

Immigration Policy in an Era of Globalization:

A Joint Conference with Southern Methodist University

Migration is sometimes termed the “last frontier” of globalization. While markets such as those for goods and financial exchange are highly globalized, labor markets remain largely domestic. Only 3 percent of the world’s population have migrated from their country of birth. The paucity of migration means that large cross-country wage differentials persist, exacerbating global inequality. It also suggests that large gains from enhanced labor mobility remain possible.

In free societies, these advances largely accrue to migrants. And while natives typically benefit from migration, gains are distributed unequally.

Immigration policy can improve matters, though it often falls short. The inability of such policies in many cases to regulate migration, such as in the U.S., and to integrate migrants, which is the perception in much of Europe, has produced a divergence between desired and actual outcomes. In some cases, gaps have formed when a welcoming labor market, operating apart from the government, has employed foreigners and thus spurred illegal immigration. In other cases, immigrants have entered legally but failed to fully integrate, according to natives, decades after becoming permanent residents or naturalized citizens.

The evolving migration and integration experiences and policy gaps in a number of advanced industrial democracies were subjects of a 2011 Federal Reserve Bank of Dallas conference co-sponsored with the John Goodwin Tower Center for Political Studies at Southern Methodist University. The May 19–20 meeting convened academics in political science, sociology and economics from around the world.

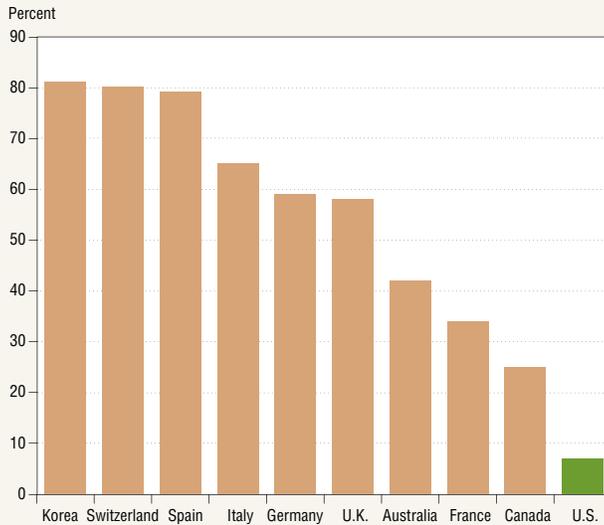
For the discussion, three groupings were identified: nations of immigrants, such as the U.S. and

Canada, which accept immigration as a founding ideal; countries of immigration, such as Germany and the United Kingdom, which host large, well-established immigrant populations; and latecomers, such as Japan and Korea, which are slowly opening up to migrants and coming to terms with an increasing need for foreign workers and policies governing such flows.¹

Nations of Immigrants

The U.S. is a “nation of immigrants” and prides itself on the idea that an enterprising individual can come to its shores and realize the American dream. Despite this ideal, there are relatively few visas available today for work-based immigrants. In their keynote address, Pia Orrenius, assistant vice president and senior economist at the Federal Reserve Bank of Dallas, and Madeline Zavodny, an economics professor at Agnes Scott College, explained how only 7 percent of permanent resident visas (“green cards”) go to employment-based applicants. The U.S. lets in a significantly smaller share of work-based permanent migrants than other Organization for Economic Cooperation and Development (OECD) developed countries (*Chart 1*), reserving the great majority of green cards for family and humanitarian migrants. Employment-based migration is managed through a complex system of temporary visas for high-skilled workers (such as H-1B, L-1 and TN visas) and low-skilled, seasonal workers (H-2A, H-2B visas), Orrenius and Zavodny noted. The system is limited by fixed visa quotas that are not responsive to the business cycle, do not prioritize high-skilled immigrants and are allocated on a first-come, first-served basis. In a typical year, thousands of would-be immigrants with high skills are turned

Chart 1
U.S. an OECD Outlier in Share of Permanent Work-Based Visas



SOURCE: Organization for Economic Cooperation and Development, *International Migration Outlook 2011*.

away as the government runs out of visas; meanwhile, many of those with low skills simply enter the country illegally.

