A Mexican saying goes “Don’t ask God to give it to you, ask Him to put you where it is.” Migration is the movement of people from one place to another.

**Internal Migration** the movement of people within same country, **immigration** the movement of people across national boundaries.

Unlike fertility and mortality, migration has no biological component. It can be affected by technological change just as the other processes are, through the invention of transportation systems. For example, the steam engine in the 19th century facilitated the trans–Atlantic from Europe to North America and Australia and New Zealand.

**Migration** is defined as any permanent change in residence. The most important aspect of migration is that it is spatial by definition.

Definition of residence complex, but generally where you live most of the time. You may commute across state lines (e.g., Beloit to northern Chicago) but that does not make you a migrate.

May temporarily change residence — construction workers for example. These kind of seasonal workers typically return home to a permanent residence. **Sojourner** are international migrants seeking temporary paid employment in another country. These are all example of mobility but have not changed their permanent residence.

The definition is somewhat arbitrary, but if you change residence but move only a short distance and stay in the same civil district (children go to the same schools, shop at the same locations, work at the same job) then you is a **mover** and not a migrant. All migrants are movers, but not all movers are migrants.

Distinction between moves and migrants depend on the administrative unit of analysis (town, county, state, school district) etc. This is why comparison of internal migration for different countries is difficult. Different countries have different definitions of who is a migrant and who is a mover. The US is highly mobile 17% move each year compared to Europe less than 10%.

But important to note administrative units vary in size in the U.S. Regions, say counties, are much larger west of the Mississippi than East of the Mississippi. Small in NE and large in Western States. Some counties in Arizona larger than States in the East.

Have a group of individuals who have no permanent residence — **transients** and **nomads**. Without a permanent residence they can not be easily classified as migrants. So standard approach is not to consider them. How to classify “snow birds” retirees who split their time between northern and southern locations? What if spent 6 months in each location. These folks have to declare their permanent residence, but not sure how the state property tax works. Typically pay state income tax on income earned in the state, but elderly living on pension and social security. So not sure.
Internal and international migration

From an economic standpoint, geographic mobility is a form of human capital — an investment made today for benefits received tomorrow and into the future. Benefits in the form of higher wages, more stable employment prospects, or any location–specific factor. From our analytical perspective internal migration and international migration are the same but the costs and benefits may differ.

We could classify the migration streams by voluntary and involuntary. Usually we think of migration as the voluntary movement from one location to another. But displaced persons account for a large share of the world’s refugee population. Civil strife can force people out of their homes to seek safety and refuge somewhere else in their country (as in Darfur, Sudan. Environmental disasters (think Katrina) can have the same effect. And again in the 1930s in the aftermath of the Dust Bowl.

Governments sometime force their people to move, although usually this kind of forced migration is planned.

Migration across international boundaries is usually voluntary but means that the person has met (usually a stringent) set of entrance conditions, is entering without documents, or is being granted refugee status, fleeing from political, social or military conflict.

For these reasons, we usually consider that international migration is more stressful and more difficult (costly). Plus, international migrants often move to a new society with a different language, culture and may be dominated by a different religion, being provided different types and levels of government services, and adjusting to different sets of social expectations and obligations.

A couple more definitions: w.r.t. to the place you left behind you are an out–migrant, whereas you become an in–migrant at the new location. If you move from country to country you are an emmigrant in terms of the area of origin and an immigrant at the destination.

International migration differentiated further between legal, illegal or undocumented immigrants and refugees and asylees.

- Legal immigrants have the government’s permission to enter
- Illegal immigrants do not.
- Refugees UN (definition) “any person who is outside his or her country of nationality and is unable or unwilling to return to that country because of persecution or a well–founded fear of persecution. Claims of persecution may be based on race, religion, nationality, membership in a particular social group, or public opinion.”
- An asylees is an refugee is in the country to which they are applying for admission, whereas a refugee is outside the country at the time of the application.

Stocks and Flows

The process of moving from one place to another is the migration flow. The migrant stock is the number of people living in a different place than where they were born.
Remember flows are defined over a unit of time — per year, per decade or per month. Whereas stocks are measured at a point in time, end of the calendar year, at the census date. Income is a flow and assets are a stock.

And of course, flows can change the composition of stocks.

Information on stocks comes from surveys and census. Asked about where they lived before, in the US census asked about place of birth, and location five years before the census (long form, 20 percent).

Recall balancing equation of population change:

\[ \Delta N = B - D + I - O \]

this can be either absolute or relative numbers

Net migration Entries minus exits — how does the population size change as a result of migration.

