Economic Integration and Migration: Transatlantic Comparisons

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Executive Summary

This report summarizes the findings of research with Vienna-based colleagues that examined the impacts of economic integration and migration in cases of particular interest to Austria and California: migration from Turkey and Eastern Europe to Austria, and migration from Mexico and Central America to California. Martin visited Vienna in June-July 2005 and August-September 2006, and made five presentations to Vienna-area institutes on migration issues. This project benefited from the support of the Marshallplan and is likely to lead to ongoing collaboration.

The discussions and seminars highlighted the similarities and differences between Europe and the US on migration issues. The number of migrants around the world doubled between 1985 and 2005 to 191 million, but migration increased even faster in Europe, rising from 23 million to 56 million over these

two decades. Since the late 1980s in the EU-15, immigration has been a more important driver of population growth than natural increase, and immigration today is the major reason for population growth throughout the EU. In the US, by contrast, immigration accounts for about a third of population growth, that is, natural increase contributes about two-thirds to the average one percent a year population growth.

A second comparative dimension involved European countries and American states. Both have diverse immigration experiences. European countries range from traditional destinations for immigrants such as Switzerland and France to ex-colonial powers such as the UK and Netherlands, guest worker recruiters such as Austria, Germany and Sweden, and new destinations for migrants such as Italy and Spain. The six US states with 70 percent of US immigrants have similarly different histories, with California traditionally absorbing newcomers from Mexico and Asia, Florida receiving mainly Cuban and other Caribbean migrants, and New York having a more diverse flow of immigrants. As in the US, immigrants to Europe tend to settle in cities, making them quite visible to natives.

Immigration and integration policies are increasingly intertwined on both sides of the Atlantic. Countries such as the Netherlands and Sweden in the 1970s coupled recruitment stops with multicultural policies aimed at fostering the integration of those who settled, that is, government funds were used to enable settled migrants to retain their culture. When it became apparent that such policies were not successfully integrating all groups of newcomers, there were two reactions. First, immigrant selection and integration policies were linked with revised policies favoring those most likely to integrate successfully, such as foreign students and professionals. Second, many countries began to require immigrants, especially those receiving public assistance, to complete integration courses that emphasize learning the local language and culture on pain of losing their right to live in the country.

Several important differences that affect immigration and integration remain. Most important is the overall policy toward poorer countries that are the sources of migrants. The US policy toward Mexico and Central America, as exemplified by NAFTA and CAFTA, embraces free trade and investment in the hope that faster growth will reduce unwanted migration. The European attitude in successive enlargements is to provide aid and require democratic and economic changes in migrant-sending countries so that, when there is freedom of movement, few people will migrate.

Marshallplan support contributed to a 2006 book, Managing Migration, (Martin et al 2006) and to the ongoing analysis of migration developments in Migration News (http://migration.ucdavis.edu). The visits to Vienna contributed to scholarly exchanges and laid the basis for an improved comparative understanding of migration issues.

Austria and California

Austria-EU

Austria and the European Union increasingly resemble the US in being "unfinished nations" that are being shaped and reshaped by immigration. However, there is far less agreement in Europe about the desirability of immigration that provides workers and transforms cultures and societies. Most EU political leaders consider more immigration inevitable because of demographic trends that promise fewer workers and more retirees, but public opinion polls suggest that most Europeans want immigration reduced. This division between elite and mass opinion promises increased tension over migration as national debates interact with the EU, which is assuming more authority to coordinate national migration policies.

Like other northern and western European countries, Austria recruited guest workers from Yugoslavia and Turkey after reaching full employment in 1962, and halted guest worker recruitment in the 1970s. For the next quarter century, the Austrian government dealt with family unification among settled guest workers, east-west migration, asylum seekers, and rising unauthorized migration. However, even during the guest worker economic boom years of the 1960s, Austria's economy lagged behind its neighbors, so that there were almost as many emigrants from Austria to neighboring Germany and Switzerland as immigrants. Austria was also a major transit country for migrants and refugees headed west.

The current background for considering more immigration into Austria is that there were 330,000 foreigners employed in Austria in 2004, representing 10 percent of total employment. Half of the foreign workers were from the ex-Yugoslavia, 20 percent were Turks and 11 percent were EU nationals, mostly Germans. In mid-2002, Austria expanded options for non-EU nationals from new accession countries such as the Slovak Republic to be employed for up to 12 months in non-seasonal industries, after which the worker is to return home for at least two months. Foreign students were also given permission to work part time.

Immigration to Austria is subject to an annual quota, 8,050 in 2004, and the two major streams of newcomers under this quota are further categorized into key employees (2,200) and family reunification (5,500), with sub-quotas for each of Austria's nine provinces. However, the quota does not cover seasonal workers and EU nationals and their family members, which is why net immigration to Austria has been over 20,000 a year recently.

The number of asylum-seekers has risen sharply, so that in 2003 Austria received more asylum applications per capita than any other country, some

32,400. After applying, asylum applicants are sent to centers, where they receive accommodation and food. Asylum laws were changed effective May 1, 2004 to require an initial interview with asylum applicants within 72 hours of their application in order to determine if the applicant is ineligible for asylum, as would be the case if he/she transited a safe third country en route to Austria or applied for asylum previously in Austria or another EU country. If there are such grounds for denying asylum, a denial is to be made within 20 days to facilitate an appeal and removal, and to reduce a common practice of applying for asylum in Austria and then continuing further west, abandoning their Austrian applications.

Immigration and integration have been controversial in Austria, and Austria considers itself a front-line state with potential migrants from Eastern Europe and Turkey. Joerg Haider and the Freedom Party led a campaign against more foreigners, but national support for the Freedom Party dropped from 30 percent in 2002 to 10 percent in 2004. Vienna's government welcomes immigrants with a letter in their own language and offers German language courses paid for by the city government.

California-US

About 25 percent of California's 36 million residents were born abroad, and about e million of the 9 million foreign-born residents of the state are not authorized to be in the US. The largest share of foreign-born residents was born in Mexico, a country of 115 million, including 11 million who live in the US.

Since the federal government controls immigration and trade policies, the major issues for the state government are how to integrate immigrants and their US-born children. A series of propositions approved by voters, 187 in 1994, 210 in 1996, 227 in 1998, as well as repeal of a law that would have allowed unauthorized foreigners to obtain drivers' licenses, suggests that the state's voters are deeply divided over how best to integrate foreigners. The majority favor limited access for especially the unauthorized to state-funded services.

Federal policy toward migration from Mexico and Central America has evolved and follows a two-pronged strategy involving stepped up border enforcement to prevent illegal entries and freer trade agreements such as NAFTA and CAFTA to spur economic and job growth. The US has dramatically expanded the Border Patrol, making it the largest armed federal law enforcement agency, and is discussing adding to the 100 miles walls and fences along the 2,000 mile border. NAFTA went into effect January 1, 1994 but, instead of lowering Mexico-US migration, NAFTA contributed to an increase in Mexico-US migration. There may be a similar migration hump as CAFTA speeds up change in Central America.

The US is currently grappling with what to do about the large and growing number of unauthorized foreigners, perhaps 11 million, including 3 million in California. President Bush in January 2004 proposed that unauthorized foreign workers in the US could become guest workers free to travel in and out of the US if their US employers acknowledged their employment. Under Bush's plan, which was never formalized in a bill, unauthorized foreigners would pay a $1,000 to $2,000 fine and receive a three-year renewable work visa, but should leave the US after six years. US employers could hire additional guest workers (if needed) after advertising vacant jobs on a new internet labor exchange for at least two weeks, and guest workers outside the US who entered legally would not have to pay the $1,000 to $2,000. All new guest workers would have a new incentive to return to their country of origin-- they would earn retirement credits in their home country's pension system for their contributions to US Social Security.

In summer 2006, the US debate centered on what to do about unauthorized foreigners. In March 2005, there were 37 million foreign-born US residents, including 31 percent naturalized US citizens, 39 percent legal immigrants and nonimmigrants such as foreign students and legal temporary workers, and 30 percent unauthorized.

Table 1. Status of Foreign-born US Residents, March 2005

	Percent	Millions
Naturalized US Citizens	31%	11.5
Legal immigrants and nonimmigrants	39%	14.4
Unauthorized	30%	11.1
Total	100%	37

Source: Passel, 2006, 3

Opinion polls find that most Americans want additional steps taken to prevent illegal migration. A December 2005 Washington Post-ABC News poll reported that 80 percent of Americans think the federal government should do more to reduce illegal immigration, and 56 percent agree that unauthorized migrants hurt the US more than they help it.[1] An April 2006 Los Angeles Times poll found that 63 percent of Americans favored stepped-up enforcement as well as a guest worker program to deal with illegal migration, while 30 percent favored stepped-up enforcement only.[2]

The House and Senate have taken distinctly different approaches the issue. The House in December 2005 approved the enforcement-only Border Protection, Antiterrorism, and Illegal Immigration Control Act (H.R. 4437) on a 239-182 vote, which includes a requirement for mandatory screening of employees to ensure that they are legally authorized to work in the US. Within two years of enactment, all US employers would have to submit Social Security and immigration data on newly hired workers to government agencies by telephone or computer, receiving

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[1] Dan Balz. Political Splits on Immigration Reflect Voters' Ambivalence, Washington Post, January 3, 2006.

[2] Mark Z. Barabak, "Guest-Worker Proposal Has Wide Support," Los Angeles Times, April 30, 2006.

a credit-card type confirmation of each worker's right to work in the US. Within six years, employers would have to verify the status of their current employees.

The House bill includes several controversial items, including making "illegal presence" in the US a felony, which may make it hard for currently unauthorized foreigners to eventually become legal immigrants, and adding 700 miles of fencing along the Mexico-US border. The House bill does not include a guest worker or legalization program, under the theory that enforcement must be proven effective before additional migrant workers arrive legally and the government deals with the unauthorized foreigners now in the US.

The Senate approved the Comprehensive Immigration Reform Act of 2006 (S2611) in May 2006 on a 62-36 vote. Like the House bill, it contains measures that would increase border enforcement by adding agents and fences and require employers to submit data on newly hired employees to a government database.
However, the Senate bill also includes a new type of guest worker program and an "earned path" from illegal to legal immigrant status.

