

# International Migration in the Age of Crisis and Globalization

**Historical and Recent Experiences**



**Andrés Solimano**

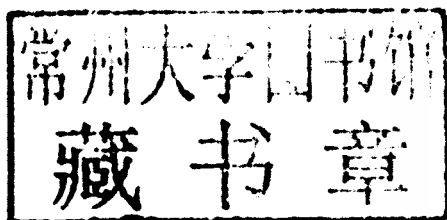
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# International Migration in the Age of Crisis and Globalization

*Historical and Recent Experiences*

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and Development, CIGLOB, Santiago, Chile



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*To my wife Bernardita, daughters Gracia and Paula, and son Pedro.*

*To the memory of my late mother Sofia. To my father Ivan.*

“Give us your tired, your poor, your huddled masses yearning to breathe free.”  
*Inscription on the Statue of Liberty, New York, erected in 1886*

“A Third World invasion of the United States, the largest in History, is taking place today along our undefended two-thousand-mile border with Mexico; *La Reconquista*, the reconquest of the American Southwest by Mexico, is underway.”

*Patrick J. Buchanan, former U.S. Presidential Candidate,  
State of Emergency, 2006*

“Realizing potential global welfare gains from migration may require not just allowing individuals to emigrate from low-income countries in larger numbers but also allowing them to sort themselves across receiving countries according to labor markets’ reward to skill.”

*Professor Gordon H. Hanson, University of California, San Diego,  
International Migration Expert, 2008*

“The new directive on return of immigrants in Europe establishes criteria for the deportation of irregular immigrants in 27 member states and prison terms from 6 to up to 18 months for undocumented immigrants.”

*Law Resolution of the European Parliament, approved June 2008*

“We were very generous with the Europeans who arrived in our land in the last century, and the truth is that it is not fair for our people to get a denigrating treatment (in Europe).”

*Michelle Bachelet, former President of Chile, the 35th Presidential Summit  
of MERCOSUR countries, Tucuman, Argentina, July 2008*

“When European migrants arrived in America, they took possession of thousands of hectares of land, mines, natural resources and exploited our people, while on the contrary, the Latin American people in Europe are not exploiting anyone, (and) they are not taking possession of thousands of hectares of land and mines, they are not destroying the natural resources.”

*Evo Morales, President of Bolivia, the 35th Presidential Summit  
of MERCOSUR, Tucuman, Argentina, July 2008*

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# ONE

## Introduction

### Understanding the Trends, Themes, and Strata of International Migration

As the quotations presented in the front matter of this book show, the international mobility of people is a controversial issue, with attitudes ranging from openness and tolerance toward immigrants in good economic times, to reluctance and even xenophobia and resentment, particularly during times of economic slowdowns, unemployment, and financial insecurity such as the one we live in now after the financial crash of 2008–09. From the late 19th century to the mid-20th century, international migration was an important engine for economic growth in such destination countries as the United States, Canada, Argentina, Australia, Brazil, and New Zealand – the so-called New World countries. Most of the immigrants to the New World came from Europe, particularly from Ireland, Italy, Spain, Poland, and Scandinavia, and from Asian nations (although the Chinese were often restricted). In the early 21st century, the geographic landscape of origin and destination countries for international migrants has changed fundamentally. In the last 20 years or so, due to their higher living standards and new economic opportunities (albeit moderate or partially reversed by the financial crisis of 2008–09), Ireland, Spain, Italy, and the Scandinavian and some Asian countries have turned from being, historically, net emigration countries to net recipient countries. These immigrants come from Latin America, Asia, Africa, Eastern Europe, and Russia – countries and regions that, at different points in time, have suffered economic and financial crises and political turmoil, and whose people seek, in foreign countries, more economic opportunities and stability for themselves and their families that are elusive at home. However, return migration from Spain, Ireland, and

the Czech Republic to Latin America, Eastern Europe, and Sub-Saharan countries is also taking place, because the receiving economies are also hit hard by the global economic slump of 2008–09.

At a time in which immigration is seen with skepticism and even open hostility in some recipient nations, it is useful to remind ourselves that immigrants contributed their bodies, minds, entrepreneurial energy, and creative talents to support efforts at mobilizing land, natural resources, and capital to spur economic growth and to help build the prosperity of their destination countries. The nations of the New World had abundant land and natural resources but were in need of people and capital – attractive for international migration, as well as financial inflows, to these countries. In the first wave of globalization (c. 1870–1914), Irish, Italians, Spanish, Poles, Russians, Swedes, and others flocked to New World economies. Great Britain, along with Germany and France, became the main financial center of the world's economy and the main source of external financing for these economies. Historically, capital and labor often went in tandem to nations that offered better opportunities than those found at home, a factor that contributed to a degree of income convergence across nations.

