

## INTERNATIONAL LABOR MIGRATION: THEORIES AND CURRENT TRENDS

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### ABSTRACT

The purpose of this study is to briefly conceptualize the theories of international labor migration, analyze the current trends of migration, generalize a conclusion from the analyzed data, as well as test whether the inferences hold for specific regions, more particularly, for CIS countries. In other words, we try to make a comparative analysis of the migration tendencies worldwide with recent developments within CIS countries. Considering the scale of the topic, the research is limited to examine the general data for countries such as the United Kingdom, France, Spain, Portugal, and the Russian Federation, as well as to the countries that have a close relationship with them. Besides, it is aimed to test the concepts of a given theory using statistical data and provide relevant conclusions.

**Keywords:** International labor migration, world-systems theory, core and periphery nations, European and CIS countries.

### INTRODUCTION

From the very beginning, the phenomenon of human migration was among the most essential agendas of development. The geographical movement of population, particularly, the migration of people who are in working age and seeking jobs has resulted in the demographic boom, technological advancements, political conflicts, and structural changes in society throughout history. Although labor migration was inherent to humanity since ancient times, in its scope and quality characteristics the contemporary migration is a completely new development. The number of international migrants worldwide has continued to increase rapidly in recent years, reaching 272 million in 2019, up from 220 million in 2010 and 173 million in 2000 (UN DESA, 2019). To compare, 2.82%, 3.16%, and 3.52% of the total population of the Earth migrated in 2000, 2010, and 2019 respectively (Worldometer, 2019). Except for the refugees, the number is estimated at almost 26 million in 2018 (UNHCR, 2019), the vast majority of them are migrant workers, more than one-third of which migrates from developing countries to developed ones.

When supported by appropriate policies, migration can contribute to inclusive and sustainable economic growth and development in both home and host communities (UN DESA, 2017). Global remittances, which include flows to high-income countries, reached \$689 billion in 2018, up from \$633 billion in 2017. Migrant remittance inflows were even less during the

2000s: \$126.8 billion in 2000, \$226.4 billion in 2004 and \$458.3 billion in 2008 were sent back home.<sup>1</sup>

According to the official estimates, the amount of remittances is nearly three times or even more than the amount of official development assistance. Moreover, ‘the true size of remittances, including unrecorded flows through formal and informal channels, is believed to be significantly larger’.<sup>2</sup>

The above-mentioned points give us strong ground to assume that the significance of labor migration in the world economy is becoming more robust. Consequently, it is essential to study the dynamics and possible results of this phenomenon. Considering these, in our research, we will try to compare the global labor migration tendencies with those among CIS countries.

## LITERATURE REVIEW

Several theoretical models have been developed to clarify why international labor migration begins, continues, and discontinues. However, until the end of the XX century, this process had not been conceptualized. One of the first attempts of scientific research in the field was done by English geographer Ravenstein (1885). It was a general model on migration which made more emphasis on the overall patterns of human migration. Surprisingly, theories arguing that larger cities grow by migration rather than natural population growth, urban residents are less migratory than inhabitants of rural areas were among those patterns. The largest drawback of Ravenstein’s theories is they each require fundamental research. After all, most of his hypotheses are topical even today.

Later, classical concepts of migration were elaborated by Hicks (1932), Stouffer (1940), Zipf (1946), and Lee (1966). All of these models ultimately sought to explain the same thing: how the factors like wages, distance, transportation costs affect the decision of people to migrate from one place to another.

After the 1960s a new school – neoclassical economics – researched international migration from a different perspective. Representatives of this school Lewes (1959), Ranis and Fei (1961), Sjaastad (1962), Harris and Todaro (1970) studied the phenomenon through the differences in wages and employment conditions (labor markets) between countries, and the costs of migration. According to this school, international migration is pursued by individuals mainly for income maximization purposes.

In contrast to classical and neoclassical concepts of international labor migration, the dual labor market theory of Piore (1979) concludes that the developed economies are defined by economic dualism: their labor markets are divided into primary sector, which attracts natives, and secondary sector, which are usually bottom-level jobs that do not interest natives and filled by migrant workers. Piore also assumes that the governments of such countries have little chance to influence international labor migration because it is difficult to modify built-in structural mechanisms.

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<sup>1</sup> The World Bank (2019). *Migration and Remittances*. Retrieved from <https://www.worldbank.org/en/topic/labormarkets/brief/migration-and-remittances>

<sup>2</sup> World Bank Group (2016). *Migration and Remittances Factbook 2016* (3rd ed.).

