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Managing Migration in the 21st Century

Philip Martin
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martin@primal.ucdavis.edu
http://migration.ucdavis.edu

Philip Martin, Managing migration in the 21st Century

Three major points:

- Migration is the exception, not the rule
- Managing migration means making decisions about trade offs between competing goods
- Researchers need to define and analyze these trade offs carefully so that there can be an honest debate over which deserves higher priority.

The analysis of the trade offs involved in migration should be treated with the same rigor and honesty that we handle e.g. economic trade offs between low inflation and low unemployment.

Differences Encourage Migration

Migration is defined by the UN as the movement of from one of the 200+ nation states to another for 12 months or more. There are about 150 million migrants, which means that 2.5 percent of the world's residents, 1 in 40, are outside their country of birth or citizenship as immigrants, foreign students and workers, or unauthorized residents.

Migration is the exception, not the rule. The number one form of immigration control is inertia—most people don't want to move away from family and friends. Governments have significant capacity to regulate migration, and they do—one item that the US considers when deciding whether to recognize a country is whether it controls its borders.

However, international migration is likely to increase. Migration is a result of differences -- in demographic growth, in incomes, jobs and resources, and in security and human rights—that are increasing, raising potential migration.

<u>Demography</u>. The world's population grows by about 1.4 percent or 84 million a year, and 97 percent of the world's population growth is in developing nations. Compare Europe and Africa:

- 1800—Europe had 20 percent of world's 1 billion people; Africa had 8 percent.
- 2000-- Europe (725 million) and Africa (775 million) each have about 12 percent of the world's population
- 2050—if current trends continue—Europe will shrink to 630 million, or about 7 percent of the world's 9.2 billion, while Africa will expand to 1.8 billion—20 percent.

<u>Economy.</u> The world's GDP, about $30 trillion in 2000, is expected to double by 2030. Economic growth is expected to be fastest in developing countries, but higher incomes in the industrial democracies mean that many young people will be able to earn the equivalent of a day's wages at home in one hour abroad. According to the World Bank, the gap between average incomes in the richest and poorest countries is 20 to 1: about $25,000 per person per year in the richest 25 countries in 1998, and $1,200 in the poorer 175 countries.

<u>Security and Human Rights.</u> As global conflicts such as the fight between capitalism and communism ended, the lid came off local conflicts, leading to separatist movements and new nations. In some cases, as in the ex-USSR and ex-Yugoslavia, the creation of new nation states was associated with more migrants, including cases in which a person became a migrant without moving, for example, a Russian who remained in the Baltics and was considered a foreigner in Latvia or Estonia. In 1900, there were 43 generally recognized nation states. By 1980, there were 121 countries; by 1998, 193 countries.

Trade offs

Too many migration discussions are debates between advocates no borders and no migrants extremes. Migration leads to trade offs between competing goods in many areas of society, from economics, in which more immigrants may expand the economy, good 1, while retarding wage growth, good 2. Similarly, more and diverse immigrants may add to culinary and artistic diversity, good 1, but make it harder to achieve consensus on societal goals, good 2.

Too many migration debates involve an effort to redefine trade offs between competing goods into a choice between a good and a bad. For example, increased diversity is a good, and opposition reflects racism etc. If debates are conducted in good and bad terms, no research or education is required to make choices.

Managing Migration

We will be more successful in making durable migration policies for the 21st century if we can define the trade offs posed by immigration in terms of competing goods, and estimate the consequences of different immigration policies on each good. We do this in economic policy, and most industrial democracies have political parties that distinguish themselves in part by whether they favor the good of low inflation over the good of low unemployment.

The competing goods that arise with immigration will become increasingly important, which means that there is an urgent need for careful assessments of the competing goods involved with migration policy choices.

Take the example of using immigrants to harvest fresh fruits and vegetables. About 80 percent of the individuals employed for wages on US farms sometime during a typical year are immigrants—typically young Mexicans from rural areas. They earn an average $5 to $7 an hour for 500 to 1000 hours of work a year, helping to hold down US prices for fruits and vegetables, good 1, but keeping virtually all farm workers and their families below the US poverty line, $8,350 for one person in 2000; $14,150 for three; and $17,050 for a family of four—good 2 is decent wages and incomes.

The US had 106 million "consumer units" or households in 1997, with an average of 2.5 persons each. They spent an average $35,000, including $4,800 for food (14 percent), with $2,900 spent on food eaten at home (8 percent), or about $55 a week, including $6 weekly for fresh fruits and vegetables. Farmers get about 20 percent of each retail dollar spent on fresh fruit and vegetables, or $0.20 for a $1 head of lettuce, and farm worker wages and benefits are about 30 percent of farmer's revenues, or $0.06 for a $1 head of lettuce.

Even immigrant farm workers look at fruit and vegetable agriculture as offering jobs, not careers, leaving after 5 to 10 years. What would happen if the influx of immigrant workers were slowed or stopped? Wages would likely rise. In 1966, one year after the end of the Bracero program, the fledgling United Farm Workers union won a 40 percent wage increase for grape harvesters.

If farm wages were to rise 40 percent from $7 an hour, they would be $10 an hour. If higher farm wages were passed fully on to consumers, the $0.06 farm labor cost of a head of lettuce would rise to $0.08, and the retail price would rise from $1 to $1.02. For a typical 2.5-person consumer unit, which spent $293 on fresh fruits and vegetables in 1997, of which farm worker wages represented $17.58, a 40 percent increase in farm worker wages would increase the farm share of spending on fresh fruits and vegetables by $7 to $24.61, or from $293 to $302.

The competing goods can be defined as lower food prices and better farm worker wages. However, the trade off analysis shows that the major benefits of lower farm wages wind up being landowners—low farm wages get capitalized into higher land prices, helping to explain why farm leaders can solicit contributions to maintain the immigration status quo by noting that $1 contributed to sympathetic politicians can return $1000 higher land values.