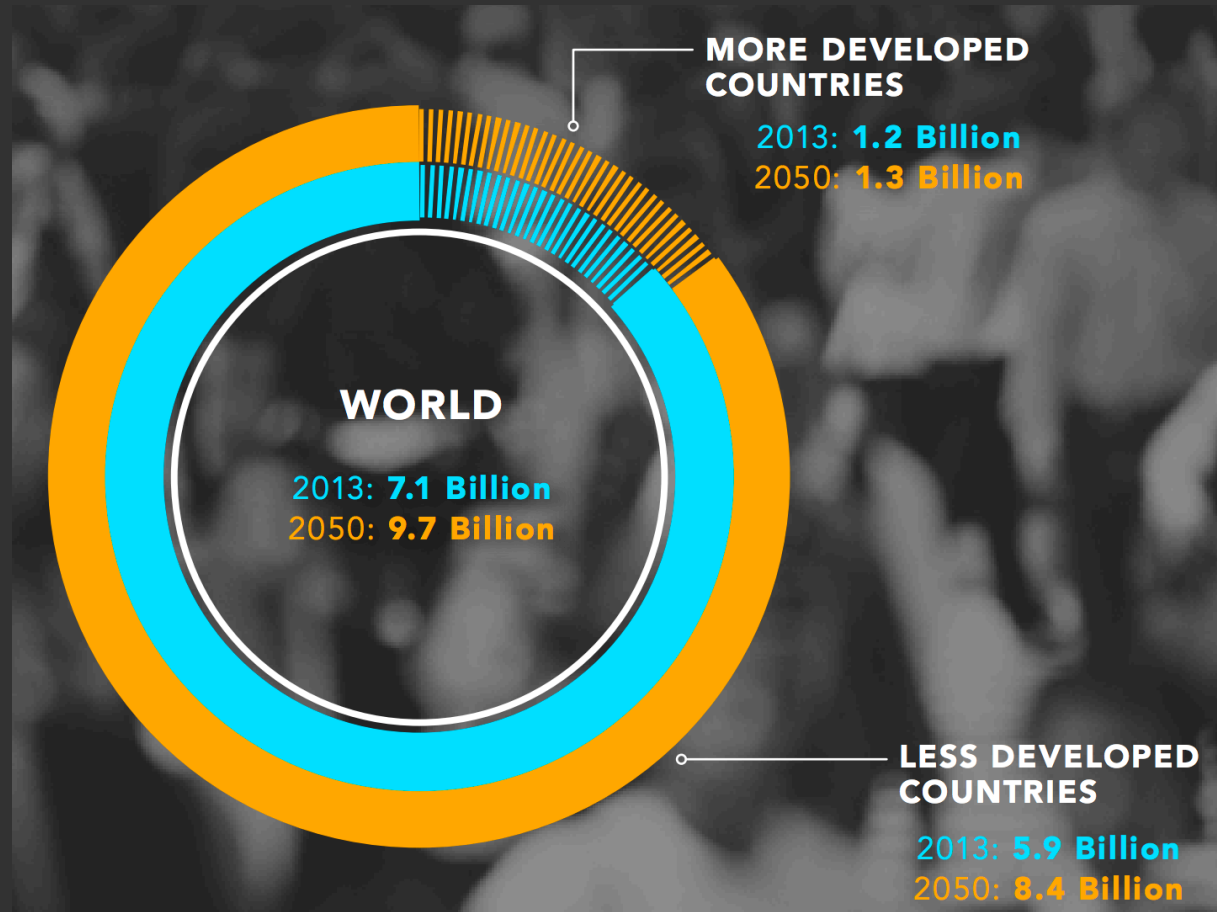


# POL201Y1: Politics of Development

Lecture 23:

Migration

# Recap



Source: <http://www.prb.org/Publications/Datasheets/2013/2013-world-population-data-sheet/infographic.aspx>

# Recap

- Concentration of the world's population in the global South
- Great difficulty of establishing the 'consensually strong state equilibrium'
- Partial success (or failure) of efforts to alleviate poverty etc. and effect development in the absence of the 'consensually strong state equilibrium'

# Recap

- Trade and globalization
- Objects of trade:
  - Goods
  - Services
- Factors of production:
  - Capital
  - Land
  - Labour
- Movement of capital vs. movement of labour

# Global inequality of opportunity (Milanović)

- Country of residence and income distribution within that country account for 50% of global income variability
  - Milanović, Branko. 2015. "Global Inequality of Opportunity: How Much of Our Income Is Determined by Where We Live?" *The Review of Economics and Statistics* 97 (2): 452–460.

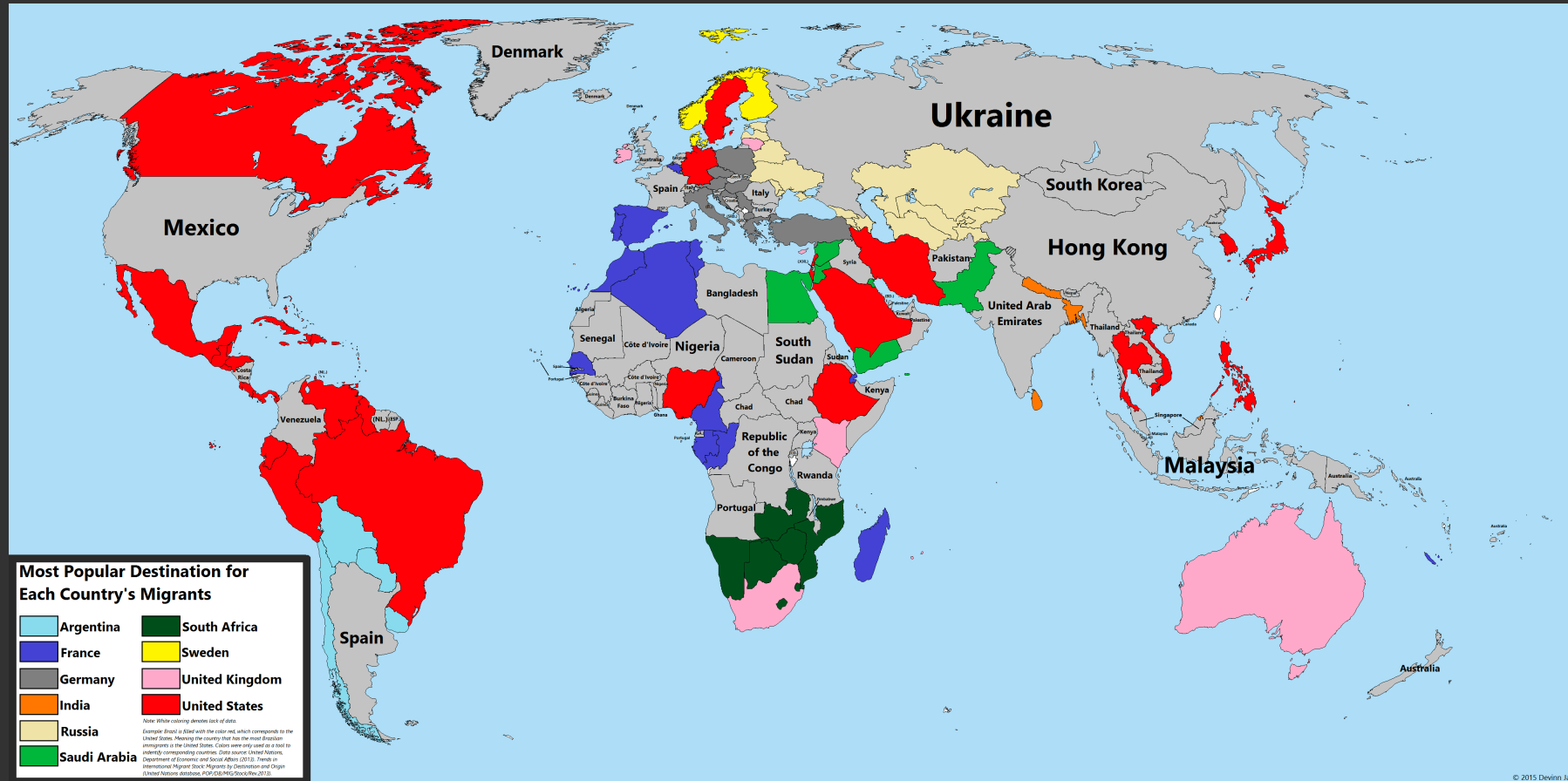
# Obiter dictum: migrants and refugees

- 1951 Refugee Convention:
  - Refugee: someone who is unable or unwilling to return to their country of origin owing to a well-founded fear of being persecuted for reasons of race, religion, nationality, membership of a particular social group, or political opinion →
- Someone who is fleeing civil conflict, environmental change, starvation or fears persecution because of their gender / sexual orientation != refugee
- Law vs. practice
- Simplistic dichotomy: refugees vs. migrants

