

Migration Series

CDE
R E S E A R C H
POLICY IN THE MAKING

**PEOPLE ON
THE MOVE**

**LESSONS FROM
INTERNATIONAL
MIGRATION POLICIES**



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THE **C**ENTRE FOR **D**EVELOPMENT AND **E**NTERPRISE

CDE

R E S E A R C H

POLICY IN THE MAKING

CDE Research: policy in the making is a vehicle for disseminating the results of research, and suggested policy options, on critical national challenges. Each issue is based on in-depth research, involving a single commissioned paper or several such papers written by experts in the field.

SERIES EDITOR

Ann Bernstein

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The CDE Migration Series

Over the past three years, the Centre for Development and Enterprise has been engaged in a major study of the international experience of migration policy and the implications of those lessons for South Africa. Migration is an emotive issue in South Africa, and an effective cross-border migration policy will involve some hard choices. Throughout this investigation, CDE has been guided by one central concern: how can South Africa adopt migration policies that meet its national interests and are compatible with the values of its citizens?

The CDE Migration Series is based on an examination of the international experience in five areas central to the migration issue in South Africa. Working with Professor Myron Weiner, former director of MIT's Centre for International Studies and chairman of the External Research Advisory Committee to the United Nations High Commissioner for Refugees, CDE commissioned five research papers from international experts on selected topics relevant to migration policy in South Africa.

This, the first of two reports in the series, summarises the work emerging from this international project.¹ In the second and final report, the lessons learnt are brought to bear on the South African debate.

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PEOPLE ON THE MOVE

Lessons from international migration policies

INTRODUCTION

There is a glaring discrepancy between the global spread of markets, communication, transportation, capital, and the growing concern of governments and their citizens that their borders not be freely opened to strangers. Governments may want their borders open to trade, capital and information, but closed to migrants. As the capacity of states declines under the forces of globalisation, some governments see as among their few remaining functions to protect their citizens from the onslaught of low-wage migrants workers, to ensure that their citizens have first claims over migrants upon employment and on public goods, and to preserve (or create) a sense of national identity. Even in traditional countries of immigration, public opinion is increasingly supportive of controls over immigration.

The number of people fleeing to escape violence or persecution, to find employment or to improve their own lives and those of their family members, is greater than it has ever been. In many countries, citizens have become fearful that they are being invaded not by armies and tanks but by migrants, who speak other languages, worship other gods, belong to other cultures, and, they fear, will take their jobs, occupy their land, live off the welfare system, and threaten their way of life, their environment, and even their polity.

Concern is not confined to advanced industrial countries. In Islamabad, the issues are how to induce Afghan refugees to return home, and whether to respond to the demands of Urdu-speaking residents of Bangladesh who want to migrate to Pakistan. The Thai government is concerned over the growing illegal influx of hundreds of thousands of Burmese in search of employment. And at home in Johannesburg, hawkers complain of competition from illegal migrant traders from Mozambique, Zimbabwe and China, while the government debates whether to pursue a policy of Africanisation or indigenisation of highly skilled employment.

South Africa is a traditional country of immigration. The ancestors of many of South Africa's blacks migrated from central Africa over the past one and a half thousand years; the Dutch, along with the Germans and French Protestant Huguenots, created settlements in the 17th and 18th centuries; boatloads of immigrants from Britain entered in the early 19th century; and the British in turn brought in migrant work-

ers from India and Malaysia. Under the system of apartheid, government migration policy was directed at encouraging the settlement of whites; recruiting low-wage migrant labour from Mozambique, Swaziland and Lesotho for employment on the mines; and curbing the flow of black migrants from other parts of Africa. Apartheid was, to a large extent, a system of internal migration controls. Under the pass laws, Group Areas and other legislation, Africans were prevented from living in cities and towns, forced to stay in segregated black townships (if they could find room to do so) or far from the urban areas across the 'homeland' borders, and were arbitrarily told they were citizens of other countries (the independent 'homelands').

Under a democratic post-apartheid regime, it is clear that many of the old migration policies of South Africa are no longer relevant, but it is less clear what should replace them. Within months of the formation of the government of national unity in 1994, the question of what changes should take place in South Africa's migration policies became part of the political debate.

This emerging debate has centred on five major issues. The first is the question of illegal immigrants. What steps should the government take to halt the growing influx of illegal immigrants; what would it cost to halt illegal immigration, and does the country have the capacity to do this; and would more vigorous border controls damage South Africa's relations with its neighbours? Journalists have reported that South Africa now has upwards of two million illegal migrants – mostly people from Mozambique and Zimbabwe – and some from as far away as Nigeria, Ethiopia and Sierra Leone. If the number really is this large (it should be noted that there are no official figures to verify this figure), illegal migrants would constitute as much as 15 percent of the work force in a population of 40 million. Reinstatement of the previous government's strategy for dealing with illegal migrants – an electric fence along South Africa's northern borders, the use of identity cards, and summary repatriation – makes many South Africans politically uncomfortable. Should South Africa close its borders to countries whose governments once provided sanctuary to ANC activists in their struggle against apartheid?

Moreover, how can the government effectively control foreigners within the country without re-establishing the hated

and unacceptable system of passes (identity cards) and police checks?

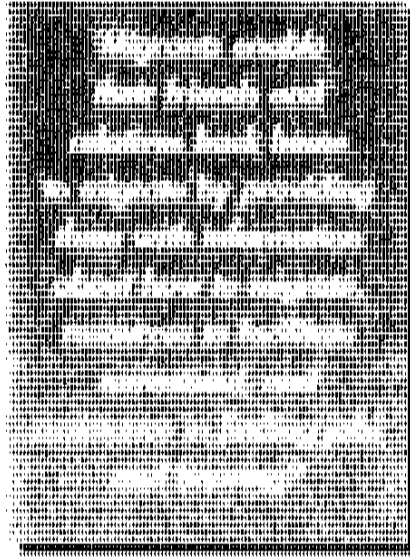
The second issue is closely tied to the debate over affirmative action. In an effort to change the racial composition of high-level jobs, should government departments, private firms and universities recruit managers, engineers, teachers and doctors from Ghana, Nigeria, Uganda and Kenya, or should only South Africans be hired for these jobs, even if they are less qualified? In other words, should the goal of affirmative action be reached through a process of 'Africanisation' or 'indigenisation' of the labour force? A closely related issue is whether businessmen from other African countries should be allowed to migrate to South Africa, where they could start new businesses that would employ local people. Both of these debates hinge on the question of whether migrants take jobs or create them, and whether it is possible to have a migration selection policy that stimulates new employment.

The third issue centres on the employment of foreign guest workers in the mining industry. Some 150 000 foreign migrants – mainly from Botswana, Mozambique and Swaziland – are employed on the mines. Should they be replaced by local workers in an effort to expand employment opportunities for South Africans? If foreign workers were replaced, would neighbouring countries that have grown dependent upon the remittances sent home by miners be destabilised? Moreover, would South Africans actually seek employment in the mines if foreign workers were no longer recruited?

An alternative approach would be for South Africa to grant citizenship to the miners, and then terminate the guest worker programme. Critics of this suggestion argue, however, that the miners would then bring their families to South Africa and into communities where housing, schools and public services are already in short supply.

The fourth issue is whether South Africa can reduce the pressure for migration from its neighbours by promoting economic development in the region. Would expansion of trade, South African investment, and the promotion of regional tourism reduce the gap in wages and employment that now induce other Africans to seek jobs in South Africa? Can aid, trade and investment serve as instruments of a migration control policy? Would these economic policies actually reduce the incentives to emigrate? And if so, does South Africa have the capacity to implement such policies?

Finally, there is the issue of South Africa's policy on the protection of refugees. The African continent is now the principal source of the world's refugees and internally dis-



placed persons. What responsibilities does South Africa have for assisting countries that are flooded with refugees, hosting refugees within their own borders, and addressing the political issues within countries that induce people to flee?

The debate on each of these issues is deeply embedded in South Africa's special history, and in its unique place on the African subcontinent. Besides this, the debate is tightly bound to domestic political controversies over employment, affirmative action, the structure of the mining industry, the need for skilled manpower to expand productivity, and a host of relat-

ed South African political considerations.

South Africa is by no means alone in wrestling with many of these issues. In country after country, governments have sought ways to control their borders effectively, work out a relationship between migration and local employment, and address the issue of how to deal with refugees. The responses of governments to these questions vary enormously, based on their previous histories with migration, their geographic position, their administrative and financial capabilities, and their political institutions. What 'works' for a country surrounded by an ocean may not work for a country with a large land border. What a country regards as a successful policy at one time – a guest worker programme, for example, to meet existing demands for unskilled labour – may be looked upon years later as mistaken and costly.

A policy to recruit highly skilled people to strengthen the country's competitive capacity may have consequences not foreseen or intended by policy-makers. The financial aid that one government provides another to promote economic growth and thereby reduce pressures for emigration may be diverted by a predatory regime into private bank accounts. Faced with such uncertainty, how can South Africa (or indeed, any country) adopt migration policies that meet its national interests and are compatible with the values of its citizens?

MANAGING ILLEGAL IMMIGRATION⁴

Countries vary greatly in their capacity to control who may enter and remain within their borders. Many governments succeed in exercising some control over illegal immigration, but it is rare that a government can completely prevent it. Even a state such as Israel, with quite effective militarised border and port-of-entry controls and extensive screening

at entry and exit, is thought to have a significant illegally resident population. There is a global pattern towards increasing permeability of national borders. People may enter a country legally as tourists, businessmen or students and then overstay their visas. Others may enter surreptitiously across inadequately patrolled borders. Still others arrive at airports seeking asylum, and then slip out of the control of officials into an underground market.

