

**Asia-Pacific
Economic Cooperation**

**9th International Workshop on International
Migration and Structural Change in APEC
Member Economies**

APEC Human Resource Development Working Group

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APEC-HRD-LSP 9th International Workshop on "International Migration and structural change in APEC member economies"

This workshop was a self-funded project jointly conducted by the Institute of Developing Economies, Japan External Trade Organization; the Institute of Economics, Academia Sinica, Chinese Taipei; and the Department of Manpower Planning, Council for Economic Planning and Development, Chinese Taipei. The 9th Asia-Pacific Economic Cooperation (APEC) Human Resource Development (HRD), Labor and Social Protection Network (LSP) International Workshop: "International Migration and Structural Change in the APEC Member Economies" held in Taipei on October 19-20, 2000. Sixteen member economies including Australia, Canada, Chile, China, Indonesia, Japan, Korea, Malaysia, New Zealand, Peru, the Philippines, Singapore, Chinese Taipei, Thailand, the United States, and Vietnam, presented country reports and regional overviews of international migration and structural changes in the APEC region.

The purpose of the project is to investigate the relationship between international migration and structural changes in the APEC member economies. The rapid growth of international migration in many APEC member economies has been an important dimension of socioeconomic development in the region over the past two decades. Labour migration is often viewed as the third wave of internationalization in East Asia, following trade and capital flows. Due to structural changes in their economies and labour markets, some migration sending areas have become receiving destinations. There are also significant differences in migration policy among APEC member economies. In the formation of new development strategies, it is important to study the impacts of migration along with employment, trade, and foreign direct investment (FDI).

Summary

With this background, the discussion in the workshop covered the following four sub-themes: (1). Migration Transition and Labour Market Adjustment, (2). Labour Importation and Local Workers, (3). Migration, Trade, and FDI, and (4). Migration Policy and Development Strategy. The major topics presented in the workshop were as follows:

1. Regional perspectives of migration.
2. Skills and migration.
3. Mobility of highly-skilled workers.
4. Data availability, in particular the necessity of migration stock data.
5. Possibility of analyzing the relations between international migration and domestic labor markets.
6. Migration policy.
7. Effects of foreign direct investment on international migration.

Valuable comments and suggestions were offered and further research topics discussed by attendants and rapporteurs. The summary is as follows:

1. Impacts of immigration should be investigated in both sending and receiving countries.
2. Social and cultural impacts of immigrants should be analyzed as well as economic impacts.
3. There is a need to analyze unskilled and semi-skilled labor issues as well as skilled labor for policy implications.
4. Impacts of immigrants by gender should be researched.
5. The characteristics of flow data and stock data should be taken into consideration in analysis. It is easy to obtain flow data, while difficult to obtain stock data at this time.
6. We have to properly define "skilled workers" and "unskilled workers"; it seems that definitions are different from country to country.
7. There is a need of cooperation in the exchange of data and information on international migration.

We hope that discussions and exchanges of views during the workshop have helped each APEC member economy clarify the situations surrounding international migration and structural change issues, while initiating possibilities for further cooperation. It will be beneficial for the APEC member economies to cooperate in exchange of data and information on international migration and labor markets for further research, since the needed statistics to gain a comprehensive understanding of international migration flows, from both the origin and the destination perspectives, are still lacking.

Papers presented in the workshop

Session: Regional Perspectives

Asia Pacific Region

[The Impacts of Structural Change on APEC Labour Markets and their Implications for International Labour Migration](#)

Prof. Charles W. Stahl (Associate Director, Department of Economics, University of Newcastle)

Latin America and the Caribbean

[Trends and Patterns of International Migration in Latin America and The Caribbean](#)

Dr. Miguel Villa and Dr. Jorge Martinez Pizarro, (Chief, Population and Development Area,

Latin American and Caribbean Demographic Center (CELADE)/ Population Division, Economic Commission for Latin America and the Caribbean (ECLAC))

Session: Migration and the Labour Market

The Philippines

[Labor Market Adjustments to Large Scale Emigration: The Philippine Case](#)

Prof. Edita A. Tan (School of Economics, University of the Philippines)

Thailand

[Changes in the Labour Market and International Migration Since the Economic Crisis in Thailand.](#)

