

Globalization, a catalyst for migration: benefits for the host country and the country of origin

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Keywords

Globalization, migrations, globalization, global governance, host country, country of origin.

Abstract

About three per cent of the world's population, 200 million people, is living in countries which are not their country of birth. Many homogeneous societies have been changed into multicultural communities where people from different cultural backgrounds and language live together. Globalization is referred to as the increased in links across the globe. There are four links as identified by IMF which are trade and transactions, capital and investment movements, migration and movement of people and the dissemination of knowledge. Globalization may not be the cause of migration, but it is definitely a catalyst that increases migrations to many parts of the world. There are several theories to why migration takes place. So these are the questions that come to mind, how does globalization influence the occurrence of international migration? What aspects or dimensions of globalization influence international migration? This paper would also provide an insight to how migration brings about economic and development growth of the host country and the country of origin.

Introduction

About three per cent of the world's population is living in a country which is not their country of birth. This would amount to about 200 million people (United Nations Development Programme, 2009). Akman (2011) noted that only 10 – 15 per cent of the world's countries can be reasonably described as ethnically homogenous. Many homogeneous societies have been changed into multicultural communities where people from different cultural backgrounds and language live together.

1.1. Globalization links to migration.

Globalization is referred to as the increased in links across the globe. There are four links as identified by IMF (2000; 2008) which are 1) trade and transactions, 2) capital and investment movements, 3) migration and movement of people and 4) the dissemination of knowledge. Globalization may not be the cause of migration, but it is definitely a catalyst that increases migrations to many parts of the world.

Based on IMF (2000; 2008) definition of globalization would mean that migrants can treat the globe as a common space. However currently, migration does not enjoy the freedom that the nations of the world extend to other aspects of globalization, such as capital, money, information and knowledge. Policies towards international trade are very liberal while policies towards international migration are very restrictive. Migration policies tend to be largely national strategies. As it is, the Immigration polices certainly appear to have remained a lot tougher than restrictions on trade, particularly in the developed world (Munck, 2008).

1.2. **Motivation to migrate.**

Migration like globalisation is not a new phenomenon. Man has been motivated to migrate since the dawn of history for the sake of hunting to seek food for himself, family or his domesticated animals. This motivation changes through time, bringing about many other reasons that bring about migration of man.

Globalization has increased interpersonal international cultural exchanges visa migration, tourism and exchange studentships. In the current world, most migration occurs between developing countries. There are several theories to why migration takes place. It should be something traumatic or meaningful enough to motivate the migrant to move away from the place they are born it. One consideration would be motivations via pull and push factors from three major influences (Ciarniene and Kumpikaite, 2011).

Push factors would be when the destination country includes a better economy as compared to the home country, leading to better job advancements, wages, and employment or when the home country suffered from a natural disaster. Pull factors would be when the destination area is actively recruiting for certain jobs, attracting the workers from another area. Another influence would be the network factors that link origin and destination areas. An example would be when some members of a family emigrates to another country, while others remain, the family and home country would benefit from the financial support that was sent back to family members (Ciarniene and Kumpikaite, 2011).

In fact, the immigration policies of high-income countries welcome skilled and highly skilled workers, and more low-skilled migration does not automatically translate into faster development of migrants' countries of origin. For developing nation, emigration of young Lithuanians is of great concern in the country. In 2005, above 48.100 left the country, in 2006 – 27.800 out of which above one third is people from 18 to 29 years of age; majority emigrate for economic reasons or because they are undervalued as specialists (Celenkocic, et al., 2011).

2. **Significance**

There is an association between globalization and economic development with international migration. Movements of commodities and capital would almost always give rise to movement of people. Globalization is also thought to be the cause that increases the number of people with the desire and capacity to move to other places. So these are the questions that come to mind, how does globalization influence the occurrence of international migration? What aspects or dimensions of globalization influence international migration?

