

**Paul Singer**

# **International Development**

## **I. Industrial Revolution and Development**

DEVELOPMENT is defined by some authors as synonymous to economic growth or more specifically to growth *of per capita* income. Others prefer to think of development as a socio-economic process and define it as economic growth accompanied by some welfare provisions like, for instance, that no worsening of the income distribution should occur when development takes place. Such concepts try to define development in terms of its economic and social desirability, as something worth striving for. However, for us development is not some sort of award but a historical category, by means of which a better understanding of the process of economic and social change in our epoch can be gained.

Development is first of all the difference (or sum of differences) between the developed and the not-developed countries of *today*. Such differences are essentially qualitative, although their outer effects may be listed and quantified. The basic difference between capitalist industrialized countries and countries which are not industrialized and which have a half-capitalist and a half-precapitalist economy is structural. It cannot be overcome by economic growth, seen as a merely quantitative change. A not-developed country may grow economically and become even less developed than before. That may happen, for instance, if the growth is occasioned by the expansion of exports of colonial wares, while the consequent increase of imports helps to eliminate domestic manufactures.

Developed and not-developed countries are *both* results of the Indus-

trial Revolution, as it took place during the last century, until nearly 1930. While industrialization changed the economy and the society first of Great Britain and then of other countries of West Europe, of North America and of Japan; other countries, first of Latin America and South and East Europe and later of Asia and Africa, became specialized as primary producers. In fact, the Industrial Revolution changed not only Great Britain, Germany, United States, Japan and some other countries into "workshops of the world" but changed also Italy, Russia, Brazil, Argentina and others into specialized producers of cereals, meat, coffee, and so on. The international division of labour established in this way is the real origin of the present division of the world into developed and not-developed or underdeveloped or less developed countries.

Development means, therefore, the process by which colonial economies, i.e. countries specialized in the production of colonial wares, break away from the "ancient" international division of labour. Such a process was not feasible, before 1930, for all of not-developed countries, but only for some of them, who, like the US or Japan, could jump to the other side of the fence by the incorporation into the international division of labour of new countries only because the amount of primary production 'was steadily expanding. So, while Germany, the United States and Japan were increasing, by their industrialization, the international demand for raw materials and some colonial foodstuffs, at the end of the last century and the beginning of the present one, the opening up of new producing areas in Black Africa, in Asia and in Latin America expanded their supply.

By 1930, the "ancient" international division of labour could not be expanded much more. There were no new areas with significant productive potential which could still be opened up. At the same time, the Great Depression of the thirties lowered the level of international trade: output and employment decreased sharply in the industrialized countries, reducing their demand for colonial goods. In *some* not-developed countries, the demand for manufactured goods was kept at its previous level and began to be satisfied by means of import substitution. In this way, several countries started to break away from the "ancient" international division of labour and, by implication, they began to form a new one.

International trade remained at a low level until the end Of the II

World War; afterwards, it recovered quite slowly. During this period, 1930-45, quite a sizable number of countries developed their economies through import substitution. After 1945, many more countries freed themselves from (political) colonial ties and some of them, like the Philippines, Taiwan and Nigeria, started to develop<sup>1</sup>. These countries invested most of their resources in industries directed towards the domestic market and neglected, to a certain extent, the expansion of the output of colonial wares. Although the foreign exchange derived from exports of these wares was still quite important to finance the importation of machinery, components etc., there is no doubt that their trade with the industrialized countries grew much less than the trade among the latter countries. Between 1950 and 1965, the exports of the not-developed to the developed countries grew at a yearly rate of 5.2 per cent while the exports of developed countries to each other grew at a yearly rate of 9.4 per cent<sup>2</sup>.

The slow growth of the demand for colonial wares in the post-war period can be ascribed mainly to two factors. Firstly, the income elasticity of demand for most foodstuffs tends to be low at higher levels of income. Given the high levels of income already reached in most developed countries in the fifties, their demand for most foodstuffs grew since then at a much smaller rate than their incomes. Secondly, many technical innovations brought about the substitution of natural materials by synthetics. The demand for many colonial raw-materials, like cotton, wool, rubber, increased at relatively low rates; the only significant exception was oil, the trade of which grew by great leaps. The exports of not-developed countries, excluding major petroleum producers, to developed countries grew, between 1950 and 1965, at a yearly rate of only 4.2 per cent<sup>2</sup>.

