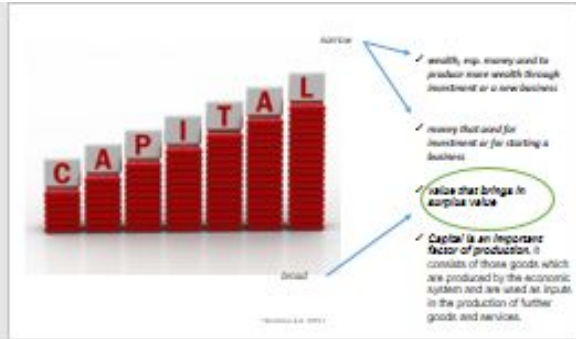


Our previous lecture :

Capital

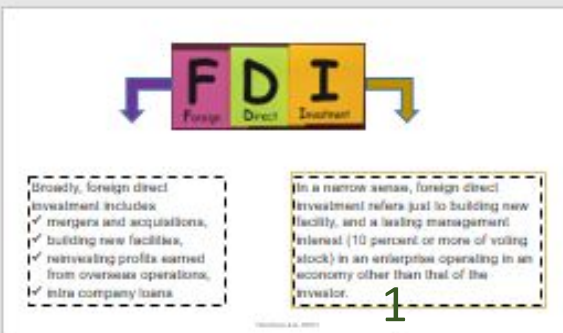
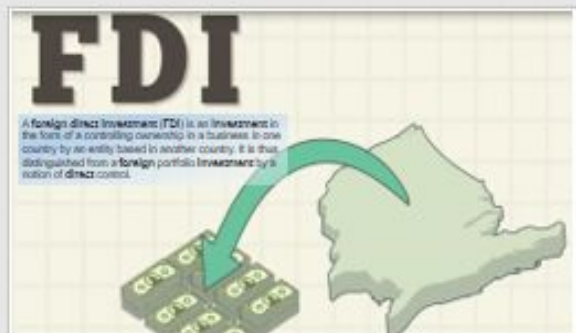


Form of Capital	• Its Currency and Manifestations
Social	•Connections: influence & relationships
Material	•Materials and "natural resources" tools, buildings, infrastructure.
Financial	•Money: financial instruments & securities
Living	•Carbon, Nitrogen, Water: soil, living organisms, land systems
Intellectual	•Ideas, knowledge, words, images, "Intellectual property"
Experiential	•Action: embodied experience, wisdom
Spiritual	•Prayer, Intention, Faith, Karma: spiritual structures
Cultural	•Song, story, ritual, community

Forms of international capital movement



FDI



FDI TYPES



Platform:

Platform: a business expands into a foreign country but the output from the foreign operations is exported to a third country. This is also referred to as export-platform FDI. Platform FDI commonly happens in low-cost locations inside free-trade areas. For example, if Ford purchased manufacturing plants in Ireland with the primary purpose of exporting cars to other countries in the EU.



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Types of FDI



Greenfield Investments

- Building new manufacturing facilities in foreign countries.
- Example: Honda built USA facility in early 1980s.

Cross-Border Mergers and Acquisitions (M&A)

- Merge with or buy foreign companies.
- Example: Ford bought Mazda (Japan) and Jaguar (UK).

FDI+ and -

Foreign Direct Investment

Pros



FOREIGN DIRECT INVESTMENT

BOOST ECONOMIC RESILIENCE BY:



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22

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Advantages of FDI

- ✓ Increase investment level and thereby income & employment
- ✓ Increase tax revenue of government
- ✓ Facilitates transfer of technology
- ✓ Encourage managerial revolution through professional management
- ✓ Increase exports and reduce import expenditures
- ✓ Increase competition and break domestic monopolies
- ✓ Improves quality and reduces cost of inputs

Disadvantages of Foreign Direct Investment
 • Displacement of local businesses
 • Profit repatriation

Foreign Direct Investment

Advantages

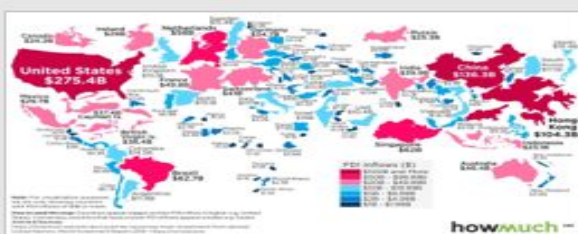
- High profit potential
- Maintain control over operations
- Acquire knowledge of local market
- Avoid tariffs and NTBs

Disadvantages

- High financial and managerial investments
- Higher exposure to political risk
- Vulnerability to restrictions on foreign investment
- Greater managerial complexity

FDI in strategies

Global Market Entry Strategies



Rank	Jurisdiction	FDI Inflows
#1	United States	\$275.4 billion
#2	China	\$196.2 billion
#3	Hong Kong (SAR)	\$101.4 billion
#4	United Kingdom	\$62.0 billion
#5	Japan	\$58.0 billion
#6	Netherlands	\$58.0 billion
#7	France	\$58.0 billion
#8	Australia	\$58.0 billion
#9	Switzerland	\$58.0 billion
#10	India	\$58.0 billion
#11	British Virgin Islands	\$58.0 billion
#12	Cayman Islands	\$58.0 billion
#13	Germany	\$58.0 billion
#14	Mexico	\$58.0 billion
#15	Ireland	\$58.0 billion

Portfolio investment



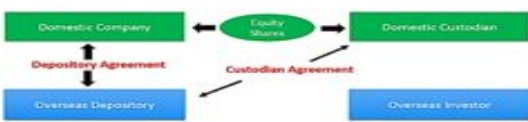
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What is Global Depository Receipts (GDR)?



What are American Depository Receipts (ADR)?



The forms of international economic relations

- ✓ International trade in goods and services
- ✓ The international movement of capital
- ✓ Labour migration: (The flow of labour from one country to another)
- ✓ International exchange of knowledge
- ✓ The international currency and settlement relations

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Our todays lecture :

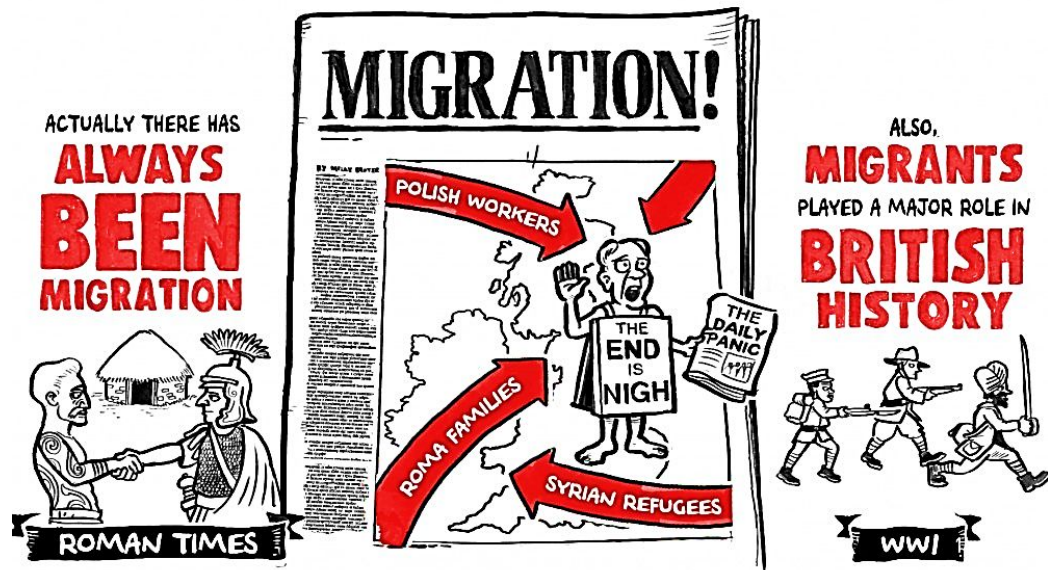
The forms of international economic relations

- ✓ International trade in goods and services;
- ✓ The international movement of capital;
- ✓ Labour migration;
- ✓ International exchange of knowledge;
- ✓ The international currency and settlement relations.



International migration

- ❑ The movement of a person or a group of persons, either across an international border
- ❑ a population movement, encompassing any kind of movement of people, whatever its length, composition and causes;
- ❑ includes migration of refugees, displaced persons, economic migrants, and persons moving for other purposes, including family reunification”



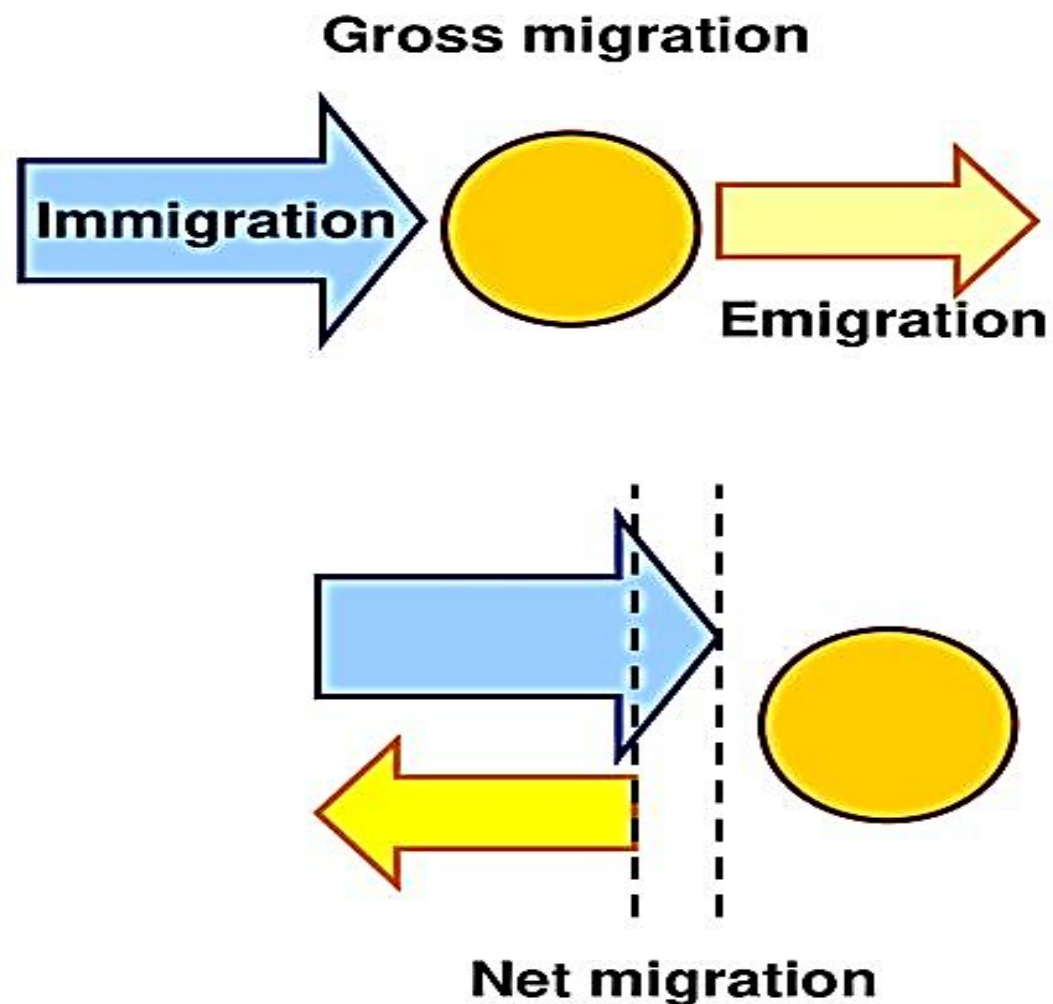
“international migrant” as any person who has changed his or her country of usual residence