This paper would also provide an insight to how migration brings about economic and development growth of the host country and the country of origin. There is currently a lot of interest from the governments of developed countries to look into movements of migrants from developing countries to the other parts of the world. But there is not much that is known about the impact of migration to the country of origin and this paper would touch a little on this.

3. **Objective**

This paper will be looking into how globalization affects the movement of people across international borders and would be then essential to economic and development growth of the host country and the country of origin. It will only be covering temporary and permanent movements to the host countries

4. **Methodology**

This paper will use the analytical descriptive method through reports, journals, university dissertations, periodicals, books, etc to provide an insight to this topic. Based on the information

gathered from these documents and records, this paper will attempt to provide an accurate interpretation on the objectives set.

5. Host country benefits

5.1. Trade & transactions.

Many people tend to migrate due to the failure of employers to keep pace with the labour force and a large number of international migrants returning home (majority of migrants enter a host country under family reunification schemes). They also found that temporary migrations have become a norm in today's world, driven directly by the employer's demands, thus making the motivation of migrant more commercialized. The more advanced countries faced a common problem of aging populations and low birth rates. With the need for more labour to supplement the lack of working people within the country, the only way to achieve this is through migration, be it temporary or permanent (Celenkocic, et al., 2011).

Migrants have become a vital part of the service industry workforce in most developed countries. It was even argued that migrants are a fundamental and indispensable part of growth and success, allowing firms to manage changing demands of customers. Having a world brain, through the presence of immigrants of different cultures and religions would be an advantage for marketing, innovation and competition for the host nation, This would lead to rapid development of information and communication technologies and new media require speedy recruitment, deployment and redeployment of talent into specific, sometimes unpredictable, locations around the world.

5.2. Capital and investment movements

Sanderson and Kentor (2009) looked into international migration, particularly emigration levels, from less developed countries. They found that FDI has significant effect in emigration. When there is FDI coming into the primary sector of the host economy (industry dealing with process from natural materials to starting raw material), the level of net emigration increases while this effect is reversed when there is FDI in the secondary sector (mainly manufacturing industry).

Due to the increase of capital movement around the world, the demand for cheap labour continues, the world's poor would seek faraway places for higher paying jobs, as compared to the jobs at home. The flow of workers is throughout all directions, however, one prominent flow can be observed - South to North. The UN said that on a yearly basis, about 2.3 million people move from the developing nations to the west. As the economic systems of these migrant birth countries failed to provide its people with their most basic survival needs, or simply unable to meet expectations of decent living standards, more people are driven to look outside their country of birth for a better life.

5.3. Dissemination of knowledge.

According to Repeckiene, Kvedaraite and Zvireliene (2009), informational technologies would be able to help a country to bind local, regional, national and global environments through the increase in human capital accessibility in different cultures, economic and political activities as well. With this would bring about the merge of both economic markets and development of integrated sectors. The world is moving from an 'industrial age', into an 'information age' whereby knowledge assets and workers are the main drivers for global businesses to gain competitive advantage. Globalization is one of the contributing socio-economic factors that bring about cross-cultural knowledge management (Jelavic, F.C.I.M, 2010)

Information technologies continue to succeed with innovators turn ideas into businesses. Most of these ideas come from immigrants wanting to be successful in USA. Yahoo, eBay, and Google are some examples of companies that are founded by immigrants. A vast majority of the innovation and technology in USA comes from immigrants. It was noted that immigrants are 50% more likely to start businesses as compared to the natives. And these technology businesses founded by immigrants employ 450, 000 workers in USA (Gordon Crovitz, 2009).

6. Country of Origin benefits

6.1. Trade and transactions.

Aside from the mutual trade benefits that would be addressed in the next section, the flow of migrants to advanced economies is likely to provide a means through which global wages converge. There is also the potential for skills to be transferred back to the developing countries (usually the country of origin) and for wages in those countries to rise. Worker migration from one country to another is sometimes to find better employment opportunities (Cattaneo, 2008).

