



## The Economics of Migration

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Introductory lesson 2017





# Global demographic trends



**A: How many people in this room have African ancestry**

**1: 0%**

**2: 10%**

**3: 20%**



# Global Expansion of Humankind

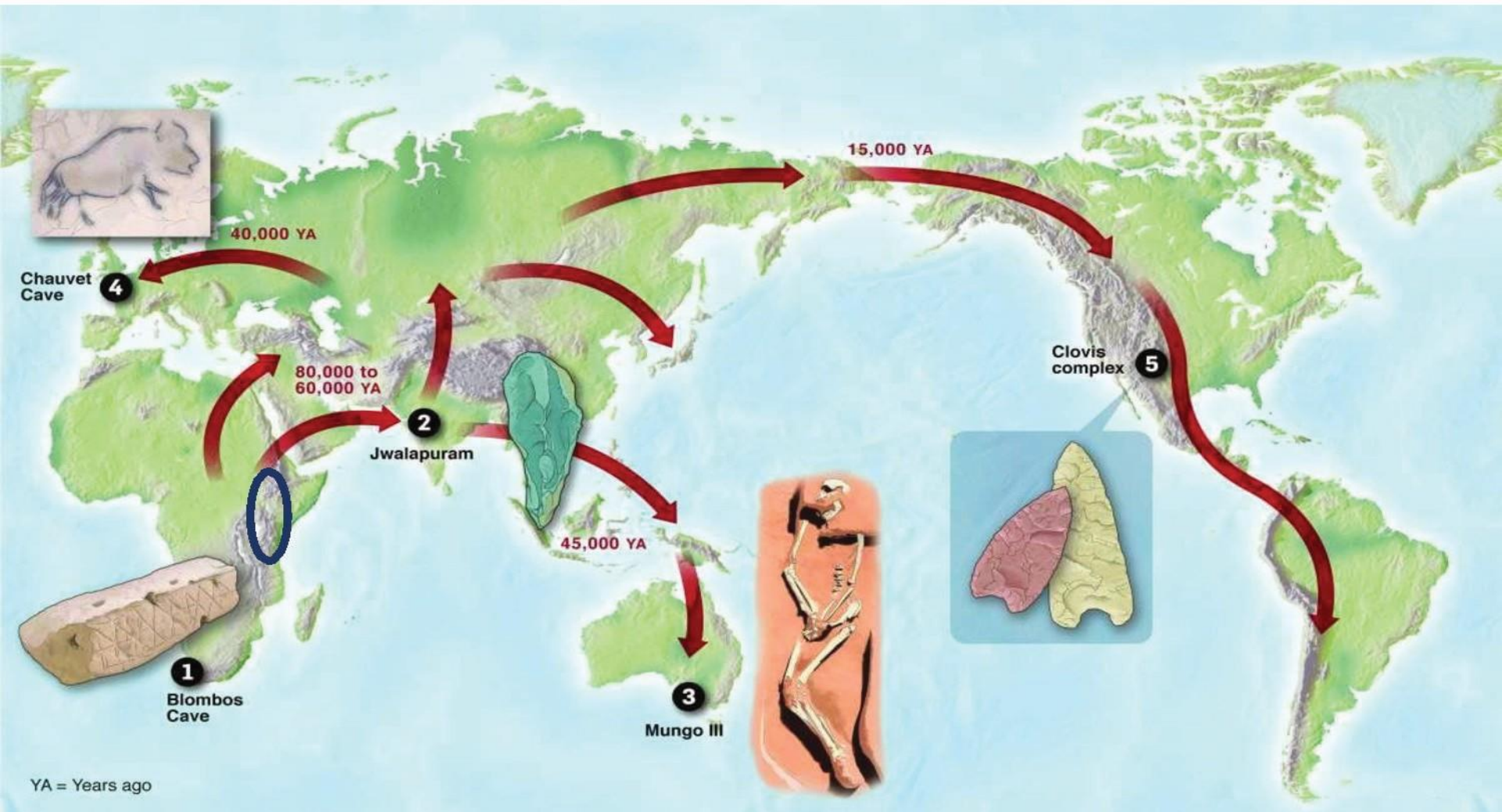
**We are all descendants of a small group of humans who lived some 2 million years ago in the East African Rift Valley (today: Southern Ethiopia, eastern Kenya, eastern Tanzania)**





# 80,000 Years Ago

## Out of Africa





## **Moving around**

**From an anthropological perspective we are first and foremost „nomads“ and „hunter-gatherers“.**

**This way of life was dominant throughout 98% of human history.**





# 15,000 Years Ago

**Early forms of stock-breeding  
among nomads**

**This already reduced the cyclical supply of calories and  
expanded the food base**





## **12,000 Years Ago**

**People started to settle down**

- **Agriculture (culture!)**
- **Stock breeding**
- **More calories per km<sup>2</sup>**



**Talking about “migration”  
only makes sense,  
once people have a  
permanent “residence”  
that they can change**

**Nomads are not migrants**

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# **Reality no. 1: Growing world population**



## **B: When did world population reach 3 billion**

**1: 1920**

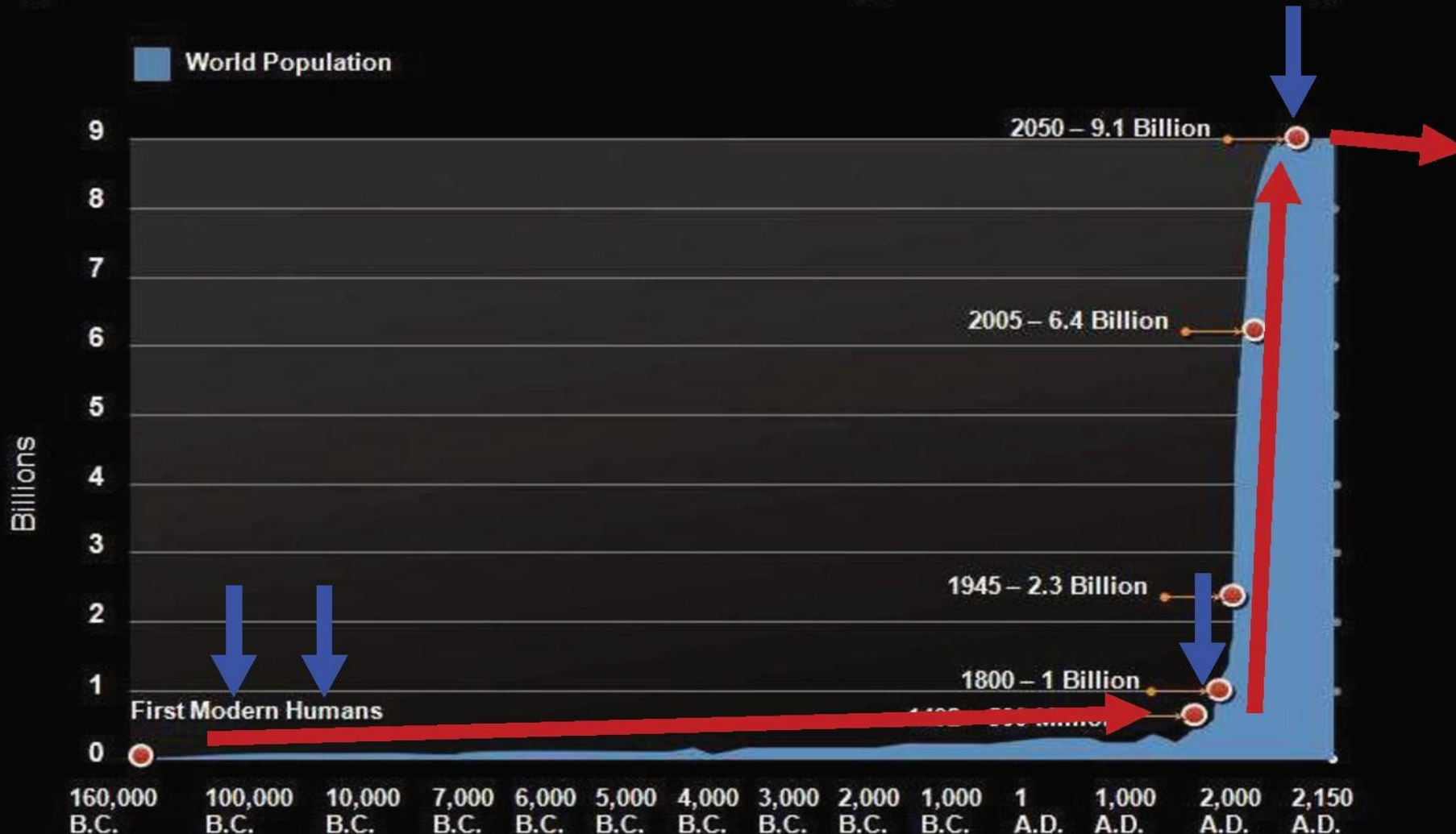
**2: 1940**

**3: 1960**

**4: 1980**



# Population Growth Throughout History



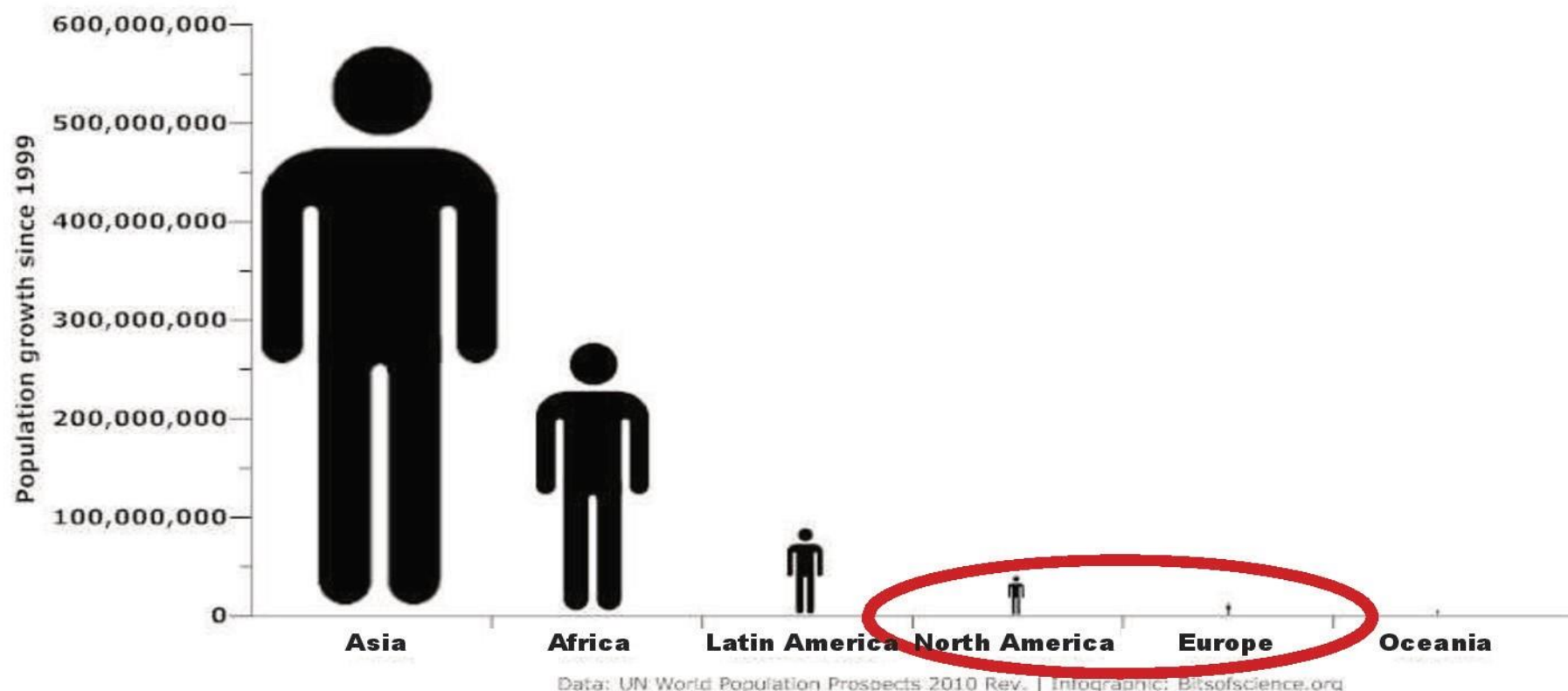


**But the number of  
people on our planet  
is growing unequally**

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## From 6 billion to 7 billion people: Contribution to earth's 7<sup>th</sup> bn per continent