Governments have sought to exercise control through a variety of means: interdicting illegal crossings at borders, requiring visas for entry, asking foreigners to register when they change their residence, insisting that both citizens and foreigners carry identification documents, limiting employment to those authorised to work, imposing penalties on employers who hire illegal migrants, denying illegal migrants access to most public welfare services, detaining illegal entrants or asylum-seekers upon arrival, and swiftly repatriating those who are in the country illegally.

Policy instruments

Governments around the world have adopted, with varying success, four policy instruments to control entry and limit the number of illegal migrants. These are border and port-of-entry controls; visa policies; internal controls and deportation capabilities; and employer sanctions and legalisation policies.

The age of migration⁵

According to the United Nations Population Fund, there were 100 million migrants worldwide in 1993 – including 15.5 million in Western Europe, 20 million in the United States, 8 million in Australia; and several million in the Gulf States, where they make up a majority of the workforce – and 19 million refugees. These figures do not include the growing number of illegal migrants who fail to appear in official census statistics: an estimated 280 000 in Japan in 1992, a million illegal migrants to Malaysia from Indonesia and Thailand, several million Bangladeshis in India's north-eastern states, an estimated 5 million in the United States, and significant numbers in Spain, Portugal and Italy. Nor do these numbers include the many people who migrated within their own countries – say, from Russia to Kazakhstan, Latvia, Estonia and Ukraine or across republic boundaries within Yugoslavia – who became international migrants when their countries disintegrated.

Border and port-of-entry controls

Most democratic governments distinguish border and port-of-entry control from immigration law enforcement. Border controls are preferable to internal controls, principally because the former intrude less upon the lives of the citizens of the receiving territories. States exhibit varying capacities for effective border control. Factors influencing the efficacy of these controls include:

- **Geography.** The extent and terrain of frontiers, as well as the number of ports of entry and their degree of vulnerability, dramatically affect border control capacity. A country surrounded by sea and located a considerable distance from sources of migrants is clearly in a better position to control its borders than one with a large land border touching on a country with a lower standard of living. For example, Australia and the United Kingdom have an easier time controlling borders than Germany or the United States.
- **Co-operation of neighbouring countries.** Faced with a persistent uncontrollable influx, a number of governments have asked officials in sending countries to assist by controlling exit. Germany has established joint border patrols with the Czech Republic, Poland and Hungary, and has agreements with these countries that third country nationals will not be permitted to cross their borders to seek asylum in Germany. In return for their co-operation these countries receive financial assistance and technical help from the German government. The German technique is not so much to control Czech immigration to Germany, but to provide incentives for the Czech Republic and Poland to prevent others from coming into their country and using it as a staging venue to get into Bavaria. Thus, assistance to neighbouring countries is provided in exchange for their enforcement of policies to keep people from coming from further away. This approach has the added advantage of maintaining good relations with neighbouring countries in the face of a potentially explosive issue.
- **A country's other goals.** Easing border trade, facilitating tourism, and moving its own citizens quickly through border and airport checks might run counter to effective border control. Moreover, there are potentially strong political forces which might oppose effective control over illegal migration; for example, farmers in need of seasonal workers, owners of restaurants and small businesses, and housewives want a source of low wage labour; human rights activists opposed to the use of identity cards and concerned that employer sanctions may lead employers to discriminate against 'foreign-looking' legal residents; and ethnic groups lobbying against migration restrictions.

- **Personnel and financial resources of the state** available for surveillance, and the quality of their utilisation, which is affected by the use of technology. It is costly to patrol long borders.

Visa policies

The imposition of visa requirements on states and regions has had perceptible effects on 'unwanted' alien populations. Where administered well, as in Australia, visa-generated data enable authorities to track alien entries and departures, and also provide the basis for quite credible estimates of illegal immigration. Australia requires visas for all tourists (except those from New Zealand) and records exits as well as entries as part of its control strategy, thereby enabling the government to track which country's citizens overstay their visas. Australia's consular officers abroad are thus in a better position to tighten visa controls.

However, too restrictive visa requirements can themselves become an important cause of illegal entry and residency. For example, in France the government's tightening up of visa requirements for visiting family members resident in France generated illegal immigration. Visa requirements may also have an adverse effect on tourism.

World migration in perspective ⁶

World migration (including refugee flows) amounts to perhaps 4 million people a year, or 4 to 5 per cent of the world's annual population increase. About half is to developed countries. Population growth in the third world has declined from 2,5 per cent annually in the early 1960s to 1,8 per cent in the 1990s, but emigration has increased.

Who migrates? There is no evidence of a direct relationship between rapid population growth rates or even population density, and high emigration rates. Where the number of young adults is increasing and incomes and employment are rising, many young people may acquire the financial means to act on the motivation to emigrate. Global migration appears to be more closely associated with rising expectations in many developing countries, differentials in wages and employment opportunities, knowledge about opportunities elsewhere, access to low-cost transportation, high levels of violence in countries, violations of human rights, persecution of minorities and, above all, growing knowledge about the ease of entering and remaining in another country.

Visa controls are not a guarantee against illegal immigration, however. In western democracies, the violation of immigration laws after legal entry is the predominant form of illegal entry. So, for example, overstaying is a common offence.

Controls at borders – land borders, along the coast and at airports – are preferable to internal controls. The weaker the border controls and the greater the number of visa overstayers, the more necessary it becomes to have some form of identification system. This is a politically costly but sometimes unavoidable measure if the number of illegal migrants is to be contained.

Internal controls and deportation capabilities

The more effective border controls are, the less need there is for internal controls. Most internal controls depend on the use of identity cards or identity numbers by all residents of the country, including citizens, which enable hospitals, employers and government agencies to determine eligibility for services and/or jobs.

Among third world countries, the capacity of governments to control borders or to enforce internal checks is generally minimal, and the informal sector is so large that it is virtually impossible to use employer sanctions. Nonetheless, even among third world countries there are increasingly greater efforts to control entry. The governments of both India and Pakistan have recently issued voter identification cards to prevent illegal migrants from voting. For a brief period, moreover, India sought to build a barbed wire fence to prevent unauthorised Bangladeshis from crossing the border, but after protests from Bangladesh it was removed.

The United States, France, Venezuela, Italy and Spain have granted amnesty to illegal migrants, partly in recognition of the fact that mass deportation is politically unacceptable (*see box, p 7*).

Nowadays, a draconian campaign such as Operation Wetback (*see box, page 8*) is unlikely in the context of United States-Mexican relations, as it might irreparably alienate the rapidly growing Mexican-American and Hispanic-American populations, which constitute a significant political force. Although comparing the deportation of illegal immigrants to the deportations of Jews, Gypsies and other populations trivialises the Holocaust, west European states shy away from measures reminiscent of police states. This is particularly true of Germany.

The mass expulsions of aliens almost invariably violate international norms espoused by the International Labour Organisation and the branches of the United Nations concerned with human rights. While states have a right to return illegal migrants, long-term legally admitted alien residents and citizens have a different status in international law and in democratic settings.

But several governments, mostly those of low-income developing countries, have massively deported illegal migrants, and mass expulsions have been fairly common in countries such as Iraq and Libya, where the legality of alien residency and employment is often a matter of interpretation. Migrant populations which are tolerated and considered legally resident one day sometimes find themselves considered illegal and branded as undesirable the next.

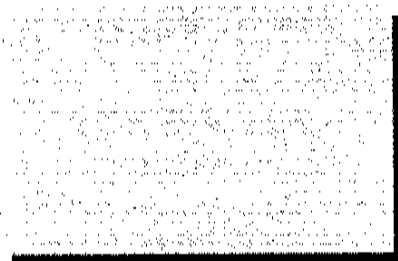
For example, the Iraq-Kuwait crisis of 1990 and its sequels witnessed the mass expulsion and displacement of millions of aliens, most of whom were legally admitted or employed but whose status was jeopardised by the conflict. The international community took action against Iraq to stop the mass flight of Iraqi citizens of Kurdish background into Turkey.

Egyptian workers in Libya have frequently paid the price for Egypt's relations with its eastern neighbours. The Saudi government expelled most of its migrant workers from Yemen when their government sided with Iraq during the Iraq-Kuwait crisis.

In Nigeria in 1983 and 1985, a change in government and recession linked to declining oil revenues led to the reinterpretation of the legal status of alien residents and employees from neighbouring lands. In 1972, when Pakistan's civil war ended, India forcibly repatriated to Bangladesh an estimated 10 million refugees who had crossed into India.

Mass expulsions in Africa and the Arab region frequently violate international norms and regional agreements and have adverse and disruptive effects far beyond the lives of those expelled, but generally the international community has acquiesced to such acts.

Over the past decade, it has become increasingly acceptable for democratic governments to interdict and forcibly return ships carrying illegal migrants as well as to deport screened-out asylum seekers and individuals who have entered illegally or overstayed their visas. A number of west European states have made deportation more credible. Bilateral return agreements with homelands, usually involving



financial assistance, have elicited greater co-operation with repatriation. For example, German-Rumanian co-operation has facilitated the return of large contingents of Gypsies. Increasingly, governments are pressuring other governments to control borders; good neighbours, it is argued, do

not permit their own citizens or those of other countries to violate their borders freely. What remains unacceptable is an episodic crackdown, a round-them-up-and-ship-them-out approach that offends human decency. The trend is towards an orderly, rational approach with appropriate administrative and legal reviews.

