries, the majority were Senegalese associations based in France, Italy and other European countries.¹⁰ Moroccans were second in their frequency of forming HTAs, followed by migrants from other West African countries. Though lack of data does not indicate lack of activity in HTAs, our data include HTA activity among countries with high and low structural and rural transformation.

Table 6. African migrant home town associations, by migrant nationality

Migrant nationality	Number of HTAs in host countries								Total
	France	Germany	Italy	Netherlands	Senegal	Spain	Sweden	United Kingdom	
Senegal	91	20	68	1		19		3	202
Morocco	30		51	7		21			109
Côte d'Ivoire	13	12	13			1			39
Mali	34		1			4			39
Cameroon	16	1	5	1		2		1	26
Ghana	1	1	9	13					24
Somalia			12	7		1		1	21
Other nationalities	112	2	42	32	1	36	1	12	238

Source: Authors' elaboration based on primary data.

In some instances, home country policies and/or international donor institutions encourage association-building among migrants that were already active in HTAs. In the United States, the well-known example of Mexico's 3x1 is discussed in depth later in this chapter. The programme has garnered support from more than 2,000 associations, which have quadrupled in number in the 15 years since 2003 (Orozco, 2003). In the case of Salvadoran HTAs in Southern California, which had been organizing and growing for decades, an influx of international support coupled with local politicians' engagement in the early 2000s effectively augmented the impact of these HTAs in El Salvador (FUNDE and FIA, 2007; Inter-American Foundation, 2003). In Germany, Turkish immigrants are active in HTAs and engagement has increased since they were granted the right to vote in Turkish elections in 2012 (Aydın, 2016).

From activism to impact: Mexico's and Guatemala's HTAs in the United States

The case of Mexico is striking with respect to HTA engagement with rural areas and rural youth. Mexican HTAs are a unique kind of organization in that they have forged agreements with Mexico's federal, state and local governments to match US\$1 for every US\$1 donated. In Mexican home towns with fewer than 3,000 people, HTA donations are equal to more than 50 per cent of the municipal public works budgets. In towns with populations of fewer than 1,000 people, HTA donations can amount to up to seven times the public works budgets (Orozco, 2007a).

The work these HTAs perform is on a set of areas that are important for the country's rural development (table 7). A look at 2,600 Mexican HTA projects in 2017 shows that 57 per cent

¹⁰ Dataset built in 2010.

occurred in rural areas, 15 per cent of which in communities with fewer than 2,500 inhabitants. Ten per cent of those projects focused on educational programmes (the overwhelming majority were youth scholarships), adding US\$10 million for 137 scholarship projects.

Table 7. HTA 3x1 investment projects in Mexico

Project type	%	Average investment (US\$)	Total investment (US\$)
Social infrastructure	41	58,438	63,522,229
Community services	29	32,597	25,132,573
Individual productive investments	14	23,621	9,023,316
Education	9	39,969	9,992,264
Family investments	4	35,125	4,074,474
Communal investments	2	69,667	3,413,706

Source: Authors' elaboration based on primary data from Mexico's 3x1 programme.

The significance of these initiatives suggests the presence of a narrative that points to an effort by migrants to make migration less a necessity and rather a development opportunity for youth. Migrants typically stress that they want to fund projects for social development in order to ensure that their families back in the communities do not have to endure the same hardship caused by migrating and migration.

Another case study is the experience of two Guatemalan HTAs whose work on education has been a priority. Unidos por El Palmar and the Asociación de Migrantes Catarinecos are Guatemalan HTAs based in the United States. Unidos por El Palmar has supported the town of El Palmar through donations, strengthening youth education and other initiatives. El Palmar is a rural municipality in the Quetzaltenango Department in Guatemala. As of 2017, El Palmar's population was 31,776 according to the National Statistics Institute of Guatemala. Though the population is relatively small, poverty rates remain high. Nearly 50 per cent of residents live below the poverty line, while extreme poverty affects 9.95 per cent of the population (National Statistics Institute of Guatemala, 2011). In 2017 the organization agreed to partner with a local NGO to implement an after-school programme and provide the coordination necessary for project implementation in the community.

