

# Global Interdependence and Migration

According to a National Intelligence Estimate, globalization is stimulating migration with significant implications for the U.S. Expanding international trade, finance, investment and information flows are accentuating economic insecurity and migration pressures.

Migration pressures on the U.S. and within the Americas region are expected to continue to rise in the next decade. Despite strong economic prospects in Mexico, the disparities in living standards, increased demand for labor in the U.S. and immigration reunification laws will sustain Mexico as the single largest source of authorized and unauthorized immigration to the U.S.

## Remittances

The flow of remittances (the transfer of money by foreign workers to their families and communities in their home countries) from the U.S. has reached record amounts and represents a major source of income for millions of individuals and communities. According to an Inter-American Development Bank (IDB) study, Latin American households receive \$60 billion annually from remittances worldwide, more than these countries receive in aid from the U.S. and from institutions such as the World Bank.

Remitted funds have a positive impact on the development and welfare of countries receiving the funds. The money foreign-born workers send home is mainly used to cover basic necessities. For example, about 8 percent of remitted funds in Oaxaca, Mexico, is spent on business startups or investments, while 92 percent goes to meet daily needs. Remittances improve access to education and health care for families in immigrants' home countries and help banks finance imports from the U.S., offsetting country trade deficits (where imports exceed exports).

## U.S. Policies

U.S. agricultural policies, e.g., farm subsidies, have resulted in unexpected consequences, including an increase in unauthorized immigration. Subsidies have allowed U.S. farmers to sell corn at prices below cost. Corn is the centerpiece of the Mexican diet, and, according to a 2003 Oxfam briefing paper, the Mexican corn sector was being displaced by subsidized low-cost corn imports from the U.S. Thus, millions of Mexicans, unable to make a living in Mexico, emigrated to escape rural poverty.

Current heightened interest in alternative fuel for automobiles means things are changing; corn-based ethanol production in the U.S. has increased, driving up corn prices as well as exports. Consequently, feedstock and tortilla prices have risen, hurting the pocketbook of many Mexicans. On the other hand, rising corn prices benefit Mexican corn growers.

## Employment Issues

Pressure to emigrate will continue if many new working-age people entering the job market in developing countries fail to find work. According to a National Intelligence Estimate, Mexico's new job creation rate is 700,000, while the number of new workers entering the Mexican market is nearly one million annually. Mexico also has a brain drain - nearly a third of all Mexicans with advanced degrees leave Mexico for the U.S.

Global competition to attract foreign graduate students to universities is growing. In 1989, American universities awarded twice the number of PhDs granted by Asian countries. According to a July 2006 Migration Policy Institute study, by 2001, the gap had closed putting the U.S. in more competition for the highly skilled workers needed to fill U.S. jobs.

Immigration policy affecting high-skilled workers becomes increasingly

important as the competition for high-skilled labor increases around the world. Ease of employment-linked permanent residency is a factor that can facilitate or deter immigration to the U.S.

## Solutions

Robert Pastor, Director of the Center for North American Studies at American University, concludes that narrowing the income gap between Mexico, the U.S. and Canada is the only way to stop the flow of migrants. He supports the proposed North American Investment Fund, funded by Mexico, the U.S. and Canada, which would be used to build highways, roads and broadband internet lines in southern Mexico to connect it to North America. The effort would not stop illegal immigration, but is projected to double Mexico's growth rate and reduce the income gap with the U.S. by 20 percent in a decade.

Tamar Jacoby (*Foreign Affairs*, Nov./Dec. 2006) points out that immigrant influx is the product of changing U.S. demographics, global development and increasingly easy international communications. Pressures to emigrate from developing countries will remain intense, fueled by poverty, lack of jobs, population growth and political instability. At the same time, globalization increases access to information about lifestyles and opportunities in industrialized countries. The global integration of the labor market for both highly skilled and unskilled workers is also a continuing trend. Immigration laws and policies need to take into account these realities, along with the effect of other laws and policies such as farm subsidies and NAFTA. ■

*This brief is based on the LWVUS Immigration Study Committee background paper, "Effects of Global Interdependence on Migration" by Dorrit Marks. The paper (including full citations of sources) is available at [www.lwv.org](http://www.lwv.org).*