Dr. Kusol Soonthorndhada (Assistant Professor, Institute for Population and Social Research, Mahidol University)

Malaysia

[International Migration and Labour Market Adjustment in Malaysia](#)

Ms. Vijayakumari Kanapathy (Senior Analyst, Pesiaran Sultan Salahuddin)

Session: Migration Policy and Development Strategy (A)

Korea

[International Migration, Human Resource Development and Migration Policy in Korea](#)

Dr. Jin Ho Choi (Professor of Sociology, and Dean, College of Social Sciences, Ajou University)

China

[China's International Migration Policy](#)

Prof. Hou Wenruo (The School of Labor & Personnel, Renmin University of China, Beijing)

Viet Nam

[Foreign Direct Investment, Government Policy and International Labor Migration in Vietnam](#)

Dr. Dang Nguyen Anh (Head, Department for Population Studies, Institute of Sociology)

Singapore

[Foreign Manpower and Development Strategy in Singapore](#)

Dr. Hui Weng Tat (Vice-Dean, Faculty of Arts and Social Sciences/Associate Professor, Department of Economics National University of Singapore)

Session: Migration Policy and Development Strategy (B)

Indonesia

[International Labour Migration Policy and Development Strategy in Indonesia](#)

Dr. Carunia Mulya Firdausy (Director, Centre for Economic and Development Studies, Indonesian Institute of Sciences)

New Zealand

[Immigration Policy and New Zealand's Development into the 21st Century: Review and Speculation](#)

Prof. Richard Bedford, Dr. Elsie Ho, Dr. Jacqueline Lidgard

(Department of Geography, University of Waikato)

Peru

[Migration Policy and Development Strategy in Peru](#)

Dr. Carlos Aquino Rodriguez (Coordinator, Asia-Pacific Section, Institute of Economic Research, San Marcos National University)

Session: Migration and the Economy

Canada

[Immigration to Canada: Some Economic Impacts](#)

Dr. Don DeVoretz (Co-Director, RIIM (Research on Immigration & Integration in the Metropolis) and Professor of Economics, Simon Fraser University)

Chinese Taipei

Impacts of Labour Importation on the Un-employment of Local Workers: An Exploration Based on Survey Data

Dr. Ching-lung Tsay (Professor and Coordinator, Studies on Southeast Asian Economies,

The Institute of Economics, Academia Sinica, Academia Sinica /Dr. Ji-ping LinAssistant Professor, Department of Labor Relations & The Institute of Labor Studies,National Chung-Cheng University)

Japan

Japanese Foreign Direct Investment to Asian Countries and Its Effects on International Migration

Ms. Yasuko Hayase, Mr. Hiroki Nbgami and Mr. Yousuke Noda

(Senior Research Fellows, Institute of Developing Economies, Japan External Trade Organization)

United States

Migration, Development and US Labor Markets: The Mexican-US Case

Dr. Philip Martin(Professor of Agricultural Economics, University of California)

Davis Dr. Manuel Garcia y Griego(Director, Center for Mexican American Studies,University of Texas at Arlington)

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Abstract

Australia **Charles Stahl**

The Impacts of Structural Change on APEC Labour Markets and their Implications for International Labour Migration

This study examines the impacts of structural change on the labour markets of APEC member economies and explores the implications of these changes for international labour mobility within the region. All APEC economies have experienced significant structural changes during the process of development. The impacts of these changes are explored through an analysis of the changes in output and employment by industry and occupation over the period 1980 to 1997, and of changes in trade intensity and direct foreign investment over this period. In many countries, a failure of education and training systems to respond to often rapid shifts in the skill composition of labour demand is leading to industry and occupation specific labour shortages. International labour migration within the APEC region, and changes in its occupational and industrial composition, are viewed as a product of these structural changes and a mechanism that assists in filling gaps in the labour markets of the region's economies. Because international labour migration will continue to expand within the APEC region, and will be given added impetus if APEC's goals of free trade are realised, there is a pressing need to design policies that will regulate and facilitate it while ensuring the protection of migrant workers.

Chile **Miguel Villa and Jorge Martínez Pizarro**

Trends and Patterns of International Migration in Latin America and the Caribbean

The aim of this report is to provide an overview of current trends and patterns in international migration in Latin America and the Caribbean. It first examines the weak points and potential uses of the existing information on the subject and then goes on to outline the region's major migratory paths and describe the socioeconomic conditions that determine the migratory behaviour of the Latin American and Caribbean population.

