The Unstoppable Immigrant

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Since the mid-1970's, the more developed countries of Europe closed their borders to the immigrants from the less-developed countries of Southern Europe, the Mediterranean and sub-Saharan Africa.[1] Restrictive policies were prompted by factors ranging from significant changes in labour market conditions and an economic slowdown to growing local resentment. These policies reflected the concerns of the receiving countries, with little or no consideration of the motives of the sending countries. Legal inflows were drastically reduced, although immigration was not stopped. Closings gave rise to new forms of entries, illegal immigrants, or refugees at a significant level.

By closing their borders, European countries hoped not only to end new flows of foreigners but to decrease the resident foreign population. Policy was based on three assumptions. The first was that pull factors in the developed countries were the major determinants of migration trends (both up-turns and down-turns) in the 20 years before the policy went into effect. The second assumption was that migration flows were highly amenable to policy measures. The third was that return policies would be effective because a significant share of resident foreign migrants and their families intended, in any case, to return to their country of origin. If the first assumption proved to be correct, the second did not, to the extent that migration flows depend on the interplay of policy measures and the market forces. The focus on return policies as a means of decreasing the number of resident foreigners characterizes the approach these countries took on the migration issue. Return policies (devised mainly by France and Germany) were based on financial incentives to migrants who "wished to return," on training programs for those intending to return, and on incentives of various sorts (loans at preferential rates, and so on) that would help returning migrants set up small business.

These policies have been only modestly successful.[2] One could even argue that the incentives provided by these policies have not been sufficient to overcome the incentive to remain, as there was a fear among migrants that, with the closing of the borders, they would not be able to return to receiving countries.[3]

Employment conditions were crucial in the decision to close the borders. Policy-makers theorized that, by ending the recruitment of foreign workers, technological choices would tend to shift towards production technologies and product mixes that were more capital-intensive in terms of financial and human capital and more in line with the assumed comparative advantages of labour-importing countries. The expected outcome was an increase in growth and exports. They also assumed that the decrease in the demand for labour that more capital-intensive technologies would create would be compensated for by the increase in demand for labour resulting from the expected increase in income; thus, employment of nationals would not be adversely affected. At the same time, it was argued that the transfer of labour-intensive sectors of production to the labour-exporting countries would alleviate their unemployment and eventually decrease the propensity to migrate.[4]

The risks of such strategies were not altogether ignored. Industrialization enhances the inducement to move to the cities and generally increases the supply of labour beyond the additional demand, even though some immigrants end up finding jobs in the informal sector. Besides, to cope with the debt and balance-of-payment constraints, countries that can no longer expect migrant remittances are compelled to emphasize export-oriented activities irrespective of their ability to create new jobs.[5]

In fact, while the receiving countries viewed the new international division of labour as helping to relieve the employment situation and finance the balance-of-payments deficit of the developing countries, this rationalization was not shared by the sending countries. Indeed, they resented the closing of the borders and felt that the burden of the adjustment was falling on them.The conflict between the declared intention of Europe not to reopen its borders and the existing and increasing labour-export pressure from the less-developed countries raises the question of the relevance of development assistance strategies as a means of decreasing this pressure and alleviating the North-South disequilibrium. As in the United States (with respect to Central and South America), the geographical proximity of Western Europe to Africa exacerbates the disparity in development between the two continents.

This article considers the following questions. Should one expect significant migrant supply pressure from the countries that formerly sent workers, as a result of their demographic, economic and labour market prospects? Have the European countries devised any development-assistance policy with the explicit intent of cutting down emigration from these countries? And would such a policy, if it existed, be efficient enough to decrease the incentives to migrate?

The anticipated pressure form the less-developed countries (LDCs) rests on two basic facts. In all the LDCs concerned—Yugoslavia, Turkey and the African countries—the expected demand for labor in the coming decades falls very short of the expected supply of labor. In the developed countries, however, the domestic demand for labor should be greater than the domestic supply after about the year 2000, when the "baby bust" will lead to reduced numbers entering the labor market. The conjunction of these two trends does not mean that migration will necessarily occur; it does mean that strong and increasing pressure will tend to be put on European countries to relax their restrictive policies.

