

Migration in Europe and Central Asia

ECA Talks

April 10, 2019

**Çağlar Özden
The World Bank**

The image features a stylized graphic of a globe in shades of blue. Overlaid on the globe are white silhouettes of a diverse group of people, including men, women, and children, walking across the top of the globe. Some are holding hands, while others are carrying bags or using walking sticks, symbolizing migration and global movement. The background is a solid blue color with a subtle world map pattern.

**POLICY RESEARCH REPORT
LAUNCH**

**MOVING FOR
PROSPERITY**

Global Migration
and Labor
Markets

It is all about migration

FRANCE



ENGLAND



RUSSIA



It is all about migration!



Luka Modric
Real Madrid



Cristiano Ronaldo
Juventus



Lionel Messi
Barcelona



Kylian Mbappé
Paris St-Germain



Mohamed Salah
Liverpool



Antoine Griezmann
Atlético Madrid



Eden Hazard
Chelsea



Kevin De Bruyne
Manchester City



Harry Kane
Tottenham Hotspur



N'Golo Kanté
Chelsea



Neymar
Paris St-Germain



Raphaël Varane
Real Madrid



Ivan Rakitic
Barcelona



Luis Suárez
Barcelona



Sergio Agüero
Manchester City



Paul Pogba
Manchester United



Sergio Ramos
Real Madrid



Marcelo
Real Madrid



Sadio Mané
Liverpool



David Silva
Manchester City

Why migration?

Most important issues facing the United States and EU: Immigration

Higher Rank
Lower Rank
% giving this answer

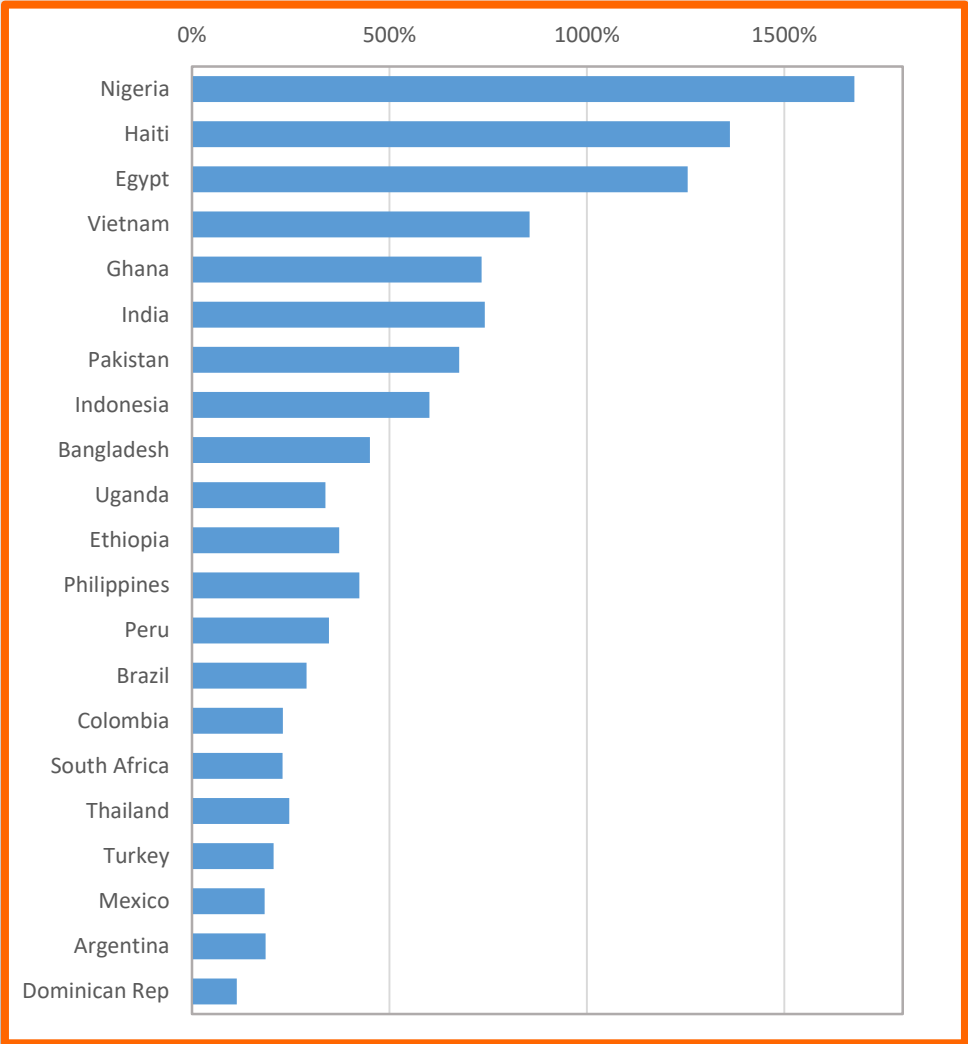
United States	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	15
Britain	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	39
France	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	41
Germany	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	43
Italy	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	47
Spain	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	26
Poland	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	42
Denmark	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	53
Sweden	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	49
Finland	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	53
Lithuania	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	35
Greece	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	51

Source:

European Union: YouGov opinion polls, April 18-30 2018
 United States: Gallup, Feb 1-10, 2018

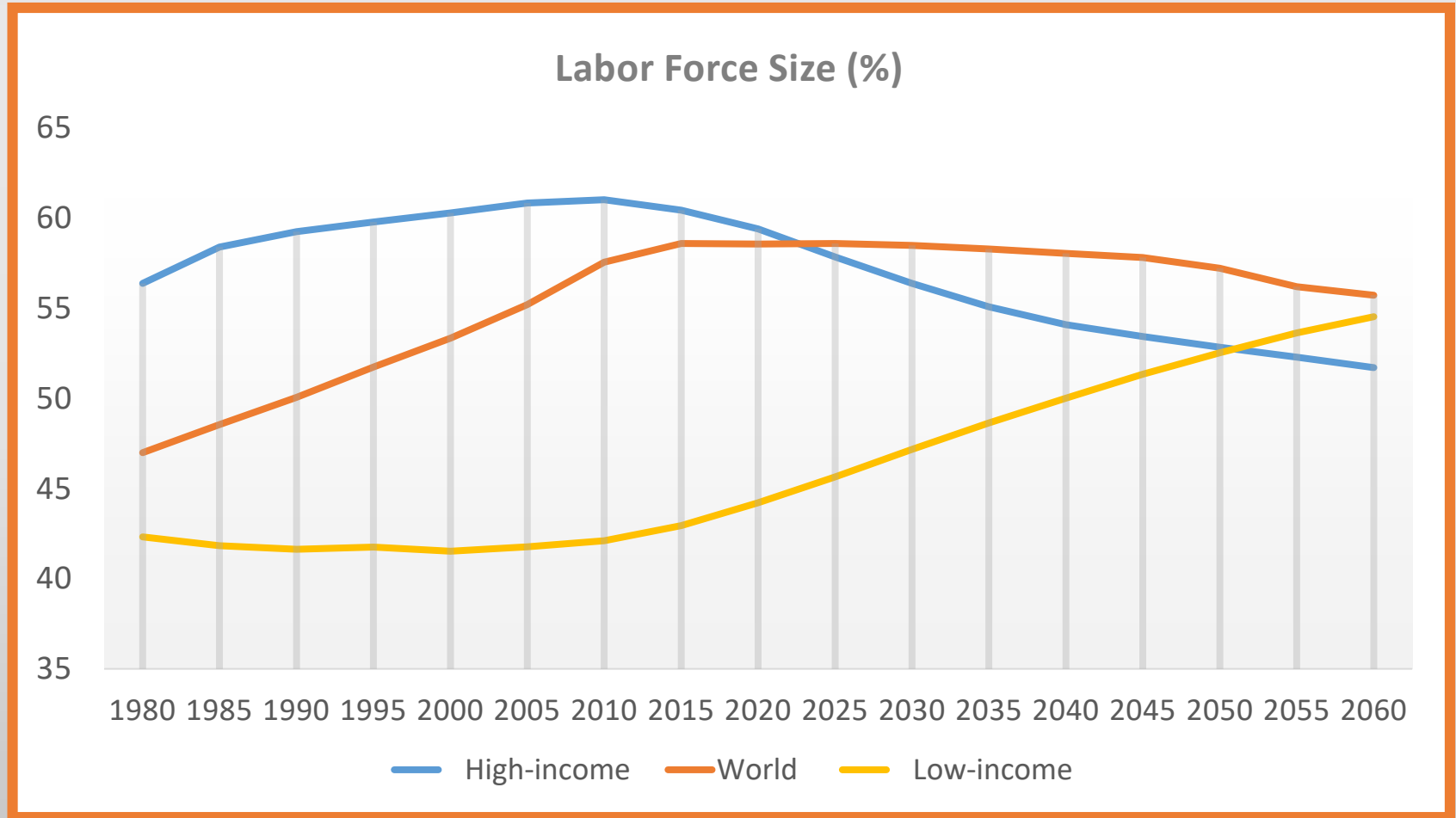
WHY ARE THERE SO MANY MIGRANTS?

