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**TRADE, MIGRATION AND ECONOMIC DEVELOPMENT
THE RISKS AND REWARDS OF OPENNESS***

James F. Hollifield

Ora Nixon Arnold Professor of International Political Economy
Director, Tower Center SMU

jhollifi@smu.edu

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Introduction

To understand the impact of international migration on world politics we must know how states shape and control migration for strategic gains. Since 1945 immigration in the advanced industrial democracies has been increasing. The rise in immigration is a function of market forces (demand-pull and supply-push) and kinship networks, which reduce the transactions costs of moving from one society to another. These economic and sociological forces are the necessary conditions for migration to occur, but the sufficient conditions are legal and political. The OECD states, with highly developed industrial and service-based economies, reap enormous economic gains from migration—new sources of human capital and manpower, more flexible labor markets, lower levels of inflation in periods of high growth. But to get the benefits of migration, these states must be willing to accept certain costs—principally the short-term social and political instability and the fiscal burden of concentrated immigrant populations in regions and localities. Liberal states also must confront the issue of rights (legal status) for migrants.

Migration also has important costs (brain drain) and benefits (remittances and brain gain) for less developed countries (LDCs). International trade is a well established determinant for income and growth. In addition to the classic gains from trade for all trading partners, international economic relations often provide access to technological know-how and thus give developing countries a chance to reduce the development gap at a faster pace. The impact of international migration on the welfare of both source and recipient countries is a more recent phenomenon. Recipient countries benefit, *inter alia*, from the availability of the immigrant workers, both skilled and unskilled. Source countries benefit, *inter alia*, from the remittances sent back home by migrant workers, an increasingly important source of foreign exchange in some developing countries. While international trade and migration are often looked at in isolation in terms of their impact on development, this paper looks at their individual as well as their joint role for growth and development, using evidence specifically from Mexico and the Philippines. The goals of the paper are (1) to understand the relationship between migration, trade and development, and how states shape and control international migration for strategic gains; and (2) how states regulate migration, in the face of economic forces that push them toward greater openness, while security concerns and powerful political forces push them toward closure? States are trapped in a “liberal” paradox—in order to maintain a competitive advantage, governments must keep their economies and societies open to trade, investment, and migration. But unlike goods, capital, and services, the movement of people involves greater political and social risks.

In the more liberal (OECD) states, rights are the key to regulating migration, as states strive to fulfill three key functions: maintaining security, building trade and investment regimes, and regulating migration. In the LDCs, migration raises many of the same security concerns, with sometimes severe repercussions for social and political stability, but with important economic payoffs. The garrison state was linked with the trading state in the eighteenth and nineteenth centuries. The twentieth and twenty-first centuries have seen the emergence of the migration state, where regulation of international migration is as important as providing for the security of the state and the economic well being of the population.

Regulating Trade and Migration

From the founding of the Bretton Woods exchange rate system (1944) through the conclusion of the last (Uruguay) round of GATT talks in the 1990's, the postwar international order has been marked by multilateralism and the building of liberal regimes for trade and finance. These regimes have reduced the risks of openness for national economies and they have stimulated international exchange across the board. Like trade, portfolio and foreign direct investment, international migration has increased dramatically in the postwar period; but, with the notable exception of refugees, no liberal regime for migration has emerged. Why has migration continued at such high levels in the absence of a regime and in the face of cyclical downturns, and why have states been willing to risk openness to migration?

Economists have long argued that exposure to trade leads to increased competition and efficiency, resulting in greater specialization in production, and a wider and cheaper range of goods available to consumers. Likewise, mobility of productive factors (labor and capital) and the reduction of transaction costs are seen as essential to the smooth functioning of markets. In the case of trade, the GATT/WTO regime was constructed through a multilateral process with most favored nation status (MFN), nondiscrimination, and reciprocity as the organizing principles. In the case of international finance, exchange rate stability has been pursued unilaterally (by the U.S. during the early Bretton Woods period) and multilaterally through the IMF and World Bank. Both institutions have worked to solve problems of liquidity and adjustment as they arise. In each case, the international community seems to have accepted these goals/goods as indivisible, and Herculean political efforts have been made to maintain openness and to solve free rider problems.

Even though similar economic efficiency arguments can be made in favor of international migration, no liberal regime for migration has emerged. States are reluctant to expose their economies and societies to exogenous, competitive pressures, more so in the area of migration than in the areas of trade and finance. It is only at certain points in time and under certain political-economic conditions that states have been willing to risk openness to migration. How can we explain the opening and closing over time, and does openness to migration covary with openness to trade and investment? Is international migration simply a function of the ongoing process of globalization of economies and societies, or is it linked to changes in international and domestic politics?

This paper argues that openness to migration is heavily dependent upon (1) ideational and institutional factors, especially the willingness of states to guarantee a minimum basket of rights for migrants, (2) domestic political coalitions and alignments that are driven in part by factor proportions and intensities, and, (3) the structure of the international system, including the presence or absence of international regimes. In contrast to transnational or globalization arguments about the weakening of the sovereignty of states, this paper offers evidence in support of a neo-liberal argument, which stresses the role of institutions and rights; but without abandoning the central precepts of realist theory that states are unitary rational actors and that they will pursue their interests within the confines of an international system structured by anarchy and the distribution of power. Finally, the paper proposes a model of strategic interaction in order to specify the conditions under which (developed and developing) states will risk migration.

The first rule of political economy is that markets do not and cannot exist in the absence of regulation. This is true at the national as well as the international level. But, intervention to establish and maintain markets for goods, services, capital, *and labor* is more complicated at the international level, because no central authority exists to guarantee contracts, ensure exchange rate stability, maintain free trade, and protect the rights of migrants. Charles Kindleberger was one of the first to point out the importance of having a leader in the international economy willing to shoulder responsibility for establishing and maintaining a free trading system.¹

Another difficulty of sustaining international markets arises from the collective action problem of finding a basis for cooperation in a dynamic international system. With the collapse of the Bretton Woods system, the decline of American hegemony in the 1970's, and the end of the cold war in the 1990's, multilateralism² has replaced reliance on American political and economic power as the cornerstone of the international political economy. As Ronald Rogowski and others

have demonstrated,³ economic openness can have a dramatic effect on domestic political alignments, making it difficult to maintain support for trade, even in the most outward-looking states, like Great Britain in the nineteenth century (*Pax Britannica*) or the U.S. in the post-World War II period (*Pax Americana*). In some respects, migration carries even greater risks (of political and social instability) especially for the receiving societies.

In spite of these difficulties, powerful liberal states have found ways to overcome these hurdles, primarily through multilateralism and the building of international institutions, which help to lock even the most protectionist states into a more open world economy. Constant political battles are fought to prevent and defeat isolationist and protectionist coalitions. Why do states and their political leaders do this? Simply put, because they recognize the enormous advantages of trade and open investment regimes. In the 1990's, many recalcitrant third world states have jumped on the free trade band wagon (the so-called Washington consensus), despite the tremendous asymmetries in the world economy between developed and developing economics.

But if the logic of trade and finance is one of openness, the logic of migration tends to be one of closure, especially for the receiving societies. **From a political standpoint, migration is the mirror image of trade and finance.** The wealthier states push hard to keep the lines of trade and investment open, while the poorer states are more skeptical, fearing dependency. With migration, it is the opposite: by and large, the wealthier states push hard to keep foreigners out, usually for reasons of national security or identity; whereas many poorer states want to export people, to reap the benefit of remittances and return migration, or simply to maintain a social safety valve.

Yet from a historical and economic standpoint it is exceedingly difficult to separate trade and capital flows from migration. Historically, the movement of goods, services, and capital increasingly is highly correlated with the movement of labor, both skilled and unskilled. Conventional economic wisdom (Heckscher-Ohlin and Stolper-Samuelson) has it that in the long run, trade can substitute for migration, through a process of factor-price equalization.⁴ But in the short run, empirical studies demonstrate that trade leads to increased migration, especially when disparities in wages and incomes are very high, as between the U.S. and Mexico, for example.⁵ Although paradoxical, the reasons for this are simple: when backward economies are exposed to strong exogenous competitive pressures, the agricultural sector can collapse, leading to a rural exodus, swelling the population of cities, and increasing pressures to emigrate. Likewise, increased trade in services leads to high-end migration, because technical and professional staff are integral parts of the

service. The relationship between trade and migration is in fact very complex; and restrictions on one can lead to increased pressure on the other.

Sorting out winners and losers from migration is at least as complicated in the case of migration as in the case of trade. We can start from the basic premise that migration is heavily dependent on factor proportions and intensities, and that groups will support or oppose migration depending upon whether they represent scarce or abundant factors. This is the political corollary of economic, push-pull arguments, which hold that cross-border movements of people have a strong economic dimension and that such movements are basically a function of demand-pull and supply-push factors.⁶ There is little doubt that people move in search of better opportunities—however defined—and **the existence of markets, and information or kinship networks is a necessary condition for migration to occur. But the sufficient conditions for migration are political.** States must be willing to open their borders for exit and entry; and such openness is not simply a function of interest group politics or cost-benefit analysis. Ideas and institutions play a crucial role in determining openness or closure.

Since 1945, there has been a continuous increase in the world migrant population, both in developed and developing countries and across regions. This increase parallels similar increases in the volume of world trade and foreign investment,⁷ despite the absence of an international migration regime. It would be tempting to conclude, as many sociologists and anthropologists have, that migration is simply a part of the inexorable process of the globalization of societies and cultures, and states have little control over these movements of people.⁸ The corollary of this globalization thesis is that migration will continue so long as there are imbalances in the international economy, or until the process of factor-price equalization is complete. But I shall argue that such a conclusion is not only simplistic and premature, but wrong. We must look more closely at political factors that govern international migration, mindful that economic pressures for migration (demand-pull and supply-push) are strong and will remain so for the foreseeable future. To understand how politics affect the willingness of states to risk migration I review several arguments (for openness and closure) drawn from international relations theory in order to develop a typology of international political economy that will help us understand the conditions under which states can cooperate to manage migration.

Realism and National Security Arguments

The most venerable theory of international relations is political realism. Robert Keohane succinctly summarizes the assumptions of this theory as follows: “(1) states... are the key units of action; (2) they seek power, either as an end in itself or as a means to other ends; and (3) they behave in ways that are, by and large, rational, and therefore comprehensible to outsiders in rational terms.”⁹ At first blush, political realism would seem to tell us little about international migration, other than the fact that states are sovereign, power-seeking units, which act in their own self interest. As such, one would expect states to protect their sovereignty and maximize their power, by opening or closing their borders when it is in their national interest to do so. But this argument is not only dangerously close to being a tautology, it begs the question of why states at certain points in time open or close their borders.

As is often the case with such pure realist arguments, we are thrown back onto an ad hoc analysis of state rationality, seeking to determine, for example, when it is in a state’s national interest to open its borders and when it is not, or whether out- or in-migration will enhance the state’s power and contribute to its national security. Neorealist theory, which builds upon the basic assumptions of political realism, may offer us more insights into why states open and close their borders. Kenneth Waltz places great emphasis on the systemic nature of international politics, and the fact that the system is structured by anarchy and state behavior is conditioned by the distribution of power within this anarchic system.¹⁰ States, according to Waltz, are caught in an inescapable security dilemma. Any policy which touches upon national security must be made in response to the structure of the international system, if a state is to survive in a world characterized by anarchy and the “war of all against all.” Using this perspective as a starting point, we must ask ourselves (1) whether or not international migration has a national security dimension and (2) to what extent are migration and migration policy determined by the structure of the international system?