Legalisation and employer sanctions

In democratic settings, the difficulty and expense of removing aliens has contributed to the appeal of legalisation and employer sanctions policies.

Legalisation: Legalisation policy enables aliens without required residency and/or employment authorisation to acquire legal status. Such policies vary greatly in their eligibility requirements, administration and results. Some legalisations, such as that in France in 1980, have been restricted to specific nationalities, for example Turks. The 1980 French programme was also industry-specific, for garment industry workers only. Typically, there is a cut-off date which requires aliens to document that they were in the country prior to that date.

In many countries, legalisation policies have preceded the imposition or reinforcement of other policies to deter illegal migration, in particular employer sanctions. For example, the Venezuelan legalisation policy of 1980-81 was preceded by the announcement of a planned crackdown on remaining illegal immigrants who shunned the legalisation opportunity.

It is interesting to note that the total of 351 000 legalised fell well below expectations. Reasons put forward for the

Amnesties: the American experience⁹

In the United States, a one-time amnesty programme implemented in 1986 led to 3.1 million people coming forth to regularise their status. The number of remaining illegals in the country is probably higher. Despite a policy of penalising employers for hiring illegals, various studies have shown that the flows across the border from Mexico continue to be large, adding perhaps 200 000 to 300 000 (some say more) to the stock of illegals each year.

Key factors in international migration⁸

The bulk of the world's refugees and immigrants are moving from one developing country to another.

As governments become more restrictive on legal migration, illegal migration and claims for asylum increase.

shortfall of legalisations relative to the estimated size of the illegal population include difficulties in securing the trust of immigrants, the reluctance of those with other legal problems to step forward, and an excessive focus upon urban residents to the detriment of rural areas.

It is not clear what, if any, effects legalisation policies have on immigration debates and politics in general. German authorities are fearful that legalisation policies attract additional illegal immigration. While legalisation policies enable aliens to accede to legal status and thereby improve their lives, they do not eliminate factors which foster illegal migration and illegal alien employment. In France and the United States, illegal alien residency and employment is probably as extensive today as it was prior to the legalisation policies of the 1980s.

In the long run, a recourse to legalisation may undermine migration control policies and erode the perceived legitimacy of immigrant settlement and incorporation, which is important to the long-term integration of immigrants into their host societies.

Employer sanctions: In essence, employer sanctions acknowledge the culpability of employers concerning the employment of illegals. Laws penalising employers for illegally employing aliens were on the books in Germany, and had been contemplated in France, in the period between the two world wars. The concept was primarily championed by organised labour and the socialist and communist parties. As in the case of border controls, some governments are better able than others to prevent employers from hiring illegal workers.

Case study: 'drying out the wetbacks' ¹⁰

Experiences in the agricultural sector in the United States demonstrate how efforts to use non-immigrant programmes to remedy seemingly isolated labour shortages can produce both distortion and dependence which affect the wider economy.

The economic justification for immigrant workers was that seasonal workers are paid only when needed, and are therefore less expensive. Foreign workers have been admitted for seasonal work by making exceptions to general immigration policies. Criticisms of the first exceptions after World War 1 were overruled by California farmers who persuaded the Department of Labour to suspend head tax and literacy tests in order to provide 'food to win the war'. Mexican farm workers were contracted to the farmers for one year. Most immigrants were excluded from urban jobs by language, ethnicity, and/or legal restrictions which meant that waves of Chinese, Japanese, Filipino and Mexicans were available for seasonal farm work. During World War 2 a series of so-called *bracero* programmes, through which farmers obtained Mexican workers on their terms, were initi-

ated. Some argued that the *bracero* programmes would facilitate control over illegal immigration.

However, these programmes had the effect of institutionalising dependence of farmers on 1-2 million Mexican workers, who returned year after year. Farms, railroads and mines soon made business decisions under the assumption that immigrant workers would be available when they were needed – and paid the minimum wage for the time. Disputes with Mexico over the treatment of *braceros* led to several years of private recruitment by farmers in the late 1940s. The programme quickly changed from one in which Mexican workers were recruited, screened and provided with work contracts in the interior of Mexico to one in which Mexican workers arrived in the United States, found jobs, and then had their status legalised in what came to be termed, even in official government publications, as 'drying out the wetbacks'.

There was also considerable illegal immigration alongside legal *bracero* entries. Between 1942 and 1964 4.6 million *braceros* were admitted, and 4.9 million illegal Mex-

icans apprehended. Apprehensions peaked during Operation Wetback in 1954, a government effort to encourage Mexican workers and American farmers to use the *bracero* programme. Mexico asked the United States to adopt employer sanctions to discourage illegal immigration, since the Mexican constitution prohibits exit from the country except at authorised points.

The end of the *bracero* programme in 1964 illustrates how an industry adjusts to the absence of immigrant workers. By the early 1960s *braceros* made up 80 per cent of the harvest workers in California's tomato processing industry, and growers were arguing that their use was absolutely essential to industry's survival. What happened when they disappeared? The end of the programme accelerated mechanised harvesting methods in a manner that quadrupled production to 10 million tons between 1960 and 1990. Moreover, cheaper tomatoes permitted the price of ketchup and similar products to drop, helping to fuel the expansion of the fast food industry.

The government must be prepared to provide an adequate number of labour inspectors; identity documents must be reliable and not easy to forge, so that employers can determine whether someone is in fact authorised to work; and financial penalties on employers must be sufficiently high and the probability of being caught sufficiently great that employers will be reluctant to hire low-wage illegal workers.

Strongly divergent assessments are made concerning the efficacy of employer sanctions. The concern is that employer sanctions are insufficiently enforced, and therefore constitute only a weak deterrent to illegal alien employment. Employer sanctions have been poorly implemented in the United States because of the easy availability of forged identity documents and the absence of a reliable verification system.

European governments generally exercise more effective internal control than does the United States, but there are also great variations within Europe. In Sweden, for example, the universal identity card reportedly works well in deterring employers from hiring illegal migrants, and French police conduct spot checks of individuals in the Metro to identify illegal aliens, and fines are regularly imposed upon employers for hiring illegal aliens.

But in Italy and Spain, government controls are weak, and the number of illegal migrants correspondingly higher than in other parts of Europe.

Enforcing laws prohibiting illegal alien employment is difficult, since it requires money and personnel, as well as the co-ordination of several services, most notably labour inspectors, immigration agents and various police corps. A further problem is that employment in medium and large scale firms is declining, while employment in small firms, which are harder to monitor, is expanding.

Employer sanctions are very difficult to implement in third world countries due to the large, unregulated and informal labour force.

The wisdom of these sanctions has been questioned. For example, in the United States many Hispanic organisations feared that the enactment of employer sanctions would increase discrimination against Hispanic American citizens. A government agency did conclude that employer sanctions had exacerbated employment discrimination against minorities – a finding which was hotly disputed, and dismissed by many as politically motivated.

Governments must assure their own populations that control policies are in place, even though there may be a considerable amount of leakage. Unless citizens are reassured that borders are controlled, xenophobic attacks against foreigners are likely to increase, since the smooth integration of legal migrants depends on a public assessment that their number is finite.

Key points at a glance ...

- Only in very rare cases is it possible to completely prevent illegal immigration.
- States do have the right to determine who should be admitted into the country for employment, permanent residence and citizenship.
- Governments have been able to control entry through visas, border controls, and internal controls over employment.
- Co-operative arrangements with neighbouring countries and bilateral return agreements are also useful ways of dealing with migration issues.
- Employer sanctions are difficult to enforce in countries with a large informal sector, and might exacerbate concern over discrimination against certain groups.
- Corruption militates against the effective enforcement of employer sanctions.

MIGRANT LABOUR - A MIXED BLESSING? ¹¹

Some governments believe their country needs labourers, but do not want permanent immigrants and are reluctant to permit the free employment of illegal migrants. An alternative policy, therefore, is to admit foreign guest workers for a limited period. The major consequences of these programmes can be summarised in a series of surprising and unexpected conclusions: there is nothing more permanent than temporary workers; guest programmes are easier to start than stop; and one of the best ways to actually ensure continuous, as distinct from short-term, labour migration from a country or region is to recruit guest workers.

Guest worker policies aim to add workers to the labour force without adding permanent residents to the population. These programmes are complicated in the sense that their short-term impact differs from their long-run effects. Initially, guest worker programmes seem like an attractive way to deal with a short-term problem. The costs, however, come later. Guest worker programmes tend to become larger, and last longer, than originally planned. Most programmes, once initiated, are difficult to terminate.

One of the striking findings in reviewing the international experience is that despite the long-term costs for immigrant countries, a number of middle-income developing countries have turned toward the use of immigrant workers. Malaysia, Thailand, Poland, Korea and Greece – all once labour-export-

ing countries -- have begun to import unskilled labour.

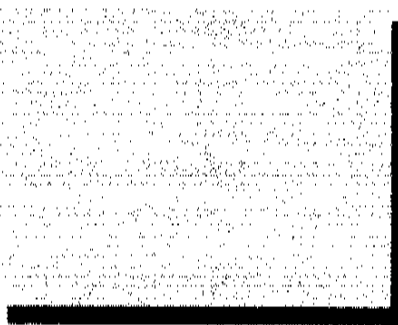
Why import workers?

Governments import workers for a variety of reasons. The first is to **alleviate labour shortages** -- either macro economy-wide shortages or shortages in particular industries, occupations and areas. For example, the need for workers who will adapt to seasonality is as old as agriculture itself. In the United States, agriculture has led in requests for temporary workers to alleviate micro economy wide labour shortages. Germany in the early 1960s provides a classic example of using guest workers to remedy macro labour shortages and the consequences thereof.

