

# Exodus

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*How Migration Is Changing Our World*

PAUL COLLIER

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*For Pauline, my rootless cosmopolitan*

# Contents

Prologue 3

**Part 1**    *The Questions and the Process*

Chapter 1: The Migration Taboo 11

Chapter 2: Why Migration Accelerates 27

**Part 2**    *Host Societies: Welcome or Resentment?*

Chapter 3: The Social Consequences 57

Chapter 4: The Economic Consequences 111

Chapter 5: Getting Migration Policy Wrong 135

**Part 3**    *Migrants: Grievance or Gratitude?*

Chapter 6: Migrants: The Winners from  
Migration 145

Chapter 7: Migrants: The Losers from  
Migration 169

## **Part 4**    *Those Left Behind*

Chapter 8: The Political Consequences    179

Chapter 9: The Economic Consequences    195

Chapter 10: Left Behind?    217

## **Part 5**    *Rethinking Migration Policies*

Chapter 11: Nations and Nationalism    231

Chapter 12: Making Migration Policies Fit for  
Purpose    245

Notes    275

References    283

Index    293

# Prologue

**HE FACES ME AS I WRITE THIS: KARL HELLENSCHMIDT. No**  
longer the penniless young immigrant, by the time of the photograph he has a suit, an English wife, and six young children. He looks confidently into the camera, unaware that his family is about to be wrecked by the anti-immigrant racism of the First World War. Britain is soon fighting to defend civilization from the barbaric Huns. He is one of them. Civilization, in the guise of the gutter rag *John Bull*, includes Karl Hellenschmidt in its trumped-up list of enemy agents. By night a civilized mob attacks his shop. A representative of civilization tries to strangle his wife. He is interned as an enemy alien; his wife succumbs to terminal depression. Twelve-year-old Karl Hellenschmidt Jr. is pulled out of school to run the shop. And then, barely twenty years later, another war: Karl Hellenschmidt Jr. moves home and changes his name. He becomes Charles Collier.

Many of us are the descendants of immigrants. Natural sentiments of belonging can easily be tipped into the visceral cruelty of

which my family was a victim. But such responses to immigrants are not universal. By chance this year I met someone whose father had been on the other side at that anti-German riot. The recognition that innocent immigrants had been wronged had descended down his family as it has down mine.

My grandfather migrated from a poverty-stricken village in Germany, Ernsbach, to what was then the most prosperous city in Europe: Bradford. That move, not just country to country but village to city, typifies modern migration from poor countries to rich ones. But once he arrived in Bradford, my grandfather's sense of youthful adventure reached its limit: he went straight to a district already so packed with other German immigrants that it was known as Little Germany. The same limits to adventure characterize today's migrants. A century on, Bradford is no longer the most prosperous city in Europe: in a reversal of fortunes it is now far less prosperous than Ernsbach. It has remained a city of arrival, and it has remained a city of tensions. Elected by immigrant votes, Britain's only member of Parliament who belongs to the Respect Party, essentially a party of Islamic extremists, is from Bradford. This time, some of the immigrants really are enemy agents: four of them committed the terrorist suicide bombings that killed fifty-seven people in London. Immigrants can be perpetrators of visceral cruelty as well as its victims.

This book is in part a continuation of my work on the poorest societies—the bottom billion. People's struggle to migrate from these countries to the rich West is both of professional and personal moment. It is a difficult but important question whether the resulting exodus is beneficial or harmful to those left behind. These are the poorest societies on earth, and yet the West's policies on immigration create effects on them that are both inadvertent and unrecognized. We should at least be aware of what, in an absence of

mind, we are doing to these societies. I also see my friends torn between their duty to remain home and their duty to make the most of opportunities.

But the book is also a critique of the prevailing opinion among liberal thinkers, a group of which I am a member, that modern Western societies should embrace a postnational future. In view of my own family circumstances, I might be expected to be an enthusiast for that new orthodoxy. At borders we present three different passports: I am English, Pauline is Dutch but brought up in Italy, while Daniel, born in the United States, proudly sports his American passport. My nephews are Egyptian, their mother is Irish. This book, like my previous ones, is written in France. If ever there was a postnational family, mine is surely it.

But what if everyone did that? Suppose that international migration were to become sufficiently common as to dissolve the meaning of national identity: societies really became postnational. Would this matter? I think it would matter a great deal. Lifestyles such as that of my family are dependent, and potentially parasitic, on those whose identity remains rooted, thereby providing us with the viable societies among which we choose. In the countries on which I work—the multicultural societies of Africa—the adverse consequences of weak national identity are apparent. The rare great leaders such as Julius Nyerere, the first president of Tanzania, have struggled to forge a common identity among their people. But is national identity not toxic? Does it not lead back to that anti-Hun riot? Or worse: Chancellor Angela Merkel, Europe's preeminent leader, has voiced fears that a revival of nationalism would risk a return not just to race riots but to war. I recognize that in espousing the value of national identity I must credibly allay these fears.

Even more than with my other books I am dependent upon an international array of other scholars. Some are my colleagues and



partners in research; others I have never even met but can benefit from through their publications. Modern academic endeavor is organized into a vast array of specialists. Even within the economics of migration, researchers are highly specialized. For this book I needed the answers to three clusters of questions: What determines the decisions of migrants? How does migration affect those left behind? How does it affect indigenous populations in host countries? Each of these questions has distinct specialists. But I came increasingly to realize that migration is not primarily about economics: it is a social phenomenon, and as for academic specialism, this opens Pandora's box. Surmounting these different analyses was an ethical question: by what moral metric should the various effects be judged? Economists have a glib little ethical toolkit called utilitarianism. It works a treat for the typical task, which is why it has become standard. But for a question such as the ethics of migration it is woefully inadequate.

The resulting book is an attempt to generate a unified analysis of a wide array of disparate specialist research, across social science and moral philosophy. Within economics my key influences have been the writings of George Akerlof through his innovative ideas on identity, and Frédéric Docquier for his rigorous investigation of the migration process, and especially discussion with Tony Venables both on economic geography and as a sparring partner for the model that is the analytic workhorse of this book. In social psychology I have drawn on discussions with Nick Rawlings and the works of Steven Pinker, Jonathan Haidt, Daniel Kahneman, and Paul Zak. In philosophy I have learned from discussions with Simon Saunders and Chris Hookway and from the writings of Michael Sandel.

The book is an attempt to answer this question: what migration policies are appropriate? Even to pose this question requires a

degree of courage: if ever there was a hornet's nest it is migration. Yet while the topic is regularly around the top of voter concerns, with rare exceptions, the literature on it is either narrow and technical or heavily filtered by advocacy for some strongly held opinion. I have tried to write an honest book that is accessible to all: it is therefore short and the style is nontechnical. Sometimes the argument is speculative and unorthodox. Where this happens I say so. My hope at such stages is that it will both provoke and stimulate specialists to do the work that is needed to determine whether these speculations are well founded. Above all, I hope that the evidence and arguments in this book will open popular discussion of migration policy beyond views that are theatrically polarized and stridently expressed. The issue is too important to stay that way.