Achieving the necessary knowledge to account for migratory behaviour and provide inputs for policy-makers calls for an adequate supply of relevant, up-to-date information. Given the limitations of other data sources, population censuses are the most important resource for generating the necessary information in the region. The research project on International Migration In Latin America (known as the IMILA Project), which is administered by the ECLAC Population Division—Latin American and Caribbean Demographic Centre (CELADE) with the valuable assistance of the countries of the region, compiles data from national censuses that the researchers then use to quantify immigration and determine the socio-demographic characteristics of migrants. While useful, this information does suffer from some shortcomings, since the data refer only to the existing stocks of migrants rather than to the relevant flows and do not provide a clear picture of the situation with regard

to undocumented and temporary migrants. These limitations notwithstanding, the IMILA Project has contributed to the progress of research on international migration in the region as well as providing a valuable opportunity for cooperation among the countries involved.

The data generated by the IMILA Project have permitted three major migratory patterns to be identified. The first of these patterns, which corresponds to overseas migration, has diminished in recent decades, as the non-renewal of flows, return flows and mortality have reduced the stocks of immigrants. The second pattern is that of migration between countries within the region itself, which is prompted by both historical factors (differences in levels of economic and social development) and cyclical or short-lived conditions. The stock of intraregional migrants doubled during the 1970s and then began to level off, with Argentina and Venezuela, in South America, and Costa Rica, in Central America, being the main destinations for these types of flows; in the Caribbean, a great deal of movement is seen from island to island, but this represents a fairly small proportion of intraregional migration. The third pattern is that of emigration from the region. The main destination for these migrants is the United States, where the stock of Latin American and Caribbean immigrants doubled between 1980 and 1990.

The information made available by the IMILA Project demonstrates that the characteristics of migrants are quite heterogeneous and suggests that migration-related factors are becoming increasingly complex. With respect to the overall repercussions of migration, various positive and negative impacts have been identified at both the structural and individual levels. A brief exploration of the relationship between migration and development trends serves to underscore the potential benefits of a scheme of open regionalism and market integration within the wider framework provided by the globalization process.

Philippines Edita A. Tan

Labor Market Adjustments to Large Scale Emigration: The Philippine Case

The paper presents historical data from mid 1970s onwards on labor migration that show rising labor outflow of an increasing variety of skills to an increasing number of destination. The labor migration is expected to continue in the coming decades. Several factors are used to explain the phenomenon: 1) the economy has performed rather poorly and was unable to generate employment sufficient to absorb the rapidly growing labor force and raise wage rate, 2) there has been a long and quite positive experience with migration that has fostered a strong willingness to migrate and 3) there operates a fairly flexible education-labor market which has evolved elastic supply of many categories of skilled labor. The study analyzes adjustments in supply of selected skill categories. It points to the extensive private and public educational/training system that caters to market-sensitive studentry. Skill supply changes oftentimes exceeded demand changes. However, the supply adjustments have been profoundly constrained by capital market imperfections. The affordability of an education/training category largely determined its supply elasticity. The more costly high quality programs, science and technology fields and advanced programs are in short supply. The paper shows that even if computer programmers obtain much higher salaries in foreign markets, their supply has remained small. The paper

concludes that the rate of returns to foreign employment is not being maximized because of the capital constraint. There is no policy to solve this market problem.

Thailand Kusol Soonthornhdada

Changes in Labour Market and International Migration Since the Economic Crisis in Thailand