The second question may be easier to answer than the first, because in the twentieth century we have seen several massive shifts in the structure of the international system, including the end of World War II, which ushered in a new era (1945-??) of globalization (increased international exchange), and the end of the cold war (1989-90), which marked a return to a more multi-polar world, albeit one characterized by the dominance of the United States. If Waltz is

correct, such dramatic shifts in the structure of the international system should have an impact on the willingness of states to risk openness. What hypotheses can we derive from this theory? The intense rivalry between the USA and the USSR divided the world into two competing camps: communist and non-communist. One result of this struggle was to create great incentives for cooperation among the western democracies, institutionalizing openness to trade, finance, and migration. The abrupt end of the cold war removed this geo-strategic incentive for cooperation and has made it more difficult (in political terms) to sustain policies of openness.

Prior to the end of the Cold War, the western democracies, led by the U.S., constructed a liberal regime for refugees, built on the 1950 Geneva Convention and the United Nations High Commission for Refugees. The principles of this regime are well known. They are (1) asylum (based on a well founded fear of persecution), (2) *non-refoulement*, (3) protection, (4) non-discrimination, (5) international cooperation, and (6) a commitment to search for solutions to the problem of refugees. Arguably this regime was created in response to the horrors of World War II, which left millions of refugees and displaced persons scattered throughout Europe; but it was also a construct of the cold war.¹¹ It was designed, in the late 1940's and early 1950's, to facilitate the flight of individuals from communist regimes. For the period from roughly 1950 to 1990, much of the openness of liberal democracies to migration can be explained with reference to the bipolar structure of the international system. Liberal states in particular felt compelled to cooperate in the building and maintenance of the refugee regime; and the creation of the International Organization for Migration (IOM) also was a by-product of this policy.

Following the realist logic, we would expect liberal states to back away from some of their more liberal commitments, especially in the area of human rights and asylum, but also trade and migration. Certainly, there is evidence in the 1990's that the commitment of liberal states to the refugee regime, if not to international labor migration, has weakened. The Schengen Agreement in Europe suspended *non-refoulement* for those asylum seekers who transit through a "safe" third country. The 1993 amendment of Article 16 of the German Basic Law/Constitution eliminated the blanket right to asylum in that country. The 1996 immigration reforms in the United States restricted due process and equal protection for asylum seekers; and the special status of Cuban refugees under American law has been attenuated. All of these changes indicate that liberal states are adjusting to new geo-political realities and attempting to restrict migration from formerly communist states. It is no longer in the strategic interests of liberal states to promote refugee migration. But levels of labor migration have continued to rise throughout the 1990s and into the 21st Century.

If we return to the more difficult question of whether or not migration can be defined as a national security issue, we quickly run into the limitations of realist and neorealist arguments. Perhaps the most eloquent argument in favor of treating migration as a national security issue has been made by Myron Weiner, who contends that migration can destabilize societies and regimes, especially in weaker third world states, but also in the more advanced industrial democracies.¹² Third world states are particularly vulnerable, because their legitimacy may already be precarious and they do not have the political or economic capacity to absorb large numbers of immigrants in short periods of time. Of the 191 million international migrants in 2005, 61 million or 32 percent are in the southern (or less developed) countries where state capacity for managing migration is weakest. The refugee crisis in the great lakes region of central Africa in the mid-1990's resulted in the destabilization of the Mobutu regime in Zaire, demonstrating how threatening such massive flows of refugees (in this case Hutus fleeing Rwanda) can be for some states.

Weiner extends his national security argument to the advanced industrial democracies, by pointing out that the fear of immigration among native populations should not be dismissed as merely irrational or xenophobic. Immigration, he contends, is threatens many groups and individuals in these countries, whether on economic (foreigners take jobs from natives) or cultural (foreigners threaten the political and cultural cohesion of society and the nation) grounds. It is accurate to say that more international migration is happening in the developed countries of the north; 62 million or 32 percent of migrants in 2005 moved from the south to the north, and 53 million or 28 percent moved within the northern hemisphere, from one developed country to another. The numbers alone may contribute to xenophobia and nativism. From Weiner's national security perspective, immigration can lead to crises of absorption wherein societies can be further divided and destabilized. He cites the example of racist violence in the newly unified Germany as an example of the dangers of too much migration in too short a period of time. Looking at the U.S., Arthur Schlesinger Jr. and Samuel Huntington echo Weiner's concern for the solidarity and stability of western democracies, when faced with large waves of immigration.¹³ In addition to this "cultural threat," migration also raises concerns about terrorism and drug trafficking, as well as environmental degradation that may result from overpopulation. Each of these "threats" can and have been used by politicians in western democracies as a justification for restricting international migration.

Some human capital arguments reflect the same national security logic, namely a concern for the power, wealth, and sovereignty of the nation-state. A classic example is to be found in the

works of George Borjas, who poses the question succinctly in the title of his best known book, Friends or Strangers? His argument is that immigration policy should be driven by national economic interests, and these should determine whether migrants are friends or strangers. As an economist, Borjas uses a strict cost-benefit calculus to determine if migrants have the requisite skills (human capital) needed by the national economy.¹⁴ He goes on to argue that the American economy no longer needs a large pool of unskilled and uneducated (largely Mexican) immigrants, and every effort should be made to restrict the entry of this group. The argument suggests that waves of low skilled immigration will contribute to inequalities in American society and further weaken the national economy. The realist element in this type of economic reasoning is not as clear as in Weiner's political formulation. If we adopt a strictly cost-benefit rationale, the interests involved in making immigration policy begin to look more like they belong in the realm of low rather than high politics; and it becomes increasingly difficult to make a national security argument for restriction.

For every economist like Borjas who makes an argument against immigration, we can find another economist (like the late Julian Simon) who makes an argument in favor of increased immigration.¹⁵ Like any public policy in a democracy, immigration policy is to a large extent interest driven. A political scientist, Gary Freeman, has constructed a rational-choice/pluralist framework for explaining the difficulties that liberal democracies encounter in their attempts to restrict immigration. He argues that even though it may be in the national interest to restrict low-skilled immigration, this has been difficult because powerful business interests, ethnic lobbies, intellectuals, and others have captured the state, making it virtually impossible for governments to carry out what is (in his view) clearly in the interest of the nation and society as a whole, and what is demanded by the electorate and by public opinion.¹⁶

All of these interest-based arguments (Borjas, Simon, Freeman) point to the difficulties of reducing migration to a national security issue. They also indicate the extent to which national security itself is a social construct. In the “constructivist” perspective, the interests and identities of states are heavily influenced by a range of sociological factors; and they are constructed by the actors involved¹⁷. They are not—as realists would have us believe—purely a function of international systemic or structural factors, such as the distribution of power within the system. This would be doubly true for international migration, as compared to issues of trade and finance; because migration involves the movement of animate rather than inanimate commodities. People are not shirts. Unlike goods and capital, people/foreigners have the potential to immediately and

radically transform the culture and politics of societies in which they arrive.¹⁸ Hence, as Myron Weiner has pointed out, migration *can* threaten the national security (and identity) of the nation-state. It is therefore not surprising that political debates over defining the national interest with respect to migration can be intense and emotional. But, no matter how hard we try in liberal democracies, it is impossible to remove cultural and social factors completely from these debates, or to reduce the terms of the debate to a cost-benefit calculation. As Max Weber and Claude Lévi-Strauss remind us, all actions are not strictly economic or instrumental.¹⁹ Subjective and normative elements figure heavily in the construction of interests and national security.

Does this mean that we can dispense with realist perspectives on international migration? I shall argue that we cannot, for two reasons. First, we must recognize the constraints that structural factors impose upon states in their formulation of migration policies and their willingness to allow entry or exit. Migration policies are inextricably linked with foreign policies and (from the perspective of weaker states in the south) with strategies for economic development. The end of the cold war and its impact on the international refugee regime is a case in point. Formerly communist states of the East stopped restricting exit, which compelled liberal democratic states in the West to impose new restrictions on entry. Secondly, we must recognize the primacy of sovereignty in international relations. With few exceptions, since the Peace of Westphalia in 1648, sovereignty and non-interference in the internal affairs of other states have been the central organizing principles of international relations—principles that are codified in international law. States have a sovereign right to prohibit the entry or exit of non-nationals into or from their territories. Even asylum seekers, covered by the Geneva Convention, have no right to enter and reside on the territory of signatory states. Under the Convention, states are obliged to give asylum seekers a fair hearing and to abide by the principle of *non-refoulement*; they are not required to admit asylum seekers to their sovereign territory. Realism remains the rule, not the exception, in international relations.

The Globalization Thesis

The globalization thesis stems largely from works in economic sociology and the sociology of international relations, although some economists subscribe to it.²⁰ Globalization arguments stand at the other extreme from realism, which stresses the role of the nation-state as the primary decision-making unit in international relations. The globalization thesis comes in a variety of shapes and sizes, but they all share a common assumption: the regulatory power (and sovereignty) of the national state has been weakened by transnational, social and economic forces, ranging from the internationalization of capital, to the rise of transnational communities, to the increasing importance of human rights in international relations. The nation-state is no longer the sole, legitimate actor in international relations, if it ever was. Rather, the tables have been turned against the state, which is unable to control either transnational corporations—especially banks which move vast sums of capital around the globe—or migrants, who move in search of employment opportunities. The internationalization of capital, we are told, has provoked a radical restructuring of production, as national economies move up (or down) in the international product cycle. Production itself has been decentralized with the rise of new centers of power and wealth, which Saskia Sassen has dubbed “the global city.”²¹

According to Sassen and others, the rise of transnational economies has resulted in the creation of transnational communities, as workers are forced to move from one state to another in search of employment, often leaving family members behind. Such communities can be found at both the high and low end of the labor market, as individuals move with more or less ease from one national society to another. A great deal of research has been done to document this practice among Mexican immigrants to the United States. Douglas Massey was one of the first to point out the importance of transnational social networks in linking communities in the country of origin to those in the country of destination. These kinship and informational networks helped to instill confidence in potential migrants, thus raising their propensity to migrate and, in effect, lowering transaction costs for international migration.²² Alejandro Portes argues that migrants have learned to use this “transnational space” as a way to get around national, regulatory obstacles to their social mobility. He goes on to point out that changes in Mexican law to permit dual nationality may reinforce this type of behavior, leading to ever larger transnational communities.²³

The decline in transaction costs and the ease of communication and transportation have combined to render national migration policies obsolete. Indeed, the entire regulatory framework of the state with respect to labor and business has been shaken by the process of globalization. To compete in the new international marketplace, business and governments in the OECD countries have been forced to deregulate and liberalize labor and capital markets, whereas less developed states have been thrown into debt crises, leading to the imposition of painful policies of structural adjustment, which in turn cause more migration from poor to rich states.²⁴ A case in point is the financial crisis in Mexico in the mid-1990's, which led to the devaluation of the peso and a surge in emigration to the United States in the latter part of the decade.²⁵ Likewise, developing states like Mexico and Philippines are forced to rely increasingly on migrants as a source of foreign exchange. The remittances that migrants send home are a source of hard cash for countries across the Third World, from Latin America, to the Middle East, Africa and Asia. In the globalization framework, migration like trade leads only to growing inequalities and dependence within and between countries of the south.