- ❑ “short-term migrants” (those who have changed their countries of usual residence for at least three months, but less than one year)
- ❑ “long-term migrants” (those who have done so for at least one year)

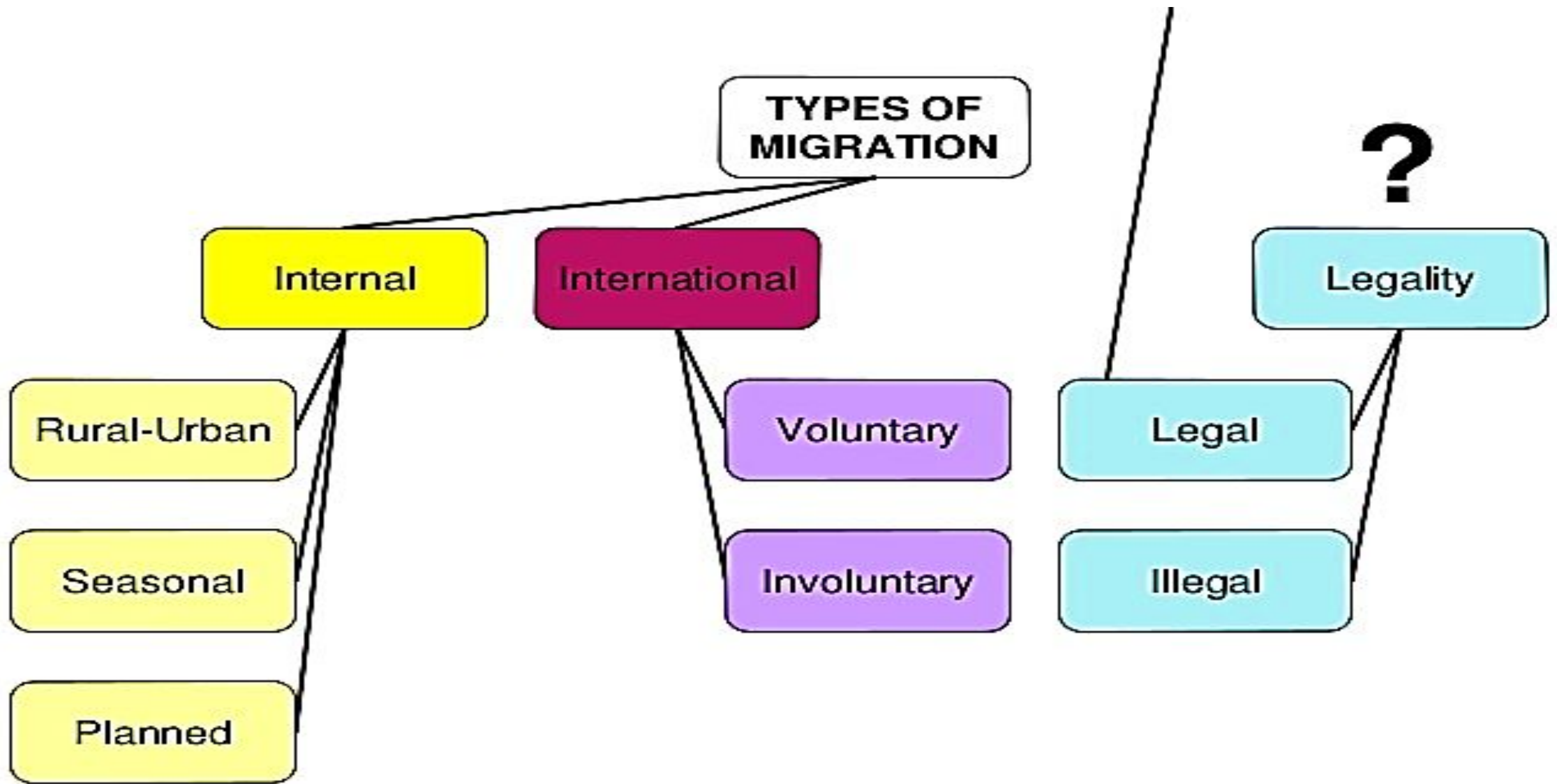
Types of migration

1

Types of Migration



- **Gross migration**
 - Total number of people coming in and out of an area.
 - Level of population turnover.
- **Net Migration**
 - Difference between immigration (in-migration) and emigration (out-migration).
 - Positive value:
 - More people coming in.
 - Population growth.
 - Negative value:
 - More people coming out.
 - Population decline.



Internal Migration – Rural-Urban Migration

- Movement of people away from the rural region (countryside, farms) to an urban (town, city) area.
- Which age group is most prone to move?
- Which group of country experiences large volumes of rural-urban migrants?
- **Why?**

Internal Migration – Rural-Urban Migration

- Which age group is most prone to move?
 - Male
 - Age group – 20s and 30s
 - Able bodied – economically-active
- Which group of country experiences large volumes of rural-urban migrants?
 - Developing countries, eg. India, Brazil

Internal Migration – Rural-Urban Migration

- Main and most important reason for this movement – rural area **cannot** support the large and rapid population increase
- Symptoms of rural overpopulation –
- Worsened by farm mechanisation. Why?

Internal Migration – Rural-Urban Migration



Squatter Settlements—Sao Paulo



Squatter Settlements—Mumbai



Internal Migration – Seasonal Migration

- Seasonal migration is also known as labour migration
- It refers to the movement of people away from their homes to find a livelihood, usually on a temporary basis
- Farmers moving their herds from the snow-covered uplands to lowland pastures
- Apartheid System (African slavery system)

Internal Migration – Planned Migration

- Planned migration refers to large-scale migration of people within the country
- Usually carried out by the government
- The most famous example – Transmigration Programme in Indonesia
- **Aims** of the Transmigration Programme
 - Relieve population pressure in Java, Madura, Bali and Lombok
 - Increase job opportunities and raise standard of living in Java, Madura, Bali and Lombok
 - Increase production of food and tree crops

Planned Migration

Causes

- uneven population distribution
- plans to develop undeveloped areas

Effects

- overcome landless problem & food shortage
- raise std of living eg introduce cash cropping
- cultural clash between migrants and locals
- disrupt local way of life
- widespread deforestation and soil erosion

International Migration – Involuntary Migration

- Involuntary Migration = **Forced** Migration
- Movement of people caused by events which force people to move against their will
- People involved in this movement = Refugees

Refugees are persons who owing to well-founded fear of persecution for reasons of race, religion, nationality or political opinions, are outside of their country of origin and cannot or owing to such fear, do not wish to avail themselves of the protection of that country.

Involuntary Migration

Causes

- unfavourable ***social*** conditions
- eg persecution, civil wars

- unfavourable ***environmental*** conditions
- eg droughts, floods

Effects

- refugees cause economic strain in host countries
- poorly equipped refugee camps
- unrest ... refugees refuse to go home
- racial conflicts in host country
- Many refugees depend on aid from developed countries
- Locked up in barricaded detention camps
- Refugees who return face integration problems

International Migration – Voluntary Migration

- Voluntary migration – movement of people by **choice** or one's own **free will**
- Reasons given for such movement is quite similar to reasons for rural-urban migration

International Migration – Voluntary Migration

Impact:

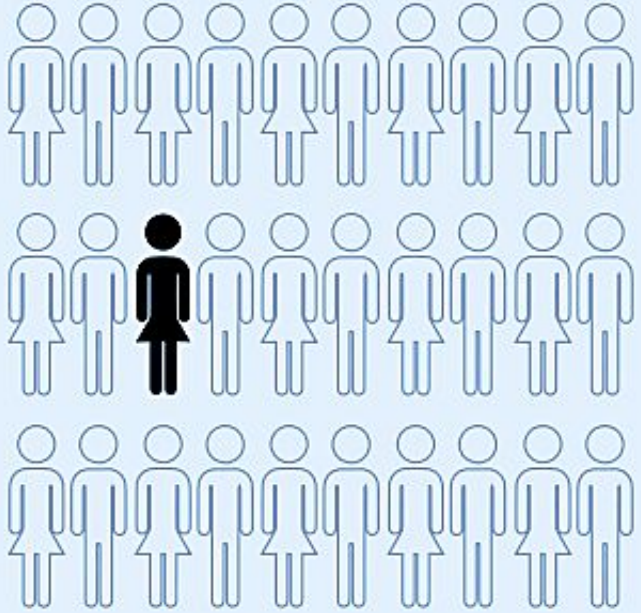
- Ethnic congregation, eg. Little Chinatowns and Little Indias in foreign land
- Poor quality housing
- Language difficulty
- Racial tensions
- Brain Drain

Migration in numbers

**272 million international migrants in the world in 2019,
which equates to 3.5 per cent of the global population**

740 million internal migrants in 2009

272 million international migrants in 2019 out of a global population of 7.7 billion:
1 in every 30 people



Note: Infographics based on UN DESA, 2019a and UN DESA, 2019c.

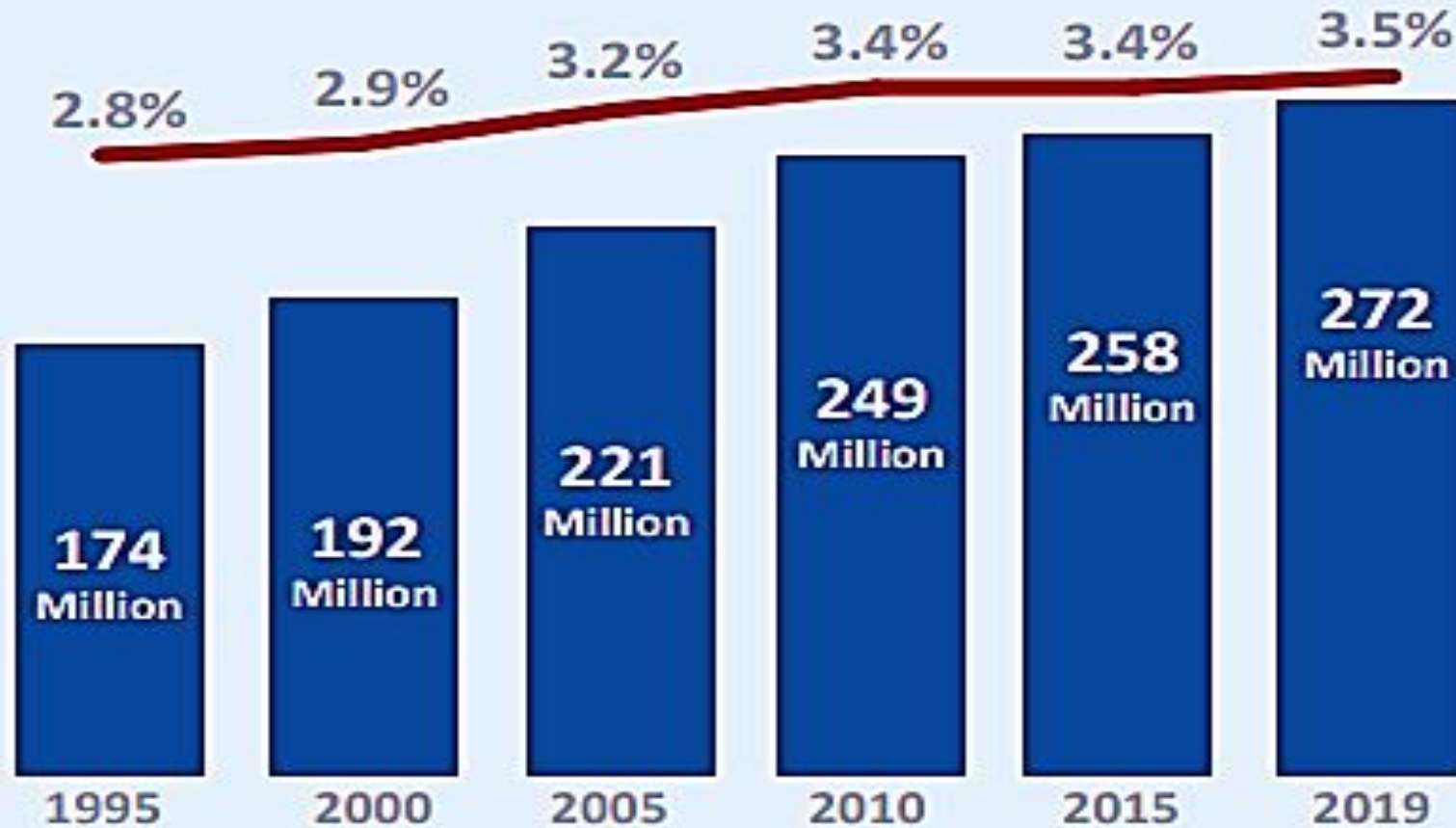
Table 1. International migrants, 1970–2019