## CHAPTER 12

# **Making Migration Policies Fit for Purpose**

CONTRARY TO THE PREJUDICES OF XENOPHOBES, the evidence does not suggest that migration to date has had significantly adverse effects on the indigenous populations of host societies. Contrary to self-perceived “progressives,” the evidence does suggest that without effective controls migration would rapidly accelerate to the point at which additional migration would have adverse effects, both on the indigenous populations of host societies and on those left behind in the poorest countries. Migrants themselves, although the direct beneficiaries of the free lunch of higher productivity, suffer psychological costs that appear to be substantial. Migration thus affects many different groups, but only one has the practical power to control it: the indigenous population of host societies. Should that group act in its self-interest, or balance the interests of all the groups?


## The Right to Control Migration

Only from the wilder shores of libertarianism and utilitarianism can it be argued that migration controls are ethically illegitimate.

Extreme libertarianism denies the right of governments to restrict individual freedom, in this instance the freedom of movement.

Universalist utilitarianism wants to maximize world utility by whatever means. The best possible outcome would be if the entire world population moved to the country in which people were most productive, leaving the rest of the earth empty. A useful supplement to such mass migration would be if Robin Hood could rob all the rich people and transfer the money to all the poor people, although economists would caution Robin to temper robbery with concern for incentives. Evidently, neither of these philosophies provides an ethical framework by which a democratic society would wish to navigate migration policy. Indeed, they could be dismissed as the stuff of teenage dreams were they not the ethical basis for the standard economic models of migration.

Why might there be a right to control migration? To see why, push the logic of unrestricted migration to its limits. As we have seen, it would be possible for the free movement of migrants to come close to emptying some poor societies and producing majority-immigrant populations in some rich ones. The utilitarian and the libertarian are unconcerned about such a prospect: if Mali were to empty, so what? The people who used to think of themselves as Malian can now reinvent their lives elsewhere and live much better. If Angola were to become predominantly Chinese, or England to become predominantly Bangladeshi, the change of aggregate identity would be of no consequence: individuals are free to adopt any identity they choose. But most people would be uneasy with such consequences. Environmental economists have introduced the concept of

“existence value”: while you may never see a panda, your life is enhanced by the knowledge that it exists somewhere on the planet. We do not want species to become extinct. Societies also have existence value, arguably far more so than species and not just for their members but for others. American Jews value the continued existence of Israel, even though they may never go there. Similarly, millions around the world value Mali, the ancient society that produced Timbuktu. Neither Israel nor Mali must be preserved in aspic: they are living societies. But Mali should develop, not empty.  is not a satisfactory solution to Malian poverty if its people should all become prosperous elsewhere. Similarly, were Angola to become an extension of China, or England an extension of Bangladesh, it would be a terrible loss to global cultures.

The golden rule, do unto others what you would have them do to you, is not an unreasonable ethical check on migration policy. So, for unrestricted migration to be the moral principle for, say, African immigration to America, it must also be the principle for Chinese immigration to Africa. Yet most African societies are understandably extremely wary of unrestricted immigration. Africans experienced being taken over by the societies of others and would reject a repetition, albeit this time by the power of numbers rather than the power of the gun. In practice, even the economists who extol the billions of dollars to be gained from the free movement of labor between countries do not literally advocate unrestricted migration. They use the billions as an argument for migration restrictions that are somewhat more generous than at present. But always, at the margin of restrictions there will be economic gains left on the table; why it may be sensible to do so cannot be left implicit.

The essence of a country is not simply its physical territory. The underlying difference in incomes between rich and poor societies is

due to differences in their social models. If Mali had a similar social model to France and maintained it for several decades, it would have a similar level of income. The persistence of differences in income is not inherent to differences in geography. Of course, differences in geography matter: Mali is landlocked and it is dry, both of which make prosperity more difficult. But both have been made more of a handicap than they need to be. Being landlocked is greatly compounded by the fact that Mali's neighbors also have dysfunctional social models: the war currently raging in Mali is a direct spillover of the collapse of Mali's neighbor Libya. Being dry is made more difficult by heavy reliance upon agriculture: Dubai is even drier, but it has diversified into a prosperous service economy where the lack of rainfall is of no consequence.

Functional social models are decisive, but they do not just happen: they are built as a result of decades, and sometimes centuries, of social progress. They are, in effect, part of the common property inherited by those born in the high-income societies. That that property is common to the members of a society does not imply that it must necessarily be open access to others: the world abounds in such club goods.

However, while most people might accept that the citizens of a country have some rights to restrict entry, such rights are limited and some societies have weaker rights of exclusion than others. If population density is extremely low, a right to exclude starts to look selfish. If the host population is itself recently descended from immigrants, then tough restrictions are indeed hauling up the ladder. Yet paradoxically, those countries most characterized by low density and recent occupation often have the most severe restrictions on immigration: stand forth Canada, Australia, Russia, and Israel. Canada and Australia are *the* recent immigrant societies, and both are still hugely underpopulated.<sup>1</sup> Yet they pioneered the restriction of

immigration to the highly educated, and the move to supplement educational points systems with interviews that assess other qualities. Russia only acquired the huge and empty territory of Siberia in the nineteenth century. Much of it borders on China, one of the most heavily populated societies of earth. Yet a core principle of Russian policy has been to keep the Chinese out of Siberia. Israel is an even more recent society of immigrants. Yet immigration is so restricted that indigenous émigrés do not have the right of return.

Even in densely populated countries with a long-established indigenous majority, some rules of entry would be manifestly racist and so impermissible. Others would be inhuman. All decent societies recognize a duty of rescue, most obviously toward asylum seekers. Sometimes the duty of rescue becomes literal. Australia is currently the ultimate land of immigrant promise. As a result of the global boom in minerals its economy is booming, and a global survey of happiness has found that Australians are the happiest people on earth. Australia is far from crowded: an entire continent with a mere 30 million inhabitants, nearly all themselves the descendants of recent immigrants. Even the prime minister is herself an immigrant. Unsurprisingly, people from countries that are crowded and impoverished would like to move there, but the Australian government has imposed tough restrictions upon legal entry. The gulf between dreams and legal realities has created a market in organized illegal passage. Entrepreneurs sell people places on small boats bound for Australian territory. The results are tragically predictable. The people who buy illegal passage have no recourse against deceit and incompetence: boats sink and people drown. A debate is currently raging in Australia as to how far the duty of rescue should extend. An evident dilemma is what economists coyly term "moral hazard": if getting on a leaky boat puts someone in a position where they have to be rescued by being given residency in

Australia, then many more people will get on leaky boats. The duty of rescue can be abused. This does not release Australians from the duty of rescue: by its nature, this is a duty without an escape clause. But, if Australians have the right to restrict entry, then they have the right to delink rescue from subsequent rights of residency. A newly adopted policy is to hold rescued boat people outside Australian territory and deny them any advantage over other applicants in processing their applications for legal entry. A tougher, and arguably more humane, proposal is to tow apprehended boats back to their port of embarkation. But the game between the hopeful immigrant and the authorities need not stop there. Migrants can play dumb—literally—and destroy their papers, so that it is impossible for the authorities to identify either their country of embarkation or their country of origin. In effect, they raise the stakes: rescuing me lands you with a liability that you cannot exit except by granting me residence. Such a conscious abuse of the duty of rescue would warrant equivalent, though proportionate, responses that would not include the migrant getting what they want.

