

Global Migration

New Zealand and European Union experiences and challenges

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Introduction

This chapter is concerned with globalisation and its affects on migrant movements around the globe focussing particularly on the strategic issues affecting policy makers in the determination of migration policies. It will draw largely on New Zealand's experience as a proactive migrant receiving country and will consider the implications of global migration for the European Union (EU) and development of the EU common migration policy.¹

Globalisation / Global Integration²

Globalisation is a reality, although debate continues about the extent to which the world really is inter-connected or has become global. Technological advancement is a significant driver in global integration. In the 1990s there was a perception that we were all at the threshold of living in a globally integrated world, so far this has not occurred. It may be due to inability to implement information and communications technology tools as effectively as planned. 9/11 events may have imposed restrictions on the pace of advancement. Perhaps the *real world* which we live in, is not globally integrated but maybe cyber-space³ does represent a truly global environment created through its immediacy, capacity and integrating nature. Whatever the case may be, it is difficult to define globalisation or global integration in a single sentence. A possible working definition could be:

¹ This policy is also referred to as the EU Immigration policy. The term 'migration' will be used throughout the body of the paper to describe people movements as the author believes that the term provides a more accurate description within the current global environment.

² Both terms – 'globalisation' and 'global integration' will used interchangeably through out the discussion in this paper.

³ The term "cyber-space" is used here to refer to any and all aspects of the Internet and World-Wide Web (including communications and informational means), as well as any networked system or systems which are connected to other systems outside of themselves.

*Globalisation is much broader than just markets, a broader transformation of time and space in our lives, squeezing national boundaries up, down and across*⁴

Globalisation presents many uncertainties and implications for national governments and challenges the concept of Nation-State governance. The policy issues raised by global integration are complex and unique. Sufficiently so, in fact, to challenge the standard paradigm on which governments are organised. The developed world is increasingly becoming one capital market, both for human and physical capital. It would still seem, though, that, labour markets are less integrated, but they are likely to become more closely linked. National governments are suffering the constraints of domestic policy limitations particularly in the areas of tax rates and redistribution by mobility of human and physical capital. There is an increasing pressure for national governments to harmonise standards in all sectors to reduce friction. This in turn poses a strategic question for governments, with whom do we harmonise? regional or sub-regional or global organisations? Policy advisors need to carefully consider the international implications of policy proposals and how policy is moving in other “benchmark” countries.

Globalisation poses another important question, what is the effect of the continuing reduction in the costs of information, transport and communications? One possibility is that lower transport and communication costs will mean that activity and people will concentrate increasingly in fewer, denser places. This is largely what the developed world has witnessed in the 1990s decade. Recent economic research suggests that productivity and wages are higher in big cities, there are more opportunities for specialisation and corresponding efficiency gains. However at the same time new technology offers people the possibility to do business more easily at a distance via teleworking technology. Therefore we have also been witnessing the growth of economic activity in smaller often remote centres. I believe both agglomeration and dispersion forces are at work but developments in recent years have shown that agglomeration forces have dominated and appear to be continuing to do so in the early years of the twenty-first century.

Agglomeration forces draw people to the big cities with high population density and with large concentrations of skilled workers. People are attracted to big cities from the periphery by the value of ideas generated from people being together, the greater flow of knowledge, more innovation, higher wages and faster wage growth, specialisation and efficiency, faster accumulation of human capital, higher productivity, variety of employees and employers, variety of goods and services. In the Asia/Pacific region agglomeration hubs have developed in Auckland, Sydney, Singapore and Hong Kong. Net migration is higher in these areas with a higher population density, therefore, hubs with highly qualified people tend to attract more, similar, highly qualified people.

The World bank (2000) suggests “the market for highly-skilled workers will become even more globally integrated in the coming decades, and increasing returns to skilled people might continue to favour spacial concentration. Knowledge workers will cross borders freely, facilitating the circulation of technology, including the growth of

⁴ See Anthony Giddens, *Runaway World: How Globalization is reshaping our lives* (New York: Routledge, 2000)

technology-intensive industries and helping to create a truly global market place for skills”.⁵

Agglomeration forces pose long term risks to national governments and supra-national organisations. There are serious consequences associated with increased growth in economic activity and populations in large dense cities. These problems include growth in migrant population, asset price bubbles (for example, in the housing market), the need to expand existing public infrastructure and to manage congestion and possible pollution. A further implication for governments is the challenge this presents to many smaller towns where the effects will be felt with fewer jobs, low growth rates and high welfare dependency. This presents challenges to the broader scheme of social cohesion for governments and governance institutions.