Year	Number of migrants	Migrants as a % of the world's 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	153,011,473	2.9%
1995	161,316,895	2.8%
2000	173,588,441	2.8%
2005	191,615,574	2.9%
2010	220,781,909	3.2%
2015	248,861,296	3.4%
2019	271,642,105	3.5%

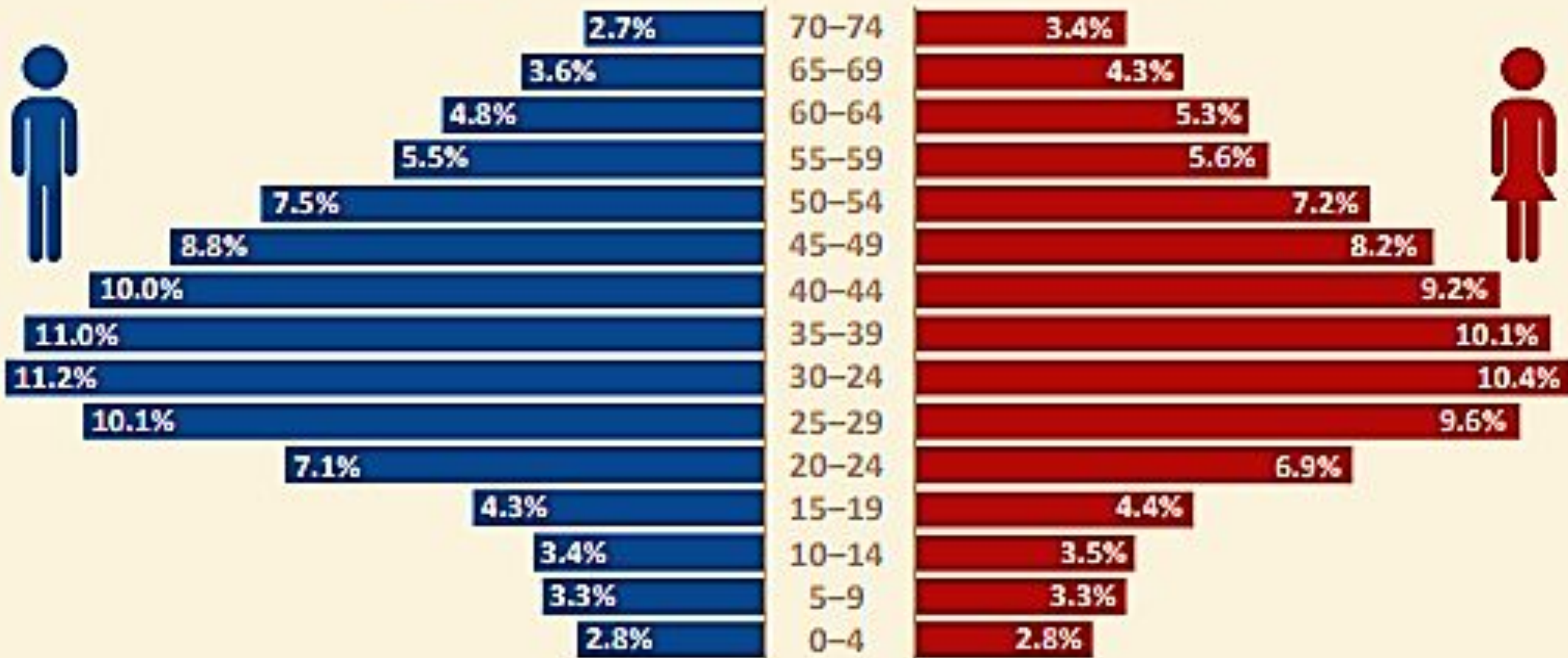
Source: UN DESA, 2008, 2019a, 2019b.

Snapshot of international migrants

The international migrant population globally has increased in size but remained relatively stable as a proportion of the world's population



52% of international migrants are male, 48% are female



Most international migrants (74%) are of working age (20-64 years)

**Age groups above 75 years were omitted (male 4%, female 6%).*

Figure 1. International migrants, by major region of residence, 2005 to 2019 (millions)

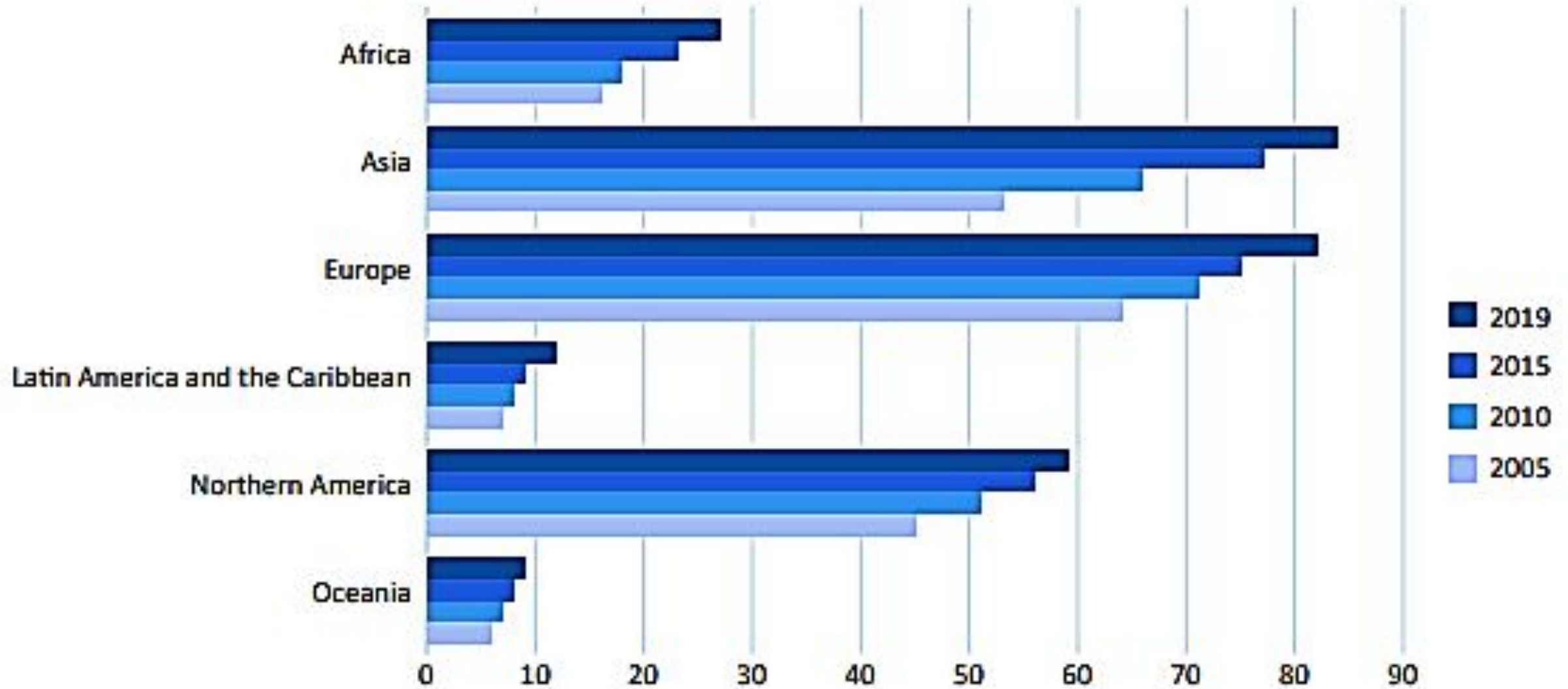
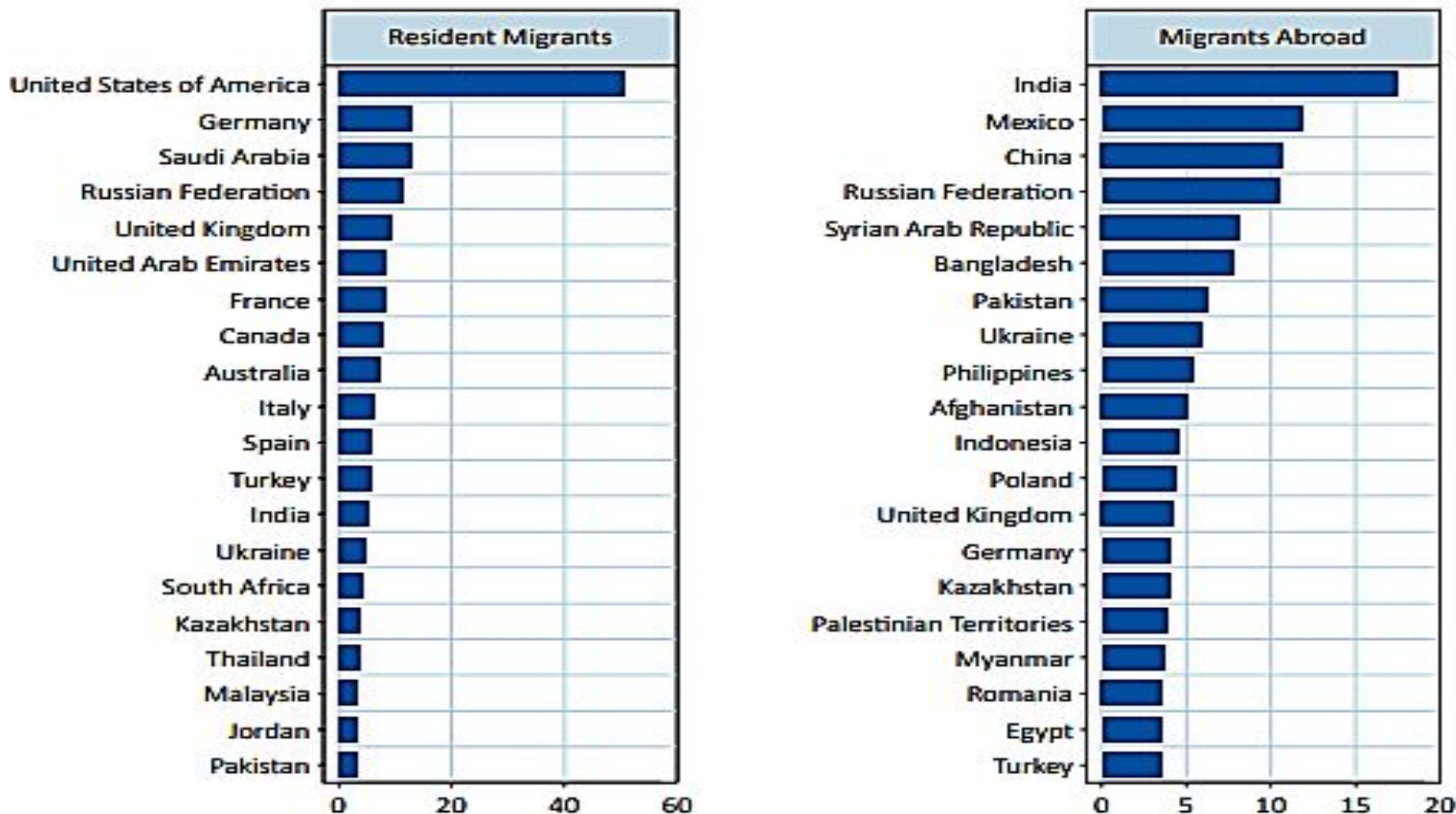
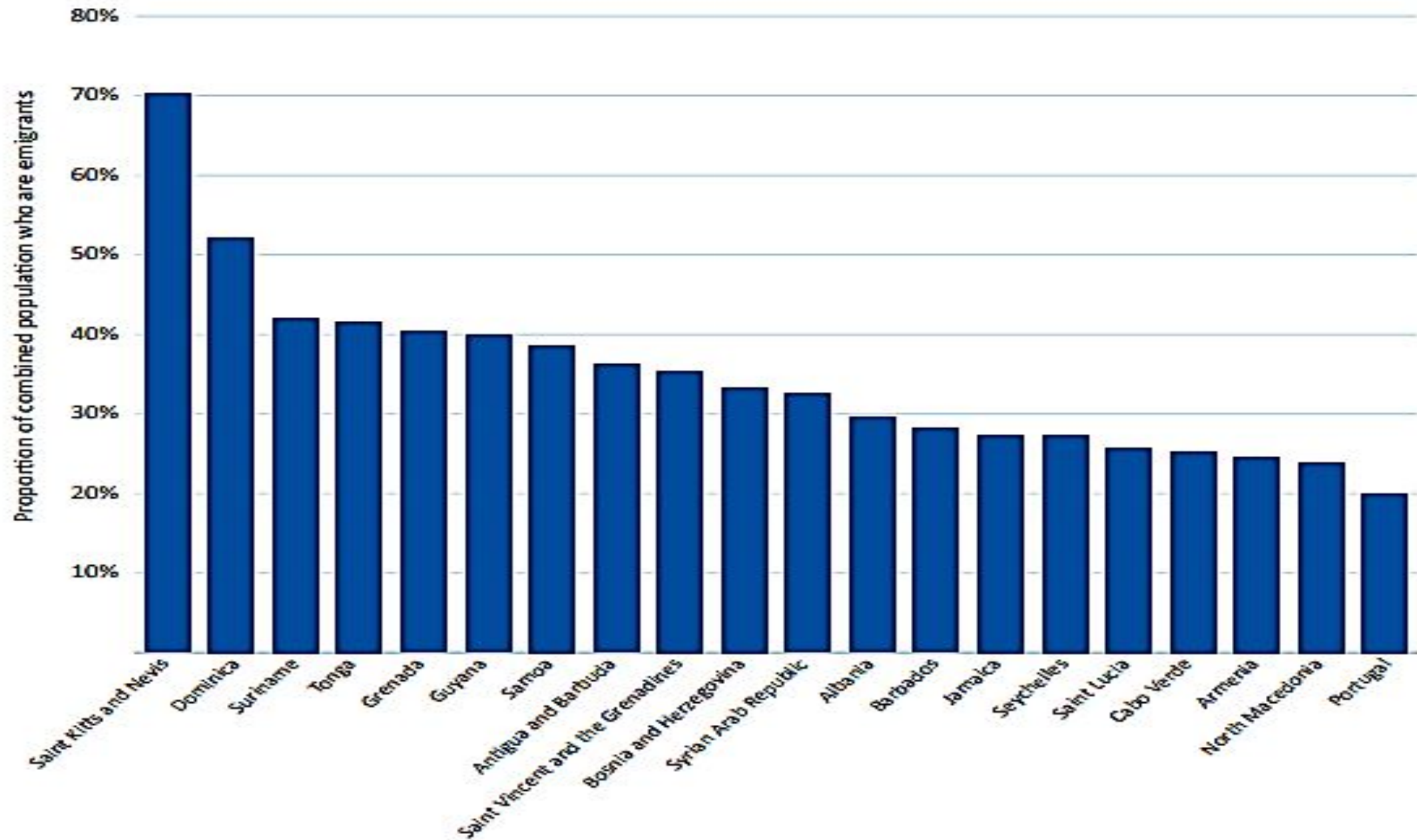


