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
   Acknowledgement: Joseph Rowntree Foundation

4) Review of policy issues

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Controller of HMSO and the Queen’s Printer for Scotland
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)
Selectivity 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 equilibriates 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 1.6 million 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:

<table>
<thead>
<tr>
<th>% of cities in the category</th>
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<tr>
<td>0%</td>
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Objective 1

not so

Pentagon

not so

border

not so

SO: migrants had gone to prosperous regions
Location factors and migration-intensity 2001-4

migration-intensity quartiles: lowest low high highest

% of cities in the category

0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%

Objective 1

Pentagon

border

not so

SO: migrants were still going to prosperous regions
SO: migrants have increasingly gone to larger cities, and to city regions with growing populations.
2001-4 migration-intensity and 'downstream' issues

SO: prosperous regions (where migrants still went) grew less economically [a period of convergence]
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 attractiveness and rurality (regional averages) see: *J. R. Statist. Soc. ‘A’* 173 (4)

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

SW region (most rural)

E.Mids region (average)

London (most urban)
Many factors driving migration are ‘anti-urban’ in UK


[ 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.

The big cities here are defined in terms of fully built-up areas (e.g., for Newcastle it is all Tyneside).

![Bar chart showing flows of skilled labour between London and other cities, with categories for higher M&P, lower M&P, intermediate, and low skill.](chart.png)
Migration and the UK urban system: schematic view

- Young adults, often more highly skilled
- Abroad
- Old industrial conurbations
- Provincial centres
- Rural regions
- Capital

Acknowledgement: draws upon Tony Champion’s “counterurbanisation cascade”

Older people, including families and those in the later working ages
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 entreprise (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