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The Impact of Intention to Leave on Immigrants' Behaviour

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Migration policy schemes are increasingly limited in duration and target specific groups of individuals (i.e. in terms of education level, professional categories or experience). Temporary migration schemes in particular are perceived as a flexible way to provide the host country with a workforce that can be adjusted to the prevailing economic conditions. In addition, temporary immigrants' fiscal balance is often considered to be more advantageous for the host country than that of permanent migrants, as remigration before or upon retirement alleviates the issues of old-age dependency. Temporary migration also reduces concerns linked to migrants' integration in the host society.

However, the duration of migrants' stay in a country is unlikely to have a neutral impact on their behavioural decisions. In particular, as individuals base their actions on expectations, temporary and permanent settlement may imply drastically different choices (for a comprehensive review of the literature on temporary migration, see Dustmann and Görlach 2016). Although temporary migration is a phenomenon that is gaining momentum, evidence on the potentially different behaviour of temporary and permanent migrants remains fairly scarce.

In terms of financial investment, the incentives to invest and the returns on projects in origin and host countries can vary with the migrant's intended duration of stay. Several studies have focused on Germany, relying on data from the German Socio Economic Panel. They have found that remigration plans are an important determinant of remittances (Merkle and Zimmermann 1992) and savings (Bauer and Sinning 2011). Furthermore, individuals who change their return intention have also been found to modify their remitting behavior (Dustmann and Mestres 2010). De Arcangelis and Joxhe (2015) use a sample from the British Household Panel Survey in order to analyse saving and remitting behaviour. They find that the total amount saved (including remittances) is 26% higher for temporary migrants than for permanent ones when controlling for the respondent's financial capacities. Using a French survey of individuals around the age of retirement, Wolff (2015) shows that intending to return increases their probability of remitting by over 10 percentage points and almost doubles the amount remitted. Moreover, he uncovers a positive correlation between personal savings and remittances to origin country, and between personal savings and transfers to relatives living in France.

The expected duration of stay in the host country can also affect behavioural choices beyond the purely financial decisions. The investment in the host country's language, often seen as the first step towards a successful integration, is also likely to be affected by the immigrant's planned duration. Dustmann (1999) finds that permanent migrants have a 10% higher probability of being fluent in German than migrants who intend to return.

TEMPORARY VERSUS PERMANENT MIGRATION

In a recent study co-authored with Jackline Wahba (Chabé-Ferret et al. 2016), we analyse the impact of immigrants' intention to leave France on different behavioural choices. The case of France is particularly interesting for at least two reasons. With 7.9 million foreign-born residents hosted as of 1 July 2015 (Eurostat 2017), the country is the third most popular destination for immigrants in the European Union. However, it remains largely understudied because data on migrants in France is still scarce. Secondly, the country's official language is also spoken in several main origin countries of immigrants (for instance, in Morocco, Algeria and Tunisia, as well as in Senegal or Mali).

We rely on the French dataset "Trajectoires et origines" released by INED-INSEE in 2009. This survey was conducted among a representative sample of French metropolitan households of working age between September 2008 and February 2009. In our analysis, we focus on the 9,168 individuals born outside mainland France (i.e. first generation immigrants). The survey provides information on household's migratory background, social, educational and economic environment. It also provides information on several behavioural choices relative to the origin country, including whether the migrant sends remittances, finances a project at origin or participates in the country's political process. Moreover, it includes questions on linguistic progression (i.e. French skills at the moment of arrival and at the moment of the survey) and perception of discrimination.

The survey shows that 15.7% of respondents express a clear desire to leave France while 24.9% respond to the question on intention to leave France with "maybe". In our study, we compare the immigrants who express a clear intention to leave to all the others (i.e. those who answered "maybe", "no" or "don't know", henceforth defined as permanent migrants). Significant differences appear for all the financial, political and linguistic investments between temporary and permanent migrants.

