

INTERNATIONAL MIGRATION



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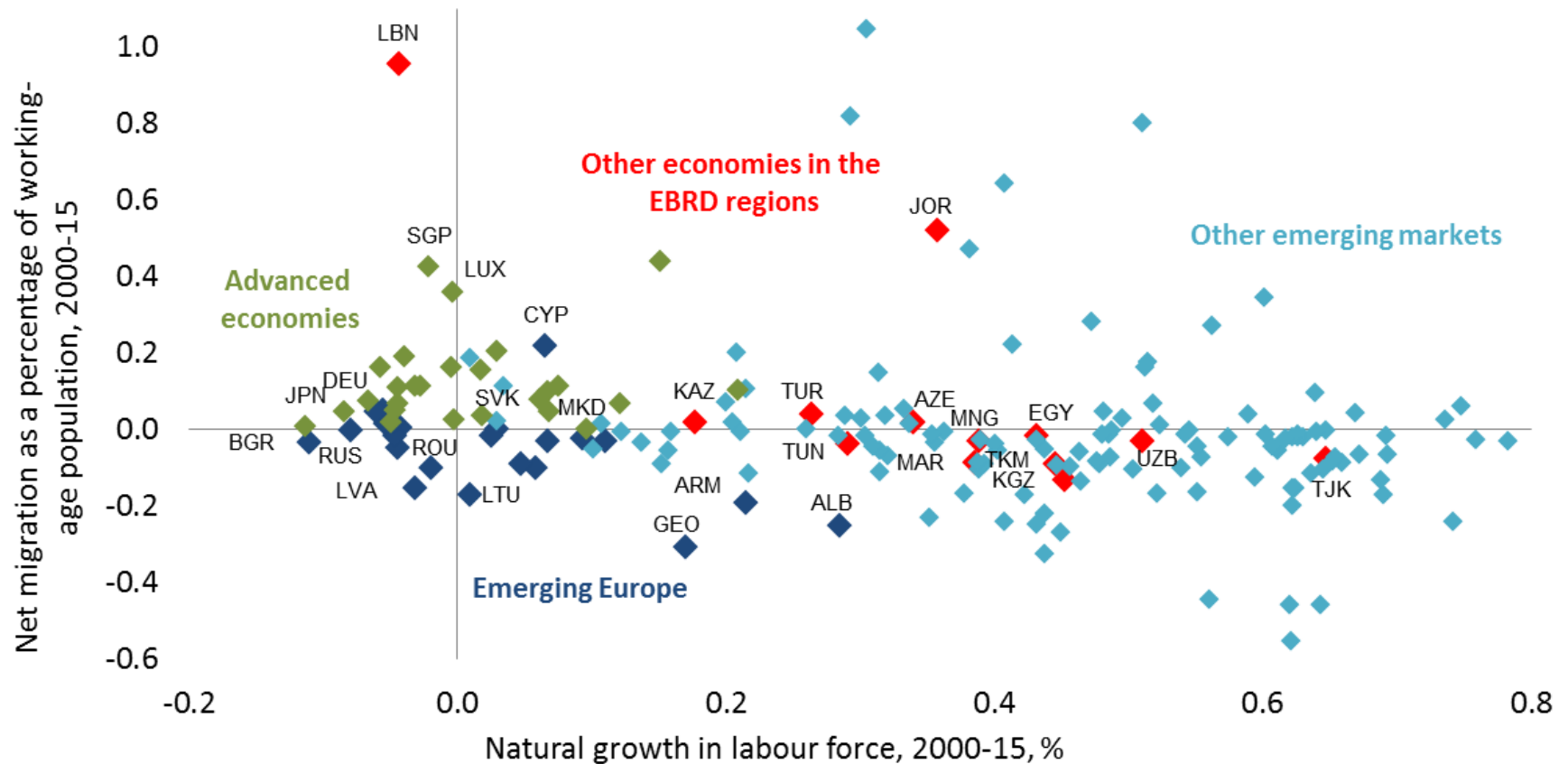
European Bank

for Reconstruction and Development

Immigration, automation, longer working lives have mitigated the impact of aging in advanced economies ²

Uniquely, emigration exacerbated the effects of demographic change in Emerging Europe

Change in working age population: native versus net migration



Productivity of firms exposed to emigration was significantly lower than it would have been otherwise

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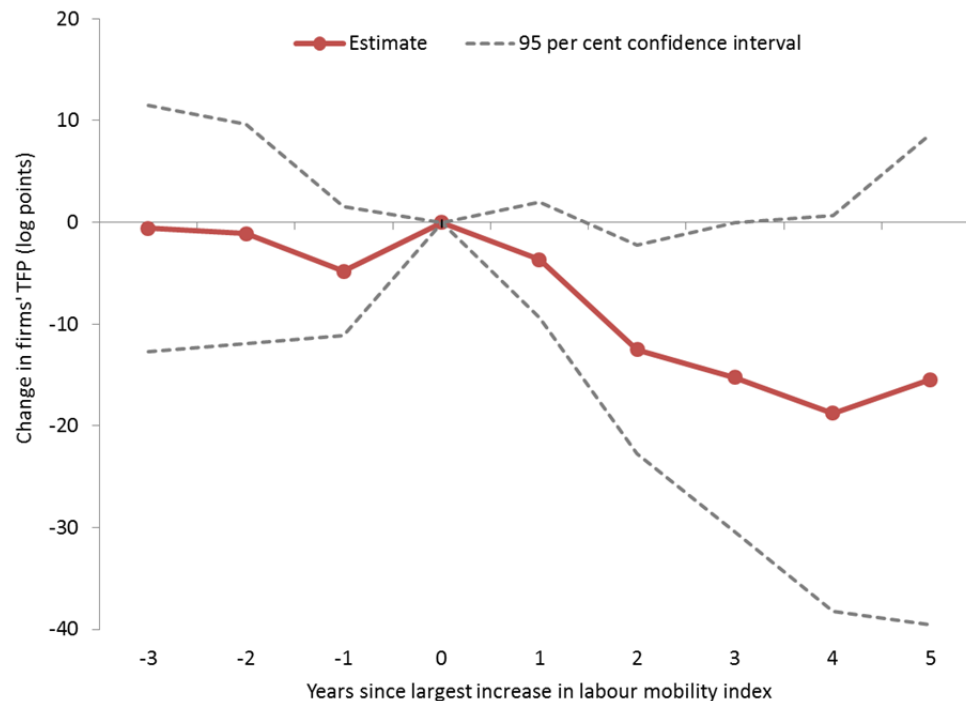
Look at country-industry-specific exposure to emigration following EU accession ('04/07)

- depending on 7-year transition arrangements in each of EFTA-19 countries

Foreign-owned and innovating firms instead were able to increase wages and spending on training

Subsidies for training of newly-hired can help smaller firms deal with increased employee turnover

Increased emigration opportunities negatively impact firm performance in new EU members