However, Stark and Bloom (1985) had a different view of international labor migration. As stated in their theory (New economics of migration), migration predominantly is a result of a household decision that is connected with risks to family income and/or financial pressure on the family business.

The more original approach called ‘World-systems theory’ was adopted by Wallerstein (1974) and later developed by Sassen (1988). According to them, international labor migration is an outcome of capitalist expansion. The extension of capitalism into former colonies or bordering countries had a devastating effect on the local production of the latter. This led to internal migration from rural areas to cities and influenced the consumption habits and cultural roles that were already ‘contaminated’ by expanding capitalist culture. Briefly put, international labor migration is a natural result of globalization. But the main shortcoming of this theory is that it assumes that international labor migration and international flow of goods have opposite directions, the idea sometimes does not hold.

In their research later, Stark and Taylor (1989) go even beyond. They argue that ‘household members undertake migration not necessarily to increase the household’s absolute income but rather to improve the household’s position (in terms of relative deprivation) with respect to a specific reference group’.

It is also important to note that in the CIS countries scholars such as Rybakovsky (1973), Perevedentsev (1975), Maksakova (1986), Zayonchkovskaya (1994), Iontsev (1999), Vorobyova (2001), Ryazantcev (2002) and many others also systematically researched labor migration and provided insights to the issue from the perspective of both demographics and world economy, as well as studied national and international aspects of migration.

In essence, most of the theories related to international labor migration rely upon the causal mechanisms and barely explain the post-process. However, depending on which approach is used and in what situation, it is viable to regulate international labor migration via improving the labor conditions in destination countries, supporting economic development in countries of origin, and promoting capital markets in developing regions.

### **Theoretical Background**

Most of the research in the area of international labor migration is heterogeneous. Although they present very strong cause-effect relationships with a great number of factors involved, they mainly lack to provide one fundamental cause that is not only superior to other causes but also unifies them into a single concept. Nevertheless, a theory formulated by Wallerstein (1974) – World-systems theory – supersede its counterparts by providing such dominant factor – capitalist expansion.

‘World-system’ refers to the inter-regional and transnational division of labor, which divides the world into core countries, semi-periphery countries, and the periphery countries. Core countries ‘are the most economically diversified, wealthy, and powerful (economically and militarily); have strong central governments, controlling extensive bureaucracies and powerful militaries; highly industrialized and produce manufactured goods rather than raw materials for export; has strong bourgeois and working classes; have significant means of influence over non-core nations’. Periphery countries ‘have relatively weak governments; tend to depend on one type of economic activity, often by extracting and exporting raw materials to core nations; have a small bourgeois and large peasant classes; tend to be extensively influenced by core nations and their multinational corporations and often forced to follow economic policies that

help core nations and harm the long-term economic prospects of peripheral nations'. Semi-periphery countries are areas that 'represent either core regions in decline or peripheries attempting to improve their relative position in the world economic system' (Barfield, 1997).

World-systems theory argues that considering the natural expansion of capitalism, international labor migration is inevitable. One of its main hypotheses speculates that international labor migration is very likely to occur between the past center and its former periphery. The main reason for this is already present cultural, administrative, social ties that developed during the colonial era and led to the formation of new cultural systems and specific markets. In our research, we try to substantiate this notion.

### **Study of contemporary migration trends between past major core countries and their former peripheries**

Today the impact of labor migration processes goes well beyond demography and economics. As Komarova and Tishkov (1996) rightly noted, 'the migration of the population, both internal and external, is one of the most important indicators of the ethnopolitical and socio-political processes taking place in society and government. By the nature of migration flows, the degree of openness and democratic character of a society, the level of its urbanization, the effectiveness of the economy and infrastructure, the regional disparities in development, the state of interethnic relations, the emerging or already obvious ethnic conflicts can be judged'. However, to more accurately evaluate the scale and outcomes of the labor migration, we can research some patterns that are universal to all aspects of this issue. One of these patterns, as we mentioned previously, is related to the expansion of superpowers. In our research, we study global labor migration trends and investigate current labor migration developments between core countries such as Great Britain, France, Spain, Portugal, and Russia<sup>3</sup> and peripheries.

We, predominantly, used a quantitative approach for categorizing patterns and making generalizations. The data and statistics for our research are extracted mainly from the database of the World Bank, the International Organization for Migration, and the International Labor Organization.

