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ECONOMIC ASPECTS OF MIGRATION WITH RESPECT TO DEMOGRAPHIC
DEVELOPMENT: SIGNIFICANCE, OBSTACLES, PROSPECTS FOR THE
FUTURE

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Although in the moral order there is a clearcut doctrine on migration, that doctrine must be applied concretely for an economic and social optimum by integrating all economic and social factors inherent in the problem.

The problem is posed as follows: how can one reconcile the right to life of the populations of underdeveloped countries and the national interests which induce other countries to protect themselves by restrictive laws which are apparently justified from the economic viewpoint?

In increasing the standards of underdeveloped areas, how can a balance be struck between local economic development and migration? The second of these two questions may be more important on the whole, but the first outlines more directly the international obligations of the better developed countries which if they refuse to open their borders, ought to be conscious of their immediate obligations and of their long-term interest in on-the spot development of underdeveloped areas. On the other hand, the nationalism in which underdeveloped countries only too readily confine themselves, preventing thereby the fulfillment

of the most useful plans, has portentous economic consequences.

There we have a rough outline of the educational action - since it is to that frame of reference that we have adhered in defining the economic aspects of the problem - an educational action which not only must take these aspects into consideration (avoiding all formulas that might disregard the human significance), but should make use of them by supporting a doctrine which can be justified on valid economic grounds. This educational action will tend towards elimination of nationalisms wherever they may exist and encouragement of the quest for systems that might satisfy and promote apparently divergent interests.

Economics by its essence is a matter of means. But for a contradiction in terms, we would tend to speak of a doctrine of means to be put into action, in accordance with economic laws.

If such is the aim, it is a fact that many studies would be necessary before the formulation of the doctrine. I hope that the eminent participants at this Congress will be indulgent with the author for his very modest contribution he is making here after having set his target so high. The problem is so hard and so complex that it would in any case be presumptuous to exaggerate the part that can be played by economists; as Warren

S. Thompson (1) used to say, the most demographic and economic considerations can never be decisive in the definition of an immigration policy; at best they can be of secondary importance.

Migration Problem throughout the World

General Observations

We are first met with the following alternatives: migration of technicians and capital to exploit underdeveloped zones, or mass migration from these areas to those of high economic potentialities. Other things being equal, selective migration is no doubt to be preferred, but does it solve the problem of the world-wide demographic imbalance? Conversely, if the expansion of regions with high potentialities and the raising of the migrant's living standard are the ultimate justification for migration, does mass migration achieve the aim intended?

In point of fact, mass migration meets with numerous obstacles and counter-indications. We shall not insist on

1) "The Demographic and Economic Implications of Larger Immigrations" Postwar Problems of Migration, Milbank Memorial Fund, New York, 1947.

the social and political difficulties, racial or cultural conflicts - that is not our field - but it is clear that freedom of migration may be limited by vital necessities of the population and of the receiving country and by the possibilities for assimilation and integration.

Moreover this solution is difficult to conceive of except in a colonial frame-work with capital coming from one side and manpower from the other, too similar to systems which have been rejected by the very people who might use them as an outlet.

It is more important to pick out the demographic consequences of an eventual mass migration. For the European countries the usual prospects for settlement on other continents are adequate for what is commonly called its demographic surplus population. For the over-population countries of Asia, however, the time necessary to put into effect schemes for resettlement in under-populated outer regions compells us to adopt a long-term view.

The European experience during the 19th century, when migration rate rose far beyond that of the presently most overpopulated countries shows that even mass emigration has only a marginal effect of alleviation of the demographic pressure, usually slackening only its expansion but not

stopping it; applied to Asiatic countries mass emigration would amount only to a "spatial spreading" of the imbalance, to use a term of J. Morini-Comby. (1)

Moreover the inclination to migrate is worth taking into account it, of course, is determined to a certain extent by necessity, but this only happens when need become absolutely unbearable. Apart from these cases is not the inclination to migrate weaker in the most overpopulated countries? Quite aside from the restrictions against them, for example, has any one ever seen mass migration among the Chinese except in emergency cases of famine and war which induce desperate hunger marches? This leads to the following question: is not migration in the world of today, exception made of movements of a political origin, a phenomenon mainly due to industrialization? According to Mr. Sorre (2), man is naturally inclined to migrate. But his attachment to the soil, his need of security, and his instinct of ownership constitute a powerful and age-old bridle to this inclination. To slacken these ties to any extent requires