Politics and the state have been factored out of international relations in these types of globalization arguments, most of which are inspired by world systems theory.²⁶ Following on this apolitical logic, both trade and migration, which are closely linked, are largely a function of changes in the international division of labor; and states play at best only a marginal role in determining economic and social outcomes. The prime agents of globalization are transnational corporations and transnational communities, if not individual migrants themselves.²⁷ If states have such a minor role to play, any discussion of national interests, national security, sovereignty, or even citizenship would seem to be beside the point. But at least one group of sociologists has tried to bring politics and law, if not the state, back into the picture.

Recent works by Yasemin Soysal and David Jacobson focus on the evolution of rights for immigrants and foreigners. Both authors posit the rise of a kind of postnational regime for human rights wherein migrants are able to attain a legal status that surpasses citizenship, which remains grounded in the logic of the nation-state.²⁸ Jacobson, more so than Soysal, argues that individual migrants have achieved an international legal personality by virtue of various human rights conventions, and both authors view these developments as presenting a distinctive challenge to traditional definitions of sovereignty and citizenship. But Soysal in particular is careful not to use the term postnational or transnational citizenship, opting instead for the expression postnational membership. Wrestling with the contradictory nature of her argument, Soysal writes:

“Incongruously, inasmuch as the ascription and codification of rights move beyond national frames of reference, post-national rights remain organized at the national level... the exercise of universalistic rights is tied to specific states and their institutions.”²⁹

Another sociologist, Rainer Bauböck is less circumspect. He argues simply that, given the dynamics of economic globalization, a new transnational/political citizenship is necessary and inevitable.³⁰ Bauböck draws on political and moral philosophy, especially Kant, in making his argument in favor of transnational citizenship. Like Soysal, he relies heavily on the recent history of international migration in Europe and the experience of the European Community/Union to demonstrate that migration has accompanied the process of economic growth and integration in Europe, and that these migrants, many of whom were guest workers, have achieved a rather unique status as transnational citizens. What all three of these authors (Soysal, Jacobson, and Bauböck) are attempting to do is to give some type of political and legal content to world systems and globalization arguments. But like Saskia Sassen, they see the nation-state as essentially outmoded and incapable of keeping pace with changes in the world economy.

What do these theories tell us about migration policy (the opening and closing of societies) and the willingness of states to risk migration? At first blush, they would seem to account rather well for the rise in migration. Even though the globalization arguments are neo-Marxist in orientation, they share many assumptions with conventional, neoclassical (push-pull) theories of migration. The first and most obvious assumption is that migration is caused primarily by dualities in the international economy. So long as these dualities persist, there will be pressures for individuals to move across national boundaries in search of better opportunities. But whereas many neoclassical economists (like the late Julian Simon) see this as pareto optimal—creating a rising tide that will lift all boats—globalization theorists (like Sassen, Piore and Portes) view migration as further exacerbating dualities both in the international economy and in national labor markets. This variant of the globalization thesis is very close to the old Marxist argument that capitalism needs an industrial reserve army to surmount periodic crises in the process of accumulation.³¹ As migration networks become more sophisticated and transnational communities grow in scope and complexity, migration should continue to increase, barring some unforeseen and dramatic fall in the demand for immigrant labor. Even then, some globalization theorists, like Wayne Cornelius, would argue that the demand for foreign labor is “structurally embedded” in the more advanced industrial societies, which cannot function without access to a cheap and pliable foreign work force.³²

The second (crucial) assumption that globalization theorists share with neoclassical economists is the relatively marginal role of the state in governing and structuring international migration. States can act to distort or delay the development of international markets (for goods, services, capital, and labor), but they cannot stop it. With respect to migration, national regulatory regimes and municipal law in general simply must accommodate the development of international markets for skilled and unskilled workers. To talk about the opening and closing of societies is simply a nonstarter in a “global village” where the world is flat.³³ Likewise, citizenship and rights can no longer be understood in their traditional national contexts. If we take the example of postwar West Germany, nationality and citizenship laws date from 1913 and, until the reforms of 1999/2000, they retained kinship or blood (*jus sanguinis*) as the principal criterion for naturalization.³⁴ But this very restrictionist citizenship regime did not prevent Germany from becoming the largest immigration country in Europe. Globalization theorists, like Sassen, Portes, and Soysal can explain this anomaly by reference to the structural demand for foreign labor in advanced industrial societies, the growth of networks and transnational communities, and the rise of postnational membership, which is closely tied to human rights regimes—what Soysal calls universal personhood. National citizenship and regulatory regimes would seem to explain little in the variation of migration flows or the openness (or closure) of German society.

A more fully developed critique of these arguments will be provided in the conclusion. But what can we retain at this point from globalization, as opposed to realist, arguments? The biggest shortcoming of the globalization thesis—in contrast to realism—is the weakness or in some cases the absence of any political explanation for migration. The locus of power and change is in society and the economy. There is no place for the state in this theoretical framework. Almost everything is socially and economically determined. The next section reviews neoliberal arguments, which combine economic and political theories to explain why states are willing to risk free trade.

Neoliberalism and International Regimes

Neoliberal arguments, often referred to among international relations theorists as liberal institutionalism, are heavily rationalist and they have some things in common with neorealism. Both schools of thought stress the primacy of interests, the major difference being that neoliberals want to disaggregate the “national interest,” and to look at the multiplicity of social and economic groups which compete to influence the state. For neoliberals, both national and international politics can be reduced to an economic game, and ultimately to a problem of collective action. To understand this (means-ends) game, all that is needed is to correctly identify the interests and preferences of social, economic, and political actors.³⁵ Not surprisingly, neoliberal theorists focus heavily on politics and policy in developed democracies, where the competition among groups is relatively open and unfettered by authoritarianism and corruption. Studying competition among groups at the domestic level, as well as the allocational and distributional consequences of policy, presents a clearer picture of why (liberal) states behave the way they do in the international arena, whether in the areas of trade, finance, or migration.

Since this approach incorporates both economic and political analysis, it has come to be called international political economy (IPE). IPE theorists are very interested in the connections between domestic and international politics. In addition to focusing on domestic interests, they also stress the importance of institutions in determining policy outcomes. For one of the original IPE theorists, Robert Keohane, institutions hold the key to explaining the puzzle of conflict and cooperation in international relations, especially with the weakening of American hegemony in the last decades of the twentieth century. Along with Joseph Nye, Keohane argued that increases in economic interdependence in the postwar period have had a profound impact on international relations, altering the way states behave and the way in which they think about and use power.³⁶ In the nuclear age and with growing interdependence, it became increasingly difficult for states to rely on traditional military power in order to guarantee their security; because security was tied increasingly to economic power, and nuclear weapons fundamentally altered the nature of warfare. The challenge for liberal states post-1945 was how to construct a new world order to promote national interests that were tied ever more closely to international trade and investment, if not to migration.

In the first two decades after World War II, this problem was solved essentially by the United States, which took it upon itself to reflate the world economy and to provide liquidity for problems of structural adjustment. This approach to international political economy was dubbed hegemonic stability.³⁷ But with the gradual decline of American economic dominance in the 1970's, the problem arose of how to organize world markets in the absence of a hegemon. The answer would be found, according to Robert Keohane, John Ruggie, and others, in multilateralism and the building of international institutions and regimes (like GATT and the IMF) to solve the problems of international cooperation and collective action.³⁸ As the cold war waned in the 1980's, the entire field of international relations shifted dramatically away from the study of national security towards the study of international economics, especially issues of trade and finance. In the last decades of the twentieth century, even domestic politics, according to IPE theorists, has been thoroughly internationalized.³⁹

Despite the fact that international migration would seem to lend itself to neoliberal arguments (migration has a strong political-economic dimension and it clearly contributes to the internationalization of domestic politics), very little has been written about it from this perspective.⁴⁰ The reasons for this are fairly simple. Until recently, there was little demand for international policy in the area of migration, with the major exception of refugees, noted above. Even for the refugee regime, the numbers were relatively modest until the 1980's, and the incentives for cooperation among liberal states were closely linked to the cold war and the bipolar structure of the international system. From the late 1940's through the 1970's, liberal states had little incentive to cooperate or to build regimes for managing labor migration; because there was an unlimited supply of (unskilled) labor available, which could be recruited through bilateral agreements with the sending countries. The German *Gastarbeiter* (1960's) and the American *bracero* (1940's to the '60's) programs are classic examples of these types of bilateral accords. We did, however, see more innovation in the area of refugee policy, especially in Europe where states came together to find ways to slow the influx of asylum seekers. The Dublin Convention and the Schengen Accords have helped to harmonize asylum policy in Western Europe, creating a border free Europe, but one where every member state is responsible for policing a common external border.

But the situation with respect to international labor migration has not changed that much in the 1980's and 1990's, despite the end of the cold war. There is still an unlimited and rapidly growing supply of cheap labor available in developing countries. What has changed, however, are the goals of immigration and refugee policies among the OECD states. The demand now is for

policies to control, manage, or stop migration and refugee flows. The cold war refugee regime, specifically UNHCR, has come under enormous pressure to manage various refugee crises, from the Cambodians in Thailand, to the Kurds in Iraq, to the Hutus in Zaire (now the Republic of Congo), to the Albanians fleeing Kosovo. Existing international organizations for dealing with economic migration, such as the International Organization for Migration (IOM) and the International Labour Office (ILO) in Geneva, have not been besieged by demands for action. With the major exception of Western Europe, which has developed a regional regime for migration, there has been little effort to regulate international labor migration on a multilateral basis. Even the insertion of a clause in the General Agreement on Trade in Services (GATS) dealing with international labor migration (Mode 4) has done little to promote cooperation in the area of migration. Most OECD countries and especially the United States are uninterested in the creation of an international guestworker program, and attempts to link trade regimes with migration have been resisted tooth and nail by both the Americans and the Europeans.⁴¹

What can neoliberal theory tell us about the development of international migration and the willingness of states to risk migration? The **first hypothesis** that we can derive from neoliberal theory is that states are more willing to risk opening their economies to trade (and by extension migration), if there is some type of international regime (or hegemonic power) that can regulate these flows and solve collective action and free rider problems. However, as I have pointed out above, there is no regime for regulating migration that comes close to the type of regime that exists (GATT/WTO) for trade, or for international finance (IMF/World Bank). Yet we know that migration has increased steadily throughout the postwar period, in the absence of a regime or any type of effective multilateral process. The EU and Schengen group are partial exceptions. If we accept the realist assumption that states are unitary, rational actors, capable of closing as well as opening their economies, then other (political) factors must be at work, driving the increases in migration and maintaining a degree of openness to migration, at least among the advanced industrial democracies.

