#### DETERMINANTS OF INTERNATIONAL MIGRATION IN ARGENTINA: differences between European and Latin American flows

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#### DRAFT

#### Abstract

In the analysis of international movements of people, Argentina is a relevant case not only because international migration has been a central component of Argentine nation-building and development, but also because the country turned from being a net recipient of migratory flows from the late 19<sup>th</sup> Century until the mid-1950s to becoming a net expeller -especially of skilled workers- in the last quarter of the 20<sup>th</sup> Century.

This paper aims to study, with a long-term perspective, the factors associated to immigrant flows to Argentina from Europe (Spain and Italy) and South America, focusing on economic, labor market and political determinants of these flows. Taking into account these economic and non-economic factors, a set of different econometric models are performed and estimates are made for both the first wave of migration during the period from 1870 to 1950 and the second wave during the period from 1945 to 1976. This paper is the first attent to study the differences in the factors associated to European and Latin American migration flows to Argentina.

An important result of comparing the estimates for the first and second migratory waves indicate a shift in the order of importance of the determinants of the entry rate, where the income gap, more than opportunities of employment differentials, appears to be the variable that generates the greatest reaction in the regional inmigratory flows. On the contrary, European flows seem to have been triggered by the second factor. However, beyond certain socio-economic junctures that favor or constrain immigration to Argentina, wage disparities with respect to other South American countries have created structural conditions that explain the persistence of migrant flows coming from countries in the region even during recessions such as that experienced by Argentina in the mid-1990s.

#### **JEL Classification**: F22, O15. **Keywords**: Argentina, international migration, determinants of migration.

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#### INTRODUCTION<sup>1</sup>

International migration is a phenomenon of growing importance worldwide, given that movements of people produce significant economic, social, demographic and cultural effects in both sending and receiving countries. Sharp disparities in levels of economic development and unequal employment opportunities between countries, political instability and social violence are the most important expulsion and attraction factors influencing migration throughout the world.

Nevertheless, although the international mobility of skilled people who own a large stock financial capital is currently high –a situation favored by loose restrictions on migration for these groups—, the same cannot be said for poor, less educated workers who frequently face situations of exclusion and marginalization, often reinforced by the migration policies of certain countries.

In the analysis of international movements of people, Argentina is a relevant case, not only because international migration has been a central component of Argentine nationbuilding and development, but also because the country switched from being a net recipient of migratory flows from the late 19<sup>th</sup> Century until the mid-1950s to becoming a net expeller --especially of skilled workers-- in the last quarter of the 20<sup>th</sup> Century. This flow reversal was associated with the downturn in the Argentine economy following World War II --which set Argentina back in relation to other, betterperforming economies-- jointly with major political instability throughout the country's history.

This document studies and characterizes the dynamics of migratory inflows to Argentina from the end of the 19th Century up to the present date. In particular, the main aim of this paper is to estimate the relative importance of different factors –GDP level, labor market and social conditions, political, among others– in the entry flows to Argentina in a long-term perspective. For this, different econometric models are performed and estimates are made separately for both the European waves –during the period from 1870 to 1950– and the Latin American waves –during the period from 1945 to 1976– in order to evaluate if changes in the importance of those factors were verified along the whole period.

This paper is structured in three sections. The next section presents a general analytical framework based on a long-term study of migratory flows to and from Argentina. In Section 2, this evidence is applied to an analysis of the factors associated with the international mobility of people from Europe and Latin American to Argentina, and estimates are made using different econometric models in order to evaluate the relative importance of each factor in different stages. Finally, Section 3 presents the summary and most important conclusions of the study.

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### 1. THE LONG-TERM EVOLUTION OF INTERNATIONAL MIGRATION TO AND FROM ARGENTINA

Since the mid-19th Century, international migration flows have occurred in welldifferentiated phases. The "First Wave of Globalization," from 1870 to 1913, was characterized by a growing volume of international trade facilitated by the development of transportation and communication technologies, lowered tariffs and the gold standard system (Eichengreen, 1996).

During this "Age of Mass Migration" (Hatton and Williamson, 1998), the international mobility of goods, as well as production factors, both capital and labor, was significant. There were large international movements of people, especially from countries in Europe to countries in the Americas, such as Argentina, the United States, Canada and Brazil, and to other countries, such as New Zealand and Australia. The situation in these receiving countries, characterized by an abundance of natural resources and a scarcity of workers, was the inverse of the situation in some of the Old World countries, where there was an abundant supply of labor but limited opportunities for employment.

Throughout this period, wage and employment differentials between certain European countries -Spain, Italy, Portugal, Norway and Sweden- and Argentina, the United States, Canada and Australia favored the latter group, generating strong incentives for the international mobility of workers (Solimano, 2003a). In addition, the receiving countries adopted migration policies that were favorable toward admitting foreigners. This dynamic period of global integration was followed by another period, from 1914 to 1945, which was characterized by the two world wars, the economic crisis of the 1930s and major political instability. As a consequence of these factors, the process of globalization and the mobility of factors ceased, and migration policies became more restrictive. Contrary to the positive relationship between globalization and migratory flows observed between 1880 and 1913, the "Second Wave of Globalization," which took place during the last quarter of the 20th Century, was accompanied by restrictive immigration policies, especially in developed countries.<sup>2</sup> Although the international mobility of highly educated people and/or people who own a large stock of financial capital is high and relatively unrestricted, the same cannot be said for poor, less educated workers, who frequently face situations of exclusion and marginalization, resulting in highly segmented international labor markets.

#### 1.1. Analysis of the migration flows

As mentioned, Argentina is an interesting case from the perspective of the migratory movements to and from the country, not only because international migration has been a central element in its nation-building and development, in the growth of the population and in the configuration of the Argentine workforce, but also because the country switched from being a net recipient of migratory flows from the end of the 19<sup>th</sup> Century until the mid-1950s to becoming a net expeller of migrants, especially skilled workers, in the last quarter of the 20<sup>th</sup> Century.

The great migratory flows from Europe occurred between 1870 and 1929. The crisis of the 1930s and World War II had a negative impact on the volume of these flows. After

<sup>&</sup>lt;sup>2</sup> Solimano (2001).

the war ended, there was a second –and last– wave of European migration, but not as intense as the first. Lattes and Recchini de Lattes (1995) estimate that about 5.3 million people arrived in Argentina between the end of the 19th Century and 1970, representing almost 40% of the net total migration of Latin America and the Caribbean during that period.

Since the mid-20th Century, along with the decline in flows from abroad, the composition of the foreign resident population in Argentina also changed, with natives of neighboring countries becoming the majority. Despite the long tradition of these migratory flows in Argentina –fundamentally in the border zones–, they became more visible in the 1960s as they headed toward the large urban centers, particularly the Buenos Aires Metropolitan Area.<sup>3</sup>

While this process was turning Argentina into the *nucleus of a regional subsystem of Southern Cone migration* (INDEC, 1997), the flow of Argentines leaving the country -- especially skilled workers-- was also growing, the majority going to the United States, Spain, Italy and Canada. This reversal of the migratory flows was associated with the downturn in the Argentine economy following World War II, which implied a setback in relation to other better-performing economies. These different stages of development were accompanied by severe political instability under alternating military and democratic governments, which also made a significant impact on the direction and intensity of the migratory flows.

These migratory trends can be separated into five distinct stages from 1870 to the present.

#### 1870 to 1913

The period that begins with the consolidation of the Argentine Nation-State was characterized by a great influx of financial capital and immigrants from Europe. During the first wave of global migration, Argentina was the most important receiving country in Latin America. Opportunities for employment and relatively high wages created incentives for groups of Europeans in countries undergoing unfavorable economic situations to make the decision to migrate to Argentina.

During those years, Argentina enjoyed a vigorous cycle of economic growth based on the agro-export model. GDP growth rates rose, reaching an annual average of 6% --one of the highest in the world-- and 3% per capita (see Table 1). During the "Belle Époque" (Díaz Alejandro, 1975) Argentina received large amounts of foreign capital, primarily from England, and a massive influx of European immigrants, primarily from Mediterranean Europe –Italy and Spain–, which together in 1914 represented 92% of the total foreign resident stock in Argentina (INDEC, 1997). The abundance of land, the scarcity of workers, and the vigorous growth of agricultural production and commodity exports contrasted sharply with the situation in Spain, Italy and other European economies, which offered scarce economic opportunities.

As a consequence, the greatest positive net migration flows in the history of Argentina were registered throughout this period (see Figure 1). The average net entry rate in relation to residents was 15‰, reaching as high as 20‰ between 1900 and 1913, which

<sup>&</sup>lt;sup>3</sup> Includes the City of Buenos Aires and surrounding municipalities in Buenos Aires Province.

corresponds to an average annual net entry rate of approximately 67,000 people, reaching a maximum of 200,000 in the final years of this period (see Table 2).



Figure 1 Net migration flows: level and trend in the long term, 1857-1993

Source: The author based on Ferreres (2005).

As mentioned above, the rapid expansion of agricultural and livestock production, as well as urban-support activities, was made possible by the rise of the agro-export model. Given the relative scarcity of local workers, large volumes of foreign workers were required. Thus, wage differentials were not the only incentives to migrate; so were greater expectations of employment in Argentina. Rapid economic growth brought major employment growth in both rural and urban areas, along with a rapid evolution of earnings, in real terms as well as in relation to the European countries.

