

**Remarks of Kathleen Newland on May 26, 2009 in Washington, DC at the conference
*Beyond the Fence: Research Lessons on How Immigration and Remittances Shape Global
Development***

And all in 10 minutes or less. Thank you. Well, thanks to CGD and Center for International Development and the Foundation for an Open America for putting on this terrific, very stimulating conference. I've really enjoyed it. And thanks for having me here.

I've been asked to move the conversation, along with Edward, back toward the policy discussion that we started at lunchtime. This is a more formidable assignment than the one I originally thought I had. The topic on the agenda was the role of international development in U.S. immigration policy, and that is certainly a candidate for the world's shortest speech. I think it can be – (laughter) – I think it can be said – I can say with complete confidence that international development considerations play no role in the formulation of U.S. immigration policy. For the economists in the group, the intersection of two areas is an empty set. As Gertrude Stein said about Burbank, California, "There is no there, there." So that leaves me with a dilemma of what I'm going to talk about for the next nine minutes. There are a few exceptions to this absolute lack of intersection.

You could argue that development considerations played a role in a few particular bits of immigration policy. For example, the decision to extend temporary protected status over many years to Salvadorans and Liberians, among others – was in part a response to please from their government that the return of these immigrants would be economically and politically destabilizing to those countries. And so as a matter of foreign policy and development policy, the U.S. government has extended temporary protected status; past the time when you could strictly argue that people needed international protection of this form.

Probably the most important instance in which development of a country of migrant origin was a factor in immigration policy thinking was in the NAFTA negotiations; where there was a naïve but sincere belief on the part of U.S. officials that NAFTA would produce gains from trade of such a magnitude that it would dramatically reduce immigration pressure from Mexico. That equation was sort of assumed political and economic reforms in Mexico that did not in fact take place, and it assumed a different path for Mexican industrial development. As we know with hindsight, immigration to the U.S. from Mexico has increased dramatically since NAFTA.

So we have some small examples, one of them a failed example, and I don't think they mute the general observation that development considerations play no role in immigration – in U.S. immigration policy-making. Of those 269 votes that Ali Norrani said would be needed for major immigration reform, not one will be cast on the basis of the development impact of immigration reform. There may be a little constituency lobbying for higher admissions on development grounds, but it will not be decisive for even one vote.

Why? Why do these policy arenas not intersect? I think we need to look at where and how immigration policy and development policy are made. Development policy – that's

assuming that the U.S. has a development policy, which I'll get back to in a minute – is anchored deep in the bureaucracies of the executive branch and the State Department, USAID – now part of the State Department – the Treasury Department, and so on. Development has not been a political issue as far as I can remember since the Kennedy administration. A few development-related bits and pieces like HIV/AIDS research and anti-trafficking programs; the Fulbright program, which we heard a little about earlier, have some public profile. But in general, no.

Immigration policy, in strong contrast, is highly politicized, as we've heard from earlier speakers; and it is anchored in the U.S. Congress. It's revealing to look at the bureaucratic location of the immigration function in the U.S. government. In the early days of the Republic, immigration was only very lightly regulated, and any immigration issues that arose with other countries were dealt with by the State Department as foreign policy issues. During the Industrial Revolution, the immigration function moved to the Department of Commerce and Labor. And when that department split, immigration went with Labor.

Post-World War II, as immigration began to be more and more regulated – began to be regulated in earnest, and there were some attempts of enforcement, at least – the immigration function was lodged in the Department of Justice, where it remained until the creation of the Department of Homeland Security in 2003. So think about this sequence. Immigration is in the realm of foreign policy, commerce, labor, justice, and now, security.

But immigration policy – again, unlike development policy – has never been controlled by the technocrats; but rather, by the politicians; giving rise to Professor Frankel's concern about how far astray immigration reform can go once it escapes the experts, like my colleague, Doris Meissner, who struggled with this throughout the Clinton administration – when it escapes from hands like hers and enters the political realm – which is always very early in the policy process.

The hand of constituency politics lies very heavy on immigration policy. I don't think there is any subject that's more capable of crashing the switchboards and the e-mail servers on Capitol Hill and the White House than immigration. I'd be extremely surprised if one-tenth of 1 percent of those hundreds of thousands of calls express a concern about the development impact of U.S. immigration policy. Actually, I'd be surprised if even one did, since I haven't made it myself. Maybe some of you have.