Migration is a private act usually decided primarily by the migrant, perhaps with input from the family. Yet this private decision has effects both on host societies and on societies of origin that the migrant does not take into account. Such effects, which economists call externalities, potentially infringe the rights of others. It is legitimate for public policy to factor in these effects that migrants themselves ignore.

It is therefore legitimate for the governments of host countries to limit migration, but controls affect three distinct groups: immigrants themselves, those left behind in countries of origin, and the indigenous population of host countries. Migration policies need to take all three groups into account. The sleight of hand by which utilitarian economics glibly aggregates these three effects to produce



net gains in the hundreds of billions of dollars is unreasonable. So too is the xenophobe's exclusive concern for the indigenous: although the concern for others evidently weakens beyond borders, it does not evaporate.

The angry debate between xenophobes and "progressives" addresses the wrong question: is migration good or bad? The relevant question for policy is not whether migration has been good or bad overall. Rather, it is the likely effects *at the margin* should migration continue to accelerate. In answering this question, three analytic building blocks that have been set out in different parts of the book are important. It is time to bring them together.

### **Migrants: The Acceleration Principle**

The first building block concerns migrants and is about their decisions. Its key message is that, left to the decentralized decisions of potential migrants, migration accelerates until low-income countries are substantially depopulated. The acceleration principle follows from two indisputable features of migration. One is that for a given income gap, the larger is the diaspora, the easier and hence more rapid is migration. Frédéric Docquier, currently the foremost scholar of the migration process, describes this as the most powerful single influence on migration.<sup>2</sup> The other indisputable feature is that migration has only small, and indeed ambiguous, feedback effects on the income gap. Immigration, until it is massive, does not significantly drive incomes down; emigration, even if massive, may not significantly drive them up. The initial income gap is so wide that if emigration were the only equilibrating force, it would continue for many decades and involve huge relocations of people.

The *acceleration principle* itself is derived from these intrinsic characteristics of the migration process. However, in practice,

acceleration is compounded by two other changes in low-income countries: rising incomes and rising education. Within the relevant range, rising income will tend to increase migration even though it narrows the income gap. This is because rising income makes it easier to finance the initial investment in migration: the truly poor cannot afford to migrate. Rising education implies that any given educational hurdle used as a criterion for migration policy will be met by an increasing number of people.

The implication is that either acceleration is offset by periodic tightening of the criteria of eligibility, or the rate of migration and the size of the diaspora will both increase until finally limited by depopulation in countries of origin.

### Those Left Behind: The Happy Medium

The second building block concerns those left behind and is about education and remittances. Emigration has several effects on those left behind, but the clearest, and probably the most important, are on the resident stock of educated people and on remittances. Both of these effects have only recently been well understood, and both have yielded surprising results.

Emigration of the educated does not necessarily deplete the stock of the educated. On the contrary, at moderate levels, which depend upon other characteristics of the society, emigration can lead to a net benefit—the brain gain. But whereas China and India have characteristics that naturally limit migration to rates at which there is a brain gain, the many small, poor societies face emigration rates that drain them of human capital, which is already extremely scarce. Worse, emigration of the innovative drains the society of the very skills it most needs to adopt and adapt to modernity. Similarly, in the absence of migration, remittances would be zero, so a modest

rate of emigration is sure to increase them and thereby benefit those left behind. But beyond a point emigration becomes an alternative to remittances rather than a source of them. Thus, at some point the relationships between the rate of migration and their effects on education and remittances change from being positive to negative. They rise to a peak and then fall away again. **The evidence is that for most small, poor countries, even the current rate of emigration is probably beyond the peak.**

The implication is that from the perspective of those left behind there is a *happy medium*, a moderate rate of emigration at which the combined effects of the incentive to get education and the receipt of remittances are at their maximum. The most beneficial migration is not permanent exodus but temporary migration for higher education. Not only does this enhance the skills that are in desperately short supply, students absorb the functional political and social norms of their host country. Not only that, on returning they transmit these norms to the many people still lacking an education. But the governments of countries of origin do not control either the emigration rate or the rate of return and so are dependent upon the controls set by the governments of host countries.


### **Indigenous Hosts: Trade-offs**

The third building block concerns the indigenous population in host societies. **It is partly about direct economic effects and partly about social effects: variety, trust, and redistribution.** As with those left behind, migration has numerous effects, but these are probably the most important and potentially the most persistent.

The direct economic effects on wages depend upon the scale of migration. At moderate rates of migration the effects are usually modestly positive in the short term and nonexistent in the long

term. Were migration to continue to accelerate, basic economic forces would set in and drive wages substantially lower. The economic effects of sharing scarce publicly provided services such as social housing are liable to be negative for the indigenous poor even at moderate rates of migration and would become substantially negative were migration to accelerate. Other economic effects, such as overpopulation and the accentuation of boom-bust cycles, may be important in particular contexts.

Migrants increase social diversity. Diversity enriches economies by bringing fresh perspectives for problem solving, and the variety it brings with it enhances the pleasures of life. But diversity also undermines mutual regard and its invaluable benefits of cooperation and generosity. The corrosive effects of diversity are accentuated if migrants are from countries with dysfunctional social models to which they remain attached. There is therefore a trade-off between the costs and benefits of diversity. In managing this trade-off, the key information concerns how precisely both the benefits and the costs increase with greater diversity. The benefits of variety are probably subject to diminishing returns, as with any other form of variety. That is, as variety increases, the benefits keep increasing but by less and less. In contrast, the costs of moderate diversity are likely to be negligible, but beyond some level greater diversity might begin to jeopardize cooperation games and undermine the willingness to redistribute income. So the costs of diversity are likely to rise at an increasing rate. At some point, the incremental costs of diversity are therefore likely to exceed the incremental gains from variety. So the right way of posing the diversity question is not whether it is good or bad—the xenophobe versus the “progressive”—but how much is best. Unfortunately, social research is currently nowhere near the level of sophistication needed to estimate at what point diversity would become seriously costly. You

may regard the implication of this ignorance as being that the concerns are scaremongering. Or you may see them as grounds for caution. Regrettably, this judgment will probably be determined by your moral priorities  Jonathan Haidt predicts, rather than by your attitude to risk. For choices concerning migration policy, limited evidence collides with strong passions. But try, for the moment, to remain dispassionate.

