

IMMIGRATION AND ITS DISCONTENTS: INTERNATIONAL MIGRATION AFTER BREXIT, TRUMP AND BRUSSELS

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Outline

- Immigration and its political discontents
- Is international immigration creating a crisis?
- What are the causes of these discontents?
- Forces that propel immigration

- Concluding thoughts on future determinants of immigration

Immigration and its Political Discontents

- Immigration is shaking electoral politics
- Post-2010, most of Europe is veering to the far right with anti-immigration political parties becoming the new norm.

In France, it is the National Front; in Italy, the Northern League; in Austria, the Freedom Party; the Danish People's party in Denmark, the Freedom Party in Netherlands, Golden Dawn in Greece, Alternative to Deutschland in Germany, and the Independence Party in the United Kingdom.

- Trump in the US
- Singapore for Singaporeans
- Indians want Bangladeshis out
- Malaysia and Thailand turned away boat-loads of Bangladeshi and Rohingya migrants abandoning them in the Andoman Sea.
- Europe's response Syrian refugees
- Brexit: Britain's exit from the EU



1 BELFAST 99 'peace lines' separate Catholic and Protestant communities



2 SPAIN - MOROCCO Fences surround Spain's enclaves of Ceuta and Melilla



3 CYPRUS Since Turkey's invasion in 1974 a wall has divided the island between Turkish and Greek Cypriot sides



4 HUNGARY - SERBIA Hungary began building a 110-mile (177km) fence along its border with Serbia



5 GREECE - TURKEY The 7 mile Evros wall along its border with Turkey is designed to prevent migrants using Greece to enter Europe



6 USA - MEXICO Presidential hopeful Donald Trump has promised to extend America's security by building a 1,933 mile wall paid for by the Mexican government



7 MOROCCO - WESTERN SAHARA 1,700-mile sand berm to protect Morocco from Polisario rebels



8 SAUDI ARABIA - IRAQ With the threat of the Islamic State, the Saudi government have expanded the security on their border to include a 560-mile fence



9 ISRAEL - WEST BANK Israel began building its security barrier in 2002 to keep out Palestinian insurgents



10 TURKEY - SYRIA Turkey is building a 500 mile wall along its southern border with Syria as protection against ISIS militants



11 INDIA - BANGLADESH India has built a barbed wire fence along its border with Bangladesh to prevent immigrants crossing the border



Discontents

- 65 countries have built fences on their borders.
 - Hungary has built a 280 miles long barbed fence along its Serbian border, Spain has one along its border with Morocco; Morocco in turn has a 1700 miles long sand berm with western Sahara. Greece built a 4 meters tall fence on its land border with Turkey.
 - The US has built a wall along its southern border with Mexico; India along with its border with Bangladesh;
 - The tiny island of Cyprus has a wall that divides the island between Turkish and Greek Cypriot sides; and Turkey is building a 500 mile long wall along its southern border with Syria.
- Immigrants have generally responded to these man-made barriers by adopting perilous routes, which makes immigration riskier, resulting in a high death toll that could be avoided with sensible policies.

Are discontents related to immigration?

- Um....not quite
- Brexit: Jurisdictions with high proportion of immigrants voted against it; jurisdictions with low proportion of immigrants voted for it.
- In EU, countries with the lowest levels of immigration are the most opposed to immigration.
 - Poland, Hungary.
 - Countries that have experienced sharp increase in immigration – Spain, Ireland – are more tolerant.

In the US: states with high numbers of immigrants are the most welcoming of immigrants; those with low immigration fear immigrants the most.

Discontents of immigration

- In some countries, ultra conservative parties are articulating public fears on immigration
- Mostly, however, they are using public fears to advance their exclusionist agenda.
- The primary cause of discontents is not the volume or pace of immigration, but the appetite of nations to accept and absorb immigrants.

The crisis that it is not

- Immigrant surge/flood/deluge?
- Immigration is the least flourished dimension of globalization:

| | Immigration/world population | Export/GDP | Foreign Direct investment (constant dollars) |
|------|------------------------------|------------|--|
| 1900 | 3% | 9-12% | -- |
| 1991 | 3% | 20% | \$9trillion |
| 2015 | 3% | 29% | \$18trillion |

Immigration is not a crisis

- A majority of immigrants enter via regular legal channels
- In major immigrant cities immigration is not creating a crisis; nor is it resulting from any crisis.
- Many countries are struggling to integrate immigrants, but not because volumes of immigration were higher.
- Immigration has increased because of: (i) declining cost of international travel, (ii) growing middle class in emerging economies, (iii) less restrictive policies by host countries.
- Syrian refugee crisis is a European crisis: 1 million in a region with 500 million population; much smaller countries neighboring Syria (Turkey, Lebanon) have absorbed much larger number of Syrian refugees.