The economic growth of most of the not-developed countries was held back by their slow expansion of exports. That, however, was not the case of a few of them that did develop. These were able to sustain growth

1. The study of the economic evolution of 28 not-developed countries between 1948 and 1963 showed that 12 of them managed to develop during this period. See Singer, Paul — *Dinamica de la Poblacion y Desarrollo. Mexico, Siglo XXI*, 1971.

2. Lary, Hal B. — *Imports of Manufactures from Less Developed Countries*. New York, NBER, 1968. p. 2.

rates much higher than the increase of their foreign trade so long as the scope for import substitution promoted diversification of output. From a certain level of industrialization onwards, several countries which did not take part in the pre-1930 Industrial Revolution became significant exporters of manufactured goods. Between 1953-55 and 1963-65, the annual rate of increase in the value of manufactures exported from developing countries was 8.6 per cent, but the corresponding rate for food and raw materials was only 2.6 per cent. The former rate rose to 12.5 per cent in 1964-66, 13.2 per cent in 1965-66 and 16.3 per cent in 1966-67 and the latter to 3.2 per cent, 4.2 per cent and—2.2 per cent. The share of developing countries in world exports of food and raw materials decreased from an average of 36.3 per cent in 1958-60 to 32.0 per cent in 1966, while their share in world exports of manufactures increased from 3.8 per cent to 4.4 per cent.<sup>3</sup>

The sharp rise of the exports of manufactures from not-developed countries after 1960 heralds the emergence of a new group of semi-industrialized countries in the international division of labour. In 1966, the exports of category A manufactures (i.e. all manufactured goods except oil products and non-ferrous metals) from all not-developed countries to the so-called developed market economies amounted to 4,115.1 million dollars, of which 60.1 per cent came from only 8 countries : Hong Kong, India, Algeria, Yugoslavia, Mexico, Brazil, Argentina and Taiwan.<sup>4</sup> In the original study by the UNCTAD, the hypothesis that "a certain degree of industrialization may be an essential condition for a rapid increase of the exports of manufactures" was tested with data from 48 countries. In fact, no correlation was found between the degree of industrialization in the beginning of the period 1960-1966 and the increase of exports of manufactures during this period.<sup>4</sup> But, taking just the eight most significant exporters of manufactures, mentioned above, six of them had the highest degree of industrialization (15 or more per cent of their Gross Domestic Product originated from manufacturing), while only two of them— India and Algeria— belonged to the intermediary level of industrialization (10 to 14 per cent of the GDP from manufacturing).

3. UN Conference on Trade and Development—*Commodity Survey 1968*. New York, 1968.

4. Conferencia de las Naciones Unidas sobre Comercio y Desarrollo—*Estudio sobre el Comercio de Manufacturas de los Países en Desarrollo 1968*. New York, 1969.

Although the "new" international division of labour is emerging only since 1960 and is still far from being completed, it is the product of a process of development which started in the thirties. The main "cause" of this process may be ascribed to the depression and the II World War and, more generally, to the exhaustion of the possibilities of further geographical expansion of the capitalist economy. The Colonial Revolution after the II World War and the spread of centrally planned economies in Europe and Asia may have stimulated the process. Many former colonies, after becoming politically independent, found support in centrally planned economies for development.

## **II. The Industrial Revolution and International Migration**

The Industrial Revolution inaugurated a new type of economically motivated mass migration which was previously unknown. Migrations before the Industrial Revolution originated mainly from religious or political persecutions or conquest. Such migrations continued afterwards and they still take place but it is only since the last century that we know of large number of people leaving voluntarily their places of birth to settle somewhere else in order to get a better reward for their work. "Voluntarily" is used here, of course, to the extent that it applies to the individual and its conscious motivation. In this sense, no or very few migrations could be considered entirely "voluntary". Nevertheless, it is important to distinguish between migrations which have at their origin political changes—like wars, conquests or revolutions—and migrations originated by socio-economic changes, like the abolition of serfdom, the transformation of peasants into wage-workers and of land in a commodity.

Before the spread of Industrial Capitalism, most individuals were born into a community and would not leave it, even if they were to gain by it, because they would not be easily accepted by any other community. The Industrial Revolution freed the individual from his community : it gave to some peasants land as private property and to the others the freedom to sell their labour power at any place; it freed slaves and released them from plantations and freed artisans and traders from their guilds. In any place where Industrial Capitalism took roots, the individual was torn away from his former community and put into the market as employer, employee or independent producer. It made of him a potential migrant.