### **A Policy Package**

Now bring these building blocks together. They carry a message of responsibility to the governments of host countries. The rate of migration depends upon the individual decisions of potential migrants and any policies set by these governments. Left to the decisions of migrants, migration is liable to accelerate beyond the happy medium at which those left behind gain most from it. It would also accelerate beyond the point at which host populations gain from further migration. Migration cannot be left to the decisions of individual migrants; it must be managed by governments. But migration policy is unavoidably complicated. To be fit for purpose, policy must get to grips with these complexities. On many of the issues, research is not yet at the stage where it can provide reliable answers. Meanwhile, official pronouncements have forfeited the trust of ordinary citizens by a continuous litany of complacent reassurance: recall that spectacularly erroneous forecast by the British Home Office as to likely migration from eastern Europe. But until the taboos are broken and the parameters of future policies are widely understood, such research will not even start. In chapter 5 I set out a schematic prediction of how migration policy might blunder into mistakes in the typical high-income society. I termed it the political economy of panic. I now return to precisely the initial

conditions that produced that disturbing policy sequence and propose a different one.

As in the political economy of panic, the initial configuration of the migration function and the diaspora schedule implies that there is no equilibrium. In the absence of controls, migration and the diaspora will expand without limit. However, instead of leaving migration to accelerate until the point of policy panic, the government of the host country now adopts a package of policies designed around ceilings, the selection of migrants, the integration of diasporas, and the legalization of illegal immigrants.

### Ceilings

At minimum, the task for migration policy is to prevent its acceleration to rates that would become damaging, both for those left behind in poor countries of origin and for the indigenous people of host countries. Migration has not yet generated such damage, so there is no need for policies of panic. But we should recognize that fundamental forces will lead migration to accelerate and that preventative policies are greatly superior to reactive ones. Indeed, I suspect that by putting effective preventative policies in place, mainstream politicians would stymie the current appeal of extremist parties to ordinary citizens and avert the conditions under which that appeal might spread. What is the rationale for ceilings? It unites enlightened self-interest and compassion.

The argument from enlightened self-interest is preventative: it does not suggest that migration has already caused net damage to high-income societies. The economic rationale is that continued accelerating migration would drive wages down for indigenous workers and seriously dilute public goods. There are practical limits to how rapidly jobs markets in high-income countries are able to

generate high-productivity employment: they are already struggling. At the moderate rates of migration experienced for most of the past half-century, which happened to be coincident with prolonged boom conditions, favorable offsetting effects sustain and indeed modestly enhance wages. But these effects cannot be extrapolated to what would happen in the absence of migration controls. The social rationale is that continued acceleration would increase diversity to the point at which it undermined mutual regard.

The case from compassion is that the neediest people in the world are not the migrants from poor countries. Migrants are usually drawn from the better-off in their own countries because the poorest cannot afford the costs of migration. The neediest are the people who are left behind. This is the great moral challenge of our age, and softheadedness about migration is not the remedy. China would continue to gain from accelerating migration, but Haiti would not, and it is Haiti that we should be concerned about, not China. While migration at moderate rates helps these people, even present rates of migration are most likely beyond the happy medium at which it is most beneficial to them. At the margin, migration is already handicapping their struggle out of poverty. The argument from compassion thus implies both more urgent and more restrictive policies than the argument from enlightened self-interest.

So there is a sound case from both self-interest and compassion for ceilings on migration. Such policies are not a vestige of a bygone age: accelerating mass migration from poor societies to rich ones is a new, and indeed prospective, phenomenon analogous to global warming. As with global warming, we do not yet have an adequate research base on which to model it in the necessary detail, but it is already evident that controls will become increasingly necessary in the next few decades. Growing awareness of climate change is teaching the high-income societies to think long term and to consider the

potential risks of carbon emissions. Migration policy is analogous: indeed, the two processes share the essential feature that flows in excess of a threshold accumulate into stocks. In respect of climate change, analysts have realized that the safe rate of carbon emissions is derived from the safe stock of carbon dioxide in the atmosphere. In respect of migration, the equivalent concept is the safe size of the unabsorbed diaspora. The diaspora is the accumulated stock of *unabsorbed* migrants, so it is the diaspora that measures the impact of migration on diversity. It is the degree of diversity that should be the ultimate objective of migration policy, not the rate of migration itself. Analogous to climate change, we do not know how large an unabsorbed diaspora would need to be before it significantly weakened the mutual regard on which the high-income societies depend. Of course, accelerating migration would also at some stage reduce wages, but the weakening of mutual regard is the more important danger on which to focus because it is less obvious and probably has long lags. This makes it more susceptible to serious policy mistakes: if a society stumbles into it, it is difficult to correct. People will disagree about the risks of growing diversity, just as they disagree as to whether a risk of three, four, or five degrees of global warming is acceptable. But at least in respect of climate people are now having that discussion. The same is needed in respect of diasporas: should the ceiling on diasporas as a percentage of a population be 10 percent, 30 percent, or 50 percent, bearing in mind that left to themselves diasporas will cluster heavily in some cities? For climate change we not only have the right concepts, we are increasingly measuring them. For migration policy we have neither.

Given some ceiling to the safe size of the diaspora, whatever it might be, the next key number on which policy should be built is not the rate of migration but the rate at which the diaspora is absorbed. The core insight of our workhorse was that the sustainable



rate of migration that corresponds to any particular ceiling on the diaspora depends upon how rapidly the diaspora is absorbed. This rate differs massively among immigrant groups and between host societies: for example, Tongans in New Zealand have a far higher absorption rate than Turks in Germany. In most societies this key information is not even measured properly, so initially it would need to be approximated and gradually refined.

Between them, the safe ceiling on the diaspora and the rate of its absorption lead us to the sustainable ceiling on the rate of migration. A high rate of migration is only consistent with a stable diaspora if combined with a high rate of absorption. Conversely, a low rate of absorption is only consistent with a stable diaspora if the rate of migration is kept low. This ceiling on the rate of migration evidently relates to the gross flow of immigration. There is nothing outrageous about specifying a ceiling in gross terms: for example, the various lottery systems adopted in some high-income countries for controlling migration automatically specify a ceiling in terms of gross inflows. Yet the ceiling currently being debated by British politicians is for the net flow of immigration minus emigration. This bears little relation to the concept that really matters, which is the size of the diaspora. It would be pertinent only for concerns about overpopulation. I doubt that the current majority opinion in Britain that "migration is excessive" reflects anxieties about overpopulation. More likely, it reflects a vague unease that unabsorbed diasporas are getting too large. Accelerating emigration might warrant being an objective of policy in its own right: for high-income countries it is damaging to the remaining population due to the loss of skills.

Once we are able to distinguish between gross immigration and gross emigration, other important distinctions follow. Faster migration for the purpose of settlement augments the diaspora, while

draining the poorest countries of talent. In contrast, faster temporary migration for the purpose of higher education does not increase the diaspora, augments vital skills in poor countries, transfers values, and trains future leaders. A parody of Soviet central planning in the old USSR recounts how a target specified in terms of heads of cattle had been met by breeding the two-headed cow. Meeting a migration target by reducing the inflow of foreign students nests in the same category of policy design.<sup>3</sup>

### Selectivity

Having established an overall ceiling for gross migration, the next component of a fit-for-purpose public policy would be to shape its composition. The salient dimensions are household status, education, employability, cultural origins, and vulnerability.

