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ARTICLES

Peter NIJKAMP, Maurice VOSKUILEN*

INTERNATIONAL MIGRATION: a comprehensive framework for a survey of the literature

Abstract: This paper describes international migration in a changing political and economic environment. Recent trends in migration cannot be fully explained by convential economic labour demand and supply approaches, since migration flows have increased despite the limited job opportunities in the regions of destination. A different approach which explains the recent migration flows is developed within the systems approach. Using this approach, this paper introduces a conceptual framework which depicts migration motives and decisions and the factors which influence these decisions. An overview of macroeconomic factors influencing the migration decision is given and policies, which to a large extent determine whether migration is possible or not, are described. Furthermore, the labour market consequences of migration are described. It is found that the impact of immigrants on the host countries is usually positive. However, these results are mainly found in the United States and therefore have no universal validity. In Europe, these findings may be somewhat different due to the different institutional settings. Furthermore, immigrant groups are not equally distributed throughout the country but are often concentrated in city areas. Research should therefore be concentrated on the effects at the urban level.
Key words: international migrations, political changes.

1. INTRODUCTION

International migration has become a source of major concern in many developed countries all over the world (cf. for important source books Giersch, 1994; King, 1993). The **backgrounds** and **implications** of large migration

* Department of Regional Economics, Free University of Amsterdam, De Boelelaan 1105 Main Building, room 4A-29, 1081 HV Amsterdam, the Netherlands.

flows are not yet very well understood. The basic social, economic, political and cultural causes of international migration have usually been studied in an *ad hoc* manner, with little scope for internationally comparative analysis of trends and motives. This is partly due to lack of a satisfactory **explanatory framework** based on a solid theoretical foundation and an operational methodology, and partly due to lack of reliable **data bases** and **monitoring systems** on international population flows.

Furthermore, the often far **reaching consequences** of international migration are not satisfactorily understood. Even the elementary question whether large migration flows have a positive or a negative socio-economic impact on the receiving countries has not been answered in a conclusive way in the literature. Again lack of a solid theoretical/methodological framework and up-to-date data bases hamper a mature investigation of the complex field of international migration.

As a result of the above factors, also **policy analysis concerning** international population flows is not very well developed; this holds for both admission and absorption integration policies, not only at the national level but also at the local level.

The present paper aims at giving an overview of achievements in the area of international migration analysis, by focusing attention on both **push** and **pull** factors. The frame of reference used in this paper is based on a coherent **systems framework** where decisions in areas of origin are linked via a chain model to implications as local housing and labour markets in receiving countries. Throughout the paper, it is taken for granted that besides economic determinants especially social and spatial networks exert a decisive influence on the direction and size of international migration flows, a proposition which appears to be supported by many findings in the recent literature.

2. INTERNATIONAL MIGRATION

2.1. Introduction

International migration has become an increasingly important political and analytical issue, since migration trends have fundamentally changed in the past decade. It is nowadays in many countries one of the most uncertain and unpredictable factors in the demographic composition of a country's population. Therefore, adequate investigation into motives for migration, related individual and collective decision-making processes and macroeconomic trends involving both countries of origin and destination may provide strategic insights into

current and future trends in migration. Theories and models attempting to explain international migration have often a strong economic background and especially employment opportunities with higher returns appear to be regarded as one of the most important reasons for migration (cf. for instance the equilibrium approach by Wood, 1982 and Bach and Schraml, 1982; the welfare state approach by Freeman, 1986; the utility maximizing approach by Borjas, 1989). **Equilibrium** approaches appeared to offer a satisfactory explanation for the nature of immigration during the 1960s and 1970s when North European countries were confronted with guestworkers who filled the shortage of labour in the lower skilled segments of the labour markets in their countries. But migration is nowadays not a purely economic demand-supply phenomenon, since despite the recession and the limited number of vacancies available – the migratory presure continued to exist (cf. tables 3 and 4). Therefore, traditional economic aproaches explain no longer in an adequate way recent trends in migration.

It is widely recognized that most international migration flows do not occur randomly but take usually place between countries that have close historical, cultural or economic ties. It is noteworthy that also most recent immigration flows are strongly linked to earlier flows of immigrants. Family reunification is one of the main reasons for migration, while also refugees look for countries where adoption and local absorption is best possible. Therefore, social networks explain nowadays for an important part the direction of international migration (Kulu-Glasgow, 1992). Analytical approaches which take social and other networks between countries of origin and of destination into account as the basis for explaining recent immigrant flows, tend to be increasingly developed within a systems approach.[1] This approach places microeconomic decision-making within a broader social and macroeconomic context. Migration is – in the systems approach – analyzed as a dynamic process between countries of origin and of destination instead of as a static allocation process. This process changes over time as 'push-and-pull' factors evolve in those countries, as feedbacks and adjustments stemming from the migration process itself alter their indigenous conditions, and as other ties and interactions between countries generate new constraints and stimuli (Kritz and Zlotnik, 1992).

In the remaining part of this section a concise description of some major attempts in the development of migration models and frameworks will be given. Furthermore, a simple explanatory scheme based on various theories underlying these models will be introduced. The aim of this approach is to design a frame of reference for explaining immigration flows taking these models as a starting point.

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[1] See for an introduction to such a general systems approach Mabogunje (1970).