Not only because it could be advantageous for him to go to some other market but also because markets, unlike pre-capitalist communities, were generally open to newcomers.

The Industrial Revolution increased thereby the geographical mobility of people and made this mobility necessary by concentrating in space the new industrial activities. It separated manufacturing from agriculture, transferring the first to some urban spots, which became therefore industrial towns. External economies are the main reason why new factories are set as close as possible to the older ones, with which their relations are complementary. The use of available facilities like ports, roads, electrical supply etc., is another cause of industrial concentration in space. But capital could concentrate in cities only because labour could join it there. Previously, the traders would have to go to rural hamlets and "put out" work there, since the available workers were still tied to agriculture and, in general, to the rural world. The Industrial Revolution put both, capital and labour, on the move, originating that way voluntary economically-motivated migrations.

The distinction between internal and international migration is, to some extent, a formal one. National boundaries can be created where none existed before and can also be removed. In that way, the migration from Ireland to England was internal during the last century but became international after 1926- On the other hand, migrations which were international before the unification of Germany and Italy became internal afterwards. Nevertheless, international migrations are subjected to a stricter surveillance and regulation by the governments of both the sending and the receiving countries, than internal migrations generally are. This difference, the only one which is really significant, became important, however, only after the end of the original Industrial Revolution, i.e., after the I World War. Until then, international migrations were largely free. Labour recruitment through international migration became a respectable business, practised by agents of colonization companies and navigation lines in many emigration countries with the permission of governments.

During the last century and the first two or three decades of the present one, there were, of course, a large number of different types of migration flows but two of them were particularly important. One was what could

be called "cityward" migration, the other "agricultural" migration. "Cityward" migration resulted from the process of industrialization in general and occasioned the urbanization of a large proportion of the population in all countries witnessing Industrial Revolution. The accompanying table gives percentages of the population of 56 countries which, in 1920, were living in agglomerations of 20,000 or more inhabitants, which may be properly considered as "urban". In the first group of 12

PERCENTAGE OF TOTAL POPULATION IN AGGLOMERATIONS WITH 20,000  
OR MORE INHABITANTS—1920

1.	Great Britain	64	29.	Czechoslovakia	17
2.	Belgium	49	30.	Greece	17
3.	Australia	49	31.	Finland	17
4.	Germany (Federal Republic of)	47	32.	South Africa	17
5.	Netherlands	45			
6.	United States	42	33.	Brazil	13
7.	Eastern Germany	4*0	34.	Rumania	12
8.	France	37	35.	Mexico	11
9.	Argentina	37	36.	Venezuela	11
10.	Austria	36	37.	Algeria	11
11.	New Zealand	36	38.	Soviet Union	10
12.	Canada	34	39.	Iraq	10
			40.	West Malaysia	10
13.	Italy	32	41.	Israel	10
14.	Hungary	32	42.	Ceylon	10
15.	Denmark	32	43.	Ecuador	10
16.	Uruguay	30	44.	Bulgaria	9
17.	Chile	28	45.	Philippines	9
18.	Spain	26	46.	Iran	8
19.	Switzerland	25	47.	Yugoslavia	7
20.	Cuba	25	48.	Taiwan	7
21.	Sweden	23	49.	Colombia	7
22.	Norway	23	50.	Morocco	7
23.	Japan	23	51.	India	6
			52.	Peru	6
24.	Syria	20	53.	China	5
25.	Portugal	20	54.	Thailand	5
26.	Turkey	19	55.	Burma	5
27.	Poland	18	56.	Korea	4
28.	United Arab Republic	18			

SOURCE : UN Population Studies n. 44—*Growth of the World's Urban and Rural Population 1920-2000*, New York, 1969.

countries with more than one third of urban population, the Industrial Revolution went farthest, in the form of industrialization or of expansion of capitalist agriculture. In all these countries, intensive "cityward" migrations took place. Most of these migrations were internal, but in "empty" countries, like Canada, Australia, New Zealand, Argentina and the United States, where a sufficiently large rural population that could not be mobilized, the "cityward" migration was largely from abroad.