1) Les mouvement internationaux des hommes; Traité d'économie politique de Baudin, tome II, Ch.X

2) Les migrations de peuples, Paris, 1955

a new element effective on a massive scale: in Europe it was industrialization competing with the rural trades that caused surplus population; the same phenomenon exists in the underdeveloped countries as for instance in Africa in the extensive crop cultivation for export, mineral exports, and, too, the concentration of manufacturing industries. So it may reasonably be admitted that the industrial development of underdeveloped countries will induce mass migration; this means that local development is stronger than settlement in foreign lands in rupturing the ties of attachment to the land and to the unlimited fecundity which goes with it.

On the economic level, mass migration, apart from the problem of transportation (the means and cost of it) calls for a developed structural organization or advance preparation. As for farming, conditions are different, particularly as to the quality of the soil, from those of the first European penetration in virgin lands during the 19th century; important preparatory work is necessary if great numbers of immigrants are to be settled on uncultivated lands. On the other hand, except for skilled workers from Europe the great masses of population likely to migrate have but very few of the qualifications required to bring about the industrial development of other lands; now the leadership is lacking in areas

of intensive cultivation which unite both the economic conditions - which are the only guarantee for mass absorption - and possibilities for industrial development; theoretically one might recruit trained personnel in Europe as leaders of unskilled workers from Asia, but this would only be for the execution of certain very carefully planned schemes and an international organization would have to be responsible for the protection of these migrants.

The most significant factor would be the capital.

As far as quantity is concerned the requirement would be to have equal amounts for local investments and for migration; but its direction, natural or controlled, has to be considered. Will international capital be more readily invested for economic development in overpopulated areas or in immigration countries? Security is probably the decisive factor as far as private capital is concerned; and with public funds this consideration will also be given prime importance.

The relative political security in dependent or associated territories does attract capital to a certain extent but this fact would hardly go so far as to promote development schemes which require intercontinental migrations.

So the main obstacles to mass migration are clear. First of all such migrations seem possible to a certain

extent only from Europe, which can supply skilled workers capable of paying at least in part, the cost of their transportation and who, except for certain quantitative limitations, are generally accepted without any obvious discrimination. But this would not solve the world-wide demographic problems as did the 19th century migrations.

As Kingsley Davis (1) emphasized, mass migration could only come from Asia and only in such circumstances as either a world-wide disorder provoking an invasion by hunger-stricken Asian peoples, or a redistribution of the world population by a world government.

It will require, therefore, long and continuous efforts to convince world opinion of the necessity for such migrations.

In the meanwhile free migration will only be possible on a regional, continental or semi-continental level.

Even here a distinction must be established between the developed and underdeveloped areas. To take one example, a quota system such as that of the United States of America -leaving aside the question of size and ethnic

1) Future Migration into Latin America, "Postwar Problems of Migration, op. cit.

distribution - seems to be most appropriate for a highly industrialized country, the aim being in effect to procure a certain margin of freedom, the general economy being capable of assimilating spontaneously this surplus of manpower. On a regional scale covering several countries, this method contributed to a relative equalizing of the living standards and this, according to J. Isaacs (1), is the very thing that justifies migration, an equalizing which should, moreover, have repercussions on the national level, especially in underdeveloped countries where the distribution of wealth points up greater inequalities. On the other hand, if we consider a territory in full expansion where the "widening" of the economy is more important than the "deepening" (2), i.e. where the factors of production are added to the existing structures without altering their relations, other solutions may be indicated: a greater freedom concerning the number of immigrants

(1) Economics of Migrations, London, 1947.

(2) These notions (the terms used are Hawtrey's) are advanced notably by B. Thomas: Migration and Economic Growth, Cambridge, 1954; the author shows the fluctuations in the population and in the capitalist structure of the United States.

admitted which depends on sufficient confidence in the mutual adjustment of the economy and the immigration (this was the system developed in the United States in the 19th century), or alternatively limitation of migration to that called for in definite development schemes (especially when capital resources are scarce), or else establishment of quotas in accordance with long-term calculations. (This is the system favored by the International Confederation of free trade unions).