The **second hypothesis** that can be derived from neoliberal theory for explaining the rise of international migration focuses on domestic coalitions. The maintenance of a relatively open (non-mercantilist) world economy is heavily dependent on coalitions of powerful interests in the most dominant, liberal states. In Resisting Protectionism, Helen Milner—a prominent neoliberal theorist—demonstrates how advanced industrial states in the 1970's were able to resist the kind of beggar-thy-neighbor policies that were adopted in the 1920's and '30's. She argues that growing

interdependence (multinationality and export dependence) helped to solidify free trade coalitions among the OECD states in the postwar period, thus preventing a retreat into protectionism following the economic downturns of the 1970's and '80's.⁴² Government leaders in a range of industrial nations were willing (and able) to resist strong political pressures for protectionism in the 1970's in large part because a powerful constellation of business interests contributed to a substantial realignment within these societies, and in some cases polities themselves were (creatively) redesigned by political entrepreneurs to facilitate the maintenance and strengthening of these new (free trade) coalitions.⁴³ Of course, free trade interests were bolstered by the existence of an international trade regime (GATT) in the 1970's.

Therefore, from a neoliberal perspective, the central question with respect to migration is how did pro-immigration coalitions in the key OECD states form, and will they be able to maintain legal immigration regimes with the end of the cold war and in the absence of a strong international migration regime? We should not discount the importance of international systemic constraints, like the end of the cold war, which clearly has had an impact on political coalitions and alignments in all of the liberal democracies. The end of the cold war had a profound impact on coalitions supporting open migration policies, even more so than in the area of trade. The major difference between trade and migration is in the nature and types of the coalitions that form to support or oppose them. Although related, in the sense that strong economic liberals tend to support both free trade and more open migration policies,⁴⁴ there is a much stronger ideational and cultural dimension involved in the making of pro-migration coalitions than is the case with free trade coalitions, which tend to be based more narrowly on economic interests.

Free trade policies clearly have important political and social effects, but the arguments about comparative advantage and tariff policies tend to be heavily economic, and interest groups are organized along sectoral or class lines. With respect to trade, individuals and groups tend to follow their market interests; but in the making of migration policies, this is not always the case. If a state can be sure of reciprocity—that other states will abide by non-discrimination and the MFN principle—then it is easier to convince a skeptical public to support free trade. With migration, on the other hand, economic arguments (about the costs and benefits of migration) tend to be overshadowed by political, cultural, and ideological arguments that cut across class lines. National identities and founding myths, what I have called elsewhere “national models,” come into play in the making and unmaking of coalitions for admissionist or restrictionist migration policies.⁴⁵ Debates about migration in the liberal-democratic (OECD) states revolve as much if not more so around

issues of rights (see below) and national identity than around issues of markets or social class. The coalitions that form to support more open migration policies are often rights-markets (left-right) coalitions; and debates about sovereignty and control of borders are reduced to debates about national identity—a fungible concept that reflects values, morality, and culture, rather than a strictly instrumental, economic calculus.

If we take a neoliberal approach to understanding the rise of migration in the postwar era, we are thrown back onto an analysis of three factors, which together drive national migration policies. The first of these factors is ideational, historical, and cultural. Migration policy, especially in the big three liberal republics (the United States, France, and Germany), is heavily influenced by national (or founding) myths, which are codified in citizenship and nationality laws.⁴⁶ These myths and the national identity are fungible, subject to manipulation, and they involve strong elements of symbolic politics. They are reflected in constitutional law and can be analyzed from a historical, sociological, legal, and political standpoint.

Citizenship, like society or the economy, is subject to exogenous shocks; and immigration, as Myron Weiner and Rey Koslowski have pointed out, can change the composition of societies, alter political coalitions, transform citizenship and the national identity. The argument therefore can be made that migration contributes to the internationalization of domestic politics and economics. Multiculturalism is the functional equivalent of multinationalism. If the rise of multinational corporations, as Milner and others have argued, contributed to the creation of new free trade coalitions, then the rise of immigration and multiculturalism has contributed to new pro-immigration coalitions. As foreigners gain a legal foothold in liberal societies, rights accrue to them, and they become political actors capable of shaping both policy and polity.⁴⁷

But there is clearly a second factor involved in building pro-migration coalitions. As Gary Freeman argues, businesses that are dependent on foreign labor—whether skilled, as in the case of the software industry, or unskilled, as in the case of construction trades or agriculture—can form powerful lobbies; and under the right conditions, they can capture parts of the state in order to maintain access to a vital input.⁴⁸ The political and economic history of western states, since the late nineteenth century when the transaction costs of migration were lower, is replete with examples of businesses working with, around, through, or against the state to import labor.⁴⁹ Economic interests are always at play in the making of migration policy, because the profits to be had from importing labor are great (demand-pull forces are strong), and there is an abundant supply of cheap labor available. Cutting off access to foreign labor for businesses that are heavily dependent upon

it is the same thing as imposing high tariffs on imported raw materials. The industries affected will howl. Both policies are protectionist and they have profound allocational effects, often leading to increases in irregular migration.

In the postwar period, the third and most important factor in building pro-migration (as opposed to free trade) coalitions is institutional. Perhaps the most famous and oft-quoted statement about European guestworker programs was made by the Swiss novelist Max Frisch, who said “we asked for workers and human beings came.” Unlike capital or goods, migrants, as individuals and sometimes as groups (e.g. Cubans in the U.S., ethnic Germans and Jewish immigrants in Germany) can acquire legal rights and protections under the aegis of liberal constitutions and statutory law. Even when they are not admitted immediately to full citizenship, migrants acquire the rights of membership, which can, depending upon the state, include basic civil rights, a package of social or welfare rights, and even political or voting rights.⁵⁰ What is important to keep in mind, however, is that these rights are anchored in national legal systems; and, although they may flow from constitutional law, they also depend upon increasingly fragile political coalitions, involving left- and right-wing liberals. With the end of the cold war, these “strange bedfellow” coalitions have become more difficult to sustain, even in the area of political asylum, a principle which is supported in international law.⁵¹ As the coalitions weaken, we would expect to see a concomitant decline in support for admissionist immigration and refugee policies.

But rights have a very long half life in liberal democracies. Once they are extended and institutionalized, it is extremely difficult to roll them back. Most democracies--especially those like the U.S., France, and Germany, which have republican traditions and strong elements of separation of powers--have a variety of judicial checks that limit the ability of executive and legislative authorities to alter civil, social, and political rights. To understand the “limits of immigration control” in liberal democracies, as well as the mix of internal and external strategies for control, we must have a clear understanding of the evolution of rights-based politics and of the way in which rights are institutionalized.⁵² Even if rights-markets coalitions supporting immigration weaken, this does not mean that migration and refugee policies will change overnight, or that liberal states can quickly and effectively seal their borders.

To conclude, the neoliberal approach requires us, in the first instance, to look at international institutions and regimes, and secondly at the types of coalitions that form to support more open migration regimes. I have identified three factors that influence coalition building: (1) ideational and cultural factors which are closely linked to formal-legal definitions of citizenship; (2) economic

interests, which are linked to factor proportions and intensities, i.e. land, labor, capital ratios; and (3) rights, which often flow from liberal-republican constitutions. The following sections of the paper will develop this neoliberal framework, offering a critique of realist and globalization arguments.

Risking Migration and the Centrality of Rights

Of the three analytical perspectives on migration and international relations that we have reviewed so far, neoliberalism comes closest to answering the question of why states risk migration. But, as I indicated above, we cannot ignore structural or systemic factors, like the end of the cold war, which can influence the propensity of states to support liberal international regimes. In the absence of a threat or a hegemon to unite liberal states and help them overcome collective action problems, multilateralism is one way for states to cooperate and to build a migration/refugee regime. Following the work of John Ruggie,⁵³ we can identify three tenets of multilateralism. The first of these is *indivisibility*, which is another way of saying that ***the object of multilateral regulation should take the form of a public good***. Unless it is a hegemon, a single state or even a small group of states cannot provide this good for the international community. The costs and benefits of its provision must be shared relatively equally among states. The second tenet of multilateralism is principles or *norms of conduct*, which can alter the behavior of states. The fewer principles or norms there are, the greater will be the likelihood that states will respect them and change their behavior. The most difficult problem in any multilateral regime is to find a single compelling principle (or at least a very small number of interrelated norms or principles) ***“around which actor expectations can converge.”***⁵⁴ Finally, Ruggie points to *diffuse reciprocity*, meaning that ***states must be convinced that everyone will respect the rules of “the game,”*** thus making it possible for governments to persuade a skeptical or even hostile public to accept the short term political and economic costs of establishing the regime, in order to reap the long term gains.

Using this neoliberal framework, we can ask: what are the possibilities of building an effective international migration regime? What would be the incentives to participate in such a regime? Can states overcome their misgivings, which may include loss of sovereignty, threats to national security and identity, and changes in the composition of the citizenry? On the first point, indivisibility, ***we must ask if migration can be defined as an international public good***. As pointed out above, this is problematic, especially if we compare migration and trade. During the postwar period, a consensus emerged, thanks to American leadership and following the doctrine of

comparative advantage, that an open trading regime would promote global welfare and advance the cause of peace. The motto of the immediate postwar period was “peace through trade.” The GATT system was created to ensure that the costs and benefits of free trade would be shared equally; and this allowed the leading liberal states (especially the U.S.) gradually to overcome the hostility and skepticism of weaker developing states. Free trade would lead not only to specialization in production, increased output, and pareto-optimal economic outcomes, it also would promote interdependence and a more peaceful world.

This type of economic reasoning, however, does not work well in the area of migration; because the asymmetries between developed and developing countries are too great. It is only at certain points in time (such as the turn of the century in America, the period of reconstruction in Europe after World War II, or the period of very high growth in Asia in the 1970's and 1980's) that the interests of developing and developed states converge. Developing states almost always have an incentive to export surplus populations, whereas developed states only periodically have an interest in admitting large numbers of foreign workers. So the history of South-North migration has tended to be one of fits and starts, of peaks and valleys, which tended to follow the business cycle. But there is strong evidence that this dynamic may have been broken in the postwar period, at least for certain “core” liberal states in America and Europe.⁵⁵ We can see this in the rates of world migration, which have been rising continuously since 1945. So, if migration does not mirror the business cycle, then what is driving it? The answer in a word is rights. As the world has become more open, more democratic, and more liberal, people are freer to move than ever before in history. This has placed great strains on liberal states, especially on the institution of citizenship. Liberal states are caught on the horns of a dilemma or, what I have called elsewhere, a liberal paradox.⁵⁶ In liberal political and economic system, there is a constant tension between markets and rights, or liberty and equality. Rules of the market require openness and factor mobility; whereas rules of the liberal polity, especially citizenship, require some degree of closure, mainly to have a clear definition of the citizenry and to protect the sanctity of the social contract—the legal cornerstone of every liberal polity. Equal protection and due process cannot be extended to everyone without undermining the legitimacy of the liberal state itself. How can states solve this dilemma and escape from this paradox? Constructing an international migration regime, as the members of the European Union have done, is one way out.

But, if migration is to be defined as an international public good, it cannot be defined purely in economic terms, even though mobility of productive factors (like free trade) is recognized in economic theory to be pareto optimal. In order to regulate migration on a unilateral basis, liberal states must adopt draconian (illiberal) policies that may threaten the foundations of the liberal state itself. It is not efficient or desirable in a liberal state to close or seal borders. This would be the ultimate strategy for external control. Likewise, strategies for internal control, including heavy regulation of labor markets, limiting civil rights and liberties for foreigners and citizens, and tampering with founding myths (e.g. weakening birthright citizenship in the U.S.) also threaten the liberal state; and such measures can fan the flames of racism and xenophobia by further stigmatizing foreigners. Establishing a multilateral process for regulating and controlling immigration offers one way to get out of this dilemma; but to accomplish this, control must be redefined on a multilateral basis as the “orderly movement of people.”⁵⁷ Orderly movements imply respect for the rule of law and state sovereignty, which are fundamental principles in every liberal state.