The Senate-approved guest worker program would add H-2C worker visas to a list that already includes H-1A, H-1B, H-2A, and H-2B. Employers in any US industry could attest that the employment of H-2C migrants "will not adversely affect the wages and working conditions of workers in the United States similarly employed" and not lead to the termination of US workers 90 days before and after the H-2C migrants go to work. Foreigners in their countries of origin who received job offers from US employers who filed such attestations would pay $500 and pass medical exams to obtain three-year renewable work permits, after which at least one year must be spent in the country of origin unless the foreigner has become a US immigrant.

H-2C guest workers could change their US employers, but only to work for other employers who have filed the same attestations regarding their need for migrants; migrants unemployed more than 45 days would be subject to removal. The H-2C guest workers could become immigrants while working in the US in two ways. First, their employers could apply for immigrant visas on their behalf after one year of US work, and second, H-2C visa holders could apply for immigrant visas on their own after four years in the US and knowledge of English and civics. This path to immigrant status may be complicated by the requirement that, in both cases, the US Department of Labor certify that no US workers are available to fill the jobs for which immigrant visas for H-2C workers are being sought, a process that today takes several years.

The H-2C program aims to be sensitive to US labor market conditions by adjusting the number of visas to employer requests. The number of H-2C visas was initially set at 325,000 a year, to be raised by 20 percent immediately if all H-2C visas were allocated within the first quarter of the FY (to 390,000), which would make the ceiling for the next FY 468,000. If H-2C visas were exhausted in the second quarter, an additional 15 percent the FY's visa ceiling would be made available immediately, and the annual ceiling would be raised by 15 percent for the next year; if exhausted in the third quarter, the factor would be 10 percent. If H-2C visas were not used up, the ceiling for the next year would be reduced by 10 percent. During Senate deliberations, the starting number of H-2C was reduced to 200,000, but the adjustment formula remains, so that there could be 600,000 H-2C guest workers admitted in the seventh year if all visas were used up each year in the first quarter.

Unauthorized foreigners already in the US are divided into three groups by the Senate bill. Those in the US at least five years could become "probationary immigrants" by proving they worked in the US, paid any back taxes owed and a $1,000 fee, and passed English and background tests. At the end of six years of continued US work and tax payments and another $1,000 fee, they could apply for green cards or immigrant visas, although they would have to go to the back of the queue (total fees were raised to $3,250 during Senate deliberations). Those in the US two to five years would have to satisfy the same requirements, but would also have to return to their countries of origin and re-enter the US legally. Those in the US less than two years would be expected to depart, although they could return with H-2C visas.

Unauthorized farm workers would be treated differently. The Agricultural Job Opportunity, Benefits, and Security Act (AgJOBS) of the Senate bill would allow up to 1.5 million unauthorized foreigners who did at least 150 days of farm work during the 24-month period ending December 31, 2005 to pay $500 and obtain blue-card temporary resident status, and blue-card holders who performed at least 100 days of farm work each year during the next five years could become legal immigrants. While in blue-card status, foreigners could also do nonfarm work, travel legally in and out of the US, and get work authorization for their spouses, who would not have to work in agriculture, as well as legal status for their minor children in the US. When the qualifying farm work is completed, blue-card holders could get immigrant visas outside the global ceiling of 675,000 a year and country ceilings of 20,000 a year.

The House bill makes reducing illegal immigration and employment its top priority, and does not deal with unauthorized foreigners in the US or employer requests for new guest worker programs. Some House leaders have suggested that, as new enforcement measures make life more difficult for unauthorized foreigners, some will depart on their own, and eventually the smaller number that remains could be legalized.

The Senate bill involves a three-legged stool of enforcement, guest workers, and legalization, the comprehensive approach endorsed by President Bush. No one knows how its components might interact to affect California workers and labor markets. For example, would legalization lead to a new industry creating work histories of at least two years or 150 days of farm work, or would immigration adjudicators tap into administrative data to determine work done? Would workers without documentation leave the US, or would they go further underground in the US economy, complicating the enforcement of labor laws?

Mexico and Turkey

Mexico and Turkey are among the world's leading labor-sending nations, with about 11 million Mexican-born and 3.5 million Turkish-born persons abroad in 2005. The major destination for Mexican migrants is the US, and the major destination for Turkish migrants is Germany. Mexico is more populous and has a higher per capita income, but Turkey's economy expanded faster than Mexico's in 2003-04 despite Mexico receiving far more foreign direct investment. Mexico continues to be a net emigration country, but Turkey has had more immigrants than emigrants since the late 1990s.

Table 2. Mexico and Turkey, Comparative Data, 2004

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	Mexico	Turkey
Population(mils)	104	72
Growth 2000-04%	1.4	1.5
GNI/capita ($)	6,770	3,750
Growth 2003-04%	2.9	7.4
FDI ($ bil 2003)	10.8	1.6
Net Migra 1995-2000(mils)	-2	0.135

Source: World Bank, World Development Report, 2006

The first Mexican and Turkish migrants were recruited with government permission by employers in the US and Germany. Under both the Mexico-US and Turkey-Germany guest worker programs, employers had to prove local workers were unavailable before hiring migrants, and migrants were expected to depart after a season or year or two of work abroad (Miller and Martin, 1982). Most of the migrants rotated in and out of the country in the revolving door fashion expected, but both guest worker programs persisted longer and got larger than expected. The settlement of some migrants and their families, and continued legal and illegal migration, led to the aphorism that there is nothing more permanent than temporary workers.

It is important to emphasize that the receiving countries, the US and Germany, set Mexican and Turkish labor migration in motion with recruitment. However, what began as an assumed mutually beneficial short-term labor relationship evolved into something more far-reaching and long-lasting than expected. In the US, Mexico-US migration expanded over time, spreading Mexican workers from agriculture in the southwest to many industries throughout the

The purpose of guest worker programs is to add temporary workers to the labor force without adding settlers to the population. However, guest worker programs tend to get larger and to last longer than anticipated because of distortion and dependence. Most employers in host countries do not hire guest workers. Distortion means that those who do often assume migrants will continue to be available, and some make investment decisions that reflect this assumption. As a result, farmers may plant fruit trees in areas with few people, assert that they will go out of business without migrants to pick their crops, and thus resist efforts to reduce the number of guest workers. German auto makers in one shorthand expression summarizing the 1960s and 1970s got Turkish migrants while Japanese automakers developed robots. If governments nonetheless reduce or end guest worker programs, illegal migration may rise.

Dependence reflects the fact that some migrants, their families, and regions and countries of origin may assume that foreign jobs, earnings, and remittances will continue to be available, and buy or build housing that reflects this assumption. If the opportunity to work abroad is curbed, migrants may migrate illegally to avoid reductions in their incomes and loss of assets. Most researchers conclude that the 1942-64 Bracero programs sowed the seeds of subsequent unauthorized Mexico-US migration, via distortion in rural America and dependence in rural Mexico

In Mexico and Turkey, many migrant areas of origin became dependent on foreign jobs so that, without an economic transformation, there was pressure for continued out-migration. In Turkey, out-migration was converted to rural-urban migration, explaining why remittances have fallen sharply since 2002, while emigration from Mexico continues at high levels and remittances to Mexico reached a record $19 billion in 2005.

Figure 1. Remittances to Mexico, Turkey, and all Developing Countries, 1990-2005, 1990-92 = 100

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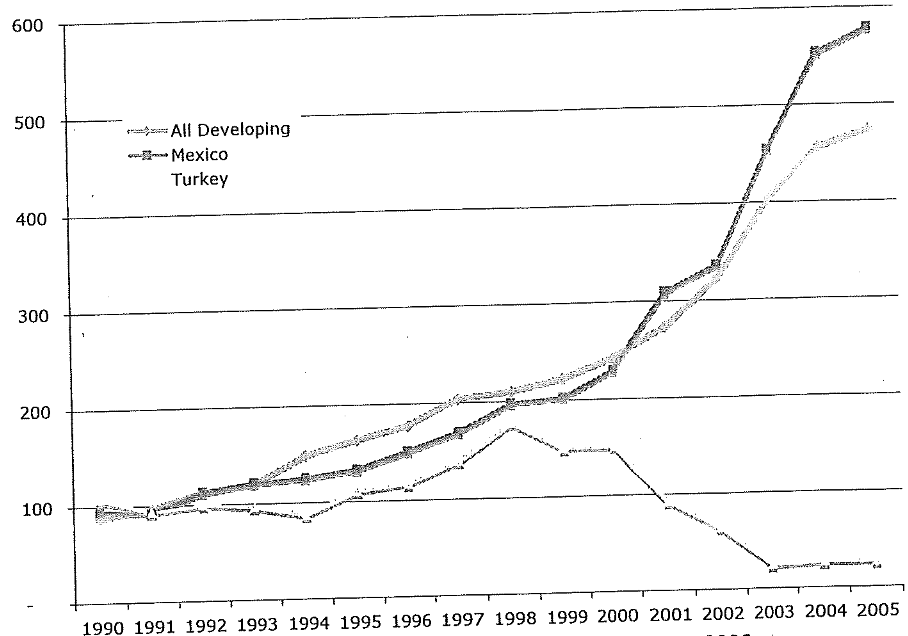

Source: World Bank, Global Econonmic Prospects 2006

Both the US and Mexico halted recruitment amid debates about what had gone wrong with the original assumptions of guest worker programs. The legacies of the guest worker experience in both countries are mostly negative, making it hard to discuss a resumption of similar guest worker programs in the 21st century. Understanding what went wrong in past programs could help to avoid similar issues in new guest worker programs.

Effects of Braceros: US and Mexico

The US has the largest farming sector among high-income countries. Throughout its history, the US had three major farming systems that differed in how they obtained seasonal workers (Martin, 2003). In the northeast and Midwest, mostly subsistence family farms relied on family labor, while the southeast had plantations based first on slavery and later sharecroppers.[3] The third system, primarily in the western states, was dominated by commercial farms reliant on migrant and seasonal workers with no other US job options.

[3] Northeast family farms were subsistence because there were no markets in colonial America or Europe for the livestock products and grains they produced—European farmers produced the same commodities, and the largest city in the US in 1790 was Philadelphia, which had 50,000 residents. In the southeast, by contrast, a warmer climate allowed the production of crops not grown in northern Europe, tobacco and cotton.