If the right to migrate is conferred simply by a relationship or prospective relationship to an existing immigrant, all other criteria are of little moment. Dependent relatives of the diaspora will increasingly crowd out other would-be migrants as diaspora-fueled migration accelerates, and that is the end of the story. Further, generous rights to bring in relatives reduce the incentives to make remittances, the lifeline that migration provides to the poorest countries. It is therefore a crucial, albeit sensitive issue, as to how these rights are defined. I have argued that these rights only exist because the indigenous population rarely uses them. As rights, they do not meet Kant's categorical imperative test of whether something is ethical: what if everyone did that? They are only viable because, in respect of the indigenous population, the answer to Kant is "Fortunately, they don't." So the reasonable extension of these little-used indigenous rights to migrants is to confer them with the same proviso: that they should be little used. As a practical

matter, this implies a lottery system in which migrants as a group receive the same proportion of immigration slots for their relatives as do the indigenous. Restricting the migration of dependents in this way opens up room for the immigration of workers. How should workers be selected?

The most obviously desirable characteristic of immigrant workers is that they should be educated or equivalently skilled. If immigrants are more educated than the indigenous population, they tend to raise the wages of the indigenous; if they are less educated, they tend to lower them, at least toward the bottom of the wage spectrum. So, based on the self-interest of host societies, policy should select potential migrants based on a threshold level of education. This is becoming increasingly common in high-income societies, although there are currently wide variations between them. As education levels continue to rise, this threshold will also need to rise. As I discussed in part 4, from the perspective of those left behind in the poorest countries, this is not ideal. The poorest countries are already suffering a brain drain, and this weakens their capacity to catch up with modernity through adopting and adapting global technologies. Further, there is some evidence that beyond a point, highly educated migrants send less money back home than those who are not so highly educated.

Beyond education comes employability. While educational criteria lend themselves to the checklist regulation of applications for immigration, they miss enormous amounts of other information that is pertinent for a working environment. Anyone familiar with universities will recognize that some of their students, and indeed some of their staff, are virtually unemployable despite being highly educated. Government visa offices are ill-equipped to elicit such information, and the degree of discretionary power that would be handed to immigration officials were they tasked with doing so would invite

increased corruption. The sensible way for a society to use this information is to add a layer to the migration decision that is administered by firms. Having satisfied the criteria set by government, would-be migrants must also satisfy a firm that it wants to employ them. New Zealand and Germany both operate such a system. Employers have the incentive to vet the applicant, thereby taking into account a more balanced array of characteristics. Countries that select migrants only by means of mechanically applied points systems are liable to lose out to those that also vet, because they will attract people who meet the letter of the requirements but are otherwise unsuitable.<sup>4</sup>

Beyond these work-based attributes is culture: a message of this book has been that cultures matter. Culture is what separates diasporas from the indigenous, and some cultures are more distant from the culture of the indigenous population than others. The more distant the culture is, the slower will be the rate of absorption of its diaspora, and also slower will be the sustainable rate of migration. Yet, in one of the paradoxes of migration, in the absence of culturally differentiated controls, the culturally distant will be advantaged in migration decisions. Precisely because their diasporas take longer to be absorbed than the culturally proximate, these large diasporas facilitate further migration. So to the extent possible without transgression into racism, a fit-for-purpose migration policy sets the rights to migration from particular countries so as to offset these perverse effects of cultural distance. As an example of culturally targeted but politically acceptable differential controls, in both Sweden and Britain there is currently no restriction placed upon immigration from Poland, but immigration from Turkey is restricted because Turkey has not been admitted to the European Union.<sup>5</sup>

The last, though not the least, criterion is vulnerability. Although the status of asylum is abused, as a category it is extremely important. Helping the vulnerable is unlikely to confer economic benefits

on the indigenous population. That is not its rationale. By helping the most stressed societies, the high-income societies retain their self-respect. However, there is scope for reforming the asylum process. A fit-for-purpose migration policy would target asylum on those few countries in the throes of civil war, brutal dictatorship, minority persecution, or equivalent severe social disturbance. For the citizens of such countries asylum would be granted swiftly and generously. But this liberality would be combined with time-bound rights of residence: when peace is restored, people would be required to return. The rationale for this rider is that postconflict countries face an acute coordination problem. Though they are desperately short of skilled people, individual members of the diaspora are reluctant to return. Only if many people return together are the prospects of the country sufficiently promising for return to be other than quixotic. Analytically, we are back to the discussion of chapter 3: the difficulties of coordinating cooperation. But whereas there we were concerned with the fragility of existing cooperation in the high-income societies, now we are concerned with how to get coordination started in some of the poorest. The governments of postconflict states usually try despairingly to attract their diasporas back to the country, but they lack the means to engineer a coordinated return. Only the host governments of asylum-seeking migrants have this power. In the interests of these societies at the bottom of the global heap, they should use it. The purpose of asylum in conflict situations is not to confer a permanently transformed life onto the fortunate minority who are able to get out but to preserve the country's critically important skilled and politically engaged people until it is safe for them to return to rebuild their society. The duty of rescue does not absolve the high-income societies from the duty to think through the implications of their policies.

## Integration

Controlling the size and composition of migration is not the only means of containing diversity and stabilizing the size of the diaspora. The other means is to increase the rate of absorption. This opens slots in the diaspora, enabling migration to fill them up. The rate at which diasporas are absorbed depends in part upon the choice between multiculturalism and assimilation.

Absorption has turned out to be more difficult than social scientists and policymakers initially imagined. In part the switch to multiculturalism was probably a psychological response to this failure: "What cannot be eschewed must be embraced." But for any ceiling on diversity, the lower the rate of absorption the lower must be migration, so multiculturalism has a clear cost. It is premature to give up on integration. A fit-for-purpose migration policy therefore adopts a range of strategies designed to increase the absorption of diasporas. The government cracks down hard on racism and discrimination on the part of the indigenous population. It adopts Canadian-style policies of requiring geographic dispersion of migrants. It adopts America-in-the-1970s-style policies of integrating schools, imposing a ceiling on the percentage of pupils from diasporas. It requires migrants to learn the indigenous language and provides the resources that make this feasible. It also promotes the symbols and ceremonies of common citizenship.

Most people who consider themselves progressive want multiculturalism combined with rapid migration and generous social welfare programs. But some combinations of policy choices may be unsustainable. Electorates have gradually learned to be skeptical of the alluring policy combination of low taxes, high spending, and stable debt offered by rogue politicians. One level up in economic sophistication, an important insight of modern international economics is

“the impossible trinity”: a government that permits the free movement of capital and sets its own monetary policy cannot also set the exchange rate. In consequence, the free movement of capital has belatedly been recognized by the International Monetary Fund as inappropriate for some countries. There may, perhaps, be an equivalent impossible trinity arising from the free movement of people. It may prove unsustainable to combine rapid migration with multicultural policies that keep absorption rates low and welfare systems that are generous. The evidence pointing to such an impossible trinity is sketchy, but be wary of outraged dismissals: social scientists are not immune from systematically biased reasoning.