# Migration

- 244 million people, or 3.3 per cent of the world's population, lived outside their country of origin in 2015
  - <http://www.unfpa.org/migration>

# Migration

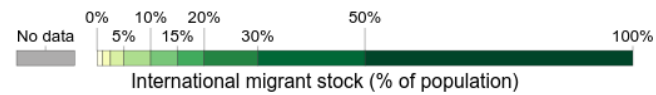
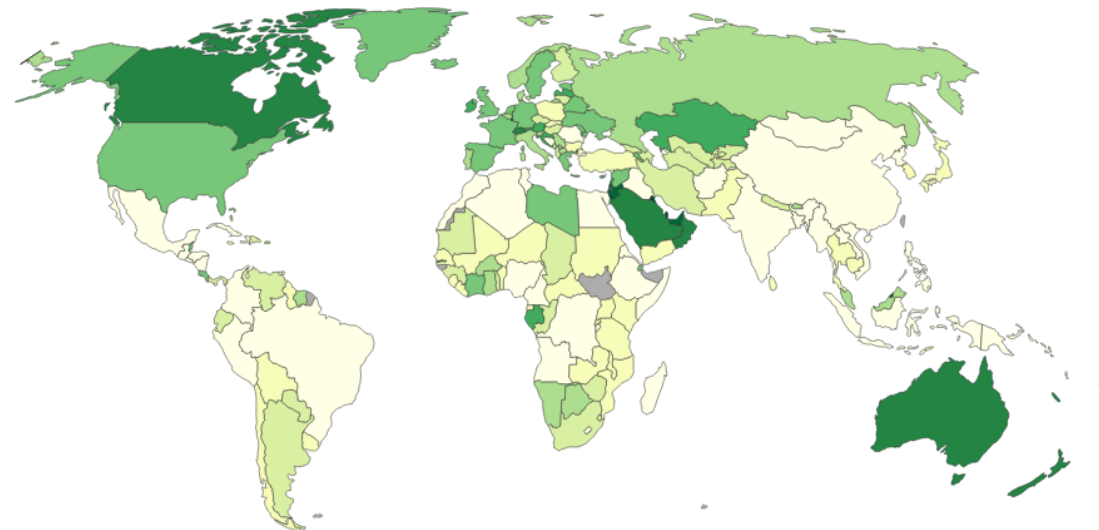




# Migration

Share of a country's population that is not born within the country, 2010  
International migrant stock (% of population)

