



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

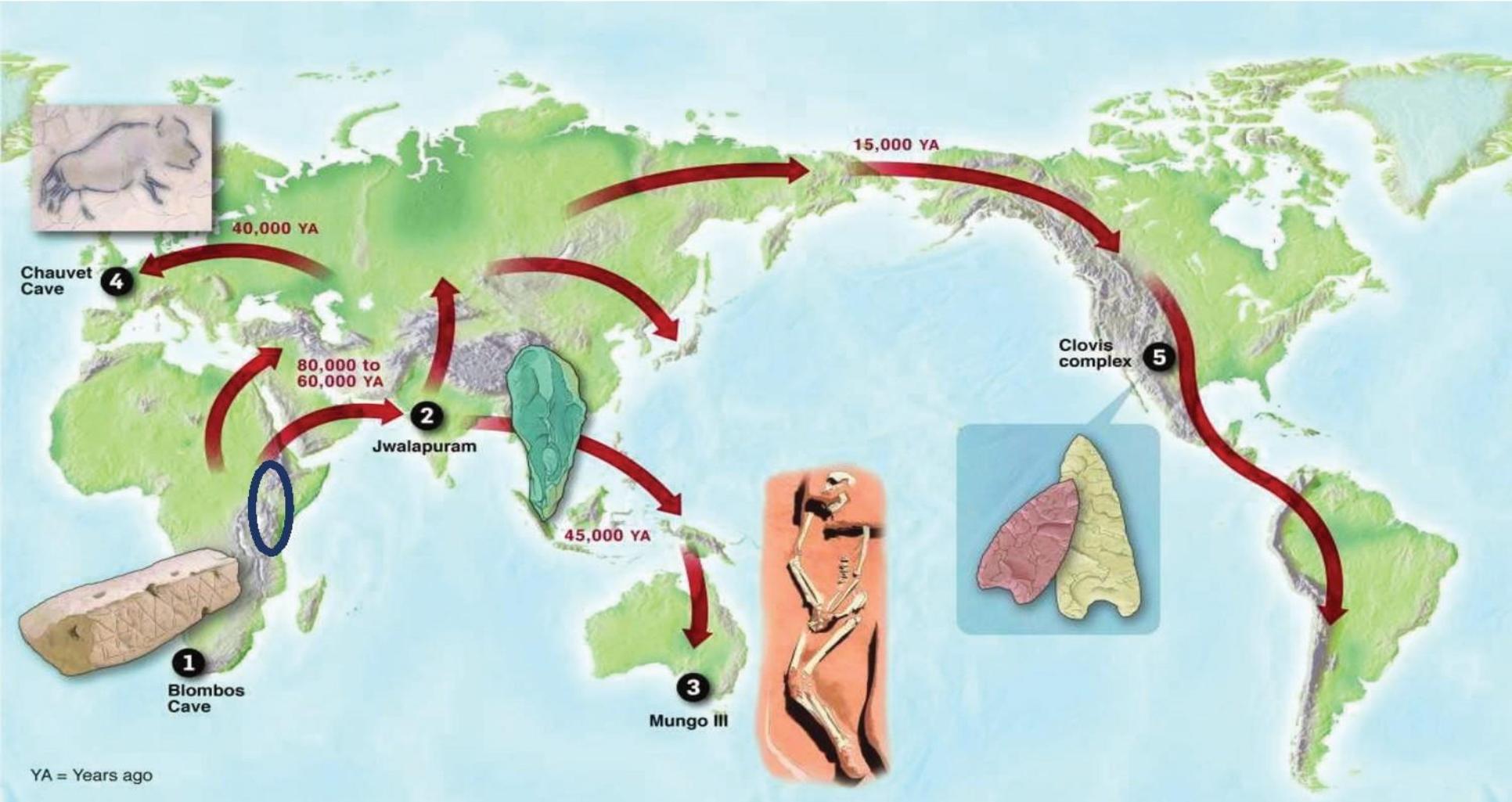
We are all descendants of a small group of humans who lived some 2 million years ago in the East African Rift Valley (today: Southern Ethiopia, eastern Kenya, eastern Tanzania)



