

## **The making of modern America: Migratory flows in the age of mass migration**

*By Professor Imran Rasul*

The age of mass migration occurred during the transition of the world from the 19<sup>th</sup> century to the 20<sup>th</sup> century. As the name suggests, it refers to this period of time when there was an exodus of people from Europe to America. 40% of migrants of the OECD reside in the US. On the 19<sup>th</sup> of November 2013, UCL Economist's Society welcomed Professor Imran Rasul to give a talk about his work on the age of mass migration and its economical aspects, as a part of our 'Insights into Research Lecture Series'.

Professor Rasul started on a light note by touching on some other concurrent research that he is currently working on such as the design of social programmes for the world's poor as well as charitable givings and tax compliance. After which, he made a smooth transition into the topic of migration where he spent the remaining 60 odd minutes of the talk. This was when it occurred to me that migration, the movement of people between countries, is something many have taken for granted. It is one of the main foundations on which our labour market is built upon.

Professor Rasul highlighted an interesting piece of statistic which I find to be mind-blowing: there are 210 million migrants as of 2010. This corresponds to 3.1% of the global population and migrants would constitute the 5<sup>th</sup> largest populous country in the world. This further proves the point that the current state of the labour market has been largely influenced by the age of migration and did not come by chance. Professor Rasul then shifted his focus to America, pointing it out as a multicultural nation and showed some historical figures. He also mentioned an important point that aspiring economists should always keep in mind: Historical figures should not be taken lightly as the fact that they are still being studied today is because these historical figures/events play a huge part in modern age economy.

Moving on, more technical issues were touched on as Professor Rasul laid down some parameters for the study that he has done. An example is the period studied on was from 1892 to 1924. He also mentioned two important points we should take note of when viewing migration; Illustrated with a graph, Professor Rasul showed us that it is important to view the change in number inflows and outflows of immigrants into America as well as the composition of immigrants. In my opinion, this point is a very valid one in the eye of economists the number constitutes to the size of the labour force and composition, which could possibly mean a greater variety of trade and skills based on cultural background. Professor Rasul also touched on these crucial points further on during his talk.

This is when Professor Rasul presented the first stage of his Research Agenda to the audience; to document mass migration into and out of America and the turn of the twentieth century, combining administrative data from the primary port of entry and census data from

1880 to 1930. Though I initially thought that it might get technical and dry from this point onwards, it did not. Professor Rasul was really engaging as he moved on to discuss some very good reasons why economists should pay a close attention to outflow of migrants from a country. He mentioned that the process of out-migration to all issues in the economics of migration. This is very applicable to the world we are living in. First coined by the British Royal Society in the 19<sup>th</sup> century, the term “brain drain” is a very real consequence of out-migration and it has serious implications to the world’s macroeconomic arena. Professor Rasul talked about the question raised about brain drain during the age of mass migration and its opposite counterpart: brain gain, which refers to the situation when migrants return to their home country. In essence, it is saying that migration can be seen as a form of investment with the “brain drain” as an initial capital startup and the “brain gain” as a form of return/yield.

Another problem mentioned during the talk is the inaccuracy of the official statistics at that following point of time which was due to, as stated by Professor Rasul, the greater incentive for countries to record inflows but not outflows. This is an interesting point indicated by Professor Rasul that I am sure is new to many of us. Official statistics in the world today can be readily found online that we seldom doubt their credibility and accuracy. The fact that official statistic during the age of mass migration has a compromised accuracy is an issue that we can derive a learning point from. To justify his point, Professor Rasul made use of a mathematical approach often used by demographers to calculate a more accurate estimate for the outflows and inflows into America and showed the discrepancy this numbers have with the official statistics.

On the issue of compositions of migrants now, Professor Rasul showed the audiences some graphs and statistics with regards to the nationality, gender and age proportion of migrants (nga). He then provided some of his explanations and insights on why the composition is as such: In the early years of the age of migration, men coming America are often 4-5 years older than women inflow. The reason behind this is due to the fact that the men here are travelling without their families. However, in later years, the age of men and women migrants coming into America converges. Professor Rasul’s reason for this is due to the fact that families started travelling into America together during that period of time. This has its own implications: It was argued by Professor Rasul that when families travel together instead of as an individual, it indicates the likelihood that the migrants will stay in America for a longer period of time. Such implication is applicable to economists in the sense that, how does this factor affect the labour market today as well as institutional changes of migrants settling down in America?

During the course of the talk, Professor Rasul also mentioned several other questions and issues that I found to be really interesting. One of which is the overlap of political events and migration, related to the different social outcome. He mentioned that during World War I, there is a large amount of outflow specifically of Germans and Austrians from the America and the reason provided is due to discrimination that these ethnic group faces during that period of time that provided an incentive for returning back to their home country. It

illustrates the ever-connectedness that economic studies have with political studies, given that they are both under the field of social sciences.

To summarise Professor Rasul's enriching and insightful talk, he emphasized again on why historical data are useful. In his slide, he mentioned that migration is one of the most effective policy for private economic development, even when compared to microfinance for individuals. I find this statement to be very true and is indeed something we can derive from the age of migration. Also, historic data allows to study the impact of many policies that are part of contemporary debates.

All in all, Professor Rasul's talk on the making of modern America based on the age of migration was an interesting and enriching one for me personally. I have derived certain learning points that will be useful in my journey as I embark to be an economist myself. That is, to never doubt the usefulness of historical data in modern economics, and to always also verify the credibility and accuracy of official statistics. In conclusion, it was a very useful talk and I am sure those that were present will agree with me on this. Once again, I would like to thank Professor Rasul for taking some time off and gracing us with his presence and wisdom.