Migration from Africa to Europe in the Age of Globalization: Historical and Economic Perspectives

Andreas Exenberger

Introduction

In 1990, the British director David Wheatley and the writer William Nicholson produced – for the international campaign “One World” – a fictional movie centred upon mass migration from Africa to Europe. The movie, entitled ‘The March’, was about hundreds of people fleeing hunger, poverty, and war in the Darfur region (which is more than a historical coincidence). They marched across the Sahara to the Strait of Gibraltar and multiplied themselves on their way to a tide of Hundreds of Thousands. Not surprisingly, this mass threatened Europe. Once they crossed the Strait, they were observed by an international media and received by a hastily created but well armed European force. Consequentially, the Africans remained trapped in the dead end of a tourist beach. Europe, it was stated in the movie, was not ready yet for the immigrants and did not want to “watch them die”.1

Although the movie was strictly fictional, it was inspired by incidents familiar to contemporary Europeans. Throughout all these years, African migrants arrived (either dead or alive) in large numbers by sea in Spain and Italy. In 2007, reported migration occurred mainly in overseas territories like the Canary Islands, Ceuta, Melilla and Lampedusa. Hence, while a globalizing world is said to be constantly and fundamentally changing over the last two decades, the stability of this migration pattern is astonishing. So, this chapter asks – from an economic perspective – why people generally move and what are the consequences of their migration.

Before these questions are discussed, some clarification about migration and globalization is necessary, while ‘Africa’ and ‘Europe’ are understood in simple geographical terms


1 ‘Watch us die’ was the slogan guiding the march. It symbolizes the hope that the world may act if death would not happen far away and hidden but well observed right in the centres of the West.
throughout the text. Migration is differentiated from ‘travelling’ by its economical background and its restriction to permanent or at least long-term movements of people and their centres of interests. The primary idea of migration is to look for a living abroad; usually to be derived from a compensation for work, no matter on what level of qualification. In this sense, migration is something lasting, while the phenomena of ‘return’ or ‘repeat’ migration are not addressed here. Furthermore, in the context of African migration to Europe, migration obviously has to be international (while empirically the vast majority of migration flow is intra-national). To sum up in economic terms, migration is the permanent ‘movement’ of the production ‘factor’ labour across borders.

The context of this kind of movement to ‘globalization’ is rather direct, no matter how narrow or broad it may be understood. For economists, globalization is ‘the ongoing process of growing economic interdependence between countries’ or – more useful for this paper – the ‘integration of national economies into the international’ by flows of goods, money, people and technology. Generally, as an ‘integration of labour markets’ migration is one central ingredient of most of the more specific economic definitions of globalisation. On the other hand it is as well one important force contributing to integration (as cause or as consequence), and market integration finally results in price convergence (or even equalization), which may be the most narrow understanding of globalization. In perfectly integrated markets, labour should be paid all over the world with a price equal to its marginal productivity. As long as there are international differences in the compensation for certain skills, people will move to places where the wage is higher, which finally equalizes wages.

This chapter describes economic and historical perspectives of migration. It starts with the physically forced migration from Africa called ‘slave trade,’ and continues with the economically forced migration from Europe during the nineteenth century. It reveals patterns of movement which take place during cycles of globalization and hence provides the historical parallels of recent developments. Afterwards, the political economy of migration is discussed: its economic sense as ‘factor movement,’ the policy reactions to it (particularly in the light of the brain drain debate), economical pressures and historical path-dependence as well as the future of African migration to Europe. Concluding remarks will close the chapter.

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2 Thus, ‘commuters’ – no matter if daily, weekly or seasonal – are not migrants, because migration means to stay where you have moved to, at least for some years. On the other hand, it does not matter if the movement is intended or not.
4 Fischer 2003, 3
5 Bhagwati 2004, 3
6 Bordo et al. 2003
Historical Perspective

To some extent, *homo sapiens* clearly has always been a *homo movens*. However, although migration seems to be a constant of human history ever since the beginning of time\(^7\), it is also historically clear that migration has been a second best to settlement in the last millennia. People usually want to remain where they are as long as their situation is acceptable. In fact, only a small portion of the population is actively willing to move in the light of potential benefits (i.e. access income, or religious, economical, or political freedom) abroad. Economically speaking, people are ‘migration-averse.’ The elasticity of migration is rather low, because its opportunity cost is regarded as high and expected benefits must by far exceed an existing wage (or more generally wealth) gap.