The problem remains of how to set up generalized principles of conduct in the area of migration. Various conventions exist, many put forward by the UN and its agencies (UNHCR, IOM, and ILO), to safeguard the rights of migrant workers and to establish standards for the treatment of these workers and their families.⁵⁸ Likewise, Mode 4 of the General Agreement on Trade in Services (GATS) includes provisions for migration.⁵⁹ But none of these agreements has achieved the status of a full blown international migration regime, capable of altering the behavior of states. It is only with respect to asylum that a quasi-effective international regime has emerged in the postwar period, with a single guiding principle, namely “a well founded fear of persecution.” The freedom of movement clauses of the various treaties of European Union have resulted in the construction of a regional migration regime, for EU member states; and the Schengen group has evolved a set of rules for dealing with migration of third country nationals, specifically asylum seekers.

In such a regional context, where the asymmetries are less pronounced than in the international system, it is easier to solve the problems of reciprocity and collective action. Rules can be adopted and formalized through already established institutional procedures. At the international level, what we have seen instead is a proliferation of very weak rules, norms, and procedures, resulting in a kind of fragmented and ineffective regime.⁶⁰ Moreover, the primary concern of the most powerful liberal states is not to facilitate the orderly movement of people (even paying tourists), or to promote international factor mobility. Rather the concern is for control, which

has as many different meanings as there are states. The challenge, therefore, for any state or organization attempting to construct an international migration regime will be to **define control in such a way that it is indivisible**, can serve as a generalized norm or principle of conduct, and so that it can lead to diffuse reciprocity. This is no mean feat, because heretofore international migration has been regulated almost exclusively on a bilateral basis, if not through some type of imperial hierarchy. In fact, we still see both regulatory systems at work today. It is only among the OECD states that freedom of movement (but not settlement) has been more or less achieved, especially for the highly skilled. Between the core liberal states in the international system and the less developed countries, movement of populations is still governed by a system of imperial hierarchy, which is in many ways more one-sided (unilateral) today than it was during the colonial era.⁶¹

To better understand the difficulties of international cooperation to regulate migration I have constructed a typology of international regimes. This typology, depicted in Figure 1, points to a clear distinction between the regulation of capital, goods, and services on the one hand, and migrant labor or refugees (people) on the other hand. When it comes to regulating trade and capital flows—an essential function of the international political economy—multilateralism (on the y-axis) is strongest and most heavily institutionalized in the area of finance. Even though the institutions dealing with international finance are far from perfect, the IMF and the World Bank have become the bulwarks of stable exchange rates, without which international trade and investment would be difficult and extremely risky. The GATT/WTO regime for trade also is heavily institutionalized, but the multilateral basis of this regime is, I would argue, weaker than that for finance. The need for strong currencies and stable exchange rates is felt much more acutely by states than the need for free trade. Nonetheless, both of these institutions have evolved together in the postwar period. Powerful market incentives, as well as formal enforcement mechanisms in the case of WTO, compel states to “play by the rules.”⁶²

Figure 1

A Typology of International Regimes

		Institutions	
		WEAK	STRONG
M U L T I L A T E R A L I S M	S T R O N G	Refugees and Political Asylum (UNHCR)	Finance (IMF & World Bank)
	W E A K	International Labor Migration (ILO and IOM)	Trade (GATT or WTO)

Of the two “regimes” dealing with migration, one for labor migrants and the other for refugees, clearly the refugee regime, which is institutionalized through the UNHCR, is the more effective, for reasons I have spelled out above. I put the term regimes in quotes, because the “labor regime” is quite ineffective. The rules for entry and exit of economic migrants are controlled by nation-states, not by international organizations like the UN, the IOM, or the ILO. Again the major exception is the EU; but the EU regime for international labor migration functions only for nationals of the member states, *not* (or at least not yet) for third country nationals (TCNs).⁶³ Even for the Schengen states—referred to in the British press derisively as Schengenland—third country nationals do not have freedom of movement. Only Schengen nationals have this right. Schengen does, however, function as a multilateral regime for asylum; and it is a very restrictive regime, designed to help member states restrict refugee migration and prevent “asylum shopping.”

Refugees have the right to request asylum in the first Schengen state in which they arrive--consistent with the Geneva Convention; but, if they transit through a "safe" third country, then they can be *refoulés* (sent back to that third country). The result has been to forge a more or less common asylum policy in Schengenland, and to turn all adjoining states into buffer states. The important point is that these West European states, together with the U.S. and other liberal democracies, are respecting the letter if not the spirit of international refugee law. Although the principles of the refugee regime are widely recognized, as an institution the UNHCR remains weak and heavily dependent on a few "client states," especially Sweden, The Netherlands, and other small European social democracies. The Japanese contribute a lot of money to the UNHCR and the Americans support it and use it as a tool for managing refugee crises around the world, especially when American national interests are involved.

Unlike the refugee regime, the "regime" for international labor migration is weakly institutionalized (depicted on the x-axis) with no central norm, and its principal organs, ILO and IOM, based in Geneva, have little regulatory or institutional capacity. For the developed states in particular, the costs of participating in a regime for international migration would seem to outweigh the benefits; and a short-term strategy of unilateral or bilateral regulation of migration is preferred to a long-term, multilateral strategy. This is less true for the refugee regime, because the more powerful liberal states need this regime for situational exigencies--to manage massive refugee flows that can destabilize governments and in some cases entire regions. When such crises strike close to home, as in the 1999 Balkan war, the utility of the refugee regime goes up exponentially. But when the crisis is past, it drops again.

To date, unwanted labor migrations might be considered more of a nuisance, especially from a political standpoint; but they are not fundamentally threatening, therefore they can be handled unilaterally and on an ad hoc basis. The payoff from international cooperation in the area of unwanted labor migration is negative and there are numerous opportunities for defection. The possibilities for monitoring, enforcement, or developing some principle of nondiscrimination are minimal at this point in time. We are therefore thrown back onto the domestic level in our search for an explanation of why states risk migration; and the three factors outlined above--cultural and ideational, economic interests, and rights--must be studied on a case by case basis to explain why states open and close their borders.

Yet an international market for labor exists and it is growing. If the first rule of political economy is that markets beget regulation, then some type of international regime is likely to develop. What will be the parameters of such a regime and how will it evolve? International relations theory, especially neoliberal/rationalist arguments, offer some clues.

Migration, Trade and Development: The Coordination Problem

One of the principal effects of economic interdependence is to compel states to cooperate.⁶⁴ Increasing international migration (see Table 1) is one indicator of interdependence and it shows no signs of abating. As the international market for skilled and unskilled labor grows in the coming decades, pressures for creating an international regime will increase. Following the work of Lisa Martin and drawing on the preceding review of international relations theory,⁶⁵ we can identify two ways in which states can overcome coordination problems with respect to migration. In the absence of trust and reciprocity (e.g. the developed states do not trust less developed states to help control borders and deter irregular migration), there are two ways for states to solve the coordination problem: (1) through **centralization of regulatory power** and the pooling of sovereignty, and (2) **suasion** or, as Martin puts it “tactical issue linkage.”⁶⁶

We already have seen an example of the first strategy at the regional level in Europe. The EU and to a lesser extent the Schengen regimes were built through a process of centralization and pooling of sovereignty. But, as I have pointed out above, this was fairly easy to do in the European context, because of the symmetry (of interests and power) within this region and the existence of an institutional framework (the EC or EU). It would be much more difficult to centralize control of migration in the Americas or Asia, where the asymmetries (of interest and power) are much greater, and levels of political and economic development vary tremendously from one state to another. It is unlikely that regional trade regimes like NAFTA or the APEC will lead quickly to cooperation in the area of migration. But the beginnings of collaborative arrangements are there, just as they were in Europe with the ECSC in the early 1950s. The regional option—multilateralism for a relevant group of states—is one way to overcome collective action problems and to begin a process of centralization. Most international regimes have had a long gestation period, beginning as bilateral or regional agreements. It is unlikely, however, that an international migration regime could be built following the example of the ITO/GATT/WTO. It is too difficult to fulfill the prerequisites of multilateralism: indivisibility, generalized principles of conduct, and diffuse reciprocity (see above).

The norm of nondiscrimination (equivalent of MFN) does not exist; and there are no mechanisms for punishing free riders and no way of resolving disputes. In short, as depicted in Figure 1 above, the basis for multilateralism is weak and there is only a very weak institutional framework.

With the asymmetry of interests and power between developed (migration receiving) and less developed (migration sending) countries, suasion may be the only viable strategy for overcoming collective action problems, whether at the regional or international level. Lisa Martin points to a number of ways in which suasion can help to solve coordination problems.⁶⁷ **Step one** is to develop a “**dominant strategy**,” which can only be accomplished by the most powerful states, using international organizations to persuade or coerce smaller and weaker states. From the standpoint of the receiving countries, **orderly movement of people**, defined in terms of rule of law and respect for state sovereignty, would be the principal objective of hegemonic, liberal states. From the standpoint of the sending countries, **migration for development**, taking advantage of remittances and return (brain gain) migration, would be the principle upon which an international regime could be based.

Step two is to persuade other states to accept the dominant strategy. This will necessitate “**tactical issue linkage**,” which involves identifying issues and interests not necessarily related to migration (such as MFN, for example) and using these as leverage to compel or coerce states to accept the dominant strategy. This is, in effect, an “international logroll”. Such tactics will have only the appearance of multilateralism, at least initially. Tactical issue linkage was considered in negotiations between the U.S. and Mexico over the NAFTA agreement, and migration issues have figured prominently in negotiations between the EU and prospective EU members in East Central Europe. At the EU summit in Sevilla in 2002, an attempt was made by the British and the Spanish to link official development aid (ODA) and trade concessions for African states to migration control; but this initiative was blocked by the French and the Swedes.

In such instances reciprocity is specific rather than diffuse. Individual states may be rewarded for their cooperation in controlling emigration. Again we have seen many bilateral examples of this type of strategic interaction between the states of Western and Eastern Europe. The post-unification German governments have cut a number of deals with East Central European states to gain their cooperation in the fight against irregular migration. In the case of Poland, this has involved investments and debt relief, as well as greater freedom of movement for Polish nationals in Germany. But liberal-democratic states may face a problem of credibility in pursuing

these types of strategies. They need international organizations to give them greater credibility (cover) and to facilitate these logrolls.

The **third step** for hegemonic states is to ***move from what is an essentially one-sided, manipulative game to a multilateral process, and eventually to institutionalize this process.*** The long-term benefits of such a strategy for receiving states are obvious. It will be less costly to build an international regime than to fight every step of the way with every sending state, relying only on unilateral or bilateral agreements. This may entail some short-term loss of control (larger numbers of visas, higher quotas, etc. for the sending states) in exchange for long-term stability and more orderly/regular migration. The ultimate payoff for liberal states is the establishment of a liberal world order based upon rule of law, respect for state sovereignty, ease of travel, and the smoother functioning of international labor markets. The payoff for sending states is greater freedom of movement for their nationals, greater foreign reserves and a more favorable balance of payments (thanks to remittances), increased prospects for return (brain gain) migration, and increases in cultural and economic exchange, including technology transfers.

