



Proposals to the Economic Theory of Labor Migration

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Abstract. The article provides an overview of the evolution of economic theories of labor migration from the middle of the XIX century to the present day. The article considers several theoretical directions of migration: the laws of E.G. Ravenshtein, Everett Lee's push/pull model, neoclassical migration theory, neoclassical migration theory, M. Piore's dual labor market theory, I. Wallerstein's world-system theory, new economic geography and labor migration. Based on the study, it was concluded that there is no unified theory of labor migration and its driving factors. However, the existing theoretical approaches, as the analysis of the issue has shown, can be used to solve certain social and economic problems.

Keywords: migration laws, push and pull model, neoclassical migration theory, dual labor market theory, world systems theory, labor migration, new economic geography.

Introduction

Migration has always played an important role in shaping the population and, accordingly, the labor market of individual countries and territories. However, the main changes in the nature and direction of migration flows have occurred since the second half of the 19th century (Gurieva 2015; Harris & Todaro, 1970; Krugman, 1998). First of all, this was caused by revolutionary changes in the living and working conditions of the population in the most developed countries, due to the rapid development of industry, transport and communications. The construction of factories, railroads, and mass production with division of labor and economies of scale have changed the nature of work, as well as the territorial possibility of its implementation. In search of a better life, people were cut off from their traditional place of residence.

Initially, the so-called countries of traditional immigration - Australia, Canada, and the USA were singled out as the final destination. However, in the post-war period, not only the volume of migration increased in the world, but also its structure changed: instead of Europe, the countries of Asia, Africa and Latin America became the dominant source of migrants in the world, and Europe itself began to actively accept migrants. At the turn of the 1970s and 1980s, even the countries of Southern Europe, Italy, Spain and Portugal, began to take workers from Africa, Asia and Eastern Europe.

In the 1990-2000s, labor migration increased many times and acquired a supranational institutional character associated with the collapse of the Soviet Union, the formation of fifteen new states and the change of political regimes in almost twenty countries of Eastern Europe, whose residents emigrated mainly for economic reasons, focusing on, at the same time, on mental, cultural and political factors.

In the XXI century, a new migration stage has begun, covering the entire countries of North Africa and the Asian macroregion (Krugman, 1991; Lee, 1966; Massey, 1989; Massey & Arango & Hugo & Kouaouci & Pellegrino & Taylor, 1993). Largely caused by the military



threat, humanitarian and political factors, labor migration has acquired the character of a massive and poorly controlled phenomenon. Today, labor migration is on the rise, despite significant linguistic, cultural, religious and political differences between migrants and the populations of the countries they arrive in.

In recent years, the process of labor migration has significantly intensified; moreover, there is a tendency of its growth all over the world. According to the US Department of Labor, the share of labor migrants increased from 150.3 million people in 2005 to 231.5 million people in 2021 and reached 4.2% of the total world population (Piore, 1979; Ravenstein, 1885). In 2021, industrialized countries received 185.6 million labor migrants (10.8% of the population), and developing countries - 105.9 million people (1.6% of the population). This is almost 40% higher than similar indicators in the early 2000s. On the example of Uzbekistan, migration flows are shown with some quantitative indicators (1). For example, in Uzbekistan 75.4% of migrants are men and 24.1% are women. The main area of activity of migrants is construction (51.6%) and agriculture (12.3%) (table 1.).

Table 1. The main area of activity of migrants

Field of activity	%
Construction	51,6%
Agriculture	12,3%
Industry	9,2%
Trade	8,5%
other	18,4%

The main directions of labor migrants are Russia and Kazakhstan (table 2.). With the change in political and economic conditions, the direction of labor migration has changed. New directions for labor migration - Great Britain, Denmark, Lithuania, Poland, Germany, Czech Republic, France, Bulgaria, Singapore, etc.

Table 2. Main directions

Indicators	%
Russia	61,5%
Kazakhstan	16,9%
Türkiye	6,7%
Korea	2%
UAE	0,8%

In these changing conditions, the issue of theoretical understanding of the prospects for labor migration and forecasting its impact on the labor markets of developed and developing countries has become most acute. Currently, there is no single, coherent theory of migration. Existing theories have developed mostly in isolation from each other and describe only a few aspects (Gurieva & Dzhioev, 2015; Brezis & Krugman & Tsiddon, 1993; Gurieva, 2013). However, all of them can serve as a starting point for understanding contemporary migration processes and their impact on labor markets.