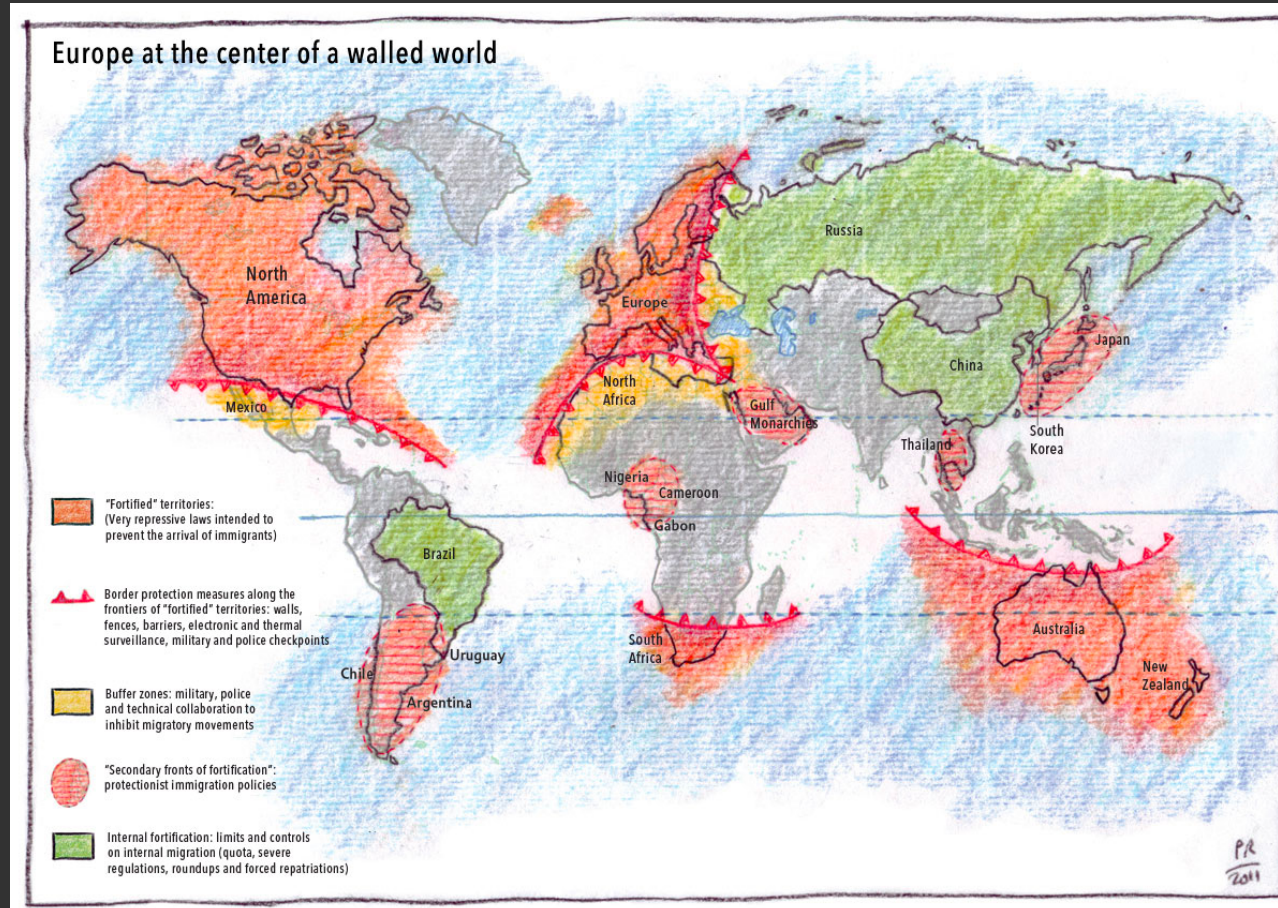
OurWorld  
in Data



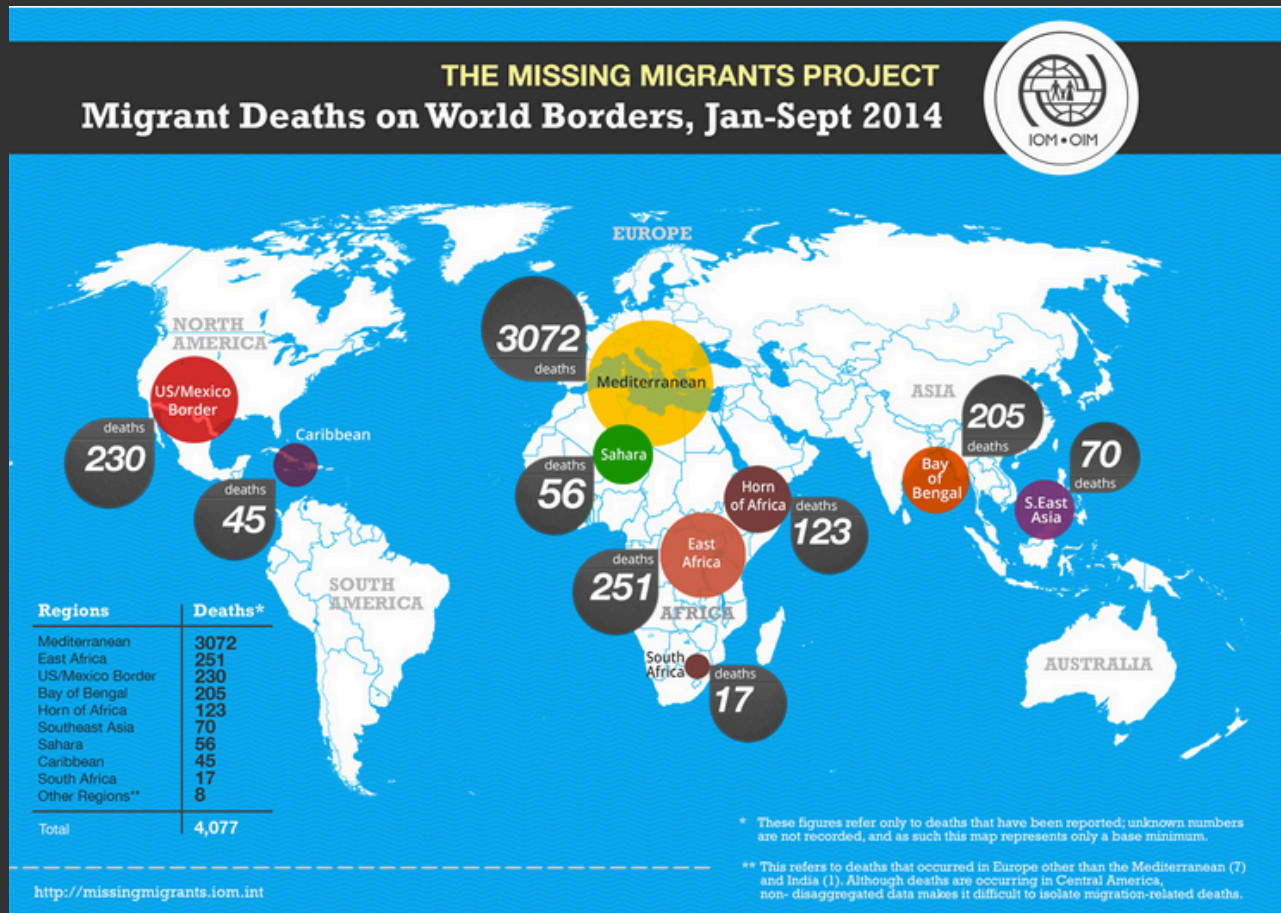
Source: World Bank – World Development Indicators (International migrant stock (share of population))

OurWorldInData.org/migration/ • CC BY-SA

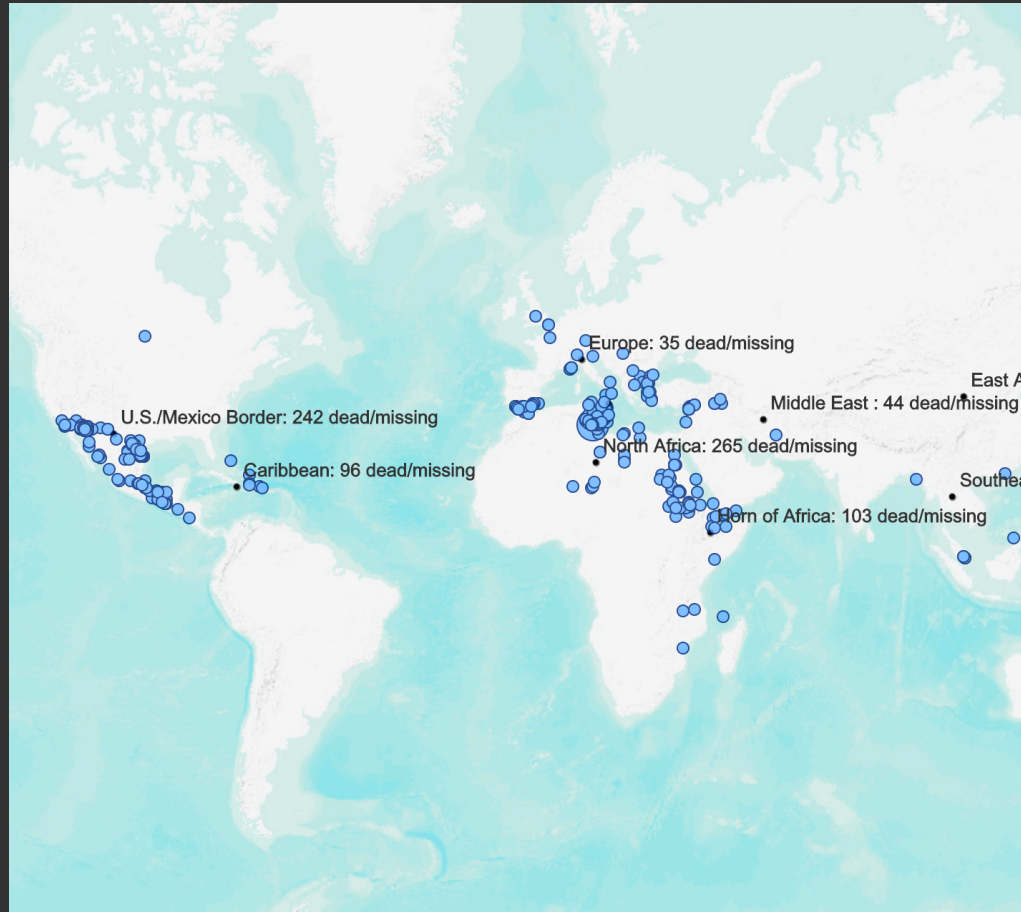
# Migration regimes



# Cost of existing migration regimes



# Cost of existing migration regimes



**2,405** migrant deaths  
in the Mediterranean in 2017

**3,420** deaths  
recorded worldwide in 2017

Published 18:00 CET 7 August 2017

#### Latest Downloads:

Latest [Mediterranean Update](#)

[Analysis](#) of rise in fatalities on US-Mexico border

[Analysis](#) of Missing Migrants Project's 2016 data

Missing Migrants Project's [annual report](#) for 2016

Back issues of Mediterranean Update available [here](#)

Download data-set with estimated coordinates [here](#)

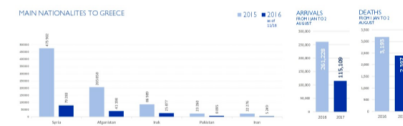


#### MEDITERRANEAN UPDATE

Migration Flows, Europe Arrivals and Fatalities



#### MAIN NATIONALITIES TO GREECE



Source: <https://missingmigrants.iom.int>

# Potential economic benefits of changing the existing migration regimes

*Table 1*  
**Efficiency Gain from Elimination of International Barriers**  
*(percent of world GDP)*

*All policy barriers to merchandise trade*

1.8	Goldin, Knudsen, and van der Mensbrugghe (1993)
4.1	Dessus, Fukasaku, and Safadi (1999) <sup>a</sup>
0.9	Anderson, Francois, Hertel, Hoekman, and Martin (2000)
1.2	World Bank (2001)
2.8	World Bank (2001) <sup>a</sup>
0.7	Anderson and Martin (2005)
0.3	Hertel and Keeney (2006, table 2.9)

*All barriers to capital flows*

1.7	Gourinchas and Jeanne (2006) <sup>b</sup>
0.1	Caselli and Feyrer (2007)

*All barriers to labor mobility*

147.3	Hamilton and Whalley (1984, table 4, row 2) <sup>c</sup>
96.5	Moses and Letnes (2004, table 5, row 4) <sup>c</sup>
67	Iregui (2005, table 10.3) <sup>c,d</sup>
122	Klein and Ventura (2007, table 3) <sup>c</sup>

Clemens, Michael A. 2011. "Economics and Emigration: Trillion-Dollar Bills on the Sidewalk?" *Journal of Economic Perspectives* 25 (3): 83–106.

# Economic effects of migration

- Individual-level
- Society-level:
  - Origin
  - Destination

# Individual-level economic effects of migration

- Glaeser and Maré (2011): productivity increases
  - Glaeser, Edward L., and David C. Maré. 2001. "Cities and Skills." *Journal of Labor Economics*, 19(2): 316–42.

