"Is there a Tradeoff between External and Internal Migration Policy?"

by

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Talk comes from our posted paper: "OECD Migration Policy Post-1995: A New Dataset"

Paper has 4 parts:

1. Present the data

2. Use it to test the "gap" hypothesis

3. Use it to test for a "numbers versus rights" tradeoff

4. Use it to test the "convergence" hypothesis

But on 1. and 2., we got scooped ☹

De Haas, Hein, Katharina Natter, and Simona Vezzoli. "Growing Restrictiveness or Changing Selection? The Nature and Evolution of Migration Policies." *International Migration Review* Fall 2016.

Present DEMIG POLICY and find support for the gap hypothesis.

But don't directly consider 3.

A Numbers vs. Rights Tradeoff ?

Various scholars (Martin 2004, Bell and Piper 2005, Carens 2008, Ruhs and Martin 2008) have proposed such a tradeoff.

Liberal movement in migration policy comes from lobbying pressure.

Firms needing more low skill labor want to keep their costs low.
Thus, they lobby their governments for immigration openness
but not for immigrant rights because the latter raises costs.

Democratic governments willing to restrict migrant rights
because they want to reduce the demand for costly public goods.

2 actors: 1) firms wanting low skill labor and 2) governments.

Tradeoff hypothesis: there should be a *negative* relationship between policy related to immigrant rights and immigration openness.

Accommodation between Numbers and Rights ?

Tradeoff theory missing a third actor: firms wanting high skill labor.

Two Separate Stylized Global Labor Markets:

Low Skill	High Skill
Larger supply w/ smaller demand	Smaller supply w/ larger demand
Buyer's market	Seller's market
Low skill migrants relatively unconcerned about rights	High skill migrants very very concerned about rights

Firms needing more high skill labor must lobby their governments for immigrant rights, but they may not need to lobby for immigration openness.

Thus democratic governments face lobbying pressure for both immigrant rights and immigration openness. If governments are responsive to business pressure, then we should see movement towards both.

Accommodation hypothesis: there should be a *positive* relationship between policy related to immigrant rights and immigration openness.

Testing these Competing Hypotheses

Need data on policy concerning both immigration openness and immigrant rights.

Our dataset on migration policy:

   x dimension: 38 relatively developed and democratic countries

   t dimension: 1995-2015 corresponding to the "second epoch" (Cornelius and Rosenblum 2005, 99) of global population flows that began after the Cold War

   = 678 country/year observations

Coded using two sequential OECD series: *Trends in International Migration* and *International Migration Outlook*.

Sorted into 8 narrow dimensions that can be combined into broader dimensions.

Classified by whether they make migration policy *more* or *less* liberal.

Create country time-series beginning at 0 using an equal weighting procedure (+1 or -1).

Grouping 8 Narrow Dimensions into 2 Broad Dimensions

1. *Legal Protections and Rights*		
2. *Social/Civic Integration*	*Immigrant Rights*	
3. *Family Residency and Work*		
4. *Naturalization and Citizenship*		*Migration Liberalism*
5. *Numerical Quotas*		
6. *Labor Market Tests*	*Immigration Openness*	
7. *Transaction Costs*		
8. *Other External*		

Grouping based on substantive considerations.

But we provide an operational validity check in the paper.

> Actual immigration flows positively correlated with *Immigration Openness* but not with *Immigrants Rights*.

Latter not a test of the number versus rights tradeoff in terms of migration *policy*.

<u>True tests require regressing one policy dimension on the other.</u>

Previous efforts:

    Cummins and Rodriguez (2009) find weak positive relationship,
        but using only 13 to 27 observations.

    Ruhs (2013) finds a negative relationship using his dataset of 46 countries,
        but it includes only one year (2009) for analysis.

With larger cross-sectional dataset, including a two-decade temporal dimension, we estimate:

$$Immigrant\ Rights_{xt} = B_1 * Immigration\ Openness_{xt-1} + B_2 * Population_{xt-1} + B_3 * Polity_{xt-1} + B_x * Country$$

$$Immigration\ Openness_{xt} = B_1 * Immigrant\ Rights_{xt-1} + B_2 * Population_{xt-1} + B_3 * Polity_{xt-1} + B_x * Country$$

Tradeoff hypothesis requires $B_1 < 0$.

Accommodation hypothesis requires $B_1 > 0$.

The Association between *Immigrant Rights* and *Immigration Openness*

DV:	*Immigrant Rights*	*Immigrant Rights*	*ΔImmigrant Rights*	*Immigration Openness*	*Immigration Openness*	*ΔImmigration Openness*
Lagged DV		0.87***	-0.13***		0.90***	-0.11***
		(0.02)	(0.02)		(0.02)	(0.02)
ΔImmigration Openness			0.05			
			(0.04)			
Immigration Openness $_{t-1}$	0.22**	0.02	0.03			
	(0.10)	(0.02)	(0.02)			
LRM Immigration Openness			0.23*			
			(0.12)			
ΔImmigrant Rights						0.08*
						(0.05)
Immigrant Rights $_{t-1}$				0.38***	0.05*	0.06**
				(0.13)	(0.03)	(0.03)
LRM Immigrant Rights						0.54**
						(0.24)

N=649
All models include *Population*, *Polity* and Country fixed effects.
OLS coefficients with robust standard errors clustered on the country.
Statistical significance: *** p<0.01, ** p<0.05, * p<0.1 (two tailed).

An Interesting Implication if the Accommodation Theory is Correct

Migration Policy can be organized in different ways

Policy about Rights	Policy about Numbers
Internal Migration Policy	External Migration Policy
High Skill Migration Policy	Low Skill Migration Policy

If the last is true, then it may help to address a migration data problem:

hard to classify migration policy changes in terms of skill?

Next step:

Explore what types of firms lobby more for numbers. Firms seeking low skill labor?

Explore what types of firms lobby more for rights.   Firms seeking high skill labor?