What are the causes of Discontents?

- Fears about loss of identity and foreign cultures
- Rapid pace of social and demographic change
- Wage stagnation and rising inequality
- Low confidence in government – political mood is anti-establishment
- National Security and social unrest

Are these causes related to immigration?

Identity Issues

- Capacity of nations to absorb immigrants
- Absorptive capacity differs across nations – often unrelated to immigrant flows.
 - Japan has low tolerance; Poland has low tolerance. Both countries have low immigration
 - Canada has high tolerance; it also has high immigration.
 - US: intolerance towards immigrants is higher in states with very low immigrant population
- Higher levels of immigration create discontents; they also increase tolerance among certain groups
- Increases in co-ethnic populations increase absorptive capacity

Social and demographic change

- Ability of receiving communities to withstand and accept change.
- More homogenous societies are less comfortable with social & demographic change.
- Traditional destinations are again at an advantage because they have institutions and a culture to provide services to newcomers.
- More homogenous communities do not have the infrastructure to provide for the needs of new comers; diverse communities do.

Wage stagnation and rising inequality

1. What is causing wage stagnation?

- technological changes
- foreign trade
- immigration - may be – mixed evidence

2. Inequality within nations is rising; inequality between nations is declining

| | 1990 | 2015 |
|------------------|-------|------------|
| Poverty | 1.75b | 702million |
| Extreme poverty | 37% | 9.6% |
| Gini-coefficient | 0.75 | 0.62 |

Lack of confidence in government

- Low confidence in governments' ability to restrict immigration.
- Anti-establishment votes
- Failure of government to deliver on their promise
- Presence of irregular immigration

Immigration and terrorism

- Fears that migrants could be terrorists
- Instances of terrorists attacks feed these fears
- Far right politicians are linking terrorism with immigration

Reality:

1. Immigration in the US is related with decline in crime
2. Immigrants are less likely to be involved with crime than natives



Similar discontents approximately 100 years ago led to highly restrictive immigration policies.

Chinese Exclusion Act

Will that happen again?

End of globalization? Will western countries impose restrictions on immigration?

Five major determinants of immigration

- Demographic trends
- Economic Trends
- Globalization

- Identity politics
- Immigration and international terrorism

Demographic pressures

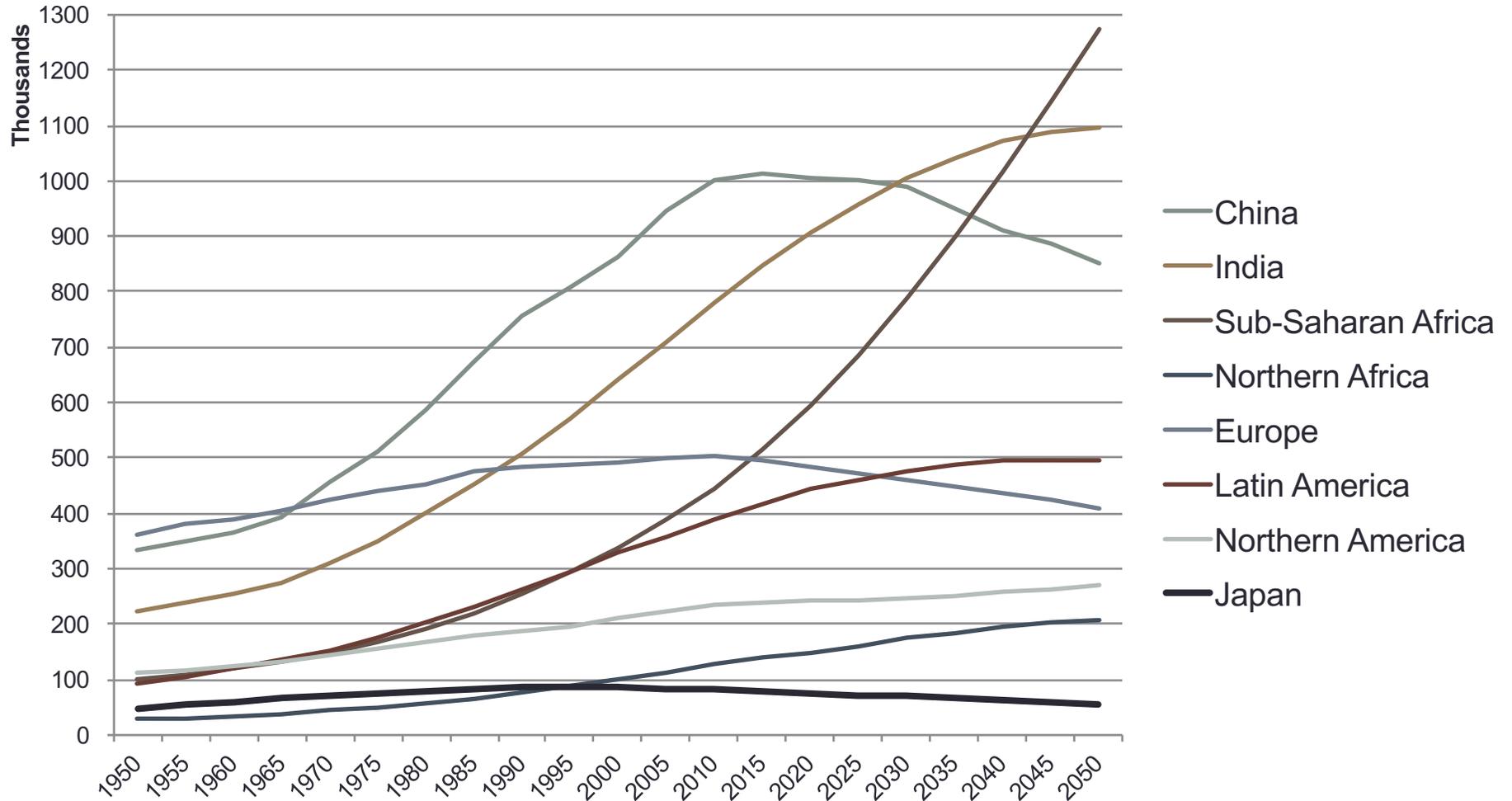
Most immigrant receiving countries are facing:

- Low fertility
- Ageing
- Working age populations are projected to decline in many parts of the world
- By 2050 working age population will be rising in only sub-Saharan Africa and Northern Africa. Africa will have a quarter of the world population & a big share of the working population
- Japan's working age population has fallen by 10 million over the past two decades and is projected to fall further by another 11 million in the next two – a decline in population by 24%. The nation of the rising sun will continue remain in the economic coma it has been trapped in for a quarter century.

Working Age Population

Estimates and Projections of population ages 15-59

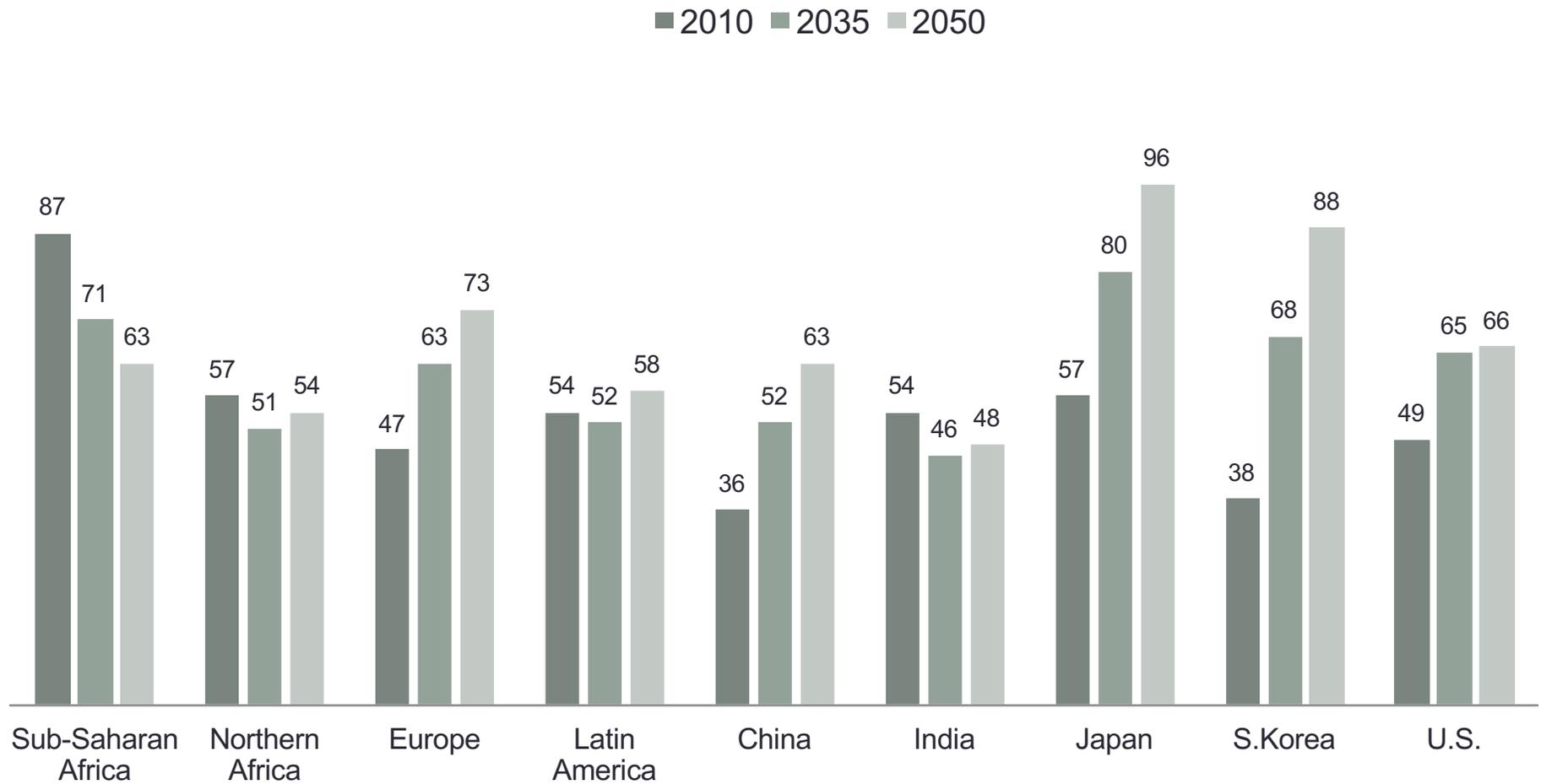
Source: UNDP, World Population Prospects



