

## **Review of Global Literature on Migration**

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(Review of factors contributing world migration)

# Review of Global Literature on Migration

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Anand, a 22 year old from a small town of north-eastern India lands in a promising western urban territory of the country. He does not elope sickened with the never ending poverty; rather it's a deliberate decision to move out for the sake of improvement that he promises to his household. The outcome of his decision does not confine only to monetary benefits or even the costs per se, the phenomenon termed migration goes much well beyond monetary and tangible reimbursements.

In order to understand the repercussions of the ever increasing human flows accompanied by wealth, knowledge, ideas, culture across borders of nations, states, provinces, cities or even villages; we take a detailed look at the studies done at global institutions and organizations. We also strive to bridge the gap between the presumptions, prejudices and the empirical data, path breaking statements about the migration that these studies provide.

The following document covers the key reports of stalwart global institutions that study migration as the next step of globalization.

The reports covered in this review are namely –

1. **Human Development Report 2009** by United Nations Development Program.
2. **World Migration Report 2005** by International Organization for Migration
3. **World Migration Report 2008** by International Organization for Migration
4. **International Agenda for Migration Management** by International Organization for Migration

“Migration is a response to uneven economic development across regions national and international. It is an outcome of an inequality rather than a strategy of economic development.” – ‘Moving out of Poverty: Is Migration the remedy?’ Livemint 27 Oct 2009.

It is a fact across the world that development does not take place in all regions at one point of time. Agreed to this, people from relatively backward region are bound to move to the developed area in order to prosper. Mentioned in World Development Report 2005, the Migration hump theory states that “Development is the only effective means of reducing emigration pressure, though initially it would stimulate more migration. It takes generations for the process to run its course and turn full cycle.” For example, computer generated development in a developing country (India) leads to software engineers migrating to developed country (US) until equal opportunities become available at home.

## We start with the stimulus to migration –

### The conditions that force or prompt people to move from their place to a foreign place

1. **Economic factors** imply absolute poverty and relative poverty. An absolute poor person would move out of his place because his basic necessities cannot be fulfilled there. This is true in case of an unskilled labor in extremely undeveloped region. Whereas a relatively poor person migrates when he feels his poverty by looking at migrated neighbor's higher income. This is prevalent among low skilled as well as highly skilled laborers. The study shows that Asian-born migrants are the largest contingent of the internationally mobile population, making up 35% of the world total.
2. **Internationalization of higher education** has caused developed nations open their doors for bright and promising brains from across the world. There are 2.7 million students worldwide studying outside their own countries. (OECD data 2004 estimates)
3. **Globalization** meaning, outsourcing and off shoring of business activities by American or multinational companies. It gives rise to temporary migration which may lead to permanent migration.
4. **Tourism** which is cited as temporary migration gives an opportunity to the tourist to think of permanently migrating to the place he is touring.
5. **Environmental hazards** like floods, drought and cyclone can misplace people temporarily or permanently.
6. **Political insurgency**, like, wars, maoists, naxalites, ethnic violence aroused in tribal and underdeveloped areas forces the natives to move out.
7. **Demographic differences** as a result of modernization in highly developed countries where the creation of labor force is slow and so the outside laborers are taken in.

To study the various aspects of the event of migration we consider four components of this event

1. Sending country – place where emigration takes place.
2. Receiving country – place where immigration takes place.
3. Unskilled /low skilled laborer
4. Highly skilled laborer.

A migrating laborer can be classified into highly skilled and semi skilled low skilled laborer. The definition of the term low skilled and highly skilled laborer may vary from region to region but broadly it is based on the level of higher education and industry specific technical knowhow.

A view is that, International Migration of low and semi skilled workers from lower to higher wage countries is described as a “win-win-win” situation, with migrants benefiting from higher wages, destination countries from more employment and higher GDP and countries of origin from jobs for otherwise unemployed labor, remittances and returns (Ref: WR08).

For now, we keep the migration of highly skilled laborer and the effects of migration on receiving countries aside; instead we focus on the migration of unskilled/low skilled laborer and its effects on sending country.

### **Impact of emigration on the sending country as well as impact of immigration on the receiving country**

Emigration from sending (developing) countries is seen as a temporary solution to unemployment prevalent in that country (World Development Report 2005). The apparent benefit to the governing bodies in the country is getting rid of otherwise unemployed population.

Direct consequences of this kind of migration which implies emigration of chunk of young laborers are -

- ***Change in Demographics***

Increased female and child members’ participation in the labor force. This causes changes in family and social structure of the sending country. For example, the number of female laborers in Philippines, Indonesia, Sri Lanka and Sahelian countries in Africa increased following mass migration of male members of the society. In 1980 in Yemen, emigration resulted in increasing child laborers (World Development Report 2005).