2.2. Modelling approaches within the systems approach

Analyzing international migration as a dynamic process between countries of origin and of destination has a long history. One of the first attempts describing migration by means of a systems approach has been undertaken by Mabogunje (1970). Although his main concern was internal migration,[2] the model has also implications for the study of international migration. Migration is explained in his framework as a reaction to internal and external stimuli. A pool of potential immigrants in rural areas is supposed to respond to external stimuli, such as governmental policies, economic conditions, technology, social welfare development, etc. depending on specific situations and expectations. He also takes into account information, which is in his system's scheme acting as negative and positive feedback channels with an important role in the migration process. Despite the wide scope of this general systems theory framework, it leaves unresolved the nature and significance of expectations and their role as a stimulus to migrate (de Jong and Fawcett, 1981).

More recently, Portes and Bach (1985) have used a new systems framework in analyzing international labour immigration. In their approach, Portes and Bach identify three sets of relationships that organize or shape the structure of migrant flows. They argue that these three sets account for the social composition of the migrants that are inherent in each movement (Portes and Bach, 1985; Kulu-Glasgow, 1992):

1. Obvious and direct economic (macrolevel) linkages between origin and destination, such as trade relations, foreign firms and capital use in the sending country, and cultural and consumption expectations. Portes and Bach argue that the structure of national development in the country of origin shapes the unequal distribution of resources and opportunities across sectors and social groups, and leads to both labour and refugees flows.

2. Diverse political relationships, consisting of formal relations between the governments of sending and receiving countries, and also informal ties among social groups with common interests. Migration policies of receiving countries act as a clear choice criterion for selection among potential emigrants.

3. Social networks, referring to ties that connect the migrants to family, kinship, or friends abroad. Social networks help in understanding the geographical origins of migrants and expectations about their future residence. Social networks help immigrants in the first period after arrival and therefore lower the threshold for migration.

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[2] Mabogunje articulates his framework in terms of rural-to-urban migration.

The importance of social networks is further described by Massey *et al.* (1987) who recognize immigration as a dynamic social process, and Root and de Jong (1991) who develop a **family migration** system where the role of links between family at the place of origin and family at the place of destination is investigated as a part of the immigration process.

A detailed approach to migration analysis is developed by Fawcett and Arnold (1987). They describe a set of contextual factors, which form linkages between places. These factors influence individual immigration decisions. These contextual factors are:

1) state-to-state relations and comparisons; the relationships under this category are mainly economic and political in nature;

2) mass culture connections; these involve linkages in the cultural and social spheres;

3) family and social networks.

Fawcett and Arnold developed in this context a framework for the socio--psychological processes within an immigration system, beginning with the decision stage and proceeding through the transition stage to the adaptation stage. The first stage, the **decision** stage, contains two main components: the potential mover's motivation for change and the emigration decision process. The interaction of the above mentioned three factors – motivation, opportunity for improvement, and family incentive – determines the articulation of the decision stage of the immigration system. With the inclusion of the family in the decision stage Fawcett and Arnold consider also the family as a major influencer in the decision-making process. The **transition** stage refers to overcoming all barriers such as bureaucratic steps, travel and financial arrangements, etc. which determine whether a move really occurs. In this stage the regulations of official gatekeepers in the country of origin and destination play an important role in the choice of destination and the actual move. Finally, the **adaptation** stage relates to the adjustment and settlement process in the place of destination. In this stage labour market opportunities, psychological support and the help of family and friends are important for a successful move. The contribution by Fawcett and Arnold offers an important and clear contribution to the international migration literature, because it provides a good insight into the **process** of migration viewed at a microlevel including the great many practical problems involved in the migration process.

Immigration flows can now systematically be depicted by the analysis framework of figure 1, which is a simple structure incorporating the theories of the above models within an overall systems approach. The aim of this scheme is to offer a comprehensive conceptual frame for analyzing actual immigration flows by using a compound configuration of these models. The various components of this framework will be described in the next section.

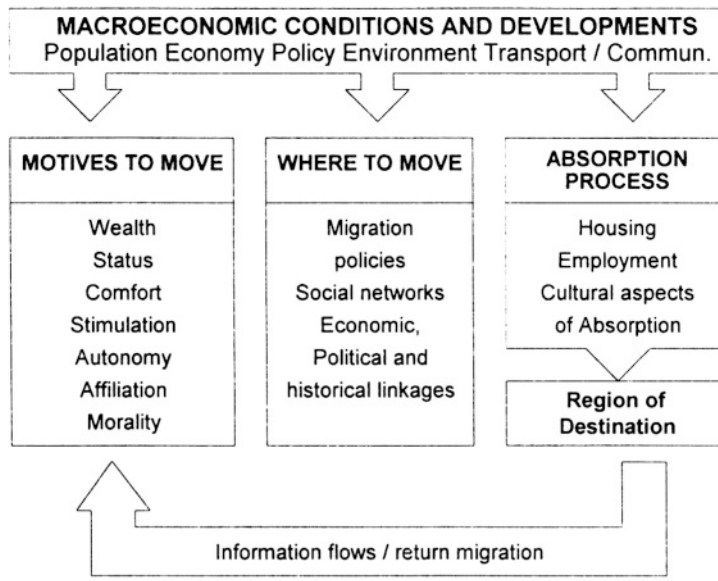

Fig. 1. A comprehensive conceptual framework for depicting international migration

3. MACROECONOMIC CONDITIONS AND DEVELOPMENTS

The framework introduced in figure 1 consists of three steps which are influenced by macroeconomic developments in the country of origin and of destination. In this section the macroeconomic conditions are separately described including their impact on the steps described in figure 1.

