

Migration and regional development: a research review

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Content of presentation

- 1) Background: theoretical and policy understandings of the role of migration**
see: www.communities.gov.uk/archived/publications/housing/developmentofamigrationmodel
- 2) International migration: some analyses of medium-size city regions in Europe**
see: www.ncl.ac.uk/curds/research/projects/project/3502
Acknowledgement: EUROCITIES work strand funded by the EU
- 3) Migration between regions in the same country: the city regions of England**
see: www.jrf.org.uk/publications/population-movement-and-socio-economic-complexion-communities
Acknowledgement: Joseph Rowntree Foundation
- 4) Review of policy issues**

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Emmanouil Tranos and Simon Raybould*

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1) Background: migration and regional development

Migration fuels population growth/decline and so has built-in multiplier effects

Population growth, especially of the better paid, can stimulate economic growth

Growth in a region raises private sector confidence, perhaps sustaining new amenities in the area that may then attract more migrants (those with choice)

Loss of population harms municipal fiscal strength, thereby cutting resources available for economic development activity

Most migration flows between regions are ‘selective’ (by age and/or skill level)

Selective out-migration can reduce the number, and proportion, of the more highly-skilled members of the workforce in an area

People with the skills knowledge-rich sectors need are relatively scarce

Although the ‘knowledge economy’ emphasis can be exaggerated, research shows knowledge-rich sectors do tend to accelerate growth

Much current economic development policy focusses on the attraction of talented/skilled/creative migrants (cf. the Richard Florida thesis)

Migration and regional development: causal links

The former neo-classical orthodox view: migration as supply-side response

Regional development primarily driven by shifts in capital investment leading to change in labour demand SO migration *equilibrates* by shifting supply

Not a ‘fashionable’ view now, yet the *spatial contrasts in work opportunities do* remain among the fundamental motives of migrants between regions

More recent neo-classical ideas have given precedence to supply-side factors

Regional development relativities driven more by qualitative factors including knowledge work and sectoral clusters SO skills and talent then key assets

CONSEQUENTLY the attraction/retention of talented people central to policy; research reveals attractivity factors include sun and services (& diversity?)

No necessary equilibration: spatial contrasts may be perpetuated or widened by these patterns of movement between different regions of *human capital*

What then are the key factors for a region?

The relative level of [appropriate] job opportunities remains a/the key factor

BUT relative to where? Where are labour migration flows to and from?

...both total and NET migration flows tend to diminish with distance...

Most short-distance moves are *not* labour migration (although they are increasingly implicated in longer and less standard commuting flows and as such do relate to issues of labour availability and hence job matching)

In many countries the capital city or some other *gateway* has many migrant in flows from other countries: London has an annual *net* inflow of 50,000-100,000 international migrants...over half of England's total in most years
...SO for most regions, *domestic* migration is critical (even if less 'exciting')

For specific groups, the attributes of a region also affect its relative attractivity:

- in most COUNTRIES of Europe there is a drift towards warmer regions
- in most counties, young adults are attracted to metropolitan regions
- early evidence in the US sees diverse regions attracting the talented

There are also strong contrasts between countries & regions in migration rates

...a more isolated/self-contained/insular region cannot obtain a growth dynamic from migration BUT this may also help it avoid rapid decline

2) International migration: different regional impacts

Many similarities between the patterns within the two flows into UK regions...

IN FACT the really strong contrasts are WITHIN each migrant stream...

Migrant groups differ greatly in terms of their economic development impacts

- the higher-level skilled, perhaps moving within a corporation **vs.** the rest
- those who stay only short periods (even ‘gap’ years) **vs.** those who settle
- those who are single (and probably young) **vs.** those with dependents

SO what does this mean for medium-sized city regions across Europe?

Limited data on migration flows (even less on economic development impacts)

- key problem for most countries with data on *outflows* ...and hence NET flow
...this especially relates to characteristics such as skill levels
- migrant policy is a (multi-)national concern so data sources not orientated
to meeting the concerns of *regional* development