As I argued above, however, changes in the international system with the end of the cold war have altered this game in several ways. First, it has made defection easier. Since 1990, states are more likely to pursue beggar-thy-neighbor policies by closing their borders and not cooperating with neighboring states in the making of migration and refugee policies. The Schengen process itself is a kind of beggar-thy-neighbor policy on a regional scale. Secondly, the new post-cold war configurations of interests and power, both at the international and domestic level, make it more difficult to pursue a multilateral strategy for controlling international migration. Rights-markets coalitions have been breaking apart in the dominant liberal states, increasing polarization and politicization over immigration and refugee issues. Yet at the same time, liberalization and democratization in formerly authoritarian states in the East and the South have dramatically reduced the transaction costs for emigration.⁶⁸ Initially this caused panic in Western Europe where there was a fear of mass migrations from east to west. Headlines screamed “The Russians are Coming!”⁶⁹ Even though these massive flows did not materialize, western states began to hunker down and search for ways to reduce or stop immigration. The time horizons of almost all western democracies suddenly were much shorter, because of these changes in domestic and international politics. Migration came to be perceived as a greater threat to national security.⁷⁰

If the U.S. were to defect from the liberal refugee and migration “regimes,” such as they are, it could mean the collapse of these regimes. In game theoretic terms, such a defection would fundamentally alter the equilibrium outcome, and it would be potentially very costly to all states and to the international community. At least as far as migration is concerned, the process of globalization of exchange could be quickly and dramatically reversed. As happened in the area of international finance with the collapse of the Bretton Woods system in the early 1970's and in the area of trade with the Latin debt crisis of the 1980's and the Asian crisis of the 1990's, to prevent the collapse of liberal migration and refugee “regimes,” the U.S. and other liberal states must pursue an aggressive strategy of multilateralism, taking the short-term political heat, for long-term political stability and economic gain. Without the kind of leadership exhibited in the areas of international trade and finance, irregular migrations will increase and become ever more threatening, leading more states to close their borders.

Conclusion: the Emerging Migration State

The two central questions posed in this paper are (1) how can we explain increasing migration in the face of strong political opposition and (2) why are states willing to risk migration? Several hypotheses, derived from international relations theory, were advanced. The first of these is the realist or national security argument, that states open and close their borders in response to changes in the structure of the international system. The problem with this argument is that such structural change (i.e. shifts in the distribution of power) is relatively rare. But such a change did occur in 1990 with the end of the cold war, and there is considerable evidence that the willingness of (liberal) states to risk migration declined dramatically in the 1990's. Coalitions of left- and right-wing liberals, what I termed rights-markets coalitions, which had flourished during much of the cold war period, suddenly came under pressure; and they have fallen apart in many liberal societies. But we have not seen a concomitant decline in the rate of international migration.

An alternative hypothesis is offered by what I call globalization theory, derived largely from world systems arguments. According to the globalization thesis, migration is largely a function of changes in the international division of labor, and restructuring of the global economy, which entails rapid and massive movements of productive factors, including capital and labor. Globalization is a social and economic imperative and even the most powerful states are incapable of regulating flows of capital, goods, services, information, and people. The result has been the rise of new global

centers of production, what Saskia Sassen calls the “global city,” which is outside of the regulatory reach of the state. The demand for (skilled and unskilled) foreign labor is embedded in the economies of the advanced industrial societies.

In such pure globalization arguments, it makes little sense to study either domestic or international politics, as a way of understanding increases in international exchange, whether in the areas of finance, trade, or migration. Sovereignty is an antiquated concept and we must think about the global economy in terms of postnationalism. Yasemin Soysal, David Jacobson, and Rainer Bauböck have argued that, with respect to migration, the globalization of the economy has created a new kind of postnational membership, or in Bauböck’s terms, a transnational citizenship. Rights, according to Jacobson, now extend across borders. Such political developments are the logical counterpart of globalization.

The globalization thesis, in which outcomes are socially and economically determined, stands at the opposite extreme of realism, in which outcomes are politically determined. A third perspective, neoliberalism, accepts the continuing importance of the nation-state in international relations. But neoliberals argue that economic interdependence has altered the way in which states think about and use their power. Rather than relying on traditional military means to pursue their national interest, liberal states are increasingly drawn into “collaboration games” in order to regulate the international economy and reduce the risks associated with trade in particular. This desire to reduce risks and lower transaction costs has led the most powerful states to construct international regimes for trade and finance. Unlike the neorealists, neoliberal theorists do not consider the unitary actor assumption to be sacrosanct; and they are willing to look at domestic politics, especially at the types of coalitions and institutions that may facilitate openness and increase the demand for international cooperation.

Following the neoliberal and neorealist arguments, I have argued that the rise in migration in the postwar period is closely linked to three factors: (1) the structure of the international system, including the distribution of power and the presence or absence of international regimes; (2) domestic political coalitions, based on economic interests (factor proportions and intensities) and rights (which flow from liberal constitutions and laws); finally, a third factor is ideational, cultural, and legal—what Rogers Brubaker calls “traditions of citizenship and nationhood.” During the cold war, liberal states were more willing to risk migration, because of the bipolar nature of the international system, which prevented large scale emigration from communist states and helped to solidify rights-markets coalitions in liberal states. The end of the cold war has radically altered the configuration of

power and interests, both at the national and international level, and it has changed the dynamic of collaboration games, especially with respect to migration. States are still willing to risk trade and the institutions for maintaining stable exchange rates, specifically the IMF, are supported by a coalition of liberal states, led by the United States. However, there is evidence that multilateralism in these areas (trade and finance) is under increasing political pressure, especially in the U.S. A new isolationism and protectionism are stirring.

The logic of cooperation is different for trade and migration. Liberal states work hard to keep trade and investment flowing in the world economy; and they increasingly work hard to keep migration, including refugees, bottled up in less developed (sending) countries. The international trade regime (WTO) is based squarely on the doctrine of comparative advantage and the principle of nondiscrimination (MFN). Free trade has come to be accepted by a wide range of states as an international public good. Ironically, following the Stolper-Samuelson theorem of factor-price equalization, trade and FDI are often touted as the solution to the problem of unwanted migration. According to this theorem, trade can substitute for migration in the long term. Nevertheless, migration continues in the short term and may actually be increased when less developed economies are exposed to strong exogenous shocks of trade and foreign investment.

No organizing principle has emerged as a basis for international cooperation to regulate migration. The international refugee regime (based on a well founded fear of persecution) and the EU regime (based on freedom of movement for nationals of member states) are the exceptions. The primary reason for the lack of cooperation and the absence of an international regime in the area of migration is the tremendous asymmetries between interests and power in the international system. The challenge for proponents of an international migration regime is to find (1) an organizing principle and (2) a strategy for overcoming collaboration problems in this area. In the penultimate section of this paper, I suggested a principle, namely rule of law and orderly movement of peoples, and several strategies for overcoming asymmetries of interest and building a regime, including centralization of authority to promote trust, provide information, and enforcement mechanisms. The problem with this strategy is that it requires continuous and strong intervention by a hegemon or group of hegemonic states. A more likely strategy is suasion, which involves tactical issue linkage, international logrolls, and linking unrelated issues to cooperation in controlling emigration.

International migration is likely to increase in coming decades, unless there is some cataclysmic international event, like war or economic depression. In spite of the 9/11 terrorist attack on the United States and follow-on attacks in Europe, the liberal democracies have remained relatively open to international migration. Global economic inequalities mean that supply-push forces remain strong, while at the same time demand-pull forces are intensifying. The growing demand for highly skilled workers and the demographic decline in the industrial democracies create economic opportunities for migrants in the industrial democracies. Transnational networks have become more dense and efficient, linking the sending and receiving societies. These networks help to lower the costs and the risks of migration, making it easier for people to move across borders and over long distances. Moreover, when legal migration is not an option, migrants have increasingly turned to professional smugglers, and a global industry of migrant smuggling—often with the involvement of organized crime—has sprung up, especially in the last decade of the 20th century. Hardly a week passes without some news of a tragic loss of life associated with migrant smuggling.

But migration, like any type of transnational economic activity (such as trade and foreign direct investment), cannot and does not take place in a legal or institutional void. As we have seen, states have been and still are deeply involved in organizing and regulating migration, and the extension of rights to non-nationals has been an extremely important part of the story of international migration in the post-World War II period. For the most part, rights that accrue to migrants come from the legal and constitutional protections guaranteed to all “members” of society. Thus if an individual migrant is able to establish some claim to residence on the territory of a liberal state, his or her chances of being able to remain and settle will increase. At the same time, developments in international human rights law have helped to solidify the position of individuals vis-à-vis the nation-state, to the point that individuals (and certain groups) have acquired a sort of international legal personality, leading some analysts to speculate that we are entering a post-national era.

Others have argued that migrants have become transnational, because so many no longer reside exclusively on the territory of one state, opting to shuttle between a place of origin and destination. This line of argument gives priority to agency as a defining feature of contemporary migrations; but it ignores the extent to which state policies have shaped the choices that migrants make. The migration state is almost by definition a liberal state, inasmuch as it creates a legal and regulatory environment in which migrants can pursue individual strategies of accumulation.

But, regulating international migration requires liberal states to be attentive to the (human or civil) rights of the individual. If rights are ignored or trampled upon, then the *liberal* state risks undermining its own legitimacy and *raison d'être*. As international migration and transnationalism increase, pressures build upon liberal states to find new and creative ways to cooperate, to manage flows. The definition of the national interest and *raison d'Etat* have to take this reality into account, as rights become more and more a central feature of domestic and foreign policy. New international regimes will be necessary if states are to risk more openness, and rights-based (international) politics will be the order of the day.

Some politicians and policymakers, as well as international organizations, continue to hope for market-based/economic solutions to the problem of regulating international migration. Trade and foreign direct investment—bringing capital and jobs to people, either through private investment or official development assistance—it is hoped, will substitute for migration, alleviating both supply-push and demand-pull factors. Even though trade can lead to factor-price equalization in the long term, as we have seen in the case of the European Union, in the short and medium term exposing LDCs to market forces often results in increased (rather than decreased) migration, as is evident with NAFTA and the US-Mexican relationship. Likewise, trade in services can stimulate more “high end” migration, because these types of products often cannot be produced or sold without the movement of the individuals who make and market them.