Globalisation affects the demographic make up of communities and societies. It means greater ethno-nationality diversity amongst migrant population groups which are increasingly sourced from non-European backgrounds in developed countries. Globalisation may mean greater differences in income and greater diversity in the family unit. The baby boom generation is ageing and moving into retirement in most western nations. This may mean society’s preferences, as expressed through political processes, may change as the population ages. The increasing diversity of western societies will challenge the existing decision making processes and methods used. Globalisation has introduced new trends and uncertainties into our world. We do not have answers to many of the questions it poses and it is unclear how the trends resulting at the moment will pan out in the long term.

Global migration and labour market developments

It still remains unclear how recent trends in trade liberalisation and the growth of cross-border financial flows have affected migrant movements. Marked acceleration in world trade after 1985 brought about a progressive integration of the global economy. The changes associated with globalisation, so far, appear to have led to further widening of income disparities rather than creating a greater convergence in incomes between ‘north’ and ‘south’ countries.

Research shows that unemployment has grown in recent years in many parts of the world and it would seem that workers from countries with high unemployment rates would have crossed national borders to escape poverty and unemployment, if migration policies had been more accommodating. Many of these workers are unskilled and as such are not readily welcomed in developed countries despite the fact that there appears to be some demand for such workers. Demand occurs in some cases when the host population is not prepared to work for the wages offered, preferring instead to remain unemployed. Most unskilled workers enter developed countries legally through non-employment related immigration categories such as refugee and humanitarian streams or family sponsored migration. However, the barriers created against migration of unskilled workers have fostered the development of clandestine or undocumented migration to developed countries. It is estimated that between 10-15 percent of all migrants in developed countries are not bona fide. Europol estimates

⁵ World Bank, *World Bank Report 2000*, (Washington, D.C: World Bank, 2000) p.39

that approximately 400,000 to 500,000 undocumented migrants enter the EU illegally each year.⁶ More over, this trend has culminated in a dramatic increase in refugee claims during the 1990s decade, consequently significant resources have been employed by ‘north’ countries at high costs to the public purse to address this issue⁷.

Labour reforms in China, to establish a modern labour market, to meet the needs of a market economy have resulted in large scale unemployment and under-employment. The Chinese Government has focussed on providing unemployment insurance plans, a basic living allowance and re-employment for laid off workers from state owned enterprises. Nevertheless there is still a large pool of unemployed and under-employed workers who may potentially perceive global migration (both legal and illegal) as the more promising option.

Regulating the employment of undocumented migrants remains the major challenge for many states. This task is becoming more difficult because of the growing informalisation of work and the pressures to maintain competitiveness in sectors which would otherwise not survive where wages are high. There may be a high demand for undocumented workers because of the inflexibilities attendant to employment in the formal economy. Amnesties and *regularisation* policies have not settled the problem of growing numbers but they have had a good effect of placing many migrant workers under the protective umbrella of labour laws. Employers’ sanctions have been used by many developed countries to discourage the illegal employment of undocumented workers.

People trafficking and smuggling, which has increasingly come under the control of international networks of organised crime, has also grown and spread over the last decade. The international community has been sufficiently alarmed by the phenomenon that a new United Nations (UN) convention on combatting Transnational Organised Crime (TOC) has been adopted which includes a special protocol on fighting migrant trafficking. A graphic example of this type is the deaths of undocumented Asians in a sealed truck travelling from Europe to the United Kingdom (UK) in 2000. This incident focussed attention on what has become an area of organised international crime where the main victims are often the people being trafficked.