The German labour force was shrinking for a number of reasons, among them a delayed baby boom; the spread of education; better pensions, which prompted earlier retirements; and a reluctance to risk what was still perceived to be a fragile post-war economic recovery on industrial policies that would have avoided the need for foreign workers, such as mechanisation. Moreover, Germany had an undervalued currency in a world of fixed exchange rates, so that local and foreign capital was invested there to produce goods for export markets. These factors, coupled with the fact that Europe was unifying anyway, and Germany thought it was unilaterally regulating the inevitable, prompted authorities to embark on guest worker programmes. [These programmes were criticised by those who argued that the need to mechanise and encourage labour-intensive industries to move abroad was inevitable, and that it would have been cheaper and better in the long run to start the adjustment process sooner. Put simply, it was said that Germany by the 1980s had Turks to integrate, while Japan had robots on its assembly lines.

Most 21st century foreign worker programmes are likely to respond to micro rather than macro labour shortages. Even in a country such as Malaysia, which has been growing at 7 to 8 per cent a year for the past decade, labour shortages and foreign workers tend to be concentrated in the plantation and construction sectors rather than throughout the economy.

The second reason for importing labour is to **better manage labour migration** when an inflow of workers, such as binational or commuter labour flows, seems inevitable. For example, in 1989 Germany recognised 'inevitable immigration' by creating seasonal worker programmes through which Eastern Europeans could work for up to 90 days on German farms and in German hotels and restaurants. There is a second type of 'inevitable migration' that acknowledges that natural economic zones and labour markets cross national borders. For example, there are significant two-way com-



muter flows across the United States-Canada and United States-Mexican borders. In Asia, more than 50 000 Malaysians commute daily to jobs in Singapore. In many cases, workers commute to nearby nations on a weekly or seasonal basis. Workers commute weekly from the West Bank to Israel, for

example; in northern Malaysia, Thais commute seasonally to harvest rice.

Guest worker programmes should not, however, be thought of as tools to reduce illegal immigration -- the international experience suggests that a guest worker programme implemented to channel illegal immigrants into legal guest workers will probably result in continuing illegal immigration (see page 12).

A third reason to import workers is to **provide work-and-learn opportunities** for foreign workers, particularly for foreign youth, so that the country of immigration may both claim access to another country's workers, and claim to accelerate development in it. Young foreigners in particular are able to engage in work and study which, upon their return, accelerates economic development in the country of origin -- for example, such programmes are the primary rationale for Japan and Korea importing foreign workers. There were 40 000 trainees employed in Japan in 1994, 40 per cent of them from China. Most of these trainees -- 83 per cent -- were employed in manufacturing, usually by small and medium-sized firms, and most were very well educated by the standards of their countries of origin.

A fourth reason is to promote **socio-economic integration**, as in the European Union, where labour migration is seen as a factor that could help bind member countries closer together. Sometimes, this forms part of efforts to promote political integration.

The benefits of guest worker programmes

Guest worker programmes are positive for the country of immigration in that by adding workers 'instantly' to a country's labour force, they can reduce production bottlenecks and inflationary pressures, raise returns to capital, and increase rents and other population-driven prices. Sometimes they can complement domestic skilled workers, pushing up their wages and so on. The availability of migrant workers in western Europe in the 1960s sustained high levels of non-inflationary economic growth. Migrant workers helped hold down the rate of increase in wages, and their availability permitted employers to expand production by building additional assembly-line facilities that employed unskilled workers. Local workers enjoyed upward mobility as foreign workers filled

the vacant jobs they left behind, and foreign workers some times raised the profitability of investments in machinery because they were willing to work at night and on weekends. In this way, immigrants contribute to flexibility and aid the upward mobility of the local population, rather than contributing to the unemployment and impoverishment of the local workforce.

Theoretically the benefits of guest worker programmes to the countries of origin are the three Rs of recruitment, remittances, and return. Under a 'successful' guest worker programme, workers obtain employment, their families and home governments benefit from remittances, and return workers bring back skills and invest in the home country. While they earned money in Germany, for example, migrants remitted 30 to 50 per cent of their net earnings, reducing the demand for goods in Germany and increasing the demand for German goods in Turkey.

However, the benefits of guest worker programmes have not been realised by a number of countries of origin. Although most guest workers initially do return home, over time many remain in their host countries and even summon their families to join them, especially when governments threaten to halt recruitment. In some instances, guest workers marry locally: in such cases remittances to the home country eventually decline.

While remittances do contribute significantly to the balance of payments of the home country, the use of remittances by migrant families, and of savings by the returning migrants, are invariably limited by the government's macro economic policies. Relieving unemployment and generating remittances do not in themselves lead inexorably to stay-at-home development: it is as likely that labour migration can distort development and increase the dependence of the emigration area on foreign labour markets. To what extent remittances safeguard or undermine the vitality of the country of origin is unclear.

Many governments have made it easy for guest workers to remain. In western Europe, governments permitted employers to renew contracts, and as the contracts were renewed the workers acquired additional rights – at first, to bring their families and, in time, to remain. In the United States, young people who attend universities on student visas are permitted to join the labour force temporarily to improve their skills, but employers can help them obtain work permits and immigrant status, so that students status is often in fact a probationary immigration system. Indeed, some governments regard the recruitment of foreign students for higher education as a good mechanism for bringing highly skilled workers into the economy.

Counting the costs

An abundance of unskilled immigrant workers is a double edged sword: their availability permits firms to expand output at stable wages with current technologies, but it also dulls the employer's incentive to search for productivity-increasing technologies, which ultimately determine economic and wage growth. Before embarking on a guest worker programme, governments should consider moving energetically to upgrade their educational and training systems, thus producing a workforce that can meet labour needs internally.

The main costs of foreign worker programmes can be summarised as (i) distortion, (ii) dependence, and (iii) the inevitable settlement of some migrants. It must be said that these costs are not easily measured, since how the economy might have responded had employers not been permitted to bring in foreign workers is a matter of speculation. Moreover, it is not easy to measure the social costs associated with integrating a foreign population, nor to estimate how many local workers would have been employed in the absence of a guest worker programme.

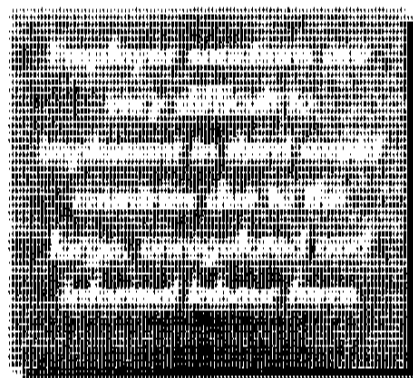
Distortion

Distortion refers to the fact that economies and labour markets are flexible and can adjust to labour shortages: when low-wage foreign workers are available, employers are unlikely to invest in updating their technologies to deal with their labour needs. Moreover, economic decision-makers are likely to make investment decisions on the assumption that foreign workers will continue to be available. In the United States, farmers planted orange trees in areas where there were no people, no housing, and no prospect of getting any local workforce to pick the crop.

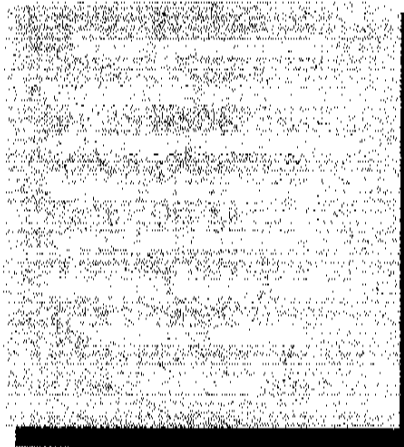
Once investment decisions are made on the assumption that guest workers will be available, it becomes hard to change policy. Economies and labour markets in both sending and receiving areas can evolve in ways that create and reinforce international labour markets, which become progressively less subject to government control.

Dependence

Guest worker programmes also create dependence. As employers depend upon a supply of low-wage foreign workers, the jobs themselves come to be perceived by the native population as work fit only for foreigners, and it is increasingly difficult to find local people willing to take jobs that have come to be regarded as dirty or demeaning. This devaluing begins to justify low wages and lack of employment security for foreigners. As



a 'floating' labour force, migrant workers are often relatively prepared or resigned to work in various informal sectors, low status, low income activities. The labour market becomes dependent on guest workers and the alternatives - higher wages, a greater use of labour-saving technology, more employment for groups hitherto unemployed, and shifting manufacturing to other industries - no longer seem either necessary or possible. France and Germany recruited more than two thirds of the migrants to Europe, but dependence on alien workers reached its zenith in Switzerland, where in 1973 one in three workers was foreign. In Germany, France, Belgium, Sweden and The Netherlands, foreign workers made up eight to 12 per cent of each country's workforce in the early 1970s. In many assembly-line industries, one third of the unskilled and semi-skilled workers were foreign, and in textile and construction, migrants made up a majority of the unskilled workforces. How industries respond to the termination of guest worker programmes is useful in placing the problem of dependence in perspective, however (See box, page 8).



part of guest workers' wages in interest-bearing accounts that become available only when they return home at the end of the work contract. It has also been suggested that employers should contribute to a payroll tax for employing foreign workers. These funds could be deposited into pension and social security programmes, workmen's compensation schemes, and other social welfare programmes - partly to reduce the incentives to hire foreign workers over local ones, but also to cover the long-term costs associated with guest worker programmes. Even if the net gain for the employer is not eliminated, this tax could equal the social costs engendered by the programme. Governments can also closely monitor the labour market to ensure that illegal migrants are not substituted for legal guest workers. But, most importantly, governments need to consider the alternatives before they are persuaded by employers with labour shortages to initiate a guest worker programme. Once initiated, programmes are difficult to terminate; indeed, the abrupt termination of programmes often results in 'anticipatory settlement' because guest workers realise that they will not be able to return if they leave.

