MEGACITIES AND MIGRATION: UNDERSTANDING THE COSTS AND BENEFITS OF MIGRATION

*Michael Keith**

Some things are simple. We live in an "age of migration." We live in an urban age. We know the numbers. Or to be more accurate, we can guess the numbers with a reasonable degree of accuracy. But migration continues to trouble popular and political agendas across the planet. The future city promises utopian dreams, but it also generates dystopian nightmares.

This short piece explores the sources of such ambivalence to argue that concerns about migration are rooted not in an irrational sense of the value migrants bring to the twenty-first-century metropolis, but in the deep contradictions of the economic value of flows of people and the distribution of costs such mobility incurs. It also suggests that to understand the costs and benefits of migrant flows, we need to supplement the logics of neoclassical economics with an understanding of the dynamics of the city, a sensibility to the emergent scholarship of interdisciplinary urbanism.

What Is Simple

Conventionally, migration scholars have distinguished between internal and international migration. In reality the distinction is sometimes less significant than we assume: people after all move between places, not just countries. Cultural distance is not straightforwardly a correlate of geographical distance. And overwhelmingly across the planet people are moving to cities. It is time to understand migration through the lens of the city and the city through the lens of migration.

* Director, Economic and Social Research Council, Centre on Migration Policy and Society (COMPAS), University of Oxford, United Kingdom.

The journalist Doug Sanders has gone so far as to say, "What will be remembered about the twenty-first century, more than anything else except perhaps the effects of a changing climate, is the great, and final, shift of human population out of rural, agricultural life and into cities. We will end this century as a wholly urban species."

And the scale of movement across the globe is enormous. McKinsey have suggested that by 2025,

- 225 cities in China will have one million inhabitants each (Europe has 35 today);
- 350 million people will be added to China's urban population; more than the population of the United States today;
- 1 billion people will live in China's cities; and
- In India,
  - — 68 cities will have a population over 1 million, up from 42 today (Europe has 35); and
  - — 590 million people will live in India's cities.

We know that people move for many reasons: to join other members of their family, to study, or because they are forced and have no choice. But also that the major driving force is economic; most people move to improve the life chances for themselves and their loved ones. In calculating the costs and benefits of migration, we know that migrants benefit the places where they arrive as well as themselves. We know that 40 percent of Fortune 500 companies have been started by migrants or their children. But we also know that across the world immigration is commonly resented by people who have either arrived earlier or make claims to be "indigenous" to the places where migrants arrive.

In India in the last decade, the Thackeray family drew political support from a strong message that amplified resentment of Bihari migrants to Mumbai. Across Europe the growth of religious and racial intolerance, and populist islamophobia, has drawn on fears of the behaviors and proclivities of new migrant arrivals. In 2012, a publically funded campaign by local citizens, unsure of their future relation with mainland China, characterized those taking advantages of Hong Kong's superior maternity health facilities as "locusts," captioned with the slogan, "Are you willing to pay one million HK

dollars every 18 minutes to take care of mainland children born in Hong Kong? ….. Hong Kongers have had enough!"

And intolerance can beget intolerance. Since the 1970s, Karachi, a city forged by the demographics of India's Partition and the discrimination against migrant settlement, has spurred the growth of the Muttahida Qaumi Movement (MQM), a party whose electoral base appeals to the "majority minority" of new arrivals and their second and third generations. The MQM is known for allegations against it of assassination and violent protest but it now controls the democratically elected city council. In 2016, the party proposed as mayoral candidate a party member who sits in jail and its leader has taken British citizenship and works from the inner-London suburb of Edgeware.

Some might see these forms of intolerance as merely irrational or straightforwardly racist. Economists might counter that we need to understand both the costs and benefits of migration. In this sense, migration's externalities, the unintended consequences of movement, might provide a lens through which we can understand both the economic engine of migration and the crucible of city change that shape the demographics of movement into the formal and informal patterns of urban settlement.

