Contents

Preface vii Acknowledgments x

1 Overview 1 The Alternatives 3 The Pressure to Migrate 5 The Response 7 Conclusions 10

2 Migration: The Pressure to Move 11 The Setting 11 Earlier Migrations 14 What Determines Migration? 20 Prospects for Desired Migration 23 Time Pattern of Desired Migration 25 Can Immigration Be Controlled? 28

3 Migration: The Likely Effects 33 Long-Run Effects 33 Externality Issues 37 Short-Run Absorption 42

vi Contents

Effects in the United States 44
The Return of the French Algerians 46
Postwar Germany 47
Can the West Cope? 49

4 Free Trade with the West 51

Prospects for Growth in Trade 52
Trade as a Substitute for Migration 53
Efficiency Differences and Factor Mobility 56
Dynamic and Macroeconomic Gains from Trade 58
Prospects 60

5 Aid and Capital Flows 63

Necessary Conditions for Investment 63
External Finance as a Lever for Reform 66
Forms and Conditions of Aid 68
Who Should Pay and How? 69
Consolidating the Debt 70

Appendix 1 Economics of Migration: Further Evidence 73

Appendix 2 Can Emigration Hurt the Home Country? 77

Notes 83 References 89