The U.S. population of unauthorized immigrants exceeded 11 million in 2010, according to speaker Philip L. Martin, a professor in the Agricultural and Resource Economics Department at the University of California, Davis.² In a 2010 poll, 73 percent of the U.S. public surveyed said they were dissatisfied with the immigration system, he said.³ The financial crisis raised anti-immigrant sentiment, and recent immigration laws focus on enforcement, including expulsion of unauthorized entrants, rather than providing a path to legalized status or granting admission to more high-skilled immigrants.

In stark contrast to the U.S., Canada favors high-skilled individuals for admission under a point-based system, with public opinion supporting continued high levels of immigration, said another participant, Jeffrey G. Reitz, a sociology professor at the University of Toronto. In fact,

Canadians are more likely to view immigration as an opportunity, not a problem, than are members of the public in other OECD countries (*Chart 2*). Canadians also have a strong commitment to multiculturalism over traditional models of integration, Reitz said.

However, there may be cracks in the Canadian model. Despite having high education levels, more recent immigrants have lower employment rates than those from prior immigration waves and require more government assistance.

As a result, some observers have questioned the multiculturalist model and argued that immigrants must become more integrated. To better match immigrants to labor market opportunities, Reitz noted, the government has changed the point system to give greater preference to young immigrants with knowledge of official languages and experience in “shortage” occupations. The provincial nomination program gives provinces a say in immigrant selection, and the new “Canada experience class” allows temporary work-based migrants and foreign students to eventually seek permanent residence.

Australian immigration contains elements of the U.S. and Canadian experiences, said Stephen Castles, a research professor of sociology at the University of Sydney. Like the U.S., Australia has a long history of immigration, and like Canada, it has sought immigrants to help populate its vast nation. By using a points system geared toward skilled workers, Australia has brought in immigrants to permanently settle and quickly become citizens.

However, like the U.S., Australia has faced increasing security concerns following 9/11 and the Bali bombing in 2002. According to Castles, the media and politicians have raised public fears that Australia is about to be swamped by Indo-Chinese “boat people,” who arrive illegally. Many believe these migrants are trying to take advantage of asylum laws to receive government benefits. The opposition party has vowed, if elected, to decrease benefits to asylum seekers to help stem the flow.

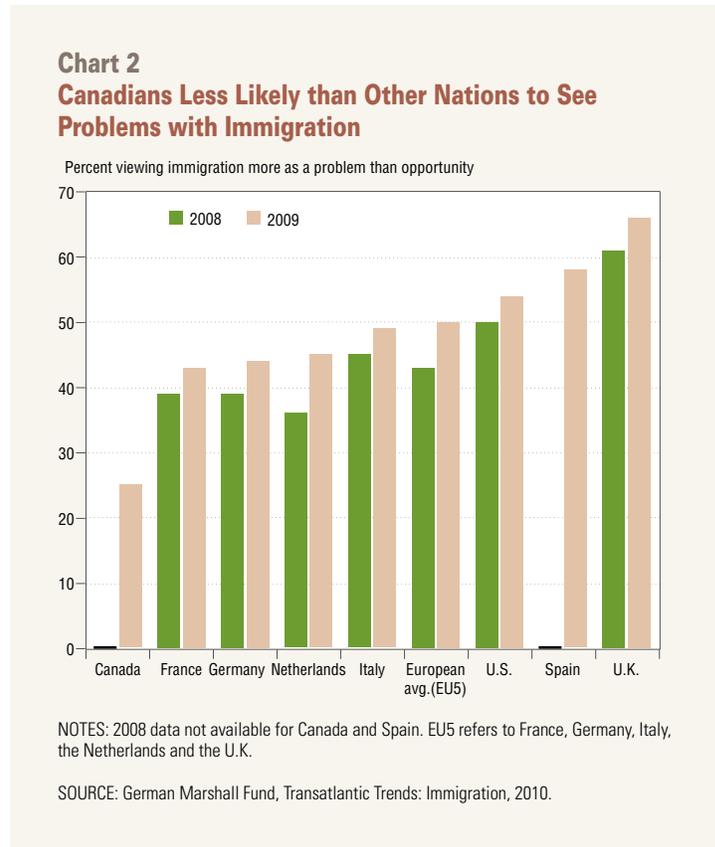
More recent migration policies focus on economically motivated temporary migrants rather than new groups of permanent settlers.

