

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

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# Outline

- Immigration and its political discontents
  - global, not just western, phenomenon.
- Is international immigration a crisis?

What are the triggers of these discontents?

- Immigration: a cause or scapegoat?

- Forces that propel immigration

Can immigration be restricted?

- Concluding thoughts on future determinants of immigration

# Immigration and its Political Discontents

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

In France, it is the National Front; in Italy, the Northern League & 5Star movement; in Austria, the Freedom Party; the Danish People's party in Denmark, the Freedom Party in Netherlands, Golden Dawn in Greece, Alternative to Deutschland in Germany, and the Independence Party in the United Kingdom.

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

# Will history repeat itself?

- Rising popularity of right wing political parties suggests the process might have begun.
- Many countries have responded with restrictive policies, stronger enforcement, increased electronic and human cross-border surveillance, and by constructing walls, fences, and other physical barriers.
- Others have resorted to a mixed set of carrot and stick policies on sending and transition countries to contain immigrant flows.
- In 2015, 1 million refugees crossed the Mediterranean to arrive in Europe; in 2016, the number fell to around 364,000 partly in response to “tighter controls in the western Balkans” and partly due to an EU-Turkey agreement that brought Euro 6 billion in refugee aid to Turkey.

# Discontents

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



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



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



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



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



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



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



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



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



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



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



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



# Are discontents related to immigration?

- Um....not quite
- Brexit:
  - top 10 districts with the lowest leave vote (less than 30% voted to leave) had between 28% and 45% of population that was foreign-born
  - top 10 districts that voted for Brexit (more than 70% voted to leave) had only 2.9% to 15% of population that was foreign-born.
- EU: countries with the lowest levels of immigration are the most opposed to immigration.
  - Poland, Hungary.
  - Countries that have experienced sharp increase in immigration – Spain, Ireland – are more tolerant.
- US: states with high numbers of immigrants are the most welcoming of immigrants; those with low immigration fear immigrants the most.
- \* Syrian refugee crisis: 1 million in a region with 500 million population; much smaller countries neighboring Syria (Turkey, Lebanon) have absorbed much larger number of Syrian refugees

# Discontent of immigration

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



# The crisis that it is not

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

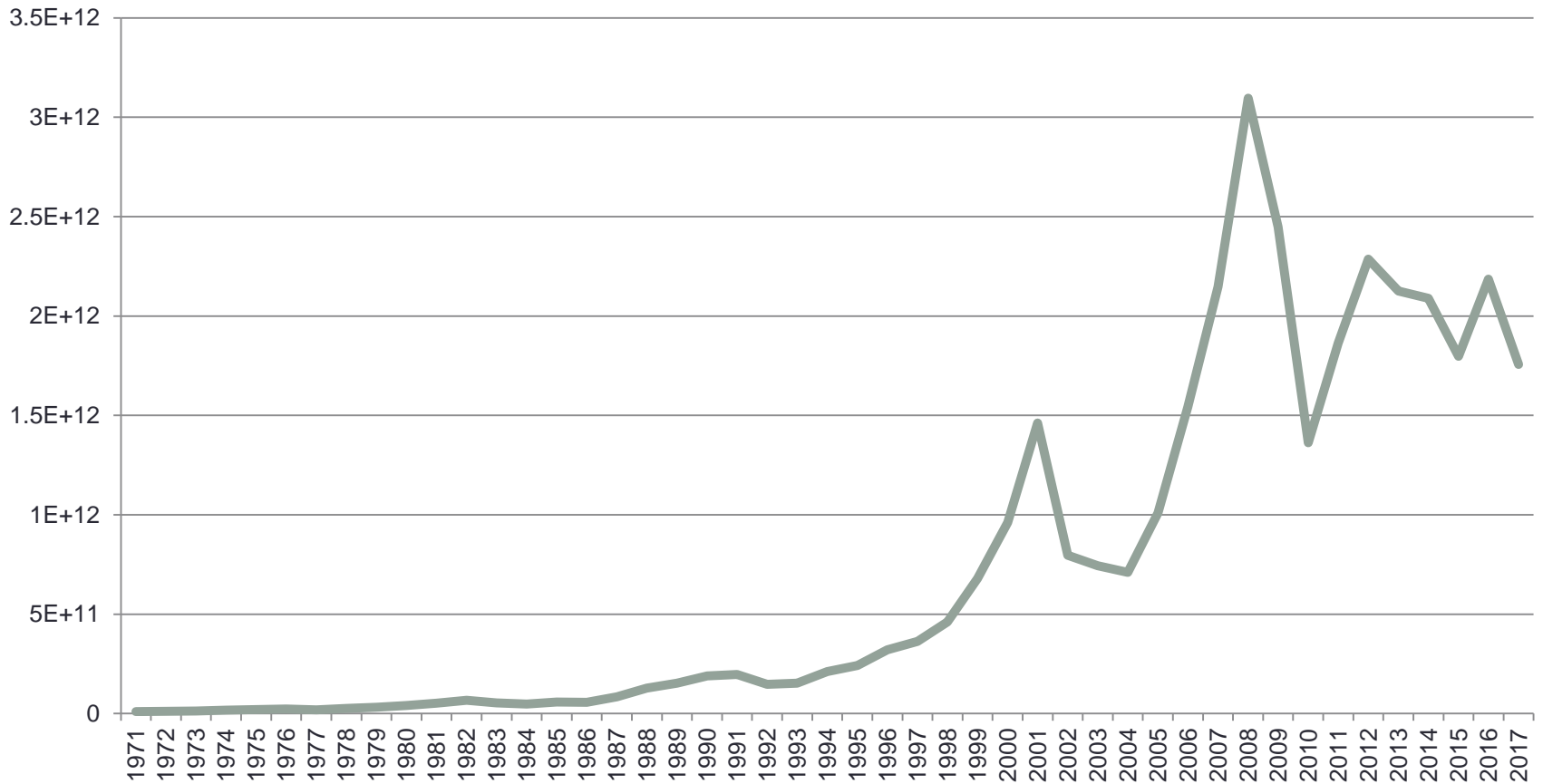
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	Immigration/world population	Export/GDP
1900	3%	5%*
1991	3%	20%
2015	3%	29%

\*Data pertains to 1870

- Other dimensions: cost and time involved in international travel and communications

## Foreign Direct Investment In constant US dollars



# Immigration is not a crisis

- A majority of immigrants enter via regular legal channels
- In major immigrant cities immigration is not creating a crisis; nor is it resulting from any crisis.
- Many countries are struggling to integrate immigrants.
- Immigration has increased because of: (i) declining cost of international travel, (ii) growing middle class in emerging economies, (iii) less restrictive policies by host countries.

