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IMPROVING US AND EU IMMIGRATION SYSTEMS

Migration and Development: Policy Perspectives from the United States

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By Aaron Terrazas

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Executive Summary

In 1970 about 1 out of every 29 people worldwide lived in a country where international migrants composed a tenth or more of the total population. Four decades later, in 2010, the ratio was nearly 1 in 9.

One of the most basic responses of any society to the arrival of new immigrants is to inquire about their origins and their motivations for seeking opportunities abroad. Almost unavoidably, this line of inquiry leads to discussions of global poverty and how to sustainably improve living conditions in poor countries. As migration has become an increasingly visible global phenomenon in recent decades, there has been a proliferation of interest in the complex relationship between migration and the development prospects of migrants' countries of origin.

Immigration and international development policies have unique objectives and respond to distinct political and administrative constraints.

Individual migrants and their families tend to benefit — sometimes substantially — from the decision to seek opportunities abroad. But the consequences for migrant communities and countries of origin are more ambiguous. Some researchers argue that migrant communities and countries of origin benefit from migration, while other research is more neutral or negative. In some countries, substantial emigration has coincided with development. But has rarely been the cause of it: the basic ingredients for development predated or were independent of the large-scale migration of labor. Similarly, where substantial emigration has not coincided with development, forces other than emigration have been at work. However, there are many examples of individual migrants who contribute to development, particularly to poverty reduction (through remittances) and, in some cases, by sparking innovation and growth through investment and social innovation. The reality varies from country to country.

A role for policymakers in destination countries such as the United States is not necessarily obvious. There is extensive evidence that immigrant communities in the United States contribute resources, expertise, and energy to their communities — and sometimes countries — of origin. But immigration and international development policies have unique objectives and respond to distinct political and administrative constraints. Immigration policies are designed overwhelmingly in response to domestic concerns and rarely take into consideration the well-being of foreign countries. International development policies, by contrast, fall into two categories: highly contentious ones that typically imply US openness to a global economy and have far-reaching domestic consequences, and less controversial policies with a lighter domestic footprint.

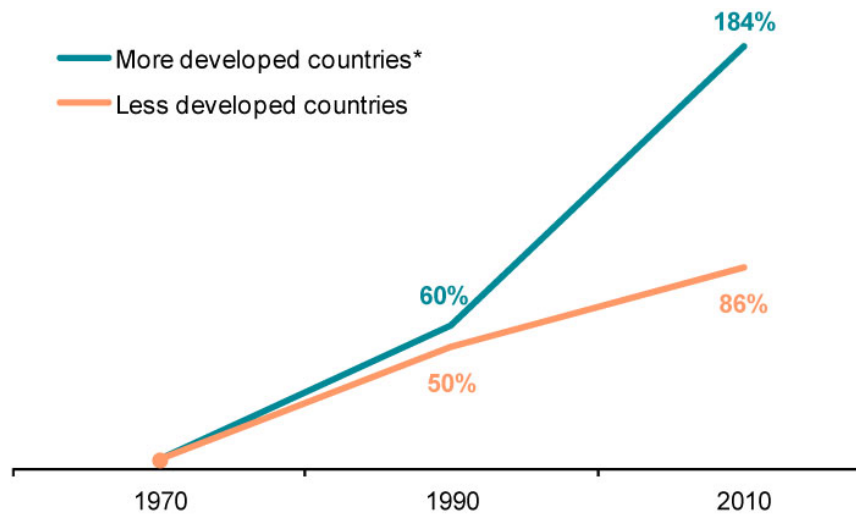
The historic openness of the United States to immigration — and, perhaps more critically, the country's long-standing commitment to immigrants' economic success — has been a powerful force for social and economic development in poor countries, typically in spontaneous and unpredictable ways. But while immigration is deeply ingrained in the American narrative, the role of immigrants in the development of their countries of origin is an often-overlooked part of this national story.

I. Introduction

International migration has emerged as an increasingly visible global phenomenon in recent decades. Between 1970 and 2010, the number of international migrants worldwide more than doubled, from

84 million to 214 million.¹ Much of this growth was driven by immigration from poorer countries to wealthier ones: the number of immigrants in more-developed countries grew more than twice as fast as the number of immigrants in less-developed countries (see Figure 1). In the United States — which, as home to about one-fifth of the world’s total international migrants is their top destination — the number of foreign born from developing countries increased from 14.8 million to 31.1 million between 1990 and 2009 (see Appendix). By comparison, the number of immigrants entering the United States from developed countries increased more modestly, from 4.2 million to 6.2 million.²

Figure 1. Cumulative Change in Immigrant Stock, 1970 to 2010



Note: *Excludes the former Soviet Union. “More developed countries” comprise Australia, Europe, Japan, New Zealand, and North America. “Less developed countries” include those in Africa, Asia (excluding Japan), Latin America and the Caribbean, Melanesia, Micronesia, and Polynesia.

Source: United Nations Department of Economic and Social Affairs, Population Division, *Trends in International Migrant Stock: 2008 Revisions* (New York: United Nations, 2009).

For broad swaths of society in many wealthy nations — particularly in North America and Europe — immigration has become one of the most visible windows on the developing world. In 1970 about 1 out of every 29 people worldwide lived in a country where international migrants composed a tenth or more of the total population; by 2010 the ratio was nearly 1 in 9. Within receiving countries, immigrants are moving beyond the urban gateways where they have historically concentrated to settle in smaller communities with less experience welcoming immigrants and, often, less direct exposure to the developing world.³

1 Throughout this report we use the terms *immigrant* and *foreign born* interchangeably to refer to individuals who reside in a country other than that of their citizenship at birth.

2 Elsewhere, the past two decades have been more mixed: the share of immigrants from developing countries increased in Australia, Canada, Italy, and the United Kingdom while it decreased in Germany, the Netherlands, and Switzerland. Ireland, Portugal, and Spain emerged as immigrant-receiving states during the 1990s and 2000s, and a substantial share of the inflow came from developing countries. MPI tabulations are of data from the Organization for Economic Cooperation and Development (OECD), International Migration Database. Except for Australia and Canada, data are for the “foreign” population — defined as such by citizenship rather than nativity — and cover the year closest to 1990 for which data are available, through 2008.

3 For a discussion of this phenomenon in the United States, see Audrey Singer, Susan W. Hardwick, and Caroline Brettell, eds., *Twenty-First Century Gateways: Immigrant Incorporation in Suburban America* (Washington, DC: The Brookings Institution, 2008) and Douglas Massey, *New Faces in New Places: The Changing Geography of American Immigration* (New York: Russell Sage Foundation, 2008). On European countries, see Madeleine Sumption and Will Somerville, *The UK’s New Europeans: Progress and Challenges Five Years after Accession* (London: Equality and Human Rights Commission, 2010) and Rita Süßmuth and Werner Weidenfeld, *Managing Integration: The European Union’s Responsibilities toward Immigrants* (Washington, DC, and Gütersloh, Germany: Migration Policy Institute [MPI] and the Bertelsmann Foundation, 2005).



In many instances these encounters have provoked substantial popular unease that has occasionally translated into xenophobia, racism, or lesser forms of hostility toward immigrants. But migration has also generated a newfound awareness and concern for the challenges facing poor countries: communities with larger immigrant populations are more likely to express political support for international development efforts.⁴ For better or worse, the arrival of immigrants in many wealthy destination countries creates a political imperative for policymakers to pay greater attention to living conditions in the developing countries from which migrants originate.

The notion that international migration is somehow related to the well-being of countries of origin is deeply intuitive, but its complexities are often overlooked or misunderstood in receiving countries. Meanwhile, the issue has attracted substantial attention from policymakers and scholars in many developing countries with large migration outflows.

For policymakers in wealthy receiving countries, formulating migration and development policies that align has proven difficult, in part because the two kinds of policies tend to respond to differing political and administrative realities. And so, although they have far-reaching foreign policy implications, immigration policies tend to be shaped by domestic concerns and thus rarely account for the well-being of origin countries. By contrast, international development policies split into two categories: highly contentious ones that typically imply US openness to a global economy and have far-reaching domestic consequences (involving, for example, trade, international finance, and, occasionally, migration) and a less controversial set with a lighter domestic footprint (international health, democracy promotion, foreign assistance).

The objectives of this report are twofold: First, to synthesize the state of knowledge on the relationship between migration and the prospects for social and economic development in migrants' countries of origin. Second, to outline the evolution of policy attention to the issue in the United States, the world's leading destination for immigrants. Inevitably, migration is set against the backdrop of an increasingly interconnected but also fragile global economy, a constantly evolving world political order, and the practical constraints that policymakers face.

II. Theory and Evidence

The earliest theories of economic growth and development recognized that migration has consequences for living standards and well-being in both origin and destination countries, even as the earliest scholars of migration recognized that living conditions in both influence individual decisions to migrate. This distinction between “push” and “pull” factors has been an enduring feature of academic, policy, and popular discussions of migration. Prevailing theories as to whether emigration is beneficial or detrimental to the development prospects of poor countries have shifted back and forth over time.⁵

Two sets of questions have guided policy interest in migration and development in immigrant destination countries. One body of research focuses on *the reasons people migrate and how migration trends evolve when countries prosper and living conditions improve*. This research tends to be primarily of interest to immigration policymakers concerned with high demand for visas and the possible spillover effects into illegal channels. The other body of research focuses on *whether countries (and the communities left behind) are better or worse off when their citizens move abroad*. This research tends to be of interest to development policymakers concerned with the well-being of poor countries. In general, both popular perception and academic theory fail to capture the complexity and nuances of the situation in either sending or receiving countries. This section synthesizes the current state of knowledge, highlighting

⁴ Cagla Okten and Una Okonkwo Osili, *Preferences for International Redistribution* (Washington, DC: World Bank, 2009).