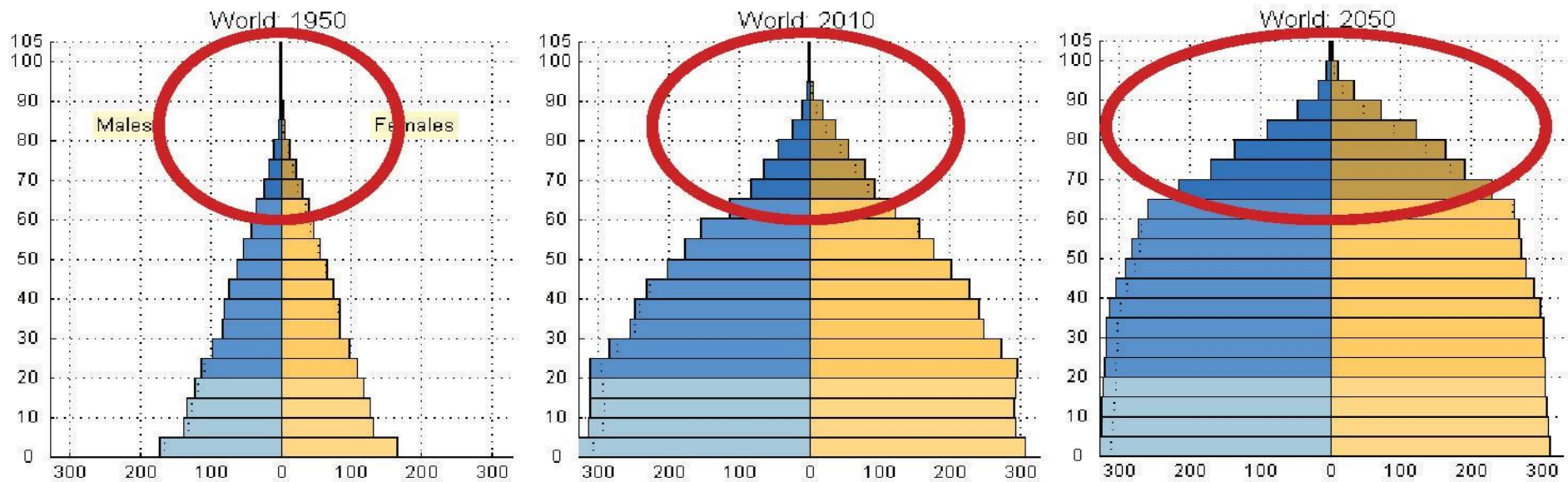


# **Reality no. 2: Global ageing**

**Demographic ageing is a global  
phenomenon**

**Age pyramids, 1950-2050**





Source: UN DESA



**C: Which part of the world experiences the most rapid demographic aging?**

**1: Europe**

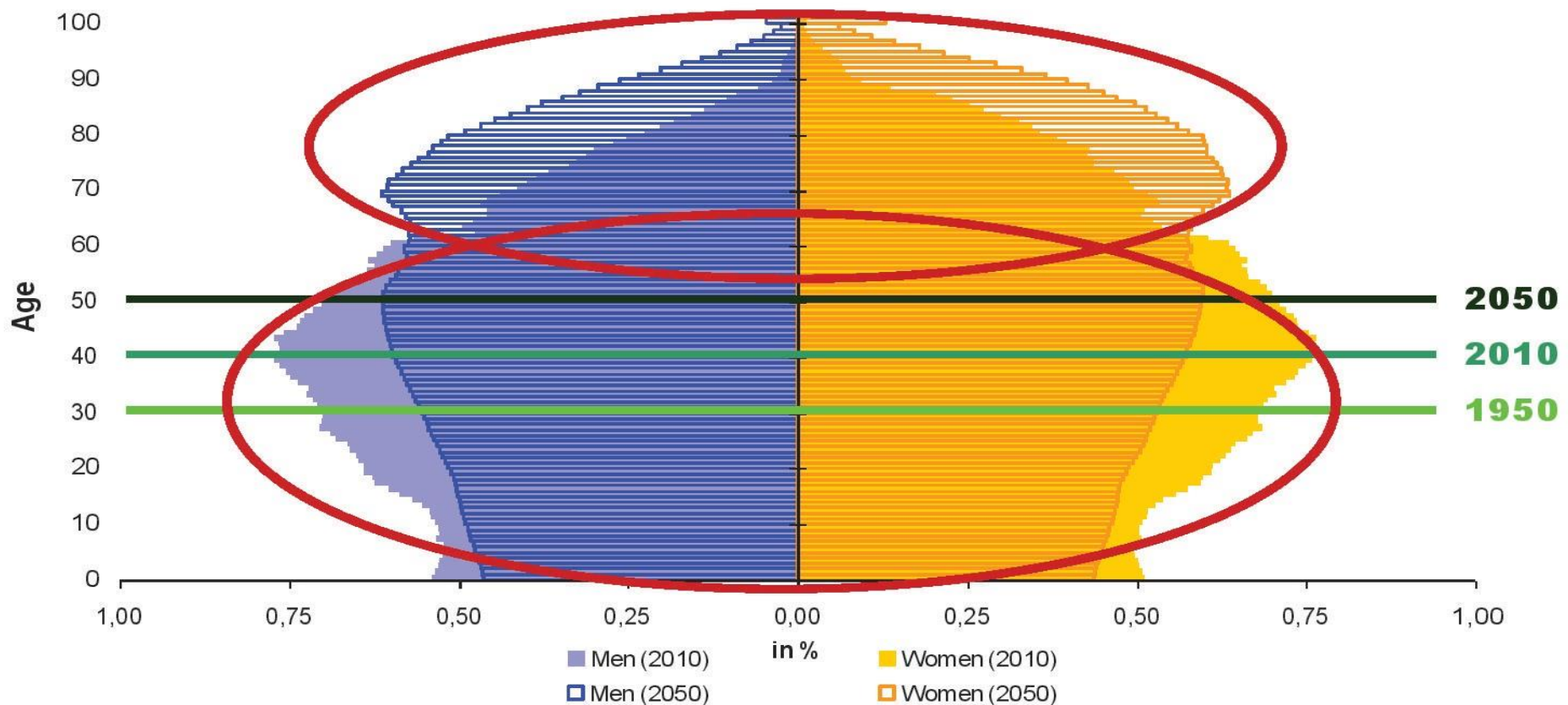
**2: North America**

**3: Africa**

**4: Asia**



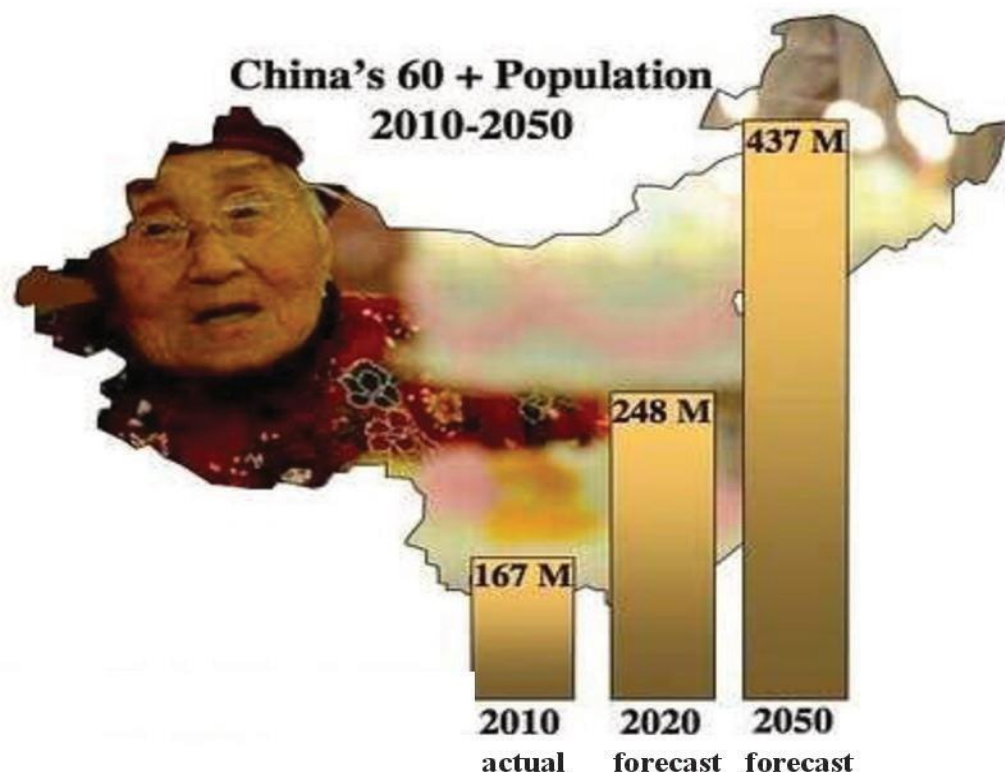
## Europe is continuously getting older



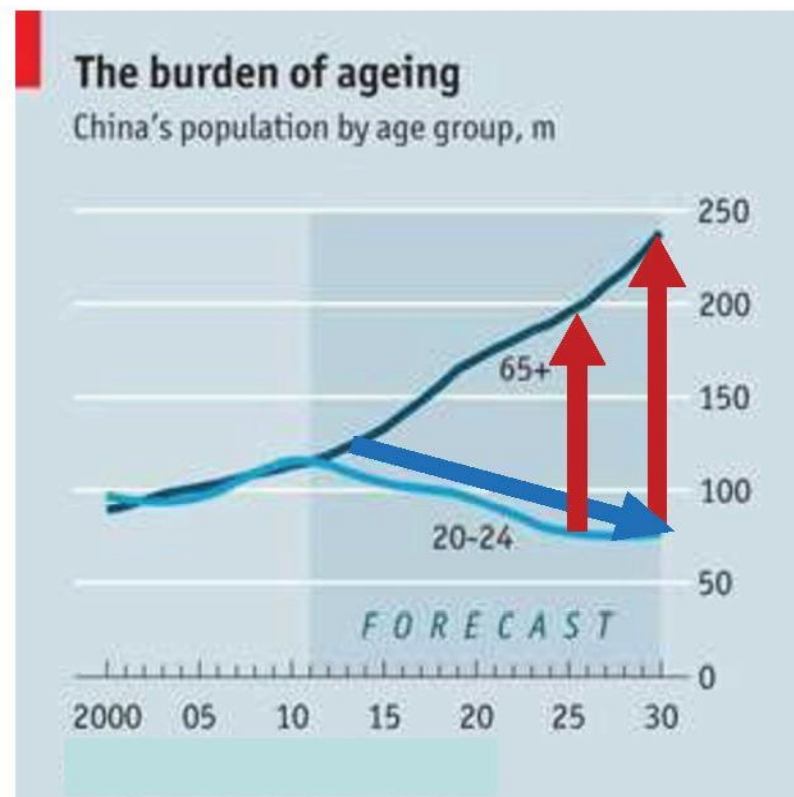
Source: Eurostat

# China is aging more quickly than Europe

**Age group 60+,  
2010-2050**



**Age groups 65+ vs 20-24,  
2000-2030**

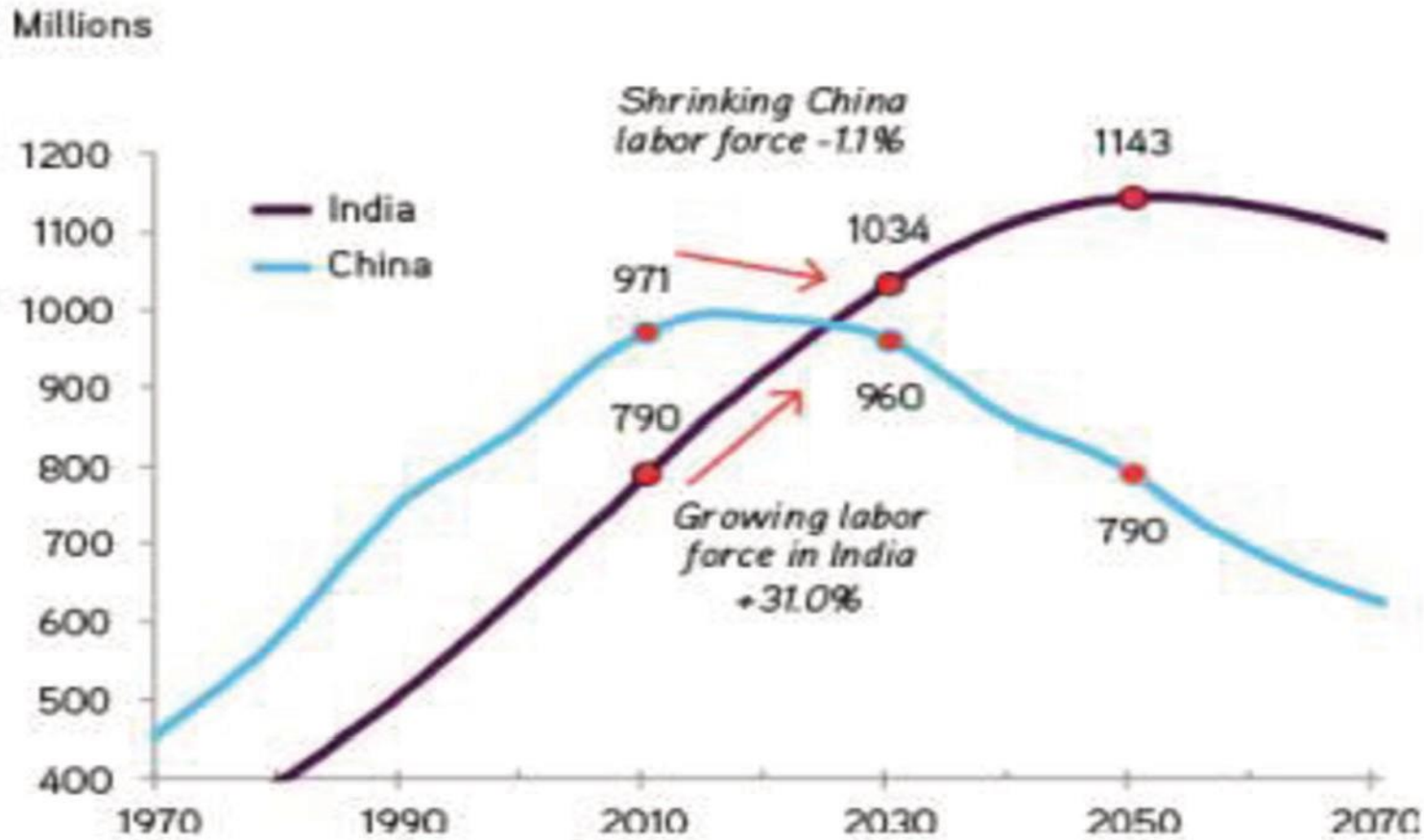


Source: UN Population Division





**Figure 2.5 Working age population – China and India**



Source: KKR Insights (2012).



# **Aging is driven by two major trends:**

- Longevity**
- Lower number of children**

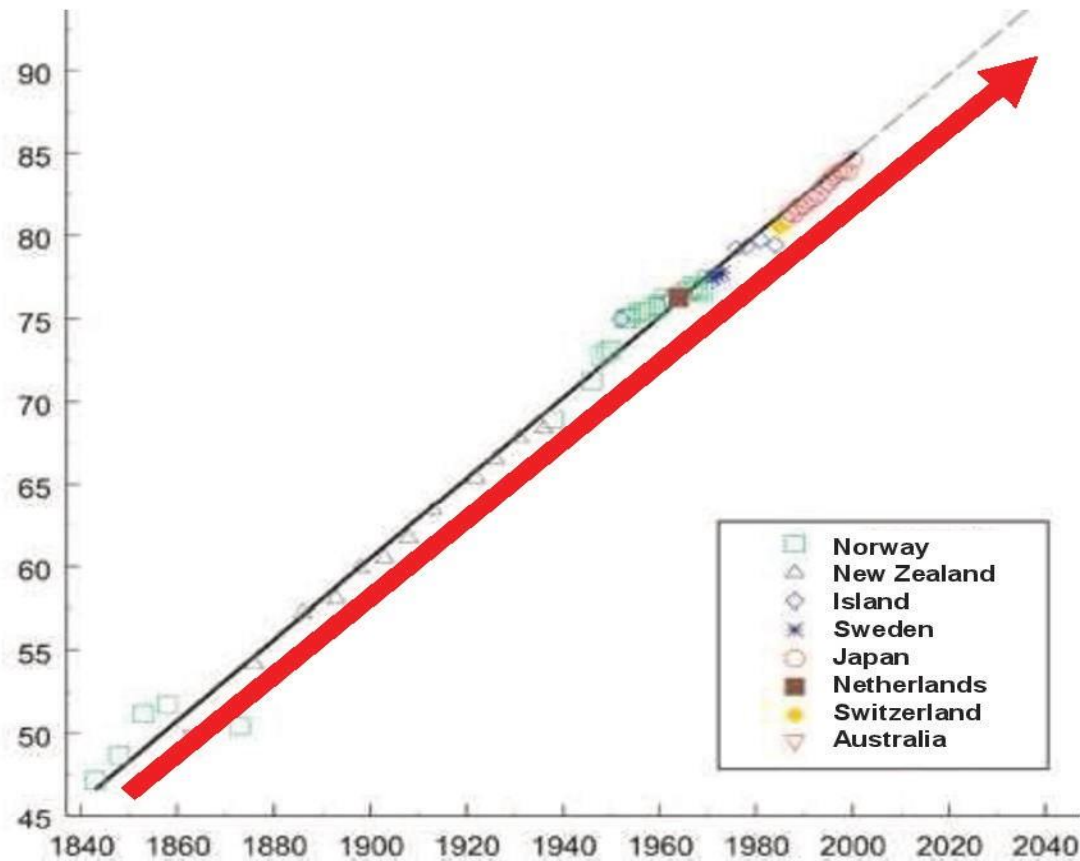




# **Reality no. 3: We live longer that any prior generation**

**Life expectancy has been  
increasing since 170 years**

**Life expectancy for selected countries**



Source: Oeppen u. Vaupel



**D: How much does your life expectancy increase every day?**

**1: 6 minutes**

**2: 60 minutes**

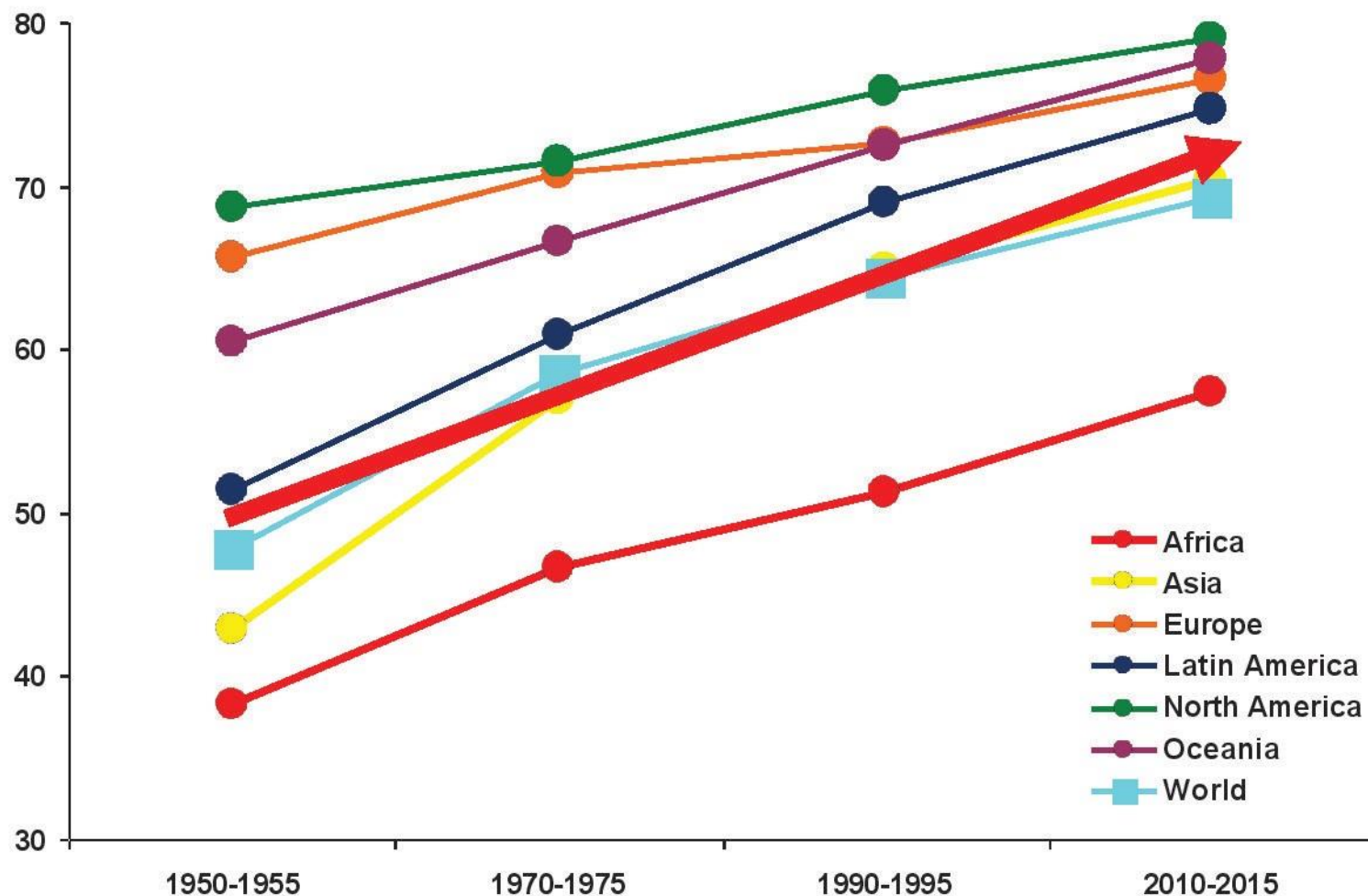
**3: 1.6 hours**

**4: 6 hours**



**During the last 70 years, global life expectancy has increased by 20 years**

**Life expectancy by world regions, 1950-2015**



Source: UNPD 2011



# **Reality no. 4:**

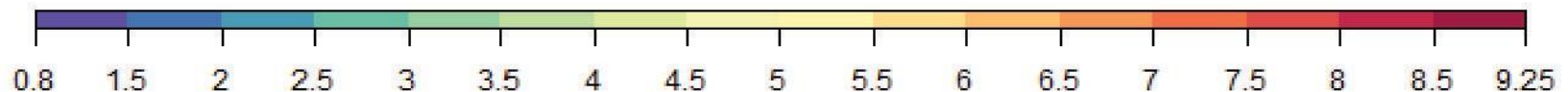
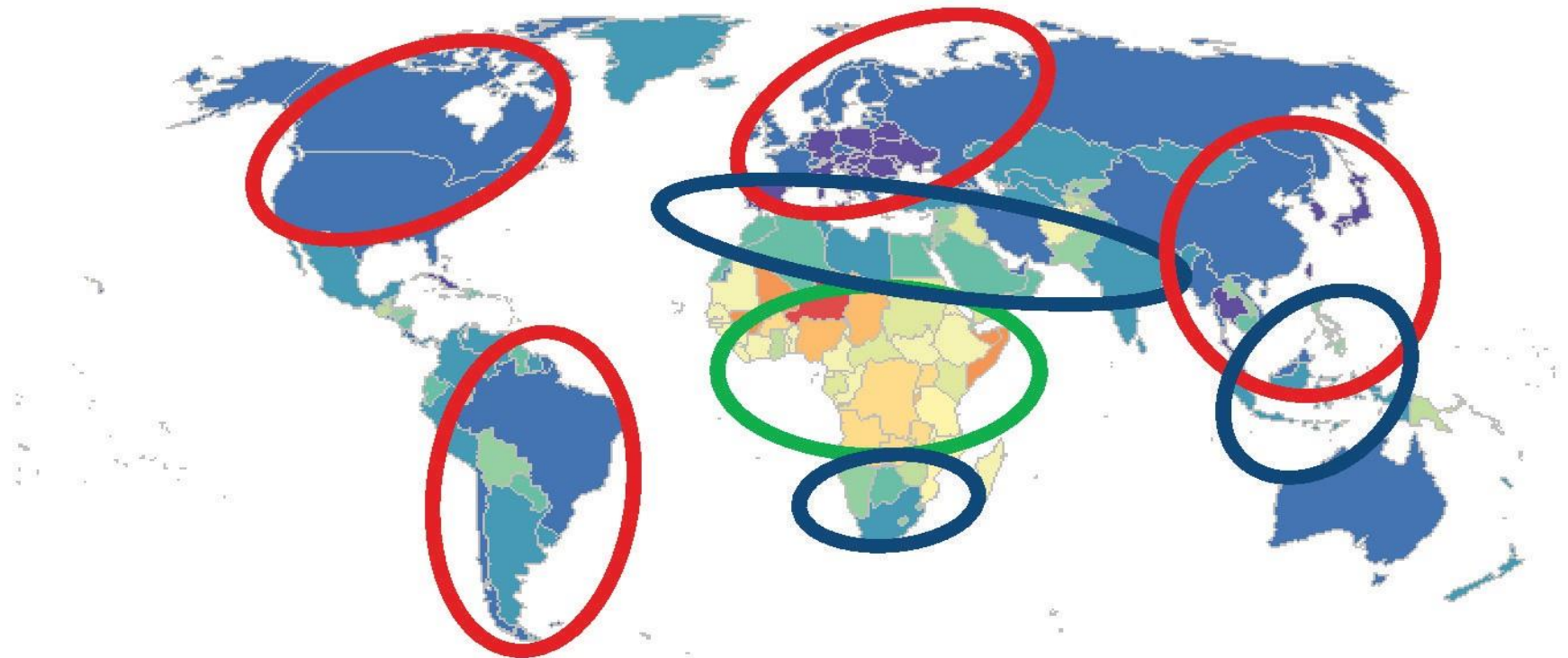
## **We have fewer children than any prior generation**