In short, the global integration of markets for goods, services and capital entails higher levels of international migration; therefore, if states want to promote freer trade and investment, they must be prepared to manage higher levels of migration. Many states (like Canada and Germany) are willing, if not eager, to sponsor high-end migration, because the numbers are manageable, and there is likely to be less political resistance to the importation of highly skilled individuals. However, mass migration of unskilled and less educated workers is likely to meet with greater political resistance, even in situations and in sectors, like construction or health care, where there is high demand for this type of labor. In these instances, the tendency is for governments to go back to the old guest worker models, in hopes of bringing in just enough temporary workers to fill gaps in the labor market, but with strict contracts between foreign workers and their employers that limit the length of stay and prohibit settlement or family reunification. The alternative is illegal immigration and a growing black market for labor—a Hobson's choice.⁷¹

The 19th and 20th centuries saw the rise of what Richard Rosecrance has labeled the *trading state*. The latter half of the 20th century has given rise to the *migration state*. In fact, from a strategic, economic and demographic standpoint, trade and migration go hand in hand. Because the wealth, power and stability of the state is now more than ever dependent on its willingness *to risk both trade and migration*. Some European states are seeking to emulate the United States and Canada, on the premise that global competitiveness, power, and economic security are closely related to a willingness to accept immigrants. Europeans are (reluctantly) following the American and Canadian examples, in order to enhance their material power and wealth. But, in one important respect, Europe has an advantage over the United States, and Canada or Australia for that matter. The European Union is not only creating a free trade zone, but also a free migration area.

Now more than ever, *international security and stability are dependent on the capacity of states to manage migration*. It is extremely difficult, if not impossible, for states to manage or control migration either unilaterally or bilaterally. Some type of multilateral/regional regime is required, similar to what the EU has constructed for nationals of the member states. The EU model, as it has evolved from Rome to Maastricht to Amsterdam and beyond, points the way to future migration regimes, because it is not based purely on *homo economicus*, but incorporates rights for individual migrants and even a rudimentary citizenship, which continues to evolve. The problem, of course, in this type of regional migration regime is how to deal with third country nationals (TCNs). As the EU expands and borders are relaxed, the issue of TCNs, immigrants, and ethnic minorities becomes ever more pressing, and new institutions, laws and regulations must be created to deal with them.

In the end, the EU, by creating a regional migration regime and a kind of supra-national authority to deal with migration and refugee issues, allows the member states to finesse, if not escape, the liberal paradox. Playing the good cop/bad cop routine and using symbolic politics and policies to maintain the illusion of border control help governments fend off the forces of closure, at least in the short run (Rudolph, forthcoming). In the end, however, it is the nature of the liberal state itself and the degree to which openness is institutionalized and (constitutionally) protected from the “majority of the moment,” that will determine whether states will continue to risk trade and migration.

Regional integration reinforces the trading state and acts as a mid-wife for the migration state. In the EU, migrants are gradually acquiring the rights that they need in order to live and work on the territory of the member states. Regional integration blurs the lines of territoriality, lessening problems of integration and national identity. The fact that there is an increasing disjuncture

between people and place—which in the past might have provoked a crisis of national identity and undermined the legitimacy of the nation-state—is less of a problem when the state is tied to a regional regime, like the EU. This does not mean, of course, that there will be no resistance to freer trade and migration. Protests against globalization and nativist or xenophobic reactions against immigration have been on the rise throughout the OECD world. Nonetheless, regional integration—especially when it has a long history and is deeply institutionalized as it is in Europe—makes it easier for states to risk trade and migration and for governments to construct the kinds of political coalitions that will be necessary to support and institutionalize greater openness.

Not surprisingly, the Mexican President, Vicente Fox, like his predecessors, is looking to Europe as a model for how to solve problems of regional integration, especially the very delicate political issue of illegal Mexican immigration to the United States. His argument is that freer migration and a more open (normalized) border are logical extensions of the North American Free Trade Agreement (NAFTA). The previous Mexican government, under Ernesto Zedillo, by moving to grant dual nationality to Mexican nationals living north of the border, took a big step towards consolidating and extending the rights of this, the largest migrant population in North America. But, the US government, is reluctant to move so fast with economic and political integration, especially after the attack of September 11, 2003, preferring instead to create new guest worker programs, or to continue with the current system, which tolerates high levels of unauthorized migration from Mexico. Clearly, however, North America is the region that is closest to taking steps towards an EU-style regional migration regime, and the U.S. is facing the prospect of another legalization. In the long run, it is difficult for liberal states, like the U.S., to sustain a large, illegal population. For this reason, amnesties, legalizations, or regularizations have become a common feature of the migration state.

Even though there are large numbers of economic migrants in Asia, this region remains divided into relatively closed and often authoritarian societies, with little prospect of granting rights to migrants and guest workers. The more liberal and democratic states, like Japan, Taiwan and South Korea, are the exceptions; but they have only just begun to grapple with the problem of immigration, on a relatively small scale. In Africa and the Middle East, which have high numbers of migrants and refugees, there is a great deal of instability, and states are fluid with little institutional or legal capacity for dealing with international migration.

We can see that migration is both a cause and a consequence of political and economic change. International migration, like trade, is a fundamental feature of the postwar liberal order. But, as states and societies become more liberal and more open, migration has increased. Will this increase in migration be a virtuous or a vicious cycle? Will it be destabilizing, leading the international system into greater anarchy, disorder and war; or will it lead to greater openness, wealth and human development? Much will depend on how migration is managed by the more powerful liberal states, because they will set the trend for the rest of the globe. To avoid a domestic political backlash against immigration, the rights of migrants must be respected and states must cooperate in building an international migration regime. In this article, I have argued that the first, halting steps towards such a regime have been taken in Europe, and that North America is likely to follow. As liberal states come together to manage this extraordinarily complex phenomenon, it may be possible to construct a truly international regime, under the auspices of the United Nations. But I am not sanguine about this possibility, because the asymmetry of interests, particularly between the developed and the developing world, is too great to permit states to overcome problems of coordination and cooperation. Even as states become more dependent on trade and migration, they are likely to remain trapped in a liberal paradox for decades to come

The central argument in this paper is that states will not continue to risk migration in the post-cold war era, without some type of international regulatory framework. If, as I and many others have argued, migration is closely linked to trade and investment, both economically (in the sense that trade and investment require factor mobility) and politically (in the sense that the same coalitions which support free trade and open investment regimes tend to support more open migration regimes), then any weakening on the part of liberal states in their commitment to support orderly movements of people could threaten the “new liberal world order.” This argument is at odds with the globalization thesis, inasmuch as I see politics and the nation-state as crucial to the stability of the global economy, especially with the end of the cold war. To paraphrase Karl Polanyi, without the “continuous, centrally organized, and controlled intervention” of the most powerful liberal states, the “simple and natural liberty” of the global economy will not survive.⁷² Globalization is a myth, insofar as it ignores the imperatives of politics and power, which are still vested in the nation-state.

Endnotes

1. See Charles P. Kindleberger, The World in Depression, 1929-1939 (Berkeley: University of California Press, 1973). Kindleberger's argument evolved into what is now called "hegemonic stability theory," where in the words of Robert Keohane "hegemonic structures of power, dominated by a single country, are most conducive to the development of strong international regimes whose rules are relatively precise and well obeyed.... the decline of hegemonic structures of power can be expected to presage a decline in the strength of corresponding international economic regimes." Quoted in Robert Gilpin, The Political Economy of International Relations (Princeton: Princeton University Press, 1986), p. 72.
2. John Ruggie defines multilateralism in terms of three criteria: indivisibility, generalized principles of conduct, and diffuse reciprocity. John Gerard Ruggie, ed., Multilateralism Matters: The Theory and Practice of an Institutional Form (New York: Columbia University Press, 1993), Part I.
3. See Ronald Rogowski, Commerce and Coalitions: How Trade Affects Domestic Political Alignments (Princeton: Princeton University Press, 1989) and, for example, Helen Milner, Interests, Institutions, and Information: Domestic Politics and International Relations (Princeton: Princeton University Press, 1997).
4. This is the Stolper-Samuelson theorem. Wolfgang F. Stolper and Paul A. Samuelson, "Protection and Real Wages," Review of Economic Studies (1941) 9: 58-73. Also, Robert A. Mundell, "International Trade and Factor Mobility," American Economic Review (1957) 47: 321-35.
5. See Philip L. Martin, Migration and NAFTA (Washington, DC: Institute for International Economics, 1995).
6. For a more in-depth discussion of the political economy of international migration, see James F. Hollifield, Immigrants, Markets, and States (Cambridge, Mass.: Harvard University Press, 1992) and Wayne A. Cornelius, Philip L. Martin, and James F. Hollifield, eds., Controlling Immigration: A Global Perspective (Stanford: Stanford University Press, 1994), pp. 6-11.
7. For the trends in trade, foreign direct investment, and migration, see UNCTAD, Current Studies Series A No. 29, Foreign Direct Investment, Trade, Aid and Migration (Geneva: International Organization for Migration, 1995). Cf. also, Rogowski, Commerce and Coalitions.
8. On the globalization thesis, see Saskia Sassen, The Global City: New York, London, Tokyo (Princeton: Princeton University Press, 1991) and idem, Losing Control?: Sovereignty in an Age of Globalization (New York: Columbia University Press, 1996). On migration, globalization, and the rights of foreigners cf. Yasemin Soysal, The Limits of Citizenship (Chicago: The University of Chicago Press, 1994) and David Jacobson, Rights Across Borders: Immigration and the Decline of Citizenship (Baltimore: Johns Hopkins University Press, 1996).
9. Robert O. Keohane, ed., Neorealism and Its Critics (New York: Columbia University Press, 1986) p. 7.
10. Kenneth N. Waltz, Theory of International Politics (Reading, Mass.: Addison-Wesley, 1979).
11. The origins of the asylum regime actually date from the period immediately following the First World War and the creation of the League of Nations. See Guy S. Goodwin-Gill, The Refugee in International Law (Oxford: Clarendon Press, 1996).
12. See Myron Weiner, The Global Migration Crisis: Challenge to States and to Human Rights (New York: Harper Collins, 1995).
13. See Arthur Schlesinger Jr., The Disuniting of America: Reflections on a Multicultural Society (New York: Norton, 1992) and Samuel P. Huntington, "The West and the World," Foreign Affairs (Nov/Dec, 1996), p. 45. Huntington writes "Promoting the coherence of the West means... controlling immigration from non-Western societies, as every major

European country has done and as the United States is beginning to do, and ensuring the assimilation into Western culture of the immigrants who are admitted." Also, Samuel P. Huntington, Who are we? The challenges to America's identity (New York: Simon & Schuster, 2004).

14. George J. Borjas, Friends or Strangers: The Impact of Immigrants on the U.S. Economy (New York: Basic Books, 1990).

15. See Julian L. Simon, The Economic Consequences of Immigration (New York: Blackwell, 1989).

16. See Gary P. Freeman, "Modes of Immigration Politics in the Liberal Democratic States," International Migration Review, XXIX (1995), pp. 881-97. Also Christian Joppke, "Why Liberal States Accept Unwanted Immigration," World Politics 50 (January 1998): 266-93.

17. For a summary of the constructivist theory of international relations and national security, see Peter J. Katzenstein, ed., The Culture of National Security: Norms and Identity in World Politics (New York: Columbia University Press, 1996), especially the introduction by Katzenstein, pp. 1-32.

18. As Yossi Shain and Rey Koslowski have pointed out, international migration can create divided loyalties and transnational political communities. Shain stresses the rise of political diaspora, whereas Koslowski focuses on the emergence of dual nationality as a sign of the weakening of the nation-state. Cf. Yossi Schain, The Frontier of Loyalty: Political Exiles in the Age of the Nation-State (Middletown, Connecticut: Wesleyan University Press, 1989) and Rey Koslowski, "Migration, the Globalization of Domestic Politics and International Relations Theory," paper presented at the International Studies Association Meeting, San Diego, March 1996.

