

Globalization & Migration: Issues for Lebanon

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Globalization & Migration: Issues

- Some Facts & Trends relating to:
 - 'Globalization'
 - Migration
- Determinants of Migration patterns: why do people migrate?
- Does it matter?
- Should we do something about it?
- What role for government policy?

Globalization

Globalization refers to the growing integration of economies and societies.

The economic dimensions include:

- Increases in the flows of trade
- Increases in the flows of direct investment
- Increase in the flows of financial capital
- Increase in mobility of individuals across the borders

Economic Integration I

- 'Shallow' integration: resulting from the reduction or elimination of tariffs, quotas, and other barriers to trade in goods at the border, such as trade-limiting customs procedures
- 'Deep': goes well beyond removal of formal barriers to trade and includes various ways of reducing the international burden of differing national regulations. Integration requires the changing of government regulations and practices, as a result of bilateral and international agreements, to make those of different countries the same or more compatible. Harmonization of laws and institutional practices. e.g. EU Association Agreements

Economic Integration II

Economic & Political forces leading increasingly towards 'deep integration':

- Technological innovations leading to lower costs of mobility, transactions & information
- Absence of world conflicts since 1951 & breakdown of Soviet Union
- Increased liberalization & openness policies
- Economic blocs: NAFTA, EU, EuroMed
- International organizations impose common norms, standards: WTO, UN, IFI (WB, IMF, BIS)

Average Annual Growth (Percent)