Whereas on the other hand, in developed nations like United States and European Union, the scarce youth is the cause to open doors for migration.

- ***Brain Drain***

Losing out on some of the most enterprising and innovative workers of the sending country. As a result, both future economic growth and job creation could seriously suffer (World Development Report 2005). Research literature suggests that adverse economic consequences at home country follow losses

of more than 10 to 20 % of source country's college educated population. (World development Report 2008)

- ***Wages***

Large scale emigration leads to temporary labor shortages in specific industry areas and thus temporarily leads to sharp rise in wages (World Development Report 2005) For example, due to lot of computer engineers migrating to US, the wage rates for IT professionals has increased in India.

- ***Remittances***

Contrary to the criticism that remittances do not find their way into productive investments, according to the chapter "Migration and poverty: some issues in the context of Asia", the recipients of international remittances have high propensity to save, which is channelized towards capital investment through credit co-operative societies, community based microfinance institutions. The studies show that there is positive correlation between remittances and poverty alleviation. The finding is that 10% increase in the share of remittances in country GDP leads to 1.2 % decrease in percentage of population living on less than USD 1 a day and also reduces the severity of poverty. Some studies also showed that remittances lead to income inequalities (World Development Report 2005). A recent study in the poor Indian state of Bihar, from where very large numbers of migrants leave to work in small industries all over India, also found very high levels of remittances among circular migrants. These migrants, who are away for eight to nine months in a year leave mainly to earn and send money back home, and migration is part of the life-cycle planning of extended families. When the sons reach an age where they can begin to migrate, the fathers stay at home to look after the family farm (Deshingkar et al., 2006a). (World Development Report 2008)

- ***Benefits of temporary migration***

Economic theory suggests that workers who move from lower to higher wage countries are the major beneficiaries of temporary labor migration programs and that such labor migration increases global economic efficiency (World Development Report 2008).

- ***Money laundering***

Many times to evade the taxes and duties, the remittances find their way through illegal channels such as Havalas. This causes the money to pump into grey economy rather than ending up in profitable capital creation.

- ***Income Disparity***

Income differential is an important factor in international migration. Average wages for similarly qualified workers in rich countries is 10 times higher than in poorer countries. This income disparity in dollar terms between rich and poor countries has been increasing rather than decreasing. For example, at

present GDP growth rate it would take India 62 years to reach the current per capita income of USA. (World Development Report 2005) Once the per capita income differentials are reduced to 4:1 or 5:1, the anticipated economic growth would keep (would be migrants) population at home. “Relative deprivation” (relative poverty) is another factor contributing to international migration. Ex – USD 100 per person per year in Ethiopia to USD 38,000 in Switzerland, a 380:1 difference (World Development Report 2008). (Whether interstate migration has helped reduce income disparity between sending and receiving states or not is an issue that needs to be addressed).

- ***The Theory***

Migration hump theory – development is the only effective means of reducing emigration pressure, though initially it would stimulate more migration. It takes generations for the process to run its course and turn full cycle (World Migration Report 2005). It means that if the country wishes to stop or curb emigration, the country should bring about development. Though this development would stimulate more migration in the initial phase, after a number of generations the migration would come to a halt. (Example cited India – to control Brain drain the government of India invested in development, which provides more chances for the educated Indian youth to migrate. This migration will stop after number of generations when there will not be left any need to migrate.

- ***Trade barriers***

Low farm incomes in developing countries encourage rural-urban migration and international migration, in part because of trade barriers for farm products (Example cited- Agriculture Agreement by World Trade Organization which contains taxes on agricultural commodities of developing countries, and subsidies on agricultural commodities in developed countries chiefly United States)

- ***Social costs and social remittances***

Here what we mean by social costs, the emotional trauma or the sufferings that the members of the family who stay back go through on account of the emigration of a member/s of the family. Social remittances mean the returns other than funds the family gets in the form of new ideas, skills from the migrated member/s.

- ***Public Resources***

Skills and education, age, family status and cultural background as well as the original motive to migrate – all influence migrants’ attitudes towards the use of public welfare. Immigrants with little education tend to use more state and public services than they pay in taxes.

- ***Tourism as a precursor to migration***

The mutual interrelationship between migration and tourism is established this way - Many people visit a country several times as tourists before they eventually decide to move there permanently or on a long-term basis.

Many countries are investing heavily in infrastructure projects and upgrading their human resources and facilities to become attractive destinations for more tourists since the potential benefits from tourism in terms of alleviating poverty, generating employment and stimulating various sectors of the economy are well known.