The following evidence on regions uses data on non-nationals in labour force

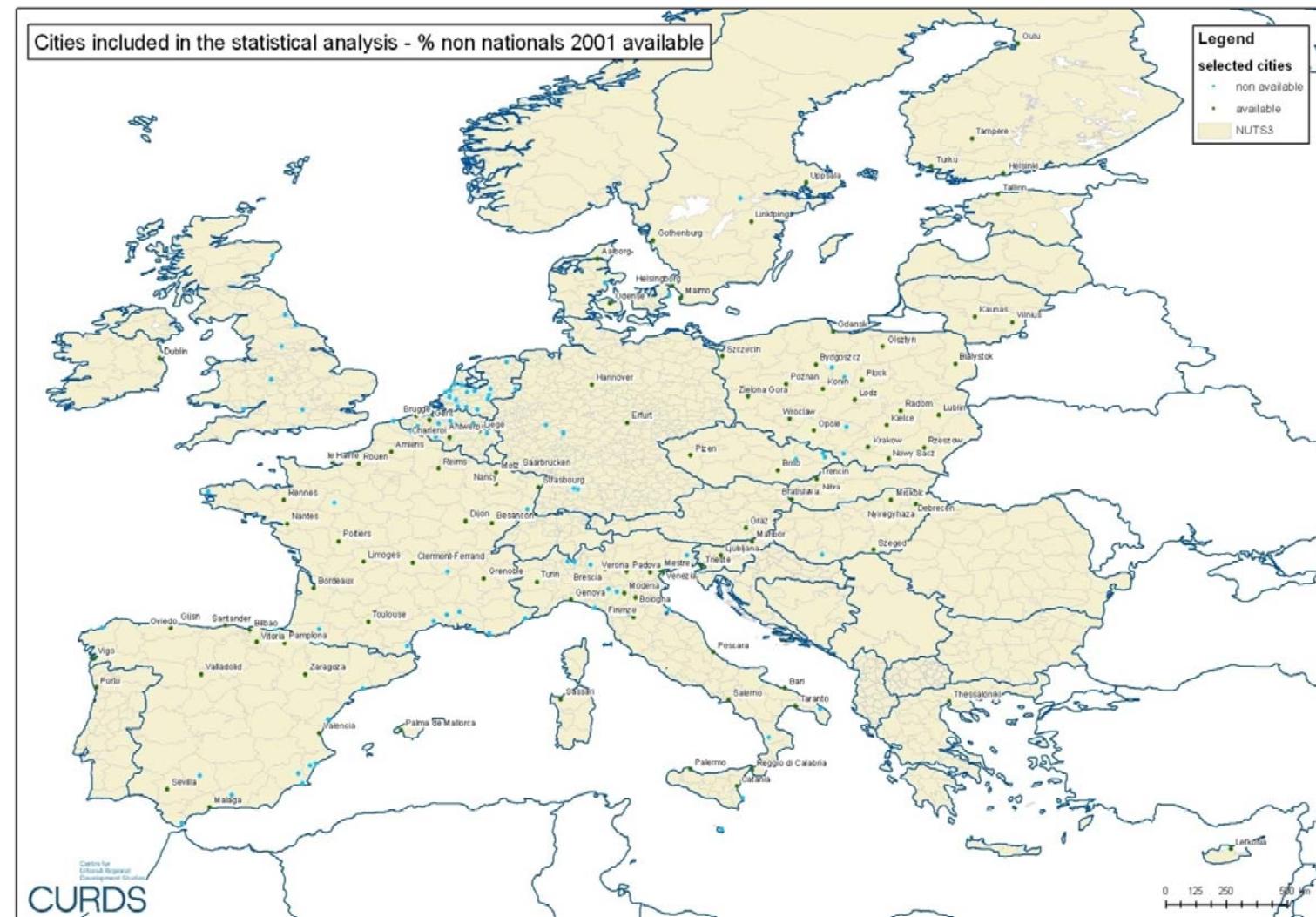
Cities with data on non-nationals (and other factors)

NUTS3 regions including (most of) the city region surrounding a medium-sized city (ie. an urban area with at least 200,000 but no more than 1.6million residents).

200 candidate
“city regions”
(defined above)

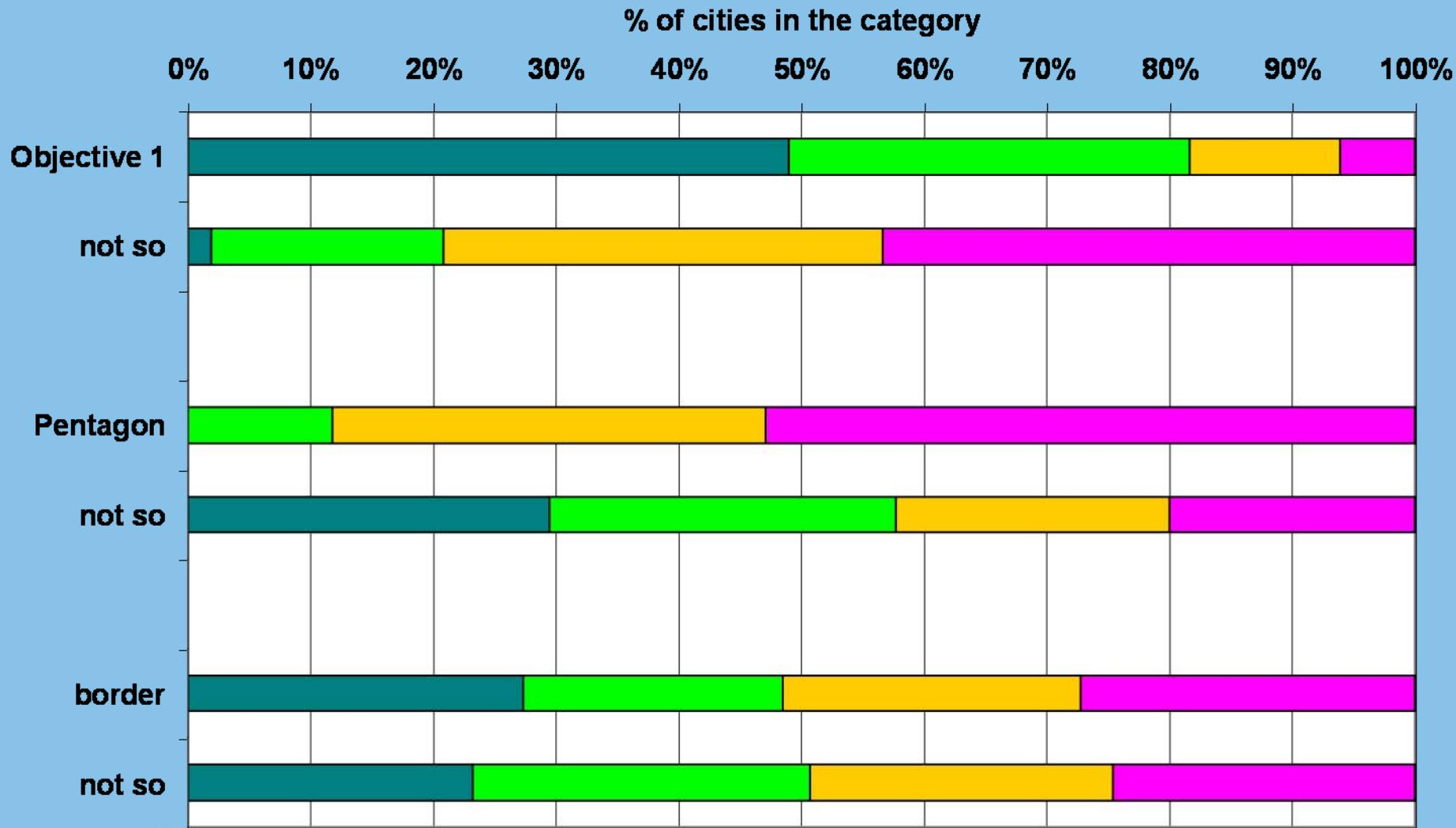
100 with 2001
data on % non-
nationals among
the labour force:
this is the key
“migration-
intensity” (%)
measure

