

КОНФЕРЕНЦИЯ

«ИДЕНТИЧНОСТЬ И МИГРАЦИЯ В МЕНЯЮЩЕМСЯ МИРЕ: МЕТОДОЛОГИЯ, ОПЫТ ЭМПИРИЧЕСКОГО ИССЛЕДОВАНИЯ»

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THE IMPACT OF THE MIGRATION ON THE ECONOMIC DEVELOPMENT AND INTERNATIONAL TRADE

Labor is one of the production factors in the Economics and in the International Trade Theory. According to the theoreticians Labor was considered immobile in the international trade, and therefore labor-rich countries had a comparative advantage in manufacturing and trading the labor-intensive products. After the Versailles Treaty in 1919, ILO has been established and developed the Principles of Rights at Work in 1998, which was the first step to protection of labor rights [3]. In the Declaration of Fundamental middle of the 20th Century, industrialized countries with the Labor deficiency started inviting the workers from less developed countries. This approach opened the migration of the workers from less developed and developing countries to industrialized countries. Although the Migration stem from the economic, political, social and cultural reasons from the archaic centuries, today's migration based on similar reasons creates positive impacts on the economic development and international trade. The immigrants earn higher wages with the new jobs at the host countries, even they develop further investment projects in the host countries and the original countries. With the help of Migration both countries' people reach up to a higher level of welfare, and the Balance of Payment deficits of both countries are being improved. The impact of migration is not only economic, but also world peace and friendship among the peoples are being improved, too.

Key words: migration, immigrants, migrants, migrant remittances, international trade, economic development, balance of payments, production factors.

Hypothesis

Hypothesis 0 is to be rejected, if the Hypothesis 1 is accepted with the information showing

a) that the recipient countries are benefiting from migration for solving their labor-deficiency problems, increasing their production efficiency, becoming competitive in the international markets;

b) that the origin countries are benefiting from the receipt of migrant-disbursements to their families, which help to solve the countries' balance of payments deficits, improving the economic conditions of families and of the countries, and also helping the social and cultural improvement in the country.

H0: Migration is not beneficial for the sending-migrant countries and for the receiving-migrant countries in social, economic, industrial and cultural aspects.

H1: Migration is useful and beneficial for the sending-migrant countries and for the receiving-migrant countries in social, economic, industrial and cultural aspects.

Introduction

According to International Trade Theory, production factors are being studied as follows, land, labor, capital.

Among these three factors, capital which is depicted as monetary capital and physical capital (production equipments), was considered mobile across borders of countries. However, for centuries, land and labor have been considered immobile across borders. Naturally, land can not be moved from one country to another. Also labor was considered immobile for centuries that it can not be moved from one country to another; so abundancy in labor has been considered as one of the important features of the comparative advantage of the relevant country among the theoretician of international trade. This approach kept the less developed countries with large population throughout the centuries; and after the World War II the industrialized countries started demanding the labor from less developed and developing countries.

The Treaty of Versailles in 1919 established the International Labour Organization (ILO). In 1998, the ILO adopted the Declaration of Fundamental Principles and Rights at Work providing that all members have an obligation to respect and promote certain core labour standards (CLS):

- (1) freedom of association and the right to engage in collective bargaining;
- (2) the elimination of forced labour;
- (3) the elimination of child labour; and
- (4) the elimination of discrimination in employment [9].

These fundamental principles were accepted and respected especially for organized labor. However, we have to consider the same principles and human rights should apply to the workers immigrated from poorer countries to industrialized countries because of economic, political, social and cultural reasons.

In time, because of the migration and by the demand from industrialized countries, labor factor became internationally mobile, too. The workers who are not happy with the conditions of their own country, either having no work or not sufficient wages for their living costs, left their own country with the hope of better living conditions to the industrialized countries which do not have enough labor.

With a comparison of the hourly wages among countries at Table.1, we easily understand why the migration is so drastic; — the huge difference of hourly wages between countries, while the hourly wage is \$60,40 in Switzerland, less developed countries could only offer wages between \$0,37–\$0,73 as the above statistical data show.

Table 1

Labor Costs around the Globe (2011)

Country	Average Hourly Cost (\$)	Country	Average Hourly Cost (\$)
Switzerland	60.40	Belgium	54.77
Sweden	49.12	Germany	47.38
Australia	46.29	France	42.12
Canada	36.56	Italy	36.17
Japan	35.71	United States	35.53
U. Kingdom	30.77	Spain	28.44
Singapore	22.60	Israel	21.42
Korea	18.91	Brazil	11.65
Taiwan	9.34	Mexico	6.48
Philippines	2.01	China	1.64
India	1.45	Indonesia	1.15
Vietnam	0.73	Bangladesh	0.37

Note: The data for China, India, Indonesia, Vietnam, and Bangladesh are for 2012 [8].