# The main driver of uneven population change: Very unequal numbers of children

Number of children per woman (total fertility), 2010-2015



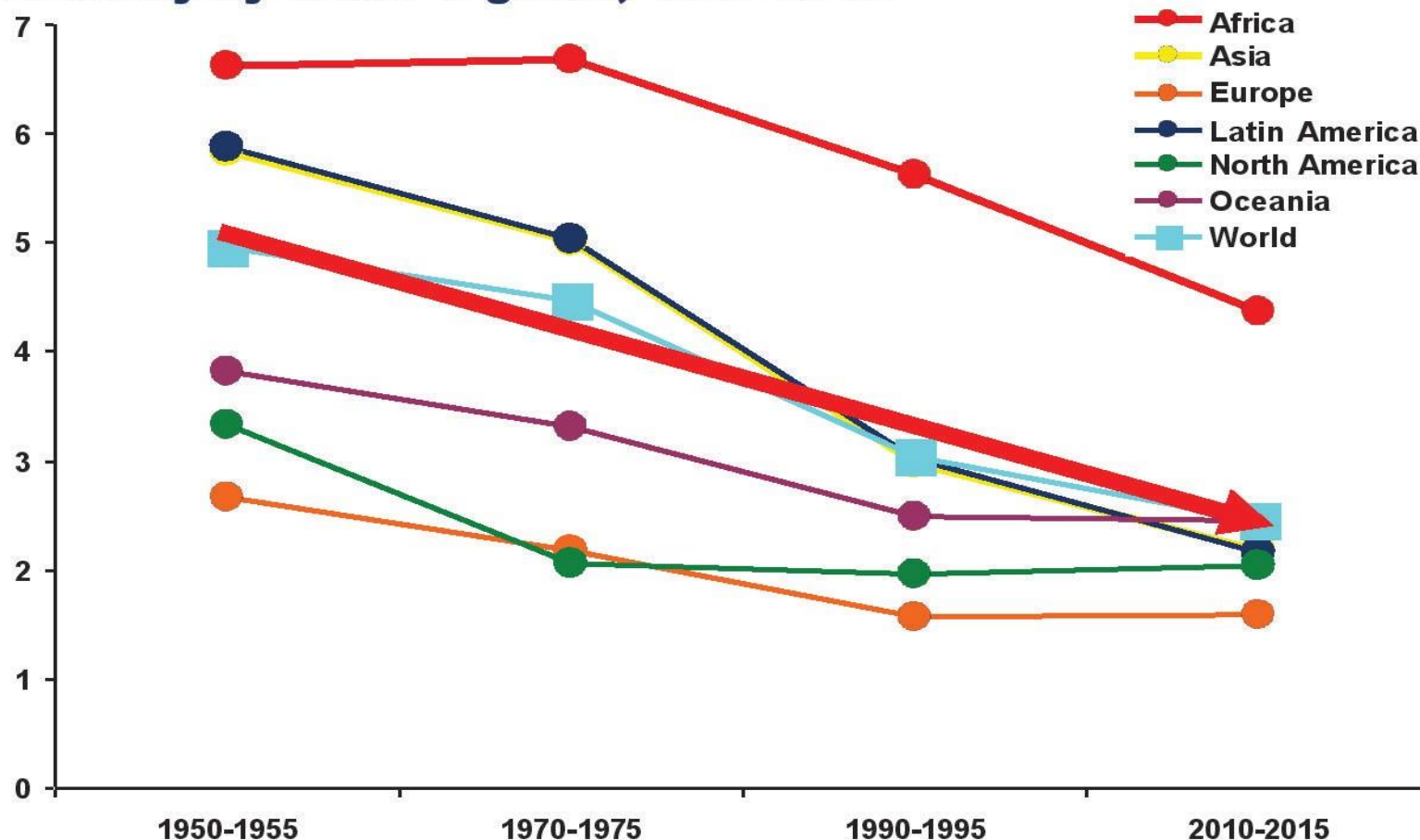
Source: UN DES





# During the last six decades, the overall number of children per woman has halved

## Total fertility by world regions, 1950-2015



Source: UNPD 2011



# **Women have fewer children and give birth later in life!**

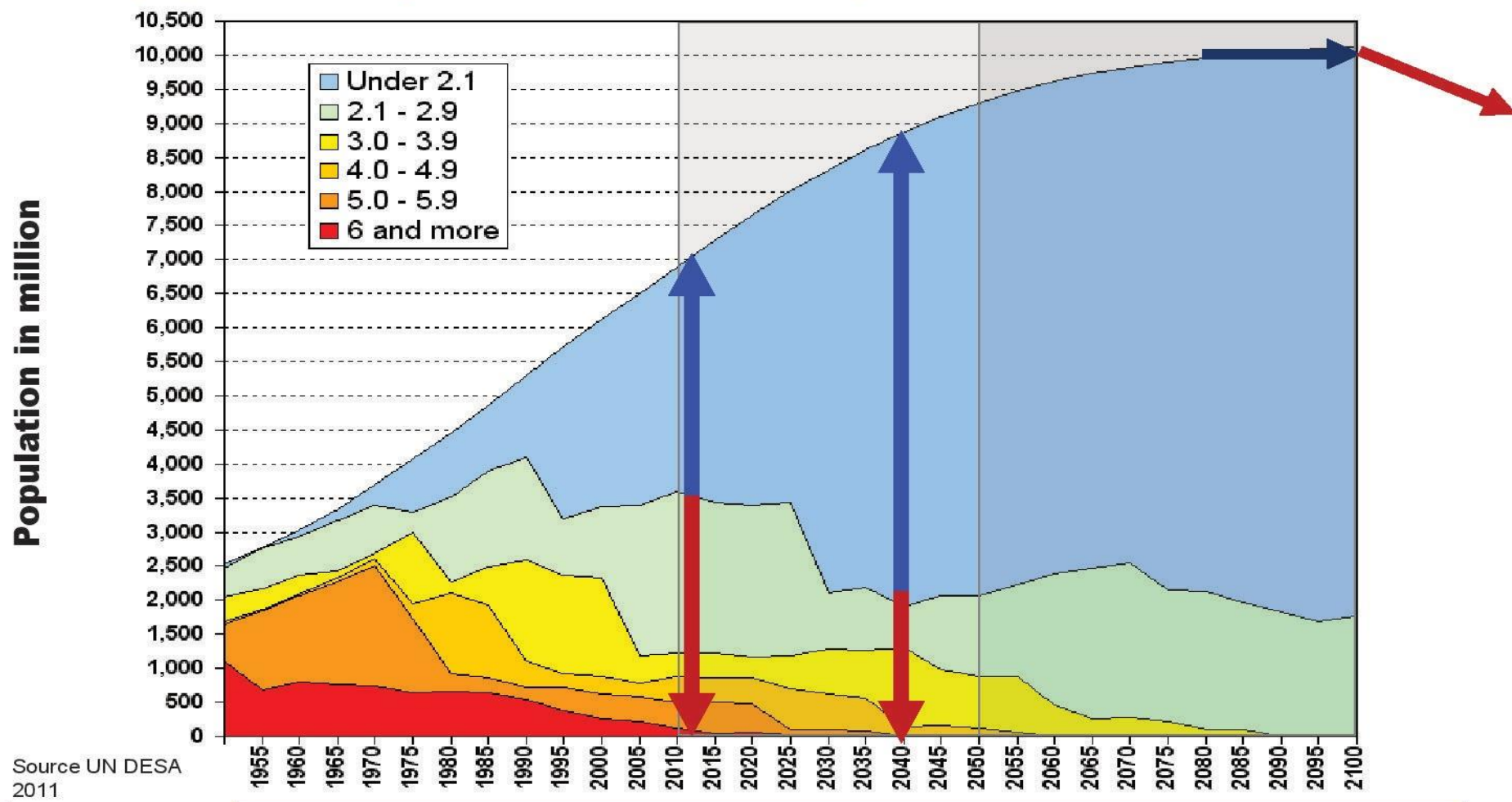


# **Reality no. 5: Global population growth will come to an end**



# Already half of the people live in regions with less than 2 children per woman

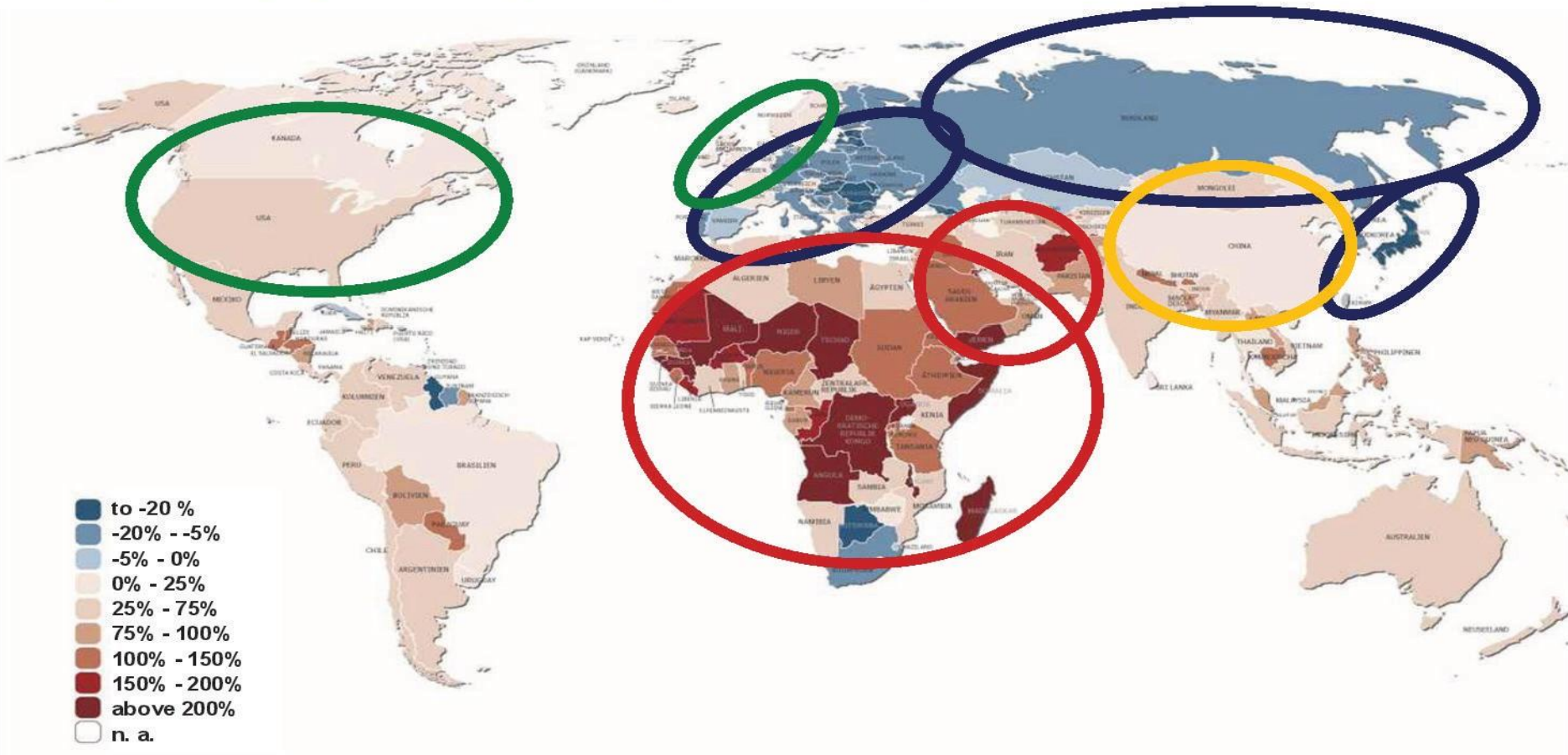
World population by number of children per woman, 1950-2100





# Europe's, Russia's and Japan's populations have already started to shrink

Projected population growth, 2010-2050, in %

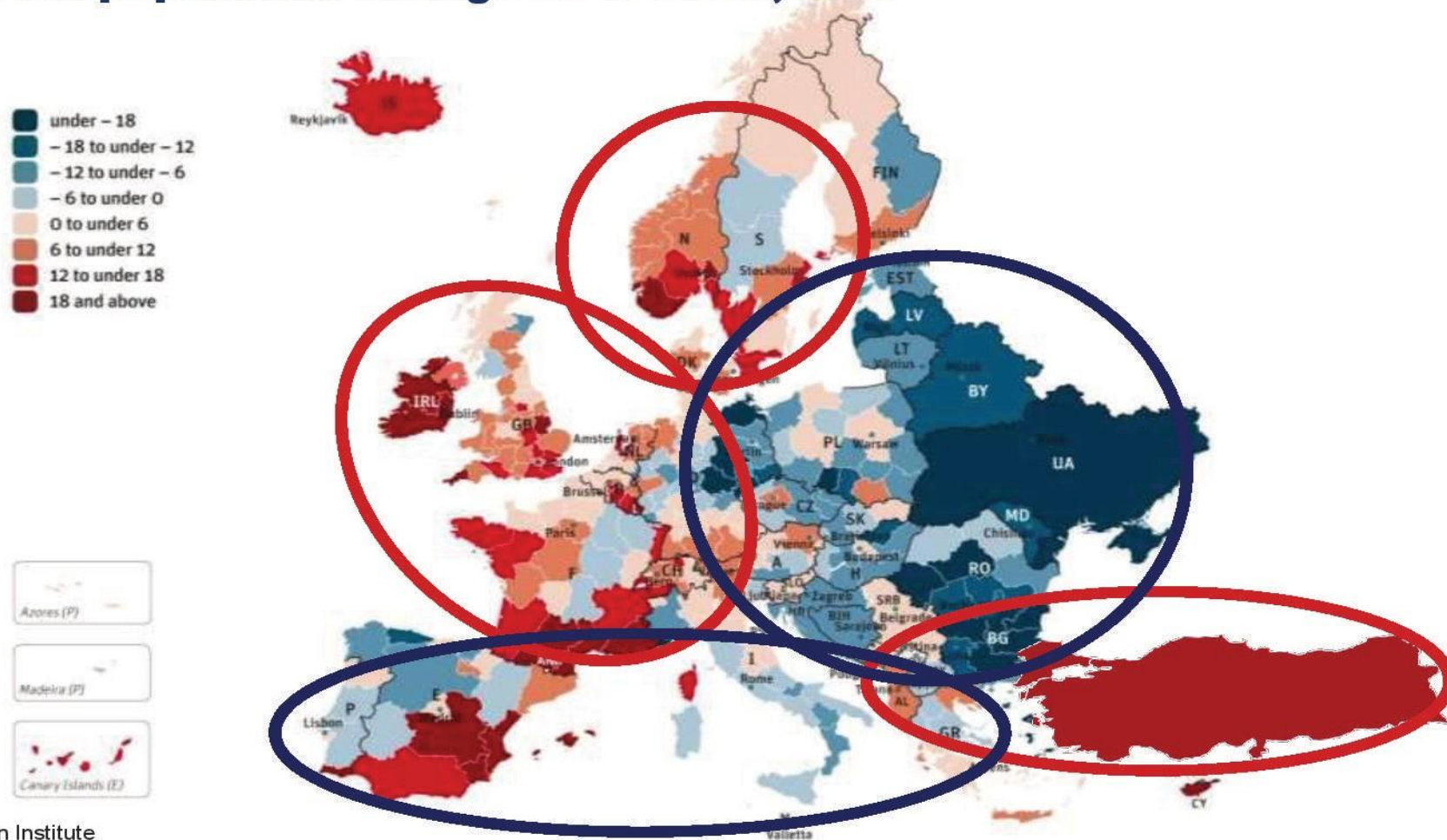


Source: Berlin Institute



# Some Regions of Europe have the most rapidly shrinking populations

Projected population change 2010-2030, in %



Source: Berlin Institute



# Part 2

## What are the consequences for international migration?

### Who is a migrant?

- **Recent change of residence**  
**across borders**
- **EU: mobility vs. migration**

**Someone not living/working in his or her country of birth**



# **Internationally accepted definitions:**

- **Change of residence across borders with intention to stay for 12+ months**
- **Place of birth in another Country**



# What is migration?

- **Stocks**
  - **Flows**
-





## **E: How many people do not live in their country of birth (as share of world population)?**

**1: 3.2%**

**2: 6.1%**

**3: 13.7%**

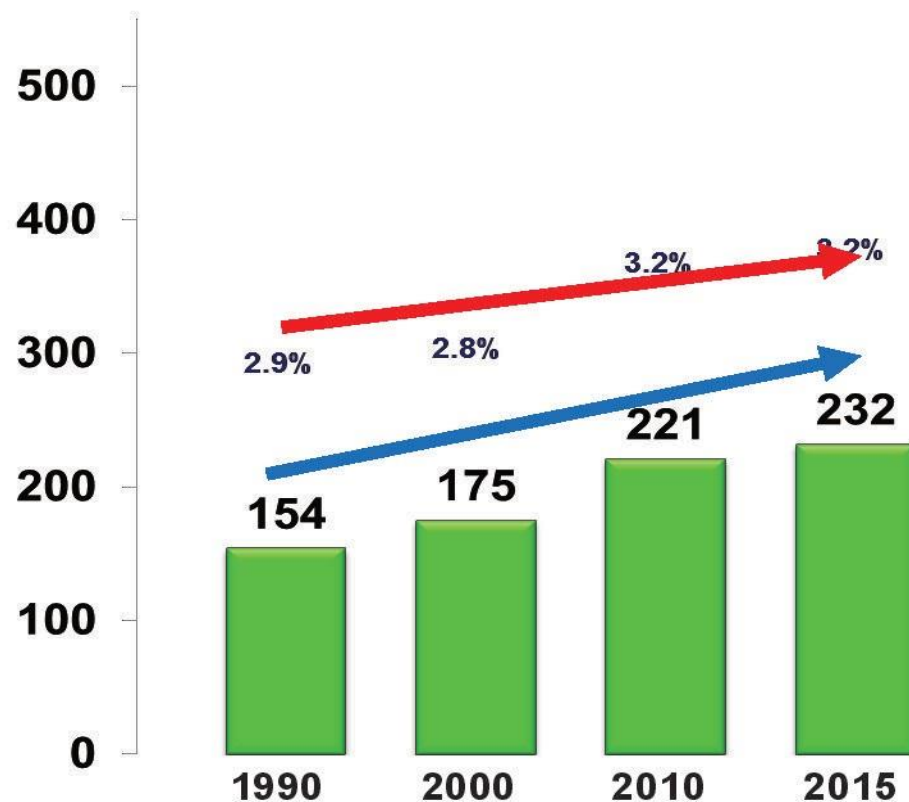
**4: 31.5%**





## The number of international migrants increases

**Absolute numbers and share of migrants in total population**





**Let's not forget:**  
**240 million**  
**international**  
**migrants are only**  
**3% of all people living**  
**on our planet**



**Let's also not forget:**

**Many more people** are internationally mobile

**Seasonal workers**

**Trans-border commuters**

**Crews working on ships**



## F: Which is globally the most important sending country?

And it's the second most important country?