In describing macroeconomic conditions and trends it is obvious that the aim is to identify the factors influencing migration. Rogers (1992) distinguishes between 'migration potential' and 'migration pressures'. Migration potential refers to the pool of individuals who possess certain characteristics that predispose them to desire to migrate. For various reasons (including personality, family situation, and migration opportunities) not all potential migration candidates will make an attempt to do so. The term migration pressure is used to refer to situations in which concrete plans and attempts to migrate – or the absolute need to find a permanent solution (in the case of refugees) – outrun existing opportunities. The macroeconomic conditions and trends incorporated in the upper bar of figure 1 can be sub-divided as follows:

Economy. The existing economic disparities between developed and developing countries are not expected to decrease drastically in the near future

due to the high and increasing rates of unemployment and poverty in Third World countries, their relatively low productivity and the difficulty to get access of their products to world markets of developing countries. Therefore, a constant migration potential will exist and migration pressures will mainly be caused by illegal immigrants, because the possibilities within the existing migration policies and practices in most developing countries are limited.

Political situation. The political situation in most developed countries is rather stable and this will – similar to the past – put an immigration pressure on these countries from politically motivated immigrants. The fact that the political situation can lead to large (refugee) migration flows is obvious when we look at the situation in the former Yugoslavia. Social networks also play a role here. Refugees will normally prefer a country of destination where social and family linkages do already exist.

Transport and communication. The increase in personal mobility, the use of telecommunication, the easy access to audio-visual means and the introduction of advanced computer networks spread quickly the information about potential countries of destination. Information plays an essential role in migration, a situation which we also observed in social networks in migration. Information on positive features from these social networks to the country of origin will have a positive effect on international migration. In a broader context of transport and communication, a general trend towards cheaper and faster transport and communication can be observed, especially in Europe. These developments, accompanied by the design of a trans-European infrastructure network, might have a positive effect on the migration of entrepreneurs, pensioners and people employed by international companies (Spiess and Nijkamp, 1993). Faster and cheaper communication and transport from developing countries may also increase migration from these countries.

Population. West European countries are in recent years confronted with a decline in fertility, while, at the same time, an increasing life expectation is experienced. The development of the potential labour force's age groups can be found in table 1, where the size of the 20–39 age groups is compared to the 40–59 age groups. In all EC countries the age ratio 20–39/40–59 is declining substantially (Zimmerman, 1994). In the long run, this may put a serious strain on the welfare systems in these countries. In the future this may also mean a new 'pull' for labour immigrants into Western Europe. Another scenario to overcome the strain on the social security system is continued growth in productivity (Masser Svidén and Wegener, 1992). This would lead to no further growth in international migration. The migration potential, however, will then tend to increase and this can evolve in a serious migration pressure in the future. For example, the Commission for the Study of International Migration and Co-operative Economic Development (1990) notes that:

... one million persons now enter Mexico's labour force each year, compared with two million new job seekers in the United States, which has a population almost three times greater and an economy almost 30 times larger.

Table 1. Population structure age groups: ratio 20–39/40–59

Countries	1990	1995	2000	2005	2010	2015	2020
Belgium	1.28	1.20	1.04	0.88	0.82	0.81	0.83
Denmark	1.18	1.11	1.03	0.92	0.86	0.84	0.87
West Germany	1.19	1.11	1.02	0.82	0.71	0.75	0.82
France	1.31	1.21	1.08	0.97	0.94	0.92	0.94
United Kingdom	1.27	1.22	1.11	0.96	0.90	0.91	0.99
Ireland	1.40	1.25	1.12	1.00	0.98	0.95	0.91
Italy	1.19	1.22	1.17	0.99	0.82	0.71	0.67
Luxembourg	1.27	1.16	1.02	0.89	0.83	0.86	0.91
Netherlands	1.37	1.26	1.10	0.94	0.85	0.83	0.89
Portugal	1.35	1.38	1.29	1.10	0.95	0.81	0.75
Spain	1.33	1.40	1.34	1.15	0.97	0.81	0.71
EC	1.25	1.22	1.12	0.97	0.86	0.82	0.83

Source: Zimmerman (1994).

Environment. The environment and the changes in the quality of life may have an important influence on actual migration decisions. Due to ecological damage, some people may be urged to leave their actual place of living. Future environmental developments and their impact on migration are hard to predict. A change in the environment can suddenly occur, for instance the Tchernobyl accident, a flood in Bangladesh, or (over a period of time) global warming or drought causing the phenomenon of the so-called 'ecological migrant'. Improving the environmental situation is a possible solution in an attempt at reducing future migration pressure.

4. MOTIVES TO MOVE

The wish to migrate may be the result of the above mentioned macroeconomic conditions. But we have already observed that individual or family decisions are a response to both internal and external stimuli. After the exposition of external stimuli as described above, we will now focus attention on internal stimuli. Therefore in this section the motives and decisions of individuals and households will be described in some more detail.

Migration has often been viewed as being instigated by economic motives. The economic disparities between geographical regions explain only partly the motives for migration. Other reasons (e.g. family reunification, education, travel, etc.) are important additional reasons nowadays. Studies describing international migration motives can be classified according to the description in table 2.