The aim of the work is to analyze the known economic theories of labor migration in order to develop practical proposals for enriching theories, the possibility of their application



in the practice of monitoring migration flows to and from Uzbekistan. To achieve the goal, the following tasks were solved in the work:

- analysis and evaluation of migration laws, migration models;
- the neoclassical theory of migration of macro- and microlevels is considered;
- based on the theory of dual labor market and microsystem theory, a new economic geography of labor migration is proposed.

1. Research methods

The methodology underlying the study of this topic is based on heterodox non-mainstream areas of modern economics, primarily the neo-institutional direction. In addition, an attempt was made to incorporate achievements from related fields of knowledge, economic sociology, demography, migration studies of various profiles. Also, for the development of models, the achievements of the theory of human capital were used, which proved to be most effective in studying some economic aspects of migration. Based on the combination of directions, a theoretical and methodological framework has been created that could most fully meet the tasks set in the study. Therefore, the study is based on the method of institutional analysis, which allows assessing the degree of influence of external and internal factors on the functioning of migration institutions of interest and analyzing the mechanisms of operation of specific institutions.

The work uses such methods of scientific knowledge as system analysis, grouping, induction and deduction, comprehensive assessment, logical and comparative analysis, statistical and econometric modeling, forecasting, and others.

2. Results and its discussion. From Ravenstein to New Economic Geography

The article considers several theoretical directions of migration: the laws of E.G. Ravenshtein, Everett Lee's push/pull model, neoclassical migration theory, neoclassical migration theory, M. Piore's dual labor market theory, I. Wallerstein's world-system theory, new economic geography and labor migration. Let's start to analyze the essence of these theories.

In 1885, the English and German geographer E.G. Ravenstein challenged the hypothesis proposed at the end of the 19th century by the English statistician and demographer W. Farr. According to W. Farr, the development of migration has no patterns. E.G. Ravenshtey formed migration laws that try to explain and predict internal and international migration (some laws are relevant in the modern world). Table 3 gives the essence of the basic laws in the theory of migration/

Table 3. The essence of the basic laws in the theory of migration

Nº	The content of the law in accordance with migration processes
1	there is a redistribution of the population between the territories
2	territories differ mainly in economic characteristics
3	most migrants move short distances
4	migration occurs in stages
5	each migration flow corresponds to a reverse flow



6	long-distance migrants migrate to large industrial and commercial centers
7	urban residents are less mobile than rural residents
8	women are more mobile than men when moving within the country
9	men are more mobile than women in moving long distances
10	big cities grow mainly due to migration
11	the volume of migration increases with the development of industry, trade and transport
12	the main reasons for migration are economic

In the 1960s, Everett Lee proposed an econometric model to the classical migration model. In this model, factors of influence on migration processes were indicated.

According to this model, in each territory there are different groups of migration factors: holding, pulling and pushing, which determine the arrival and departure. Some factors affect most people, and some affect only certain individuals.

Forcing factors (unemployment, low income, high taxes) may include some factors of an economic nature. These factors include: social and political (poverty, discrimination, restrictions on freedom of conscience and religion, war); adverse natural; climatic conditions, etc.

Attractors include a high level of economic development, higher income, security, the possibility of entering the labor market (including in the informal sector, which is especially important for illegal immigrants) and other factors.

Along with pushing and pulling, migration processes are influenced by intermediate factors. Intermediate factors increase with increasing distance between territories and can act as restrictions on migration flows. These include transportation costs, legislative regulation of movement, availability of information about the expected region of arrival, etc. Modulo Lee, migration is a selective process, and the same factors can affect different people in different ways.

An important characteristic influencing the migration trend is the stay at certain stages of the life cycle. In theory, much attention is paid to the econometric characteristics of a migrant and the stages of his life cycle.

Modulo, the author concentrates on the economic factors of migration, losing sight of non-economic factors. But these processes can be influenced by rational, irrational and personal reasons.

Another theory based on fundamental research of the second half of the XX century is Neoclassical migration theory. This theory is the basis for explaining labor migration in the process of economic development.

This theory characterizes migration processes both at the macro and micro levels.

Migration is the result of geographical differences in the supply and demand for work. The signal for migration is the difference in the level of wages (income) between the territories of departure and entry. According to neoclassical theory, the study of migration is akin to solving the problem of efficient allocation of resources, so this approach has found practical application in many countries of the world.

The direction of migration flows is determined by the economic characteristics of the territories: if they are attractive, immigration enters the territory, if negative - emigration. The direction of these flows (from regions with low wages to regions with high wages) and capital flows are opposite.