# Population trends and projections

	Europe	Asia	North America	Africa
1800	21%	65%	0.7%	11%
1900	25%	57%	0.5%	8%
2000	12%	61%	5%	13%
2012	10%	61%	5%	15%
2050	7%	59%	4%	20%

# What are the drivers of discontent

- Culture and Identity
- Demographic and social change
- Productivity stagnation in industrialized countries
- Rising economic inequality in industrialized countries
- Loss of confidence in governments and liberal elites
- Rise in refugee movements
- International terrorism and national security

Are these causes related to immigration?

# Cultural/Identity Issues

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

# Social and demographic change

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

# Wage stagnation and rising inequality

1. What is causing wage stagnation?

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

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

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



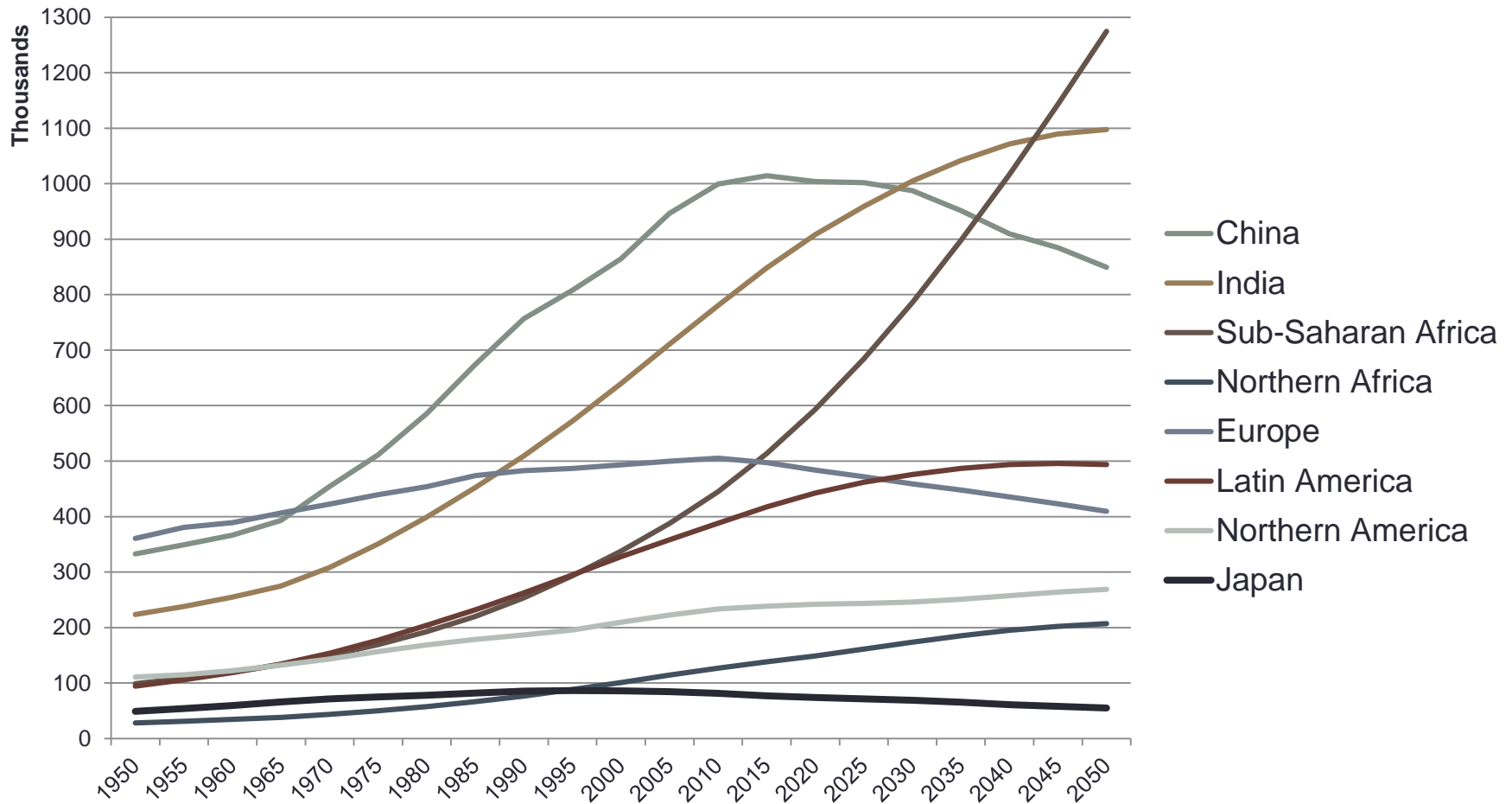
# Productivity stagnation

- Robert Gordon's headwinds
  - demography, education, inequality, globalization, energy/  
environment, and consumer and government debt
- Secular stagnation

