

*Comptes rendu*

*Book Reviews*

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**Kathleen M. Day, and Stanley L. Winer, *Interregional Migration and Public Policy in Canada: An Empirical Study* (Montréal: McGill-Queen's University Press, 2012). 408 pp. ISBN 978-0-7735-3744-6 (cloth), \$95.00; 978-0-7735-3745-3 (pbk), \$34.95.**

*Interregional Migration and Public Policy in Canada: An Empirical Study* is a collaborative work between economists Kathleen M. Day and Stanley L. Winer. They have combined their specialties in public and regional economics and in public policy, respectively, to determine the impacts of various public policies on interregional migration in Canada between 1968 and 1996, using aggregate data from tax filers to support their research.

Their work is a response to earlier theories on the public policy-migration relationship, which left Day and Winer unconvinced. Much of the existing theory is based on Thomas Courchene's work, which argues that regional differences in public policy hinder potential economic growth by minimizing incentives for individuals to move to stronger labour markets in other regions. By making it easier to stay in poorer regions, the federal government encourages increased regional disparity and lower average income overall. Day and Winer seek to determine this theory's validity and whether more conclusive evidence can be produced.

Like Courchene, Day and Winer look at different aspects of regional subsidization, such as unemployment insurance programs, federal and provincial government spending, income tax rates, and social assistance. However, they use a new model and sources that have not been previously examined. Their model incorporates greater aspects of public policy than

previous studies and their main data source is personal income tax records. This source is novel in that it can group migrants into eighteen categories defined by income, class, age, and sex, and over longer periods of time.

The book begins by explaining the issues that affect interregional migration and differentiates between the gradual changes made to long-established programs that are a part of public policy, and the major shocks to policy that sometimes occur (e.g., the election of a separatist government in Quebec in 1976). The second chapter explains the regional dimensions of public policy that fall under provincial jurisdiction, such as per capita spending, income tax, and social assistance. It also addresses federal issues that vary across the country, such as federal per capita spending and unemployment insurance.

The authors then evaluate the existing literature on the topic that has been published in the last four decades. This synthesis succeeds in grounding their study in the scholarly conversation and further demonstrates the need for continued research. The remaining chapters set up, calculate, and interpret the authors' new research.

The authors find that interregional migration is affected by several factors, but the main determinants are earning differentials, employment prospects, and moving costs—none of which fall under the category of public policy. In fact, they find that moving costs (defined as both monetary and non-monetary costs) are the most important factor in determining migration. They also find that, compared to the above factors, regional differences in unemployment insurance have a minimal effect on migration. In fact, only a small subset of people, those most likely to use the U.I. system (i.e., low income earners and those only loosely attached to the labour market), is affected by those regional differences. Thus, Courchene was not necessarily wrong about the direction of the relationship between public policy and internal migration, but the actual effect is minimal.

This book is an empirical study and is heavily quantitative in nature. While the analysis of the data provides some useful and convincing conclusions, there are also limits to these methods. With this type of aggregate

data, little emphasis can be placed on agency. Individual choice is lost in this type of research. The decision-making process itself has many variables to which this research provides little insight. While the results can be studied, there is no way to account for the expectations or anticipations of the tax filers whose data is used in this study. Therefore, the results of this study are based solely on the outcomes of migration, despite the fact that the decision to migrate is based on expectations. Agency is an important concept in migration studies and its absence in this study must be noted.

Another difficulty with this research is that it tries to determine a causal relationship between two variables, while neither can be considered truly independent. The goal is to study the impact of public policy on interregional migration, but it cannot be said that migration flows do not influence public policy. The relationship between these two variables is complex and the reciprocal causation is not accounted for here. There is a notable vacuum in research on the larger question of how migration affects public policy that must be addressed.

A final limit of this study concerns accessibility. The highly quantitative nature of the work is difficult to consume for those unfamiliar with econometrics. However, such problems are inherent to this type of research and are likely known to the authors. Despite these limitations, this recent book makes a significant contribution to the understudied topic of internal migration in Canada. It is an important study that not only highlights the ongoing conversation on this topic, but also puts forth new models and sources to prove that the influence of public policy on interregional migration has been over-emphasized and that there are much stronger determinants at work. While there is more research to be conducted, the authors' findings regarding regional variation in public policies repositions the conversation to move in new directions.

KATIE SIMANZIK

PhD candidate, University of Ottawa