Cortés Conde (1979) estimates that the real wages of unskilled urban and rural workers rose at an annual rate of 2.5% between 1883 and 1899, accompanied by a sharp increase in the productivity of workers in the agricultural and livestock sector. In a relatively integrated labor market, this also resulted in higher pay for urban jobs (Beccaria, 2005). As a result, wages paid in Argentina were higher in relation to wages paid in European countries, especially in Italy, Spain and, to a lesser extent, France. Figure 2 shows the wage gap favorable to Argentina that lasted until the mid-1950s. This trend continued to grow from 1880 to 1899, during which period average Argentine wages were 2.5 times higher than wages in Italy and 2 times higher than wages in Spain.





Source: The author based on Williamson (1994).

Argentina's favorable economic situation during this period is also reflected in GDP per capita differentials with respect to Europe. An initial phase of income gap growth can be observed from the mid-1880s until approximately 1910, period in which Argentina's GDP per capita was about 47% higher than Italy's and about 54% higher than Spain's (Figure 3).

Figure 3 GDP per capita gaps \*, Argentina in relation to selected countries 1970-2001



\* Measured in constant 1990 Geary-Khamis international dollars. **Source:** The author based on Maddison (2003).

The economic incentives offered by Argentina were reinforced by migration policies favorable toward foreigners entering the country. In this sense, as noted by Novick (2001), the Argentine State has decades of experience drafting migration policies. In 1876, National Law N° 817 for the Promotion of Immigration, known as the "Avellaneda Law", was passed. The central feature of this law was the promotion of European immigration to Argentina, in harmony with the prevailing spirit of the first National Argentine Constitution of 1853, which declares in Article 25, Chapter 1 that, "The Federal Government will promote European immigration and may not restrict, limit nor tax in any way the entry of foreigners into Argentine territory who come for the purpose of working the land, improving industry and introducing and teaching the sciences and the arts." The State even went so far as to set up immigration agencies in Europe with the objective of advertising Argentina's comparative advantages and attracting workers to continue the development process already underway (Vázquez Presedo, 1971).

#### 1914 to 1918

The outbreak of World War I interrupted the process of globalization and integration that had been developing worldwide during the previous period. The war made a strong impact on Argentina, where net migration rates were negative during all these years, at an average of about 2‰ annually. Both inflows and outflows of migrants dropped sharply, but especially the former. In 1918, the gross flow of immigrants was only 25% of that observed in 1913, while emigration was reduced by half (see Table 2).

The collapse of the global capital market also had a negative effect on Argentina, given the decline in flows of capital, labor and manufactured goods coming from Europe. The total value of Argentine imports declined between 40% and 50% with respect to pre-1914 levels due to the redeployment of resources in Europe to the production of military equipment and also to difficulties in transport caused by the war.<sup>4</sup> World War I also had a negative affect on the grain trade, owing particularly to the scarcity of warehouses for transoceanic transport, a situation that was compounded by recurring poor harvests, primarily of corn, due to unfavorable climactic conditions.

All of these factors combined to greatly deepen the economic crisis in Argentina. Domestic product declined by about 10% in 1914 and reached stagnation the next year, followed by new downturns in 1916 and 1917 of about 3% and 8%, respectively (Table 1). This unfavorable economic performance also brought about a reduction in the income gap with respect to European countries (Figure 3). Wages evolved in a similar fashion, with phases of stagnation and even sharp declines, such as occurred in 1917 and 1918, years in which nominal values remained constant while domestic prices rose on a par with the evolution of international prices. Other indicators also appear to reflect labor difficulties in Argentine during this period. In particular, Bunge estimated that during those years the unemployment rate rose to 19% in the city of Buenos Aires (Bunge, 1929).

#### 1919 to 1923

After the war, Argentina's average annual growth rates rose again to about 8%, and the income and wage gaps relative to Italy and Spain recovered, but remained below their pre-war values (see Figure 2). Average wages, in particular, were about 25% higher than in Italy and about 43% higher than in Spain, while the GDP per capita differential was 33% and 62%, respectively.

<sup>&</sup>lt;sup>4</sup> For more detail, see Della Paolera and Taylor (1997).

The establishment of immigration quotas in the United States in 1921 and 1924 further encouraged migratory flows to the U.S. Throughout these years, an average of approximately 80,000 people entered the country per year, representing a net rate of almost 8‰ which, although significant, was lower than pre-World War I rates (Table 2).

#### 1924 to 1946

The economic decline suffered by Argentina throughout most of this period, along with the international armed conflict unleashed in 1939, provoked a sharp contraction in the European migratory flows, which, nevertheless, continued to be positive. The average net immigration rate during these years was about 4‰, but above a clearly decreasing trend (Table 2).

During the early 1930s, Argentina's poor economic performance is demonstrated by the negative average annual GDP per capita growth rate of about 7% during the first three years of the decade. This meant that the wage and income gaps shrunk in relation to both Italy and Spain (Figures 2 and 3).

En general terms, the lack of jobs and the decline in wage levels characterized the labor market during these years. The cost of living, in particular, rose while nominal earnings remained constant or even declined. The National Labor Department estimated that the budget for a typical family in 1933 was 10% higher than the average wage which, along with the lack of jobs, indicated the difficult social situation affecting the population as a whole. In this context, the decree known as the "Defense of Argentine Workers" was proclaimed, ordering Argentine consuls abroad to suspend disembarkation permits for immigrants who did not have a guaranteed occupation (Rapoport, 2003).

During World War II, Argentina again experienced low and fluctuating growth rates, which led to stagnation and even drops in the GDP per capita. Additionally, the war severely restricted the mobility of both goods and production factors, including workers. As a result, net entry rates dropped to 0.88‰ during those years.

#### 1947 to 2005

The devastating effects of the war in Europe created conditions for a sizeable group of Europeans to decide to leave their countries in search of better opportunities. Argentina then became a natural destination for those people, given what was known about the country through networks established by earlier migratory waves. In this way, Argentina received a new (and last) wave of overseas immigrants between the mid-1940s and early 1950's with a net annual entry rate of about 7.5‰ between 1947 and 1951.

However, rapid economic reconversion in Europe at the end of the 1940s, along with the incipient setback in the Argentine economy, resulted in a process of diminishing incentives to migrate to Argentina. By the second half of the 20<sup>th</sup> Century, Argentina's advantage over Spain and Italy in terms of per capita income had begun to systematically reverse (Figures 2 and 3), while European immigration practically halted toward the end of the 1950s. In 1960, average Italian wages were 50% higher than average wages in Argentina, whereas the gap in favor of Spain was about 13%. These differentials were further heightened in the periods that followed, becoming somewhat

stabilized in the 1990s. In 1988,<sup>5</sup> in particular, average wages in Italy and Spain were almost 4 and 3 times higher than in Argentina, respectively, while in 2001 Argentina's GDP per capita was only half that of those countries (Williamson, 1994).

Macroeconomic instability, economic setback, military regimes, political persecution and the deteriorating social situation in Argentina throughout the most recent decades led to the disappearance of the old attraction factors that had been in effect during the first half of the 20th Century and the appearance of elements that drove natives to leave the country.

One of the characteristic features of the post-war period in Argentina has been severe political instability, which has influenced both the gross immigrant entry rates and the rates of Argentine emigration abroad. The imposition of military regimes, with the suppression of civil liberties and academic freedoms, were a major cause of the emigration of professionals and scientists from the 1950s through the early 1980s.

As noted by Oteiza (1969), although certain emigration flows of researchers were registered in the 1940s and 1950s, these flows increased significantly as a result of political repression under the Onganía dictatorship (1966-1970). Throughout the period beginning then and lasting until the return to democracy in 1983, the so-called brain drain grew at an unprecedented rate. This situation became even more dramatic, however, under the last military dictatorship, which took over in 1976<sup>6</sup> and unleashed a massive persecution of intellectuals, professionals and students as part of a process of wholesale repression.

As persecution and repression ceased with the return to democracy, fewer scientists and intellectuals left the country and some returned.<sup>7</sup> However, the brain drain continued due to the absence of science and technology policies, scarce funding for this type of activity, and differentials in wages and employment opportunities with respect to more developed countries. This phenomenon has continued and even intensified in the most recent decades (Solimano, 2003a).

Throughout this period, political and economic incentives combined in such a way as to create conditions for both the expulsion of natives and the attraction of new flows of immigrants, no longer Europeans but from neighboring countries. Since the mid-1950s, and parallel to the developments mentioned above, a new process began in Argentina characterized by an increase in the entry rates of immigrants from neighboring countries, especially Paraguay, Chile and Bolivia. These flows, however, were not new; historically, contingents of these immigrants had settled in rural areas of the Argentine provinces bordering on their home countries and taken up many of the jobs left by natives of these provinces who moved to the cities as part of the process of import substitution industrialization. In a second phase, these immigrants began to reorient their destination within Argentina, moving toward urban areas, especially toward the

<sup>&</sup>lt;sup>5</sup> Latest available data.

<sup>&</sup>lt;sup>6</sup>On March 24, 1976, a Military Junta formed by the Commanders of the Armed Forces, Lieutenant General Jorge Rafael Videla, Admiral Emilio Eduardo Massera and Air Force Brigadier Orlando Agosti, took over the government.

<sup>&</sup>lt;sup>7</sup> Accurate information about the number of scientists who returned to Argentina during this period is not available.

City of Buenos Aires and its metropolitan area. As Grimson (2005) points out, the first cross-border migratory waves were fundamentally rural-rural in nature, later becoming urban-rural and, finally, urban-urban. As a result, throughout this period, immigration from neighboring countries became gradually more "visible," partly due to its greater weight in proportion to the total number of foreigners living in Argentina, but due also to this movement from the border provinces to the urban centers.