Trillion dollar gain: Wage increase upon immigration to the United States



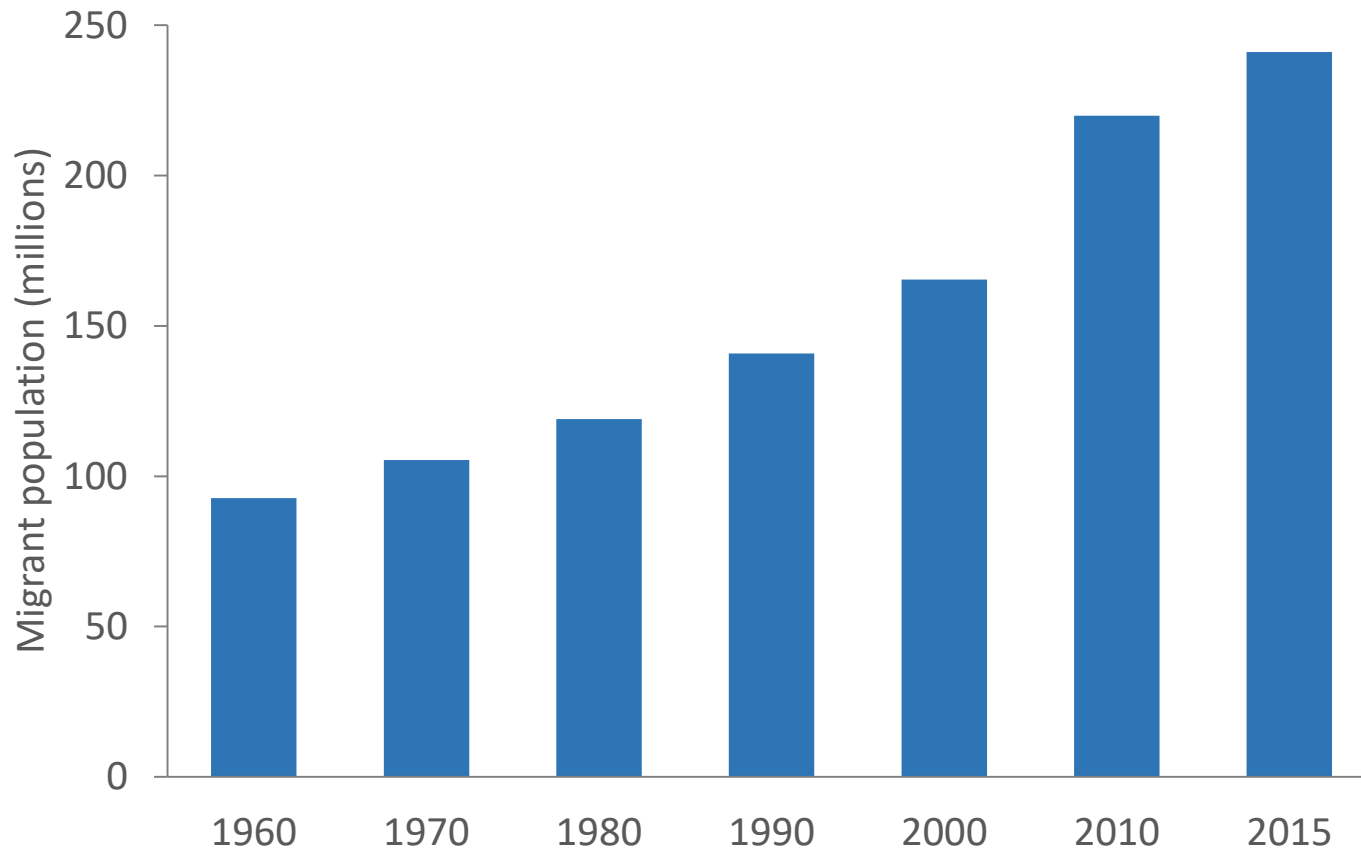
Demography is Destiny

Global Labor Force is shifting towards Low-Income Countries

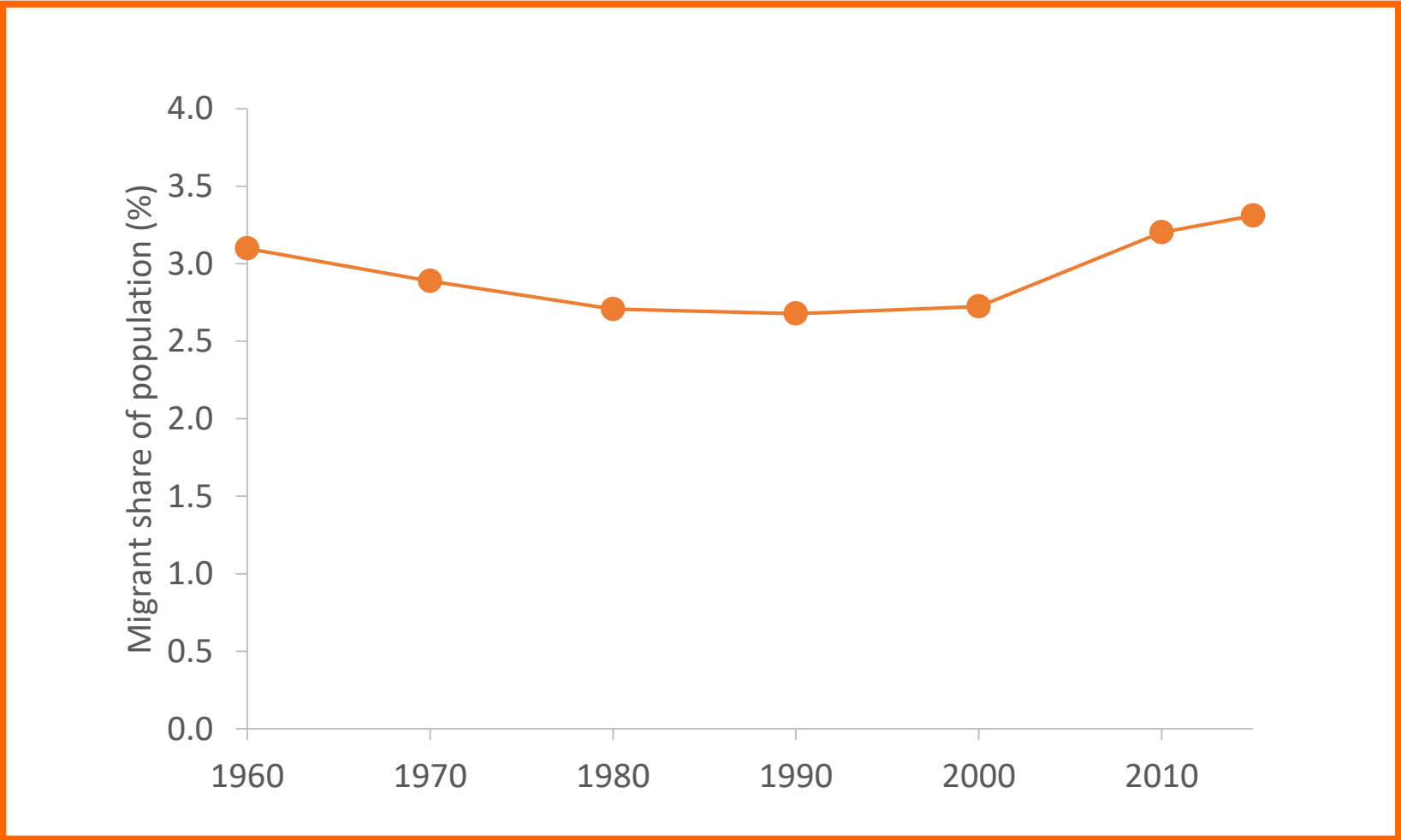


**ARE THERE REALLY THAT MANY
MIGRANTS?**

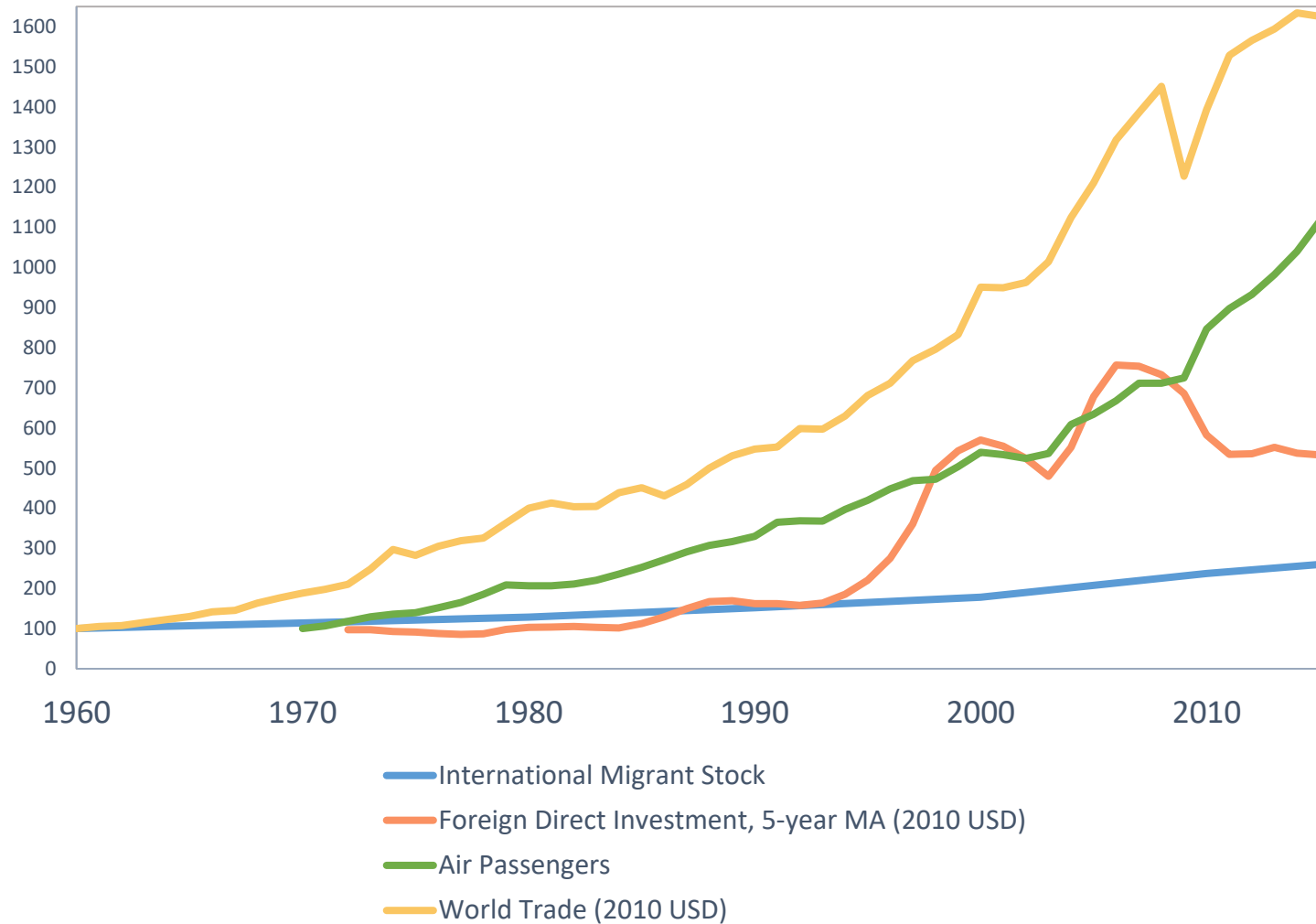
Global Migrant Stocks since 1960...



