

# CREATING A BLUEPRINT FOR EU IMMIGRATION POLICY: FOUR LESSONS FROM SPAIN'S EXPERIENCE WITH AFRICAN IMMIGRATION

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*Mass immigration from Africa poses a challenge to four key aspects of European identity: observance of human rights, internal peace, economic growth and superpower status. This paper will demonstrate that these European ideals are far from contradictory to a legal recognition of African immigrants—in fact, an increasing legal acknowledgement of the European Union's immigrant population will be an indispensable step toward the European Union's stated ideals. Taking Spain as its point of departure, this paper will suggest that the capacity of a nation-state to offer legal tolerance to its most marginal immigrants will disproportionately determine the EU's status as a bastion of human rights, a safeguard of internal peace, an engine of economic growth, and a powerful voice in global affairs.*

The European Union envisions itself as a protector of human rights, a region of internal peace, an engine of economic growth, and an emerging superpower. This paper will focus on Spain's immigration policy vis à vis Africa to suggest important ways in which the European Union is *not* fulfilling these essential aspects of its identity. The paper will describe human rights abuses that persist along the mismanaged frontier between southern Spain and North Africa. It will also argue

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that Spain's undocumented immigrant population constitutes a danger to internal security. This paper will examine at length the agricultural sector of southern Spain to demonstrate both the desirability and the viability of allowing more immigrants to enter the workforce. The paper will describe the impending population decline in Spain to suggest a demographic reality which renders the European Union, in the words of Walter Russell Mead, "not so much the grand emergence of a new superpower as it looks like the passengers on the Titanic huddling closer and closer together as the ship sinks."<sup>a</sup> Finally, the paper identifies four recommendations based on recent Spanish policy: dialogue on immigration between Africa and the European Union, with a goal towards rationalizing and humanizing the process of immigration; elimination of Europe's black market for labor through further legal incorporation of immigrants into European society; a "tariff" rather than "quota" immigration system to reconcile full legalization with economic efficiency in the labor force; and a gradual increase over time of properly managed immigration to the European Union.

## SPANISH IMMIGRATION IN CONTEXT

Spain, like many European countries, has traditionally been a source of emigration, launching colonies in the Americas in the 16th century, and sending in the 19th century both seasonal and permanent emigrants into North Africa, Europe, and South America. Unlike Northern European countries, however, Spain remained an exporter of labor until very recently, as Spanish workers continued to pursue

work abroad in substantial numbers until the mid-1980s.<sup>b</sup> By the early 1990s, however, robust economic growth, democratic stability and labor demand in Spain had set the stage for a dramatic reversal. The number of Spaniards living abroad fell 34 percent from 1970 to 1994, while the number of foreigners living in Spain increased in the same period by 253 percent.<sup>c</sup> Between 1996 and 2000, the foreign population in Spain quadrupled to one million.<sup>d</sup> By 2004

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the number of immigrants working in Spain jumped to 2.5 million, with roughly a million in Spain illegally.<sup>e</sup>

Spain's new immigration challenge must also be seen in a Europe-wide context, as the implementation of the 1995 Schengen Accords - facilitating free movement of people across European borders - made Spain a popular "port of entry" for many African immigrants bound for Germany, France, and the Netherlands. In European debates on immigration from Africa, Spain's policies are certain to have a disproportionate impact, as roughly one quarter of all African immigrants to the European Union pass through Spain.<sup>f</sup> Beginning with its first immigration law in 1985 and continuing until recently under the People's Party led by José María Aznar, Spain adopted a restrictive policy, largely in response to the fears of other EU countries concerning the EU's new proximity to Africa.<sup>g</sup> The symbolic as well as economic significance of this shift in European boundaries was captured in 1989 by the provocative statement of one research team that "the old Berlin wall has now been transferred to the South of Europe and serves to re-enforce, as we shall see, the ever-widening chasm between the North and the South of humanity."<sup>h</sup>

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## **HUMAN RIGHTS**

At the level of human tragedy, the deaths of Africans attempting to cross Africa and the Mediterranean to reach Europe are on par with the deaths of the would-be "wall-jumpers" from East Germany during the Cold War. Two salient differences are that far more Africans die every year in attempted crossing,<sup>i</sup> and these deaths are not a function of the containment policies of totalitarian governments but are rather the result of a regime constructed by the apparently reasoned immigration policies of democratic European states.<sup>j</sup> Before examining the flawed notions of national or supranational self-interest responsible for this system, it is worthwhile to begin with the experiences of Africans who suffer and often die in the attempt to scale the walls of "Fortress Europe."