According to the International Labor Organization, there were an estimated 258 million international migrants worldwide in 2017, including about 19 million refugees.<sup>4</sup> However, according to the International Organization for Migration, overall, the estimated number of international migrants has increased over the past four-and-a-half decades. The total estimated 244 million people living in a country other than their country of birth in 2015 is almost 100 million more than in 1990 (when it was 153 million) and over three times the estimated number in 1970 (84 million).<sup>5</sup> The number of migrants worldwide between 1970-2015 and migrants as a percent of the world's population is given in Table 1.

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<sup>3</sup> However, according to the original classification of Wallerstein, Russia is considered a periphery.

<sup>4</sup> International Labour Organization (2018). *ILO Global Estimates on International Migrant Workers – Results and Methodology*. 2nd ed. Retrieved from [https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms\\_652001.pdf](https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms_652001.pdf)

<sup>5</sup> International Organization for Migration (2017). *World Migration Report 2018*. Retrieved from [https://publications.iom.int/system/files/pdf/wmr\\_2018\\_en.pdf](https://publications.iom.int/system/files/pdf/wmr_2018_en.pdf)

**Table 1: International Migrants, 1970–2015**

Year	Number of Migrants	Migrants as a % of World Population
1970	84 460 125	2.3%
1975	90 368 010	2.2%
1980	101 983 149	2.3%
1985	113 206 691	2.3%
1990	152 563 212	2.9%
1995	160 801 752	2.8%
2000	172 703 309	2.8%
2005	191 269 100	2.9%
2010	221 714 243	3.2%
2015	243 700 236	3.3%

*Note.* International Organization for Migration (2017). *World Migration Report 2018*. Retrieved from [https://publications.iom.int/system/files/pdf/wmr\\_2018\\_en.pdf](https://publications.iom.int/system/files/pdf/wmr_2018_en.pdf)

Another curious tendency is connected with the recorded remittances. As reported by the World Bank, the amount of remittances is increasing regularly. The top recipient countries of recorded remittances in 2018 were countries such as India, China, Mexico. As a share of GDP in 2018, however, Tonga, the Kyrgyz Republic, and Tajikistan were the largest recipients.

Top countries for outward migrant remittance flows (senders) in 2017 were the United States, the United Arab Emirates, and Saudi Arabia. As a share of GDP in 2017 Luxembourg, Oman, and the United Arab Emirates were the top senders. Top-10 list is presented in Table 2.

**Table 2: Remittance Inflows and Outward Remittance Flows for top-10 countries**

Top-10 receivers in 2018	billion USD	Top-10 receivers as a share of GDP in 2018	%
India	78 608.8	Tonga	35.2%
China	67 413.6	Kyrgyz Republic	33.6%
Mexico	35 658.9	Tajikistan	31.0%
Philippines	33 826.9	Haiti	30.7%
Egypt, Arab Rep.	28 918.0	Nepal	28.0%
France	26 428.0	El Salvador	21.1%
Nigeria	24 311.0	Honduras	19.9%
Pakistan	21 014.1	Comoros	19.1%
Germany	17 364.1	West Bank and Gaza	17.7%
Vietnam	15 934.0	Samoa	16.1%

  

Top-10 Senders in 2017	billion USD	Top-10 senders as a share of GDP in 2017	%
United States	67 964.0	Luxembourg	20.3%
United Arab Emirates	44 367.5	Oman	13.9%
Saudi Arabia	36 119.0	United Arab Emirates	11.6%
Switzerland	26 597.8	Kuwait	11.4%
Germany	22 090.8	Maldives	10.6%
Russian Federation	20 610.1	Liberia	9.6%
China	16 177.7	Timor-Leste	9.6%
Kuwait	13 760.1	Lebanon	8.2%
France	13 503.4	Qatar	7.6%
Korea, Rep.	12 888.0	Palau	7.0%

Note. The World Bank (2019). *Migration and Remittances*. Retrieved from <https://www.worldbank.org/en/topic/labormarkets/brief/migration-and-remittances>

If we take a closer look at top receivers as a share of GDP in 2018, we find out that two (out of 5) Central Asian nations fall to this category. On the other hand, most of the Arab states of the Persian Gulf are among the top senders as a share of GDP in 2017.

A more careful review of the total migrant stock at mid-year by the origin and by major area, region, country or area of destination data provided by the World Bank (2019), contributes a lot into the research on core countries – Great Britain, France, Spain, Portugal, and Russia – and their peripheries (Table 3).