In Great Britain, where the Industrial Revolution started, the "cityward" migration was mainly internal; many workers came from Ireland after the 1846-48 famine, but at that time Ireland belonged to the United Kingdom. The same was probably true of France, Belgium and the Netherlands. Migrants came from rural areas, as the market-oriented farmers replaced the old peasant communities such as tenants in Great Britain, small proprietors in France and large land-owners in Eastern Germany. Manufacturing activities were eliminated from the rural areas by the competition of factory products keeping rural earnings low and rendering a sizable proportion of the labour force redundant. It could happen, however, that the outflow from the rural areas was bigger than the amount of redundant labour, occasioning scarcity of manpower for agricultural production. This happened, for instance, in Eastern Germany, where Polish migrants replaced the migrants to the industrial towns of the Ruhr<sup>5</sup>.

Another important source of "cityward" migration was the large increase in the natural growth of the population that Europe experienced at the same time as the Industrial Revolution. "The population of the United Kingdom almost doubled between 1800 and 1850, almost trebled between 1750 and 1850. The population of Prussia (1846 boundaries) almost doubled from 1800 to 1846, as did that of European Russia (without Finland). The populations of Norway, Denmark, Sweden, Holland and large parts of Italy almost doubled between 1750 and 1850, but increased at a less extraordinary rate during our period; that of Spain and Portugal increased by a third".<sup>6</sup> Since at that time the great majority of the population in all these countries was rural, a great strain was put

5. Wander, H. —"Migration and the German Economy", (*fn*: B. Thomas (ed.)—*Economics of International Migration*. London, 1958).

6. Hobsbawm, E. J. —*The Age of Revolution 1789-1848*. New York, New American Library, 1962.

on their agrarian structure, in order to accommodate a much increased population. As already mentioned, in the countries where the Industrial Revolution was taking place, the agrarian structure was changing and, in fact, expelling people. The population growth, therefore, enlarged in these countries "cityward" migration and also "agricultural" migration.

The second group of countries in the table ended up in 1920 with one fourth to one third of their populations urban. In some of them, like Italy, Switzerland, Sweden and Japan, the Industrial Revolution started quite late, while in others, like Uruguay, Chile and Cuba, it did not start at all. But that does not mean that they were excluded from the Industrial Revolution, in its international character. In fact, most of these countries participated in the Industrial Revolution, but as primary producers. Only some of them were able to join the "workshops" and become industrialized. The others remained as primary producers and their cities became mainly commercial centers, which could not absorb all the labour surplus from the rural area'. That is how a part of the "cityward" migration of these countries crossed the frontiers and became international.

Italy has been an important emigration country during the last 100 years. Since the unification of the country over 9 million Italians emigrated. During the first period (1871-1911), most emigrants came from the North of Italy, where feudalism was abolished prior to the unification and a prosperous commercial agriculture developed. Of course, many migrated from the countryside to Italian cities, but quite a sizable number went to urban centers in France and Switzerland and overseas to New York, S. Paulo and Buenos Aires. In the second period (1911-1967), the market economy expanded in the South of Italy, originating powerful migration flows towards the already industrialized North (where industrial employment increased from 2.61 million in 1901 to 4.4 million in 1911) and to other countries. Between 1911 and 1967, 4.92 million emigrants left Italy, but 5.33 million left the South. That means that the emigration from the North was more than compensated by the immigration from the South,<sup>7</sup>

The third group of countries had, at the end of the period, between one

.7. Sylos-Labini—*Problemi dello Sviluppo Economico*. Bari, 1970.

sixth and one fifth of their population in urban agglomerations. Most of them make up the fringe of industrial Europe. Some of them were important primary producers, like Poland, Egypt and South Africa. None of them started to industrialize significantly before 1920. To the extent that their rural areas became the seat of a market-oriented agriculture, "cityward" migration flows started and that explains their relatively high degree of urbanization, in comparison with other non-industrial countries like Mexico or the Soviet Union. Some of these "cityward" flows overspilled: "The countries of Eastern Europe have been a traditional source of manpower for the West since the turn of the twentieth century. First, there was migration within Europe, chiefly from the overpopulated regions of German and Russian Poland to Germany, where the growing industrial centers of the Ruhr and Westphalia offered special attractions. Secondly, a far more powerful flow of migrants went across the Atlantic: five million Poles, Czechs, Slovaks, Serbs and Magyars entered the United States during the twenty-five years ending in 1925".<sup>8</sup>