A priority for government institutions has been working to extend educational coverage to counter illiteracy in Guatemala. In El Palmar, illiteracy reached 17.83 per cent in 2014 because of high truancy and dropout rates (National Council of Literacy, 2014). Although El Palmar has educational coverage at all levels, residents argue that the quality of education is the most important issue, not coverage (Secretary of Planning and Programming of the President of Guatemala, 2010). In terms of human capital development, issues such as illiteracy, low enrolment, reductions in educational quality and low passing rates negatively affect the future workforce (table 8). Low levels of human capital have important implications for wages, economic growth and the presence of a significant informal sector (Orozco and Valdivia, 2017). In El Palmar, achievement rates for secondary¹¹ reading and maths are well below the national and departmental standards, revealing a need to strengthen knowledge among youth.

¹¹ In the Guatemalan educational context, *diversificado* is roughly the equivalent of high school, while *basico* is the equivalent of middle school, in terms of the ages of students.

Table 8. Percentages of high school students who reached national standards in reading and maths, 2010-2015

Location	Reading	Maths
	2015	2014
Guatemala City	35.30	13.52
National average	25.97	8.51
Department average (Quetzaltenango)	26.07	9.07
El Palmar	12.86	2.86

Source: Ministry of Education, Directorate-General of Evaluation and Educational Research (2016).

The HTA leaders participated in funding three school teachers, obtained classroom space, promoted student enrolment and interfaced with the local educational authorities. With the support of Unidos por El Palmar, the teachers were in charge of establishing the necessary alliances within the municipality to find an educational institution that would permit the after-school programme, offering after-school sessions to 72 students.¹²

The programme’s objective is to allow middle school students to build skills that will eventually help them integrate into the labour force in an increasingly globalized society. It does this through three extracurricular modules that promote an innovative, creative and participatory approach to strengthening human capital in Guatemala. The modules are on the subjects of mathematics, communications and entrepreneurship.

2.4 Entrepreneurship, capital investment and knowledge transfer: the African diaspora marketplace

In the past decade the international community has taken initiatives to actively and effectively engage with diasporas worldwide.¹³ Many developing countries have opened ministries specifically meant to engage with diasporas. Some countries with considerable rural international migration as well as high levels of structural and rural transformation, such as Tunisia and Morocco, both have institutional support at the ministerial level and reach out to immigrants in a celebratory fashion through cultural heritage days. Table 9 provides an overview of national initiatives to engage financial, social and human capital investment from diasporas in countries with 50 per cent or greater rural international migration. Table 9 also shows that countries at varying levels of structural and rural transformation have decided to engage diaspora through national initiatives and ministry-level institutions.

¹² Opportunities in My Community Program, <https://www.thedialogue.org/agenda/programs/opportunities-for-my-community/blog/>.

¹³ One culmination of international attention and research on diaspora engagement in development is the International Organization for Migration and Migration Policy Institute’s (MPI) *Developing a road map for engaging diasporas in development: A handbook for policymakers and practitioners in home and host countries* published in 2012.

Table 9. National interest in diaspora from countries of origin, selected countries with international rural migration greater than 50 per cent

Country name	Ministry-level diaspora institutions	National initiatives to connect with diaspora	Rural and structural transformation
Latin America and the Caribbean			
Dominican Republic			High-High
Ecuador	☐ ^a		High-High
El Salvador		☐ ^b	High-High
Guatemala	☐ ^a		High-High
Haiti	☐ ^b		–
Honduras			High-High
Jamaica			High-High
Mexico	☐ ^a	☐ ^b	High-High
Nicaragua			High-High
East and Southern Africa			
Kenya	☐ ^c	☐ ^c	Low-Low
Lesotho			High-Low
Somalia	☐ ^c		–
Asia and the Pacific			
Fiji			–
Nepal			Low-Low
Papua New Guinea			–
Sri Lanka	☐ ^c		High-Low
Tonga			–
Laos			High-Low
Cambodia			Low-Low
Kyrgyzstan			High-High
Tunisia	☐ ^c	☐ ^b	High-High
Montenegro			–
Moldova		☐ ^d	–
Uzbekistan			High-High
Algeria	☐ ^c		–
Morocco	☐ ^c	☐ ^b	High-High

Sources: ^a Soltész (2016); ^b IOM (2006); ^c IOM (2011); ^d IOM (2016).