The migratory dynamic of these groups has been directly linked to the different stages of economic development and changing political situations in their countries of origin. These flows have also been affected by migration policy in Argentina. Under the military government (1976-1983), in particular, major modifications were made with new laws restricting the entry of foreigners. The Migration Law of 1981 discouraged migration from non-European countries, prohibited neighboring country immigrants from engaging in economic activity and restricted their access to public social services. Since then, and even after the return to democracy in December 1983, the orientation of legislation has not been well-defined: amnesties were declared (in 1984, for example) but so were new restrictive instruments (as in 1985 and 1987); another amnesty was decreed in 1992-1993, and bilateral agreements were signed with Peru and Bolivia. Along with these measures, control policies were implemented, including decrees deporting illegal immigrants (Novick, 2001).

However, beyond certain socio-economic junctures that may favor or retract the flows entering Argentina, for some countries in the region, emigration to Argentina has been a recurring phenomenon at higher or lower rates depending on different phases of political, social and economic development. Income gaps between Argentina and other countries in the region have created structural conditions that explain the persistence of migrant flows from within the region, fundamentally from Bolivia and Paraguay, even during recessive phase of the cycle, such as the second half of the 1990s. The consolidation of a regional labor market, the existence of networks set up during previous flows, and development differentials favoring Argentina seem to be the most important attraction factors that have made Argentina –along with Venezuela– one of the major migrant receiving countries in Latin America (CELADE, 1998).

In this respect, Solimano (2003b) arguments that income differentials between countries in Latin America seem to be directly responsible for the large movements of people observed in the region. During the period from 1950 to 2000, Argentina's GDP per capita more than doubled the GDPs of Bolivia, Paraguay and Peru, source countries for the largest flows of immigrants entering Argentina in recent years. Although the gap is positive in most cases, it has been smaller in relation to Chile, Uruguay and Brazil (Figure 4). With respect to the first group, however, the gaps with Argentina actually widened during the 1990s.

On this general overview, the dynamics of immigrant flows to Argentina from within South America acquire particular characteristics which are determined by the economic, social and political junctures each country passes through at different times. For example, the civil war in Paraguay between 1945 and 1949, along with the 1954 military coup, created conditions for emigration, which were reflected in the sharp increase in flows to Argentina, especially of political exiles, some of whom later returned to Paraguay. The dictatorships in Chile and Uruguay during the 1970s were one of the factors explaining the upsurge in flows of Chileans and Uruguayans throughout that period.





\* Measured in constant 1990 Geary- Khamis international dollars. **Source:** The author based on Maddison (2003).

Rates of Bolivian immigration in Argentina have been high since the beginning of the 20th Century, especially among sugar cane harvesters working in northern Argentina. However, the overvaluation of the peso toward the end of the 1970s and strong growth in the construction industry during those years further enhanced this long-term trend.

The political crisis in Uruguay that led to the 1973 military coup and ensuing economic difficulties resulted in a significant increase in emigration, a high percentage of which went to Argentina. Filgueira (1990) points out that the general worsening of living conditions throughout the 1970s produced growing dissatisfaction in the population that, along with the deteriorating political situation, led to a sizeable exit flow of natives going abroad. During those years, the economic situation in Argentina was favorable, with low unemployment rates and GDP growth rates of between 5% and 6%, which, along with its geographic proximity, made it one of the most important destinations for these flows, which continued –at a slower rate– through the 1980s, despite Argentina's worsening macroeconomic situation.

As Cortés and Groisman (2004) have suggested, product stagnation and the slack labor market since the mid-1970s and, fundamentally, during the debt crisis of the 1980s, affected the entry rate of immigrants from neighboring countries, resulting in a negative net migration rate of about -1.6‰ in the five-year period between 1975 and 1980, and dropping very low in subsequent years.

The case of Peru contrasts sharply with this general overview, as Peruvian immigration to Argentina has increased noticeably since the 1980s, part of the more global process

characterized by a large emigration of Peruvians, especially to the United States, certain European countries, Argentina and Chile. Altamirano (2003) suggests that the political and economic situations in Peru are the most important factors driving emigration. The 1980s initiated a period of heavy political violence in Peru, followed by Fujimori's rise to power and the virtual disappearance of the rule of law. This process, combined with the deteriorating economic context, created an overall situation favoring emigration. According to Cerrutti (2005), within the economic determinants, very low income would appear to be more important than the lack of jobs.

During the early 1990s, GDP growth rates rose in Argentina, and there was also a temporary improvement in labor market conditions. In 1991, after unsuccessful attempts to control inflation, a fixed exchange rate was set, making local currency fully convertible in relation to the dollar, the so-called "Convertibility Plan." This initiative sought to anchor the value of foreign currency as a means of through fixing domestic prices. Financial and commercial liberalization policies were also intended to help bring domestic inflation in line with international inflation. This policy managed to stop the inflationary process, and stabilization opened the way for a new phase of high economic growth.

During those years, employment grew as well as the purchasing power of labor income.<sup>8</sup> Contrary to what had occurred in preceding years, this favorable situation created conditions that accelerated immigration from other Latin American countries. Along with this favorable economic cycle, however, an important attraction factor sustained throughout the decade was the overvaluation of the national currency, a factor that explains, at least in part, the persistence and even the increase in inmigratory flows, even during recession phases of the cycle and in contexts of sharp reductions in employment opportunities, especially for the non-native population.

Throughout the period from 1995 to 2001 –the second half of the convertibility regime– , during which time a sharp increase in unemployment (Figure 5) jointly with a reduction in the purchasing power of wages were verified, the regional immigrant stock<sup>9</sup> in Argentina grew by approximately 12% in urban areas. As analyzed in detail below, throughout this period, the rate of unemployment grew and remained very high. In fact, as Figure 5 shows, levels in Argentina were higher than levels in the other countries of the region considered in the study, some of which also experienced considerable increases in unemployment rate.

For these reasons, the growing trend in the number of regional migrants residing in Argentina throughout those years (Table 3) would indicate that the decline in overall employment opportunities and the systematic worsening of labor market conditions during the second phase of the convertibility plan had a dissuasive effect that was more than compensated by the attraction role played by high relative wage levels in dollars as a result of the rising exchange rate during those years. In addition, as mentioned above, the persistence of these flows can also be explained by the permanence of structural conditions favoring Argentina –especially in the Metropolitan Area– relative to other countries in the region, such as a higher level of development, the existence of a

<sup>&</sup>lt;sup>8</sup> See Damill, Frenkel and Maurizio (2002).

<sup>&</sup>lt;sup>9</sup> "Regional" immigrants refers to those coming from the countries bordering Argentina –Bolivia, Paraguay, Uruguay, Chile, Brazil– and from Peru.

reasonable network of basic social services (education and health) and the presence of sectors niches in the labor market for the migrant population that do not always have the same behavior that general labor market.





Source: The author based on PREALC (1982) and ECLAC (BADEINSO).

#### 1.2. Analysis of non-native population stocks in Argentina

The long-term view that emerges from the study of migratory flows is consistent with the view derived from an analysis of the stocks data drawn from the population censuses carried out in Argentina from 1869. These are one of the most important sources of information for the study of this issue, since they can be used to quantify the number of foreigners residing in the country at a given time and to describe them using a broad set of sociodemographic indicators.

At the time of the last population census in 2001,<sup>10</sup> there were 1,531,940 foreigners residing in Argentina, of which 923,215 (60%) came from neighboring countries and 608,725 (40%) from other countries. The most numerous groups came from Paraguay (21%), Bolivia (15%), Chile (14%) and Italy (14%) (Figure 6).

If the analysis is restricted to regional immigrants, one third is Paraguayan, 23% are Bolivian and 21% are Chilean. The smallest group are those born in Brazil, representing only 3% of the total.

<sup>&</sup>lt;sup>10</sup> The statistical information referring to the 2001 National Population Census emerges from processing the data bases corresponding to that survey provided by INDEC (2003).



Figure 6 Composition of immigrants in Argentina, 2001

Source: The author based on the National Population and Housing Census. Argentina, 2001.

As noted in the foregoing section, European immigration made an important impact toward the end of the 19<sup>th</sup> Century and during the early decades of the 20<sup>th</sup> Century. Changes in the volume and origin of immigrants arriving since the mid-1950s significantly modified the composition and the proportion of the foreign resident population in Argentina. As Table 4 shows, the percentage of foreign-born residents in relation to the total population has been increasing since 1869, reaching its highest value in 1914, at which time it represented almost one third of the total Argentine population. This confirms the large volumes of overseas immigrants entering the country since 1870. From then on, the percentage of foreign-born residents declines systematically, becoming only 4% of the total population in 2001.

The sharp decline in the proportion of immigrants between 1914 and 1947 reflects the decline in European migratory flows during this period, as noted above. Between these census dates, the percentage of foreigners dropped by nearly half –from 29.9% to 15.3%–, continuing this decreasing trend even when the non-native population stock recovered after World War II, between 1947 and 1960 –year in which the absolute number of foreigners in Argentina reached its highest level–, although at a slower rate than the growth of the native population (Figure 7).

The proportion of immigrants from neighboring countries in Argentina has remained practically unchanged throughout the entire period, representing between approximately 2% and 3% of the total population. This stability reflects, as noted above, the existence and persistence of these flows in Argentina from very early times. Likewise, after a slight increase registered in the 1970s, the proportion began to decline slightly until 2001.

Figure 7 Evolution of the proportion of immigrants in the total Argentine population, 1869-2001 Censuses



Source: The author based on the National Population and Housing Censuses. Argentina.

