

THE MANAGEMENT OF THE 2015 EU REFUGEE CRISIS FROM THE PERSPECTIVE OF THE HARRIS-TODARO MODEL

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Abstract:

The actual refugee crisis in Europe was triggered by the violent events following the so-called Arab Spring that started in 2011. Faced with large masses of immigrants and refugees, EU member states implemented a refugee quota system in order to distribute refugees across EU. This paper is questioning the general belief that all immigrants and refugees within EU live in better conditions than in their origin areas. Furthermore, this paper tries to answer at the following question: Why some migrants prefer to come to Europe if there is a high probability that they will live in worse conditions in refugees camps than in their home countries? Studying this question has at least two main important implications: firstly, the reader will understand better the reasons which determine migrants to leave their origin areas despite the fact that they can be caught in a death trap; secondly, the answer provided for this question may give future solutions in the field of policy-making for EU's member states.

Key words: refugee crisis, Harris-Todaro Model, wage dualism, unemployment.

JEL classification: F22, O15, R23, J61.

1. INTRODUCTION

The actual migration crisis in Europe was triggered by the violent events following the so-called Arab Spring that started in 2011. In the period of 2013-2014, the number of the refugees and migrants which illegally enter EU was about 385.000 (FRONTEX 2015). But in 2015 the numbers rose as high as 1 million (UNHCR 2015).

Coping with this large mass of refugees and migrants was not an easy task for a European Union with lax border controls and with all its member states signatories of the 1951 Geneva Convention on Refugees, which states the principle of *non-refoulement*. The biggest national groups of these migrants and refugees came from Syria (49%), Afghanistan (21%) and Iraq (8%). Out of the total number, 58% were men and only 17% were women and 25% were children (ABC 2015).

This paper tries to answer at the following question: Why some migrants prefer to come to Europe if there is a high probability that they will live in worse conditions in refugees camps than in their home countries?

Studying this question has many important implications: first of all, the migration and refugee crisis is an actual security problem within member states of European Union which requires immediate policy responses. The answer provided for this question may give future solutions in the field of policy-making. Also, the problem posed it will determine the reader to understand better the reasons which determine migrants to leave their origin areas despite the fact that they can be caught in a death trap (because of increased probability of incidents, accidents, long waiting in poor health conditions, etc.)

Furthermore, from a scientific point of view this question is relevant because first of all it has to be found empirical evidence that the immigrants and refugees who came in the European Union are dissatisfied with living conditions from EU or have prejudiced their life coming here. Therefore, the answer for the research question is not obvious and can dismantle the general belief that all immigrants and refugees within EU live in better conditions than in their origin areas.

In answering this question, I used two steps: firstly, I have gathered evidence of the fact that some of the immigrants coming to certain areas in Europe - like Romania live in worse conditions

than in their origin countries through two main instruments: life stories from interviews realized by international organizations, NGO's, regional organizations; and international reports which provide data about number of children and people who died during their travel toward Europe. Secondly, I explain the reasons why people migrate in these conditions through Harris Todaro Model of rural to urban migration.

The paper has the following structure: the first section is the present introduction; the second section is a short review over the main theories which explained migration through different approaches. In order to be easier to understand, I divide the theories in three approaches: sociological, geographical and economical, the latter ones being divided, according to analysis unit: individual/societal, into micro- and macro-economic theories.

In the third section it is demonstrated the assumption that some of the immigrants coming to Europe live in worse conditions than in their origin countries and the final part presents the answer of the research question through the Harris Todaro Model of rural-urban migration and its policy and economic implications.

2. CONCEPTUALIZING MIGRATION AND THE LEADING MIGRATION THEORIES

Before presenting these three categories, it is necessary to define the main concepts which stand at the base of this paper. Therefore, the first concept is migration understood as the movement of a person or a group of persons within a country (internal migration) or across an international border (international migration). Regarding the former, there are two types of migration: in-migration, the permanent movement of persons into a new area, and out-migration, the permanent movement of people out of their origin area. Regarding the international migration, there are emigration, the process of departing from one country to another, and immigration, the process by which non-nationals enter into another country (International Organization for Migration 2015).

As the actual crisis is not referring only at immigrants, but also at refugees and asylum seekers, it has to be distinguished between these two. According to Convention relating to the Status of Refugees, Art. 1 A(2) a refugee is a person who "owing to well-founded fear of being persecuted for reasons of race, religion, nationality, membership of a particular social group or political opinion, is outside the country of his nationality and is unable or, owing to such fear, is unwilling to avail himself of the protection of that country..." (United Nations 1951) while an asylum seeker is a person who apply for asylum in order to be acknowledged as a refugee, but it does not have this status yet (UNHCR 2016).