Table 2. Summary of major motives related to migration from the empirical and theoretical literature

Major motives for migration categories	Direction of relationship with decision to move	Estimated strength of the motive	
		long distance movers	short distance movers
Economic motive	positive	strong	weak
Social mobility/social status motive	positive	moderate/ weak	weak
Residential satisfaction motive	positive	moderate	strong
Motive to maintain community based social and economic ties	negative	moderate	moderate
Family and friends affiliation motive	positive	moderate	moderate/weak
Motive of attaining lifestyle preferences	positive	weak but increasing	moderate/weak

Source: de Jong and Gardner (1981).

The **social mobility/social status** motive refers to aspirations for higher social status which cannot be met in the area of origin due to the lack of opportunities for educational and occupational upgrading. The **residential satisfaction motive** reflects the dissatisfaction with the physical living environment. This explains, for instance, the emigration of the elderly to areas with a more comfortable climate. The motive to **maintain community-based social** and **economic ties** refers to persons with relatively strong ties who are less prone to break them by moving, but if they move it is often within the same geographical community or neighbourhood. The family and friends motive for migration concerns the social network of friends and families abroad which has a significant influence on the decision to move. The motive of life style preferences refers to an individual decision-maker who takes a migration decision that presumably maximizes some personal preference or satisfaction function defined by his dispositions or attitudes. These general motives for migration, which can be found in most studies explaining migration motives, clearly leave out motives for **forced** migration; that is migration caused by war, political conditions or environmental stress (e.g. refugees from former Yugoslavia). The identification of the real migration motives can be made by sample surveys among immigrants. An interesting recent empirical study explain-

ing migration motives has been undertaken by Winchie and Carment (1989). The most frequent dominant reason for the decision to emigrate was lack of opportunity for advancement in job or profession. Lack of suitable employment opportunities was mentioned as the second most frequently occurring dominating choice criterion. These two reasons taken together turned out to account for almost 50% of the first choices.[3]

De Jong and Fawcett (1981) analyzed migration decision-making from a micro point of view. They developed a **value expectancy** model for decision-making. In this model the expectation of achieving goals forms the motivation for migration. The two basic components of the model are **goals** and **expectations.** According to de Jong and Fawcett, migration decisions involve specific values or goals and expectations, and migration behaviour will result in attaining these values or goals. Whether or not the individual will be motivated to migrate will be affected by the expectation that migration will be followed by the realization of a given consequence (or set of goals) and the value of this consequence to that person. De Jong and Fawcett (1981) identify seven groups of potential goals based on socio-economic and psychological factors, which have also been used in the model in figure 1.

1. Wealth: includes the wide range of factors related to individual economic rewards. Various forms of economic benefits to the individual (e.g. higher wages, low taxes, availability of jobs, etc.) may be distinguished.

2. Status: encompasses a number of factors connected with social standing or prestige which may also be affected by some of the economic benefits mentioned above.

3. Comfort: may be seen as the goal of achieving better living or working conditions.

4. Stimulation: refers to exposure to pleasurable activity or relief from boredom and consists of factors related to entertainment and recreation.

5. Autonomy: refers generally to personal freedom, such as the ability to live one's own life, the absence of traditional family obligations, political freedom, etc.

6. Affiliation: concerns usually the value of being with other persons, in connection with or as a result of migration, i.e. the family structure as a motive for migration.

7. Morality: is related to deeply held values and belief systems that prescribe good and bad ways of living, such as religious belief systems.

The next step in our analysis framework is **the choice of destination.** The decision where to move depends on the motive of immigration and some macroeconomic conditions like, e.g. transport and communication, or the

[3] Empirical results are of course significantly different between countries due to different backgrounds, economies, etc.

financial possibility to move, etc. In the next section the choice of destination will be described more extensively. Furthermore, some figures and numbers on migration are given in order to describe actual international migration flows.

5. WHERE TO MOVE; THE CHOICE OF DESTINATION

The choice of destination depends largely on the motives for migration and the expectations and perceptions that immigrants have about a possible country of destination. The individual will in principle choose an area that will lead to the maximisation of his (or her) well being.

For instance, a **'wealth' based** motive will lead to a selection among countries of destination where skills are best usable and where higher wages, employment possibilities or social security benefits are available. This also explains why it is very difficult to make a distinction between economic migrants and forced migrants, once they are in the country of destination: despite the differences in 'push' motives, they will maximize their utility via the choice of an appropriate country of destination. Fawcett and Arnold (1987), as mentioned above, distinguished three contextual factors (state-to-state relations and comparisons, mass culture connections, family and social networks) which partly explain the choice of destination of immigrants. In our analysis framework (figure 1) these factors have an impact within a migration policy context. Nowadays, the choice of destination is not a completely free choice, but has to be seen within the context of controls and regulations set by the countries of origin and destination.

The increasing international migration flows have led to a growing pressure on host countries, mainly in the developed regions. Therefore, in order to explain actual international immigration decision-making, we cannot exclusively look at motives and expectations at a microlevel, but we have to consider these decisions in the context of migration policies set by governments and the international community, as this phenomenon seriously affects the decisions of potential migrants.

Rogers (1992) has recently distinguished 14 steps to manage international migration from the perspective of a country of destination.