Figure 3. Top 20 destinations (left) and origins (right) of international migrants in 2019 (millions)



Source: UN DESA, 2019a (accessed 18 September 2019).

Figure 4. Top 20 countries of emigration in 2019 (proportion)



Migration corridors

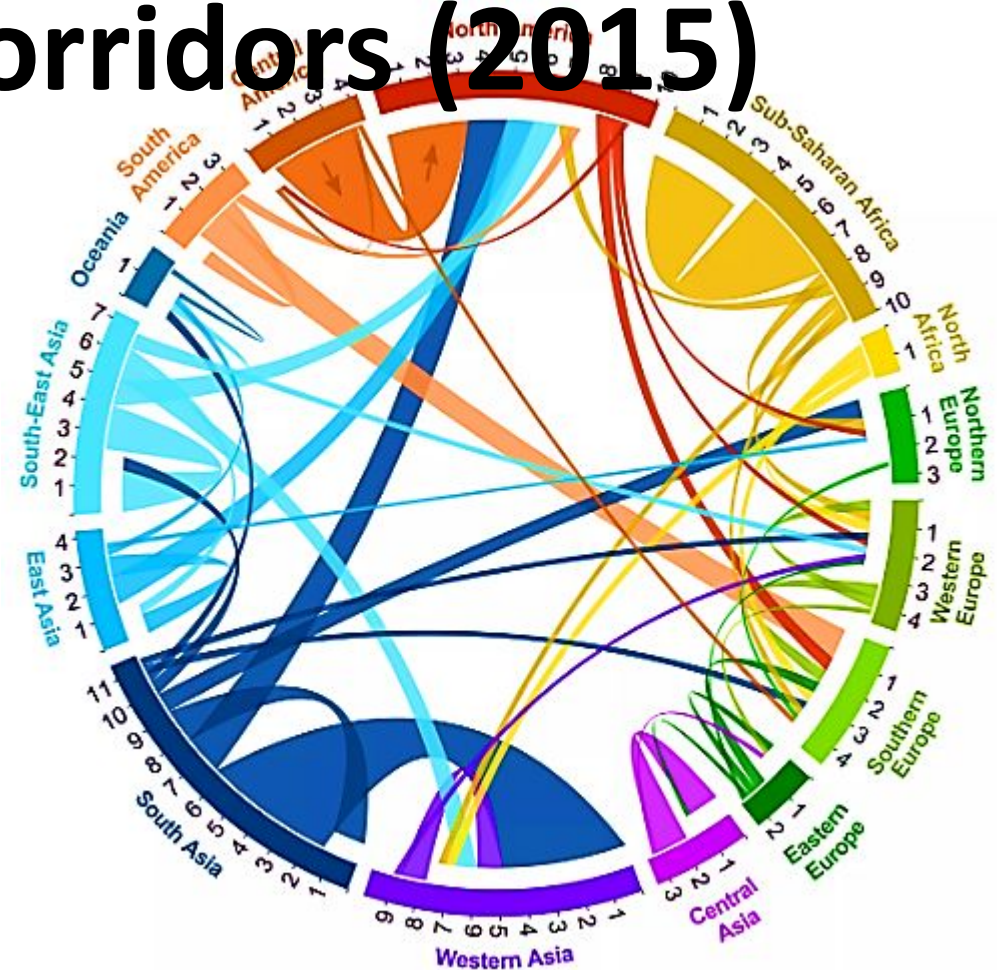
Migration corridors

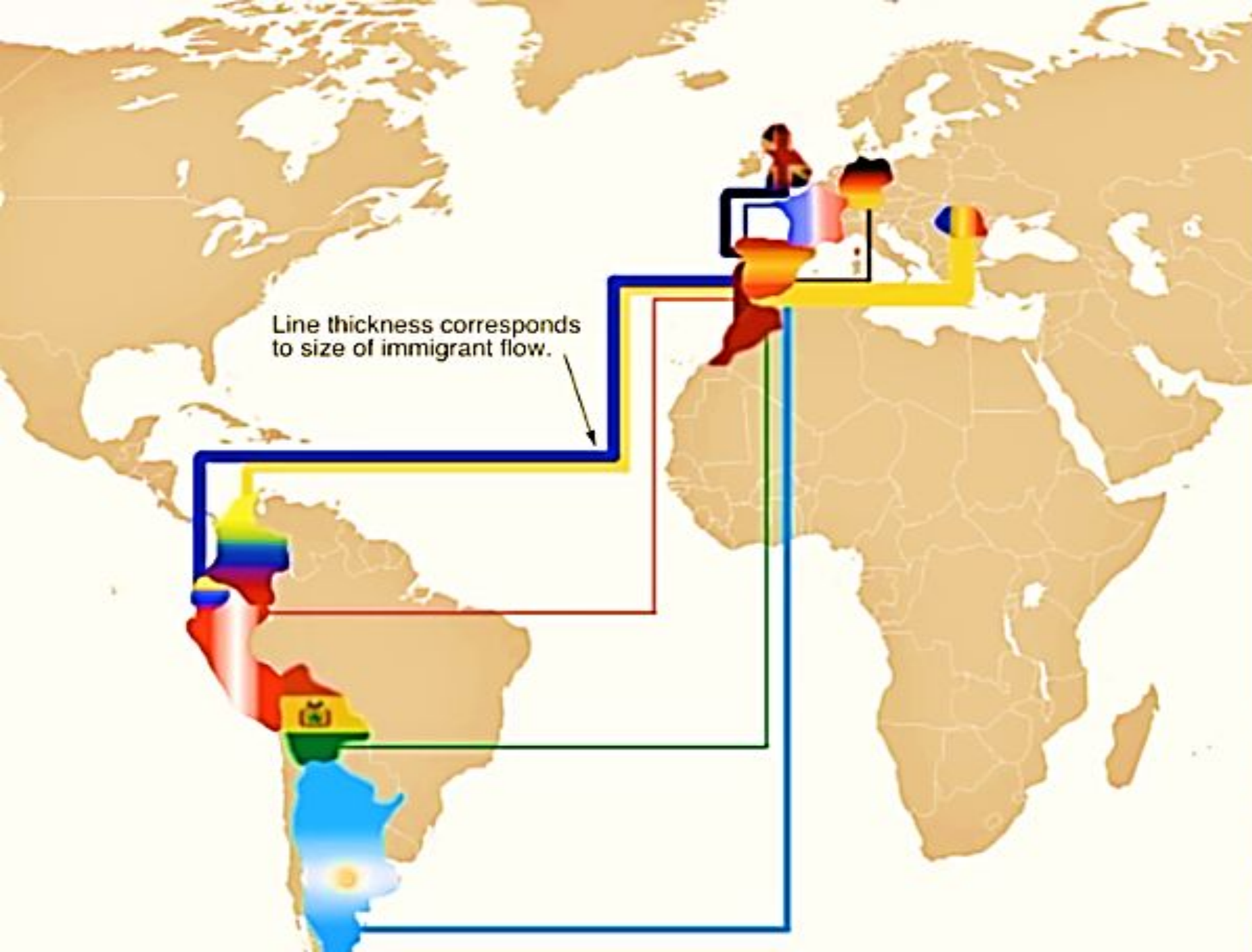
2000/2017 гг.