The fourth and largest group of countries had a small percentage of their populations in urban agglomerations, in 1920. Practically all of them were primary producers around that time. The big difference between them and the countries of the third group, was that the Industrial Revolution touched only slightly their economies, creating in each of these countries a relatively small and highly specialized external market sector. Coffee in Brazil and Colombia, cocoa in Venezuela and Ecuador, rubber in West Malaysia and tea in Ceylon were produced by a tiny proportion of the rural populations of these countries, the majority of which remained closed in the more or less self-sufficient subsistence sector. The migration flows occasioned by the Industrial Revolution in these countries were mostly of the "agricultural" type. Workers were somehow detached from their subsistence communities and forced or induced to migrate to plantation or mining areas. Some of these movements fall under the heading of international migrations. For instance, "From India the migration to Burma, Malaya and Ceylon, as well as the interesting movement to Fiji, have been mainly movements of human merchandise, although the effects of political control have made the

8, Zubrzycki, ... — "Migration and the Economy of Eastern Europe". (In: B. Thomas (ed.)— *Economics of International Migration*. London, 1958).

transactions less frankly commercial between these areas. There have, of course, been other movements of Indians: merchants from Bombay and Calcutta, money-lenders from Southern India and the various, more specialized professional or occupational categories such as clerks for the government services or the railways, and Sikh Police; but the main movements of Indians have been movements first of indentured Indian labour recruited under government-sponsored schemes, which were designed to secure an adjustable flow of cheap and willing labour, allocated fairly between the different estate owners who contributed to the cost of moving".<sup>9</sup>

The most important international migration flows of the "agricultural"\* type were those that crossed the Atlantic, bringing thousands of European peasants to North and South America, where they became commercial farmers or agricultural labourers. Emigration from Europe is estimated in annual averages as follows : in 1846-50—256,000 (199,100 from the British Islands); in 1866-70-345,900 (170,800 from the British Islands and 83,400 from Germany); in 1886-90-737,700 (214,800 from the British Islands, 134,200 from Italy and 97,000 from Germany); in 1906-10-1,436,700 (402,400 from Italy, 265,400 from Austria-Hungary-Czechoslovakia and 211,600 from Russia, Poland etc.); 1926-30-555,600 (162,300 from the British Islands; 89,400 from Italy and 75,500 from East Europe)<sup>10</sup>. The British Islands provided most overseas migrants almost to the end of the nineteenth century. The main cause, besides the strong natural growth of the population, was the thorough elimination of the old peasant communities, which was done before and at a much larger scale than in any other European country. The emigration figures quoted above show quite clearly how the transformation of rural life spread to Germany in the sixties, to Italy in the eighties and further to the East (Austria-Hungary, Poland, Russia) in the beginning of the twentieth century.

Most of these migrants went to the US, Argentina and Brazil, where many of them became agricultural producers. Their output of meat, cereals, coffee, and wool went back to Europe through the channels

9. Silcock, T. H. —"Migration Problems of the Far East". (In : B. Thomas (ed.) — *Economics of International Migration*. London, 1958).

10. UN—*The Determinants and Consequences of Population Trends*. New York, 1953.

of international trade and, being cheaper due to the superior quality of the natural resources in America, helped to reduce to reproduction costs of the labour force in Europe. European capital followed European labour to the New World and was invested mainly in public facilities—railways, ports, gas and electricity—which were essential to the extension of the international division of labour between West Europe and America. But the international division of labour was also extended to countries where there was enough native labour, like Mexico, Egypt or India, so that no international migrations were needed. In countries like these, most "agricultural" migrations were internal, but were also quite sizable. Jorge Balan<sup>11</sup> made an important comparative study of Brazil, Argentina and Mexico, in which he shows that the same expansion of the external market sector was made in Brazil and Argentina with European immigrants and in Mexico, with internal migrants, which were brought for the cultivation *of benequen* to Yucatan, of tobacco to the Vale Nacional, of coffee to Chiapas, and for mining to the North Mexico.