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 km²**



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

Nomads are not migrants



Reality no. 1: Growing world population



B: When did world population reach 3 billion

1: 1920

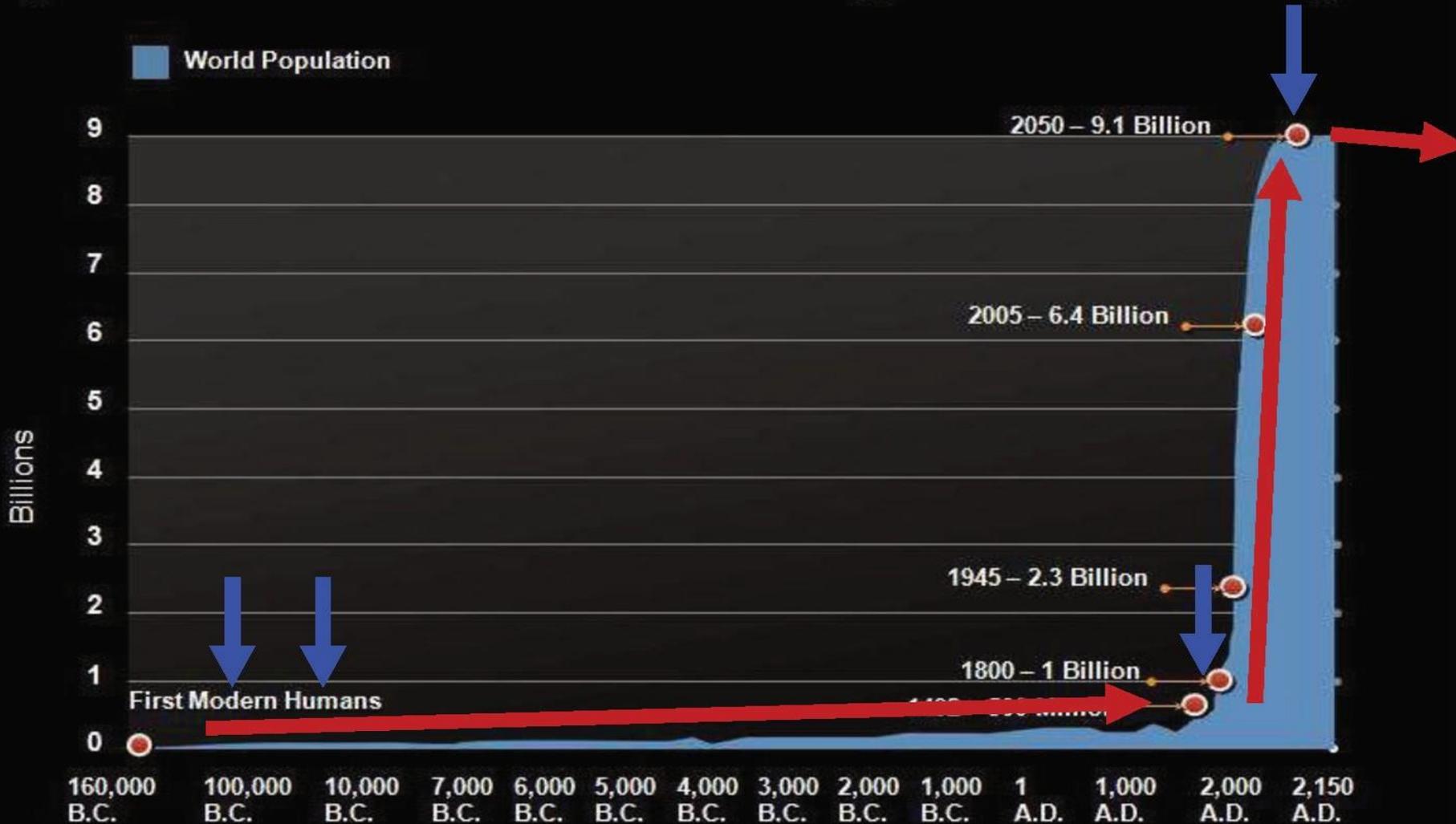
2: 1940

3: 1960

4: 1980



Population Growth Throughout History

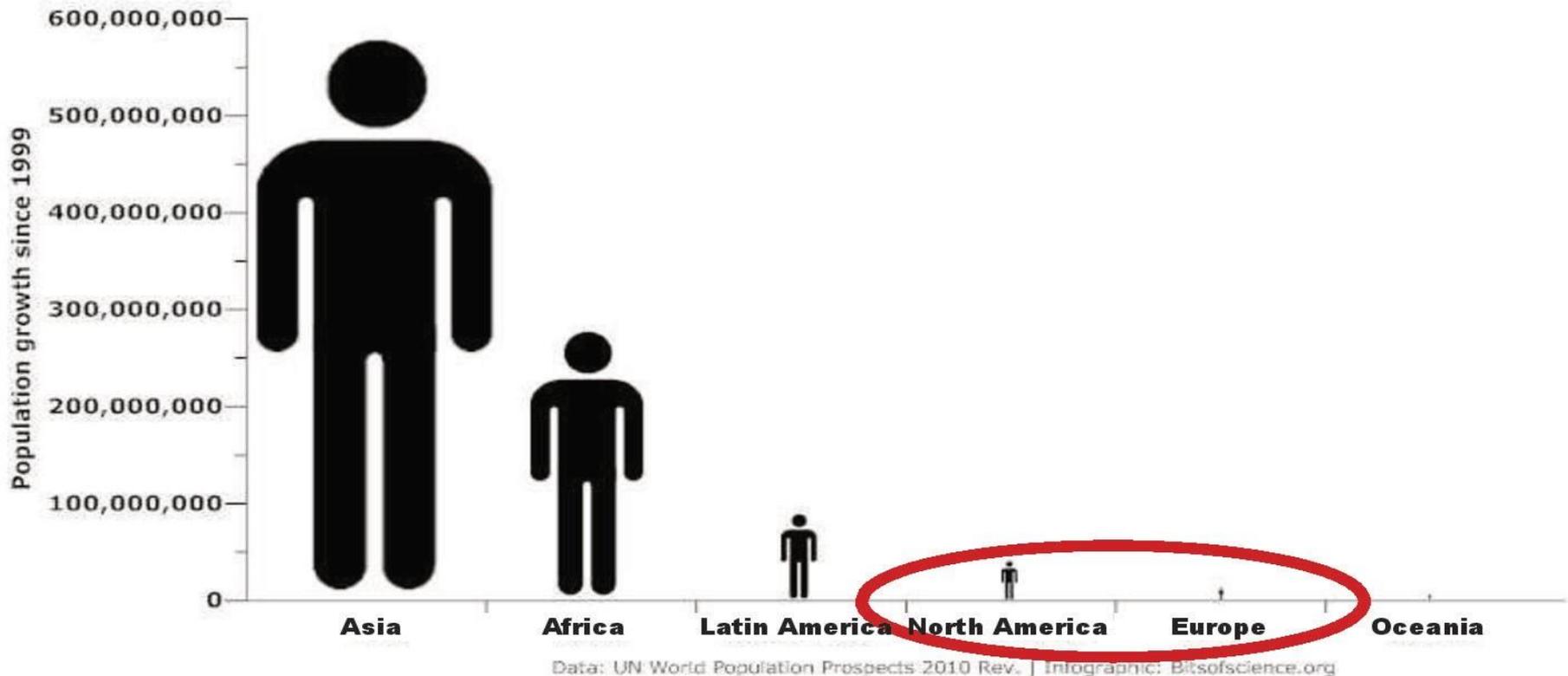




**But the number of
people on our planet
is growing unequally**



From 6 billion to 7 billion people: Contribution to earth's 7th bn per continent

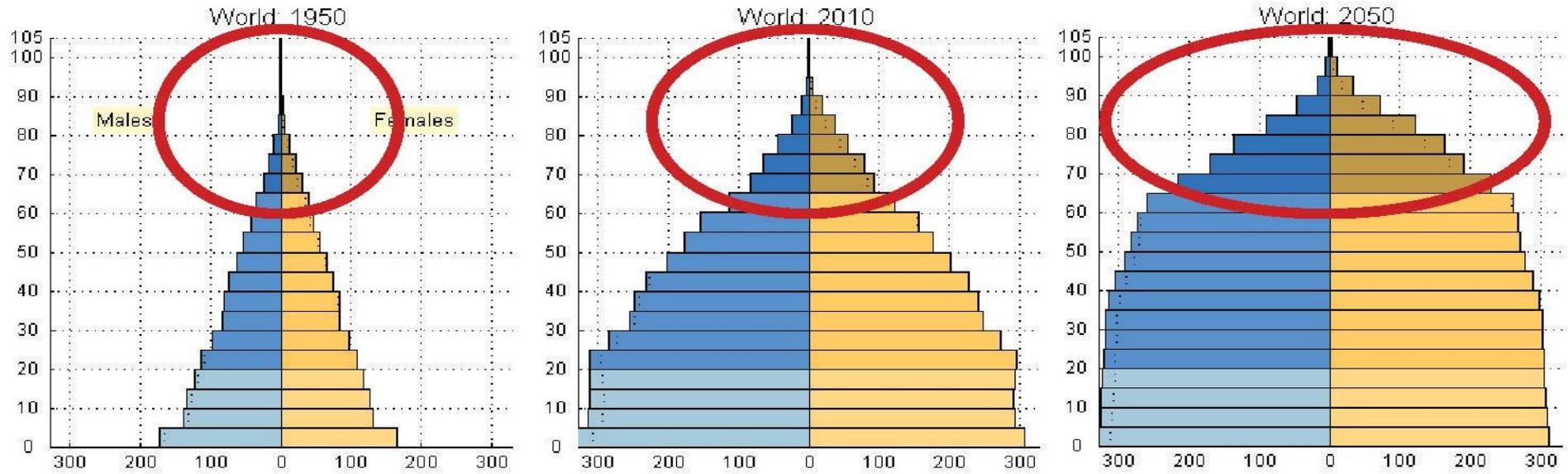




Reality no. 2: Global ageing

**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

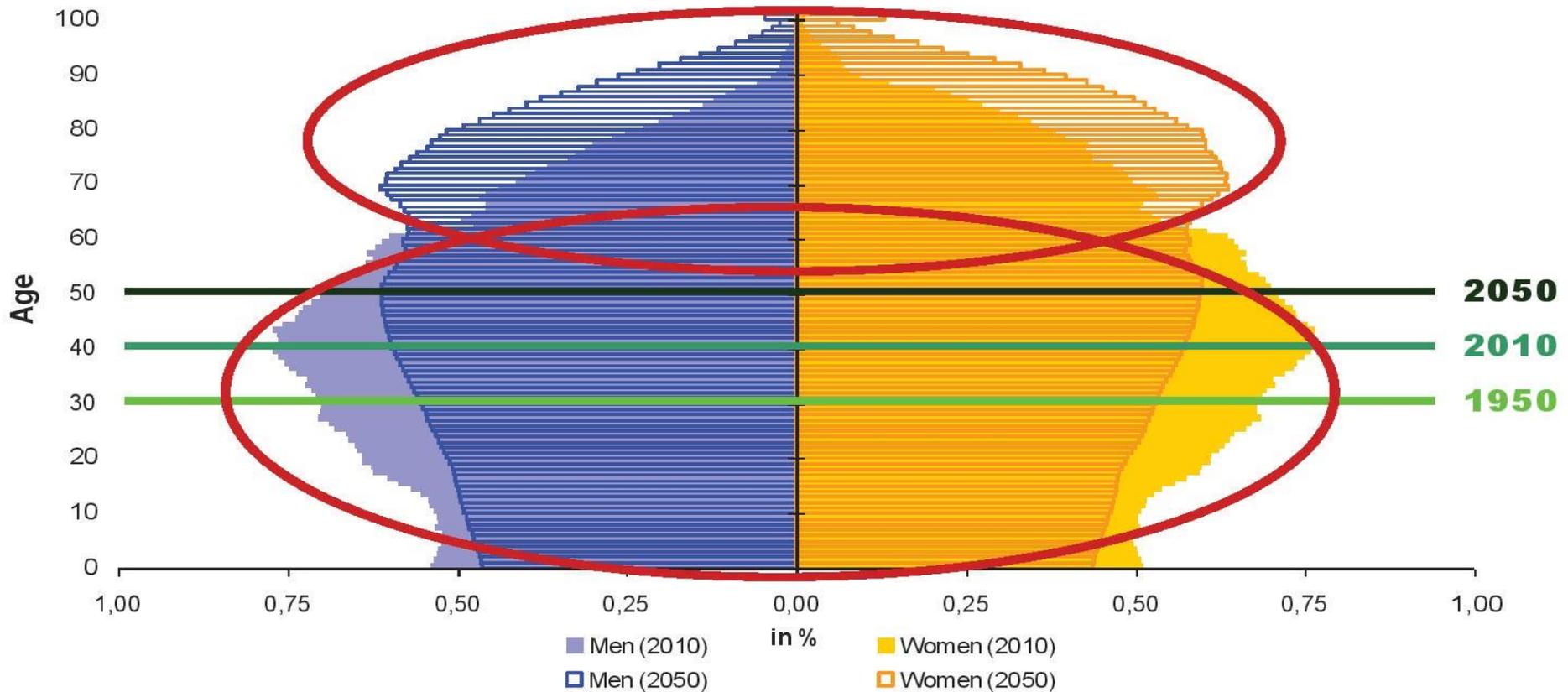
2: North America

3: Africa

4: Asia



Europe is continuously getting older

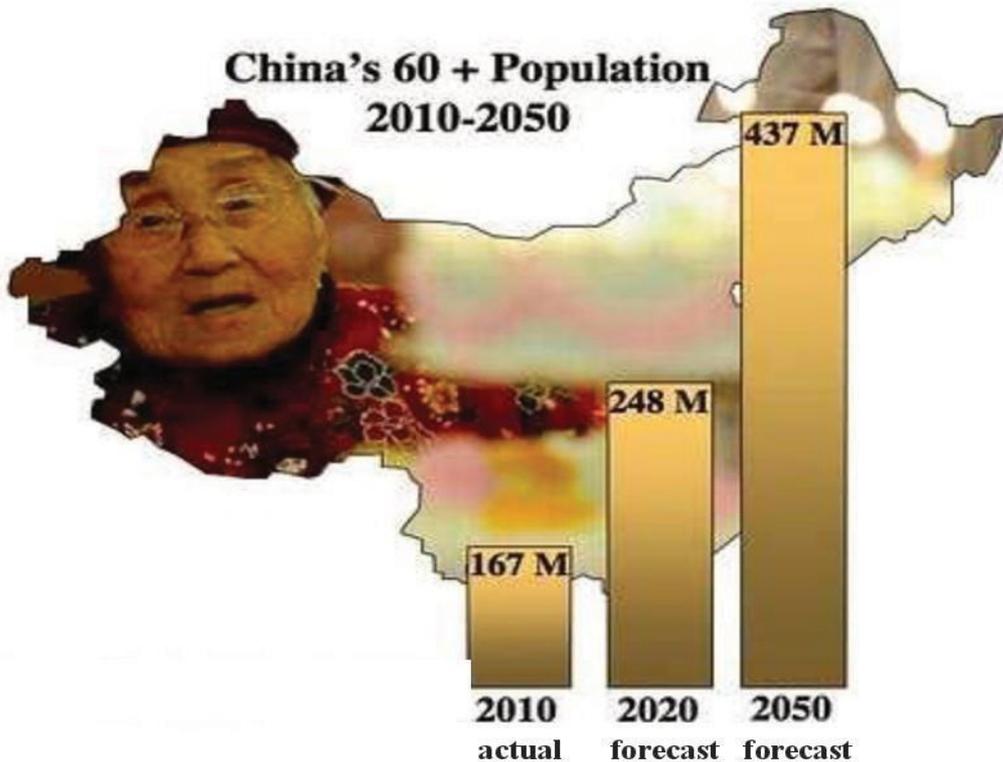


Source: Eurostat

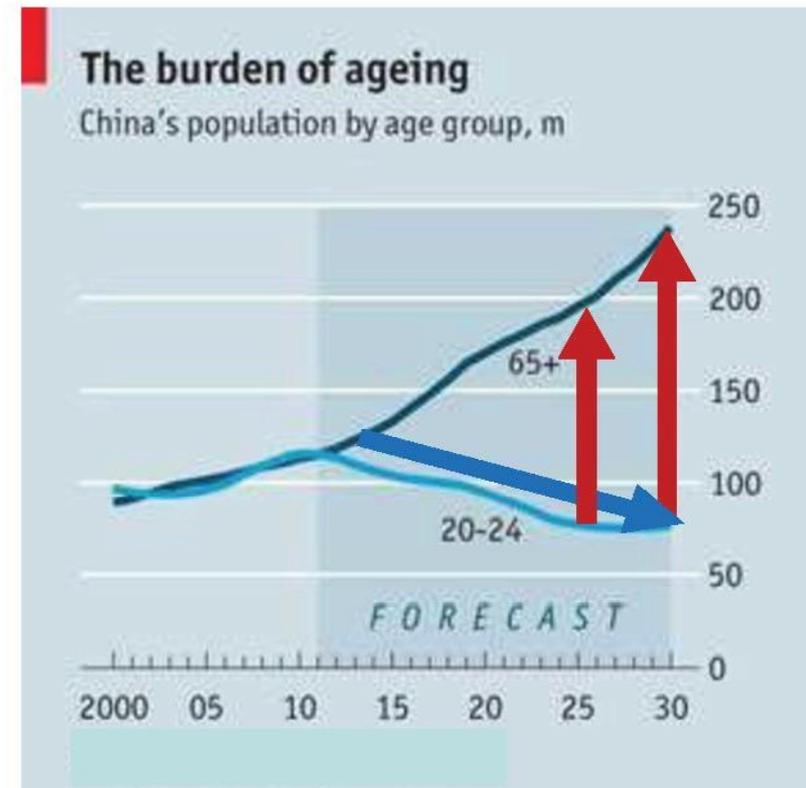


China is aging more quickly than Europe

Age group 60+, 2010-2050



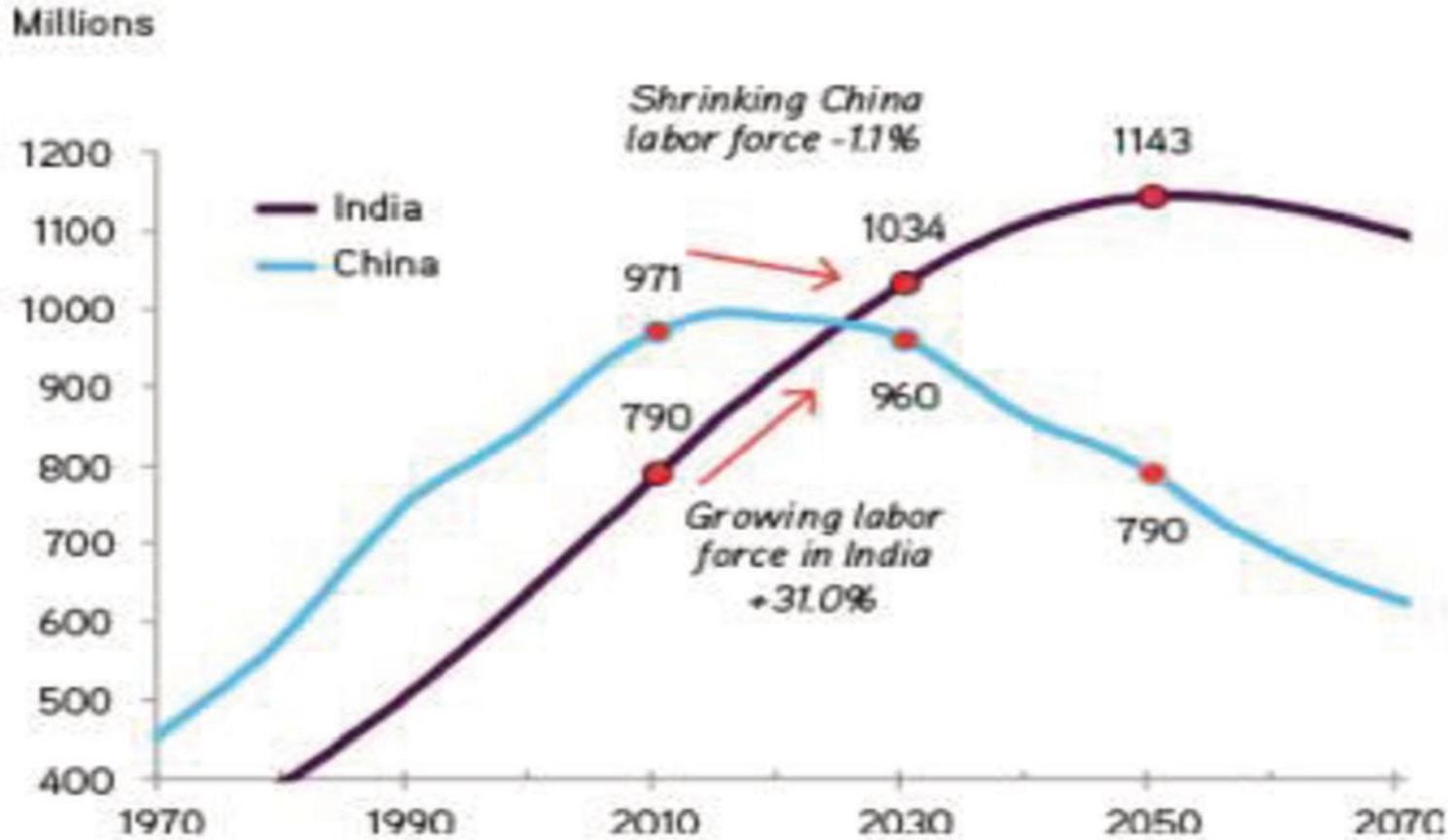
Age groups 65+ vs 20-24, 2000-2030



Source: UN Population Division



Figure 2.5 Working age population – China and India



Source: KKR Insights (2012).



Aging is driven by two major trends:

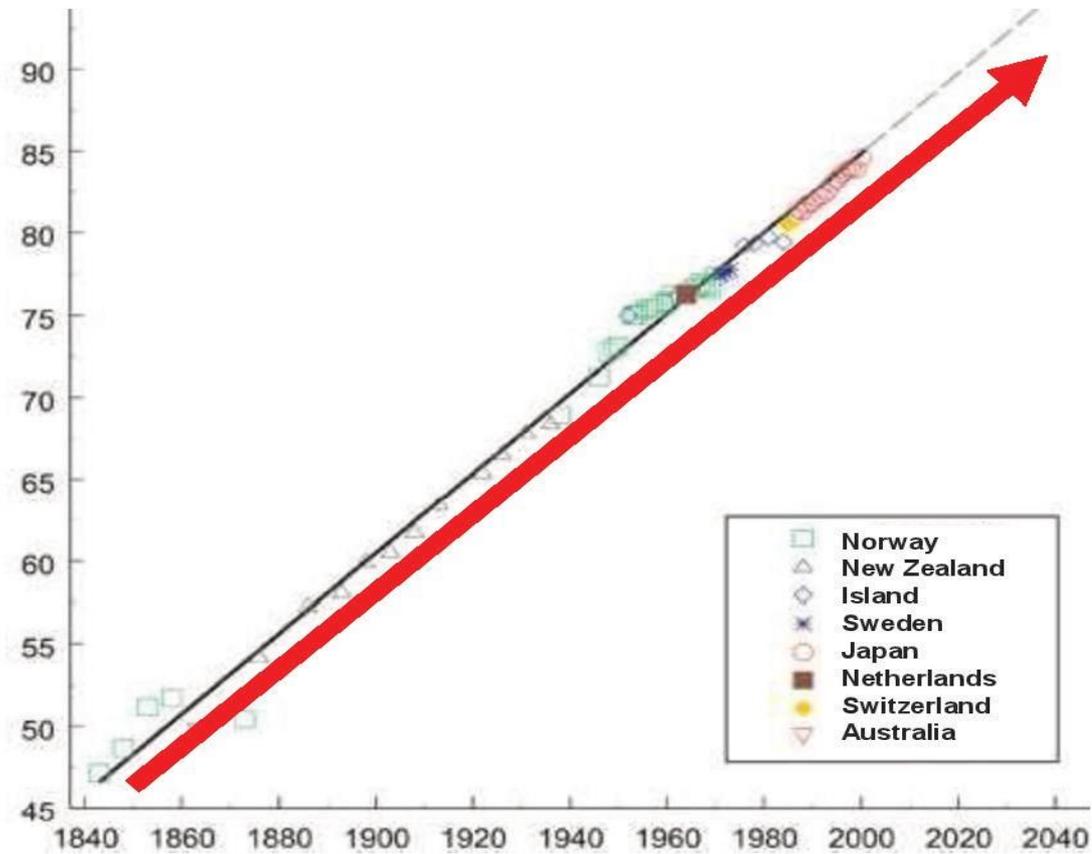
- Longevity**
- Lower number of children**



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

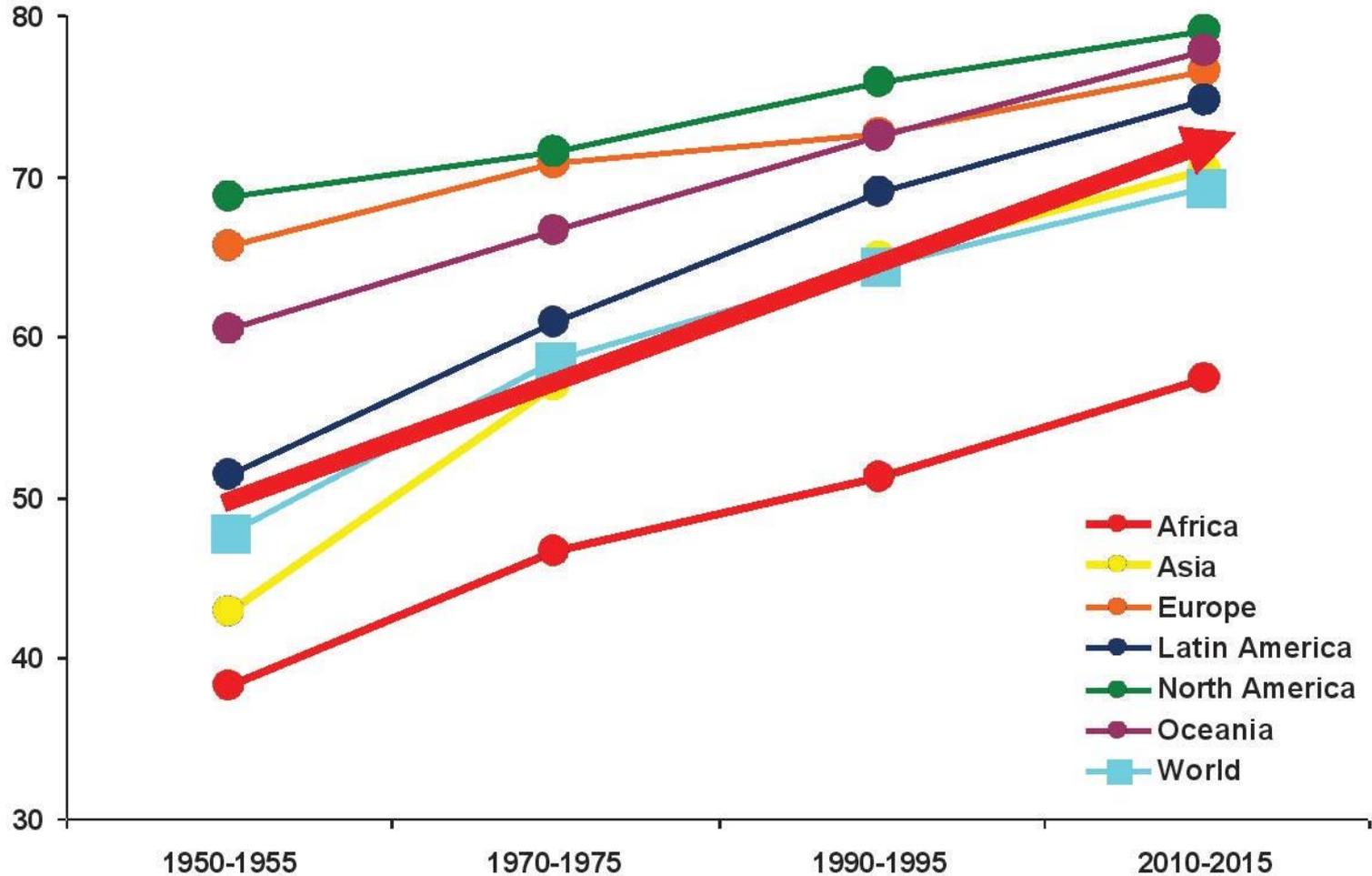
3: 1.6 hours

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:

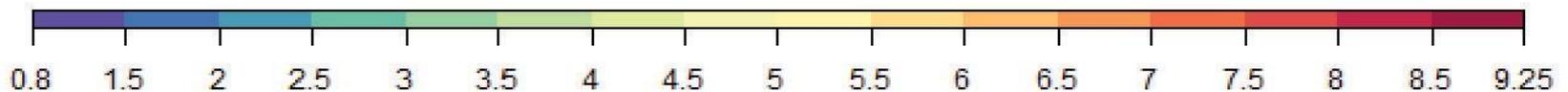
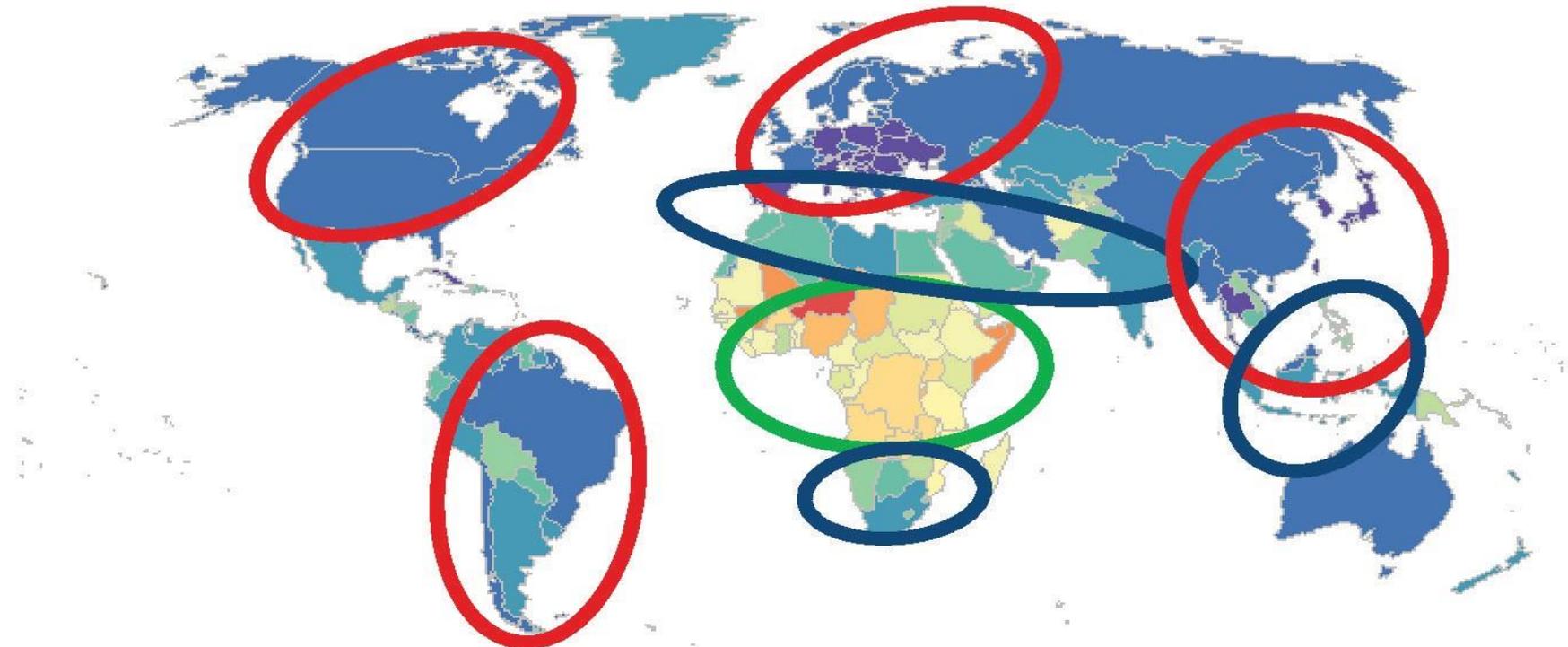
We have fewer children

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

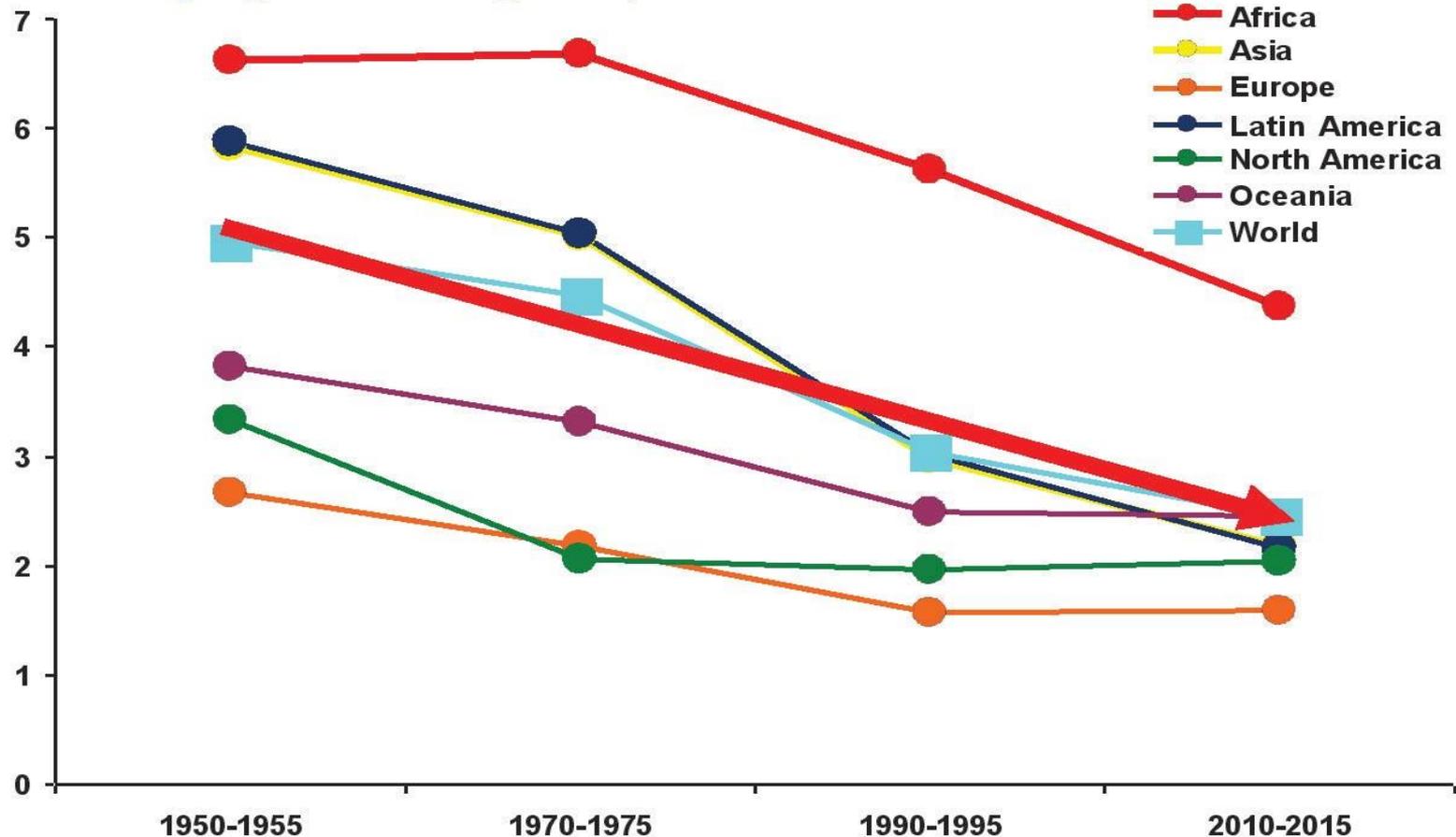


Source: UN DES



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!

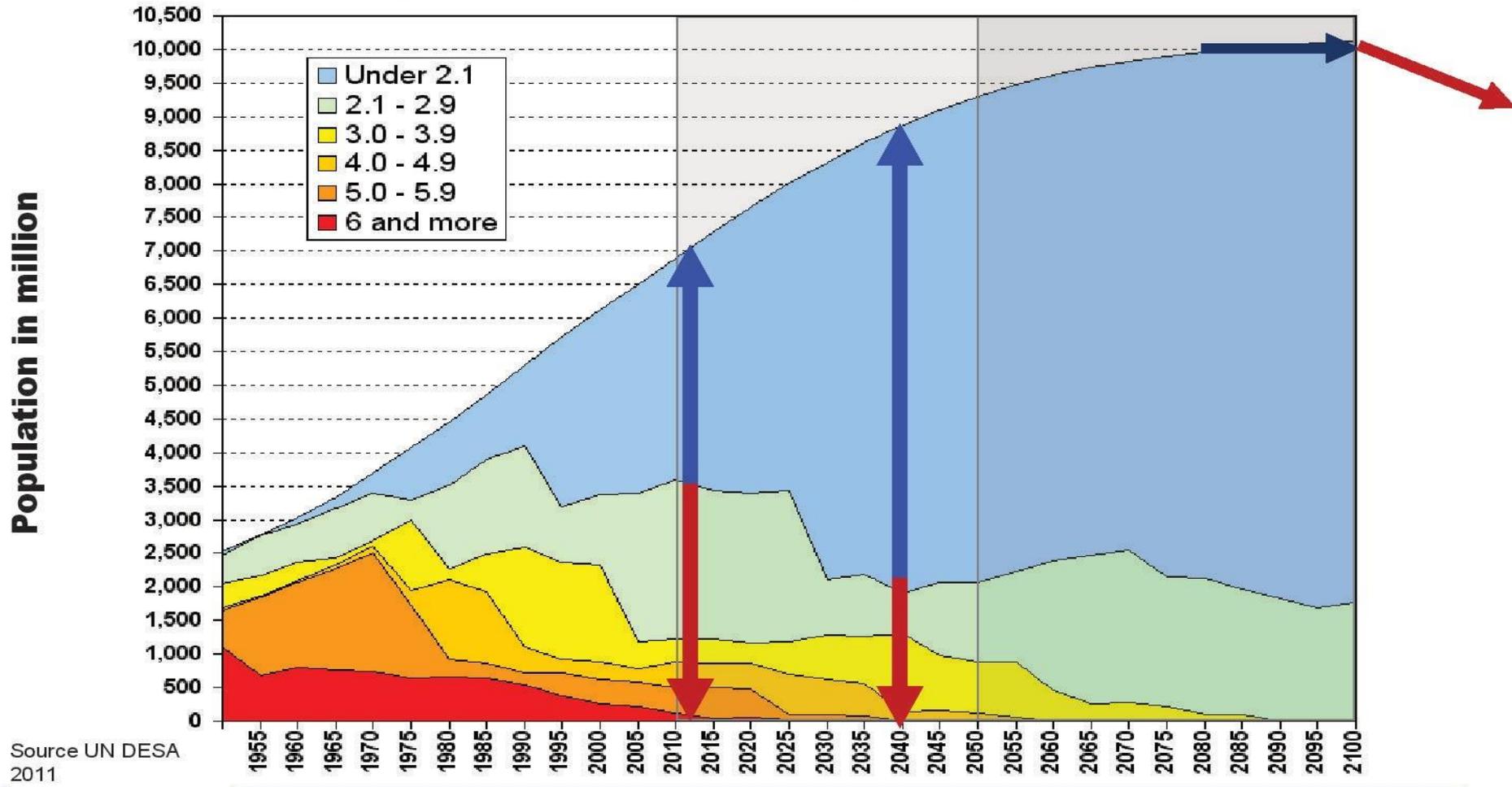


Reality no. 5: Global population growth will come to an end



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

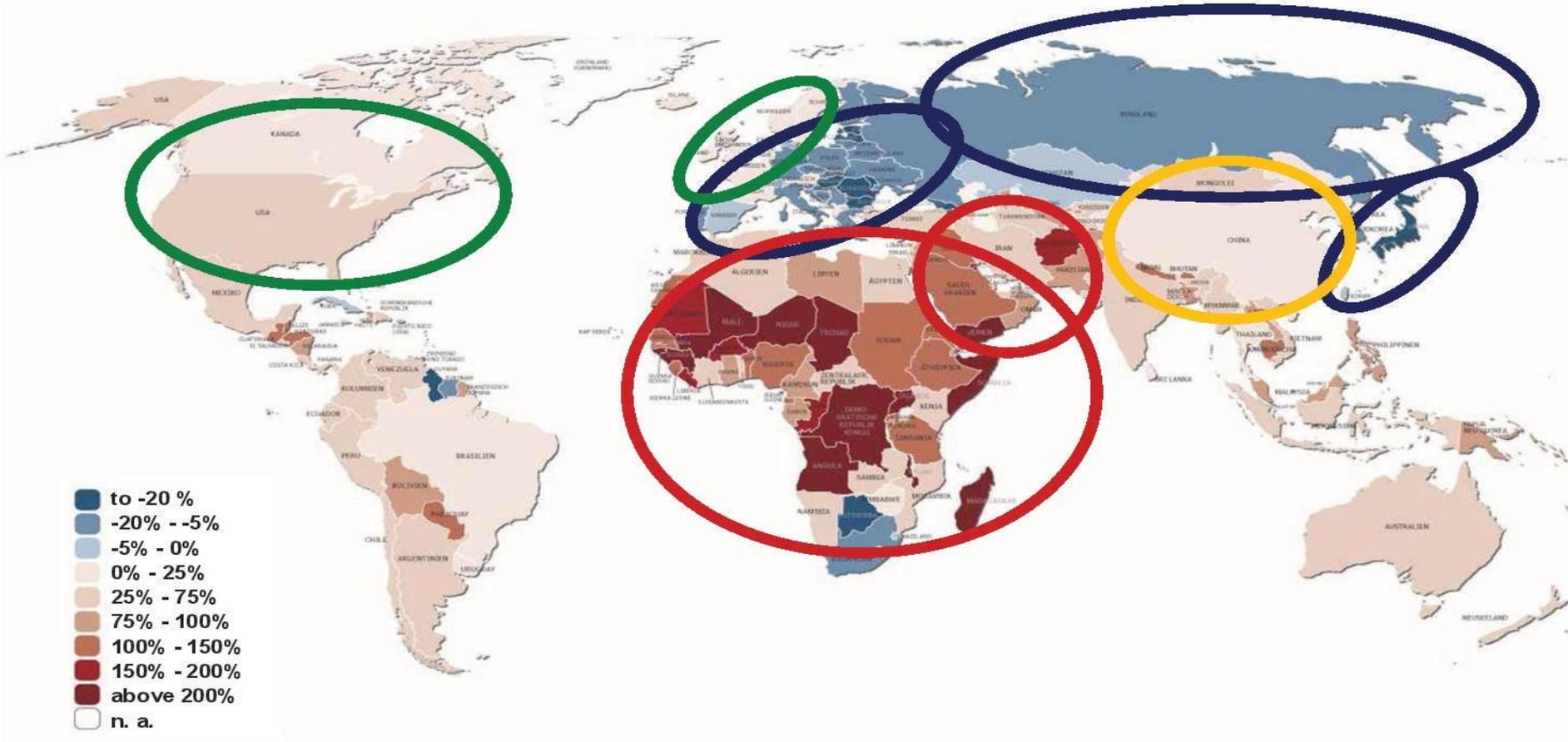


Source UN DESA 2011



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

Projected population growth, 2010-2050, 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%**

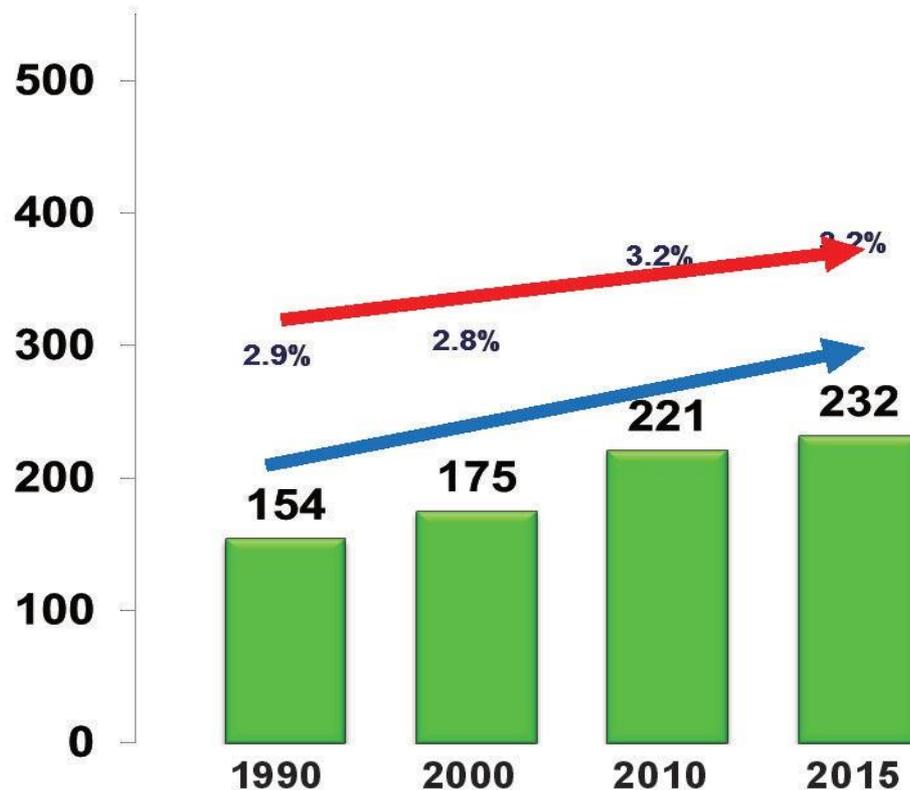
3: **13.7%**

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 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