Volume of Migration

The European predominance in migration movements is liable to render all the studies on this matter far too partial.

Concerning intercontinental migrations, during the period 1945-1952, out of a total of 6,312,000 movements, only 11 per cent did not involve Europe. In fact, overpopulated Asia has but a very slight inclination towards migration (1) the financial means of the possible candidates having been a serious drawback to intercontinental migration.

(1) Before 1940 only 10 to 20 million Asiatics were living outside of their country of origin.

and the prohibitions that were so early enforced against these populations nearly having stopped movements altogether.

African emigration is very limited, that of North-Africans to France being the most significant.

But from 1946 to 1954 European countries have sent nearly 5,200,000 migrants to other continents, 2,150,000 of them to North America, 1,350,000 to South America, and 870,000 to Oceania. By country this migration is broken down as follows according to countries of origin and destination:
(in thousands)

<u>Emigration countries</u>		<u>Immigration countries</u>	
United Kingdom	1,350	United States	1,110
Italy	1,070	Canada	970
Germany	1,050	Australia	760
Netherlands	400	Argentina	660
Spain	360	Brazil	380
Portugal	210	Venezuela	230
Austria	190	Union of South Africa	140
France	130	Israel	165
		New Zealand	110

The extent of these migrations can best be judged by comparison of the figures with those of the past.

Except for the great number of displaced persons and refugees admitted under special programs or legislation, and who altered the ethnic spread of the quotas, it appears that among the European countries cited only the Netherlands registered a rate of emigration higher or even equal to that before 1914; for many countries it is even lower than that of the period 1921-24.

Annual Emigration Average

	(in thousands)		
	Maximum before 1914 for each five year period nationals	1921-1924 nationals	1946-1954 nationals and foreigners
United Kingdom	358	288	150
Italy	402	168	119
Germany	171	58	115
Netherlands	5.6	3.6	44
Spain	166	98	38
Portugal	54	19	24
Austria	265(1)	57(1)	21
France	19	1.6	14

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(1) (Austria-Hungary)

Concerning immigration countries only the British Dominions have kept up a rate comparable to that of the early twenties or before 1914. On the other hand, the United States did not take in a third of the immigrants from 1921-24 nor one-seventh of those of the years 1906-1910.

Argentina and Brazil do not reach a third of their best periods of before 1914 and have even strongly reduced their immigration compared to what it was in 1921-24

Within continents, migrations from one country to another vary in volume. In Africa there has been a recent extension of movements including many more areas.

These movements are often only temporary; by way of example take the 300,000 natives of Mozambique who work in the Union of South Africa and the 500,000 natives of Angola who are living abroad. (1)

In Asia, migration is now very limited, but before the war there were fairly significant movements; towards Malasia approximately 500,000 people per year at the end of the twenties, a number which fell to 50,000 in 1933.

(1) "Développement du travail salarié en Afrique tropicale", Revue internationale du travail (I.L.O.) Geneva, September 1956.

Also during the twenties, 200,000 departures were from India and only 10,000 in 1933. Movements in both directions varied from 60 to 80,000 in Indochina, in Ceylan from 250 to 300,000 ; similar figures hold for Hong Kong. The crisis of the early thirties caused a sharp fall in the rate of these movements.

As far as America is concerned, movements have always taken place, particularly between Canada and the United States; from 1945 to 1954 Canadian emigration to the United States was estimated at 246,000 as against 40,000 returns. Moreover, Mexican immigration in the United States has replaced the restricted European immigration. Along these same lines, one may even consider the fact that Siberia was peopled by millions of Russian settlers.

On the Continent, Western Europe seems to be the most favorable to migration. An optical illusion, however, must be avoided, the volume of migration being partly due to the great density of population and to the proximity of the borders. Nevertheless, the obstacles to free circulation preventus from considering these movements as internal and give considerable significance to the 3.5 million migration movements which took place from 1948 to 1954 between European countries this side of the iron curtain. This question will be treated elsewhere.