Global migrant stocks have not changed much since 1960 as share of world population



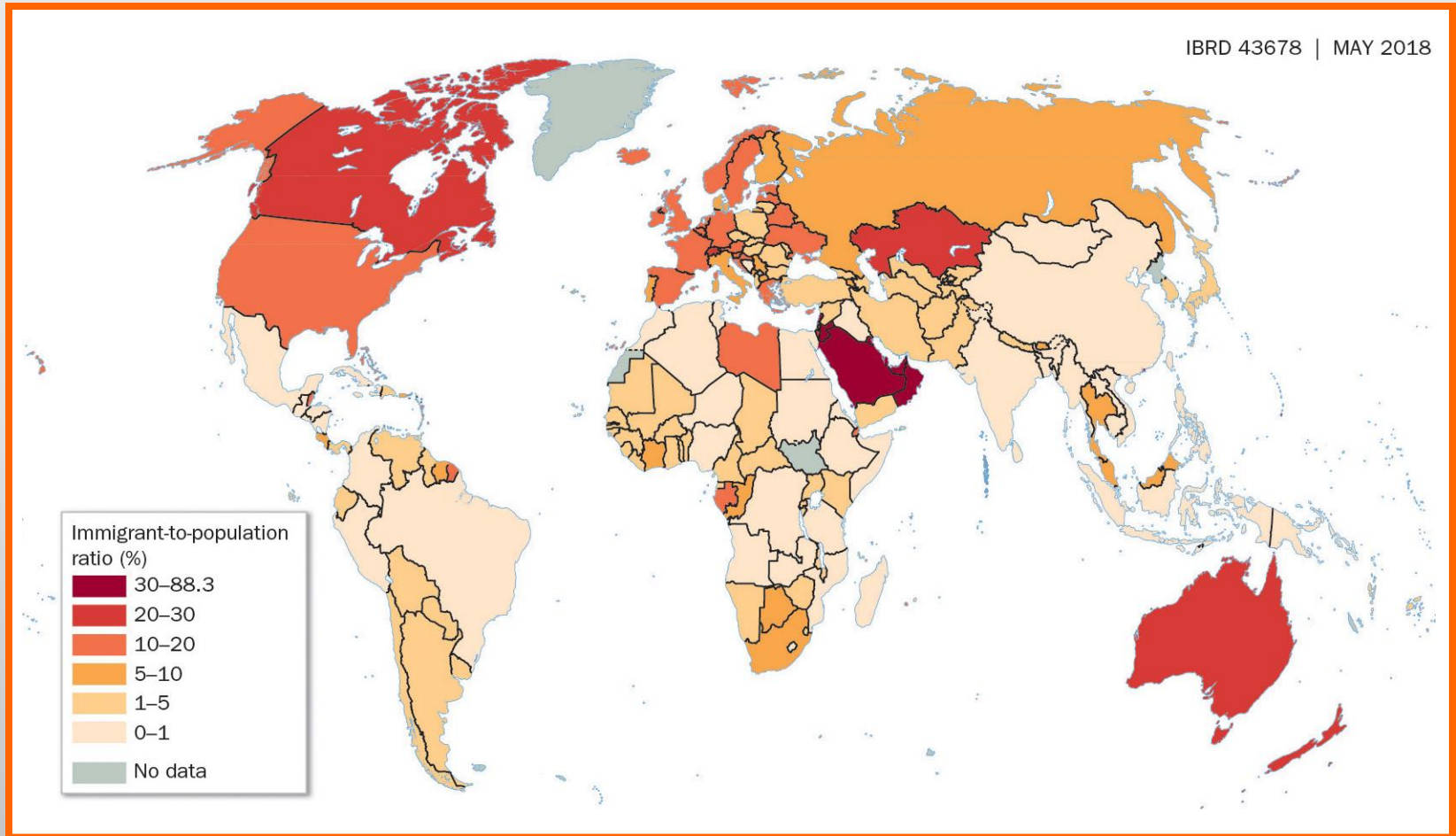
Globalization over time – different metrics since 1960