- **Medical tourism** accounts for significant share in international tourist travel. Malaysia, Singapore, Thailand developed medical tourism to take advantage of this new market. China for traditional herbal treatments and acupuncture, India for ayurvedic, yogic treatments etc. the U.K. Government sends its patients overseas for treatment under the National Health Service NHS wishing to manage their waiting lists.
- **Health**  
Migration of young male laborers leaving families behind results into spread of social and health hazards like HIV AIDS and other infectious diseases. Spending on awareness, prevention and medication plans of these problems make a hole in the budgets of sending as well as destination countries.
- **Education**  
Migrants update their skills which help their children back home in their education and the result is country's increased quality of human capital. But on the other hand at times, because of temporary migration of the earning family member, the children are deprived of educational facilities, and their performance in school is seen to be negatively affected.
- **Human Trafficking**  
Absence of the male members resulting into threat to the security of household female members gives rise to human trafficking of women, girls and children.  
**Empowerment, civic rights, participation –**  
Temporary migrants lose out on their political participation at events like polls etc. the migration also adds to the ration card/identity cards conflicts.
- **Fiscal impact**  
The potential impact of remittances earned by sourcing country is found to be on its GDP and savings ratio which many times lead to capital formation giving rise to employment opportunities.
- **Migration management**  
After coming to the terms that migration is an inevitable global phenomenon, one needs to focus on managing this event rather than attempting to curb it. Enter the concept of managing the migration by source as well as destination country in order to reduce the pitfalls of migration and realize the welfare reimbursements.  
As the World Migration Report 2008 mentions, the concept Migration Management does not mean elimination of migration altogether, rather it means making the movement more orderly, safe, humane and voluntary.

At international level, there have been initiatives such as formation of UN MWC (Migrant worker convention) in Jamaica, TFWP –Temporary foreign worker program, International Labor Organization (ILO) action plan that aim to fight for the cause of laborers all over the globe.

There have been Policy and/ programs to welcome the ‘Return of migrant workers’ on country government level. (Examples: China)

One of the most important impacts of return migrants on India’ IT economy besides any capital investment, has been the transfer of knowledge, expertise, market information and work culture to the Indian Economy. (World Development Report 2008)

The view of poverty reduction effects of internal migration is supported by UN (2002). The review by UN shows that governments are averse or at best neutral to migration, especially rural-urban migration. This is based on the concern that movements from rural to urban areas burden urban services, and that housing, education, health and various welfare provisions will be strained because of a sudden influx of migrants, which is indeed the case as urban authorities are ill prepared to receive migrants. (Africa case)

Until very recently, internal migration was viewed negatively by policymakers in Asia. Most governments have tried to control rural-urban movements through a combination of rural employment creation programs, anti-slum drives and restricting entry to urban areas. However this limited approach is changing for a variety of reasons – ineffectiveness of controls, the value of migration to poor households and growing industries is visible, the growing strength of the political voice of migrant workers. In china all the controls on population movement have been relaxed but the right to settle still remains restricted under the household registration (hukou) system, which excludes rural migrant workers from claiming state benefits in urban areas as long as they remain registered in their places of origin.

A number of events in India have also signaled a change of attitude to internal migration in the country. There have been 2 high level policy dialogues on internal migration and its potentially positive impact since 2005, and consultations at state level have been organized with the help of U.K. (Department for International Development DFID) funding by the Gramin Vikas Trust. Two state governments, Madhya Pradesh and Rajasthan are actively engaged in developing policies to reduce hardships faced by migrants. Rajasthan is piloting mobile ration cards for 5,000 migrants while Madhya



Pradesh is introducing a comprehensive migrant support program. (World Migration Report 2008)

***DOES IMMIGRATION RAISE SOCIAL WELFARE COSTS (World Migration Report 2005)***

Immigrants are sometimes seen by host communities as profiting from benefits. The assumption is that they rely heavily on public welfare and social services, but pay relatively little in the form of welfare contribution and taxes. Empirical studies are somewhat conflicting, and the reality is much more complex.

In the UK, a recent Home Office study calculated that in 1999-2000 migrants contributed GBP 2.5 billion (USD 4 billion) more in taxes than they received in benefits (Gott and Johnston, 2002). Another study revealed that the foreign-born population contributed around 10 per cent more to government revenue than they took in benefits, and that in the absence of their contribution either public services would have to be cut or taxes raised (ILO, 2004)

***Migration Integration***

Along with migration management programs, Migration integration is also of utmost importance. By integration we mean, absorbing the migrants in the local labor force in social, cultural and economic terms. This holds ground in interstate migration within the country itself rather than international migration.