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INTRODUCTION

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T*he Inter-American Conference on Social Security (CISS) and Universidad Iberoamericana (UIA)* co-hosted an international conference on "The Effects of Migration on Sending Countries" in February of 2006. The major objective of the conference was to examine a variety of channels through which migration affects the sending countries. Migrants change the dynamic of sending households; alter labor market supply; and change the skill composition of the labor force in the sending countries. While abroad, they provide family members left behind with a source of income in the form of remittances, a connection to a broader labor market, and a form of insurance against income shocks. Migrants often return with learned experience. A better understanding of the overall effects of migration on sending countries will help policy makers integrate the reality of migrant communities and their impact on society in general to improve policy design. This issue contains five papers originally presented at this Conference.[1]

Edward Funkhouser uses longitudinal data from the 1998 and 2001 Living Standard Measurement Surveys in Nicaragua to examine the impact of the emigration of household members on the household labor market integration and poverty. This is the first study that allows a researcher to examine the effect of migration or remittances controlling for the initial situation of the household. Some interesting insights come out of his work. For example, he finds that households with emigrants started out larger than other households and, after emigration, decreased in size to be comparable to other households. More importantly, he finds that households from which an emigrant left had a reduction in members, a reduction in working members, and a reduction in labor income relative to similar households. Yet, those households also had a reduction in poverty, although the gains for the sender household are short lived. He finds no major effect of emigration or remittances on the work status of individuals aged 18 to 62 in 1998, but teenagers that entered working age between 1998 and 2001 were less likely to work if they lived in a household from which someone emigrated. His analysis provides an estimate of the effect migration and remittances that is not possible with the cross-sectional approach used in previous studies.

Mariano Sana and Chiung-Yin Hu look at international migration as an employment-related decision, where employment abroad is likely to be relatively more attractive to workers without social security coverage in the first place. They use Mexican data to test if workers without social

[1] The conference and this special issue would not have been possible without the help of many people. Sandra Robles provided the logistical support. Rodolfo de la Torre -Senior Editor, and Eduardo Rodriguez-Oreggia - Associate Editor, oversaw the organization of the Conference and the publication of this issue. The designated discussants for each paper read the first drafts and provided commentaries during the Conference. The editorial committee of *Well-being and Social Policy* helped select the reviewers, who often provided valuable and constructive suggestions to the authors.

security coverage are more likely to migrate to the United States than those who hold formal jobs. They find that those who hold jobs covered by social security are *less* likely to undertake a first trip to the United States than those who contribute to the social security system. Those holding jobs that do not contribute to social security have odds of migrating that are about twice as large, and even larger, than the odds of migrating among those who hold jobs covered by social security. This finding leads them to a second empirical question that complements the first one, which is if migration improves migrants' long-term retirement prospects, relative to non-migrants without social security coverage. They find that a migration experience of 10 years or more seems to act as a substitute for social security. Furthermore, they estimate probabilities of exit from the labor force after age 55 and find that, controlling for a number of relevant predictors of retirement, the effect of cumulative months of social security contributions with no migration experience is remarkably similar to the effect of cumulative months of migration experience with no social security contributions. They have reason to believe that this is a result of savings or accumulated wealth rather than SSA checks.

Catalina Amuedo-Dorantes and Susan Pozo examine long-term patterns of remitting from the USA to Mexico. They want to know if the amounts remitted by Mexican migrants from the USA change as the length of time in the USA increases. They use data from the Mexican Migration project (MMP107) database to answer this question. In particular, they focus on the questions answered by return migrants. They find that remittances first increase with time in the USA, they reach a maximum at 5.5 years, and they decay afterwards. They find that remittances also decay in the case of migrants that leave spouses or partners in Mexico, although the decay is delayed and it is slower relative to the case of migrants without spouses or partners left in Mexico. This finding suggests that initially migration can be seen as part of a household strategy, but after some time, it begins to look more like an individual choice. Yet, as the authors indicate, better understanding of remittance behavior over time requires better understanding of the motives behind remitting practices.

Alketa Hysenbagasi and Susan Pozo take a close look at the determinants of remittances from a macroeconomic perspective, using a panel of 23 Latin American and Caribbean nations. They examine the extent to which remittances respond to the external macroeconomic conditions of the recipient nation, and they find that when the probability of currency crises increases, remittances per migrant fall. This may be the result of remitters reducing the amount remitted when they expect the dollar value of those flows to deteriorate, or in may be explained by a stable flow of remittances and recipients holding on to the foreign exchange in anticipation of devaluation. In any event, recorded remittances per remitter fall when the probability of crisis rises. An important implication of this behavior is that rather than serving to smooth economic activity, the timing of remittances can be destabilizing.

Phillip Martin offers very interesting insights from comparing the experiences of Turkey and Mexico. He focuses on the link between remittances and development. The comparison across countries is interesting because the two governments approached the flow of remittances very differently. The Turkish government had high hopes that recruitment, remittances and returns would transform the society, intervened to steer remittances towards investment, and was ultimately disappointed with the results. The Mexican government, on the other hand, has largely ignored migration to the US, although recently has taken steps to facilitate the flow of remittances from the US. Yet, the experience of these two countries in terms of results is not too far apart. The evidence

he cites suggests that emigration can help individuals by increasing their incomes at the cost of family separation, and can help non-migrants by generating jobs and introducing new ideas in emigration areas. However, emigration is no substitute for broad-based economic policies leading to better use of resources and ultimately to convergence between labor sending and receiving countries.