Large landholdings were common in the western US before the development of a infrastructure that lowered transportation costs and encouraged a shift from cattle grazing and grain production to irrigated and labor-intensive fruit and vegetable crops. The policy question at the end of the 19th century was whether large farms would have to be broken up into family-sized units to obtain seasonal workers. The answer turned out to be no, primarily because landowners were able find and maintain a class of workers to do seasonal farm work.

Waves of newcomers became the core seasonal farm work force, including Chinese migrants shut out of urban areas in the late 19th century by discrimination, Japanese newcomers who were barred for a time from owning land in California, and South Asian immigrants allowed to enter the US despite a general bar on Asian immigrants because they were British subjects. There were also US citizens who became seasonal farm workers because they had no other job options, such as the Okies and Arkies who migrated west during the 1930s Depression and whose experiences were portrayed in John Stenbeck's novel The Grapes of Wrath.

The seasonal farm workers who found jobs on western commercial farms saw farm jobs as stepping stones to better nonfarm jobs. Many soon got out of seasonal farm work, and their children educated in the US rarely followed their parents into the fields. As a result, farmers sought a constant infusion of new workers with no other US job options. There was widespread dis-satisfaction with this revolving-door farm labor market, and the debate over whether to change the structure of agriculture to eliminate the need for armies of seasonal workers came to a head in the 1930s. The US government enacted policies to raise prices of farm commodities, but many farmers were slow to raise wages to workers harvesting cotton and other commodities that benefited from federal farm subsidies, producing numerous strikes. At the same time, the US government was enacting labor legislation to foster unions and protect workers to raise their purchasing power and thus help to pull the country out of the Depression. A major policy question in this period was whether hired farm workers, 25 percent of the US labor force, should also have the right to form or join unions and be protected by minimum wage and unemployment insurance laws.[4]

Worker advocates were divided about applying labor laws to agriculture. Many wanted to break up the large farms that required seasonal workers into family-sized units, making land reform rather than labor law protections their top priority. Other reformers thought that there would be no land reform in a country committed to private property, making the best policy to protect farm workers one that treated large farms as factories in the fields and give workers employed on them the right to join unions and earn minimum wages.

Disagreement between the farm labor reformers, opposition from farmers, and the outbreak of World War II kept farm workers excluded from basic labor law

[4] The 1930s introduction of farm policies to help farmers and labor policies to help workers but exclude farm workers is summarized in Martin, 2003, Chapter 2.

protections and prevented fundamental land reforms. With the pool of seasonal workers shrinking as the military and wartime industries expanded, farmers persuaded the US government to create a Bracero (strong arm) seasonal worker program. Mexico agreed that its citizens working in US fields would be a contribution to the war effort, and the Bracero program expanded to admit almost five million Mexican farm workers between 1942 and 1964, making it one of the largest seasonal worker programs ever (workers admitted multiple times were counted each time; one to two million Mexicans participated).

The Bracero program resulted in distortion and dependence, the two-Ds of most guest worker programs. Distortion was evident as US farmers planted additional labor-intensive crops, even in remote areas, knowing the plantings would not be profitable if the influx of migrants willing to work seasonally at the minimum wage was reduced. US farmers thus had an economic incentive to continue and expand Bracero admissions. Many rural Mexicans became dependent on seasonal US farm jobs to support their families, and would have suffered a fall in their standard of living if they were unable to continue migrating to the US for employment.

Distortion and dependence occurred over two decades in the major activities of farmers and migrants, but there were also secondary effects of the Bracero program with far-reaching consequences. US employers had to pay the cost of transportation from the worker's Mexican home to the US job.[5] To improve their chances of being selected as Braceros, some Mexicans moved their families to the Mexico-US border. This reduced US farmers' transportation costs, but provided no employment alternatives for ex-Braceros in Mexico when the program ended in 1964, fueling illegal migration that both governments tried to curb by creating border-area assembly factories know as maquiladoras. The 1965 Border Industrialization Program had both countries making exceptions to trade policies: Mexico allowed duty-free imports of components to be assembled into final products, and the US levied a tariff only on the value added in Mexico.

The Bracero program ended in 1964, when it was relatively for some ex-Braceros to become immigrants. US farmers who offered foreigners even seasonal jobs in writing were able to get immigrant visas for foreigners, and these visas, printed on green paper, allowed thousands of Mexicans to become "green card commuters" who lived in Mexico and commuted to seasonal US farm jobs. As green card commuters aged, some had their sons and relatives replace them, often illegally, while others became farm labor contractors whose binational ties and experience made them efficient recruiters of Mexican migrants in the US.[6]

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[5]Braceros, but not US farm workers, were protected by minimum wages. Most Braceros, earned the minimum wage, which is why US farm employers tried to reduce transportation costs and complained when inspections made them improve housing.

[6] The Mexican ambassador in 1963 noted that, as the number of Braceros fell in the early 1960s, the number of apprehensions was stable, leading him to

Mexico-US migration remained relatively low until the 1980s, when peso devaluations and an economic crisis spurred more Mexico-US migration. The US responded to rising unauthorized Mexico-US migration with the Immigration Reform and Control Act of 1986, which increased rather than reduced unauthorized migration. NAFTA in 1994 was associated with a further increase in Mexico-US migration, largely because of an economic crisis in Mexico that accelerated push factors and an economic boom in the US that created a demand-pull for Mexican workers.

Table 3. Mexican Immigration and Apprehensions: 1890-2003

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Decade	Immigrants Annual Average	Decade Total	Decade as percent of total 1890-2003	Apprehensions a Annual Average	Decade Total	Decade as percent of total 1890-2003
1890-1900	97	971	0%	na	na	na
1901-1910	4,964	49,642	1%	na	na	na
1911-1920	219,000	219,004	3%	na	na	na
1921-1930	45,929	459,287	7%	25,697	256,968	1%
1931-1940	2,232	22,319	0%	14,746	147,457	0%
1941-1950	6,059	60,589	1%	137,721	1,377,210	3%
1951-1960	22,981	229,811	3%	359,895	3,598,949	8%
1961-1970	45,394	453,937	7%	160,836	1,608,356	4%
1971-1980	64,029	640,294	10%	832,150	8,321,498	19%
1981-1990	165,584	1,655,843	25%	1,188,333	11,883,328	26%
1991-2000	224,942	2,249,421	34%	1,466,760	14,667,599	33%
2001-2003	180,557	541,670	8%	1,008,017	3,024,052	7%
Total		6,582,788	100%		44,885,417	100%

Source: INS Statistical Yearbook and Yearbook of Immigration Statistics

Notes:

a. Apprehensions record events, so one person caught three times is three apprehensions. Mexicans are 95-98 percent of those apprehended.

* Apprehension data for 1921-30 is calculated as twice the reported 1925-30 figure (128,484).

The fact that Mexico-US migration has been rising over the past quarter century makes it hard to generalize about the effects of migration and remittances on Mexico and migrant areas of origin. The usual assumption is that moving labor from lower- to higher-wage areas promotes convergence, as wages rise faster in origin areas and slower in destination areas. Mexico-US migration has been rising over time, and the economic gaps have remained remarkably stable. If migration does lead to convergence, there must be considerable lags between receiving remittances and getting stay-at-home development. The alternative

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conclude that "Mexican workers have understood and accepted the fact that if they cannot obtain work by contract, it is because they would not obtain it either by entering the US illegally." (quoted in Congressional Record, August 15, 1963, 15203).

explanation is that some migration begets more migration, as gaps between sending and receiving areas widen and social and cultural factors make emigration the preferred avenue for upward mobility. This may be happening in at least some parts of rural Mexico, where one pattern of behavior is to "work" in the US and rest and retire in Mexico. However, if plans to return change, as they often do, rural Mexico may wind up with an excess housing stock built by migrants who intended to return.

Effects of Gastarbeiter: Germany and Turkey

Organized Turkish labor emigration began with an October 1961 agreement between Turkey and the Federal Republic of Germany. The Turkish government promoted worker emigration and anticipated eventual free access to the European labor market as a means of relieving domestic unemployment pressures and obtaining remittances. Between 1968 and 1973, some 525,000 Turkish workers went abroad legally, and the Turkish government expected labor migration to speed up economic development.

The September 1963 Ankara Association Agreement and the Additional Protocol of 1973 promised Turkey a reciprocal lowering of tariff and eventually migration barriers with the then European Communities, with Turks having "free access" to the EC labor market by December 1986. Progress in implementing the Ankara Agreement was slowed by events in Turkey and in the EC. In December 1976, Turkey announced that it could not decrease trade barriers as scheduled, and in January 1982, the European Parliament persuaded the EC Commission to suspend EC-Turkish relations. On April 14, 1987, Turkey applied to join the EC, but on December 18, 1989, its application was rebuffed. The EU rejected another application in December 1997, but in December 1999, Turkey was put on a list of countries eligible for future EU entry. Turkey made a series of changes to its laws and policies, and in Fall 2005 accession negotiations began.

What impact did emigration between 1961 and 1973 have on Turkey and its prospects for joining the EU? Most of the micro studies of migration's effects concluded that emigration, remittances and returns did not set the stage for an economic take off in the areas sending migrants abroad. There are several reasons, including the fact that some migrants did not return to their areas of origin, opting instead to move to cities with other rural-urban migrants, but the major theme of the 1970s studies was that migration was not sufficient to change centuries of tradition. For example, remittances were used to bid up the price of farm land, to open small stores that employed family members, or to buy a car or truck, creating few of the factory jobs desired by the government (Abadan-Unat, et al, 1976; Penninx, 1982; Schiller, 1970).

The Turkish government created Turkish Workers Companies (TWC) to channel remittances into investments in factories. Turkey had high tariffs, but migrants converting their DM savings into lira to purchase stock in TWCs were permitted to import cars and other consumer items duty free. About 360 TWCs were "founded" in migrant areas of origin, 200 were incorporated, and 100 constructed a facility to produce a good. However, almost all TWCs failed, leaving only 80 with an employment of 11,000 in the early 1980s (Abadan-Unat, 1986, p. 358). In most cases, it made no sense to open factories in the rural areas from which migrants came because inputs had to be imported and outputs exported. The only value-added was local labor, and low wage costs were offset by high transportation costs.[7]

Interviews with returned migrants who had invested in TWCs revealed considerable frustration, much of which derived from the falling value of the Turkish lira. Many returned migrant-investors converted their DM savings into lira and soon discovered that their lira had only a fraction of their previous purchasing power. There was no Turkish stock market in the 1960s and 1970s, so TWCs were one of the few policy options available to channel migrant savings directly in Turkish industry.