However, as a result of the reduction and virtual disappearance of overseas flows, their incidence in the number of total foreigners has increased significantly since the 1950s. (Figure 8). Nevertheless, given the numeric importance of the old European migratory waves entering Argentina, it wasn't until 1991, that the number neighboring country natives, as a group, surpassed the number of immigrants from other countries.

Figure 8 Immigrants from neighboring countries in total foreigners in Argentina, 1869-2001 Censuses



Source: The author based on the National Population and Housing Censuses. Argentina.

The long-term dynamic followed by immigrants from different countries is shown in Table 5. The stock of Spaniards and Italians has declined significantly since the middle of the 20<sup>th</sup> Century, while flows from Bolivia and Paraguay have increased systematically throughout the entire period under consideration. There was a growing

trend of Chilean-born immigrants until 1991, which declined during the last decade, a dynamic associated with an improved economic situation in Chile. Finally, the historically low proportion of Brazilian immigrants has remained stable.

Focusing on the last two decades and considering both sexes, it can be observed that the number of total immigrants declined by 15% between 1991 and 1980, and by an additional 5% during the 1990s. As noted above, this was the result of two opposing movements: the 12% and 10% increases in immigrants from neighboring countries during both intercensus periods, and the 33% and 21% decreases in immigrants from non-neighboring countries, which reflect the drastic decline in survivors of the old European migration (Table 6). In this process, Italians were the most numerous group until the 2001 census. During the 1990s, the migrant stock from Paraguay and Bolivia increased by 30% and 63%, respectively. Conversely, the number of Chileans and Uruguayans declined, while the total number of Brazilians increased slightly. The sharp growth of Bolivians and the decline in the number of Chileans meant that the latter group was only the fourth largest in 2001, while Bolivians rose from fifth place in 1991 to second place at the beginning of the new millennium. However, as mentioned above, in terms of growth rates, Peruvian migration stands out for having registered the greatest percentage increases in both the 1980s and -fundamentally- in the 1990s. Throughout these two decades, the stock of Peruvians residing in Argentina multiplied by ten, from a value of 8,561 to 88,260 people.

#### 2. DETERMINANTS OF INTERNATIONAL MIGRATION

#### 2.1. Theoretical aspects of the determination of international migration

From the analysis of the migratory dynamic examined in the preceding section, this section identifies a set of social, political and economic factors associated with the decision to migrate and the destination of the migratory flows described above.

One of the main factors determining the international movement of people is the expectation of a higher income in the receiving country compared to the country of origin. It is assumed that net migration is positively associated with income gaps between both countries: the higher the income earned in the receiving country compared to the source country, the higher the inflows and lower the outflows to and from the destination country. These income differentials, in general, are estimated by the real income per capita and/or wage gap between countries.

Another factor directly linked to the foregoing is the general labor market context in the receiving country compared to the source country in terms of the likelihood of obtaining employment and cashing in on the wage differential. In particular, as mentioned above, high unemployment contexts, low economic growth rates and sluggish job creation in the destination country discourage immigration. Therefore, at a specific moment in time, not only income gaps seem to be relevant but also the phase of the economic cycle in which the source country and the receiving country find themselves. According to Solimano (2003b), seen from a dynamic perspective, the relevant variable should be the actual value of the differential between expected income flows in the receiving country and the source country.

Another aspect –of a non-economic nature– which influences the dynamic of these flows is migration policy in the receiving countries. In principle, the most restrictive contexts are expected to slow the entry rate of foreigners. It is also argued that these policies usually affect not only numbers of entries but also the labor market situation encountered by immigrants. In the case of Argentina, in particular, the absence of effective migration law enforcement has favored evasion and has had little impact on the volume of foreigners entering the country. However, illegal workers from neighboring countries may be more accepting of precarious, low-paying, more intensive working conditions.

Migratory flows, especially the direction of these flows, are also associated with the existence of networks of family and friends in the destination country. The presence of these networks not only helps potential migrants obtain information about the economic and labor situation in the receiving country, but also function as an important support system upon their arrival and as they are settle in. The second wave of European immigrants arriving in Argentina after World War II seems to have been influenced not only by economic factors but also by the existence of networks of compatriots resulting from earlier migratory flows. These processes generate certain persistence even after the favorable economic conditions that attracted the first waves of immigrants have changed. In this respect, Portes (1997) suggests that migrants, in general, give greater importance on existing networks than on real labor market conditions in a country when choosing their destinations.

As also noted in the preceding section, political factors are also important determinants of the decision to migrate. In Latin America, these seem to have been particularly relevant, at least during the second half of the 20<sup>th</sup> Century.

Finally, other factors that probably have more influence on the election of a destination country than the decision to migrate itself are the different customs, language and general culture, geographic distance and migration costs. At the international level, migratory flows are higher between neighboring countries than between more distant countries. Also, the weight that the migrant assigns to each of these factors may change, depending on the geographic distance between the source country and the destination country.

#### **2.2. Econometric models**

Taking into account the economic and non-economic determinants just analyzed, a set of econometric estimates were made using different specifications of both the dependent variable and the explanatory variables.

The general analytical framework is based on Hatton and Williamson (1998) and Taylor (1998) which propose an extension of traditional models. In particular, the first econometric models used to explain this phenomenon were Todaro's (1969) and Harris and Todaro's (1970), in which it was argued that migration is related to wage differentials and expectations of obtaining better employment in the receiving country compared to the country of origin. For this reason, the model we will call "traditional" can be expressed in the following way:

$$\frac{M}{P_{t}} = \beta_{0} + \beta_{1} \log\left(\frac{E_{t}^{*}}{E_{t}}\right) + \beta_{2} \log\left(\frac{W^{*}}{W_{t}}\right) + \varepsilon_{t}$$
[1]

where:

*P*: total population of Argentina. *M*/*P*: gross immigrant entry rate in a specific country. *W*\*/*W*: wage gap between the receiving country (W\*) and the country of origin (W).  $E^*/E$ : employment opportunities in the receiving country (E\*) compared to the country of origin (E).

This specification is derived from a set of assumptions about the decision to migrate. The first of these suggests that the potential migrant compares expected income in the country of origin and the country chosen as a possible destination based on real differentials in earnings and the possibilities of bridging these differentials by getting a job. The inclusion of these probabilities in the model acknowledges the uncertainty component associated with the decision to migrate, since the individual must take into account which is the probability that he or she *will be employed* in the destination country compared to the possibility of employment in the country of origin.

According to Taylor (1998), it is assumed that the individual has a convex utility function which depends on income. Therefore, migration will be a function of the expected utility differential based on income in each of the two scenarios: to migrate or not to migrate. A logarithmic function for utility is suggested, so that the individual decision to migrate is expressed in the following way:

$$d_{i} = E[\log(y_{id})] - E[\log(y_{io})] + z_{i}$$
[2]

where:

 $d_i$  is the expected utility differential,  $z_i$  is a term of specific individual preference,  $y_{io}$  is the individual's income in the country of origin, and  $y_{id}$  is income in the destination country.

A more attractive expression from an analytical perspective results from substituting expected income for the variables on which it depends, that is, actual wages (w) and the probability of getting a job (e). Therefore, we can incorporate this information in (3.2) disaggregating expected income in the country of origin and in the receiving country in both components. By reordering terms, we can express  $d_{it}$  as:

$$d_{it} = \alpha_1 + \alpha_2 \log\left(\frac{w_{dt}}{w_{ot}}\right) + \alpha_3 \log\left(\frac{e_{dt}}{e_{ot}}\right) + z_i$$
[3]

where:

 $w_{dt}$ : wage in the destination country  $w_{ot}$ : wage in the country of origin  $e_{dt}$ : probability of obtaining employment in the destination country *e*<sub>ot</sub>: probability of obtaining employment in the country of origin

As expressed in [3], the individual will decide to migrate if  $d_{it}$  is positive. The  $d_{it}$  variable could be interpreted as a "latent" variable, unknown to the researcher but, depending on the value it acquires, results in the dichotomatic decision to migrate or not to migrate (in this case the minimum threshold would be zero), which as an aggregate decision would be reflected in emigration rates from the source country and in gross entry rates in the receiving countries.

Using this general framework, Hatton and Williamson (1998) extend the traditional model in three directions:

- 1. Given the assumption that the potential migrant is adverse to risk and that the probabilities of getting a job may be different between the destination country and the country of origin, they propose incorporating separately the terms reflecting job opportunities in each place, instead of jointly estimating the relationship between both variables.
- 2. It is assumed that migrants evaluate the entire path of expected future income in their own country as well as abroad. To make this expectation, they use the only information available to them, which is what has happened in the past. This justifies the incorporation of lag variables in the model as proxies for the past.
- 3. Finally, it is assumed that migrations may be influenced by short-term variations in the explanatory variables, speeding up or slowing down the migratory flow in response to change. Therefore, covariables in first differences are incorporated as a means of capturing these reactions.

In order to incorporate all these effects, a more complex lag structure than that utilized in the traditional model is required. One of the methods that satisfies these requirements is the FOEC (*first order error correction*) type method.

The latter method is also compatible with Taylor's (1998) interpretation, which assumes that the individual not only evaluates the possibility of migrating but also, and simultaneously, the best moment to migrate. In this way, the decision to migrate could be delayed even with positive  $d_{ii}$  if potential migrant consider that waiting will accrue benefits in the future (for example, if he/she assume that there will be favorable changes in migration policy in the receiving country). Therefore, the FOEC type model can capture all of these effects. In our particular case, the model would be:

$$\frac{M}{P_{(t)}} = \beta_0 + \beta_1 \Delta \log(E^*_{(t)}) + \beta_2 \Delta \log(E_{(t)}) + \beta_3 \Delta \log\left(\frac{W^*}{W_{(t)}}\right) + \beta_4 \log(E^*_{(t-1)}) + \beta_5 \log(E_{(t-1)}) + \beta_6 \log\left(\frac{W^*}{W_{(t-1)}}\right) + [4] + \beta_7 \frac{M}{P_{(t-1)}} + \varepsilon_{(t)}$$

Short-term behavior is quantified by estimating the coefficients  $\beta_1$ ,  $\beta_2$  and  $\beta_3$  corresponding to the variables in first differences, while equilibrium relationship can be evaluated by the long-term elasticity of the variables in levels.