⁵ For a review of theoretical perspectives, see Hein de Haas, “Migration and Development: A Theoretical Perspective” (working paper 9, International Migration Institute, James Martin 21st Century School, University of Oxford, 2008).



common misperceptions.

Box 1. Immigration and Development in Low- and Middle-Income Countries

Most research on the relationship between migration and development focuses on *emigration from* developing countries, overlooking the consequences of *immigration to* these very same nations. An estimated 40 to 50 percent of the world's international migrants reside in less-developed regions of the world.* Some developing countries — especially middle-income countries such as Argentina, Costa Rica, Chile, Malaysia, South Africa, and Thailand — receive substantial permanent immigration flows from their poorer neighbors. Others (for example, Côte d'Ivoire, the Dominican Republic, El Salvador, and India) receive substantial inflows of migrants into specific industries.

The research base on immigration's effect on the development prospects of low- and middle-income countries tends to parallel the much richer body of evidence on the impact of immigration on developed countries. For example, one recent study found little evidence that Nicaraguan immigration has a meaningful impact on earnings, inequality, or poverty in Costa Rica, while another study concludes that skilled immigration to Malaysia increases trade in goods and services. Other studies document the increasingly strict border enforcement policies of Botswana and South Africa in response to growing illegal immigration from neighboring countries.

Historically, developed countries have prospered due to immigration, and there are reasons to believe that immigration to lower- and middle-income countries may yield similar results. But there are also important differences between the two scenarios, including the following:

- The potential for labor market competition between immigrants and natives may be greater in lower- and middle-income countries, since their skills and education profiles are likely to be more similar.
- Chronic unemployment and underemployment among skilled workers may be more pervasive in some developing countries, limiting the benefits of skilled immigration.
- Government safety nets to protect the most vulnerable workers from extreme poverty may be less developed.
- Policymakers may still be concerned with emigration and may be unwilling to recognize the presence of foreigners as an important policy issue.

Note: * Data for 2000. According to the United Nations (UN) Population Division, about 40 percent of international migrants resided in "less-developed regions," and according to the United Nations Development Programme (UNDP) Human Development Report Office (HDRO), nearly 50 percent resided in "developing countries." The term "less-developed regions" is used by the UN Population Division and includes Africa, Asia (excluding Japan), Latin America and the Caribbean, and the island states of the Pacific (excluding Australia and New Zealand). Countries with a 2007 Human Development Index (HDI) below 0.9 are considered to be "developing countries" by HDRO.

Sources: Reginald Appleyard, ed., *The Impact of International Migration on Developing Countries* (Paris: Organization for Economic Cooperation and Development [OECD], 1989); Timothy H. Grindling, "South-South Migration: The Impact of Nicaraguan Immigrants on Earnings, Inequality and Poverty in Costa Rica," *World Development* 37, no. 1 (2009): 116–26; Tan Chuie Hong and A. Solucis Santhapparaj, "Skilled Labor Immigration and External Trade in Malaysia: A Pooled Data Analysis," *Perspectives on Global Development and Technology* 5, no. 4 (2006): 351–66; Eugene Campbell, "Reflections on Illegal Immigration in Botswana and South Africa," *African Population Studies* 21, no. 2 (2006): 23–44; Jonathan Crush and David McDonald, "Evaluating South African Immigration Policy after Apartheid," *Africa Today* 48 (2002): 49–72.



A. Individual Motivations and the “Root Causes” of Migration

One of the most basic reactions of any society to the arrival of immigrants from less prosperous places is to speculate that by improving living conditions in migrants’ countries of origin — or addressing the “root causes” of migration as they are often labeled — it is possible to reduce the “push” factors leading migrants to seek opportunities abroad. In this vein, policymakers in developed countries often look to development as a means of simultaneously allaying public anxiety about immigration while embracing pluralistic, open societies. It is difficult to dispute (a) that individuals migrate because they expect to materially improve their lives and (b) that migration pressures diminish as countries prosper and living conditions improve. But these general trends fail to capture the complexity of individual decisions.

Contrary to conventional wisdom, individual motives for migration vary widely; *there is no single, root cause of migration*. Some migrants move in response to political violence, persecution, and natural disasters. Others seek economic opportunities or aim to reunite with family members who have previously moved. In still other cases, it is difficult to disaggregate the precise reasons why an individual decides to move abroad — motives are often complex and multiple and evolve over time. Meanwhile, *individuals’ desires to migrate are often limited by their capacity to do so*. There are substantial costs and enormous barriers to migration. The public opinion group Gallup estimates that about 16 percent of the world’s adults would like to move permanently to another country if given the opportunity, with the highest rates reported in Sub-Saharan Africa.⁶ But only about 3 percent of the world’s population currently resides outside of their country of birth, and Sub-Saharan Africans’ emigration rates are among the lowest.⁷

Contrary to conventional wisdom, individual motives for migration vary widely; there is no single, root cause of migration.

There is little doubt that many migrants are driven by a desire to materially improve their life circumstances; *poverty and the promise of opportunity are undeniably key drivers of migration*. About three-quarters of international migrants move to a country with a higher level of human development than their country of origin.⁸ For many migrants — especially those who move to industrialized democracies such as the United States — the decision is ultimately rewarding. Economists at the Center for Global Development estimate that the wage benefits of migration to the United States for similarly educated workers range from multiples of 2.6 for Peruvian migrants to upward of 7 for Haitian migrants.⁹ Beyond income, there are a number of less quantifiable benefits such as access to public goods including human security, rule of law, and reliable and safe public services.

But *poverty and opportunity alone cannot explain individual decisions to migrate*. Many relatively wealthy European countries have high emigration rates, and Gallup estimates that about one-fifth of Europeans would like to move abroad if given the opportunity.¹⁰ In contrast, the world’s poorest countries have relatively low out-migration rates on aggregate, although in these countries — as in other developing

6 Neli Esipova and Julie Ray, “700 Million Worldwide Desire to Migrate Permanently,” Gallup, November 2, 2009, www.gallup.com/poll/124028/700-million-worldwide-desire-migrate-permanently.aspx.

7 United Nations Department of Economic and Social Affairs, Population Division, *International Migrant Stock: The 2008 Revisions* (New York: United Nations, 2008).

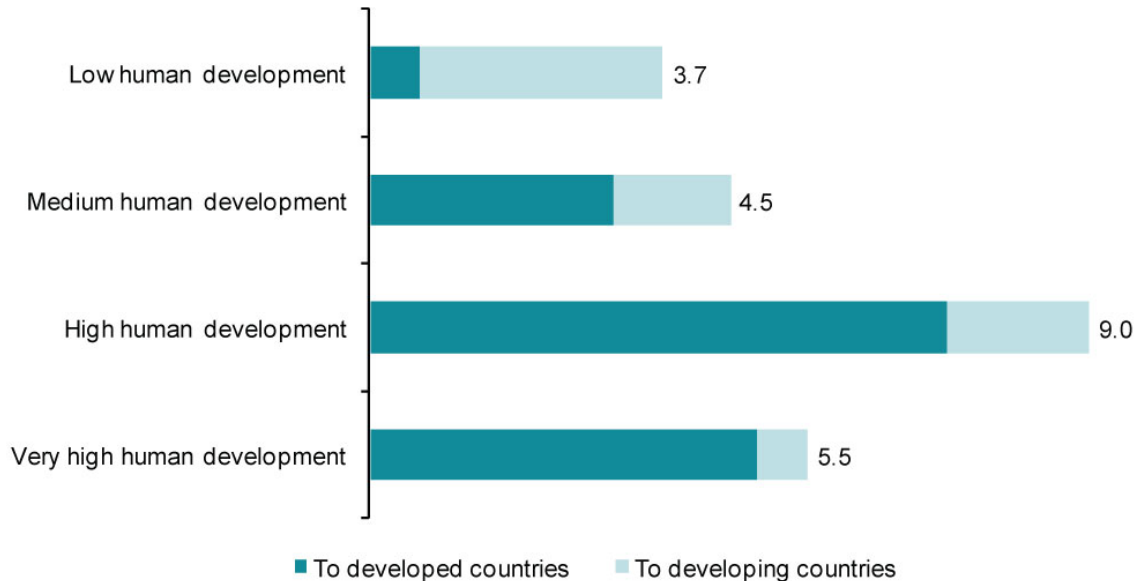
8 Median national share of emigrant stock in a country in a higher human development group. MPI analysis of data from the United Nations Development Programme (UNDP).

9 Michael Clemens, Claudio Montenegro, and Lant Pritchett, “The Place Premium: Wage Differences for Identical Workers across the US Border” (working paper 148, Center for Global Development, Washington, DC, July 2008), www.cgdev.org/content/publications/detail/16352.

10 Esipova and Ray, “700 Million Worldwide Desire to Migrate Permanently.”

countries — rates are higher among the better-educated and wealthier segments of society. The median emigration rate in countries with low human development is below 4 percent, compared to 9 percent from countries with high levels of human development (see Figure 2);¹¹ relatively few migrants from the poorest, most underdeveloped countries move to developed countries but the rate rises notably as countries prosper.¹² Only after countries progress to the highest levels of development do overall emigration rates appear to fall. But most wealthy, developed countries still have higher levels of emigration than developing countries — even as many have become major destinations of immigrants from poorer places. The United Nations Development Programme (UNDP) *2009 Human Development Report* (HDR) concluded that “development and migration go hand in hand.”¹³

Figure 2. Median Emigration Rates by Origin-Country Human Development Index (HDI) Group



Note: The Human Development Index (HDI) is a composite measure of individual well-being in a country that takes into consideration life expectancy, adult literacy rates, education enrollment, and per capita gross domestic product (GDP).