The Trade, Development, and Migration Nexus

The world is divided into about 200 nation states. Their per capita incomes ranged in 2004 from less than $250 per person per year to more than $50,000 (World Bank Indicators 2006, 20-22), providing a significant incentive to migrate from one country to another for higher wages. The 30 high-income countries had one billion residents in 2004, a sixth of the world's population, and their gross national income was $32 trillion, 80 percent of the global $40 trillion.[8] The resulting average per capita income of $32,000 was 21 times the average $1,500 for the 5/6 of the world's people in low and middle-income countries.

About three percent of the world's 6.4 billion people were international migrants in 2005, and these 191 million migrants included 62 million who moved from south to north (from a developing to a developed country), 61 million who moved from south to south, 53 million who moved from north to north, and 14 million who moved from north to south. In each of these flows, about half of the migrants were in the labor force of the destination area (ILO, 2004), prompting the question: what role can migrants who move from a developing to a high-income country play fostering trade and accelerating development in their

[7] An example of a failed TWC is a tannery near Bogazlian built between 1972 and 1975 that operated for 45 days and then ran out of money and closed. The tannery, expected to employ 500 people, operated again in 1988 for 45 days and closed again—it made no economic sense to open a tannery far from suppliers or customers. A TWC making wood furniture near Denizli began operating in 1982, and it too had to import materials and export products, so that in mid-1989 it employed 180 workers, including 2 returned migrants, and was being financed by the government.

[8] At purchasing power parity, which takes into account national differences in the cost of living, the world's gross national income was $56 trillion, including 55 percent in high-income countries

countries of origin? For most of human history, the assumption was that migrants contributed primarily to their new homes, not to their countries of origin. Historians debate the emigration mistakes of governments, as when the French expelled the Huguenots in the 16th century, contributing to the sparking of the Industrial Revolution in Britain.

Until recently, there were few stories of migrants abroad transforming the country they left behind. One exception is Taiwan, a country that invested little in higher education in the 1970s, so that those who wanted graduate degrees went abroad. Many graduates stayed abroad despite rapid economic growth in Taiwan but, during the 1980s (even before the end of martial law), some began to return.[9] To encourage returns, the government established the Hinschu Science Industrial Park in 1980 to create a rival to Silicon Valley in California. Financial incentives were provided to encourage high-tech businesses to locate in Hinschu, including the construction of subsidized Western-style housing (Luo and Wang). By 2000, Hinschu was a major success, employing over 100,000 workers in 300 companies that had sales of $28 billion. Over 40 percent of Hinschu-based firms were headed by returned overseas migrants, and 10 percent of the 4,100 returned migrants employed in the park had PhD degrees.

Is Taiwan's Hinschu experience with Diaspora-stimulated development the exception or the rule? Can migrants abroad foster the trade and investment links associated with faster economic growth in poorer countries, even if they are not undergoing rapid economic growth as in Taiwan? Are migrants, as UN Secretary General Kofi Annan asserted, "the motors of human progress" for both receiving and sending countries? [10]

Migration's 3 R's

Migration that moves workers from lower- to higher-wage countries can be a win-win-win situation, with migrants benefiting from higher wages, receiving countries benefiting from more employment and a larger GDP, and migrant-sending countries benefiting from jobs, remittances, and returns. The first two wins are fairly well established, with migrants demonstrating their strong desire to go abroad by taking enormous risks to move to higher wage countries, and migrants in industrial countries are credited with slightly expanding economic output by slightly depressing wages.

The third win, the effect of emigration on migrant countries of origin, has been in the spotlight recently, largely because migrant numbers and remittances are rising and, especially in the case of health care professionals leaving Africa,

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[9] Some maintained homes in both North America and Taiwan but spent so much time commuting that they were called "astronauts" to reflect the time they spent on airplanes.
[10] Kofi A. Annan, "In Praise of Migration," Wall Street Journal, June 5, 2006, wrote that migrants take risks when crossing national borders "to overcome adversity and to live a better life," and that such migrant "aspirations have always been the motors of human progress."

some sending country governments have demanded compensation for their loss of human capital. There are two extreme scenarios involving highly skilled migrants and their countries of origin: Indian IT emigration and African health care migration. The virtuous circle associated with the emigration of Indian IT specialists resulted in the development of a new software and outsourcing industry in India, while the exodus of African health care professionals is associated with deteriorating health care systems, lower worker productivity, and slower socio-economic development in the migrants' countries of origin.[11]

The Indian IT success story began in the mid-1980s, when some of the 7,000 Indian IT specialists were sent by multinationals to their subsidiaries outside India, where they performed well. The IT-boom in industrial countries in the late 1990s and the Y2K issue encouraged industrial countries to open doors to IT professionals from India and elsewhere, and independent brokers soon emerged to recruit and deploy Indians to firms that did not have operations in India. Two decades later, India had annual revenues of over US$10 billion from exports of computer-related services, a case of emigration leading to a new engine of development at home.

By contrast, the recruitment of African doctors and nurses by hospitals in ex-colonial masters such as the UK may have set in motion a vicious circle that retarded economic development. African doctors and nurses are often trained to colonial-power standards, expediting the recognition of their licenses abroad. Many government-funded health care systems find it hard to lure doctors and nurses to poorer rural areas, so they assign graduates to rural areas and enforce these assignments by withholding licenses until the term of duty is completed. The result is often a bad experience and emigration fever, so that 40 percent of the 1,300 doctors and 2,500 nurses who graduate each year in South Africa emigrate (OECD, 2004). The South African government estimated it spent $1 billion educating health workers who emigrated during the 1990s, equivalent to a third of the development aid received from 1994 to 2000.

There are obvious differences between IT and health care, including government's role in shaping labor supply and demand. IT is largely a private sector industry, much training occurs on the job, and many standards are set privately. The supply of health care services is heavily influenced by governments that support the training of doctors and nurses and license them, and the demand for health care is influenced by the location and charges for health services. Migration's effects on countries of origin usually lie between these virtuous and vicious extremes, justifying a closer look at the 3 R's that shape emigration's effects on development.

[11] For additional detail on Indian IT and African health care migration, see Martin et al 2006, pp 70-74.

Recruitment

Migration is not random: young people are most likely to move over borders because they have the least invested in jobs and careers at home and the most time to recoup their "investment in migration" abroad. Among young people, who migrates depends significantly on an individual's human capital and her network connections, but demand conditions in receiving areas are the dominant factor shaping labor flows. For example, if employers in destination countries want IT professionals and nurses, networks and recruiters will evolve to help them move abroad; if the demand is for maids and farm workers, networks and agents will evolve to move them over borders.

Migrants moving from developing to developed countries are different from the workers they left behind as well as the workers in the countries to which they move. About 40 percent of the world's workers are employed in agriculture, 20 percent in industry and construction, and 40 percent in services, and the world's developing country migrants are drawn from societies that have this 40-20-40 distribution of workers (World Bank Indicators, 2006). The industrial countries to which migrants move have about three percent of their workers employed in agriculture, 25 percent in industry, and 72 percent in services.

However, the 31 million migrant workers from developing countries in industrial countries in 2005 had a labor force distribution unlike that in sending or receiving countries. About 10 percent are employed in agriculture, 40 percent in industry and construction, and 50 percent in services. This distribution of developing country migrants reflects a tendency of three types of industrial country employers to request migrants: those in sunset industries such as agriculture and some manufacturing (sewing), those in industries that are difficult to trade, such as construction, and in many growing service-sector industries, from janitorial services to health care services.

Migrant workers from developing in industrial countries also have personal characteristics different from those of other adults in receiving countries. Migrants differ in the best single determinant of individual earnings in industrial countries: years of education. In most developing countries, the distribution of adults by years of education has a pyramid shape reflecting a few well-educated persons on top and most workers at the bottom of the education pyramid, with less than a secondary school certificate or high-school diploma.

Native-born adults in high-income countries, by contrast, have a diamond shape when arrayed by years of education. About 25 percent have a college degree, 60 percent have a secondary school certificate, and 15 percent have less than a secondary or high-school diploma. Migrants from developing countries in industrial countries have more of an hourglass or barbell shape. About 40 percent have a college degree, 25 percent a secondary school certificate, and 35 percent less than a high-school diploma. International migration from developing to industrial countries thus takes persons from the top and bottom of a pyramid distribution and adds them to the top and bottom of a diamond-shaped distribution.

Professionals and Students

Migrants drawn from the top of the education pyramid of developing countries are often professionals and students who are legal residents of industrial countries. Foreigners arrive in industrial countries via front, side, and back doors, with the front door representing presumed settler immigration, the side door allowing the entry of tourists, guest workers, and students for a specific time and purpose, and the back door representing illegal entries as well as legally arrived foreigners who violate the terms of their entry, such as tourists who go to work or overstay.

Over the past two decades, almost all industrial countries have made it easier for foreign professionals to enter as settlers or guest workers. There are two broad approaches to selecting professional immigrants, so-called supply and demand systems. The supply-oriented systems of Australia, Canada and the UK give points to applicants for immigrant visas that reflect their language ability, years of education, age and other factors presumed to affect earnings, and grant immigrant visas to those with sufficient points. The demand-oriented system of the US, by contrast, makes the major criterion for an immigrant visa having a job offer from a US employer. There has been some convergence between supply and demand-oriented selection systems, as especially Canada has raised the number of points awarded for having a local job offer to avoid brain waste, the presumed lack of earnings due to immigrants employed in jobs that do not require their credentials, as when a doctor drives a taxi. Meanwhile, the US makes it easiest for employers to obtain immigrant visas for foreigners with a college degree or more filling a US job that requires at least a college degree.

Side-door "nonimmigrant" professionals and students often wind up obtaining immigrant visas. Nonimmigrants are admitted for a specific time and purpose, but most industrial countries have probationary immigrant guest worker programs similar to the US H-1B program, which makes entry and settlement relatively easy (Martin, 2006). US employers may "attest" that a foreigner with at least a college degree is needed to fill a US job that usually requires a college degree, and most may legally refuse to look for qualified US workers or may lay off US workers to hire a foreigner with an H-1B visa. During the six years that an H-1B visa is normally valid, foreigners may become immigrants by finding a US employer to "sponsor" them under a different "certification" process that involves proving that qualified US workers are not available. With the foreign worker usually employed in the job for which the employer seeks US workers, it is no surprise that US workers who apply are rarely hired (US Department of Labor, 1996).