Besides continuous migration on the Eurasian and African continent, there are two historical incidents of mass migration, which are strongly related to recent African migration. The first one was the violence driven migration to the Americas so influential in the early days of globalization (sixteenth to eighteenth century) and the second one is the poverty driven mass migration from Europe during the nineteenth century. This migration from Europe (re-)populated the United States, but also Canada, Brazil, Argentina, Australia and some smaller countries with settlers and workers from Europe. These two historical movements show interesting parallels to recent trends. Both movements are strongly considered to be affected by globalization forces. Also, both events primarily affected young males; the most economically active part of the population. While there are also superficial differences (the slave trade was connected with direct violence, and European immigration originated in Europe), even on this level parallels predominate: the first example is about African outward migration and the second example is about economically forced migration, i.e. structural violence, which together constitute today’s African emigration.

The Slave Trade

The regular slave trade from tropical Africa to the Islamic world already started in the seventh century AD, but the numbers were comparatively small\(^8\). They grew to thousands per year, when Portuguese traders started direct trade between Europe and Africa in the mid-fifteenth century. They utilized the existing pattern of warfare in Western Africa by which captured populations were available and tried – successfully – to redirect trade routes from the inland to the sea. Another boost came with the emergence of the plantation complex in the Americas, which demanded a constant inflow of labour\(^9\).

Overall, estimates of the demographic impact of the slave trade on Africa vary to a high degree: the smallest numbers account for around ten million in four centuries (people in the

\(^7\) Robertson 2003, 54–60  
\(^8\) Curtin 1997, 69  
\(^9\) The numbers increased to a maximum of 80,000 people annually (Curtin 1997, 75); Eltis 1997; Inikori 1998; Klein 1999; Thomas 1997
end actually working in the Americas, at least for some months), the biggest exceed one hundred million (a large part of the difference can be explained by the death toll of capture, land and sea transport). However, according to population estimates by Angus Maddison, Africa had 46.6 million inhabitants in 1500, 53.3 in 1600, 61.1 in 1700 and 74.2 in 1820\(^{10}\), hence the impact may account for more than a sixth of overall population\(^{11}\). If Africa simply would have had the same population growth than the rest of the world, there would have been 41.4 million inhabitants more in 1820, i.e. 56 per cent more. Clearly, this does not mean that the slave trade was the only reason for that gap, but it definitely does account for a considerable part of it. Although all these calculations are subject to unavoidable data inaccuracy, the economic impact of a gap like this is easy to imagine, particularly because the slave trade was targeted at the economically most active population.

However, slavery (slowly) lost its significance during the nineteenth century and African slaves where replaced by Chinese and Indian indentured servants and low-wage workers as globalized cheap labour\(^{12}\). To sum up in the words of Phillip Curtin:

> The early phases [of the slave trade] clearly belong to the preindustrial world, whereas the eighteenth-century trade was somehow a buildup toward the industrial age that was to come. By the nineteenth century, the industrial age was under way, and the African slave trade was phased out of existence. In its place came new global patterns of migration.\(^{13}\)

### The High Tide of European Emigration

In intensity, other flows of people were clearly outnumbered by European outward migration, particularly between the 1840s and the 1900s. This migration was mainly to North America. It was no longer an elite or marginal phenomenon as in earlier centuries, but due to improvements of transport technology\(^{14}\), particularly those associated with steam power, a mass phenomenon accounting for a movement of around 60 million people during these decades (i.e. almost 3% of the entire world population), peaking to far more than a million annually in the 1900s\(^{15}\).

Immigration rates were between 5 and 10 per thousand annually in the United States or Canada, or exceeded 10 in Argentina or Australia\(^{16}\), and small countries sometimes exceeded it by far, as for example New Zealand in the 1880s, when the initial population was increased by more than half due to immigration\(^{17}\). While ‘settlers’ were the mass of emigrants in around 1800, the vast majority of migrants in around 1900 came from urban areas and non-

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\(^{10}\) Maddison 2002  
\(^{11}\) If life expectancy is estimated at 33 years, total population for 1500-1820 amounts for 577 million.  
\(^{12}\) However, in the late nineteenth century Africans were enslaved again within colonial empires, but usually not traded any more and even brutally kept from migrating.  
\(^{13}\) Curtin 1997, 76–7  
\(^{14}\) O’Rourke and Williamson 1999, 29–55  
\(^{15}\) Chiswick and Hatton 2003, 69  
\(^{16}\) Hatton and Williamson 1998, 10  
\(^{17}\) Baldwin and Martin 1999, 19
agricultural occupations and most of them were between 15 and 35 years old, hence migrants ‘carried a very high labor participation rate to the New World.’\textsuperscript{18} The same more or less holds today, as numbers for Maghrebi nationals in Europe show\textsuperscript{19}.