(МЛН ЧЕЛОВЕК)



Top -10 countries (resident migrants) with their migration corridors (2015)





Line thickness corresponds to size of immigrant flow.

10. Spain

6,467,000 immigrants
13.8% of total population

- 10. Bolivia 185k
- 9. Peru 190k
- 8. France 216k
- 7. Germany 240k
- 6. Argentina 268k
- 5. Colombia 359k
- 4. UK 381k
- 3. Ecuador 451k
- 2. Morocco 746k
- 1. Romania 798k



9. Australia

6,469,000 immigrants
27.7% of total population

10. Greece 136k

9. Germany 138k

8. Malaysia 145k

7. South Africa 167k

6. Philippines 190k

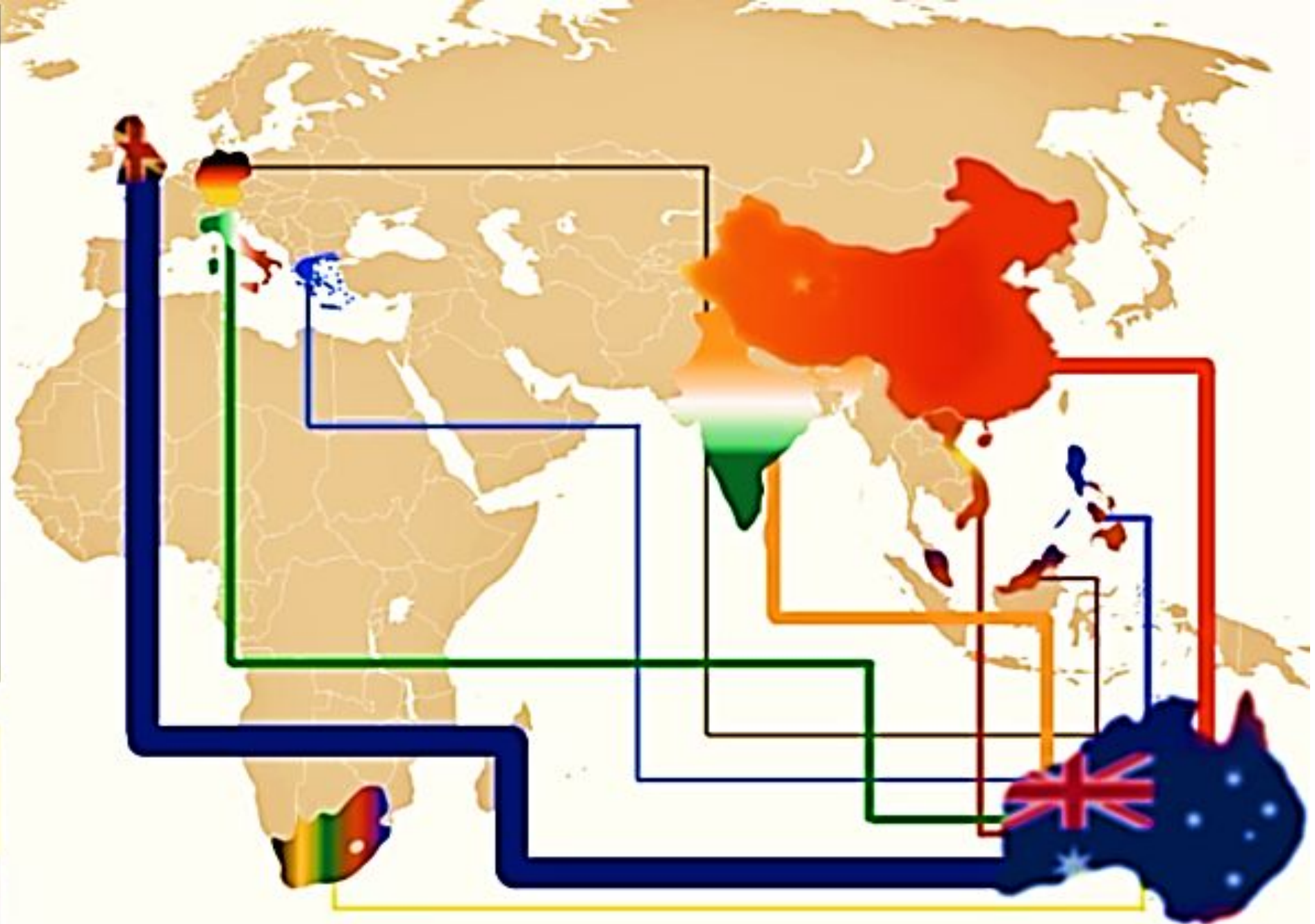
5. Vietnam 225k

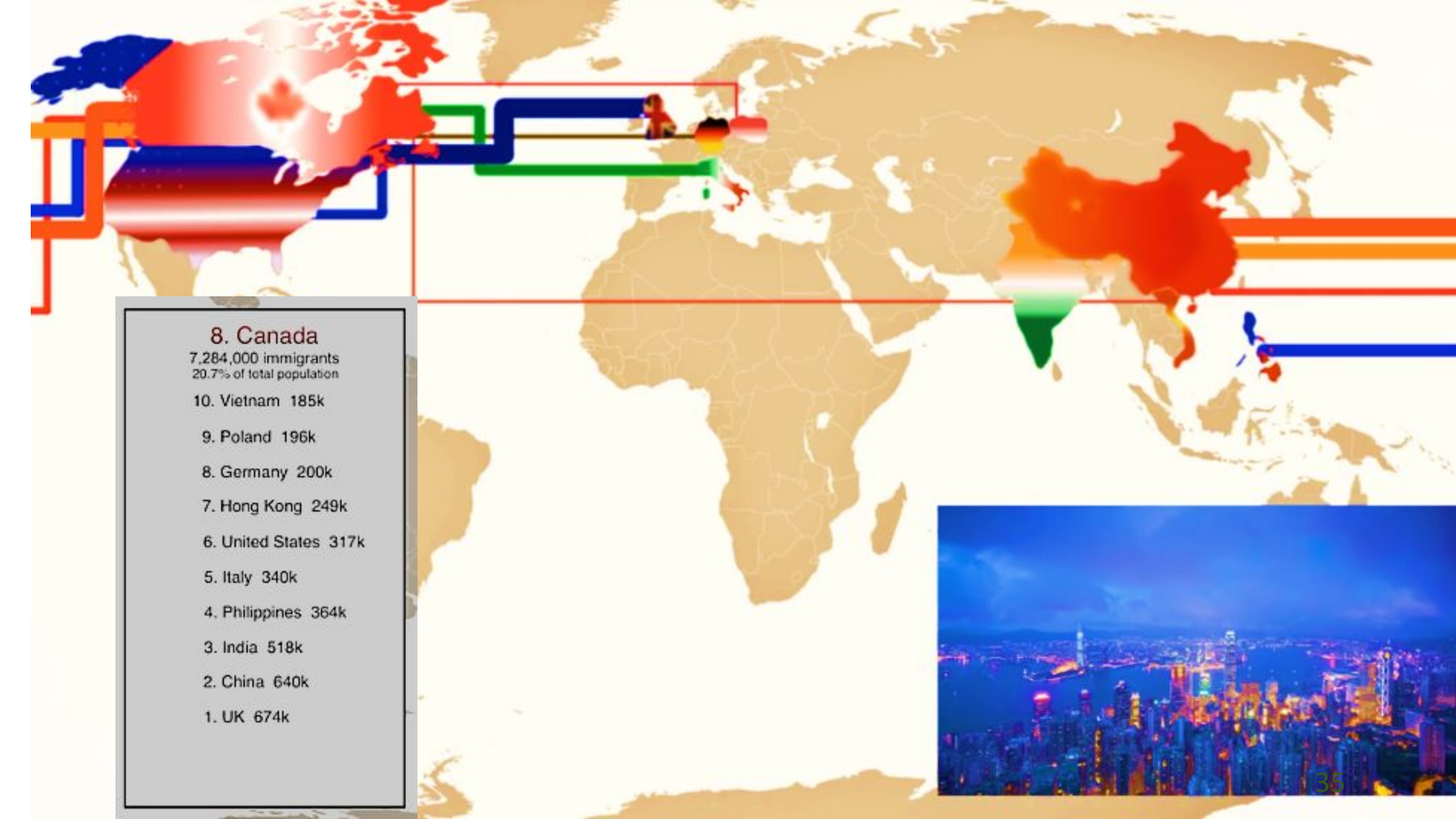
4. Italy 232k

3. India 365k

2. China 447k

1. UK 1.27m



A world map with a light beige background. Several thick, colored lines (red, blue, green, orange) originate from various countries and converge towards a central point in Europe. The lines are: a red line from the USA, a blue line from Canada, a green line from India, an orange line from China, and a blue line from the Philippines. Small icons of people are placed along the lines. A grey box in the bottom-left corner contains a list of countries and their immigrant populations. An inset image in the bottom-right corner shows a night view of a city skyline with many lit-up skyscrapers.