Professionals have completed their education before they cross borders, and are probationary until they find an employer to sponsor them for (US) or satisfy residence requirements (Europe) that give them permanent residence status.

Foreign student programs are another type of probationary immigrant system, since most graduates learn the host-country language and become familiar with host country ways of study and work before graduation. If they find an employer to hire them, most countries permit foreign student graduates to settle or remain at least several years.

In 2000, there were two million foreign students in the OECD countries, half from outside the OECD, including 34 percent in the US, 16 percent in the UK, 13 percent in Germany, 11 percent in France, and 8 percent in Australia (OECD, 2002, 52). Foreign students usually study subjects that impart skills transferable internationally, e.g. science and engineering rather than law. Some institutions of higher education have become dependent on the revenues from foreign students, and some graduate programs appreciate the willingness of foreign students to be relatively low-wage RAs and post-docs.

The rising number of foreign students, especially in science and engineering graduate programs, raises the question of whether they are "needed." Teitelbaum (2003) argues that the high percentage of foreign students in US science and engineering doctoral programs reflects labor market deficiencies and student desires for immigrant visas, not a "national need" for more PhDs in science and engineering. He points out that in many basic sciences, six or more years of graduate study is followed by five to 10 years of low-paid postdoctoral research, so that graduates do not get "real jobs" until age 35 or 40.[12]

Unskilled Migrants

Most of the world's workers and most of the world's migrant workers are unskilled. Many need help to cross national borders, and there has been rapid growth in the number of for-profit recruiters who move workers over national borders (Kuptsch, 2006). The wage gap between countries motivates migration, and the recruiter's share of this wage gap depends on a number of factors, including the difficulty of migrating illegally (or migrating without the help of recruiters) and prospects for settlement and upward mobility abroad. In most labor flows, recruiting fees are highest at the beginning of a flow, but after workers are established abroad, potential migrants have access to information via social networks and may find alternative routes to travel abroad for employment, including going as tourists to visit relatives and staying to work.

In countries such as the Philippines, where most migrants leave legally, recruiters match half or more of the migrants being deployed abroad with jobs. The government tries to limit recruiting fees to the equivalent of one month's

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[12] According to one study cited by Teitelbaum, bioscientists can expect to earn $1 million less than MBAs graduating from the same university in their lifetimes, and $2 million less if stock options are taken into account, suggesting one explanation for the very different composition of students in MBA programs and graduate science programs. Michael Teitelbaum, "Do we need more scientists?" *The Public Interest,* Fall, No. 153, 2003, pp 40-53.

wages for the typical two-year contract, about 4.2 percent, but Abella (2004) concluded that "limits on fees [that recruiters] can charge to workers have been widely disregarded" because there is an excess supply of migrants. A migrant may leave the country with a contract stipulating that the recruitment fee is a month's wage, but upon arrival is asked to sign another contract that raises the fee to 4 to 6 months wages. Migrants can refuse to sign the second contract, but if they do they may be forced to return without the means to repay recruitment debts.

A December 1995 survey of male migrants in Kuwait found that 75 percent of the Sri Lankan migrants used private recruiters to get their jobs, paying an average $800, or four months wages for the typical $200 a month worker (some of these recruitment fees wind up in the hands of the foreign sponsor-employers). Fewer Indian and Pakistani men used recruiters, since they had more access to social networks; the Indians and Pakistanis who used recruiters paid two to three months wages in fees (Shah, 1996). Half of the Bangladeshis used recruiters, and they paid the highest fees despite having the lowest monthly earnings; an average $1,800 for jobs paying $150 a month. The recruitment fees paid by Bangladeshis rose in the 1980s,[13] perhaps because the shift from construction to services jobs allowed migrants to remain abroad longer (Azad, 1989).

It is important to emphasize that conditions in receiving country labor markets, such as employer perceptions of the virtues of migrants and local workers, affect what type of worker is preferred and how migrants find jobs. Most economists believe that employers prefer workers with the most human capital, but sociologists Roger Waldinger and Michael Lichter found that many LA-area employers preferred newly arrived migrant workers because they had the right "attitude" toward the often low-wage and difficult jobs they fill.[14] Migrants lacking English, schooling and familiarity with American culture may nonetheless be preferred by some employers because of their "personal qualifications—friendliness, enthusiasm, smiling, subservience." (Waldinger and Lichter, 2003, p220).

Waldinger and Lichter looked at the requirements of the jobs held by migrants and found that in manufacturing, workers needed to be able to engage in the physical exertion necessary to do the job, but the next most important trait was an ability to get along with co-workers. In most work places, current employees were expected to teach new workers the "tricks" of particular tasks and machines, and migrant networks are ideal for this, since they result in current workers bringing friends and relatives into the work place. Networks save employers recruitment and training costs and enable workers from particular foreign places to "capture" particular work places, so that unemployed local

[13] The wage differential narrowed because of declining wages in the Gulf oil exporters, not because of rising wages in Bangladesh.
[14] Training times were typically short: restaurants said that new workers needed eight days to master their jobs, hotels said 11 days.

workers with more human capital but no "social capital" may not learn about the jobs (Waldinger and Lichter, 2003, p64).[15]

Most migrants move over national borders under the terms of unilateral guest worker programs, meaning that employers who satisfy national governments that they need foreign workers can recruit foreign workers where and how they wish. Most countries do not sign bilateral agreements or MOUs with migrant countries of origin to regulate recruitment, even though the ILO favors recruitment under bilateral agreements, and included a model agreement in Recommendation 86 (1949).[16]

There have been more MOUs, but they often deal more with returning apprehended migrants than protecting migrant workers abroad. Thailand has MOUs with its three neighbors that send migrants, and they highlight the problems of using a recruitment MOU to promote legal migration and speed development in migrant-sending countries. The Thai MOUs with Burma, Cambodia, and Laos assert that migrant workers in Thailand are to receive equal wages and benefits, with 15 percent of their wages withheld to assure returns and provide funds for development in migrant areas of origin.

In exchange for the MOU opening legal channels for migrants, Burma, Cambodia, and Laos are to issue ID documents to their nationals and accept the return of apprehended unauthorized foreigners. In December 2005, the Thai cabinet approved the admission of 200,000 migrants under these MOUs at a time when there were 300,000 nationals of these countries in detention or irregular status.[17] Since these apprehended foreigners had to be dealt with before new legal guest workers were admitted, the net effect of the announcement may have been to promote illegal migration, as some migrants expecting to go legally are now encouraged to go illegally rather than waiting.

Remittances

Remittances are international financial transfers from individuals to individuals. Most are derived from the earnings of citizens of one country employed in

[15] Migrants are selected to fill some jobs because precisely because they are "here to work" and do not have "negative attitudes." This "dual frame of reference and less-entitled status" helps newcomers to find so-called 3-D jobs, dirty, dangerous, and difficult, acceptable. However, many migrant workers and most of their children educated in the receiving country eventually want and expect upward mobility, posing the danger that a large and growing group of migrants and descendants could produce "a future of ethnic conflict." (Waldinger and Lichter, 2003, p229, 233).

[16] Even if there is no bilateral agreement or MOU, there may be a social security agreement between labor sending and receiving countries. For example, China has social security agreements with Germany and Korea, but no bilateral labor agreements.

[17] Thai employers had to pay 10,000 to 50,000 baht to hire one of the detained migrants, a fee many considered too high for workers earning 130 to 180 baht a day. Employers who pay the fee usually deduct it from migrant wages, giving them an incentive to run away, since working illegally provides a higher wage.

another, meaning that remittances replace what would have been earned at home if the individual had not migrated. There are three steps involved in a typical remittance transfer: the migrant pays the remittance to a money transfer firm such as Western Union in one country, the money transfer firm instructs its agent in another country to deliver the remittance, and the agent pays the recipient. Agents in the two countries periodically settle their credit and debit accounts, often via a commercial bank.

Volume and Formalization

Remittances are the sum of workers' remittances and compensation of employees payments recorded in Balance of Payments data. Workers' remittances are monies received from nationals or usual residents of countries who have been abroad more than 12 months (regardless of their legal status), while compensation of employees are funds sent home by those abroad less than 12 months, including border commuters and seasonal workers.[18] Not all countries report remittance data: 45 countries report both workers' remittances and compensation of employees data, 14 report only workers' remittances, and 19 report only compensation of employees data (GEP, 2006, p106).[19]

The IMF compiles reports of remittances from national central banks in its in Balance of Payments Yearbook. Conceptually, workers' remittances are a transfer without a quid pro quo, while compensation of employees is labor income, but "it may be difficult to separately identify the two items." (IMF BOPCOM-05/9). Some countries report personal transfers from abroad as workers' remittances, such as Indonesia, others report them as compensation of employees, such as Thailand, and some report under both categories, including the Philippines. Most analyses sum workers' remittances and compensation of employees to obtain a measure of formal transfers, and this sum is generally called remittances.[20]

Major payers of remittances include the US, $39 billion in 2004, Saudi Arabia and Germany. Flows of money out of the country in which migrants work should match inflows of funds to migrant countries of origin (unless migrants send

[18] A third transfer over borders is migrants' transfers, which represent the personal wealth of migrants who cross borders, as when the owner of IBM stock moves from the US to Singapore, and the value of the stock is transferred as well.

[19] Note that 23 countries report all three indicators: workers' remittances, compensation of employees, and migrants' transfers.

[20] The G-8 in April 2004 called on international financial institutions to improve remittance data, which led to a Technical Sub-Group on the Movement of Persons chaired by the UN Statistics Division. The TSG recommended that "workers' remittances" in balance of payments data be replaced by personal remittances, which would include cash and in-kind transfers received by resident households from nonresident households, including "net" compensation of persons abroad less than a year. Finally, the TSG recommended institutional remittances, such as from NGOs, be reported, so that total remittances would be the sum of personal and institutional flows. (GEP, 2006, 87).

remittances to third countries). This does not necessarily occur, in part because some countries do not (fully) report remittances and some remittances are transferred via informal channels, as when migrants return with cash, send cash with friends, via couriers or informal systems, or return with goods. Under the hundi, hawala, padala, fei chien and other informal remittance systems, no money need cross national borders immediately to have remittances paid to beneficiaries.