Settlement

The European experience suggests that countries that recruit migrant workers can within a decade or two expect to have foreign populations equal to about half the number of migrants recruited. Between the mid-1950s and mid-1970s, the European countries that recruited guest workers attracted between 20 and 30 million migrant workers from southern Europe and north Africa. About two thirds of these migrants eventually returned to their countries of origin, but those who stayed formed or united families abroad, giving today's Europe a foreign population of 20 to 25 million. This settlement incurs integration costs which occur long after the benefits of guest worker programmes have been realised, and are borne by a broader society than the group that initially benefited from their presence.

As a result of the tendency of guest workers to become more 'established' in their host society than anticipated, the capacity of a society to absorb migrants becomes important.

Migrants will be regarded as outsiders in the cultural, social and political sense, and cannot be truly incorporated into the host society as long as they are viewed as temporary residents. Citizenship rules are very important in migrant absorption.

Governments have sought to put in place a number of policies that would ensure the return of guest workers to their countries of origin, and minimise the distortions due to their presence. A forced saving scheme is one credible device for compelling workers to return home. Governments can deposit

Key points at a glance ...

- Guest worker programmes are second-best solutions that always produce at least some distortion and dependence. These programmes are easier to start than to stop.
- Guest worker programmes will come closest to the aim of adding workers to the labour force and not residents to the population, if three conditions are satisfied:
 - there is little illegal immigration, and there are strong labour market institutions;
 - employer taxes or levies minimise the distortions due to the presence and availability of foreign workers; and
 - economic incentives, such as forced savings schemes, promote the return of guest workers to their country of origin.

BRAIN GAIN - ORCHESTRATING SKILLS MIGRATION ¹²

traditional countries of immigration – such as the United States, Australia, Canada, many of the countries of Latin America, and South Africa – have often considered race and national origin a legitimate factor in determining who could immigrate. Australia, for example, first restricted immigration to residents of the United Kingdom, and then admitted only other white Europeans. Similarly, from the end of the 19th until the middle of the 20th century, the United States excluded Asians. Today the widely accepted international norm is that it is morally unacceptable to exclude individuals in this fashion – although in practice many countries do give preference to individuals whose ancestors originated in that country, or who are culturally similar to the native population.

Criteria for admission that are universally regarded as legitimate are family unification, and the skills of the potential migrant. Family unification is justified on the grounds that the family constitutes a natural unit which should not be arbitrarily separated by international boundaries; families legally residing within a country thus have a moral claim to bring in their parents, their children and, in some instances, other relatives. The skills level of the potential migrant is regarded as a legitimate criterion for admission, justified on the grounds that countries have a reasonable interest in admitting those who best meet the needs of their economy.

Broad trends among countries such as Canada, the United States and Australia are converging on the desirability of admitting skilled migrants, but there is continuing disagreement over the appropriate method for choosing skilled migrants in all the traditional countries of immigration. For example, should governments seek well-educated, highly skilled people without regard for present labour force requirements? The consequence for Australia of this policy is that many of the skilled migrants – especially engineers – have been unable to find employment, either because there was a decline in the demand for certain skill categories or because there is a poor fit between the pre-migration experience and qualifications of migrants, and the experiences and qualifications sought by host country employers. Indeed, unless they are selected to fill specific positions, skilled migrants can be disadvantaged by the fact that their overseas qualifications may not be recognised, they may lack adequate language and cultural skills, and they may suffer from discrimination. Alternatively, recruitment could be tied to occupations where there are known shortages, and even to specific job openings.

How closely should migration policy be linked to existing labour force needs? How does a government decide what skills are or will be needed?

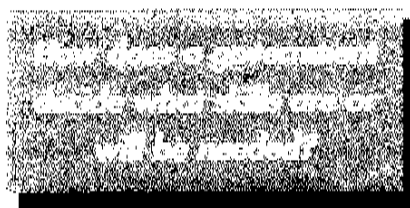
The record of skill migration programmes are mixed at best. Governments interested in embarking on a skill migration programme will need to make major commitments of finances, personnel and time. Australia, Canada and the United States – the countries most favourably placed to attract, recruit and exploit skilled migration – have encountered serious problems which points to a need for caution in embarking on a skill migration program. Whether or not the movement of skilled people disrupts the economies of the country of origin and the long-term consequences of this also needs to be considered.

Identifying skill

The assumptions underlying the acceptability of skilled migration policies are that governments can assess what kind of manpower the economy needs, and that skills can be assessed in some objective fashion. Skills can be ascertained in one of several ways: the education level or occupational experience of the migrant; the financial capacity of the migrant to invest in economic activities that would employ local people; and the migrant's fluency in the local language. Some skills-related characteristics are observable, but others, including entrepreneurial talent, ambition, creativity, work ethic and cultural adaptability – what scholars call 'cultural capital' – are not.

Australia gives preference, using a point system, to individuals with a successful business background and capital to invest, to those with education, age, skills and other characteristics which indicate a high capacity to contribute to the Australian economy, and to those with outstanding creative or sports talents. Like Australia, Canada has a points system based largely on the labour market skills of the candidate, including education, fluency in English or French, as well as business and investment experience. In both Canada and Australia, immediate family members who also qualify under the skill categories are given first preference for admission.

The United States places less emphasis on skills than Australia and Canada, and greater emphasis on family unification. In 1990, however, a new immigration act increased the number of employment-based visas available to professionals with advanced degrees, and to individuals with business skills or investment capabilities. United States policy is chiefly the responsibility of the legislative branch rather than the executive. Specific details of policy, such as the number to be admitted in a given year and a given category, are part of immigration law and cannot be changed readily by Congress, or changed at all by the administration. As a result, United States policy is less flexible than those of other receiving nations.



The skills level of immigrants to Australia and Canada is comparable to, if not higher, than that of the native population, which supports the view that immigration has resulted in a modest improvement in the overall stock of human capital. This is not the case in the United States, where the skills level of immigrants has declined over the past 30 years. This indicates that a points-tested system has discernible effects.

In all three countries universities indirectly play a role in the choice of new migrants, mainly through providing potential immigrants with employer connections. Employers may, in effect, nominate individuals for admission. In the United States, for example, students with advanced degrees and high levels of professional skills are often able to find employers who then help them to obtain the coveted 'green card' which entitles its holder to remain in the United States, and subsequently to seek citizenship. Universities provide potential immigrants with employer connections, and employers may, in effect, nominate individuals for admission.

Although migrants' skills are often regarded as central to migration policy, skill is only one of several criteria for determining who will be granted immigration status, and competing criteria affect the outcome of skilled migration programmes. In all three countries, family reunion is a high priority. As the number of family members admitted each year increases, the number who can be admitted under skill criteria declines correspondingly. On average, moreover, family members tend to have a lower level of skills than the migrants with whom they are being united. The skills balance can be restored, either by reducing the number admitted under family reunion (by excluding brothers and sisters or adult children) or by increasing the annual quota so that more skilled migrants can be admitted.

The benefits of skill migration programmes

Increasing human capital

Economists argue that an increase in human capital will result in a rise in productivity, which in turn generates more employment. Skilled migrants arrive already educated and trained, so that the receiving economy experiences a net increase in human capital without having to subsidise its creation. If migrants are young and skilled, in time they will contribute to the economy in a way that will benefit the entire country. Skilled people drive the economy and therefore provide employment for the less skilled; if firms need engineers and

managers, they should be free to recruit outside the country when locally skilled people are not available. Moreover, firms in third world countries must compete not only against one another but also against firms in the first world, and must therefore have the kinds of highly skilled people that enable them to compete globally. Malaysia, for example, imports people with skills, even though at the same time some of its own educated citizens seek employment abroad. The international experience also suggests, however, that when migrants do create small businesses, they often prefer to hire migrants from their own ethnic communities rather than employ locals.

'Spillover'

One of the chief presumed benefits of skill migration is what some economists refer to as 'spillover'. Immigrants are believed to possess certain traits that cause them to work harder, and be more innovative and dynamic. It is thought that they are more likely than natives to be entrepreneurs who can jump-start lacklustre economies by creating new businesses and developing new products. A report from the Economic Council of Canada notes, however, that it is necessary to prove, rather than assume, that immigrant entrepreneurship contributes to the growth of business above what it would have been in the absence of migration.

Increasing financial capital

Canada, Australia and the United States have introduced special economic admissions categories for 'investors' or 'business migrants' that are effectively designed to lure those individuals with financial capital to invest in the host country. The assumption behind such policies is that any expansion of the sum of capital investment in the country is beneficial; therefore, special migration incentives are needed to attract sufficient investment. Business migration programmes to attract investors and capital are generally regarded as a failure in both Canada and Australia, since much of the investment has gone into real estate rather than into the creation of employment. When migrants do create small businesses, they often prefer to hire migrants from their own communities rather than employ locals. Both countries have had to suspend and revamp their programmes.

These programmes have been heavily criticised because of fraud and other unintended consequences, quite apart from the perception some have that they allow the rich to 'buy' their way into the country. It is interesting to note that the controversy over the rapid immigration of Asians to Vancouver is generating fear among the immigrants, especially

those from Hong Kong, that the city's residents are about to 'shut the gates'. Most Hong Kong migrants come in as investors (bringing a minimum of \$350 000 to live in British Columbia, or \$250 000 to live elsewhere in Canada), and feel 'they want our money but not us'. *The Urban Age* (a World Bank publication) concludes that, 'while community leaders attempt to calm these fears, there are many indicators of racism'¹¹ and an anti-immigrant backlash, such as the recent political triumph of the Reform Party in British Columbia, which was critical of Canada's liberal immigration and refugee policies.