Longer term: Innovating firms in countries of origin of migrants benefit from increased flows of knowledge

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On the back of higher emigration + diaspora links

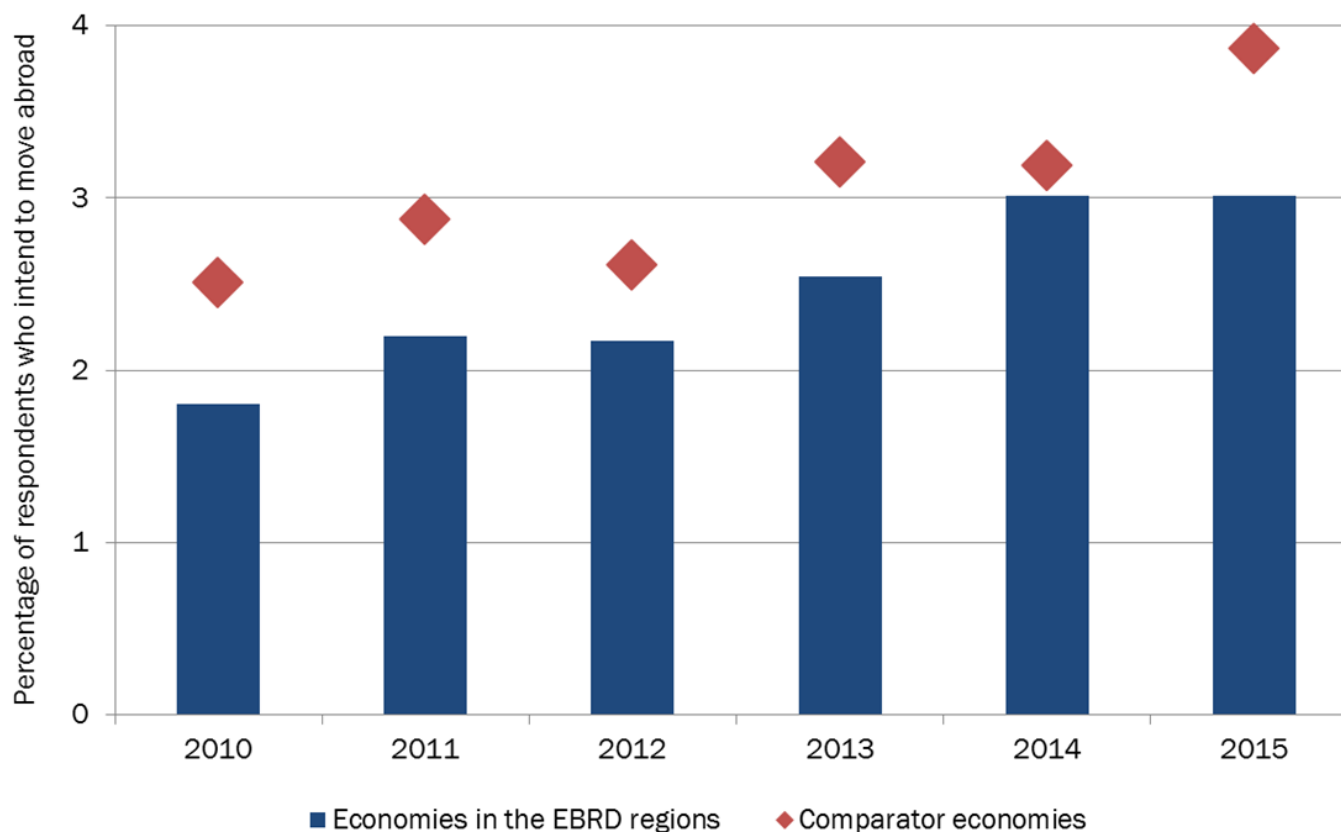
Increase in cross-border patent citations after introduction of free labour mobility



Migration has been on the rise – mirrored in rising declared intentions to migrate in the next 12 months

- Based on World Gallup polls - representative surveys of 1,000+ individuals in each country in each year
- People who intend to migrate from the EBRD regions tend to be single, male, young, and urban

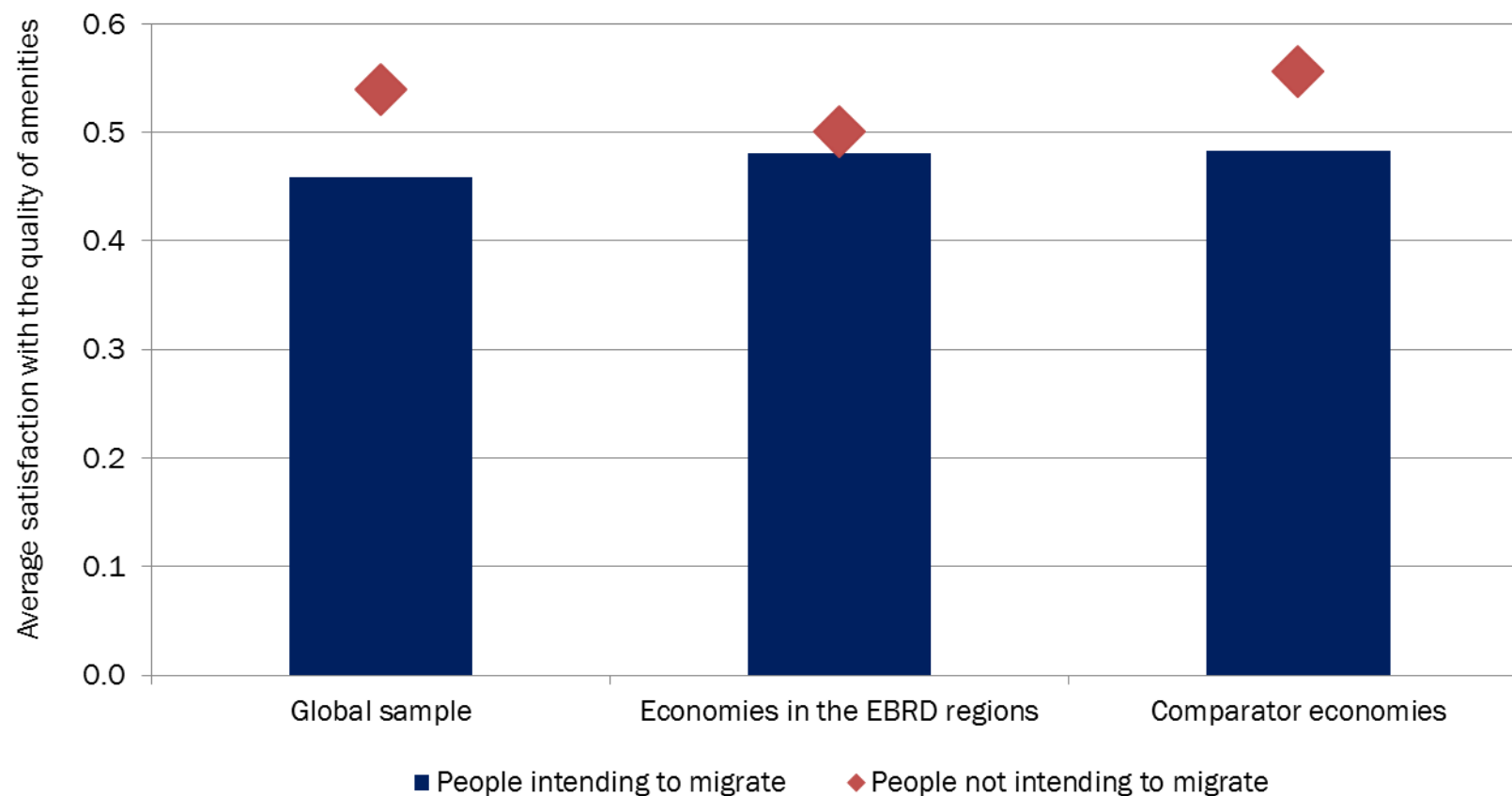
Intention to migrate has been on the rise