The World Bank's Global Economic Prospects 2006 report estimated total remittances of $232 billion in 2005, including $167 billion received by developing countries, almost double the $86 billion in 2000. There are several reasons for rapidly rising remittances (GEP, 2006, pxiii), including the increased scrutiny of remittance flows after the September 11, 2001 terrorist attacks,[21] lower costs and expanding networks to move small sums over borders via regulated financial institutions, as well as better recording of fund transfers, more migrants, and the depreciation of the dollar, which raises the dollar value of remittances transferred in other currencies.[22] Unrecorded remittance flows via informal channels "may conservatively add 50 percent (or more) of recorded flows" (GEP, 2006, pxiii), that is, an additional $84 billion in 2005, bringing total remittances to developing countries to at least $251 billion.

In 2004, 34 developing countries each received over $1 billion in remittances. India received the most remittances, $21.7 billion in 2004; followed by China, $21.3 billion; Mexico, $18.1 billion; France, $12.7 billion; and the Philippines, $11.6 billion.[23] About two-thirds of remittances to developing countries came from migrants in developed countries, and a third from developing country migrants in other developing countries, as when Indonesians in Malaysia send remittances to Indonesia. Remittances to developing countries doubled since 2000, with half the increase accounted for by China, India and Mexico. Countries in which remittances are the highest share of GDP include islands such as Tonga, 31 percent, countries making transitions from communism such as Moldova, 27 percent, and traditional labor exporters such as Lesotho, 26 percent.

The major determinants of the volume of remittances include the number of migrants, their income abroad, and their propensity to remit to their countries of origin. International organizations such as the World Bank and IMF aim to increase and to formalize remittances in order to accelerate poverty reduction

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[21] The World Bank reported that some migrants in rich countries remitted more funds after September 11, 2001 so they would have funds at home if they were deported. Such "defensive remittances" help to explain the tripling of remittances to Pakistan between 2001 and 2003 (GEP, 2006, 92).

[22] Another factor increasing formal remittances is the spread of banks from migrant countries of origin to migrant destinations, where they offer services in the migrant's language as well as ancillary services to migrant relatives at home.

[23] Filipino remittances include $8.5 billion from OFWs and $3.1 billion from Filipinos settled abroad.

and improve the access of poor people in developing countries to financial services. Formal transfers may have favorable macroeconomic effects on recipient countries, as when banks can lend against remittance deposits or sell bonds based on anticipated remittances, increasing their multiplier effect; formal remittances may also deepen recipient country financial systems and strengthen country credit ratings. In many cases, if recipients pick up remittances at banks, they open accounts, which can have favorable impacts on bank profits as well as development.

Formalizing remittance flows can be encouraged by reducing the cost of making formal transfers, increasing migrant access to banks and other formal transfer mechanisms, and providing migrants with the IDs needed to deal with regulated financial institutions. The GEP 2006 (p135) concluded that it is generally easier to formalize remittance flows by reducing costs and improving migrant access to regulated financial institutions than by trying to impose regulation on informal transfer mechanisms.

Reducing formal remittance costs and easing access can be accomplished with regulatory changes such as (1) allowing and encouraging domestic banks to operate in countries where migrants are employed to overcome migrant distrust of unfamiliar banks[24] and to ensure that banking services are provided in the migrants' language (in some cases, capital requirements may need to be reduced to allow more foreign banks to operate in countries hosting migrants); (2) discouraging or banning exclusive arrangements between transfer agents such as Western Union or Moneygram and entities with dispersed facilities in migrant areas of origin such as postal agencies, thereby promoting competition in the so-called "last mile" of a remittance corridor linking two countries; and (3) encouraging the spread of cell telephone-based remittance systems, which promise the lowest-cost means of sending remittances while improving communications in migrant-sending areas.

All research agrees that the best way to increase and formalize remittances is to ensure that migrant-sending countries have sound economic policies, including an appropriate exchange rate and a banking system that is cost-efficient and friendly to remitters and recipients. Most remittances are spent on consumption, reflecting the fact that the breadwinner is abroad and remittances substitute for local earnings. However, the portion of remittances saved and invested in the home country can be increased if the savings and investment climate favors these activities, that is, there is little risk of devaluation or having local savings taxed or expropriated and there are opportunities to launch profitable small businesses.

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[24] Encouraging migrants to use banks is part of a larger anti-poverty strategy of providing banking services to the "unbanked" and spreading the reach of micro-finance institutions.

Remittances and Development

Increasing the development impact of remittances is the second policy priority of national governments and international institutions. With remittances rising faster than ODA, and flowing through private channels to often poor areas that send migrants abroad, increasing the portion of remittances invested in job-creating businesses could reduce future emigration pressures.

Experience finds little evidence that programs targeted on migrants have significant development-enhancing effects, suggesting that a growth- and business-friendly macro and micro environment holds more promise to encourage migrant investments. However, targeted programs to increase the development impact of remittances are spreading, including matching programs such as Mexico's 3x1 program, which provides a federal, state, and local government match for remittance contributions invested in infrastructure improvement in migrant areas of origin.

In 2004, Mexican migrants in the US raised $20 million for such infrastructure investments, so federal, state, and local government governments added $60 million to fund e.g. infrastructure improvements in migrant villages. However, $80 million is less than half of one percent of $18 billion remittances received by Mexico, and the GEP (2006, p95) reported that most of the Mexican Hometown Associations (HTAs) that raise funds for matching invest less than $10,000 in their communities of origin.

The GEP concluded that the development effects of matching program investments are "poorly documented."[25] Other complaints are that the money to match migrant funds usually comes from overall development funds. If migrant and local development priorities differ, as when migrants want to restore the local church while local residents want a paved road or sewer system, migrant funds can lead to conflict over how scarce development funds should be allocated.

A more promising development-accelerating impact of remittances may be to lower the cost of borrowing money. Banks in Brazil, the Philippines and other countries have floated bonds at lower-than-average interest costs because investors assume remittances will provide a continuing inflow of foreign exchange to repay them. Remittance securitization typically involves a borrowing bank establishing an offshore entity and pledging the remittances it anticipates to this entity. Correspondent banks channel remittances to the offshore entity, which pays off the bonds and funnels the surplus to the bank. Investors are willing to accept a lower interest rate from the offshore entity because there is less danger that e.g. the country will make it hard to convert local to foreign currency. Remittance-backed bonds based on the expected flow of remittances

[25] GEP 2006 asserts that Mexico's 3 x 1 program, begun in 1997, established projects worth $44 million by 2002, but concluded that "HTAs have not been very successful" in part because Disaporas may not have good information on local needs or have different priorities for infrastructure improvements.

to El Salvador, for example, carry interest rates one to two percent less than the debt issued by the El Salvador government (GEP, 2006, 103). Between 1994 and 2004, about 90 percent of the remittance-based debt issued involved three countries, Turkey, Brazil, and Mexico.

Matching migrants' investment contributions and lowering the cost of borrowing with remittance-backed bonds are examples of incremental development-enhancing steps. The UN's high-level dialogue in September 2006 may aim to find larger development-enhancing benefits from migration. Some believe that the combination of remittances and Diasporas is a key to more rapid development, with funds flowing from migrant-receiving to migrant-sending countries accompanied by more trade in both directions.

Returns

The third R in the migration and development equation is returns. Ideally, migrants who have been abroad return and provide the energy and ideas needed to start or expand businesses or return with the skills and discipline needed to raise productivity as employees. Migrants are generally drawn from the ranks of the risk takers at home, and if their savings from work abroad are combined with risk-taking behavior on their return, the result can be a new impetus for economic development.

On the other hand, if migrants settle abroad and cut ties to their countries or origin, or if they return only to rest and retire, migration may have limited development impacts. In the extreme, returning to rest and retire can slow development if workers acquire a work-abroad and rest-at-home mentality, and this mentality spreads to children. There may also be back-and-forth circulation, which can under some conditions contribute to economic growth in both countries.

Countries such as China sometimes refer to their Diasporas as "stored brainpower" abroad, to be welcomed home when needed, as in the Taiwanese case. It is much harder to persuade established migrants to return to the poorest countries. The International Organization for Migration (IOM) operates a return-of-talent program for professional Africans abroad, providing them with travel and wage subsidies if they sign two-year contracts pledging to work in the public sector of their country of origin. The UN Development Program has a similar Transfer of Knowledge Through Expatriate Nationals (TOKTEN) program that subsidizes the return of teachers and researchers. Sussex University's Richard Black calls such programs "expensive failures" since they bring temporary returns, but not the "investment that [long-term return] should bring."[26]

Even if migrants to not return immediately, they can contribute to development at home by maintaining links with their countries of origin, increasing the probability

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[26] Quoted in Alan Beattie, "Seeking consensus on the benefits of immigration," Financial Times, July 22, 2002, p9.

of an eventual return and perhaps forging trade and investment ties. One way for sending countries to maintain links to their nationals abroad is to permit dual nationality or dual citizenship, which Bhagwati argues can lead to "a Diaspora model [of development], which integrates past and present citizens into a web of rights and obligations in the extended community defined with the home country as the center."[27] Bhagwati notes that migrants abroad can generate "political remittances," including ideas that help to speed up change in often-traditional sending countries.

There are two caveats to the current enthusiasm for Diaspora-led development. First, it is often asserted that, instead of promoting returns with subsidies, dual nationality and other devices, sending countries should do more to retain migrants by reducing discrimination and other factors that prompt people to leave, as when only those from the tribe or political party in power are given access to university and good jobs; it is generally cheaper to keep potential migrants at home than to induce migrants abroad to return. Second, the Diaspora can be a force for conflict and economic stagnation rather than development at home, as when migrants abroad provide the funds to prolong civil wars or conflicts.[28]

Conclusion

Austria and California are on the front lines of major migration inflows from developing countries. In both places, this migration is controversial, and there are questions about the eventual integration of migrants and their children. One way to deal with "unwanted migration" is to hasten socio-economic development in migrant countries of origin, so that people do not feel compelled to migrate.

Relatively little is known about how migrant workers from developing countries in high-income countries affect trade with and development in their countries of origin. The World Bank and most economists argue that moving unskilled workers over borders provides the greatest benefits to migrants and their countries of origin for several reasons: wage gaps between rich and poor countries are greatest for unskilled workers, they are most easily replaced at home, and they may be less likely to settle abroad. The emigration of foreign professionals and the tendency of foreign students to remain abroad, on the other hand, raises brain drain fears whose impacts on development are not yet resolved.