1: China

2: India

3: Mexico

4: Russia



**G: Is Russia among the global top-3 migrant sending countries or among the top-3 migrant receiving countries (migrant stock)?**

**1: Top-3 sending countries**

**2: Top-3 receiving countries**

**3: Both**

**How come you are surprised?**

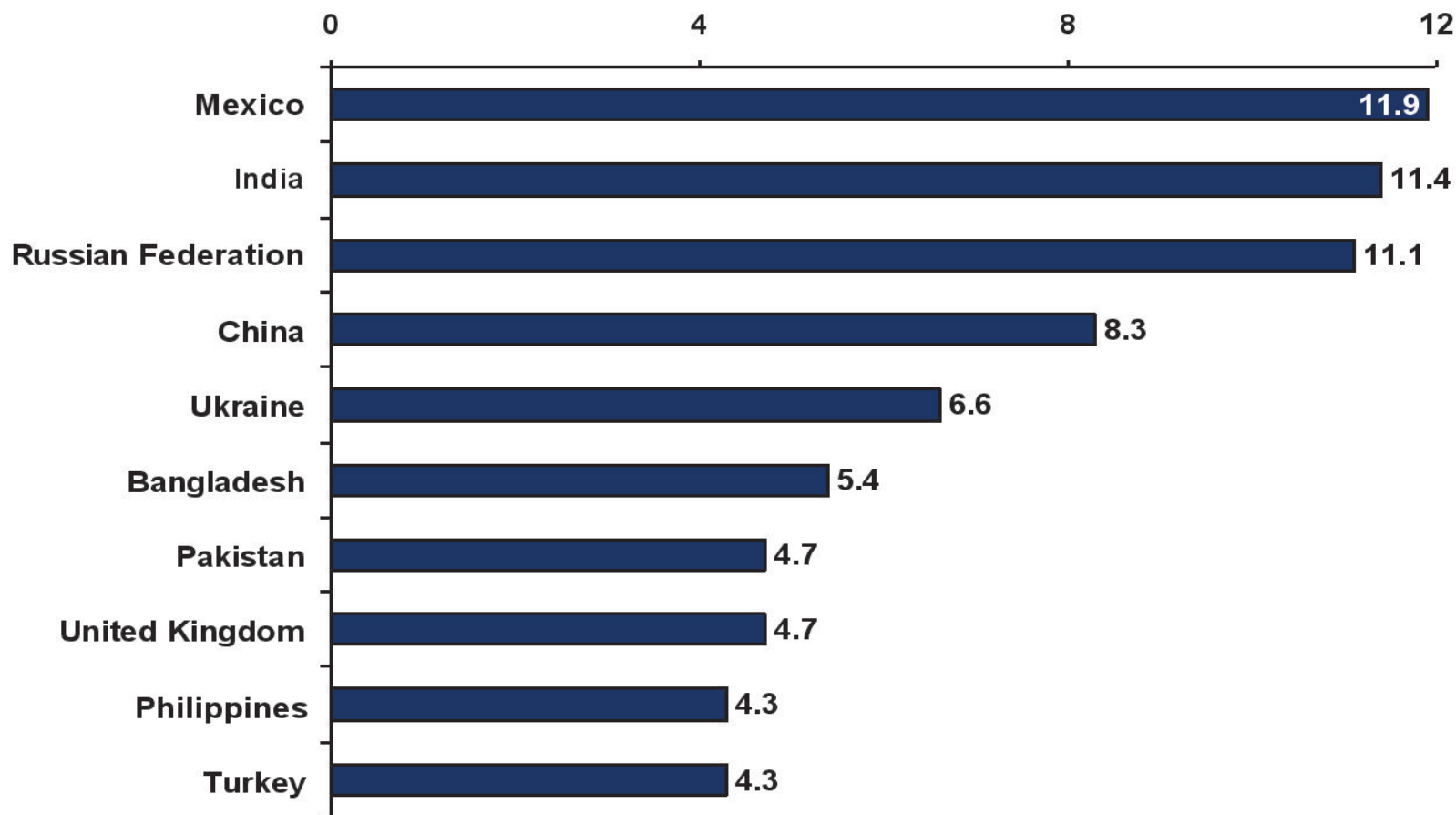
**4: Not among the top-3 countries**





# Top 10 emigration countries

Absolute number of emigrants (stock), in millions, 2010

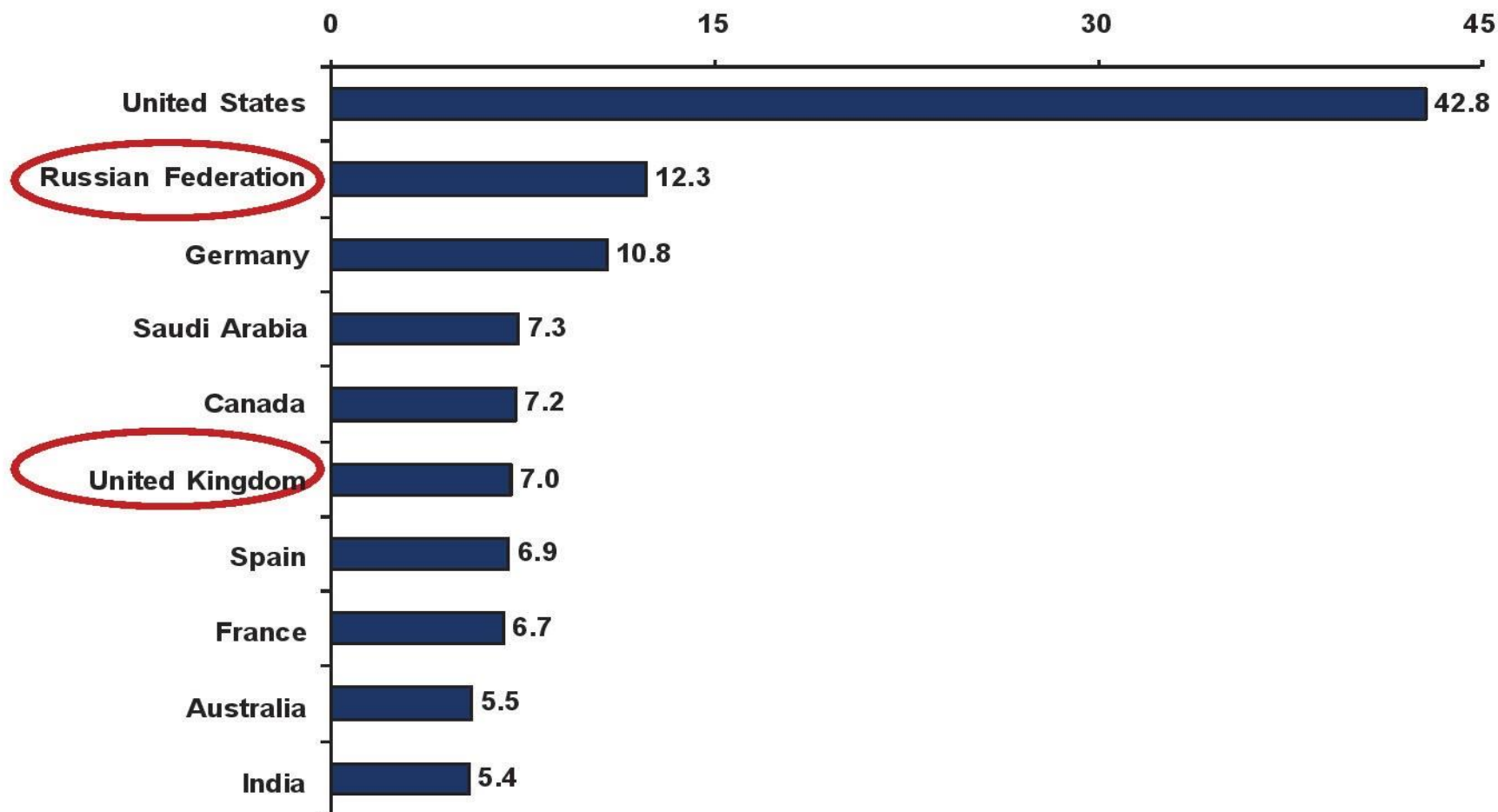


Source: World Bank, UNPD 2011



## Top 10 immigration countries

Number of foreign-born individuals (stock), in millions, 2010



Source: World Bank, UNPD 2011



**But:**  
**It is not a one-way street**



**H: Since when are more people immigrating to Europe than emigrating from Europe?**

**1: 1925**

**2: 1945**

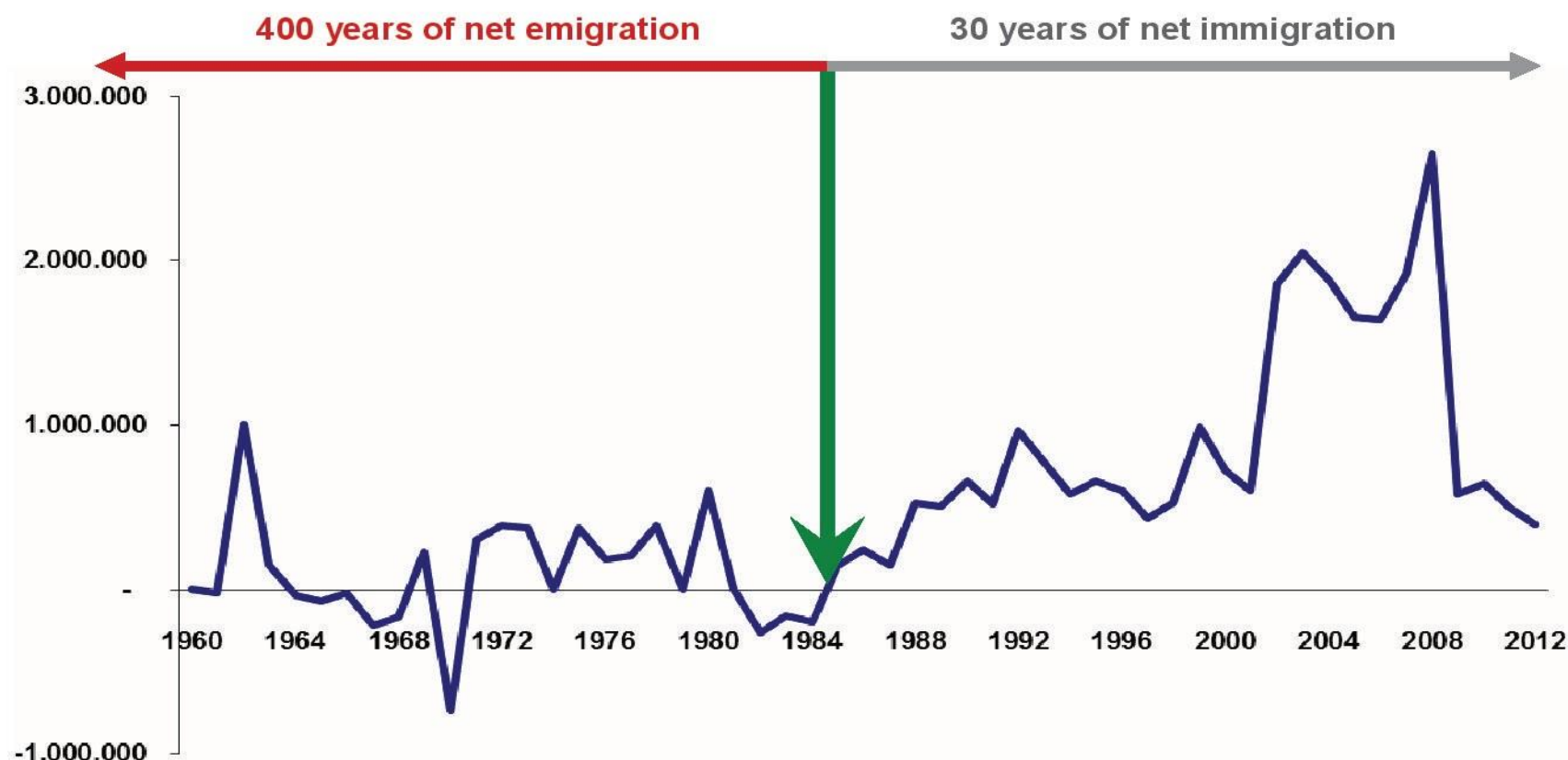
**3: 1965**

**4: 1985**



# From emigration to immigration: The main direction changed only recently

## Immigration minus emigration (= net migration), 1960-2012



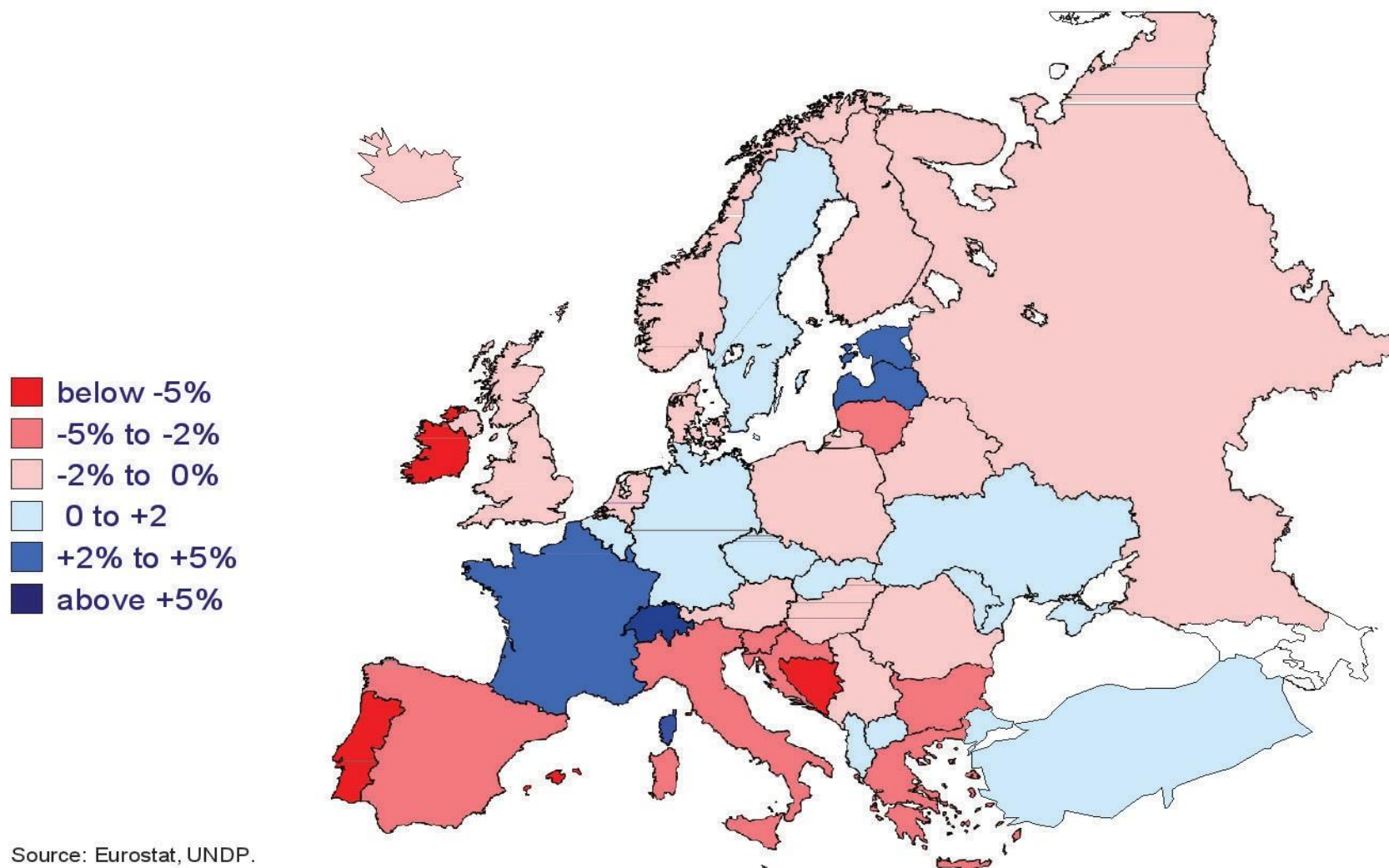
Source: Eurostat.