The Industrial Revolution was since its inception a world phenomenon. It required a deep change of the spatial distribution of activities and therefore of the population too. Most of this change was urbanization and took place inside each country. But, due to differing levels of population growth, agrarian transformation and industrialization in each country, population transfers between countries became necessary or, at least, convenient. Such transfers helped to adjust some countries to their role in the international division of labour. It helped emigration countries to bear the hardships of agrarian transformation without the benefits of industrialization and it helped "empty" countries to fulfil their role as agricultural producers. International migration, together with international trade and international capital transfer, was part of a process of international integration which evolved under the auspices of liberalism until it was ended by the world crisis of the thirties.

### **III. Development and International Migrations**

During the 1920's, legislation restricting international migration was

11. Balan, J. — "Migracoes e '-Desenvolvimenta Capitalista no Brasil: Ensaio de Interpretacao Historico-Comparativa". Sao Paulo, *Estudos CEBRAP* 5, 1973.

adopted by the United States. In the next decade the depression induced most other countries to take similar steps. Between 1930 and 1945 all aspects of international integration—trade, capital transfer and migration—almost ceased to operate. It must be stressed that it was precisely this unprecedentedly long interruption of international economic relations that first enabled some not-industrialized countries to develop. In the post-war period, international relations were slowly resumed, but in several countries the process of development was kept alive by political measures of protection against foreign competition. In these countries, industrialization went on and occasioned large-scale internal migrations, mostly "cityward" migrations. Between 1950 and 1960, the population in agglomerations of 20,000 inhabitants and more grew yearly, in the whole world at 3.6 per cent, in Europe at 1.7 per cent, in North America at 3.2 per cent but in South Asia at 4.3 per cent, in East Asia at 4.6 per cent, in Africa at 5.4 per cent and in Latin America at 5.5 per cent. The percentage of total population in such agglomerations increased, between 1930 and 1960, from 14 to 61 per cent in Israel, from 12 to 21 per cent in Turkey, from 9 to 18 per cent in Yugoslavia, from 14 to 29 per cent in Taiwan, from 14 to 29 per cent in Brazil, from 15 to 35 per cent in Mexico and so on<sup>12</sup>. These countries show, in 1960, a degree of urbanization similar to that in 1920 of the countries that were at the center of the Industrial Revolution.

It is curious that these mass movements inside so many countries seldom crossed international boundaries. Apart from resettlements due to political causes, there were hardly significant international migrations during the last decades in Latin America, Africa or Asia. The small amount of Paraguayans and Bolivians that migrate to Argentina or Colombians that come to Venezuela cannot be compared with the movements between the centers of the Industrial Revolution, let us say, from 1850 to 1930. In Africa, there are a lot of migration movements which became lately international as a consequence of the many new nations which were created there during the last 20 years. But most of these movements are "agricultural" migration flows which are still produced by the "ancient" international division of labour and not by development. So, for instance, "in Africa migration on a large scale has been a corollary of vigorous

12. UN Population Studies n. 44—*Growth of the World's Urban and Rural Population 1920-2000*. New York, 1969.

economic development fed, to a large extent, by a heavy flow of capital from Europe, particularly from metropolitan powers to their African territories"<sup>13</sup>. Although the word "development" is used in this quotation, it refers obviously to the expansion of mining and agricultural activities oriented towards the markets of industrialized countries. The same is true for South-East Asia, where the international migrations induced by the "ancient" division of labour ceased, without being replaced by any other. The former colonial powers favoured the immigration of cheap labour into their territories. After these countries became independent, they took measures to halt such movements. In most countries that are really developing, there seems to be no shortage of native labour which could justify large-scale immigration.

One important factor which undoubtedly helps to explain the absence of large international migrations produced by development is the strong acceleration of natural population growth in most developing countries since the II World War. As is quite well known, mortality fell steeply in most of these countries, while fertility remained at its previous high level. The result was a rise of annual growth rates to the vicinity of 2 to 3 per cent. Such rates are even higher than those reached in West Europe in the last century. But an abundant supply of labour would not have been a sufficient reason to restrict immigration before 1930. Irish workers migrated to England and Polish workers to Germany, while English and German migrants went to America.