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The aspiring African immigrant to Spain confronts death and violations of human rights at three stages. The voyage through the African continent itself, especially through the Saharan Desert and Northern African countries such as Morocco often ends in death (by thirst, hunger or violence) or in forced return at the hands of North African governments. This is often in contradiction to the international norm of *non-refoulement*, or the right not to be deported back to a country where an individual faces the likelihood of persecution.<sup>k</sup> As one African with

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no papers in the Spanish city of El Ejido recently expressed, “for many they send back, it is better for those people to commit suicide.”<sup>l</sup> Many Africans intercepted en route to Europe are “warehoused” indefinitely in detainment camps in what European policy-makers have dubbed “neutral third countries.” For example, since 1997 Morocco has transferred close to 100,000 clandestine immigrants to neighboring Algeria.<sup>m</sup> Algeria’s government, which has

been gravely censured by Amnesty International<sup>n</sup> and Human Rights Watch<sup>o</sup> for executions and “disappearances” through 2003, can scarcely be regarded as a “neutral” or responsible guardian for the well-being of so many Africans. Europe also cannot blame human rights abuses on Africa’s internal problems because interceptions and deportations from Morocco have been heavily subsidized by the European Union since 1998.<sup>p</sup> Similarly, Algeria received 10.5 million euros from the European Union in 2002 to improve its surveillance and detention centers.<sup>q</sup>

The borders of the European Union itself are another major site of unnecessary deaths. The drowning of Africans who set out to cross the Mediterranean in wooden boats or *pateras* has become a routine horror, commanding headlines only in extreme circumstances, such as the drowning of 70 Moroccans (including several children) only yards away from the Spanish Canary Island of Fuerteventura in 2000.<sup>r</sup> In 2001 the government took up a proposal for an “electronic wall” along the Andalusian coast, consisting of a system of fixed and mobile radar units and infrared cameras with a projected cost of \$107 million.<sup>s</sup> The project was unveiled in 2002 as the Integrated External Vigilance System (SIVE),

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Immigrants from Senegal sell their wares in the center of Madrid. Within fifteen minutes a signal sounds, and the street-merchants run to escape from the police.

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monitoring 70 miles of coastline.<sup>t</sup> Meanwhile, similar fences were built to surround the Spanish enclaves of Ceuta and Melilla, both remnants of Spain's North African colonial possessions. Now the two outposts serve as popular points of arrival for African immigrants to Europe. Journalist George Stolz provides a vivid description of the technologies involved in the fence around Melilla's six-mile border, which include "halogen spotlights, noise and movement sensors...video cameras connected to a central control booth... ninety miles of underground cables... (and) air conditioned guard towers."<sup>u</sup> Similar measures along Spain's southern coast have not reduced the number of Africans willing to attempt the passage, but instead have served to divert immigrant flows to more perilous and less monitored routes.<sup>v</sup> Bodies continue to wash up every year on the shores of Spain and other southern European countries; by July 20, 2005, the Association of Moroccan Immigrant Workers had already tallied 167 deaths of would-be immigrants by drowning this year.<sup>w</sup>

Those who do manage to cross the African continent and the EU's high-tech borders often find themselves trapped indefinitely in a third site of human rights abuse: Europe's detention camps. As the NGO Human Rights Watch documented in the case of Spain in 2002:

Migrants arriving illegally to Spain's Canary Islands face appalling treatment - both prior to and during detention in the old airport facilities of Fuerteventura and Lanzarote. Detainees, including asylum seekers, held at these facilities suffer not only from severe overcrowding, but also complete deprivation of communication with the outside world—no phones, no visits, and no ability to send or receive mail. They do not have proper access to information, lawyers, translators, or physicians, and are deprived of fresh air, sunlight, and exercise ...<sup>x</sup>

Behind such accounts lies a more general and disturbing truth: the right of asylum, as enshrined in both Article 13(2) of the 1948 UN Universal Declaration of Human Rights and the 1951 Convention relating to the Status of Refugees, has been jeopardized. Many right-wing EU political leaders compelled by the business factions of their parties to permit more economic immigration have diverted anti-immigrant rhetoric towards asylum-seekers who allegedly mount "manifestly unfounded claims,"<sup>y</sup> in the words of one British minister, in order to attain strictly economic gains. In fact the opposite is becoming true. Now Europe's most traditionally anti-immigrant parties, such as Germany's