## Net migration in Europe 1951-1960

Net migration, yearly average, per 1,000 inhabitants

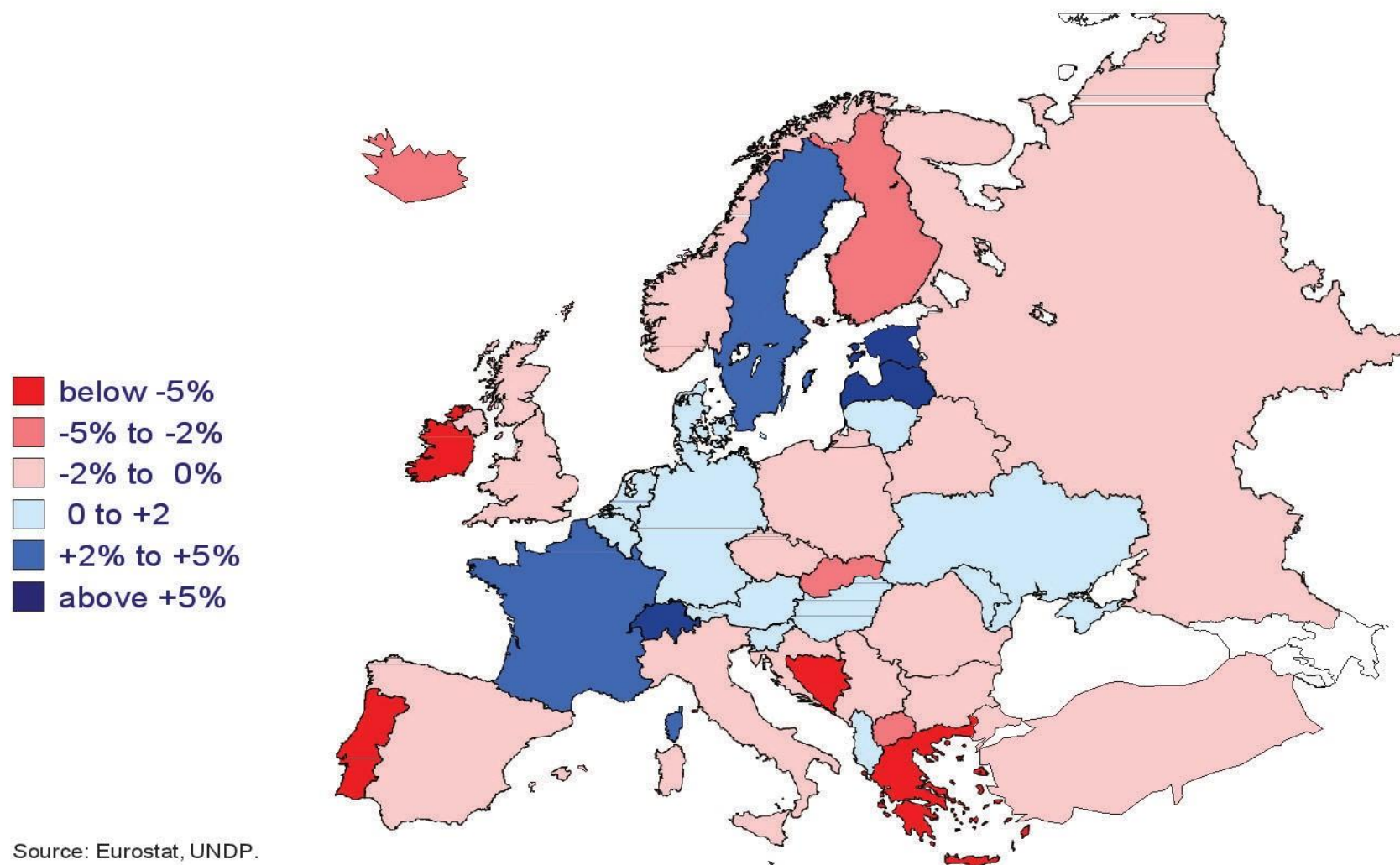


Source: Eurostat, UNDP.



## Net migration in Europe 1961-1970

Net migration, yearly average, per 1,000 inhabitants

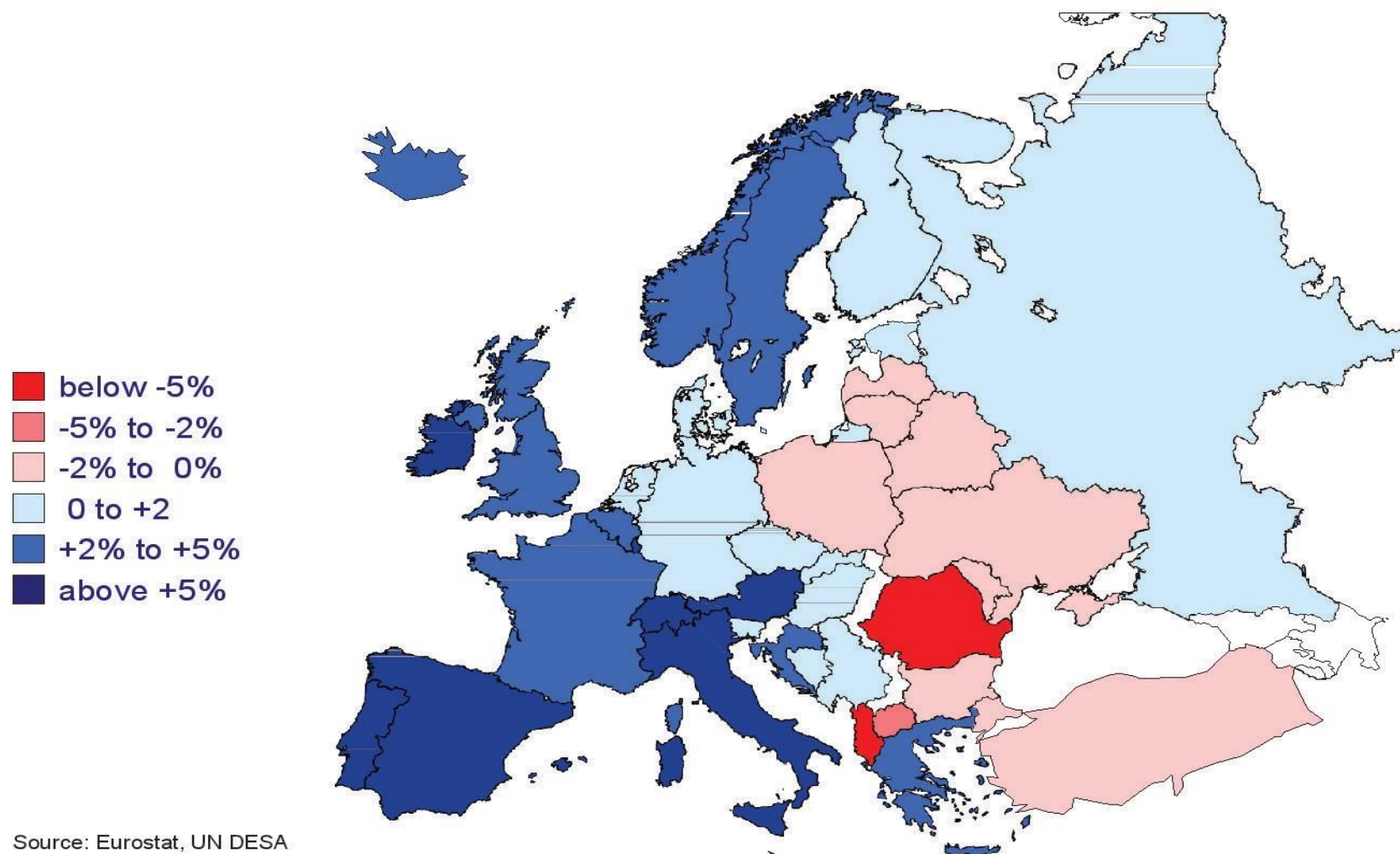


Source: Eurostat, UNDP.