60 also with data
on 2004 allowing
2001-4 change
to be measured



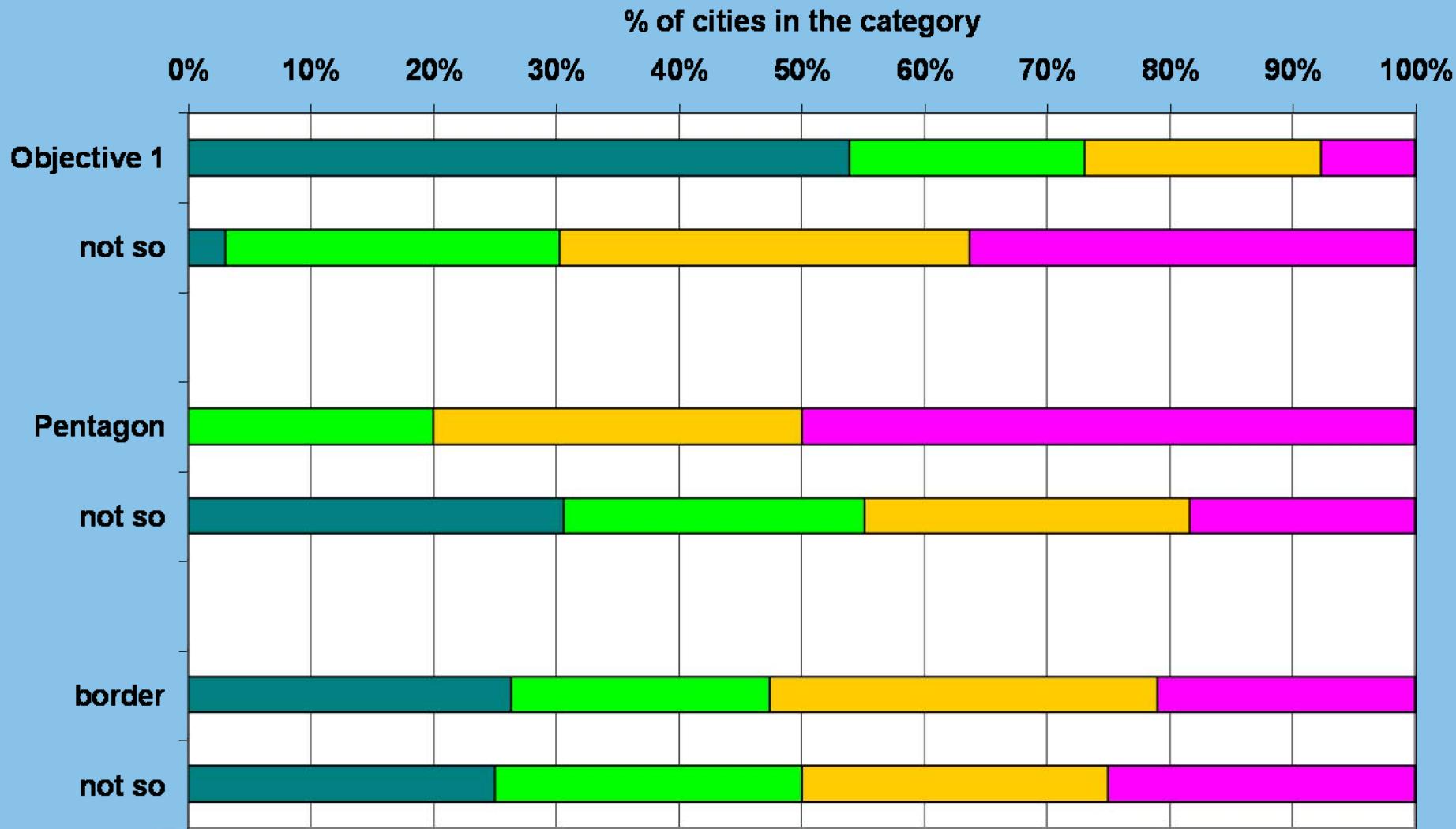
Location factors and migration-intensity up to 2001

migration-intensity quartiles: 