Not only from Bangladesh or Vietnam, and not only in 2000s, labor moved from all countries to others with the hope of better living conditions and with higher wages in all time. As 2006 and 2007 figures listed in the Tables 2, 3 and 4 show, we see that large numbers of immigrants left their countries for various reasons.

Certainly economic reasons keep the first line, but the reasons of immigration would be having social, political, professional, ethnic and cultural basis and also by invitations from other countries.

Whatever the reason is for the immigrant to leave his/her country, migration has important impacts on the world economic development and international trade. As the international trade improves the welfare of the world population (by the export and import; movement of goods and services through borders), migration has positive impacts on the economic, social, political, cultural and professional life of the world population.

— As seen on the Table 7, labor migrants would earn more wages in the new working environment after migration than in their country of origin;

— professional immigrants would earn more wages and experience with their new work;

— these movements from one country to another improve political, social and cultural relations between those countries;

— by having immigrants, host countries would solve the problem of labor necessity for the production and services, and improve the infrastructure, solve the structural problems of the country;

— by the help of guest workers (immigrants) manufacturing facilities would work efficiently and at lower costs, and the industrial host countries would improve their competitive ranking in the international markets;

– millions of immigrants send some of their earnings (even sometimes most of their earnings) to their own country, for helping their relatives, and for helping their country's balance of payments deficit decrease, Table.5 shows the remittances sent by the emigrants to their countries reached half a trillion US-dollars in 2014.

According to the Table6, many developing countries earn from emigrant workers remittances more than from their annual product export.

World Bank's Dilip Ratha, who addressed the links between migration and inclusive economic growth from a variety of perspectives, including remittances, and the need to reduce the costs of labour migration. Mr Ratha recalled that official remittance flows totaled \$404 billion in 2013, which means they are currently four times higher than official development aid. Mr Ratha noted that whilst approximately 70 % of remittance transfers were used for consumption, this could drive growth by fuelling consumer demand and creating multiplier effects. Remittances also promote financial inclusion by providing an incentive for receivers to join the formal banking sector. More could be done to leverage remittances and productive investment [4].

– Some countries sending immigrants to industrialised countries have been receiving workers remittances which exceed by more than 30 % their export revenues, which help to improve the country's balance of payments.

– Although immigrants would leave their countries for economic reasons and with the aim of earning money from the job in the host countries, in time they would accumulate their earnings to establish a small firm which would be transformed to larger companies, even sometimes to holdings having various investments in the host countries and in their own countries, creating investment projects beneficial for each country.

– Besides, immigrants would gain professional experience from their works, innovative skills, and establish trade and investment possibilities by their savings at work, by bringing their expertise and technology transfer possibilities to their countries of origin, and by trading with their acquaintances and other customers with whom they had established relationships during their stay in the host countries.

– By understanding each other culturally and socially, global partnerships would emerge to increase the economic growth, technological innovation, international trade, investing in clean projects, and diminishing the pollution and carbon-emission.

– The most important impact of immigration is the peaceful approach between countries of sending and receiving immigrants.

– As a summary, immigrants would create international peace and friendship, international trade relationships with business people from all over the world and use this relationship to increase trade and export of their country.

We have many such entrepreneurs in the World:

– Chinese immigrants in the USA invested the major part of the Foreign Direct Investments in China, making China one of the most improved economies of the World.

Similarly, many Turkish entrepreneur who started as *gast-arbeiter* (guest worker) or students in Germany and in other European countries, later developed many successful companies helping European economy getting better off, and also helped Turkish economy and the balance of payments.

Millions of immigrants moved to the USA due to labor deficit, worked at the factories, offices and social work positions, and developed the American Nation.

Almost 1 billion people out of 7,2 billion world population as of March 2012 are migrants. Some of these people are international, but some are internal immigrants.

International Organization of Migration mapped migration from countries to countries for different reasons, but all migrants helped the improvement of world trade and welfare.

Table 2

Main countries of emigration (million emigrants) [1]

RUS	12.1	MEX	10.1
IND	9.1	BGD	6.8
UKR	5.9	CHN	5.8
GBR	4.2	DEU	4.1
KAZ	3.6	PAK	3.4
PHL	3.4	ITA	3.3
TUR	3.0	AFG	2.6
MAR	2.6	UZB	2.3
USA	2.2	EGY	2.2
POL	2.1		

Table 3

Regional distribution of international migrants

2000 migrants Region	% of regional (million)	2005 migrants population	% of regional (million)	population
Oceania	5.0	16.3	5.0	15.2
North America	40.4	12.8	44.5	13.5
Europe	58.2	8.0	64.1	8.8
Asia	50.3	1.4	53.3	1.4
Latin America and the Caribbean	6.3	1.2	6.6	1.2
Africa	16.5	2.0	17.0	1.9

Note: Europe Including former USSR republics [5].