## Net migration in Europe 2001-2009

Net migration, yearly average, per 1000 inhabitants



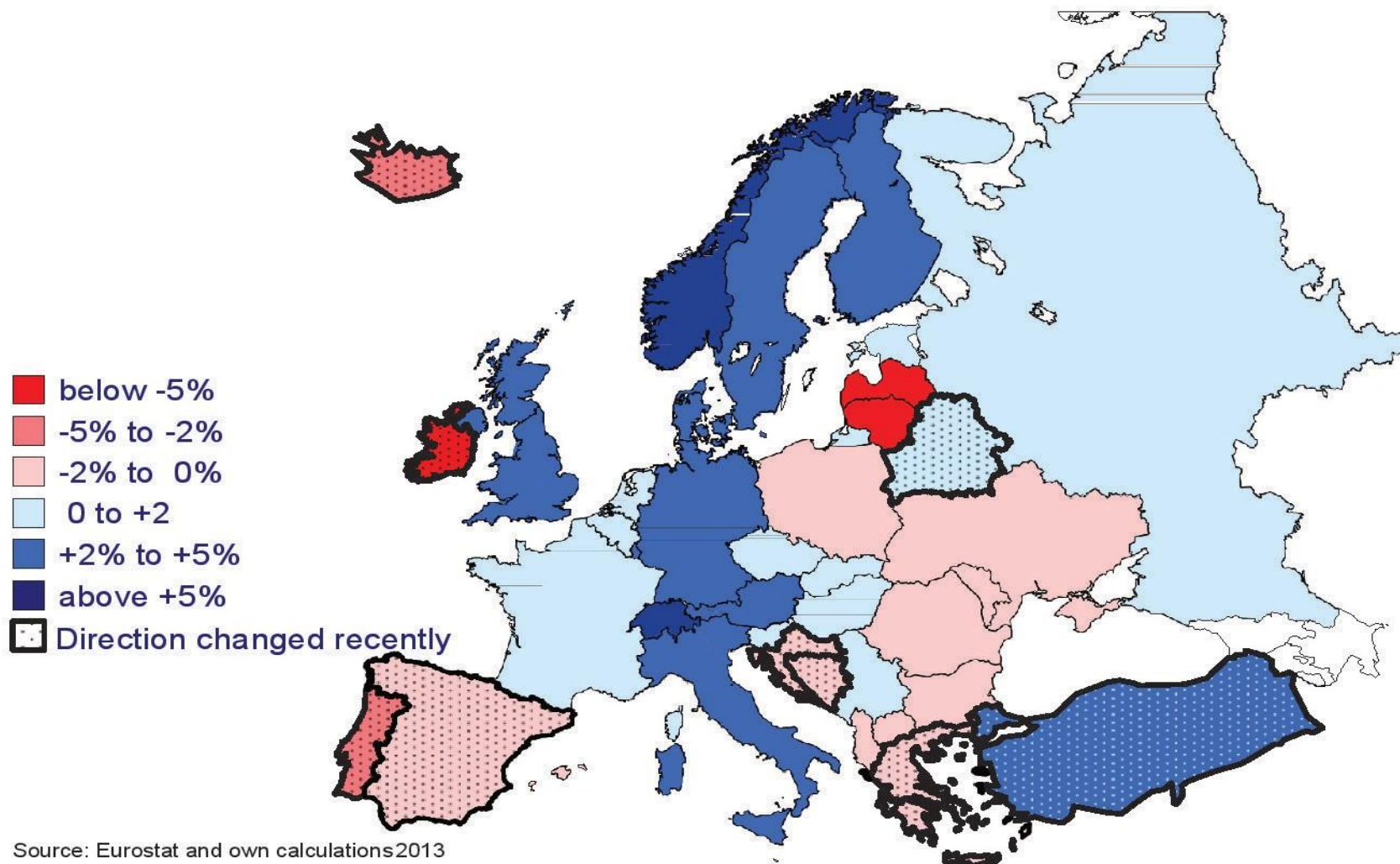
Source: Eurostat, UN DESA





## Net migration in Europe 2010-2012

Net migration, yearly average, per 1000 inhabitants



Source: Eurostat and own calculations 2013



# **Reality no. 6:**

## **The size and geography of international migration are changing**





**240 million**



# I: Which migration movement today is the most important one?

1: North-North

2: **South-South**

3: South-North

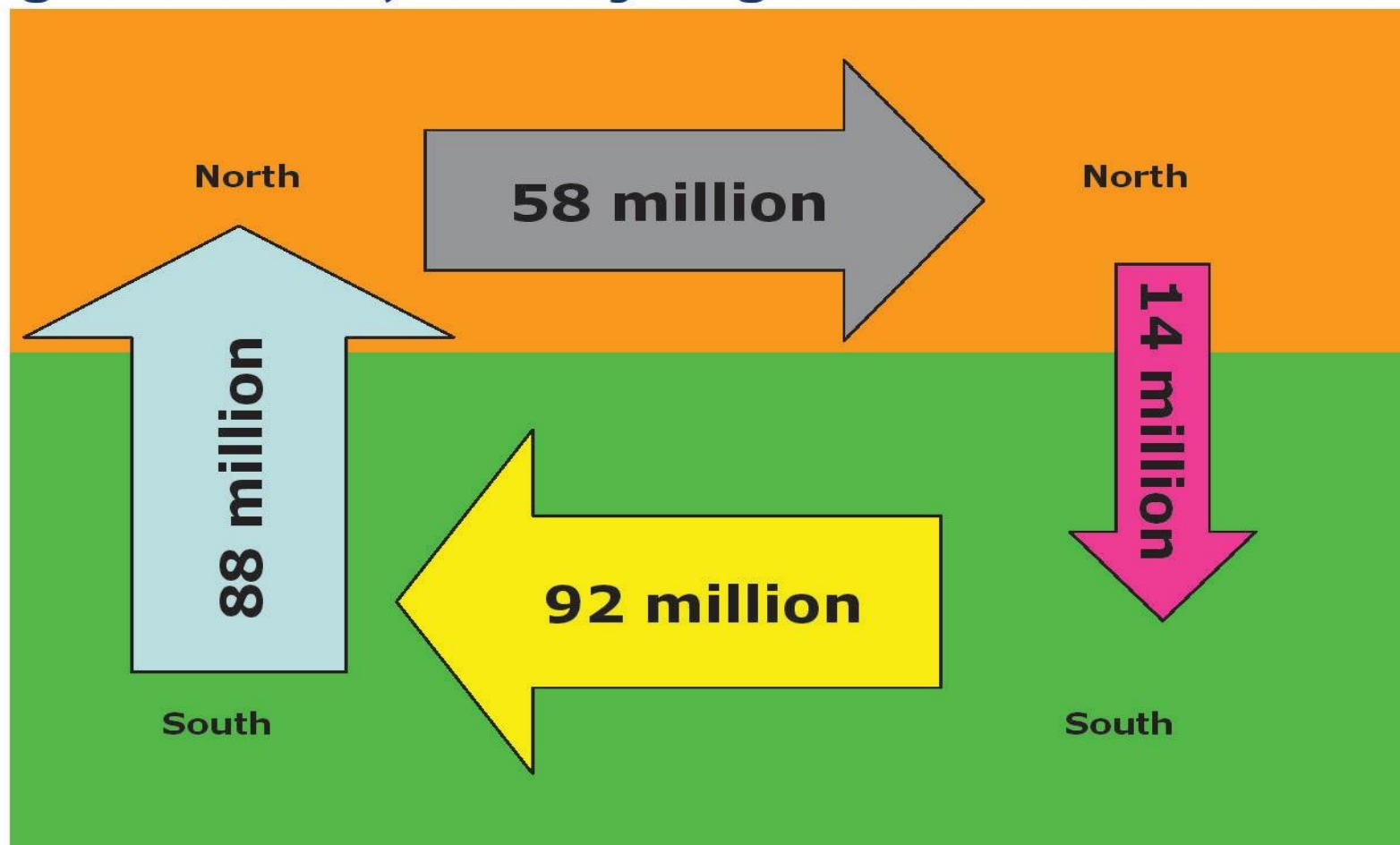
4: North-South

~~And what would it be~~  
**And what would it be was  
it 200 years ago?**



## From where to where?

### Migrant stocks, 2015 by origin and destination

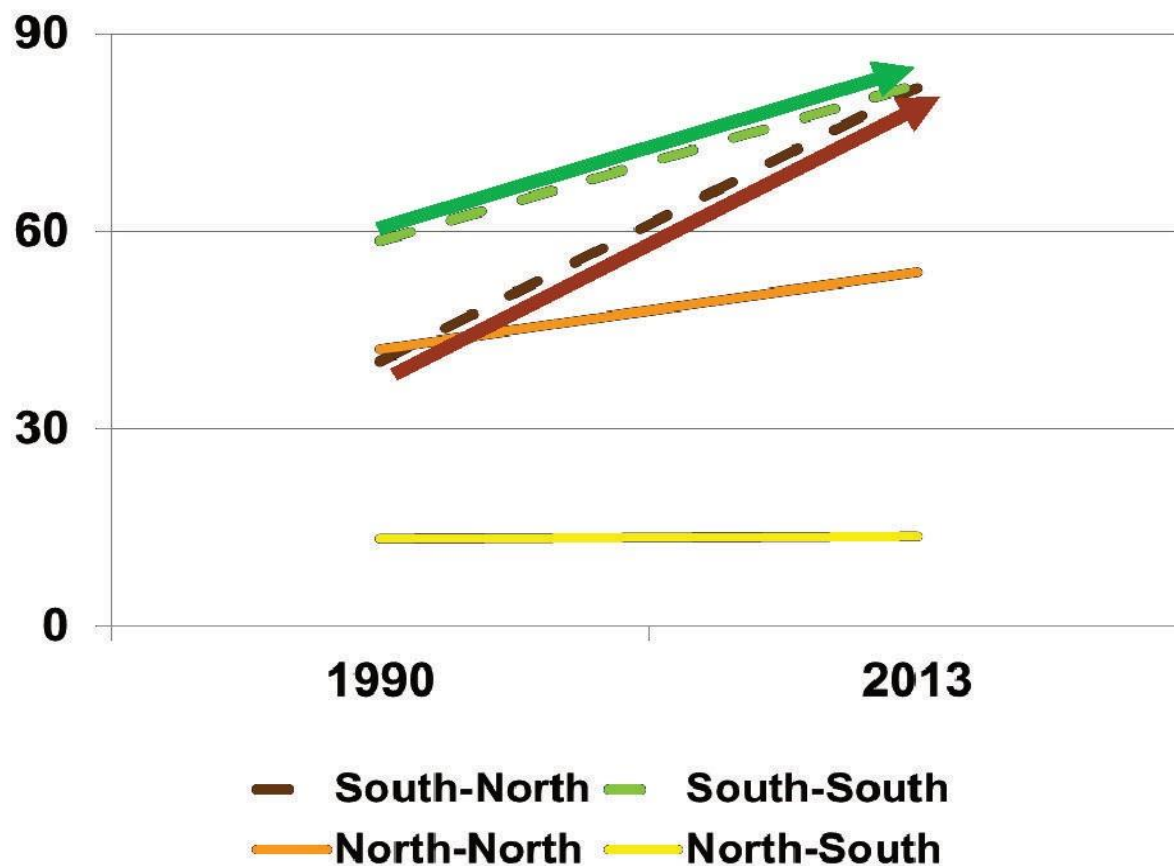




## Where do they come from?

## Where do they go to?

International migrants by origin and destination, 1990, 2010, in mn





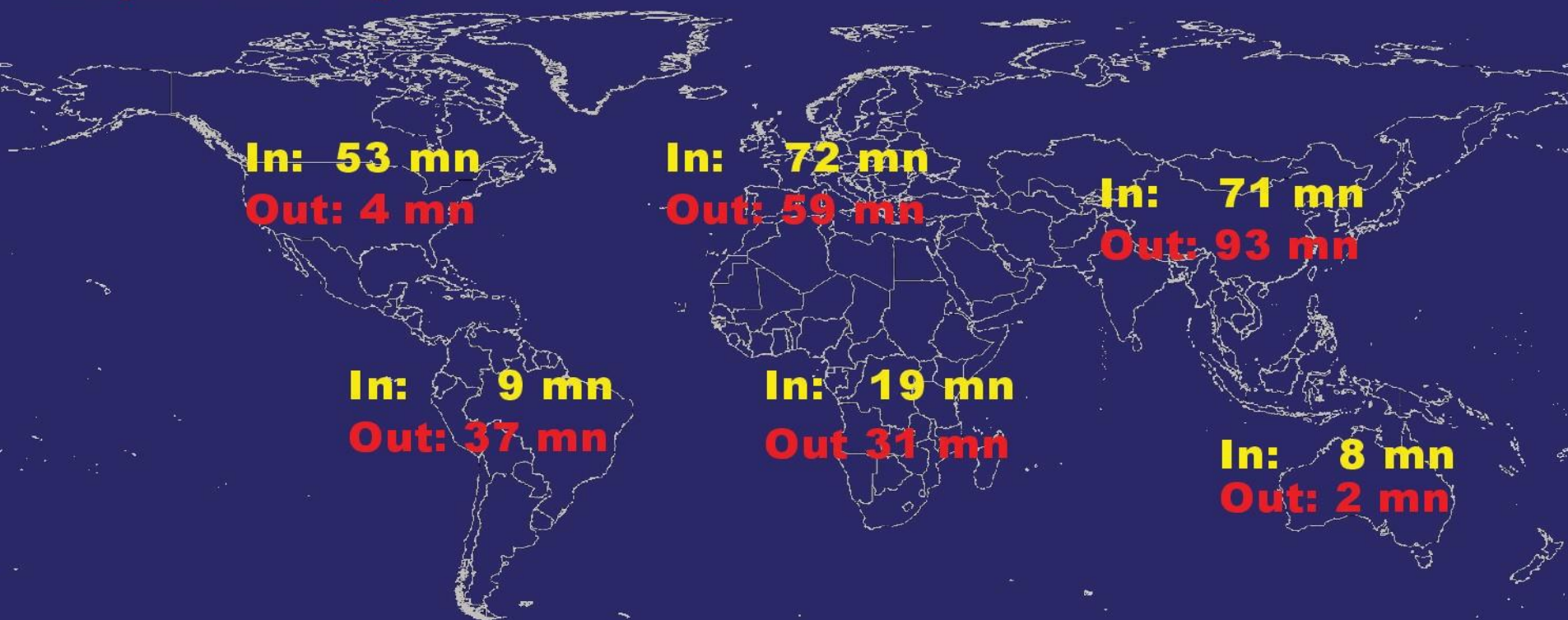


# International migrants by major macro regions of origin and destination

## Foreign born, stock, 2013

Immigrant stock: destination yellow

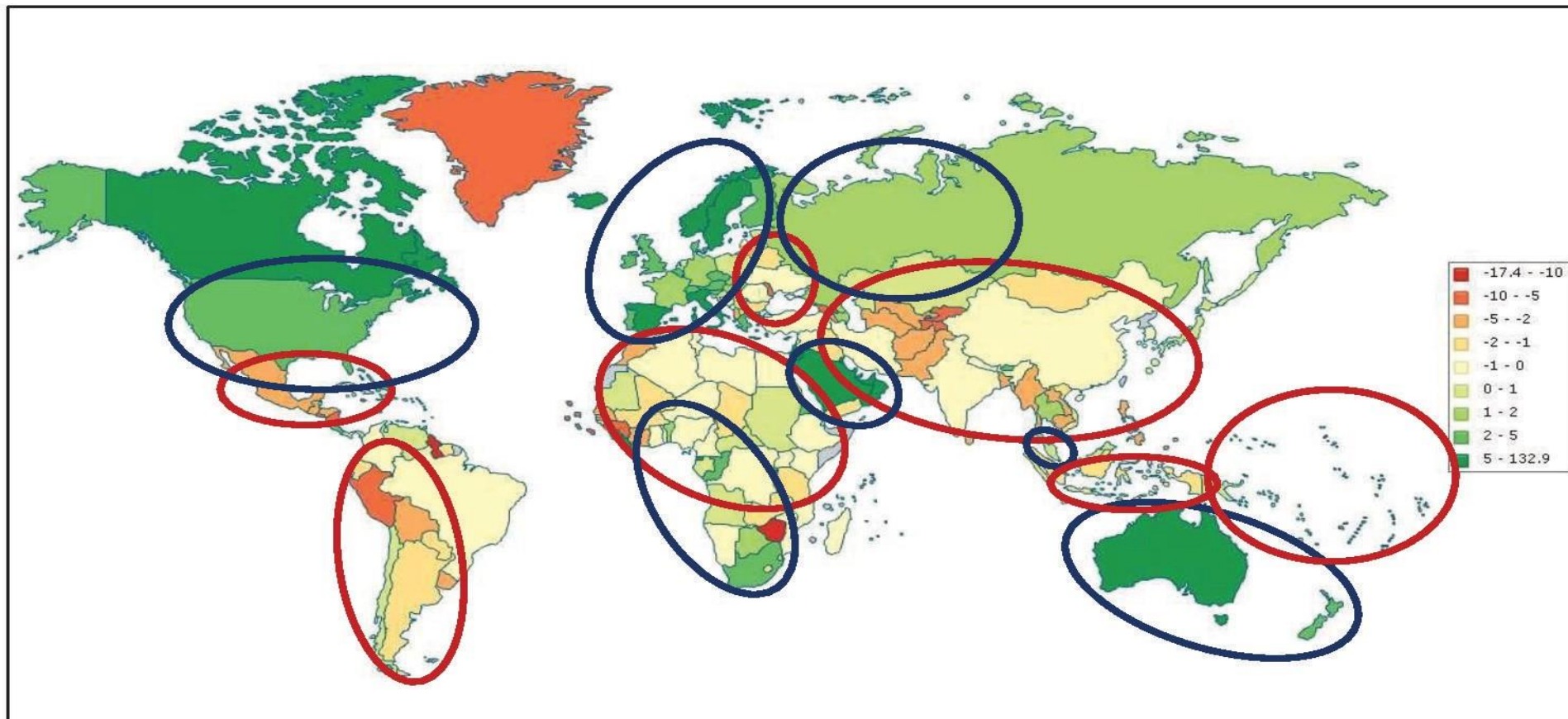
Emigrant stock: origin red





## Today the majority of migrants still come from poorer countries and go to richer countries

Net migration rates, 2005-2010 (annual average per 1000)





**Open question:**  
**Will international migration  
continue at present levels?**

## **K: Will international migration continue at present levels?**

**1: No, will get even higher**

**2: Yes, will stay at present levels**

**3: No, will decline**

**4: No, there will be no migration in the future**

**That's what I would  
have said**

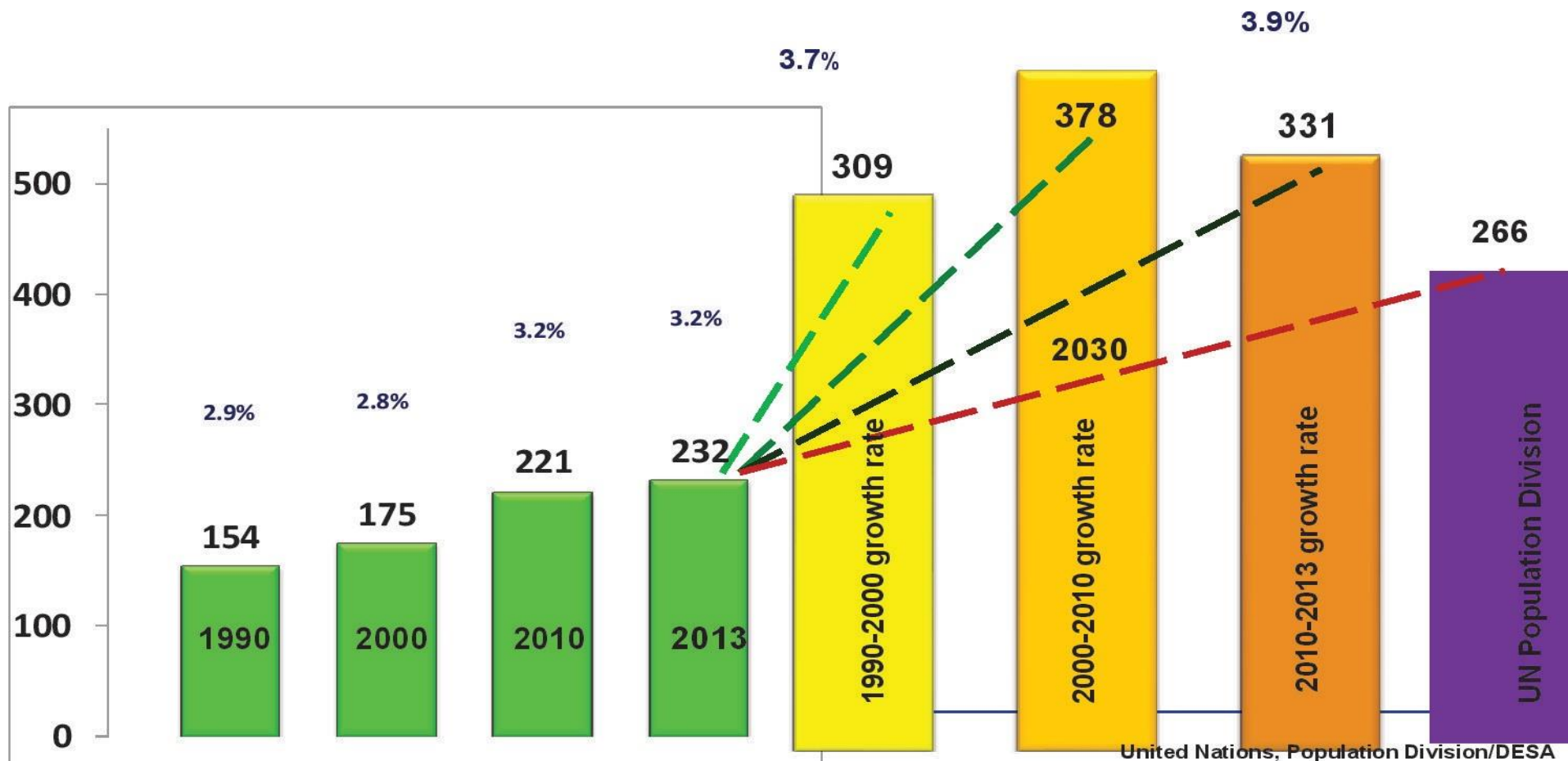
**And that's what the  
UN Pop. Div. tells us**





# The number of international migrants is projected to increase further

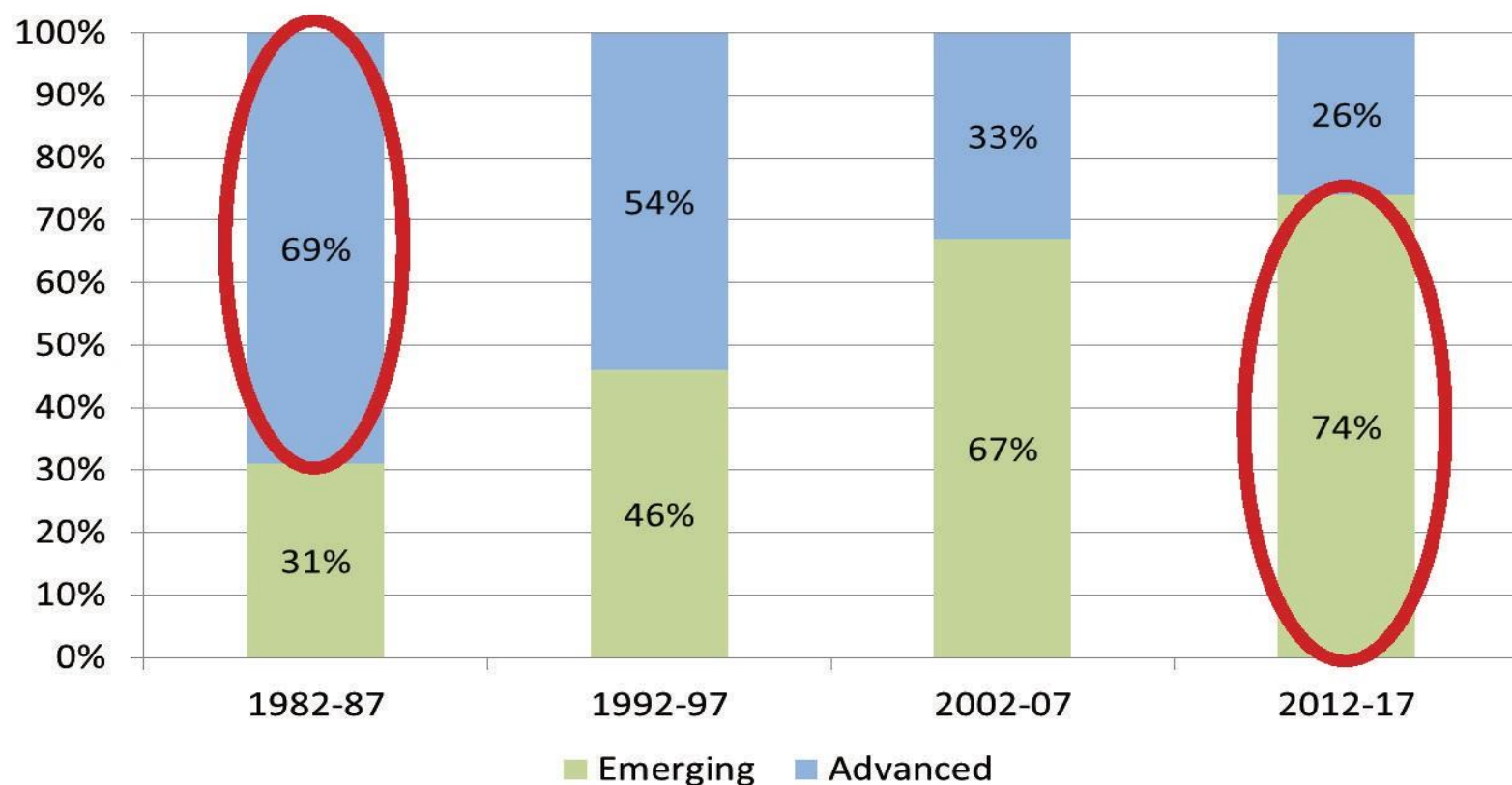
Absolute numbers and share of migrants in total population, 1990-2013, 2030 (f)  
4.5%