The impact of the economic crisis in July 1997 on the Thai labour market reflected a sharp increase in the unemployment rate for all levels of education, particularly primary and lower secondary educated workers. This was accompanied by an increase in underemployment in terms of hours of work and real income. Moreover, the real earnings of employed and unemployed persons fell under the combined impact of the decline in labour demand and the devaluation of the Thai baht. This is likely to swell the ranks of those with incomes below the poverty line. The poverty incidence is much more severe in rural areas and with vulnerable groups, particularly women. The surplus of labour from unemployment and underemployment during the economic downturn including poverty pressure, is likely to boost the current increasing trend of labour migration outflows. The needs and wage differential across countries that have strong incentives for households to reduce the risk of family wages, and guarantees a reliable stream of income, in the form of remittance, to support the family. The new government measures on promoting Thai labour going to work overseas in order to solve local unemployment and increasing foreign earning after the crisis also encouraged the outflow. In addition, recruitment agencies and individual social network of both migrants, former migrants in rural origin and employers in destination countries make international migration more attractive. Data from the Ministry of Labour indicates an increasing number of overseas migrant workers, especially in Taiwan. Thai overseas migrant workers are mainly unskilled labourers with a primary education who are engaged in low skilled jobs. Thai authorities have begun to provide skills training to the affected labour force in order to help them adjust to the needs of the modern labour market. However, the government needs to show greater political will in supporting the policies on active labour market, sustainable employment created, and human resource development, especially in the training of the rural labour force. Moreover, measures for labour protection in overseas countries is also needed.

Malaysia Vijayakumari Kanapathy

International Migration and Labour Market Adjustment in Malaysia

International migration has played an important role in the labour market adjustment process in Malaysia. Since the late 1970s, migrant workers have filled in the growing labour market imbalances associated with rapid structural transformation and cyclical expansion, thereby cushioning their impacts on the economy. The rapid influx of migrant workers following the sustained high growth has however prompted the state to regulate the flow of migrants to meet labour market needs, mindful of the need to protect the rights of its citizens to employment.

Official policy on the use of foreign labour allows the intake of foreign workers as an interim solution to alleviate critical labour shortages and fuel growth, while stressing the importance of longer-term measures to foster industrial maturity. But regulating the inflow of labour to managing the competing goals of growth and restructuring has not been easy, especially with the unabated high growth. Since the inception of the 1991 Comprehensive Policy on the Recruitment of Foreign Workers, there have been many "twists and turns" in foreign worker policy, allowing, restricting and banning the import of foreign labour. Several studies have diagnosed these frequent policy shifts as being inconsistent, unpredictable and lacking clear policy goals to reduce the reliance on foreign labour.

The paper contends that behind the apparent policy inconsistencies lie a flexible foreign worker policy that is consistent with the overriding national objective to facilitate unfettered growth. The role of foreign worker policies must necessarily be viewed together with other labour market development policies. The management of foreign labour via immigration and related foreign worker policies has complemented other labour market development strategies to influence the demand and supply of skilled labour, and together they constitute a coherent and integrated national strategy on the use of foreign labour.

There has been an increase in the global mobility of labour and political and social imperatives will continue to compel nations to impose restrictions on international migration. Malaysia's experience in regulating the flow of foreign workers to meet its labour market needs has received mixed success as evidenced by the high incidence of unauthorised entry and provides useful policy lessons. First, market interventions to control the flow of migrant workers, especially during robust growth, is fraught with difficulties. Second, policy measures to regulate the inflow of foreign workers must be simple and transparent, easy to execute and must be supported by adequate legal framework and institutional capacity to monitor and enforce.

Korea Jin Ho Choi

International Migration, Human Resource Development and Migration Policy in Korea

The flow of international labor migration in Korea was reversed in the late 1980s. Until the mid-1980s, Korea has been a major labor exporter to Arab countries. As domestic wages has increased and construction business in the Arab world has been declined, Korean migrants decreased sharply, and most of the Korean workers returned home. Conversely, a massive influx of migrant workers, mostly from Asian countries, took place since the beginning of 1990s.

Labor shortages particularly in the manufacturing sector as well as wage hikes were largely attributable to this labor influx. The labor shortages were attributed to increasing household income and also the expansion of various service business activities. Wages for production workers increased unusually as labor unions gained power in collective bargaining after the liberalization of union activities in 1987.

The recent statistics show that there are about 268,000 foreign workers in Korea in the year 2000. Among them, 16,000 are legally employed who are mostly professional workers, and 79,000 are industrial trainees, and the rest 173,000 are illegally employed migrant workers.

In 1992, when the number of illegal migrant workers exceeded sixty thousand, the Korean government introduced an industrial training program for importation of the alien labor force, and at the same time offered illegal workers amnesty opportunities to induce them to return home. However, both policies seem to fail at the reduction of the number of illegal workers. Instead, as a considerable number of industrial trainees deserted their workplace illegally, the number of illegal migrants rapidly increased.

