IMMIGRATION AND ECONOMIC DEVELOPMENT:

A SYMPOSIUM

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OVERVIEW OF ISSUES

According to the United Nation's International Migration Report—2002, 175 million persons—3% of the world's population—currently reside in a country other than where they were born. Numbers of migrants have doubled since 1975, and 60% of the world's migrants currently reside in developed regions, the remainder in less developed regions. Most of the world's migrants live in Europe (56 million), Asia (50 million) and North America (41 million). One of every 10 persons lives in developed regions, but only 1 in 70 persons in developing countries, is a migrant. In the 10 years from 1990 to 2000, the number of migrants in developed regions increased by 23 million persons, or 28%. From 1995-2000, developed regions received nearly 12 million migrants from the less developed regions, about 2.3 million migrants per year. The number of net migrants amounted to 18% of births, and the net migration accounted for two-thirds of the population growth in developed regions. Largest annual gains were in North America, which absorbed 1.4 million migrants, followed by Europe at 0.8 million.

Globalization of the world economy—reorganization of the European Union breaking down national borders, creation of NAFTA liberalizing trade among United States, Mexico and Canada, liberalization of trade by World Trade Organization, nearly universal access to the Internet, electronic banking, inexpensive transportation options, to name a few trends—continues to free up the flow of goods and services, knowledge, and capital across country boundaries. Devastating social conflict, sagging economies, natural disaster, and war in developing countries make developed countries, by comparison, better places to live, work and prosper. Developed countries have loosened immigration policies—or been unable to enforce them—that once posed barriers to outsiders. No wonder immigration has exploded, and will continue across the globe. Recent trends and events have elevated immigration issues to the highest priority on public agendas in developed and developing countries.

Immigration has positive and negative consequences not only for countries of origin [i.e., sending] mostly developing ones, but also destination [i.e., receiving] countries mostly developed ones. How countries manage consequences will determine whether immigration fulfills its promise in the world economy. Understanding the economic development—and social—impacts of immigration, along with strategies to manage them is the theme of this symposium.

Developed Country Perspective

Developed countries need immigrants to grow and develop their economies, and to create wealth. Unskilled immigrant laborers take low-end jobs at meager pay that native populations do not want, fostering competition in unskilled and semi-skilled labor market segments. Skilled and professional workers bring not only needed skills, but also innovative ideas, new ways of doing things, and often capital for investment, not produced in sufficient quantity or quality. Employed immigrants pay taxes and assume their share of the burden in funding health, welfare and public services. Immigrants enrich the culture of countries they migrate to.

But each of these positive factors may have a downside, depending on the country and immigrant population involved. Immigrants finding jobs in developed countries may displace native populations that profess to want these jobs and may lower wages of those in the labor market. National and regional economies may be better off because of immigrant labor, but some native populations may be worse off. Working immigrants often send money back to their country of origin—*remittances*—draining a portion of the destination country's wealth, while making these immigrants less well off as they have little money left after remitting some of it home. Although many immigrants work, many others do not. As such they constitute a drain on taxpayers who must support them. Some immigrant cultures do not fit well with the destination country's prevailing culture and religion, leading to social conflict. Immigrants occasionally turn to crime, drugs, gangs and the underground economy to survive. Illegal immigrants impose substantial costs on countries trying to keep them out or dealing with them after they arrive. And, especially since September 11, 2001, immigrants may pose treats to national security in developed countries. Some feel that immigrants unfairly influence foreign policy that favors their home country at the expense of the destination country.

Developing Country Perspective

Developing countries experience positive consequences from immigration. When excess workers, dependent people, or “troublemakers” migrate, wages will rise as workers become scarcer, fewer dependent people lessen the burden on government services, and absence of dissidents, radicals or dysfunctional people reduce social conflict. Immigrant workers remit large amounts of cash to their origin country stimulating economic growth and development. Immigrant entrepreneurs often provide an economic link between origin and destination countries for the benefit of all. And, immigrants return after some time away, bringing with them new wealth, skills, connections or capital for investment.

But developing countries may also experience problems with out-migration, also depending on the country in question. Some immigrants cannot easily be replaced by those remaining in the origin country, leading to a brain drain. Immigrant political activity in destination countries may harm relations with origin countries, often affecting national security. United States-Arab country relationships, for example, are suffering since the Afghanistan and Iraq wars and terrorist attacks on September 11, 2001. Developed countries may sanction developing countries unable or unwilling to control immigration. And, when developed and developing countries become too closely linked through immigration, developing countries may begin to loose their cultural identity as developed country cultures are imported.

Managing Immigration

Countries face two generic policy choices in dealing with immigration: they can try to halt it, or they can mange it. In developed countries, halting immigration includes the following kinds of policies: developing industry in developing countries to try to hold potential immigrants in place; pressuring, then sanctioning sending countries to better enforce out-migration to developed countries; beefing up border security to slow illegal immigration; adhering to group quotas; strictly enforcing laws leading to the expulsion of immigrants; denying illegal immigrants access to health and human services; restricting numbers of immigrants legally entering countries; imposing restrictions on remittance transfers; fining employers who hire illegals; and creating national identity cards, for example.