*Figure 1: Gross annual emigration rates of selected countries (per thousand of population), 1850s to 1900s*

An important question, which has been studied using nineteenth century European emigration data, is the contribution of certain factors to emigration flows. They were positively related to the natural population growth at home (an effect increasing for six decades and then decreasing) and the linearly increasing effects of industrialization at home, the emigrant stock abroad and – of course negatively – the wage gap between home and abroad\textsuperscript{20}. Hence, demographic pressure, domestic industrialization, network effects and wage benefits combined to cause European emigration a century ago.

As a consequence of migration, factor price dispersion between the sending Old World and the receiving New World decreased throughout the second half of the nineteenth century until World War I, because of a relative increase of the prices of factors becoming scarcer and a relative decrease of the prices of factors becoming more abundant. Furthermore, data for the nineteenth century suggest that Eli Heckscher and Bertil Ohlin were right in stressing the direct relationship between commodity market integration and factor price convergence\textsuperscript{21}. Besides the owners of the moving factors particularly the left-behind workers profited in

\textsuperscript{18} Hatton and Williamson 1998, 10–11
\textsuperscript{19} Sutcliffe 2006, 137–8
\textsuperscript{20} Hatton and Williamson 1998, 39 and 51
\textsuperscript{21} O’Rourke and Williamson 1999
emigration countries, whereas the owners of land and capital profited in immigration countries.

**Migration Policies in the Nineteenth and Twentieth Century**

Immigration policy clearly contributed to these developments, although even in the nineteenth century capital moved easier than people, but incomparable to today’s gap between the speed of hot money and the slowness of boat people. However, opposing tendencies already emerged from the late nineteenth century on\(^{22}\) and the overall cycle of migration policies is well described by Andrés Solimano:

> They were, in general, relatively liberal, though with ethnic discrimination in the mid nineteenth century (particularly in Australia, United States and Canada); then gradually those policies became more restrictive in receiving countries with a severe tightening of immigration in the inter-war period of 1914–1950. In the late twentieth century, like before, immigration policies in industrial countries have become significantly influenced by business cycle and unemployment considerations.\(^{23}\)

Global migration slowly regained strength after two World Wars, the Great Depression and extremely isolationist policies. But accompanying decolonization after 1945 and besides immigration into the United States, a lot of people from former colonies immigrated into the former imperial centres, particularly France, but also Britain, the Netherlands or Belgium. While this led to some immigration from Africa to Europe, the bigger numbers there came from adjacent regions in the South-East. When the extraordinary post-World War II growth in Europe resulted in a ‘tight’ labour market (low unemployment, high wages, employers finding it difficult to get workers), European economies became more and more labour-demanding and ‘invited’ labour power from abroad, particularly from neighbouring regions. The first so called ‘oil shock’ symbolizes the end of this boom and growth decreased while unemployment increased (which strangely enough is not called a ‘tight’ situation although in this case much more people suffer). Economically speaking, before 1973 there was high demand for immigration in Europe, from 1973 on there was high supply (i.e. demand decreased sharply while supply even grew).

**Economic Perspective**

**Why Do People Move?**

John Hicks, Nobel Prize laureate in Economics in 1972, proclaimed already in the 1930s the economic wisdom that ‘differences in net economic advantages, chiefly differences in wages, are the main causes of migration’\(^ {24}\). Or almost as simply speaking: ‘Migration is a function of inequality, since the fastest way for a poor person to get richer is to move from a poor country

\(^{22}\) O’Rourke and Williamson 1999, 185–206

\(^{23}\) Solimano 2001, 22

\(^{24}\) Hicks 1932, 76
to a rich country\textsuperscript{25}. Jeffrey Williamson, one of the leading economic historians engaged in migration research, describes the reasons for migration as follows:

Across-border migrations can be viewed as reflecting excess factor supply in the sending region and excess factor demand in the receiving region. … Most mass migrations are driven by economic events, in particular by real wage and living standard gaps between regions. Labour markets matter, and since young adults have the most to gain and the least to lose by moving, migration is very selective by age (and sometimes by gender).\textsuperscript{26}

Andrés Solimano extends this picture:

Most of the time, people migrate abroad in search for better economic opportunities for the migrants and their families offered by foreign countries compared with the economic opportunities found at home. In fact, unemployment, low wages, meager career prospects for highly educated people, significant country risk for national investors in the home country are all factors that propel people to emigrate abroad. In addition, there are non-economic reasons to emigrate such as war, ethnic discrimination, political persecution at home, etc. … In addition, the choice of the country of immigration is often dictated by the existence of a network of family, friends and connections that have previously migrated to that specific country.\textsuperscript{27}

With respect to Africa, Aderanti Adepoju ‘considers the determinants of emigration to be categorizable under the headings of labour force growth, economic decline and debt, ethnopolitical conflict and ecological deterioration. In this context, emigration should be seen as a survival strategy by individuals and families\textsuperscript{28}.

Timothy Hatton and Jeffrey Williamson have also calculated – although with rather poor migration data – the influence of certain factors on migration between 1977 and 1995 (comparing 21 countries) and came up with typical results: the wage gap between sending and receiving regions, the share of population aged from 15 to 29, and the flow of refugees are strictly positive related to migration, while GDP per capita growth is strictly negative\textsuperscript{29}. In a more sophisticated setting, however, there is a migration cycle of low, high and again low emigration levels. The reason is mainly due to diminishing financial migration constraints, which may as well result in an increase of emigration even if the wage gap actually decreases\textsuperscript{30}. To sum up in the words of Jeffrey Williamson:

Demographic events mattered in Africa’s recent past and they will matter even more in its future. There are three reasons for this. First, population growth puts pressure on land and other resources, lowering the marginal product of labour and living standards at home, encouraging emigration as real wage gaps between home and abroad widen … Second, the underlying economic growth of the African economies has been very dismal over the last two decades, and most analysts project more of the same over the next two decades … Third, the projected demographic changes are big.\textsuperscript{31}

\textsuperscript{25} Wade 2004, 583
\textsuperscript{26} Williamson 2004, 121
\textsuperscript{27} Solimano 2001, 7
\textsuperscript{28} Baldwin-Edwards 2006, 5; see also Adepoju 2004
\textsuperscript{29} Hatton and Williamson 2003, 475
\textsuperscript{30} Williamson 2004, 125–6
\textsuperscript{31} Williamson 2004, 128; see also Hatton and Williamson 2002 and 2003
And they would be much bigger in the absence of the disastrous impact of HIV in many African countries.

Migration as Substitute or Complement to Trade

A second Nobel price laureate, Robert Mundell, who received the prize in 1999, introduced another basic idea into the economics of migration in the 1950s: in a world free of distortions countries may choose to either ‘trade’ goods or factors of production. The equalisation of prices (and of wages), which removes any incentives to trade (or to migrate) further, is possible in two ways: either by trading goods another country cannot produce as efficiently (in this case, no migration happens), or by moving factors of production another country lacks (in this case, no trade will take place).

However, if distortions are considered, conclusions change dramatically and migration can even become a complement to trade. Lopez and Schiff for example added labour mobility between countries, differences in skill levels and costs of and constraints in financing migration to the standard trade model. By that they showed extensively that trade and migration can be complements. Their analysis is applicable for countries with roughly stable populations (transition economies) as well as for countries with increasing populations (developing economies) and they showed furthermore that trade liberalization will in any case result in a more skilled labour force (resulting in additional benefits), while protectionism will particularly increase skilled emigration (resulting in additional losses). Hence, while trade liberalization, aid and investment may reduce migration pressure from the already developed East of Europe, it may fail to do so in the case of Africa and may even worsen the skill composition, because empirically, the higher migration costs, the tighter migration constraints and the lower the average skill and income of migrants, the more likely trade and migration are complements.