# Emerging regions continuously outgrow the advanced world

## Contribution to global GDP growth



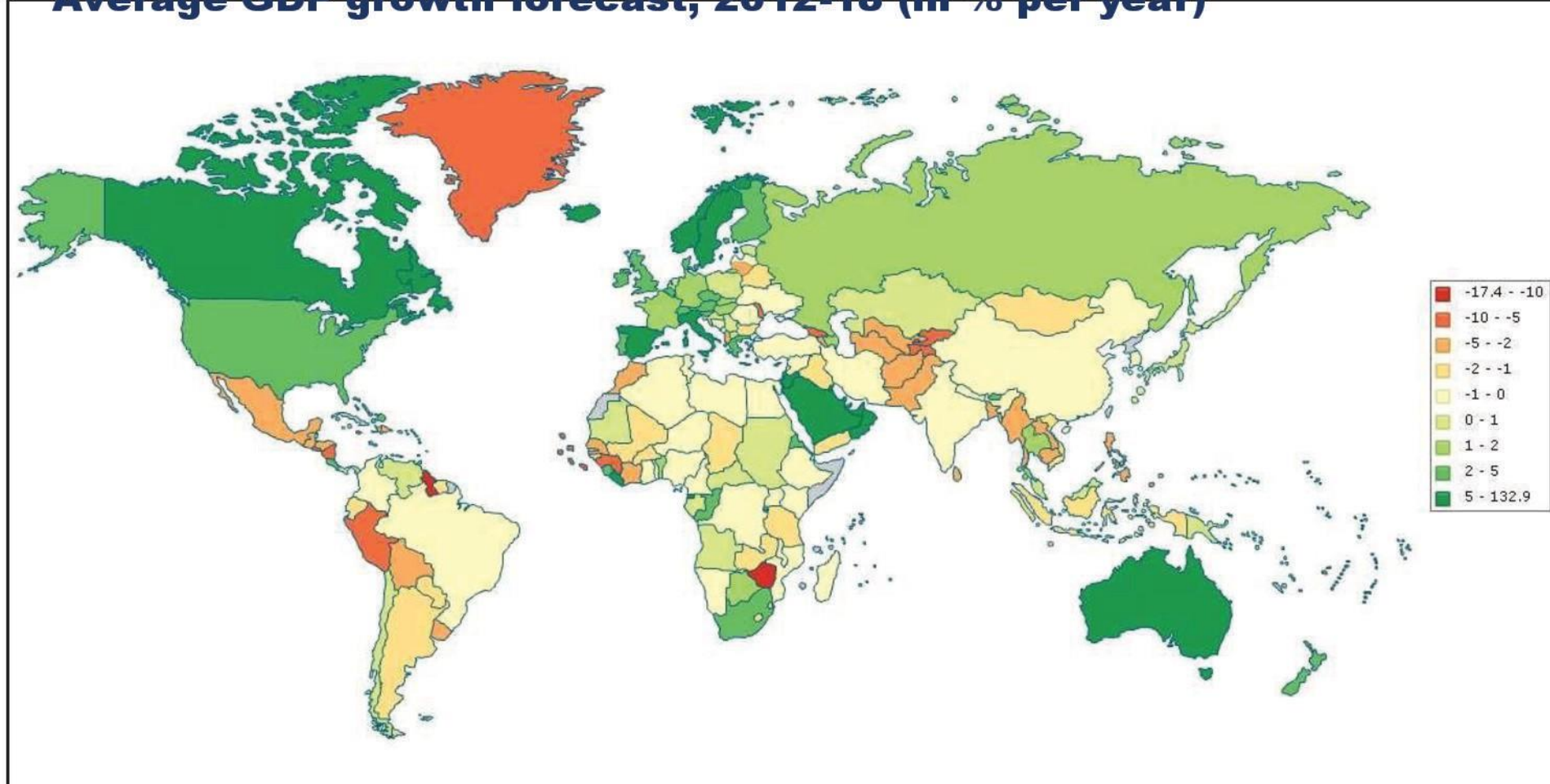
Source: Financial Times





# Most of today's migrant sending countries will economically outgrow today's receiving countries

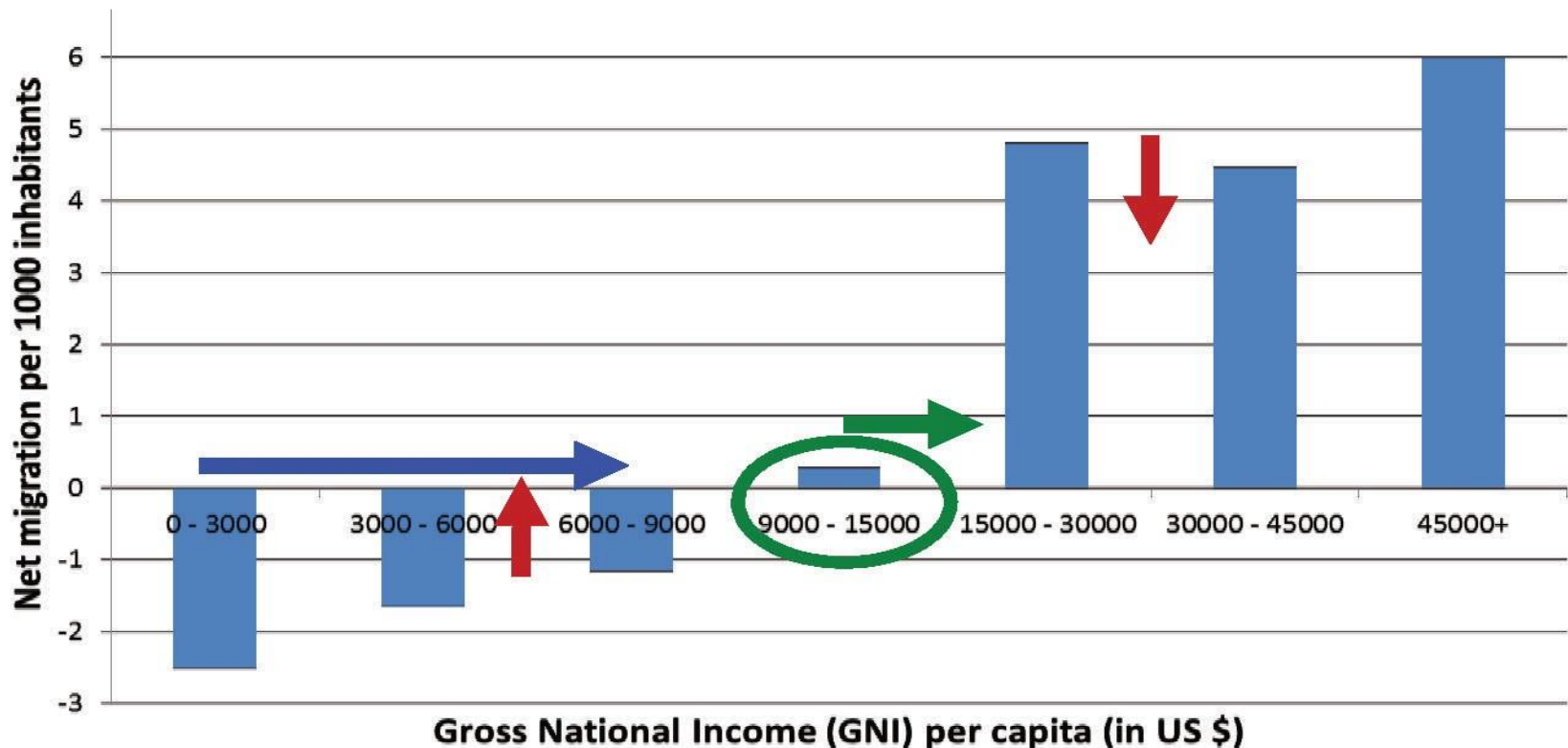
Average GDP growth forecast, 2012-18 (in % per year)





# **Above income levels of US\$ 9,000 per capita net emigration on average gets to zero**

**Annual average net migration per 1000 inhabitants, 2005-2010**



Source: UN, Erste Research



# **Part 3**

## **What challenges are we facing?**



# **Challenge no. 1:**

## **Shrinking labour force in the global North**

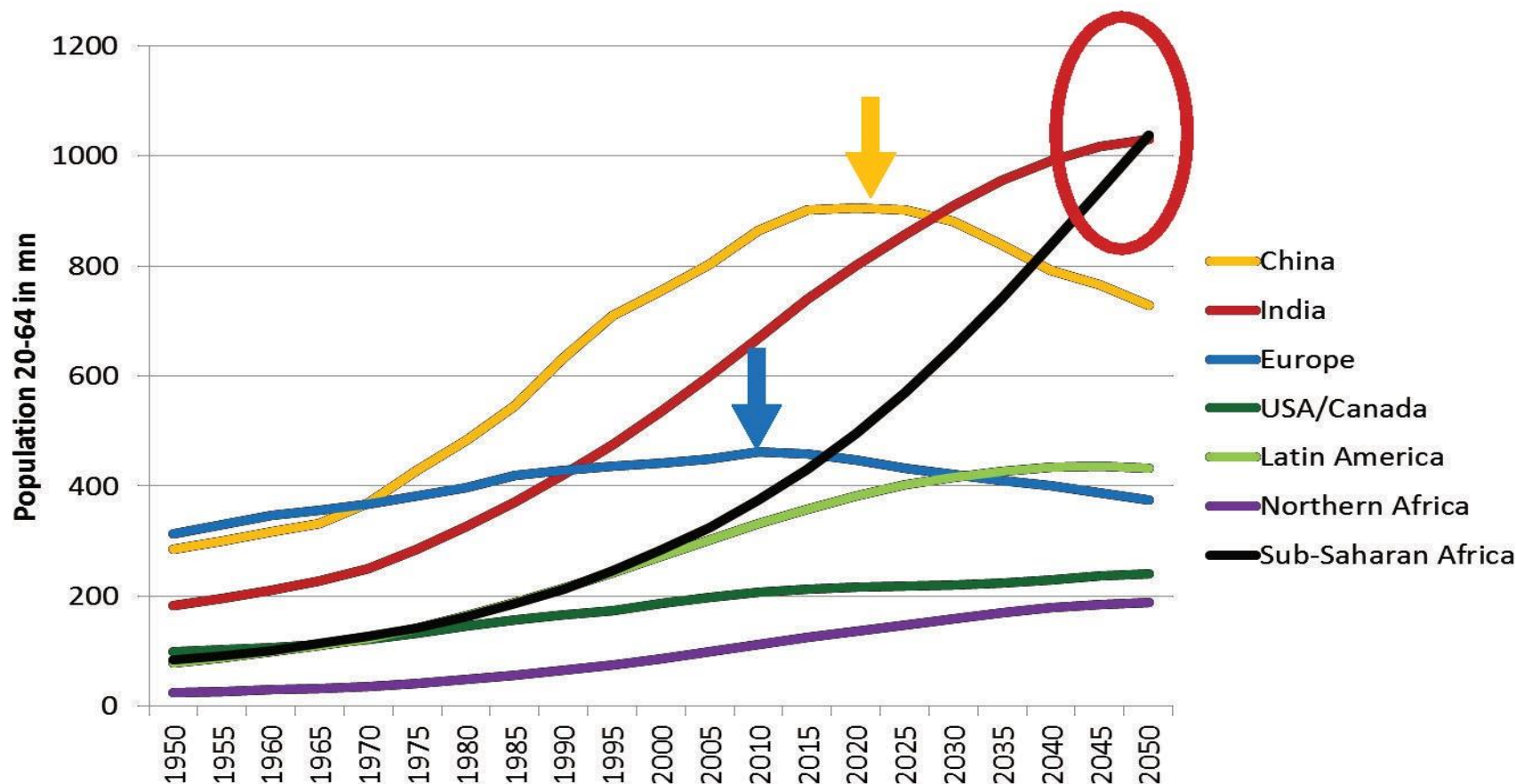
## **Increasing numbers of young adults in the global South**





# The working-age population will shrink in Europe and China, but not in Africa and India

Population age 20-65 in mn by major regions, 1950-2050



Source: UN DESA





# **Challenge no. 2: Mobilizing the right migrants**

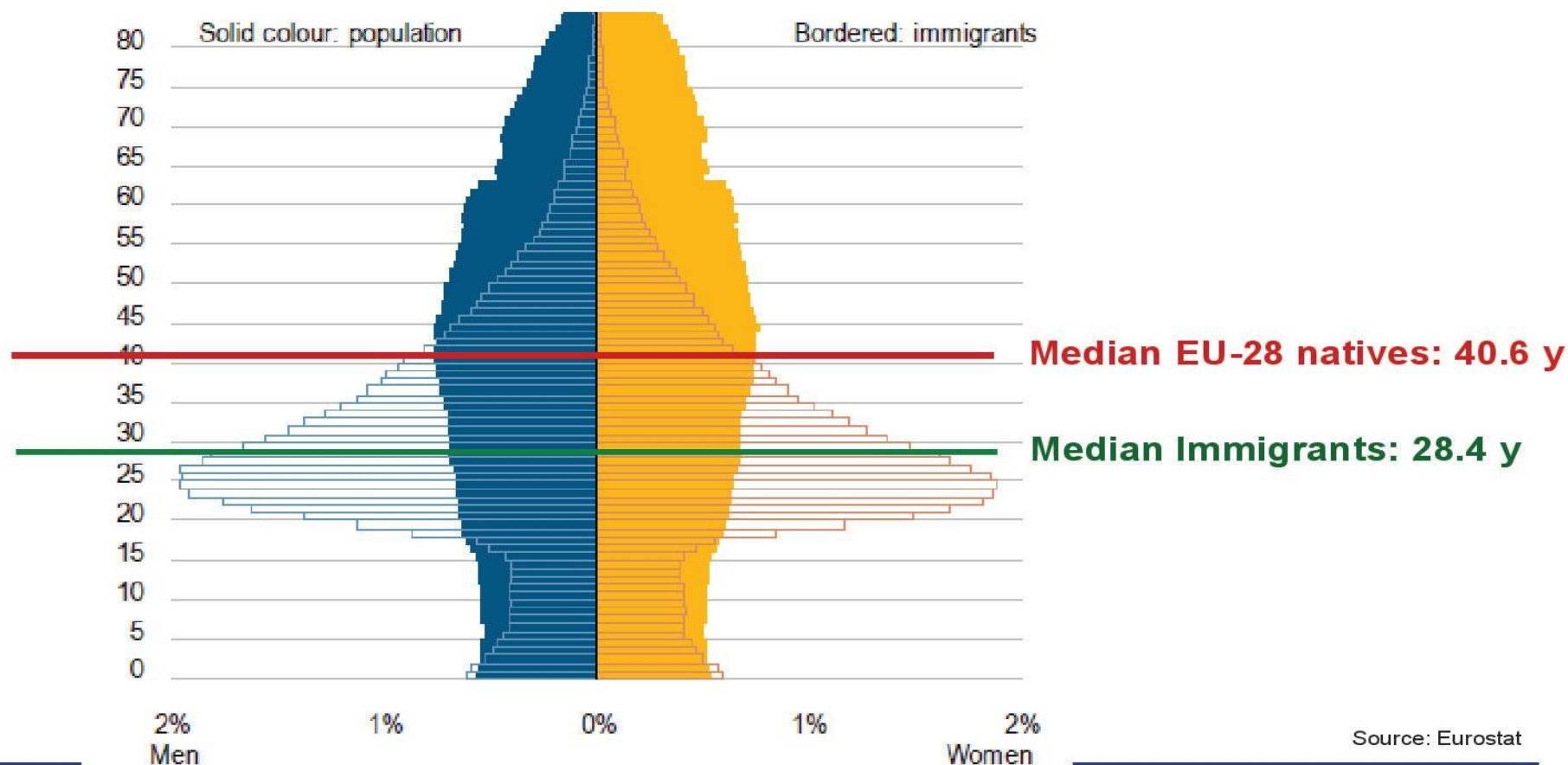


# **How to match talented and qualified migrants with adequate jobs?**



# Migration helps reducing the pace of demographic aging in the global North

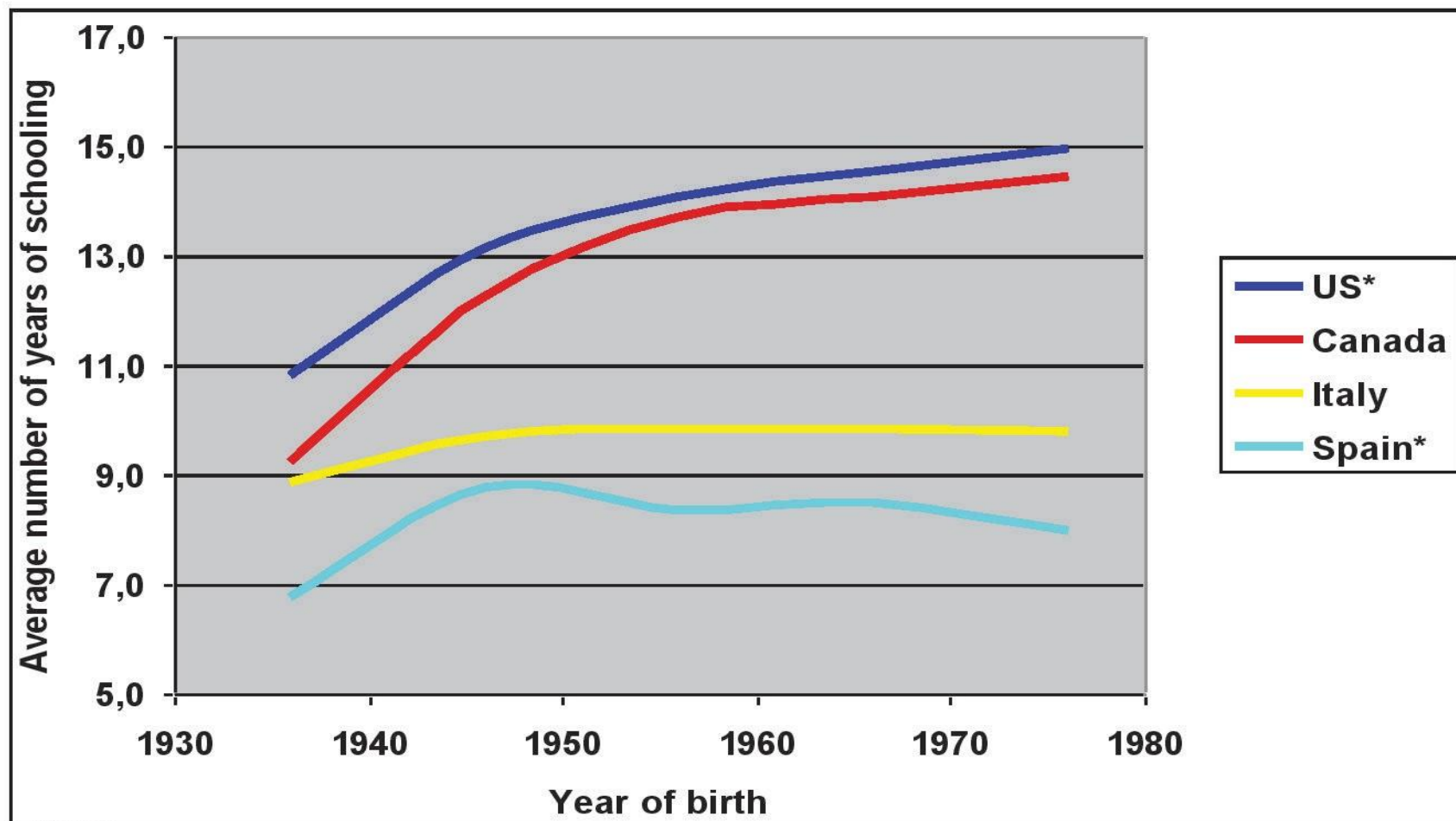
## EU age structure of population and of immigrants





# The US more easily attracts talent and skills

Immigrants of birth cohorts 1935-1975 in the US, Canada, Italy and Spain by average years of schooling



