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**Labor Movement: How Migration Regulates  
Labor Markets**

**A Review Article**

*By* ODED STARK

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**Labor Movement: How Migration Regulates Labor Markets**, by Harald Bauder. 2006. New York: Oxford University Press. 269 + x. ISBN 0-19-518088-7, \$35 (paper).

It is all very well to argue that migration influences labor market outcomes. It is also fine to argue that since migration is motivated not only by economic considerations but also by social, cultural, and political practices, migration is one of the ways in which these practices impinge on labor market outcomes. And the argument that even if mobility is not “economically motivated” it has economic effects, is correct.

With these and other similar perspectives, *Labor Movement* could have made for an easy read. It does not. The main reason is that argument after argument, the book is shy on exposing the substance and rigor that can be conferred by the “title arguments;” it is as if the author assembled, but did not investigate.

In the introduction, Bauder refers to culture (cultural factors, cultural processes, cultural practices, and the like) at least 14 times. He is right to emphasize the role of culture in migration. How exactly does culture fit in or, for that matter, “feed” migration? One of the four parts of the book describes seasonal migration (into Ontario’s agriculture). Thus, it is not out of place to reflect on the role culture and tradition could play in the context of seasonal migration. We can start with the family as a unit of

observation, and consider the role of the family in the creation of a culture of seasonal migration.

The role of family tradition could be quite significant. Controlling for various explanatory variables (characteristics), we may want to find out whether people whose parents or grandparents participated in seasonal migration are more likely to engage in seasonal migration themselves than those from families with no such tradition. Similarly, we may want to find out whether children who grow up in families that engage in seasonal migration are more likely to become seasonal migrants themselves than children who grow up in other families. In short, we may want to find out whether a tradition of migration has a distinct and discernible effect. After all, preferences for particular occupations or ways of making a living could partially be transmitted by the family. In this broader sense, too, the family of yesteryear shapes the migration behavior of the family of today.

Putting it slightly differently, we may want to find out whether being born to “a seasonal migration family” makes it more likely that an individual will engage in seasonal migration. Since people are not automata, we should not expect them to follow a tradition blindly. The grip of a tradition could be tenuous if it turns out that adhering to it is thoroughly detrimental to well being. But the likelihood of a break with tradition is inversely related to the length of that tradition. If something has served the family well for generation after generation, a present-day deviation may better be interpreted by an observer of the family’s behavior as more a short-sighted error than a wise rejection of the tradition.

Notice that the logic of the argument that we have presented so far could be reversed. Children may not always dream of working hard, picking fruit and vegetables like their parents, and parents who work hard picking fruit and vegetables may not want their children to follow in their footsteps. Then, a tradition of seasonal migration may not take hold at all. However, it is hard to predict whether that possibility will arise, as children experience the financial benefits of their parents’ seasonal work but not the associated toil.

While these considerations serve to strengthen the appeal of a future empirical inquiry, an obvious difficulty would be how to differentiate between the function of the family as a *conveyor of tradition* and its function as a *network*: since families both pass on traditions and provide networking, how could we tell if the move by family member *i* was facilitated by other family members who migrated earlier creating a migration tradition for member *i* to follow, or forging a migration network for member *i* to utilize?

Perhaps we could distinguish between two types of family members: siblings and parents (and grandparents). The effect of a sibling’s prior migration is likely to be relatively low on the tradition side, while the reverse holds true with regard to a parent’s prior migration. From an empirical point of view then, the coefficient on a parent being a seasonal migrant will be higher than the coefficient on a sibling being a seasonal migrant, because in the case of a parent both the tradition and the network effect are operating, while in the case of a sibling only the network effect is operating.

A related empirically-testable postulate is that the larger the number of families with a long tradition of seasonal migration in a society (region), the higher the present or expected incidence of seasonal migration from the society (region) will be.

Bearing such a perspective in mind, and, of course, developing it further could address a well-justified concern of Bauder’s: “In my view, what is missing from the

literature on labor migration is a comprehensive treatment of how economic, social, cultural, and institutional processes interlock in the context of social production and reproduction" (p. 8).

In the conclusions, Bauder refers to the idea that "Formal citizenship, for example, is a powerful category to control migrant labor in many countries" (p. 199). How does a policy of granting citizenship affect the (economic) behavior of noncitizens? Again, it is possible to obtain a clue from the many references in *Labor Movement* to refugees and asylum seekers. And again too, there is a need to offer a rigorous analysis of how the granting of citizenship, or naturalization, links up with the behavior of the newcomers. Take the case of asylum seekers. A theory of naturalization can show how exactly the "legal process" (p. 199) of naturalization bears upon the economic behavior of asylum seekers, their productivity, and their performance in the receiving labor market and economy—in short, how it "regulates" the labor market.

A logical starting point: there is a notable difference between migrants and asylum seekers in that to a greater or lesser extent, migrants plan ahead and prepare for their move to a particular country, while asylum seekers do not. One important pre-move preparation is the acquisition of human capital that will enhance earnings, such as, for instance, knowledge of the language of the country of destination. While asylum seekers cannot be expected to undertake such an investment prior to their unplanned departure, there is no reason not to expect them to consider acquiring such human capital after their arrival in the host country. Militating against this is the consideration that when such human capital is highly host-country-specific, it will confer little benefit when the asylum seeker returns to his country of origin, assuming, of course, that eventually return will become feasible. There is also no reason to assume that in deciding to acquire human capital, the asylum seeker will not resort to a standard weighing of costs and benefits.

The government of the asylum seeker's host country should welcome this prospect, as it will have available to it a policy lever in a setting that it did not choose. If a larger investment in host-country-specific human capital enhances future productivity, earnings, and tax revenue, the host-country government will want to induce and encourage such investment. One policy tool the government has is the probability of naturalization, assuming that the higher it is, the greater the asylum seeker's incentive to invest in host-country-specific human capital. But before rushing to set a high level of probability, the government will want to weigh in the associated costs: after all, naturalization confers an entitlement to a package of goods and services associated with permanent residency or citizenship, and the provision of such a social package entails a fiscal burden. Presumably, the government will want to maximize its net revenue, weighing costs and returns, a behavior not very distinct from that of the asylum seeker.

It appears then that we have in place all the components of a Stackelberg-type game: the government chooses the probability of naturalization from a set of feasible probability measures, well aware of the influence of its choice on an asylum seeker's incentive to form host-country-specific human capital. Each asylum seeker "takes" the government's choice and selects, from a set of feasible allocations, a level of investment in host-country-specific human capital that maximizes the present value of his net income. In turn, the government "takes" the asylum seekers' optimal responses to the probability of naturalization and maximizes the net tax revenue. All that remains then is to develop and present the analytics of this game.

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The preceding two illustrations—of the operationalization of the roles of culture and tradition, and of naturalization and citizenship—serve to show how *Labor Movement* can inspire or, better, help regulate, disciplined thinking.

Oded Stark  
*Universities of Klagenfurt, Bonn, and Vienna;*  
*Warsaw University; Warsaw School of Economics*