# Economic effects of migration on countries of origin

- Effects on countries of origin:
  - Lower productivity, or 'brain drain'?
  - Remittances
  - Wage increases:
    - Mishra (2007): emigration of Mexicans to the United States between 1970 and 2000 may have caused an 8 percent increase in Mexicans' nominal wages in Mexico
      - Mishra, Prachi. 2007. "Emigration and Wages in Source Countries: Evidence from Mexico." *Journal of Development Economics*, 82(1): 180–99.



# Economic effects of migration on destination countries

- No documented case of declines in GDP or massive declines in public-service provision at the destination caused by immigration
- Glaeser and Maré (2011): productivity increases
  - Glaeser, Edward L., and David C. Maré. 2001. "Cities and Skills." *Journal of Labor Economics*, 19(2): 316–42.
- Building Markets (2017): since 2011, Syrians in Turkey have invested nearly \$334 million into 6,033 new companies
  - Building Markets. 2017. *Another Side to the Story: A Market Assessment of Syrian SMEs in Turkey*. [http://buildingmarkets.org/sites/default/files/pdm\\_reports/another\\_side\\_to\\_the\\_story\\_a\\_market\\_assessment\\_of\\_syrian\\_smes\\_in\\_turkey.pdf/](http://buildingmarkets.org/sites/default/files/pdm_reports/another_side_to_the_story_a_market_assessment_of_syrian_smes_in_turkey.pdf/)

# Economic effects of migration on destination countries

- High-skill labour:

- Khanna and Morales (2017): the H-1B scheme led to a tech boom in both India and the United States, inducing substantial gains in firm productivity and consumer welfare

- Khanna, Gaurav, and Nicolas Morales. "The IT Boom and Other Unintended Consequences of Chasing the American Dream." <https://www.cgdev.org/publication/it-boom-and-other-unintended-consequences-chasing-american-dream/>

- Low-skill labour:

- Kremer and Watt (2009): positive effects of low-skill labour availability on the productivity of high-skill labour, particularly women's labour

- Kremer, Michael, and Stanley Watt. 2009. "The Globalization of Household Production." [http://www.cgdev.org/doc/events/Migration%20Conference,%205.26.09/Michael\\_Kremer\\_Paper.pdf](http://www.cgdev.org/doc/events/Migration%20Conference,%205.26.09/Michael_Kremer_Paper.pdf)

- Borjas (2017): influx of Cuban refugees to Miami reduced the wages of low-skill American workers

- Borjas, George J. 2017. "The Wage Impact of the Marielitos." *ILR Review*.

- But: Clemens—finding is spurious

- <https://www.cgdev.org/blog/what-mariel-boatlift-cuban-refugees-can-teach-us-about-economics-immigration>

# Economic effects of migration

 **William Easterly**   
@bill\_easterly  

Economists' consensus is that immigration is a boon to economy, doesn't harm native workers



**Fewer Immigrants Mean More Jobs? Not So, Economists Say**  
Highly educated immigrants are good for the economy, but so are less skilled workers, economists say.  
[nytimes.com](http://nytimes.com)

7:01 AM - 4 Aug 2017

612 Retweets 665 Likes 

 38  612  665

# Open borders? (Tabarrok)

- “No defensible moral framework regards foreigners as less deserving of rights than people born in the right place at the right time.

To paraphrase Rousseau, man is born free, yet everywhere he is caged.

Barbed-wire, concrete walls, and gun-toting guards confine people to the nation-state of their birth. But why? The argument for open borders is both economic and moral. All people should be free to move about the earth, uncaged by the arbitrary lines known as borders.”

- Tabarrok, Alex. 2017. “The Case for Getting Rid of Borders.” *The Atlantic*, October 10, 2015. <https://www.theatlantic.com/business/archive/2015/10/get-rid-borders-completely/409501/>.

# Politics of migration

- Number of people who believe that there are currently too many immigrants in their country:
  - Canada: 17%
  - France: 33%
  - Germany: 27%
  - Italy: 53%
  - The Netherlands: 27%
  - United Kingdom: 59%
  - United States: 37%
  - Clemens, Michael A. 2011. "Economics and Emigration: Trillion-Dollar Bills on the Sidewalk?" *Journal of Economic Perspectives* 25 (3): 83–106.
- Mayda (2006): wealthier, better-educated, and less-nationalist individuals in rich destination countries have more favourable attitudes toward immigration
  - Mayda, Anna Maria. 2006. "Who Is Against Immigration? A Cross-Country Investigation of Individual Attitudes toward Immigrants." *Review of Economics and Statistics*, 88(3): 510–30.

# Politics of migration

- Theresa May: “if you believe you’re a citizen of the world, you’re a citizen of nowhere”


**INDEPENDENT** News Voices Sports Culture [Indy/Life](#) Tech Daily Edition

News > UK > UK Politics

## Theresa May speech 'could have been taken out of Mein Kampf', Vince Cable says

Prime Minister's attack on global elite as 'citizens of nowhere' condemned as 'quite evil' - 'It could've been taken out of *Mein Kampf*'

Rob Merrick Deputy Political Editor | [@Rob\\_Merrick](#) | Wednesday 5 July 2017 15:15 BST | [Click to follow Indy Politics](#)



**ALJAZEERA** News Middle East Documentaries Shows Investigations Opinion Mo

Now: North Korea Pakistan Kenya South Africa GCC

NEWS | UNITED KINGDOM 15 FEBRUARY 2017

## UK: Hate crime 'at record levels' after Brexit vote

*Figures collated by British news agency show big increase in attacks after Britons voted to leave the European Union.*

Read to me

Share

Tweet

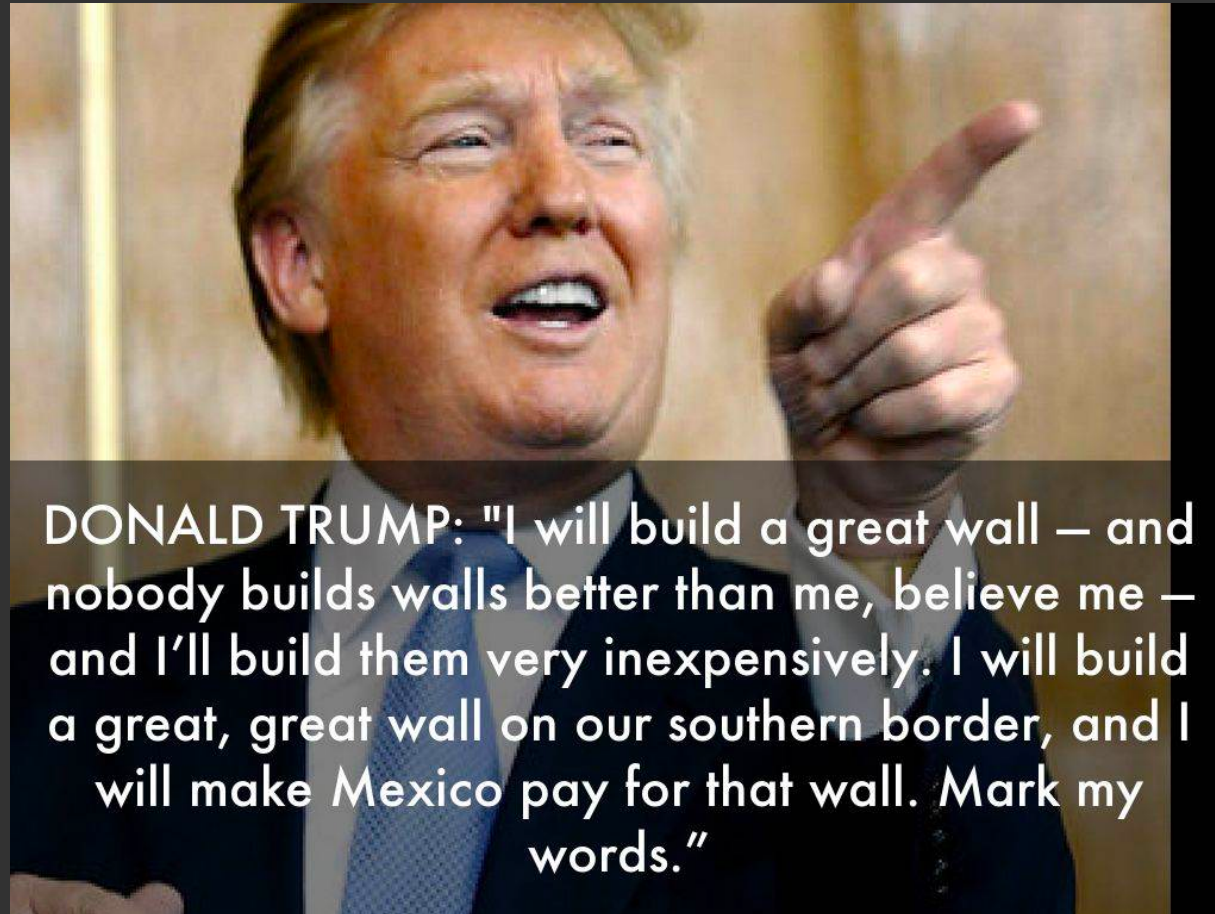
Comment

Print




Protesters are seen holding signs that read: "Hate crimes rise 41% post Brexit - YES IT'S RACIST Friends, family, colleagues live in fear and uncertainty YES IT'S XENOPHOBIC" and "STOP BREXIT FIGHT RACISM AND THE SCAPEGOATING of immigrants DEFEND FREEDOM OF MOVEMENT".