Source: United Nations Development Programme (UNDP) calculations based on data from “Global Migrant Origin Database (Version 4),” Development Research Center on Migration, Globalization and Poverty, University of Sussex.

The idea of a linear progression from migrant-origin to migrant-destination country as prosperity increases is increasingly outdated. *Both emigration and immigration are part of every country’s participation in the global economy.* However, compared to migrants moving among developed countries, migrants moving from developed to developing countries encounter different opportunities, use different avenues, have different human capital endowments, and express different preferences for circulation or permanence. As a result, immigration among developed countries tends to be less controversial than migration from developing countries and is rarely perceived as a challenge that requires attention from policymakers.

The idea that development in origin countries is the only effective and sustainable means to address the

11 The Human Development Index (HDI) is a composite measure of individual well-being in a country that takes into consideration life expectancy, adult literacy rates, education enrollment, and per capita gross domestic product (GDP).

12 Very-high-human-development countries had per capita GDP in 2007 ranging between \$85,382 (Lichtenstein) and \$17,956 (Barbados). This category includes most developed OECD and non-OECD countries. High-human-development countries had per capita GDP in 2007 ranging between \$29,723 (Bahrain) and \$6,875 (Cuba). Medium-human-development countries had per capita GDP in 2007 mostly between \$15,167 (Gabon) and \$904 (Myanmar). Equatorial Guinea is a medium-human-development country with an unusually high per capita GDP (\$30,627). Low-human-development countries had per capita GDP in 2007 ranging between \$1,690 (Côte d’Ivoire) and \$298 (the Democratic Republic of Congo).

13 UNDP, *Human Development Report 2009: Overcoming Barriers, Human Mobility and Development* (New York: UNDP, 2009): 2.



challenges raised by migration overlooks both the importance of migration for higher-income countries and the complexity of individual decisions to migrate: the movement of people among countries is a normal feature of an increasingly interconnected world that implies both new opportunities and new challenges. Moreover, no precise, universal formula exists for addressing the many complex, interconnected, and often idiosyncratic challenges facing developing countries — especially on a time line that is relevant for policymakers and elected officials.¹⁴ There are many compelling reasons to seek solutions to the challenges facing developing countries and to promote domestic prosperity in the world's poor and emerging countries, but reducing immigration to the developed world should not rank high on the list.

B. The Costs and Benefits of Migration for Origin Countries

Interest in international development on the part of immigration policymakers typically derives from their concern with the reasons why people move and how development might be leveraged to address immigration policy concerns. In contrast, policymakers whose primary concern is development — that is, improving developing countries' living standards and economic prospects — tend to focus on how migration affects developing countries and, more recently, how migrants might contribute to development policy objectives. There is no consensus on the full range of costs and benefits for origin countries when their citizens seek opportunities abroad. The historical record is deeply ambiguous. Consider the following:

- Large-scale out-migration coincided with social and economic development in several prominent countries, including Germany, Great Britain, Japan, the countries of Scandinavia, and more recently, Ireland, Italy, Poland, Spain, South Korea, and Taiwan.¹⁵ Out-migration from several regions within countries — the Deep South in the United States, Galicia and Andalusia in Spain, and the former People's Democratic Republic of Germany in unified Germany — also suggests a strong link between migration and development.
- However, in another set of countries — including Ecuador, El Salvador, Egypt, Lebanon, Mexico, Morocco, and the Philippines — decades of sustained emigration have moderated poverty but have not led to sustainable growth or measurably reduced the outflow of migrants.¹⁶ The legacy of decades of migration is even more dismal in countries such as Bangladesh, Haiti, Pakistan, and Somalia.
- Between the two extremes lies a third group of mostly middle-income countries — including Cape Verde, Greece, Portugal, Russia, and Turkey — where living standards have improved and emigration pressures have subsided somewhat. In some instances, these countries now attract immigrants from their poorer neighbors, but they continue to lag behind more affluent places. There is little crushing poverty, but there is hardly any dynamic growth; the young, the highly educated, and the highly ambitious continue to depart.

There is little evidence of causality in any of these examples: both the success stories and the failures have multiple explanations. Although migration doubtlessly played a role in its success, Northern Europe prospered as a result of favorable demographics, human capital investment, global trade, and effective governance; Southern and Eastern Europe benefited from European integration. Similarly, there are many reasons why migration and development have not coincided elsewhere. These include civil strife (e.g., Lebanon, Somalia), ineffective governance (Haiti, Pakistan), diseconomies of scale (Cape Verde, El

14 Dani Rodrik, *One Economics, Many Recipes: Globalization, Institutions and Economic Growth* (Princeton, NJ: Princeton University Press, 2007).

15 See Timothy J. Hatton and Jeffrey G. Williamson, *Migration and the International Labor Market, 1850 to 1939* (London: Taylor and Francis, Inc., 2005). More recently, data indicate that Ireland and Greece have once again become countries of net emigration as they experience severe financial and economic crises.

16 See Stephen Castles and Raul Delgado Wise, eds., *Migration and Development: Perspectives from the South* (Geneva: International Organization for Migration, 2008).



Salvador), and unfavorable demographics (Russia, Portugal). In some places, misguided policy decisions have led to poor outcomes; other places simply do not make sense as population centers, as economist Lant Pritchett argues.¹⁷

In reality, it is impossible to draw universal conclusions about the net costs and benefits of emigration for poor and middle-income countries. Experiences vary and outcomes depend on a wide range of shifting variables, including, but not limited to, the unit of analysis (e.g., national, local, family), the metrics considered, the return horizon, the human-capital profile of migrants, and the degree to which migrants retain ties with their countries and communities of origin. Extensive, if often anecdotal, evidence documents the contributions of individual migrants to improving living standards. A smaller subset of migrants go further, promoting economic growth in their countries of origin by sponsoring business ventures, giving to charity, and contributing to social innovation. Laura Chappell and Dhananjan Sriskandarajah of the Institute for Public Policy Research (ippr) identify 60 avenues through which migration potentially has consequences for development in migrants' countries of origin.¹⁸ But just a handful of issues attract the majority of attention from policymakers and policy-oriented researchers.¹⁹ The remainder of this section briefly summarizes the current state of knowledge on these key issues.

I. Income and Remittances

The remittances that migrants send home are the most tangible and least controversial link between migration and development.²⁰ As voluntary *intrafamily transfers*, remittances are similar to other forms of employment income: they can reduce the depth and severity of poverty, promote human capital development, expand consumption, and contribute to asset accumulation. As *cross-border transfers*, remittances also have implications for the current account, exchange rates, and the development of a country's financial system. It is also possible to imagine a wide range of secondary consequences of remittances to the extent that they spillover into national and local economies generating demand for goods and services or creating incentives for work and leisure.

Remittances have far-reaching consequences for the development of individuals and families and, by extension, communities and countries. Accordingly, facilitating the free flow of assets among families and friends separated by migration is a key objective of policymakers. Ultimately, though, the flow of remittances is constrained by migrants' earning potential in their destination countries and guided by their sense of obligation or commitment to their communities of origin.

2. Human Capital and Labor Markets

Most scholars agree that emigration modestly raises the wages of workers who remain behind in origin countries, but since many migrants originate from the better-educated social strata of their home countries, it may also raise the cost of the goods and services produced by these workers.²¹ As a result, some researchers argue that migration may result in a loss of workers whose skills and expertise are

17 Pritchett, *Let Their People Come*.

18 Laura Chappell and Dhananjan Sriskandarajah, *Mapping the Development Impacts of Migration* (London: Institute for Public Policy Research, 2007).

19 It may be possible to assess the relative scale of costs and benefits of migration for origin countries by focusing on the most important channels of transmission. A similar analytic approach, known as a fiscal impact study, is frequently used to estimate the fiscal costs and benefits of immigrants to recipient communities.

20 There is a voluminous and growing literature on the development consequences of migrants' remittances. For an introduction, see World Bank, *Global Economic Prospects 2006: Economic Implications of Remittances and Migration* (Washington, DC: World Bank, 2006); Samuel Munzele Maimbo and Dilip Ratha, eds., *Remittances: Development Impact and Future Prospects* (Washington, DC: World Bank, 2005); and Donald F. Terry, *Beyond Small Change: Making Migrants' Remittances Count* (Washington, DC: Multilateral Investment Fund, Inter-American Development Bank, 2005).

21 For a review, see Frederic Docquier, Caglar Ozden, and Giovanni Peri, "The Wage Effects of Immigration and Emigration" (policy research working paper 5556, World Bank, Development Research Group, February 2011).



already scarce in their countries of origin — popularly known as “brain drain.”²² Most discussions of brain drain focus on technically skilled individuals such as medical professionals, engineers, and computer programmers, although workers with less easily quantifiable skills, such as competent managers and social entrepreneurs, may also be included.²³ But another body of research suggests that countries of origin ultimately benefit from skilled emigration. The scholarship tends to focus on two channels: education incentives and diasporas.