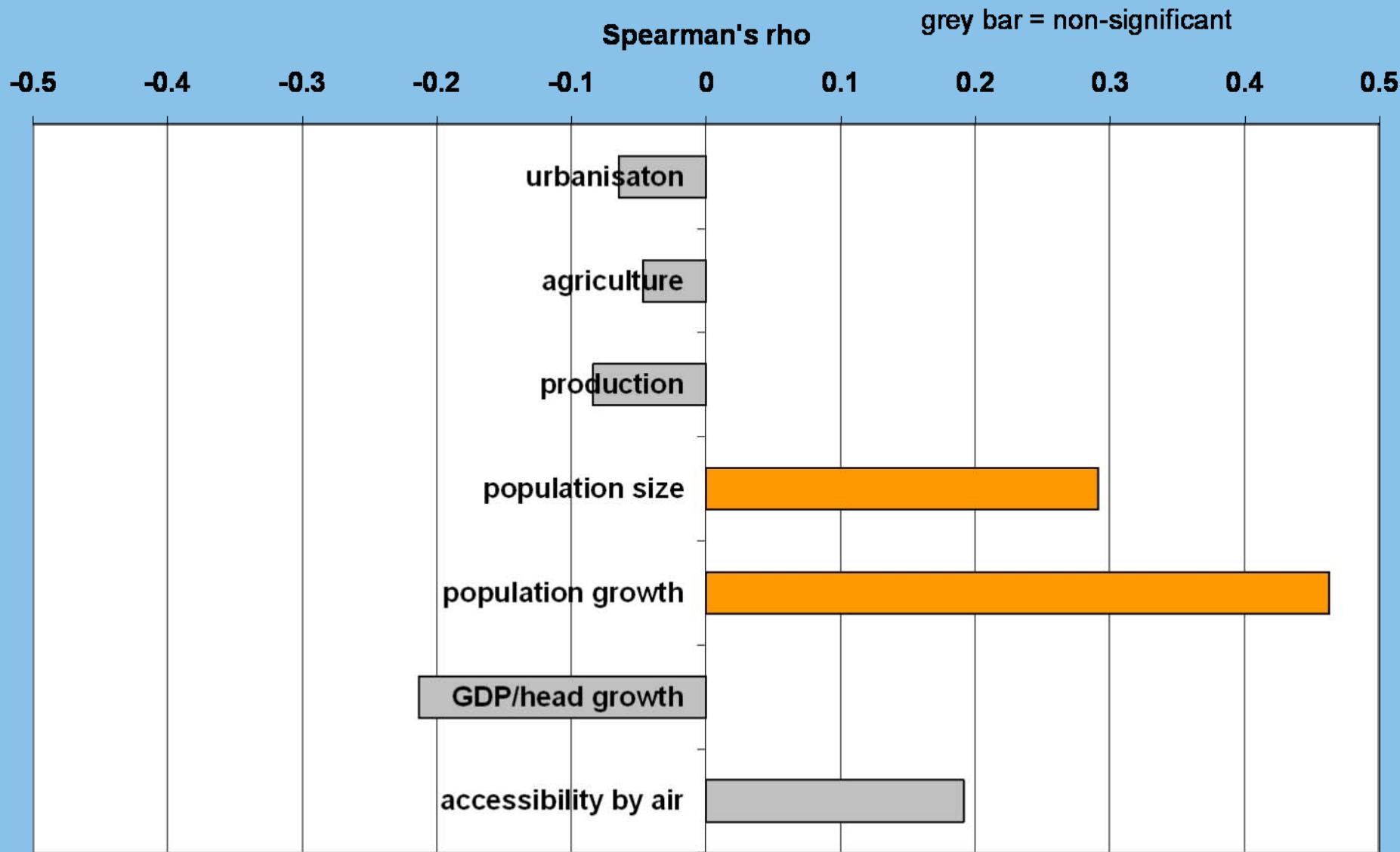


Location factors and migration-intensity 2001-4

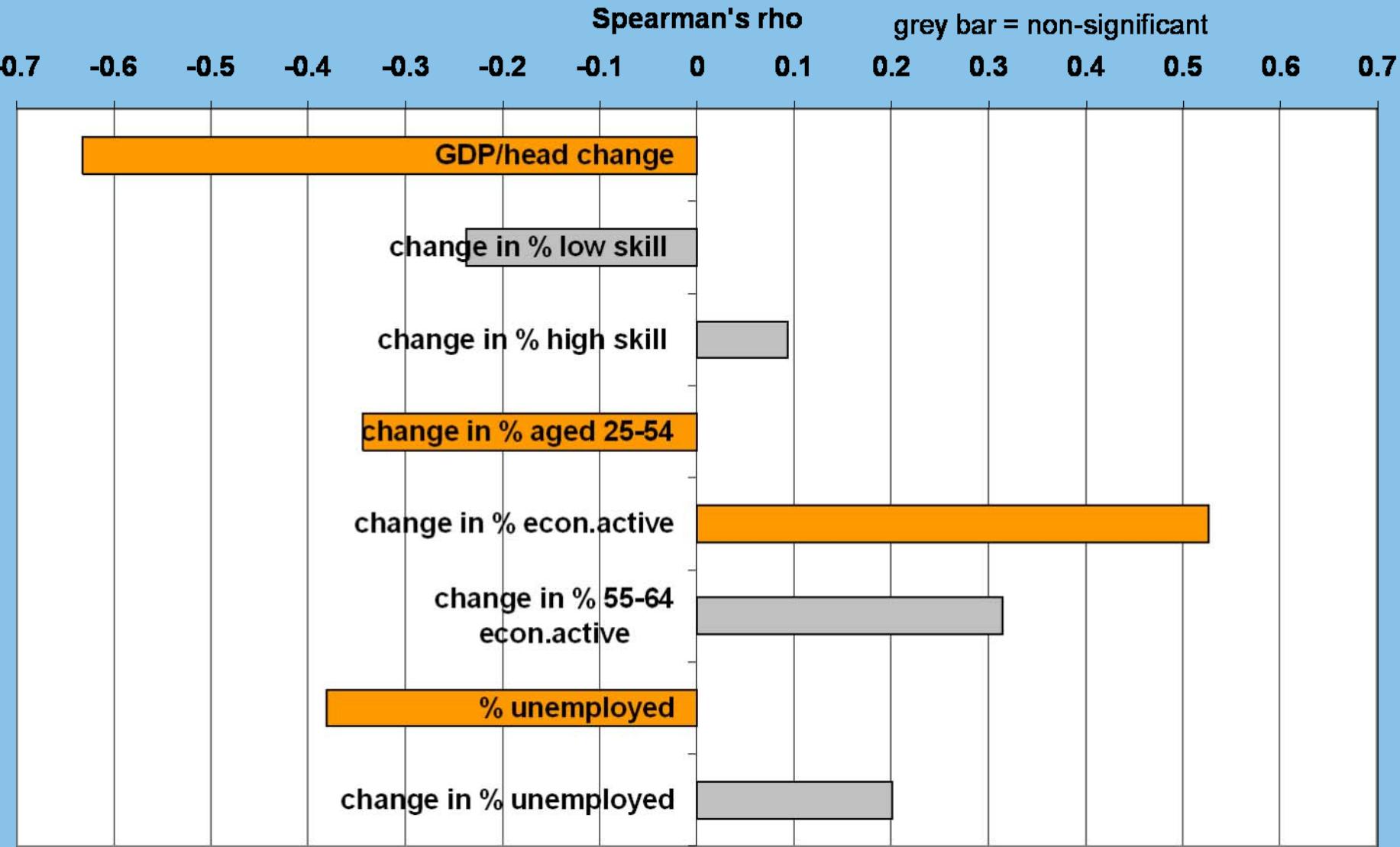
migration-intensity quartiles: 



Other factors and migration-intensity 2001-4



2001-4 migration-intensity and ‘downstream’ issues



Summary of evidence from international migration

International migrant flows tend to be towards more affluent city regions

This remained true even when there was convergence across Europe in the level of prosperity: the migrant flows do not focus on economically growing areas but to those with high prosperity levels already

These conclusions relate to the cumulative effects of many years (up to 2001), and also to change over a rather short period (2001-4)

This was mostly before the ‘shock’ of the accession to the EU of several countries across central and eastern Europe (termed the “A8” in the UK)... BUT a CURDS study shows A8 migrants chose areas with labour shortfalls