Hong Kong and Israel seem to be two outstanding exceptions to the rule that development brings about internal but not international migrations. But, immigration into these two developing countries is to a large extent politically motivated. Immigrants to Hong Kong are not foreigners; they come from the People's Republic of China and are accepted in the Crown Colony because they are considered repatriates. The same can be said about the Jewish immigrants that come to Israel from Arab countries or from the Soviet Union. This inflow seems to be a factor that speeds up the rate of development in Hong Kong and Israel, which is therefore remarkably high. In Hong Kong, the large labour supply kept wages very low and made possible high profits. Capital accumulation was accelerated by the investment of past profits and the

13. *ILO, International Migration 1945-1957*. Geneva, 1959.

inflow of foreign capital, attracted by the high rates of profit. Israel receives large economic aid from Jewish communities abroad. Given the low rate of natural population growth in Israel (very different from most other developing countries), the heavy inflow of foreign resources would certainly occasion a sharp scarcity of manpower, were it not for immigration.

The most important international migrations nowadays are those from Mediterranean countries, Italy, Spain, Algeria, Greece, Turkey, Portugal, Yugoslavia, to France, Germany, Switzerland and some other West European countries. These migrations are of the same type as the immigration of Irish and West Indians into Great Britain and of Puerto-ricans and Mexicans into the United States. The migration from developing to developed countries could be understood as an overspill from internal migrations brought about by development in the sending countries. But such an interpretation seems unwarranted. Development means first of all industrialization and, therefore, an increase of urban demand for labor. If a growing proportion of those leaving agriculture goes abroad, then development is not taking place at a sufficient intensity. Emigration seems not to be caused by development but rather by the lack of it.

Foreign workers in most West European countries do not face very attractive conditions: they are often forced to take unskilled, badly paid jobs; they usually cannot bring with them their families and their sojourn is strictly limited by contract; they are not supposed to stay in the receiving country and assimilate; they are often discriminated by the native population and sometimes even by trade unions.<sup>14</sup> If they put up with all this, then the economic advantage of emigration must be big indeed. And that seems to be the case. "The possibility of securing employment at wages three and four times higher than in Spain was a strong inducement for migration for laborers whose consumption standards did not adjust to such high wages on a permanent basis and who sought emigration as a way to finance their families' well-being in their home country"<sup>15</sup>.

14. Castles, S. and Kosak, G. — "The Function of Labour In-migration in Western European Capitalism". London, *New Left Review* 73, 1972. Decker, R., Dorr, G. and Tieden, K. H. — "Fremdarbeiterbeschäftigung in Deutschen Kapitalismus" and Schiller, G. — "Die Auswanderung von Arbeitskräften als Probleme der Wirtschaftlichen Entwicklung", *Argument* 68, Karlsruhe, 1971.

15. Roman, M. — *The Limits of Economic Growth in Spain*. New York, Praeger, 1971.  
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If such is the motivation, in Spain and other sending countries, their rate of development is at least below the level required to adequately use their labour potential. In other words, if the pace of development is going to be accelerated, emigration is expected to decrease.

That may already be the case of Italy, where rapid development seems to be catching up with the growth of the labour force and the outflow from agriculture, particularly in the South. Between 1951 and 1961, 160,000 Italians left the country annually, out of which 140,000 came from the South; between 1961 and 1967, the annual emigration fell to 100,000 and the outflow from the South rose to 200,000 per annum<sup>16</sup>. The North is obviously absorbing now half of the outmigration from the South, whereas before its net balance was negative. A prognosis by the ILO says: "With continued economic growth it may be anticipated that emigration from Italy will continue to decline".<sup>17</sup> The same should be true also for other countries, but in some of them—like Spain and Greece—the repression of the labour movement may keep wages artificially low in contrast with most West European industrialized countries. In such conditions, emigration may go on longer, despite development.

Development does not occasion significant international migrations because it is, and has been until now, an essentially *national* process of structural change. Industrialization produced by development is not conditioned upon international integration, as it was during the Industrial Revolution, but it strives to change the international division of labour by relying primarily on the domestic market. In such conditions, developing countries cannot create foreign sources of raw materials nor open up foreign markets. If there is still empty land somewhere it is in developing countries, who hope to populate it with their own people. For small countries, however, development cannot be accomplished without economic integration. Some attempts to integrate small developing countries are under way and if they are successful, development may become international, at least at a regional scale. This opens the possibility of transfer, between the integrating countries, not only of commodities, but also of capital and labour. The possibility that development can bring about international migrations should not, therefore, be ruled out. But we know of no actual experience yet.

16. Sylos-Labini, *op. cit.*

17. ILO, *Manpower Aspects of Recent Economic Developments in Europe*, Geneva, 1969.