Traditional ‘settler model’ versus re-migration hypothesis

Perhaps the greatest consequence of global migration is that increased movements of skilled workers, means that, fewer people are following the traditional immigration model of ‘settler’ migration, whereby people move only once, then remain permanently in their new country. A possible hypothesis of the affects of globalisation on migrant movements could be, that workers with skills in demand are likely to move between countries on a temporary rather than permanent basis, meaning re-

⁶ Speech by Antonio Vitorino, *Migration Flows and the European Labour Market: Towards a Community Immigration Policy* (London: Seminar on Community Immigration Policy, 9 July 2001)

⁷ Operational processing costs are incurred as well as in many ‘north’ countries, asylum seekers have access to the welfare state including minimum health and housing costs. A rough estimate has been made that each failed asylum seeker may cost the New Zealand government around NZ\$30,000

migration will become the norm for highly-skilled migrants.⁸ This is consistent with current skilled migration trends. Recent research shows that once a migrant has moved from their country of origin to a second country, the perceived barriers to migrating to a third country are greatly reduced after the first move. New Zealand is currently conducting a longitudinal immigration study over a ten year period to examine, among other aspects, the re-migration patterns of skilled migrants.

This hypothesis poses a further fundamental difference to the traditional ‘settler model’. Historically, the benefits of migration were expected to accrue not to the generation that migrated but to the next generation, therefore, expectations of the accepted time it takes a migrant to settle, find employment and get established appear to be changing. This is closely linked to a globally integrated world where skills are easily transferable, a common business language (English) exists and universal western cultural parameters assist integration during the settlement phase. Nevertheless, the limitation appears to be people who are slower to realise that significant differences no longer exist among well educated, highly-skilled workers. Perceived differences tend to be superficial.

Increased global demand for highly-skilled migrants

Migration policy at higher skill levels in the global labour market, is becoming more open. Increasing mobility of human capital in the global labour market is forcing a re-examination of conventional approaches to immigration controls and raising questions regarding dual nationality, taxation of migrants’ incomes, balancing interests and benefits to the source countries, costs and benefits to the host community, discrimination and integration and the rights of migrants including undocumented migrants.

Labour markets in some areas of work are becoming increasingly internationalised, with employers competing for skilled workers with employers in other countries, as well as in their own.⁹ The growth of the so called “new economy” which is based on new skills and knowledge allows information and communications technology (ICT) and other related occupations in these fields, to be readily transferred across national borders. The spread of multi-national companies also means that many people may migrate across countries while working for the same company. The availability of temporary job offers and work permits may vary with the business cycles in developed, receiving countries. Long-term trends such as the ageing populations of developed countries indicate a long-term need for migrant workers.

The so called ‘new economy’ is expected to exacerbate the gap and add to the pull of the ‘north’, which is increasingly employing more liberal migration policies directed towards highly-skilled migrants. In New Zealand, these ideas constitute the basis of a new ‘Economic Growth and Innovation Framework’ designed to improve New

⁸ Labour Market Policy Group, Department of Labour, *Globalisation of labour flows and its impacts on New Zealand* (unpublished research paper)

⁹ During the 1990s decade, notably, countries such as the United States, Canada, Australia, New Zealand, Hong Kong and Singapore competed on the world arena for highly-skilled migrants. The future will see many other developed countries implementing policies to attract skilled migrants to fill skill shortages caused partly by lower rates of natural increase and ageing demographic populations.

Zealand's economic performance and develop the 'knowledge economy'¹⁰ EU countries are also beginning to design policies to proactively attract skilled workers needed for the new "knowledge economy". In August 2000, Germany introduced new policies to attract skilled migrants, to allow the entry of 20,000 computing specialists over a three year period. The United Kingdom (UK) has proposed similar measures to alleviate ICT and other skill shortages.¹¹ India, Eastern Europe and North Africa are likely to be among the main sources of supply for EU countries.¹² Many developed countries now have skill-shortage¹³ components to their temporary entry work permits and permanent entry-residence migration policies.

Asia as a source of highly-skilled migrants

It was estimated in 2000 that 60.6% of the world's population lived in Asia.¹⁴ Moreover, Asia has an even higher percentage of the world's labour force, accounting for almost two thirds.¹⁵ This difference is a function of the region's age structure. Asia is, therefore, the world's largest potential reservoir of international migrants. It contains the world's largest labour surplus nations. Despite substantial declines in fertility rates, labour force growth is much higher than population growth because the effects of fertility decline have yet to fully flow through to influence the labour force ages. China alone is estimated to have 130 million agricultural workers surplus to the requirements of that sector.¹⁶

It is, therefore, not surprising that Asians are becoming an increasingly important component of migrant communities in western developed countries. In the late 1990s there were more than 8 million Asian-born persons in 8 OECD member countries including France, Italy, Sweden, New Zealand, UK, Canada, US and Australia.¹⁷ Skilled migrants from Asia are influenced by 'push factors' including environmental degradation, population growth, economic opportunity, social and ethnic unrest, armed conflict, corruption, educational aspirations, and disparity in wealth distribution, to migrate. 'Pull factors' including education, social stability, economic opportunities, lifestyle and environment attract them to migrate to western developed countries.