The unintended costs and benefits of migration can be equated with what economists normally describe as externalities or spillovers, consequences that bring benefits and damage to third parties, a notion first formally theorized by Albert Pigou in the early twentieth century. Migrants normally arrive schooled and skilled. They are more often young, tend to contribute more to welfare nets than they take out, at least in the early years after their arrival. The positive externalities of migration arise from the more efficient use of the labor factor of production and the economic boosts of migrants as both producers of wealth and consumers of products where they arrive. But we also know that migration brings costs that are not evenly distributed in space or time.

Migration's negative externalities work at different geographical scales from their positive externalities. The latter and the benefits of migration accrue principally on the scale of the labor market, the city, or the nation. The negative ones are much more geographically concentrated, more often focused on migrant neighborhoods, where pressure on informal and formal housing or settlement, on schools, on public health provision, and on public

space may provoke various forms of competition for scarce resources and social conflict. Likewise, the first generation of migrants is by definition mobile labor; the purely economic value of subsequent generations that follow from family unification and demographic processes is more contingent. Viewed through this lens, the forms of reaction to migration look less irrational. Contextualizing the accrued externalities against their urban context is consequently more significant.

So, while the abstract sense of migration's benefits is simple, the logic of its externalities is realized through the dynamics of city change. That is what complicates both the economic calculus of migration and forces us to address its ethical dilemmas as well as its material benefits and costs.

What Complicates

If geographical scale pluralizes the calculus of costs and benefits of migration for the twentieth-century city, it becomes even more significant in the twenty-first-century's already existing 30 to 40 global megacities and in those that are emerging every decade. Megacities of 10 million people or more are at times a product of the boundary drawing that grows the metropolitan area by administrative sleight of hand. But their huge size complicates the geographical scales of policy intervention. More than half the nation-states in the world have populations smaller than the megacities. The relationship between national governance and metropolitan governance is frequently uncertain and contested. The economic governance of megacities thus needs to be considered in terms of the diversity of their institutional forms, the path dependencies of their growth, the infrastructure lock-ins they have built into their evolution (including the exclusion/inclusion of mass transit systems and their dependency on car transport), the nature of metropolitan market formation, and their regimes of governance. It is straightforward to suggest that we need to understand the mechanisms of urban change through which migration is realized, but more complicated is to map out how this impacts on any calculus of the costs and benefits of population movement.

City Governance Complications

The diversity of causal roots of migration presents very different challenges to city governments. The standard typology of forced movement, labor migration, family unification, and movement generates different measures of positive and negative externalities. The turbulence in Zimbabwe's recent history led at one point to an estimated of 400 000-500 000 migrants in Johannesburg's metropolitan population of approximately 3 to 3.5 million, a major problem of governance replicated in global turbulence in areas such as the contemporary Middle East. In contrast, sweetheart deals easing pathways to citizenship have become a characteristic feature of the global race for talent in cities such as Santiago in Chile.

The long-term consequences of family migration settlement patterns complicate any easy understanding of mobility's impacts. Migration is the source of growing transnational links. The emergence of Diaspora populations sustaining links between one place and another challenges social science to simultaneously consider immediate impacts and longer-term processes of social change. In London, the growing British Bangladeshi population is well into its second, third, or even fourth generation after an international movement that peaked in the 1960s. But the links between the region of Sylhet in particular and parts of East London remain strong. In the neighborhood now formally known as London's Banglatown, a Shahid Minar memorial replicates the Dhaka monument that commemorates the language martyrs who struggled for Bengali to be recognized in the former East Pakistan and fed into the nation-building struggles of the late 1960s that led to independence in 1971. Culture, social movements, and political influence now flow two ways between the two countries. Community activists who have cut their teeth in East London have gone on to electoral success back "home" in Bangladesh; relatives of senior politicians in Bangladesh now ply their trade in London. Protests over the balance of secularism and Islamic faith play out simultaneously in Dhaka and London, now mediated by a more transnational cartography of theology and political formation. In this context, how the United Kingdom and a megacity such as London considers family rights to bring elderly relatives to unite with their children or find new marriages that cross international borders becomes a hotly contested governance issue.

