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Making migration work after the crisis - 2009

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The Global Society

Making Migration Work after the Crisis – 2009

The Challenges

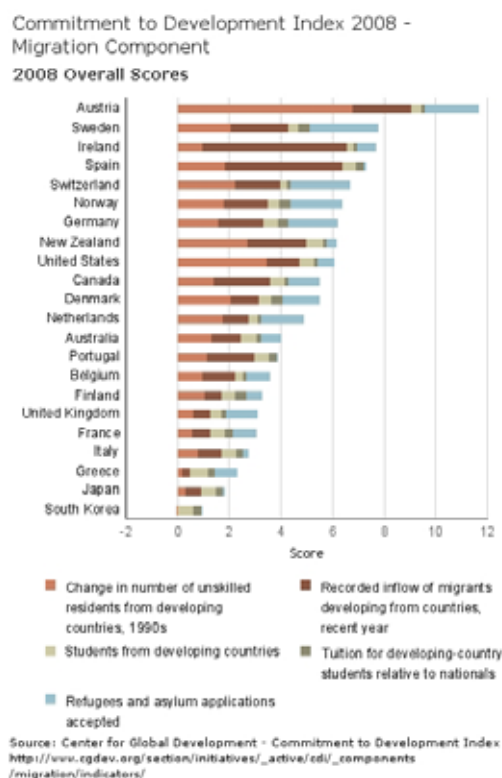
International labor migration promotes economic development in sending countries and can help overcome skill shortages and demographic problems in host countries. Nevertheless, many of these potential benefits are not realized because immigration policies are often too restrictive and not harmonized between host and sending countries.



Two aspects appear to be crucial in making migration more beneficial for both sides. First, host countries should take more responsibility for economically and socially integrating immigrants in their societies. Second, host and sending countries should cooperate to provide migrants with more flexible migration opportunities and incentives to return.

What are benchmarks for successful policies for the economic integration and social inclusion of immigrants? Specifically, what is the relative importance of flexible labor markets vs. activist government policies in fields like community development, schooling, language skills, and training in cultural awareness?

What is the role of civil society and the business community in promoting migrants' labor market integration and eliminating discrimination against migrants? Should temporary migration schemes be promoted? Should immigrants have differential access to the welfare state? How can social security contributions and benefits be made portable across countries? How can Diasporas contribute more effectively to economic and social development in their home countries?





Proposed Solutions

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1. Expand temporary work programs for low-to-medium skilled workers.

Such programs could be targeted to occupations or labor market segments where immigrants will compete less intensely with host country residents. Migrants would be obliged to return home after a set period; therefore, their access to host country social transfers could be limited and their social security contributions (except for health insurance) could be channeled to home country social security systems. Temporary work programs would typically be based on bilateral agreements between home and host countries. While such programs have not been trouble-free in the past, they would expand legal migration without running into the sort of political resistance that permanent immigration faces, especially during a pronounced economic downturn.

2. Improve integration of immigrants in all spheres of host countries' societies.

In many host country labor markets, immigrants still face outright discrimination and school achievements for immigrant children also lag behind natives. As a result, many immigrant children are growing up in relative deprivation and without positive role models of adults who are economically successful and socially integrated. Better integration of immigrants in labor markets and education systems would reduce the fiscal cost of immigration in terms of current and future social transfers. Efforts by a wide variety of actors would be helpful, from business associations promoting equal-opportunity hiring practices to NGOs facilitating migrants' access to public healthcare and schools offering language training to ensure that migrant children are literate in both their native and host country languages. At the same time, it is appropriate for host countries to require new immigrants to make an up-front effort towards integration, for example by learning the language of the host country.

3. Offer continuous regularization for long-term irregular immigrants.

Some host countries have long tolerated a large amount of illegal immigration, to the point where irregular migrants have access to public services like health care and schooling without fear of deportation. While this approach is admirable on humanitarian grounds, such irregular immigrants are still unable to obtain legal employment and are thus susceptible to exploitative work practices and de-facto travel restrictions which make it difficult for them to maintain contact with their families at home. Where irregular migration is widely tolerated, the current practice of large, but infrequent and politically controversial regularization campaigns should be replaced with a continuous regularization process for long-term irregular immigrants with clean criminal records and employment histories.

4. Manage high-skilled migration.

Many high-income countries allow permanent immigration by high-skilled workers from anywhere in the world, based on a minimum salary to be guaranteed by the prospective employer, previous study at a host country university, or a points system that takes into account a large number of skills and family characteristics. Such transparent provisions should be encouraged and extended. High-skilled immigrants may increase the productivity of resident workers while creating only limited distributional conflicts and can improve the net impact of immigration on the skill level of the host country labor force. At the same time, however, selective immigration policies may lead to brain drain in some emigration countries. To cushion these adverse effects, an international and flexible code of conduct should be invoked to control the active



international recruitment of skilled workers in critical sectors such as health care. In addition, social security contributions in the host countries should be made portable so that high-skilled emigrants are not discouraged to take up economic opportunities in their home countries.