However, individuals who intend to leave France differ from permanent migrants in many observable characteristics. They are usually younger and have

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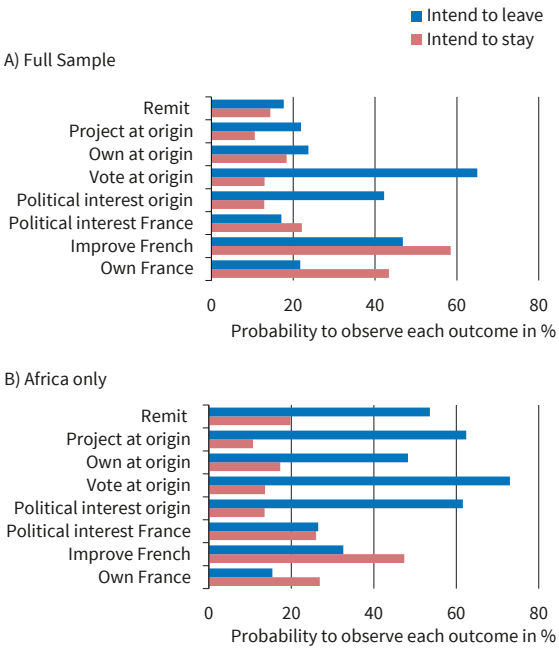
Figure 1A and 1B

Outcome Incidence Conditional on Intention to Leave



Source: Authors' calculations based on estimations in Chabé-Ferret et al. (2016).

spent less time in France. They are more likely to be single and less often living with a partner. They tend to have a higher educational degree than permanent migrants and are more concentrated in big agglomerations. They are also less likely to be unemployed or inactive. In our analysis, we control for these observable characteristics in order to ensure that the behavioural differences between permanent and temporary migrants we document can be attributed to their desire to leave, rather than to differences in migrants' characteristics.

An additional issue for the causal interpretation of the impact of remigration intention is that it is a deliberate (i.e. endogenous) choice by the individual. Temporary and permanent migrants may differ systematically in unobservable ways (like their sentimental attachment to their origin country or their willingness to take risks) that could drive both their desire to leave France and the behavioural outcomes we aim to study. Moreover, the intention to leave France may also be the result of a failed integration: an individual may wish to leave France because s/he has not managed to learn French or find suitable employment.

In order to tackle this endogeneity issue we use an instrumental variable strategy. The idea is to use variations in remigration intentions that are due to another variable whose changes are plausibly exogenous (unrelated) to the outcome. For instance, we use the opinion people express about the general level of discrimination in France for the outcomes directed towards the country of origin and migrants' desire to be buried in France for the outcomes in France. In both cases, these "instrumental variables" provide some variation in the desire to remigrate that should not be connected to the outcomes through any other channel, therefore making it possible to identify a clear causal chain from remigration intention to outcomes.

The first objective of our study is to analyse whether an immigrant's intention to leave France affects his/her behaviour significantly after controlling for both differences in characteristics and accounting for the endogeneity of the remigration intention. The second objective is to analyse whether individuals who invest in their origin country are also more likely to invest in France at the same time; or whether there is a trade-off between different investment decisions.

HOW DOES INTENTION TO REMIGRATE AFFECT INVESTMENT CHOICES AT THE ORIGIN AND DESTINATION COUNTRY?

We analyse eight behavioural outcomes, five of which are directed towards the country of origin: whether the migrants (i) remit, (ii) participate in a project, (iii) own a house (iv) participate in elections and (v) follow politics in their country of origin, while the three others are related to France: whether they (vi) follow politics, (vii) improved their French language skills and (viii) own a house in France. Since the data we use does not provide the amounts invested, our analysis focuses on the probability of exhibiting a given behaviour.

Figure 1A shows the probability for each outcome of happening to two otherwise identical immigrants who differ only in their desire to remigrate, as predicted by their opinion on discrimination in France or their intended burial location. The main finding is that the intention to remigrate tends to positively affect the probability of outcomes directed towards the country of origin and negatively impacts those directed towards France. In particular, migrants stating a desire to remigrate are 11.3 percentage points (pp) more likely to participate in a collective project in their country of origin, but also 52 pp and 29.3 pp more likely to participate in elections or follow politics in their home country. Conversely, they are also 11.7 and 21.7 pp less likely to have improved in French since their arrival and to own a house in France. For the other outcomes, the difference is not statistically distinguishable from zero at the 95% confidence level.

In order to examine whether our results are driven by regional specificities, we focus on migrants from Africa. In addition, Africa represents the main origin region of immigrants in France and a substantial pool for prospective migrants.

Differences documented in the full sample are even stronger for African migrants, as shown in Figure 1B: temporary migrants are 30 to 60 pp more likely to remit, own a house, participate in a project or in elections, or follow politics in their country of origin. They are also 15 pp less likely to have improved in French and 11 pp less likely to own a house in France. Remigration

intentions do not have any significant effect on interest in French politics.

IS THERE A TRADE-OFF BETWEEN DIFFERENT INVESTMENT TYPES?