First, the option of emigration creates incentives for higher education and can lead to net gains in the number of skilled workers. In other words, the promise of emigration increases the expected return on education, but not all educated workers eventually decide to or are able to emigrate.²⁴ In cases where migrants have been educated at public expense — for example, by receiving government scholarships or subsidized grants or attending public universities — concerns arise that emigration represents a loss to public coffers. (Some research extends this logic to public elementary and secondary education as well.)²⁵ But most research finds that the remittances sent home by skilled migrants far exceed the cost of their education.²⁶

Second, countries of origin may benefit from migrants who eventually return or otherwise remain involved. Some evidence suggests that returnees earn a wage premium due to the skills they have gained abroad, although the reverse occurs as well. Return migrants to Ireland earn 7 percent more than comparable workers who did not migrate.²⁷ But Mexican construction workers with experience in the US construction sector tend to face substantial barriers to reintegrating into the Mexican labor market, largely due to the rigid seniority system prevailing in the industry.²⁸ Beyond physical return, the networks created by skilled migration can also lead to research partnerships, knowledge transfer, and business ventures in the country of origin.²⁹

3. Ideas, Attitudes, and Behavior

One of the more difficult to assess but widely recognized ways that migration impacts development is through the flow of ideas, behavior, and social norms. The role of migrants in transferring technical know-how and starting businesses in their countries of origin has received substantial attention from researchers. But these transfers extend to behaviors and social norms as well.³⁰ A growing literature

22 For an early discussion see Jagdish Bhagwati and William Dellalgar, “The Brain Drain and Income Taxation,” *World Development* 1, no. 1–2 (February 1973): 94–101.

23 On health professionals, see Barbara Stilwell, Khassoum Diallo, Pascal Zurn, Marko Vujicic, Orvill Adams, and Mario Dal Poz, “Migration of Health-Care Workers from Developing Countries: Strategic Approaches to its Management,” *Bulletin of the World Health Organization* 82, no. 8 (August 2004): 585–600.

24 Oded Stark and C. Simon Fan, *Losses and Gains to Developing Countries from the Migration of Educated Workers: An Overview of Recent Research, and New Reflections* (San Domenico di Fiesole, Italy: European University Institute, Robert Schuman Center for Advanced Studies, 2007); Michel Beine, Frederic Docquier, and Hillel Rapoport, “Brain Drain and Human Capital Formation in Developing Countries: Winners and Losers,” *The Economic Journal* 118, no. 528 (2008): 631–52; and Satish Chand and Michael Clemens, “Skilled Emigration and Skill Creation: A Quasi-Experiment” (working paper 152, Center for Global Development, Washington, DC, September 2009).

25 See Adolfo Albo and Juan Luis Ordaz Díaz, “An Estimate of the Transfer of Resources Due to Education Expenses from Mexico to the US through Mexican Immigrants,” in *Mexico Migration Outlook*, edited by Adolfo Albo and Juan Luis Ordaz Diaz (Mexico City: Fundación Bancomer, 2010) and Raúl Delgado Wise, Humberto Márquez Covarrubias, and Héctor Rodríguez Ramírez, “Seis tesis para desmitificar el nexo entre migración y desarrollo,” *Migración y Desarrollo* no. 12 (2009): 27–52.

26 Yaw Nyarko, “The Returns to the Brain Drain and Brain Circulation in Sub-Saharan Africa: Some Computations Using Data from Ghana” (NBER working paper 16813, National Bureau of Economic Research, Cambridge, MA, February 2011).

27 Alan Barrett and Jean Goggin, “Return to the Question of a Wage Premium for Returning Migrants” (discussion paper 4736, Institute for the Study of Labor, February 2010). See also Catherine Y. Co, Ira N. Gang, and Myeong-Su Yun, “Returns to Returning,” *Journal of Population Economics* 13, no. 1 (Winter 2000): 57–79.

28 Natasha Iskander and Nichola Lowe, “The Transformers: Immigration and Tacit Knowledge Development” (NYU Wagner research paper 2011-01, New York, January 2011).

29 Yevgeny Kuznetsov, ed., *Diaspora Networks and the International Migration of Skills: How Countries Can Draw on Their Talent Abroad* (Washington, DC: World Bank, 2006).

30 *The Economist* recently highlighted the example of one Indian expatriate who, confounded by the way his compatriots qui-



explores the role of expatriates in promoting democratic governance and civic participation in their countries of origin, as well as their contributions through philanthropy and volunteering.³¹

Of course, whether the impact of these cultural transfers is positive or negative depends on migrants' experiences. Some Arab and South Asian migrants who have spent time working in Persian Gulf countries have returned with radical religious beliefs. Likewise, Central American migrant youth who have experienced US urban gang culture (and US criminal detention facilities) have spread behavior and social norms that are not beneficial.³² Less dramatically, migrants may spread the unhealthy consumer habits or dietary preferences of their destination countries.³³

III. Policy Experience and Outlook

Few issues are as central to the American identity as immigration, and fewer still are as contentious. An often overlooked part of this national narrative is how successive generations of immigrants retain ties with and contribute to improving living standards in their countries of origin. In some instances, such connection and assistance occurs through the traditional avenues of US government engagement with the world. Many first- and second-generation immigrants have served in the highest levels of the US government — a testament to the openness of US society to immigrants and their children, its long-standing commitment to their success, and its willingness to grant immigrant communities access to policymaking institutions. More often, however, immigrants contribute to development in their countries of origin *outside* the traditional channels of US development assistance — through civic associations, professional and business contacts, and individual goodwill.³⁴ Their success in the United States and their capacity to contribute to development in their countries of origin often reflect positively on the United States; as foreign policy expert Joseph Nye observes, the fact that so many successful Americans “look like” people in other countries expands US influence and appeal around the world.³⁵

Public attitudes toward immigration to the United States have shifted over time: peaks of anti-immigrant fervor (such as occurred in the 1840s, 1920s, 1970s, and arguably, the 2000s) have alternated with a more welcoming stance, typically during periods of economic growth.³⁶ Typically, elected officials have focused on development in migrants' countries of origin only when public anxiety about illegal immigration has been high. (In contrast to Europe, legal immigration rarely elicits widespread public

etly tolerated local corruption, came up with an idea of zero-rupee notes during a visit home as a nonconfrontational means for locals to refuse bribe seekers; *The Economist*, “A Zero Contribution,” January 28, 2010.

- 31 On Mexico, see Gary L. Goodman and Jonathan T. Hiskey, “Exit Without Leaving: Political Disengagement in the High Migration Municipalities in Mexico,” *Comparative Politics* 40, no. 2 (January 2008): 169–88. On India, see chapter 4 in Devesh Kapur, *Diaspora, Development and Democracy: The Domestic Impact of International Migration from India* (Princeton, NJ: Princeton University Press, 2010). On philanthropy and volunteering, see chapters 5 and 6 in Kathleen Newland, ed., *Diasporas: New Partners in Global Development Policy* (Washington, DC: MPI, 2010).
- 32 On political Islam, see Sami Zubaida, “Trajectories of Political Islam: Egypt, Iran and Turkey,” *The Political Quarterly* 71, no. 3 (August 2000): 60–78. On the role of US deportees in transnational gang violence in Central America, see Ana Arana, “How the Street Gangs Took Central America,” *Foreign Affairs* 84, no. 3 (May to June 2005): 98–110.
- 33 See Jennifer Van Hook, Kelly S. Balistreri, and Elizabeth Baker, “Moving to the Land of Milk and Cookies: Obesity among the Children of Immigrants,” *Migration Information Source*, September 2009, www.migrationinformation.org/Feature/display.cfm?ID=739.
- 34 See Newland, *Diasporas: New Partners in Global Development Policy*. For a seminal study on the role of Indian expatriates in promoting that country's business service industry, see AnnaLee Saxenian, *The New Argonauts: Regional Advantage in a Global Economy* (Cambridge, MA: Harvard University Press, 2006). George Ayittey and Steven Radelet highlight the role of African expatriate youth, educated and often raised abroad, in launching innovative business ventures in their countries of origin. See Steven Radelet, *Emerging Africa: How 17 Countries Are Leading the Way* (Washington, DC: Center for Global Development, 2010) and George Ayittey, *Africa Unchained: The Blueprint for Africa's Future* (New York: Palgrave Macmillan, 2006).
- 35 Joseph S. Nye, Jr., *The Future of Power* (New York: Public Affairs Press, 2011).
- 36 Bertelsmann Stiftung and MPI, eds., *Migration, Public Opinion and Politics* (Gütersloh, Germany: Verlag Bertelsman Stiftung, 2009).



concern in the United States, although legal and illegal immigration are, of course, closely linked.) Presidential commissions since the mid-1970s have pointed to development as the only long-term solution to the challenges of illegal immigration from Mexico, Central America, and the Caribbean.³⁷ More recently, President Barack Obama reiterated this belief during a visit to El Salvador in March 2011.³⁸

Beyond broad statements, there has never been an obvious policy link between immigration and development in migrants' countries of origin. US immigration policies differ from its international development policies, with each responding to distinct political and administrative constraints. As previously noted, immigration policies are shaped by domestic concerns and rarely take into consideration the well-being of foreign countries. By contrast, international development policies center on improving the global economy while mitigating poverty. Policies that enhance US openness are generally recognized as politically riskier but more effective for development than foreign assistance, but they are largely beyond the mandate of the principal US government agencies responsible for international development.

The actors are also different. While all branches and levels of government contribute to immigration policymaking, Congress makes the major decisions on the issue. As a result, there is a strong relationship between public opinion and immigration policy. By contrast, the executive branch directs international development policy with only occasional oversight from Congress and almost no input from the judiciary or state and local governments; major foreign affairs issues aside, the US public rarely expresses strong views regarding the direction of international development policy.

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This section outlines the evolution of policy perspectives on migration and development in the United States, which can roughly be divided into four phases:

- Prior to the 1970s, when immigrants to the United States quietly contributed to development in their countries of origin despite the lack of an obvious policy link
- The mid-1970s to the mid-1980s, when growing immigration first led policymakers to seek a “development solution” to the challenges of illegal immigration
- The mid-1980s to the mid-1990s, when policymakers seemed to embrace openness to economic globalization and immigration
- The mid-1990s to the present, when the development benefits of globalization and migration became increasingly visible across the developing world, although at the cost of growing popular unease.

