

Immigration Policy in Australia, Canada, New Zealand and the United States: An overview of recent trends

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Immigration policies in most host nations of the west have undergone significant changes in recent years in response to the economic challenges countries face in the light of domestic population aging, fertility decline and the internal migration of population from less prosperous to more prosperous regions. Economic criteria have become more important than social factors in many countries. Hence, family class immigration is now dominated in many countries by economic class immigration. Citizenship and settlement policies have also been under pressure in light of changing source country composition of immigrants. Governments in most countries now partner with settlement agencies to facilitate immigrants' settlement and economic and social integration. More attention is also paid to attracting international students, as they form a potential pool of skilled immigrants that do not face educational credential recognition barriers. In some countries, immigration policies have also sparked intense controversy and political debate largely fueled by the fact that most immigration is now taking place from non-western countries.

The United Nations (2009) projected the total number of international migrants around the world to be about 214 million in 2010 – an increase of 10 percent since 2005. The more developed regions were projected to experience the largest increase in the migrant stock. Between 1990 and 2010, the more developed regions were expected to gain 45 million international migrants, an increase of 55 percent. In 2010, international migrants were projected to account for 10 percent of the total population

residing in the more developed regions, up from 7.2 percent in 1990. The increase in the migrant stock between 2000 and 2010 was expected to be highest in Northern America, at 24 percent, followed by Europe (21 percent) and Oceania (20 percent).

Table 1 provides the estimates of international migrants residing in the four countries under study in 2010.

Table 1 Estimates of international migrants, 2010

Country	Migrant stock ('000)	Percent of country's population	Percent of world migrants
Australia	4,711,490	21.9	2.2
Canada	7,202,340	21.3	3.4
New Zealand	962,072	22.3	0.45
United States	42,813,281	13.5	20.0

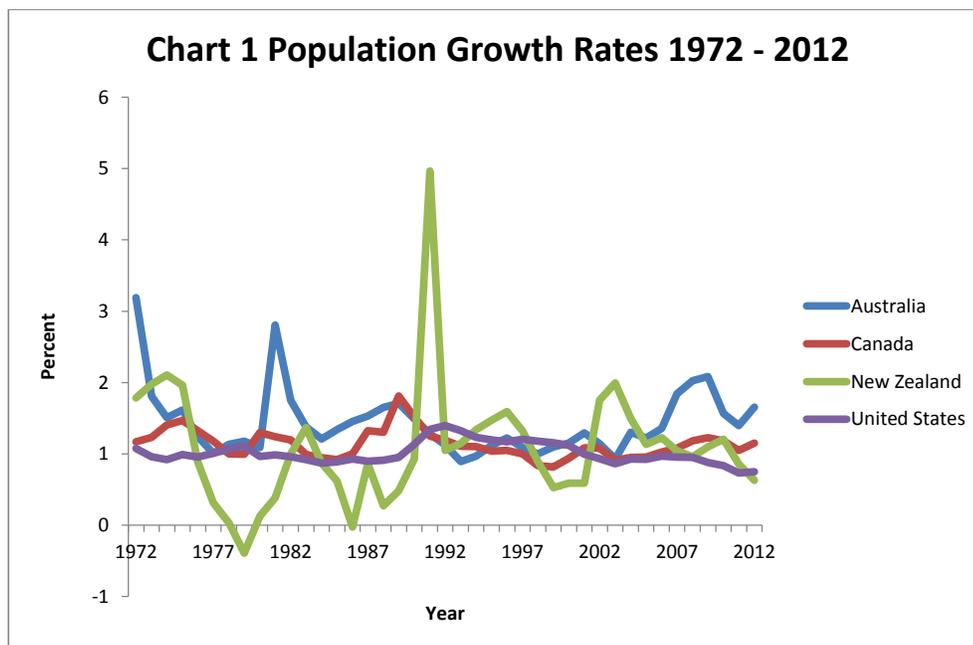
Source: United Nations (2009).

The United States of America has been a popular immigrant destination for centuries. Immigrants in the US in 2010 account for 13.2 percent of the population, up dramatically from 9.1 percent in 1990. Although immigrants in each of the other three countries represent less than five percent of world migrants, they make up more than twenty percent of the country population. For Canada and New Zealand, these percentages represent increases of 5 to 6 percent since 1990, while in Australia there has been no rise in immigrant composition of population since 1990. The large-scale inflow of immigrants to these countries and the high share of total population they constitute have generated a far-reaching public debate over economic and social integration of immigrants.

This introductory paper is aimed at providing a general overview of recent immigration policy trends in Australia, Canada, New Zealand and the United States. Section I presents some overall demographic trends that highlight the importance of

immigration for each country. Section II describes the evolution of policy in the post-World War II period. Section III discusses the current common themes in immigration policy of the four countries. Section IV concludes the study.