An additional question that has received rather limited attention is the relationship between immigrants' different investment decisions. More specifically, is an immigrant who invests in his origin country less likely to invest in France (e.g. owning a house)? In order to address this question, we analyse how intention to return to the home country affects different investment outcomes by simultaneously considering an investment outcome directed at the origin country, as well as at the destination country.

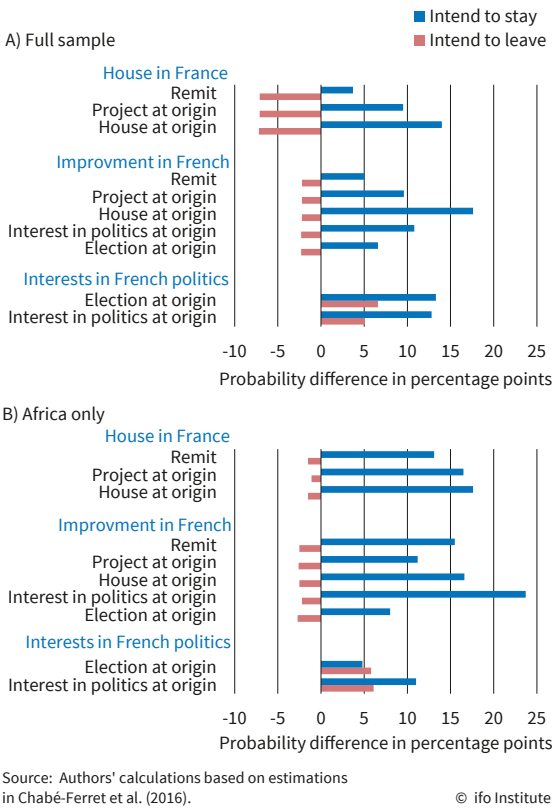
In particular, we focus on ten pairs of outcomes that could, in theory, be complements or substitutes. Firstly, we look at strictly monetary outcomes and examine the relationship between owning a house in France and successively: remiting, participating in a project and owning a house in the country of origin. Secondly, we study the interaction between French language improvement and the same monetary outcomes directed towards the origin country. As French language improvement is not strictly monetary, we also explore its relationship with non-monetary outcomes directed to the country of origin, such as participation in elections or interest in politics. Finally, we examine the trade-off between non-monetary outcomes: interest in politics in France versus participation in elections or interest in politics in the country of origin.

The results displayed in Figure 2A show that for the first eight pairs, remigration intention is positively related to the origin outcome and negatively to the host country outcome. This indicates that temporary migrants tend to shift resources away from the host country, in terms of real estate investment or improvement in French language, towards their home country in the form of remittances, real-estate investment, participation in projects, elections, or interest in politics.

By contrast, we find that interest in politics in France tends to be positively correlated to interest in politics and participation in elections at origin. This suggests that a complementarity exists between those outcomes that drive temporary migrants to get more involved politically in both France and at home. Although statistically weaker, these results remain consistent when we look at migrants from Africa only, as shown in Figure 2B.

Figure 2A and 2B

Effect of Remigration Intention on Outcome Pairs



Source: Authors' calculations based on estimations in Chabé-Ferret et al. (2016).

CONCLUSION AND DISCUSSION

Using French survey data, we analyse how the intention to leave France affects immigrants' behaviour. Accounting both for observable differences across temporary and permanent migrants and for the endogeneity of the remigration decision, we find that temporary migrants are more likely to invest in their country of origin and less likely to invest in the host country than otherwise similar permanent migrants. We also find that temporary migrants actually tend to shift resources away from the host country to direct them towards the origin country.

As individuals' expected duration of stay affects their behaviour, immigration policies that define this duration are clearly not neutral to immigrants' choices. Ideally, we would have liked to analyse how visas of different length randomly allocated to applicants would impact their behaviour. Indeed, a random allocation would address even more convincingly the issue of endogeneity of the remigration decision. This way, migrants in each visa category would have, on average, the same characteristics, both observed and unobserved. The focus would therefore be on the policy instrument, rather than on the migrants' remigration decision, which certainly depends on the visa type, but also on many other factors that policymakers do not control.

However, if migrants' expected duration of stay is impacted by the type of residence permit that they possess, our results imply that the latter is also likely to affect immigrants' choices. Concretely, a permanent residence title could lead to different assimilation behaviour than repeated limited duration visas by reducing immigrants' uncertainty over their planning horizon. More research, and more detailed data

in particular, is needed to better understand the link between immigrants' behaviour and integration in host societies, return intentions and migration policies. Specifically, more quantitative variables and panel data structures would strongly improve the study of these hotly-debated issues.

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