International immigrants can promote development by providing human, social, economic and cultural capital to rural communities in their countries of origin (IOM, 2013). Although diaspora bonds have not been as successful as expected in India or Ethiopia (Terrazas, 2010), diaspora have launched investment funds to invest in for-profit social enterprises in Guinea, Liberia, Rwanda and India (Center for International Private Enterprise, 2015; Liberia Economic Impact Fund, n.d.). Host and home countries more frequently attempt to harness skilled immigrants through networks (IOM, 2006; Hooper and Sumption, 2016). There are also programmes that

support immigrants to volunteer their time and knowledge in providing training and mentorship in areas such as health, and small and medium-sized business development (Hooper and Sumption, 2016).

Amid the plethora of initiatives that have been supported by international organizations to support diaspora engagement for entrepreneurship and investment, the African Diaspora Marketplace (ADM) is highlighted here because it relies on comparative advantages of diasporas including contacts on the ground that allow accurate assessment of development needs and country constraints, flexibility in accessing a variety of stakeholders, and addressing issues and concerns that might be overlooked by national or international institutions (Brinkerhoff, 2011). Rather than isolate one type of contribution, the ADM mingled components of entrepreneurship, capital investment and knowledge transfer into one programme for diaspora engagement. We believe that the ADM is an especially useful example to explore for rural youth because the focus on rural issues and the engagement of younger home country partners with older diaspora members were organic outputs of the project.

This section relies primarily on qualitative data from Manuel Orozco and Mariellen Jewers' evaluation of the ADM businesses (Orozco and Jewers, 2011) and on survey data of ADM participants collected by the George Washington University's GW Diaspora Capital Investment Project, with Liesl Riddle as principal investigator (Riddle, 2011). Qualitative data were collected by Orozco and Jewers through multi-day site visits to winning finalists in Ethiopia, Ghana, Kenya, Nigeria and Uganda between July and August 2011. The site visits followed an interview protocol and consisted of semi-structured interviews with observational notes. Participants were asked for consent to record site visit interviews and could refuse to be recorded without penalty at any time. Interviews were granted as part of awardee obligations, but participants could decline to answer any question at any time. Except in the case of two awardees, site visits took place on location at the factory or main partner distribution site.¹⁴ Riddle et al. (2011) surveyed 79 participants from March to April 2010; 58 per cent of responses were from winning finalists, 23 per cent were from non-winning finalists and 10 per cent were from non-finalists. See Riddle et al. (2011) for more information on their survey administration.

The ADM – initially launched by the United States Agency for International Development (USAID) in partnership with Western Union in 2009 – provides capital funding to international immigrants from African nations with business partners in their country of origin who have business proposals for investment in their country of origin (African Diaspora Marketplace, 2018). This section focuses on awardees that participated in the first round of awards for ADM. At that time, ADM applicants must be immigrants (including families or business groups with immigrant members) and have proposals for businesses in one of the following countries: Angola, Burundi, Ethiopia, Ghana, Kenya, Liberia, Malawi, Mali, Mozambique, Namibia, Nigeria, Rwanda, Senegal, Sierra Leone, South Africa, Sudan, Tanzania, Uganda or Zambia. United States diaspora participants in the ADM were overwhelmingly male (87 per cent, $n = 89$) and just 14 per cent were under the age of 34 (Riddle, 2011). Diaspora members in the United States applied for awards in partnership with local partners in one or more of the eligible countries, and diaspora members must have a 25 per cent investment in the business applying for the awards. Proposals were for capital support from USAID for their business ventures, and awards were granted depending on the quality of their partnerships, potential for their start-ups to succeed or established business to expand in the market of interest, and scope and sustainability of local economic impact.

¹⁴ The two businesses where qualitative interviews did not take place on site were the Kenyan EarthWise Ferry and TAF BioTechnology business in Ethiopia.

Despite the open call for business plans, many of the ADM projects gravitated toward agriculture or rural issues. Half (seven of 14) of awardees focused on either agriculture or rural investment in technology (Riddle, 2011). Each of the ADM awardees' proposals was an innovative service or product to tackle local social, environmental and economic needs. These included goat breeding in Ghana, commercial transportation, solar ovens for remote households in Uganda, and a technology platform to connect small farmers and rural artisans with hotels and urban retailers in Kenya (Orozco and Jewers, 2011).