8. Canada

7,284,000 immigrants
20.7% of total population

10. Vietnam 185k

9. Poland 196k

8. Germany 200k

7. Hong Kong 249k

6. United States 317k

5. Italy 340k

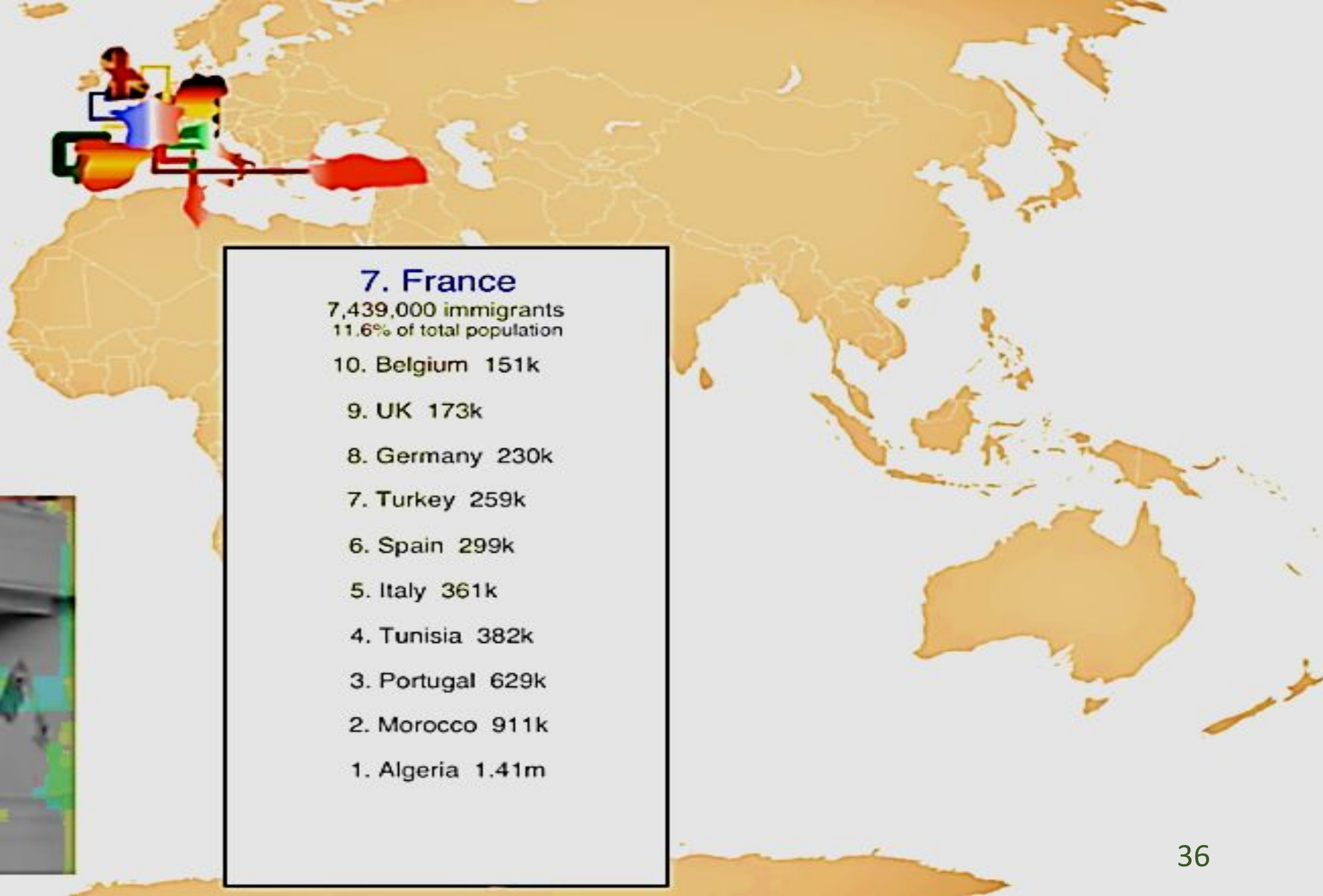
4. Philippines 364k

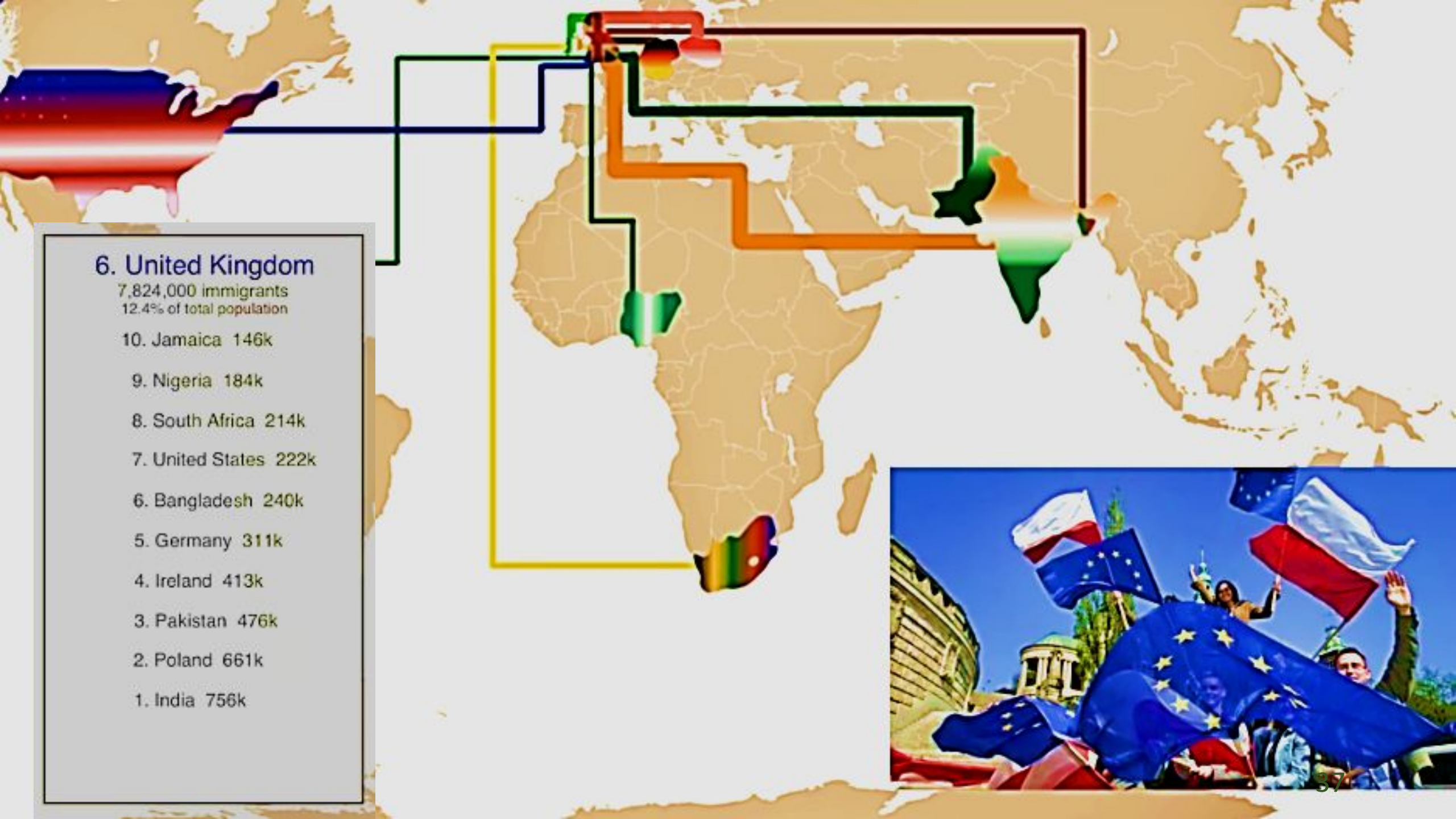
3. India 518k

2. China 640k

1. UK 674k







6. United Kingdom

7,824,000 immigrants
12.4% of total population

- 10. Jamaica 146k
- 9. Nigeria 184k
- 8. South Africa 214k
- 7. United States 222k
- 6. Bangladesh 240k
- 5. Germany 311k
- 4. Ireland 413k
- 3. Pakistan 476k
- 2. Poland 661k
- 1. India 756k



5. United Arab Emirates

7,827,000 immigrants
83.7% of total population

10. Sri Lanka 106k

9. Jordan 141k

8. Sudan 155k

7. Yemen 201k

6. Indonesia 321k

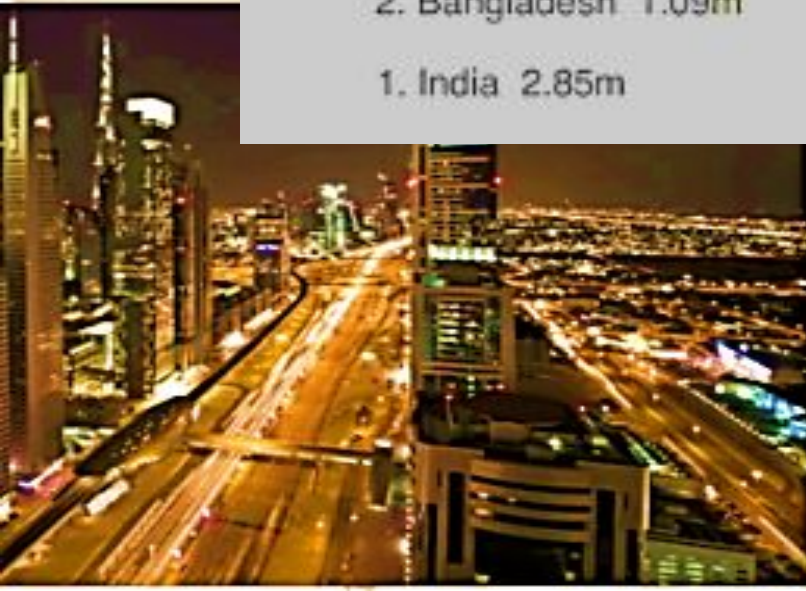
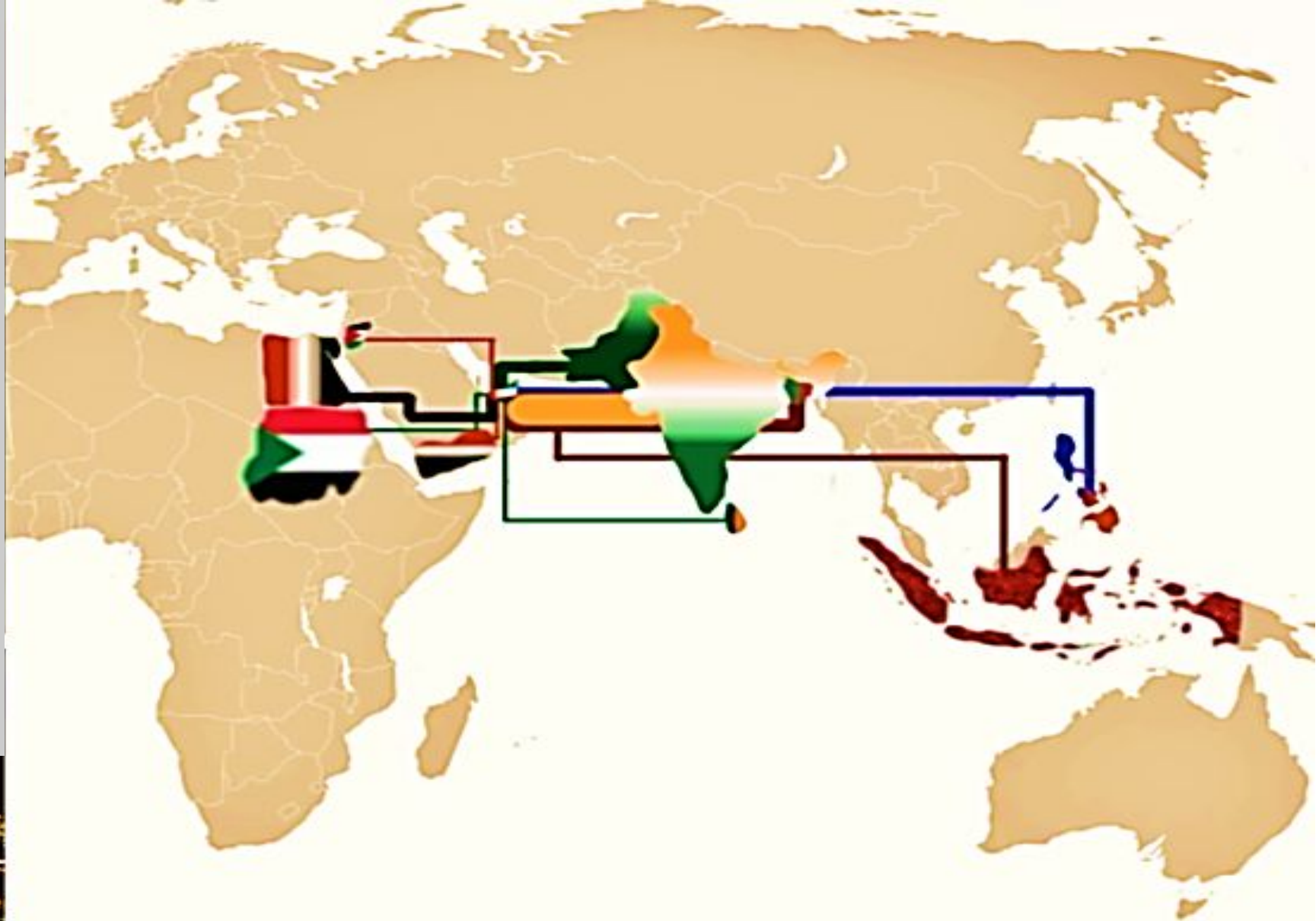
5. Philippines 477k