In terms of aggregate flows – if not a sub-group of talented people – the real policy lesson appears to be to develop a buoyant economy and then the migrants will follow if it will improve their economic prospects sufficiently (and the legislative and other conditions permit the migration)...

IS THE SAME TRUE FOR MIGRANTS WITHIN THE SAME COUNTRY?

3) Migration flows *within* national borders: the UK

International migrants are unlikely to make up a major part of the high skill labour force that regions need to build a knowledge economy (apart from national capitals or other gateway cities...as illustrated by London in the UK case with its very substantial inflows, which seem to have replaced flows from less prosperous parts of the UK for jobs at 'entry level')

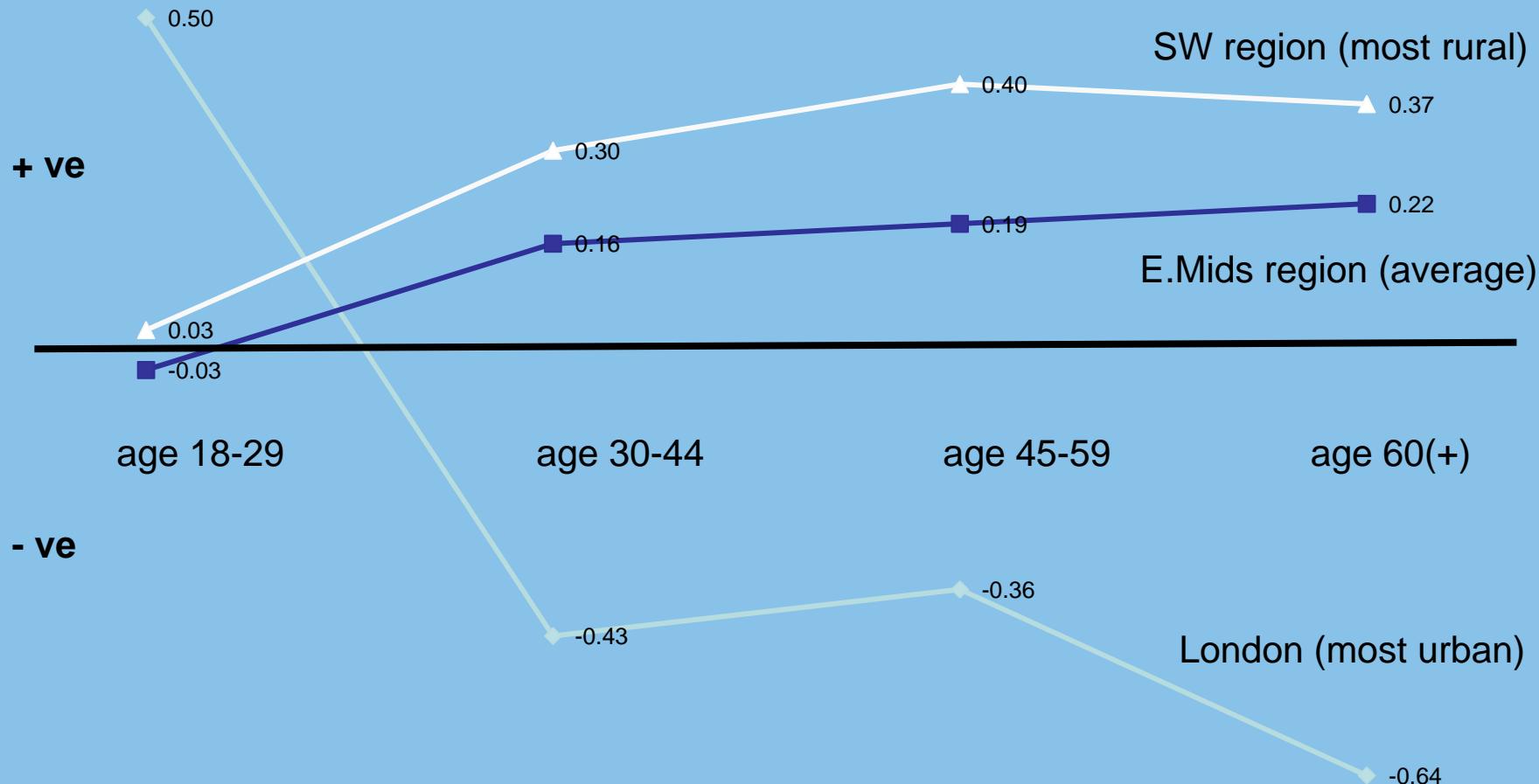
In the UK (and similar countries):