**Table 3: Total migrant stock at mid-year by the origin in 2019**

Core Country	Top sending nations	Periphery, out of Top-6	Migration from Periphery	Total Migration	%
<b>UK</b>	India, Poland, Pakistan, Ireland, Germany, Bangladesh	3 out of 6	1 767 716	9 552 110	19%
<b>France</b>	Algeria, Morocco, Portugal, Tunisia, Italy, Turkey	3 out of 6	2 003 425	8 334 875	24%
<b>Spain</b>	Morocco, Romania, Ecuador, Colombia, UK, Argentina	3 out of 6	1 754 864	6 104 203	29%
<b>Portugal</b>	Angola, Brazil, France, Mozambique, Cabo Verde, Ukraine	3 out of 6	427 448	888 162	48%
<b>Russia</b>	Ukraine, Kazakhstan, Uzbekistan, Azerbaijan, Belarus, Kyrgyzstan	6 out of 6	10 091 546	11 640 559	87%

Note. United Nations, Department of Economic and Social Affairs. Population Division (2019). *International Migrant Stock 2019 (United Nations database, POP/DB/MIG/Stock/Rev.2019)*.

The data presented in Table 3 provides substantial evidence that the hypothesis of Wallerstein (1974) holds true. It can be seen that the peripheral nations contribute from 19 % to 87% of the total migration of core nations. These numbers will be even higher provided that only a handful of peripheries are studied during the analyses and the actual number of such states is much more. Another surprising fact is that among top sending nations most are peripheries (in the case of Russia, all top senders are peripheries).

It is worth noting that the Russian Federation is becoming a new core nation. According to the data published by the UNDP Regional Bureau for Europe and the Commonwealth of Independent States, only from the beginning of 1989 to the beginning of 2002, due to labor migration, about 3 million people, which is more than 20% of the country's total population left Kazakhstan. The numbers equaled for Tajikistan – 694 thousand people (11% of the total population), Uzbekistan – more than 1 million people (4% of the total population), and Kyrgyzstan – 360 thousand (7% of the total population).<sup>6</sup>

Issues related to labor migration have become particularly relevant in the region of Central Asia since the early 2000s. If before, migration was mainly ethnic and was associated with the departure of non-titular ethnic groups to the country of origin (Russia, Ukraine, Israel, Germany) or the industrialized countries of the West (USA, Canada, Western Europe), beginning after the 2000s, flows from the region are significantly changed. With the outbreak of economic growth in the Russian Federation and Kazakhstan, more and more labor migrants – representatives of the titular population of the region, mainly, Tajiks, Uzbeks, and Kirghiz –

<sup>6</sup> UNDP Regional Bureau for Europe and the Commonwealth of Independent States (2005). *Central Asia Human Development Report*.

began to go to work in these countries. The ‘portrait’ of a migrant has dramatically changed. A migrant – a city dweller with a fairly high educational level – has been replaced by a large number of labor migrants with a rather low level of education and qualification, most of whom are residents of rural areas or small settlements. Besides, in recent years, internal migration has increased significantly in many Central Asian countries, primarily in Uzbekistan, which, with its over 30 million population, has the most significant labor resources in the region. According to Russia’s Federal Migration Service, as of January 20, 2015, 2.2 million Uzbek citizens stay in Russia, of which 81% percent is of the working-age population. The number of Uzbek citizens residing in Russia has recently decreased after peaking up at 2.7 million in August 2014. Remittances from Russia have increased at double-digit rates and exceeded 6.6 billion U.S. dollars (approximately 12% of GDP) in 2013.<sup>7</sup> The above-presented data supports our assumption that the Russian Federation is becoming a regional core country.

## CONCLUSION

In our research, we conceptualized the theories related to international labor migration and studied contemporary tendencies regarding the phenomenon. Moreover, we tested one of the central hypotheses of the World-systems theory developed by Wallerstein (1974) using the World Bank data. According to the results, peripheral nations are the main suppliers of migrant workers to core nations. Also, we found out that several oil-rich Arab states of the Persian Gulf are top-senders of remittances. In our opinion, this condition should be researched thoroughly considering whether these countries will remain on the top, and which factors affect this situation. Finally, it is certain that further research is needed, to understand whether in the CIS the centrifugal trends will continue to prevail.

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<sup>7</sup>UNDP Uzbekistan (2015). *Who is behind remittances? A Profile of Uzbek Migrants*. Retrieved from [www.uz.undp.org/content/uzbekistan/en/home/ourperspective/ourperspectivearticles/2015/03/05/who-is-behind-remittances--a-profile-of-uzbek-migrants.html](http://www.uz.undp.org/content/uzbekistan/en/home/ourperspective/ourperspectivearticles/2015/03/05/who-is-behind-remittances--a-profile-of-uzbek-migrants.html)



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