IMMIGRANTS: YOUR COUNTRY NEEDS THEM

ABSTRACT

Immigration controls are economically stupid, politically unsustainable and morally wrong. Opening our borders would bring huge benefits to rich and poor countries, as well as to migrants themselves. Fears about the threat to jobs, the welfare state and being "swamped" are misplaced. Campaigning for open borders is a noble cause for our time.

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When people talk about immigration nowadays, their starting point is usually how high it is. But in a globalizing world, the striking thing is actually how low it is. International trade now accounts for over 25% of world output, and trillions of dollars zip around the world each day, yet international migrants represent a mere 3% of the world population. Even in Canada, where one in five people are foreign-born, net migration adds a mere 0.6% per year to the population.

This is partly because people are less footloose than products and money. But mostly, it is because goods, services and capital are generally allowed to circulate freely, while workers are not. After all, when governments allow people to circulate freely, they become more mobile than ever before. International tourist trips have increased 30-fold in recent decades. And while many Europeans and North Americans feel threatened because a few million people from poor countries arrive each year, in China alone 10 million people move from the countryside to the cities. This mass migration within China has hardly brought the country to its knees. And North America did not do too badly when millions of poor European migrants arrived in the late 19th and early 20th centuries.

So perhaps migration isn't such a terrible thing after all? Within domestic economies, governments are forever urging people to move to where the jobs are. But if it is desirable for people to move from Liverpool to London if their labour is in demand there, surely the same applies to people moving from Manila to Munich?

Economic opportunities no longer stop at national borders; why should people? Governments think it is fine for international bankers to cluster in London, dotcomers in Silicon Valley and actors in Hollywood, and for multinational companies to scatter their executives around the world. Yet the shutters go up for Mexican construction workers, Filipino care-workers and Congolese cleaners, even though they are simply service providers plying their trade abroad, just as American bankers do. And just as it is often mutually beneficial to import computers from China and IT services from India, it often makes sense to import low-skilled services, such as cleaning, that have to be delivered on the spot.

No government, except perhaps North Korea's, would dream of banning cross-border trade in goods and services, yet it is seen as perfectly reasonable for governments to outlaw the movement across borders of most people who produce goods and services. This is perverse. Immigrants are not an invading army, they are mostly people seeking a better life. Many are drawn to rich countries by the huge demand for workers to fill the low-end jobs upon which our ageing and wealthy societies rely, but that our increasingly well-educated and comfortable citizens are unwilling to take. But since it is almost impossible for most people from developing countries to come and work legally, it is no wonder that illegal immigration is on the rise.

Our immigration controls are economically stupid, politically unsustainable and morally wrong. Freedom of movement is one of the most basic human rights, as anyone denied it can confirm. Article 13 of the *Universal Declaration of Human Rights* states that "Everyone has the right to leave any country, including his own, and to return to his country." But what is the right to leave a country if one cannot enter another?

We, in rich countries, take it for granted that we are free to move around the world more or less as we please. We go on holiday in Thailand and safari in Africa; many of us study and work abroad for a while; some of us end up settling elsewhere. Why, then, do we seek to deny this right to others?

This is not a point of abstract principle. Each year thousands drown trying to reach Europe. More people have died trying to cross from Mexico to the United States in the past decade than were killed on 9/11. By denying desperate people the opportunity to cross borders legally, we are driving them to risk death. Of course, voters and government officials would rather migrants not die.

But implicitly, they consider it a price worth paying for protecting our borders. That sounds shocking – and it is. But how else can we explain the general indifference towards the deaths that our immigration controls cause? Why is the official response always that we must remain tough in enforcing our border controls, rather than questioning whether the system makes sense?

Freeing up migration is not just morally right, it is economically beneficial. When workers from poor countries move to rich ones, they too can make use of advanced economies' superior capital, technology and institutions, making them much more productive and the world much better off. It is reckoned that removing immigration controls could more than double the size of the world economy, and even a small relaxation of immigration controls would yield disproportionately big gains.

Just look at the benefits of existing immigration. Migrants from poor countries can earn wages many times higher in rich ones, and the money they send home – some $300 billion a year officially, perhaps the same again informally – dwarfs the $100 billion that Western governments give in aid.

These remittances are not wasted on weapons or siphoned off into Swiss bank accounts; they go straight into the pockets of local people. They pay for food, clean water and medicines. They enable children to stay in school, they fund small businesses, and they benefit the local economy more broadly. Where remittances account for a large share of the economy, they slash the poverty rate by one-third. Even in countries that receive relatively little, they can cut the poverty rate by nearly one-fifth. And by keeping children in school, paying for them to see a doctor and funding new businesses, remittances can also boost economic growth. What's more, when migrants return home, they bring with them new skills, new ideas and the money to start new businesses. Africa's first Internet cafés were started by migrants returning from Europe.

Opening up our borders would do more to help the poor than any other policy change by Western governments: lowering our trade barriers, cancelling Third World debt and increasing overseas aid. If you believe the world is unfair and we should do more to help the poor, you should be campaigning to let them work here.