The disadvantage of this model is that the labor market cannot be perfect, and the balancing of demand takes time, while in an ideal market there would be no unemployment.

The provisions of this theory at the micro level include a number of conceptual assumptions (Table 4).

Table 4. Conceptual assumptions of neoclassical theory

Nº	Content of assumptions
1	international labor migration is driven by wage differences between countries
2	once the global wage gap is closed, labor movement will cease
3	flows of human capital in the case of high- and low-skilled labor can occur in different directions due to different driving forces affecting these processes
4	the labor market is the main mechanism through which international labor flows take place
5	other types of markets have much less influence
6	national governments can manage migration flows, mainly by influencing the labor market

Another theory is the dual labor market theory by M. Piore (1979). M. Piore developed a theory according to which international migration is the result of the labor market's own needs in a modern industrial society. According to this theory, international migration is due to the steady demand for immigrant labor inherent in the economic structure of developed countries. According to Piore, immigration in countries of origin is driven by factors such as low wages and high unemployment, and vice versa in host countries where there is a need for foreign labor.

Piore linked the demand for immigrant work to four fundamental characteristics of modern industrial society: structural inflation, motivational problems, economic dualism, and labor demographics.

Dual labor market theory neither asserts nor denies that factors perform rational and self-serving actions, as microeconomic models predict. The negative attitude of people in the developed industrial countries to low-paid jobs opens up opportunities for hiring foreign workers. The implications of the dual labor market theory differ from those of microeconomic models (Table 5).

Table 5. Dual labor market theory and its implications

Nº	Consequences of the Dual Labor Market Theory
1	international labor migration is based on the demand of employers in developed countries
2	since the demand for migrants is formed due to the structural needs of the economy, the level of wages is not a condition for labor migration, so employers can hire workers without raising wages
3	low wages in host countries will not increase due to a decrease in the number of immigrants
4	low wages in host countries may fall as a result of an increase in the number of immigrants
5	the possibilities of state influence on international migration are small, only serious changes in the economy can affect the demand for immigrants

The disadvantages of M. Piore's theory are that it deals exclusively with pull factors and loses sight of the push factor associated with demographic transformations in developing countries. Also, this theory does not consider the mechanisms for making decisions about migration.

Another theory is I. Wallerstein's World System Theory. considering migration in the context of the world-system paradigm. According to this theory, the world or country is

divided into periphery and center (Fig. 1). As a result of the expansion of capitalism, the structure of the periphery changes, peasants become dispossessed of land, and cities develop. Globalization accelerates migration processes, and emerging global cities create demand for immigrant labor.

According to Wallerstein, as economic relations penetrate the periphery, a non-capitalist society forms a mobile population that is disposed to migrate abroad.

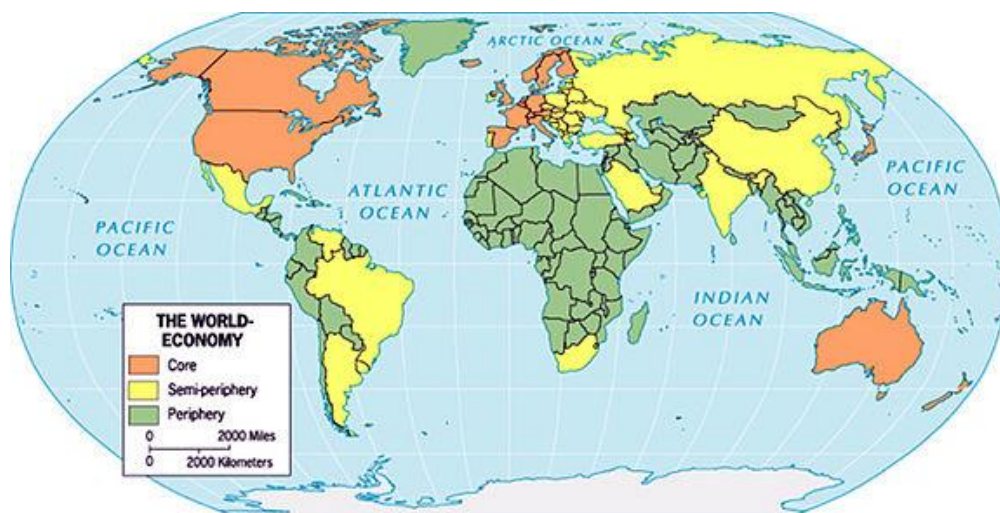


Figure. 1. Countries of the world according to I. Wallerstein's world-system analysis: center (core), semi-periphery (semi-periphery) and periphery (periphery)

The main theoretical views of I. Wallerstein can be reduced to the provisions (Table 6).