1. Controls. This means stricter policing of borders, use of carrier sanctions, etc. The trend in host countries has been towards increased controls; however, controls do not solve the basic problems that cause migration pressures.

2. Opening up new migration opportunities and/or restructuring old ones. To ease migration pressures, a policy admitting temporary workers from sending regions is a possibility. For instance, migration pressure from East European

countries may reduce if temporary contracts, with the commitment of taking back workers after expiration of the contracts by sending countries, are possible.

3. Permanent immigration. This means enlarging immigration opportunities by increasing occupational quotas and adding a new category of diversity immigrants. This step needs a careful management of immigrant flows instead of accepting the fact of permanence of many migrants as an unintended consequence of 'temporary migration policies'.

4. New accessions to the UN Convention Relating to the Status of Refugees. Several East European countries, which formally contributed to the refugee problem, have become members of the international refugee regime.

5. Voluntary repatriation. With the end of the superpowers' involvement in several refugee-generating countries (e.g. El Salvador, Afghanistan), peace has become possible. Voluntary repatriation may be an option when a lasting peace is established.

6. Restructuring refugee resettlement opportunities. Recent changes in the international system offer an opportunity to strengthen the focus on protection while moving away from using resettlement as a surrogate immigration channel.

7. Bilateral quid-pro-quos. To reduce demand for access to its territory, a host country may enlist the co-operation of the country of origin or of transit in return for certain monetary concessions or specific, limited migration opportunities.

8. Multilateral efforts to resolve complex refugee situations. The Schengen agreement in Europe is a recent procedural European agreement for dealing with asylum claims and migration control.

9. Keeping migrants at home: information. Information programmes can provide would-be migrants with more detailed information on conditions in the host country.

10. Keeping migrants at home: forms of intervention. Countries that are potential or actual creators of refugees can be confronted with various types of intervention by international organisations, ranging from economic embargoes to military intervention (e.g. the UN intervention in Bosnia).

11. Keeping migrants at home: trade instead of migration. Protectionist policies towards sending countries contributes to migratory pressure. Trade can only be a long-term solution.

12. Keeping migrants at home: bringing jobs to the home country. Host country firms can locate factories in migrant-sending countries to save labour cost and thereby creating additional employment for those countries. Influencing decisions of firms can be undesirable.

13. Keeping migrants at home: long-term development aid. The results of development aid have been mixed, but when successful, such aid should also have the long-run effect of diminishing or obviating migration pressures.

14. Incentives for migrants to return and to invest in their home countries. Experience with this policy has shown that the monetary incentive given by the

host country to return migrants was used by return migrants who most likely would have returned in any case.

Migration **policies** determine to a large extent whether migration is possible or not. Zollberg (1989) concludes that it is finally the policy of the potential receiving countries which determine whether a movement can take place. Developed countries are nowadays already taking steps in the direction of more restrictive regulations and controls in an attempt to control the growing number of immigrants to their country. For instance, West European countries respond to the growing number of immigrants by developing new regulations within the above mentioned steps. The Schengen agreement and the Dublin Convention may be mentioned here as an example. Although these regulations will reduce migratory pressure for receiving countries, social networks play an important role in finding legal possibilities within the new regulations. Fawcett and Arnold (1987) stated that once the pioneering wave of immigrants has settled, linkages are established that motivate and facilitate further migration. Immigrants often develop complex family strategies to maximize the opportunities available under prevailing immigration laws. Family formation, a type of family reunification, is an example of one of these strategies. Muus (1990) found that the number of marriages between migrants already living in the Netherlands and partners from Turkey or Morocco doubled in the period 1987–1989. Furthermore, social networks offer opportunities for illegal immigrants because in the first period of their settlement these networks make adaptation in the host country possible. The size and composition of this group is difficult to estimate but according to Böhning (1991) at least some 600,000 illegals entered western Europe in the period 1983–1989.

While the choice of a country is influenced by the regulations set by individual governments, within a country the choice of the area to live is mainly influenced by a myriad of socio-economic factors. In addition, the preferences differ over time. For example, labour migration during the 1960s was mainly determined by the industrialisation of North European countries in certain manufacturing regions. This can be illustrated by Germany where Munich, Stuttgart and the Ruhr-area where one of the first areas where the demand for guestworkers developed (King, 1993). Recent migrants have also chosen the same regions as their destination, a phenomenon which can be explained by chain migration and (expected) labour market opportunities (van Imhoff, 1994). The situation in the Netherlands is comparable to that in Germany and other North European countries. In the Netherlands over 40% of the immigrant population lives in four bigger cities. The labour market opportunities do only partly explain the disproportional distribution of immigrants. Immigration is, in recent years mainly explained by family reunion, family formation and asylum seeking which further increases the spatial concentration (de Mas and Haffmans, 1993) (cf. figure 2 and tables 3 and 4). As a consequence, social factors and networks explain nowadays the continuing growth of the immigrant population in these areas. Also the mechanisms of the housing

market explain the spatial concentration of immigrants (King, 1993). The relatively affordable houses in these areas are often the only option for new immigrants.

The changing character of immigration and the changing characteristics of immigrants have clearly an important impact on the labour market. The effects on the labour market and the native workers will be further discussed in the next section. First, some figures of international migration will be given.