Trade liberalization will most probably not reduce migration pressures from Africa on the EU or from Latin America on the U.S. considerably. The historical records are completely clear: ‘The historical bottom line is this: When we look at the long swings embedded in the time-series data, we find that trade and capital flows were rarely substitutes and often complements. The same was true for trade and migration. … Trade and migration were never substitutes … (and) it appears that policy makers never acted as if they viewed trade and migration as substitutes either’.

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32 Schiff 1996
33 Lopez and Schiff 1995
34 Schiff 1996, 44
35 Collins et al. 1997, 25
Migration Benefits in Theory and Practise

George Borjas, one of the leading labour market economists, states at the beginning of his textbook chapter about ‘labour mobility’ something rather typical for the way of thinking of economists about the labour market:

A competitive labor market equilibrium allocates workers to firms so as to maximize the value of labor’s product. Workers are continually searching for better jobs (that is, jobs where they are more productive and earn higher wages), while firms are searching for better workers. As a result of these search activities, the value of marginal product of labor is equated across firms and across labor markets (for workers of given skills). The equilibrium allocation of workers and firms, therefore, is efficient. No other allocation can increase the value of labor’s contribution to national income.36

The statement claims validity in a hypothetical world free of distortions. In a world like this, the skill composition of immigrants is usually complementary to the skill composition of the native workforce: if the skill level is higher in the sender than in the receiver country, mainly low qualified workers will move; if the rate is lower, mainly high qualified will. In this stylized setting, also the welfare analysis of migration comes to clear conclusions: immigration leads to an overall welfare gain (‘immigration surplus’) in the receiving country, but wages decrease. While workers as a group lose (an increasing labour supply leads to decreasing wages), capital owners as a group gain more than workers loose (mainly because otherwise unemployed capital can now be also used productively) and hence the economy as a whole gains. The problem here is that the distributional effect is much larger than the overall welfare effect, i.e. comparatively large compensation would be necessary37. In the sending country, without considering brain-drain or remittances, simply the opposite happens.

If group effects or externalities are considered38, there may be a bigger gain, but also an overall welfare loss through migration becomes possible. While in the presence of human capital externalities (positive spill-over effects of human capital congestion), sending countries will lose and receiving countries accumulate skill and hence gain. If social capital effects are considered (positive network effects) the result worsens. If in this case immigrant and native populations differ significantly, migration leads to a loss of social capital in all groups, even in the immigrant population, because earlier networks lose coherence. The receiving country can avoid this by successful integration policy, the sending country by successful internalization of these effects, two strategies which unfortunately contradict each other to a certain extent. How the latter can be done, is for example shown by Martin Baldwin-Edwards with reference to Philippe Fargues: ‘Morocco maintained its policy stance of promoting emigration, opposition to the integration of Moroccans abroad, and great emphasis on the remittances received from the Moroccan diaspora’39. This active promotion

36 Borjas 1996, 279. Quite openly, the text continues with: ‘Needless to say, actual labor markets are not quite as neat ...’
37 Borjas 1994
38 Schiff 1996
39 Baldwin-Edwards 2006, 2
resulted in a relatively large diaspora of three million Moroccans abroad by 2004, mainly in France, Spain and Italy, which is more than 10 per cent of the population at home.\textsuperscript{40}

But generally it is easy to make a case for a connection between migration and economic growth\textsuperscript{41}: Immigration may relax a labour constraint for growth in labour-scarce economies, it may sustain high profitability of investments (by moderating the growth of wages) and hence also support savings, it may foster growth by increasing the average skill level of a labour force, and – while these effects usually will be accompanied by opposite effects in sending countries – in a distortion-free world it will lead to an increase in world output. There are also arguments for a contribution of migration to reduce inequality, although these are rather ambiguous.

On the contrary, a force clearly reducing inequality is the transfer of remittances from receiving countries, in certain regions these payments even are the most important contributions to development\textsuperscript{42}. In North Africa and West Asia, this development started three decades ago:

As oil prices increased in the late 1970s, and the economies of the Persian Gulf boomed, poor people from Egypt and Jordan began seeking high-paying jobs in a variety of labor-intensive fields in Iraq, Kuwait and Saudi Arabia. At the same time, poor people from Algeria, Morocco and Tunisia began seeking labor-intensive jobs in Western Europe. While no comprehensive figures have ever been collected on the number of migrants involved, the amount of money sent home by migrants from these countries was substantial.\textsuperscript{43}