Prospects

What has just been said shows that migration movements are far from having recovered a satisfactory rate.

Nevertheless compared to the prospects of the immediate post-war period, the results are not as bad as might have been expected. By opening their borders to an annual average between 1946 and 1954 of respectively , 72,000 25,000 and 85,000 European migrants, Argentina Venezuela and Australia have exceeded the initial prospects which were respectively for 25,000 15,000 and 70,000 immigrants.

Canada, whose possibilities had been estimated at 150,000 took in 108 ,000 Europeans per year. Brazil, on the other hand, only let in 42,000 although ambitious plans had foreseen some 200 to 300,000 immigrants per year.

And the United States, including special measures in answer to special needs, let in 124,000 Europeans out of a quota of 150,000.

But a significant fact is that in the countries in which there are variable immigration contingents these are liable to be reduced in accordance with fluctuations of the economic conjuncture. In Australia, for instance, gross immigration amounted to 175,000 units in 1950, only

to drop to 72,000 in 1953; the Council of the Trade Unions had insisted on a strict cutting down of immigration, the immigration of unskilled workers was suspended by reason of the state of the labor market, and a maximum of 80,000 was established as a ceiling.

In Canada during the same period, workers also protested against the admission of immigrants in spite of unemployment. In New Zealand, too, the trade unions ask that a stop be put to assisted immigration from all countries except Great Britain, because they fear that mass immigration might reduce the living standard.

The situation in Europe is also characteristic.

In France, some 60,000 workers were officially admitted every year from 1947 to 1949, but in 1950 this number fell to 10,000. Switzerland has a policy of admission of foreigners which depends strictly on the situation of its labor market. More or less the same system is applied in Belgium to a lesser degree.

The resurgence of economic activity the world over since 1954 has undoubtedly increased migration movements. This is what the incomplete available statistics seem to suggest.

This evolution is normal after all, and corresponds

to a spontaneous movement free of legislative obstacles.

This does not mean that the results of freedom and of regulations are identical, because there actually is, in a free system, a compensation in time that does not exist with quotas. Moreover the world economic activity has reached its highest level since the end of the war without any serious recession. So if a drastic slowing up of business occurred, the outlook for migration might be much darker.

But on what grounds are migration prospects established for the coming years? We must investigate the extent of movements and their orientation.

As far as intercontinental migration is concerned, we must distinguish between migrants of European origin and others. For emigration countries other than those in Europe, particularly Asian countries, a radical change in present situation would be necessary to swell the size of the migration current. It might be in this field that educational action would be most necessary to create the necessary conditions for the undertaking of schemes for the exploitation of unexploited lands.

As for Europe in might well be that its own capacity

for emigration rather than the absorption capacities of immigration lands will determine the volume of the movement. Overlooking the impression derived from certain public opinion surveys immediately after the war, as well as the emigration possibilities attributed, for instance, to the United Kingdom, let us only consider that the number of emigrants available was supposed a few years ago to be some five million. Moreover, without any exaggeration of the unemployment in Italy, one can easily arrive at the figure of three million for the surplus workers there. Sauvy estimates the surplus workers in the tertiary stages of production at two millions in Western Europe. In 1951 the surplus in Germany was estimated at 1.5 million. Spain and Portugal (1), moreover, are still overpopulated. But recently the development of the economic conjuncture has provoked a general shortage of workers. In Western Germany, following the absorption of a great mass of refugees, the rate of unemployment has become very low. Surplus manpower doubtless persists in Italy, but the aim of the Vanoni Plan, which called for emigration

(1) It is to remark that Portuguese Angola seeks to attract many settlers from the mother country.

of 80,000 workers per year, has been surpassed.

Great Britain still provides important contingents of emigrants, but immigration compensates for these; moreover its active population has considerably increased since before the war. The Netherlands, the only country which Sauvy considers as absolutely overpopulated, have continued to provide a regular current of emigration as a safeguard for the future, but it has experienced a serious shortage of manpower. These examples show that the possibilities of employment in Europe must not be underestimated and that the volume of emigration overseas might be strongly influenced by this. B.