A final alternative for approaching the migration model is adopting an intermediate model between the traditional and the FOEC models, in cases where the latter does not obtain a good fit. This alternative model can be expressed as:

$$\frac{M}{P_{t}} = \beta_0 + \beta_1 \log(E_{t}^*) + \beta_2 \log(E_{t}) + \beta_3 \log\left(\frac{W^*}{W_{t}}\right) + \beta_4 \frac{M}{P_{t-1}} + \varepsilon_t$$
[5]

It is important to note that there is a direct relationship between the FOEC model, the traditional model and the intermediate model, because the last two are specific cases of the first. For example, the traditional model is equivalent to the FOEC under the following restrictions:

$$\beta_1 = \beta_4$$
;  $\beta_2 = \beta_5$ ;  $\beta_3 = \beta_6$  and  $\beta_7 = 0$ 

From expression [4] different estimation were done in order to estimate inflows of European and South American migrants. Specifically, models were estimated separately for:

- the first wave of migration during the period from 1870 to 1950, and the subperiod from 1870 to 1930 (the period with the highest entry rates), and
- the second wave of migration during the period from 1945 to 1976.<sup>11</sup>

Two alternative specifications were used to explain the income differentials between countries: the wage gap and the product per capita gap. Given the lack of information about the evolution of employment in Argentina and in the countries of origin throughout the period under consideration, employment perspectives were estimated by business cycle.<sup>12, 13</sup>

#### **2.3. Econometric results**

Table 7 presents estimates for the periods 1870-1950 and 1870-1930, with both specifications for the income variable.<sup>14</sup> The estimates of the four FOEC models indicate significant coefficient of short-term variables (although not in all cases) with the expected signs; however, the same is not true for the variables in levels, for which not even the sign is the one expected in all cases.<sup>15</sup>

<sup>&</sup>lt;sup>11</sup> Due to the lack of complete information for subsequent years, economic estimates could only be made for this particular period of time.

 $<sup>^{12}</sup>$  Taylor (1998) makes this estimate assuming compliance with the Okun Law.

<sup>&</sup>lt;sup>13</sup> For details of the variable specifications and sources of information used here, see Appendix I of this chapter.

<sup>&</sup>lt;sup>14</sup> Before making the estimates, and to avoid spurious econometric ratios, the statistical cointegration of the variables was confirmed. A Johansen test was used to determine the existence or absence cointegration of first order. The results are presented in Appendix II.

<sup>&</sup>lt;sup>15</sup> Other dependent variable specifications were used, for example, the logarithm of the gross and net entry rate, but the model did not obtain a good fit.

These results suggest that the traditional model would be a better option than the FOEC model. Therefore, we next tested the following simultaneous restriction hypothesis:

Ho: 
$$\beta_1 = \beta_4$$
;  $\beta_2 = \beta_5$ ;  $\beta_3 = \beta_6$  and  $\beta_7 = 0$ 

where

 $\beta_1 : \Delta \log employment_{arg};$   $\beta_2 : \Delta \log employment_{europa};$   $\beta_3 : \Delta \log product per capita gap;$   $\beta_4 : \log employment_{arg(-1)};$   $\beta_5 : \log employment_{europa(-1)};$   $\beta_6 : product per capita gap_{(-1)};$  $\beta_7 : gross entry rate_{t-1}$ 

The test results<sup>16</sup> indicate the non-significance of the traditional model. However, the traditional model was significant when an autoregressive term was added.<sup>17</sup> This result could be interpreted as a factor that controls for unobserved or unmeasured variables, for example, the existence of previous social networks that could influence the direction of migratory flows, as discussed above.

Table 8 shows the results of estimates using this specification. As expected, the traditional model with the autoregressive term performs better than the previous models, with expected signs in all the model coefficients, with the exception of the variable associated with the likelihood of employment in Europe in Model 1, although this variable was not significant in any of the cases.<sup>18</sup> Model 2 appears to obtain the best fit which provide a stronger basis than the others for deducing that the path of employment growth, estimated by business cycle, seems to be the principal determinant of the inmigratory flow toward Argentina between 1870 and 1950, having a greater effect than the wage gap. The asymmetry in the weight of employment opportunities in the source and destination countries in determining migratory flows should also be noted: the results show that an increase in employment opportunities in Argentina was more important than a reduction of the same magnitude in the country of origin.<sup>19</sup>

The long-term relationship between the wage gap and the gross entry rate is stronger in the shorter time period. Whereas the gross rate rose by 3.42 per thousand residents between 1870 and 1930 because a 1% increase in the wage gap, that value drops to 2.34 when the period is extended to 1950. This pattern is repeated in the model that incorporates product per capita gaps where this value drops from 2.51 to 1.55, respectively. This seems like a natural outcome observing the evolution of these variables throughout this period (Figure 9). As the previous analysis showed, after 1930 the gross entry rate drops significantly compared to the previous period, even though

 $<sup>^{16}</sup>$  The restriction tests were estimated using a Wald test, the results of which can be found in Appendix II.

<sup>&</sup>lt;sup>17</sup> This result differs from that obtained by Taylor (1998) given that the results of the restrictions test for the period 1884-1939 reject the null hypothesis of validity of traditional model. For this reason, the author selected the FOEC as the most appropriate model.

<sup>&</sup>lt;sup>18</sup> Possible autoregressive structures were tested using the Durbin Watson H Statistic as well as structures of a higher order over the residuals of all the models. The results are presented in Appendix II.

<sup>&</sup>lt;sup>19</sup> These results are compatible with those obtained by Taylor (1998).

income gaps remained high, which would be reflecting a weakening in the relationship between these variables.



Figure 9 GDP Gaps (Argentina versus Spain and Italy\*) and net migration rate, 1870-2001

(\*) Measured in constant 1990 Geary-Khamis international dollars. **Source:** The author based on Ferreres (2005) and Maddison (2003).

The same analysis was applied to regional migration during the period between 1945 and 1976.<sup>20</sup> Given the period under study, a dummy variable was incorporated into the models as a proxy for the political situation in Argentina, assigning the value 1 for democratic regimes and 0 for authoritarian regimes.

Table 9 shows the results of these estimates. All the coefficients have the expected signs, although the product per capita gap is not statistical significant in any of the estimated models. Dummy variable for political regime neither was significant which represent an important difference with respect to the results obtained by Solimano (2003a) for net migratory flows between 1929 and 1960, a period during which authoritarian regimes appear to have exerted a negative influence on immigration to Argentina. However, that variable is no longer statistically significant (and has the opposite of the expected sign) during the period from 1960 to 1999.<sup>21, 22</sup>

 <sup>&</sup>lt;sup>20</sup> Only product per capita estimates could be made, since comparable wage series for all the countries considered for the whole period were unavailable.
 <sup>21</sup> Soliimano arguments that this strange result might be influenced by two factors: on the one hand, lack

<sup>&</sup>lt;sup>21</sup> Soliimano arguments that this strange result might be influenced by two factors: on the one hand, lack of information about emigration from Argentina under the military regime during the second half of the 1960s, and on the other, the fact that the percent of years with authoritarian governments during the period 1960-1999 is too low to have an influence on the entire period under consideration.

<sup>&</sup>lt;sup>22</sup> In general terms, the econometric estimates obtained in Solimano (2003a) for the period 1900-1999 show a positive effect of the income per capita gap between Argentina and sending countries, and a negative influence of authoritarian regimes on migratory flows arriving in Argentina.

A comparison between this model and the model corresponding to the first migration wave highlights the better performance of the FOEC model for regional inflows in terms of the statistical significance of the explanatory variables and their signs. However, the variables associated with expectations of employment measured in levels were not significant, nor was the effect of wage gap growth. As in the previous case, the possibility of a better fit using the traditional model was tested, with unfavorable results.

Therefore, continuing with the estimation strategy adopted for the first migratory wave, the model was estimated using the traditional model with the autoregressive component.<sup>23</sup> The results are shown in Table 10. Once again, the signs are those expected and the model obtained better overall fit; the political regime variable remained non-significant.

An initial result of comparing the estimates using this model with the estimates obtained using the same model for the first migratory wave would indicate a shift in the order of importance of the determinants of the entry rate. The income gap, more than opportunities of employment differentials, appears to be the variable that generates the greatest reaction in the regional inmigratory flows. Once again, the response of these flows to an increase in employment in Argentina and reduced employment in the country of origin was asymmetrical, being higher in the former case. Finally, the long-term relationships estimate that a 1% increase in the product gap implies an increase of 14.25 immigrants for every 1000 inhabitants, a clearly higher reaction than that found for the European waves.

Before concluding this section, it must be noted that due to the absence of more detailed information, it is impossible to conduct a more rigorous analysis of the short- and longterm relationships between the variables used. In this sense, it is important to remember that the dependent variable used in the estimates is the total of immigrant entries to Argentina in a determined period, without taking their nationality into account. Although this may not be a very important constraint in the estimates for the first migratory waves (since, as analyzed above, these consisted primarily of Spaniards and Italians with similar dynamics), it becomes more constraining for estimates of the Latin American migratory flows, since the evolution of the total volume of entries includes highly dissimilar situations, depending upon country of origin. This makes that a correct estimation of determinants of migrations flows be very complex from a unique specification.