Most of the foreign workers are male, and in 20's and 30's. The level of educational attainment of foreign workers is relatively high. A large proportion of them have a high school level of education. On the average, they work 65 hours per week, and earn \$581 per month.

In recent years, three policy issues have been actively discussed. These are: the impact of foreign migrant workers on the national economy; the choice between industrial training program and the employment permit system; and the adoption of special acts for the foreign workers. The Korean government has adopted 'training and work permit system' since April 2000, and now is considering the adoption of the 'employment permit system'.

China Hou Wenruo

China's International Migration Policy

Export of labor and introduction of foreign experts has played an important role in China's reform and open door policy launched in 1978. Along with rapid growth of the economy and social progress, China has made some achievements in respect to the export of labor and introduction of foreign experts.

The Chinese government regards the export of labor as one of the measures to ease employment pressure in urban areas of China. Due to insufficient job vacancies and increase in population, labour supply has exceeded demand in urban areas of China since 1978. More and more people are flowing from rural areas to cities to seek jobs and contribute to this situation.

In order to reduce redundancy in urban areas, the Chinese government has given first priority to economic growth. Exporting labor is only a supplementary measure to introduction of new technologies, construction of infrastructure and improvement in management of enterprises.

There are two major channels of exportation of labor in China today. One is through international labor contracts, and the other is through project contracts made among Chinese companies and overseas companies.

The Chinese government has pursued a multi-form, multi-level and multi-direction policy of labor export. It is important that in this field Chinese government has made and continues to make efforts to reach bilateral and multilateral agreements with other governments as well as to maintain cooperation with them.

To facilitate introduction of new science and technologies and to improve management performance of enterprises, the Chinese government encourages overseas experts to seek employment in China.

The Chinese government imposes serious and strict evaluation of emigrants and immigrants. The government policy is against illegal migration and seeks to avoid "brain drain".

Viet Nam Dang Nguyen Anh

Foreign Direct Investment, Government Policy and International Labor Migration in Viet Nam

As the first attempt to examine the effects of Viet Nam's structural change on international labor migration, this paper provides the background for understanding the nature of the interrelationship between foreign direct investment (FDI), government policy, and international labor migration within the context of *Doi Moi* renovation.

Drawing upon the existing data on foreign investment and labor emigration, the paper points to the important relationship between FDI and international labor migration in Viet Nam during the 1990s. It explores ways in which government policies relating to FDI and labor export came together in shaping both trend and volume of international labor emigration in Viet Nam. The crucial dynamism was an interplay between government policy interventions and market forces in determining labor emigration. The lack of a favorable environment for business fueled by the long-lasting impact of the financial crisis has limited extensive capital inflows. Indeed, declined FDI and new trade links developed between Viet Nam and other APEC member economies have facilitated labor emigration from Viet Nam which will probably scale up in the coming years.

What Viet Namese officials should agree on now is that the country's labor export industry needs to be strengthened in quality, especially when faced with rising numbers of workers from other economies looking for jobs wherever they can. In view of policy and development strategy, it is equally important to invite foreign investments in the preliminary education and training of migrant workers. In the ever-changing world of international labor markets, what matters today is quality and competitiveness. Within the context of economic globalization and structural changes, Viet Nam's integration and cooperation with the international community as well as the APEC member economies will contribute to trade liberalization, capital flows and labor mobility in the region. This will eventually bring about mutual interests and benefits for all.

Singapore Hui Weng Tat

Foreign Manpower and Development Strategy in Singapore

With no significant natural resource and limited land area, manpower has been one of the key contributors to the economic growth of the Singapore. The successful implementation of the import substitution development plans followed by the high export led growth in the late 1960's and 1970s generated a gap between labour demand and the available domestic labour supply. This excess demand has been met through the use of foreign manpower which has become a permanent feature of the labour market in Singapore and contributed to economic growth in the subsequent phases of development of the economy.

This paper studies the trends and recent developments pertaining to the utilisation of foreign manpower in Singapore. It traces the development of policies with regard to the inflow of both skilled and unskilled manpower. The rationale for these policies and some recent developments are also discussed. We analyse the implications of the advent of globalisation and the promotion of knowledge intensive industries on manpower requirements in the economy. Issues relating to the development of Singapore as a talent capital and the future contribution of foreign manpower to Singapore's economic development will also be discussed.