# Politics of migration



**Newsweek** U.S. WORLD BUSINESS TECH & SCIENCE CULTURE SPORTS OPINION

**U.S.**  
**UNDER TRUMP, ANTI-MUSLIM HATE CRIMES HAVE INCREASED AT AN ALARMING RATE**  
BY JANICE WILLIAMS ON 7/17/17 AT 6:05 PM



NYC Mayor Bill De Blasio Addresses Hate Crime Aggravated Muslim NYPD Officer


U.S. HATE CRIMES MUSLIMS TRUMP

There were more than 640 reports of potential bias incidents involving the targeting of Muslims in the U.S. in the first three months of the Trump administration, according to a report from the Southern Poverty Law Center.

Waiting for tag.bounceexchange.com...

**CNN** politics 45 CONGRESS SECURITY THE NINE TRUMP/AMERICA STATE

**Immigration arrests rise in first months of Trump administration**  
By Tal Kopan, CNN  
Updated 8:23 PM ET, Mon April 17, 2017



ONLY ON OUTFRONT  
I.C.E. AIR TAKES DEPORTED IMMIGRANTS BACK TO MEXICO

# Politics of migration

- How do you design a migration regime that is in the economic benefit of migrants and nonmigrants in both origin and destination countries *and* does not provoke popular backlash?



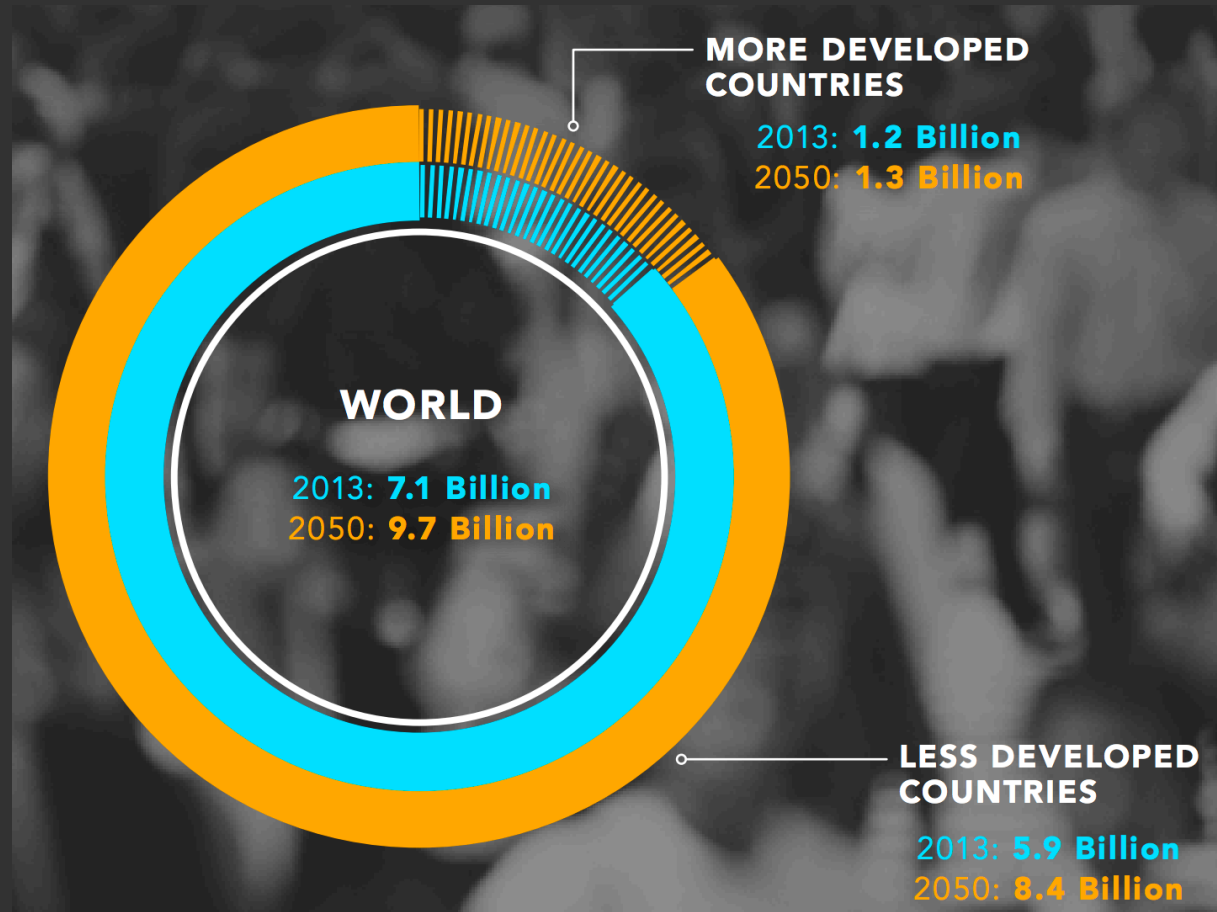
# Folly of the existing migration regimes (Pritchett)

- Low-skill labour is one of the world's most abundant economic resources (e.g. Uganda's real unemployment rate is 64%)
- Very high-skill labour is scarce
- But, introduction of automated parking systems in Uganda
- Pritchett's question: why are the world's scarcest economic resources devoted to economizing one of the world's most abundant economic resources?
- Answer: market distortion—protection of unproductive low-skill labour in the global North by the existing migration regimes
  - Wages of long-distance truck drivers:
    - United States: USD 19.67 / hour
    - 20 lowest-wage countries : USD 2 / hour
  - Pritchett, Lant. 2017. "Why Are Geniuses Destroying Jobs in Uganda?" Washington, D.C.: Center For Global Development. <https://www.cgdev.org/blog/why-are-geniuses-destroying-jobs-uganda/>

# Migration regimes

- Positively skill-selective
- Negatively skill-selective

# Migration regimes



Source: <http://www.prb.org/Publications/Datasheets/2013/2013-world-population-data-sheet/infographic.aspx>



# What we've learnt: origins of political order

- Human beings as rational, self-interested creatures
- Repeated prisoner's dilemma:
  - Tit-for-tat as the winning strategy →
- Self-interest compels cooperation (Fukuyama 2011)

# What we've learnt: origins of political order

- Small-scale societies:
  - Built on two principles:
    - Kin selection (e.g. ethnic groups)
    - Reciprocal altruism (Fukuyama 2011)
  - Voluntary agreement sufficient to enforce order (Olson 1993; Habyarimana et al. 2007)

# What we've learnt: origins of political order

- Larger societies:
  - Olson (1993): freeriding
- Rationale for freeriding:
  - Self-interest + parameters → opportunity cost

# What we've learnt: origins of political order

- Consequences of freeriding:
  - Anarchy
  - Conflict
  - Emergence of roving bandits
  - Lack of development (Olson 1993)  
Why?