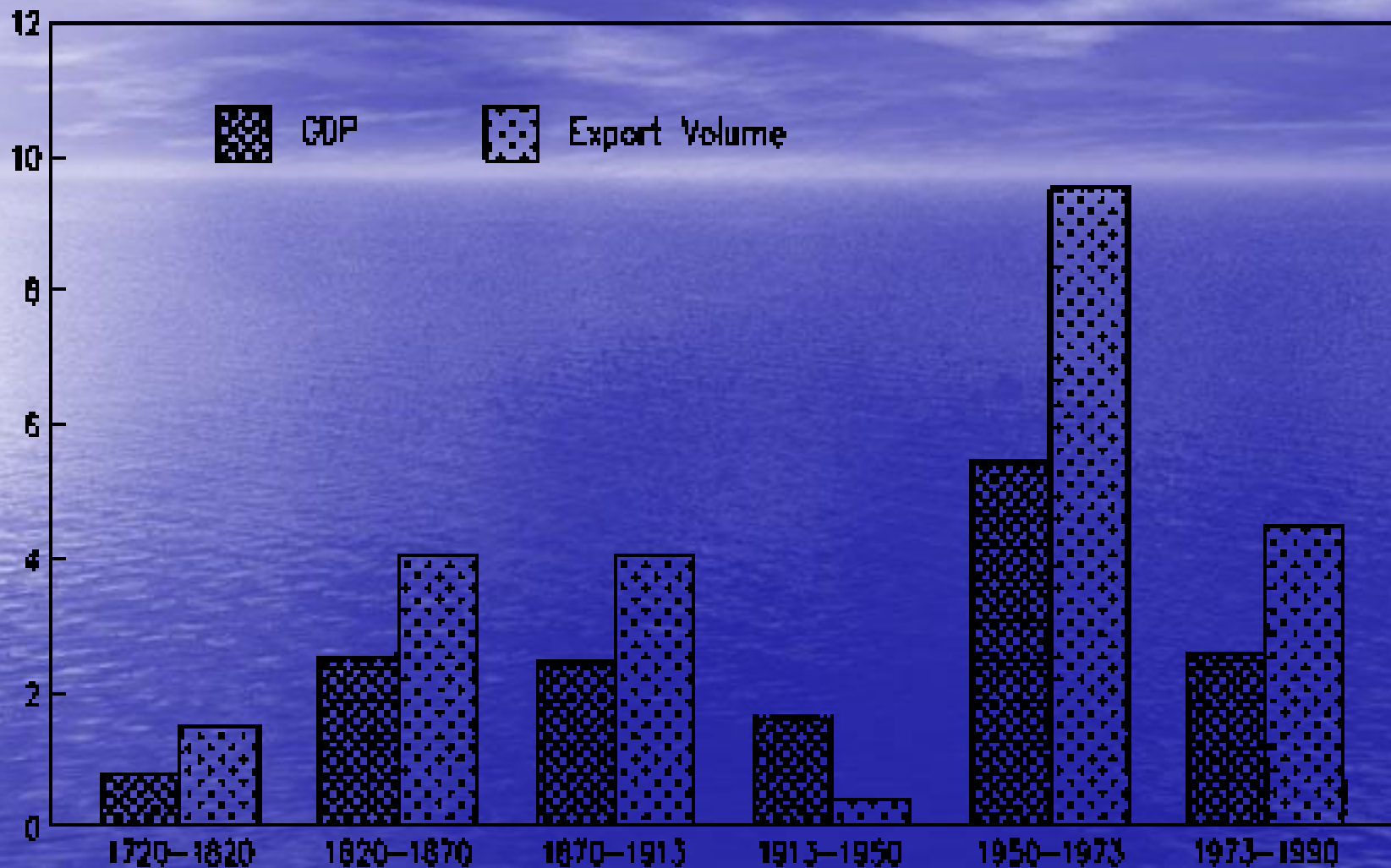


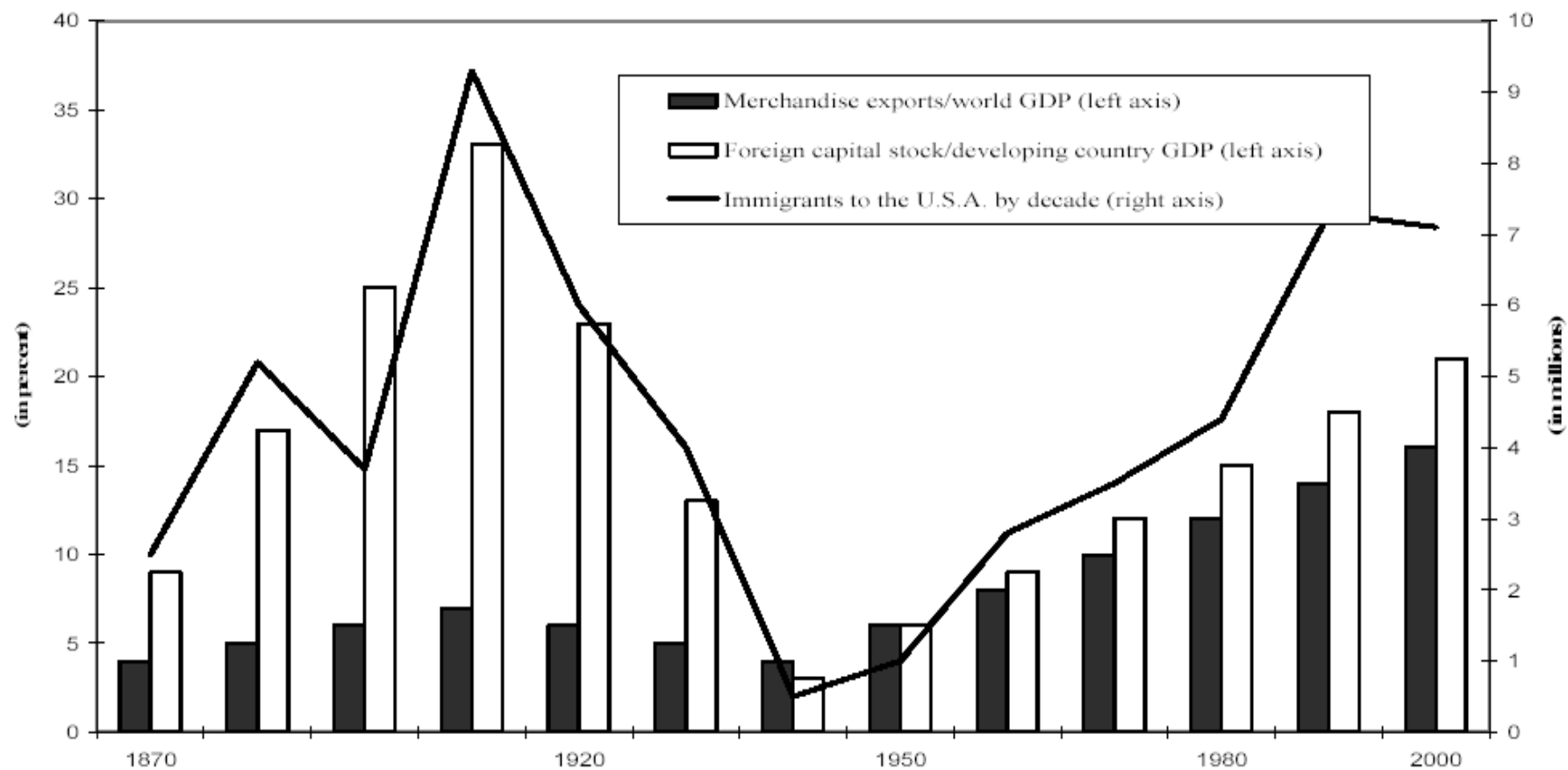
Fig 1.
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Modern globalization can be divided into two waves:

The first wave: end of 19th and beginning of the 20th century.