Some developed countries have tried to better manage immigration: creating programs that acculturate immigrants into the prevailing culture, rather than excluding them; making it easier to attract immigrants having business connections and capital; periodically granting amnesty to illegal immigrants who come forth and register; easing work permit quotas or promoting "guest worker" programs for those not wishing to permanently remain in a country; allowing non-citizens to vote in some public elections; offering health and human services, including education, benefits to otherwise unqualified immigrants; and promoting entrepreneurial activity so that immigrants can earn their own way, just to name a few approaches.

In developing countries, some governments enact, then strictly enforce customs and immigration laws, in effect greatly limiting out flows of people and goods. Increasingly, though, developing countries are putting into place programs to take advantage of immigration. Countries issue official ID cards to help immigrants in developed countries access the banking system. Countries provide incentives to encourage immigrants to remit back home so that this funding can be reinvested. Some countries allow immigrants to vote, even though they have left their home country. Dual citizenship is becoming more common as a way to tie immigrants to the homeland.

State of Immigration Research

In spite of the importance of immigration to the economics, politics and sociology of many countries, there remains a great many unanswered questions, and existing research often is contradictory. Immigration's dynamics is ever changing, making it difficult to generalize from past studies to future prospects. Much study focuses on specific countries as cases, disallowing opportunities for inter-regional comparisons. Immigrants—especially ones who are illegals—are difficult to study, being highly suspicious of information gatherers. Some well-connected ethnic groups with large immigrant representation among their numbers do not want immigration studied, fearing what research might reveal. A lot of research originates with advocacy groups whose motivations are either to promote or curb immigration. And unpopular research findings draw intense criticism from political opponents, ideologues, advocates and immigrant groups.

With renewed interest in immigration impacts and policies globally and the rather deplorable state of immigration research generally, it seems a propitious time to publish a symposium laying out some of the current knowledge on the issue.

SYMPOSIUM CONTRIBUTIONS

The symposium is divided into three separate numbers. General surveys of the overall impacts of immigration on receiving and sending countries appear in the first collection, entrepreneurship, location decisions and brain drain are found in the second, and the symposium concludes with illegal immigration, educational outcomes, engaging citizens in policy deliberations about immigration and a debate about immigration and globalization.

Overall Impacts

Stephen **Drinkwater**, Paul **Levine**, Emanuela **Lotti**, and Joseph **Pearlman** begin the symposium with an overview of the economic impacts of immigration in all its dimensions, focusing on Europe as the destination region. This work reviews the literature surrounding many of the issues raised throughout the symposium. Following on this, Terry **Buss** and Marcela **Tribble** assess the impact of immigration in Miami, arguably experiencing the greatest economic, social and political transformation of any global city. Gabriella **Lazaridis** provides a similar profile of immigration's impacts on Greece. Next, Özlem **Sari** narrows the focus a bit looking at the impact of immigration of Turkish workers to Germany.

Entrepreneurship

One concern in the immigration literature is the extent to which immigrants will start their own businesses. Many consider entrepreneurship to be essential to economic development, while others see it as a way for immigrants to overcome job discrimination, xenophobia or unemployment. AnnaLee **Saxenian**, with help from her colleagues, Yasuyuki **Motoyama** and Xiaohong **Quan**, study Indian and Chinese immigrant entrepreneurs in Silicon Valley, California, in the process detailing their unprecedented contribution to economic growth and development and reasons for their success. Hadewijch **van Delft**, Cees **Gorter** and Peter **Nijkamp** examine ethnic entrepreneurship in several European cities looking at successful strategies and programs employed by public decision-makers.

Location Decisions

Immigration literature often talks about *pull* factors—reasons why immigrants are drawn to certain localities—and *push* factor—reasons why they leave their homelands. Sandra **Kaufman**, William **Olson** and Miron **Kaufman**, using a very innovative analytic technique borrowed from physics, try to determine whether immigrants to the United States located where they did either because of existing concentrations of people from similar ethnic backgrounds or because of employment opportunities. Paul **Gottlieb** provides an interesting study of internal migration of young people in the United States to determine whether economic or lifestyle factors better explain their distribution across the country.

Brain Drain

Mark **Regets** looks at the positive and negative impacts of high-skilled worker immigration for sending countries and the United States. Hakan **Altintas** focuses on transient professionals—those who do not intend to remain abroad permanently—tying this into transnational corporations and global city financial centers. Per **Lundberg** and Calin **Rechea** hone in on the impact of out-migration on Eastern European countries.

Illegal Immigrants

Theodore **Lianos** reports on illegal immigration to Greece, looking at where immigrants tend to concentrate—geographical distribution—and estimating the optimal size of the immigrant population in a city, region and nation.

Education and Immigrant Success

Most observers place a high premium on educational attainment as a way for immigrants to become productive members of countries they choose to migrate to. Connie **McNeely** and Alberto **Figueroa-Garcia** argue that the education system in the United States has systematically marginalized recent Latino immigrants.

Productive Conversations

Because it is controversial in most societies, immigration is a difficult issue to manage in the public arena—discussions can be emotional, and hence detrimental to the resolution of public issues. Ruth Ann **Bramson** and Matt **Leighninger** offer four case studies of cities that have employed innovative group processes to effectively address immigration issues in the public arena.

Globalism or Internationalism

We close our symposium with a provocative thought piece by Bill **Luker**, Jr., about the nexus among immigration, globalization, internationalism and America as empire.