One of the first sociological theories of migration was formulated by Stouffer with the idea of *intervening opportunities*. According to him, migration is proportional to the number of attracting opportunities at the destination (Stouffer 1940). Linked with the idea of opportunities is Lee's theory of migration which considers migration as a "permanent or a semi-permanent change of residence". Also, he explains the decision to migrate through four factors: factors associated with the origin area (repelling or *push factors*), factors associates with the destination area (attracting factors or *pull factors*), intervening obstacles and personal factors (Everett 1966, 50).

Another sociological approach is represented by the Pries and Faist's volumes on migration which introduce the idea of *transnational social spaces*, these being defined as are the result of the increased migration movements and the changes within the strategies adopted by international business companies (Pries 2003).

On the other side, the role of the institutions in dealing with migration process is developed within the *institutional theory* briefly presented by Massey et al. The advocates of this perspective consider that institutions and organizations, private and public, arise in order to engage in illicit or licit entry services as a consequence of the imbalance between the supply of and the demand for visas in receiving countries (Massey, et al. 1993, 450-451).

One of the classical studies within the geographical perspective is represented by Ravenstein's laws of migration which demonstrates that distance is an important factor of

migration. In fact, he formulates several laws based on a study about in-migration and out-migration between counties in Great Britain. One of the main laws is that : a significant number of migrants choose migration places according to the distance between the origin area and the receiving area (Ravenstein 1885, 198-199).

Related to Ravenstein's laws of migration is *Zipf's gravity model of migration* which explains the movement of people from urban to urban areas. The main statement is that the volume of migration between two areas is directly proportional to the product of the origin and destination populations and inversely proportional to the distance between these two areas (Zipf 1946).

Regarding the macro-economic theories, *world systems theory* presents the international migration through an economical explanation at macro-level as a consequence of the political and economic organization of world economies. At the basis of this theory stands the idea that the economic factors which created capitalism function within extensive areas which cannot be controlled totally by any political power (Wallerstein 1974, 347-348). On the other side, Piore's perspective supports the idea that the immigration is caused only by pull factors in the receiving countries, more specifically the labor demands for foreign workers. (Piore 1979, 31-33).

A micro-model of individual choice is presented by Sjaastad. He tries to answer at the question: Why the large income differentials persist in the face of significant migration movements? Therefore, analyzes this question as a problem of resource allocation, in which migration is conceptualized as an "investment increasing the productivity of human resources" (Sjaastad 1962). Another theory which challenges the assumptions made by the neoclassical theory is the *new economics of migration*. The main idea of this new approach is that individual actors do not take migration decisions isolated, but within groups of people, families/households, in a collective way. According to this theory, people migrate in order to change their relative position in a reference group (Stark and Bloom 1985, 173-175).

3. RISKS AND PROBLEMS OF MIGRANTS AND REFUGEES IN EU

This section emphasizes evidences which argue that the immigrants and refugees who come to Europe expose their lives to this dangerous trip and the risks associated with it. Furthermore, in this section I argue that many of the refugees and migrants hoping to find a better life in Europe are trapped into refugee camps with minimal living conditions, which can be considered similar and maybe worse than in their origin areas. The arguments are supported by two short analyses: one includes a review of the main risks and problems faced by them through the number of cases, incidents, etc. which ended with many deaths, especially deaths of children. Secondly, the arguments are supported by several observations regarding the differences in standard of living between Syria, Afghanistan, Iraq and Romania, and in particular the living level of refugee camps from the latter country.

Firstly, the empirical findings of international organizations demonstrated that the journey through Europe is very risky. A report made by International Organization for Migration declares that total arrivals to Europe in 2015 were 1.046.599, out of which 34.887 by land and 1.011.712 by sea. Also, since the beginning of 2016 until 20 April was registered a number of 184.599 migrants and refugees who arrived to Europe from which 181.476 by sea (International Organization for Migration 2016). As we can see the majority of the refugees and migrants arrive in Europe by sea, a way much more risky than other land routes. Furthermore, the same organization reported officially that the total number of recorded deaths until the December of 2015 were 3.671 of which 2.889 on the central route (which is the route from North Africa to Italy), 684 on the eastern route (the route from Turkey to Greece) and 94 on the West Africa route (European Commission 2016).