A. Pre-1970s: Disconnected Policies

There is a long, if frequently overlooked, history of US immigrants retaining ties with and contributing to the development of their countries of origin. As far back as 1867, the Swedish Society of Chicago — established a decade earlier at the suggestion of the Swedish consul in that city — reportedly raised the

³⁷ The author is indebted to Marc Rosenblum of MPI for this observation.

³⁸ Jackie Calmes, “Obama Calls for an Economic Cure for Illegal Immigration,” *The New York Times*, March 22, 2011.



equivalent of about \$50,000 for humanitarian relief during a famine in northern Sweden.³⁹ In December 1906, *The New York Times* reported that the 13 million immigrants then in the United States had sent about \$8 million — equivalent to nearly \$200 million today — in Christmas remittances to their relatives abroad, mostly to Great Britain, Italy, Hungary, Sweden, Austria, Germany, and Russia.⁴⁰ The 1907–10 Immigration Commission, an ad hoc research group convened by Congress, observed how recent immigrants to the United States — at the time, primarily from Eastern and Southern Europe — retained interest and involvement in their homelands, and how returning migrants made contributions to living standards in their communities of origin.⁴¹ Over the past century, the immigrant groups have changed, but their stories are remarkably similar.

The US government has regulated the entry and exit of foreigners since at least the late 19th century, but international development has almost never been an objective of the nation's immigration policy, which (as previously noted) rarely takes into consideration conditions in origin countries. Scholars have occasionally examined the development implications of the United States' temporary labor arrangement with Mexico during the 1940s and 1950s, known as the Bracero Program. But at the time of its operation, the program was principally designed to meet US labor needs and had little concern with Mexican development. There are two small and largely peripheral exceptions to this general rule, however: student admissions (including those on US government scholarships) and humanitarian admissions.

Visas for foreign students were carved out of the otherwise restrictive *Immigration Act of 1921*, allowing students to bypass the era's immigration quotas. The *1961 Fulbright-Hayes Act* provided scholarships for foreign students to study in the United States, and the Hubert H. Humphrey North-South Fellowships helped professionals in public service in developing countries to study for a year in the United States. Both programs required students to return to their countries of origin, in effect promoting their contribution to international development. By definition, humanitarian immigrants were admitted due to conditions in their country of origin, but such admissions have also historically been influenced by foreign policy priorities and, occasionally, by ethical or moral sensitivities.⁴² The ad hoc humanitarian admissions system that prevailed until 1980 allowed substantial scope for ethnic lobbies (among others) to influence admissions.

Immigration to the United States slowed starting in the 1920s and 1930s, and the foreign-born population that entered the United States at the turn of the 20th century gradually gave way to a mostly native-born population whose parents or grandparents were born abroad (mostly in Europe). This slowdown in immigration coincided with a dynamic period in world affairs in which attention to global poverty and the challenges of developing countries emerged as a major policy concern for the United States.⁴³ Since immigration was not perceived as a political problem and development policy was framed

39 Ernst Wilhelm Olson, *The Swedish Element in Illinois: Survey of the Past Seven Decades* (Chicago: Swedish-American Biographical Association, 1917): 176. Original value of 7,000 kroners, updated using historical consumer price indexes from the Sveriges Riksbank and converted into US dollars at the current (2009) exchange rate.

40 *The New York Times*, "Xmas Remittances Abroad: Our New Citizens Will Send Home over \$8,000,000 in Money Orders Alone," December 24, 1906. Converted to 2009 dollars using historical consumer price index (CPI) data from the US Department of Labor's Bureau of Labor Statistics.

41 The Immigration Commission (Dillingham Commission), "Emigration Conditions in Europe," in *Abstracts of Reports of the Immigration Commission with Conclusions and Recommendations and Views of the Minority*, eds. William P. Dillingham and William S. Bennet (Washington, DC: Government Printing Office, 1911): 185–87.

42 Including the *Displaced Persons Act* (1948, expanded in 1950), which focused on Germany, Austria, and Italy; the *Azores and Netherlands Refugee Act* (1958); the *Hungarian Parole Act* (1958); the *Cuban Refugee Act* (1966); the *Cambodia and Vietnam Refugee Act* (1975); and the *Laotian Refugee Act* (1975). More recently, following the Tiananmen Square protests of 1989 and subsequent government crackdown, the US government expanded opportunities for Chinese students temporarily in the United States to remain on a more permanent basis. The *1992 Chinese Student Protection Act* covered an estimated 80,000 Chinese nationals in the United States on temporary visas or without legal status. See Pia Orrenius, Madeline Zavodny, and Emily Kerr, "Labor Market Effects of the 1992 Chinese Student Protection Act" (conference paper, First Tempo Conference on International Migration, Institute for International Integration Studies, Trinity College Dublin, October 28–29, 2010).

43 In the United States, federal regulation of immigration dates to the end of the 19th century. See Aristide Zolberg, *A Nation by*



in terms of state-to-state relations, few development policymakers thought about immigration or the potential role of immigrants in international development. But immigrant communities continued to play a critical role in shaping US foreign policy. By the early 1970s, Senator Daniel Patrick Moynihan and scholar Nathan Glazer argued that ethnic groups were “the single most important determinant” of US foreign policy — presumably in reference to the political influence of second- and higher-generation immigrant groups whose ancestors had arrived in the United States at the turn of the 20th century.⁴⁴

B. Mid-1970s to Mid-1980s: Development Assistance as an Antidote to Migration

Immigration to the United States gradually increased during the late 1960s and early 1970s as a result of the 1965 changes to US immigration law, changes that expanded access to permanent visas for immigrants from the developing countries of Asia and Latin America. Growing legal immigration to the United States did not immediately translate into a concern about living conditions in migrants’ countries of origin. But over the course of the 1970s, illegal immigration from Mexico and the Caribbean emerged as a central concern for the US public and policymakers.

Unlike legal immigration, illegal immigration provoked popular concern that in turn spurred policymakers to focus on international development. By the late 1970s, immigration advocates and skeptics alike looked to development in Mexico, Central America, and the Caribbean as the solution to the contentious political questions around illegal immigration.⁴⁵ The US government institutions mandated with administering foreign assistance — a central pillar of US international development policy — increasingly recognized the links between migration and development, and by 1979 the assistant administrator for Latin America and the Caribbean at the United States Agency for International Development (USAID) testified to Congress that USAID had “an important role to play in ameliorating the conditions which give rise to the migration imperative.”⁴⁶ Similarly, in its final 1981 report, the Select Commission on Immigration and Refugee Policy (known as the Hesburgh Commission and convened by President Carter in 1978) recommended greater cooperation among the United States, Mexico, and the countries of Central America and the Caribbean on “matters of trade, aid, investment, development and the reduction of migration pressures.”⁴⁷

By the early 1980s, policymakers coupled a greater focus on border enforcement (in the case of illegal immigration from the Caribbean, interdiction at sea) with greater development assistance to countries from which unauthorized immigrants originated.⁴⁸ In few other places was this approach as intensively implemented as in Haiti. Following a 1981 visit to Haiti by US Secretary of State Alexander Haig, the State Department issued a statement expressing the joint view of the two governments that improving

Design: Immigration Policy in the Fashioning of America (Cambridge, MA: Russell Sage Foundation and the Harvard University Press, 2008). International development emerged as a policy issue during the second half of the 20th century. See Carol Lancaster, *Foreign Aid: Diplomacy, Development and Domestic Politics* (Chicago and London: University of Chicago Press, 2007).

44 Nathan Glazer and Daniel Patrick Moynihan, eds., *Ethnicity: Theory and Experience* (Cambridge, MA: Harvard University Press, 1975).

45 For the skeptical viewpoint, see Vernon M. Briggs, Jr., *Mexican Migration and the U.S. Labor Market: A Mounting Issue for the Seventies* (Austin: Board of Regents of the University of Texas System, 1975); for a similar perspective from a pro-immigration perspective, see “Kennedy Aide: Investment Should Be on the Labor-Intensive Side,” *Executive Intelligence Review* 5, no. 46 (November 28, 1978): 15.

46 Abelardo Lopez Valdez, Testimony before the US House of Representatives Select Committee on Population, *The Causes and Effects of Undocumented Worker Migration in the Western Hemisphere: The Need for a Development Solution*, 96th Cong., 1st sess., April 26, 1979.

47 Select Commission on Immigration and Refugee Policy, *US Immigration Policy and the National Interest: The Final Report and Recommendations of the Select Commission on Immigration and Refugee Policy with Supplemental Views by Commissioners* (Washington, DC: Congressional Printing Office, March 1981): 31, www.eric.ed.gov/PDFS/ED211612.pdf.

48 For an early US Agency for International Development (USAID) review of the linkages between migration and development, see Jason L. Finkle and C. Alison McIntosh, *The Consequences of International Migration for Sending Countries in the Third World*, Report to the Bureau of Program and Policy Coordination, USAID (Ann Arbor, MI: Center for Population Planning, University of Michigan, 1982).



economic and social conditions was the only “lasting solution” to the challenges of illegal immigration.⁴⁹ The *Foreign Assistance Act* for fiscal year (FY) 1982 conditioned economic and military aid to Haiti on the Haitian government’s cooperation with the United States in reducing illegal immigration. Some local communities in the United States also responded to illegal immigration by focusing on development. In 1982, Florida Governor Bob Graham established the Florida Association of Voluntary Agencies in the Caribbean and the Americas (FAVACA) in an effort to address the “root causes” of growing immigration to the state.