#### **3. CONCLUSIONS**

The international movement of people is an increasingly relevant phenomenon that makes a social, demographic and economic impact in the country of origin as well as in the destination countries. Growing inequality in the degree of development achieved by countries and in the level of well-being of their populations, together with advances in communication and transportation, generate expulsion and attraction factors leading to a sharp increase in migration worldwide.

<sup>&</sup>lt;sup>23</sup> For details of the test results, see Appendix II in this chapter.

However, even though the international mobility of people with high levels of human and financial capital is currently high (a situation favored by the lack of migratory restrictions for these groups), the same is not true for poor, less educated workers who frequently experiment situations of exclusion and marginalization.

This document has studied the dynamics of the migratory movements that arrived in Argentina from the late 19th Century until the present, as well as the outflows of people from Argentina to other countries. Given this long migratory history, Argentina is a highly relevant case. Not only because international migration has been a central element in the construction and development of the Argentine Nation, but also because the country switched from being a net receiver of migratory flows from the end of the 19<sup>th</sup> Century until the mid-1950s to being a net sender of migrants –especially of skilled workers-- during the last quarter of the 20<sup>th</sup> Century. The reversal of these flows was associated with the slowing of the Argentine economy following World War II, which set the country back with respect to other better-performing economies, along with severe political instability.

Immigration from Europe made a heavy impact toward the end of the 19th Century and the first decades of the 20th Century. Changes in the volume and origin of immigrants after the mid-1950s significantly modified the composition and the proportion of the foreign resident population in Argentina. In particular, the percentage of foreign-born residents in relation to the total population has been increasing since 1869, reaching its highest value in 1914, when it represented almost one-third of the total population. After that, the number of foreign-born residents systematically declined, accounting for only 4% of the population in 2001.

Focusing on the last two decades, it can be observed that the number of total immigrants declined as a result of two opposing movements: the reduction in immigrants from nonneighboring countries and the rise in immigrants from the countries bordering Argentina. In this process, there is a growing trend toward settlement in the Buenos Aires Metropolitan Area. Also, it is observed a he high concentration of people in working-age which reflects the labor character of these flows. During the 1990s, the stock of migrants from Paraguay and Bolivia increased noticeably at the same time that the number of Chileans and Uruguayans declined. As a result, Chileans dropped to fourth place in order of importance in 2001, while Bolivians rose from fifth place in 1991 to second place in 2000. In terms of growth rates, however, Peruvian migrants stand out, registering the highest percentage increases in both the 1980s and, fundamentally, the 1990s. Throughout these two decades, the stock of Peruvians residing in Argentina multiplied by ten. A gender analysis indicates that most of the growth of the regional immigrant population during the last two decades can be explained by the participation of women, clearly reflecting the feminization of the entry rates of foreigners in Argentina.

With regard to the determinants of the migratory flows, econometric estimates show that in the period 1870-1950, the path of employment growth seems to be the principal determinant of the movements of Europeans to Argentina, having a greater effect than the wage gap. An asymmetrical response to shifts in employment opportunities in the sending and receiving countries is also confirmed, showing that an increase in employment opportunities in Argentina was more important than a reduction of the same magnitude in the country of origin.

When a similar econometric analysis is applied to flows from other South American countries, some of the results change significantly. In regional migration, the wage gap, more than employment differentials, seems to be the variable that produces the greatest reaction in the migratory flows. An asymmetrical response of these flows to an increase in employment in Argentina and a decrease in the country of origin is also confirmed once again, the response being higher in the former than in the latter.

Beyond certain socio-economic junctures that favor or constrain immigration to Argentina, however, wage disparities with respect to other South American countries have created structural conditions that explain the persistence of migrant flows coming from countries in the region, fundamentally Bolivia and Paraguay, even during recessions such as that experienced by Argentina in the mid-1990s. The consolidation of a regional labor market, the existence of networks created during earlier flows and development differentials favorable to Argentina seem to be the most important attraction factors that have made the country one of the most important receiving countries for regional migrants in Latin America.

This relatively better situation compared to the migrants' countries of origin does not imply that the workers from other South American countries, as a whole, do not face serious difficulties in terms of insertion in the labor market, an important aspect that is not included in this version. On the contrary, severe occupational segregation and wage discrimination can be observed, in which most of them work in a narrow set of productive sectors. Therefore, although the wages earned by a regional immigrant in Argentina are probably higher than what he or she could earn in his or her country of origin, the degree of employment fragility and instability affecting these workers cannot be ignored. The situation of illegality in which a high percentage of them find themselves favors acceptance of unprotected working conditions and earnings below the legal established minimums. The structural conditions that determine the non-native population's more precarious insertion in the labor market also explain the high levels of hardship experienced by that group as a whole. Of course, the degree of well-being achieved by these contingents differs somewhat by nationality and region of settlement within Argentina, but that analysis is outside the scope of this document.

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#### ANNEX

Table 1	
Evolution of the GNP and per capita GNP of Argentina,	1870-2001

Year	GNP *		Per	-	Year	GNP *	,	Per		Year	GNP *		Per	
		Annual growth rate	capita GNP*	Annual growth rate			Annual growth rate	capita GNP*	Annual growth rate			Annual growth rate	capita GNP*	Annual growth rate
1870	2 326		1 236		1901	14 036	8.5%	2 880	4.5%	1932	43 678	-3.3%	3 522	-5.1%
1871	2 4 5 6	5.6%	1 269	2.6%	1902	13 746	-2.1%	2 717	-5.7%	1933	45 712	4.7%	3 621	2.8%
1872	2 461	0.2%	1 237	-2.5%	1903	15 722	14.4%	2 992	10.2%	1934	49 344	7.9%	3 845	6.2%
1873	2 677	8.8%	1 309	5.8%	1904	17 407	10.7%	3 191	6.6%	1935	51 524	4.4%	3 950	2.7%
1874	2 824	5.5%	1 344	2.6%	1905	19 703	13.2%	3 479	9.0%	1936	51 873	0.7%	3 912	-1.0%
1875	2 812	-0.4%	1 301	-3.2%	1906	20 691	5.0%	3 518	1.1%	1937	55 650	7.3%	4 125	5.5%
1876	2 988	6.3%	1 344	3.3%	1907	21 127	2.1%	3 459	-1.7%	1938	55 883	0.4%	4 072	-1.3%
1877	3 052	2.1%	1 335	-0.7%	1908	23 190	9.8%	3 657	5.7%	1939	58 004	3.8%	4 148	1.9%
1878	3 367	10.3%	1 431	7.2%	1909	24 353	5.0%	3 699	1.1%	1940	58 963	1.7%	4 161	0.3%
1879	3 198	-5.0%	1 321	-7.7%	1910	26 125	7.3%	3 822	3.3%	1941	61 986	5.1%	4 304	3.4%
1880	3 3 3 8	4.4%	1 339	1.4%	1911	26 590	1.8%	3 746	-2.0%	1942	62 712	1.2%	4 284	-0.5%
1881	3 274	-1.9%	1 276	-4.7%	1912	28 770	8.2%	3 904	4.2%	1943	62 218	-0.8%	4 182	-2.4%
1882	3 3 2 6	1.6%	1 260	-1.2%	1913	29 060	1.0%	3 797	-2.7%	1944	69 280	11.4%	4 579	9.5%
1883	4 188	25.9%	1 542	22.3%	1914	26 038	-10.4%	3 302	-13.0%	1945	67 042	-3.2%	4 356	-4.9%
1884	4 695	12.1%	1 679	8.9%	1915	26 183	0.6%	3 244	-1.8%	1946	73 029	8.9%	4 665	7.1%
1885	5 027	7.1%	1 746	4.0%	1916	25 428	-2.9%	3 091	-4.7%	1947	81 136	11.1%	5 089	9.1%
1886	5 895	17.3%	1 988	13.9%	1917	23 364	-8.1%	2 790	-9.7%	1948	85 641	5.6%	5 252	3.2%
1887	5 918	0.4%	1 937	-2.6%	1918	27 665	18.4%	3 248	16.4%	1949	84 478	-1.4%	5 047	-3.9%
1888	6 3 2 0	6.8%	2 001	3.3%	1919	28 683	3.7%	3 308	1.8%	1950	85 524	1.2%	4 987	-1.2%
1889	7 3 3 4	16.0%	2 246	12.2%	1920	30 775	7.3%	3 473	5.0%	1951	88 866	3.9%	5 073	1.7%
1890	8 045	9.7%	2 382	6.1%	1921	31 559	2.5%	3 471	-0.1%	1952	84 333	-5.1%	4 717	-7.0%
1891	7 381	-8.3%	2 1 1 5	-11.2%	1922	34 059	7.9%	3 636	4.7%	1953	88 866	5.4%	4 874	3.3%
1892	6 984	-5.4%	1 936	-8.4%	1923	37 837	11.1%	3 898	7.2%	1954	92 528	4.1%	4 980	2.2%
1893	8 3 4 2	19.4%	2 2 3 7	15.5%	1924	40 772	7.8%	4 055	4.0%	1955	99 125	7.1%	5 237	5.2%
1894	8 837	5.9%	2 292	2.4%	1925	40 597	-0.4%	3 919	-3.4%	1956	101 856	2.8%	5 285	0.9%
1895	10 188	15.3%	2 575	12.4%	1926	42 544	4.8%	3 994	1.9%	1957	107 087	5.1%	5 461	3.3%
1896	11 295	10.9%	2 775	7.7%	1927	45 567	7.1%	4 1 5 6	4.0%	1958	113 655	6.1%	5 698	4.3%
1897	12 495	10.6%	2 952	6.4%	1928	48 414	6.2%	4 291	3.3%	1959	106 303	-6.5%	5 242	-8.0%
1898	10 136	-18.9%	2 326	-21.2%	1929	50 623	4.6%	4 367	1.8%	1960	114 614	7.8%	5 559	6.1%
1899	10 992	8.4%	2 455	5.5%	1930	48 531	-4.1%	4 080	-6.6%	1961	122 809	7.2%	5 862	5.4%
1900	12 932	17.6%	2 756	12.2%	1931	45 160	-6.9%	3 712	-9.0%	1962	120 833	-1.6%	5 677	-3.1%