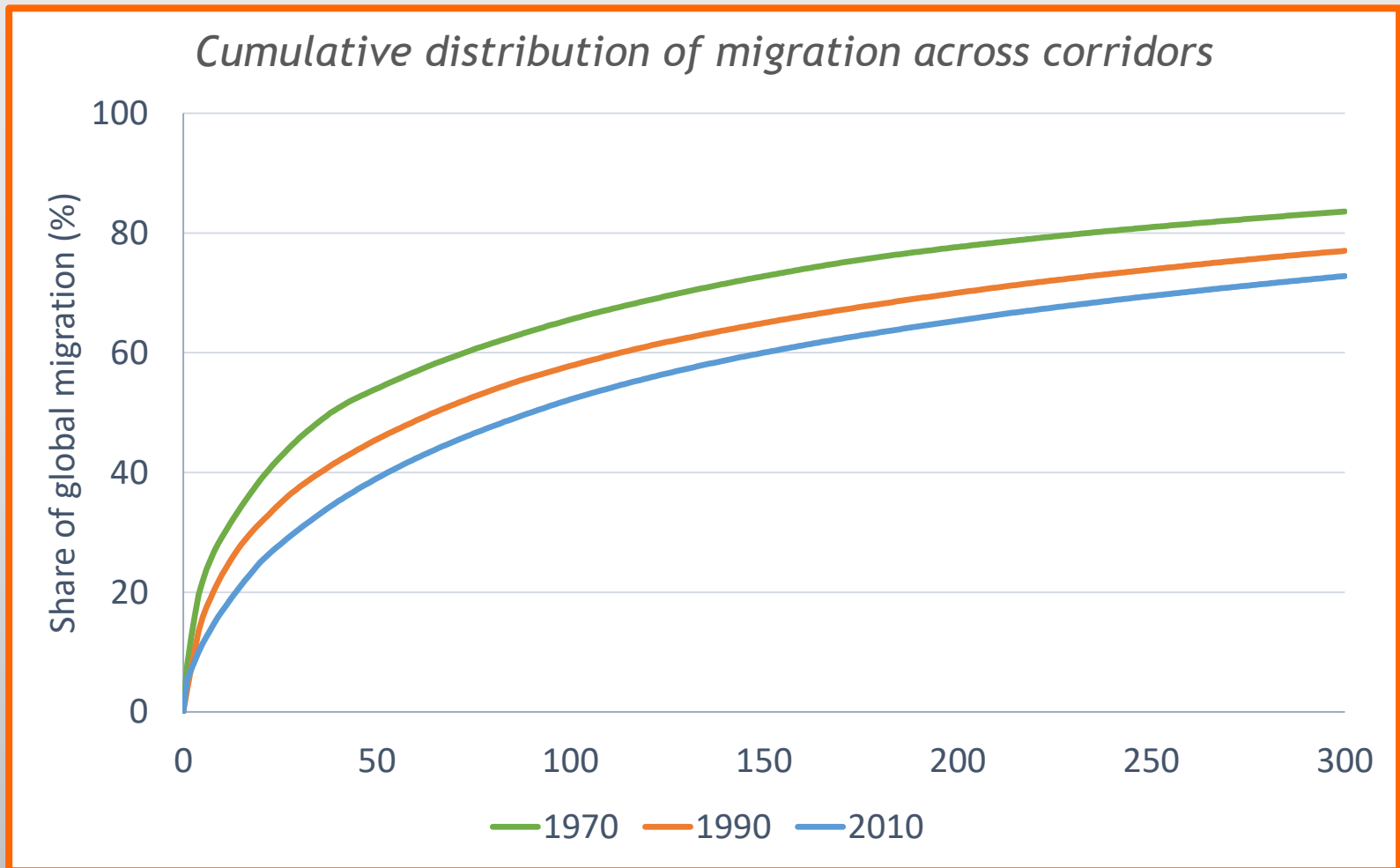
**WHAT IS DIFFERENT ABOUT
MIGRATION?**

Immigrant-to-population ratio in 2015

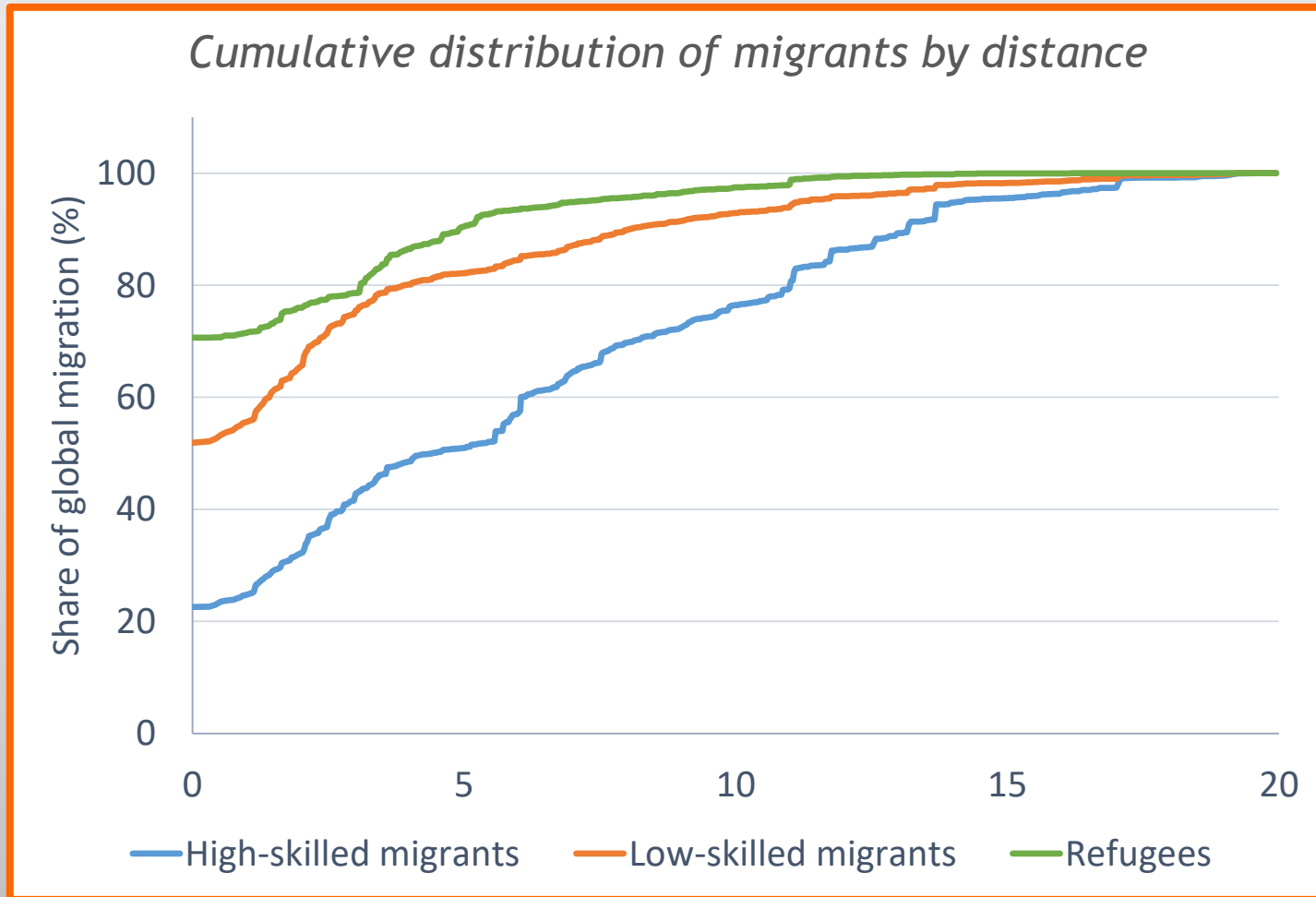
IBRD 43678 | MAY 2018



Top 300 (out of 40,000+ possible) corridors
account for 75% of world migration

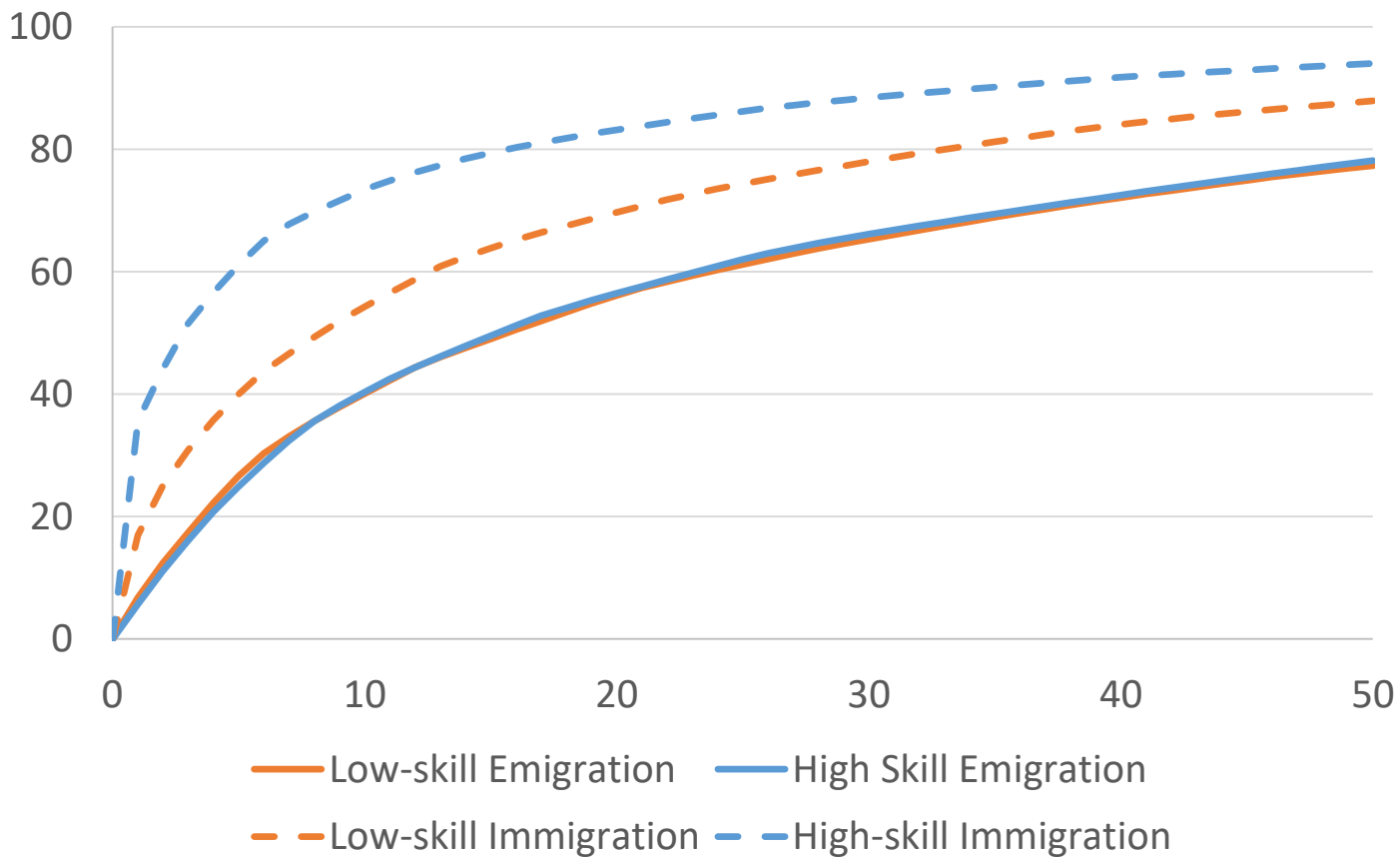


Most migrants travel to neighboring countries.
Only the high-skilled travel farther