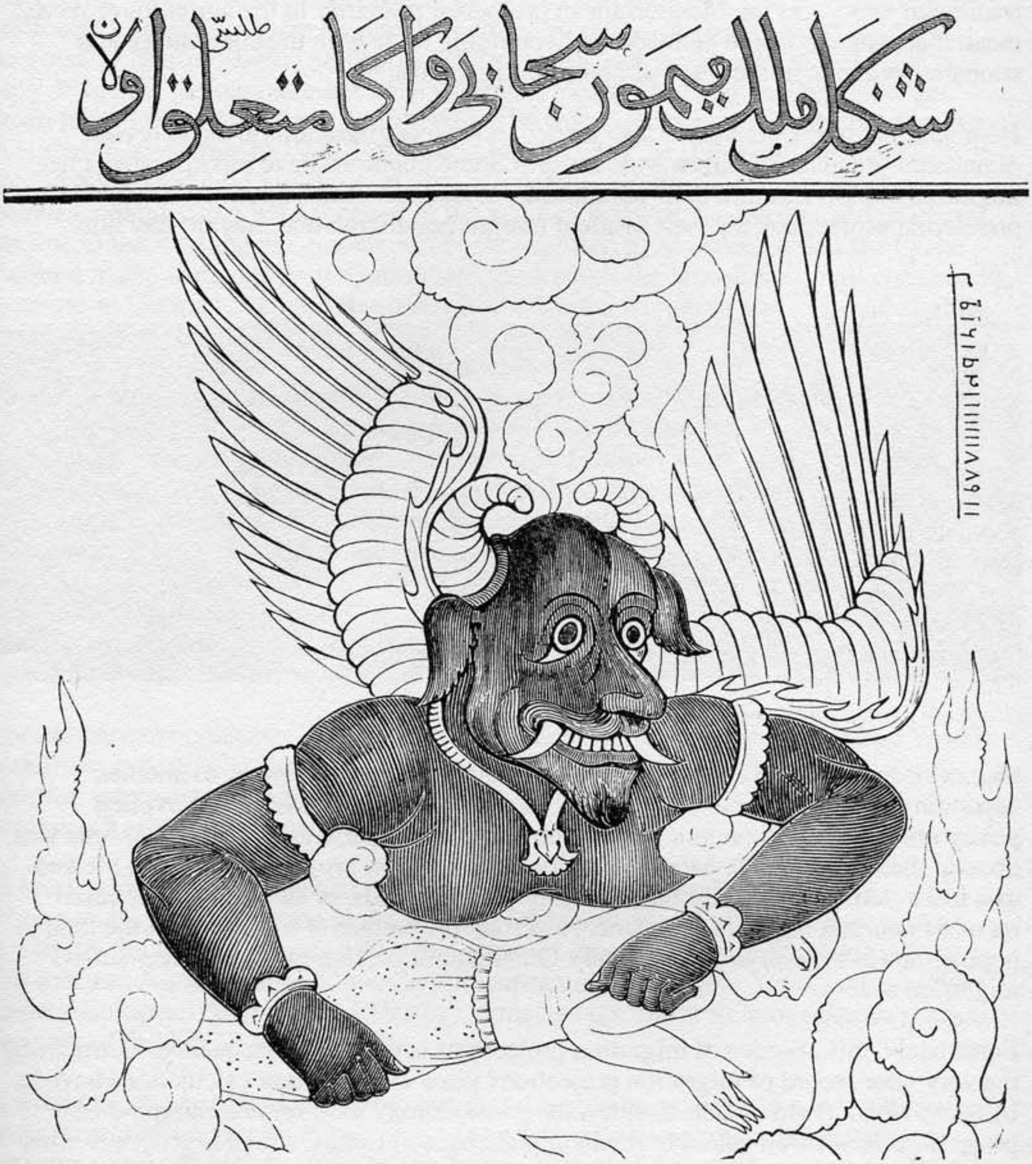
A perusal of the demographic projections and development plans of the former sending countries pinpoints a disequilibrium between supply and demand for labor in the coming years. As a result of great improvements in life expectancy and the high level of fertility (though strongly declining in some cases), the sending countries' rate of population growth has been about 3 percent per year for the last twenty years; their supply of labor is thus expected to grow at a very high rate during the coming decades.[6]

A more precise indication is given by the development plans of the former sending countries. For instance, the Seventh Economic and Social Development Plan of Tunisia, which covers the period 1987 to 1991, forecasts a 3 per cent rate of growth in the supply of labor; the pure demographic effect (2.5 percent projected rate of population growth) being reinforced by an increase in the proportion of persons in the high participation rate age groups and a projected increase in women's participation rate, which is currently still low. As a consequence, it is expected that the number of new jobs for the whole five-year period will fall shortly by 31 per cent. The Development Plan also refers to the fact that, during the 1982-1986 period, contrary to what happened between 1977 and 1981, no relief in the labor market came from emigration, net migration being negative.[7]

Moreover, the prospects associated with the 1993 deadline seem to create more uncertainty and concern among potential emigrants from non-EEC countries, rather that reassuring them. The fear is that the move toward unification of the respective national policies might do away with some of the advantages or privileges provided for in bilateral agreements that are based on historical links. In particular, the concern is that visa policies may end up being adjusted to match those of the country with the most restrictive legislation.