Rich countries would benefit too. Economic theory suggests that the gains from trade are greatest when countries are different. Rich countries generally have ageing, well-educated populations: as the baby-boomers retire, the workforce is set to shrink, putting a strain on businesses and public finances. In contrast, the developing world has a much younger and generally less well-educated population. In effect, their workforces complement each other.

Indeed, rich countries arguably need low-skilled migrants more than they do skilled ones. So the premise on which most rich countries' immigration policies are based – skilled migrants are good, or at least acceptable; unskilled ones are less desirable, or plain harmful – is wrong.

The supply of low-skilled workers in rich countries is shrinking fast, as less-skilled older workers retire and younger ones with higher aspirations replace them. Whereas 73% of Canadians aged 55 to 64 have finished secondary school, 91% of those aged 25 to 34 have, and high-school graduates understandably aspire to better things, while even those with no qualifications do not want to do certain dirty, difficult and dangerous jobs. Yet low-skilled jobs still account for over one-quarter of the labour force in rich countries, because as advanced economies create high-skilled jobs, they inevitably create low-skilled ones too.

Many low-skilled services cannot readily be mechanized or imported: the elderly cannot be cared for by a robot or from abroad; cabdrivers have to operate locally; hotels, hospitals and streets have to be cleaned on the spot. And as people get richer, they increasingly pay others to do arduous tasks that they once did themselves, such as home improvements, freeing up time for more productive work or more enjoyable leisure.

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Over the next 40 years, the number of old people in rich countries will soar. Many will need looking after, but young Canadians do not want to work in retirement homes. To persuade them otherwise would require a huge wage hike – and that implies pensioners making do with less care, budget cuts elsewhere, or tax rises. But immigrants face a different set of alternatives: since wages in Manitoba are a multiple of those in Manila, Filipinos are happy doing such work.

This is not exploitation: it makes everyone – migrants, taxpayers, Canadians young and old – better off. It does not undercut wages, since Canadians do not want these jobs in any case. And it does not undermine social standards: if there is abuse, legal migrants have recourse to unions and the law.

Nor does it entail creating a permanent underclass. If migrants are temporary, as most aspire to be, their point of reference is their home country – and thanks to their work in a rich country, they return home relatively well off. If they end up settling, their wages tend to rise over time as they gain skills, contacts and experience, while their locally born children ought to have the same opportunities as other native kids. If it turns out that some children are left behind, whoever their parents may be, it is a reason to redouble efforts to ensure equality of opportunity, not to keep out immigrants.

Governments are not only mistaken in thinking advanced economies need skilled migrants rather than unskilled ones. They are also wrong to pretend that they can pick and choose the "right" migrants a country needs. Governments cannot possibly second-guess or project the employment requirements of the vast number of businesses in the economy, let alone how people are going to contribute to society more broadly. Government officials are not any good at picking winners. Toronto is full of cabdrivers with PhDs – while poor people who would love to drive taxis there are turned away. Surely progressive governments that believe in opportunity for all should realize that you cannot – and should not – determine people's life chances based on their background. After all, who would have guessed that a Kenyan goat-herder named Barack Obama would have a son who could be the next American president?

Bureaucratic skills-based immigration schemes also ignore the huge contribution that immigrants' collective diversity and dynamism can make to the economy and society. Diversity is not only good in itself. It also acts as a magnet for talent. Go-getting people are drawn to cities like London, New York and Toronto because they are exciting, cosmopolitan – and thus thriving – places. However, the biggest economic benefit of diversity is that it stimulates innovation.

The exceptional individuals who come up with brilliant new ideas often happen to be immigrants. Instead of following the conventional wisdom, they tend to see things differently, and as outsiders they are more determined to succeed. Twenty-one of Britain's Nobel-prize winners arrived in the country as refugees.

Most innovation comes from groups of talented people sparking off each other, and foreigners with different ideas, perspectives and experiences add something extra to the mix. If there are ten people sitting around a table trying to come up with a solution to a problem and they all think alike, then those ten heads are no better than one. But if they all think differently, then by bouncing ideas off each other they can solve problems better and faster, as a growing volume of research shows. And an ever-increasing share of our prosperity comes from solving problems – developing new medicines, computer games and environmentally friendly technologies, designing innovative products and policies, providing original management advice.

Just look at Silicon Valley. Google, Yahoo! and eBay were all co-founded by immigrants who arrived not as graduates selected by some clever points system, but as children. Nearly half of America's venture-capital-funded start-ups have immigrant co-founders. So since diversity boosts innovation, and innovation is the source of most economic growth, critics who claim that immigration has few or no economic benefits are profoundly mistaken.

John Kenneth Galbraith said "Migration is the oldest action against poverty. It selects those who most want help. It is good for the country to which they go; it helps break the equilibrium of poverty in the country from which they come. What is the perversity in the human soul that causes people to resist so obvious a good?"