But it's clear that the public is aware of the immigration policy debate; not always accurately, and cares about it in a way that it doesn't know or care about development policy. That, as I said, is assuming that the U.S. has a development policy. You could argue that for several decades, U.S. development assistance has been a rather degraded handmaiden to security policy and strategic interests of the United States. You only have to look at where USODA goes to illustrate that point. There are a few tiny pockets of the aid bureaucracy that considers migration. But again, it not yet important; focuses on Diaspora engagement, on remittances and on Diaspora relations with countries of origin.

I would like to digress for a moment and contrast that U.S. stance with some of the European countries, but I think in the interest of time, I will say that if anyone is interested, we can come back to that in the discussion.

The U.S. has not connected ODA and migration policy, as I've emphasized. But it has and still has a much more open immigration policy than just about any other developed country; about a million a year new legal permanent residents. Seventy percent of them get their green cards through family reunification. Over the years, something like 10 percent through humanitarian categories. So less than 20 percent come in for explicitly economic reasons or employer-sponsored.

Despite not being selected for economic reasons, these immigrants have an enormous impact, both on the U.S. economy as well as on the countries of origin, and as you've heard from the speakers throughout the day. So here's a pretty striking paradox: the U.S. has no migration development policy, but its immigration policy does have an enormous and largely positive development impact. So should we worry about migration-development policy or should we just continue with this sort of rather haphazard, laissez-faire or unintended consequences sort of policy? I'm not sure. I'd like to hear your views on that in the discussion. I'm not trying to put anyone, least of all myself, out of a job in thinking about migration-development policy. But when you look at the U.S. experience, the development impact of immigration policy has been pretty positive without that.

Two thousand nine, however, is a different political era with a supportive president with a lot of political capital and a Congress of his own party. As Ali Norrani told us, one of the Obama transition teams' policy task forces was on immigration. And it recognized a connection between migration and development. It did actually articulate at least an awareness, even an optimistic concern, about the development impact of U.S. immigration. You can see it right there on the White House Web site. No specifics, but at least an awareness.

So let me conclude by looking at the potential development impacts of potential immigration reform in the United States. Three key elements of comprehensive immigration reform in particular I think are relevant. And Edward has talked in some detail about temporary programs, and I won't talk in great detail about any of them – because I'm determined to keep to my 10 minutes, as I've been begged. So there are three elements: legalization of a substantial part of the stock of unauthorized immigrants; a temporary worker program to meet the demand for – continuing demand for immigrant labor; and smarter enforcement.

Now, how might each of these sort of affect – what sort of development impact might each of these have? And I'm thinking – I'm keeping in mind very much Lant and Michael's sort of conception about the development, lodging and people, not just in countries. Legalization; of course, the biggest impact means that immigrants are less vulnerable to exploitation, to being badly treated, working in unacceptable conditions and being underpaid. So that would be likely to lead to higher earnings, to greater job mobility, since employers tend not to invest in unauthorized immigrants; to greater opportunities for asset accumulation, not only because

of the higher earnings but because of more secure ownership or fewer concerns about security of ownership of property and so on. And flowing from those higher earnings and greater security, higher remittances, at least potentially.

A temporary worker program. I find it hard to make any generalizations about that because everything depends on its design; starting with where the workers come from. As you saw in some of Dilip's charts, there's a big difference between the countries that receive the most dollars in remittances and those that have remittances of very high proportion of their GNP. You know, logically if you wanted to have a high development impact of remittances from the U.S. you would get your immigrants from Haiti and Guyana and – well, we'll leave the Tongans to New Zealand – from small countries where it could have a big impact. In reality, because the overwhelming proportion, particularly of undocumented immigrants in this country come from Mexico and Central America, it's likely to be there – remittances are a rather small proportion of the Mexican economy. So everything depends on design. And we can – again, there will be many continuing discussions about not only if we have a temporary worker program but what it might look like if we do.

Finally, smarter enforcement. If that indeed is centered – and as Secretary Napolitano has talked about centering it on going after criminals, criminal aliens and going after abusive employers who are criminally liable for some of their practices – that would have a very positive impact on immigrants, on the U.S economy and on the economies of countries of origin. As Dilip showed, border enforcement alone doesn't work as long as there's a need for labor and no legal way to meet it. So if we get comprehensive immigration reform with those three elements, I think we will have in place at least the building blocks of a very sound migration-development policy, whether we call it that or not. Thank you.