Competitiveness and new links

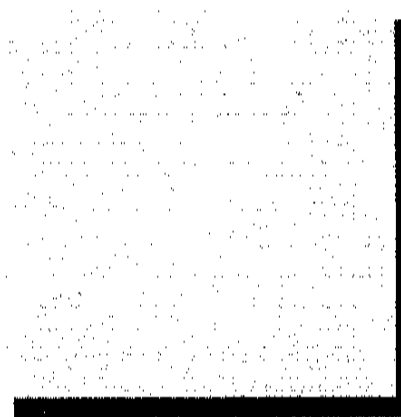
Immigration might play a role in bringing into a country specific skills such as language, cultural familiarity and personal networks. As countries increasingly become 'suburbs in the global economy' third world firms up against their first world counterparts can benefit from the creation of cultural links and technology transfer to which skill migration programmes contribute. Highly skilled people enable third world firms to compete, not only with each other but globally. However, there is as yet scant evidence on the efficacy of targeted skill migration programmes.

Unemployment

The most contentious debate on skill migration centres on the question of whether immigrants take more jobs than they create. Do skilled immigrants adversely affect the employment of native workers with comparable skills? The general answer one finds in the economic literature is a qualified 'no'.

Although there has been little empirical research on the impact of immigration on native job prospects in Australia and Canada, this topic has received much attention in the United States, where a recent review concluded: 'While immigration may cause some decrease in employment and wages among low-skilled non-immigrants, depending very much on the region or industry examined, these effects are small. Immigrants (and illegals) tend toward only weak substitutability or complementarity with non-immigrant groups, with the overall result being essentially benign. Other studies, however, point to the impact of illegal migrants on keeping wages down in the United States agricultural sector.'

This concern for the local workforce obscures the possible unemployment of skilled migrants in countries of destination. While often portrayed as the cause of the problem, skilled migrants may suffer unemployment and social mar-



ginalisation. For example, in Australia many skilled migrants, particularly engineers, have been unable to find employment. One recent study found that among people claiming qualifications in civil engineering, those from non-English-speaking backgrounds were four to seven times more likely to be unemployed than Australian-born civil engineers.

Skilled migrants are unemployed either because the demand for certain skill categories has declined, or because of a 'transferability gap' – the disjuncture between the pre-migration experience and qualifications of migrants, and the experiences and qualifications sought by host country employers. Imported skills must respond to true vacancies in the countries of destination, and the skills of the migrant must fit the requirements.

Critics of skill migration programmes are concerned that local graduates of high schools and colleges will be resentful if good jobs are taken by immigrants. The political consequences could be alarming. If skilled migrants are needed to drive the economy at a time when locally skilled people are in short supply, then firms should be permitted to recruit older qualified migrants from abroad who can temporarily fill the gap until the educational system can expand the country's human resources.

As was the case with guest worker programmes, the importation of skills should not occur at the expense of opportunities for training and advancing the local population. There is also the risk that skill migration programmes will become a substitute for the kind of education and training programmes that will enable a country to meet its manpower needs internally.

Key points at a glance ...

- Governments need to consider whether they are doing enough to keep skills within the country.
- To be successful, a skill migration programme must:
 - determine need;
 - select and recruit appropriately qualified workers;
 - integrate them into the national economy and
 - conduct subsequent evaluations of programme effectiveness.

CHANGING MIGRATION PATTERNS THROUGH REGIONAL DEVELOPMENT 14

Dominant international movements of people are south-south. Nonetheless, substantial migrations also occur when relatively poor and rich countries are close to one another. Frustration with the inefficiency and costs of measures for restricting the number of illegal and legal migrants from a given pool of aspiring entrants has promoted interest in measures to reduce the pool of aspirants. Can countries of destination influence conditions in countries of origin so that fewer people will emigrate in search of jobs and higher wages?

Three major policy instruments – expanded trade, foreign investment and development assistance – aimed at stimulating the economies of sending countries in an effort to reduce the socio-economic incentives for exit are reviewed here. Most often the major constraint on destination countries in respect of improving the economic conditions and labour markets in sending countries, and thus limiting the pressure to emigrate, is the policy framework of the sending country.

Expanded trade

In theory, this is the most promising instrument. From the view of reducing migration, trade has two benefits: it stimulates employment in the country of origin, and it reduces the demand for low-wage labour in the country of destination. Destination countries can give preferential access to goods produced in the country of origin, selectively lower trade barriers, and lower or end protection against labour-intensive imports. The effect of such policies can be to expand production and investment in the country of origin, provide more employment, and, for the country of destination, eliminate many low-wage jobs that attract migrants. Moreover, in negotiating trade conditions there is some room to influence the sending country's policies.

That's the theory. The reality is that trade policy is a complex tool. In the short term, a reduction in trade barriers can result in the closing down of protected industries in the country of origin, and increasing unemployment. The removal of trade barriers between the United States and Mexico, for example, is expected to result in a loss of employment in Mexico's agricultural sector, especially in corn production, since corn is more cheaply and efficiently produced in the United States. Moreover, the development spurred by freer trade can often increase, rather than reduce, incentives to emigrate.

In the words of Weiner, trade, 'rather than serving as a substitute for labour migration, may actually induce it by cre-

ating new networks, expanding channels of communication, and increasing communications. Only after an extended period of economic growth and a significant rise in wages is there likely to be a substantial reduction in pressures for emigration.¹³ Higher incomes make emigration financially easier, raise expectations, and could lead to growing disparities in the migrant-producing countries. Development induces migration from rural to urban areas, and thus sets in motion a process of step migration. Although development provides more jobs, in some sectors of the economy labour opportunities may deteriorate.

Lastly, with greater development comes an increase in communication and information about opportunities elsewhere. It is unclear which of these factors is most influential in inducing emigration. Probably the most decisive variable is the loss of employment in some sectors of the economy, but there is evidence that the other variables are also significant determinants of migration. It is undisputed however, that the short-term effect of eliminating trade barriers and increasing development is more, rather than less, migration: Korea, Taiwan, Hong Kong, Turkey, Greece and Puerto Rico generated large numbers of migrants as their economies expanded under the impetus of trade.

Most of the discussion as to whether migration and trade are complements or substitutes has been conducted within a long-term framework in which investment patterns can alter. In time, as development continues, emigration declines. Lucas provides evidence to suggest that emigration declines, not when employment and wages between countries of origin and countries of destination are the same, but when a specified level of GDP per capita is reached. This 'migration transition' appears to take place when GDP per capita for countries of origin moves into the \$2 000 to \$3 000 range.

In assessing the efficacy of trade policies in deterring migration, one needs to look at the range of policy instruments open to the countries of migrant destination to improve the trade position, and employment in particular, in the countries of origin. A critical distinction must be maintained between changes in the destination country's own policies versus an ability to affect origin country policies. Within destination country policies, a further distinction must be made between providing imports to the countries of migrant origin on a preferential basis versus direct attempts to enhance exports from the countries of origin. In principle, the higher-income destination countries could improve the terms of trade for their lower-income neighbours by subsidising the flow of imports into the countries of migrant origin. Indeed, food aid represents precisely such a strategy, which could be replicated more generally with other forms of subsidised trade.

A general improvement in the terms of trade through lower import prices normally leaves any country better off,

and the enhanced outcomes at home may deter migration. However, selective reductions in import prices depend critically upon which imports are affected. Any reduction in prices of the more labour-intensive, import-competing industries can obviously displace labour and hence potentially exacerbate the desire to emigrate. This criticism is frequently levelled at food aid, which may hurt the smaller farmers and agricultural labourers.

Similarly, in principle, a number of methods exist for offering preferential access to origin country exports. These range from the selective lowering of import barriers against the specific countries of origin, but not others, to lowering import protection against the specific goods exported by the country of origin, to overt preferential buying of origin country goods despite less competitive prices. Lowering import barriers is never easy, and will naturally incur resentment from domestic import-competing business. Lowering protection against labour-intensive imports from the country of origin may be particularly potent in reducing emigration pressures. Not only should such a strategy help to provide jobs in the country of origin; it can also eliminate jobs attracting immigrants to the destination country.

Investment

Movement of international capital to low-wage regions can hasten development, but, at present, investment in very poor countries remains low. One important reason is that there is a higher rate of return on investment in higher-income economies. Other reasons include:

- many governments of low-wage economies have been hostile to foreign investment, or have failed to take appropriate measures to make investment attractive;
- local labour laws are often a disincentive;
- infrastructure, such as power and transport, are unsatisfactory;
- in the absence of mass primary education, human resources remain neglected; and
- governments are often unstable and corrupt.

There is often little countries of destination can do to promote direct foreign investment, since the obstacles to such investment can generally be addressed only by the country of origin.

Aid

Similarly, development assistance aimed at improving employment, wages and productivity which might, in the long run, reduce emigration can be undermined by the policies of the country of origin. Many third world governments are dominated by rapacious elites which are more concerned with their own prosperity than that of their country. Much development

aid has gone into projects that do little to expand employment, and food aid has often brought down the price of agricultural goods and hurt job creation in the agricultural sector, as suggested earlier. Moreover, the financial aid that one government provides another to promote economic growth and thereby reduce pressures for emigration may be diverted by a predatory regime into private bank accounts. Indeed, there are many accounts of government officials becoming rich with a speed that parliamentary cheques alone cannot explain.