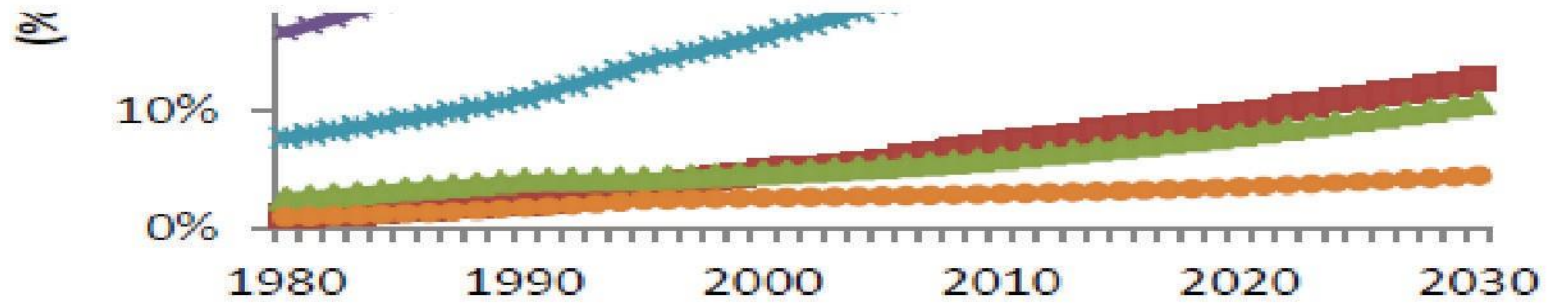
Source: Fargues





**Tomorrow, the developed world will compete for workforce, especially for young and skilled migrants**

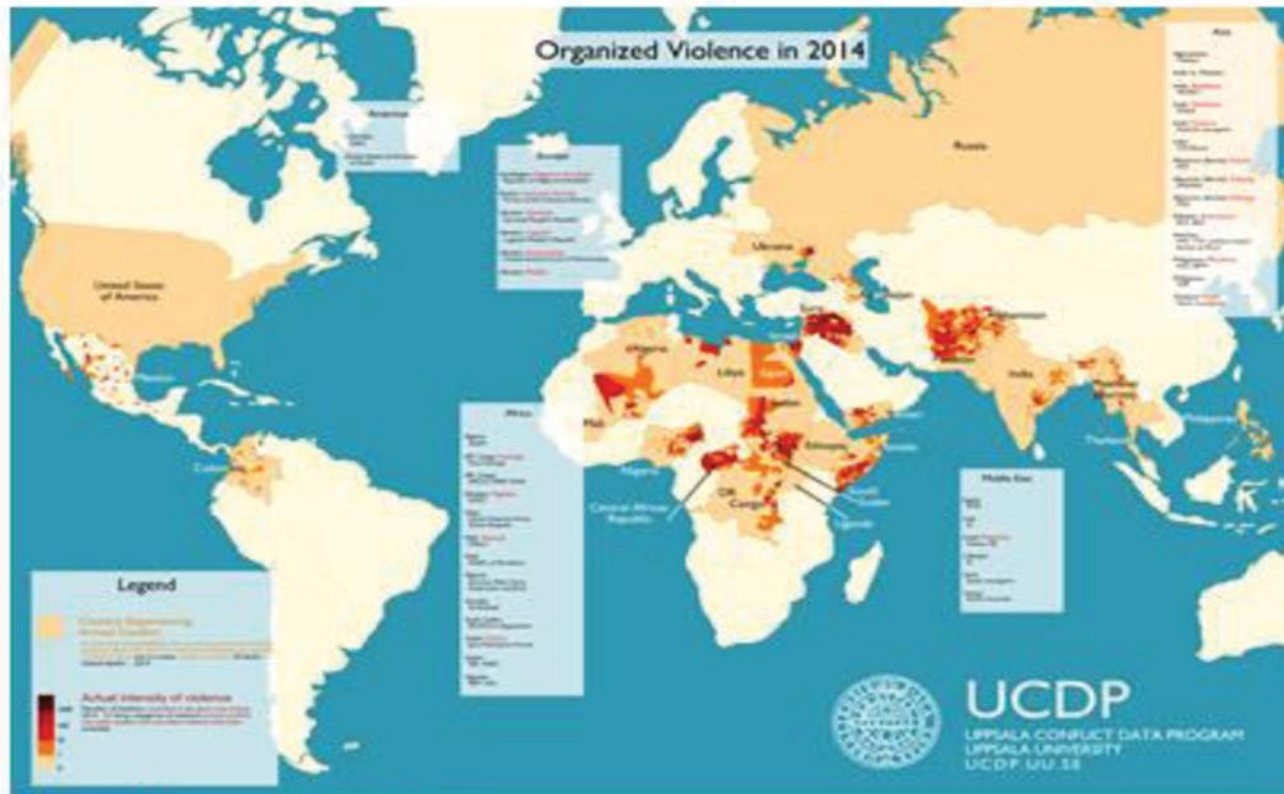
**Can this happen without depleting the talent pool in sending countries?**





# **Challenge no. 3: Freedom, Protection, Security**

## Map of World Conflicts in 2014



Source: Pettersson and Wallensteen, 2015.



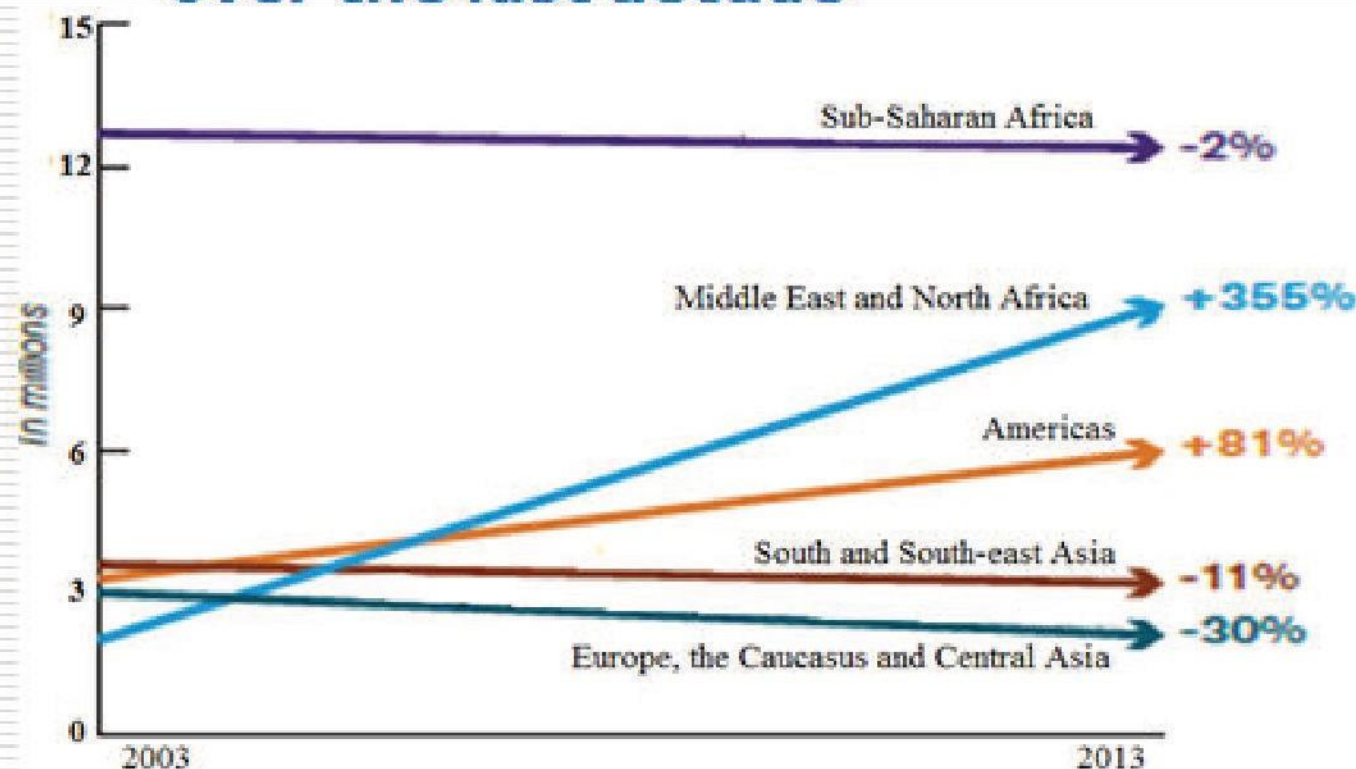
## Internal displacement worldwide



Ref: Internal Displacement Monitoring Centre, 2015



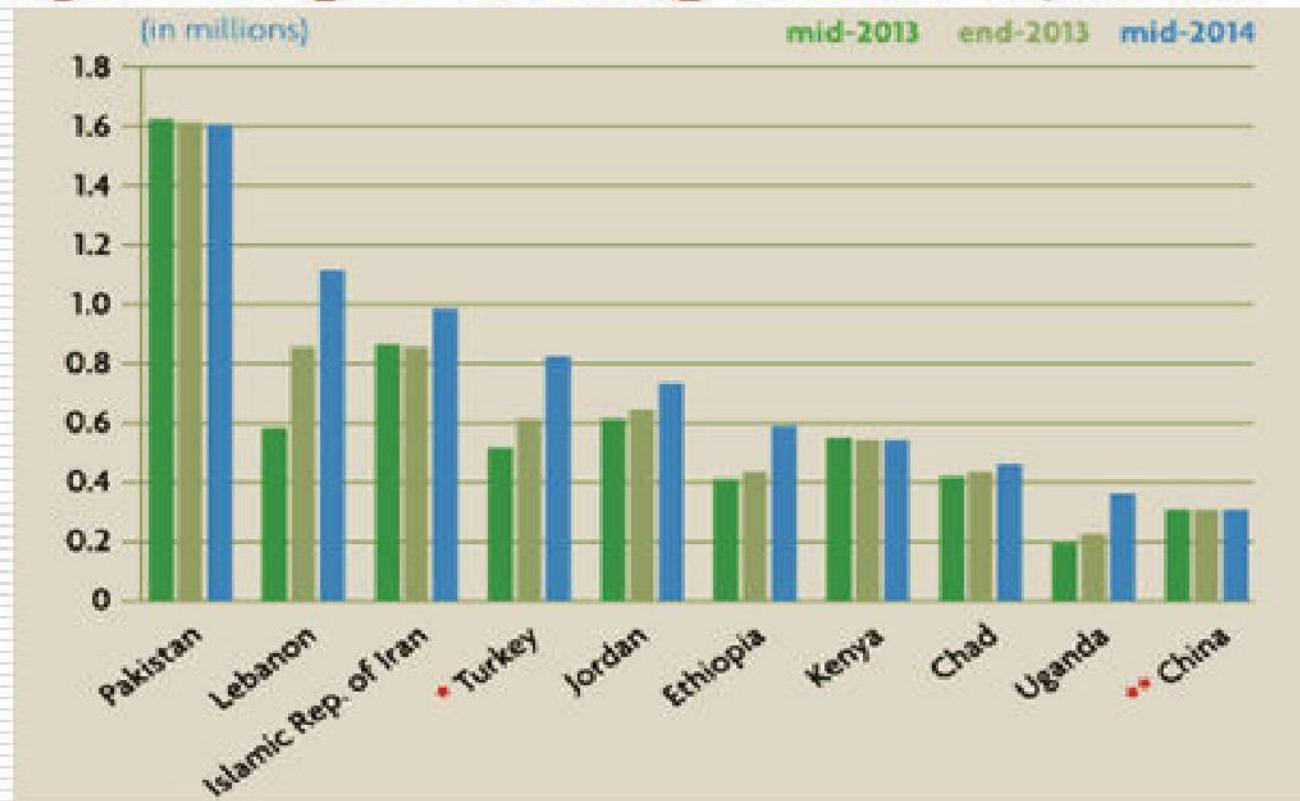
## Changes of IDP figures over the last decade



Ref: UNHCR 2014



## Major refugee-hosting countries, mid-2014

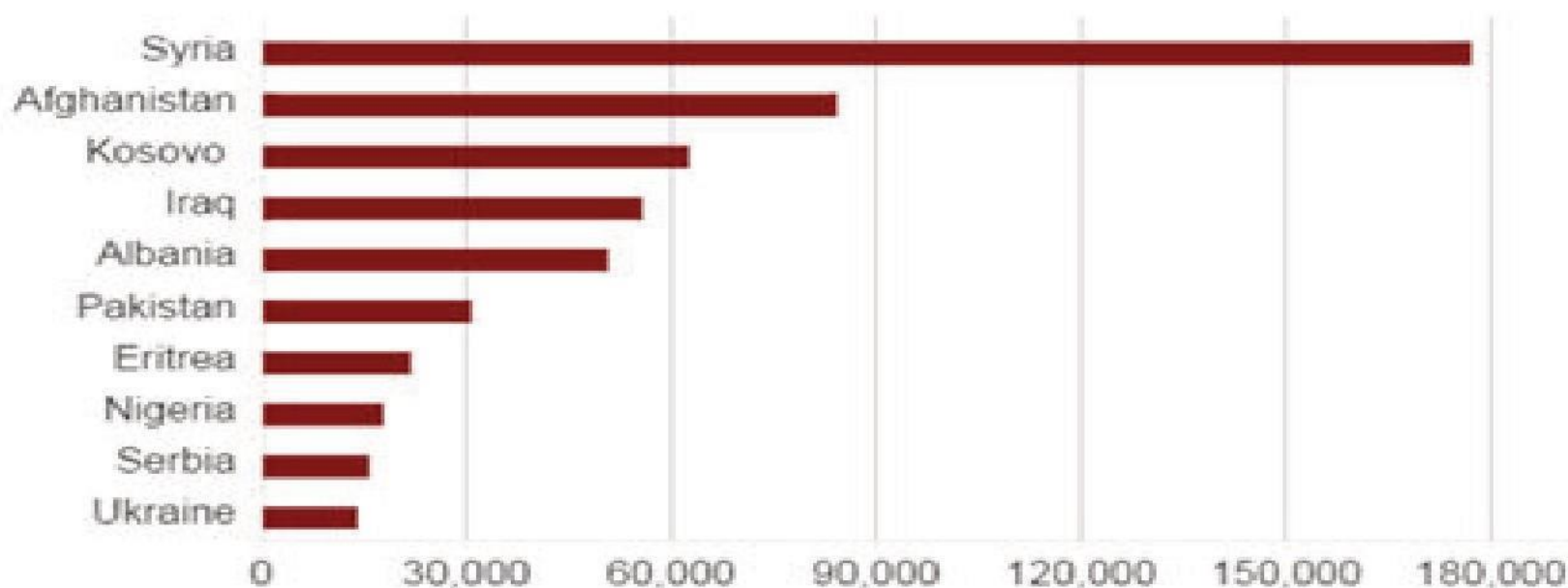


UNHCR (2015). UNHCR Mid-Year Trends 2014. [stats@unhcr.org](mailto:stats@unhcr.org)



## Top 10 origins of people applying for asylum in the EU

January - October 2015, first-time applications



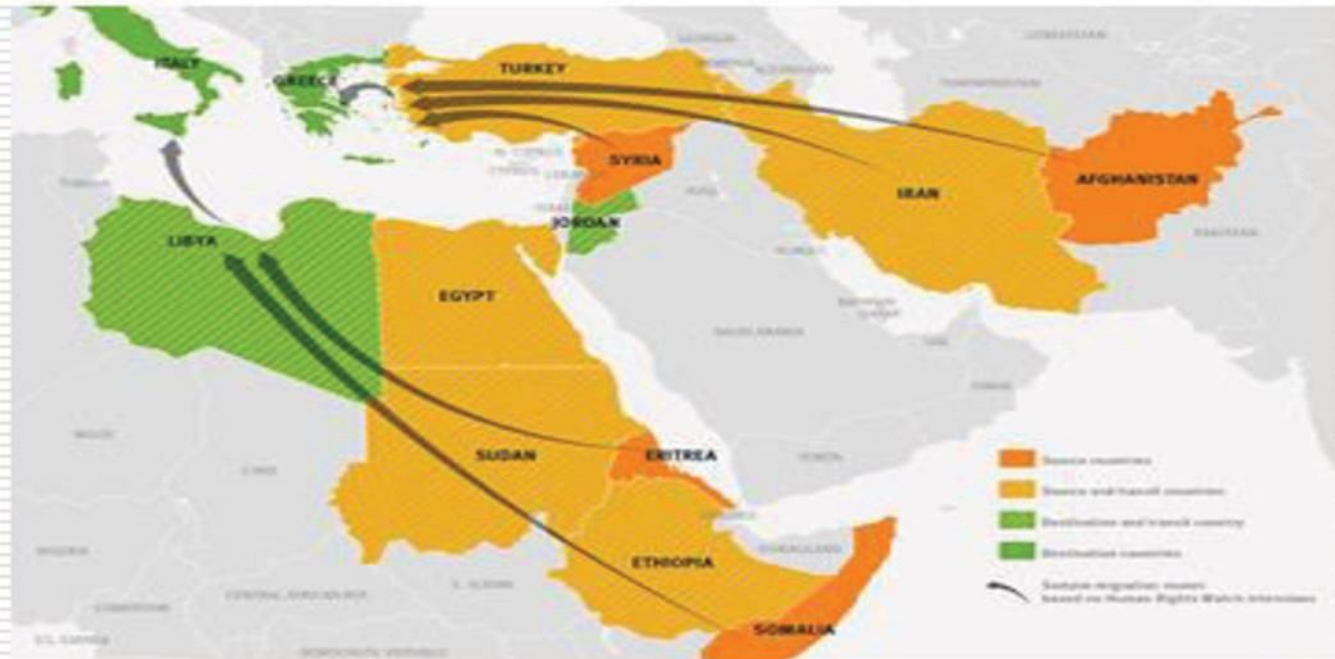
Source: Eurostat





## Irregular migration routes to Europe

2015



Courtesy Marie McHugh

10



**There are millions of people  
in need of protection living  
on our globe.**

**Many more than the  
international community is  
able and willing to  
accommodate**



**L: What do you think about the resettling of refugees from Iraq, Syria, Somalia, Myanmar?**

**1: My country should take some (more) of them**

**2: My country has already taken enough of them**

**3: My country has taken too many of them**

**4: My country should not take any of them**





# **Anti-immigration sentiment is growing in many countries**

**The same populist mix can be found in the  
US**

**Challenge no. 4:  
Make increasingly diverse  
societies work**





## **How to encourage integration? Role models? How to deal with ethnic, cultural and religious diversity?**



# How to organize pluralistic societies?





## **M: What do you think about future migration?**

**1: My country needs more emigration**

**2: My country needs less emigration**

**3: My country needs more immigration**

**4: My country needs less immigration**



**No one has – so far – the  
right policy mix at hand**