This sense of migration's consequences echoing through the city immediately in one fashion, in the longer term in another way should make the social sciences think carefully about the timescales over which migration is considered. Globally, many cities that were once "sources" of migration flows became migratory destinations during the economic growth years of the 1990s through to the 2008 crisis, before the last decade of restricted growth again changed the dynamics of metropolitan economies. Cities in southern Europe such as Madrid, Barcelona, Athens, Rome, and Milan witnessed new flows globally into their labor markets. But since the 2008 crisis, many of these migrants from outside Europe have moved on again, normally to the northern European economies less dramatically impacted by the 2008 crisis, though now frequently with citizenship rights hard won through their time in Europe. Consequently, Germany has witnessed a mass movement of new European citizens whose origins are transnational; in London one of the most rapidly growing migrant populations originates in Latin America but carries European citizenship rights, either through patrilineal passport access to some European countries or the regularization processes that extended citizenship to new arrivals contributing to city economies in the boom years.

These processes of arrival and departure may occur simultaneously in a single city. The megacity of Istanbul witnessed extraordinary growth rates in the 1990s and 2000s, significantly influenced by migration flows, only recently qualified by national political turbulence in Turkey. At least three circuits of migration shaped the city's neighborhoods. Longstanding flows of people had used it as a nearby location en route to Europe's wealthy cities; such transit migration became a central feature of some parts of the city. Historical commercial links across the Caspian had deep roots but the break-up of the Soviet Union generated particular patterns of "suitcase" migrants coming to trade from the new states of Turkmenistan, Kazakhstan, and Uzbekistan, moving into and away from Istanbul on a regular basis. But megacity labor markets from the long-term economic growth of Istanbul itself have functioned as magnet for migration. In parts of the city such as Kumkapi, all three of these migration circuits are realized in a single neighborhood. Social flux becomes the norm rather than the exception. Long-term consequences and immediate impacts are simultaneously realized through the layering of history.

Conceptually, the process of migration challenges the social sciences' tendency to think through the separation of the synchronic and the diachronic, the snapshot of a single day or the *longue durée* of history, static and dynamic models in economics. In migration studies, such complexities of time and space are often treated as "noise" that interferes with the central theorization of processes of people movement. Such an approach is inadequate because the complications of path dependency and technological lock-in central to urban change are constitutive features of the migratory process, not secondary consequences. And they generate particular ethical dilemmas and moral trade-offs in the ways in which migration shapes the twenty-first-century megacity.

The Complications of Lock-in and Path Dependencies

Science and technology studies have increasingly recognized that scientific development is not linear and that technological and social changes are both partially dependent on what has happened historically as well as on what might happen next. In urban studies, the standard example of this normally given is that of the automobile. Cities such as Los Angeles are said to be *locked in* to the logic of the motor car, dispensing with state-regulated mass transit, subordinating the imperatives of community to the demands of car traffic that shape the metropolis in a fashion that renders it ecologically difficult to manage, socially segregated, and less fit for the forms of economic growth that depend on face-to-face contact in dense mixed neighborhoods. The propensity for future economic growth is in part determined by the *path dependency* of decisions made in the past; there are difficulties in "retrofitting" a car city such as Los Angeles to the imperatives of ecological or social sustainability.

Such logics apply also to destination cities for migrants. We might take as one example the exemplary growth of megacities in China in recent decades. Social policy choices locked in two characteristics to China's urban settlement in the post-Mao era; the Hukou registration system and the management of property rights. The Hukou system registered people to a particular place in China, and —simplifying significantly— the urban Hukou safeguarded the basic sustenance of city populations through support in food