Investment and globalization are followed by the creation of a transport and communication infrastructure, the international movement of labor as a whole corresponds to the international movement of goods and capital in the opposite direction. The process of economic globalization is creating cultural ties between the major capitalist countries and the developing countries that border them. The global economy is driven by a relatively small number of urban centers that tend to concentrate banking, finance, management, professional services, and high-tech manufacturing.

Table 6. Main theoretical views of I. Wallerstein

№	The main provisions of I. Wallerstein and their semantic content
1	In order to achieve the greatest profit, capitalists strive to mechanize production, to use production resources.
2	Land integration and consolidation is leading to the destruction of traditional land use systems based on inheritance and common use. The mechanization of production reduces the need for manual labor, which leads to a redundancy of labor. It is a labor mobilization factor
3	The extraction of raw materials for sale on the world market requires industrial methods based on paid labor. The wage offer creates a labor market based on a new concept of individualism, self-interest, which leads to social change. These trends are driving geographic labor mobility in developing countries
4	Some people - as they penetrate into their spheres of market relations - move to cities, which leads to the urbanization of developing countries, many go abroad, as globalization creates material and ideological ties to the regions where capital originates. Foreign investment that drives economic globalization comes from a small number of the world's largest cities, whose structural features create a strong demand for immigrant work



The world-system theory argues that international migration follows the political and economic organization of an expanding global market, from which six different hypotheses follow (Table 7).

International migration, after all, has little to do with wages or differences in employment between countries; this follows from the dynamics of market creation and the structure of the global economy.

Another theory New economic geography is a type of economic analysis, the purpose of which is to explain the effects of agglomeration and the outstripping development of the region's economy by creating models of imperfect competition with increasing returns.

New economic and geographical models also describe the effects of skipping, the "great leap" - a mechanism that explains the phenomenon of changing leaders during periods of rapid technological change, when "the last become the first.

"Technologically and economically backward countries have less experience. New technology allows them to take advantage of lower wages to enter the market. If new equipment or technologies, institutions, structures are more productive than old ones, then there is a change of leaders. Often the factors that provided the country the opportunity to become a leader at one stage of technical and economic development, at the next stage they become a brake and impede its dynamic development. Initial success turns into a subsequent failure.

Table 7. Hypotheses as consequences of the world-system theory

No	Hypothesis and its interpretation
1	international migration is a natural consequence of the capitalist formation of the market in developing countries
2	the penetration of the global economy into peripheral regions is a catalyst for the international movement
3	the international flow of labor follows the international flow of goods and capital, but in the opposite direction. Capitalist investment causes changes that form a mobile population in peripheral countries, while at the same time strong material and cultural ties are established with the main countries, which leads to transnational movements.
4	International migration is especially characteristic of the former metropolises of the colonial powers and their colonies, since cultural, linguistic, administrative, investment, transport and communication ties were established long before that and allowed the development of free competition, which led to the formation of specific transnational markets. and cultural systems
5	International migration is linked to the globalization of the market economy; State regulation channels at the level of immigration are the regulation of corporate foreign investment activities and control over international flows of capital and goods
6	The political and military government interventions of the capitalist countries to protect their investments abroad and the support of foreign governments in their quest for expansion in the world market when they fail, cause a movement of refugees directed to specific key countries, creating a different form of international migration.

This mechanism of advanced innovative development works not only at the national, but also at the regional level. In order to create or maintain a competitive economy, the state power must support innovative firms and innovative development of regions based on a combination of scientific, industrial, technological, organizational, market, monetary and other factors.



Conclusions

Scientific approaches of the economic theory of labor migration serve to understand the causes and factors of not only previous, but also modern processes of international migration. In every territory there are factors of migration: deterrents, pulls and repels, arrivals and departures, with some factors affecting the majority of people, and some - only individuals. For this reason, the classical theories of migration do not lose their relevance today and are used to solve various goals and problems.

In our opinion, the analysis made in the paper explains more accurately than others the development of a spatial economy associated with an increase in the cost of innovative assets (the basis of these assets is human capital) located in the region and involved in the system of global exchanges.

The proposed hypotheses have different implications for the development of migration policy. Depending on which model is supported, policies can regulate international migration by changing wages and working conditions in host countries, by promoting economic development in countries of origin, creating a social insurance program, improving futures or capital markets in developing regions, or a combination of these actions.

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