Year	GNP *		Per		Year	GNP *		Per	
		Annual growth rate	capita GNP*	Annual growth rate			Annual growth rate	capita GNP*	Annual growth rate
1063	117 027	2 10%	5 4 5 6	3 0%	1083	220.016	3 50%	7 3 8 3	1.0%
1905	120.074	-2.470	5 0 2 6	-3.970	1004	220 010	2.00/	7 125	0.60/
1904	130 074	10.5%	5 920	0.070 7.50/	1904	224 491	2.0%	/ 423	0.0%
1965	141 960	9.1%	63/1	7.5%	1985	209 641	-6.6%	6 834	-8.0%
1966	142 919	0.7%	6 3 2 0	-0.8%	1986	224 985	7.3%	7 224	5.7%
1967	146 755	2.7%	6 399	1.2%	1987	230 797	2.6%	7 299	1.0%
1968	153 002	4.3%	6 578	2.8%	1988	226 438	-1.9%	7 056	-3.3%
1969	166 080	8.5%	7 037	7.0%	1989	212 373	-6.2%	6 523	-7.6%
1970	174 972	5.4%	7 302	3.8%	1990	212 518	0.1%	6 4 3 6	-1.3%
1971	183 458	4.8%	7 530	3.1%	1991	233 770	10.0%	6 980	8.5%
1972	189 183	3.1%	7 635	1.4%	1992	254 575	8.9%	7 497	7.4%
1973	200 720	6.1%	7 962	4.3%	1993	269 341	5.8%	7 827	4.4%
1974	213 739	6.5%	8 3 3 4	4.7%	1994	291 696	8.3%	8 367	6.9%
1975	211 850	-0.9%	8 1 2 2	-2.5%	1995	282 653	-3.1%	8 005	-4.3%
1976	211 327	-0.2%	7 965	-1.9%	1996	295 090	4.4%	8 253	3.1%
1977	224 084	6.0%	8 304	4.3%	1997	318 698	8.0%	8 803	6.7%
1978	214 233	-4.4%	7 807	-6.0%	1998	334 314	4.9%	9 1 2 3	3.6%
1979	229 547	7.1%	8 227	5.4%	1999	322 947	-3.4%	8 711	-4.5%
1980	232 802	1.4%	8 206	-0.3%	2000	320 364	-0.8%	8 543	-1.9%
1981	219 434	-5.7%	7 603	-7.4%	2001	308 510	-3.7%	8 1 3 6	-4.8%
1982	212 518	-3.2%	7 243	-4.7%					

Table 1 (continued)

Table 2							
Entries, exits, net	t balance	and net	rate of mi	gration in	Argentina	ı, 1870-	-1993
(in thousands of	people)						
X7				<b>-</b>			

Year	Entries	Exits	Balance	Net migration rate	Year	Entries	Exits	Balance	Net migration rate	Year	Entries	Exits	Balance	Net migration rate
1870	45.2	29.3	15.9	8.4	1901	160.6	112.7	47.9	9.8	1932	329.0	321.6	7.4	0.6
1871	26.1	19.6	6.5	3.4	1902	135.2	121.4	13.8	2.7	1933	286.0	278.0	8.0	0.6
1872	43.0	31.3	11.7	5.9	1903	155.2	119.4	35.8	6.8	1934	326.1	315.9	10.2	0.8
1873	72.4	55.0	17.4	8.5	1904	200.0	105.4	94.6	17.3	1935	359.5	333.7	25.8	2.0
1874	71.0	39.4	31.6	15.0	1905	276.7	139.5	137.2	24.2	1936	404.5	371.9	32.6	2.5
1875	45.9	39.5	6.4	3.0	1906	366.3	174.5	191.8	32.6	1937	406.2	356.9	49.3	3.7
1876	37.5	35.8	1.7	0.8	1907	329.1	205.7	123.4	20.2	1938	414.1	368.3	45.8	3.3
1877	42.8	39.9	2.9	1.3	1908	379.6	193.5	186.1	29.3	1939	404.9	393.5	11.4	0.8
1878	52.6	45.1	7.5	3.2	1909	357.6	210.8	146.8	22.3	1940	431.9	411.8	20.1	1.4
1879	62.6	47.3	15.3	6.3	1910	421.6	210.4	211.2	30.9	1941	445.2	422.3	22.9	1.6
1880	49.6	48.7	0.9	0.4	1911	374.1	264.6	109.5	15.4	1942	328.4	304.7	23.7	1.6
1881	59.3	45.9	13.4	5.2	1912	478.1	264.9	213.2	28.9	1943	308.8	298.0	10.8	0.7
1882	64.1	28.4	35.7	13.5	1913	469.3	267.9	201.4	26.3	1944	293.4	286.0	7.4	0.5
1883	78.3	41.1	37.2	13.7	1914	282.0	286.7	-4.7	-0.6	1945	300.1	297.1	3.0	0.2
1884	96.1	58.6	37.5	13.4	1915	139.6	168.6	-29.0	-3.6	1946	351.4	347.7	3.8	0.2
1885	126.5	59.3	67.2	23.3	1916	164.2	182.0	-17.8	-2.2	1947	452.3	406.2	46.1	2.9
1886	114.5	63.7	50.8	17.1	1917	110.5	140.0	-29.5	-3.5	1948	611.2	473.0	138.2	8.5
1887	141.7	56.9	84.8	27.7	1918	116.6	123.4	-6.8	-0.8	1949	641.9	484.7	157.2	9.4
1888	177.2	62.8	114.4	36.2	1919	150.8	136.6	14.2	1.6	1950	692.5	532.6	159.9	9.3
1889	288.9	103.9	185.0	56.7	1920	191.2	148.9	42.3	4.8	1951	594.9	466.6	128.3	7.3
1890	138.3	113.9	24.4	7.2	1921	213.4	144.5	68.9	7.6	1952	405.1	337.9	67.2	3.8
1891	73.6	95.4	-21.8	-6.2	1922	303.5	195.8	107.7	11.5	1953	242.9	213.3	29.6	1.6
1892	93.5	55.2	38.3	10.6	1923	349.3	183.9	165.4	17.0	1954	328.3	279.3	49.0	2.6
1893	110.2	62.1	48.1	12.9	1924	277.2	159.4	117.8	11.7	1955	426.0	371.6	54.4	2.9
1894	107.1	65.5	41.6	10.8	1925	299.8	219.7	80.1	7.7	1956	638.4	585.7	52.7	2.7
1895	100.6	50.7	49.9	12.6	1926	344.9	249.5	95.4	9.0	1957	726.7	662.0	64.7	3.3
1896	164.2	66.6	97.6	24.0	1927	397.2	279.2	118.0	10.8	1958	767.8	711.4	56.4	2.8
1897	130.6	78.9	51.7	12.2	1928	383.1	290.9	92.2	8.2	1959	849.3	841.3	8.0	0.4
1898	128.1	77.1	51.0	11.7	1929	447.7	351.3	96.4	8.3	1960	926.4	869.3	57.1	2.8
1899	145.7	94.7	51.0	11.4	1930	363.2	283.6	79.6	6.7	1961	910.6	868.0	42.7	2.0
1900	133.5	80.9	52.6	11.2	1931	358.7	337.2	21.5	1.8	1962	821.0	779.7	41.3	1.9

Tal	hla	2	(continued)
1 a	JIU	4	(continucu)

Year	Entries	Exits	Balance	Net migration rate	Year	Entries	Exits	Balance	Net migration rate
1963	743.5	760.6	-17.1	-0.8	1979	n.a.	n.a.	n.a.	n.a.
1964	905.6	878.4	27.3	1.2	1980	n.a.	n.a.	n.a.	n.a.
1965	966.1	939.6	26.5	1.2	1981	n.a.	n.a.	n.a.	n.a.
1966	967.7	959.2	8.5	0.4	1982	8 270.7	8 238.3	32.4	1.1
1967	1 038.0	1 008.9	29.0	1.3	1983	8 836.7	8 817.4	19.3	0.6
1968	1 136.9	1 116.4	20.5	0.9	1984	11 415.9	11 249.0	166.9	5.5
1969	1 292.7	1 259.8	32.8	1.4	1985	9 641.6	9 599.0	42.6	1.4
1970	1 414.6	1 372.0	42.6	1.8	1986	10 142.2	10 058.5	83.7	2.7
1971	1 343.1	1 338.9	4.2	0.2	1987	n.a.	n.a.	n.a.	n.a.
1972	1 376.1	1 314.4	61.7	2.5	1988	n.a.	n.a.	-207.7	-6.5
1973	1 418.3	1 394.0	24.3	1.0	1989	n.a.	n.a.	-39.1	-1.2
1974	1 859.8	1 750.7	109.1	4.3	1990	n.a.	n.a.	-278.1	-8.4
1975	2 089.8	1 906.7	183.2	7.0	1991	n.a.	n.a.	2.1	0.1
1976	2 044.8	1 988.4	56.4	2.1	1992	n.a.	n.a.	-77.6	-2.3
1977	n.a.	n.a.	n.a.	n.a.	1993	n.a.	n.a.	-148.8	-4.3
1978	n.a.	n.a.	n.a.	n.a.					