Gloomy prospects

It is also feared that, because of the political unrest and gloomy prospects of most LDCs, particularly the African countries, private investors might be more strongly induced to take advantage of the facilities offered to them by the creation of a single market and keep their investments within the EEC.[8] In line with world-wide trends, the share of private investment accruing to LDCs has been strongly declining in the last decade and currently accounts for roughly 10% of total global private investment.[9] Moreover, former sending countries do not appear to be preferred recipients of either public or private international investments. German investors target Asian countries, and France, in spite of its historical links with Africa, is doing the same.



Islamic devil

Finally, and most important, the entry of Greece, Spain, and Portugal into the EEC has greatly increased the concern of the Maghreb (Algeria, Morocco and Tunisia) trade partners, even though the financial and commercial protocols negotiated in 1986-1987 provide for privileged relations. As noted by an EEC civil servant, the "limits facing traditional exports in the Mediterranean protocols, primarily in the agricultural sector, mean that progress has to be made in diversifying trade with the community and cooperation is one of the ways of contributing to this."[10]

Demographic projections have also tended to neglect migration flows. A review of national practices reveals a wide range.[11] Some countries have incorporated a net migration component into their population projections; others have made separate population projections for their resident foreign population that may or may not

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take net migration into account. Projections differ from one country to another, depending in part on the extent to which net migration as a result of an explicit policy related to the economic and labour market is taken into consideration (this was done in the Netherlands). More generally, the migration projection has to be viewed as a mere statistical exercise based mainly on past trends, or as a simulation based on other national targets, for instance, a certain proportion of foreigners in the total population (as is done in Switzerland). Other countries, like France, merely set net migration at zero.

Fortunately, this absence of migration projections is of little consequence. Considering the very poor record of migration projections since 1970, current calculations have to be taken with a grain of salt. Besides, the methodology used for demographic projections is not well suited to predicting changes in trends, which is precisely what we need to capture.

As to projected trends in labour force, the supply of labour, currently at a high level, is expected to decrease by the end of the century.[12] This is the expected outcome of the baby bust, reinforced by projected behavioural changes (more schooling, fewer hours worked, lower retirement age.) In fact the impact of the demographic deceleration of the 1970's, on the working age population is already being felt. The phenomenon is particularly strong in countries like the Federal Republic of Germany where the decrease of fertility started earlier. (1.5 children per woman already in 1974), or in Italy where the the decrease has been extremely rapid. (the total fertility rate went down from 1.69 in 1980 to; 1.30 in 1986). The slowing down of the supply of labour is bound to accelerate in 1990-1995, and already the Federal Republic of Germany, the United Kingdom and Italy show an absolute decrease in the working population. Besides, contrary to what happened in the last two decades, the current and projected decline in the working age population is not expected to be compensated for by the increase in the woman's participation rate. As a result the labour force will continue to decrease in Germany, remain stationary in the United Kingdom and Italy and slightly increase in France.

On the demand side, the extensive discussions of the economic boom that is expected as a result of the establishment of a single market by the first of January 1993, do not mention the necessary implications of emigration incentives in the third countries whose products will have to face a common external tariff. Most typical in this respect is the study commissioned by the EEC known as the Cecchini Report. It gives a very favourable, if not over-optimistic, assessment of the expected impact of a common market: a five percent increase in GNP, between two and five million new job opportunities, and a six percent decrease in the consumer price index. The expectation is that changes will, in turn, benefit the less-developed countries through increased trade and investment flow.[13]

This assessment contrasts strongly with the concern expressed by many Third World countries, in particular the Mediterranean non-EEC countries. It does not explicitly mention international migration pressures, even though population growth is recognized as the major hindrance to development.[14]

In brief, whatever the projected increase in European economic growth and, consequently, in the increase in the demand for labour expected from the common market by the first of January 1993, the potential for emigration from North Africa, sub-Saharan Africa, non-EEC southern European countries (like Yugoslavia, or even Eastern European countries and Turkey), remains high and well above the absorption capacity of the EEC.