# Working Age Population

Estimates and Projections of population ages 15-59

Source: UNDP, World Population Prospects

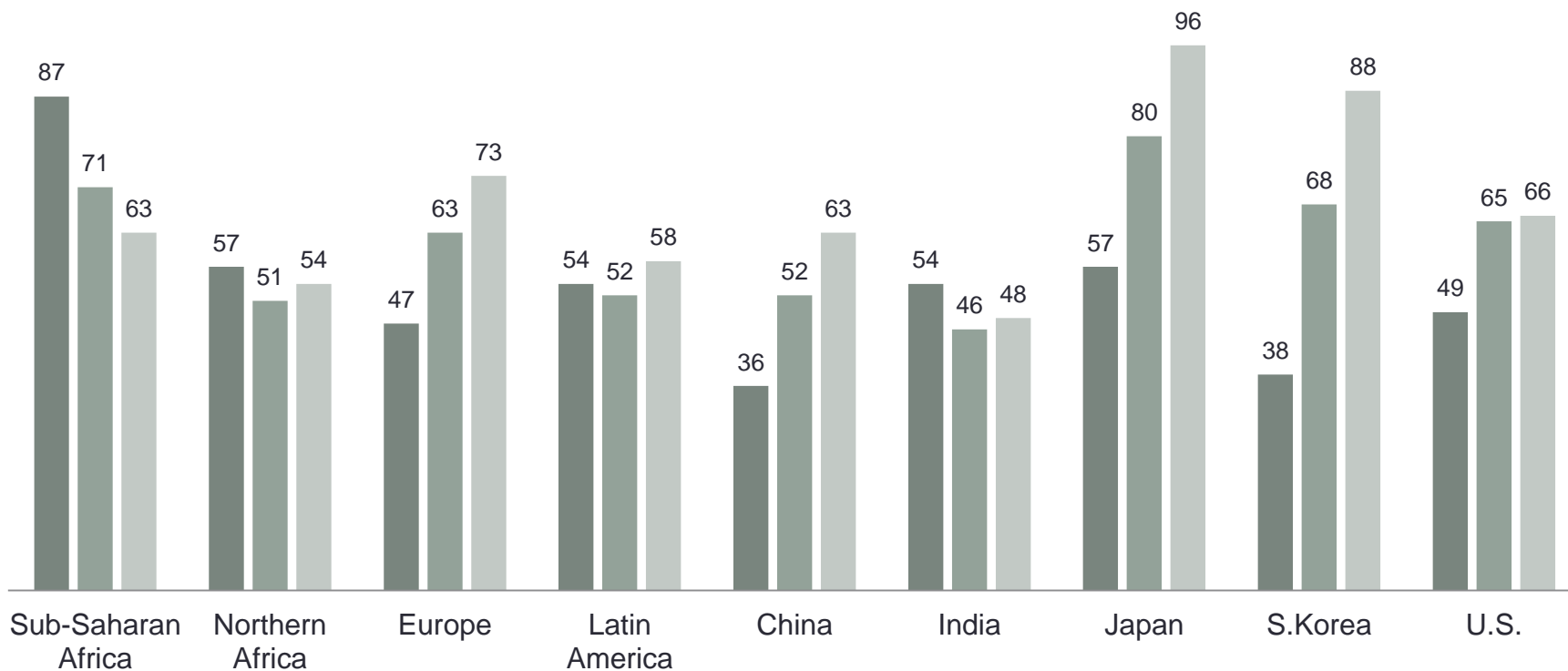


# Dependency ratio

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

Source: World Population Prospects: the 2012 Revision

■ 2010 ■ 2035 ■ 2050



# Demographic pressures

Most immigrant receiving countries are facing:

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

# Can immigration rescue nations in demographic demise?

- No – not in the short run
- But it reduces demographic pressures
- In the US, by 1970 the fertility rate had fallen below replacement rate; but has remained close to replacement rate since 1980s
- More importantly, demographic pressures could influence immigration policies
  - US, Canada, Australia, Germany.

# Lack of confidence in government

- Anti-establishment votes: In 2009, in the 50 most populous democracies the governing party won 90% of the elections at the national level, the rate of success dropped to just 40% in 2016.
- Low confidence in governments' ability to restrict immigration
- Failure of government to deliver on their promise
- Presence of irregular immigration
- Failure of a candid dialogue on immigration

# Increase in refugee flows

- Escalation in refugee flows since 2011.
- “reactive prejudice” says clinical psychologist Andrew Solomon.
- Fears that
  - refugees are from countries caught in civil wars,
  - these civil wars are breeding grounds for international terrorists,
  - that most actors engaged in the civil wars have negative opinions about western countries and cultures have generated fears that among the thousands of refugees will be a few terrorists or that these refugees will bring with them the cultures that create terrorists.
  - That the refugee inflows increased soon after the Great Recession when major receiving countries were still reeling under economic hardship has worsened public response.
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# Immigration and terrorism

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

Reality:

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



# Drivers of discontents

- Immigration is not the only driver of discontent
- It is not the primary driver of discontents

# Can immigration be restricted?

- Technically, yes.
- At what cost?
- International mobility is many times international immigration
  - International Tourist arrivals in 2014: 1.16 billion (World Bank)
- far more than the number of international migrants which is about 5 million a year.

Effective immigration restrictions would require controls on entry and exit -Without visa controls on all sorts of travels, restricting irregular or illegal immigration would be impossible.

- International tourism is a big industry:- \$1 trillion industry – highly employment intensive industry

# Economy and immigration

Economic effects of Immigration:

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

# Globalization and Immigration

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

# Final thoughts

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

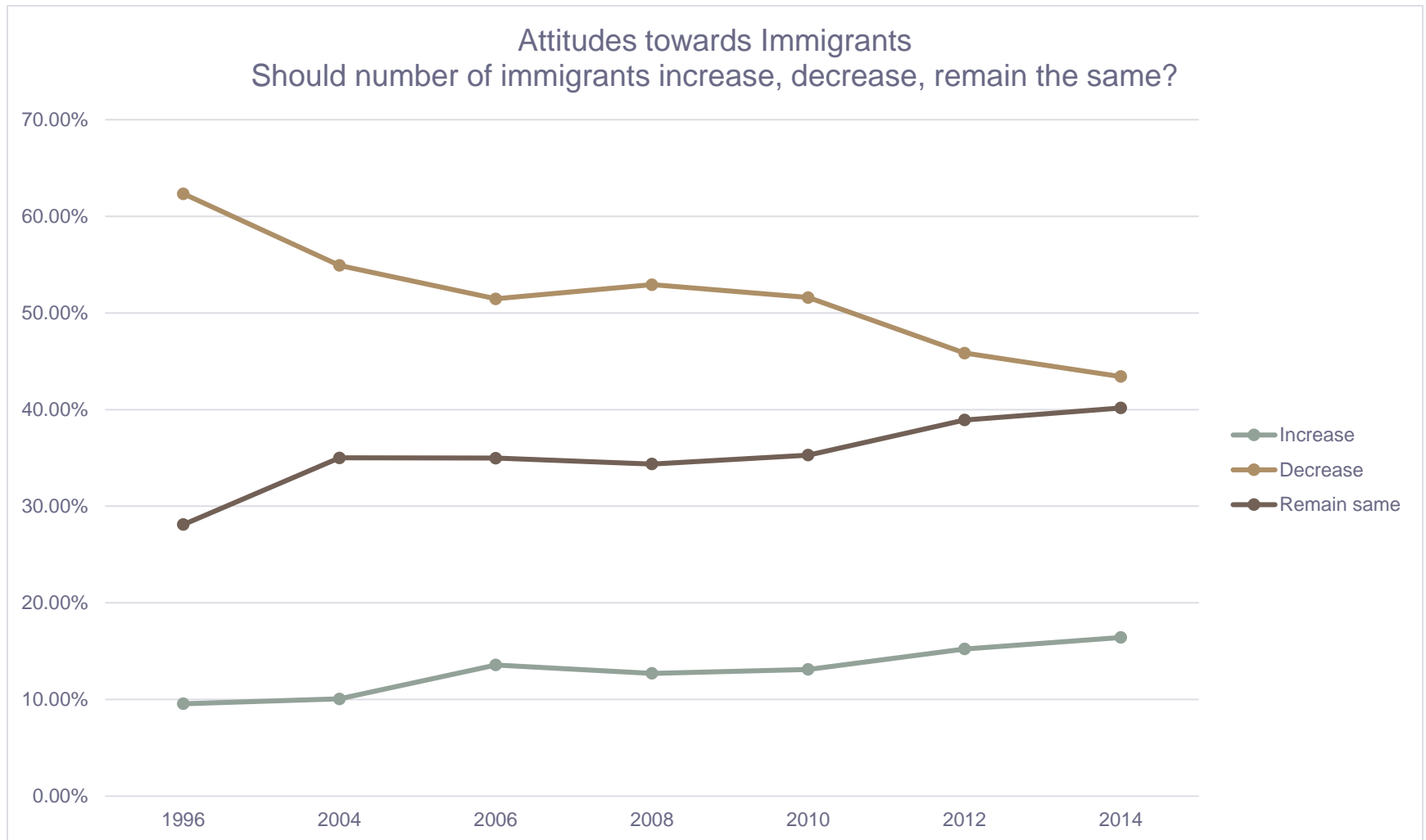
# Final thoughts

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

# Do public attitudes towards immigrants explain the Trump phenomena?

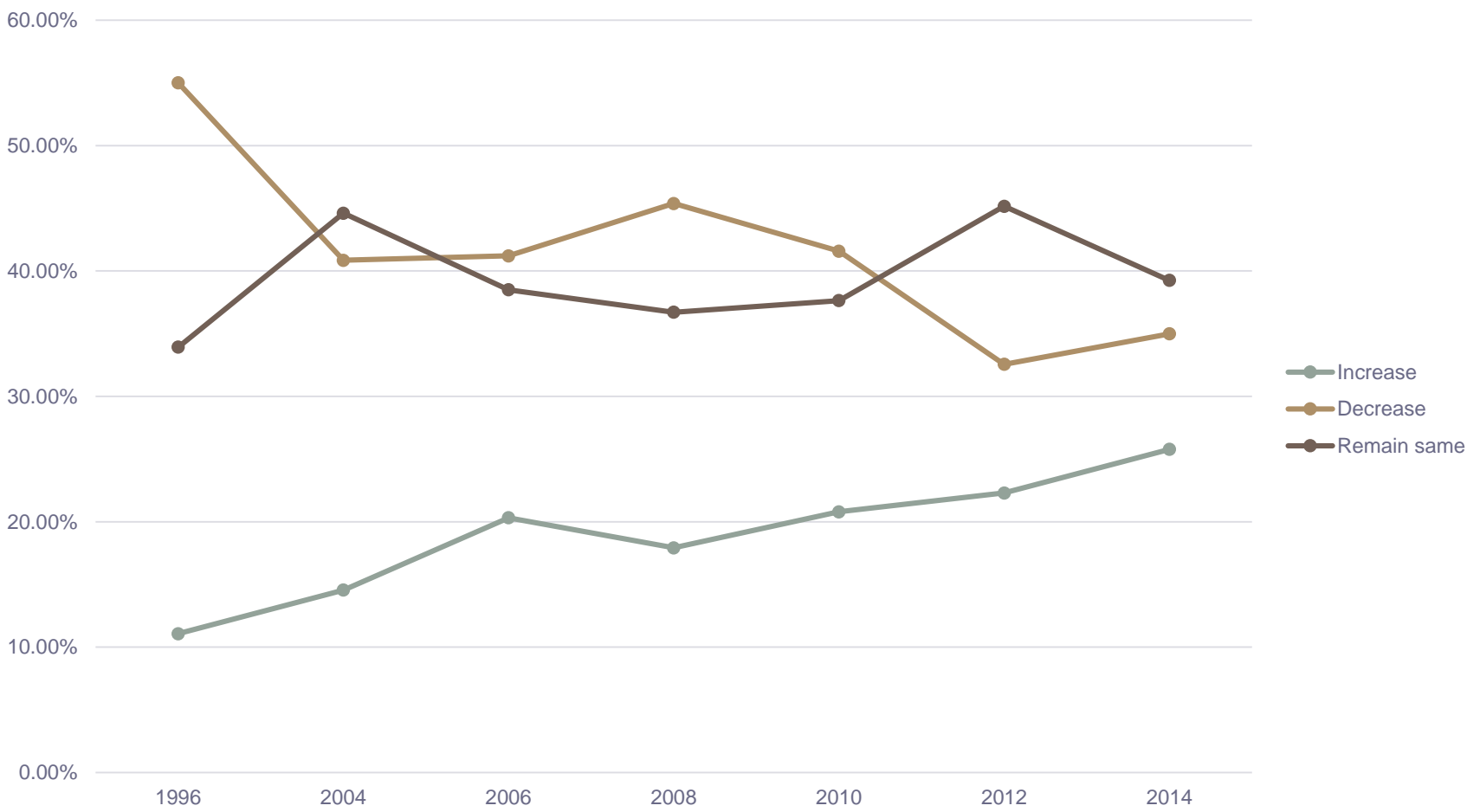
- General Social Survey: 1996-2014
- Should attitude towards immigrants increase, decrease or remain the same?