Countries of Immigration

In her discussion of German immigration, Terri E. Givens, associate professor of government at the University of Texas at Austin, highlighted striking changes that have occurred over the past 50 years. In the 1960s, the German government implemented guest-worker programs to bring in temporary foreign labor to help fuel a booming economy. Many workers settled permanently but with mixed success. Decades later, for example, Turkish immigrants and their descendants still have relatively high rates of unemployment and welfare dependency.

More recently, German policy has focused on addressing two main policy gaps: integrating migrants and attracting more skilled immigrants, Givens said. In a landmark change, a 2000 naturalization law granted citizenship to the German-born children of legal immigrants. Meanwhile, a new visa targeted information technology workers from India and other skilled workers from outside the European Union. Both initiatives have had limited success. Muslim immigrants' purported failed integration has provoked criticism from high-level authorities such as Chancellor Angela Merkel, and an ensuing controversy over the multicultural model has kept in place a perception that Germany remains a reluctant immigration state. Meanwhile, admissions under the high-skilled work visa program have remained low.

Another country of immigration, the U.K., has also undergone dramatic change since the late 1990s, as described by Randall Hansen, who holds the Canada Research Chair in Immigration and Governance in the political science department at the University of Toronto. In the late '90s, the New Labour government made four decisions that marked a fundamental break with previous regimes and contributed to a massive increase in immigra-



tion. These were sharply increasing work permits issued; adding new, temporary labor migration programs and expanding existing ones; opening borders to newly added EU member states; and adopting an Australian-style points system.

Hansen argued the search for high-skilled labor had its analogues in the EU, but the U.K. was otherwise in a policy league of its own in Europe. Notably, there was no gap between intent and outcomes as the government deliberately sought out migrant labor. A divide later emerged as the recession-weary public became disenchanted with the meteoric rise in immigration and the new government, elected in 2010, promoted restrictive measures.

Latecomers

The immigration experience in Japan and Korea is far removed from that of other developed countries, according to Erin Aeran Chung, the Charles D. Miller Assistant Professor of East Asian Politics at Johns Hopkins University. Both are

racially homogenous countries with low fertility rates, which creates tension between the need for workers and the desire to preserve national identity and culture. Governments in both nations put off formulating official immigration policies until very recently but left loopholes for coethnics and an industrial trainee program.

Operating without an official policy led to unintended consequences, as legal and illegal immigrants entered without laws to manage the flow. Industrial trainee programs were rife with employer abuse of migrants, and both countries experienced pro-immigrant backlashes as the plight of migrant workers came to light.

In Korea, the government passed workplace protections and new laws for naturalizing family-based migrants, particularly women who married Korean citizens. In Japan, the effort to protect immigrant rights was more decentralized, with many assistance programs and protections for immigrants championed at the local level through grassroots organizations. Local action produced a dramatic increase in the number of foreigners granted permanent residence, but few immigrants were given the opportunity to become citizens.

Conclusion

Getting immigration policy right may be an elusive goal. With the possible exception of Cana-

da, the policy gaps and unintended consequences of immigration have produced a public opinion backlash. The impact of 9/11 and other terrorist attacks, combined with recent economic weakness, has heightened calls for strengthened national security, eroding faith in the multicultural model and pressuring governments to curb immigration. Yet not all immigrant-receiving nations have had the same experiences, and with economic growth increasingly concentrated outside traditional receiving countries, the future immigration debate may be more like the one in Japan and Korea than the familiar story playing out in Western Europe and North America.

—Pia Orrenius and Christina Daly

Notes

¹ Other places covered by conference contributors but not summarized here included France, Italy, the Netherlands, Sweden, Denmark, Norway, Switzerland and the European Union. Conference papers will be published in the third edition of “Controlling Immigration: A Global Perspective,” Palo Alto, Calif.: Stanford University Press, forthcoming.

² Estimates of the unauthorized population are based on “Unauthorized Immigrant Population: National and State Trends, 2010,” by Jeffrey Passel and D’Vera Cohn, Pew Hispanic Center, Washington, D.C., 2011.

³ “Poll Shows Most in U.S. Want Overhaul of Immigration Laws,” by Randal Archibold and Megan Thee-Brenan, *New York Times*, May 3, 2010. Data from *New York Times*/CBS News poll.