The Indian sub-continent represents a significant source of highly-skilled ICT workers for developed countries. India has developed a niche market in software development. Software exports grew to around US \$6 billion for 2000-2001 financial year, from

¹⁰ For more information, see the Lek report and other reports commissioned by the New Zealand government at <http://www.executive.govt.nz/minister/clark/innovate/>

¹¹ OECD, 2001 *op.cit* p.50

¹² International Labour Organisation, *Globalising Europe: Decent Work in the Information Economy* (Geneva: Report of the Director-General to the Sixth European Regional meeting, December 2000)

¹³ A skill shortage is used here, to refer to, the supply of skilled people not keeping up with specific demand in the host country.

¹⁴ United Nations, *World Population Prospects: The 2000 Revision Highlights* (New York: UN, 2001)

¹⁵ G. J. Hugo, "Brain Drain and Student Movements", in P.J. Lloyd and L.S. Williams (eds.), *International Trade and Migration in the APEC Region* (Melbourne: Oxford University Press, 1996) pp.210-228

¹⁶ OECD 2001 *op. cit.* pp 9-10

¹⁷ *idem*

US\$150 million a year a decade earlier.¹⁸ Not surprisingly, to support such a large industry, technology university campuses have sprung up in Bangalore, Mumbai, Chennai and New Delhi to train the necessary highly-skilled workers. These workers are in high demand globally and consequently developed countries such as the United States offer much allure with the high salaries on offer in contrast to India and improved living and working conditions.¹⁹

Human capital and economic growth

Overall higher skill levels in a population are associated with economic growth. However, while the empirical evidence demonstrates this notion to be true, numerous attempts have been made by economists to quantify the exact relationship or economic correlation between human capital and economic growth; the problem of how to quantify and measure human capital (the mixture of knowledge, skills and experience an individual has) is still to be resolved.²⁰ Nevertheless, extensive research has been done in this area. Research shows education is positively correlated with employment and earnings.²¹ Better educated people are more likely to be in work, and if economically active, less likely to be unemployed. Better qualifications also attract higher wages. Moreover, micro-economic evidence indicates that an additional year of education is associated with, on average, between 5 and 15% higher earnings.²² The initial stock of human capital of a nation or economically integrated area can generate innovation and downstream effects in the form of ‘spillovers’ or positive ‘externalities’.

The integration of migration with education and training is complex. Many migrants bring education and skills obtained at no cost to the receiving country, while source countries witness the departure of migrants often with publicly funded training elsewhere.²³ Within a regionally integrated economic union such as the EU, the displacement of local workers to other member states within the economic area is usually a positive occurrence, however, for national governments it may create disincentives to invest in education and training. The question of importing skills versus training the local population is often a “short-term/long-term trade off and it needs to be managed appropriately to ensure the two flows are, in fact, complementary.²⁴ Moreover migrants frequently experience difficulties gaining recognition for qualifications gained in their country of origin, by the host country due to differing education systems or restrictive registration practices in some sector groups especially those that work on self-regulation basis.

¹⁸ Saritha Rai, “Company town keeps Indians Home”, *New York Times*, 19 March 2002

¹⁹ Indian IT workers can be hired for salaries of around 15 percent of what comparable work would pay in the US. Furthermore, Indian cities frequently experience power failures, horrendous traffic and pollution.

²⁰ There are obvious difficulties in measuring human capital. We cannot extract human brains and weight them to measure the human capital value. The OECD has made numerous attempts to develop a human capital index. The basic notion is – how do we capture the stock of ideas/ innovation of an individual?