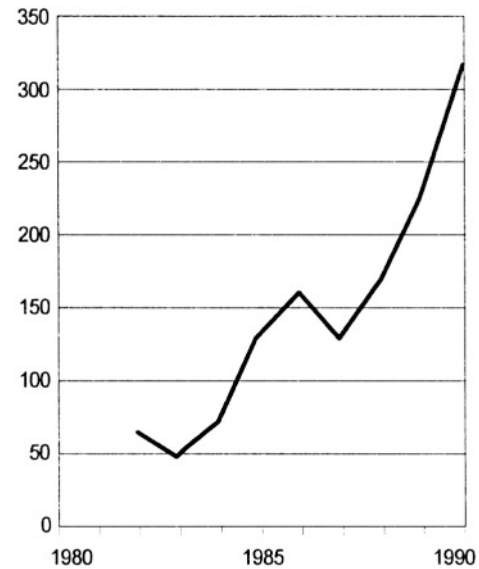

Fig. 2. Asylum seekers in the European Community (in thousands).
Source: Muus and Cruijsen (1991)

Table 3. Inflow of asylum seekers into selected OECD countries, 1980–1991 (in thousands)

Countries	1985	1986	1987	1988	1989	1990	1991
Belgium	5.3	7.6	6.0	4.5	8.1	13.0	15.2
France	28.8	26.2	27.6	34.3	61.4	54.7	50.0
Germany	73.8	99.7	57.4	103.1	121.3	193.1	256.1
Italy	5.4	6.5	11.0	1.4	2.2	4.7	27.0
Netherlands	5.6	5.9	13.5	7.5	13.9	21.2	21.6
Austria	6.7	8.6	11.4	15.8	21.9	22.8	27.3
Sweden	14.5	14.6	18.1	19.6	30.0	29.4	26.5
Switzerland	9.7	8.5	10.9	16.7	24.4	35.8	41.6
United Kingdom	5.4	4.8	5.2	5.7	16.5	30.0	57.7

Source: OECD (1992).

Table 4. Inflow of foreign population into selected OECD countries, 1980–1990 (in thousands)

Countries	1984	1985	1986	1987	1988	1989	1990
Belgium	37.2	37.5	39.3	40.1	38.2	43.5	52.3
France	51.4	43.3	38.3	39.0	44.0	53.2	63.1
Germany	295.8	324.4	378.6	414.9	545.4	649.5	...
Luxembourg	6.0	6.6	7.4	8.3	9.0	9.1	...
Netherlands	34.7	40.6	46.9	47.4	50.8	51.5	60.1
Norway	12.8	14.9	16.5	15.2	16.4	14.0	11.7
Sweden	14.1	13.4	19.4	19.0	24.9	28.9	23.9
Switzerland	58.6	59.4	66.8	71.5	76.1	80.4	101.4
United Kingdom	51.0	55.4	47.8	46.0	49.3	49.7	52.4

Source: OECD (1992).

Table 5. Immigration of foreigners in some West European countries (in thousands), 1989

Countries	Total 1989 (*1000)	% growth 1983–1989	Major countries of origin	
			countries/regions	persons (*1000)
West Germany	1 053.3	385.5	Poland, USSR	348.4
			DDR	343.9
			Turkey	78.4
Belgium	43.5	16.9	EC-North	16.6
			EC-South	5.9
			Maghreb, Turkey	4.7
Netherlands	65.4	79.7	EC	16.0
			Turkey	11.0
			Marocco	8.4
Sweden	58.9	164.1	Scandinavia	17.7
			Middle-East	11.7
			Chile	5.9
Switzerland	80.4	37.9	Yugoslavia	15.9
			Portugal	9.5
			BRD	8.4

Source: Odé, van der Knaap and Nijsse (1993).

The figures in table 5 show a strong relative and absolute growth in migration in the period 1983–1989. The strong growth figures in the former BRD can mainly be explained by the *Übersiedler* from the former DDR and *Aussiedler* from Central and Eastern Europe. In the Netherlands family formation and family reunification still account for the large migration flows from Turkey and Morocco. Nowadays, labour migration is limited to only a few

groups, e.g. company linked migration. International careers and internationally adaptable skills on the internal market of companies accounts for a growing number of labour migrants in these segments. This partly explains the size and flows of EC migrants in Belgium and the Netherlands. The growing number of asylum seekers in the Netherlands is for almost 40% caused by asylum seekers from the former Yugoslavia and Somalia.

6. LABOUR MARKET CONSEQUENCES OF MIGRATION

6.1. Introduction

In the previous sections we have focused on questions related to the explanatory value of existing migration theories. In this section the third step of the analysis framework, viz. the **absorption** of immigrants in the host country, will be explained. A limitation to the impact of immigrants on the host country labour market will be made. The aim is to identify the impact immigrants have on the labour market of the host country. Furthermore, our aim is to find out whether existing theories explaining the impact of immigrants on the labour market hold also for the recent immigration flows, as described in the previous sections. The characteristics of current immigrants in terms of education, sex, age, etc. differ from immigrants who have entered developed societies in the past. Also the economic conditions in these areas, for instance, in regard to the demand for labour, have changed. Such phenomena will have consequences for the adaptability of immigrants in the host country.

In this section the impact of immigrants on the labour market will be described by focusing on the following issues: the effects of migrants on the regional and local labour market and the impact of immigrants on the position of domestic workers. Furthermore, these issues will be described by focusing especially on studies undertaken in the United States and the lessons that can be learned from this in Europe.