- * migration rates vary through economic cycles
- * rates highest for students, then other young adults (especially professionals)
- * fewer than 10% of moves – mainly job-related ones – are 200km(+)

London (and similar capitals) benefits from a continuing 'brain drain' from other regions whose labour forces risk becoming trapped in a low skill equilibrium (because few local jobs require high skills, so skilled locals migrate to other areas with better opportunities, and few high skill migrants are attracted in)

Relationship between area attractivity and rurality (regional averages) see: *J. R. Statist. Soc. 'A'* 173 (4)

Net value of 'pull' and 'push' scores (Congdon 2010)



Many factors driving migration are ‘anti-urban’ in UK

UK research by Champion *et al* (1998) & Fotheringham *et al* (2002) identified factors which attract or deter migrants

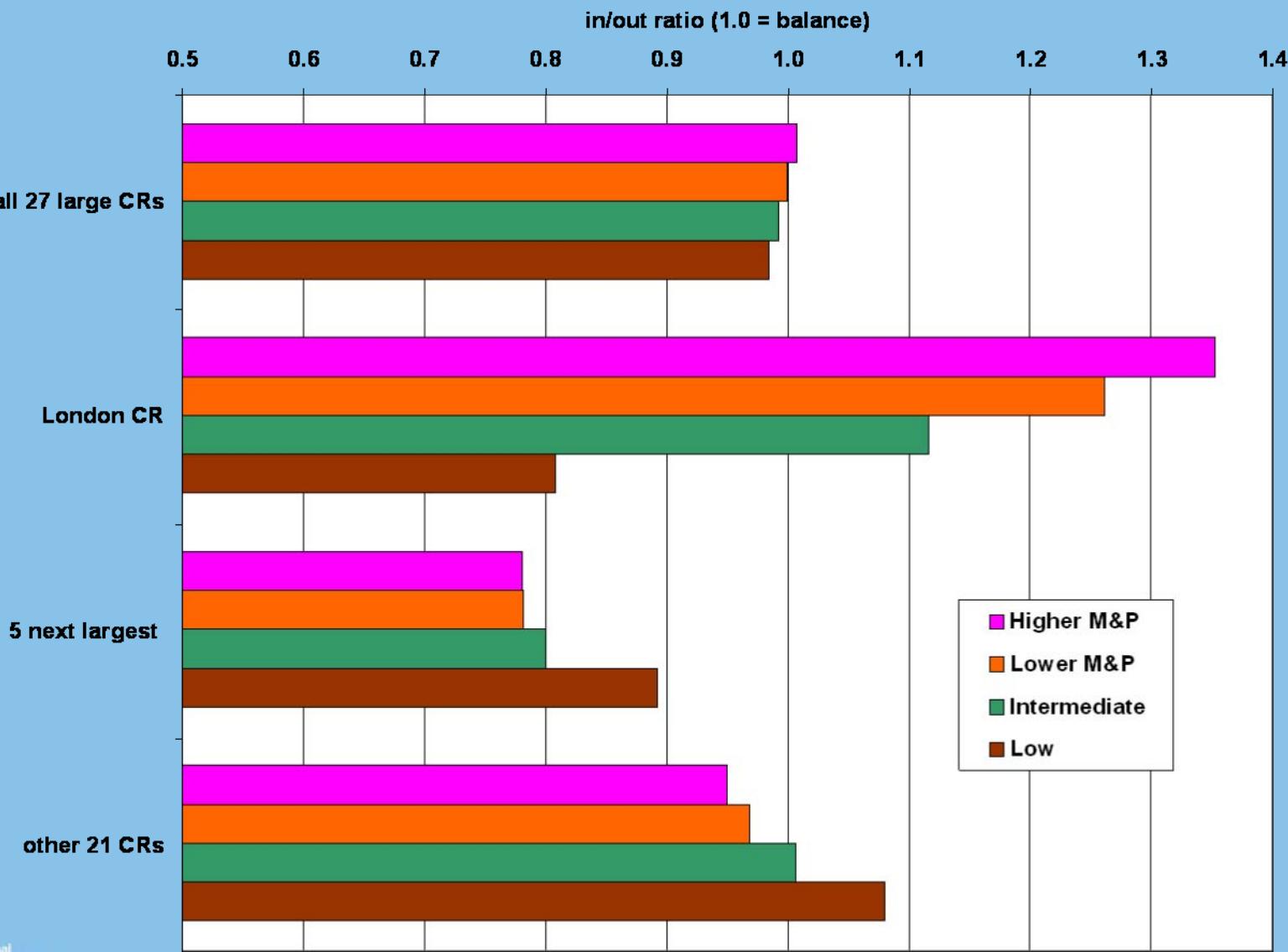
[*RED = tend to work against cities*]