²¹ OECD, *The Well-being of Nations, The Role of Human and Social Capital* (Paris: OECD, 2001) p.28

²² A. Krueger and M. Lindahl, *Education for Growth in Sweden and the World* (NBER Working Paper No. 7190, 1999)

²³ LMPG *op. cit.*

²⁴ *idem*

Migrant costs and benefits

The costs and benefits of skilled migrants to the host community is largely dependant on the migrant's ability to integrate into the community and find employment that matches their skills. Research generally shows the net benefits of skilled migration outweigh the net losses.²⁵ Migrants provide many intangible benefits to host communities such as international contacts, new skills, knowledge, ideas and innovation. If the "re-migration hypothesis" is correct then further benefits for host communities will be generated even after migrants re-migrate, if they continue to maintain positive links with the host country. The costs to a community arise when a migrant is unable to find employment and may become a social welfare burden. In New Zealand, only permanent residents have access to state health care, they are required to meet health requirements as part of their entry criteria.

Migrants to European countries have traditionally had a positive influence on economic growth and have contributed to the renewal and revitalisation of societies especially after the two world wars that devastated Europe in the twentieth century. In the 1950s and 1960s immigrants from southern Europe and from third countries played a major role in the reconstruction of Europe and in the economic expansion that followed.

Recent re-emergence of the "brain drain" issue has occurred, brought about by the growing competition for highly-skilled migrants from 'north' countries. The actual impact of this type of migration or loss of skills for the countries of origin remains to be empirically verified, but there are bound to be adverse effects on development especially for the least developed countries. There are mounting concerns in the international community that immigration policies of the 'north' should incorporate provisions for the eventual return of talents and skills, or proper compensatory payments to origin countries. The EU is concerned with this issue and considers it to be an important aspect of the proposed common migration policy. However this situation is complex, research shows that there are some positive effects, at least in the initial settlement period for countries of origin, brought about by host country remittances sent home by migrants. The remittances contribute to improvements in standards of living and development of the local economy. "Brain drains" do not exist in a similar way in 'north' countries, in fact, it is often the case that skilled workers leave one 'north' country and are replaced with skilled workers from another 'north' country demonstrating that a "brain exchange" theory is more accurate.

New Zealand Skilled migration policies

New Zealand migration policy has undergone many changes in last 25 years. Major changes in 1986²⁶ opened the way for non-traditional source countries, increasing numbers of migrants from non-English speaking backgrounds. In 1991 skilled migration criteria shifted away from an occupational focus to a broader human capital

²⁵ Research indicates that there are net economic benefits from immigration For example, see Dr J.P. Smith & B. Edmonston (eds), 1997, "The New Americans: Economic, Demographic & Fiscal Effects of Immigration", Washington: National Academy Press. 'Fiscal Impacts of Migrants to New Zealand', 1999, BERL for the New Zealand Immigration Service. Among other things, BERL found that for each NZ-born individual in the 18-64 age group (age adjusted per capita), government expenditure was \$8,200 compared to \$7,400 for each migrant. Each NZ-born individual in the same age group contributed \$10,380 government tax revenue compared to \$11,079 for each overseas-born individual.

²⁶ see Honorary Kerry Burke, Minister of Immigration, *Review of Immigration Policy*, August 1986

focus. The key objective driving policy changes was to develop New Zealand's human (and investment) capital base. These were significant shifts, and have undoubtedly resulted in the increasing diversity and highly measurable skill levels apparent in numbers migrating during the 1990s. Policy changes through the mid to late 1990s have focussed on improving the likelihood that migrants will be able to use their skills in the New Zealand labour market.

In New Zealand today, the selection criteria are designed to recruit migrants who will quickly participate in the labour market according to their skills and resources, especially those from the Skilled/Business stream. The points allocated in the General Skills category are weighted towards an employability proxy. Hence the majority of General Skills applicants obtain points for a job offer relevant to their qualifications and skills.

Over recent years the relationship between temporary entry and permanent residence has become increasingly blurred. This provides further evidence to support the hypothesis that the traditional 'settler model' is becoming less relevant to skilled migrants and re-migration is becoming the norm. In April 2002, the New Zealand government announced a scheme called 'Work-to-residence' to provide an efficient process for easy transition to residence.²⁷ This initiative recognises the importance of retaining skilled migrants after they arrive in New Zealand. In recent years demand for temporary work permits in New Zealand has substantially increased. Work permits increased from 57,000 in 2000/2001 to 71000 in 2001/2002 year.²⁸

EU common migration policy

The Maastricht Treaty recognised that justice and home affairs were a common concern and created a special law-making structure to handle legislation linked to these questions. This is often called 'the third pillar'. Lawmaking under this process was slow, the laws passed were in effect, intergovernmental agreements. The Amsterdam Treaty²⁹ moved migration and asylum policy into the EU's normal law-making structures. The treaty also created new tools to assist in reaching the goal of creating a genuine 'Area of freedom, security and justice' within the EU. An important component of this new area is the establishment, for the first time, of an EU common migration policy.