Thomas anticipates nevertheless an increased capacity for emigration with the arrival at working age of the generation born after the war and by a recession to result from the extraordinary expansion of construction, but he is thinking about intercontinental migration.

As a matter of fact the postwar European "baby-boom" was extremely limited except in France and the majority of French demographers consider that it is not certain whether the rising generations will replace themselves as might be expected. In any case even if owing to the greater number of young people, there is an increase in the active population, it would

not be important enough to prevent an increasing shortage of manpower because the European economy on the whole is adjusted to a certain rate of demographic growth.

Continuation of the postwar economic trend leaves no doubt about this.

Generally speaking, geographers, sociologists and economists who have been giving their opinions on the future of migration, figure the prospects as being rather limited. Great Britain's Royal Commission on Population considered as temporary, in 1949, the postwar British emigration. P. George (1) also considers the recent movements temporary. M. Sorre (2) insists upon the limitations to the absorptive capacities. H. Wander (3) stresses the obstacles of all kinds, while h. Citroen believes in the possibility of raising the rate of European emigration to 750,000 persons per year by the development schemes in new countries. J. Isaac (4) also foresees vast possibilities for

(1) Introduction à l'étude géographique de la population du monde, Paris, 1951.

(2) Les migrations des peuples, op. cit.

(3) The Importance of Emigration for the Solution of Population Problems in Western Europe, Research group for European migration problems, the Hague, 1951

(4) Economcs of Migrations, op. cit.

these same countries.

Restrictive factors may be listed as follows:

- relative demographic decline in Europe, principal source of emigration;
- necessity for and extension of the organization for selection and transportation, etc.; although this factor is anything but restrictive wherever for economic reasons emigration would not have been possible without it, it nevertheless fits here because it is restrictive relative to spontaneous movements, owing to the financial investments required;
- amount of the capital needed. Migration of men and of capital are necessarily associated. But the connection that had been naturally established before 1914 has grown weaker; it still exists in the British Commonwealth, where it is rendered possible by the compensatory movement of investments from America to the United Kingdom;
- lack of vast expanses of vacant lands easy to exploit. The cost of what must be done to enhance the value of these lands is a serious obstacle because of the low profit which would result and the diminished possibilities of absorption of these products by the

world market .

- the occupational abilities required. In most cases only skilled workers are needed for industry or agriculture, yet Europe will be less and less able to provide them under the conditions offered.
- the relative limits of employment in industrial economies. Although it has not been proved, it is often said that the most developed economies are those which provide the least work. (1) Moreover in the long run, the need for immigrants would then decrease, under this hypothesis, with the industrialization of new countries.

Certain experts consider that the future of migration lies in exchanges of population of different occupational types, either on a reciprocity basis or for replacement. Concerning this latter mode, Great Britain constitutes a typical case, sending abroad its own nationals to the countries of the Commonwealth

(1) P. George, op. cit.

and generally receiving in return unskilled workers from its colonial territories. The differences in remuneration, which is the main cause of migration, has a strong effect in this case. It is then a question of worldwide or continental distribution of manpower more than of a mode of expansion, as were the strong one-way currents for the exploitation of unused lands.

Does this mean that this particular type of migration, which characterized the 19th century, is on the verge of disappearing? It seems more likely to appear on a reduced scale particularly within continents or countries having vast, unoccupied expanses.

Long range projects for transformation of the desert areas of the Far-East would be of this type, as would the great hydro-electric schemes in Africa.

The inter-continental economy established in the 19th century has not yet reached its full development, but nationalism has seriously delayed it. On the other hand, economies tend increasingly to become organized on a continental level, and it is probable that the economic expansion of the coming years will take place within this framework. The formation of continental

blocs will strongly effect migratory movements.

As for the organization of controlled or directed migration, possibilities for it, from a numerical viewpoint, remain limited. From one continent to another it may seem necessary and it was so in fact especially when it involved unstable masses such as refugees. But individual movements, because of contacts made through relatives settled abroad, may be more frequent and more advantageous for integration despite a greater risk of failure due to insufficient preparation. In the normal course of events, this kind of movement will increase more and more, especially on the inter-continental level, which, it seems to us, is destined to be most important in the near future. An important part of the educational role of responsible organizations will be the instruction of the individual migrant.