4. Egypt 712k

3. Pakistan 954k

2. Bangladesh 1.09m

1. India 2.85m



4. Saudi Arabia

9,060,000 immigrants
31.4% of total population

10. Sri Lanka 147k

9. Jordan 169k

8. Sudan 235k

7. Indonesia 380k

6. Yemen 461k

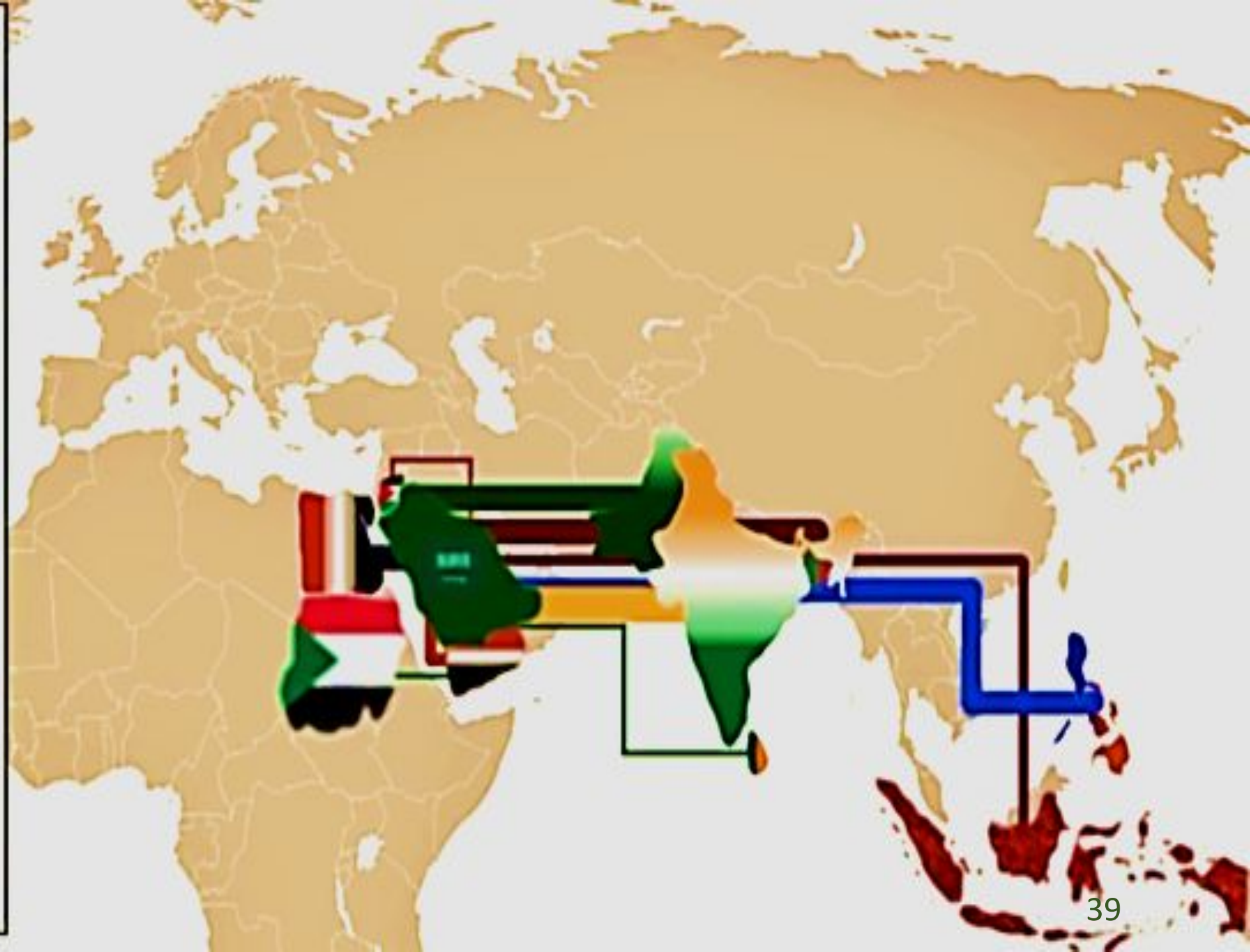
5. Philippines 1.03m

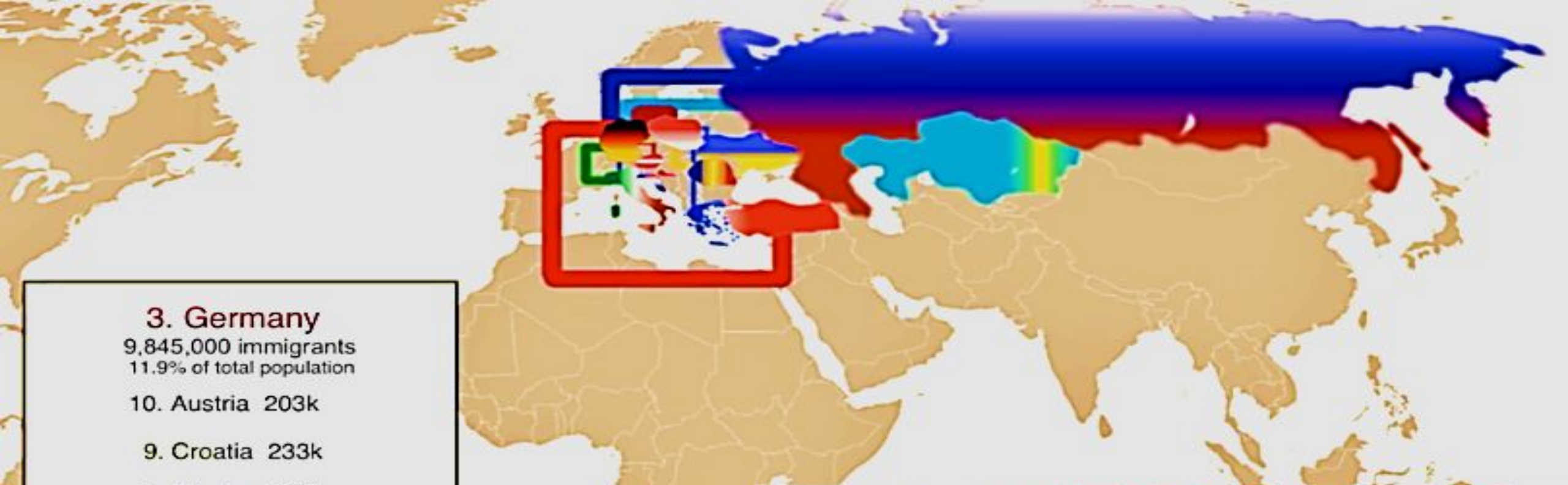
4. Egypt 1.30m

3. Bangladesh 1.31m

2. Pakistan 1.32m

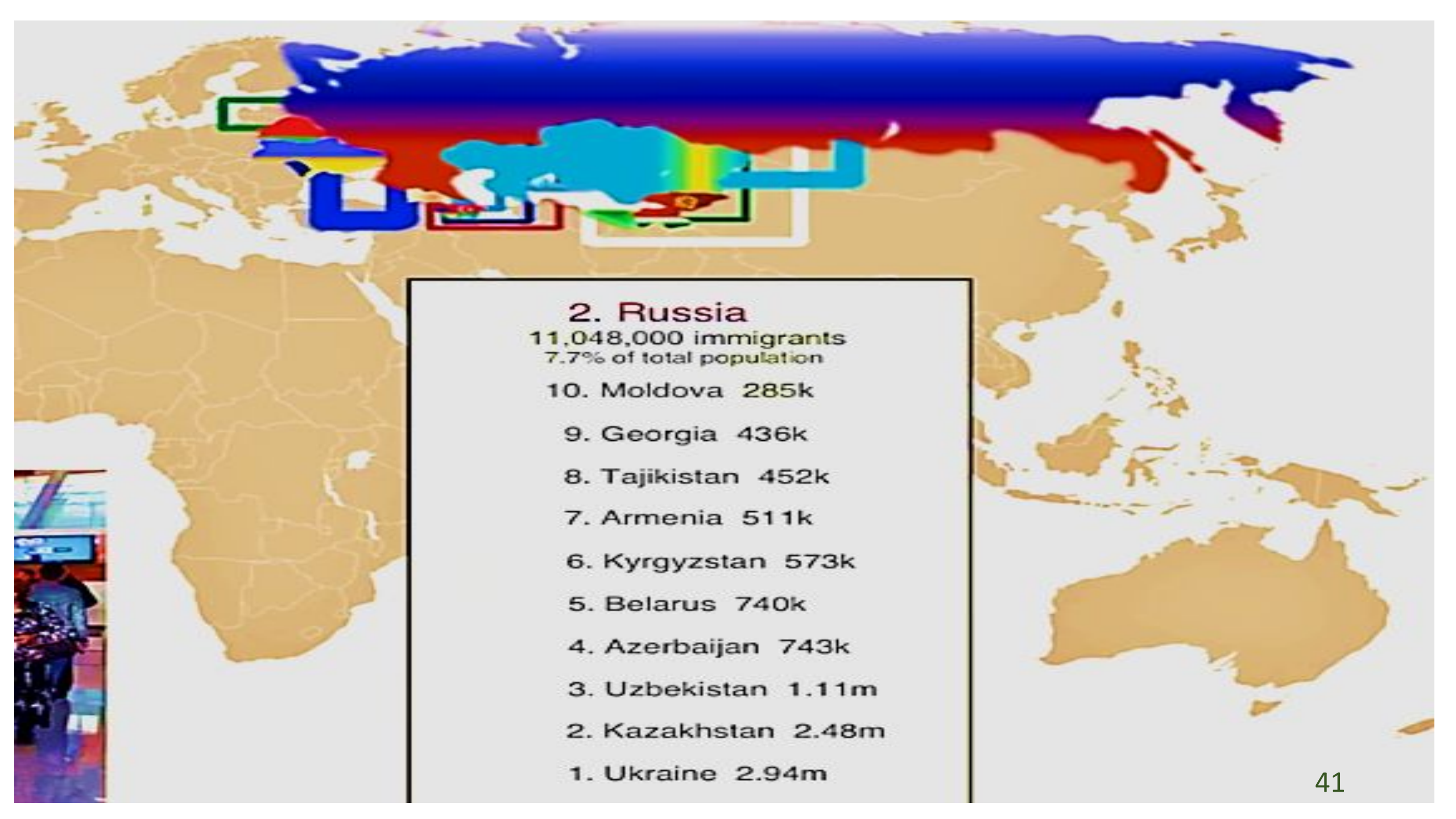
1. India 1.76m





- 3. Germany**
9,845,000 immigrants
11.9% of total population
- 10. Austria 203k
- 9. Croatia 233k
- 8. Ukraine 234k
- 7. Greece 238k
- 6. Romania 384k
- 5. Italy 433k
- 4. Kazakhstan 718k
- 3. Russia 1.01m
- 2. Poland 1.15m
- 1. Turkey 1.54m