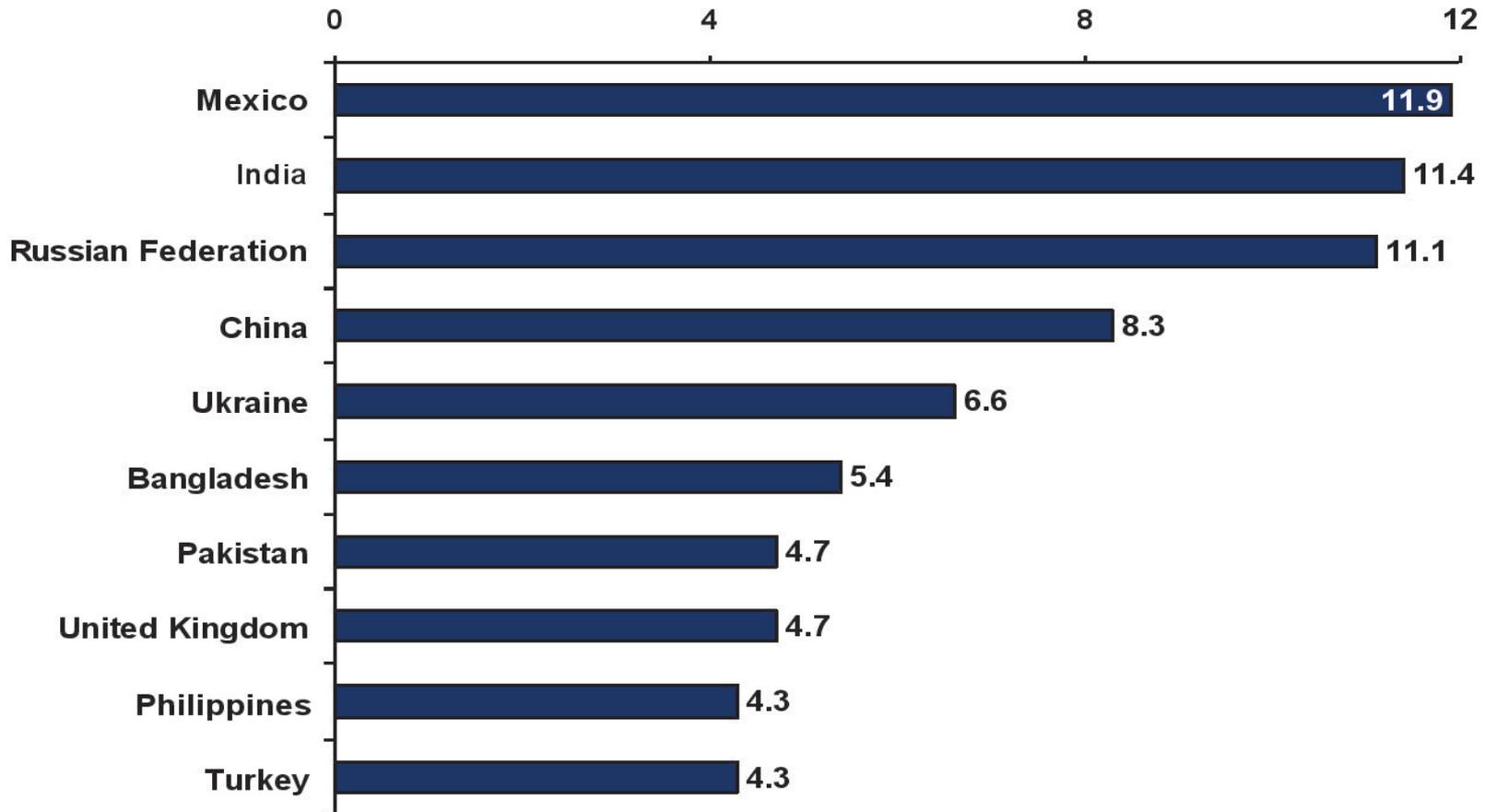
How come you are surprised?

4: Not among the top-3 countries



Top 10 emigration countries

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

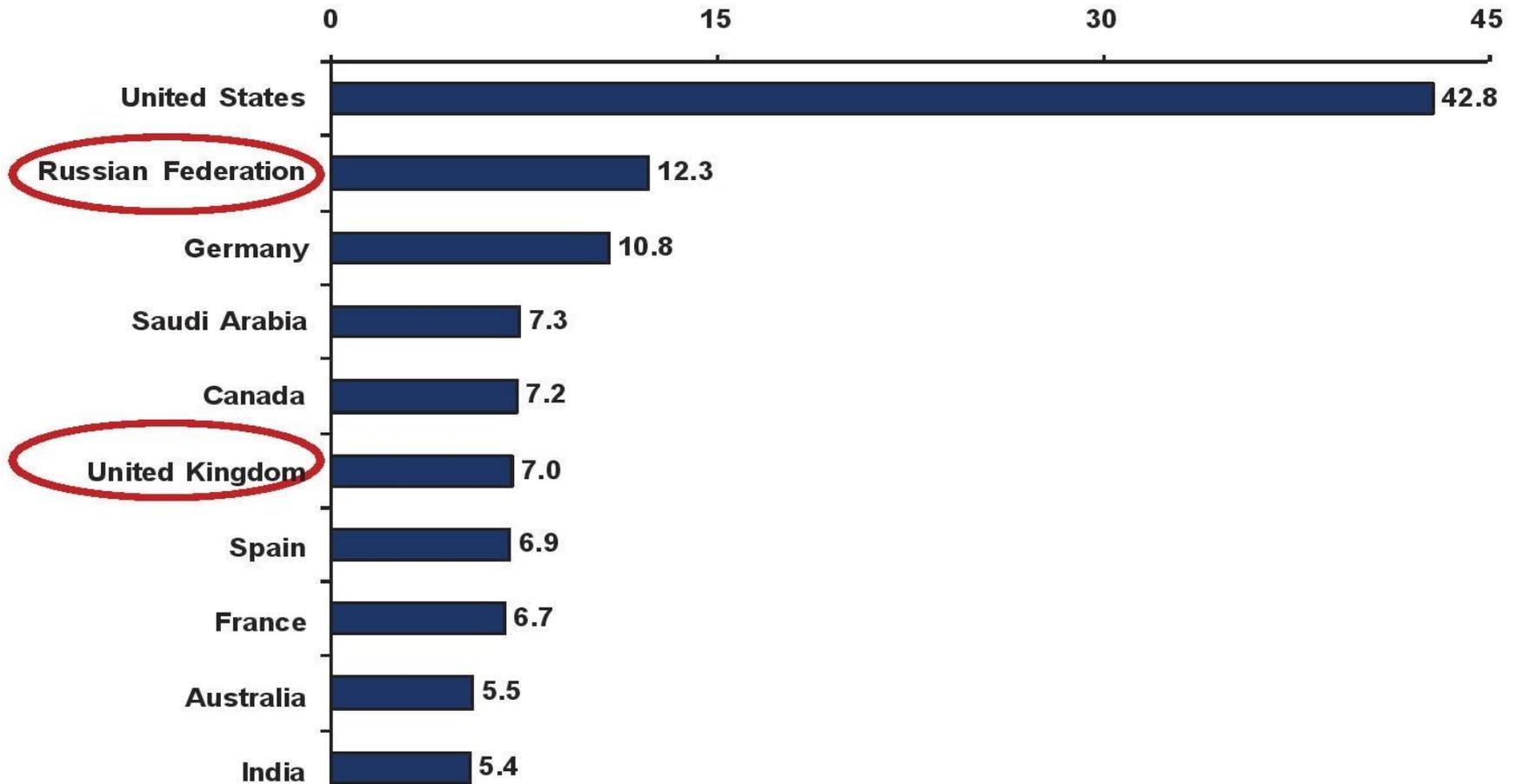


Source: World Bank, UNPD 2011



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

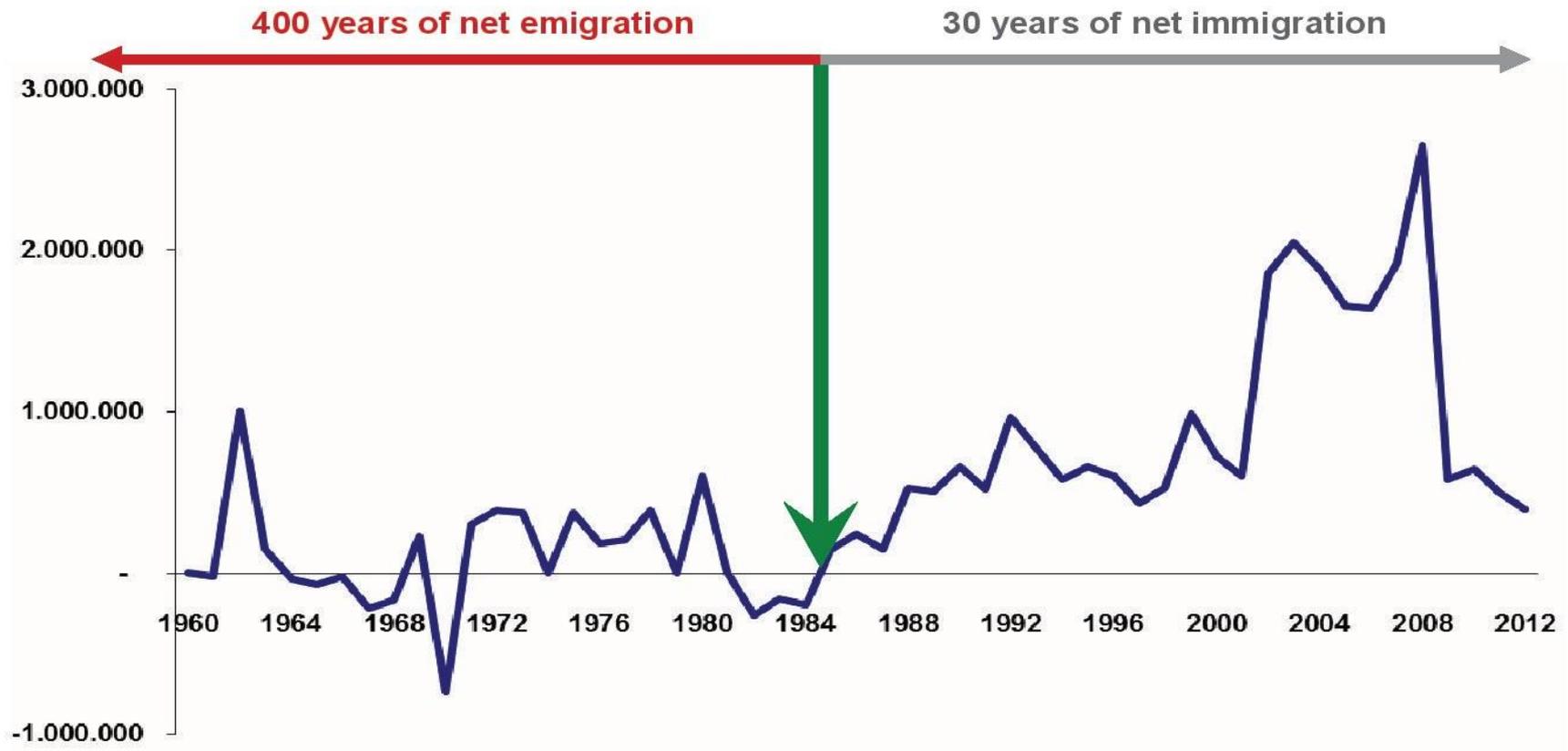
3: 1965

4: 1985



From emigration to immigration: The main direction changed only recently

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

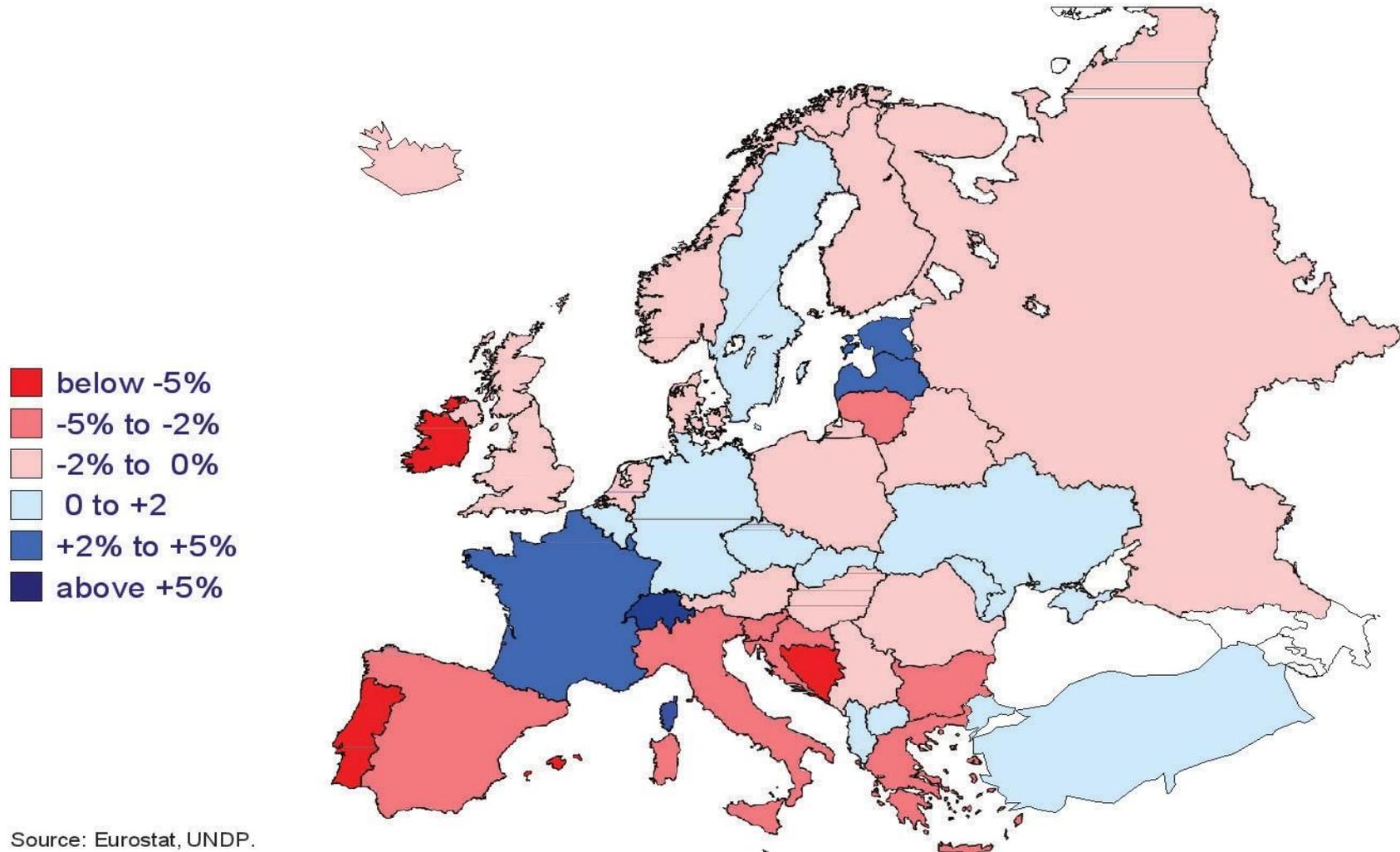


Source: Eurostat.