Those who intend to migrate are less satisfied with local public services and amenities

Satisfaction index reflects quality of air and water, health care, education, transportation and housing

Average satisfaction with the quality of public services and local amenities



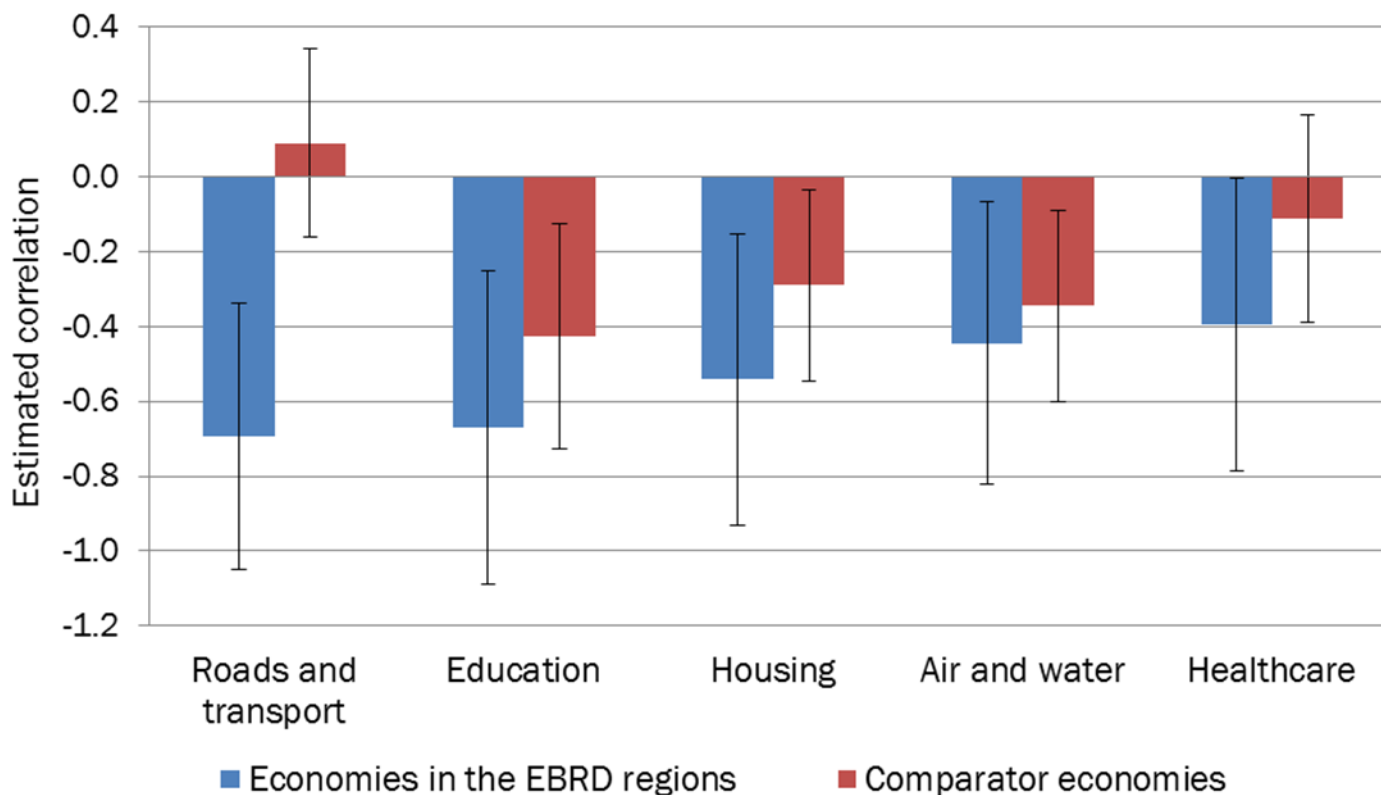
Improving business environment and public services can significantly reduce residents' willingness to emigrate

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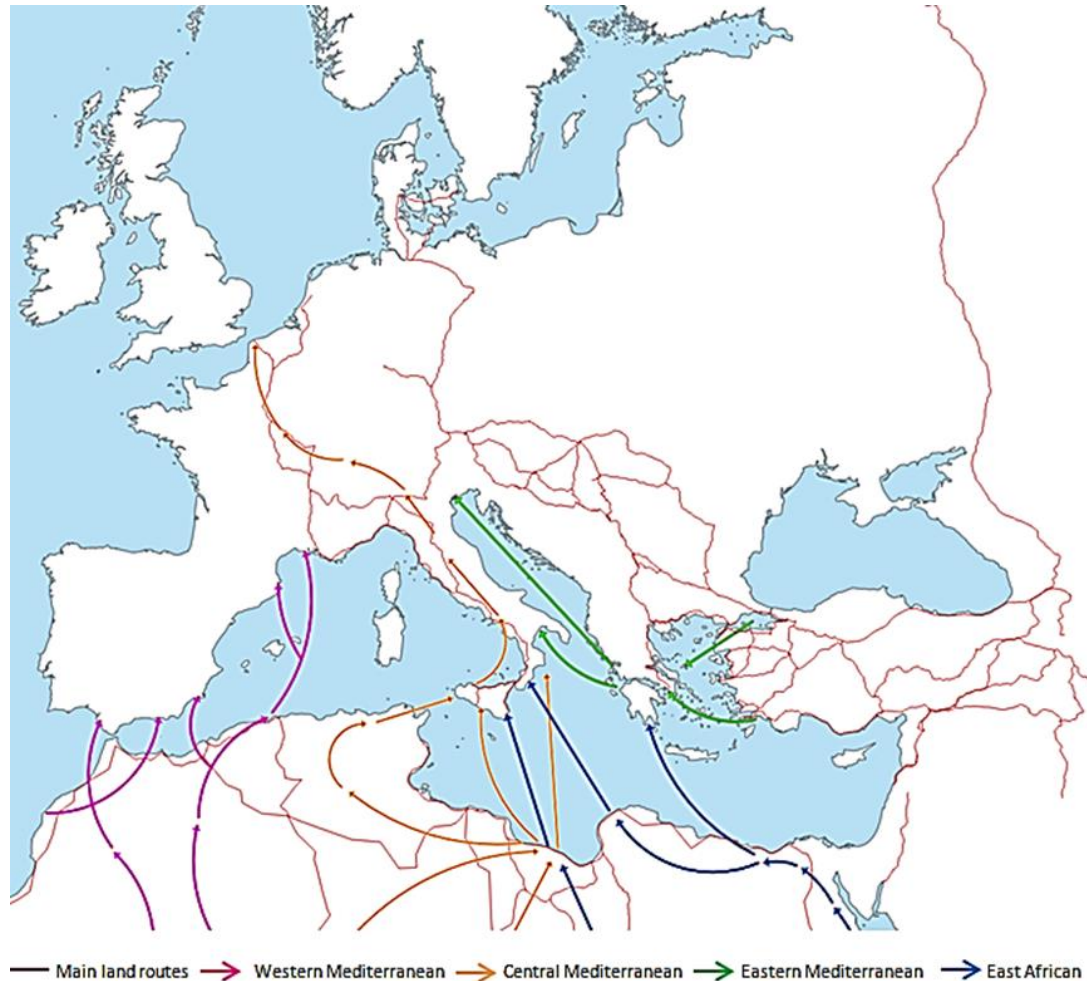
Improved satisfaction with local public goods has the same impact in terms of lowering intention to migrate as extra US\$ 500 a month in wages in Albania