While the ADM awardees faced challenges, the individualized nature of the projects along with the diaspora-determined solution proved to be a highly effective way to engage diasporas in local rural development. Local partners for projects in three businesses in Kenya, Ethiopia and Uganda were youth (based on the African definition of youth as up to 34 years old). These ADM projects attracted younger local business partners because of their innovative nature and attempts to revamp old processes. In the case of the digital marketplace, the Kenyan diaspora partner successfully leveraged his rural background to engage rural farmers and artisans in the digital exchange. In countries such as Kenya, Ethiopia and Uganda, where non-farm opportunities remain limited (low structural transformation) and rural economies are not well developed (low rural transformation), our case study of the African Diaspora Marketplace suggests that individualized human-capital-intensive economic partnerships between skilled international immigrants and people in their home countries who work on self-identified economic development projects can be highly successful, though the breadth of impact is limited.

For at least five of the projects that were part of the qualitative assessment, the diaspora's home country partners were relatives, but all participants in the ADM survey demonstrated high levels of engagement with their home countries. Sixty-three per cent of ADM survey respondents had travelled to their country of origin at least three times in the previous three years. Seventy-one per cent called, emailed or wrote to their relatives in their country of origin frequently. Participants also reported sending an average of US\$8,966 per year in remittances to their relatives in their countries of origin. According to the survey, motivations of members of the diaspora for investment in the ADM were diverse and included family obligation, expectation of profitable return on their investment and improving their countries' economic development. The varied motivation for investment proved very important in at least one Ethiopian case; because of unusually high customs fees the Ethiopian transportation business would not generate a profit from its services. However, in the interview with the diaspora partner, he expressed the view that the social good that his business would have in reducing accidents and creating jobs was sufficient compensation for him to sustain the venture (though he would not expand the business as initially expected).

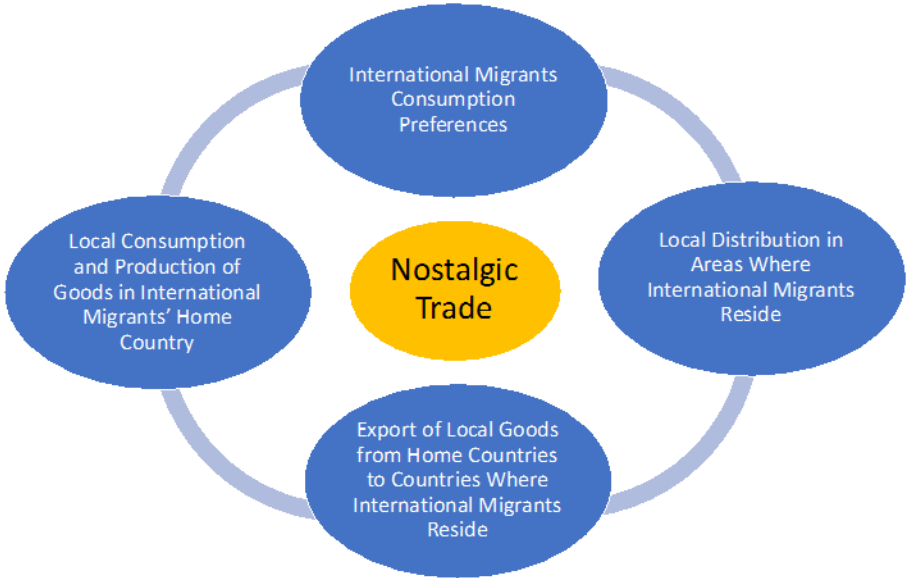
2.5 Migrant consumption of home country goods: exploring the differences in Albania's and El Salvador's nostalgic trade

Homeland country good consumption is a staple of international immigrants' day-to-day lifestyle that connects them with their countries of origin. Nostalgic trade – defined as increases of external demand for certain goods due to migrants' consumption of home country goods that lead to increased exports of these goods from countries of origin – can contribute to development. Nostalgic goods that contribute to nostalgic trade are manufactured in migrants' countries of origin, not in the United States. For example, migrants may buy tortillas made in the United States, but these are not products that would be included in our analysis of nostalgic trade. Similarly, not all goods and services consumed regularly among migrants before they emigrate from their countries of origin are equally likely to be candidates for nostalgic trade. Studies of international migrants' consumption reveal that foodstuffs are the most common nostalgic goods

consumed by international migrants (Orozco, forthcoming; Orozco, 2008c). In addition, international migrants of various nationalities (Colombian, Dominican, Ghanaian, Indian, Mexican and Nigerian) cited clothing and crafts as nostalgic goods (Orozco, 2008c). Nostalgic goods are more likely to be from rural areas, given that these goods often have localized production in the home country.