**Important:** Net migration can be small, even if in–migrations and out–migrations are large. Stocks of international migrants can increase even if net migration rates are small.

This can happen if zero net migration occurs because of entry of foreigners and exits of natives, the proportion of foreign–born can increase quickly.

**Urbanization** refers to the an increase in the proportion of the population that lives in urban areas. Different from the growth rate (GR of the population living in urban areas). If urban and rural growth at the same rate, no increase in urbanization.

Related to migration (both internal and international) because migration is the main cause of urbanization — often migrants move from rural to urban areas (internally and internationally)

Urbanization is complex: a change in the proportion urban can occur even if there is no migration. If the balance of births and deaths differ between urban and rural areas, this will change the proportion urban. But migration the main factor.

Definition of urban areas can vary: can be

- size of place (US > 2,500 people)
- density of the population in an area
- Predominance of non–agricultural activities
- Connection/ties with a city (e.g., most people living in a village commute to the neighboring city, do you include the village in the urban area or not?) Linked to commuting patterns, telephone calls.

Change in definitions over time can result in spurious urbanization patterns.

Here we will focus on the process of migration, its causes and consequences. We will not talk about about urbanization much because of time constraints.
Historical Patterns

The world is “smaller” now than before. Movement of people greater than previously. Important to review the background material (section 0 of course web page) to understand historical patterns and the magnitude of relative flows.

Important to realize US is a country of immigrants, say for Canada, Australia, and New Zealand in terms of relative share of foreign born. But in terms of absolute numbers there are more foreign born in developing countries than in the developed countries. But of course, the populations of the developed countries (China, India) much larger.

General movement 19th century: East to West. More recently South to North.

Important to understand the large change in the ethnic and racial composition of migrants to the United States. mid–19th century Norther and Western European (England, Germany, Ireland, France), late 19th and early 20th, southern Europe (Italy). Mid-twentieth century Asian and Latin America. Increase in migration streams to US last third of the twentieth century.

Why Do People Migrate

Within economics we use the same individual calculus (modified somewhat to extend to family [multi–person] units) to understand internal migration and international migration flows. Most other disciplines are not as compact. It is common to think of processes that initiate migration while other processes perpetuate migration once started. My comments will stay strictly within economics.

Theories on the Initiation of Migration

Neoclassical Economics Applies supply and demand for labor. People move in pursuit of economic gains — higher wages or increased employment opportunities. People move from poor labor markets to good labor markets.

The idea is that migration is an investment in human capital — the skills and abilities embedded in the individual. HC comprise innate abilities, skills, knowledge. Acquired at home, through investments by parents, at school or through experience.

People move to places where they can “rent” through human capital at higher rental prices. That is where wages and earnings are higher. Thus, the “brain drain” is the movement of highly educated people from one country to area; typically concerned with the loss of human capital in developing countries (where HC is scarce).

View of capital can think of migration as motivated by arbitrage or profit opportunities. Trade and capital flows continue until price differences are eliminated (to within transaction costs). Once the profit opportunities are eliminated, the flow should stop.

Earnings differentials can persist for a long time. Large debate in the economic growth literature on “converge” — whether prices and wages (the price of labor inputs) have converged between developed and developing countries over time.

What are some of the perspective’s predictions?
1. Should see people move from poor to good labor markets.
2. Should see people move when young: to correct “accidents of birth” and to receive benefits over longer period.

**New Household Economics of Migration**  Neoclassical approach assumes that the individual is the appropriate unit of analysis (makes decision). This perspective argues that migration decisions are often made in the context of what’s best for an entire family or household.

People move to maximizes expected payoffs (for family) and to minimize risk. Think of the family as having a portfolio of earning components (i.e., members). Migration is a way to **diversify** the family’s sources of income. Migrating members of the household have their journey subsidized and then remit portions of their earnings back home.

This cushions households against risk inherent in societies with weak institutions. No lending markets, no unemployment insurance, no insurance markets of any kind. Families self–insure through migration of family members.

**Dual Labor Market Theory** This views labor markets as having two types of jobs “good” and “bad”. Good jobs employs well-educated people, pays them well, and offers security and benefits. Bad jobs low wages, unstable working conditions, and lack of reasonable prospects for advancement.

It is fundamental (and outside the theory) that good and bad jobs do not compete with one another.

The idea is that immigrant workers provide a ready supply of workers to the bad job sector. Native workers prefer not to take these jobs, but immigrant workers are better off in the “bad” or “secondary” sector of a developed economy than in their native location.