



**Full Length Research Article**

**MIGRATION: A THEORETICAL PROBE**

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**ARTICLE INFO**

**Article History:**

Received 15<sup>th</sup> February, 2016  
Received in revised form  
28<sup>th</sup> March, 2016  
Accepted 17<sup>th</sup> April, 2016  
Published online 31<sup>st</sup> May, 2016

**Key Words:**

Economically,  
Theoretical,  
Imperialist,  
Imperialism.

**ABSTRACT**

Since the advent of 20<sup>th</sup> century, when world imperialism entered into the stage of finance capitalism and its inner contradiction, arisen specially for occupation of colonies by newly emerged imperialist countries to invest their surplus capital, indulged them in two global wars, many economic theories were propounded by the well-meaning imperialist economists. Moreover, in the wake of collapse of colonial regime globally and emergence of a global socialist system after the Second World War, the global imperialism was much constrained economically in its efforts to maintain its global economic position. Under such an economically harassing condition as the consequences of the Second World War had imposed upon imperialist countries, the latter innovated the new device of neo-colonial exploitation of newly independent countries through mechanism of migration, the two; (1) migration of capital from imperialist countries to the newly independent countries (Third World Countries or developing countries) and (2) migration of labour from the latter to imperialist countries have been appeared as the most patent factors in global economy. In the years 1990's, when the socialist world order collapsed, and neo-liberalism appeared as main fulcrum of economic policy in the globally marketised economy, the pace of migration of capital from imperialist countries to developing countries has increased leaps and bounds but labour migration- from developing countries to imperialist countries has not assumed the same pace. To justify this sort of unequal migration, which are beneficial for imperialist countries many theories have been innovated and developed by imperialist economists. The objective of this paper is to have a theoretical probe into some of the concepts brought on fore by such economists.

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**INTRODUCTION**

Even though the polemical debate among economists on migration of capital and labour was unfurled decades back, just after the closer of the Second World War, but the debate, thus started, received greater pace than ever before in the decade of 1970's owing to the harassing impacts of oil price hike, that started in 1970. Mainly two factors viz. an economic melt down that began to affect the economy of imperialist countries regressively, and the capital need of developing countries to restructure and modernized their colonially ruined economies geared up the process of migration.

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In the wake of this international economic milieu debates on migration among economists assumed a wider areas to project remedial suggestions to over power the economic hardships confronted by the imperialist and developing countries alike. Amidst various ameliorative suggestions migrations of capital and labour occupied, perhaps, the topmost importance and many theories related to it appeared. Some of the important theories that occupied widely ranged debate. But none of these theories remained without being challenged by their detractors. Among them the theories that much influenced the debates ideologically were. Neo-Classical and Develop-mental theory, Cumulative Cansation and the Migrant Syndrome Theory, Deterministic Theory etc. Leaving aside various aspects of migration there is need to put specific debate on migration and socio-economic development corresponding to migration of capital and labour.

The opinion differences on migration have appeared to be divided diametrically between the pro and the anti-imperialist economists, each of the two strictly sticking to one's arguments to be justified (Taylor, 1990). In one of these theories the Neo-classical Migration Theory perceives migration of capital and labour as an effective instrument for optimal allocation of production on factors to the benefits of both, the sending and the receiving countries. Laying much weightage on labour migration the apologists of the Neo-classical Migration Theory visualize perspective for balanced growth, the re-allocation of labour from rural, agricultural areas to urban, industrial areas within or across border, which, they suppose, is pre-requisite for economic growth (Todaro, 1969).

Nevertheless, a more correct assessment of migration had been given by Massey who writes that the free movement of labour in an unconstrained market economy will eventually lead to the increasing scarcity of labour "coinciding with a higher marginal productivity" (Massey, 1998) of labour and increasing wage level in migrant sending countries. Labour migration proceeds from backward or under-developed countries where standard of people is generally low and productive forces, specially technology, is low but capital migration assumes a contrary movement that is, migration from labour scarce to capital scarce or from the country with surplus capital to capital scarce countries and ultimately creates inflationary economic condition in weaker countries (Ibid).

Migration of capital from capital surplus countries to capital scarce countries brings the most gruesome effects on economically weaker nations. India has been an unique example to show as how the migration of capital from developed nations to it has imbalanced its economy through their capital migration to it. Below has been cited a table showing migration of capital to India and in lieu of that out migration of capital from India to the capital migrating nations.

**Table no.1 Capital migrated to and out migrated from India (in crore rupee)**

Through foreign collaborations	1970-71	1980-81	1986-87
Foreign collaborations finalized	183	526	957
Capital migrated to India	24.52	89.23	106.96
Capital: out migrated from India	95.26	204.15	813.50
a. Technical Knowledge	20.63	104.93	358.40
b. Interest payment	12.80	22.32	318.90
c. Profit earned	43.48	55.92	85.50

Source: Statistical outline of India (Tata Services 1989)

The above table depicts the case of capital migration to capital scarce countries through collaboration agreements, between the capital scarce and surplus capital countries. Here, in the table, it is amply clear that more capital was drained out from the capital scarce country to capital surplus countries. The argument of balancing growth in both the countries is redundant. In the decades of 1950's and 1960's the dominant view, adhered by the development theory, return migrants were seen as important agents of change and innovation.