supplies, education, and housing. The separation of urban and rural populations created the phenomenon of China's floating population or *liudong renkou* (流动人口); migrants to the city that may be from nearby regions or, in the case of movements from western provinces such as Sichuan to the eastern seaboard metropolises take cultural and geographical distances that are continental in scale. And paralleling this is a distinction in urban and rural property rights. To caricature slightly, urban property is owned by the state. In the era following Deng Xiaoping's "opening" of China's economy, people may buy property, the use-rights to a house, an apartment, or a piece of land, but this is effectively a leasehold-style purchase that is time-limited, normally for 50 or 70 years. Rural property rights are held by the community; they can effectively operate more closely to a system akin to private property rights in the West when land is developed. But when cities grow, the rural areas encompassed may sustain rural property rights within the metropolitan boundary of the city, generating what are known as villages in the city (*chengzhogncun*). And in places like the megacity of Shenzhen, these villages in the city not only host the vast majority of migrant arrivals, they also become the sites of a new form of economic development.

They operate as joint stock companies working in both residential and commercial property markets, in negotiation with city government. Migrants are "housed" frequently in grim conditions, with families separated and large numbers of children "left behind" in rural areas because they have no urban Hukou for their education. The complicated accommodation of tens of millions of migrants is shaped by the path dependency of the city in China. The Hukou system and property —policy regimes that were not written with migration as a primary policy goal— shape the way in which the metropolis across China is reshaped by massive flows of people who in turn determine the future of the city itself.

In other parts of the world, a large body of literature in urban studies has highlighted the significance of informality in the city. A megacity such as Delhi was technocratically imagined in Albert Mayer's 1947 masterplan through functional zones and a rational territorial hierarchy of work, production, and residence. But as in so many parts of the globe, this imagined reality confronted the informal settlement of the mass of the population, a "quiet encroachment of the ordinary" that renders any sense of clear land property rights highly contested in the shadow of histories of past colonial rule and

the present forms of social and economic polarization. The scale of urban informality *locks in* the arrival cities of many parts of the globe. Attempts to improve the condition of slums may formalize the informal, at times empowering local communities, but also potentially setting the interests of those who have already arrived in the city against those that have yet to come. If cities in Africa and Asia are to grow at the rates predicted by most models of change, they need to consider not only the right to the city of the poor who already live there but also the rights of those who have yet to arrive and have yet to be born. Such are the complications of ethical dilemmas.

The Complications of Ethical Dilemmas

Few pathways to economic development do not run through the city, and across the globe, the city grows in part through migration. But the costs and benefits of migration generate questions that are ethical as much as they are economic. So the function of the social sciences must in part be one of "making visible" the choices at stake.

China's cities have been incredibly successful in driving economic growth. In Shenzhen, rapid growth has partly been driven by the ability of rural property landholders to change the built environment at will. Migrants are incorporated into the city but as second class citizens, with frequently insecure employment rights. The trade-off between migrant incorporation into the labor market and full social integration is rarely clearer. Neighborhoods characterized by rapid social change tend to generate anonymity. Forms of close community bonding tend to characterize neighborhoods of long-term settlement and slower social change. The city becomes a space in which visibility is a questionable ethical value. Through their invisibility in the city, migrants may find somewhere to get by. But through their claims to rights and recognition the appearance of migration may be politicized, generating anti-migrant sentiment and forms of intolerance. Programs of slum upgrading may work unintentionally to benefit those who have settled and exclude those who are arriving.

Strikingly, in all these ethical dilemmas in the contemporary megacity, we see the easy distinction between the global South and the global North becoming more nuanced. Informality, migrant externalities, contested wel-

fare, and the ability of the city to house new arrivals and long-term residents pose challenges for New York, London, Berlin, and Tokyo as much as they do for Mexico City, Rio, Cairo, Istanbul, Lagos, Mumbai, or Tianjin.

In each of these areas of urban change, we cannot consider the calculus of economic benefits of migration without understanding that they are complicated by the institutional forms and challenges of governance, the dynamics of the city itself, and the ethical trade-offs, choices, and compromises that are the constitutive features of migrant urbanism in the megacities of the twenty-first century. Migration's externalities are mediated by the city and constituted by ethical as much as material choices.