Indonesia Carunia Mulya Firdausy

International Labour Migration Policy and Development Strategy in Indonesia

International labor migration, like it or not, should be considered as one of economic policy alternatives for the present and future Indonesian economic development. The reason for this is simply because unemployment problem has been with us for many years. This problem becomes critical in recent years as the result of the economic crisis exploded since the mid 1997. In 1998 it was estimated that the number of unemployed in Indonesia was about 25.8 million people or 27.7 per cent of the total labor force. This figure then increased to 36 million or 38.1 per cent of the total employment in 1999. The bulk of unemployed can be easily found in both rural and urban and semi urban areas. In urban and semi urban areas, the unemployed can be found in the construction, financial services and manufacturing sectors.

As people cannot afford to remain unemployed for long and because many of those working in manufacturing, construction and other sectors in urban and semi urban areas are no longer recent migrants from the country side (and hence they have lost the necessary links to rural areas to enable them to return and reabsorbed there), some of these unemployed people, consequently, have to find jobs overseas legally as well as illegally. The number of legal migrants who has been sent to work overseas between 1994 and 1998 was about 1461 236 people which mostly dominated by the skilled labor. Whilst the number of illegal migrants worked overseas was not well-documented. The illegal labor migrants particularly migrated to the neighboring countries, especially to Malaysia, Brunei Darussalam and

Singapore. They mostly work in the construction, real estate plantation and other financial and services sectors.

This paper first argues that the economic crisis which made the Indonesian economy collapse in 1998 has been the main reason why there has been rapid international labor migration from Indonesia recently. Second, the international labor migration has significant contribution to reduce the number of unemployed people in the crisis period and to increase the income of the labor migrants. Third, the present policy to export unskilled labor migrants should be improved. Such improvement should be focus not only in relation to the work quality of the unskilled workers, but also in relation to labor placement systems from recruitment to the end of workers contract agreement. This is intended for the purpose of minimizing problems between the workers and the employers in the destination country. In addition to this placement system, the role of government of both countries is critical. Finally, future policy and development strategy toward international labor migration should not only be directed for the purpose of reducing unemployment problem, but more importantly to increase labor migrants' contribution to the economy as a whole. For this reason, the government should encourage the exportation of skilled workers to work overseas.

New Zealand Richard Bedford, Elsie Ho and Jacqueline Lidgard

Immigration Policy and New Zealand's Development into the 21st Century: Review and Speculation

During the 1980s and 1990s successive New Zealand governments actively promoted a comprehensive economic restructuring programme -- one of the most far-reaching state-led transformations of a national economy amongst the APEC member states. An integral component of this restructuring was the removal of a considerable number of barriers to the free movement of capital, goods and people into and out of the country. Major changes in immigration policy were introduced in 1986, a new Immigration Act came into force in 1987, and both immigration policy and the Immigration Act were further amended substantially in 1990 and 1991 respectively. The long-standing tradition of favouring immigration from a selected range of mainly European countries was replaced by a merit-based points system, similar to those used in Canada and Australia. Immigration policy remained selective in the sense that it discriminated against prospective immigrants who had limited competence in the English language, limited work experience or tertiary education qualifications, and were over the age of 50 years.

In this paper we review the impacts which the changes in immigration policy since 1986 have had on New Zealand's population, with particular reference to the labour market. The policy objectives of encouraging immigration of high-skilled, well-qualified people, especially those with capital to invest in business development, were initially met by quite a favourable response, especially from parts of northeast Asia (Hong Kong, Taiwan, Korea). However, while the policy rhetoric favoured immigration of people with such attributes, the experiences of migrants in the New Zealand labour market and business environment were much less positive. Policy objectives clearly were not being achieved when one evaluates the high levels of unemployment of immigrants from countries in Asia found in the 1996 Census of

Population and Dwellings, and reviews the significant levels of emigration of skilled people from New Zealand.

The beginning of a new century has prompted considerable reflection on the future growth and composition of New Zealand's population. It is now widely recognised that international migration, much more than natural increase, is going to be the major driver of changes in numbers in the population, especially after around 2016. It is also recognised that there will be much more intensive competition for immigrants, especially those with skills and investment capital, both amongst the APEC economies as well as from countries in Europe. The New Zealand government is engaged in a wide-ranging review of immigration, including reassessment of its position on a government-sponsored settlement programme, the nature of the immigration consultancy industry, and the place of family reunification in immigration strategies. It is also supporting an extensive longitudinal survey of immigrant experiences in New Zealand, especially in the labour market. This paper reports on these initiatives and speculates on their implications for New Zealand's development in the early 21st century.