Demographic	all age groups (except young adults) favour rural living
Socio-cultural	areas attracting migrants house fewer non-White people but also higher levels of deprivation
Environment	migrants go to attractive places (many listed buildings) and areas with lower crime rates and better air quality
Housing	most people aspire to owner occupation migrants tend to go where house prices are higher
Labour market	migrants seek areas with fewer unemployed of their age but also lower employment growth
Policy	migrants favour areas with lower Council Tax levels

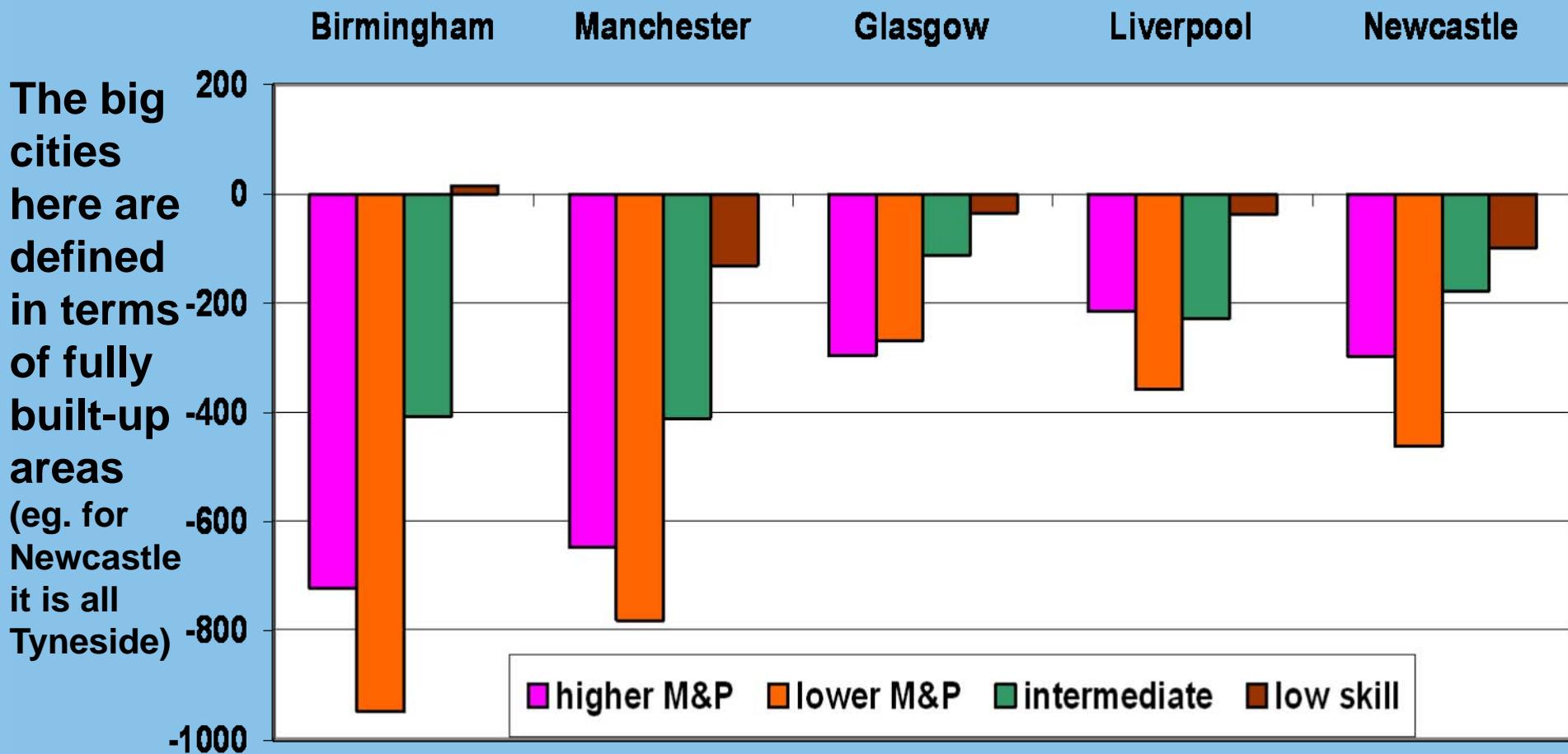
As a result, the average NET annual outflow from the largest seven conurbations approached 100,000 per year over the last decade

BUT: London is an exception as a focus for migrants who seek both geographic *and* social mobility