Nostalgic trade comprises demand and supply in both the home and host countries of international migrants (figure 1). Data suggest that international migrants have a consistent and durable demand for home country goods. While goods such as rice and tortillas are produced by a myriad of companies in many nations globally, migrants often exhibit strong preferences for goods that originate from their home country (Orozco, forthcoming). The importance that international migrants place on country of origin in determining what goods to buy is why nostalgic trade can persist despite increasing globalization of product production worldwide. Upgrading supply chains for export goods produced in rural areas as a means of poverty reduction is gaining renewed interest in international development.¹⁵ While leveraging direct or shorter supply chains between rural producers and markets in developing countries requires a certain set of assets and production capabilities and may be best suited for countries with high rural transformation, connecting producers to localized markets of international immigrants could prove important for individual rural communities at all levels of rural development (IFPRI, 2016). Within this context there is considerable scope for international organizations to partner with private entities to consider the farm-to-table or producer-to-consumer production of home country goods in rural areas.

Figure 1. Drivers of nostalgic trade



Source: Authors' Elaboration

This section examines nostalgic trade for El Salvador and Albania, using primary survey and qualitative data from Salvadoran and Albanian immigrants and local retailers in the United States as well as secondary information on the countries and their policies regarding exportation of

¹⁵ The renewed interest coincides with an international call to deal with impacts of climate change on rural agricultural production worldwide.

specific nostalgic goods.¹⁶ For Salvadoran international immigrants, survey data were collected in Washington, D.C., in 2014 and 2008. Survey data for Albanians include foreign-born as well as second- and third-generation Albanians living in the United States and were collected in metropolitan areas throughout the United States, with 191 of 207 surveys administered in Detroit, New York City and Boston. In addition to surveys, researchers collected in-depth interviews with local retailers and community organizations in neighbourhoods where survey data were collected.

Nostalgic trade first starts with international migrants' personal consumption preferences. Salvadoran and Albanian immigrants in Washington, D.C., were very similar in their demand for home country goods. Both groups place a premium on goods coming from their country of origin, but a larger proportion of Albanians valued country of origin as most important in determining to buy a nostalgic good than Salvadoran immigrants. Both Salvadoran and Albanian immigrants placed cheese as their top purchased home country good. The main commodities explored here are cuajada (curd) and other cheeses for Salvadoran and Albanian immigrants. The importance of cheese as a nostalgic good makes sense for both immigrant communities, as cheese has been a traditional mainstay of Albanian and Salvadoran diets (Imami et al., 2016; PAHO, 2013). Salvadoran immigrants spent US\$130 a month on nostalgic goods and Albanian immigrants reported spending US\$180 per month on nostalgic goods.

Although both nationalities reported difficulties in finding home country goods, availability of local distributors of home country goods seems to vary widely across the two nationalities. For example, when probed about their purchasing if they could not find a certain good as their customary retailer, a typical response of Salvadoran immigrants was "if one store doesn't have it, another one will." In contrast, Albanians' sentiments were that Albanian-made products simply were not available anywhere, remarking that "if I could find them [home country goods], I would buy them." Differences in availability are marked, despite similarities in both nationalities' intensity of demand for nostalgic goods, which suggests that either local distribution or home country production is at the root of differences in nostalgic trade for these nationalities.

Data from Salvadoran and Albanian immigrants in the United States suggest that size and density of the home country population might not be as large a factor as local distributors' perception of the market for home country goods and the reliability of home country producers. Whereas local distributors in Washington, D.C., were very aware of the types of products that Salvadoran immigrants were interested in consuming, similarly situated distributors catering to Albanian immigrants had less knowledge of specific brands that Albanian immigrants desired.

The potential for export by home countries circumscribes the potential for nostalgic trade to foster agricultural and localized non-agricultural development in rural communities in international migrants' countries of origin. There are more differences than commonalities between El Salvador and Albania, particularly in terms of exports (table 10).