A special meeting of the European Council at Tampere, in October 1999, was devoted to justice and home affairs issues. It set out a clear work programme for the next five years, with a number of important provisions for the EU common asylum and migration policy. The programme includes the following provisions:

- Management of migration flows
- Fair treatment of third country nationals

²⁷ Media statement Honorary Lianne Dalziel, Minister of Immigration, 29 April 2002 "Helping employers tap into global talent". The new visa options in the 'work-to-residence programme' are Talent (Accredited Employer) work visa and Priority Occupation List (POL) work visa. Work permits are issued for an initial two year period at which the applicant is eligible to apply for residence. The POL is reviewed on an annual basis and an assessment of acute skill shortage is made.

²⁸ New Zealand Immigration Service Official Statistics

²⁹ The Amsterdam Treaty came into force 1 May 1999

- Partnership with countries of origin
- Safeguarding the right to seek asylum

The programme will focus on improved management of migrant flows by adopting more open and transparent policy with clear rules and procedures which recognises the contribution that migrants make to the economy and society, as well as more effective border control mechanisms. EU policy will retain the right of third country nationals to seek asylum in conformity with the Geneva Convention. Moreover, the principle that EU policy must be developed hand in hand with integration policy for third country nationals was re-affirmed. Finally, a new emphasis to ensure migration policy takes into account the political, human rights and development issues in the countries of origin was agreed.

Many countries have supported restrictive admission practices during the last 25 years. The so-called ‘zero immigration policies’ are no longer relevant to the economic and demographic situation of the EU, illustrated by the high numbers of illegal migrants. During the 1990s decade, the EU has become an increasingly attractive destination for all migrants. Benefits of the establishment of the internal market, the introduction of the Euro are beginning to be widely felt. Economic growth and job creation are improving and in a growing number of sectors such as telecommunications, information technology, agriculture and health are experiencing widening skill gaps and skill shortages are occurring.

At the same time the EU population is declining and ageing. The annual rate of growth in existing member states is projected to be 0.15% over the next 25 years with migrant families being the principal source of this increase.³⁰ During the same period the working age population (defined as those between 20 and 59 years) is predicted to decline by nearly 5% while those over 60 years old will increase by 8% to reach 29% of the total population.³¹ Antonio Vitorino, European Commissioner for Justice and Home Affairs noted “The challenge for the EU is to develop, not only, an open but also a more flexible migration policy which sees migration as part of movement and not necessarily as an end in its self.”³²

Since the Tampere meeting, the European Commission has focussed on developing two separate but linked packages, the common asylum policy³³ and the common migration policy. The Commission outlined the method it intended to follow to contribute to the development of a common migration policy. The approach comprises, firstly, the establishment of a *normative framework* laying down the conditions of entry and of stay of migrants and, secondly, the establishment of an, *open co-ordination mechanism*, to encourage the progressive convergence of member state policies in regard to the management of migratory flows.³⁴

³⁰ Speech by Antonio Vitorino, *Towards a Common migration policy for the European Union* (Rome: Conference “migrations, Scenarios for the 21 Century, 12 July 2001)

³¹ *Idem*

³² *Idem*

³³ The European Commission has put forward an asylum legislation package comprised of an instrument on reception conditions, an instrument on procedures and an instrument on the definition of refugee and subsidiary protection which is currently under consideration.

³⁴ European Commission “Communication on a Community Immigration Policy” (COM(2000)757)

The policy instruments proposed provide a flexible approach acceptable to all member states given the differences of opinion on skilled migration.³⁵ Development of a common migration policy touches directly on the sovereignty of national governments, the right to control who crosses the border and entry into national territory. The key to achieving a common migration policy will be the political will and commitment of all member states to achieving this goal. The current approach taken by the Commission leaves Member States the final control to determine national migration policies, but within a framework where all Member States are working towards common objectives.

The *normative framework* is a directive on admission for labour market purposes setting out how such admission should take place if Member States decide to admit migrants. Although Member States are at all times free to restrict immigration for purely political reasons, the principle is that if a position is not filled within a given deadline, industry would be authorised to find a worker from outside the EU. Preference would be given to EU partners currently negotiating accession treaties.