### **Legalizing Illegal Immigration**

All controls inevitably induce evasion. Currently, those who successfully evade migration controls become illegal residents, and this illegality gives rise to serious problems such as crime and the black economy. Debates on what to do about illegal immigrants have been as damagingly polarized as the larger migration debate. Social liberals want a one-off granting of full legal status; social conservatives oppose this on the grounds that rewarding evasion would encourage more of it. The result has been deadlock: nothing has been done and meanwhile illegal immigrants have accumulated: in America twelve million of them, in Britain nobody even knows. As I write, the Obama administration is beginning to wrestle with the problem.

The policy package offers an effective and straightforward approach that meets the reasonable concerns of both camps but will presumably outrage the fundamentalists in both. To meet the reasonable concerns of social liberals, it recognizes that evasion is unavoidably a continuing process, so that future flows of illegal

immigrants need to be addressed as well as the accumulated stocks. Any granting of rights that claims to be once-and-for-all is a piece of political deception. The package also recognizes that once border controls have been evaded, so that people have succeeded in entering the country illegally, all such migrants must be granted sufficient legal status to be able to work within the official economy. Otherwise, illegal immigrants are a source of further illegality. To meet the reasonable concerns of social conservatives, it involves a penalty for evasion relative to legal entry, does not increase overall migration, and tightens the process for dealing with migrants who choose to remain illegal.

The approach is to maintain and indeed perhaps upgrade border controls, but to grant all those who despite these controls enter the country an initial status of guest workers. This status permits them to work and automatically places them in a queue to become permanent, fully legal immigrants. While guest workers, they would have an obligation to pay taxes but would not be entitled to social benefits: in using public services they would have the same rights as tourists. The slots to convert them into fully legal immigrants would count toward the overall ceiling on legal migration, so that illegal immigration would reduce legal migration rather than be supplementary to it. This would give the pro-migration lobby a strong incentive to support effective border controls. Finally, to strengthen the incentive to register, those illegal immigrants who chose not to do so would be subject to deportation without appeal if detected.<sup>6</sup>

Would such an approach dangerously increase the incentives for illegal migration? I think not. We can straightforwardly deduce that, despite the large stock of illegal migrants in many countries, existing controls are largely effective. The economic incentives to migrate

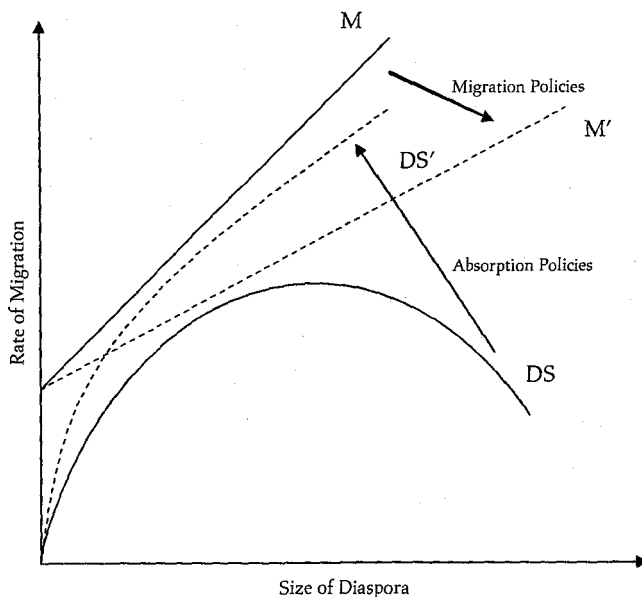


from poor countries are so substantial, and diasporas already sufficiently well established, that were the controls not effective, migration flows would have been far greater. Consequently, the flow of illegal migration is likely to be fairly insensitive to minor changes in incentives such as those I have proposed. The road to the status of a fully legal migrant would still be hard and long, typically requiring many years of taxation without benefits. If governments wanted to make the status of guest worker less attractive, those convicted of crimes could be subject to deportation without appeal. Would the proposed approach breach human rights? Only if the controls on migration themselves are judged to do so. If the controls are legitimate, then any policies that are forgiving of migrants who evade them are more humane than leaving them without any legal status.

### **How the Package Works**

This package of ceilings, selection, integration, and legalization can be evaluated using our workhorse model. It may be worth flipping back to Figure 5.1, which depicts the political economy of panic that responds so damagingly to the initial absence of equilibrium. Figure 12.1 starts from exactly the same position: as in Figure 5.1, there is initially no equilibrium.

But now the policies of ceilings combined with selective migration flatten the migration function, twisting it clockwise. Meanwhile, the policies of accelerated integration steepen the diaspora schedule, twisting it counterclockwise. As a result, the two lines now intersect: equilibrium is restored. With this package, migration initially accelerates but then stabilizes; similarly the diaspora initially grows but then stabilizes. The result of the package is superior to the political economy of panic in four important



**Figure 12.1** The Political Economy of Selection and Integration

respects. In the long run the migration-diaspora combination is better. Comparing Figures 12.1 and 5.1, for a common size of the diaspora in equilibrium, the rate of migration is higher, and conversely, for a common rate of migration, the size of the unabsorbed diaspora is smaller. Thus, the host society can choose to have both a higher rate of migration and a smaller diaspora. This is an improvement because the economic gains are generated by labor migration, while the social costs are generated by the unabsorbed diaspora. We also get to equilibrium rapidly, whereas the panic sequence might take a century. Further, the path to equilibrium avoids a prolonged detour involving wild swings in both the rate of migration and the size of the diaspora. Finally, the pool of illegal (and therefore unabsorbed) migrants that accumulates during the political economy of panic is entirely avoided.

Two lessons can be drawn from this straightforward application of the model. One is that the pertinent array of policies for successful migration is quite wide. If some desired ceiling on diversity is the objective, then the rate of absorption as well as migration matters. The other is that appropriate policies need to be set early in the migration process with a view to the long term. Climate change is not the only policy that needs long-term thinking. In Britain, the Office of Budgetary Responsibility has recently put out an analysis suggesting that if Britain adopted a higher rate of net immigration, the per capita growth rate of GDP during the next three years might increase by around 0.3 percentage points. With due respect to the team that produced this forecast, it is categorically how not to think through migration policy.

How might such a policy package affect the groups that matter for migration?

There is no reason to expect that the migration rate that the policy package would generate would be ideal for those left behind in poor countries of origin. Indeed, we do not currently have the evidence even to estimate what such a rate of migration would be. But we know that for many poor countries even the current rate is excessive: a somewhat slower rate of emigration would probably benefit them. It also seems likely that the savage reduction in migration that would be risked by the political economy of panic would switch it to being inadequate. Hence, since selection and integration would result in a faster rate of migration than that, it would likely be an improvement from the perspective of the poorest societies.

From the perspective of the indigenous population of the host society, the policy package is considerably superior. The sustainable rate of migration is higher, enabling the economy to continue

to benefit from the modest economic gains thereby implied, and the social costs of an excessive, unabsorbed diaspora are avoided.