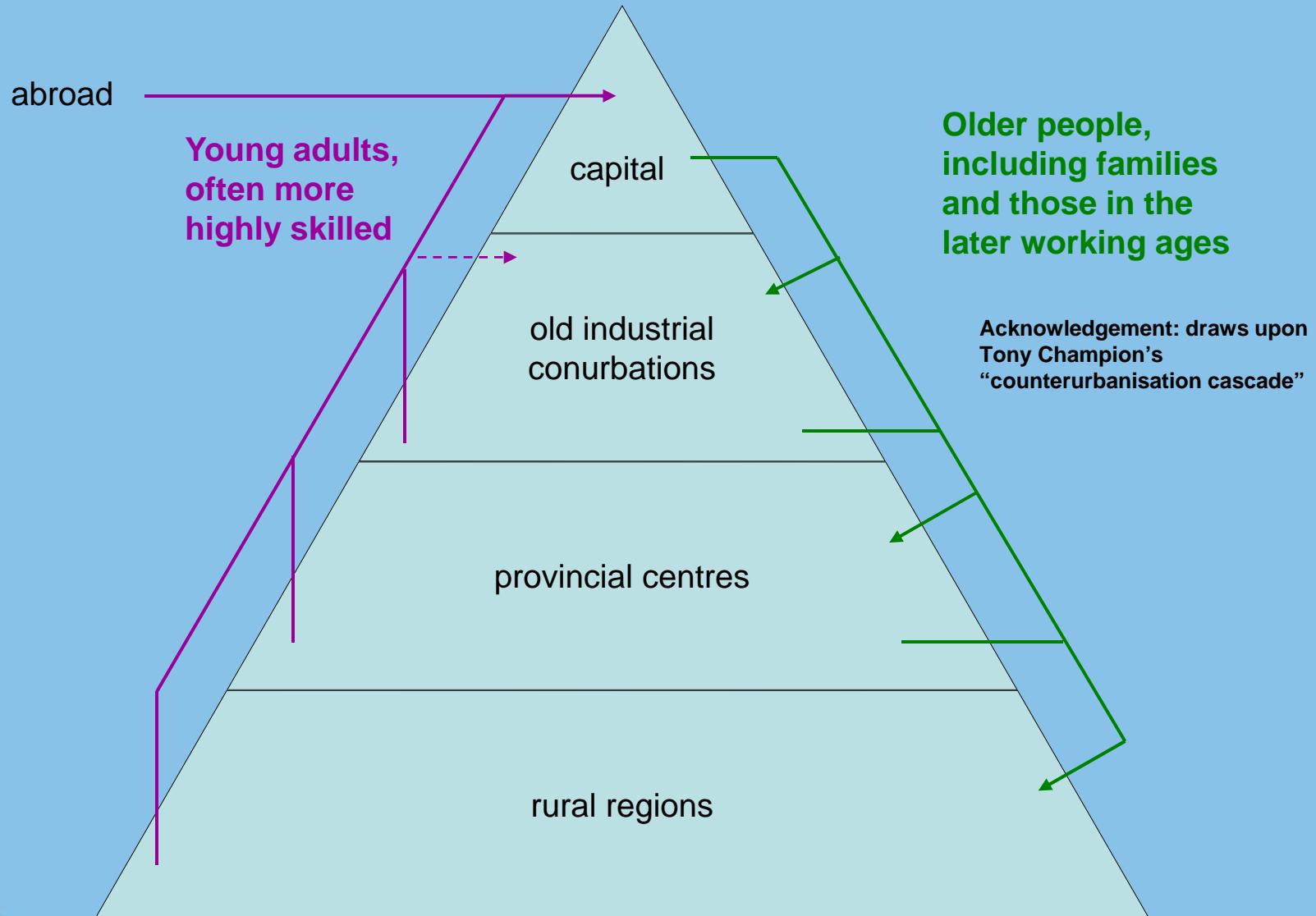
London has its highest in/out ratios for the most high skill groups: the 5 large CRs in the north have their *most negative* in/out ratios for the most highly skilled groups



Flows between London CR and the other big cities show their direct loss of skilled labour to the capital



Migration and the UK urban system: schematic view



Conclusions from UK internal migration analysis *and policy questions*

Most cities (apart from London) lost skilled population with intra-UK migration:

can a more widespread urban renaissance be generated?

London attracted many high skilled migrants, often from other large cities:

how can more cities attract/keep this key group?

Students moving to university boost most city populations, but the later loss of recent graduates weakens their growth potential:

what can improve graduate retention in provincial cities?

Most cities gaining strongly from migration not only have had job growth but also have the attributes associated with a higher quality of life:

can quality of life advantages compensate for persistent low economic growth in older industrial cities so they attract more migrants in future?

4) Review of policy issues

Can regional policy alter migration patterns? There is little evidence that it can

The **conventional** understanding from neo-classical economics, and modelled by regional science, sees net migration flows mainly as people responding to labour market 'signals' (primarily better prospects for well paid work)
SO if regional policy stimulates the local economy, net in-migration follows (eg. New Towns attract employers, then migrants, then a multiplier effect)
& IF with growth in 'advanced' sectors, the net in-migration is **selective** which will increase the multiplier effect (highly-skilled≈ highly paid)

New model (from Richard Florida especially) suggests areas FIRST attract and retain talented/skilled/**creative** migrants, then the migrants enhance growth via innovation and/or enterprise (boosting productivity and growth)...
Florida says **diverse** and **tolerant** areas succeed BUT the evidence largely from within-USA flows in a time of growth (and a 'policy-free' situation)

There are many sources for a region's (potential) future 'talented' labour force
Attracting in-migrants, from within the country or abroad, can have a role
BUT most regions will gain more from raising local skill levels while also encouraging potential out-migrants to remain by increasing opportunities through more conventional regional policy actions