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Christian Democratic Union, draw a strict line on the symbolic front of asylum and pass increasingly stringent laws to lower the number of accepted asylum-seekers, and simultaneously acquiesce to the admission of more immigrant workers. Thus, many true refugees are finding their only chance at escaping danger is suppressing their valid asylum claims and immersing themselves in the sea of economic migrants.<sup>z</sup> The fact that many economic migrants remain in congested camps makes any attempt to distinguish between true refugees and those fleeing poverty very difficult. In many of Spain's largest immigrant detention centers, furthermore, a seemingly deliberate ignorance of language barriers and the failure to provide a means of interpretation from French, English or Arabic renders the right to claim asylum impossible for non-Spanish speakers.<sup>aa</sup>

Meanwhile, the published accounts of human rights abuses may perversely draw even more Africans towards headline-capturing destinations. Those in Europe that attract wide media attention, such as Fuerteventura in Spain's Canary Islands, often find their facilities overwhelmed with new arrivals to the point where the only practical response is immediate deportation. However, most Africans who survive the dangers of crossing Africa and the frontier and end up at European camps are sent back not to their countries of origin, but are instead shipped to major European cities and allowed to enter the black labor market without any documentation. In 2004, for example, Spain's interior minister chartered 227 flights to transport 7,920 undocumented immigrants from the Canary Islands to mainland Spain, a practice that has been in place for five years.<sup>ab</sup> Thus, thousands of individuals have entered Spain without pre-screening for any prior criminal records. The security threat posed by this practice was only heightened by the failure of Aznar's government to grant these immigrants a form of legal identity that might have facilitated monitoring and allowed for their entry into the legal labor force.

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Recent diplomatic initiatives between Spain and Morocco have suggested a more promising interpretation of German Interior Minister Otto Schilly's contention that "the problems of Africa should be solved

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with the help of Europe in Africa; they cannot be solved in Europe."<sup>ac</sup> In fact, the billions of euros in remittances, which flow into African countries from immigrant workers in Europe, will in the long run likely constitute the most important development initiative that Europe can provide for Africa. As recent improvements in relations between Morocco and Spain suggest, African nations recognize the importance of this source of capital to their economies. They would likely be prepared to take stronger security measures to secure their own borders and verify the legal histo-

ries of would-be emigrants in exchange for a greater willingness on the part of European countries to accept and regularize workers.<sup>ad</sup> Scholars have already drafted sensible blueprints for a collaboration in which "employers signal in advance how many workers they will need, in order to establish an annual quota, and these posts are taken by people who wish to emigrate and who apply in the consulates of each country of origin."<sup>ae</sup> Willingness to accept workers from a given African nation could be pegged in the future to compliance of that country with security and human rights norms, establishing a competitive process which would only serve Europe's interests and values.

## **SECURITY**

In the wake of the subway attacks on Madrid, and the more recent tragedy in London, many have come to recognize terrorism as a significant threat to the EU's vision of "perpetual peace." What may be less clear to the many critics of Spain's recent initiatives—which include the prerequisite that any applicant for normalization prove the absence of a criminal record in their country of origin—is the degree to which such steps allow the government to monitor and inspect previously invisible sectors of the population. Amid the deluge of recent literature linking immigration to terrorist threats, there is little exploration of how regu-

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larization may serve to ameliorate such dangers. This is an area that merits further investigation, both from the perspective of government efforts at monitoring potentially dangerous individuals and from the perspective of immigrants who may integrate more thoroughly into a society in which they are legally recognized.

In today's security environment, more diligent monitoring and documentation are an indispensable corollary to a liberalized immigration policy. The full citizenship status of the perpetrators of the recent terrorist attacks in London has been widely touted in the media; many articles have included pictures of birth certificates or regularization documents to insinuate that future security threats may come from foreigners granted citizenship.<sup>af</sup> London's *Daily Mail* stated, "Could there be a more chilling snapshot of the madness of a system implemented by successive governments that has left this country at the hands of murderous fanatics?"<sup>ag</sup> A closer look, however, reveals that a regularization regime such as that of present-day Spain would not have allowed for the normalization, much less the citizenship, of many of the men presently charged with the attempted or realized bombings of July, 2005. Individuals charged in the attempted bombings of July 21, such as Muktar Said Ibrahim, obtained citizenship in the United Kingdom despite a lengthy criminal record, evidence of racism and well-known radical Islamic beliefs.<sup>ah</sup> Two of the four perpetrators of the horrific July 14 suicide bombings also had criminal records.<sup>ai</sup> Under a rational security system, individuals with criminal records and profiles involving radical Islam would not be granted the legalized status which made it possible for three of these four terrorists to travel to Karachi, Pakistan and back to London before the attacks. It would be a tragic error in public judgment if the oversights which made these atrocities possible were attributed to the legalization of immigrants in general, rather than the overly lax legalization regime in place. Specifically, Britain only asks for a verbal pledge to abstain from terrorist activity and allows individuals with serious criminal records to contend for citizenship.<sup>aj</sup>