In the mid-1960s, migration began to flow from South to North. In the period 1960–1975, the stock of migrants in industrialized countries in the North was 2 per cent, during 1990–2005, it reached 3 %.

Within the same period, starting after the World War II, industrialized European countries invited unskilled workers from developing countries of the Mediterranean, for making up for the labor deficit. Immigrants only from Turkey reached a number of 3 million workers in the European Countries.

— In 2005, Europe had 64.1 million immigrants within its borders, Asia 53.3 million and North America 44.5 million (table 2).

— In 2005 the World Bank estimated that the number of emigrants from sub-Saharan Africa reached 15.9 million, 63.2 percent of whom have moved to countries within the region.

The number of both source and destination countries has also increased. The International Labour Organization (ILO) found that from 1970 to 1990 the number of countries classified as destinations for labour migrants had increased from 39 to 67, while the sending countries had increased from 29 to 55. However, the majority of international immigrants were still concentrated in a few nations. In 2005, 28 countries accounted for 75 %. Among them, 11 leading industrialized countries accounted for 42 % of international migrants, with the United States receiving 20 %. The main countries of emigration were the Russian Federation, Mexico, India, Bangladesh, Ukraine, China, the United Kingdom of Great Britain and Northern Ireland, Germany, Kazakhstan, Pakistan, the Philippines, Italy and Turkey.

An increasing number of people are moving between developing countries or internally. South-South migration is nearly as large as South-North migration. Approximately 74 million or nearly half the migrants from developing countries reside in other developing countries. Intraregional and domestic migration in developing countries is often far more important than overseas migration in terms of the number of people involved, especially from rural areas. Almost 80 % of South-South migration is estimated to take place between countries with contiguous borders, and most appears to occur between countries with relatively small differences in income. Since benefits tend to be lower and risk of exploitation greater, interregional migration in developing areas is likely to have developed as the only option for people affected by deep poverty, internal conflicts or natural disasters.

South-South flows also involve migrant labour admitted on a temporary basis by rich developing countries experiencing labour shortages, such as the oil-rich countries of the Near East or the newly industrializing economies of South-East Asia.

Although it is impossible to obtain completely reliable figures related to illegal migration, all indications assert that it is on the rise. A rough estimate of the share of unauthorized immigrants in the world's immigrant stock places it at 15–20 % of the total, suggesting 30–40 million immigrants. The United States has the largest number of undocumented immigrants – 10–11 million or 30 per cent of its total foreign born population. In Europe, undocumented immigrants are estimated at 7–8 million, although the number fluctuates in accordance with regularization programmes [2].

Table 4

International migrant stock from 1965 to 2005

World migrant stock			
Year	(million people)	Year	(million people)
1965	78	1990	155
1970	81	1995	165
1975	87	2000	177
1980	99	2005	191[5]
1985	111		

Table 5

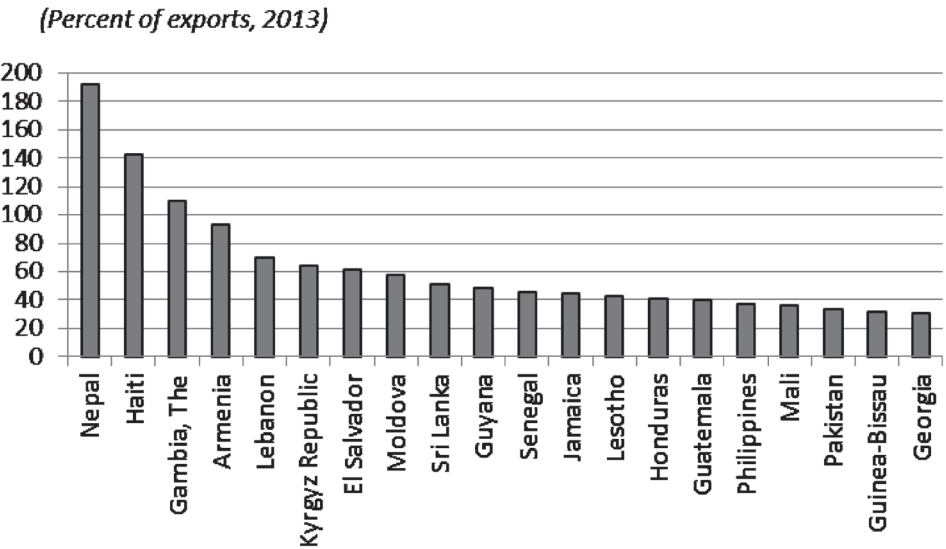
Estimates and projections for remittance flows to developing countries [7]