The lowest benchmark for these flows of money, the numbers officially reported, amounted for between 2 and 6 per cent relative to GDP in Maghreb countries (North-West Africa), and was even higher in Mashreq countries (the so called ‘Middle East’).\textsuperscript{44} For Sub-Saharan Africa it was just 0.6 per cent, but informal numbers are in any case definitely higher, estimated between 2 per cent in Senegal and 20 per cent in Eritrea, a considerable source of external development funding.\textsuperscript{45} But even official remittances amount for considerable sums in Northern African countries, in the case of Egypt for example 4.8 and 3.9 billion USS on annual average in the 1980s and 1990s, in the case of Morocco 1.6 and 2.\textsuperscript{46} Not surprisingly, econometric results show that remittances do reduce the poverty head count on the 1S-a-day level, even in the generally not too poor North African and West Asian countries, as shown by Richard Adams and John Page, but the results for remittances are much weaker than for high GDP per capita or equal distribution of wealth (low gini coefficient), and the same also holds

\textsuperscript{40} This number is a conservative estimate. The overall number of Maghrebi immigrants in Europe in 2002 has as well been estimated to as much as 10 to 15 million by Pierre Vermeren (Sutcliffe 2006, 124).
\textsuperscript{41} Solimano 2001, 15–18
\textsuperscript{42} Baldwin-Edwards 2006, 6
\textsuperscript{43} Adams and Page 2003, 2030
\textsuperscript{44} Adams and Page 2003, 2030
\textsuperscript{45} Baldwin-Edwards 2006, 6–7; Sutcliffe 2006, 146–53; Adams and Page 2003, 2042
\textsuperscript{46} Adams and Page, 2003, p. 2042
for government employment. Nevertheless, an increase of 10 per cent of the share of remittances in GDP reduces the poverty headcount by 5.7 per cent\textsuperscript{47}.

Some Numbers and the Problem of Data

Table 1: Migrant stock (in per cent) and its growth (in millions), selected countries, 1980–2000

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<tbody>
<tr>
<td>WORLD</td>
<td>2.3</td>
<td>2.9</td>
<td>2.9</td>
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</tr>
<tr>
<td>Austria</td>
<td>3.7</td>
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<td>9.0</td>
<td>8.6</td>
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<tr>
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<td>10.7</td>
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<td>2.4</td>
<td>2.8</td>
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<tr>
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<td>3.5</td>
<td>8.0</td>
<td>9.9</td>
<td>1.09</td>
</tr>
<tr>
<td>Spain</td>
<td>0.6</td>
<td>2.0</td>
<td>3.1</td>
<td>1.02</td>
</tr>
<tr>
<td>Switzerland</td>
<td>16.6</td>
<td>20.5</td>
<td>25.1</td>
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<td>6.5</td>
<td>6.8</td>
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<td>United States</td>
<td>6.3</td>
<td>9.3</td>
<td>12.4</td>
<td>20.74</td>
</tr>
</tbody>
</table>

Source: derived from World Bank, World Development Indicators 2005

A serious problem for the estimation of the economic effects of migration particularly from Africa is the high degree of illegal or illicit migration. Hence, accurate numbers of migration are simply not available, and the official numbers underestimate the overall flow of labour. ‘Across-border movements of migrants or long-term visitors are at best unsystematically recorded in Africa and, typically, not recorded at all’\textsuperscript{48}.

According to World Bank figures, from 1980 to 2000 not only has the number of immigrants in the United States increased from 14.3 million to 35.9 million, but also in the (15) countries of the EU (from 14.4 million to 26.4 million). Hence, they almost doubled. Not too much of these flows is associated with Africa, because much of African migration remains within the continent and generally, most of African migration is still refugee migration within Africa\textsuperscript{49}.

Figure 2: Refugee populations, 1994–2003

\textsuperscript{47} Adams and Page 2003, 2033 and 2043
\textsuperscript{48} Hatton and Williamson 2003, 470–2; see also Sutcliffe 2006, 124–33
\textsuperscript{49} Hatton and Williamson 2003, 478, 470–2
However, the ideas of millions of people waiting on African shores for a boat to cross to Europe are clearly exaggerated. Official records of illegal immigrants in Spain and Italy account for 10 to 20,000 people annually for each of them\(^5\). Most of these people come from the Mediterranean itself, and only a quarter from Sub-Saharan Africa, but their share has strongly increased in the last years.

