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Interregional migration and public policy in Canada. Kathleen M. Day and Stanley L. Winer. Montreal & Kingston, London and Ithaca: McGill-Queen's University Press, 2012. (Carleton Library Series 223.) 408 pp., 81 tables, 94 figures, 7 appendices, index. Paperback \$34.95, cloth \$95.00. ISBN 978-0-7735-3745-3.

This book empirically examines the relationship between interregional migration and public policy in Canada. While the book concerns migration and its determinants, its focus is on policy-induced migration. Day and Winer pay special attention to the impact of the provincial differences on public policy, including unemployment insurance, taxation and public expenditures. They also analyse the influence of several large and dramatic policy shocks. If there is substantial regional variation in fiscal policies, as is the case in many countries, this variation may have an important effect on internal migratory flows. The question is to what extent internal migration is policy-induced and to what extent economic and other reasons dominate the migratory behaviour. Surprisingly, this question has not been analysed extensively. Clearly, there is a place for a thorough analysis, which this book painstakingly presents.

The book has a long history – one could say ‘too’ long. The writers first undertook a review of the literature on interregional migration and public policy, which was published in 1994. Their proposals for research were accepted, and the basic work for the study was undertaken at Statistics Canada over an approximately four-year period ending in 2001. Deriving the migration and other data was a time-consuming enterprise. The writers published a long working paper, which they deemed a technical report, on their work in 2001, and they published a journal article in 2006. They sought support for publication of the full study and revised the technical report into this book. As the study took many years to become this book, the last year in the data set is 1996, which, of course, is unfortunate for a study published in 2012.

The book is divided into nine chapters. The introductory chapter presents several stylised facts concerning regionalised public policies and the role of migration in the allocation of labour in Canada. It also introduces the theoretical arguments, which are mainly based on a neoclassical analysis of the role of labour mobility in an efficient economy. A non-Canadian would have hoped for a more thorough presentation of Canadian geography (a map, perhaps) and the Canadian federal system. The next chapter aims to show that there is substantial regional diversity in a variety of fiscal policies in Canada. Chapter 3 provides a thorough survey of Canadian research on policy-induced migration to help to place this work in perspective. Disappointingly, Day and Winer do not include non-Canadian research in their survey.

The next three chapters present the chain “theory – measurement – estimation”. The empirical model is introduced very thoroughly; the presentation of the approach used in the empirical study of policy-induced interregional migration provides much fodder for other researchers in the area. In particular, the model shows how different types of incomes and the probability of receipt of each type of income interact in influencing

migration flows. In addition to earnings and other components of income, the model includes three key policy influences on migration: unemployment insurance, taxation, and social assistance. When presenting their data in chapter 5, Day and Winer write, "Anyone who wants to study interregional migration must invest substantial amounts of time and money." I am unsure whether this statement is true worldwide – at least not in Finland – but Day and Winer obviously had a difficult task in processing the tax tapes to derive their migration data. This work was necessary because they wanted to work with a long time-series on migration flows that are related to labour force participation and that are disaggregated by the ten origin and destination provinces as well as by income class, age and sex. Regrettably, a missing factor is education. The estimates of various versions of the basic migration model are presented in chapter 6.

The following two chapters present the quantitative implications of the results, first by reporting the marginal effects of changes in policy parameters and then by using simulations to investigate more comprehensive policy reforms and the consequences of extraordinary policies, such as the closing of the cod fishery or the election of a separatist government in Quebec. One of the most important results from these analyses is that, compared to the effects of market wages, policy changes appear to have minor effects. In addition, the simulation results strikingly show how moving costs as measured by the foregone wage costs of moving, the monetary costs of moving, the fixed costs of moving, and other non-monetary costs of moving are very important in determining migration behaviour. Policy variables play a far less important role than moving costs and labour market uncertainty.

These implications perhaps are not quite appropriate in a book that aims to present the role that public policies play in migratory behaviour. The markets trump policy, but certainly policy is also important. A shortcoming that may at least partly explain these results is that the simulations are not dynamic, as the writers also acknowledge. A more complete dynamic model might predict longer-run effects more reliably.

In sum, what we can learn from this book? The book is written in a reader-friendly style. Everything is explained most thoroughly, which results in the length of the book. The book's driving question concerns a single study, which would normally be published as a journal article. However, the book's length gives it richness. The reader is given a profound understanding of how to address the effects of regionalised public policy on internal migration and what these effects are as compared to other, more market-based effects.