The *open co-ordination mechanism* allows for information from all member states to be pooled in order for a frank assessment of the inter-relation of the different national migration policies to take place. The *co-ordination mechanism* approach is modelled on a method which has been applied with success in the employment area. The co-ordination method would work by the adoption of annual Council guidelines based on the annual plans presented by member states. The aim is to develop a series of common European guidelines or objectives which all members would sign up to. In the beginning these may be quite general but gradually they may include quantifiable targets to enable evaluation of progress. The guidelines would provide direction on co-ordinating approaches to migration management, policy and procedures for opening up the labour market to third country nationals, and the development of settlement and integration policies, best practices could be developed. The Commission will ensure that the objectives contained in the guidelines are properly integrated with relevant EU policy areas including European employment strategy and EU external relations and development policies.

The 2002 Spanish presidency placed labour market reform on the agenda. European labour markets are characterised by structural problems. Adjustments need to be made to the regulatory, legislative and contractual employment framework to improve mobility of skilled workers and to reduce the problem of skills mismatch especially in ICT industries.³⁶

Settlement strategies

The integration and settlement of migrants with permanent residence permits features prominently on policy agendas for governments in traditional receiving countries including New Zealand and EU countries. The presence of new migrants who are culturally, linguistically, religiously, and socio-economically different from the majority of the host population has been perceived by certain segments of the receiving society as challenging traditional notions of national identity and has generated tensions and conflicts. Policies are currently being debated in many

³⁵ Some members believe that the competitiveness of their economy depends on a more liberal migration policy and others members view this as a last resort option.

³⁶ <http://www.britain.it/news/02feb/11.htm> "Towards Barcelona: Labour Market Reform" 15 February 2002

countries on the conditions or criteria for citizenship, the establishment of racial equality and anti-discrimination commissions and laws regarding the prosecution of and penalties against discriminatory acts and behaviour, and on granting the right to vote, even if only in local elections, to non-citizens who reside in a country permanently.

New Zealand experience

New Zealand has experienced large changes in terms of ethnicity and source country of migrants in the 1980s where approximately 30 per cent of approvals for permanent residence were from the UK/Ireland, and 20 per cent from Asia. In the 1990s approximately 15 per cent were from the UK/Ireland and 50 per cent from Asia, contributing to a rapidly changing ethnic makeup for New Zealand.³⁷ This makeup has brought new challenges to New Zealand settlement strategies.

Research shows that despite the high qualifications and abundant work experience of new migrants, it is still difficult for them to find jobs that can apply those skills and knowledge and there are substantial numbers of migrants who are under utilised. So far few in-depth studies of employers' attitudes, policies, patterns and expectations have been conducted in sectors and industries and discussions of how these fit into their international business development and future visions are rare.³⁸ Furthermore, there is a real concern that the host community places obstacles in the way of effective incorporation of migrants into the labour market. As migration policies and patterns of migration have changed, labour market mechanisms still have to adapt accordingly. It would seem that companies may not be fully aware of the skills and benefits migrants can bring to New Zealand's skill base.

Recent studies show that English language proficiency and obtaining employment at the right level are key to maximising settlement outcomes. New Zealand permanent residence policies have acknowledged the importance of a working knowledge of English since the 1995 policy review, when it was included as a pre-requisite. Settlement strategies from 1995 onwards have tended to focus on providing support networks predominantly for refugees to assist re-settlement into society. From 2000 onwards settlement initiatives have had a new focus towards integrating 'new resident migrants'. 10 pilot initiatives aimed at reducing the barriers to employment, such as web sites to match migrant skills to employers, programmes to provide orientation information on employment options and linkages, seminars and coaching to business and investor migrants, mentoring services to job seekers and introduction to networking have been implemented with varying success. One of the most successful, so far, is the Auckland regional Chamber of Commerce which has set up the *newkiwis* migrant employment web site providing a data-base for skills matching between its member employers and migrants.³⁹ The key to success has been that potential employers view a skill set and are not necessarily influenced by other secondary factors not central to the job. New Zealand has just begun to address these types of barriers through the pilot initiatives.