It would be utterly unrealistic to believe that it would be possible to cope with this issue merely or mainly by implementing restrictive immigration policies (such as extending visa obligations, reinforcing border control and simplifying expulsion procedures). There is no reason to suppose that market forces that have been relatively more significant than public policies in shaping migration flows and settlement in receiving countries before and after 1974 will not be at play in the future.[15] In this context, a case can be made for exploring the alternative strategy of decreasing the emigration incentive through increased development assistance.

Have the European countries devised any form of development assistance policy to cope with migration pressure? Barring the extremes of absolute indifference and explicit recognition—of which I could find hardly any instances—we are left with development policies that implicitly and sometimes insidiously relate cooperation assistance programs to the goal of decreasing emigration pressure. This makes the task of identifying these goals quite difficult. At the same time, however, so long as we are not looking for explicit policies, the topic appears in most discussions and agreements.

More Aid, Less Immigrants?

The official development assistance from the EEC appears at two levels: overall assistance from the 12 countries, that is, the sum of official bilateral and multilateral aid from each country, plus assistance from the European Community. Total official development assistance from EEC countries ranks the EEC as the most important donor world-wide, contributing 31 percent of the aid received by the Third World. This amounted to 0.51 percent of the EEC countries' GNP in 1985-1986, compared with 0.23 percent for the United States.[16] Relative to other major donors, like the United States and Japan, EEC assistance appears to be spread over a larger number of countries and, according to the official view, is "much less influenced by strategic or political consideration." This range is the necessary result of the diversity of political concerns of the 12 countries involved. Sub-Saharan Africa is the major recipient of the EEC assistance; it gets 43.5 percent of European aid, which represents 59.2 percent of the total aid received by the region. Assistance from the EEC is quite modest (12 percent of total EEC assistance). It is provided mainly through the European Development Fund, set up in 1958, and directed mainly to sub-Saharan Africa.

Basically, three sets of EEC development policies are relevant here: the generalized preference scheme, the ACP convention (LOME III),[17] and the Mediterranean policy.[18] In one way or another, they all tend to enhance economic development in the less-developed countries. However, one has to bear in mind that textiles and agricultural products—possibly critical sectors for growth and employment absorption in these countries—are subject to restrictive rules.

Consider, for instance, the bilateral agreements between the EEC and the Maghreb countries. Typically, they include a social component, which guarantees equal treatment for foreign and EEC workers, and include trade and financial components. Thus, the priority is put on food self-sufficiency, rural development, regional projects and technological transfer, all of which have an impact on the job-absorption capacity. For instance, the financial protocol with Yugoslavia favors the installation of small firms that would be set up by returning migrants. When migration is mentioned in the cooperation agreements, it falls into the social aspects category and deals exclusively with non-discriminatory policies concerning working conditions, remittances, pension rights, and so on, for workers and their families already resident in the EEC countries.


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There are at least two explanations for this state of affairs. First, most of the bilateral agreements between the EEC and the LDCs go back to the mid-1970's, when the EEC had no competence and no concern in the area of migration. The 1982 Pisani Memorandum, which suggested a reshaping of the EEC development policies, brought no changes. Second, and more important, following the closing of the borders, most sending countries showed a marked preference for resuming emigration rather than developing cooperative policies aimed at stabilizing the work force at home. The immediate financial and political benefits accruing from the export of surplus workers and the inflow of remittances outweighed by far the immediate benefits of alternative development strategies. This accounts for the reluctance of the developing countries to raise the migration issue and their emphasis on development strategy.[19]

In fact, policies based on national interests and bilateral agreements have prevailed. There is no such thing as a common European policy with regard to migration, apart from some very modest attempts. National institutions are still the major channels of public investments (Caisse Centrale de Coopération Économique in France, DES in the Federal Republic of Germany, Commonwealth Development Corporation in the United Kingdom). Bilateral development projects provide scattered evidence of such concern.[20] Besides, few projects are comprehensive enough to meet significant job-creation requirements.[21]

A final point needs to be underscored. It is precisely the countries of the southern Mediterranean—Italy, Greece and Spain—which have been sending countries for decades, that are now the most exposed to illegal immigration. This reversal has been facilitated by their geographical position and their lack of institutional immigration controls—at least up to now—not to mention the absence of relevant data about immigration. Scattered evidence shows that illegal migration—from the Arab world or Asia—is quite large and fuels migration flows toward the more developed countries of the EEC. The Southern Mediterranean countries thus play the role of first-entry countries. With growing awareness of these patterns, the southern Mediterranean countries have started implementing new institutional rules and expanding their development assistance to the Maghreb (Italy and Spain being the more active in this respect).