# Attitudes towards immigrants in US

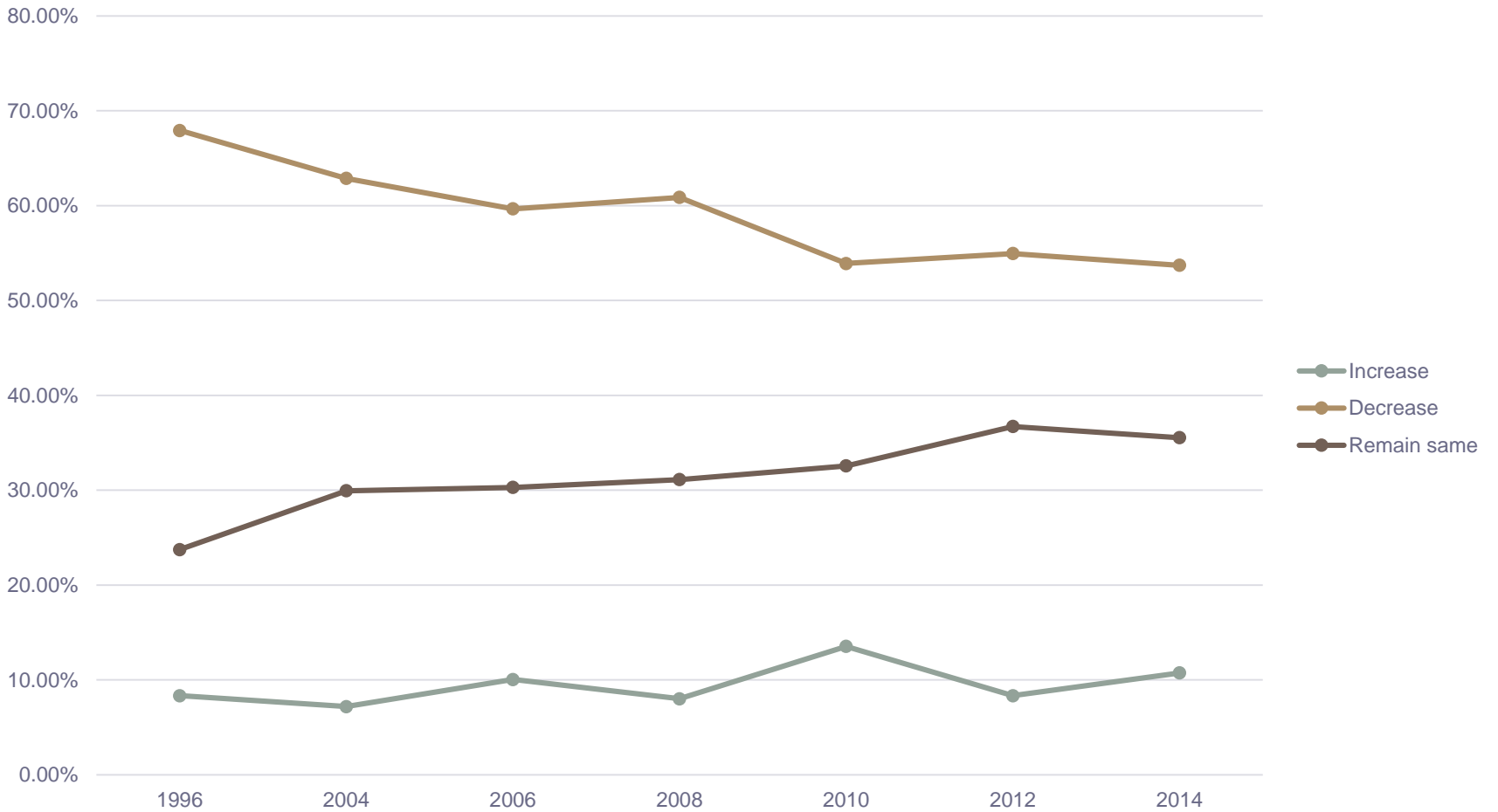




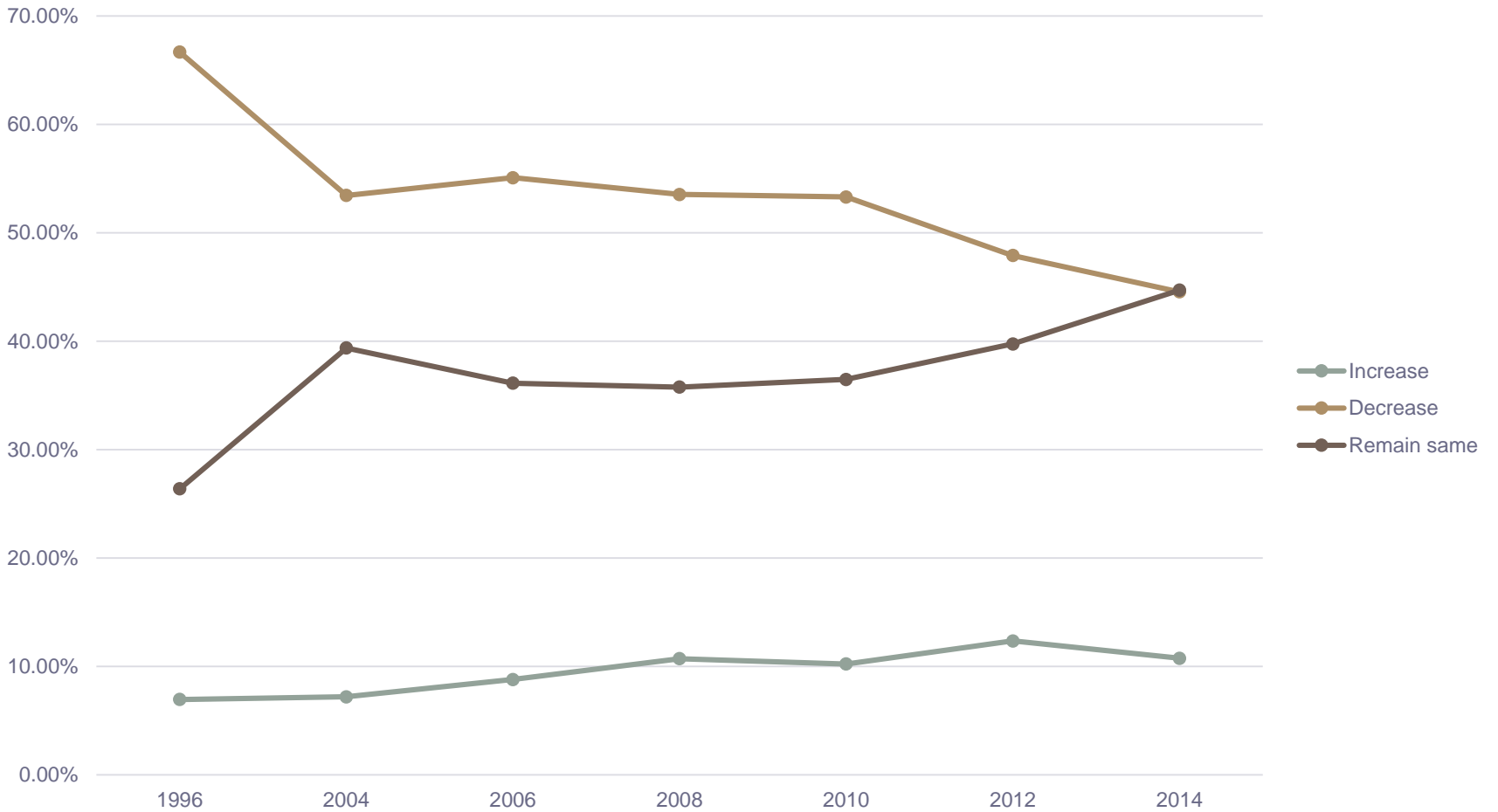
### Immigrants number - Liberal



### Immigrants number - Conservative

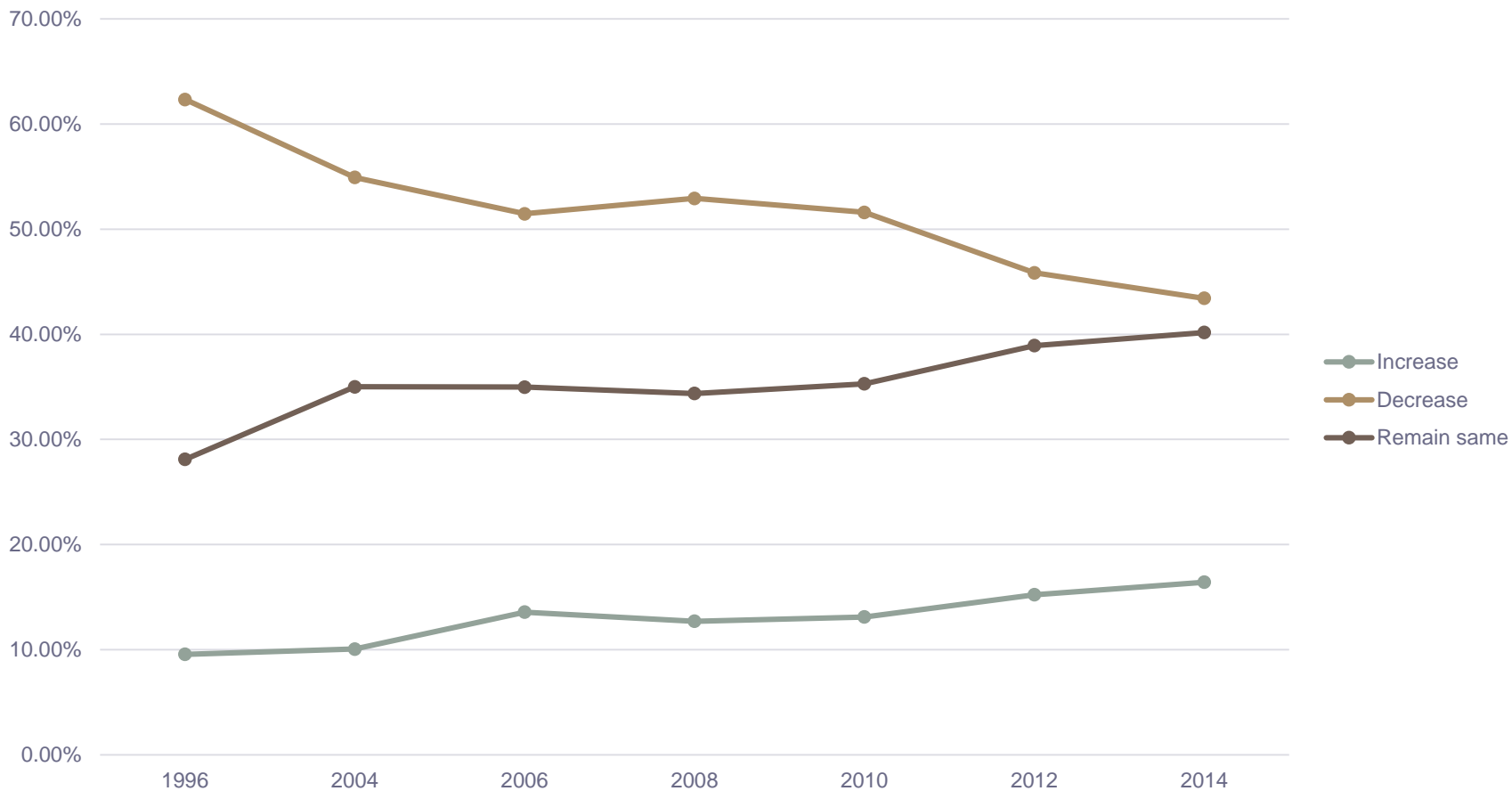


Immigrants number - Moderate

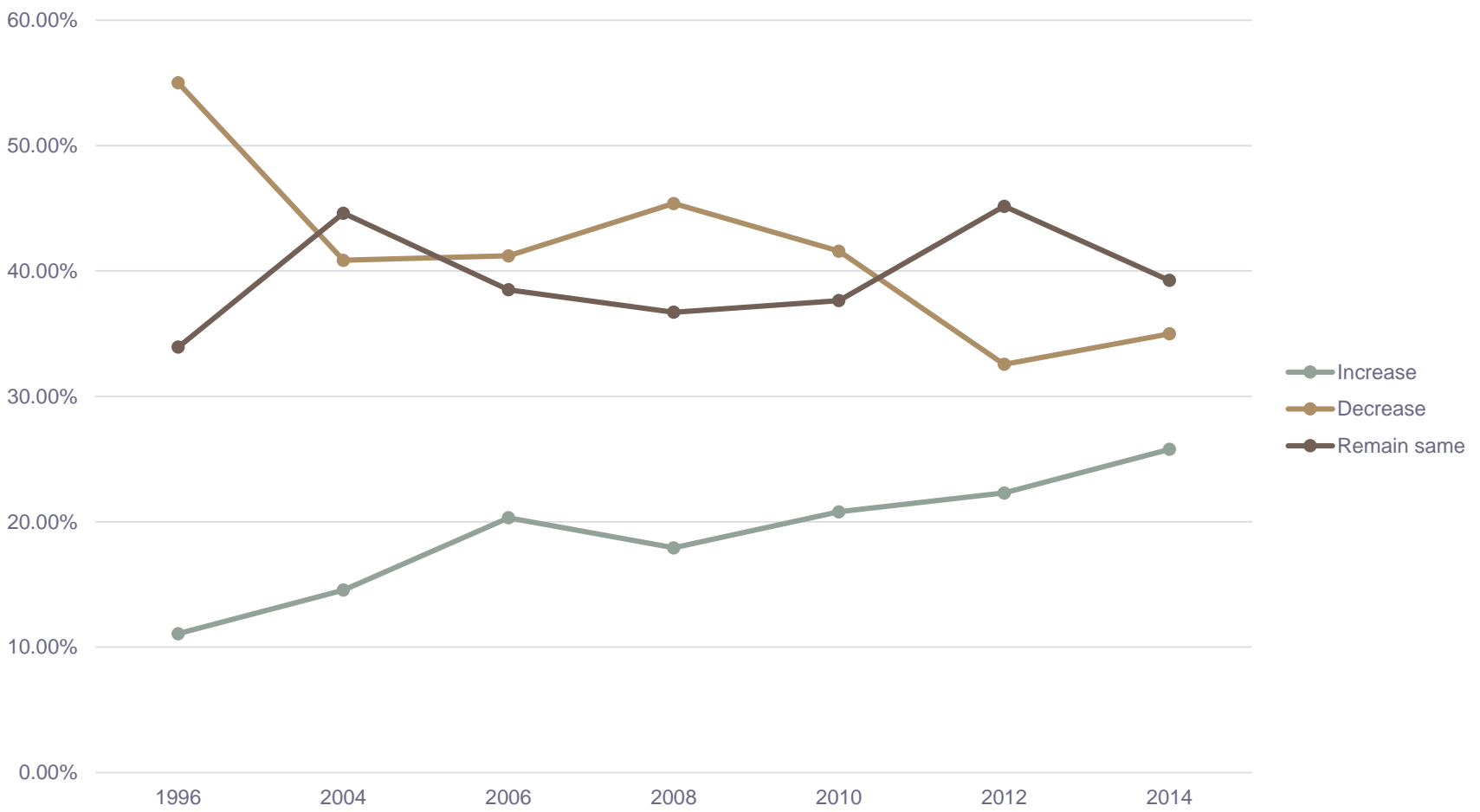