Satisfaction with education is of particular importance for the young and the highly educated

A strong relationship between satisfaction with amenities and migration intentions



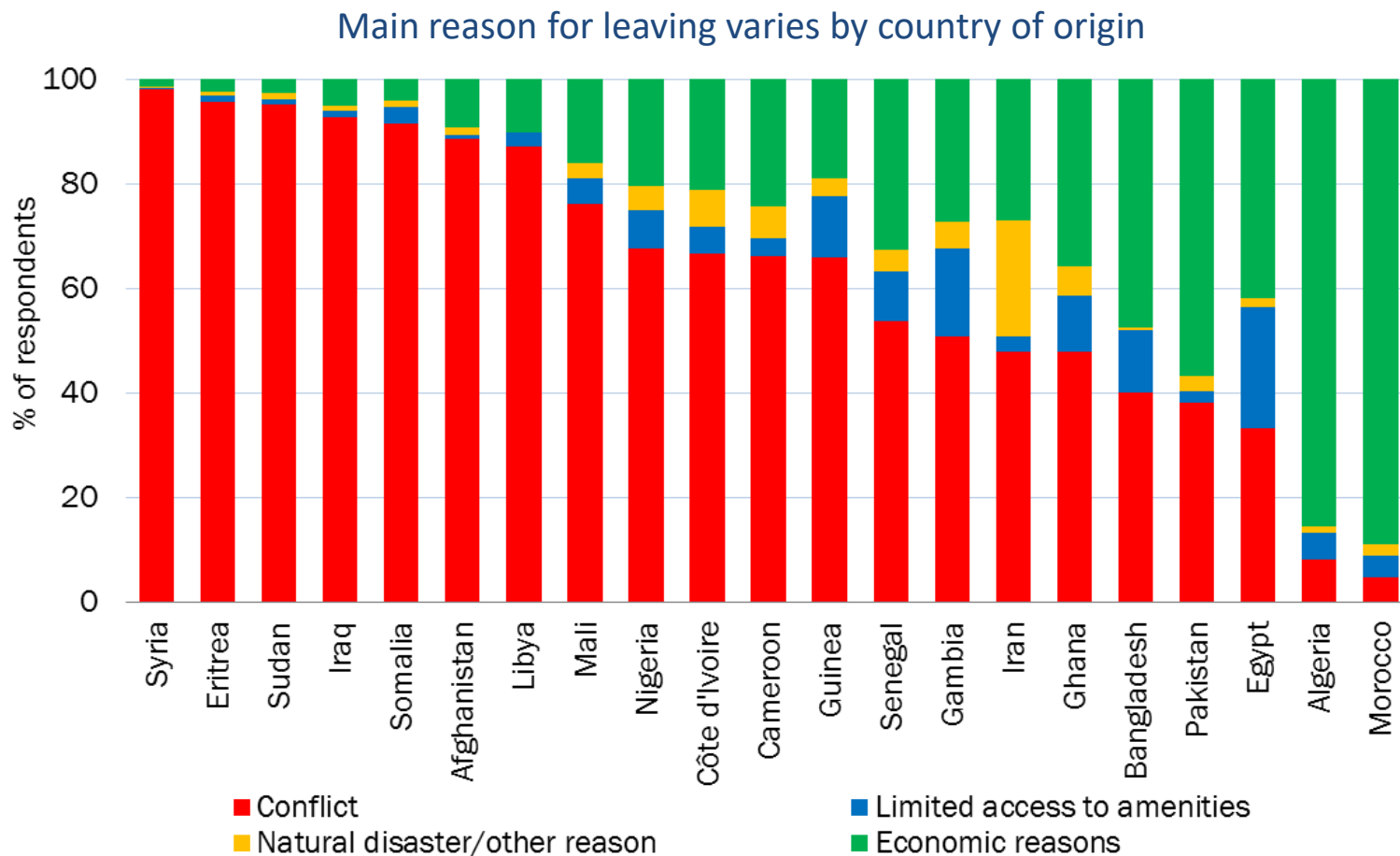
Mediterranean Sea routes and main land routes



Majority of refugees seek protection from conflict yet some are in search of economic opportunity

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Like economic migrants, asylum seekers tend to be single, male, young and have education above the average levels in countries where they come from