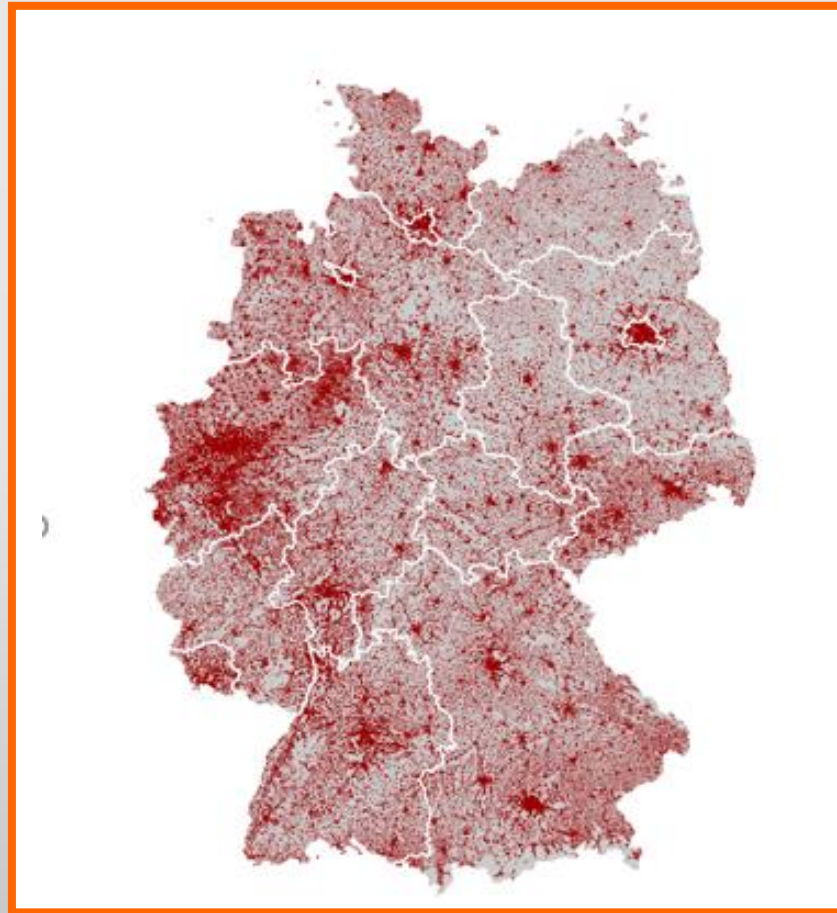


High-Skilled immigration is more concentrated than low-skilled immigration or emigration

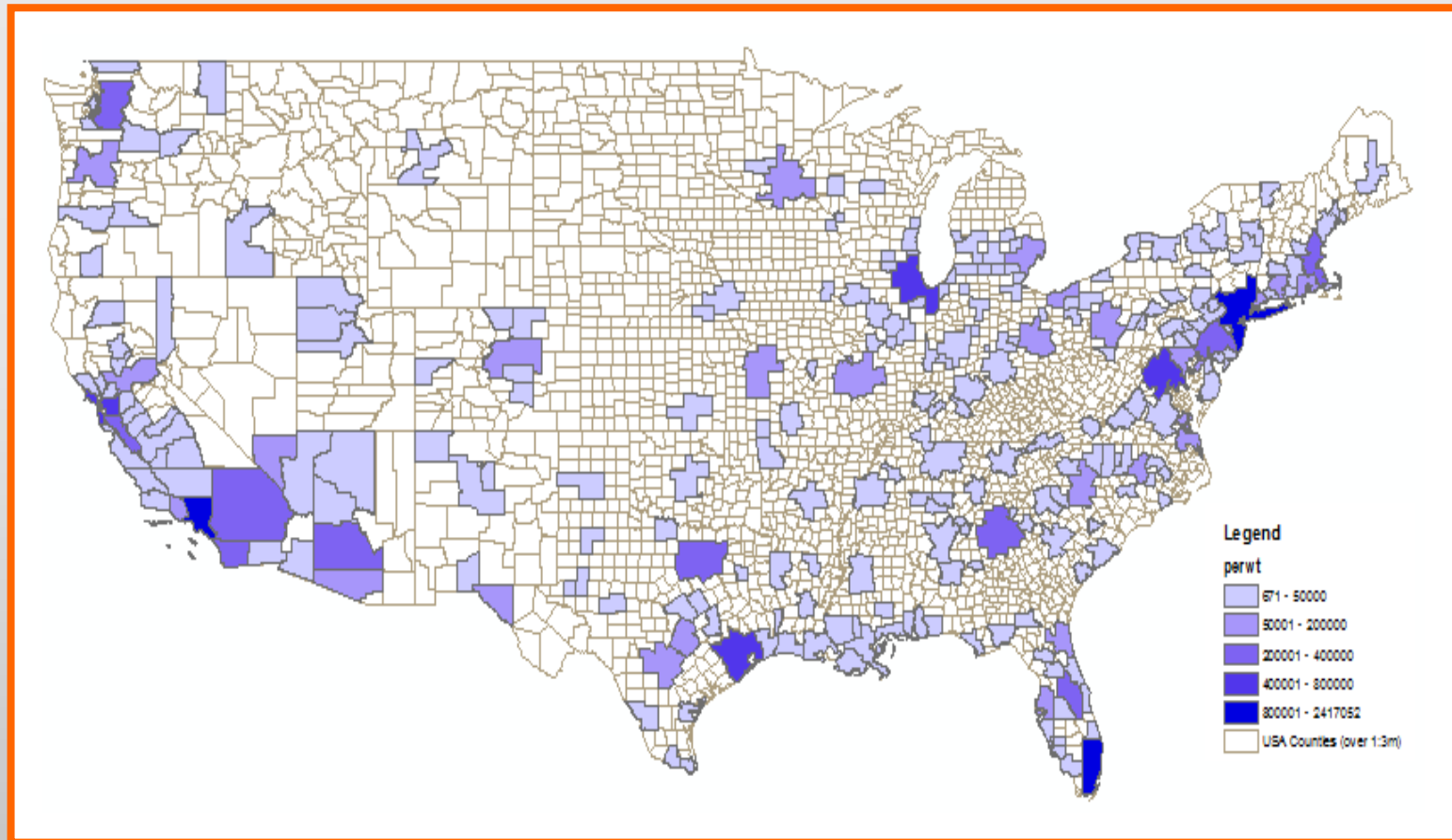
Cumulative distribution of migrants by skill



Concentration does not end at the border Migrants in Germany



Concentration does not end at the border High skilled migrants in the United States