Net migration in Europe 1951-1960

Net migration, yearly average, per 1,000 inhabitants

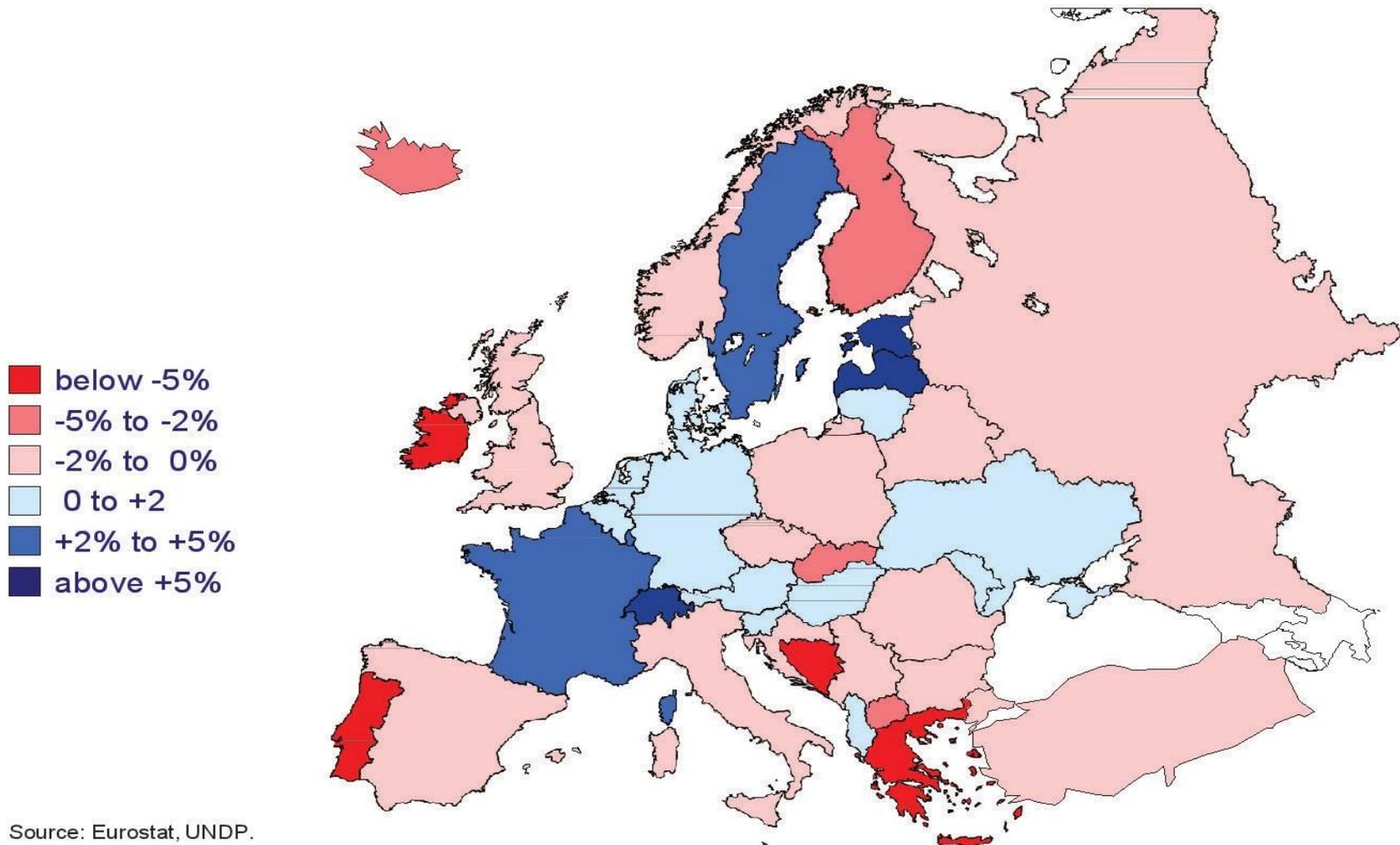


Source: Eurostat, UNDP.



Net migration in Europe 1961-1970

Net migration, yearly average, per 1,000 inhabitants

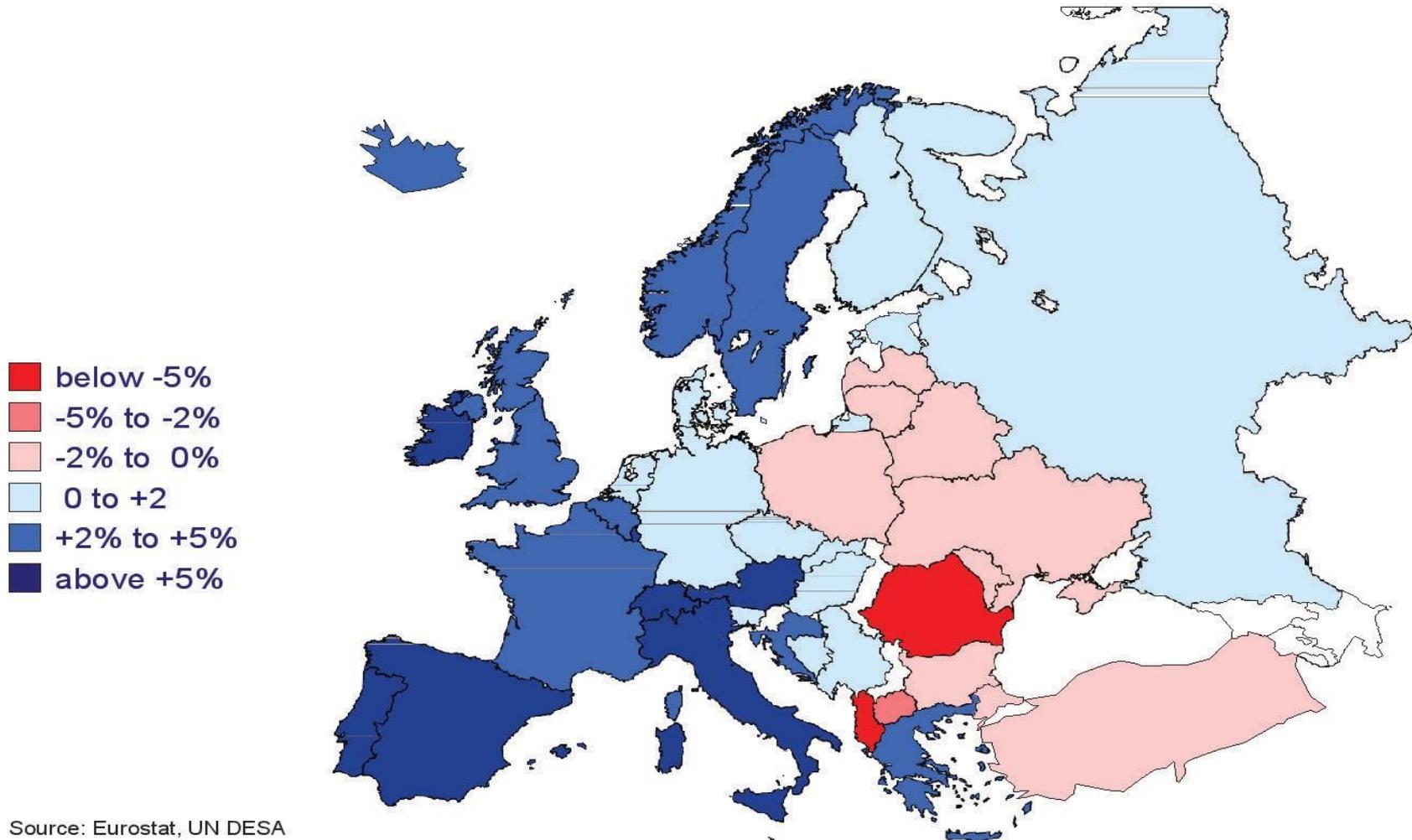


Source: Eurostat, UNDP.



Net migration in Europe 2001-2009

Net migration, yearly average, per 1000 inhabitants

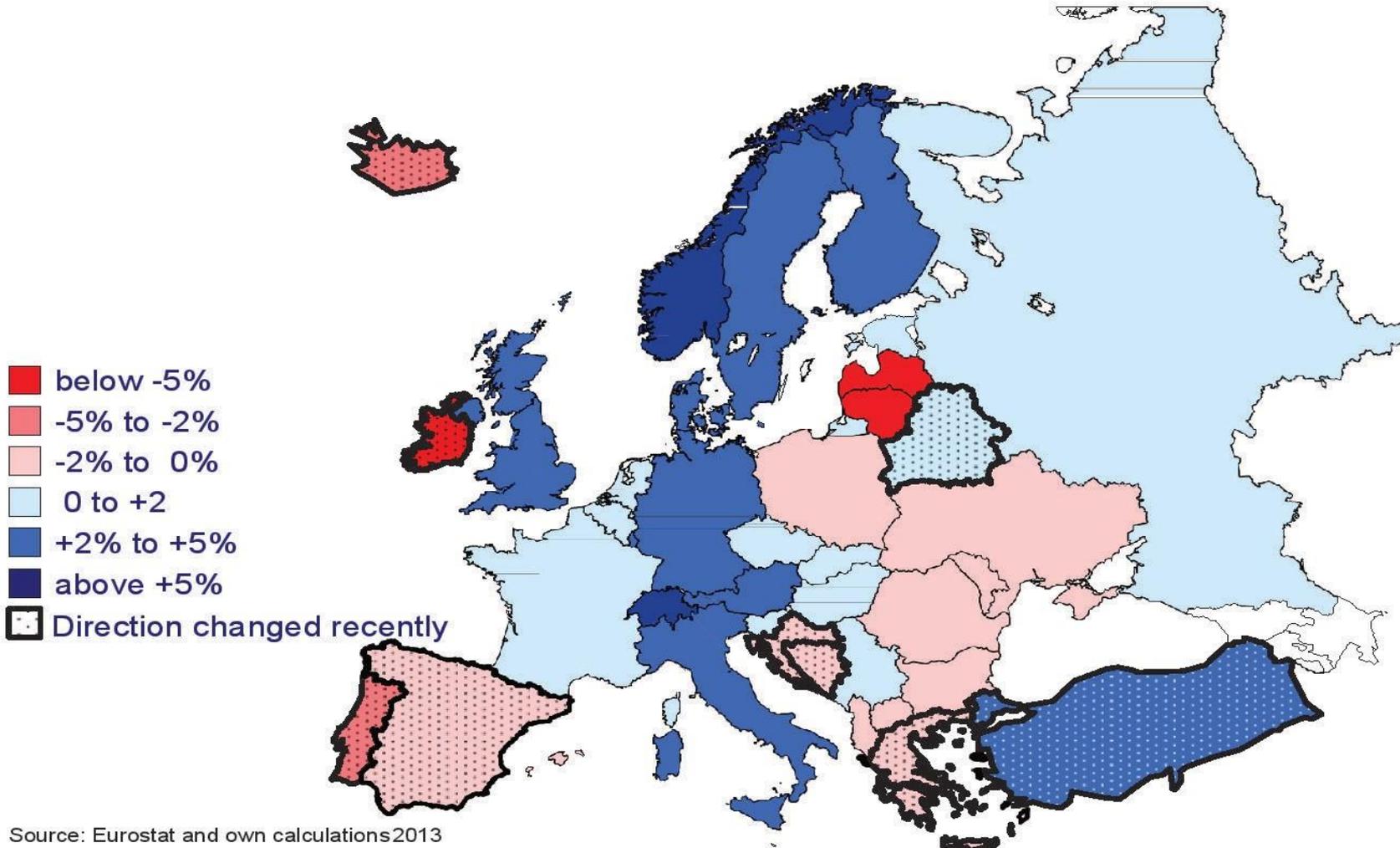


Source: Eurostat, UN DESA



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?

And what would it be was it 200 years ago?

1: North-North

2: **South-South**

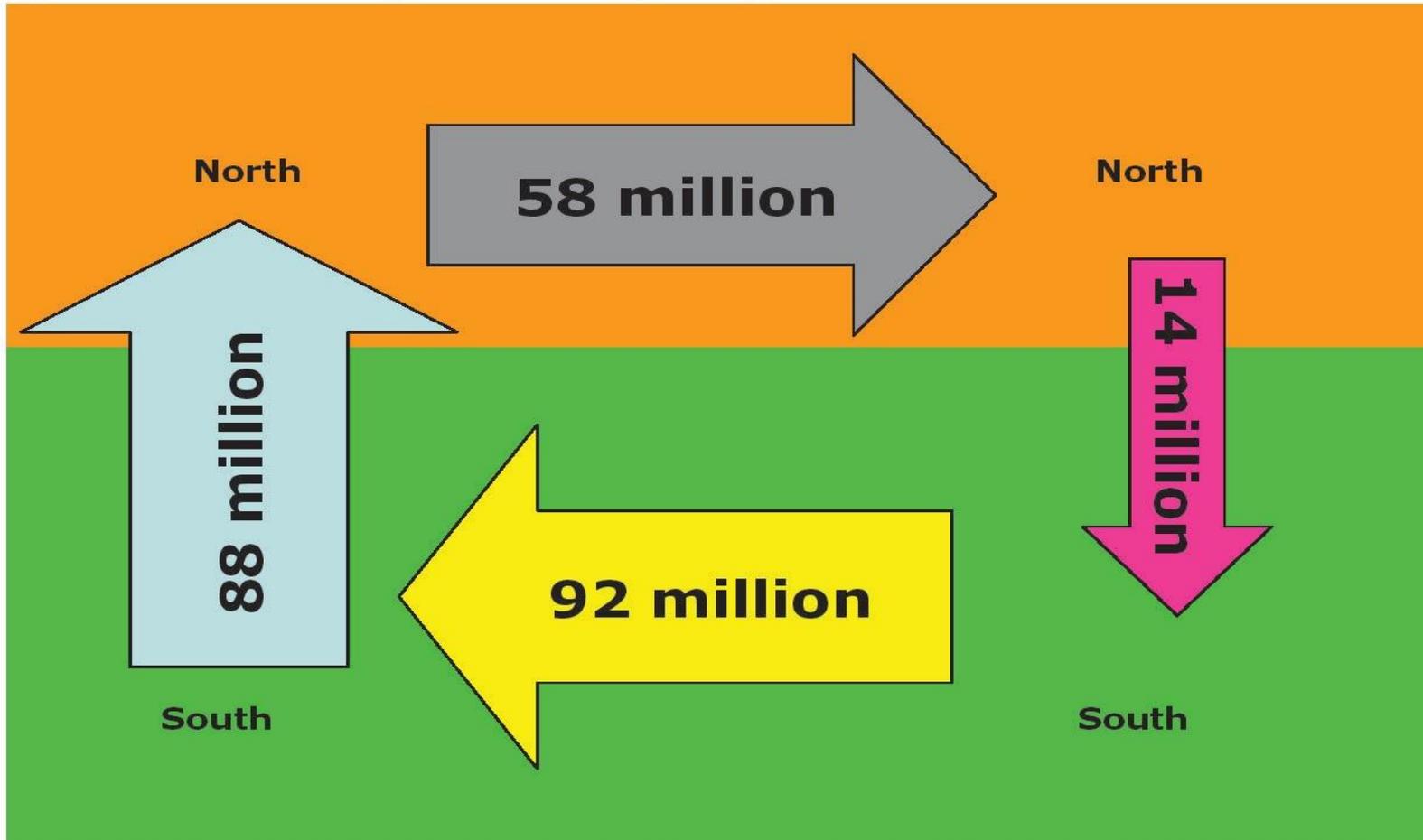
3: South-North

4: North-South



From where to where?

Migrant stocks, 2015 by origin and destination

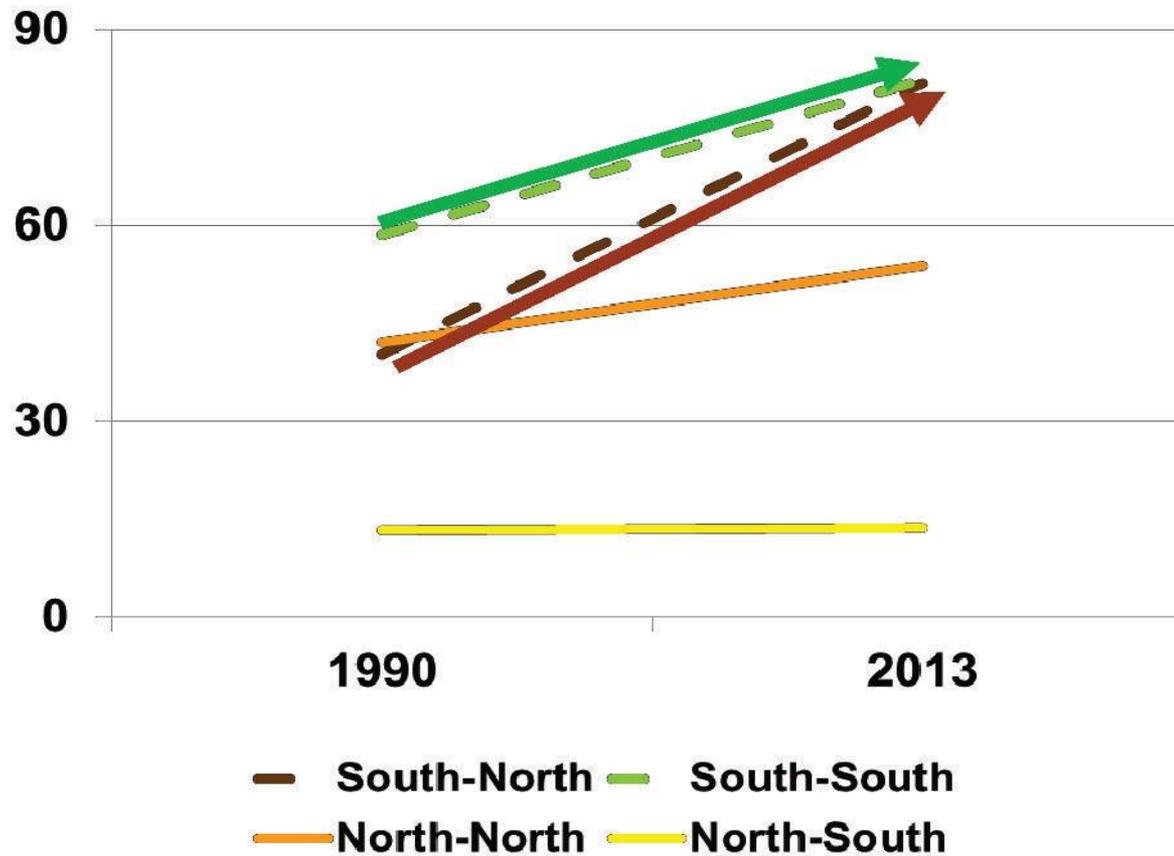




Where do they come from?