¹⁶ Unless cited otherwise, the sources for this section are: Orozco, M. and Yansura, J. 2019. A taste of home: The nostalgia trade and migrant economic transnationalism. In: Elo M., Minto-Coy I. (eds) *Diaspora Networks in International Business. Contributions to Management Science*. Springer, Cham. Orozco, M. 2008c. Tasting identity trends in migrant demand for home-country goods. USAID.

Table 10. Economics, demographics and international migration, El Salvador and Albania

Economic and demographic indicators	El Salvador	Albania
GDP at market prices (US\$)^a	26 797 470 000	11 863 865 978
Population^b	6 344 720	2 876 100
Food exports (% of merchandise exports)^a	18	8
Immigrant stock in the United States^c	1 393 000	90 000

Sources: ^aWorld Bank Indicators, <https://data.worldbank.org/country/albania?view=chart> and <https://data.worldbank.org/country/el-salvador?view=chart>; ^bWorld Bank Indicators, <https://data.worldbank.org/indicator/SP.POP.TOTL>; ^cMigration Policy Institute, <https://www.migrationpolicy.org/programs/migration-data-hub>.

Poor production capacity in Albania seemed to be the primary obstacle to developing nostalgic trade in cheeses between Albania and the United States. Albanian cheeses were not specifically counted in the United States' government data for imports. Informant interviews from local distributors of Albanian goods in the United States indicate that lack of trust and bureaucratic issues in exporting goods from Albania were key obstacles to retailing Albanian-originated goods in the United States. Other retailers were unable to find any (large or small) Albanian cheese producers that exported to the United States at all. A study of cheese production in Albania found that cheese production is relegated to very small remote farms and Albanian cheeses are so poorly distributed within Albania itself that many cheeses are imported (Imami et al., 2016). The exceptionally poor local distribution of cheese does not bode well for United States local distributors to be able to formalize imports of this Albanian nostalgic product. Building up export capacity for nostalgic goods might require specific attention by Albania or non-governmental initiatives to improve cheese production for export.

The cheeses and curd cited as main nostalgic goods for Salvadoran migrants are substantial enough to be counted in national import data, although cheeses are not primary exports from El Salvador. In 2001, the Salvadoran government included nostalgic goods as part of its agenda in building the Central American Trade Agreement (Jordan, 2003). While free trade agreements were not a panacea, they placed nostalgic cheeses firmly on the national agenda for exportation (Orozco and Yansura, 2016). Promoting cheese exports is especially important for rural farmers because the dairy sector in El Salvador is dominated by small farms in the rural eastern part of the country (SNV Netherlands Development Organisation and IFAD, n.d.; IFAD, 2015b). Unsurprisingly, trends in emigration from El Salvador (as a proportion of El Salvador's population) to the United States from 2005 to the end of 2008 mirrored trends in growth of exports for specific nostalgic goods from El Salvador, such as cuajada and other cheeses. While absolute figures for the volume of and changes in exports due to El Salvador's nostalgic trade are difficult, nostalgic trade unequivocally promoted diversification of El Salvador's food exports.

3. Fostering and leveraging these contributions for rural youth

3.1 Acknowledging the relationship between migration and rurality in the global context

International rural migration consists of half of all international migration. Data for 13 countries in Asia, Europe, and Latin America and the Caribbean showed that 72 per cent of remittance recipients came from rural areas, of which 22 per cent are rural youth. Though it varies across countries, rural international migration increases with economic progress for low-income and lower-middle-income countries as income increases.

International immigrants' transnational engagement is motivated by a myriad of social, cultural and economic factors. Transnational activities occur at various stages and form a value chain and directly relate to development insofar as they help create or strengthen assets in both host and home countries. We find that youth are doubly disadvantaged relative to adults in rural areas and relative to their urban counterparts, making remittances and other forms of engagement particularly important in helping this especially vulnerable group. Transnational engagement that occurs in rural areas, and that targets issues such as education or nutrition, can disproportionately benefit youth. Other transnational engagement, such as knowledge transfer or partnership, establishes youth as agents of their own development and economic well-being.