	2010	2011	2012	2013e	2014f	2015f	2016f
\$ Billions							
All developing countries	333	373	392	404	436	473	516
East Asia and Pacific	95	107	107	112	123	135	148
Europe and Central Asia	32	38	39	43	45	49	54
Latin America and Caribbean	56	59	60	61	66	73	81
Middle-East and North Africa	40	42	47	46	49	52	55
South Asia	82	96	108	111	118	127	136
Sub-Saharan Africa	29	31	31	32	35	38	41
World	453	507	521	542	581	628	681
Low-income countries	24	28	32	34	37	40	44
Middle-income	310	345	359	371	399	433	472
High income	120	133	130	137	145	155	165
Growth rate, %							
All developing countries	10.3	12.1	4.9	3.3	7.8	8.6	8.9
East Asia and Pacific	20.2	13.0	0.1	4.8	9.0	9.9	10.1
Europe and Central Asia	-0.8	17.0	2.7	10.0	6.7	8.4	9.4
Latin America and Caribbean	1.1	5.9	0.9	1.9	9.4	10.4	10.6
Middle-East and North Africa	18.0	6.5	11.8	-2.0	5.6	6.2	6.3
South Asia	9.4	17.7	12.1	2.3	6.6	7.3	7.5
Sub-Saharan Africa	7.0	6.8	0.1	3.5	8.7	9.1	9.4
World	8.7	11.7	2.9	3.9	7.3	8.1	8.4
Low-income countries	10.9	19.3	15.2	4.1	8.6	9.5	9.9
Middle-income	10.3	11.5	4.1	3.2	7.7	8.5	8.9
High income	4.5	10.7	-2.5	5.9	5.7	6.5	6.8

India remains the largest recipient of officially recorded remittances in the world, and received about \$70 billion in remittances in 2013. Other large recipients include China (\$60 billion), the Philippines (\$25 billion), Mexico (\$22 billion), Nigeria (\$21 billion), and Egypt (\$17 billion) (figure 3). Revised estimates suggest that remittances as a share of GDP were 52 % in Tajikistan, 31 % in the Kyrgyz Republic, and 25 % in both Nepal and Moldova. Remittances to many smaller developing countries tend to be equivalent to a larger share of their respective GDP.

Table 6

Remittances are equivalent to more than 30 percent of exports in 20 countries [7]



Regional trends

In all regions of the world remittances growth was generally huge during 2013, with the exception of few countries in the Middle-East and South America, where in some important origin countries remittance inflows fall.

Table 7

Migrant workers earn higher wages in destination countries than in origin countries.
(World Bank “Migration and Development Brief” 2014)

Country of origin to destination	share of migrants by destination	Monthly minimum wage differentials between origin and destination	Unemploy ment rate in country of origin (latest available, percent)
Cambodia to Thailand	71.5	3.6–4.9	0.1
Indonesia to Malaysia	71.6	1.2–3.5	6.3
Myanmar to Thailand	27.4	13.3–18.0	4
Philippines to Saudi Arabia and UAE 1	53.0	1.5–1.2	7.5
Vietnam to Korea	4.7	10.7–16.6	2.2

Remittances to developing countries in the East Asia and the Pacific (EAP) region are estimated to have risen by 4.8 % in 2013 to reach \$112 billion. Thailand, Vietnam, and the Philippines continue to see robust growth. Flows to the region are expected to exceed \$148 billion by 2016. Substantial movement of people continues within the region, driven in large part by persistent disparities in opportunities and incomes. For instance, the minimum wage in Thailand is 13 times higher than in Myanmar. These trends are likely to persist, given the different demographic trajectories of various countries in the region, as well as the continued government efforts to meet skill gaps with workers from neighboring countries. While low-skilled workers account for the majority of migration, the need for high-skilled workers is high [7].

Conclusion

As first conclusion, we should restate that the workers rights, human rights and labor migrant rights should be accepted and respected by all people and countries in the world, as declared by UN which should be followed and protected by the migrant sending and receiving countries:

1) Protect the human rights of all migrants; 2) Reduce the costs of labor migration; 3) Eliminate migrant exploitation, including human trafficking; 4) Address the plight of stranded migrants; 5) Improve public perceptions of migrants; 6) Integrate migration into the development agenda; 7) Strengthen the migration evidence base; 8) Enhance migration partnerships and cooperation.

Secondly, the recipient and origin countries for migration should respect the human rights and workers rights of immigrants, and the international institutions and all countries should understand and be aware of the beneficial results from the migration in social, cultural, economic, industrial and international trade. Due to Migration, all these positive results give rise to improvement in the world economic and social development.

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