I. Population growth rates and immigration in Australia, Canada, New Zealand and the United States



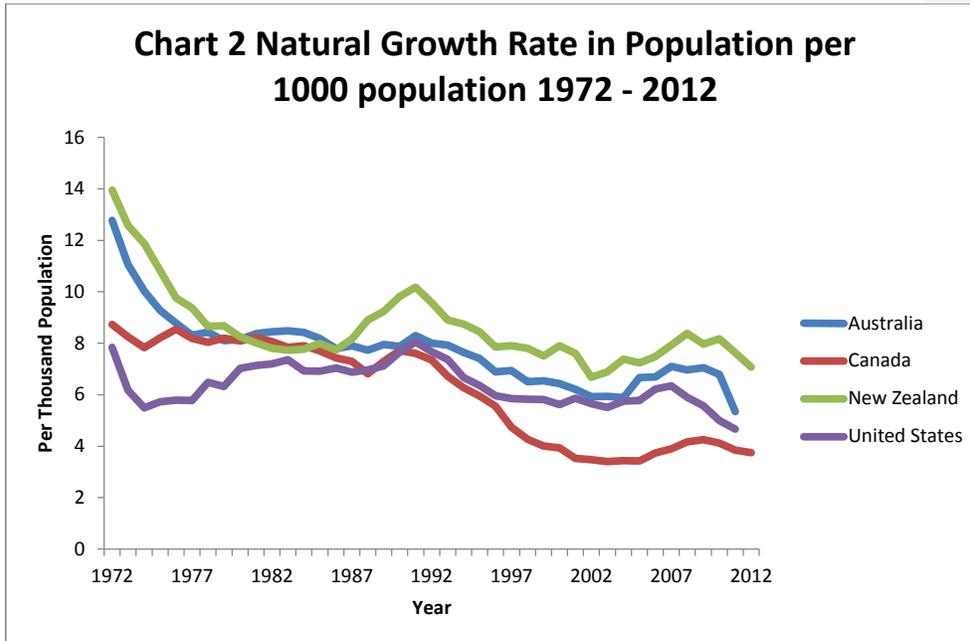
Source: Institut national d'études démographiques - Developed countries database
http://www.ined.fr/en/pop_figures/bdd_conjoncture/

Population growth has two components, i.e., the natural growth rate, measured as the difference between birth and death rates, and net international migration, measured as

the difference between immigration and emigration. Chart 1 shows that, with some minor fluctuations, population growth rates have been low and almost unchanged over the period 1972 to 2008 for which consistent data are available for Australia, Canada and the United States. New Zealand has a long term declining population trend as a result of emigration (Bedford and Spoonley, 2013), with wider fluctuations in growth rates than the other countries. The downward dips (which tend to come at the end of decades) are a reflection of spikes in emigration.

Chart 2 shows natural growth rates in populations of the four countries. The growing importance of immigration in their population growth reflects their falling or low natural growth rates. While in the United States the natural growth rate has been slow throughout the period, there was a sharp decline in Australia and New Zealand until early 1980s, after which their rates stabilized. Canada experienced the sharpest decline since the late eighties and it had the lowest natural growth in its population in 2010 (on a per capita basis) among the four countries. Natural growth in New Zealand remains high because the number of births per fertile woman has remained high compared to other countries, with a significant component of that provided by Maori and Pasifika women, whose average birth rates (numbers per women) are coming down but are still relatively high.

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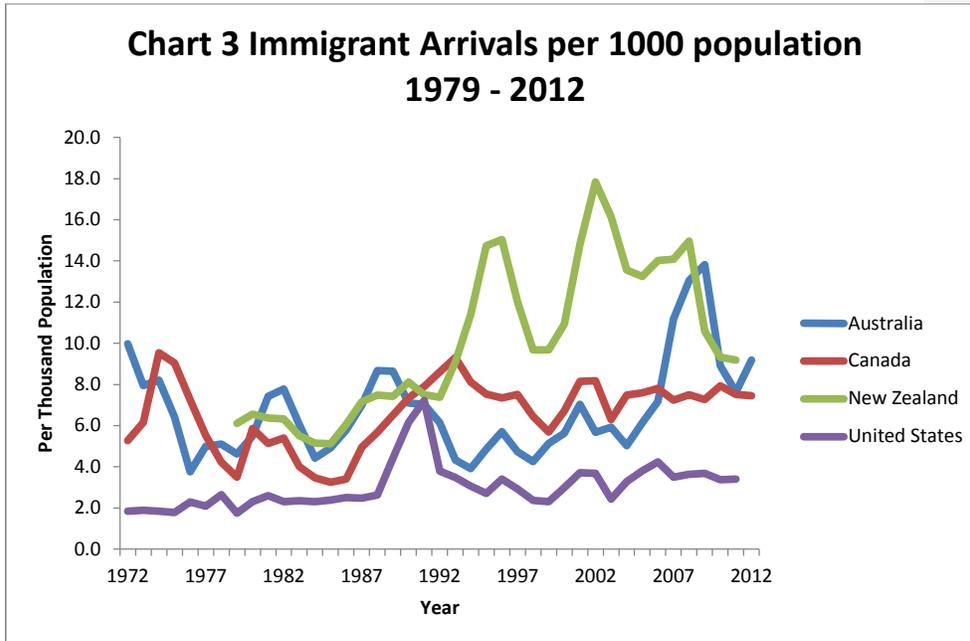


Source: Institut national d'études démographiques - Developed countries database
http://www.ined.fr/en/pop_figures/bdd_conjoncture

Immigration policy has responded to declining natural growth rates of population in each country. This is reflected in immigration arrival rates per thousand population, as plotted in Chart 3 below.¹ Policy towards legal immigration in the United States has remained less sensitive to natural decline in population growth than in other three countries. The stable population growth rate in the US that was observed in Chart 1 may be attributed to its growing population of illegal immigrants.² Although Canada

¹ Immigration volume in each country is determined by its immigration policy.
² Duleep (2013) discusses the phenomenon of illegal immigration in the United States.

experienced the sharpest decline in its natural growth rate, immigration policy adjusted enough to allow immigrant arrival rates to increase enough to sustain low population growth. Australia and New Zealand were also able to maintain higher population growth rates during the period through immigration. Especially in the case of New Zealand, fluctuations in arrival rates appear to follow more closely the fluctuations in natural growth rates observed in Chart 1. In fact, since 2000, NZ has had one of the highest rates of immigration in the OECD (third in 2012 but sometimes higher than that). NZ's immigration is higher in terms of rate per population than Australia and Canada and it has a very flexible immigration system that accepts (perhaps not deliberately) the fact that circular migration is a reality. Of relevance is the fact that New Zealand also has a very large diasporic population of around 800,000 (in addition to a NZ-based population of 4.5 million). This means that it has the third highest diaspora in the OECD. The phenomenon of emigration in NZ is discussed in more detail by Bedford and Spoonley (this issue).