Peru Carlos Aquino Rodriguez

Migration Policy and Development Strategy in Peru

During the 1990's the Peruvian government embarked in a series of sweeping economic reforms that has achieved some results. The inflation rate abated from an annual rate of 7,649% in 1990 to 3.7% in 1999. The economy has grown in the 5 years from 1993 to 1997 at a negative average annual rate of around 5%, compared with an average annual growth rate of around -5% achieved the previous five years from 1988 to 1992. Peru now has an economy, which is more open to the world. Because of that, total foreign investment has increased from a low of 1,330 million dollars in 1990 (on a stock basis) to a total of 12,195 million dollars at the end of 1999.

What is more important, Peru was in 1990 at the brink of a social collapse by the action of terrorist groups, which assaulted the country. Now, the country is a pacified one. As impressive as these results are, there is one side of the picture that has not shown improvement. This is the employment situation, which is as bad as at the beginning of the 90's, with an open unemployment rate of 7.9% of the workforce in 1999, with 43.4% underemployed and with only 48.6% of the workforce properly employed. While the economy as a whole has grown in the 90's the employment situation has not improved. There has been an economic growth that has not generated new jobs.

Because of the situation described above, people who are in a situation of open unemployment or underemployed (this last meaning people who doesn't earn the minimum legal salary) are leaving the country seeking better opportunities abroad. The number of Peruvian who migrate has steadily increased in the last decade. It is estimated that now up to 1.5 million Peruvian could be abroad, this is a 6% of the total population. In fact it is during the 90's that we can properly talk about a migration phenomenon in Peru. Regarding foreigners coming to Peru, the numbers of

immigrants during the nineties were in the thousands every year but have diminished toward the end of decade.

In this paper we will talk about how the development strategy being carried out by the Peruvian government has not been able to create enough jobs and how the migration situation is now. Also, we will see how the government is trying recently to have a migration policy so the country can take advantage of the peruvians working abroad so they can contribute to the development of the country.

Canada Don DeVoretz

Immigration to Canada: Some Economic Impacts

Canada, as a small open economy with a robust immigration programme, experienced major economic impacts from its 4.8 million post-1967 immigrant arrivals. These immigrants altered Canada's public finances, labour markets, expenditure patterns, savings rates and levels of wealth accumulation. I argue that, in sum, Canada's immigration flows created small net economic benefits for the country. I further argue, however, that major distributional economic impacts have also occurred as a result of immigration. To wit, in both the private and public sectors, immigration has caused economic winners and losers to arise in the Canadian economy. In the public sector, the payment of taxes and the use of services by various immigrant cohorts have led to differential subsidies to the resident Canadian population. The labour market analysis analyzed the immigrant impacts by industry and skill level to measure job displacement and wage compression to ferret out the labour market's winners and losers. Finally, the goods sector was analyzed in order to measure how immigrants impact spending patterns for housing, food, transportation and several other minor consumption groups which in turn creates winners and losers in the retail sector.

Chinese Taipei Ching-lung Tsay and Ji-ping Lin

Impacts of Labour Importation on the Un-employment of Local Workers: An Exploratory Based on Survey Data

In the 1990s, one distinct phenomenon in the labour market of Chinese Taipei has been the increasing number of foreign workers vis-à-vis a soaring unemployment rate. This phenomenon inevitably leads to the call for restriction on the use of guest workers in the society. It also results in heated debates among policy makers on the role of the imported labour force. One central question is whether foreign labourers have deprived job opportunities of domestic workers. If yes, it would be meaningful to ascertain the extent to which the domestic unemployment can be attributed to labour importation, and to explore the socioeconomic characteristics of the affected local workers. Based on data from the 1996-99 Manpower Utilization Surveys, this study aims to assess the impact of foreign workers on the recent increase in unemployment observed in Chinese Taipei. Main findings are the followings. First, after controlling for other major determinants of unemployment, the importation of

foreign workers does not reveal a distinct relationship with the level of employment for the local labour force as a whole. However, foreign labour does show a positive influence on employment for the managerial/professional workers and a negative effect for the semi- and low-skilled construction workers. Second, in the foreign-labour-intensive industries (manufacturing, construction, and personal/social service), the use of foreign workers seems to have exerted a strong pressure on the increase in unemployment rate in the local labour market. This effect is particularly evident for the semi- and low-skilled workers engaged in electronic and construction industries. Finally, foreign workers do not show a significant complementary effect in terms of employment for the managerial and professional workers in the foreign-labour-intensive industries.