Where do they go to?

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



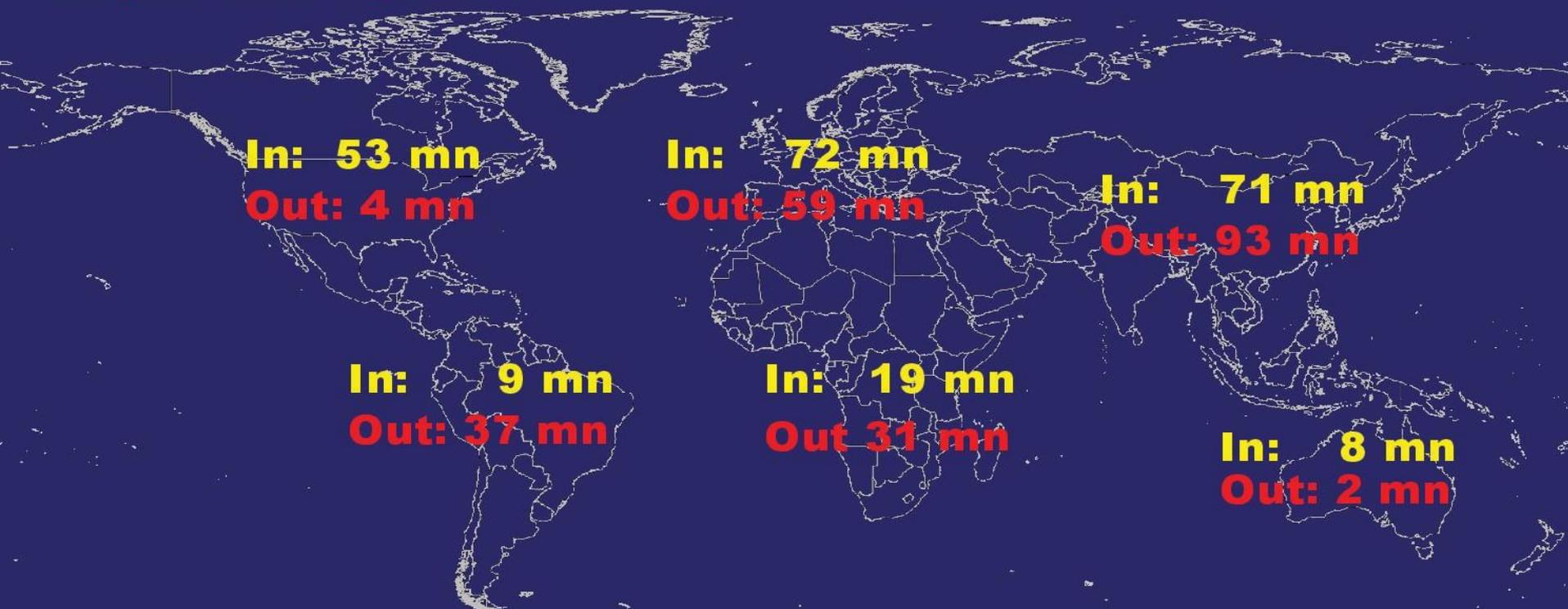


International migrants by major macro regions of origin and destination

Foreign born, stock, 2013

Immigrant stock: destination yellow

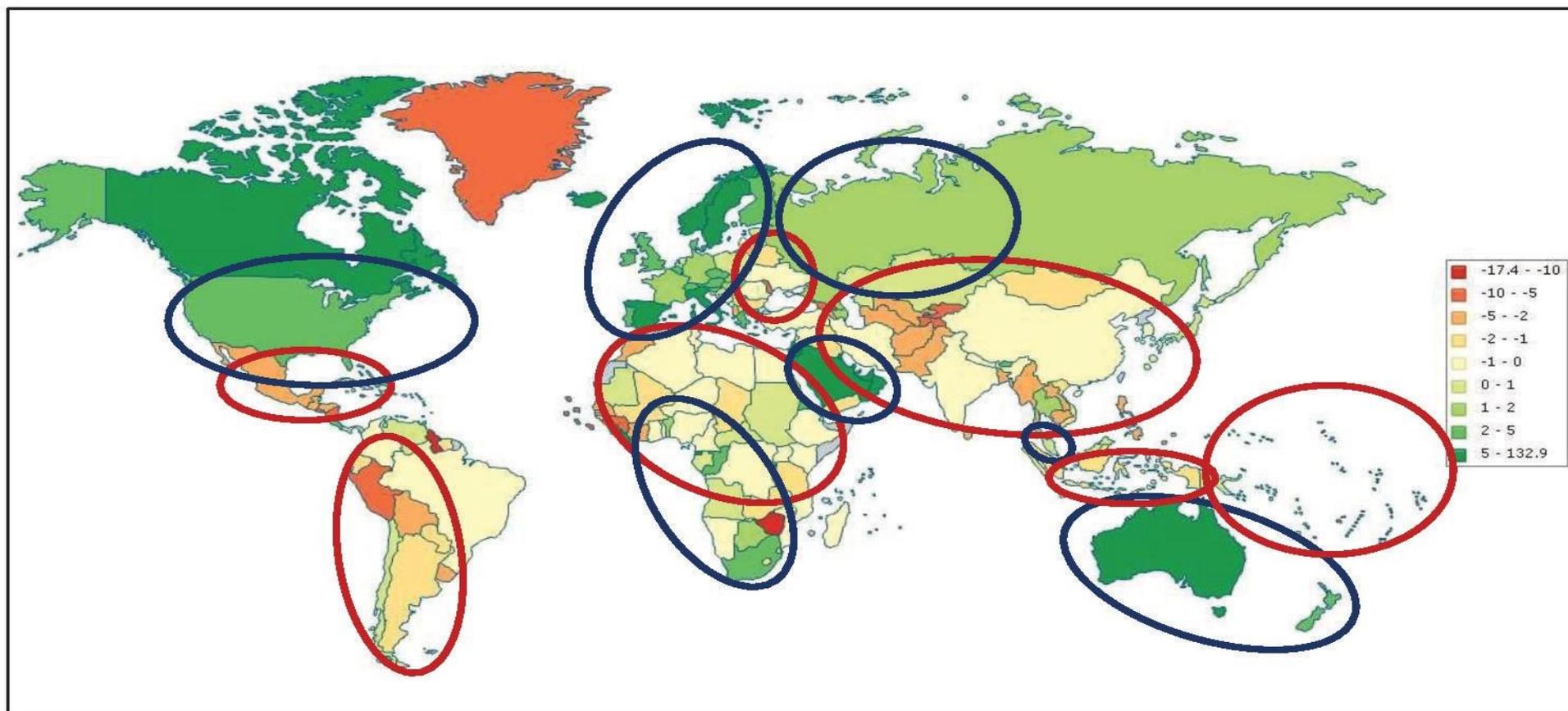
Emigrant stock: origin red





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?

That's what I would have said

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

1: No, will get even higher

2: Yes, will stay at present levels

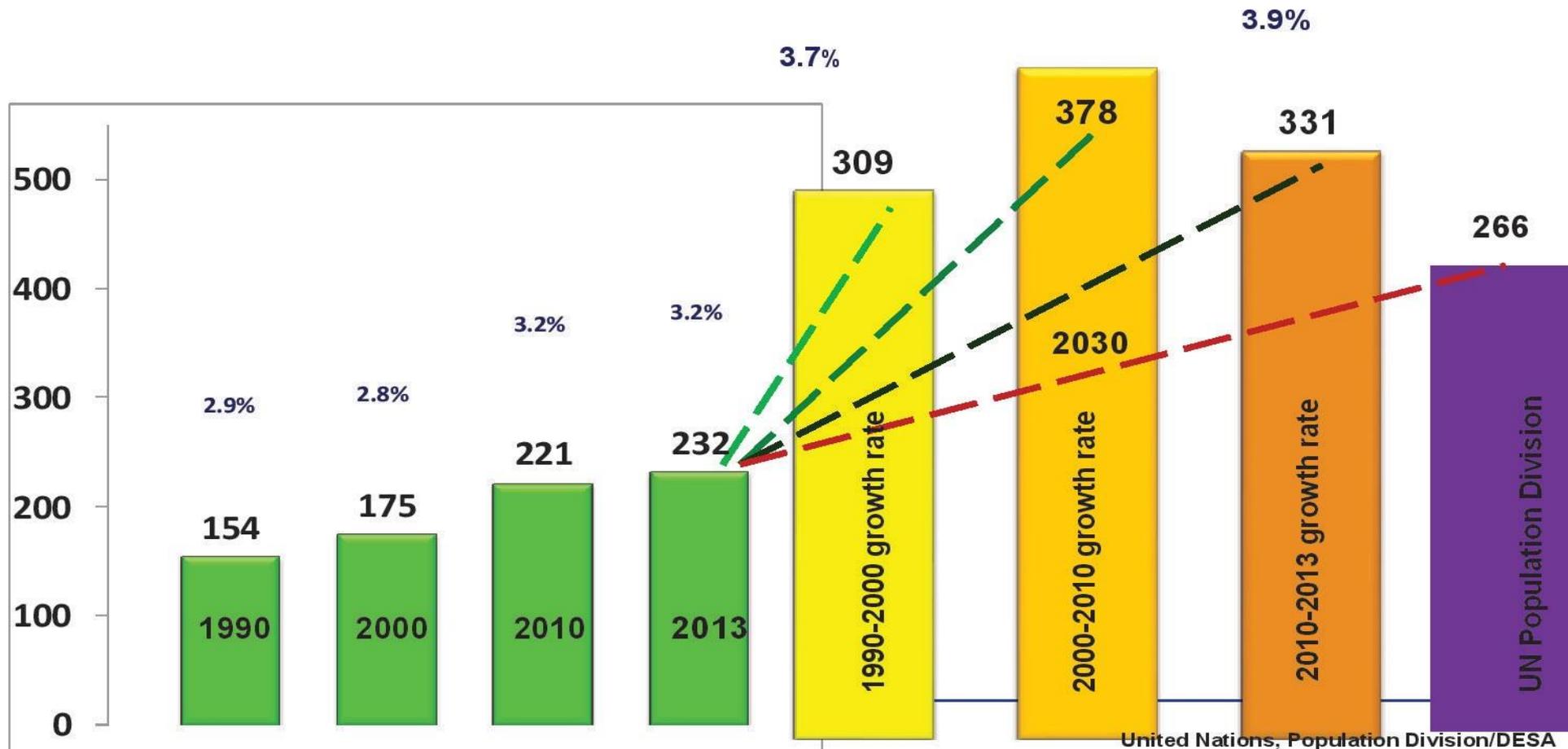
3: No, will decline

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



The number of international migrants is projected to increase further

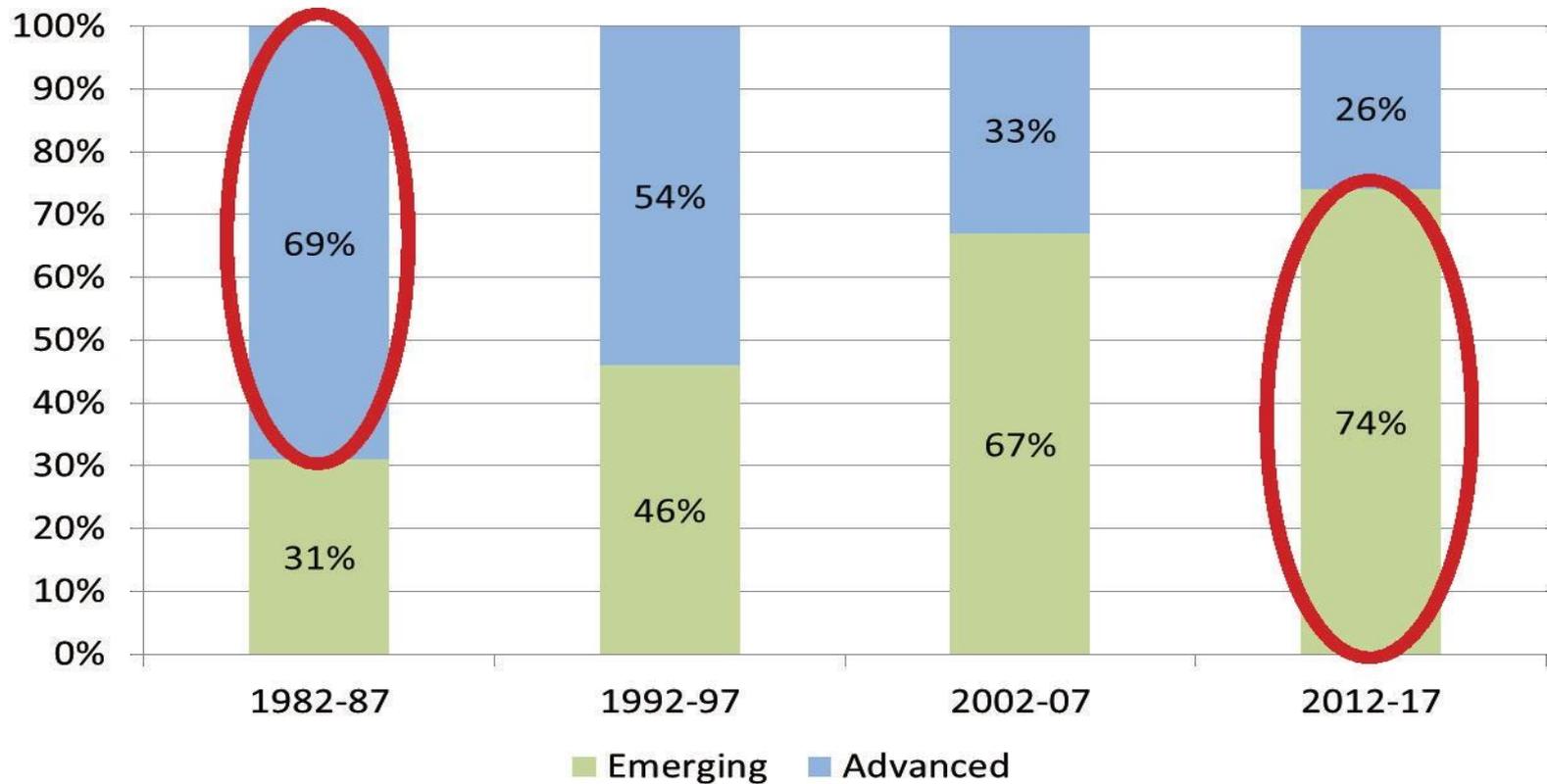
Absolute numbers and share of migrants in total population, 1990-2013, 2030 (f)
4.5%