Emigration Incentives

Even though current development-assistance policies have failed to take into account job-creation and migration pressure, the issue remains and the economic rationale for such policies needs to be considered.

The success of these policies hinges on the extent to which they are likely to (a) foster a development process marked by an increase in income and employment, and (b) affect in a significant way and in the expected direction the determinants of he decision to migrate. Both issues should be considered in the short as well as the long run. What is significant is that past experiences suggest that migration streams have emerged concomitant with the early stages of the development process (for example, in Spain and Greece) and that migration flows have remained steady during this process.

A comprehensive inquiry into the matter is beyond the scope of this article; but at least three crucial points should be made here. First, if income differentials among groups in the sending areas and between potential sending and receiving countries are assumed to be the determinant of migration, the speed of growth that would be needed to close the gap in the foreseeable future is clearly far beyond any domestic or international development strategy. A very crude estimate of the magnitudes involved can be derived from World Bank data. In the most favorable case, countries like Algeria or Yugoslavia, with a current GNP per capita four to six times lower than that of the more developed EEC countries (assuming they maintain a one percent difference in their GNP per capita growth rate, i.e., 2.5 versus 1.5), would reach the French, Italian or Belgian levels in a century. Alternatively, the growth rate required to equalize GNP per capita levels in a given period is well above historically observed long-run rates for developed countries, even though for shorter periods some countries, even though for shorter periods some countries have experiences annual Growth rates of 5 to 6 percent (for instance, some Latin American countries before the 1982 debt crisis). Insofar as the long-run growth rates of LDCs have been beyond the growth rate of receiving countries and, moreover, have shown much larger fluctuations, the catch-up time is quite long.

Second, the development-assistance policies, whatever their means (financial assistance, trade liberalization, or technological transfer) or their focus (rural development, food self-sufficiency) do not by nature touch upon aspects of the development process that might prove crucial to job-absorption capacity and propensity to move, that is, institutional aspects. More generally, development-assistance policy cannot substitute for national development policies and have to fit the targets set by the developing country itself. Thus, countries that have suffered the long-run deficiencies of import-substitution policies might be more labour-absorbing in short run, with the risk of cutting down the long-run growth rate of their economy.

Finally, and most important, development policies that are expected to influence migration propensity have to take into account the determinants of the decision to migrate in the specific framework of an anticipated short-term migration. In fact, the *expected* duration of stay has strong implications for the decision to migrate and the age, family position, and occupational status of migrants who are more prone to move.[22]

Migration and economic development strategies can be viewed as two ways to improve household income. The crucial difference is that migration reflects a microlevel strategy in which the outcome—that is, the expected increase in welfare—results directly from an individual's decision and not directly as a consequence of the national development process. Thus, migration departs from development models based on the improvement of a segment of the population if not of the entire population.

This individualistic strategy may have solid rational grounds such as the higher uncertainty of benefitting from a growth process and the shorter time needed to achieve the income target. In these respects, migration *is* , from an individual point of view, a risk-averting strategy or a substitute for development; however, at the same time, the development process affects the propensity to move and fosters migration.

The point is that these incentives are strongly reinforced in a situation where the possibility of an anticipated short-term move exists. Indeed, under such circumstances, the expected gain from migration does not only depend upon conditions that are given for the migrants, relative prices and relative incomes: they are the control variables that the potential migrant can manipulate to the extent that he himself decides on the savings and remittances rate and thus is able to maximize his welfare taking advantage of the price differentials between the two countries. In fact, the possibility of an *ex-ante* short-term migration, whatever the *ex-post* effective duration of stay, may be a necessary condition for the move to be worthwhile.

The implication is that, though income differential remains a determinant, a reduction in the income gap between sending and receiving countries might very well be associated with an increase in the propensity to move, insofar as the possibility of an anticipated short-term stay makes migration feasible for some categories of people who would not be able to do otherwise.

There are four major factors which in any case are conducive to illegal migration: restrictive entry policies in all European countries, the importance of the networks created by past trends and the presence of large foreign communities, the easy access to European markets (thanks to low transportation cost), and the persistent demand for foreign labour in specific branches of firms—in particular, subcontracting firms in the garment industry, personal services and the like.