5. Systematically integrate Diasporas in the development process of their home countries.

Many migrants maintain close links to their home countries by sending remittances, travelling, voting in elections, etc. These links should be supported and harnessed for home countries' economic development. Such policies are especially relevant for (temporary) migrants who reside in the host countries for economic reasons, but ultimately plan to return to their home countries. For example, existing social investment funds demonstrate how migrants can be encouraged to contribute to communal development at home, with funds from the government or donors matching the contributions of migrants.

Background

International labor migration tends to benefit primarily the migrants themselves, who can often multiply their labor incomes, to a lesser extent their home countries (mostly through remittances) and the host countries' resident population. However, it is host countries' voters who have the largest say on how much regular migration is permitted and how extensively irregular migration is repressed. Therefore, a two-pronged approach is needed to design politically feasible immigration policies that seek to enhance global welfare by permitting more migration: (i) immigration and redistribution policies should be calibrated so that overall economic benefits for the host country are maximized and more evenly distributed; (ii) immigration policies should also respond to considerations beyond narrow economic benefits such as concern for the welfare of individuals in lower-income countries – similar to development assistance by high-income countries – or equity concerns: Individuals should not be discriminated against based on nationality, any more than based on gender, skin color, or handicap.

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Comments on possible solutions

While focusing on “after the crisis” is terribly important, there are many things that governments and societies can do about immigration during the crisis. Among them, three seem particularly important.

(A) They must redouble their efforts on immigrant integration. There are at least two components to this. The first one may be that the crisis will reduce receiving countries' commitment to investing on the education and training of non-citizens and immigrant origin populations with special needs. This concern is most relevant in places where financing for such initiatives is most uncertain and categorical distinctions on the basis of legal and citizenship status are both allowed and are fairly routine. The United States is the most common example in this regard (US states and localities make the decisions on such matters and use mostly their own funds to implement these decisions – and federal laws allow distinctions). But cash-starved governments anywhere may feel tempted to cut back on additional/targeted services for these populations, status aside. Such decisions will have a totally predictable effect. Immigrants and immigrant stock persons, who are already very much behind other groups in most socioeconomic measures will fall further behind still. And the cause of greater equality for all will suffer accordingly, as will the economic growth and competitiveness priorities of affected countries and, in the case of the EU, the aims of the Lisbon Agenda.



The second component is related to the first and may be even more insidious. Already troubling societal divisions based on immigrant status and ethnicity will become more pronounced and we may see other “beggar thy neighbor” policies emerge – on broader social investments in other measures of broader well-being, such as investments in health and physical infrastructure in poorly served (and often immigrant- and ethnic minority-dense areas) areas.

Recommendation: Governments must resist any such temptations and, if anything, redouble their efforts to close these gaps – which affect both economic justice and longer terms social cohesion and economic growth and productivity goals.

(B) Governments and societies should use the recession as a “learning moment” and review their immigration policies for what has worked well and what has not. The objective here would be to make such policies in the future more consonant with the other policy domains which have often seemed to have received short shrift as countries have rushed to enter the international migration “sweepstakes.” Among them are education and workforce development policies, building the necessary infrastructure to manage large (or much larger) flows (and funding the resulting efforts accordingly), and thinking through the implications of much greater openings to immigration for their development and related foreign policy objectives. And for countries that have found it necessary to contract their foreign born populations dramatically during the recession (as have the UK, Ireland, Spain, and, in many ways the US), an appropriate lesson might be that too much exuberance about immigration is not any better counsel on this issue than “denial” of the importance of immigration is for those countries that continue to pursue zero or very little immigration – however, rhetorical such pursuits may be in fact.

Recommendation: Openings to immigration must be measured, the legislative and administrative framework for both the management of the flow and of its implications for communities appropriate (including making the necessary funds available), and educating the public about immigration and its effects must be made not only a priority but a routine responsibility of government officials at all levels.

(C) Governments and societies in the advanced industrial democratic west must avoid taking extreme measures of any sort that may soil their reputations and make their return to relying on immigration after the crisis unnecessarily complicated (such measures are more common in other parts of the world.) Yet, if the unemployment and other human costs associated with the crisis become deeper than most may suspect today, the pressure for what The Economist recently called “people protectionism” will only intensify – and will require wisdom that has not been a common feature among many states when it comes to immigration.

Recommendation: The recommendation that flows out of this concern is simply to be measured in any responses to immigration and its effects.

In conclusion, we must also all recognize that solutions are simple to imagine but may be difficult to implement politically – and they will be costly at a time when budgets are severely constrained and governments face many unhappy choices. Nonetheless, they are no less essential!