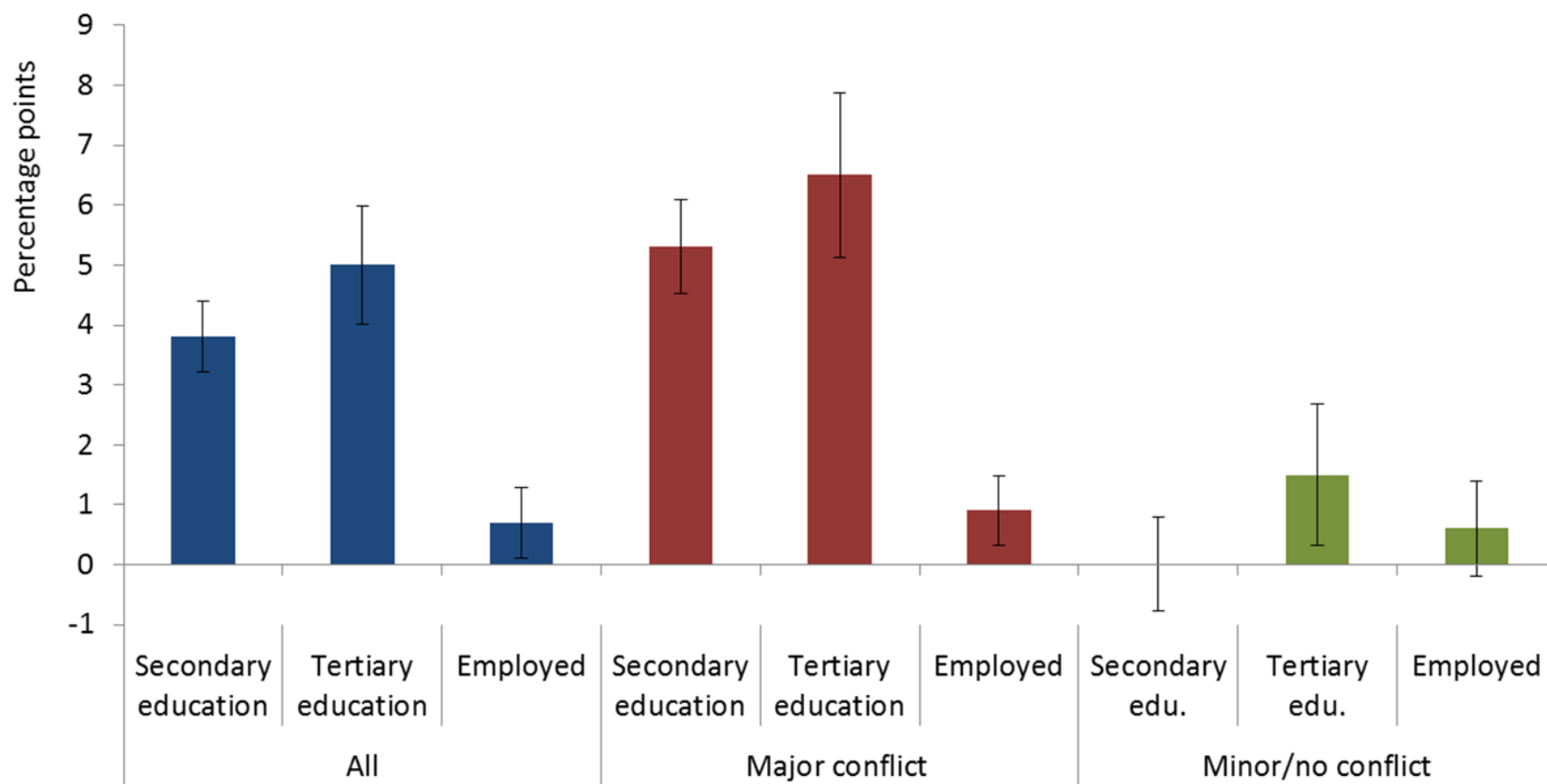


People with secondary/tertiary education, employed are more likely to seek asylum

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Particularly if fleeing a major conflict

Increase in likelihood of seeking asylum associated with education and employment

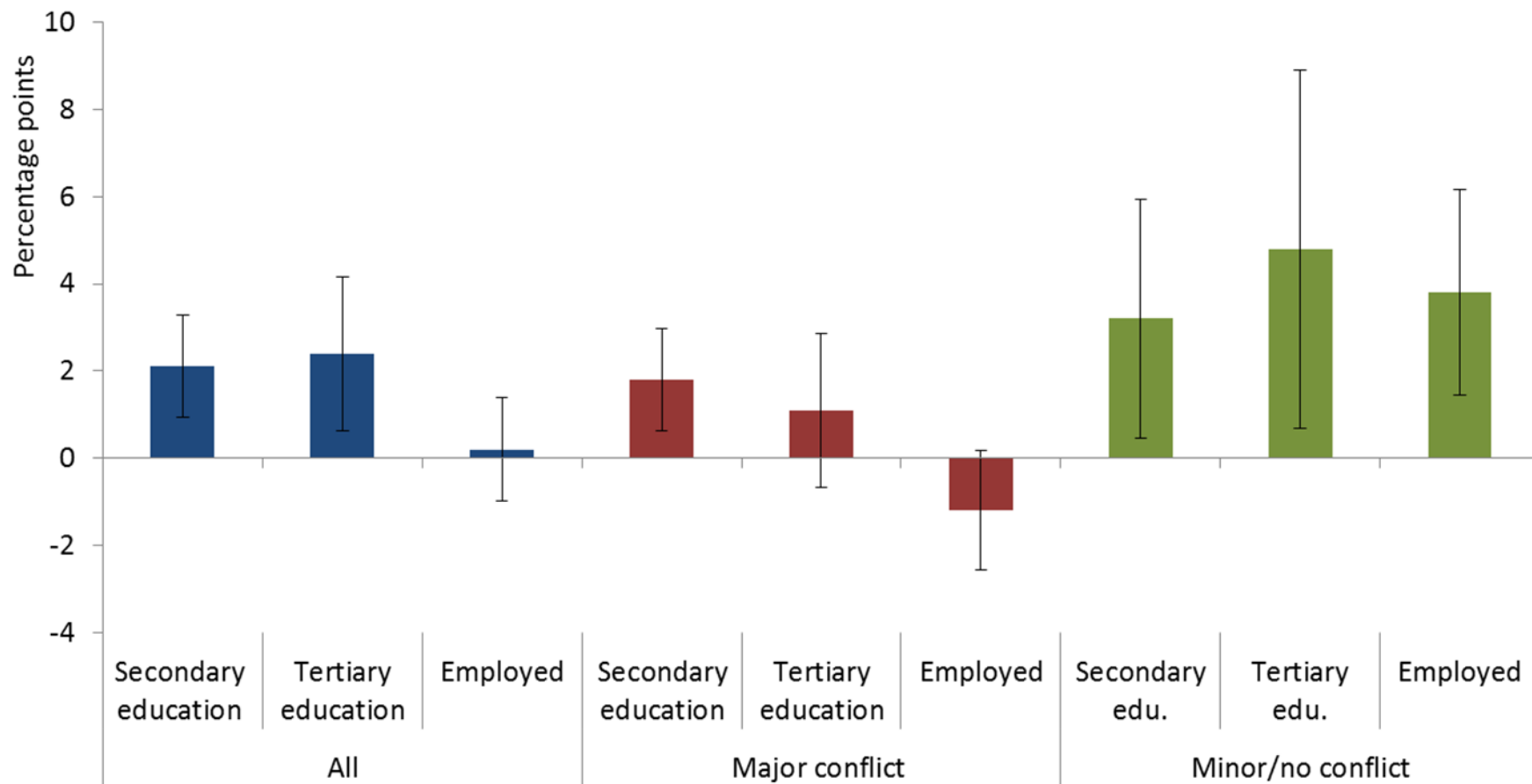


Highly educated asylum seekers are more likely to target countries where returns to education are higher