Obstacles to Migration

The most significant obstacles to migration have a discriminatory character of nationalistic or racial origin and appear in the form of prohibitions

or strict ethnic quotas. There is nothing to wonder at since one finds within countries, even emigration countries, a certain hostility to regional movements.

The deeply rooted concept of worker exploitation, the protection of the living standard, the fear of unemployment - these are the economic substrata of these attitudes, which even hinder the most immediate economic interests of the nation. One is reminded in this respect of the strong opposition of the English miners to immigration despite the coal shortage, the difficulties of industry and of the balance of payments which resulted from it.

Nevertheless, there are some real economic obstacles such as the housing shortage, or the cost of the necessary investments. But these also affect the local economic development in overpopulated countries and the regulations laid down in such places do not always encourage their expansion. Such is the case with the exchange regulations which impose inordinantly long amortization periods on capital goods investors.

The acceptance of certain norms in human and

international relations in also, of course, a limiting factor which cannot be ignored.

The possibility of finding and keeping a job is not the least of the difficulties. The migrant often has to put up with an initial period of unemployment or of change of occupation before he is able to be integrate economically. The loss of a job, rejection of renewal of his permit, the lack of assistance at the end of the contract prevent rational immigration. The requirements concerning professional qualifications often prevent potential candidates from migrating. The differential development of employment, which in evolved economic systems favors the tertiary sector, maintaining the number of workers in the secondary sector within narrow limits, sharply restricts the capacity for absorption.

On the side of emigration countries, though prchibi-
tion is rare in the free world, there are, nevertheless, observable restrictions laid down under the pressure of certain circumstances, like, for instance, a manpower shortage. This seems paradoxical but the

clash of immediate and long-term interests accounts for this reaction.

However, it is more often concern for the protection of the migrant that leads to certain restrictions.

The few emigration countries which concern themselves with the problem, find themselves in an unfavorable position to negotiate with the immigration country; the latter may either turn to other sources in recruiting, or else give up bringing in migrants for whom there is not always an urgent need. Moreover, the immigration country does not generally appreciate the economic value of the migrant whose upbringing did not cost it anything and who, especially if he has been selected, constitutes a "good risk". So although the protection of the migrant has been one of the main concerns of those who were trying to free the movements of manpower, fair treatment in all circumstances is not always accorded. Certainly this is one of the fields of action where the educative role should come into play.

The obstacles on the side of the potential migrant, except for his lack of professional training, are

not usually economic ones. It is possible, however, that economic ties such as ownership of property or occupations of certain members of the family might prevent the migration of a head of a family, but in this case it is rather an economic outlook that causes the migration to be considered as untimely; we may then speak about the lack of mobility of a certain worker or of the lack of adaptation of manpower to economic needs and not of an obstacle to migration. (What it amounts to is a lack of adaptation of the economy to manpower.) We might here, however, mention the inadequacy of social security systems in immigration countries, their discriminatory character, sometimes even their territoriality.

In any case, the direct regulatory obstacles in immigration countries are the chief barrier. Among them let us mention yearly quotas, or variable ones according to need, control of individual applications in accordance with conditions on the labor market under the surveillance of the trade unions, a maximum percentage put on the number of foreigners to be employed in a business, limitation of working permits either in time

or to certain occupational categories, requirement of personal funds as a condition for admittance.

The diverging interests of the working class in immigration and emigration countries were highlighted by L. Hersch at conferences of the European Center for Population Studies in 1953(1). The lack of agreement on the international level is but a consequence of this fact.

International confederation are generally rather favorable to a larger movement free of unjustified restrictions.

However, great efforts remain to be made - basically perhaps efforts of understanding on the part of the leaders.

Among the main targets to be aimed at let us mention the establishment of global quotas, instead of variable ones, as well as their progressive extension, the stopping of quarrels over details in which a theoretical liberalism is beaten by protectionism, the acceptance of a greater mobility for the migrant.

(1) Etudes européennes de population, Paris, 1953.