Now, in the early 21st century, the countries of North America, Europe, Japan, and Australia are – thanks, in part, to immigration – economically advanced and generally prosperous nations, enjoying much higher levels of per-capita income than the rest of the world, as well as superior technologies and organizational capacities. However, economic maturity is now coexisting with slow or stagnant population growth, low fertility rates, and an aging population. In some advanced economies, the population is shrinking. Thus, immigration provides much needed workers, professionals, and entrepreneurs to support growth and fill jobs in the service, technology, and health-care sectors, and in construction and agriculture – jobs that nationals increasingly do not want or where qualified candidates are in short supply. In turn, these countries need the fresh talent, ideas, and entrepreneurial drive that are often provided by immigrants in areas for which there exists a shortage of skills, such as the information technology sector, the health-care sector, and academia. The arrival of people is different from inflows of capital and goods. Receiving nations face complex dilemmas to accommodate strong pressures for immigration. The debates on the

economic gains and the labor market, fiscal, social, and cultural consequences of migration are heated. This book seeks to provide conceptual underpinnings behind the pushing and pulling factors of current migration waves, their development impact on source and receiving countries, and the historical contexts under which various migration experiences have taken place in order to contribute to the debates on the desirability, tensions, and costs involved in the current process of international migration and globalization. These issues are relevant at times of economic slump and beyond.

### **1.1 International Migration: Incentives and Drive Face Barriers**

Before discussing some of the imperatives behind and historical realities of international migration – the themes and important topics that are at the forefront of any discussion of international migration – this introduction highlights today's overriding conflict that is at the core of the debate. That is, a vast multidirectional movement of international migrants, spurred on by big differences in wages, living standards, degrees of economic security, and political stability across regions and countries, are butting up against policy barriers in wealthy countries that wish to stem the very tide that these countries are (perhaps unintentionally) creating. Moreover, in addition to the barriers to immigration in recipient countries, we find a certain indifference, or benign neglect, to emigration in origin countries as emigration contributes to "solving" domestic problems of open unemployment and underemployment in these countries. At the same time, the combination of the increased demand for immigrant manual and knowledge workers in times of economic expansion and the shortage of workers and skilled professionals, along with restrictions to mass immigration, causes a rise in irregular (or illegal) migration. In practice, actual migration policies in the north (advanced economies) are a practical compromise between a restrictive stance, particularly toward less-skilled immigrants, and a tolerance for undocumented and "illegal" migration. A main theme of this book is that, without addressing the core inequalities of the global economy and steering more dynamic and equitable



growth and development in the south, which is the main source of migrants in the global economy, it will be very difficult to contain the strong pressures for immigration to rich countries. At the same time, managing migration pressures will require an institutional framework to deal with international migration, a framework that today is largely absent. Such an institutional framework must address and regulate the main features of the current migration regimes in high-income recipient countries: (1) the tendency toward tolerated, irregular migration in segmented labor markets, which provides a flexible and low-cost labor pool to domestic firms and households in the recipient countries; and (2) the more favorable and liberal immigration rules directed toward foreign “knowledge workers” or “talent elites,” which help recipient countries maintain competitiveness in an increasingly competitive global economy that is in contrast with the tougher regulations on immigration of less-skilled workers; and (3) the lack of labor rights of irregular migrants. The pressures for immigration in high-income countries have receded to some extent in this time of economic slump, but these trends are likely to reappear once the global economy recovers from the current downturn.

**a. People Are Now Migrating Internationally in Patterns  
that Differ from Historical Patterns**

As of 2005, approximately 191 million people worldwide – nearly 3 percent of the world’s population – were living in a country different from the country in which they were born. International migration has increased substantially in the past four decades, particularly toward high-income countries, increasing threefold between 1965 and 2005 – the fastest growth period since the late 19th and early 20th centuries (Ratha and Shaw, 2007). Approximately 63 percent of these 191 million immigrants have gone from low- to medium-income developing countries to high-income Organisation for Economic Co-operation and Development (OECD) or high-income non-OECD countries. If we consider “north” as only the OECD countries, around 40 percent of people coming from developing countries (around 62 million people) go to work “in the north.” From an economic perspective, the direction