### Attitudes towards Immigrants

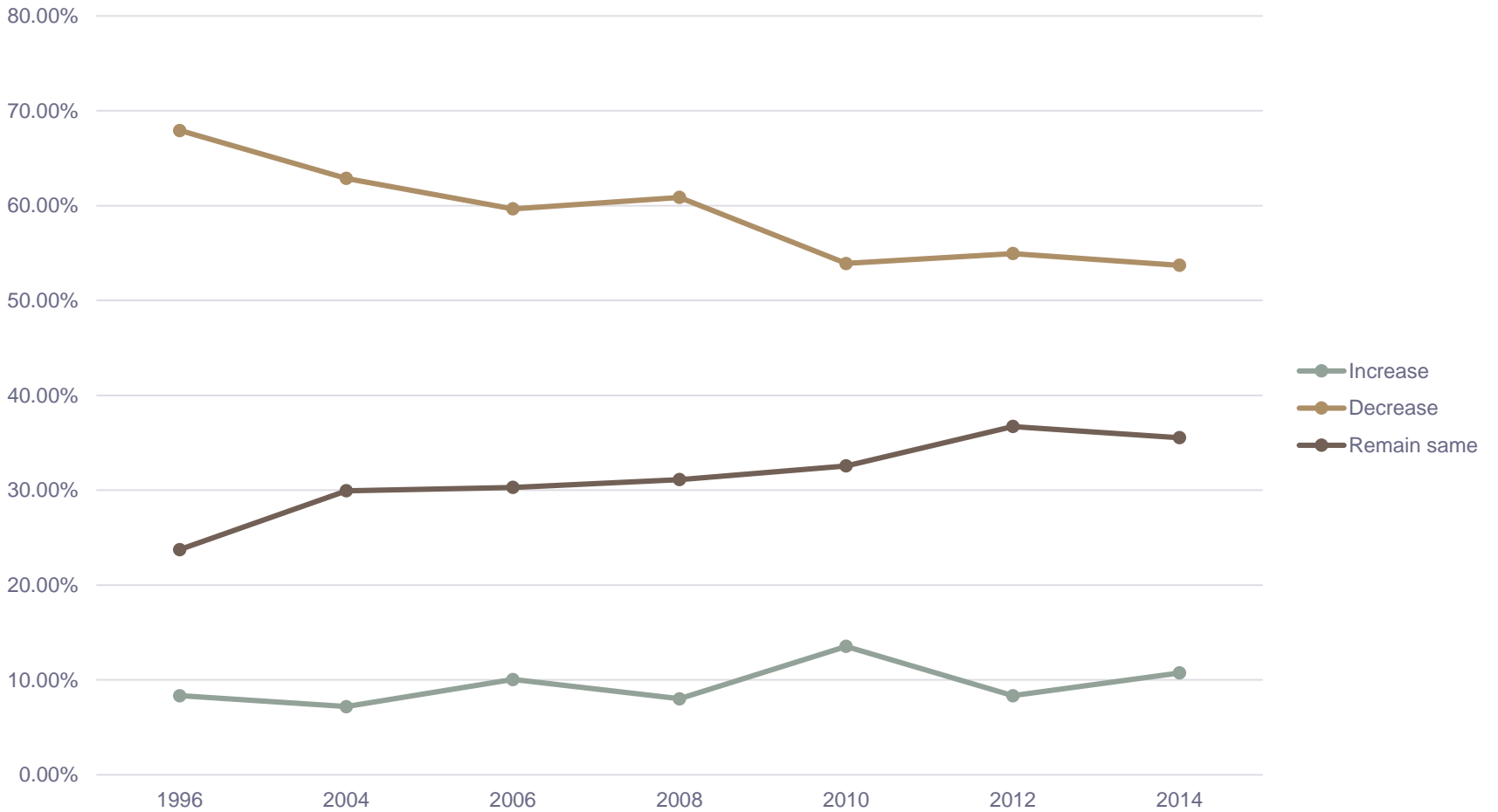
Should number of immigrants increase, decrease, remain the same?