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II. Evolution of immigration policy in the post-World War II period

Prior to World War II, all four immigrant receiving countries used immigration for nation-building, i.e., to promote societal culture, thus cultural homogeneity of the population was the main concern.³ For example, in 1910 an Immigration Act was introduced in Canada that contained a “preferred country” clause that gave preference to admitting immigrants from western Europe, as these immigrants were more likely to culturally integrate into Canadian society. Most immigration took place from Britain, largely because of colonial ties, and also from other western European countries. However,

³ Nation-building states are those in which one (or more) societal culture is promoted by the state authorities. Kymlicka (2007) argues that at the core of these societal cultures is a common language and common institutions.

some immigrants were also accepted from Asia, mostly from China, as cheap labour to work in mining, agriculture and in railway building.⁴ After the railway was completed Chinese immigration was discouraged through a head tax (1885) and the Chinese Immigration Act of 1923, as policy shifted toward promoting cultural homogeneity (<http://www.ccncc.ca/redress/history.html>).

The period soon after World War II was a time when economic conditions in Europe, adversely affected by the War, had begun to improve. More labour was in demand and incomes were rising. As a result, emigration from Europe to other developed regions of the west began to slow down in the late 1950s. On the other hand, the economic prosperity that followed the War resulted in increased demand for skilled labour in all countries. The formation of the European Union allowed for greater mobility of workers within Europe, which caused further slowing down of emigration from there. The 1990s reunification of Germany and the expansion of the EU also allowed greater mobility of European workers within the continent, and expanded economic opportunities. As a result, shortages of skilled labour began to emerge in developed economies outside of Europe which had welcomed European workers for many years. The end of the post-War baby boom period further aggravated this shortage.

Labour shortages began to emerge in the west that threatened future economic activity. Both European countries and the host countries under consideration here experienced this pressure. Immigration was considered to be an important tool to reverse the demographic trends that could affect economic activities. However, if

⁴ Large-scale immigration of Chinese in Canada began with the advent of the Fraser Canyon Gold Rush of 1858. In the 1880s, Chinese labour was contracted to build the Canadian Pacific Railway.

countries were to rely on immigration to reverse some of their demographic decline, it became apparent that they needed to broaden their admissions criteria by expanding immigration from other parts of the world.

We see this approach adopted in Canada as early as in 1953 when admission became largely free for the prospective immigrants from the “most-preferred” countries. However, restrictions were still the tightest for Asian immigrants. It was not until the 1962 Immigration Act was introduced that Canada sought to eliminate the criterion of country preference and the resulting racial discrimination. In 1967, a “Points System” was introduced, under which each applicant was to be evaluated on the basis of his / her human capital content including skills, education and intended occupation. Immigration policy now became universal and immigrants were to be chosen according to their potential contribution to the economy, determined by their human capital content and not on the basis of their country of origin. Humanitarian aspects of immigration, which focused on family reunification and political persecution in country of origin, were also strengthened. Australia, New Zealand and the United States also adopted the human capital model of immigration in later years (Table 2). Delays in some countries adapting to changing demographics may be attributed to differences in public opinion on immigration, as discussed in the four articles in this issue. The changing composition of annual immigration flows by source areas reflects these policy changes, as demonstrated in Table 3.

Table 2: Adoption of Human Capital Approach in Immigration Policy

Country	Year
Australia	1975
Canada	1962
New Zealand	1986
United States	1965

Source: Country specific articles appearing in this issue.

Public opinion towards immigration fluctuated along with economic conditions. Some writers, such as Green (1976), have referred to this as a “tap on” and “tap off” approach, whereby policymakers have eased or restricted immigration based on public opinion and prevalent economic conditions. It was not until the late 1980s that governments began to explicitly recognize the importance of immigration to economic growth and job creation through augmentation of human and physical capital. This is reflected in an increased proportion of immigrant workers in professional or technical fields.

Table 3: Immigrants' Source Region

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	Australia				Canada				New Zealand				United States			
	1979	1989	1999	2008	1979	1989	1999	2008	1979	1989	1999	2008	1979	1989	1999	2008
Africa	3.73	2.89	5.75	6.09	3.71	6.53	8.34	12.00	1.69	1.09	8.02	6.27	2.30	5.70	9.11	
Asia	28.11	41.40	45.33	60.28	45.32	48.80	60.48	57.04	11.60	36.44	42.45	39.15	28.60	31.60	34.40	
Europe	29.78	27.67	22.12	16.60	27.85	26.06	19.51	15.61	29.70	22.16	21.89	28.01	7.60	13.60	9.52	
Latin America and the Caribbean	2.12	2.49	0.67	2.07	11.47	13.24	8.03	10.60	0.41	0.54	0.62	2.47	60.00	47.00	42.32	
Northern America	6.26	5.89	6.46	4.06	8.71	3.64	2.92	3.87	7.55	6.09	4.95	5.64	1.10	1.40	2.03	
Oceania	28.77	19.04	19.23	10.91	1.72	0.86	0.64	0.85	42.16	29.60	17.76	15.58	0.40	0.60	0.53	
USSR (former)	0.13	0.49	0.10	0.00	1.24	0.83	0.05	0.00	0.34	0.48	0.00	0.00	1.00	0.00	0.38	
TOTAL	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	101.00	99.90	100.00	
More developed regions	64.50	53.34	49.58	31.92	39.62	31.29	23.64	20.72	69.39	50.65	46.11	44.51	9.10	15.70	12.98	
Less developed regions	34.40	46.51	50.09	68.08	60.37	68.68	76.33	79.25	24.04	45.75	49.58	52.59	90.90	84.30	85.32	
Unknown	1.10	0.14	0.33	-0.01	0.01	0.03	0.03	0.03	6.56	3.60	4.31	2.89	-		1.70	