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Skills may be the only asset left in asylum seekers' possession

Increase in likelihood of heading to a country with high estimated returns to education

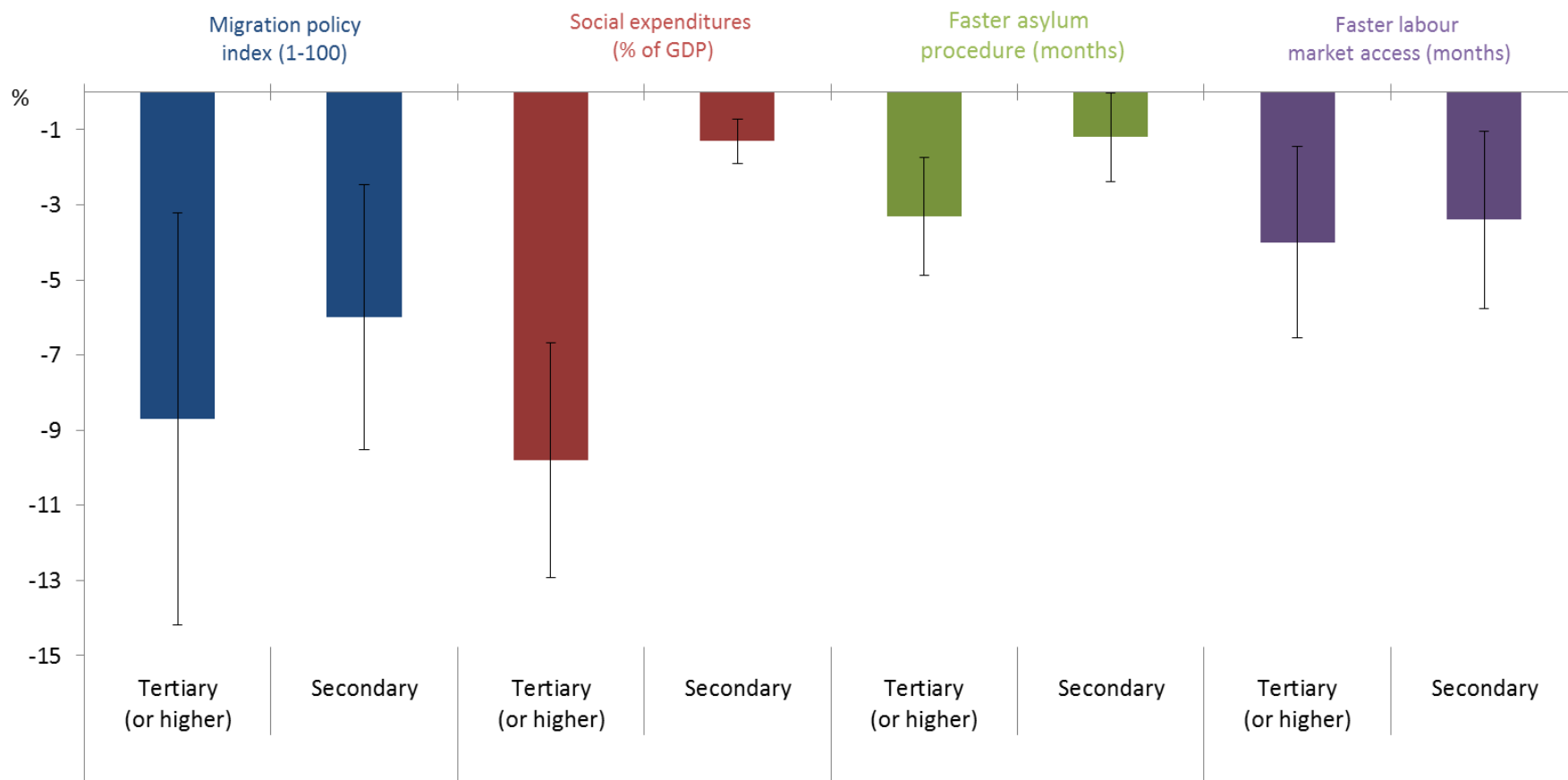


Less educated asylum seekers head for countries with better integration policies, faster asylum processes

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As well as easier access to labour markets after asylum has been approved and lower unemployment rates

Increase in destination country characteristics depending on migrant's education level