6.2. Immigrants and the labour market

There used to be a general consensus on the impact of immigrants on the labour market. In times of labour shortages as a result of an expanding economy, immigration was believed to be the solution to relieve these shortages. In case of a recession, immigration would affect native employment and have a negative

effect on wages. Theories and empirical evidence found and discussed in the past few years have reached different conclusions on the impact of immigrants. Immigrants generally have – due to lack of country of destination specific human capital – lower earnings, compared to native born individuals, when they first arrive in the country of destination (Chiswick, 1978). On the other hand, because of human capital characteristics like ability, ambition and motivation, immigrants generally have faster earnings growth over the life-cycle (Chiswick, 1978, 1986; Wright and Maxim, 1993). Often, immigrant earnings adjust fast to those of natives with similar characteristics and may even exceed them. One reason for this surprising performance seems to be that immigrants are a favourable self-selection of people.

The following experience-earnings profile of immigrants can be derived from the previous observation (cf. figure 3).

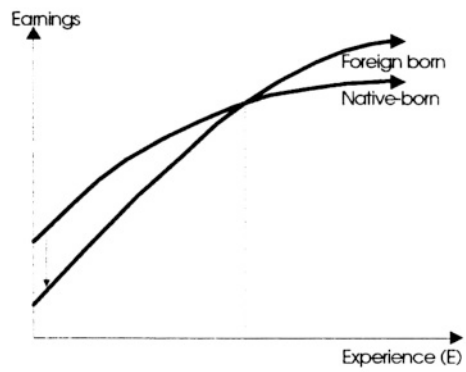

Fig. 3. Experience-earnings profiles. Source: Wright and Maxim (1993)

Positive developments for immigrants over time are likely to take place when they become more experienced. In Germany, some recent studies have been undertaken in order to identify whether the migrant assimilation as seen in the United States can also be found for Germany. Dustman (1993) found that foreign workers in Germany receive lower wages than natives throughout their work career. Schmidt (1992), however, found – using the same data set – that after about 17 years of residence the average immigrant to Germany achieved earnings parity with the observationally equivalent native. The differences between the US findings and the findings in Germany can probably be explained by the type of migrant both countries attract. The immigrants coming to Germany tend to be relatively low skilled (Zimmerman, 1994).

The impact of immigrants on the earnings and opportunities of native workers show also interesting research findings. Borjas (1986; 1987; 1990)

found from empirical research that the impact of immigrants on the earnings and employment opportunities of natives is very small. A 10% increase in the number of immigrants reduces the native wage by at most one half to one percentage point. Borjas (1990) investigated a substantial number of studies and found that empirical evidence in the United States does not support the claims that immigrants are a major disruptive force in the labour markets. Often they operate in markets where there is no direct competition with natives. However, the way immigrants interact in the production process differs per country and empirical evidence on the degree of substitutability or complementarity among various groups has to be obtained by individual countries or regions. Tu (1991) analyzed the effects of immigration for Australia by using a simple model. He found that the host country cannot fail to benefit from immigration in the form of higher per capita income, if the extra output produced but not claimed by immigrants is divided among the original population. How these gains accrue to the various groups is a matter of distribution.

Simon and Heins (1985) showed that the contribution of immigrants to the economy is larger than the costs of immigration. They found that the cost for the native population of equipping the immigrant family with 'demographic capital' like schools, hospitals and local roads are considerably smaller than the benefits of immigrants to natives through their relatively low use of welfare services and their relatively high contribution of taxes. When immigrants retire and receive their pension, their own children are contributing to the Social Security funds, just like the native population. These findings seem valid because immigrants in the United States have on average a higher income than the native population. Simon and Heins further conclude that low-education legal immigrants are less favourable to natives than highly-educated immigrants.

Greenwood and McDowell (1986) have extensively studied the effects of immigration on the United States labour market, with a specific view on the question whether immigrant workers cause a reduction of domestic wage rates and displace domestic workers from jobs. They discussed the existing literature on this subject and found that empirical conclusions are frequently based on circumstantial evidence. These simulations do not refer to the specific labour markets in which the immigrants compete. Borjas (1990) and Poot *et al.* (1988) also come to the conclusion that for a good insight in the effects of immigration empirical evidence is needed for the specific labour market segments in which the immigrants compete. Greenwood and McDowell (1986) found that many studies fail to account for the skill adjustments of immigrants. Over a period of time immigrants workers acquire skills and compete with different groups of workers. The overall positive effects of immigration (increased demand effects) are underestimated and the impact of immigrants on low-skilled American workers is overestimated. Furthermore, Greenwood and McDowell noted that the

combination of education and English language skills determines to a great extent the ease with which an immigrant assimilates into the US economy. Dustman (1993) analyzed the impact of language proficiency on the earnings position of immigrants and found that language abilities and especially writing proficiency considerably improves the earnings position of migrants in West Germany. Greenwood (1994) also investigated the effects of immigrants through other channels than the frequently studied production-theory and public-sector channels. Other important channels through which immigrants may impact on the native population are among others: the demand for final goods and services, indirect and induced demands for factors of production, demand for fixed capital, etc. The overall conclusion using the production theory as a channel of influence due to immigration is that immigrants and natives are substitutes in production, but the relationship is not a particularly strong one (Greenwood, 1994). Empirical evidence for the use of the other suggested channels is hard to find and therefore the effects of immigrants on natives using these channels are difficult to measure.

