

Earthmoving migration*

Orsolya Vida

Paul Collier

Exodus – How Migration is Changing Our World

Oxford University Press, 2013, p. 309

ISBN: 978-0195398656 (paperback)

Paul Collier, a world-renowned British economist and best-selling author, discusses one of the most pressing and controversial issues of our time: migration. The most intriguing feature of the book is the author's refreshing, highly provocative approach to this global phenomenon that, at one level or the other, affects us all. *Collier's* main goal is to crack the migration taboo and demonstrate why this issue must (should) be discussed openly without any of the negative associations shrouding the phenomenon and why effective migration policies building on this foundation must be devised.

Having been selected – twice – by *Foreign Policy* magazine as one of the top 100 global thinkers in the world, the author's chosen research area encompasses an extremely wide spectrum, including the analysis of the relationships between globalisation and poverty. As early as 2007, *Collier* published a book¹ on the effects of immigration policies (measures) encouraging or restricting migration. In *Exodus*, the author attempts to examine the consequences of migration trends from three different perspectives: from the aspect of migrants, the people left behind, and the society of the host country. He takes account of the most important economic, demographic and cultural implications in respect of all three "players". He examines the migration taboo and the reasons behind the acceleration of migration, and provides advice on the action to be taken at the local and global levels, in order to contain migration and ensure the sustainability of the process.

* The views expressed in this paper are those of the author(s) and do not necessarily reflect the official view of the Magyar Nemzeti Bank.

Orsolya Vida, economist, translation and correspondent specialist in foreign trade, is an associate at the International Relations Department of the Magyar Nemzeti Bank. E-mail: vidao@mnbb.hu.

1 Paul Collier (2007): *The Bottom Billion: Why the Poorest Countries are Failing and What Can Be Done About It*. Oxford: University Press

Drawing on extensive research and case studies, *Collier's* analysis found that, in the absence of effective measures, immigration can spin out of control with dire consequences for the poorest countries, which may be left to face mass exodus. There is a risk that both the country of origin and the destination country will lose their national identity with catastrophic consequences for all concerned. Immigration, therefore, should be restricted precisely to ensure that the phenomenon benefits, rather than harms, both the home and the host countries.

Collier argues that the key issue is not whether the impact of immigration is good or bad; we should, instead, focus on determining the extent/limit up to which immigration is still acceptable. Accordingly, rather than dismissing the restriction of migration as a manifestation of nationalism or racism, the author looks at it as an increasingly important social policy instrument in higher-income countries. Although migration may appear to be a simple economic phenomenon, it does not induce remarkable changes in the economy, while its social implications are extremely complex. Mass migration is not an inherent feature of globalisation, but rather a response to extreme global inequalities; a temporary answer to the phase of development in which welfare is not yet universal. The transformation of the social models of poor countries and the local contextualisation of global concepts would be a real step forward.

The migration taboo began to take shape in the 1960s, in the period of large-scale immigration from the former British colonies, and it was not until the 2010s that it began to crack upon the arrival of masses of immigrants from Poland. Regarding the participants of the process and the human side of the phenomenon, the issue is surrounded by so many emotional aspects that there is no consistent position either on migration or possible political solutions. Migration was an over-politicised issue far before it became the subject of scrutiny, which explains the substantial differences between the migration policies of home and host countries. Migration policies tend to be shaped by solidly set value judgements rather than real experience, and the mechanism termed “confirmation bias” only exacerbates the problem. Policy-makers are caught between a rock and a hard place: their constituents and the economists. The former are pressured by concerns stemming from negative preconceptions, while the latter are bogged down by one-sided economic models that relegate the social ramifications of the phenomenon to the background.

The main reason for the acceleration of migration was a drastic change in global economy in the 1960s: the emergence of the world of the rich and the world of the poor. The remarkable differences between the income positions of certain countries can be attributed to a variety of reasons. The capital adequacy of impoverished countries is extremely low, typically coupled with ill-chosen economic policies, dysfunctional social models and ideologies, geographical disadvantages, the legacy of colonisation, the lack of education and a negative attitude to work. State administration is poorly organised with a rudimentary institutional system. The average citizen has little access to information, the level of capability/willingness for social cooperation is low, violence is rampant. The poorest

countries are typically abandoned – for existential reasons – by the very citizens that would be most needed at home (see the phenomena of brain drain and motivation drain). The immigration of new generations is highly supported by the existence of a diaspora: the bigger the diaspora, the easier immigration is. Immigrants are added to the local diaspora, which reduces absorption (i.e. adjustment to mainstream society). The author therefore assumes that the rate of migration will not decelerate and no equilibrium can be expected in the short run.

Collier's volume focuses on three main concepts, the first of which is the “acceleration principle” of migration: a growing diaspora of migrants in the host country tends to ease and speed up migration, while the impact of migration on the income gap is limited and not straightforward. This rule stems from the specificities of the migration process and the acceleration of migration can only be curbed by the depopulation of the country of origin.

It is important to find a happy medium in determining a threshold for migration. The most important impact of migration affects the educated people among those left behind. From the perspective of people remaining in the country of origin, migration is desirable only to the extent a maximum balance can be found between their access to education and remittances.

The effects of migration on the “indigenous” population of the host country are partly economic and partly social in nature: diversity, trust, and redistribution. These may not be the most important effects, but they are undoubtedly the most permanent. Of the direct economic effects, the pressures exerted on wages and social housing deserve special attention as they may be detrimental to the poorer social segments of the host country. In a different context, a number of other effects may also be significant, such as overpopulation or boom-bust cycles. Immigration increases social diversity. Diversity can contribute to the resolution of economic problems and improve living conditions; however, it can undermine mutual regard and dampen the openness to cooperation and solidarity. Accordingly, a compromise should be found between the costs and benefits of diversity.

Migration policies are developed by the host countries, rather than the home countries. For fear of uncontrolled acceleration of migration, policy-makers often resort to the instrument called “the political economy of panic”. This self-generating process has four phases. In the first phase, migration is unrestricted, and keeps accelerating until a balance is found between the migration function and the diaspora schedule, at which point the phenomenon becomes a political matter and the so-called “anxiety phase” sets in. In this phase, the government introduces quantitative restrictions, ushering in the second stage, coined by the author as the “panic phase”. The growth of immigration comes to a halt, but the diaspora fails to reach an equilibrium, as the non-integrated diaspora of the host country keeps growing due to a lack of adjustment to the mainstream, cultural differences and the low level of social trust. Political pressure keeps mounting in the light of increasing

social costs and the burdens imposed on social welfare systems. The government “tackles” the new challenge by further, even more stringent, quantitative restrictions.

This is where the process reaches its third, “ugly phase”. From this point on, the process becomes self-generating: the non-integrated diaspora continues to grow despite restrictions by the host country, generating mounting social costs and political pressure.

Consequently, there is a long journey to the fourth – “diaspora absorption” – phase, which may last for decades. At this stage, restrictions are intended to achieve the gradual assimilation of the diaspora into the society of the host country in a fashion that restores the system of social trust and cooperation and achieves the desired equilibrium.

While migration is a personal decision, migration policies are developed by the governments. If decision-makers are to put forward an adequate and effective migration policy package, they should never lose sight of the complexity of the migration process. They should strive to find the right balance between the interests of migrants, the country of origin and the host country, to make decisions based on facts and knowledge rather than emotions, and to avoid the uncontrolled acceleration of migration not by the ill-conceived instruments of the “economic policy of panic” but by a reasonable “screening” of immigrants, efficient integration of the diaspora and the steering of illegal immigration onto a lawful path.