**Migration Losses: The Brain-Drain Debate**

As with migration in general, there is a serious data problem associated to the brain-drain debate. ‘Due to the poor quality of international data, assessing the economic impact of the brain drain is a challenging issue’\(^5\). Hence, estimates vary to a large degree. Rupa Chanda, for example, has reported that 60,000 Indian doctors work in Britain alone, which is 12 per cent of all Indian doctors and 30 per cent of all doctors registered in the United Kingdom\(^5\). More specifically, as estimated by Peter Stalker in the early 1990s, Sub-Saharan Africa lost a third of its intellectual potential in the three decades after decolonization, only surpassed by the Caribbean in relative numbers\(^5\).

More numbers on emigration from Africa to OECD countries are calculated by Frederic Docquier and Abdeslam Marfouk – from the records of OECD countries – and they show a considerable brain-drain in 1990 as well as in 2000. The emigration rate of tertiary educated

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50 Because officially recorded illegal immigrants are a contradiction in itself, effective numbers are for sure higher, but not extraordinarily; Baldwin-Edwards 2006, 9
51 Docquier and Marfouk 2004, 34
52 Commander et al. 2004, 241
53 Schiff 1996, 25–6; Stalker 1994
people is in all parts of Africa higher than the average rate, and most often extremely, as shown in table 2.

Table 2: Average emigration rates from African regions to OECD countries

<table>
<thead>
<tr>
<th>Region</th>
<th>No. of countries</th>
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<th>ER all 1990</th>
<th>ER educ. 2000</th>
<th>ER all 2000</th>
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<td>6.8</td>
<td>2.4</td>
<td>6.2</td>
<td>2.5</td>
</tr>
<tr>
<td>Central Africa</td>
<td>9</td>
<td>9.8</td>
<td>0.6</td>
<td>13.3</td>
<td>0.8</td>
</tr>
<tr>
<td>Western Africa</td>
<td>16</td>
<td>20.7</td>
<td>0.5</td>
<td>26.7</td>
<td>0.8</td>
</tr>
<tr>
<td>Eastern Africa</td>
<td>17</td>
<td>15.5</td>
<td>0.4</td>
<td>18.4</td>
<td>0.6</td>
</tr>
<tr>
<td>Southern Africa</td>
<td>5</td>
<td>6.9</td>
<td>0.5</td>
<td>5.3</td>
<td>0.9</td>
</tr>
</tbody>
</table>

Notes: ER educ. = emigration rate of tertiary educated people; ER all = overall emigration rate

Source: derived from Docquier and Marfouk 2004, 18–19

Besides for Northern and Southern Africa, where the numbers are relatively low and the brain drain is even decreasing (in Southern Africa also because of the end of Apartheid in 1994), the levels and trends are clear: in 2000 Africa lost almost a fifth of its well-educated population, and the situation was clearly worsening during the 1990s. Although – as discussed above – distortion-free economic analysis suggests that there is no negative effect of migration, even if not skill-neutral, in the case of small proportions, in the case of Africa these numbers are much too high to be regarded as ‘small,’ and furthermore a distortion-free analysis neglects positive externalities emerging from high-skilled populations on the development (economic as well as other forms of development) of a country. Considering more effects, the theoretical as well as empirical evidence becomes even more confused:

(While there is clearly a possibility that the brain drain is beneficial to the residents left behind in the home countries … (i) it is not even certain that there is an overall global-welfare gain from the brain drain, although given the apparently large private benefits of the migrants themselves and their higher productivity in their new locations, it seems highly likely.

Concluding Remarks

Recently, there has been a fundamental historical shift, which has not been fully recognised so far, as debates in several European countries show, but: ‘In the decades following the end of World War II, Western Europe became what it had not been for a thousand years: a region of immigration.’ Nevertheless, one also has to keep in mind that the vast majority of migration flows occurs within and not between adjacent regions, usually even within countries. Hence, globally the biggest migration flows are within the United States, to a much lesser extend within the European Union, and recently also within China. This general statement also holds for Africa as a world region.

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54 The most extreme cases in 2000 may be of interest: Cape Verde 69 per cent, Gambia 65, Somalia 59, Seychelles 59, and Mauritius 48; and from the big countries Ghana 43, Nigeria 36, and Angola 26; almost all of these numbers increased during the 1990s (Docquier and Marfouk 2004, 18–19).