Drawing lessons for Europe from the findings in the United States may be extremely relevant, but then it is important to notice some structural issues which are part of the European migration profile. Zimmerman (1994) found the following issues especially related to the European migration problem:

1. Labour market flexibility: In Europe labour market flexibility is hindered by the importance of formal education degrees for employment and the existence of segmented markets and many labour market regulations.

2. Persistence of unemployment and labour market imperfections: The central role of trade unions and the persistence of unemployment in Europe calls for another model than the equilibrium labour market model under perfect competition that is common in the literature.

3. Cultural variety and social networks: The assimilation pressure in Europe is much higher than in the US where many ethnic networks are at work. Within such a network it is easier to assimilate.

4. Policy decisions: EC countries often focus on short-term problems, like local housing markets, the provision of public goods, etc., where the important issue is to what extent foreigners should receive the chance to change their status as a guest and become a permanent resident with legal rights.

Due to these structural differences between the United States and Europe, the US findings are not automatically valid for the whole of Europe. Therefore, labour market consequences of migration have to be studied at a more proper regional or local level. European research on these labour market consequences is very limited. A research executed by the Rheinisch-Westfalisches Institut für Wirtschaftsforschung in Germany investigated the long-term effects of immigration in the period 1988–1991 on the West-German economy. This study

found that due to well educated professionals, which outperformed the level of the existing unemployed, and their modest wage demands immigrants had a positive impact on the economic growth in Germany. For Belgium, the economic effects of immigrants were studied by van der Werff for the period 1987–2010. Several different scenarios were developed and the overall conclusion was that the Gross National Product would rise in the study period due to the young immigrant population. For the Netherlands some attempts have been made to measure the effects of immigration on the economy. The Ministry of Finance and the Social Cultural Planning Bureau found that due to the lack of data in the Netherlands no reliable estimations could be made.

7. CONCLUSION

International migration and migration decision-making has recently become an important research issue in several disciplinary fields. Traditional economic views explained migration as a process of comparing the individual and household between the standard of living, wage differences, etc. at home with possibilities elsewhere. Furthermore, macroeconomic conditions in both the area of origin and destination appeared to be important push and pull factors which explained international migration. Although such economic reasons are still an important explanatory factor, recent migration trends cannot be fully explained by a strictly economic approach. Nowadays social and political motives explain to a large extent migration flows. Family reunification, family formation and asylum seeking are the major immigration reasons and account for the major migration flows to the EC-countries.

The choice of destination is clearly limited for immigrants. Labour shortages in West and North European countries were of course an important pull factor for labour migration in the 1960s, but the changing economic conditions in these areas have led to changing migration policies. The regulations set by governments of individual countries and international bodies have a significant influence on the choice of destination of immigrants.

Nowadays, labour migration is limited to only a few groups e.g. company linked migration. International careers and internationally adaptable skills on the internal market of companies account for a growing number of labour migrants in these segments.

The only legal opportunities (like family formation and asylum seeking) are often in part also economically motivated. Once a migration flow is legally admitted to a country, then the specific region of destination in that country is mostly determined by former migration flows. This network motive leads

clearly to a concentration of immigrants in selected areas, mainly the major cities.

Immigrants have, when legally accepted, also an important impact on the labour market. The effects of immigrants on the host country's economy have been the subject matter of much empirical research, especially in the United States. Direct and indirect effects on the local economy may be positive as a result of certain skills of immigrants or of innovativeness the host country is lacking. Furthermore, migrants may cause increased investment in receiving areas. In addition, new immigrants mean an increased demand for goods and services in the region, which has a positive impact on locally provided goods and services. On the other hand, immigrant labour may displace native labour and – due to unemployment – often increase the pressure on welfare systems. Research on the effects of immigration on the labour market shows that for the larger part the overall effect of immigration on the host country's economy is positive. It is important to note that such results do not have a universal validity. The economic conditions in a country (e.g. labour market shortages as in the 1960s) can account for a positive outcome when investigating the effects of migration. For instance, the study of Poot (1986) referred to the post-war years when the demand for labour was quite different compared to the present state of the economy. Furthermore, it is important to note that migrants are disproportionally located in a few labour markets and in a few mainly urban regions. Where migrant concentration is high, the earnings of the native born with similar skills are likely to be affected (Poot, Nana and Philpott, 1988). However, this also depends on the institutional rules in the labour market (e.g. minimum wages). Borjas (1990) states that:

> ... the impact of immigrants on the native labour market cannot be ascertained without empirical evidence on the degree of substitutability or complementarity among the various groups.

Information on the characteristics of immigrants and native workers in regional labour markets based on extensive surveys has to be available to find out whether the general conclusion found in the United States, that immigrants are weak substitutes for native workers, also holds for other labour markets. The results found in the United States may also be different for countries which have an inflexible downward wage policy in the short run. Johnson (1980) concludes that if immigration leads to an excess supply of certain types of labour, those immigrants who find a job do so at the expense of domestic workers. It is clear that only further empirical evidence can give a conclusive answer to the above questions. This is also necessary to find out whether there is competition between native workers, previous and new immigrants. In such cases a segmentation of the labour market with an identification of the immigrant

segments based on the characteristics of the immigrant population may yield more conclusive results.

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