Remittances to developing countries surpassed Official Development Assistance in the mid-1990s, and may at over $170 billion in 2005 plus perhaps 50 percent more for funds that arrive via informal channels be several times the $110 billion in yearly ODA. National governments and international development institutions are trying to increase the volume of remittances and the share flowing through

[27] Jagdish Bhagwati, "Borders Beyond Control," *Foreign Affairs* Jan/Feb. 2003

[28] Some governments are reluctant to welcome home refugees, viewing with suspicion those who fled a conflict for refuge abroad.

regulated financial institutions. The UN, development agencies, and NGOs would also like to increase the impacts of remittances on development by increasing the share invested in migrant areas of origin in ways that create jobs.

The third migration and development R is returns. The optimistic scenario sees returning migrants as change agents, investing remittances and using skills acquired abroad to accelerate development at home; a new literature outlines ways in which even those who settle abroad can promote "Diaspora-led development" at home. The pessimistic scenario is that migrants who work abroad often return to rest and retire, limiting their impacts on economic development. If children of migrants believe that they will earn more as manual workers abroad than educated workers at home, they may not acquire additional education even if emigration provides the resources for them to do so.

Thus, the question of the best way to cooperate with countries sending unwanted migrants to Austria, the US, and other industrial countries remains open. There are clear differences in policy priorities across the Atlantic, but no obvious answers to the question of which policy is more effective. It may be that migration and integration, because it changes migrants and the societies in which they settle in variable and hard-to-predict ways, will always be a story of in which societies open to migrants are "unfinished," in the sense that they are shaped and reshaped by newcomers.

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Appendix A: UN High-Level Dialogue on Migration

The UN General Assembly held a High-Level Dialogue on migration and development September 14-15, 2006 in New York and endorsed a new Global Forum on Migration and Development. It will discuss best practices to maximize the development impacts of people moving over national borders, sending home remittances, and returning or staying abroad but forging additional trade and investment links to their countries of origin. Belgium offered to host the first meeting of the forum in 2007.

The UN last dealt with migration and development in the 1994 International Conference on Population and Development (CPD) in Cairo (www.un.org/popin/icpd2.htm). The CPD produced a 20-year Plan of Action whose migration section began with the assertion that all governments "should seek to make the option of remaining in one's country viable for all people." (www.iisd.ca/Cairo/program/p10003.html).

The High-Level Dialogue, by contrast, produced only a "Chairman's Summary." The emphasis in Cairo was on how developing countries could accelerate development to make emigration unnecessary with the cooperation of industrial countries via "financial assistance, reassessment of commercial and tariff relations, increased access to world markets and stepped-up efforts ... to create a domestic framework for sustainable economic growth with an emphasis on job creation." In New York the emphasis shifted to how migration could speed development, discussing topics such as lowering the cost of sending home remittances and encouraging the Diaspora to maintain links to their countries of origin.

Peter Sutherland Chairman's Summary called for "dialogue between countries of origin and countries of destination to deal with the issue of irregular migration...irregular migration doesn't work for anybody and creates great difficulties for the migrants themselves because they often become the victims of smugglers and traffickers and can become victims in the societies where they go to improve their lot." He called for "a non-adversarial, non-finger-pointing dialogue where you can exchange best practices, learn how best to deal with the issues."

Migration. There were 191 million migrants in 2005, including 62 million who had moved from south to north (from a developing to a developed country), 61 million who moved from south to south (from one developing country to another), 53 million who moved from north to north, and 14 million who moved from north to south. With the stock of migrants in north or industrial countries rising by three percent a year, and many south or developing countries aware that remittances exceed ODA and are far more stable than other financial flows, there is a newfound interest in the potential of migration to accelerate development and a quest for more cooperation to improve migration management.

The US has about 20 percent of the world's 191 million migrants, and has been generally successful integrating immigrants into the US labor market and society, reducing the cost of remitting monies to migrant countries of origin, and contributed to virtuous migration and development circles. For example, Indian IT migrants came to the US as temporary workers and immigrants and some later returned to develop an outsourcing industry in India that created jobs for non-migrants. The US has also been a leader in efforts to reduce trafficking in persons.

The US government expressed skepticism of the need for a new "moving forum" to discuss migration issues, fearing that it could become another source of north-south conflict. The US government favors the expansion of the Geneva Migration Group, which brings together the heads of UN agencies that deal with migration such as the IOM, UNHCR and the ILO, into the Global Migration Group by adding the World Bank, IMF and other UN agencies. Regular meetings of the GMG are aimed at better coordinating the migration activities of the UN.

There are a variety of bilateral and regional forums available to governments to discuss migration issues as well as a non-UN agency, IOM (www.iom.ch), which brings together 118-member nations and 20 observer states. Since 2001, IOM's International Dialogue on Migration has covered topics that range from migration and health to GATS Mode 4 "service provider" migration. (www.iom.ch/jahia/Jahia/cache/offonce/pid/385)

Some believe that giving IOM a mandate similar to that of the World Bank or IMF, that is, giving IOM a mandate to provide advice on how to manage migration for mutual benefits and to accelerate development, could make it the optimal vehicle for hosting migration and development dialogues. Others argue that IOM would have to make major changes, such as switching from its current contract-driven focus, doing what governments pay it to do, to become a mandate-driven organization (www.un.int/iom/)

Rights. The US government fears that G-77 developing countries might press for a rights-based approach to migration in a new UN migration forum, highlighting violations of migrant rights in industrial countries while ignoring them elsewhere. However, some G-77 countries, including Thailand and South Africa, are major destinations for migrants, so there may not be unanimity among G-77 countries on a rights approach to migration issues the US expects.

The debate at the World Trade Organization over labor standards for traded goods illustrates the risk. Unions in industrial countries would like core labor rights to be respected in the production of goods that cross national borders under WTO auspices, so that the workers they represent are not competing with children, prisoners or workers employed in gross violation of labor law abroad. Most developing countries as well as economists who favor of increasing trade in goods to increase global economic efficiency oppose the adoption and enforcement of core labor standards in bilateral, regional or global trade agreements. There were disputes in Seattle in 1999 over whether core labor standards should become part of WTO governance of trade in goods, and the US government fears that a migration forum could lead to disputes on migrant rights.

The ILO considers eight of its conventions to embrace core labor standards: (1) prohibition of forced labor (ILO Convention No. 29 and 105); (2) freedom of association and protection of the right to organize and to bargain collectively (No. 87 and 98); (3) equal remuneration for men and women for work of equal value (No. 100); (4) nondiscrimination in employment and occupation (No. 111); and (5) a minimum age for the employment of children and abolition of the worst forms of child labor (No. 138 and 182). Minimum wages and safety and health at work are not covered by these conventions.

Most studies do not find that low labor standards increase export competitiveness, that is, holding down workers' wages does not increase inward FDI or exports. Such findings should encourage developing countries to adhere to minimum labor standards. However, there is a numbers and rights trade off, since raising labor standards tends to increase labor costs and reduce the number of jobs.

Numbers and rights have already been discussed in GATS Mode 4 negotiations. India and other developing countries argue that migrant service providers should not be subject to minimum wage laws in destination countries, since a willingness to work for lower wages is their comparative advantage. Similarly, the EU has struggled to develop a "services directive" that allows service providers to travel from one EU state to another, resulting in the enactment of minimum wage laws in countries such as Germany to prevent “a race to the bottom.” The EU has agreed that service providers must be paid at least local minimum wages to minimize so-called "social dumping."

The GCIM in 2005 emphasized the need for more coherence, capacity and coordination in managing migration and coordinating migration policies. It noted that some bilateral and regional agreements do not protect migrants, as with agreements covering the deployment of domestic helpers to the Gulf states. Indeed, with more and more migration managed privately, recruiters may be more important than governments in determining migrant rights. Many existing bilateral and regional agreements are conditional, as when Italy allows a certain number of Albanians to enter and provides aid if Albania accepts the return of Albanians apprehended in Italy.

There are a variety of bottom-up bilateral and regional forums that allow governments to discuss migration issues. The major question is whether and how to elevate these discussions to a global forum, and how to keep the discussion in any global forum focused on practical issues that improve migration management. The high-level dialogue did not deal with refugees, five percent of global migrants.

There is general agreement that remittances can be the first win-win-win issue discussed in a new global forum, with governments agreement that formalizing remittance flows can help migrants (by lowering costs of sending money home) as well as sending countries that receive more funds and thus have larger multipliers and receiving countries that gain more security with fewer informal transfer systems that could also be used by terrorists countries. However, there is less agreement on the win-win-win issue after remittances that a new forum could discuss.

Remittances. Global remittances to developing countries surpassed ODA in the mid-1990s and in 2005 reached at least $167 billion, when Official Development Assistance was about $106 billion. Remittance flows via informal channels are believed to add at least 50 percent to recorded flows, an additional $84 billion in 2005, bringing the total to $251 billion.

International organizations such as the World Bank and IMF aim to formalize and increase remittances in order to accelerate poverty reduction and improve the access of poor people in developing countries to financial services. Formal transfers can also have favorable macroeconomic effects, such as increasing the multiplier effect of remittance spending as banks lend on remittance deposits or sell bonds based on anticipated remittances and deepening financial systems while strengthening the country's credit rating. In many cases, those who pick up remittances at banks also open accounts.

Formalizing remittance flows can be accomplished by reducing costs of formal transfers, increasing migrant access to banks and other formal transfer mechanisms, and providing migrants with the IDs needed to deal with regulated financial institutions. The GEP 2006 concludes that it will be easier to formalize remittance flows by reducing costs than by trying to regulate informal transfer mechanisms.

Reducing formal remittance costs, in turn, can be accomplished with regulatory changes such as: (1) allowing and encouraging domestic banks to operate in countries where migrants are employed to overcome migrant distrust of banks and ensure that banking services are provided in the migrants' language (in some cases, capital requirements need to be reduced for transfer agents as well); (2) discouraging or banning exclusive arrangements between transfer agents such as Western Union or Moneygram and entities with dispersed facilities in migrant areas of origin such as postal agencies, thus ensuring competition in the so-called "last mile" of a remittance corridor; and (3) encouraging the spread of cell-telephone based remittance transfer systems, since this promises the lowest cost and remitters and remittance receivers can use the cell telephones for other purposes as well.