Aid can be effective in creating infrastructures and relieving poverty – though neither is likely to do much to stem migration. More importantly, development assistance can be an instrument for inducing governments to adopt labour absorption investment strategies and promoting economic liberalisation – in other words, aid, either bilateral or through multilateral international institutions, can serve as leverage for changing the policy framework of the sending country.

Where aid can be effective is in enabling refugees to return home once strife and violence have ended. Aid is principally needed for two reasons: to provide refugees with transport and supplies to go home, and to help with reconstruction. Assistance can range from mine-clearing operations to measures to restore transport and irrigation facilities, so that returning refugees can resume agricultural production. Refugees may need seeds, agricultural implements and financial assistance to enable them to plant crops, as well as supplies of food and clothing to get them through until the harvest.

Aid to disaster-afflicted areas from which people have fled is another form of practical and humanitarian intervention that has made a substantial difference to the magnitude of emigration, discouraging internally displaced people from crossing international boundaries. Those countries willing and able to provide international assistance should consider the case of internally displaced people as well as refugees: there are more people who are internally displaced than there are refugees.

Key points at a glance ...

- Trade, investment and development assistance are weak instruments in terms of changing home employment opportunities and thus affecting outflows from neighbouring countries. The evidence is mixed at best, and a qualified picture emerges as to the combined efficacy of the three instruments.
- In the short term, development spurred by freer trade results in more rather than less migration.

REFUGEE POLICIES 16

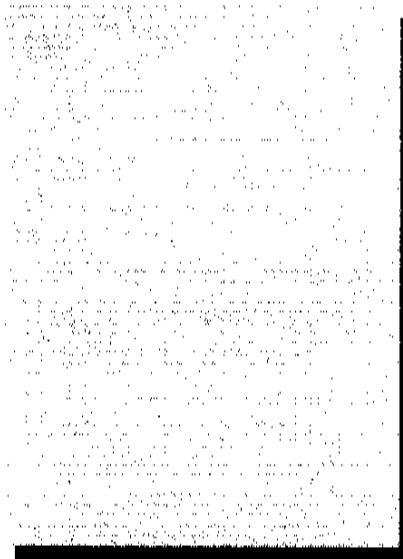
By 1991 it was estimated that there were 30 million refugees and internally displaced people in the developing world¹⁷ (see box, page 19). Although refugees are a worldwide phenomenon, the African continent is now the principal source of the world's refugees and internally displaced persons. In 1993 there were six million refugees (and another three million internally displaced) in Africa, originating in 22 countries and scattered among 38 countries. Although the United Nations High Commissioner for Refugees (UNHCR) has attempted to develop a comprehensive refugee policy and to get at the 'root causes' of refugee flows, in practice governments and international agencies have largely responded to refugee flows in an ad hoc case-by-case fashion. Governments in Africa, and indeed elsewhere, have responded with a number of strategies intended to limit the number of refugees that are produced and to reduce the number entering their countries – by providing temporary protection in lieu of outright refugee status, by facilitating the return of refugees when conditions have improved, and, in a few instances, by intervening in the country of origin in order to eliminate the causes of refugee flows.

Refugee policy is clearly distinguished from immigration policy: whereas immigration policy is designed primarily to serve the interests of the receiving country by admitting selected categories of foreign nationals and preventing unauthorised entry by all others, refugee policy arises from the legal and moral obligations incumbent upon open societies by virtue of their membership in an international community.

Most fundamentally, international law obliges states not to reject foreign applicants for asylum if such rejection entails their being returned to a place where they are in danger of being persecuted (the *non-refoulement* principle). As Weiner argues, 'the ghosts of shiploads of Jewish refugees who were turned back to Nazi Germany, where they were then slain, should haunt policy-makers.'¹⁸

Defining 'refugee'

The basic international instrument for protecting refugees is the United Nations Convention Relating to the Status of Refugees which was adopted in July 1951, shortly after the creation of the UNHCR. The scope of the convention was expanded by a protocol adopted in 1967. The convention states that refugees should be treated 'without discrimination as to race, religion or country of origin'. It states: 'Every



refugee has duties to the country in which he finds himself, which require in particular that he conform to its laws and regulations as well as to measures taken for the maintenance of public order. Critical elements in these instruments are: persecution, war and generalised violence, and life-threatening situations. A refugee is defined as a person persecuted, or having a well-founded fear of persecution, for reasons of race, religion, nationality, political opinion or membership of a particular social group. Another important element is the principle that no person should be forced to return to

a country where his or her life or freedom would be endangered. Article 33 prohibits a state from expelling or returning a refugee. Other legal documents defining refugee in international law are the 1950 Statute of the Office of the UNHCR and subsequent authorisations by the UN General Assembly, the 1969 Convention Governing the Specific Aspects of Refugee Problems in Africa of the Organisation of African Unity, and the 1984 Cartagena Declaration on Refugees (in the Latin American region).

Supplementing the 1951 convention, the Cartagena declaration includes 'generalised violence, foreign aggression, internal conflicts, massive violation of human rights, or other circumstances which have seriously disturbed public order'. These events have to be of a kind that threaten the 'lives, safety and freedom' of the persons in question.

As Weiner points out, 'the definition of refugee need not be expanded to include all whose human rights are violated or who are in economic distress, for that would result in a massive increase in claimants beyond what states can reasonably be expected to accept, and hence would undermine the asylum and refugee regime.'¹⁹

Refugee flows

Refugee flows have also developed in a variety of patterns in the different regions of Africa. In southern Africa, violent decolonisation, the presence of white settlers and external intervention by outside powers (including South Africa) exacerbated ethnic and regional cleavages. Major flows in the region have been from Angola, Mozambique and, to some extent, Zaire. On the Horn of Africa, secessionist movements and irredentist claims – all part of a process of competitive state formation – led to large-scale violence and refugee flows in Ethiopia, Eritrea, Somalia and Sudan. Elsewhere in sub-Saharan Africa, weak predatory states, characterised by contending elites concerned with their own gain, led to the misallocation of resources, exploitation and repression, which

produced massive refugee flows. Chad, Uganda, the Central African Republic, Liberia, Sierra Leone, Rwanda and Burundi have all experienced violent implosions which produced considerable refugee flows. These flows, in addition to the suffering imposed on the refugees themselves, have placed a heavy burden on the countries that receive them.

The burden of refugees on developing countries

The burden refugees place on a country's land, environment and economic resources is particularly great for developing countries. For their part, developed countries have made clear their unwillingness to resettle significant numbers of refugees from the south.

As such, the expectation is that there will be relatively few intercontinental asylum seekers, and that refugees will stay in the south, in return for which the north will provide financial assistance. It has been suggested that economic aid rather than acting as a remedy for a country's high unemployment or low economic growth rate might be intended as payment to a government to halt a refugee flow.

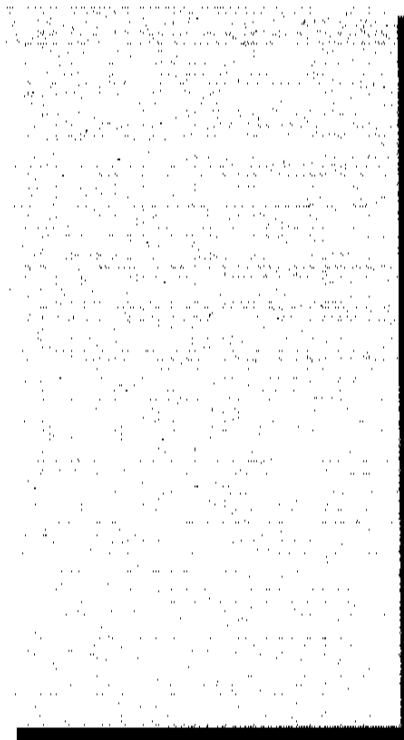
As Weiner states, 'To put it bluntly, governments may pay to avoid what they do not want'²¹ Economic assistance from the United States to Haiti in the 1970s was intended to persuade the recipient country to halt the exodus. Governments can also use economic leverage to induce other governments to retain refugees.

For example, the United States and France were willing to provide economic assistance to Thailand on condition that they thus hold Vietnamese refugees rather than permit them to try to enter their own countries.

Would-be migrants often seek entrance to developed countries by claiming asylum; in the north this has raised issues regarding the criteria and procedures for choosing those who seek protection and screening out those who do not qualify. The United States and various west European governments have tightened up their asylum processes and limited access either through interdictions or by creating 'safe havens' in third countries.

The states of western Europe have also signed a variety of regional agreements intended to harmonise their asylum procedures, to create buffers in central Europe to reduce the flows into Germany, and to establish procedures for continuous intergovernmental consultations.

No single country should be asked to provide protection, and bear all costs, for accepting refugees. An equitable inter-



national regime for sharing the costs of accommodating refugees and refugee settlement is vital.

Intervention

Governments need to assess to what extent they should participate in political efforts to reduce conflicts in countries that generate refugee flows, help to manage refugees and their returns, and what resources – financial, economic, military, moral – they should contribute. When states are unwilling or unable to intervene to remedy conditions in source countries, the moral pressures for more generous entry policies increase.

An important departure from the past is the use of military intervention to restore order in the country of origin and reduce the outflow of asylum seekers. National security pol-

Refugees²²

Worldwide refugee flows show no sign of abating. Within Africa alone, the number of refugees increased from 2,7 million in 1981 to 5,4 million in 1992, and in Asia it went from 4,6 million in 1981 to 7,2 million in 1992. Wars in Yugoslavia and in the former Soviet Union have also generated massive refugee flows in Europe, from 600 000 in 1981 to 3,6 million in 1992. Growing numbers of refugees have sought asylum in the United States and in western Europe; in 1992, more than 400 000 people sought asylum in Germany alone.