In retrospect, the sharp increase in US assistance during the 1980s (and in subsequent years) did not dramatically improve living conditions in Haiti or the country’s growth prospects. Illegal immigration slowed, but this was probably less a result of aid than effective deterrence combined with occasional regularizations of the unauthorized Haitian population in the United States and other humanitarian measures such as detention parole.⁵⁰ By the late 1980s USAID began to retreat from its earlier assertion that intensive aid inflows to Haiti could resolve the country’s seemingly intractable development challenges or that it could make a measurable impact on the outflow of unauthorized immigrants. Perhaps the most important and lasting conclusion of USAID’s experience in Haiti during the 1980s was the futility of attempts to control the individual decisions of millions of migrants and potential migrants.

The experience also coincided with a long-term shift in the consensus view regarding the role of government-to-government aid in advancing development objectives. For much of the 1960s through the 1980s, foreign aid had been criticized for being too closely connected to political or foreign policy objectives (chiefly in the context of the Cold War, but including reducing illegal immigration) and not sufficiently attentive to economic and social development. With the denouement of the Cold War, the focus of the US government’s international development agencies gradually shifted to the private sector and civil society.

Box 2. The United States and the Multilateral Migration-Development Agenda

The United States was not alone in its renewed interest in the links between migration and development during the 1980s; over the course of the decade the global community became increasingly engaged in discussions on the topic as well. The International Organization for Migration (IOM) — a multilateral agency independent of the United Nations (UN) — and a number of UN agencies actively promoted initiatives connecting migration and development. For instance, the UN Development Programme (UNDP) launched a project to facilitate the temporary and permanent return of highly skilled migrants to their countries of origin. Known as the Transfer of Knowledge through Expatriate Nationals (TOKTEN) program, it was first launched in Turkey in 1977 and later replicated extensively elsewhere. In some instances, these multilateral programs received ancillary or indirect support (via multilateral agencies) from the US government, although they were typically considered part of national development or foreign assistance strategies rather than components of US migration and development policy.

Human development concerns, particularly migrants’ rights, began to play an increasingly prominent role in global discussions of migration. This shift that was eloquently outlined in UNDP’s inaugural *Human Development Report* in 1990. Migration and development concerns also featured prominently in the United Nations’ September 1994 International Conference on Population and Development in Cairo. But the tone of the conference and its overwhelming focus on migration rather than development concerns led many major immigrant-destination countries in North America and Europe to disengage from multilateral dialogues on migration for the remainder of the 1990s.

49 See Susan Buchanan, *Haitian Emigration: The Perspective from South Florida and Haiti* (Unpublished report submitted to USAID, February 1982, Washington, DC) and Josh DeWind and David H. Kinley III, *Aiding Migration: The Impact of International Development Assistance on Haiti* (Boulder, CO: Westview Press, 1988).

50 Regularizations included those enacted through Temporary Protected Status (TPS), the *Cuban-Haitian Adjustment Act*, and the *Haitian Refugee Immigration Fairness Act*; other humanitarian measures include detention parole, which releases detained unauthorized immigrants from US government custody, pending review by an immigration judge. For a review of these programs, see Don Kerwin, *More than IRCA: US Legalization Programs and the Current Policy Debate* (Washington, DC: MPI, 2010).



C. *Mid-1980s to Mid-1990s: The Immigration Reform and Control Act (IRCA) and the Embrace of Openness*

After a decade of political discussions and negotiation, the US Congress approved the *Immigration Reform and Control Act* (IRCA) in November 1986. The law legalized nearly 3 million unauthorized immigrants, established a (small) temporary agricultural worker program, and required US employers to verify the immigration status of their workers. In addition, it mandated the creation of a special commission to report to the president and Congress on the “push” factors that lead to illegal migration to the United States from major sending areas in the Western Hemisphere and possible economic development options that might reduce illegal migration over time.⁵¹ Formally known as the Commission for the Study of International Migration and Cooperative Economic Development, it was more commonly called the Asencio Commission after its chairman, US diplomat Diego Asencio.

The Asencio Commission’s final report, delivered to Congress in July 1990, presented an ambitious and sweeping development agenda for Mexico, Central America, and the Caribbean. The report focused on a wide range of development topics, including trade, technology transfer and innovation, workers’ rights, targeted financial support to migrant-sending regions, small business development, education and human resources, and natural resource management. It endorsed three critical conclusions:⁵²

- Development in origin countries (particularly Mexico, Central America, and the Caribbean) was viewed as the only sustainable way to reduce illegal immigration to the United States.
- Openness to the global economy, and particularly to trade, was the most effective development strategy.
- Immigration could increase over the short term as the United States’ southern neighbors experienced structural transformation. This would happen principally through unauthorized avenues since visa quotas were not increased to reflect the economic turmoil expected in the region.

Congress endorsed the commission’s findings but congressional transcripts of comments following the report’s publication suggest that interest concentrated overwhelmingly on the report’s implications for US immigration policymaking.⁵³ But the commission’s most lasting impact was its embrace of openness to trade as the only viable remedy to the regional challenge of illegal immigration. The commission’s chairman noted in his introductory remarks to the final report: “While there are other potential remedies, we are convinced that trade is the only option that offers hope to people in the area across a broad spectrum of economic growth. Financial assistance, even if substantially increased, would not have the same impact.” Within three years, the United States and Canada had signed and ratified the North American Free Trade Agreement (NAFTA) with Mexico. In the months leading to ratification, politicians employed overly simplistic arguments in support of the treaty — arguments that, in retrospect, ultimately contributed to the deep popular dissatisfaction with NAFTA. Most prominently, then Mexican President Carlos Salinas suggested that NAFTA would allow Mexico to export goods rather than people suggesting a tradeoff between the two.

Of course, NAFTA did not address migration issues beyond the creation of a special category of visa for skilled workers to facilitate mobility among the three signatory countries. But the *Immigration Act of 1990* — which, in part, grew out of the spirit of the Asencio Commission — arguably resulted in at least four important changes to US immigration law that ultimately had more sweeping consequences for the economic prospects of many developing countries. The act:

- Made 65,000 temporary visas available to highly skilled workers through a program later

51 See Section 601 of the *Immigration Reform and Control Act (IRCA)*, Public Law 99-603, November 6, 1986.

52 The commission’s final report was published as Commission for the Study of International Migration and Cooperative Economic Development, *Unauthorized Migration: An Economic Development Response* (Washington, DC: Commission for the Study of International Migration and Cooperative Economic Development, 1990).

53 In particular, see the comments of Senator Alan Cranston (D-CA), *Congressional Record*, July 24, 1990, S10443.



known as the H-1B program

- Authorized the executive branch to extend temporary humanitarian protection (including work authorization in the United States) — known as Temporary Protected Status (TPS) — to nationals of states experiencing conflict or natural disasters
- Created the Diversity Visa Lottery
- Expanded opportunities for foreign students to work while studying in the United States.

None of these changes was enacted with international development concerns in mind. But over time they have had enormous — if indirect — consequences for developing countries. For example, the Diversity Visa Lottery was initially intended to facilitate immigration to the United States from Europe, especially Ireland, but today it is principally an avenue for African immigration to the United States.⁵⁴ Similarly, there are currently 400,000 to 500,000 immigrants in the United States under TPS from El Salvador, Haiti, Honduras, Liberia, Nicaragua, Somalia, and Sudan.⁵⁵ The role of Indian H-1B workers in promoting the growth of the Indian information technology (IT) industry is well documented.⁵⁶ Allowing foreign students to work in the United States not only facilitates their studies but also provides them with valuable employment experience that many take home (although some end up remaining in the United States).⁵⁷

Yet even as it embraced openness to trade as the only viable way to stem unauthorized immigration, the Asencio Commission also pointed to deep and long-standing contradictions in US international development policy. “We are aware that while seeking to create jobs abroad to absorb potential immigrants, care must be taken to protect American jobs and industries,” the commission reported. Indeed, until 1995 the *Foreign Assistance Act* prohibited USAID and other development-oriented agencies from funding projects related to the development of import-sensitive products that would compete with US products.⁵⁸ US assistance to developing (and developed) countries has long been characterized by the perception of trade-offs between US foreign policy priorities and domestic ones.

D. Mid-1990s to Present: Unexpected Returns and Growing Unease with Openness

Immigration from the developing world increased during the two decades that followed IRCA and the 1990 *Immigration Act*. Similar to the past, the new wave of immigrants remained engaged with their communities of origin and made undeniable contributions to development back home. These contributions extended far beyond remittances. During the late 1980s and 1990s, as former Soviet bloc countries transitioned to democracy and a market economy, first- and second-generation Russian and Eastern European immigrants to the United States led trade missions, provided technical assistance, and established chambers of commerce to support their newly liberated ancestral countries. While there was never (to public knowledge) an explicit US government policy to recruit members of diasporas into these

54 Over one-third (38 percent) of the approximately 600,000 diversity visas granted since 1996 have gone to immigrants from Africa. MPI tabulations of data from the Department of Homeland Security (DHS), *Yearbook of Immigration Statistics* (Washington, DC: DHS, various years.)

55 Ruth Ellen Wasem and Karma Ester, *Temporary Protected Status: Current Immigration Policy and Issues* (Washington, DC: Congressional Research Service, 2010).

56 Ashok Desai, *The Dynamics of the Indian Information Technology Industry*, Report to the UK Department for International Development (London: Center for New and Emerging Markets, London Business School, 2003).

57 One example is Grupo Interbank, one of Peru’s largest and most competitive multinational firms, which was founded by a group of Peruvian businessmen, many of whom had worked in the US banking industry, had studied in the United States, or had worked both in Peru and the United States over the course of their careers. For example, one key founder, Carlos Rodriguez-Pastor Mendoza, worked at Wells Fargo Bank in San Francisco between the late 1960s and early 1980s, returned to Peru during the mid-1980s, and went back to the United States before launching Grupo Interbank in 1994. See *The Economist*, “Efficiency Drive: A Special Report on Latin America,” September 9, 2010.