Source:

III. Recent trends in immigration policy in the west: Australia, Canada, New Zealand and the United States

Given the importance policymakers in each host country attribute to the role of immigration in economic development, immigration policy over the past fifteen years has become more sensitive to economic outcomes. In this regard, importance is given to documenting the economic impacts of immigration and formulating policy accordingly. Since the mid-1990s the Australian, Canadian and New Zealand governments have invested resources in developing immigrant database such as the Longitudinal Survey of Immigrants to Australia (LSIA), Longitudinal Immigrant Survey of New Zealand (LisNZ) and Longitudinal Survey of Immigrants to Canada (LSIC) that have enabled evidence-based research on economic and social outcomes of immigrants.⁵ In the United States, the American Community Survey (ACS) provides an important database to facilitate research related to economic and social outcomes of immigration.

For the reasons discussed earlier, the post-World War II period in the west has seen increasing inflows of immigrants from developing countries of Asia, Africa and South and Central America. These immigrants were carefully chosen on the basis of their human capital content, used as a predictor of their economic performance, or the presence of a family member or a resident relative. However, evidence-based research conducted by several economists and other social scientists in each country have shown continuous deterioration in the economic performance of post-World War II

⁵ Three waves of LSIA have been administered (1993-95, 1999-2000 and 2005-2006). Three waves of LisNZ were conducted at 6, 18 and 36 months starting in 2004. Three waves of LSIC took place (2001-2002, 2002, 2003 and 2004-2005).

immigrants.⁶ The deterioration is evidenced in declining earnings, rising unemployment and mismatching of human capital and occupations in which immigrants work. These declining economic outcomes are attributed to immigrants' weak language skills, non-suitability of human capital acquired in their countries of origin, or labour market discrimination. Researchers have concluded that host nations (and immigrants themselves) are not reaping the full economic benefit of immigration. Hence, policy makers in all countries have been altering immigration policy to improve economic outcomes of immigration. These changes have taken the following forms: a shift away from human capital focus towards labour market demand for specific skills, increasing emphasis on temporary foreign workers program to meet immediate labour market needs, attraction of international students with the possibility of creating a potential pool of skilled immigrants, an overhauling of refugee system and regionalization of immigration. Besides these changes, legalization of illegals in the United States remains an important policy debate, with recent arguments emphasizing the economic benefits to the country of legalization. We briefly review each of the components of policy changes in the following sections.

III.1 A shift away from human capital model of immigration

Australia, Canada and New Zealand are now moving away from family class-based and human capital model of immigration towards meeting specific labour market needs. For example, Australia, and New Zealand have adopted an "Expression of Interest" (EOI) model to select skilled immigrants. Canada is to follow suit in March of 2014. Under this

⁶ Studies for Canada, New Zealand and the United States are referred in the articles that appear in this issue. A relevant Australian study is Hawthorne (2011).

model, potential migrants in each country enter their details in an online database. After a prescreening by the respective government, an applicant's profile is accessible to prospective employers who then evaluate their suitability for available job openings. The Australian program also allows state, territorial or regional government to nominate individuals to meet their specific labour market needs (Wilson, 2013). New Zealand's program awards bonus points to applicants intending to stay outside of the Auckland region (Immigration New Zealand, 2013). Under the Canadian program, employers will be the main body selecting immigrants for to meet employer needs, although some negotiations are still underway as to what role provinces will play.

The policy focus regarding legal immigration to the United States continues to be on the family class. However, some economists, such as Duleep (2013), have argued that for immigrants entering the United States without immediately transferable skills, there is a high propensity to invest in new human capital and that this tendency is stronger among those who come with higher education. Thus, she recommends combining the family class and human capital approaches in the United States policy regarding legal immigrants. On the other hand, Chiswick (2012) has argued in favor of choosing skilled immigrants on the basis of specific labour market needs.

III.2 Temporary Foreign Worker Programs

Temporary foreign worker (TFW) programs are designed to meet short-term needs of employers. They enable employers to hire foreign workers on a temporary basis to fill immediate skills and labour shortages, when local citizens and permanent residents are

not available to do the jobs. Reliance on TFWs to meet labour market needs in the west has increased over the past decade. Table 4 shows this trend.

Table 4 Entry of Temporary Foreign Workers in Australia, Canada and the United States, 2004-2008.

Year	Australia		Canada		New Zealand		United States	
	No.	% of Permanent resident arrivals	No.	% of Permanent resident arrivals	No.	% of Permanent resident arrivals	No.	% of Permanent resident arrivals
2004	27,370	9.7	112,234	47.6	22,605	40.8	1,507,769	157.4
2005	39,560	13.6	122,368	46.7	24,833	45.3	1,572,863	140.1
2006	46,690	14.3	138,461	55.0	26,281	44.8	1,709,268	135.0
2007	58,040	14.9	163,542	69.1	30,688	51.5	1,932,075	183.6
2008	50,660	11.1	190,744	77.1	25,592	48.0	1,949,695	176.1
2009	34,790	16.7	176,745	70.1	22947	50.2	1,703,697	150.7
2010	48,080	22.5	179,075	63.8	22341	54.8	2,816,525	270.1
2011	68,310	27.9	190,568	76.6	22063	54.5	3,385,775	318.8
2012	62,810	NA	213,573	82.8	NA	NA	NA	NA

Source: Temporary Foreign Workers' data are: (1) For Australia and New Zealand based on Table 16 of Hawthorne (2007). (2) For Canada based on Facts and Figures 2011, CIC. (3) For the United States: 2011 Yearbook of Immigration Statistics, Office of immigration Statistics Department of Homeland Security (includes worker and family). Permanent residents are those granted legal permanent residence status in any given year.