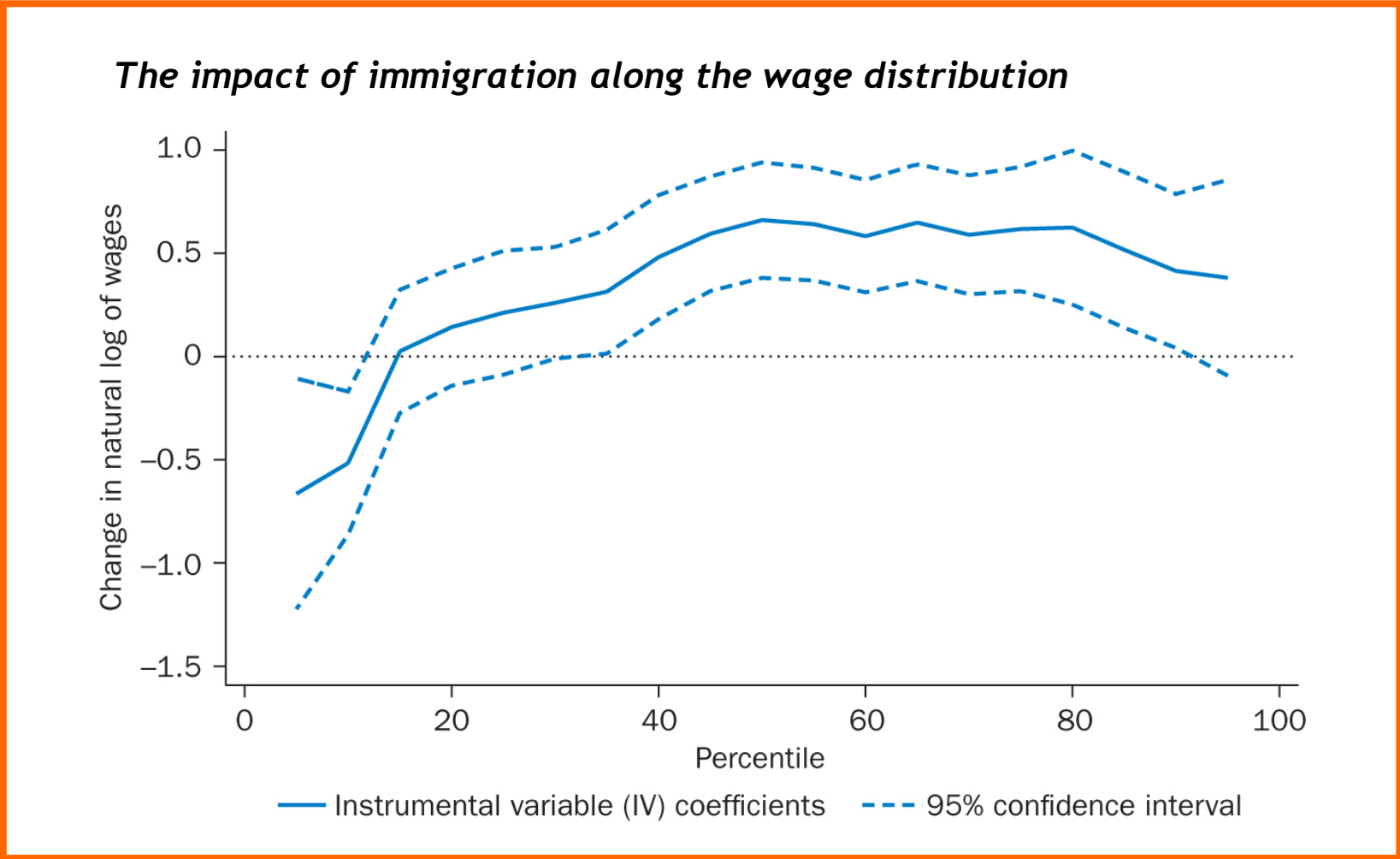


Concentration does not end at the border Syrian Refugees in Turkey



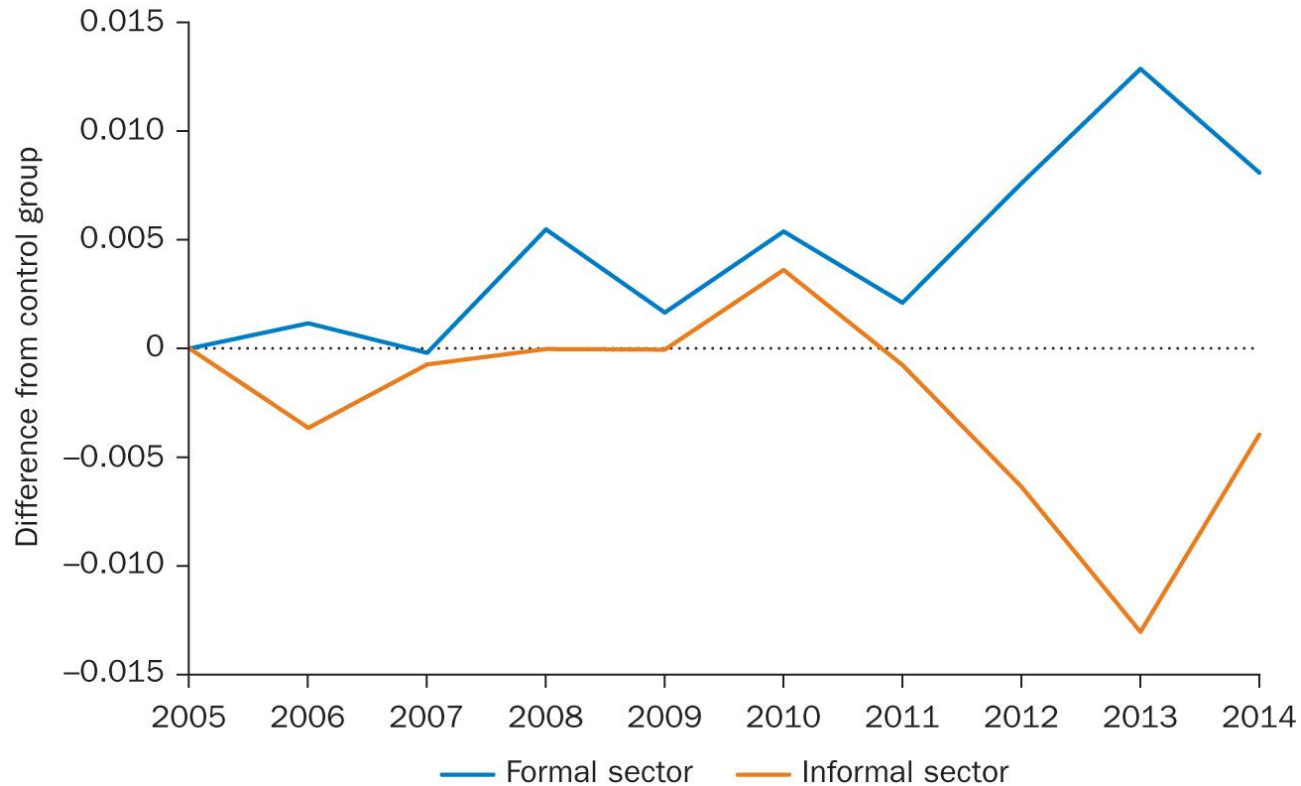
**IMPLICATIONS of
CONCENTRATION
&
SPEED**

Immigration has a positive impact on overall wages but lowers the wages of those with similar skills