6.2. Capital and investment movements.

There is a correlation between economic globalization and economic growth; however this growth is not shared evenly by all nations, mainly due to possible significant factors such as aid and remittance (Haase, 2012). One of the economic integration effects of migration on the country of origin is the remittance received from foreign migration (De Haas, 2005; Orozco, 2002). When some members of a family emigrates to another country, while others remain, the family and home country would benefit from the financial support that was sent back to family members (Ciarniene and Kumpikaite, 2011).

The amount of remittance now have grown to rival or surpass official development assistance and have increased living standards in the source countries (Ellerman, 2005). Remittance flows have become the second-largest source of external funds for developing countries (Ratha, 2005). In 1996, out of the USD 11 billion that was transferred nationally and internationally, the money transmission sector had an estimated \$1.2 billion in revenues with an average amount of \$320 remittance each from the United States to foreign countries that ranges from 6 to 15 percent fees (Orozco, 2002). In 2001, the remittance received by developing countries was \$72.3 billion. This makes up 42 percent of total FDI flows and was much higher than official flows and private non-FDI flows (Ratha, 2005). Based on these figures, it is not a surprise that many policy makers now looks into developing policies that allow for easier remittance. Many of the best practices were looked into and many positive developments were made to ensure the ease of remittance (Orozco, 2006).

6.3. Dissemination of knowledge.

The seriousness of brain drain those developing countries faced due to emigration were discussed. In the past, it is very common for overseas graduates from developing countries to migrate permanently to the county they studied. However, this brain drain effect brought about changes and improvement to the developing countries, such as Brazil to drive development and investments to areas such as research and development and education that would help retain their graduates or attract new ones within the region (Nancy and Miranda, 2004).

7. Mutual benefits

Globalization is generally defined as the convergence of living standards, income levels and consumption patterns between developed and developing, thus increases the interdependence of these two types of countries (Jelavic, F.C.I.M, 2010).

Another effect of migration would be increase in trade for import and exports. It was observed that social networks formed by immigrants in a receiving country could foster trade between their home country and the receiving country. Such example is illustrated by Rauch and Trindade (2002) where immigrants to Canada were able to increase imports from their home country by 3 percent and exports by 1 percent.

Migration and trade are complements whereby when one country invests overseas, there would be a need for knowledge and monitoring of local conditions. This would be possible with local management, or regulatory consultants and other decision-making bodies (Freeman, 2006; Stulz, 2005). As such, large flows of FDI would be accompanied by business trips and temporary migration of executives to the invested country (Stulz, 2005).

8. Challenges & Possible solutions

International migration remains less globalized than international markets in goods and capital, illustrated by the fact that in most countries the ratio of imports to GDP far exceeds the ratio of immigrants to total population. And, as a result, it is the field in which the gains to liberalization are likely to be the largest (Hatton, 2007).

Governments of democratic countries must heed public opinion, and this leads to the restrictive policies. An average voter generally looks at immigration as a threat when compared to imported goods. This is despite the fact that imported goods still utilize foreign labour, which ultimately is similar to migration. As such, the government policies end up more liberal towards trade as compared to migration to reflect the voter's preferences. Also migrations clearly differ from goods import in various dimensions. Migration itself affects the host country societies and culture and is usually more permanent, with migrants eventually getting a vote in the host country government's policies (Hatton, 2007).

As long as sovereign nation states exist, there would always be barriers to globalization. Examples of these barriers include trade tariffs to immigration restrictions to military conflict. In terms of migration, in the past, people were able to cross borders with little or even no difficulty. But this condition changed with the onset of World War I, back in 1914. Since then, the world is slowly recovering from these de-globalizing events. But as other aspects began improving, migration has yet to enjoy this improvement. IMF (2008) highlighted the need to help break down barriers, be it regulatory to the cultural so that more countries can be integrated into the global economy, and more people can seize more of the benefits of globalization.