It was expected that migrants not only bring back money but also new ideas, knowledge and entrepreneurial zeal. In this way they play positive roles in development and contribution to the accelerated spatial diffusion of modernization in developing countries. The money and technical knowledge, they bring with them, play decisive roles in modernization and economic development of an under developed country. However, this hypothesis, the development theory had ushered in the decades of 1950's and 1960's, has completely lost its relevance in the neo-liberal economic scenario.

Because development requires technology, but under the trade regime of WTO the basic asymmetry, arisen from the increasingly freer trade in goods and services on one hand and the growing restriction on transfer of knowledge and technology embodied in production of those goods and services one the other. In the growing regime of Trade Related Intellectual Property Rights (TRIPS) the developing countries, including India, find it increasingly difficult to adopt knowledge and technology employed in production of those goods and services, which they import.

The remittances through migrated labour cannot be useful for development and growth of weaker nations' economies unless the latter are quipped with technical knowledge and developed technology to be employed in their production processes. Such optimistic views are found to have their roots in rural to urban migration among imperialist countries during the two decades after the Second World War when there was unfurled competition between the two diametrically opposed mode of production e.g. imperialism and socialism. Now that condition has fully been eroded and replaced by the neo-liberal economic theory under which the old concept of Developmentalists' theory has been superseded by the theory of marketization and global competitiveness (The Impact of globalization on Indian Economic Development, 2010).

All views on the "Developmentalist" Theory basing upon the conditionalities of 1950's and 1960's (Papadimitriou, 1985) have become redundant under the condition of neo-liberalism. However, since 1970 this optimum view diminished, yet many countries from Asia and Pacific region have still been gripped under the concept that labour migration from them would contribute to development of their national economies.

### Critiques of developmentalist views

Since the decade of 1960's the optimistic views on migration was challenged under the combined influences of a paradigm shift in a social and development theory towards historical structuralist and development views<sup>7</sup> as well empirical studies and policy experiences that seldom support the former (Baldwin, 1970) and postulated increasing migration responsible for spatial disparity in development level. The historical structuralist paradigm sees migration as flight from poverty caused by expansion of capitalism. Migration causes a harmful effect to sending countries as their meager skilled labours flight to developed countries and its resultant impact on the former is developmental stagnations, due to skilled brain drain. This theoretical postulation fits well into 'cumulative causation theory' propounded by Myrdal (Myrdal, 1957).

The "Cumulative Causation Theory" holds a correct view about capitalist growth-model and opines that growth of capitalism inevitably creates spatial welfare inequality. Once differential growth occurred "internal and external economies of scale perpetuate and deepen the bipolar pattern characterized by the vicious cycle of poverty in the periphery and the accelerated growth of core region" (Ibid). So, economic activities in areas and countries, with initial advantages drain investment and encourage out migration from peripheral regions and countries, to core area and countries, of the most talented population. Now a days, this is exactly has been occurring under the aegis of neo-liberalism with open market and free flow of capital globally. The "cumulative causation theory", if it is applied to national and international levels, it coincides with the centre periphery model and the neo-marxist development theory. Migration appears to have been an economic gimmick of capitalism used to undermine the regional and national economies by depriving them of their valuable human and material resources for benefit of developed capitalist countries, especially for the benefits of imperialist nations. Secondly, regional migration, within developing countries like India, is expected to benefit urban-based capitalist elite group in need of cheap migrant labour. Migration further undermines regional and local economies by depriving the communities of their most valuable labourforce, owing to their increasing dependency on core centre and stimulating further out-migration.

Thus, the migration assures colonization, neo-colonialism, on international level and inner colony on national level. There are several empirical studies conducted in-migrant sending regions that explain the very fact about development of under-development due to migration (Almeida, 1973). Moreover, migration seems to have increased inequalities with in-migrant sending communities. Became migrants are generally employed with entrepreneurial zeal, well educated and comparatively more open minded people, whose migration deprives their original communities of benefits they could have poured to the communities.

The remittances and other benefits, they often send and remit to their communities, are generally disproportionately alive to already well off people (Lipton, 1980). According to some of the studies remittances are generally used to meet expenses incurred on non-productive activities, such as luxury houses, feast, raising status etc. So, the argument, given in favour of raising productivities of the migrant sending regions appears to have been flimsy. Such expenses as purchasing of land, rising consumption demands and other alike instances of remittances are reported to provoke inflationary trend in economy owing to which the real wages of workers and income of people in general inevitably decrease.

Keeping in view all such harassing impacts of migration in the migration sending countries it creates a collective with affluent classes, who are in microscopic minority but emerges as the main purchasers of luxury goods produced by corporate sector. In fact, migration cannot be perceived as a process which add congenial factors, to weaker, nations and communities but as creator of windfall profit to big capital in the imperialist countries who are much inclined to drain brains from poor nations to comply with their technical persons demands to be fulfilled without expending a single coin on their education and training.

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