Natives who are close substitutes to migrants feel the largest impact

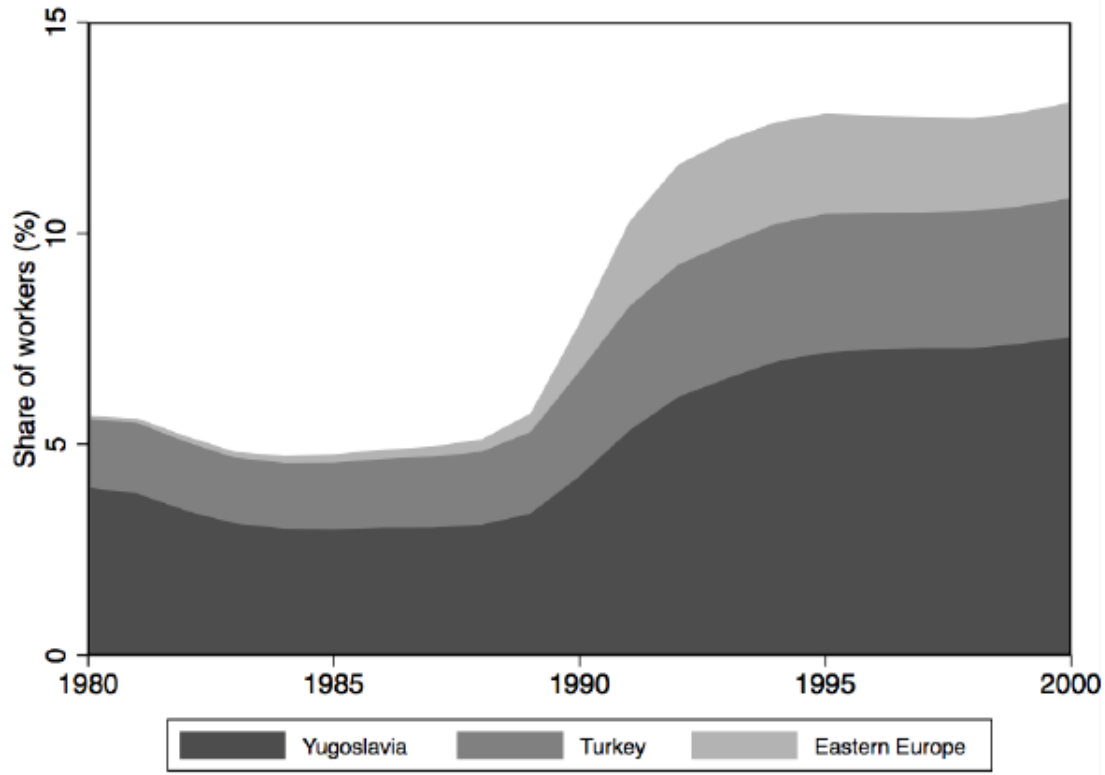
Turkish Employment Rate 2005-2014



Austria

Balkan Wars and Refugee Outcomes in Europe

Figure 2: Immigrant share of workers by origin country, over time



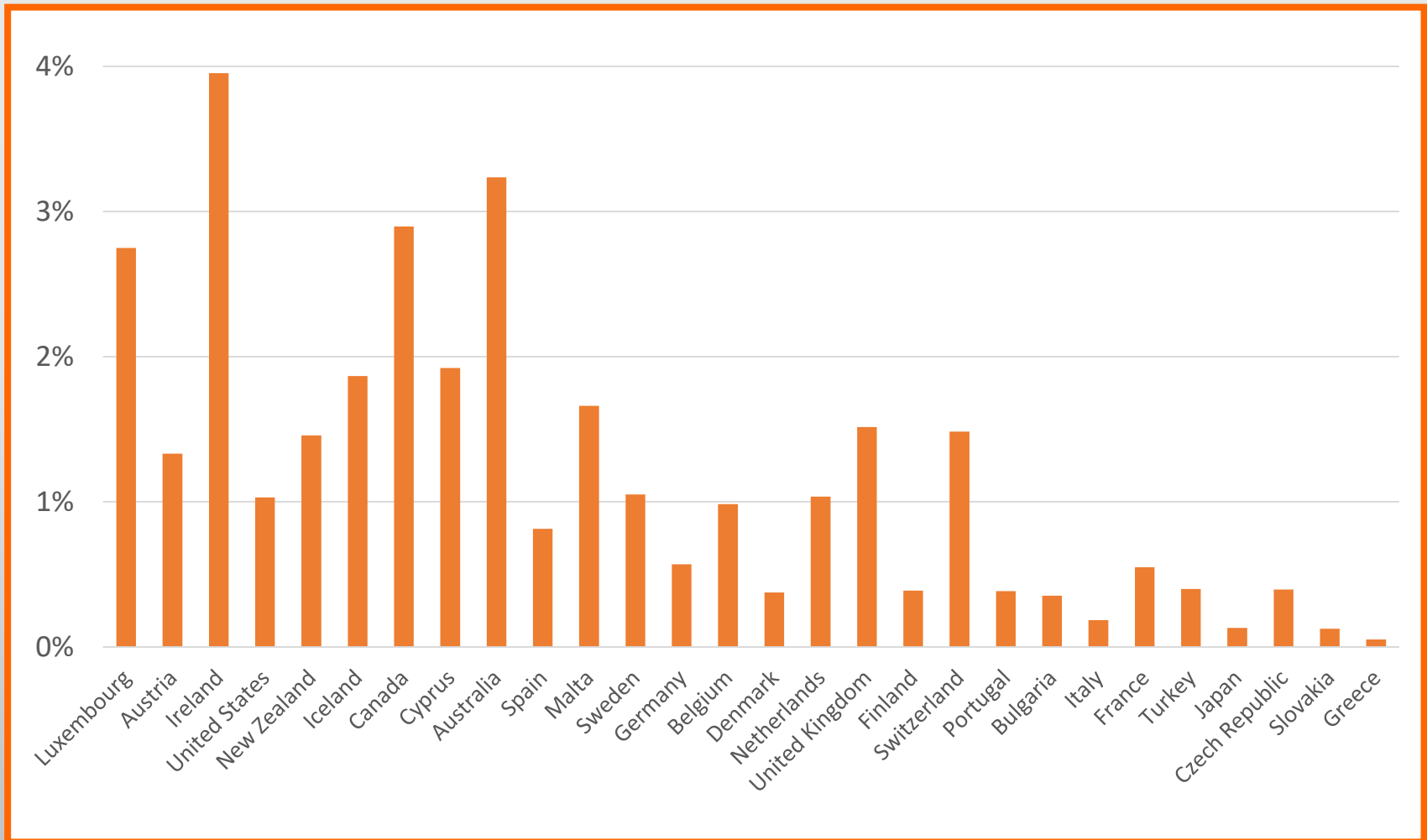
Austria

Balkan Wars and Refugee Outcomes in Europe

Table 6: Blue collar income-effects by quintile

OLS Regressions -	Q1	Q2	Q3	Q4	Q5
$\frac{M_t - M_{t-1}}{N_{t-1}}$	-0.083	0.255	0.260	0.231	0.273
	(0.173)	(0.109)**	(0.139)*	(0.215)	(0.253)
R2	0.02	0.02	0.02	0.02	0.01
IV Regressions -	Q1	Q2	Q3	Q4	Q5
$\frac{M_t - M_{t-1}}{N_{t-1}}$	-2.914	-1.670	0.168	1.222	1.561
	(1.337)**	(0.794)**	(0.747)	(1.222)	(1.511)
R2	0.01	0.02	0.02	0.02	0.01
N	701,009	1,013,567	1,146,929	1,218,929	1,260,727

Overall wage effects are positive, but small across most OECD countries

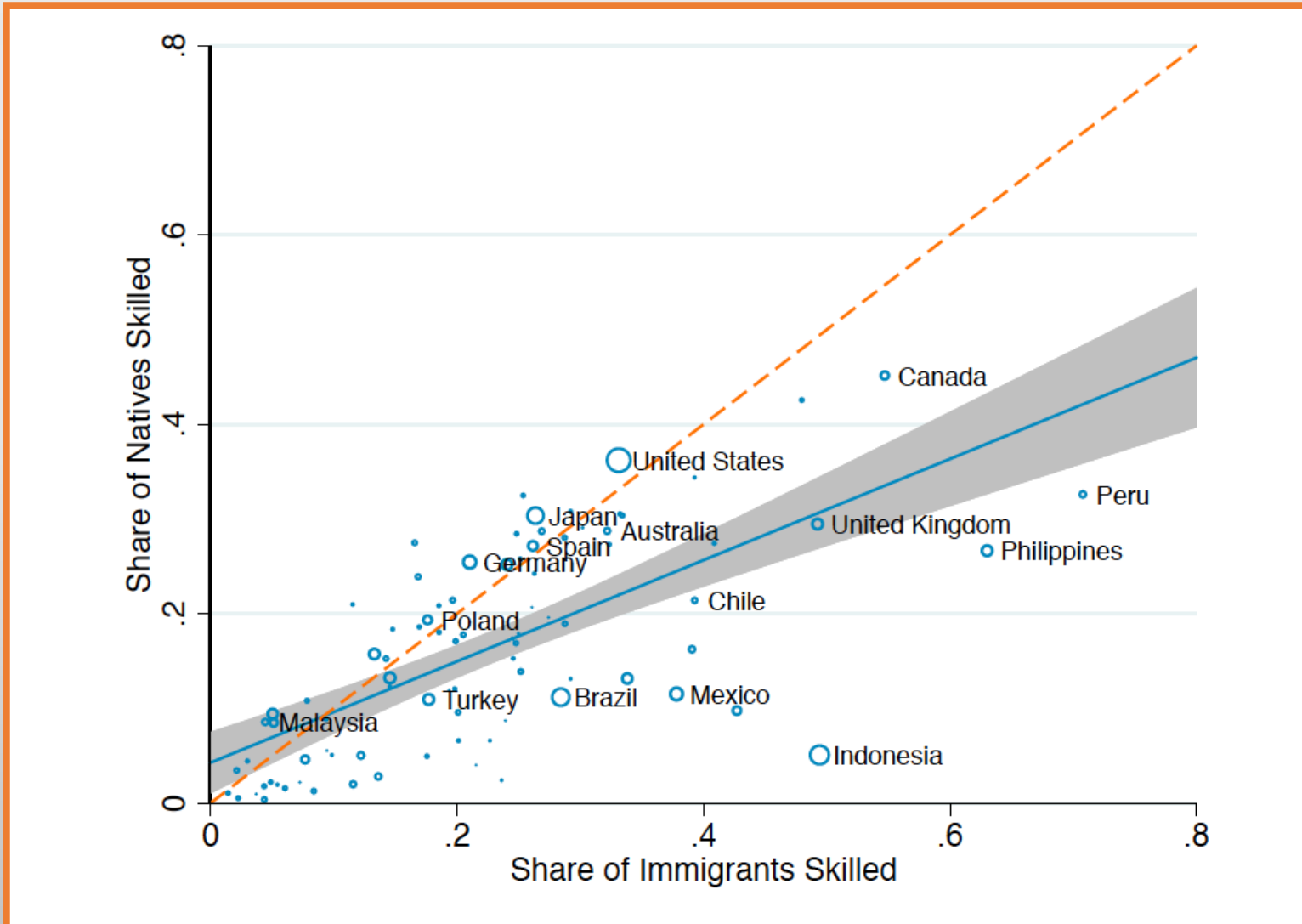


WHAT MATTERS ARE THE LONG-TERM IMPACTS

**EDUCATION
INTEGRATION
GENDER**

ISSUE #1: EDUCATION

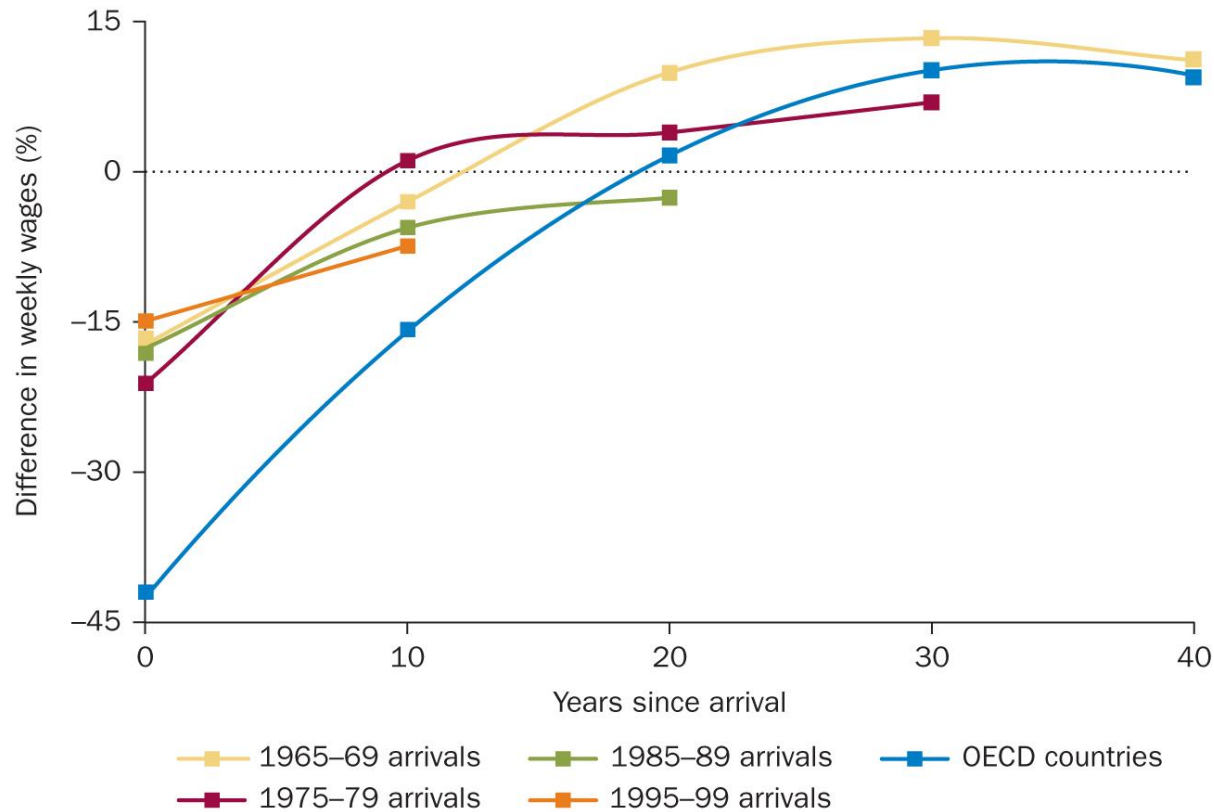
Migrants are more educated than the native-born in both destination ...