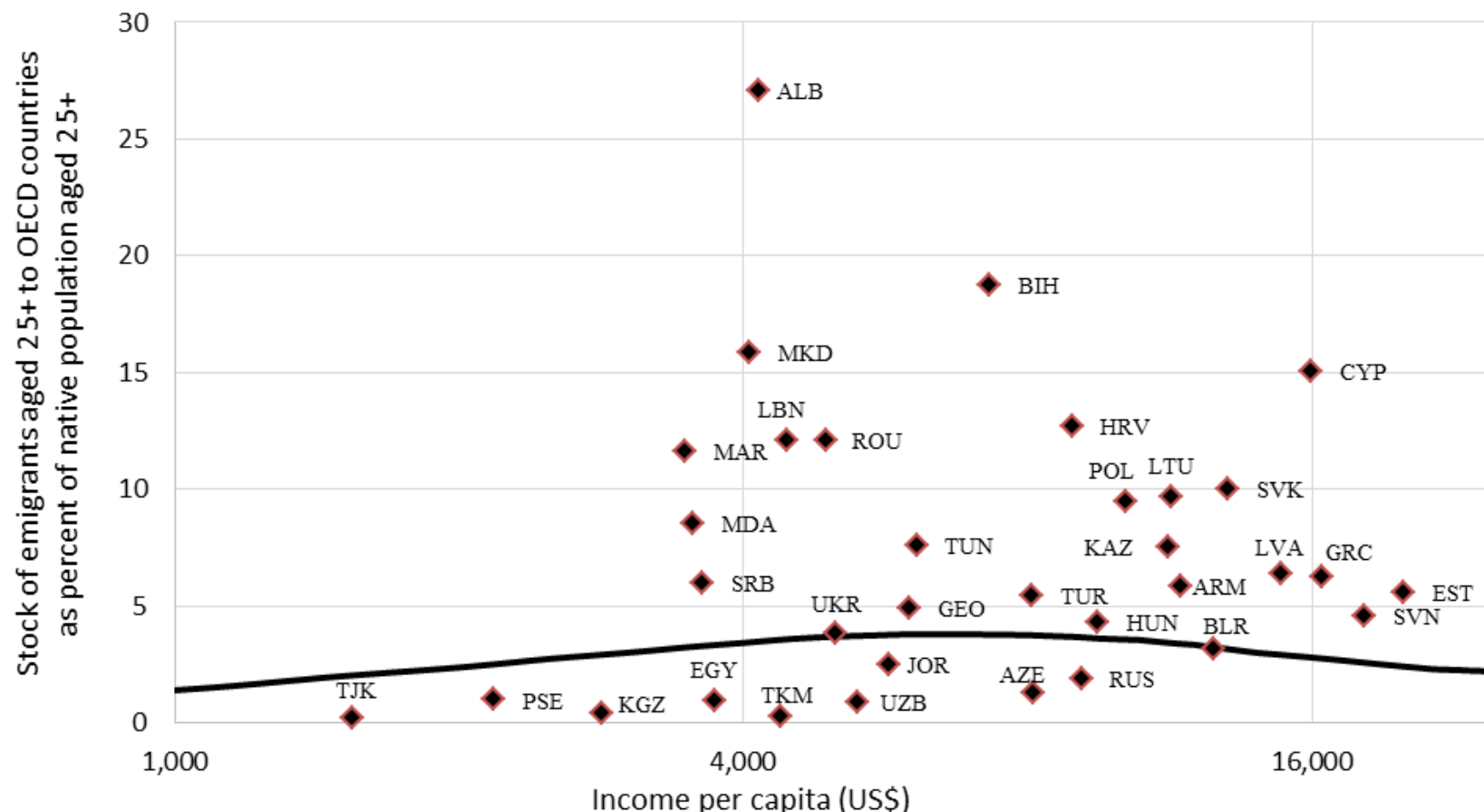


Emigration first rises with income then declines; in poorer countries skilled are more likely to emigrate

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In low-income economies, highly skilled people are much more likely to emigrate

As per capita incomes increase, emigration first rises and then falls

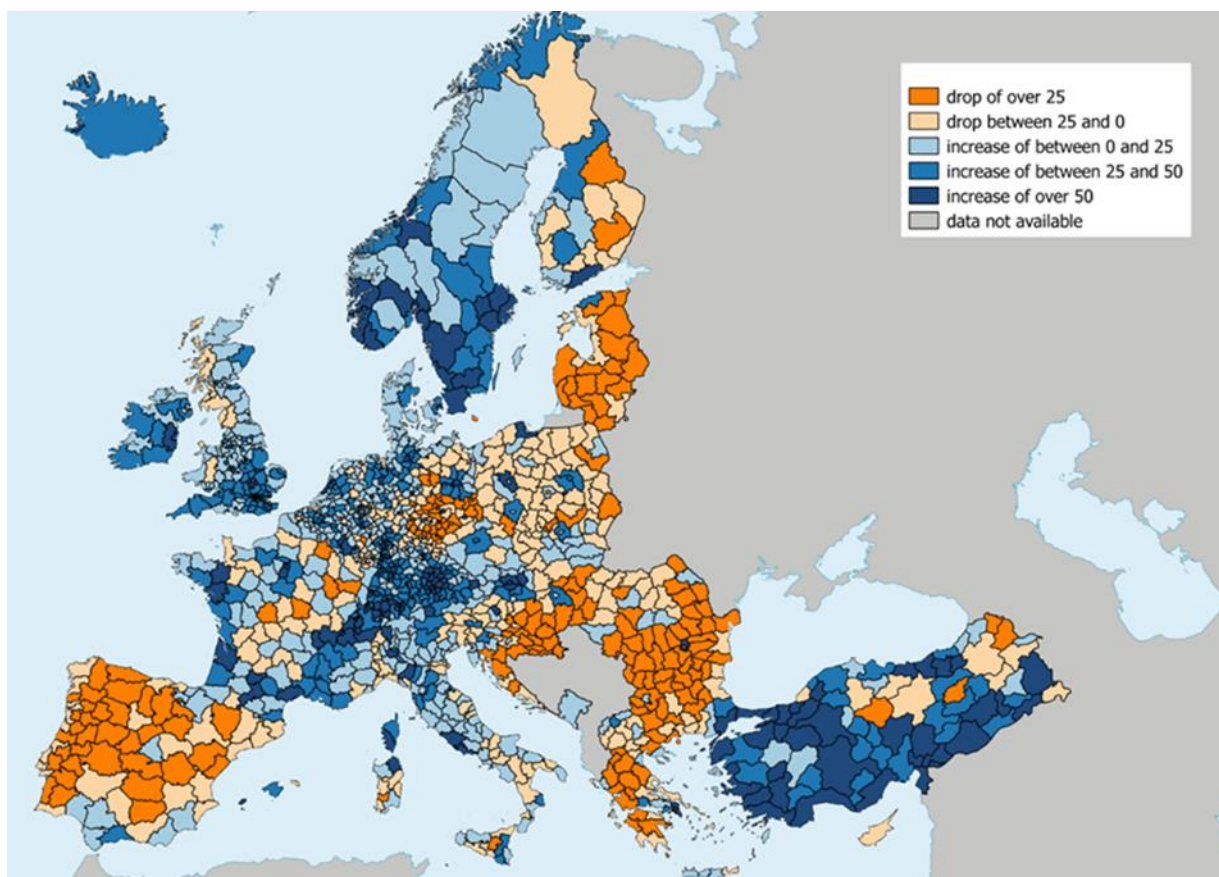


Migration within countries: People choose to live in places with better economic opportunities

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More densely populated areas benefit from larger potential markets, greater pool of skilled workers and economies of scale in provision of public goods

