

International Readings in

**CONSTRUCTION  
BUSINESS & MARKETING**

Khairuddin Abdul Rashid  
Christopher Nigel Preece  
Sharina Fariyah Hasan

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Editors

Khairuddin Abdul Rashid

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# **INTERNATIONAL MIGRATION AND WELFARE OF HOST COUNTRY: A THEORETICAL MODEL**

*SHARINA FARIHAH Hasan, Daming XU, Kakuya MATSUSHIMA, Kiyoshi  
KOBAYASHI*

## **6.0 INTRODUCTION**

This chapter presents a theoretical study concerning international labor migration and their impact on the host country, in particular the construction sector. The construction industry is mainly labor intensive and therefore particularly dependent upon migrant labor. A theoretical investigation on the effect of international labor migration on (i) the relative price and the wage rate, and (ii) the welfare of the native inhabitants in the host country was conducted. Consequently, a theoretical model based on three-factors (unskilled labor, skilled labor and capital) and two-commodities (tradable and nontradable sectors) model is developed to measure the effects. The model is analyzed through comparative statics to draw the results. This chapter also