Education serves as a start to ensure globalization of migration. To ensure nations around the globe truly embrace migration as part of economic globalization, the answer, would be through the globalization of social and economic rights for migrants and residents alike, especially the elements which should be classified as fundamental human rights and be subject to similar legal protection enjoyed by civil rights and liberties. (the right to work in just, safe and healthy conditions; the right to a fair remuneration; the right to organise; the right to strike; the right to social security and medical assistance) and be subject to similar legal protection enjoyed by civil rights and liberties (Świątkowski, 2012).

One of the most important lessons is to accord more attention to the cultural dimension of migration and, through greater cultural exchanges, promote sharing of values and better dialogue between receiving and arriving communities. In addition, the economic and social policies developed by national governments and regional and international organizations should also give greater consideration to learning about cultural values and traditions. This, in turn, will help to create better policies and more bottom-up actions in dealing with the ever growing global movement of people and cultures (Abazov, 2013).

There is also no worldwide organization with the economic interest and political power to press developed country governments into more open immigration policies. The migrants themselves do not get a voice in this matter while most importantly, the members of the developed nations is simply not interested in opening up opportunities to migrate to poorer countries (Hatton, 2007).

Policies should adopt a long-run view in order to successfully manage labour migration. This is to ensure that even in a global recession, the immigration policy should follow a long term focus on the potential contribution of international labour migration to poverty reduction and economic growth in the developing world (Celenkocic, et al., 2011).

Host countries needs migrants who are equipped with sufficient knowledge and sense which enable them to solve conflicts when traditions, cultures and value systems clash. As part of the solution to integrate migrants to their new societies, host countries would stress on education and knowledge for these migrants to help foster understanding between different cultures. Besides that, the governments accepting these migrants would further help education and understanding through promotion and sharing to the residents of the host countries, of the migrant's culture and heritage. Education would definitely play a role in global culture development (Akman, 2011).

A solid policy to immigration is essential to ensure positive effects of immigration to a nation. Russia is one of the world's largest destination for migrant labourers, 2nd to only the United States. Its economic development is very much dependent on immigration. But to date, its leaders and its own people have not embraced this reality. Its population will shrink and is rapidly ageing, indicating a decreasing work force. According to the estimates from the UN, by 2050, Russia requires 470,000 migrants per year to maintain its population. This dependency on migrant labour proves to be a tough challenge for Russia. There is definitely a need to not only change its policy to attract high skilled workers but also come up with ways to ensure successful integration of the lower-skilled workers (Anon., 2011).

9. Conclusion

Seen in the light of these various challenges and opportunities, migration for employment purposes is part of a government's trade policy and economic policy related to competitiveness and employment. Immigration was never simply a matter of admitting people for family, occupational, or humanitarian reasons with little or no economic, employment, or trade impacts at the national level. It is also not an isolated matter of deciding whether, how many, and what kinds of immigrants to admit and the myriad regulations affecting their employment status. Nor is it simply a matter of private interests of firms alone with no further national implications for the economic health of the country. As such, the nations all over the globe definitely need to have strategic plan as a collective group for immigration to ensure efficiency.

According to Munck (2008), migration is definitely a challenge for global governance. Migration can be used to measure development, but it would be a complicated formula. A nation's migration policy tells us a lot about the quality of democracy in that nation, where basic equality and justice principles does not matter or which areas lack of security makes it a threat to national security and sovereignty.

A better international cooperation on migration along the lines of the WTO for trade might be a solution. The main aim is to have a global approach to migration by managing and taming risks while capturing and reaping the rewards. It is about nations sharing and cooperating in an international effort, in return for local benefits and incentives (Marchi, 2010). There is no

worldwide organization that has the economic interest and political power to press developed country governments into more open immigration policies (Hatton, 2007). Maybe the creation of a World Migration Organisation which would synchronise Western immigration policies and effectively 'manage migration' as it does trade might be the ultimate solution (Celenkocic, et al., 2011).

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