From the perspective of the existing stock of migrants, the political economy of panic is unattractive in both economic and social respects. In economic terms existing migrants are the big losers from further migration, and so during the anxiety phase of accelerating migration they would be squeezed by competition from new entrants. Socially, during the ugly phase of tightening restrictions and mounting social costs, they would be the ones at risk of xenophobia. The package of selection and integration does, however, place demands upon migrants: they are discouraged from remaining in a comfort zone of cultural separation. They are required to learn the indigenous language and send their children to integrated schools, and their right to bring in relatives is limited.

No migration policy can benefit everyone. In the package I have proposed the losers are those potential migrants who in the absence of the proposed policies would in the near future have migrated. The policies of selection and integration indeed imply that the sustainable rate of migration is higher, so that would-be migrants benefit eventually, but the package avoids the phase during which migration temporarily exceeds that rate. Why is this justified? Although potential migrants have interests like anyone else, there is no reason for their interest to trump those of others, which is what happens in the absence of a fit-for-purpose policy. The indigenous populations of host countries have a right to control entry, taking into account not only their own interest but also a sense of charity to others. But in exercising charity, their chief concern should be the vast group of poor people left behind in countries of origin, rather than the relatively tiny group of fortunate people who get dramatic increases in their income through being permitted to migrate.

## **Conclusion: Converging Economies, Diverging Societies**

Migration is a large topic and this is a short book. But few areas of public policy are more in need of accessible and dispassionate analysis. I have attempted to shake the polarized positions: the hostility to migrants, tinged by xenophobia and racism, that is widespread among ordinary citizens, opposed by the contemptuous refrain from the business and liberal elites, supported by social science academics, that open doors will continue to confer large benefits and are ethically imperative.

Mass international migration is a response to extreme global inequality. As never before, young people in the poorest countries are aware of opportunities elsewhere. That inequality opened up over the past two centuries and will close during the coming century. Most developing countries are now rapidly converging on the high-income countries: this is the great story of our time. Mass migration is therefore not a permanent feature of globalization. Quite the contrary, it is a temporary response to an ugly phase in which prosperity has not yet globalized. A century from now, the world will be far more integrated than now in respect to trade, information, and finance, but the net flow of migration will have diminished.

Although international migration responds to global inequality, it does not significantly change it. What is driving economic convergence is the transformation of the social models prevailing in poor societies. Gradually, their institutions are becoming more inclusive and less the preserve of extractive elites. Their economic narratives are shifting from the zero-sum mentality of grievance, to recognition of the scope for positive-sum cooperation. Loyalties are gradually expanding from clans to nations. Organizations are learning how to make workers more productive by combining scale with

motivation. These profound changes are being achieved through adapting global ideas to local contexts. As social models strengthen and economies grow, migration from rural poverty indeed matters, but the journey is to Lagos and Mumbai, not London and Madrid.

Yet although international migration is a transient sideshow to convergence, it may leave permanent legacies. One sure legacy that is unambiguously benign is that the high-income societies have become multiracial. Given their past history of racism, the revolution in sentiments consequent upon intermarriage and coexistence has been profoundly liberating for all concerned.

But in the absence of effective migration policies, migration will continue to accelerate, and this could imply other possible legacies. The currently high-income countries could become postnational, multicultural societies. On the hopeful new view of multiculturalism propounded by Western elites, this would also be benign: such societies would be stimulating and prosperous. But the track record of culturally diverse societies is not so encouraging that this is the only possible outcome from an unlimited increase in diversity. In most societies for most of history high diversity has been a handicap. Even within modern Europe, the relatively modest cultural difference between Germans and Greeks has stretched to breaking the limited institutional harmonization achieved by the European Union. It is possible that permanently rising cultural diversity would gradually undermine mutual regard and that unabsorbed diasporas would hang onto dysfunctional aspects of the social models that prevailed in their countries of origin at the time of migration. A further possible legacy of a continuing acceleration in migration is that small, poor countries like Haiti that can offer little to their most talented people would suffer an accelerating hemorrhage of capabilities: an exodus. They are already beyond the point at which emigration is beneficial. While the fortunate would leave,

those left behind might be unable to catch up with the rest of mankind.

Meanwhile, the emerging high-income societies are likely to become less multicultural. As part of the gradual transformation of their social models, identities will have enlarged from the fragmentation of clans to the unifying sense of the nation. In embracing the benign uses of nationalism, they will come to resemble the old high-income countries prior to migration.

Periodically, over the centuries the fortunes of societies have reversed. North America overtook Latin America; Europe overtook China. The financial crisis, with its source and effects in the high-income societies, has dented the smug complacency by which their citizens took economic superiority for granted. That most societies will catch up with the West is now accepted. But convergence may not be the end of the story. Singapore, which in 1950 was much poorer than Europe, is now much richer. If social models really are the fundamental determinants of prosperity, the rise of multiculturalism in one part of the world, coincident with its decline elsewhere, could have surprising implications.

As I finish this book I look up again at Karl Hellenschmidt. He was, before his time, the archetypical modern migrant. Leaving a small, poor village and a large, poor family, he reaped the modest rewards afforded to a low-skilled migrant in a high-income city. But my eye travels on to another photograph, to another man in middle age, who bears a family resemblance. I realize that he, not my grandfather, is the true role model for this book. Karl Hellenschmidt Jr. faced the habitual second-generation choice. Should he cling to an affectation of difference or embrace a new identity? He took the leap. Which is why you have just finished a book by Paul Collier, not Paul Hellenschmidt.

# Notes

## Chapter 1

1. Haidt (2012).
2. Benabou and Tirole (2011).
3. Wente (2012).
4. Dustmann et al. (2003).

## Chapter 2

1. Besley and Persson (2011); Acemoglu and Robinson (2012).
2. Jones and Olken (2005).
3. Kay (2012).
4. In a brilliant new study, Timothy Besley and Marta Reynal-Querol (2012) show that in Africa remembered conflicts from as far back as the fifteenth century still cause violent conflict today.
5. Greif and Bates (1995).
6. Pinker (2011).
7. Akerlof and Kranton (2011).
8. Beatty and Pritchett (2012).
9. Beine et al. (2011).



10. Carrington et al. (1996).
11. The Dunbar constant proposes that there is a ceiling of around 150 to the number of people with whom we can maintain a meaningful relationship (Dunbar 1992).
12. For example, in a particularly careful study of the Turkish and Serbian diasporas in Germany, Koczan (2013) shows that the higher the proportion of diaspora children is in the class, the more likely a diaspora child will grow up with a strong sense of diaspora identity.
13. By convention, this point at which the two axes of the diagram meet is termed its origin.
14. To see this, suppose for a moment that the absorption rate did not depend on the diaspora: for example, every year 2 percent of the diaspora merged into the mainstream population regardless of its size. In that case, if the diaspora doubled, the number of people absorbed into the mainstream would also double. With twice as many people flowing out of the diaspora, there would be room for twice as many migrants to flow in: doubling the diaspora would double the rate of migration that kept the diaspora stable. Visually, the *diaspora schedule* would be a straight line coming out of the corner of the diagram. Now suppose, more plausibly, that the absorption rate declines as the diaspora increases. If there are 30,000 Tongalese in New Zealand, there are sufficient interactions with other members of society to support an absorption rate of 2 percent, but if there are 60,000, the typical Tongalese has fewer interactions outside the group and so the rate of absorption falls to 1.5 percent. As a result, if the diaspora doubles, the number of people being absorbed from it less than doubles.
15. It is what economists term a dynamic equilibrium.
16. Hatton and Williamson (2008).