55 Commander et al. 2004, 266

56 Demeny 2003, 27
Generally, there are currently two counteracting forces. These forces affect migration very differently: While demand for low skilled labour is growing in advanced countries due the increase of unqualified service jobs and the unwillingness of the natives to perform these tasks, on the other hand also demand for low skilled labour in developing countries is increasing due to outsourcing. The former supports cross-border migration, the latter restrains it. And in the light of the ‘old’ forces at work, particularly the share of young adults in population, Timothy Hatton and Jeffrey Williamson have calculated the ‘emigration pressure’ from Africa as already exceeding 1 per thousand of population annually and further rising in the future, resulting in a potential annual outward migration from Africa up to 2.5 million people in 2025. This holds even more if there is slow development in Africa, dashing hopes, but as well enabling more and more people to afford the move. And the more people move, the more network effects become effective.

This chapter has provided some answers to some basic questions about migration from an economic point of view. Why do people migrate? Broadly speaking, people move because of better opportunities abroad and potential benefits, which (far) exceed the costs, monetary as well as non-monetary. How many people move? Notwithstanding the poor quality of the data, it is millions of people. Overall the immigration stock amounts for 3 per cent of the world population, a large number, although this is relatively less than it has been in 1914. Who gains from migration? Economists would answer that all gain – at least potentially. If labour markets are liberalized and distortions are removed, labour finds its most productive utilization anywhere in the world, which leads to an overall welfare gain. The problem is distribution. Migration also results in immediate losses for certain groups, which they have to be compensated for. And what will the future bring? Most certainly, the future will bring a further increase in cross-border migration, official as well as illegal. This migration will occur from all parts of the world because the old forces remain at work and new ones (market and technology effects, for example) add to the pressure.

Finally, what will be the policy responses to these developments? There is some hope that there will be more creative ones. Current immigration policies, particularly in Europe, are – almost exclusively – driven by security considerations, and not by economic or humanitarian. Also the debate about ‘useful’ immigration in the light of an aging problem is not very helpful, because the numbers necessary to solve this problem would by far exaggerate what is regarded as socially acceptable. Also, the debate about ‘useful’ immigration of high skilled workers producing spill-over effects fails to address the access demand for labour in advanced countries, which is for low-skilled or unskilled. Consequently, it would be more important to first recognise the fundamental historical change which made Europe an immigration region and to regard this immigration not only as positive, but even as necessary; second to

57 Population projections by the United Nations show that until 2050 populations in the South will far exceed those in the North, with a big difference: while in the South there is still an age pyramid, in the North the age distribution looks more like a champagne glass (Demeny 2003, 6 and 10).
58 Hatton and Williamson 2003, 480
59 Hatton and Williamson 2002, 565–6
understand the effects of immigration on local labour markets and to prevent the most adverse effects for the domestic population; and third to shift migration policy from prohibition to integration to utilize social capital effects and assure stability.

Today, immigration policy, particularly in the European Union, is to a large degree a policy of threat. The debate is about ‘economic refugees’, which denies people the right and even the chance to quest for a better living, but the term is never adopted, for example, to European academics looking for better employment opportunities in the United States. In the words of Bob Sutcliffe:

Many of those who go missing in the Strait [of Gibraltar] or off the north-west African coast are never accounted for in figures and the total number of those who die annually must be substantially more than those reported. The deaths, though not directly willed by the authorities, are an inescapable and necessary part of the policy of deterrence of illegal immigrants. Well publicised shipwrecks, arrests and drownings are, like the fence [of Ceuta], part of the policy of demonstrating that the frontier, open to millions of people, is firmly closed to those who have not been selected.60

Here we arrived where we have departed, at the Pillars of Hercules. Hence, the final question should be raised about the historical path-dependency of this restrictive policy. This question is about a collective unconscious, buried in almost 1,300 years of a history, which may be called ‘European’. It was in 712 AD, when Europe was ‘invaded’ by people of different faith form the South before defeating Germanic Christians. So, is the buried reminiscence of Gibril Tarik and his 7,000 warriors crossing the Strait, which later became named after him, part of the problem? Or is it the Ottomans, besieging Vienna in 1683? This question will be left for further thoughts, as many issues connected with migration which this chapter was only able to address far too briefly.

References


60 Sutcliffe, 2006, 165–6