ISSUE #2: INTEGRATION

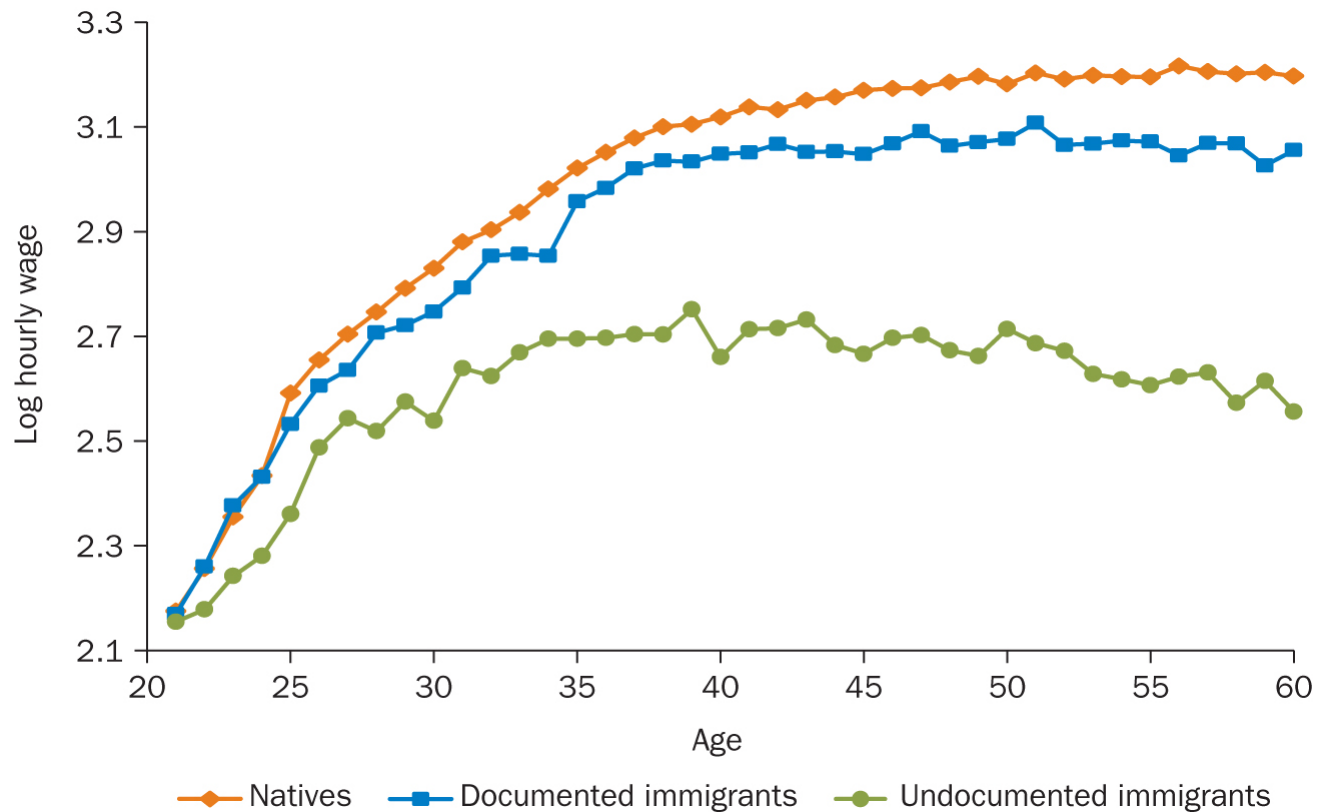
Economic Integration determines the overall gains

Immigrant wage gaps since arrival by cohort



Undocumented migrants hit a ceiling in terms of wages

Age-earnings profiles of immigrants and natives by legal status



ISSUE #3 GENDER



Women Icons Award Ceremony
SINGAPORE

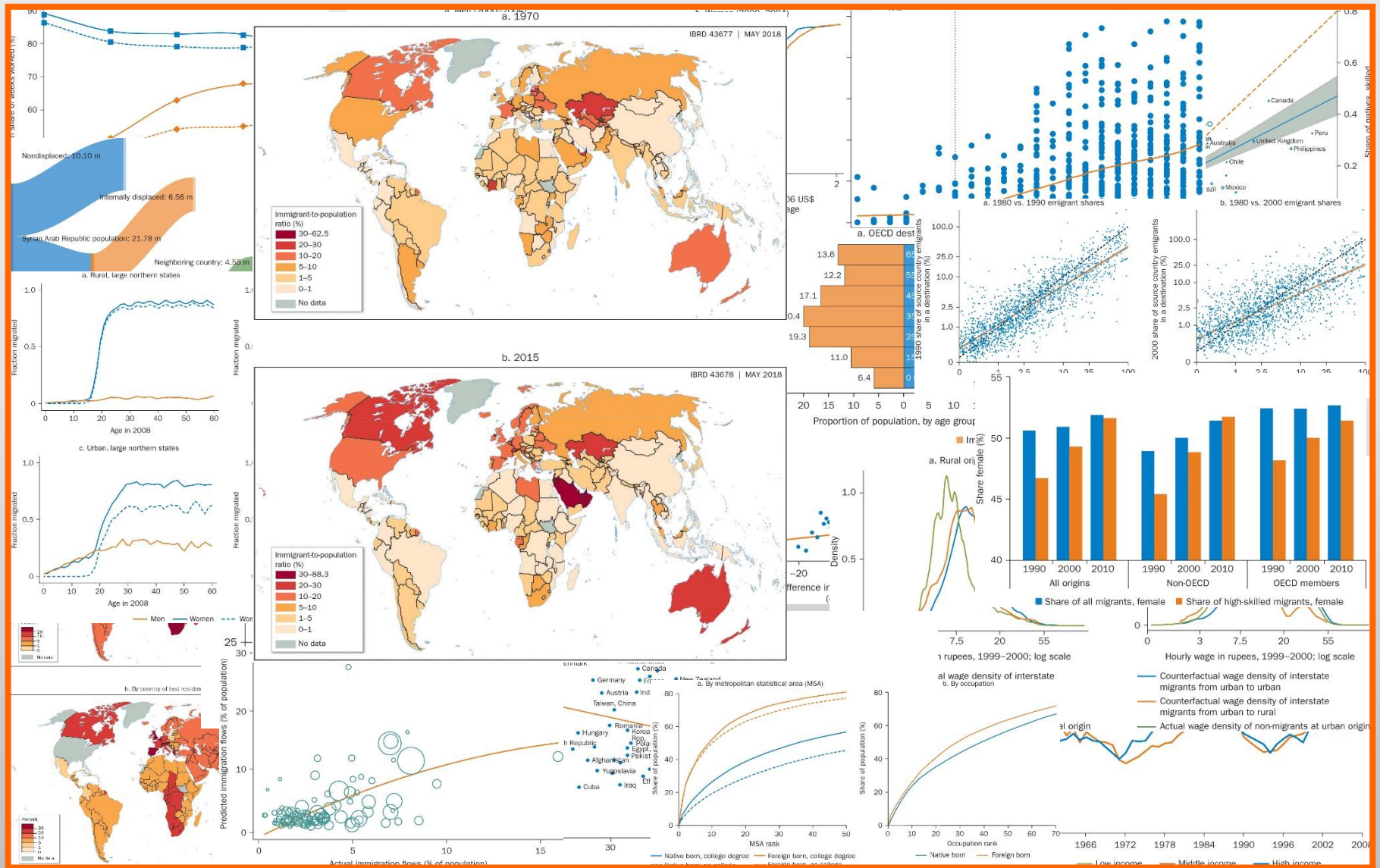


Filipino Maids
SINGAPORE



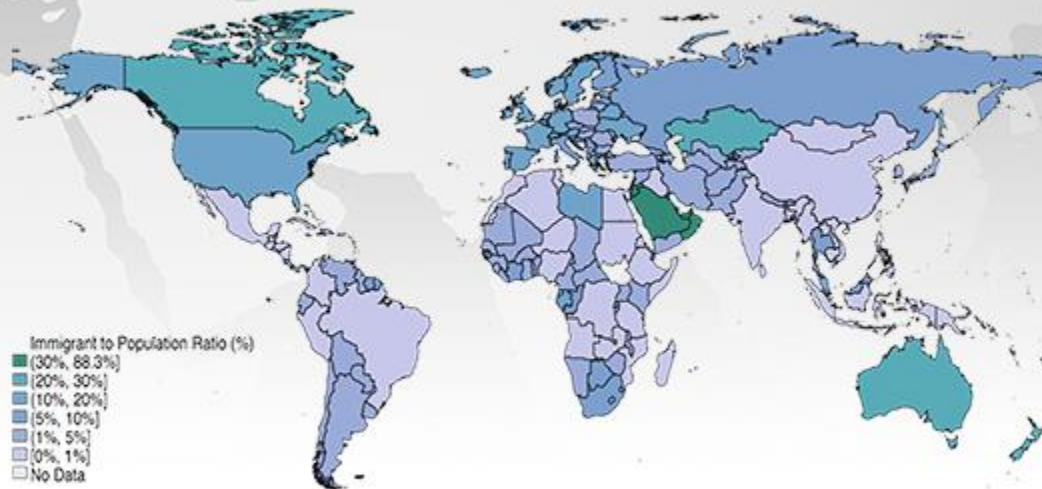
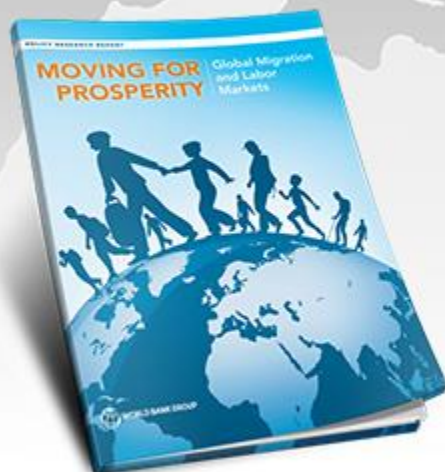
Filipino Students
MANILA

CONCLUSION



MOVING FOR PROSPERITY

Global Migration and Labor Markets



cozden@worldbank.org