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Trade in Place of Migration

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Immigration patterns, as expected, had an incidence on fertility behavior. Foreign-born parents in the U.S. had generally higher fertility than the native-born. This differential varied over time, presumably responding not only to general "environmental" determinants but also to variations in the place of origin of the immigrant population. In the U.K., where immigrants came from locations that were more similar than was the case in the U.S., immigrant status failed to produce any interesting results.

The results, clear and regular across space and time, combine two levels of analysis (though sometimes indistinguishably, as the author himself acknowledges). These are the specific characteristics of each occupation (i.e., earnings peaks, female labor-force participation, value of children, etc.) and the characteristics of each region at each date studied (i.e., ethnic composition, literacy levels, religion, origin of migrants, specific cultural setting, etc.). The book's major contribution lies in conceptually segregating these two levels and in producing reasonably convincing arguments for the importance of the first level.

Ex-post, and looking back at the literature on determinants of fertility, the importance of occupational-related differentials seems obvious. The issue has been directly addressed before, especially in the development context regarding women's occupational patterns, production and market structures, etc. Still, macro researchers have tended to fall back on the tired arguments of urbanization, education, incomes, etc. as being the bottom line. This book, then, provides a refreshing view of occupational patterns as determinants of demographic change. Students of economic history and of population and development interactions should take heed for further research along this line.

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Trade in place of migration: An employment-oriented study with special reference to the Federal Republic of Germany, Spain and Turkey. By U. HIEMENZ AND K. W. SCHATZ. A World Employment Programme Study. Geneva, International Labour Office, 1979. Pp. x, 118. \$8.75, paper. ISBN 922-10186-44. JEL 79-0837

This is a very useful and welcome study, sponsored by the World Employment Programme of the I.L.O., of the effects that increased trade flows could have on the level of employment in one "receiving country," West Germany, and two "sending countries," Spain and Turkey, and their implications for immigration policies.

The method that is employed to discuss this question for West Germany is to examine the structure of alien employment in the West German industrial labor force and to relate potential changes therein to alternative scenarios in changes in trade flows projected to 1985 under alternative assumptions. For this purpose three alternative assumptions are deployed. The first two assume that trade with developed and developing countries will grow in line with 1962-74 trends but differ on the assumed labor productivity growth, the first assuming the trend rate to continue and the second that it will be halved; the third assumes trend growth in labor productivity but a speeded-up trade in manufactures with the developing countries in line with the Lima Declaration. Aside from estimating the net effect on direct employment, which generally suggests a net contraction in the size of the German manufacturing sector and employment therein, the authors make further calculations concerning the incidence of this reduced employment on domestic workers on alternative assumptions such as that alien workers will not be imported at the margin.

What the authors' analysis broadly indicates is that trade expansion would indeed contract labor employment somewhat and hence suggests a rationale for policies that would exclude new immigrant labor or even induce return flow of the existing stock.

These options would presumably make more political sense if more jobs were created in Spain and Turkey by foreign investment. Hence the brief, concluding discussion of these two sending countries includes alternative projections of not merely the employment that different rates of trade and productivity growth up to 1985 will generate but also of the associated capital requirements. Furthermore, the authors compute also the amount of export expansion that would be needed, given the direct average coefficients of labor productivity in exporting industries, to create

the number of jobs that would equal the estimates of "returning" workers from Western Germany under the latter's hypothetical policy of not permitting new absorption of foreign labor, for instance.

A great number of assumptions go into the method utilized, each of which can be debated. For example, only direct labor usage implications seem to be estimated. Again, labor productivity growth is estimated at trend or fractional values thereof without any serious attempt at justifying the assumptions. There is also no close link established between the trade expansion estimates underlying the West German exercises and the Turkish and Spanish calculations: would not trade liberalization by West Germany have differential implications for, say, Hong Kong and for Spain, which would need to be reflected in the assumptions made about Spain's export expansion to Germany and elsewhere? It is easy enough to quarrel with such details, and this reviewer is prepared to look the other way; however, the authors ought to have addressed these questions to persuade the reader somehow that the simplifications made at each stage of the computation were unavoidable or not destructive of the aim of the exercise.

This reviewer's impression is that this slim volume is nonetheless worth looking through, since it does contain a fair amount of interesting information on West Germany's trade structure and the country's industrywise utilization of foreign labor, distinguished by level of skills. The only real disappointment is that the authors fall short of raising the interesting questions that seem to cry out from the data. For example, if indeed there is so much foreign labor from the developing countries in West Germany, would not the effect of the "new protectionism" on exports of manufactures from the developing countries be partly mitigated, since the benefits from it, in terms of protected real wages of workers, would go to the migrant *Gastarbeiters* of these developing countries? Again, would there not be scope for inter-developing-country conflicts here if the exporting countries for labor and goods are different: e.g., Hong Kong exports may be kept out and the beneficiaries would be Turkish workers? The interactions between international trade in goods and the migration of labor across national borders is a very rich and com-

plex issue, which is beginning to receive attention from international trade theorists; see Bhagwati (1979; 1980), and Bhagwati and Francisco Rivera-Batiz (1980). Rather surprisingly, the authors of the present volume do not go beyond the fairly straightforward, businesslike, and helpful exercises described above.

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A typical student of economics who is casually or critically reading a wide ranging collection of essays on migration such as the one under review tends to judge the merit of the work strictly on rational self-interest. In short, in what specific manner will this essay collection under review augment the economist's research techniques? For instance, has the work of historians or sociologists confirmed the economists' hypotheses or offered conflicting views? Has the normally ahistorical approach of the economist been flawed by his ignorance of historical events? Finally have other social scientists, freed from the confines of the economists' rigid optimizing model, been able to ask more intriguing questions? In sum, I will measure the merits of the book under review by its ability to achieve high marks on the posed questions.