The list of countries now producing refugees is long: Afghanistan, the former Yugoslavia, Rwanda, Mozambique, Somalia, Ethiopia, Eritrea, Liberia, Angola, Azerbaijan, Tajikistan, Burma, Haiti, Sudan, Sierra Leone, Burundi, Sri Lanka, and Armenia. Many of these countries also have large number of internally displaced persons. According to the World Refugee Survey, the numbers of refugees declined in 1993, but the number of internally displaced persons has grown.

Although many are refugees, others are economically motivated migrants using the asylum claim as a way of getting into countries that they cannot enter under migration laws.

icy is now linked to refugee policy as means to an end. Human rights are now a global matter, and governments may create refugee burdens for others.

There is a new and growing worldwide consensus that external intervention to deal with political and economic crises within states that generate refugee flows can be legitimate, but only if this is authorised by the United Nations or regional bodies. United States intervention in Haiti, and multinational armed intervention in Iraq, Somalia, the former Yugoslavia, Cambodia and elsewhere have been carried out with United Nations approval. Bilateral negotiations for preventing or accommodating refugee flows or arranging the return of refugees have also become more pronounced, such as those between the United States and Cuba, Germany and Poland, Bangladesh and Burma, and India and Bangladesh. After years of hesitation, Nato militarily intervened against Serbia, forced a ceasefire and agreement among the contending parties, and then sent in troops to separate the armed forces.

There have been similar efforts at regional intervention by West African governments in the civil conflicts in Liberia. Regional peacekeeping operations by countries within Africa are particularly promising, but they are likely to need financial and logistical support from developed countries.

Western European governments have had little success in changing conditions in the Balkans or in the former Soviet Union that have generated refugee flows, including those from Bosnia, Croatia, Slovenia, Serbia, Chechnya, Azerbaijan, Armenia and Tajikistan. International interventions have largely been for providing humanitarian assistance or peacekeeping operations, when the contending sides have agreed to an international presence.

The states of central and eastern Europe are now adhering to the basic international instruments noted above as part of their demonstration that they possess the qualifications for admission into such organisations as the Council of Europe. The United States and western Europe have in recent years become receiving poles in regional refugee systems that have some similarities with the southern African situation. In regional systems of this kind, traffic is decidedly one-way, and potentially very large. The patterns of forced migration reflect the presence of zones of war or massive human rights violations alongside countries of relative peace and civic order.

To further complicate matters for receiving states, there is also a parallel division of economic wealth and migration flows. For such structures of conflict and inequality to become a refugee system requires, in addition, an infrastructure which permits the movement of potential refugees, supportive social networks from previous migrations, a body of international refugee law which accords refugees specified rights, and, most importantly, effective communications. Where

these have not been contractually accepted and/or incorporated in national legislation by receiving states, we can say that de facto refugee systems develop instead.

Key points at a glance ...

- Refugees are normally driven from their country of origin by a national crisis, whereas illegal immigrants make a primarily individual decision to cross borders.
- Countries need to reconcile their national interest with their international obligations towards refugees.
- Distinguishing between people who qualify as refugees under international norms and illegitimate asylum seekers could be seen as an administrative rather than moral problem. But, as Weiner warns, 'states will not escape from the moral conundrum of devising ways of deterring false claimants without deterring genuine refugees'¹⁹

CONCLUDING REMARKS

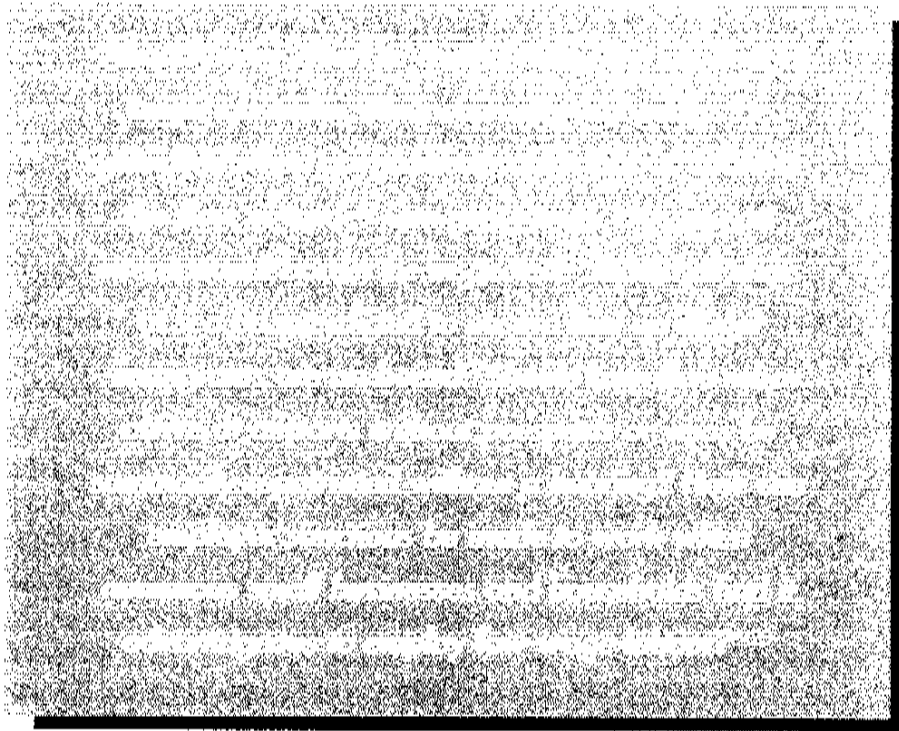
In this report we have summarised the international policy experience with respect to five critical issues: managing illegal immigration; the costs and benefits of migrant labour or guest worker programmes; the complexities of targeted skills migration; influencing migration patterns through regional development; and refugee policies.

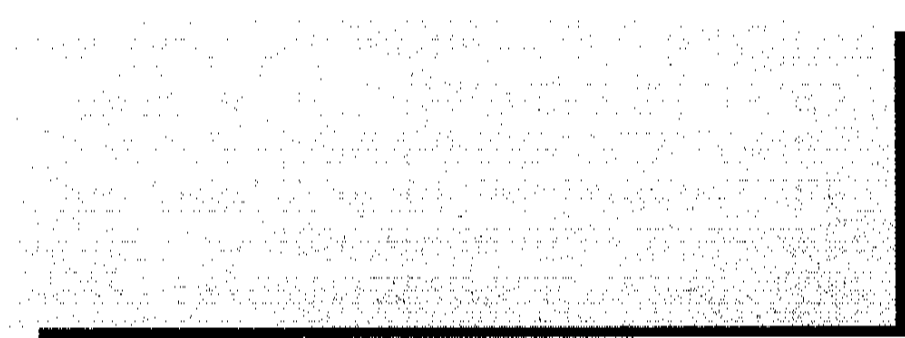
All these issues are important in thinking about how South Africa deals with the package of issues that make up migration policy. Many of the lessons and ideas arising from this review of the international experience are applied to South Africa in the second report in our Migration Series, entitled *A new approach to migration policy in South Africa*.



ENDNOTES

- 1 The papers will be published by Cassell Academic of London, in a book due to appear later this year.
- 2 Extracted from M Weiner, *The global migration crisis: challenge to states and to human rights*, New York: Harper Collins College Publishers, 1995, p 93.
- 3 Ibid, p 28.
- 4 This section is a summary of *Control over entry* a paper by Professor Mark Miller commissioned for this study.
- 5 Weiner, *The global migration crisis*.
- 6 Ibid.
- 7 Ibid, p 205.
- 8 Ibid.
- 9 Ibid.
- 10 Ibid, p 93.
- 11 This section is a summary of *Guest worker policies*, a paper by Professor Philip Martin commissioned for this study.
- 12 This section is a summary of *Skilled migration policies*, a paper by Professor Gary Freeman commissioned for this study.
- 13 See International migration and cities, *Urban Age*, vol 2 no 3, 1994.
- 14 This section is a summary of *Trade, investment and development assistance*, a paper by Professor Robert Lucas commissioned for this study.
- 15 Weiner, *The global migration crisis*, pp 213-4.
- 16 This section is a summary of *Refugee policies*, a paper by Professor Astri Suhrke and Aristide Zolberg commissioned for this study.
- 17 S Bearman, *Strategic survey 1990-1991* International Institute for Strategic Studies, London, 1993, p 5.
- 18 Extracted from Weiner, *The global migration crisis*.
- 19 Ibid, p 219
- 20 Ibid.
- 21 Ibid.
- 22 Ibid, p 214.
- 23 Ibid, p 219
- 24 Ibid, p 28.
- 25 Ibid p 10.





This edition of CDE Research is based on the following background research reports, which may be purchased at R45 per report (South African price), or US \$20 (overseas price, including airmail postage):

- Control over entry. Mark Miller, professor of political science and international relations at the University of Delaware.
- Guest worker policies. Philip Martin, professor of agricultural economics at the University of California, and chair of the university's comparative immigration and integration program.
- Skilled migration policies. Gary Freeman, professor of government at the University of Texas.
- Trade, investment and development assistance. Robert Lucas, professor of economics at Boston University.
- Refugee policies. Professors Astri Suhrke and Aristide Zolberg, director of research at the Chr Michelsen Institute in Norway and director of the International Centre for Migration, Ethnicity and Citizenship respectively.

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