# What we've learnt: origins of political order

- Prerequisites of development:
  - Trust
  - Dispute resolution mechanisms
  - Reduction of externalities, transaction risks, and costs
  - Security
  - Human capital (education, health, etc.) →
- Order

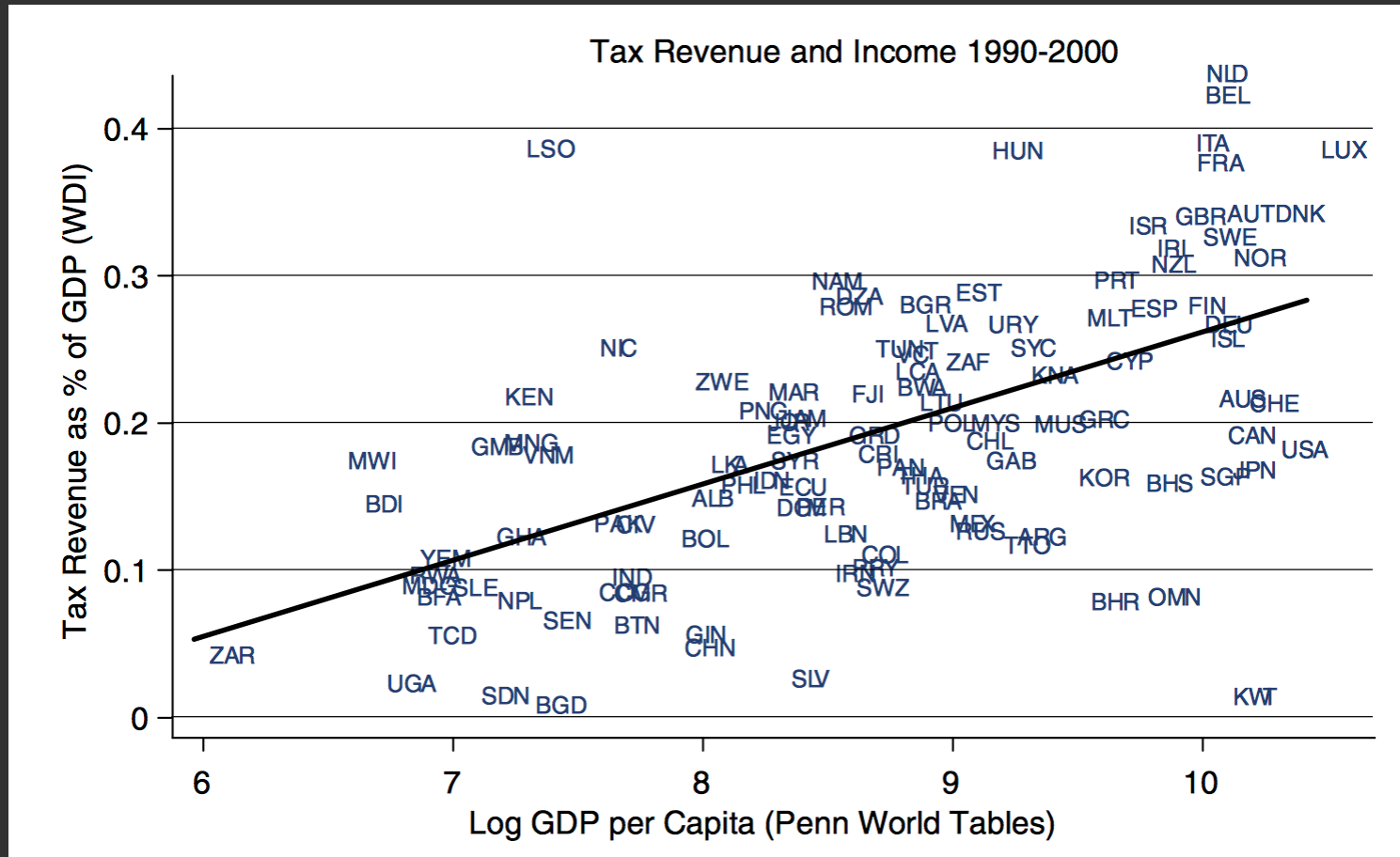
# What we've learnt: origins of political order

- Providers of order:
  - Private organizations:
    - Organized crime = stationary bandits
  - Political organizations:
    - Bands
    - Tribes
    - Chiefdoms
    - States

# What we've learnt: order and development

- Anarchy = no development, but order != development  
Why?
  - State capacity
  - State-society relations

# What we've learnt: state capacity and development



Acemoglu, Daron. 2005. "Politics and Economics in Weak and Strong States." *Journal of Monetary Economics* 52 (7): 1199–1226.

# What we've learnt: state capacity

- Origins of state capacity:
  - Tilly (1985 and 1990): complex, *longue durée* historical processes
  - Kohli (1994 and 2004): imposition of capable states by external agents (colonialism)

# What we've learnt: state capacity and development

- Moore (2008):
  - Coercive taxation
  - Consensual taxation
  - → Importance of societal consent / support

# What we've learnt: state-society relations and development

- Acemoglu (2005):
  - The state apparatus is controlled by a self-interested ruler
  - The ruler tries to divert resources for her own consumption, but can also invest in socially productive public goods
- Conditions that determine investment in socially productive public goods
  - Self-interest + parameters  $\rightarrow$  opportunity cost

# What we've learnt: state-society relations and development

- Distribution of social control / domination:
  - Concentrated in the state / integrated → state autonomy from society
  - Fragmented / dispersed → state dependence on society (Migdal 1988; Migdal, Kohli, and Shue 1994)

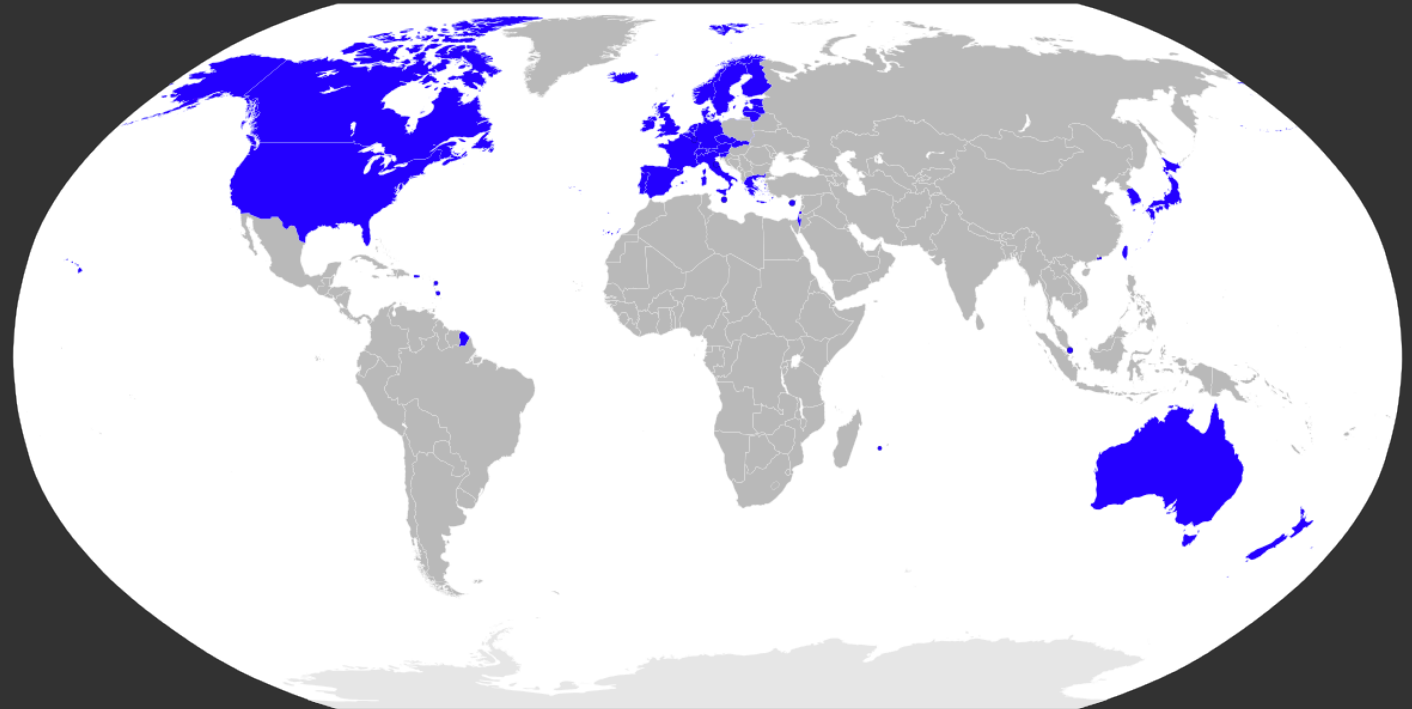


# What we've learnt: state capacity, state-society relations, and development

- Integrated / concentrated → state autonomy + high state capacity → development (or, in some cases, unsuccessful 'seeing like a state' schemes) + repression
- Integrated / concentrated → state autonomy + (neo)patrimonialism → low state capacity → low level of development + repression
- Dispersed / fragmented → state dependence + low state capacity → 'triangle of accommodation' (Migdal 1988) → low level of development + (in some cases) decentralization of predation and (re-)emergence of roving bandits
- Dispersed / fragmented → state dependence + high state capacity → 'consensually strong state equilibrium' (Acemoglu 2005)