Dependency ratio

Number of dependents (younger than 15, 65 or older) for every 100 persons of working age (15-64);

Source: World Population Prospects: the 2012 Revision



Immigration & Economy

1. Immigration is a source of:

- Cheap labor
- Scarce talent
- Entrepreneurial ingenuity.

2. Immigration is a tiny proportion of the international human mobility: by conservative estimates, international mobility is 80 to 100 times immigration

3. Effective immigration restrictions would require controls on entry and exit

4. Immigration restriction will affect international tourism - \$1 trillion industry – highly employment intensive industry

International Tourist arrivals in 2014: 1.16 billion (World Bank) – far more than the number of international migrants – which is about 5 million a year.

- Without visa controls on all sorts of travels, restricting irregular or illegal immigration would be impossible

Economy and immigration

Economic effects of Immigration:

- National effect
- Distribution effects: how immigration affects the wages of natives; fiscal effects
- Shrinking labor labor force:
 - Scarcity of skilled labor
 - Scarcity of unskilled labor (3D jobs)
- Economic efficiency of irregular immigration
- Skill effects: Innovation, knowledge, diaspora effects; host-home country networks
- Brain-drain, Brain-regain

Globalization and Immigration

- Globalization and immigration are mutually enhancing processes.
- Immigration is more global now than anytime in human history.
- Political debates on immigration treat it from narrow local perspectives. Such perspectives result in shortsighted, piecemeal policy responses often with substantial consequences.
 - - militarized borders to block immigration across Europe and US
 - - deportation of undocumented immigrants in US
 - - Japan's 'no immigration' policy to protect "Nihonjinron"

Final thoughts

- Immigration controls do not reduce the threat of terrorism. Threat of terrorism will be better addressed with more assimilated immigrant population; which will also reduce identity politics and its challenges.
- Economic benefits from a relatively open immigration policy far outweigh its economic costs.
- Immigrant inflows do not affect all residents equally – some benefit and some are hurt. But the primary cause of discontents is not economic.
- Countries that are able to keep open borders will flourish; those that impose restrictive immigration policies will face more acute economic problems.

Final thoughts

- Despite the growing angst towards immigrants and despite the rising popularity of right wing leaders around the world, many countries will hesitate to shut their doors on immigration due to opposition from economic interests – corporate, demographic, and fiscal - that depend on immigration.
- Despite the unprecedented demographic and economic pressures that most industrialized countries are facing, they will also hesitate to further open immigration to ease these pressures due to nativist political forces that openly oppose immigration and blame immigration for most that ails their economies.