### Chapter 3

1. Clemens (2011).
2. Cunliffe (2012).

3. Besley and Reynal-Querol (2012).
4. Weiner (2011).
5. Pinker (2011).
6. Nunn and Wantchekon (2011).
7. Gaechter et al. (2010).
8. Fisman and Miguel (2007).
9. Hofstede and Hofstede (2010).
10. Shih et al. (1999).
11. Akerlof and Kranton (2011).
12. Koczan (2013).
13. See Hurley and Carter (2005), especially the chapter by Ap Dijksterhuis, “Why We Are Social Animals.”
14. Candelo-Londoño et al. (2011).
15. Putnam (2007).
16. Putnam (2007), p. 165.
17. Miguel and Gugerty (2005).
18. Hirschman (2005).
19. Montalvo and Reynal-Querol (2010).
20. Pinker (2011).
21. Murray (2012).
22. Sandel (2012).
23. Alesina et al. (2001).
24. Alesina et al. (1999). Natalie Candelo-Londoño, Rachel Croson, and Xin Li (2011) provide a useful recent review of the literature and some interesting new results.
25. Belich (2009).
26. Acemoglu et al. (2001).
27. In turn, the Scots who migrated to the north of Ireland were descendants of the Scoti, a tribe that invaded the north of Britain from Ireland around the eighth century. They did not, to my knowledge, invoke a “right of return” to Ireland.
28. Nunn (2010).

29. Fleming (2011), Cunliffe (2012), and Halsall (2013) give rather different accounts.
30. Montalvo and Reynal-Querol (2010).
31. Kepele (2011).
32. Romer (2010).
33. Heath et al. (2011).
34. Herreros and Criado (2009), p. 335.
35. Koopmans (2010).

## Chapter 4

1. Dustmann et al. (2012).
2. Docquier et al. (2010).
3. Grosjean (2011).
4. Corden (2003).
5. Nickell (2009).
6. Card (2005).
7. Hirsch (1977).
8. Sampson (2008).
9. Goldin et al. (2011).
10. Andersen (2012).
11. Docquier et al. (2010).
12. For an analysis that uses the 2012 British census, see Goodhart (2013).
13. Walmsley et al. (2005).

## Chapter 6

1. Clemens et al. (2009).
2. McKenzie and Yang (2010); Clemens (2010).
3. Borjas (1989).
4. Van Tubergen (2004).
5. Cox and Jimenez (1992).
6. An old Yorkshire joke.
7. Yang (2011).
8. Agesa and Kim (2001).
9. Mousy and Arcand (2011).

10. Aker et al. (2011).
11. Because our work is only provisional, it has not yet been through the process of academic refereeing. The results should therefore be treated with considerable caution. Our analysis includes migration from all low- and middle-income countries for which there is data, to all countries in the OECD, and covers the period 1960–2000. Paul Collier and Anke Hoeffler, 2013, “An Empirical Analysis of Global Migration,” mimeo, Centre for the Study of African Economies, Oxford University.
12. Beine et al. (2011).
13. Cited in Clemens (2011).

## Chapter 7

1. Docquier et al. (2010).
2. Deaton et al. (2009).
3. Stillman et al. (2012).
4. Stillman and his colleagues add a variety of other, nonstandard psychological questions such as “peace of mind,” and on these measures migration enhanced states of mind.
5. Dercon et al. (2013).

## Chapter 8

1. Hirschman (1990).
2. Docquier et al. (2011); Beine and Sekkat (2011).
3. Batista and Vicente (2011).
4. Pérez-Armendariz and Crow (2010).
5. Dedieu et al. (2012).
6. Chauvet and Mercier (2012).
7. Mahmoud et al. (2012).
8. Beine et al. (forthcoming).
9. Docquier et al. (2007).
10. I turn to the evidence for this in the next chapter.
11. Spilimbergo (2009).
12. Besley et al. (2011).
13. Spilimbergo (2009).

14. Akerlof and Kranton (2011), ch. 8.
15. Mercier (2012).
16. *I Didn't Do It for You*, by Michaela Wrong (2006), provides a rare, lucid account of this little-known country.

## Chapter 9

1. Thurow (2012).
2. Economists prefer a mathematically optimizing approach to probabilistic decisions, such as would be taken by a fully rational, well-informed person.
3. Docquier and Rapoport (2012); de la Croix and Docquier (2012); Batista and Vicente (2011).
4. One surprising effect that helps the poorest countries is that, controlling for other things, a country is more likely to be a net winner if it starts with few educated people. To see this, suppose that everyone is already educated: then neither the incentive effect nor the role model effect can have any traction. While this tends to help the poorest countries, the effect of size predominates.
5. Marchiori et al. (2013).
6. Docquier and Rapoport (2012).
7. Akerlof and Kranton (2011).
8. This is a variant of an idea of Besley and Ghatak (2003) about the matching of the attitudes of workers to those of the firms that employ them.
9. Akerlof and Kranton (2011), ch. 8.
10. Serra et al. (2010).
11. Wilson (1996).
12. Rempel and Lobdell (1978).
13. Yang (2011).
14. As with much concerned with migration, this outcome is not inevitable. If the migrants would have been particularly productive relative to those left behind, they may have contributed even more to others than through their remittances. But a modest increase in per capita expenditure is the most likely outcome.

15. Clemens et al. (2012).
16. Yang (2008).
17. Hoddinott (1994).
18. Yang and Choi (2007).
19. Docquier et al. (2012).
20. Beegle et al. (2011).
21. Glaeser (2011).
22. Saunders (2010).

## Chapter 10

1. Ferguson (2012).

## Chapter 11

1. Sandel (2012).
2. Dijksterhuis (2005).
3. Haidt's exception is the educated social elite of high-income countries who appear to suppress community and most of the other normal moral sentiments. Such "weird" people navigate their lives only by the two utilitarian moral sentiments of harm and fairness.
4. For a fascinating technical reformulation of *The Theory of Moral Sentiments*, see Benabou and Tirole (2011).
5. Zak (2012).
6. Pagel (2012).
7. Zak (2012).
8. Alesina and Spolaore (1997).

## Chapter 12

1. See Corden (2003).
2. Beine et al. (2011).
3. Evidently, for student migration to be excluded from migration targets it is necessary to ensure that students return to their countries of origin upon completing their course of study. Once this is treated seriously, there are several options for effective control.

4. See Schiff (2012).
5. Turkey would be the poorest member of the Union and have its largest population and its highest birthrate, encouraged by pronatal government policies. Its entry would place extraordinary strains on social cohesion in Europe without clear benefits for Turkey itself.
6. The same penalty might also apply to tourists and students who overstayed. Clearly, these categories could not qualify for guest-worker status.

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