The second (and the current) wave of globalization:

1950 – 1980; 1980 – present.



Migration: types, patterns, trends

- Voluntary vs. forced migration, displacement and trafficking
- Distinguish Temporary vs. Permanent migration
- Changes distribution & size of national communities and their socio-economic characteristics
- International migration driven by multitude of factors: social, political, religious, ethnic and economic.
- Push vs. Pull factors: conflicts push out; economic opportunities pull in.
- Barriers: laws, quotas, restrictions, immigration policies

International Migration

- For European migrants, the United States stands out as the largest destination country throughout that period, absorbing between approximately 60 to 80 percent of the registered migrants. Gradually replaced by South America and Australia as significant destinations
- Net migration contributed a significant share of the total growth of the white population in the United States. For instance, net migration accounted for between 32 and 43% of the total increase in the white population during 1880-1910.

International Migration II

- In the period after World War II, a clear increase can be detected both in inter-European migration (especially from the relatively poor South to the relatively rich North) and in migration from North African and Mediterranean countries to Europe. The share of Europe as an origin of migrants declined significantly. In its stead, Latin American and Asian countries became a major source.
- Lebanese migration followed similar patterns: US, South America, Sub Saharan Africa pre-WW II; followed by Arab countries following the oil boom.

Research shows:

- Relative skills of successive immigrant waves declined over much of the postwar period; it is unlikely that recent immigrants will reach parity with the earnings of natives during their working lives.
- Immigration may have been partly responsible for the decline in the earnings of unskilled native workers that occurred during the 1980s;
- New immigration may have an adverse fiscal impact because recent waves participate in welfare programs more intensively than earlier waves
- Immigration policy matters, so that host countries which filter applicants in terms of observable skills “attract” immigrants who are more skilled, have higher earnings, and are less likely to participate in public assistance programs
- Immigration has a far-reaching and long-lasting impact

Lebanon: Migration Patterns & Characteristics I

- 1/3 are family members; 48% are closely related to head of household
 - Higher frequency of migration of men vs. women; mostly young men
 - 78% of migrants are in 15-54 age bracket
 - Migrating women are younger on average
 - Migrants are mainly married: 75.4%
- (source: C. Kasparian (2003))

Lebanon: Migration Patterns & Characteristics II

- Migrants are active in labor force: 67.3%
- Migrants are educated: 50% have H.S., Bacc. or University degree
- Male migrants typically higher educated & higher skilled than female migrants
- 1/3 are engineers; 13.8% math, science & IT
- 3/4 got their degree in Lebanon
- 1/2 took a second nationality
- 41.3% seeking jobs; 10.9 seeking better jobs

Lebanon: Migration Patterns & Characteristics III

- 1975-2001: 1/3 to North America, 1/5 to Arab countries
- 1996-2001: new wave of migration 26.6% of all migrants; mostly from South & Bekaa
- 57.8% do *not* send aid to their families
- 57% have no intention of returning
- Based on sample of 19,926 migrants, C. Kasparian estimates total number of migrants at between 600,000 to 900,000

Migration: Consequences & Policy Issues I

- Greater efficiency: from low wages to high wages and economic opportunities
- Remittances and capital inflows
- 'Lebanese Diaspora Network'
- Labor Policy
- Education Policy
- Immigration Policy

Migration: Policy Issues II

Consequences of out-migration & 'Brain Drain' for:

- Economic competitiveness, skills and human capital mix, innovation & productivity growth
- Labor market
- Demography
- Social conditions and advancement
- Cultural & Political cohesion

Policy Reforms

- Reverse brain drain & out-migration:
 - Social Safety Nets,
 - New ICT investments: 'in-sourcing'; cross-border provision of services (banking & financial, consulting, engineering, insurance)
 - 'Deep' economic, political & institutional reforms to ensure long-term sustained economic growth

Thank You

Q & A