Economic Problems of Migration

We do not intend to reiew the economic conditions in which migration takes place. There enter in a factor of repulsion and a factor of attraction. According to some authors all this amounts to basically is a difference in salaries. Although this only plays a part when there are no important obstacles, it^{is} one of the main features in contemporary migration.

As a matter of fact the most sought after workers belong to the lowest paid occupations, thus Latin America prefers to let in agriculturists, the living standard assured them is too low to attract much European manpower, only Asian manpower might answer this need.

So three problems still have to be taken up:

- Is migration economically useful? The economic effects of migration will be examined in answer to this question.
- Is migration economically possible ? The answer to this question should emerge from an examination of the elements of economic activity.
- What are the alternatives to migration? This would concern local development or other international

exchanges.

Economic Effects of Migration

For a country relatively overpopulated, emigration is often welcome relief. The loss of young and qualified workers might be disadvantageous if it continued to any great extent, but the concerns generally expressed in this respect, the relative aggravation of the burden falling on the inactive part of the population, the slackening of the dynamism, etc., would only be applicable to a situation of full employment which is not generally the situation of the countries in question. Moreover, the migrants' remittances generally constitute an appreciable advantage for the country.

As far as the immigration country is concerned, these remittances may sometimes be undesirable, but this is basically a technical problem that has not to be treated here. The great economic problems are expansion, living standard, employment.

It has already been said that immigration countries were generally unaware, except in specific cases of manpower shortage, of the advantage to them in the arrival and

economic integration of migrants. Let us recall the declarations made at the 5th Australian Citizenship Convention, demonstrating the importance to industry of the manpower brought in by migration. Building and the iron and steel industries were mentioned among others. During the period 1948 to 1953, immigration provided 340,000 workers and the total increase in employment amounted to 450,000 workers. In Canada an attempt has even been made to figure the total contribution of migrants to the economy in general: investments of more than 400 million dollars, consumption of foodstuffs to a value of 350 million dollars per year, creation of numerous private commercial enterprises and farms, a contribution to the training of Canadian workers. Such studies, were they carried out in other countries, would certainly be most useful and should by all means be encouraged; the oppositions to migration would decrease, if the results turned out to be similar for various countries concerned.

The objection has been raised that in the more developed countries where the "deepening" of the economic structure is essential, the situation is quite different. As a matter of fact the advantages

of immigration for occupational promotion of the nationals has been specially stressed. In certain circumstances the immigrant is more a complementary worker than a competitor; he is directed towards the less remunerative occupations where he still finds a certain relative advantage because the national workers have abandoned the field.

Absorption is easier in industries having a strong labor component where the cost price and the market price are strongly affected by considerations of salaries. But here precisely the effect of immigration on the living standard is more apparent; thus until 1914 the salary of the laborer in the United States had been held low by the influx of immigrants.

On the other hand, it has never been proved that unemployment had any connection whatever with the volume of immigration; quite the contrary, the great depression broke out in a period when considerable obstacles had been raised against the movement of men. In short, we do not deny that a strong current of immigration might act as a brake on salaries in the short run, but even from a purely economic viewpoint, it might be that an immediate sacrifice favors the

long-term interests of a country. The matter should only be considered having in mind a dynamic optimum of population and of economy; the strengthening of the economic structure, the attenuation of most of the unjustified differentiations, the prologation of prosperity in the economic cycle usually presume a fairly expanding population.

Absorption Possibilities

These depend on whether or not the economy of the receiving country is able to absorb a fixed volume of immigration. The housing shortage may constitute a great obstacle. Moreover, unemployment and a possible lowering of the living standard must be avoided; this would be to risk exhausting the sources of economic progress and through them the future immigration possibilities. From the viewpoint of agricultural development, the first condition is the existence of unoccupied and fertile land, which often requires expensive preparation, especially if the aim is sale of the production on the world market. More often still the whole

problem is that of the investments in the various sectors of the economy and of the necessary means of financing.

The absence of reliable estimates makes it difficult to judge. Of course the investment required to give employment to a worker varies considerably according to circumstances even for similar occupations.

From a series of estimates drawn up by Sauvy (1) who himself, however, stresses how disparate and confused they are, it appears that the cost of settlements in the United States amount to approximately \$ 10,000 for each worker, while in Germany it is estimated at 10,000 Marks (2).