In a report made by International Rescue Committee there were presented a significant number of cases through the interviews with refugees in order to stress that the present refugees and immigrants crisis which faces Europe is misunderstood from the human rights point of view. One such an example is represented by the people fleeing through Libya to Italy who face the exploitative smugglers; also, others were imprisoned in refugee camps with unacceptable conditions

and others were targets for organized criminals on the coast (International Rescue Committee 2015).

Especially, women and girls were facing sexual abuses and exploitations. The journey by boat across the Mediterranean can be deadly since boats are overfilled with passengers, many were poisoned from fuel fumes and exists high risks of sinking.

The foundation Save the Children also made several researches in the main entry points from Greece (Athens, Lesbos, Chios and Kos) and they also identified several risks in that region: lack of basic services and adequate protective services (clean water, toilets, safe spaces, etc.), a high risk of sexual harassment and physical violence.

At the end of 2015, the UN Refugee Agency on a press briefing at the Palais des Nations in Geneva was emphasizing the testimonies of abuses against refugees and migrants, especially against women and children. Such testimonies include children who are engaging in survival sex to pay smugglers to continue their journey; the reception centers which are overcrowded and lack lighting and separated spaces for women and families with children; high risk of violence within reception centers (UNHCR 2015).

Analyzing the migration of children to Europe, UNICEF and IOM have found out that for the year 2015, 1 in 5 is a child, children represent more than 30 % of all recorded deaths in the Aegean Sea; there is an increased number in children on the move, especially unaccompanied ones and those seeking asylum (IOM & UNICEF 2015). UNICEF has identified the main risks and problems for the children: the lack of medical care and facilities for the new-borns, incomplete registration process of the children on the move and the lack of protection for separated children (UNICEF 2015).

Furthermore, all the risks culminated sometimes in serious boat accidents which lead to the death of hundreds of people. For example, in April 2015 two boats carrying refugees and migrants from Libya to Europe sank in the Mediterranean Sea, the number of deaths resulted after this accident was around 1.200 people. In another incident in October 2013, 400 people lost their lives in two shipwrecks in the coast of an Italian island, Lampedusa; also, on 11 and 12 May 2014 between Libya and Italy, in two shipwrecks more than 50 people lost their lives (Amnesty International 2014, 23).

Despite all these accidents, refugees and migrants face dangerous risks at the border of the European Union created by policy members of the surveillance organs of the EU: Frontex and Eurosur. Many of the international organizations which fight against abuses of human rights have accused the EU of improper management or misunderstanding of the actual refugee crisis. Supporting this idea stands the examples given through interviews by migrants and refugees of push-backs at EU's southeastern border which deny their right to seek asylum. Furthermore, the border stuff did not gave a chance to appeal against being sent back and they often used violence against them (Amnesty International 2014, 20).

As I have mentioned above, the second part of this section includes a short analysis of the differences in standards of living between the main origin countries from which migrants and refugees came: Syria, Afghanistan, Iraq, and Romania. Therefore, I have taken into account the information provided by United Nations Development Program for each country mentioned in the human development index. The Human Development Index (HDI) is a summary measure of average achievement in key dimensions of human development: healthy life, education and a decent standard of living. The health dimension is measured by life expectancy at birth; the education dimension is measured by mean of years of schooling for adults aged 25 years and more and expected years of schooling for children of school entering age. The standard of living dimension is measured by gross national income per capita (UNDP 2016).

Since for Syria this index is 0.59, for Afghanistan is 0.46, Iraq has 0.65 and Romania has 0.79, it can be observed that the differences between the first three countries and the latter are significant, even more significant between Afghanistan and Romania. Ranked as 52, Romania is considered to have a high human development while Iraq and Syria are raked 121 and, respectively 134 within medium human development and lastly, Afghanistan is raked 171 within low human

development (UNDP 2016). Analyzing the differences regarding the indicator for the standard of living, GNI per capita (\$) which in Syria is 2,728; 14,003 has Iraq; in Afghanistan is 1,885 and in Romania is 18,108, it can be observed that the differences between these countries are significant. Therefore, some might say that the migrants and refugees who came in Europe live much better than they lived before in their countries of origin.

