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Immigration at a Critical Juncture By Dr. Amelie Constant



Economic migration is as old as humanity. It is characterized by a never ending dynamism, is linked to international trade and geopolitics, and is propelled by demand-pull and supply-push factors. Migration issues are as complex as human nature. Today, immigration has resurfaced as a contentious issue and is at a critical juncture in both the U.S. and Europe. Fervent debates in the media, among lawmakers, and the average citizen portray the severity and importance of immigration issues and ask for action before an immigration implosion occurs.

For every country, immigration management is a very sensitive issue. In the U.S., immigration reforms center upon the undocumented immigrants (estimated to be close to twelve million), their impact on wages, their ascension to citizenship, and border control. The questions are: how to make these twelve million undocumented immigrants to come out of the shadows, but keep them productive and free; how to minimize the odds that the phenomenon of illegal immigration reoccurs; and how to ensure secure borders. In Europe - and Germany in particular, which boasts the largest number of foreigners (7.3 million) of any western industrialized country in relationship to its population size - the challenge is to encourage, support, and foster the economic and social integration of immigrants, to increase their labor force participation, to advance the conditions for foreigners and Germans living together, to prevent discrimination of foreigners, and to improve common values and ethnic identities.

Still, as both the U.S. and Europe confront their own realities, they also face common issues and objectives. The vast majority of their immigrants are coming through kinship; they have a continuous and pressing need for economic migrants; their objective is to maximize the benefits and potentials of immigration against immigration costs both in the pecuniary and psychic sense; and retaining a strong and healthy economy.

Economic migrants are needed and should be embraced especially *because* they are different than the natives. As such, they should be viewed as an enriching element in society and a positive factor of production. As President Bush said on March 27, 2006, immigrants "bring a renewal to our national character and add vitality to our culture." In Germany, officially acknowledged as a country of immigrants by the new Immigration Act of 2005, "integration is one of the major tasks and

challenges of our time," as Chancellor Angela Merkel said in her first major policy statement before the *Bundestag* on November 30, 2005. She also placed the Commissioner for Migration, Refugees and Integration in the Federal Chancellery to deliberately stress the importance of this task to her personally.

Economically-driven immigrants gain more permanent and successful access to the labor market than other groups, and they tend to leave the country sooner if they fail. Low-skilled immigrant workers typically fill gaps in the labor force and take over jobs that resident Americans or Germans do not want to perform, or at best for a salary well above what low-skilled immigrants would receive. So long as low-skilled immigrants complement native workers, benefits increase for all groups involved: the employers profit from cheap labor, the consumers benefit from inexpensive goods and they increase consumption, other workers are better off by keeping the production process alive, and migrants improve their socioeconomic status, compared to the one in their home country. For example, guest-workers in Germany induced upward economic and occupational mobility of native Germans as they contributed to the German "*Wirtschaftswunder*." Highly qualified immigrants can create jobs for low-skilled native workers, thus helping to reduce unemployment, rev-up the economy, and increase national output of goods and services. Immigrant scientists and engineers, whether they come under working visas or they stay after they graduate from U.S. or German universities, certainly contribute to new product research and development and to scientific innovation that is much needed for a country's comparative advantage and competitive edge.

Openness towards the ethnicity of the host country is a prerequisite for successful economic participation, but maintaining one's own ethnicity while at the same time integrating into the society of the host country is economically more favorable than mere assimilation. The French "Republican" assimilation model that aspires to efface ethnic and national origins in the second generation immigrants is an egregious example of cultural, political, and economic failure. It is their ethnic capital that makes migrants all the more valuable to the receiving country.

Legalized or amnestied immigrants often perform a lot better after they are granted amnesty: they are able to find better jobs and increase their wages. The general presumption behind this is that because economic migrants are selected according to their skills, they have a higher probability of succeeding in the host country's labor market and achieve accelerated economic conditions. Obviously, illegal migrants do not always seem to qualify for this. However, amnesty is typically given to successful illegal migrants, e.g. those who have found work over a particular period of time and have proven that they are attached to the labor market and are desirable participants in the labor force. Consequently, amnestied immigrants are selected *de facto* by labor market forces. This type of selection should, thus, be more efficient than if it were imposed by a public bureaucracy that has insufficient knowledge about the labor needs of the economy. It is, therefore, quite possible that a strategy of allowing illegal migration with a policy to provide amnesty can be efficient under certain circumstances.

Australia and Canada, traditional immigration countries with similar immigration policies, have managed to attract a better mix of immigrants with respect to demographic characteristics and labor market skills than the U.S. These countries screen immigrants more carefully according to their expected ability to perform in the labor market and discriminate in favor of the most skilled immigrants. This is the route the European Union may take if it follows the lead of the United Kingdom, which has just recently assumed a pioneering role by implementing a point system to better select its migrants. Germany has discussed the implementation of language tests and expanding requirements of identification with its culture for immigrants who want to gain citizenship.

In the face of a predictable, ever increasing worldwide competition for

economic migrants in the next few decades, the U.S. would be better off by reconsidering its immigration strategies. The nation is currently struggling with this daunting task, namely by debating the merits of the introduction of a guest-worker program, the legalization of undocumented migrants already in the U.S., the strict deportation of others, a substantial increase in green cards, a stronger worksite enforcement of legal employment, and more secure border controls.

International migration research has shown that guest-worker programs will lead to a better selection of workers. Those who are unsuccessful and those who have achieved their goal to save for their home country will ultimately return to their home countries, if they have the impression that they can re migrate if the situation improves. Strict border controls with no flexibility for economic migration will only lead to a decline in return migration even for those who are unemployed, a rise in family reunification in the host country, and increased fertility rates. In the end, many will go back, but as the German paradigm shows, about a third of the original guest-workers will choose to stay permanently in the host country. Immigrants or guest-workers who feel that there is a long-term plan for them, that they are welcomed to stay as legal and productive members, certainly fare better and make greater contributions to the economy than temporary immigrants and guest-workers who are expected to go away soon. The migration system has, therefore, to provide clear guidance under which conditions these "guests" can receive permanent migration visas.

Effective immigration policies need to be realistic and consistent with humanitarian values. A more economically-motivated immigration policy based on the principle of skill selection can substantially improve the economic prospects of migrants both in the U.S. and in Germany, and thereby also contribute to their better acceptance in society. However, integration policy must be an integral part of any economically-founded immigration policy. Language requirements, citizenship tests, and other screening methods are certainly useful tools for the newcomers and those who want to obtain citizenship. It is also of critical importance that the receiving country identifies problem groups, provides them with guidance and assistance, and facilitates their socio cultural integration. As the German experience shows, fostering education and language acquisition remains crucial throughout the second or third generation of immigrants, as they are the future of their adopted country.

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