One reason is that people fear for their jobs. Yet just as women entering the labour force have not deprived men of work, immigrants create jobs as well as take them. Their wages fuel demand for people to produce the goods and services they consume, and their work stimulates demand for complementary labour. An influx of foreign builders creates new jobs for people selling building supplies, as well as for interior designers. Far from competing with native workers, immigrants often complement their efforts. A foreign child-minder may allow a local nurse to return to work, where her productivity is enhanced by hard-working foreign nurses and cleaners.

Of course, some individuals may lose out from immigration, as from any change, and the government must be there to help them. Yet studies find no evidence that immigration raises unemployment overall. Spain has received more immigrants in recent years than anywhere else in Europe, and its employment rate has soared. And because newcomers are more willing to move to where the jobs are, and to shift jobs as conditions change, they make the economy more adaptable, allowing it to grow faster for longer without sparking inflation. Hard-working migrant workers have given Britain's economy a new lease of life, boosting everyone's living standards. France and Germany would do well to allow in the much-maligned Polish plumber too.

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Another worry is that immigrants want to come scrounge off rich countries' generous welfare states. And it is true that if people are better off on welfare in a rich country than working at home, this could conceivably motivate them to migrate, and if enough did, welfare provision could become economically and politically unsustainable. Yet immigrants would still be even better off working than on welfare, so they would have to be enterprising enough to uproot themselves, but then suddenly sapped of enterprise once they arrive. This is highly improbable – and there is no evidence that rich countries actually do act as a "welfare magnet."

In countries where we observe high unemployment among immigrants, the reason is not that foreigners are lazy and do not want to work. The blame generally lies with labour-market restrictions that privilege insiders at the expense of outsiders. Throwing immigrants out wouldn't reduce unemployment, it would raise unemployment among native-born people. In any case, if rich countries allowed in more migrants, they could at the same time restrict the availability of welfare initially.

Underlying fears about jobs and welfare are more basic ones: fear of change and fear of foreigners. Psychological studies confirm that opposition to immigration tends to stem from an emotional dislike of foreigners. Intelligent critics then construct an elaborate set of seemingly rational arguments to justify their prejudice. When immigrants are out of work, they are scrounging off the state; when they are working, they are stealing our jobs. When they are poor, they are driving standards down; when they are rich, they are driving prices up.

One British Member of Parliament with whom I was debating bemoaned that Poles were earning misery wages and living in squalid conditions 12 to a room, and then blamed them for rising house prices. Harvard academic Samuel Huntington, who shot to fame by warning about a global "clash of civilizations" in which he lumped Mexicans and Americans together in a single civilization, now claims that Latinos in the United States threaten a domestic clash of civilizations. In his book *Who Are We?*, he starts by worrying that Latinos tend to cluster in only a handful of cities and states, and later that they are starting to spread out. Immigrants can't win: they're damned if they do and damned if they don't. So while it is important to address people's fears and consider people's arguments, it is also important to see them for what they often are: a rationalization of xenophobia.

The system we have now, where the rich and the educated circulate increasingly freely but the poor are expected to stay put, amounts to a form of global apartheid. It is unworkable, unfair and it must go.

Yet many people fear that if we opened our borders, everyone in poor countries would move and our societies would collapse. It is a deep-rooted fear, as if immigrants were the barbarians at the gates. But it is misplaced. When Britain opened its borders to the new European Union member states in 2004, all 75 million people in those much poorer countries could conceivably have moved, but in fact only a fraction have, and most have already left again. Many are, in effect, international commuters, splitting their time between Britain and Poland. Of course, some will end up settling, but most will not. Most people don't want to leave home at all, let alone forever: they want to go work abroad for a while to learn English and earn enough to buy a house or set up a business back home.

Studies show that most migrants have similar aspirations. If they could come and go freely, most would move only temporarily. But perversely, our border controls end up making many stay for good. A Brazilian who overstays his visa knows that if he returns home, he will find it extremely difficult to re-enter Canada legally.

We need to rethink our outdated notions of migration and adapt our national institutions for a 21st century where people are increasingly on the move rather than tied to one place. We need to start treating immigration not as threat, but as an opportunity. Ultimately, the prize is huge: open, dynamic and progressive societies instead of closed, stagnant and reactionary ones.

I believe our borders should be open. At the very least, we should open up a legal route for people from developing countries to come work in rich ones. Over time, hopefully, we can move to a position where everyone can move freely.

Persuading sceptics will not be easy. This is why I think the argument for setting people free has to be made at several levels. First, a principled case: it increases freedom and reduces injustice; second, a humanitarian case: it helps people in developing countries; third, an economic case: it makes you richer; and finally, a pragmatic case: it is inevitable, so it is in everyone's interests to make the best of it.

Allowing people to move freely may seem unrealistic, but so too, once, did abolishing slavery or giving women the right to vote. Campaigning for open borders is a noble cause for our time.

The Bridge



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