But the situation is misunderstood because it does not include the conditions from the migration centers from the periphery of Europe. For example, in Romania are six such centers in Bucharest, Timisoara, Giurgiu, Radauti, Galati and Maramures. They have a total capacity of about 1500 seats and according to the law no.122/2006, asylum seekers benefit of, on demand, for food an amount of 3 lei / person / day, for accommodation the amount of 1.8 lei / person / day and other expenses the amount of 0.6 lei / person / day (Guvernul Romaniei 2006). Also, in order to extend my research, I am in process of applying a questionnaire on the refugees and migrants from Migration Center from Radauti. Until now I have just one answer from a migrant from Ukraine who stated that his amount of money reduced considerably since he came to Romania, although he is satisfied with our standard of living.

Therefore, since a person can do very little with this amount of money in Romania and this amount of money may have equal or more value in their origin countries, the general belief that migrant and refugees live much better than in their origin areas is falling down. Remain the question “Why they choose this path to Europe despite these conditions?” The answer may consist in an explanation offered by the Harris-Todaro model which we will see it explained in the next section.

4. A POSSIBLE EXPLANATION THROUGH HARRIS-TODARO MODEL

Todaro and Smith in the book *Economic Development* explain the Harris-Todaro Model with simple economic exemplifications. The phenomenon which they were trying to explain through this model was that in developing countries it was a massive migration from the rural area to the urban regions, despite the rising levels of urban unemployment and underemployment. Trying to explain this phenomenon, firstly Todaro developed a migration model, a theory that explains rural-urban migration as an economically rational process; the primary premise of this model is that migrants take into consideration the different market opportunities available to them in the rural and also in the urban areas and choose the labor market opportunity that maximizes their expected gains from migration (Todaro and Smith 2012, 337-338).

An equilibrium version of the Todaro migration model is the Harris-Todaro Model which postulates that expected incomes will be equated across rural and urban sector when taking into account informal sector activities and urban unemployment (Todaro and Smith 2012, 341). The model assumes that there is no unemployment in the rural agricultural sector and that rural agricultural production is perfectly competitive. The formal shape of this equilibrium condition is:

$$W_A = \frac{L_M}{L_{US}} \times W_M$$

where, W_A represents the wage rate in the rural or agricultural sector, L_M is the ratio of employment in manufacturing (urban sector), L_{US} is the total urban labor pool and W_M is the wage rate in the manufacturing or urban sector, which it is institutionally determined. In this situation, when the agricultural income equalizes the urban expected income, then a migrant is indifferent between job locations.

But, with the introduction of an institutionally determined wage in the urban sector it is created a rural-urban real wage gap which determines rural workers, if they are free to migrate, to take their chances in the urban job lottery. As a result, some of the migrants will get jobs in the formal sector (where is a wage established by government), but the rest of them will engage in low-income informal sector activities or will be unemployed. The model explains the existence of urban unemployment and the economic rationality of continued rural to urban migration despite this high unemployment.

This model can be applied to the actual migrant and refugee crisis in Europe: the two sectors, rural and urban, can be replaced with the two parts implicated in this crisis: the rural one is the Middle East and other developing countries which are the origin areas of migrants and the urban sector is represented by European Union. Furthermore, the two sectors from Harris Todaro model, formal and informal, may be associated with two sectors within EU: the formal one represented by developed economic sector from Germany, France, etc. and the informal one represented by refugee camps from the poor countries (like Romania) from the periphery of Europe.

The model also offers the answer of the question from the previous section: the people will continue to migrate from the developing areas to the developed ones because of the real wage dualism from the origin countries and the destination ones which determine them, despite the high unemployment, to take their chances in the EU job lottery. Having in mind the simple dream of having a better life in EU, part of them end up in death traps during their journey by sea or being settled in poor migration centers.

5. CONCLUSION

The Harris-Todaro model applied to the refugee and migrant crisis bring before us three main policy implications: the necessity to reduce the imbalances between opportunities from countries of origin and countries of destination. Secondly, a policy aimed at reducing the rate of unemployment in EU by creating new jobs only within this area will determine the occurrence of the process named *induced migration*. Thirdly, the excessive influx of migrants will determine the rationalization of the new employees in EU areas through a typical rationing device: the number of years of schooling.

Furthermore, this research requires two observations: a first observation is related to the theories presented in the second section. Although each of these perspectives explains the migration process only through some features omitting others, the objective was not to choose the best theory which explains migration, but to understand in a better way the actual migration process by gathering different features from all three perspectives. Furthermore, by presenting all these views I have done nothing more but to create a wider perspective in which the model from the final section is included. The second observation emphasizes that this research is in its early stages and it requires a further analysis by applying the above mentioned questionnaire to the migrants and refugees from Radauti.

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