Source: The author based on Ferreres (2005).

### Table 3Evolution of the immigrant population, 1995-2005(28 urban centers; index October 1995=100)

		Non-
Period	Regional	regional
Oct-95	100	100
May-96	91	95
Oct-96	106	97
May-97	108	90
Oct-97	107	92
May-98	109	87
Oct-98	111	78
May-99	113	78
Oct-99	111	76
May-00	111	71
Oct-00	107	72
May-01	109	68
Oct-01	112	63
May-02	110	65
Oct-02	111	68
May-03	116	68
II Sem 04	108	60
I Sem 05	113	51
II Sem 05	123	58

**Source:** The author based on the EPH.

#### Table 4

Percent of total immigrants and immigrants from neighboring countries in the total Argentine population, 1869-2001 Censuses

Years	Inmigrants/ Total Population	From Neighboring Countries/ Total Population	From Neighboring Countries/Total Immigrants
1869	12.1	2.4	19.7
1895	25.4	2.9	11.5
1914	29.9	2.6	8.5
1947	15.3	2.0	12.9
1960	13.0	2.3	17.9
1970	9.5	2.3	24.1
1980	6.8	2.7	39.6
1991	5.0	2.6	52.1
2001	4.2	2.5	60.3

Source: The author based on the National Population and Housing Census, various years.

## Table 5Foreign population in Argentina by country of birth,1869-2001 Censuses

Census	1869	1895	1914	1947	1960	1970	1980	1991	2001
Total Foreign Population (number of people)	210 330	1 006 838	2 391 171	1 435 927	2 604 447	2 210 400	1 903 159	1 615 473	1 531 940
			As	a percentage	of the total fo	reign populat	ion		
Neighboring countries	19.7	11.5	8.5	12.9	17.9	24.1	39.6	52.1	60.3
Bolivia	2.9	0.7	0.8	2.0	3.4	4.2	6.2	9.4	15.2
Brazil	2.8	2.5	1.5	1.9	1.9	2.0	2.3	2.2	2.3
Chile	5.2	2.1	1.4	2.2	4.5	6.0	11.3	15.7	13.9
Paraguay	1.6	1.4	1.2	3.8	6.0	9.6	13.8	16.1	21.2
Uruguay	7.2	4.8	3.6	3.0	2.1	2.3	6.0	8.7	7.7
Non- neighboring	80.3	88.5	91.5	87.1	82.1	75.9	60.4	47.9	39.7
Spain	16.2	19.7	35.2	30.8	28.9	23.3	19.7	13.8	8.8
Italy	34.0	49.1	39.4	32.3	31.2	28.8	25.7	20.0	14.1
Peru	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.4	1.0	5.8
Other countries	30.1	19.7	16.8	24.0	21.9	23.8	14.6	13.1	11.1

n.a.: Not available.

Source: The author based on National Population and Housing Censuses. Argentina.

## Table 6Evolution of total immigrants and immigrants from neighboring countries by sexin Argentina, 1980-2001 Censuses

	1980		1991		2001		Rate of va	riation (%)
	Quantity	%	Quantity	%	Quantity	%	1991/1980	2001/1991
<b>Both sexes</b> Neighboring	1 903 159	100.0	1 615 473	100.0	1 531 940	100.0	-15.1	-5.2
countries Non	753 428	39.6	841 697	52.1	923 215	60.3	11.7	9.7
Neighboring	1 149 731	60.4	773 776	47.9	608 725	39.7	-32.7	-21.3
<b>Men</b> Neighboring	947 382	100.0	770 676	100.0	699 555	100.0	-18.7	-9.2
countries	377 492	39.8	403 285	52.3	427 789	61.2	6.8	6.1
Neighboring	569 890	60.2	367 391	47.7	271 766	38.8	-35.5	-26.0
<b>Women</b> Naighboring	955 777	100.0	844 797	100.0	832 385	100.0	-11.6	-1.5
countries	375 936	39.3	438 412	51.9	495 426	59.5	16.6	13.0
Neighboring	579 841	60.7	406 385	48.1	336 959	40.5	-29.9	-17.1

Source: The author based on the National Population and Housing Censuses. Argentina.

# Table 7First Order Error Correction ModelDependent variable: Gross immigrant entry rate (GIER)Periods: 1870-1950 and 1870-1930

Variables / Pariods	187	)-1950	1870	-1930
variables / 1 cribus	Model 1	Model2	Model3	Model 4
Constant	7.571	5.502	8.723	3.155
	(2.62)	(1.66)	(2.50)	(0.77)
$\Delta \log \text{ employment}_{arg}$	292.87	389.049	293.075	395.439
· ·	(2.36)	(3.58)	(1.86)	(3.09)
$\Delta$ log employment <sub>Europa</sub>	-100.154	-275.15	-151.455	-306.844
	(-0.49)	(-1.34)	(-0.57)	(-1.33)
$\Delta \log \text{ product } gap_{pc}$	5.822	-	9.206	-
	(0.35)	-	(0.41)	-
$\Delta \log$ wage gap	-	23.878	-	24.579
	-	(2.81)	-	(2.65)
log employment arg(-1)	-13.81	24.419	-79.852	-24.708
	(-0.12)	(0.20)	(-0.54)	(-0.17)
log employment Europa(-1)	32.976	20.293	-21.925	-22.515
	(0.20)	(0.11)	(-0.09)	(-0.10)
log product gap <sub>(-1)</sub>	3.984	-	7.1002	-
	(0.97)	-	(1.22)	-
log wage gap <sub>(-1)</sub>	-	6.007	-	9.932
	-	(1.43)	-	(1.87)
GIER(-1)	0.732	0.733	0.691	0.719
	(8.69)	(1.43)	(6.39)	(7.32)
R-squared adjusted	0.593	0.622	0.582	0.631
Durbin-h	0.034	-0.163	0.034	-0.042
F-statistical	17.419	17.657	12.74	15.418
Prob(F-statistical)	0.000	0.000	0.000	0.000

Absolute value of the t statistic in parentheses. **Source:** The author.

## Table 8Traditional model with autoregressive termDependent variable: Gross immigrant entry rate (GIER)Periods: 1870-1950 and 1870-1930

Variables / Periods	1870-1950		1870-1930	
	Model1	Model2	Model3	Model4
Constant	9.4249	7.3919	11.0388	4.3858
	(3.22)	(2.18)	(3.09)	(1.00)
log employment Arg	163.1309	225.2749	144.9841	219.7974
	(1.63)	(2.15)	(1.13)	(1.73)
log employment Europa	23.9147	-51.5863	-3.1088	-73.2142
	(0.15)	(-0.29)	(-0.01)	(-0.35)
log product gap pc	5.237	-	10.1733	-
	(1.24)	-	(1.70)	-
log wage gap	-	8.9901	-	13.6011
	-	(2.14)	-	(2.52)
GIER(-1)	0.6612	0.6159	0.5962	0.6029
	(7.89)	(6.96)	(5.51)	(6.07)
R-squared adjusted	0.560	0.566	0.540	0.566
Durbin-h	0.132	0.179	0.198	0.189
F-statistical	26.086	24.477	18.296	20.210
Prob(F-statistical)	0.000	0.000	0.000	0.000

Absolute value of t statistic in parentheses.

Source: The author.

# Table 9First Order Error Correction ModelDependent variable: Gross immigrant entry rate (GIER)Period: 1946-1976

Variable	Model 1	Model 2
Constant	-40.18	-33.48
	(-1.24)	(-1.00)
$\Delta \log product gap pc$	-14.36	-14.72
	(-0.50)	(-0.51)
$\Delta$ log employment <sub>Reg</sub>	-5.18	-5.75
	(-2.28)	(-2.43)
$\Delta$ log employment <sub>Arg</sub>	12.82	12.18
-	92.70)	(2.53)
Log product gap pc(-1)	33.24	31.66
-	(2.63)	(2.47)
Log empleo Reg(-1)	-4.11	-5
	(-1.55)	(1.76)
Log empleo <sub>Arg</sub> (-1)	5.42	5.41
	(1.35)	(1.34)
Regimen politico	-	1.78
	-	(0.89)
GIER(-1)	0.74	0.73
	(7.13)	(6.96)
R-squared adjusted	0.910	0.910
Durbin-h	0.041	-0.094
F-statistical	46.940	40.810
Prob(F-statistical)	0.000	0.000

Absolute value of statistic t in parentheses.

Source: The author.

### Table 10 Traditional model with autoregressive term Dependent variable: Gross immigrant entry rate (GIER) Period: 1946-1976

Variable	Model 1	Model 2
Constant	-50.03	-40.63
	(-1.94)	(-1.49)
log product gap pc	28.46	26
	(2.57)	(2.30)
log employment <sub>Reg</sub>	-3.94	-4.76
, i i i i i i i i i i i i i i i i i i i	(-1.95)	(-2.20)
log employment <sub>Arg</sub>	7.22	6.85
0	(2.22)	(2.10)
political regime	-	2.04
	-	(1.06)
GIER(-1)	0.8	0.79
	(10.27)	(10.2)
R-squared adjusted	0.9200	0.9200
Durbin-h	0.1176	0.0287
F-statistical	82.4200	66.4800
Prob(F-statistical)	0.0000	0.0000

Absolute value of statistic t in parentheses. **Source:** The author.