MIGRATION AND THE GLOBAL ECONOMY*

ABSTRACT

This article examines migration in the context of globalization. The author argues that one of the key challenges in the migration field today is precisely that migration is viewed as a problem and a challenge to national sovereignty. He advocates for the creation of an international body for cooperation on migration issues.

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The hunger for skills

After years of stagnation, Germany's economy finally began to grow again in 2006, but shortages of electrical and mechanical engineers soon threatened to stall the boom. The solution? Employers lobbied Chancellor Angela Merkel to allow the recruitment of skilled personnel from Eastern Europe and elsewhere. In August 2007, Merkel announced a relaxation of immigration rules. Moreover, foreigners graduating from German universities would be allowed to stay on – if they had the right skills. Germany was merely following the example of Australia, Canada and the United States, which all have privileged immigration rules for highly skilled workers.

After a long period of "zero immigration" policies, Europe is becoming more aware of its labour needs. Health services in the United Kingdom have long been dependent on the recruitment of doctors and nurses from Africa, Asia and the Caribbean. Now other sectors are competing for migrants. In 2006, the British Government announced a new points-based system to bring in "migrants who are highly skilled to do key jobs that cannot be filled from the domestic labour force or from the EU." France's 2006 Immigration and Integration Law (known as the *Loi Sarkozy*) had a similar thrust. Germany too is considering a points system to recruit the "brightest and best" from around the world.

Exploitable labour: contract workers and irregular migrants

Something unprecedented happened in Dubai in March 2006: foreign workers building the world's tallest building demonstrated against low wages, squalid dormitories, and dangerous conditions. Their main grievance was that employers often simply refused to pay wages. Dubai is one of the oil-rich United Arab Emirates, where the migrant workforce – mainly from India, Pakistan and Bangladesh – far outnumbers the local population. Lack of workers' rights, prohibition of unions and fear of deportation have forced migrant workers to accept exploitative conditions. Women migrants, who often work as domestic helpers, are especially vulnerable.

Around the world, expanding economies rely on migrant workers to do what Asians call the "3-D jobs" – dirty, difficult and dangerous. Many low-skilled workers are irregular (or illegal) migrants. Malaysia has 2.6 million foreign workers (12% of its workforce), of whom 1 million are estimated to be irregular. Japan has strict rules limiting labour migration, yet has 200,000 irregular migrant workers. The situation is similar in other fast-growing Asian economies.

Yet, the main magnets for irregular migrants are western countries. The American agriculture industry has relied on Mexican migrants since the 1940s. Today the United States is officially estimated to have 12 million irregular immigrants, who play a crucial role in industry and services in nearly every state. The U.S. Congress recently rejected a plan for "earned legalization" of migrants with good work records. Instead they decided to plough billions into new border fences and surveillance equipment. But the wall along the border with Mexico has not stopped migration from the South. Rather, it has raised the death rate – some 500 migrants a year die in the deserts of Arizona and Texas – and provided a financial bonus to the *coyotes* (people smugglers) who charge desperate migrants US$1,000 a head.

Experts put the number of irregular migrants in the European Union (EU) at between 4 and 7 million. In 2005, a European Commission Green Paper stated that EU member states had labour shortages in "the full range of qualifications – from unskilled workers to academic professionals." European governments rushed to liberalize rules for migrant professionals, but refused to recognize the need for less-skilled workers. Fear of a backlash from a public hostile to immigration meant that new workers for building, catering, hospitals and aged care would mainly be irregular migrants. In 2006, there were red faces at the United Kingdom Home Office when newspapers discovered that many of its office cleaners were irregular migrants. Throughout Europe, hiring of irregular migrants

through chains of sub-contractors allows mainstream employers to turn a blind eye.

Globalization and migration

International migration is changing rapidly, as a result of major economic, technological and cultural shifts. One way in which globalization drives migration is by increasing economic inequality. The wage differential between American and Mexican workers is about 11:1. Between European and African workers it can be as much as 40:1. Inequality within countries has also grown, and often it is migrant workers (and especially migrant women) who get the lowest wages.

Demography is another area of change. Low fertility in European countries leads to shrinking workforces, which have to support more aged persons. Japan too has a fast-ageing population, and new industrial countries like Singapore and Korea are experiencing a rapid decline in fertility. By contrast, less-developed areas of Asia, Africa and Latin America still have fast population growth, and few job opportunities for young labour market entrants. Migration seems to meet a mutual need.

Globalization also transforms technology and culture. Electronic media beam idealized images of western lifestyles into the poorest villages, encouraging people to move. Cheaper air transport makes migration easier. The use of mobile phones and the Internet facilitates the growth of migrant networks. First-time movers can rely on prior migrants from their community to help find accommodation and jobs.

Facilitating migration has become a new global industry worth billions of dollars. Labour recruiters, travel agents, job brokers, lawyers and landlords all make their living by organizing mobility – even when states try to stop it. Much of the "migration industry" is legal, but there is also a criminal element involved in trafficking of modern-day slaves – especially women and children for the sex industry.

From global economy to global society?

Globalization has meant the elimination of national barriers to investments and trade: production is carried out wherever the factors of production – including labour – are cheapest. But movements of finance and commodities are closely linked to flows of workers. The result is a global labour force that is segmented on the basis of origins, ethnicity, gender and legal status.

Governments like to recruit temporary migrant workers who keep the wheels turning, but don't stay. That was the rationale of Europe's guestworker systems in the 1970s, and it is still the principle of contract labour schemes in the Middle East or Asia. But such systems tend to break down, because workers are people with social and cultural needs. No migration is just economic – it always changes society too.

In the past, migration often meant a once-in-a-lifetime move, followed by assimilation into a host society. Today new communication technologies make it possible for migrants to maintain business relationships, religious practices and social contacts across large distances. Migrants form "transnational communities," with a sense of belonging to several places. This is a challenge for nation-states still based on the idea of singular loyalties.

Even countries that see themselves as culturally homogenous find that globalization brings change. A few years ago, Japanese social scientists noted that local women were reluctant to marry farmers, who increasingly sought their brides through marriage brokers in the Philippines and Thailand. Today, bride migration has become important in rural areas of Korea, Taiwan, China and India too. Foreign mothers pass on their cultures to their children, which can help change traditional values.

The governance vacuum

The key problem of migration today is precisely that it is seen as a problem – something exceptional and threatening. Other types of cross-border flows are seen as normal aspects of globalization and themes for international cooperation. For all their flaws, organizations like the World Trade Organization and the International Monetary Fund do represent a step towards global governance. There is no parallel for migration. Controlling cross-border movement is still seen as part of national sovereignty. Rich countries can plunder the scarce skilled personnel of poor countries and impose strict limits on low-skilled migrants, without any concern for the interests of migrants and their homelands.

Yet there are pressures for cooperation. Efficient labour markets require the rule of law and rights for workers. Security concerns since 2001 have increased the pressure for regulated migration. In 2006, the United Nations hosted the first-ever High-Level Dialogue on International Migration and Development. This led to the establishment of a Global Forum on Migration and Development, which met for the first time in Brussels in July 2007. So far, these are merely symbolic acts, but they may be first steps on the way to genuine cooperation between migrant-sending and receiving states.

What I'd like to see

If I were to make a policy recommendation, it would be the creation of a "World Migration Organization" with the tasks of promoting standards based on recognition of the human rights of migrants and their families and helping to match global labour demand with supply. This could eliminate exploitative irregular migration, and provide a forum for cooperation between migrant-sending countries migrant associations, and labour-importing countries.

Note

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