19. See, for example, Max Weber, The Theory of Social and Economic Organization (New York: Oxford University Press, 1947), pp. 158 ff. Also Claude Lévi-Strauss, The Savage Mind (Chicago: University of Chicago Press, 1966).

20. A good example of globalization arguments can be found in the works of Susan Strange, Mad Money: When markets outgrow governments (Ann Arbor: University of Michigan Press, 1998).

21. Sassen, The Global City, pp. 22 ff. See also Sassen, Losing Control: sovereignty in an age of globalization (New York: Columbia University Press, 1996).

22. See Douglas Massey, et al., Return to Aztlan (Berkeley: University of California Press, 1987). For a cogent review of transnationalism and migration theory, see Alejandro Portes, "Immigration Theory for a New Century: Some Problems and Opportunities," International Migration Review 31 (Summer 1997): 799-825.

23. Alejandro Portes, "Transnational communities: their emergence and significance in the contemporary world system," in R.P. Korzeniewicz and W.C. Smith, eds., Latin America and the World Economy (Westport, Ct.: Greenwood Press, 1996). See also A. Portes and R.L. Bach, Latin Journey: Cuban and Mexican Immigrants in the United States (Berkeley: University of California Press, 1985).

24. See Sassen, Losing Control? Also, H.H. Holm and G. Sørensen, eds., Whose World Order: Uneven Globalization and the End of the Cold War (Boulder, Colorado: Westview, 1995). For a critique of the globalization perspective on migration, see Christian Joppke, Challenge to the Nation-State: Immigration in Western Europe and the United States (New York: Oxford University Press, 1998).

25. Commission on Immigration Reform, Binational Study on Migration Between Mexico and the United States (Washington: Commission on Immigration Reform, 1997).

26. Immanuel Wallerstein, The Modern World System (New York: Academic Press, 1974).

27. James Rosenau takes the globalization argument to its logical extreme, postulating the "individualization of the world"

and the rise of “postinternational politics.” See Rosenau, Turbulence in World Politics: A Theory of Change and Continuity (Princeton: Princeton University Press, 1990).

28. See Soysal, Limits of Citizenship and Jacobson, Rights Across Borders.

29. Soysal, Limits of Citizenship, p. 157.

30. Rainer Bauböck, Transnational Citizenship: Membership Rights in International Migration (London: Edward Elgar, 1994).

31. A version of the industrial reserve army argument can be found in Stephen Castles and Godula Kosack, Immigrant Workers and Class Structure in Western Europe (Oxford: Oxford University Press, 1985) and Michael J. Piore, Birds of Passage: Migrant Labor in Industrial Societies (Cambridge: Cambridge University Press, 1979). For a critique of this argument, see Hollifield, Immigrants, Markets, and States, pp. 19 ff.

32. See Wayne A. Cornelius, “The Structural Embeddedness of Demand for Immigrant Labor in California and Japan,” paper prepared for a meeting of the University of California Comparative Immigration and Integration Program, San Diego, February, 1998.

³³ Thomas L. Friedman, The World is Flat: A Brief History of the 21st Century (New York : Farrar, Straus and Giroux, 2006).

34. On this point, see Rogers Brubaker, Citizenship and Nationhood in France and Germany (Cambridge, Mass.: Harvard University Press, 1992), pp. 165 ff.

35. A representative example of neoliberal theorizing can be found in Helen V. Milner, Interests, Institutions, and Information: Domestic Politics and International Relations (Princeton: Princeton University Press, 1997), pp. 33-66.

36. Robert O. Keohane and Joseph S. Nye, Power and Interdependence: World Politics in Transition (Boston: Little Brown, 1977).

37. See note 2 above, Kindleberger, The World in Depression and Gilpin, The Political Economy of International Relations.

38. Robert O. Keohane, After Hegemony: Cooperation and Discord in the World Economy (Princeton: Princeton University Press, 1984). Cf. also, John Gerard Ruggie, Multilateralism Matters: The Theory and Practice of An Institutional Form (New York: Columbia University Press, 1993), especially the paper by Judith Goldstein, “Creating the GATT Rules: Politics, Institutions, and American Policy,” pp. 201-225.

39. See Robert O. Keohane and Helen V. Milner, Internationalization of Domestic Politics (New York: Cambridge University Press, 1996).

40. For an early attempt to use the IPE framework for understanding migration, see James F. Hollifield, “Migration and International Relations: Cooperation and Control in the European Community,” International Migration Review 26, 2 (Summer, 1992), pp. 568-595. For a more recent and purely IPE study of migration, see Alan E. Kessler, “Trade Theory, Political Incentives, and the Political Economy of American Immigration Restriction, 1975-1924,” Paper delivered at the Annual Meeting of the American Political Science Association, Washington, DC, August, 1997.

⁴¹ Among those promoting the linkage of trade and migration and advocating for the creation of a world migration organization, similar to WTO, are Jagdish Bhagwati, In Defense of Globalization (New York: Oxford University Press, 2004) and Bimal Ghosh, Managing Migration: Time for a new international regime? (Oxford: Oxford University Press, 2000).

42. Helen v. Milner, Resisting Protectionism: Global Industries and the Politics of International Trade (Princeton: Princeton University Press, 1988), pp. 18-44.

43. This argument, similar to Milner's, is made by Michael Lutz, Risking Free Trade: The Politics of Trade in Britain, Canada, Mexico, and the United States (Pittsburgh: University of Pittsburgh Press, 1996).

44. For more evidence on the relation between free trade and pro-immigration coalitions in the U.S., see James F. Hollifield and Gary Zuk, "Immigrants, Markets, and Rights," in Herman Kurthen and Jürgen Fijalkowski, Immigration and the Welfare State: Germany and the United States in Comparison (JAI Press, forthcoming). Cf. also, Kessler, "Trade Theory, Political Incentives, and the Political Economy of American Immigration Restriction," op. cit.

45. See James F. Hollifield, "Immigration and Integration in Western Europe: a comparative analysis," in Emek Uçarer and Donald Puchala, eds., Immigration Into Western Societies: Problems and Policies (London: Pinter, 1997), pp. 28-69. Also James F. Hollifield, Immigration et L'Etat Nation: a la recherche d'un modèle national (Paris: L'Harmattan, 1997).

46. Ibid and Brubaker, Citizenship and Nationhood.

47. Here the early, path-breaking works of Mark J. Miller, Foreign Workers in Western Europe: An Emerging Political Force (New York: Praeger, 1981) and Barbara E. Schmitter, "Immigration and Citizenship in West Germany and Switzerland," unpublished Ph.D. Dissertation, University of Chicago, 1979 are very instructive.

48. See the argument by Freeman, "Models of Immigration Politics," and Joppke, "Why Liberal States Accept Unwanted Migration," op. cit.

49. See the various country studies in Cornelius, et al., Controlling Immigration.

50. In The Netherlands and Sweden, for example, resident aliens have voting rights in local elections. Cf. Hollifield, Immigrants, Markets, and States, Soysal, Limits of Citizenship, and Jacobson, Rights Across Borders.

51. Aristide Zolberg was one of the first to point to the "strange bedfellows" phenomenon. See Aristide Zolberg, "Reforming the back door: perspectives historiques sur la réforme de la politique américaine d'immigration," in Jacqueline Costa-Lascoux and Patrick Weil, eds., Logiques d'Etat et immigration (Paris: Editions Kimé, 1992). Also, Daniel J. Tichenor, "The Politics of Immigration Reform in the United States, 1981-1990," Polity 26, 3 (Spring 1994): 333-62.

52. On this point, see the introduction in Cornelius, et al., Controlling Immigration, pp. 9-11. Also James F. Hollifield, "Ideas, Institutions, and Civil Society: On the Limits of Immigration Control," in Tomas Hammar and Grete Brochmann, eds., Mechanisms of Immigration Control: A Comparative Analysis of European Regulation Policies (Oxford: Berg, 1999), pp. 59-96.

53. J.G. Ruggie, "Multilateralism: The Anatomy of an Institution," in Ruggie, ed., Multilateralism Matters, pp. 3-47.

54. Multilateralism is obviously closely related to the notion of an international regime, as defined by Stephen Krasner, ed., "International Regimes," International Organization, 36 (Spring 1982), pp. 185-205.

55. See Hollifield and Zuk, "Immigrants, Markets, and Rights," op. cit.

56. Hollifield, Immigrants, Markets, and States, pp. 222 ff. Also, Weiner, The Global Migration Crisis, pp. 112 ff.

57. See Bimal Ghosh, Huddled Masses and Uncertain Shores: Insights into Irregular Migration (The Hague: Kluwer, 1998), paper 5.

58. International Organization for Migration, "International Responses to Trafficking in Migrants and the Safeguarding of Migrant Rights," (Geneva: IOM, 1994). See also the special issue of the International Migration Review on the UN convention on the Rights of Migrant Workers and the Families, 25/737 (1991).

59. See Jagdish Bhagwati, Preferential Trade Agreements.

60. See Ghosh, Huddled Masses, Papers 4-5. Also papers by Ghosh in this volume.

61. In the case of the British Commonwealth, for example, freedom of movement for colonial subjects was greater prior to the granting of independence. From the 1960's until the passage of the British National Act in 1981, there was a gradual restriction of immigration from the so-called New Commonwealth states. The 1981 Act effectively shut out people of colour from British citizenship. See Zig Layton-Henry, "Britain: The Would-Be Zero Immigration Country," in Cornelius, et al., Controlling Immigration, pp. 273-96. Certainly the same could be said of the relationship between France and its former colonies in Africa, except for the fact that the French have never completely shut former colonial subjects out of French citizenship *de jure*, although *de facto* one could argue that it is extremely difficult for North and West Africans to immigrate and naturalize. See James F. Hollifield, "Immigration and Republicanism in France: The Hidden Consensus," also in Cornelius, et al., Controlling Immigration, pp. 143-76.

62. See Goldstein, "Creating the GATT rules," in Ruggie, ed., Multilateralism Matters, pp. 201-32.

63. Virginie Guiraudon, "Third Country Nationals and European Law: Obstacles to Rights," Journal of Ethnic Studies, 24/4 (1998): 657-74.

64. See Keohane and Nye, Power and Interdependence and Milner, Resisting Protectionism.

65. See Lisa Martin, "The Rational State Choice of Multilateralism," in Ruggie, ed., Multilateralism Matters, pp. 91-121.

66. Ibid., p. 104.

67. Ibid., 104-06.

68. See James F. Hollifield and Calvin C. Jillson, eds., Pathways to Democracy: The Political Economy of Democratic Transitions (New York: Routledge, 1999).

69. This was the leader in The Economist, for example.

70. Huntington, op. cit.

⁷¹ At this writing (in November, 2003), the United States and Mexico were edging up to a new migration agreement, which looked to contain a new guest worker program and some type of legalization (amnesty) for the millions of undocumented Mexicans living in the U.S. Negotiations were derailed by the 9/11 attack, which brought military (homeland) security considerations surging to the fore. But in 2003, the rights of Mexican foreign workers are again on the table for negotiation.

72. Taken from Karl Polanyi, The Great Transformation: The Political and Economic Origins of Our Time (Boston: Beacon Press, 1957), p. 140.