³⁷ Source New Zealand Immigration Service Official Statistics

³⁸ Maureen Benson-Rea, Nigel Haworth, Stephen Rawlinson, "The Integration of highly- skilled migrants into the Labour Market: Implications for New Zealand Business" *Immigration Research Programme* (Auckland: March 2000)

³⁹ The website address: www.newkiwis.co.nz

Future settlement initiatives could focus on communication to the general public and employers the importance of migrant skills, knowledge and experience to the New Zealand economy. Local employers need to be encouraged to place less emphasis on local experience and qualifications where it is not central to job performance. Employers need to be persuaded to develop a more proactive approach in terms of seeking potential employees from the skilled migrant pool. Employers should be encouraged to recognise and view positively overseas qualifications especially internationally recognised qualifications.⁴⁰ Moreover, employers need to become more aware of overseas experience and expertise that migrants possess and begin to factor the business value added by migrants into their strategic planning. A better informed host population would reduce many of the *perceived* barriers facing highly-skilled migrants. These barriers include perceptions of lack of communication skills, fluency in English, interpersonal skills, New Zealand experience and cultural differences.

In European terms, New Zealand is a newly formed nation of immigrants with few more than four generations born on New Zealand soil. The society that has developed in this time period is one that greatly values cultural homogeneity and equanimity. National consensus tends to prevail on most topics and dissenting minorities are not well regarded. In general, diversity is not well tolerated. New Zealand is reluctant to accept that homogeneity could be a problem for new migrants. This gives rise to a key political tension between the desire to balance the need for highly-skilled migrants to take the economy forward and the societal drive to minimise cultural change.

EU experience

The attitude towards new migrants is an important factor in the settlement process to allow maximised integration into the labour market. At present in Europe, there is a general perception that all migrants contribute to unemployment by taking jobs from the local population, and that they are a burden on the social welfare system. Europe's far right parties are using the social dislocation caused by global markets and business mobility to link the fears of these people with high levels of migration. The far right parties know that globalisation has winners and losers even in developed countries.⁴¹ This sentiment has been tapped into recently by politicians in extreme right wing parties in the 2002 French Presidential elections with *Le Front National* making it to the second round. The murder of Dutch electoral candidate, Pim Fortuyn, in May 2002, also tapped into genuine immigration concerns. In Rotterdam, where his party took 17 out of 45 council seats in March, immigration is at its highest⁴². In most countries in the EU, anti-immigrant sentiments are running high providing all the more of a challenge to integrate new migrants in to society. All over Europe, the far right is mounting a powerful challenge to the centrist consensus that has ruled most of continental Europe since the end of the cold war.

Discussions on settlement strategies at the EU level are bound to be linked to reviews and development of the Union's overall economic and social strategy. National and

⁴⁰ NZIS requires an NZQA Qualifications Assessment Report of all overseas qualifications before granting points for residence and business categories.

⁴¹ John Gray, "The Laptop Fascists" *New Statesman* Monday 27th 2002

⁴² John Kampfner, "Cure for Boredom" *New Statesman*, Monday 13th 2002

local authorities, communities, and cities would be required to play a key role in deciding the appropriate settlement strategies for each context.

Conclusions

This chapter has discussed many different aspects of the global migration phenomenon. Overall, it has advocated the re-migration hypothesis. This hypothesis proposes that one of the affects of globalisation on migrant movements, is that workers with skills in demand are likely to move between countries on a temporary rather than permanent basis. It has argued that re-migration will increasingly become the norm for highly-skilled migrants on a global basis. The empirical evidence indicates this trend is consistent with current skilled migration movements in New Zealand during the 1990s decade as well as in other proactive migrant receiving countries.

It would seem that governments and governing bodies will increasingly find it harder to govern and control migration flows, both legal and illegal due to increasing disparities in income, restrictive migration policies favouring skilled workers and large volumes of unskilled workers attempting to gain entry to developed countries and prosperous regional areas, such as the EU. Globalisation, agglomeration forces are changing the location of hub trading centres from the traditional country capitals and other main cities. In many cases, new economic areas and hubs are springing up, sometimes in areas without established cities and people movements inevitably follow the capital flows.

Finally, effective settlement strategies that maximise settlement outcomes for new migrants and successfully integrate them into the host community are beginning to take on a much greater role than in the past. In order for countries to be able to profit from the human capital that new migrants provide, it is no longer sufficient to *only* attract skilled migrants, but assistance to ensure they will be suitably integrated into society looks set to become the norm.