Emerging regions continuously outgrow the advanced world

Contribution to global GDP growth

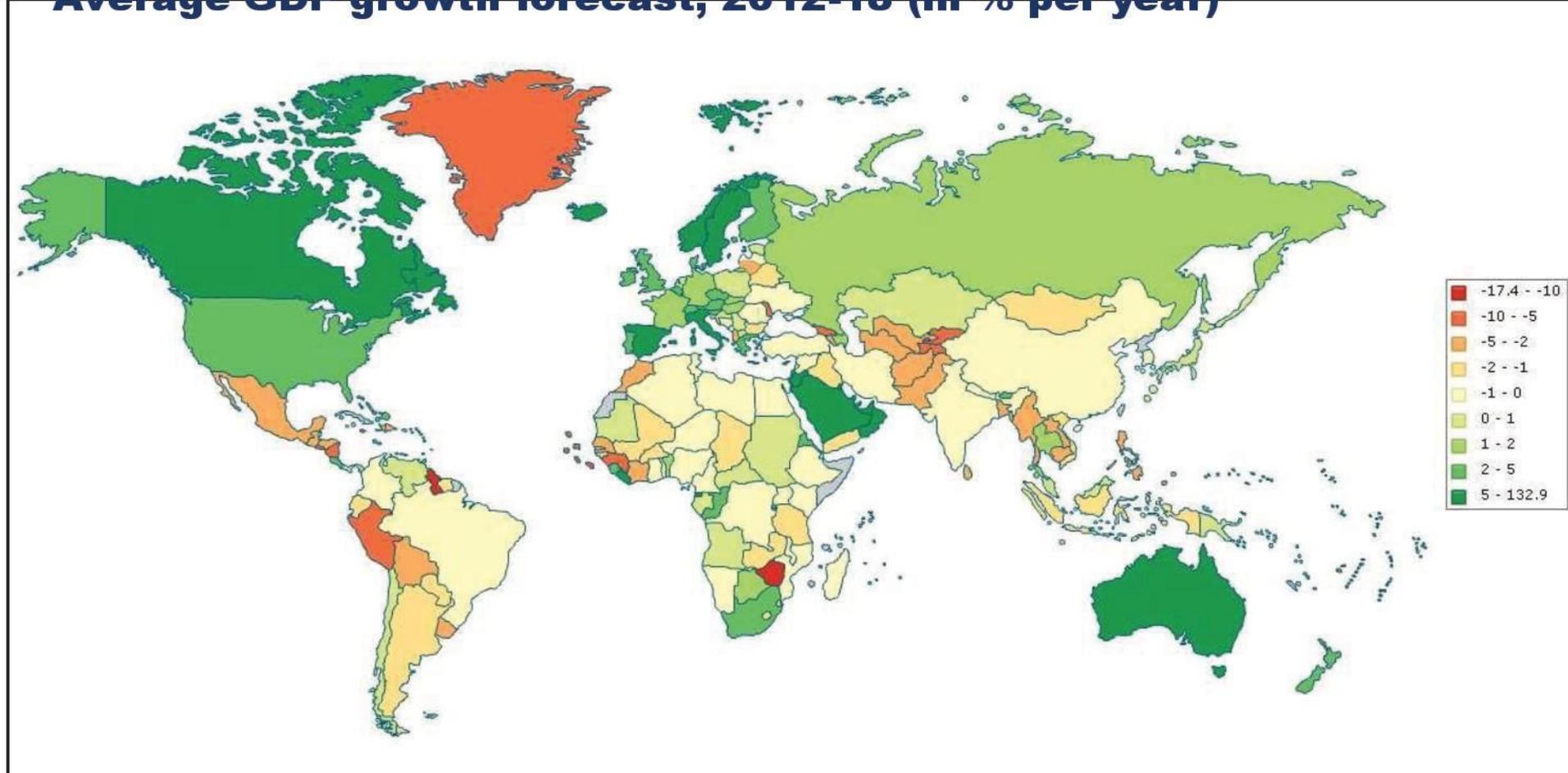


Source: Financial Times



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

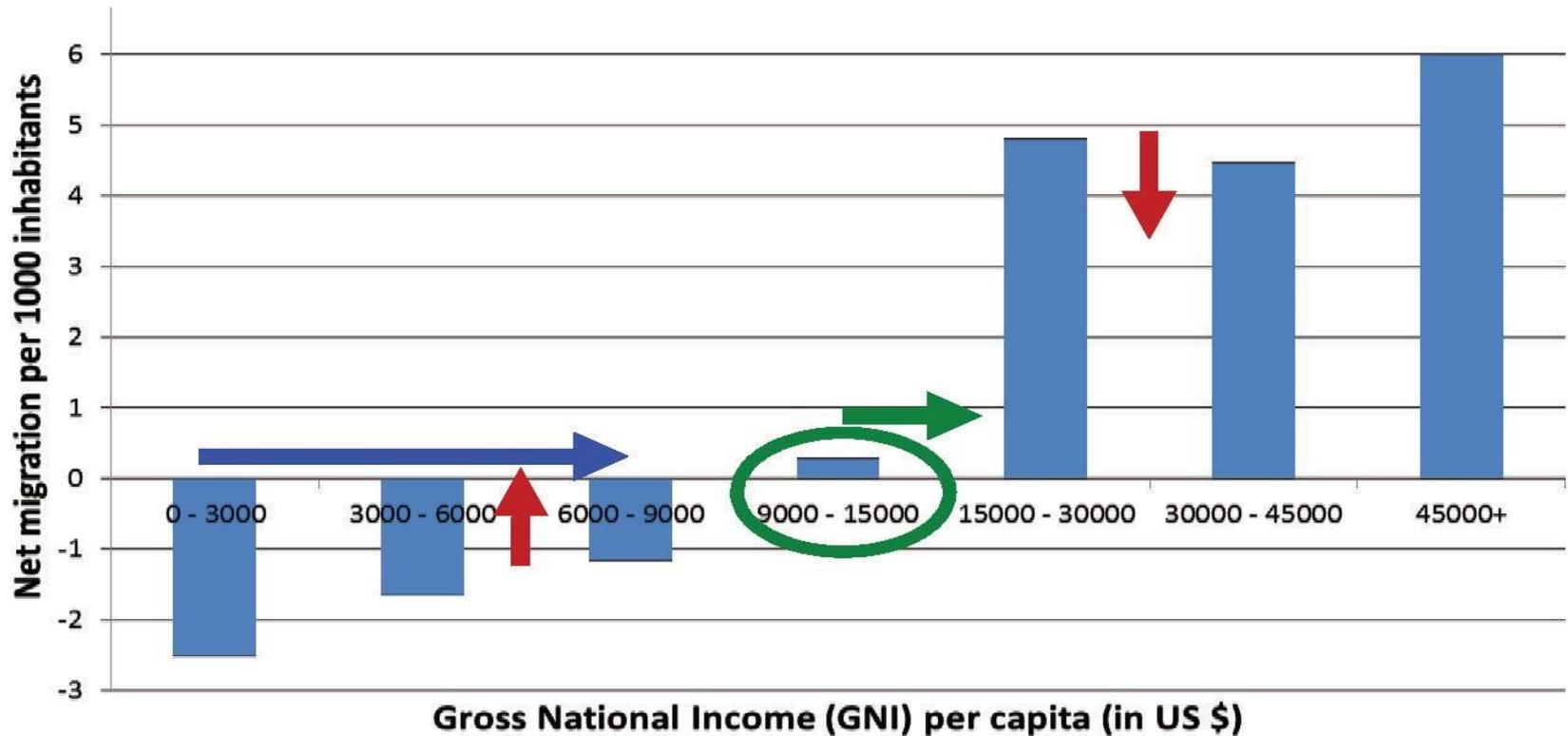
Average GDP growth forecast, 2012-18 (in % per year)





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?

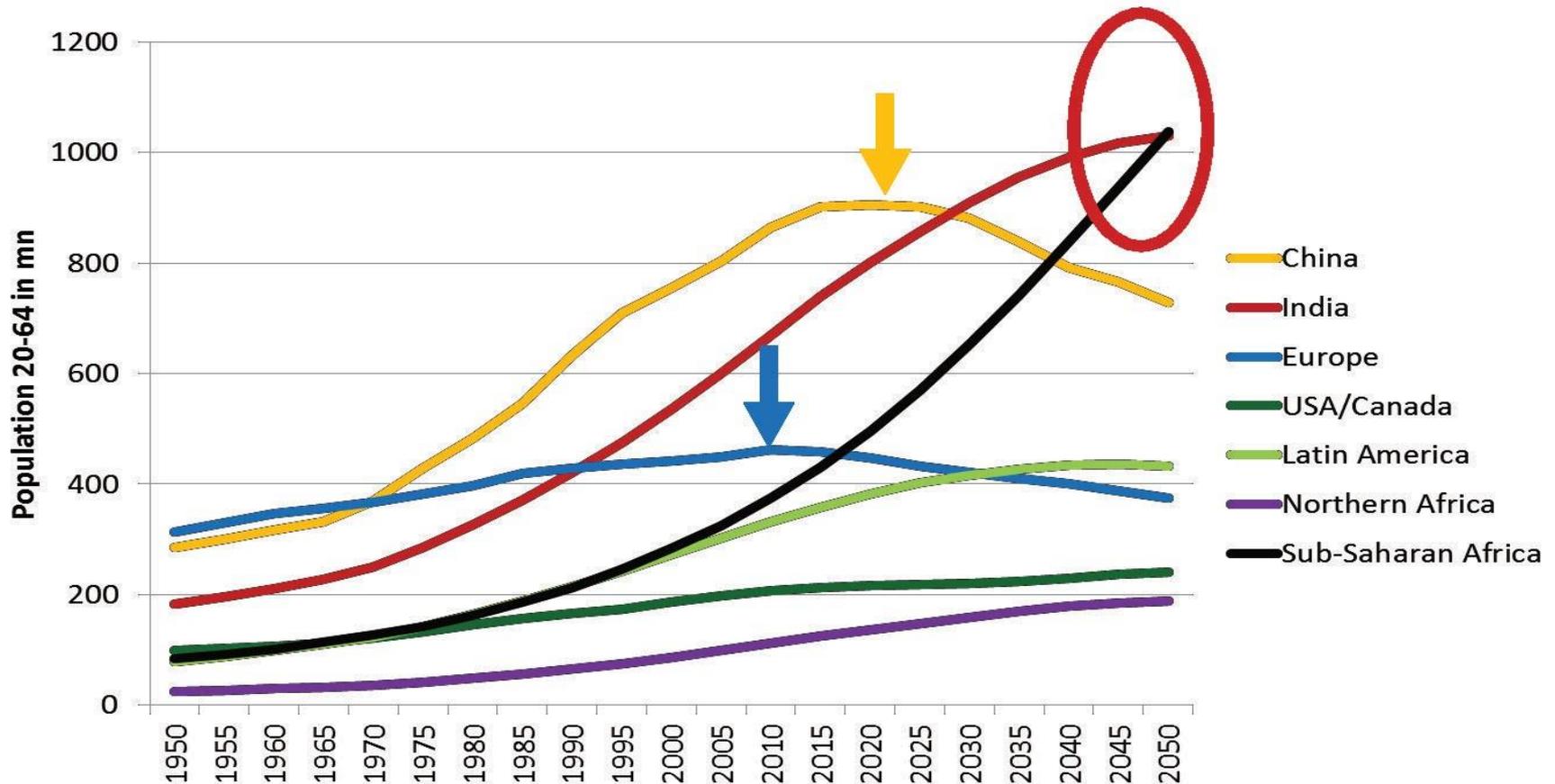


Challenge no. 1:
**Shrinking labour force in
the global North**
**Increasing numbers of
young adults in the global
South**



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

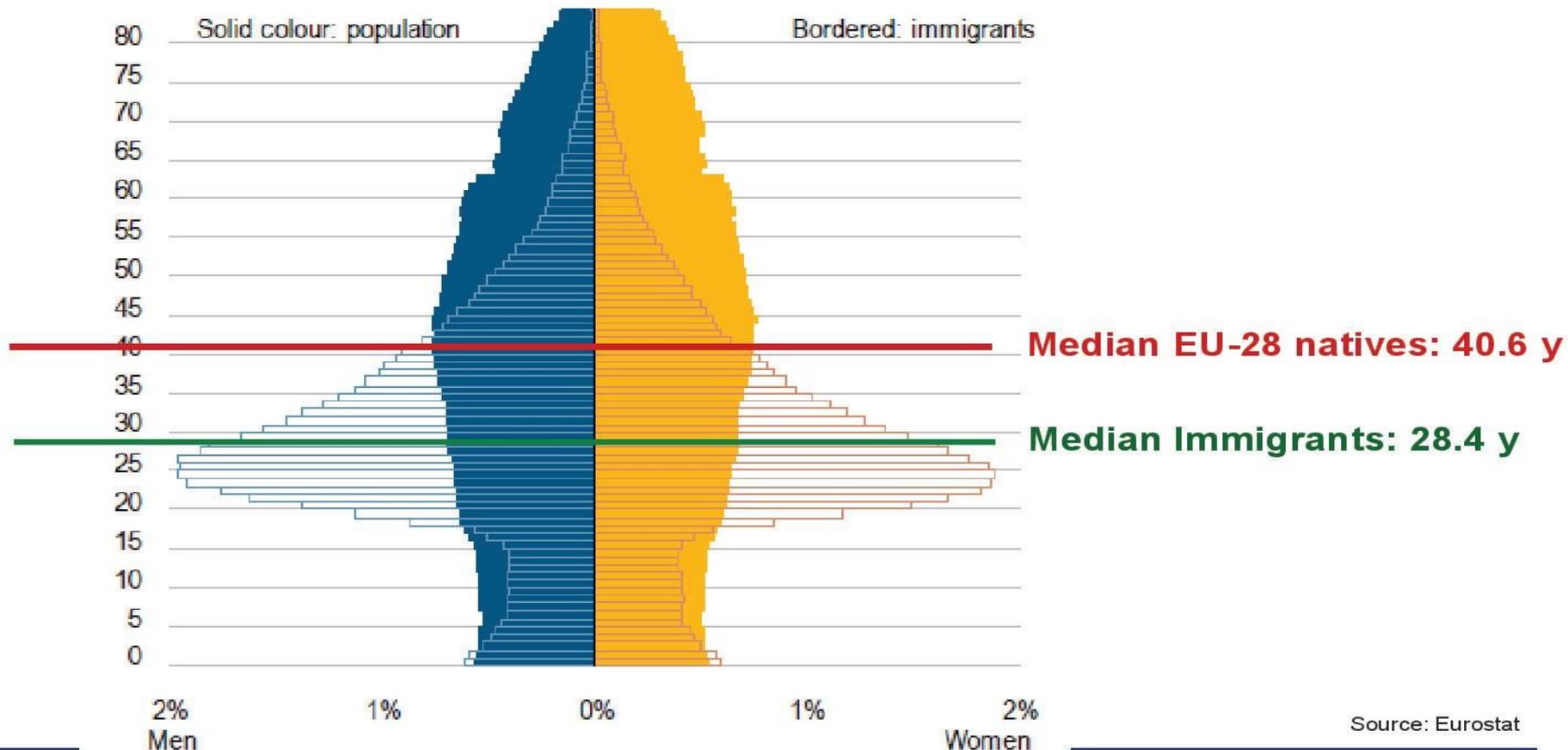


How to match talented and qualified migrants with adequate jobs?