# What we've learnt: varieties of political development

- Historical paths to the 'consensually strong state equilibrium':
  - (Western) Europe
  - Western offshoots
  - Developmental states
- The most wickedly hard problem



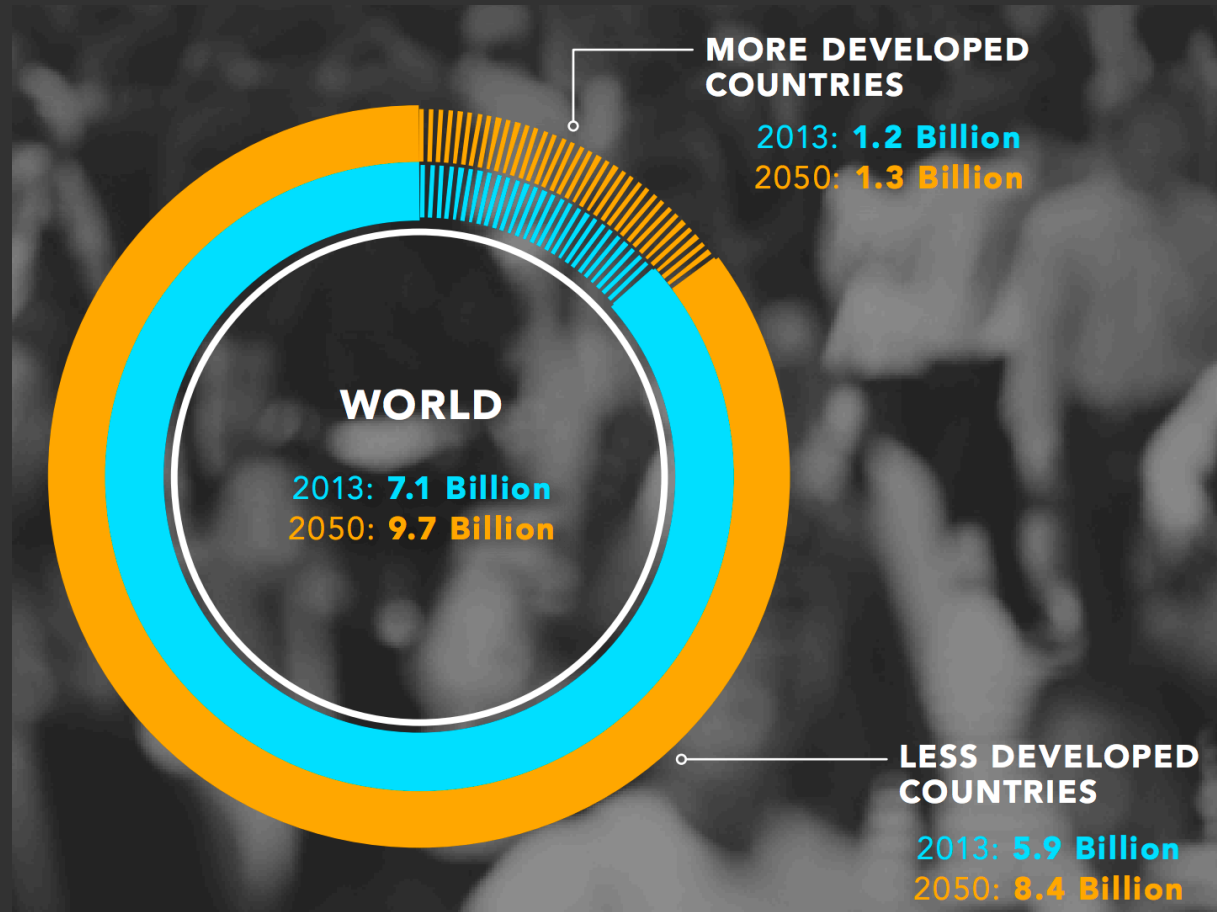
# Why?

- Why are some parts of the world so poor, repressive, and violent while others are rich, democratic, and peaceful?

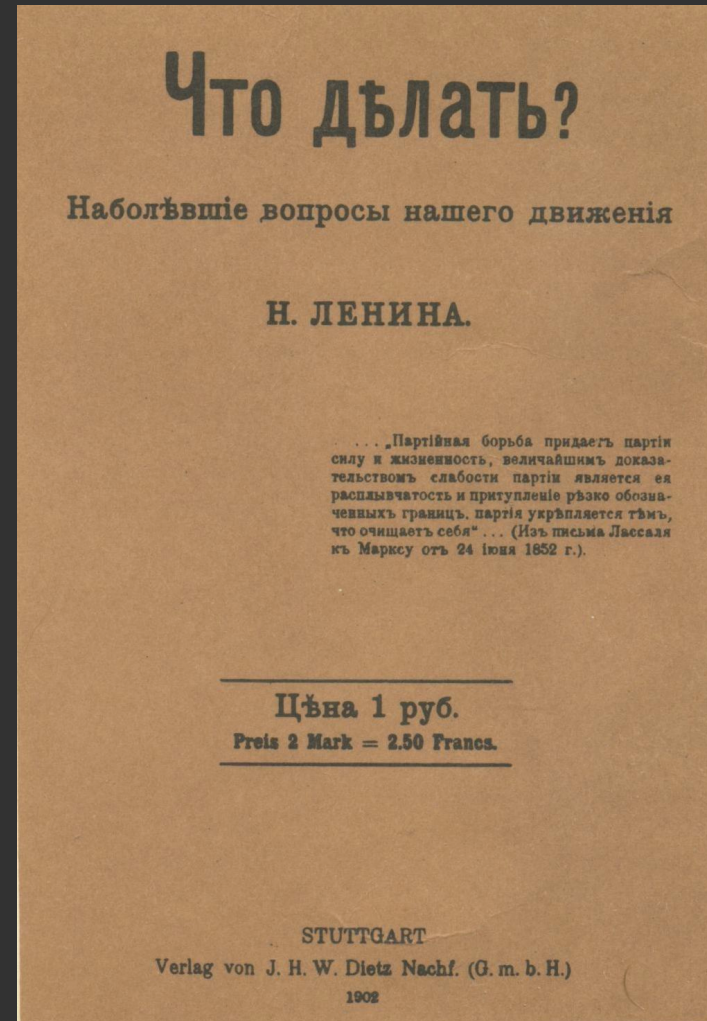
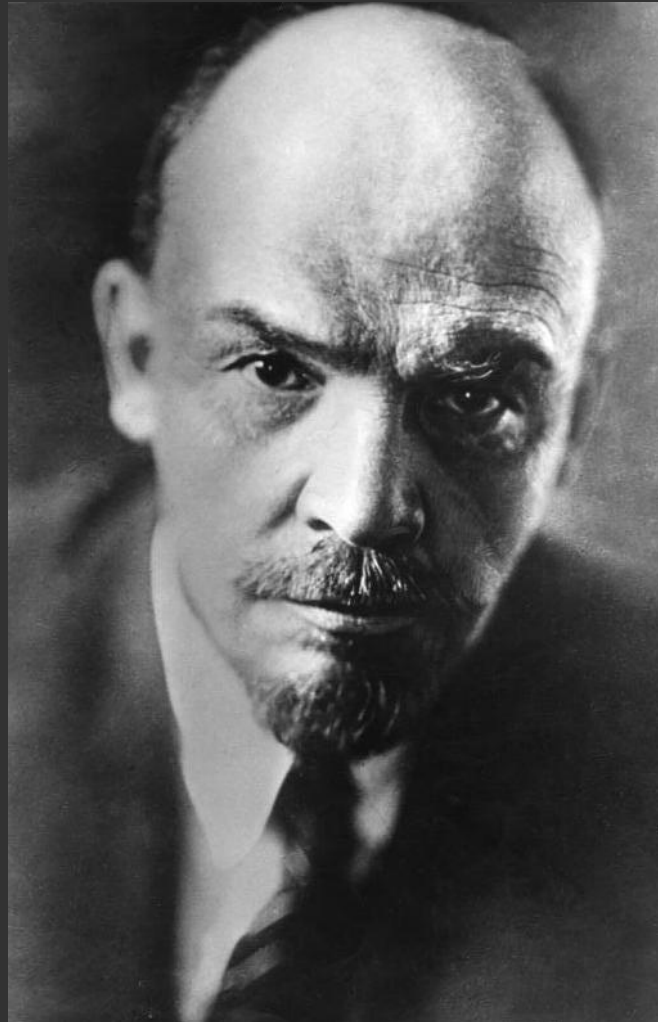
# Explaining political development