However, the estimates given seem partial. Only the global method can give valid results because it weighs the average value of the investments in the various sectors and thus takes into account

(1) *Théorie Générale de la population*, Paris, 1952.

(2) Cited by W. Albers, *Etudes européennes de population*, op. cit.

the displacements of the active population towards the sector of services where there is often less capital. Moreover, it avoids the mistake of comparing, for example, the value of an investment with the enhanced value after production or even with the worker's wage. (1)

While it may be certain that with technical progress, the capital necessary per worker will increase accordingly, (the Committee for economic development cited by Sauvy estimated it at 37 per cent in the United States from 1900 to 1949), the relation may be less evident between production and capital.

If we reckon \$10,000 per worker, an increase of one per cent in the active population would require in the United States less than four per cent of the national income. On a more general scale a report of the Nations United sets this rate at two to five per cent. (2)

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- (1) An interesting estimate of a global type is that of Stone who reckoned at 10 billion dollars the capital required to create within 10 years a solid basis for the integration of nine million refugees in Germany
 - (2) Measures for the economic development of underdeveloped countries, New York, 1951

Now, such a rate of population growth owing to migration has only been experienced by very few countries such as Australia and Canada.

The rate of additional investments is not really so high; it is even easier to put up with owing to the fact that the limitations on consumption are only temporary: as soon as the rate is reached, consumption may again increase at its previous pace. Moreover, it seems that the capital asset represented by the intrinsic value of a migrant is equivalent to the investment required; the immigration country has saved the cost of the upbringing of the worker, which in the United States is estimated at approximately \$10,000 for an 18-year-old. (1) Moreover, the migrant himself often bears part of the burden by accepting at first a lower standard of living either because he puts up with a badly paid employment or by his efforts to reimburse rapidly the loans received. (This capital can then become rapidly available again for a new investment.)

(1) Quoted by F. Edding, *Etudes européennes de population*, op. cit.

C. Clarck's remark is very pertinent: an annual increase of two per cent of the income requires an investment of eight per cent of the income of an underdeveloped country, as against three per cent in the United States, and these percentages are even raised to 13 and seven when a country must also bear the burden of a one per cent increase in population. This should be kept well in mind in comparing the possibilities of countries at various stages of development, especially when the degree of exploitation of their resources is about on a par.

All the more so, owing to the fact that there are more savings in a more developed country and the managerial and professional occupations are more filled. Wherever there are unexploited resources it will be easier and wiser in the long run to exploit them in an underdeveloped country rather than to intensify exploitation in a developed country. Thus, the wealthier countries, failing to open their borders to other men, ought at least to devote sufficient funds to the economic development of lands which are willing to accept immigration on a large scale.

It seems that there should be no reason for hesitation in advising that sufficient funds be raised to allow these countries to face an annual migration rate of one per cent of the population. These countries should provide satisfactory guarantees of security.

Until 1914, there were parallel currents of migrants and capital. The first World War and then the crisis have exhausted the traditional sources of financing and seriously disturbed international relations. After the second World War, American aid was a great help not only for the reconstruction of devastated areas, but also for the re-establishment of international relations. So the triangular current traditional until the 1930 crisis has thus been restored to a certain extent and American aid has amply restored the flow of capital from Europe to overseas countries with which Europe is linked yet. This only promotes a unilateral flow of men and the connection is fairly precarious, as B. Thomas emphasizes. Public investments and the international organizations are often recommended to promote new orientations but the intervention of private capital

remains of a primary importance. It has been much more attracted in underdeveloped countries by natural resources than ^{by} the abundance of manpower. In this respect a new trend ought to be established.

Alternatives

The main alternative to migration is undisputably local development wherever manpower is super-abundant. There is much to be said about the lines of development to be followed but this does not belong to our subject.

The substitution of capital investment for the admission of immigrants has just been mentioned.

The connection between the movement of goods and that of men with the possibilities they offer for substitution is a related problem. The Atlantic Charter already looked to free trade rather than free borders. But even superficial glance at these questions, however significant they might be with regard to the economic aspects of migration, would be going too far.