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The Social and Economic Origins of Immigration

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In the years since the end of World War II, international migration has emerged as a major demographic force throughout the world. The contemporary period of international migration begins about 1950 and represents a sharp break with the past. Rather than being dominated by flows between Europe and a handful of former colonies, immigration became a truly global phenomenon, as the number and variety of both sending and receiving nations increased. Whereas 85 percent of international migrants before 1925 originated in Europe, since 1950 Europeans have become an increasingly minor part of the flow. Meanwhile, the number of immigrants from Latin America, Africa and Asia has steadily grown.

The variety of destination countries has also increased. In addition to such traditional immigrant nations as Canada, the United States, Argentina and New Zealand, other Western Europe countries began to attract migrants, as did several less-developed but capital-rich nations, such as Venezuela, Nigeria and Saudi Arabia. In general countries are likely to receive immigrants from nations that are geographically close, important trading partners, political allies or former colonies. The vast majority of immigrants to the United States, for example, come from Latin America, the Caribbean or Asia.

The Economic Foundations of Immigration

Although international migration is widely recognized as an economic process, the economic foundations of immigration are frequently misunderstood and rest on two common misconceptions. The first is that immigration is caused by wage differentials between sending and receiving countries, and the second is that pressures for emigration stem from a lack of economic development in sending regions. Both views are well-entrenched in the thinking of social scientists and policy makers alike.

Macroeconomic theory holds that wages are determined by the balance of labor supply and demand within regional markets. If there is relative scarcity of workers in one market and a relative abundance in another, wages will be high in the former and low in the latter. Migration represents an equilibrating mechanism between the two regions, as workers move from the low wage area into the high wage area until the wage differential between the two areas equals the costs of interregional movement and adjustment.

Although a large wage differential is clearly an incentive to movement, it is neither a necessary nor a sufficient condition. Migration decisions in developing countries are typically made by families, not individuals, and families migrate not only to maximize earnings but also to minimize risks. Economic conditions in developing countries are volatile, and families face serious risks to their well-being from many sources — natural disasters, political upheavals, economic recessions. Sending different family members to geographically distinct labor markets represents a strategy to diversify and reduce risks to household income.

Related to this overemphasis on wage differentials is a second misconception, that international migration is caused by a lack of development and that, by promoting economic development in poor nations, the pressure for international movement can be reduced. This view misinterprets the nature of the development process, which is inherently destructive and destabilizing and, in the short run, enhances the pressures for emigration rather than reduces them. Economic development destroys a previously stable economic and social system, peasant agriculture, by substituting capital for labor, privatizing landholding and creating markets. The destruction of the peasant economic system creates a pool of socially and economically displaced people, who provide the source for both internal and international migration.

Among European countries, there was close historical correlation between the onset of industrial development and the beginning of mass emigration. However, the experience of Europe is not general-izable to contemporary developing countries. Significant differences in demographic and techno-logical conditions make the pressures for emigration from developing countries today much greater than they were for European countries in the past.

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In Europe, the transition from high to low mortality rates occurred slowly and fertility levels were modest. In the developing world, the decline in mortality occurred rapidly in a few years after 1945, but fertility remained high because of early marriage and lack of desire for family limitation. The resulting large gap between birth and death rates persisted for decades because the declines in mortality stemmed from imported technologies and public-health measures rather than from social and economic developments that simultaneously reduced birth rates. As a consequence, during its period of dynamic population growth, the Third World displayed very high rates of natural increase that were far in excess of those experienced by European countries during the nineteenth century. These high population growth rates have exacerbated the pressures for emigration in contemporary developing countries by increasing the ratio of population to land and driving down agrarian wages.

At the same time, the technology of production has become increasingly capital intensive. Agricultural modernization now has the potential to displace far more people from rural employment, while factories need fewer workers to produce the same output. Technological improvements have also reduced substantially the time and money required to travel internationally, and modern mass communications have made inhabitants of the Third World more aware of opportunities and conditions abroad than were European peasants of the past.