However, all research agrees that the best way to increase and formalize remittances is to ensure that migrant-sending countries have sound fundamental economic policies, including an appropriate exchange rate and a banking system that is cost-efficient and friendly to remitters and recipients. Most remittances are spent on consumption, reflecting the fact that the breadwinner is abroad, but the portion saved and invested in the home country can be increased if the savings and investment climate favors these activities, meaning that there is little risk of devaluation or having local savings taxed or expropriated and there are opportunities to launch small businesses.

Appendix B: Governance of International Migration
International migration moves people from one of the roughly 200 nation states to another; governance of international migration refers to the national and international laws and norms regulating this movement. Even though international migration by definition involves at least one person and two nation states, most migration occurs under the terms of the national laws of receiving states, although these laws may be shaped by international norms.

For example, the 1951 Geneva Convention relating to the Status of Refugees and its 1967 Protocol define refugees as persons "owing to well-founded fear of being persecuted for reasons of race, religion, nationality, membership of a particular social group or political opinion, is outside the country of his nationality and is unable, or owing to such fear, is unwilling to avail himself of the protection of that country." The 138 signatories to the Convention and Protocol pledge not to return refugees to persecution, and to allow foreigners in their territory to apply for asylum and, if they are in need of protection, recognize them as refugees.

The 1995 report of the Commission on Global Governance defined governance as "the sum of the many ways individuals and institutions, public and private, manage their common affairs...a continuing process through which conflicting or diverse interests may be accommodated and cooperative action taken." Governance of international issues is negotiated by nation states that see advantages in creating rules and norms and institutions to manage international transactions. For example, the World Trade Organization establishes rules for trade in goods and services and the Office of the United Nations High Commissioner for Refugees protects and monitors the protection of refugees. In these cases, nation states delegate a part of their national sovereignty to international institutions, although they retain power over these institutions via their participation in governing body activities.

Some international organizations set rules for the behavior of nation states, while others such as the International Organization for Migration provide services to states. IOM began as an intergovernmental organization that moved refugees and displaced persons to new homes at the end of World War II, and has since evolved into an organization of 118 countries that aims to improve migration management by providing services and advice to governments and migrants.

The number of international migrants roughly doubled between 1985 and 20005 to almost 200 million, and international migration is likely to continue increasing because of demographic and economic inequalities between countries and revolutions in communication and transportation that make it easier to learn about opportunities abroad and travel to them. However, winning international agreement on a system to manage the growing movement of people over borders is difficult because sovereignty includes the right to determine who enters and stays in a country. With no consensus on whether migration is good or bad for sending and receiving countries, there is no legal and institutional framework for dealing with migration cooperatively on a global scale except for UNHCR and the protection of refugees.

Developing a global policy framework is difficult because policy contradictions at the national level are mirrored at the international level. This occurs in other areas with global frameworks, as when national governments promote freer trade at the WTO but protect their farmers with subsidies and import barriers, which makes it hard for a WTO that operates by achieving consensus among 149 nation states to lower farm trade barriers. Similarly, if industrial countries want to both encourage the best and brightest from developing countries to work and settle, they may retard economic development and accelerate unwanted migration of less-skilled workers, so that global discussions of such migration could quickly devolve into arguments over compensation for the brain drain.

Several international organizations have established norms to protect migrants in a top-down manner. The UNHCR protects refugees, while Convention 97 (1949) of the International Labor Organization established the fundamental principle of equality of treatment for migrant workers, meaning that migrants should be treated as other workers in the countries in which they work. ILO Convention 143 (1975) emphasized the steps governments should take to minimize illegal migration and to promote the integration of settled migrants.

Both of these ILO migrant conventions have fewer-than-average ratifications, 42 for 97 and 18 for 143 as of 2005. The reluctance of countries to ratify global instruments that aim to protect migrants is often attributed to provisions that conflict with national legislation. For example, migrant workers in the US have the same rights as US workers to join unions and bargain collectively with their employers, but if unauthorized migrants are unlawfully fired because of their union activities, they are not entitled to pay for the time they did not work, as are legal workers. The US Supreme Court in Hoffman Plastics (2002) held that requiring back pay for unauthorized migrants would "encourage the successful evasion of apprehension by immigration authorities, condone prior violations of the immigration laws, and encourage future violations." In effect, the court ruled that a worker's violation of immigration laws was more serious than an employer's violation of labor laws. (www.supremecourtus.gov/opinions/01pdf/00-1595.pdf)

On December 18, 1990 the United Nations General Assembly approved the International Convention on the Protection of the Rights of all Migrant Workers and Members of their Families. This 8-part, 93-article convention, which went into force in July 2003, aims to "contribute to the harmonization of the attitudes of States through the acceptance of basic principles concerning the treatment of migrant workers and members of their families." The 1990 UN Convention has so far been ratified only by a handful of major emigration countries, in part because it goes beyond the protections of ILO Conventions to cover all migrants, authorized and unauthorized.

The major employment-related protections are in Part III of the UN Convention, particularly Articles 25-27, which prescribe equality in wages and working conditions for authorized and unauthorized migrant and national workers, assert that migrants should be allowed to join unions, and call for migrant workers to receive benefits under social security systems to which they contribute, or to receive refunds of their social security contributions on departure. Authorized migrants should have additional rights set out in Part IV, including the right to information about jobs abroad as well as a list of "equal treatments" including freedom of movement within the host country, freedom to form unions and participate in the political life of the host country, and equal access to employment services, public housing, and educational institutions.

Other international instruments and declarations also call for equal treatment for migrants. The Vienna Declaration and Programme of Action on Human Rights (1993) and the Cairo Programme of Action of the International Conference on Population and Development (1994) affirmed the importance of promoting and protecting the human rights of migrant workers and their families, while the Beijing Platform of Action of the Fourth World Conference on Women (1995) paid special attention to the rights of women migrants and urged that migrants be protected from violence and exploitation.

The United Nations Commission on Human Rights in 1999 appointed a Special Rapporteur to investigate violations of the human rights of migrants, and the World Conference on Racism, Racial Discrimination, Xenophobia and Related Intolerance in 2001 issued the Durban Declaration and Programme of Action, calling on countries to allow migrants to unify their families and to make active efforts to reduce discrimination against migrant workers. The UN General Assembly in 2000 adopted the Convention Against Transnational Organized Crime, which has two additional protocols related to migration. The UN Protocol to Prevent, Suppress and Punish Trafficking in Persons, especially Women and Children, and the Protocol Against the Smuggling of Migrants by Land, Sea and Air.

The UN in 2006 held a high-level dialogue on migration and development, endorsing a new "moving forum" to discuss best practices to maximize the development impacts of people moving over national borders, sending home remittances, and returning or staying abroad but forging new trade and investment links to their countries of origin. The forum is an alternative to a new "World Migration Organization," advocated by some as a way to improve the governance of international migration.

Most migration occurs between neighboring countries, and there are many bilateral and regional forums in which governments discuss migration issues. The world's largest bilateral migration flow involves an average 200,000 Mexican immigrants a year, millions of nonimmigrant visitors and guest workers, and the settlement of perhaps 400,000 unauthorized Mexicans in the US annually. There are regular consultations between Mexican and US immigration officials, and Mexican President Vicente Fox (2000-06) made improving the status of Mexicans in the US his top foreign policy priority.

The Regional Migration Conference or Puebla Process (www.rcmvs.org), an initiative launched by the Mexican government in the city of Puebla in 1996 in response to voter approval of Proposition 187 in California in 1994, includes 11 countries that meet at least once a year to discuss migration issues: Canada, the US, Mexico and Central American countries plus the Dominican Republic. The discussions cover changes in national migration policies, the link between migration and development, migrant trafficking, cooperation for the return of extra-regional migrants, and the human rights of migrants.

Puebla Process consultations are credited with paving the way for the US to legalize the status of many Central Americans who fled to the US during civil wars in the 1980s, to grant Temporary Protected Status to Central Americans in the US when Hurricane Mitch carved a path of destruction in 1998 and after El Salvador had severe earthquakes in 2001, and encouraging cooperation to improve safety at the Mexico-US and Mexico-Guatemala borders. There are many other regional migration forums, including those between the EU and North African countries, between African countries, and between the Andean countries of South America. These forums discuss economic issues such as remittances and development as well as migration management issues such as traffickers and criminals.

The World Bank, Global Commission on Migration, and many national governments have called for more voluntary migration to create win-win-win situations involving migrants who earn higher wages, receiving countries that get jobs filled, and sending countries that receive remittances. The World Bank estimated in 2005 that moving an additional 14 million migrants from developing to high-income countries to high-income countries would generate a global income gain of over $350 billion, exceeding the $300 billion gain from completing the Doha round of trade negotiations. The press release accompanying the World Bank's Global Economic Prospects (GEP) report for 2006 argued that more "managed migration programs, including temporary work visas for low-skilled migrants in industrial countries... would contribute to significant reductions in poverty in migrant sending countries, among the migrants themselves, their families and, as remittances increase, in the broader community." The GCIM report recommended (1.3) "carefully designed temporary migration programs as a means of addressing the economic needs of both countries of origin and destination."

If more people move over national borders to fill jobs in receiving countries, what is the trade off between the rights accorded to these migrants and the number of migrants? Rights to equal wages and work-related benefits increase labor costs, so that providing and guaranteeing equal rights for migrants in receiving countries could reduce the demand for migrants. If there is a trade off between migrant numbers and rights, which should get higher priority, the opportunity to send more workers abroad or ensuring that those who go abroad receive the equal treatment called for in international conventions and national norms?

There has been very little discussion of the numbers-rights trade off in institutions dealing with migrant governance. Many sending countries in the forefront of campaigns for more migrant rights are also aware that many of their nationals are employed in countries that may not afford the rights called for in migrant conventions, and that many of their citizens seem to prefer numbers over rights. For example, the Philippines is often considered a model country aiming to protect its migrant workers abroad, but the number one destination for Filipino migrants are the oil exporters of the Gulf region that offer relatively few protections for migrants. Similarly, the Philippine government was forced to relax a ban on sending migrants to Singapore after a Filipina maid was hanged for murder; the Philippine government thought that the investigation was incomplete but was unable to resist pressures from its own citizens to go abroad for higher wage jobs.