In all countries the number of TFWs rose, with the minimum increase being in the United States (29 percent) and the maximum increase in Australia (85 percent). There were also increases in those who are granted permanent residence status. In the United States the number of TFWs each year was higher than the number granted permanent residency. Canada was the second highest recipient of temporary foreign workers per permanent resident. In all countries the relative importance of TFWs increased over the period, with the increase being most dramatic in Canada. In sum, all countries are relying more on temporary foreign workers to meet their labour market needs.

TFW programs have become a source of controversy in the literature. Foster (2012) provides a review of international literature on such programs. In sum, this literature indicates exploitation and inadequate enforcement of migrant work rights, attributed to employers' desire to keep their labour cost low (Ruhs 2002; Abella, 2006 and Ruhs and Martin, 2008). In Canada, where the TFW program has recently become a large-scale labour pool for employers, exploitation of temporary foreign workers has often surfaced in the news media.⁷ In most countries, temporary foreign worker programs were established to address short-term labour shortages or to regulate the flow of migrant workers to a region, although a secondary goal might have been to limit illegal immigration (Martin, 2003). Sharma (2007) holds that the purpose of such programs was to expand the labour supply without burdening the state with obligations of citizenship. Ruhs (2002) shows that temporary worker programs tend to last longer and grow larger than intended. Martin, Abella and Kuptsch (2006) show that temporary

⁷ For example, Canadian Broadcasting Corporation (2013).

foreign workers tend to be concentrated either in highly skilled occupations where education requirements are high, or in low-skilled low-paying insecure jobs that permanent residents are unwilling to take.

III.3 Attracting International students

While western countries seek skilled immigrants to meet their labour market demand, lack of recognition of educational credentials and labour market experience acquired by immigrants in their countries of origin has led to underutilization of their human capital in host countries. Non-recognition of their human capital has also been a major barrier to their economic integration. As reported earlier, research on economic performance of immigrants in their host countries has shown deteriorating economic performance of arrivals since the 1970s, an increasing number of whom are from developing countries of Asia, Africa and the Middle East. Employers in the west often discount credentials obtained in developing countries.

Host governments have introduced various programs to help new arrivals update their skills according to the local requirements. They are also working towards proper assessments of foreign credentials, motivating employers to not rely on preconceived value judgments. At the same time, all countries now realize the important role international students can play in meeting the demand for skilled labour.

International students are viewed as potential new immigrants. As Hawthorne (2005) notes, "International graduates are "young, with advanced English language skills, with fully recognized qualifications, locally relevant professional training and a high degree of acculturation." These characteristics are believed to facilitate integration

into both the labour market and the social sphere. Canadian estimates, presented by Martha Justus of Citizenship and Immigration Canada in the October 2006 International Metropolis Conference held in Lisbon, suggest that between 15 and 20 percent of international students can be expected to eventually settle and work in Canada.

Governments in all four countries have adopted measures to attract international students and also to retain them after they finish their education. All countries now allow international students to work part-time on campus while pursuing their education. Work permits are required for off-campus jobs. Some dependent family members are also eligible to apply for work permits.⁸ In 2012, the Australian government also introduced several reforms such as Tuition Protection Service and pre-paid fees measures to facilitate the stay of international students. The Canadian government has adopted specific measures to retain international students after they finish their degree. These measures include: 1) Post-Graduate Work Program under which international students can obtain a work permit for up to 3 years after finishing their studies, 2) Canadian Experience Class which allows graduating international students to apply to permanently stay in Canada and 3) Provincial Nominee Program under which a graduating international student may be nominated by a Canadian province / territory to become permanent resident of Canada.⁹ Very recently, the Government of New Zealand announced new measures to attract international students that have made it easier for international student to find employment while studying. Legislative amendments have also passed to enhance protection of international students (Joyce

⁸ This information was obtained from the government web sites of the 4 four countries.

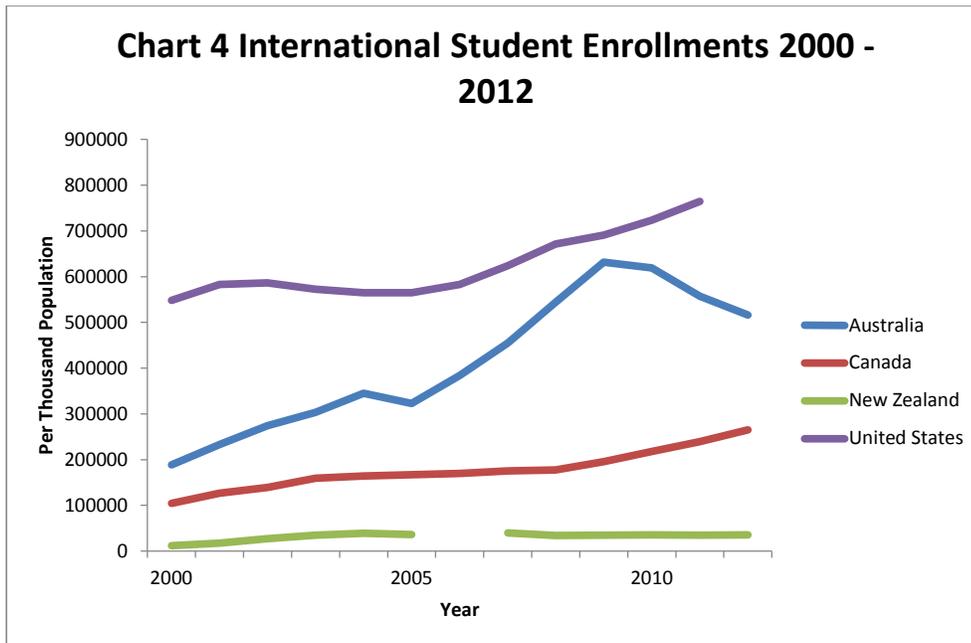
⁹ This information is available on the Council of Ministers of Education Canada web site: [www.educationau-
incanada.ca](http://www.educationau-
incanada.ca).