Thus the economic foundations for modern international migration lie not simply in low wages or lack of economic development in poor countries, but in the spread of increasingly capital-intensive economic development to rapidly growing Third World populations that are linked to the developed world by modern systems of transportation and communication. Although the high wages in developing countries provide an incentive to migrate, the uncertainty created by economic development also makes emigration an attractive strategy for risk diversification.

The Social Foundations of Immigration

International migration also has important social foundations that must be taken into account to achieve a complete understanding of contemporary immigration patterns. Immigration is far more dynamic than standard economic analyses suggest because it tends to feed back on itself through social channels. As a result, immigration has become progressively independent of the economic conditions that originally caused it and alters social structures in ways that increase the likelihood of subsequent migration.

Migrant networks are sets of interpersonal ties that link together migrants, former migrants, and nonmigrants in origin and destination areas through the bonds of kinship, friendship and shared community origin. They increase the likelihood of migration because they lower the costs of migration, which include the direct monetary costs of making a trip, the information and search costs paid to obtain a new job, the opportunity costs of foraging income while searching for work, and the psychic costs of leaving a familiar environment and moving to a strange setting. All of these costs are reduced when a prospective migrant has a personal tie to someone with prior experience in a particular destination area.

The first migrants who leave for a new destination have no social ties to draw upon, and for them migration is costly, particularly if it involves entering another country without documents. After the first migrants have left, however, the costs of migration are substantially lower for their friends and relatives living in the community of origin. Because of the nature of kinship and friendship structures, each new migrant creates a set of people with social ties to the destination area. Migrants are inevitably linked to nonmigrants through bonds of kinship and friendship, and the latter draw upon obligations implicit in these relationships to gain access to employment and assistance at the point of destination, substantially reducing their migrant costs.

Once the number of network connections in an origin area reaches a certain threshold, migration become self-perpetuating because migration itself creates the social structure needed to sustain it. Every new migrant reduces the costs of subsequent migration for a set of friends and relatives, and some of these people are thereby induced to migrate, which further expands the set of people with ties abroad and, in turn, reduces costs for a new set of people, causing some of them to migrate, and so on.

The Foundations of Immigration Policy

The overemphasis on wages as determinants of immigration and the failure to appreciate the social dimensions of the migration process have led to immigration policies that often yield outcomes the opposite of those desired. Thus the recruitment of temporary foreign workers usually ends up generating a large, permanent minority population; and policies designed to ration immigrant visas end up reinforcing the process of network formation and generating still more migrants, both legal and illegal.

Viewing immigration as an economic phenomenon, governments naively assume that the flow of immigrants can be managed and regulated like other economic processes. In the post war period, many governments attempted to recruit foreign workers to fill short-term economic needs, assuming that when the needs ended, the flow of migrants could be turned off as easily as it was turned on. This assumption has proved to unfounded.

In parts of Western Europe and the United States, for example, rapid economic growth has at times led to a demand for workers in certain sectors of the economy. Foreign labor was imported to meet this demand, but when no longer necessary, recruitment ended and foreign workers were encouraged to go home. But the number of foreign workers declined in only a few countries, and, as many workers chose to remain and sent abroad for family members, everywhere the size of foreign populations increased.

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Another area where governments often work at cross-purposes with stated policy objectives is in attempting to limit and ration immigrant visas. Most countries employ a rationing system that relies on the principle of family reunification, where immigrants are admitted if they already have a relative living in the country. Family reunification systems work at cross-purposes with the limitation of immigration because they reinforce the process of network formation and over time actually encourage further immigration.

In the long run, therefore, immigration tends to breed more immigration, and if there is one prediction for the future it is that the current period of global immigration will continue. The economic foundations of migration lie in the spread of capital-intensive economic developments to rapidly growing Third World populations that are linked to the developed world by modern systems of transportation and communication. Once immigration has begun, the social foundations of migration build a self-perpetuating momentum into the process. The growth and expansion of migrant networks progressively reduce the costs of international movement and make emigration a very attractive strategy for risk diversification among poor families in developing countries. Once a stage of mass migration has been reached, migration will tend to continue regardless of changes in wages, employment, or government immigration policies. ■