Japan Yasuko Hayase, Hiroki Nogami and Yousuke Noda

Japanese Foreign Direct Investment to Asian Countries and Its Effects on International Migration

The purpose of this paper is to examine the trends and determinants of international migration, including Japanese foreign direct investment (FDI), with particular reference to the business activities of Japanese affiliated companies overseas and technological transfers to Asian countries. For this purpose, data and information have been collected, with the cooperation and assistance of such key organizations as the Ministry of International Trade and Industry, the Ministry of Justice, the Ministry of Foreign Affairs, the Ministry of Labor and the Statistics Bureau.

For the most part, Japan is not a receiving country of international migrants. However, the appreciation of the yen after the Plaza Agreement in 1985 acted as a turning point for both growing inflows of foreign manpower and the rapid increase of Japanese foreign direct investment (FDI). Japan is now facing the problems of a declining and ageing population. The Japanese government has strengthened various family policies to assist in population decline. However various family policies will not have much immediate effect on the current fertility rate. In response to coping with the decreasing workforce, the government changed the immigration policy from one that controlled the number of foreign workers to one that expanded the acceptance of skilled foreign labor while maintaining the policy of denying acceptance to unskilled workers.

Increasing Japanese FDI to East and Southeast Asia has played an important role in economic development, as well as in stimulating structural changes in economic activities in the host economies. In particular, the transfer of highly developed technology through Japanese FDI and public technical assistance since the financial crisis in Asia has contributed to the advancement of industrial structure and job creation in the host countries. Japanese affiliated companies have created about three million job opportunities around the world, and in particular have had a significant impact on employment opportunities in the manufacturing sectors of Asian host economies. This might also have helped to decrease the immigration pressure from developing countries to Japan.

The importation of foreign labor issues has stagnated with recent high unemployment rates. However, it is in the best interests of Japan to actively debate the

pros and cons of the accepting foreign labor, because there is no denial of Japan's population ageing and decline.

United States Philip Martin and Manuel Garcia y Griego

Migration, Development and US Labor Markets: The Mexican-US Case

This paper explores economic and technological changes and the evolution of labor markets in sending and receiving countries, with an emphasis on developments in the major emigration country, Mexico, and the impacts of migrants from Mexico and Latin America on the labor markets of Canada and the US. There are four major conclusions:

- The US has 10 percent foreign residents (26 million in 1997) and 12 percent foreign-born workers (16 million in 1997), including 4 to 5 million Mexican-born workers. Immigrant workers are important in many industries, occupations, and areas, but no major US industry or occupation is dependent on foreign-born or Mexican-born workers.
- Foreign-born workers are at the high and low ends of the education and income distributions. Mexican-born workers tend to be near the low end, often filling jobs that would be eliminated or modified by technology at higher wages. In labor markets such as agriculture and textiles, the flexibility is on the demand side of the labor market, meaning that rising wages normally lead to the elimination of jobs.
- Trade and investment are the fastest and surest proven paths to reduce migration pressures in a sending country like Mexico. However, their short- and long-run effects on migration may be very different, producing a migration hump in the short-term that may increase migration flows before they decline.
- Current demographic changes in Mexico's labor market can lead to a near-term decline in the volume of unauthorized migration to the United States even if emigration probabilities continue to rise moderately.

Mexico, the US, and Canada are on the path toward closer economic integration that could soon reduce permanent or settler migration. (Temporary or sojourner migration, however, is likely to increase for business and other purposes.) The reduction in emigration pressure in Mexico may be noticeable sooner than is commonly realized for demographic and economic reasons. The policy challenge is to do no harm, to avoid policies that produce unintended negative consequences or that prolong Mexican-US unauthorized migration during the transition.