58 See Dianne E. Rennack, Lisa Mages, and Susan G. Chesser, *Foreign Operations Appropriations: General Provision* (Washington, DC: Congressional Research Service, 2009).



efforts, these contributions lent crucial support to the US foreign policy and international development agenda.⁵⁹

More recent immigrant groups have also made contributions to their countries of origin. Having achieved a newfound stability in the United States as a result of legal status secured through IRCA, and in some cases returning for visits after long absences, many Mexican immigrants launched hometown associations and funded community infrastructure projects in their origin villages. Immigrants from Central American and the Caribbean countries such as El Salvador, Guatemala, the Dominican Republic, and Haiti, as well as some African countries, have done the same. Some immigrants have demanded the right to vote and otherwise participate in political processes in their countries of origin; others, particularly skilled immigrants who have spent time working in the United States, have returned (permanently and temporarily) to launch businesses and volunteer. In time, some of their children raised and educated in the United States have also become interested in engaging with their ancestral countries, many through the traditional channels of US interaction with the developing world such as the Peace Corps and university study abroad programs. In the case of African immigrants, the *African Growth and Opportunity Act* (AGOA), which aimed to spur trade and investment between the United States and Sub-Saharan Africa, provided an invaluable platform for members of the African diaspora to expand business ties with their countries of origin.

Of course, none of these outcomes was an objective of US immigration or international development policies. Meanwhile, a small number of countries of origin began experimenting with ways to engage their conationals abroad in development projects. By the early 2000s, US foreign and international development policymakers were slowly becoming aware of immigrants' contributions (thanks, in part, to the attention drawn to these issues by multilateral development agencies such as the World Bank). US international development policymakers — particularly those at USAID and the Treasury Department (with cooperation from domestically focused agencies such as the Federal Deposit Insurance Corporation and Federal Reserve Bank) — slowly reengaged in issues such as remittances.⁶⁰ In 2003 the Federal Reserve Bank and the Central Bank of Mexico launched a program to facilitate the transfer of remittances between the two countries, thus lowering their cost. In the wake of the September 11, 2001, attacks, the State Department and National Security Council (NSC) began reaching out to key diasporas in the United States (e.g., Afghan, Somali, Iraqi, Pakistani) and seeking their insights into the challenges faced by their countries of origin.

By the early 2000s, US foreign and international development policymakers were slowly becoming aware of immigrants' contributions.

By the end of the first decade of the 21st century, some US development agencies were thinking beyond remittances and viewing immigrants and their descendants as partners. The Obama administration's "New Approach to Advancing Development" identified partnerships with diasporas (alongside philanthropies, the private sector, and other international donors) as a central component of the US

59 See Yossi Shain, "Ethnic Diasporas and US Foreign Policy," *Political Science Quarterly* 109, no. 5 (1995): 811-41; Yossi Shain, "US Ethnic Diasporas in the Struggle for Democracy and Self-Determination," in *Marketing the American Creed Abroad, Diasporas in the US and their Homelands*, ed. Yossi Shain (Cambridge, MA, and New York: Cambridge University Press, 1999); and Lev Freinkman, *Role of the Diaspora in Transition Economies: Lessons from Armenia* (Washington, DC: World Bank, 2000).

60 See, for example, Federal Deposit Insurance Corporation (FDIC), "Linking International Remittance Flows to Financial Services: Tapping the Latino Immigrant Market" (*Supervisory Insight*, December 2004), www.fdic.gov/regulations/examinations/supervisory/insights/siwin04/latino_mkt.html and Ben S. Bernanke, Speech at the Federal Reserve Bank of Chicago, "Financial Access for Immigrants: The Case of Remittances," April 16, 2004, www.federalreserve.gov/boarddocs/speeches/2004/200404162/default.htm.



government's international development strategy.⁶¹ The NSC's "Diaspora Strategy" identifies diasporas as key partners in the areas of information dissemination and gathering (i.e., as they provided insights into their countries of origin and informed these countries about US policies) as well as resource leverage (e.g., through coinvestment).

USAID launched a platform to work with migrants and to promote migrant social entrepreneurship, known as the Diaspora Networks Alliance; the Agency's Development Credit Authority and economic growth volunteer programs help Salvadoran and Ethiopian immigrants access credit and technical expertise to launch businesses in their countries of origin. In partnership with the Western Union Corporation, USAID launched a competition for African diaspora business ventures known as the African Diaspora Marketplace (ADM). Outside of USAID, the US President's Emergency Plan for AIDS Relief (PEPFAR) included Ethiopian diaspora health professionals as volunteers in its efforts to build health-care capacity in Ethiopia. The State Department launched the Global Partnership Initiative (GPI) to reach out to diasporas (among other development stakeholders) and the Building Remittance Investment for Development Growth and Entrepreneurship (BRIDGE) Initiative to mobilize remittance-backed investment in El Salvador and Honduras.⁶²

For the most part, however, the State Department and other development policymakers have steered clear of politically sensitive debates that are of interest to diasporas but beyond the realm of foreign and development policy — for instance, questions about reforms to the US immigration system and immigrant integration policies.

The 1990s and 2000s also witnessed a growing popular unease in the United States with the country's historic, if hesitant, openness to the outside world. For a variety of reasons, NAFTA did not deliver the returns that Mexico had expected.⁶³ The Mexican economy grew slowly over the 1990s, and immigration to the United States continued through both legal and especially illegal channels. Public frustration, fueled in part by the divisive pitch of US politics, led to increasingly punitive legislation toward immigrants. The past decade in particular has witnessed a critical shift from the traditional political alliance between progressive Democrats and economic conservatives from the Republican Party, who had both once embraced openness to immigration (as well as trade and other forms of globalization). While the pro-globalization wing of the Republican Party has lost clout, the Democratic Party has not embraced the concept. Similarly, the inflow of highly skilled Indian immigrants into the US information technology industry during the 1990s drove the sector's innovation and global competitiveness; but it also led to a burgeoning domestic IT industry in India that some critics contend now competes with US corporations.

For immigration policy, the outcome has been paralysis. The immigration reform bills most recently considered by Congress paid scant attention to development issues. The 2007 *Comprehensive Immigration Reform Act* would have required cooperation with Mexico on circular migration programs (including the provision of job training in Mexico), public consultations in border communities (in both countries) regarding border enforcement strategies, and research into the challenges of rural poverty in Mexico.⁶⁴ But the bill has repeatedly failed to attract sufficient support in Congress. For better or worse, the development provisions almost never receive attention. Other legislation, such as a temporary agricultural worker bill and a legalization program for unauthorized immigrant youth who demonstrate strong academic achievement, have become lightning rods for opponents to immigration.⁶⁵ Another measure, which would allow green card holders from countries engaged in postconflict reconstruction

61 The White House, "A New Approach to Advancing Development" (Press release, Office of the Press Secretary, June 25, 2010), www.whitehouse.gov/the-press-office/a-new-approach-advancing-development.

62 On the State Department's Global Partnership Initiative (GPI), see www.state.gov/s/partnerships/ and on the BRIDGE Initiative, see www.state.gov/r/pa/prs/ps/2010/09/147549.htm.

63 For a review of the voluminous literature on this topic, see Demetrios G. Papademetriou, John Audley, Sandra Polaski, and Scott Vaughan, *NAFTA's Promise and Reality: Lessons from Mexico for the Hemisphere* (Washington, DC: Carnegie Endowment for International Peace, 2003).

64 *Comprehensive Immigration Reform Act of 2006* (Engrossed in Senate), S. 2611, Sec. 117 and 645.

65 *Agricultural Job Opportunities, Benefits and Security (AgJOBS) Act* and the *Development, Relief and Education, for Alien Minors (DREAM) Act*.



to temporarily return to their countries of origin without breaking the five-year residency requirement necessary to apply for US citizenship, has received notional bipartisan support but never gained legislative traction.⁶⁶

Meanwhile, state and local governments have become increasingly vocal in their opposition to illegal immigration, and in some instances have enacted legislation to this end. As immigration policy debates shift from the federal to the state and local level, their frame has narrowed to largely exclude the role of immigration in the United States' relationship with other countries and its place in the world.

IV. Conclusion: The Unintended Impacts of Openness

Across broad swaths of the United States, immigrant communities are windows to the developing world. In many instances, these interactions have generated newfound concern and interest in the challenges facing developing countries; elsewhere, they have provoked popular unease with — and sometimes hostility toward — the United States' historic openness to immigrants and, more broadly, to globalization. In particular, there is a sense of urgency in identifying solutions to the challenges posed by illegal immigration. For many, greater policy attention to development in migrants' countries of origin is an appealing response.

However, the relationship between migration and development is more complex than it appears. There is little doubt that immigrants are often motivated by a lack of opportunity in their countries of origin, but both receiving and sending migrants are part and parcel of any country's participation in the global economy. In some countries, large-scale emigration and development have coincided; elsewhere, emigration has become ingrained in the life-cycle plans of successive generations, who continuously fail to find satisfying opportunities at home. Where substantial emigration and development have coincided, migration is almost never the key determinant; there are typically many other forces at play. Often, the basic ingredients for development predated or were independent of large-scale emigration; equally, where substantial emigration has not coincided with development, there are many extenuating explanations.

Regardless of whether migration is good, bad, or neutral for the development prospects of origin countries, it is a natural part of any country's participation in the global economy.