Remittances are a crucial contribution to rural youth's baseline income. Roughly one fifth of remittance recipients are rural youth. Remittances constitute an important source of income for rural youth. Indeed, rural youth recipients' income is nearly doubled because of remittances, which increase rural youth income to be nearly comparable to that of urban youth. Rural youth remittance recipients are more likely to be students than rural youth non-recipients, which aligns with earlier studies' findings that remittances assist rural youth in staying in school. Importantly, remittances have important impacts on savings. Nostalgic trade is a relatively underexploited development strategy that can promote rural youth employment through exports. Over 80 per cent of migrants consume home country goods, mostly foodstuff produced and distributed by rural communities. Philanthropically, international immigrants are already dedicating considerable resources to rural development in areas that benefit youth development. Hundreds of thousands of immigrants contribute to rural development via home town organizations; HTAs predominantly target rural development, in many cases investing in education and social infrastructure. Finally, examples of international immigrant investment that requires partnership and international migrant-driven innovative solutions to economic gaps in home countries organically activate youth as partners in development. This type of engagement, though more individualized in nature, has the most potential to engage youth as their own agents for development in their local communities.

3.2 Cues to support rural youth

These results lay out concrete policy options for home country governments and international organizations to advance the positive impact on rural youth of international immigrants' transnational engagement. The most crucial are:

- Improve financial access in rural areas and, depending on the specific country context, place a particular focus on difficulties facing young men, who, in some instances, benefit less from household assets than young women.

The impact of migrant's remittances and investment on rural youth

- Reduce transaction costs and increase payment options for remittances to rural areas.
- Consider a Youth African Diaspora Marketplace that is restricted to projects that partner with rural youth specifically, to harness the propensity that rural youth have to bring forward innovative solutions to issues in their home town or village.
- Relying on the durable demand for home country goods in developed nations, improve the supply chain for these local goods to connect producers to localized markets of international immigrants.
- Encourage better collection of data on remittances, immigrants' organizations and investment to better track and document the scope of rural international immigration and the impact of remittances, immigrants' organizations and investment on immigrants' home towns and countries.

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Appendix

Country	Level of ST (mean) and RT (median), global	International rural migration (% of all international migration)	Remittances to rural areas (US\$)	Remittances as % of GDP
China	High ST and high RT	21	0	0
Colombia	High ST and high RT	39	1	2
Dominican Republic	High ST and high RT	52	4	8
Ecuador	High ST and high RT	76	2	2
Egypt	High ST and high RT	22	1	6
El Salvador	High ST and high RT	45	8	19
Ghana	High ST and high RT	48	3	13
Guatemala	High ST and high RT	82	9	10
Honduras	High ST and high RT	55	10	17
Indonesia	High ST and high RT	33	0	1
Kyrgyzstan	High ST and high RT	56	17	25
Mexico	High ST and high RT	63	2	2
Morocco	High ST and high RT	35	2	7
Nicaragua	High ST and high RT	63	6	9
Philippines	High ST and high RT	37	4	10
South Africa	High ST and high RT	54	0	0
Tunisia	High ST and high RT	62	3	5
Uzbekistan	High ST and high RT	53	2	5
Bangladesh	High ST and low RT	16	1	8
Bolivia	High ST and low RT	40	1	4
Gambia, The	High ST and low RT	26	6	15
India	High ST and low RT	47	1	3
Lao PDR	High ST and low RT	57	0	1
Lesotho	High ST and low RT	68	10	15
Senegal	High ST and low RT	46	6	14
Sri Lanka	High ST and low RT	87	8	9
Vietnam	High ST and low RT	32	2	7
Zambia	High ST and low RT	37	0	0
Côte d'Ivoire	Low ST and high RT	38	0	1
Nigeria	Low ST and high RT	36	2	4
Pakistan	Low ST and high RT	42	3	7
Tajikistan	Low ST and high RT	84	23	29
Benin	Low ST and low RT	22	1	3
Cambodia	Low ST and low RT	54	1	2
Ethiopia	Low ST and low RT	29	0	2
Kenya	Low ST and low RT	50	1	2
Malawi	Low ST and low RT	42	0	1
Mali	Low ST and low RT	33	2	7
Mozambique	Low ST and low RT	20	0	1
Nepal	Low ST and low RT	68	21	31
Rwanda	Low ST and low RT	32	1	2

Country	Level of ST (mean) and RT (median), global	International rural migration (% of all international migration)	Remittances to rural areas (US\$)	Remittances as % of GDP
Sierra Leone	Low ST and low RT	22	0	1
Tanzania	Low ST and low RT	19	0	1
Uganda	Low ST and low RT	45	2	3

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Via Paolo di Dono, 44 - 00142 Rome, Italy

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