and Woodhouse, 2013).

In 2011, the US Department of Homeland Security (DHS) and Immigration and Custom Enforcement (ICE) created a website for students applying to and attending colleges in the US to provide necessary information on academic programs and related matters. The Study in the States program was also introduced in 2011 to simplify visa application process for students.

Chart 4 shows trends in international student enrolments in the four countries. Canada and United States have shown steady and significant increases since 2007. Data for New Zealand are missing for two years but show no change in enrolments for that country. Enrolment declines in Australia reflect a decline of students from India of about 71 percent, attributed by Clancy (2013) to: i) changes in Australian immigration program which has made it difficult for international students to obtain permanent residency, ii) strengthening of Australian dollar, iii) violence against international students and iv) growing competition with US, UK, Canada and New Zealand.

Universities in all countries are also now active in recruiting international students. Detailed information about campus life and academic programs are available for international students on their web sites. Active recruitment of international students is pursued through education fairs and use of student recruiting agents overseas. However, whether universities pursue higher enrolments of international students for their own revenue reasons or for larger national goals of economic and labour force growth has become a matter of debate in literature (Kamara, 2013).



III.4 Overhauling refugee systems

All four countries under study are major destinations of refugees who are pushed out of their countries of origin due to political, religious or racial conflicts. Policy towards humanitarian or refugee migrants is an important component of each country's overall immigration policy. Refugees are sponsored by the government or by private groups, or they can be individuals recognized as refugees on the basis of the 1951 Geneva Convention, or individuals being re-settled for humanitarian reasons.

Over the five-year period ending in 2011, the population of refugees and asylum seekers fell in all four countries (Table 4 below). Australia, Canada and New Zealand

accept applications for resettlement of refugees, i.e., from those who are settled outside of their country of origin where they cannot return for fear of persecution. United States does not accept resettlement applications. Applicants must be either in their country of origin or already in the United States.

Since the tragic events of September 2001, each country has tightened rules of refugee admission for security reasons and out of concern for misuse of the system. Countries are cooperating in processing of applications. Under the Smart Border Declaration signed by Canada and the United States in December 2001, Canada and the U.S. cooperate on processing applications for asylum. Under the Safe Third Country agreement that entered into force in 2004, some asylum seekers in Canada and the U.S. now have to make their claims in the country in which they were last present. This means that the majority of people seeking asylum in Canada after crossing the land border are not eligible to have their refugee claim determined in Canada, and the same restriction applies for applications in the U.S. from those entering from Canada. The rule does not apply to entrants at airports, marine ports or inland offices

(http://www.workpermit.com/news/2005_01_03/us_canada/refugee_rules.htm).

Australian border protection agencies share their intelligence on human smuggling and other issues with New Zealand. New Zealand, which admits 750 refugees every year, has recently agreed to accept 150 refugees from Australian detention centres per year. (citation here). Such examples of regional cooperation are viewed by some human rights agencies in these countries as violating human rights of refugees, as they appear focused on restricting the inflow of refugees who live in precarious conditions that force them to seek refuge in the West. (citation here).

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More recently, Canada has made some sweeping changes in its refugee program which have been the subject of criticism in public circles and the news media. For example, refugees whose applications are being processed are no longer eligible for public health care under the Interim Federal Health Program.¹⁰ They also cannot apply for work permits unless their claims remain undecided for 180 days. Such changes are likely to reduce inshore applications for refugee status (citation here).

In summary, changes to refugee immigration system in each country appear to be more motivated by security concerns and the impact on public treasury rather than concern for refugee protection which was the original intention of refugee admissions in each country..

Table 4 Refugee and Asylum Seekers

Country	2007	2008	2009	2010	2011
Australia	22,164	20,919	22,548	21,805	23,434
Canada	175,741	173,651	169,434	165,549	164,883
New Zealand	2,740	2,716	3,289	2,307	1,934
United States	281,549	279,549	275,461	264,574	264,763

Source: World Development Indicators. The World Bank. (www.data.worldbank.org/indicator/SM.Pop.Refg?Page=1).

¹⁰ However, Manitoba and Saskatchewan have decided to continue providing health care to all of their residents regardless of their immigration status.

III. 4 Regionalization of immigration

Population aging due to slowing down of population growth has resulted in several economic challenges in all advanced countries. Smaller and less prosperous regions, including rural areas, in each country are affected more because of the added phenomenon of outmigration of youth towards larger and more prosperous regions in search of better economic opportunities. As a result, the regional imbalance of population is increasing, which in turn is resulting in regional imbalances of economic development and growth. Smaller regions find it increasingly difficult to attract business investment because of labour shortages and shrinking markets. Maintaining public services such as health care, education, and postal, as well as private services such as banking, is also becoming difficult for smaller regions, as the provision of these services in an area is largely based on population.