In 1990, migration scholars Demetrios G. Papademetriou and Philip Martin characterized the link between migration and development as an “unsettled relationship.”⁶⁷ Over the two decades since, international migration has emerged as one of the most contentious global issues and attracted growing attention, but achieve the consensus remains, very much “unsettled.” Scholars and policymakers never embraced the development benefits of openness to international migration to the extent that they embraced openness to other categories of international capital flows. As economist Gordon Hanson has observed, there was never a “Washington Consensus” on international migration.⁶⁸ There are costs and

66 The *Return of Talent Act* which has been periodically introduced to Congress over the past decade by Democratic and Republican members of Congress, including by current Vice President and former Senator Joseph Biden and by Richard Lugar, the ranking Republican on the Senate Foreign Relations Committee.

67 Demetrios G. Papademetriou and Philip L. Martin, eds., *The Unsettled Relationship: Labor Migration and Economic Development* (New York: Greenwood Press, 1990).

68 Gordon Hanson, “International Migration and Development,” in *Equity and Growth in a Globalizing World*, eds. Ravi Kanbur



benefits associated with emigration, but the effects are difficult to quantify, almost always contested, and overlook a wide diversity of impacts. The reality varies widely across countries.

Regardless of whether migration is good, bad, or neutral for the development prospects of origin countries, it is a natural part of any country's participation in the global economy — including for developed and developing countries (as well as for those countries somewhere in between developed and developing country status). This conclusion does not diminish the many ways that immigrants can contribute to improving living standards and, in many instances, to fostering growth and innovation in their countries of origin. The evidence to this end is too pervasive to dismiss. Immigrants have a wide range of motivations for retaining ties with their communities of origin. In some instances, it is a spontaneous act of solidarity; elsewhere it is driven by unique insight or the prospect of profit. Government officials from immigrants' countries of origin have occasionally encouraged these ties or provided opportunities for migrant communities to learn about humanitarian needs or investment opportunities in their countries of origin. But, for the most part, migrants' contributions to development are driven by individual initiative rather than by policy objectives.

US immigration policies rarely take into consideration conditions in origin countries and have never been formulated based on the consequences for migrants' countries of origin.

Policy interest in migration and development is not a new phenomenon in the United States. There is evidence that as far back as the early 20th century, US policymakers were cognizant of how living conditions and the growth prospects of origin countries drive immigration to the United States. Few narratives are as embedded in the US national identity as immigration but immigrants' contributions to their countries of origin are an often-overlooked part of this national narrative. Of course, until recently, US policymakers rarely considered improving living conditions abroad as part of their responsibilities or even relevant to the US national interest. But since the late 1970s, there has been periodic policy interest in the linkages between migration and development, largely in response to the thorny political questions raised by sustained illegal immigration from Mexico, Central America, and the Caribbean.

However, it has proven frustratingly difficult to move beyond broad notions of an abstract link between migration and development toward more concrete interventions. On balance, the policy toolkit is ill-equipped to respond to these challenges, in part due to past experience and in part because of the different priorities of and constraints on the two issues.

With the exception of several relatively isolated cases of humanitarian and student immigration, US immigration policies rarely take into consideration conditions in origin countries and have never been formulated based on the consequences for migrants' countries of origin. The main purpose of US immigration policy, like other national policies, is to enrich US society. Attempts to justify US immigration policies in foreign (or international development) policy terms alone are typically met with opprobrium, risk drawing US foreign and development policy into divisive domestic debates over immigration, and risk inflaming popular skepticism of multilateral cooperation. (For example, the political outrage over Secretary of State Hillary Clinton's remarks at the United Nations on Arizona's 2010 controversial immigration law, SB 1070.) As former USAID Deputy Administrator Carol Lancaster has observed, it is exceedingly difficult to introduce development considerations into debates such as immigration that are perceived as domestic policy issues.⁶⁹

and Michael Spence (Washington, DC: World Bank and the Commission on Growth and Development, 2010): 229–62.

69 Lancaster, *Foreign Aid*: 127.



The country's international development agencies have, in at least several instances, been put in the service of immigration policy objectives. During the 1980s immigration policymakers looked to foreign aid as the solution to illegal immigration from Haiti and during the 1990s they looked to trade liberalization as the solution to illegal immigration from Mexico. In retrospect, these experiences are regarded as naive at best (Mexico) and costly failures at worst (Haiti). As a result, the country's international development policymakers are wary of subordinating development policy to the political objective of reducing illegal immigration and understand the limits of foreign assistance. Many are skeptical of the interest and capacity of immigrants to undertake development projects in their ancestral countries; others are aware of the efforts of individual migrants but are not certain there is a role for international development agencies. However, recent experiences suggest there is ample scope for international development policymakers to collaborate with the three-quarters of immigrants in the United States who already have legal status.

Critically, international development policies rarely focus on the issues or regions that are most important (or problematic) for immigration policymakers. Most immigrants to the United States originate from middle-income developing countries that face a distinct set of development challenges (e.g., workforce development, industrial competitiveness, education outcomes), while most development aid is directed toward low-income countries that face a different set of development challenges (e.g., infrastructure development, food security).⁷⁰ For instance, when immigration policymakers reflect on how international development policy might complement their work, they tend to focus on Mexico, the Caribbean, and Central America — the regions that send the largest number of unauthorized immigrants to the United States. By contrast, development policymakers tend to focus more on immigration from Sub-Saharan Africa — a region with enormous development challenges but a relatively small immigrant population in the United States. Beyond the development policy community, foreign policymakers tend to be more interested in immigrants from the Middle East and South Asia (for security reasons) as well as immigrant groups from the world's major emerging economies, such as India, China, Brazil, and Indonesia (to enhance US economic competitiveness in those countries).

Beneath these political and administrative challenges, there are numerous, smaller, and often-overlooked successes. Immigrants play a critical role in many of the formal and especially the informal institutions that constitute US engagement with the developing world — ranging from US government offices, to private financial and international investment ventures, to voluntary and charitable organizations. This is possible due to the historic capacity of the United States to welcome immigrants, the strength of the institutions that enable immigrants and their children to prosper, the country's willingness to allow them and their concerns to permeate all aspects of US society, and critically, its support for their continued engagement with their countries of origin. These are critical — although largely ad hoc — elements of US foreign international development policy that too often go unrecognized.

Immigrants play a critical role in many of the formal and especially the informal institutions that constitute US engagement with the developing world.

Immigration forces development policymakers to reflect seriously on the impact of openness and assistance as countries grow and develop, just as it forces US immigration policymakers to reflect on the international implications of what are typically perceived to be domestic issues. The historic openness of US society to immigrants and the country's longstanding commitment to their economic success in

⁷⁰ On the challenges facing low-income countries, see Paul Collier, *The Bottom Billion: Why the Poorest Countries are Failing and What Can Be Done about It* (Oxford: Oxford University Press, 2007). On the challenges facing middle-income countries, see Peter Fallon, Vivian Hon, Zia Qureshi, and Dilip Ratha, "Middle-Income Countries: Development Challenges and Growing Global Role" (policy research working paper 2657, Poverty Reduction and Economic Management Network and the Development Prospects Group, World Bank, Washington, DC, August 2001).



the United States have arguably had more far-reaching consequences for the development prospects of poor countries than areas any other policy designed to enhance migrants' contributions to their countries of origin. Often these contributions occur as a result of individual initiative; but they are also a result of immigrants' access to all avenues of US engagement with the world as well as outside of the traditional foreign and development policymaking institutions.

International development has never been an objective of US immigration policy, but can be considered an unintended consequence. Similarly, defending the historic openness of the United States is not the mission of international development policy or bilateral aid agencies such as USAID. However, defending an open global economy has been recognized as a key strategic interest of the United States, as cited in the US government's recent Quadrennial Diplomacy and Development Review (QDDR).⁷¹ Foreign policy expert Joseph Nye makes a similar argument that "promoting an open international system is good for American economic growth and is good for other countries as well. Openness of global markets is a necessary (through not sufficient) condition for alleviating poverty in poor countries even as it benefits the United States."⁷² Concern for the world's poor has almost never been an effective justification for this openness (beyond several relatively isolated instances of humanitarian relief). There are many compelling reasons to defend a United States that is open to immigration and welcoming to immigrants; international development is the least among them.

71 US Department of State and USAID, *Leading through Civilian Power: The First Quadrennial Diplomacy and Development Review* (Washington, DC: State Department and USAID, 2010), www.state.gov/documents/organization/153108.pdf.

72 Nye, *The Future of Power*: 221.



Appendix: Foreign Born in the United States, by Country-of-Origin Income Group

	1990		2009	
	Number (thousands)	Share of total (%)	Number (thousands)	Share of total (%)
Developed countries	4,163	21	6,754	18
High-income, OECD	3,809	20	5,724	15
High-income, non-OECD	355	2	1,031	3
Developing countries	14,817	76	31,071	81
Upper-middle income [^]	2,155	11	18,016	47
Lower-middle income [^]	8,717	45	11,390	30
Low-income	2,626	14	2,058	5
Developing, unspecified [*]	1,318	7	—	—
Unknown	808	4	327	1

Note: Columns may not sum to totals due to rounding. Some countries changed income group over the time period.

^{*}Principally the Soviet Union and aligned countries. [^]Including estimates of income group based on World Bank estimates of gross national income per capita where official data do not exist or are not publicly available.

Sources: Immigrant stock data are tabulated from the 1990 Census and the 2009 American Community Survey (ACS). Country-of-origin income data for 1990 are from World Bank, *World Development Report 1990* (Washington, DC: World Bank, 1990), and from World Bank Country Income and Lending Classification tables for 2009 (www.data.worldbank.org/about/country-classifications).



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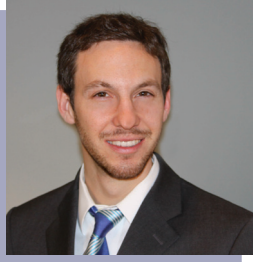
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