It is hard to expect development policies and restrictive measures to reverse the trend toward illegal migration. And this, as we have seen, for two reasons: first because the restrictive policies implemented since 1974 have been significantly offset by the extension of parallel sources of entry (mainly refugees or illegal migrants). And second because the comparative advantage of labour flows versus trade and capital flows is as strong today as it used to be in the 1960's.

Necessary and complementary as they are, restrictive immigration policies and development assistance strategies might not be sufficient to curtail immigration from LDCs to Europe.

References

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1 - The Federal Republic of Germany, France, Switzerland, the Benelux and the United Kingdom have been the major recipient countries. More recently, traditional emigration countries such as Italy, Spain or Greece became themselves immigration countries. At the same time, the tendency toward equalizing returns to factors resulting from free trade and factor movements among the EEC countries has decreased the incentive to migrate inside the EEC countries; the share of non-EEC nationals among foreign workers has tended to increase in these countries. In this respect the situation of the Federal Republic of Germany is the most striking. In 1988 net immigration amounted to 410,000, including 200,000 refugees from Eastern Europe (excluding the former German Democratic Republic) and 100,000 asylum seekers.

2 - Franco-Algerian agreement involved three mutually exclusive options: lump sum financial assistance, training to set up a business, and help to do so. The limited success of the first two options and the total failure of the last illustrate the limits of such policies. Similar schemes are currently used by other countries. For instance, a German-Greek project provides vocational training aimed at either settlement in Germany or reintegration into Greece. Numbers involved are very small, however.

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10 - Y. Renier, "Europe and the Southern Mediterranean," *The Courier*, No. 108 (March-April 1988), pp. 53-57.

11 - H. Zlotnik, "Official Population Projections in OECD Countries: What They Reveal about International-Migration Prospects," Working Party on Migration, OECD, Meeting of National Experts on the Demographic Aspects of Migration, November 1988.

12 - From a survey of national labour demand projections in France, Germany, Italy, Netherlands and the United Kingdom, R. M. Lindley concludes: "In none of the five countries studied does there occur to be any realistic prospect of achieving full employment before the end of the century." See R.M. Lindley, "Prospects for European Labor Demand," *European Journal of Population*, No. 3 (1987), pp. 383-410.

13 - D. Frisch, "Le grand marché intérieur de 1992 et les pays en développement," Bonn, 10 October 1988.

14 - D. Frisch, "The Challenge of the North-South Cooperation on the Eve of the 3rd Millennium," Conference of Introduction, Third General Assembly of Caritas International, Rome, 25 May 1987.

15 - Tapinos, "European Migration Patterns."

16 - Commission of the European Communities, *Official Development Assistance from the European Community and its Member States*, Brussels: European Community, May 1988.

17 - The First Lomé Convention was signed in 1975 and covers the period April 1976-February 1980. The Second went until February 1985. The Third Lomé Convention (December 1984) concerns 66 ACP countries and adds 413 million people. It covered five years, until February 1990. Among other things, it aimed to facilitate "structural adjustment," and stressed the importance of small business in the development process. Putting aside sugar, bananas, rum, beef and rice, the trade agreements were based on the principle of free access and non-reciprocity. Mention should be made also of STABEX (stabilization of export earnings from agricultural commodities).

18 - France, one of the major labour-importing countries in Western Europe, initiated the move that resulted in the Yaounde Convention, followed by the Lomé Agreement and the Mediterranean policies. Both moves were motivated by a willingness to maintain privileged territories. See M. Subhan, *The EEC's Trade Relations with the Developing Countries*, Commission of the European Communities, Directorate General for Information, January 1985.

19 - In contrast, the case of Turkey, which has been negotiating its entry into the Common Market, is particularly interesting. Since proposals for the entry of Turkish workers into the EEC have not been implemented, Turkey argues that increasing financial assistance would help create jobs in the country and would facilitate Turkey's admission to the Community.

20 - Thus, for instance, an assessment of the rural development project of Para Poura (Burkina Faso) initiated by the Burkinabe authorities and the Caisse Centrale de Coopération Économique lists among its targets the stabilization of rural populations. This has to be taken as a general statement, however, without any specific commitments.

21 - The development projects of the Senegal River Valley is a case in point. It aims to control the water supply through the construction of two dams that would allow a shift from flood to irrigated crops. The subsequent increase in productivity and intensive use of land are expected to ensure more regular and higher income for peasants and a decrease in the incentive to migrate.

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