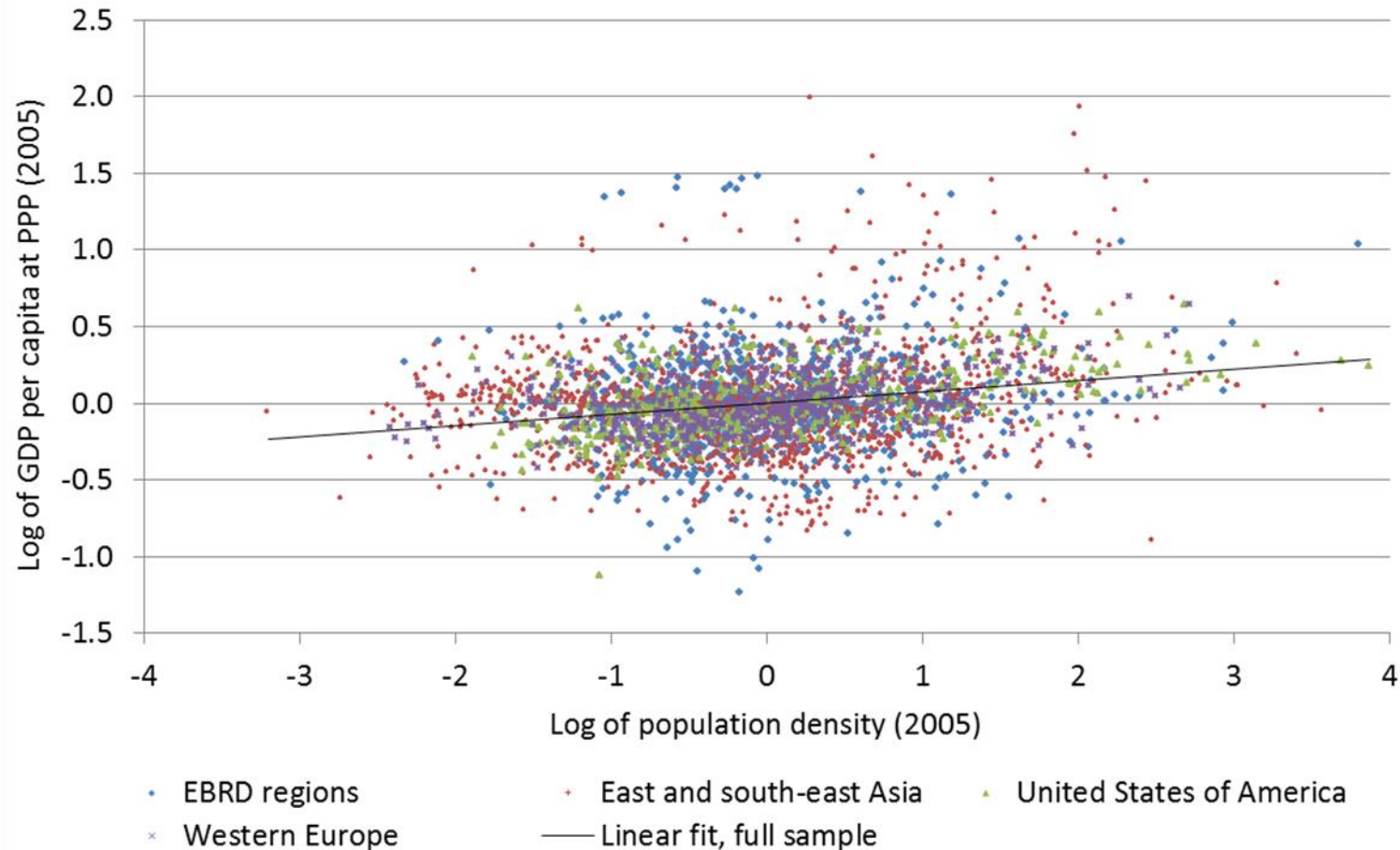
Net population changes by region (NUTS-3)



Productivity is around 10% higher if a city is twice the population of a similarly sized city 15

Places where population density increases also appear to be getting more productive

GDP per capita is higher in more densely populated areas

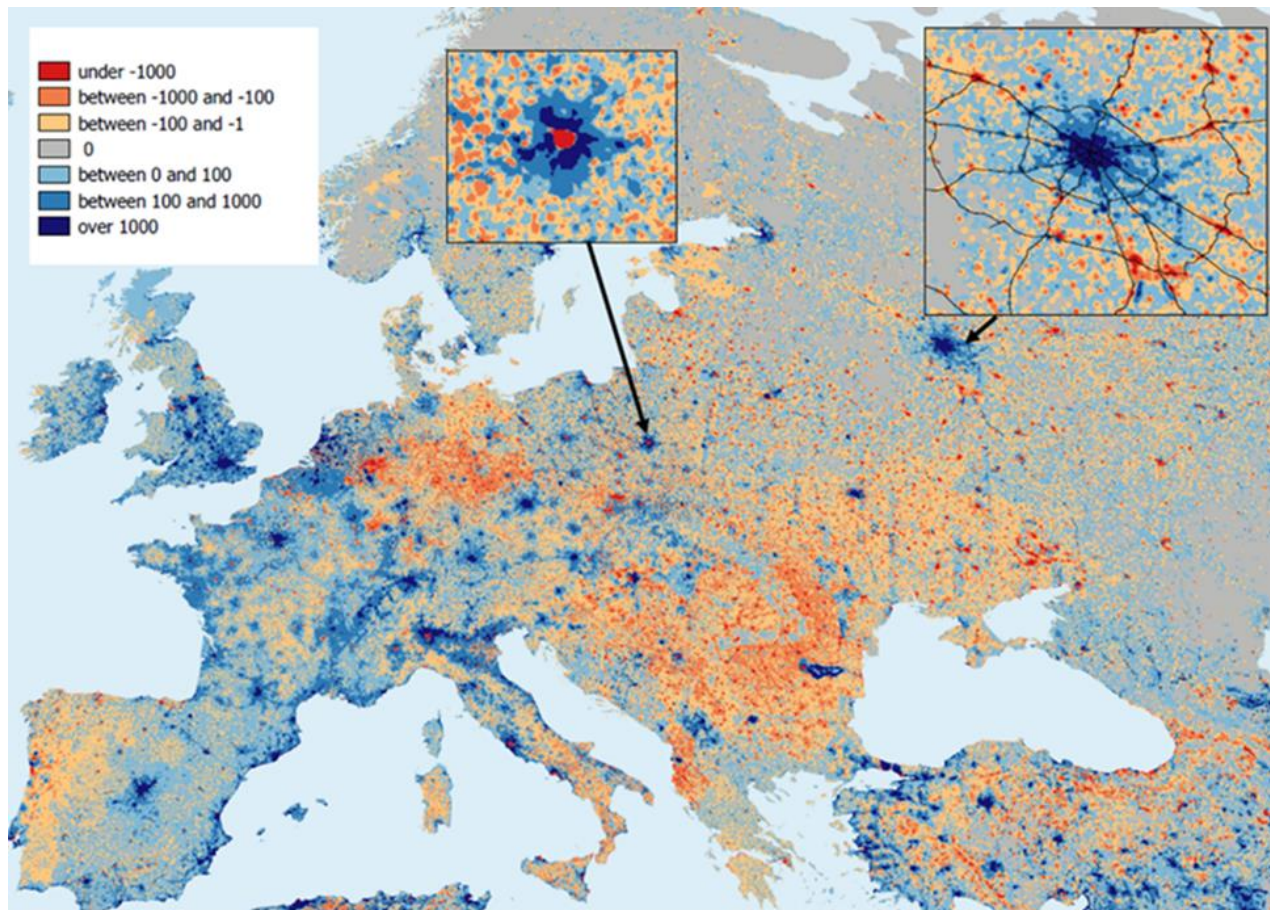


People concentrate seeking opportunity and move out when facing congestion or better commutes

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Warsaw: An example of a city that experienced dispersion of populations

Changes in localised population density, 2000-14



Migration: Concluding remarks

- Emigration has been a major challenge in the EBRD regions since 1990
- Improving air and water, education, healthcare, housing, and roads and transport can substantially lower intentions to migrate – effect comparable to that of the wages differentials
- Better-educated asylum seekers head for countries where returns to education are higher
- Less-well-educated asylum seekers are looking for countries with better integration policies and more generous welfare state
- Agglomeration enhances economic opportunities, and regions' most densely populated areas are projected to achieve the highest gains in well-being over the next forty years
- But congestion and pollution can lower the quality of life, need to be managed