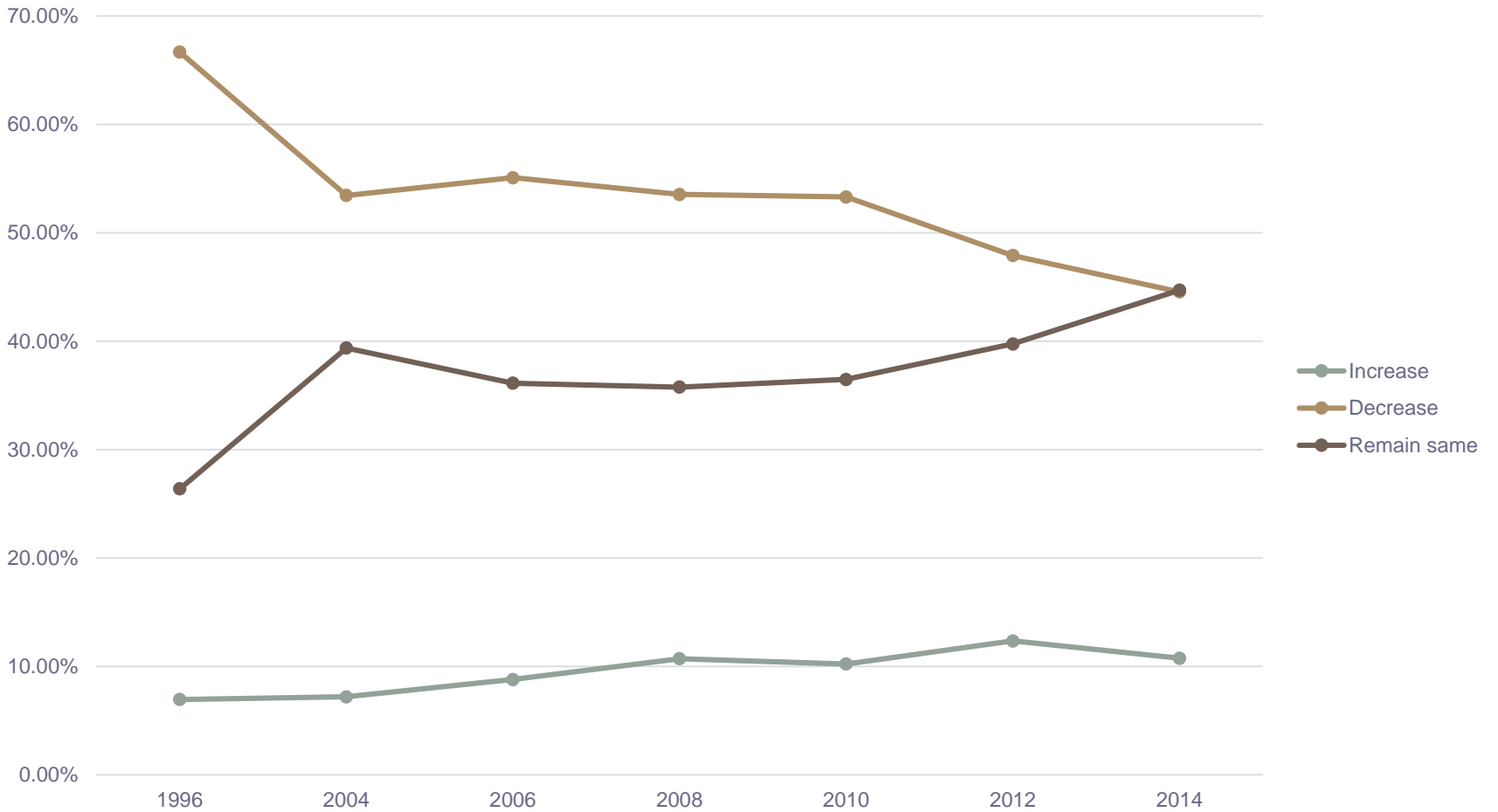
Immigrants number - Liberal



### Immigrants number - Conservative



Immigrants number - Moderate



# What distinguishes these discontents?

Prior to 1990, the opposition to globalization was most vociferous in developing countries.

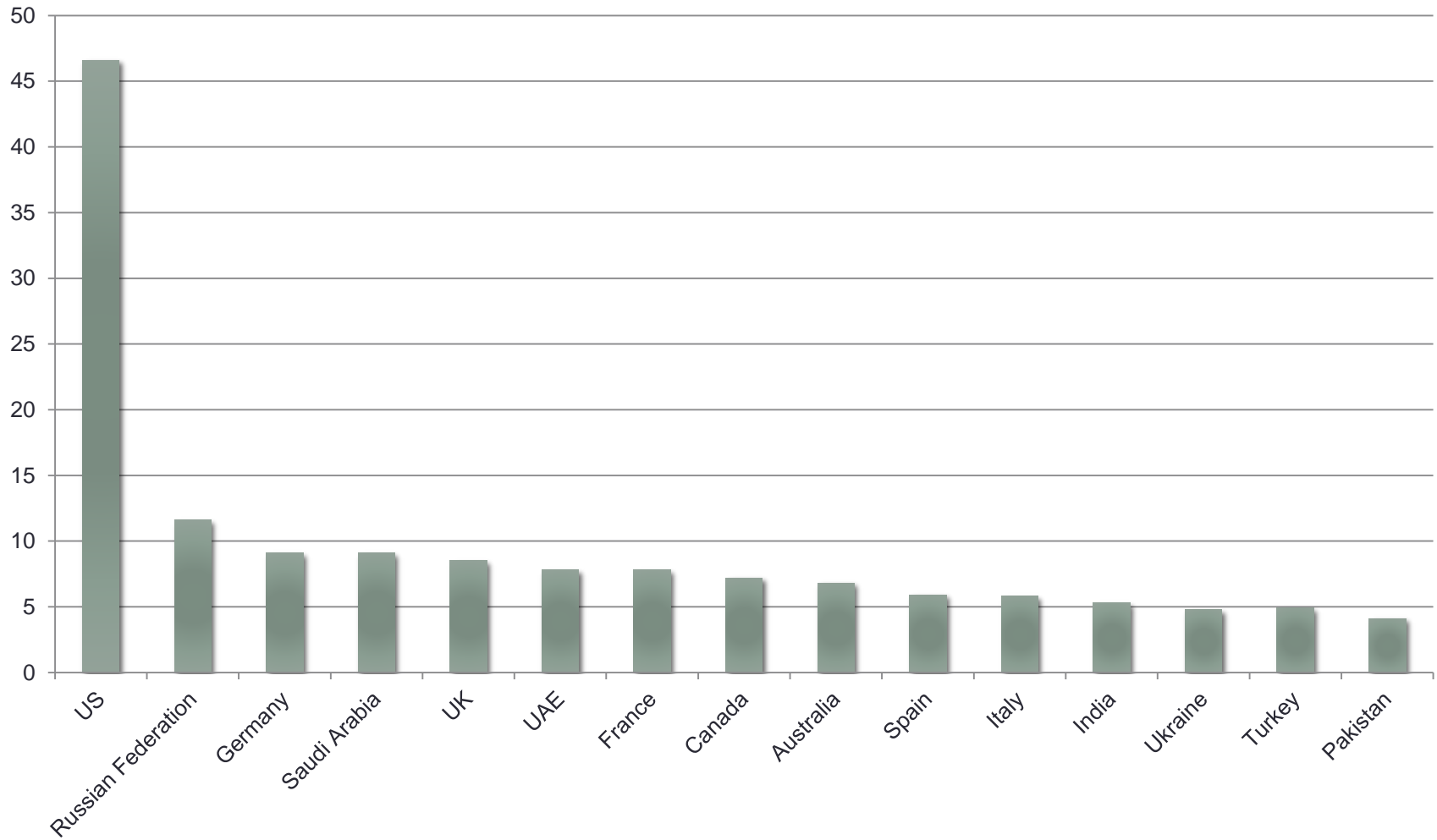
(during the 1970s and 1980s, concerns in developing countries that western competition (through trade or foreign investment) will kill entrepreneurship in developing countries.

- Globalization and economic liberalization were seen as being forced by the rich west on developing countries to help the west flourish.
- Since 2000, and most strongly since the Great Recession, opposition to globalization or “hyper globalization” is from western countries.
- Brexit – most recent example.

End of globalism? Is the west turning protectionist? What is the effect of these changes on immigration policy and immigration?



# Number of immigrants (in millions)



## Immigrants, % of National Population