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

EU age structure of population and of immigrants

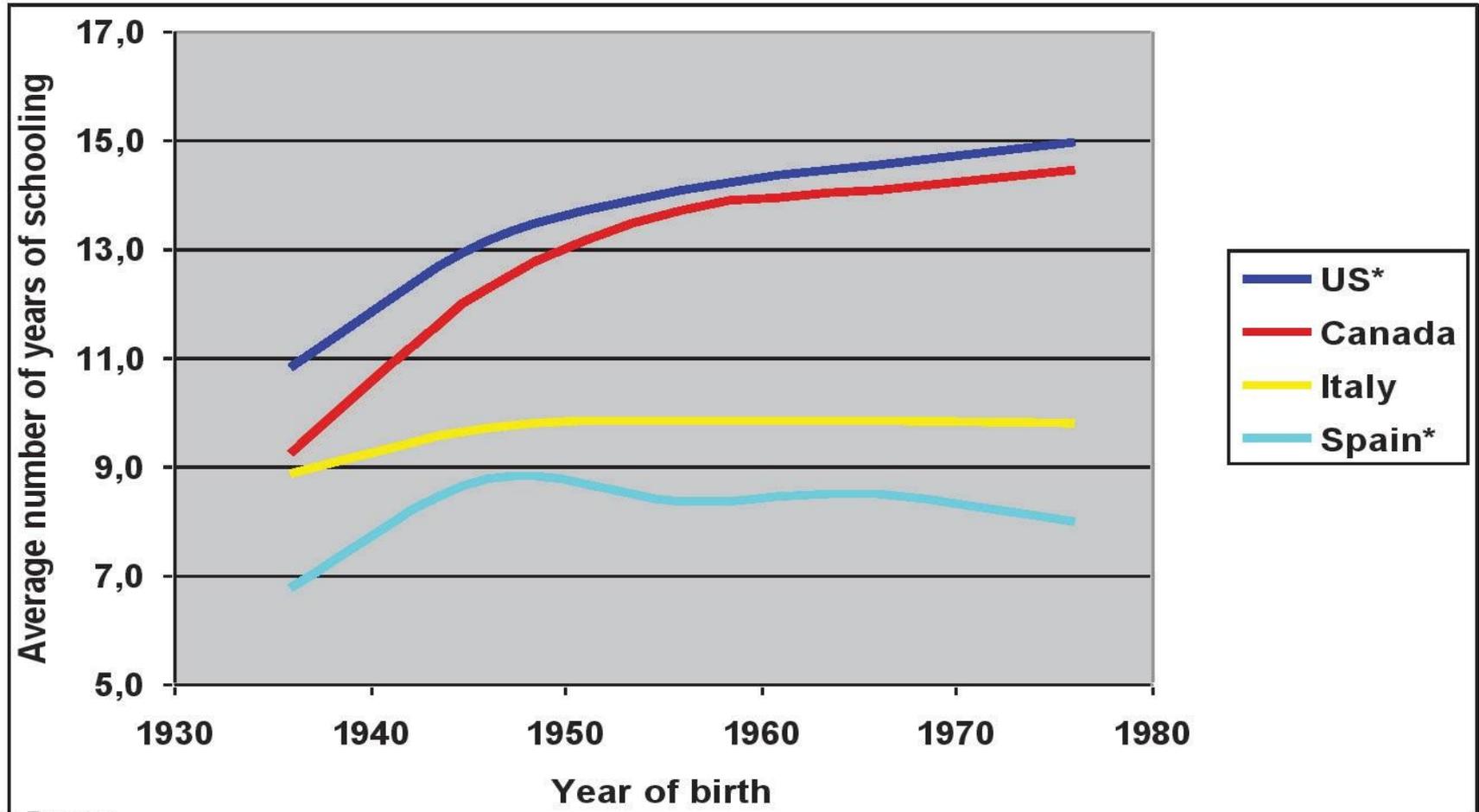


Source: Eurostat



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

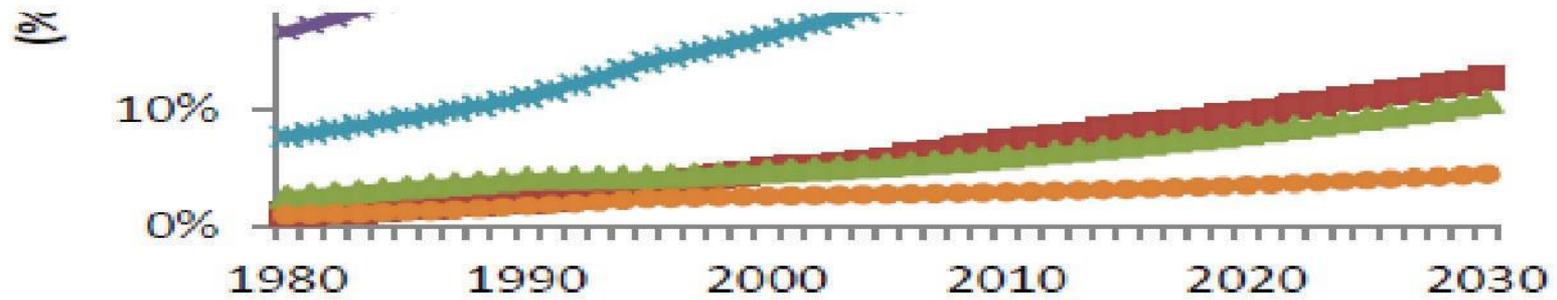


Source: Fargues



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?

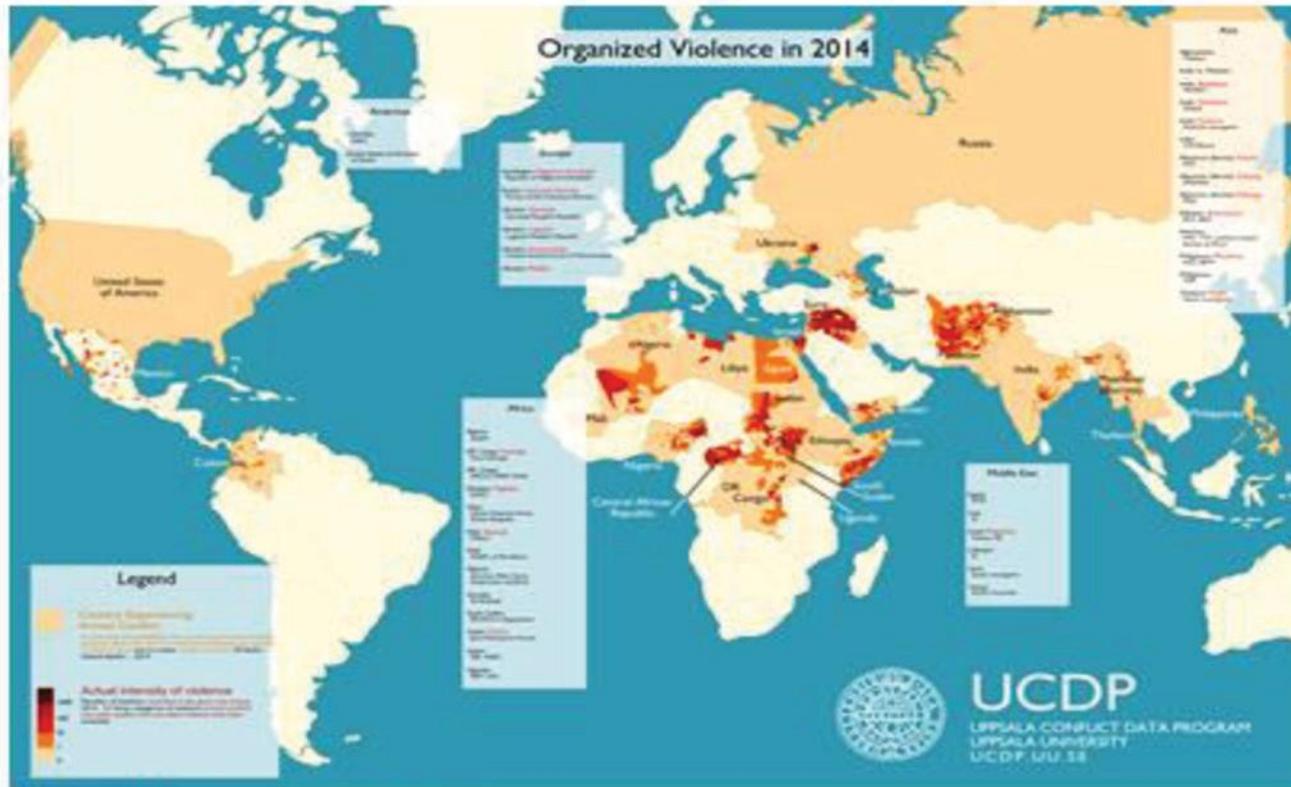




Challenge no. 3: Freedom, Protection, Security



Map of World Conflicts in 2014



Source: Pettersson and Wallensteen, 2013.



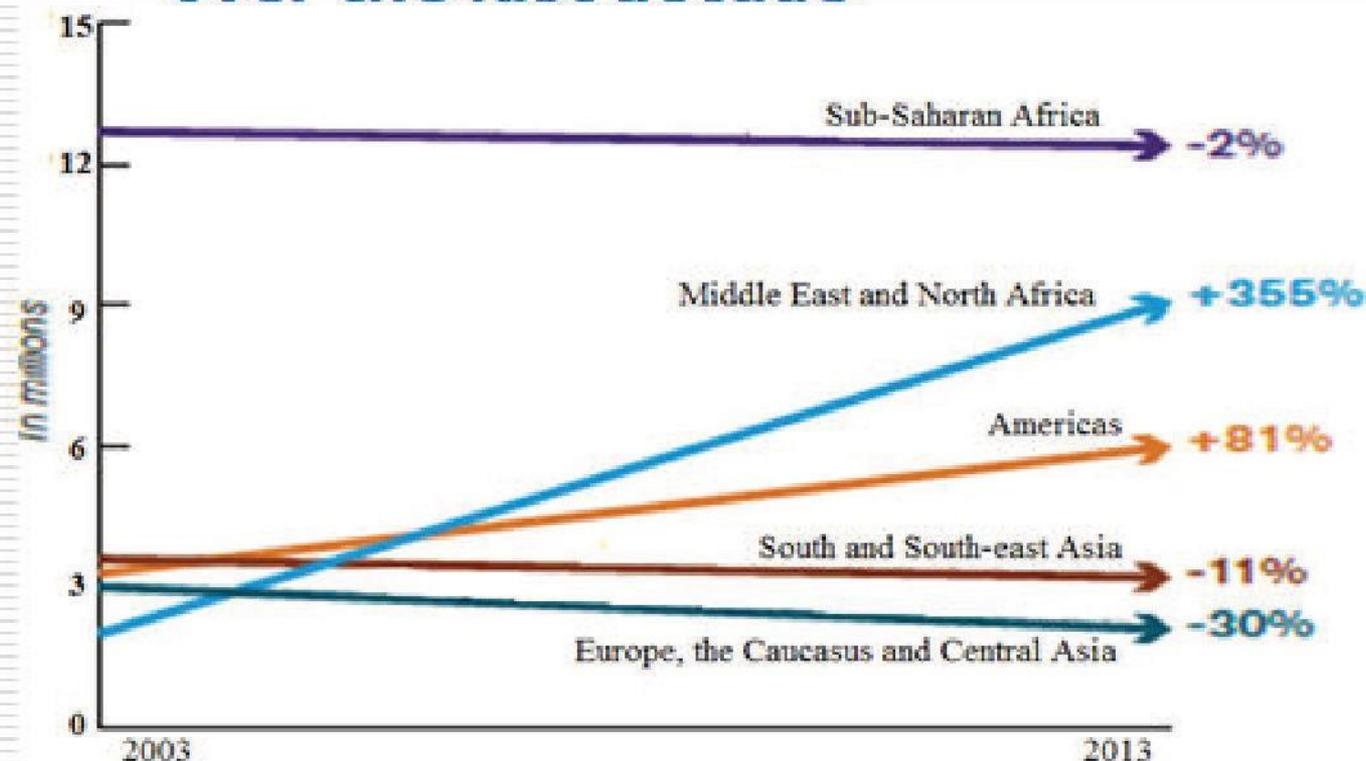
Internal displacement worldwide



Ref: Internal Displacement Monitoring Centre, 2015



Changes of IDP figures over the last decade



Ref: UNHCR 2014



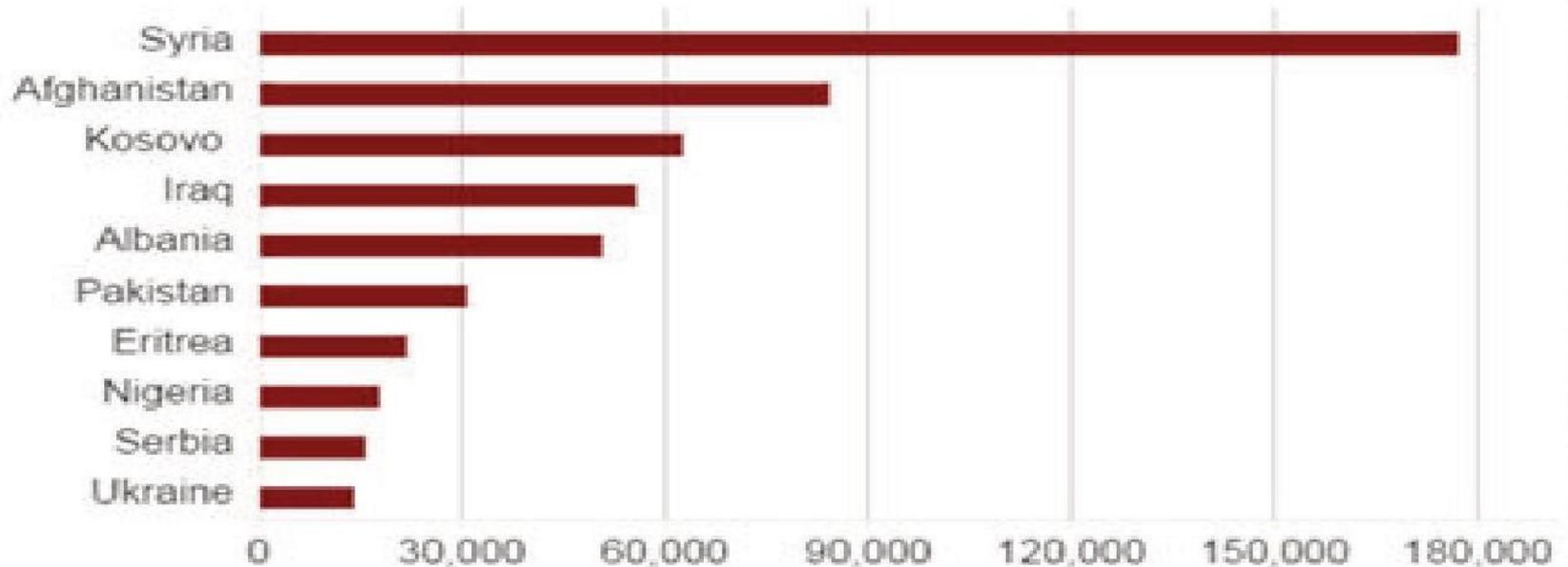
Major refugee-hosting countries, mid-2014



UNHCR (2015). UNHCR Mid-Year Trends 2014. stats@unhcr.org



Top 10 origins of people applying for asylum in the EU January - October 2015, first-time applications



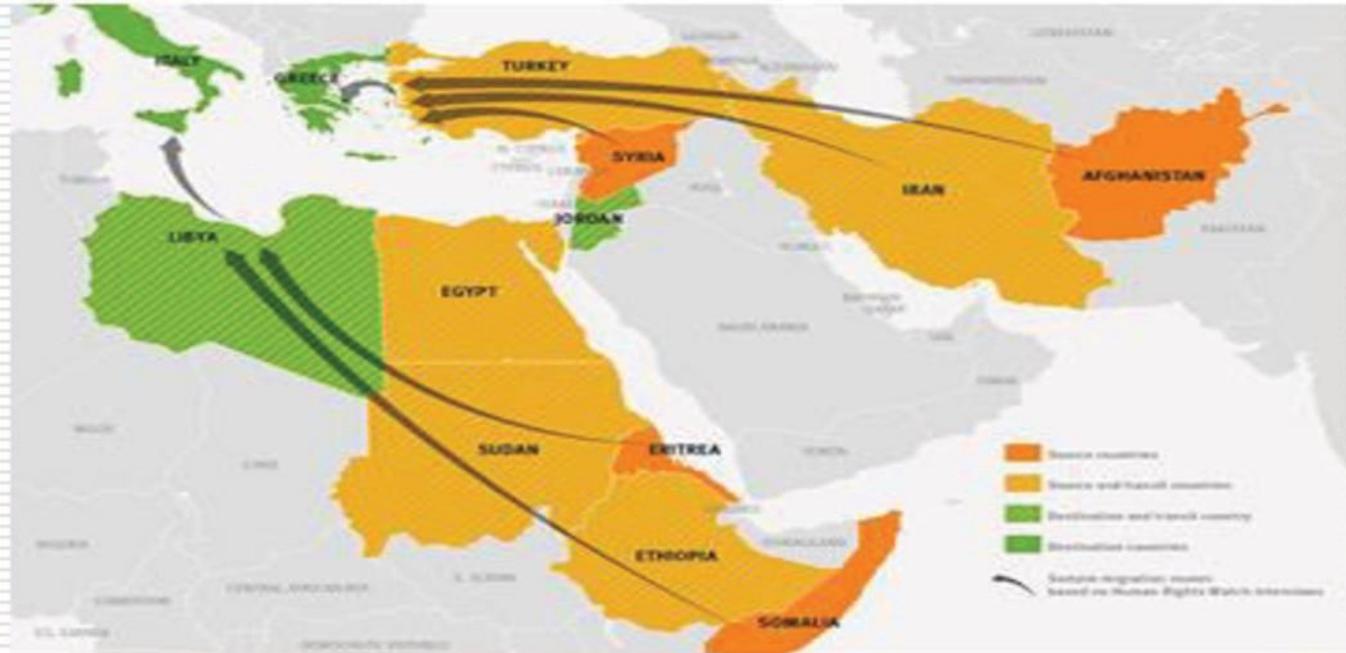
Source: Eurostat





Irregular migration routes to Europe

2015



Courtesy Marie McHugh



**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**