2. Russia

11,048,000 immigrants
7.7% of total population

10. Moldova 285k

9. Georgia 436k

8. Tajikistan 452k

7. Armenia 511k

6. Kyrgyzstan 573k

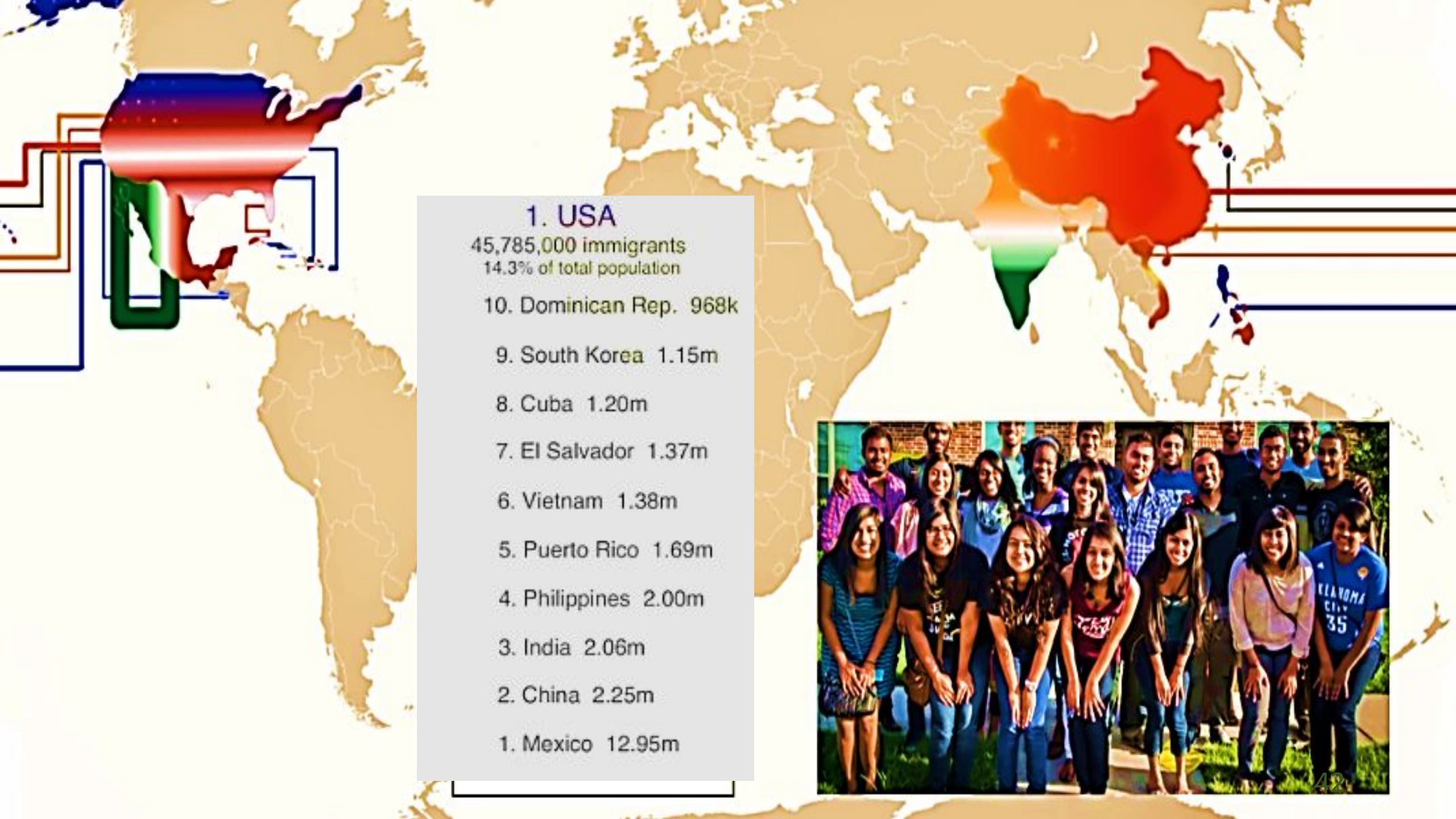
5. Belarus 740k

4. Azerbaijan 743k

3. Uzbekistan 1.11m

2. Kazakhstan 2.48m

1. Ukraine 2.94m



1. USA

45,785,000 immigrants
14.3% of total population

10. Dominican Rep. 968k

9. South Korea 1.15m

8. Cuba 1.20m

7. El Salvador 1.37m

6. Vietnam 1.38m

5. Puerto Rico 1.69m

4. Philippines 2.00m

3. India 2.06m

2. China 2.25m

1. Mexico 12.95m



Migration

reasons

Reasons For Migration

I'M STUCK
REVISION MADE EASY



MIGRATION

PUSH AND PULL FACTORS



Reasons for Migration



Push Factors

- ❧ Poverty
- ❧ Lack of religious freedom
- ❧ Corrupt governments
- ❧ Lack of opportunity
- ❧ Poor education
- ❧ Lack of religious freedom
- ❧ Civil strife
- ❧ Lack of medical care
- ❧ Natural disasters



Pull Factors

- ❧ Opportunity
- ❧ Religious freedom or freedom in general
- ❧ Higher standard of living
- ❧ Jobs
- ❧ Lower cost of living
- ❧ Medical care / medicine
- ❧ Safety / protection
- ❧ Fair or just government

- *growing global disparities in development, democracy, and demography;*
- *job shortages that will be exacerbated by the current economic downturn;*
- *the segmentation of labour markets in high-income economies => a situation that attracts migrant workers to so-called “3D” jobs (dirty, difficult, or dangerous);*
- *revolutions in communications and transportation...; migration networks...etc...*

International remittances

Migrant workers

roughly 164 million migrant workers around the world in 2017, accounting for nearly two thirds (64%) of the (then) 258 million global stock of international migrants.

regarded as 15 years of age or older (234 million) – migrant workers account for 70 per cent.



International remittances

Remittances are financial or in-kind transfers made by migrants directly to families or communities in their countries of origin.



available data reflect an overall increase in remittances in recent decades, from USD 126 billion in 2000, to USD 689 billion in 2018

Top countries receiving remittances

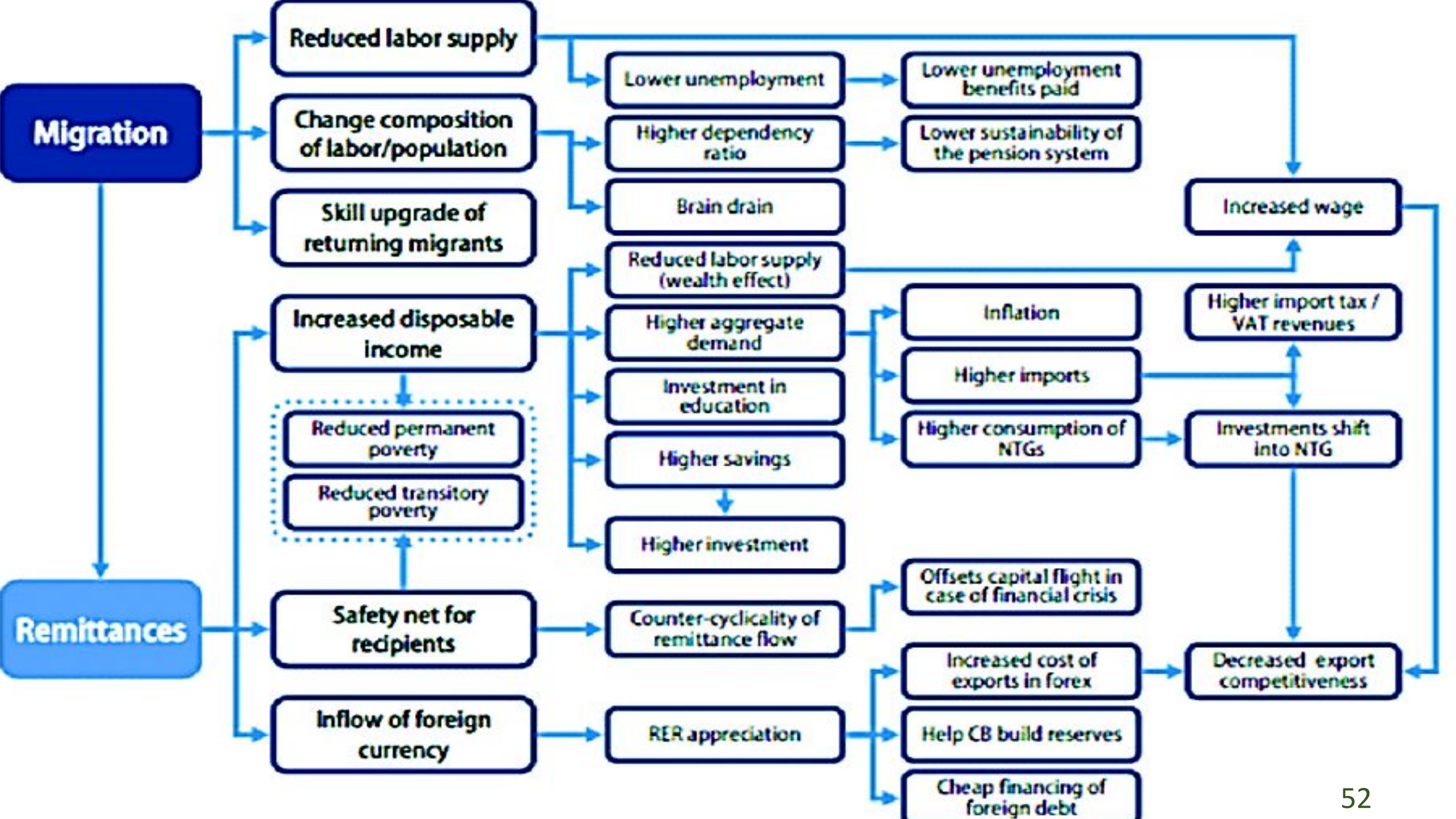
2005		2010		2015		2018	
China	23.63	India	53.48	India	68.91	India	78.61
Mexico	22.74	China	52.46	China	63.94	China	67.41
India	22.13	Mexico	22.08	Philippines	29.80	Mexico	35.66
Nigeria	14.64	Philippines	21.56	Mexico	26.23	Philippines	33.83
France	14.21	France	19.90	France	24.06	Egypt	28.92
Philippines	13.73	Nigeria	19.75	Nigeria	21.16	France	26.43
Belgium	6.89	Germany	12.79	Pakistan	19.31	Nigeria	24.31
Germany	6.87	Egypt	12.45	Egypt	18.33	Pakistan	21.01
Spain	6.66	Bangladesh	10.85	Germany	15.81	Germany	17.36
Poland	6.47	Belgium	10.35	Bangladesh	15.30	Viet Nam	15.93

When remittances are viewed as a percentage of gross domestic product, however, the top five remittance-receiving countries in 2018 were Tonga (at 35.2%), followed by Kyrgyzstan (33.6%), Tajikistan (31%), Haiti (30.7%) and Nepal (28%).

Top countries sending remittances

2005		2010		2015		2017^a	
United States	47.25	United States	50.78	United States	61.86	United States	67.96
Saudi Arabia	14.30	Saudi Arabia	27.07	United Arab Emirates	40.33	United Arab Emirates	44.37
Germany	12.71	Russian Federation	21.45	Saudi Arabia	38.79	Saudi Arabia	36.12
Switzerland	10.52	Switzerland	17.76	Switzerland	25.40	Switzerland	26.60
United Kingdom	9.64	Germany	14.68	China	20.42	Germany	22.09
France	9.48	Italy	12.89	Russian Federation	19.69	Russian Federation	20.61
Republic of Korea	6.9	France	12.03	Germany	18.03	China	16.18
Russian Federation	6.83	Kuwait	11.86	Kuwait	15.20	Kuwait	13.76
Luxembourg	6.70	Luxembourg	10.65	France	12.79	France	13.50
Malaysia	5.68	United Arab Emirates	10.57	Qatar	12.19	Republic of Korea	12.89

Migration effects



Impacts of Labour Migration

- The impact of labour migration varies from country to country. Economic migration can have different effects resulting from the volume, composition, and characteristics of the migratory flows as well as the context in which the flows take place.
- For countries of origin, in addition to the possibility of providing some relief from unemployment and absorbing an increase in the labour force, it can provide a form of developmental support, especially through remittances, transfer of know-how, and creation of business and trade networks.
- For receiving countries facing labour shortages, immigration can alleviate labour scarcity, facilitate occupational mobility, and add to the human capital stock of the receiving countries.