These effects of population changes are now being reported in news media more often than before and have caught the attention of regional policy makers and community organizations. As a result, initiatives are being undertaken to reverse the regional population declines and develop the regional labour force. Greater incentives for business investments are provided to create more job opportunities for youth and also encourage their return. Monetary incentives for retention of university graduates are also available. Governments are also investing in labour training programs.

Smaller regions have also begun to play a greater role in their national immigration programs. One approach in this regard has been to create a business class of immigrants who will invest in the region. In addition, provinces/states have sought

more control over immigrant selection to expedite the availability of skilled labour for new investments and to meet shortages of professionals in health, education and other fields. While federal governments continue to determine the immigration policy, greater inputs are now solicited from smaller states and provinces.

Immigrants tend to settle in larger regions and urban centers of their host nations. Some reasons for this tendency include greater economic opportunities, presence of large immigrant population that can provide a network to facilitate settlement of new arrivals and the presence of ethnic goods. The OECD (2004) has constructed a geographic concentration index of foreign born population in OECD countries. The index shows that, in general, geographic concentration of immigrants is positively correlated with immigrant population. Among the four countries considered in this study, immigrants are the most highly concentrated, relative to non-immigrants, in the United States followed by Canada, New Zealand and Australia. More than 60 percent of the immigrant population of the United States lives in California, New York, Florida, Texas and New Jersey. In Canada, more than 40 percent settle in the province of Ontario, while about 45 percent settle in the provinces of Alberta, British Columbia and Quebec combined. The remaining 15 percent are thinly divided among the seven smaller provinces and territories (Akbari, 2011). In New Zealand, the Auckland region has the highest percentage of foreign born in its population (about 37 percent) followed by Wellington and New Zealand regions, each of which has about 22 percent of foreign-born residents (Statistics New Zealand, 2006). More than 60 percent of new arrivals in Australia settle in the states of New South Wales and Victoria, while the rest are divided among the remaining six states and the Capital Territory (Hugo, 2008).

Through federal-regional collaborations, special programs have been introduced in immigrant receiving countries to attract and retain immigrants to smaller areas. The main focus of regional/provincial and state policies in western countries to attract and retain immigrants has been the skilled immigrant. In 1995, Australia introduced State Specific and Regional Migration (SSRM) visa schemes, which enhanced the role of state and regional authorities in Australia's immigration program. These schemes explicitly integrate international migration with regional development planning and strategies by enabling state and territorial governments and regional employers to influence the number and profile of skilled migrants settling in their areas, in line with regional demand for skills and development objectives. In effect, as Hugo (2008) notes, two classes of immigrants were created under these schemes. Immigrants under one class were free to choose wherever they wanted to settle in Australia, while those under the other class were restricted in where they could settle, at least during their initial years (normally three) in Australia.

Canada's Provincial Nominee Program (PNP) is implemented along the same lines as Australia's SSRM visa schemes. Under the PNP, a province or a territory nominates an individual for immigration to Canada who will reside in that same province or territory. The relevant individual has the skills, education and work experience needed to make an immediate economic contribution to the nominating province or territory. The PNP agreement was first signed in 1991 between the federal government and the province of Quebec, which also has greater jurisdiction over its immigration program than do other provinces. The agreement with Manitoba, first signed in 1996, had the specific objective of meeting a skilled labour shortage in that province. Since

then, other provinces have also signed PNP agreements to meet their labour market needs. Changes introduced at the federal level also allow international students at Canadian post-secondary institutions to work in Canada for up to two years after graduation, provided they work outside of Montreal, Toronto and Vancouver, the major urban centers and the destinations of most immigrants. This arrangement also gives them a greater potential to successfully apply under a PNP.

Local labour market considerations have also dominated New Zealand's immigration policy in current century. However, the absence of a state or local government has meant that policies to promote immigration in order to meet labour market needs are largely centrally driven. Bedford and Spoonley (2008) report increasing regional migration initiatives adopted in collaboration with local agencies, employers, city councils and the New Zealand Education Commission. These authors cite two examples: one from Southland, a region dominated by primary production, tourism and small towns, and the other from Waitakere, the largest urban agglomeration, whose economy is dominated by small- and medium-sized businesses. In the case of Southland, Venture Southland, an economic development agency, played an active role in collaboration with the Southland Chamber of Commerce and Engineering South in recruiting immigrants from the UK to its agriculture and tourism industries. The Waitakere case is an example of similar cooperation among various stakeholders, such as the Waitakere City Council, Skills New Zealand /Tertiary Education Commission and Enterprise Waitakere. These groups identified significant skill shortages in small- and medium-sized enterprises. The collaboration works by

facilitating the provision of information both to employers to recruit immigrant workers and to immigrant workers about local labour market requirements.

So far, immigration policy in the United States has not had any formal local or state component and has been regulated in a highly centralized manner. However, more recently, varying demand for skilled workers across US states and metropolitan areas are recognized in public policy circles. For example, Ruiz et al (2012) report that demand for H-1B immigrant workers in metro areas varies by the size of metro workforce. In 2010-2011, employers in 106 metro areas which together accounted for 67 percent of nation's workforce, filed 91 percent of all H1-B visa applications. Occupations involving Science, Technology, Engineering and Mathematics (STEM) accounted for 92 of the 106 high demand metropolitan areas. Some state-specific initiatives, such as the formation of Illinois Welcoming Center, also suggest greater need for metropolitan and state input into the formation of immigration policy. The Migration Policy Institute, a nonpartisan think tank located in Washington DC, has recently proposed a new class of "regional visas". This visa class would give state and metropolitan areas a role in selecting immigrants based on their own labour market needs. The idea is new, and is receiving attention in policy and media circles (Neyfakh, 2013).