- State capacity
- Configurations of state-society relations
- Incentive structures:
  - Self-interest + parameters → opportunity costs

# What we've learnt: what is to be done?



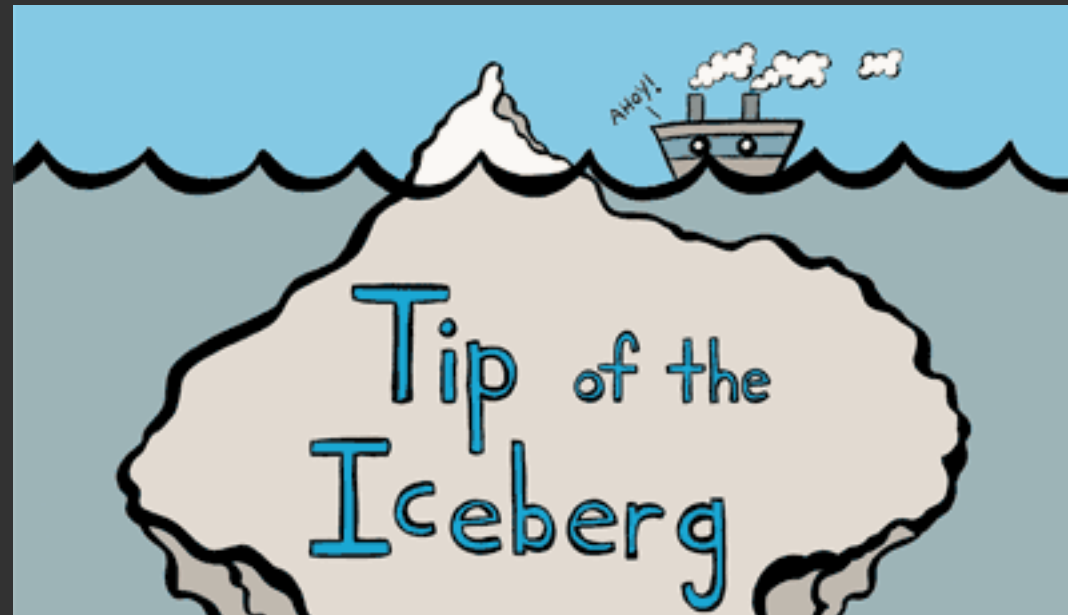
# What we've learnt: what is to be done?



# What we've learnt: what is to be done?

- International response to conflict and human rights violations:
  - Humanitarian assistance
  - International sanctions
  - Peacekeeping
  - Humanitarian intervention
  - Mediation and encouragement of elite settlements
  - Creation of peace dividends
- International response to poverty and lack of development:
  - Development assistance:
    - Anti-politics machine and structural adjustment programmes
    - Relatively easy fixes and the wicked hard problems
  - Efforts to foster institutions (and democracy)
- Trade and globalization
- Migration

Is this all?







# Evaluations

The screenshot shows the Learning Portal interface for the University of Toronto. The top navigation bar includes 'My Page', 'Community', 'Course Evals' (circled in red), and 'Content'. Below the navigation bar, there are two main columns of content. The left column contains 'Instructor Course Eval Tasks & Resources' and a section titled 'Instructor Course Evaluation Tasks' which lists three links: 'Instructor Course Evaluation Tasks (for Current Courses)', 'Course Evaluation Reports (Current & Historical)', and 'View Response Rates (for Current Courses)'. Below this is a 'Course Evaluation Framework' section with a link to 'courseevaluations.utoronto.ca'. The right column contains 'Student Course Eval Tasks & Access to Data' and a section titled 'U of T Course Evaluation Tasks' which states 'You currently have no tasks available.' There is also a 'Personalize Page' button with an up/down arrow icon.

# Final exam

- 2-4 pm on the 17<sup>th</sup> August, in EX 100
- 30% of the course grade
- Sections 3 and 4, but good essays will incorporate knowledge of sections 1 and 2
- Essay:
  - 60%
  - Answer one of three essay questions
- Multiple-choice questions:
  - 40%
  - 20 questions
  - Lectures + readings

# Practice multiple-choice questions

- What do providers of order do?
  - Broker trust
  - Build social capital
  - Increase transaction risks and costs
  - Reduce monopoly power
- Which organizations are not providers of order:
  - Bands
  - Businesses
  - Chiefdoms
  - Mafia

# Practice multiple-choice questions

- According to Olson (1993), anarchy does not involve:
  - Uncoordinated competitive theft by roving bandits
  - Destruction of incentives to invest and produce
  - Little benefit to either the population or the bandits
  - Centralization of revenue extraction
- According to Tilly (1985 and 1990), emergence of capable and accountable states in Europe should not be attributed to:
  - International war
  - Civil conflict
  - Creation of effective bureaucracies
  - Popular resistance to taxation

# Practice multiple-choice questions

- Accemoglu (2005) does not identify the following equilibrium:
  - ‘Consensually strong state equilibrium’
  - ‘Consensually weak state equilibrium’
  - Excessively strong state
  - Excessively weak state
- Doner, Ritchie, and Slater (2005) do not attribute systemic vulnerability to:
  - Concentration of power at the apex and use of state power to discipline society
  - Credible threat that any deterioration in the living standards of popular sectors could trigger unmanageable mass unrest
  - Hard budget constraints imposed by a scarcity of easy revenue sources
  - Heightened need for foreign exchange and war materiel induced by national insecurity

# Practice multiple-choice questions

- Characteristics of personalism do not include:
  - Big Man politics
  - Cult of personality
  - Centralization of political power
  - Strong checks and balances
- According to Migdal (1988), state survival is not the function of:
  - Rulers' organizational capabilities
  - Land area
  - Material and human resources
  - Social control

# Practice multiple-choice questions

- Relative deprivation refers to:
  - Agents' perception of congruence between their value expectations and their environment's apparent value capabilities
  - Agents' perception of discrepancy between their value expectations and their environment's apparent value capabilities
  - Agents' perception of congruence between their value capabilities and their environment's apparent value expectations
  - Agents' perception of discrepancy between their value capabilities and their environment's apparent value expectations



# Practice multiple-choice questions

- The Millennium Development Goals did not include the commitment:
  - To eradicate extreme poverty and hunger
  - To achieve universal primary education
  - To promote gender equality and empower women
  - To stimulate economic growth
- Impacts of structural adjustment reforms included:
  - Lower inflation rates
  - Reduction of investment
  - Lower food prices
  - Higher employment and real wages

# Practice multiple-choice questions

- Primary factors of production do not include:
  - Land
  - Labour
  - Capital
  - Services
- According to Milanović (2015), country of residence and income distribution within that country account for the following proportion of global income variability:
  - 25%
  - 50%
  - 75%
  - 100%

# Practice essay questions

- Why did successful developmental states emerge in East Asia, but not in Africa or Latin America?
- Strong states led by consolidated authoritarian governments are more likely to effect development than other regime types. Discuss.
- Strong societies are conducive to development. Discuss.
- Can institutions that result in socially beneficial development outcomes be built in short periods of time?
- Is trade or migration more beneficial for the inhabitants of developing countries? What trade / migration regime would result in most socially beneficial development outcomes?