Statistical evidence shows greater geographical distribution of immigrant population in all countries in recent years. However, except for Canada, it is not clear if the changing geographic distribution can be attributed to the policy of immigrant regionalization. In Canada, the immigrant arrival rate in the largest immigrant-receiving

province, Ontario, went down from about 13 per thousand residents in 2001 to less than 8 per thousand in 2008. All other provinces experienced an increase over this same period (Akbari, 2012).

Akbari (2011) argues that greater geographic distribution of immigrants can result in improved or adverse economic performance of immigrants. Improvements in economic performance can occur if the initial distribution was not optimal, in the sense that immigrants could not choose their location in such a way that maximized their marginal product in the host nation. This could result from a lack of information about the host country's regional labour markets due to limitations of social networks and/or government programs. On the other hand, adverse economic performance from a geographic redistribution could result if the immigrant's initial location choice was optimal, perhaps because the immigrant had access to perfect information through social networks. Evidence on Canada provided by Bernard (2008) shows that immigrants' economic performance is better in rural than in urban areas. Akbari (2011) finds that the economic performance of immigrants is better in Atlantic Canada, which is a non-traditional destination of immigrants. These findings are consistent with the suggestion of changing impacts on economic performance from wider geographic distribution of immigrants.

III.5 Illegal immigration

As political and /or economic situations in the sending countries of the developing world continue to deteriorate, more people want to move to the developed world. However, as the host nations of the developed world become increasingly restrictive in selection of immigrants, larger numbers of people wanting to leave their country of origin are likely to attempt illegal ways of entering them. Illegal immigration is the highest in the United States, where about 11 million immigrants reside illegally, most of whom arrived from Mexico. Immigration policy changes in the United States mostly focus on legalization of illegals. Illegal immigrants are generally poorly educated, work in low-paid jobs and lack the rights and privileges enjoyed by those in the country legally. Duleep's article in this issue argues that the case to control illegal immigration in the United States hinges on whether the immigration of poorly educated people economically hurts United States citizens (for example, by lowering wages). Evidence-based research, reviewed by Duleep, has arrived at mixed conclusions in this regard. On the other hand, a recent document published by the White House (White House, 2013) stresses the economic benefits of legalization of illegals. Legalization of illegals is viewed as clearing the path for citizenship which in turn has economic benefits for the country. Akbari (2008) presents evidence that naturalization in the United States has a statistically significant and positive effect on the earnings of immigrant men and women who arrive there from developing countries. Naturalized citizens also benefit American taxpayers through their positive effect on US public treasury. More recent studies by Pastor and Scoggins (2012) and by Lynch and Oakford (2013) show an 8 to 11 percent earnings premium associated with citizenship acquisition in the United States. These studies are cited by

White House (2013) as strengthening the case for legalization of illegal immigrants in the United States.

While Australia, Canada, and the New Zealand have been less exposed to illegal immigration, this may change in response to deteriorating conditions elsewhere in the world, especially in Asia, Africa and the Middle East.

IV Summary and conclusions

As has been shown, immigration policy in each of the four countries under consideration has followed a common trajectory in response to broadly similar challenges over the last century. Responding first to the need for settlement and nation building, immigration policy favoured western European source countries. Following World War II, facing new labour shortage challenges, countries moved to a more universal immigration policy. Canada led the way in adopting a system that emphasized potential economic contribution, or human capital, in immigrant selection. Other countries followed suit. However, the resulting increased flows of immigrants from developing countries resulted in deteriorating outcomes for immigrants, whether due to language issues, skills and education recognition, or discrimination. In light of this, and in response to the challenges of population aging and declining birth rates, immigration policy has again shifted in recent years.

Several common policy responses were noted. First, economic considerations have become dominant, with a decreased emphasis on family class immigration and humanitarian concerns. Furthermore, the economic criteria have shifted from broad human capital measures to more targeted selection based on specific labour market

needs. The latter also include temporary foreign worker programs directed at filling both high skilled and low skilled labour shortages, regionalization of policy to better meet local labour market needs outside of the main urban areas that traditionally attract immigrant populations, and efforts to recruit and retain international students, as they face fewer adjustment challenges than other immigrants. Differences exist, of course, within these broad trends, depending on both national economic conditions and policy levers – for example, policy remains more centralized in New Zealand and in the United States, whereas Australia and Canada have divested some authority to their states and provinces, respectively. The use of temporary foreign workers has increased the most in Australia, while in the United States their numbers have risen relatively slowly, likely due to the predominance of illegal immigrants filling the low skill labour shortages for which other countries use temporary foreign workers. A final common policy trend is that the four countries have tightened their refugee admission systems, motivated by security concerns post 9/11.

In each country these recent policy trends have generated debate about rights and citizenship. In the United States this is manifested in the ongoing political debate around legalizing illegal immigrants. In Canada there is concern about the exploitation of temporary foreign workers. Furthermore, the changing racial and ethnic composition of immigrants, and the documented deterioration in economic outcomes, raises concern about discrimination in the labour market. While not highlighted in this paper, gender issues also accompany the policy shifts. For example, Canadian research has shown that the Live-in Caregiver program (part of the Temporary Foreign Worker program) put women at risk of abuse and exploitation (references needed) and imposed gender-

specific restrictions on access to citizenship. Furthermore, the decreased focus on family immigration and increased focus on economic contributions (whether in terms of specific skills or financial contributions as entrepreneurs) may put women at a disadvantage.

While this review article has drawn out some common challenges and policy trends, the country studies which follow it provide the necessary political, economic and social context to understand the differences and to inform a cross-country conversation about the way forward.

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