In Spain, immigrants articulate well the two common-sense benefits of the national security policy of regularization: "When you get a paper, the government knows now you are in this country," Koba, an immigrant from Gambia, expressed in a recent interview.<sup>ak</sup> When asked whether his recent regularization had led him to feel more a part of

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Spanish society, K. responded affirmatively, “If the Spanish government gets problems, they are my problems. I support this country now more than any country in the world, apart from my country of origin. Because today my paper lies in Spanish country.”<sup>al</sup>

Given the dangers that the black market poses to human rights and security, the question of why it has been allowed to persist and thrive becomes salient. The root cause for the resilience of the black market in labor is clearly economic. Therefore, any solution to the paradox posed by profitable illegal labor must be economic in nature as well.

## **LABOR**

Most economists believe that illegal immigrants have a positive impact on the economies of host-countries. Thus, there are clear gains to be made by “internalizing” the profits currently reaped by illegal immigrant smugglers through legalizing and regulating the process. However, these two perspectives are to some degree inconsistent, insofar as the economic gains from immigration may depend on the illegal status of the workers in question, whose willingness to work below the minimum wage, to refrain from unionizing, and to accept harsh work conditions may be predicated on a lack of recourse to legal means. Furthermore,

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the general tendency of wages to be downwardly “sticky” or resistant to reduction is reinforced by European labor laws. Thus, it may negate the theoretical impact that an increased labor supply might have on the overall cost-efficiency or productivity of labor, were immigrants to Europe granted the same legal working status as natives.

Several theorists have devised plausible policy mechanisms aimed at resolving the seeming incompatibility between fully legalized immigration and economic efficiency. Chisato Yoshida, for example, has developed a model of “profit-sharing” derived from the Japanese style of corporate management. This model would simultaneously employ more natives at a higher wage and encourage legal immigration. At the same time, it would expand the national and perhaps the global economy.<sup>am</sup>

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Howard Chang has elaborated a sensible system of “tariffs” in the form of increased income taxes for immigrants, calibrated to the skills and education level of the individual immigrant, and responsive to various potential economic burdens to the larger receiving society, such as family members. Chang links such reforms to redistributive taxation measures in order to offset any significant transfers from native workers to employers and to the government.<sup>an</sup>

A simple extrapolation of Chang’s model demonstrates how economic benefits may be maintained while integrating immigrants into the official labor market. What if a portion of the dividends from Chang’s “discriminatory income tax”<sup>ao</sup> for immigrants was given directly to businesses that employ immigrant laborers, now under official minimum wage-standards? Although such a system might entail administrative costs and start-up difficulties, it could help resolve the conflict between profits and legality. ***Businesses would continue to benefit from immigrant labor, now in the form of government subsidies for immigrant employees rather than from lower labor costs, and immigrants would be integrated into the official labor force.*** Businesses would continue to benefit from immigrant labor, now in the form of government subsidies for immigrant employees rather than from lower labor costs, and immigrants would be integrated into the official labor force. For immigrants, the “after tax wages” received would be roughly the same as the low illegal wages which they receive currently.

There are several reasons to assume that the government would be able to extract high taxes from immigrants. For one, many immigrants are currently willing to pay substantial upfront fees to illegal “coyote” smugglers and/or to producers of counterfeit documents, even at the risk of being caught. Immigrants routinely engage in lengthy bureaucratic applications, consult lawyers who specialize in immigration and even occasionally enter into marriages for the sole purpose of obtaining legal status. They would likely be willing to pay significantly more to the government of their host-country, given the guarantee of successful immigration and documentation and the option to make this payment over a prolonged period of time. Immigrants may also be willing to accept lower “after tax wages” than their current, untaxed wages because

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legal status would confer psychological security and enable long-term economic decision-making. The scale of the benefits that these two interconnected changes would create for both individual immigrants and host-societies is immense.

In terms of external impact, the high degree of alcoholism, violence, and physical and mental ill-health, the low degree of cultural-linguistic integration and property maintenance one observes in many immigrant communities may be partially construed as negative externalities of the psychological stress connected with a constantly uncertain and threatened residency status. Moreover, illegality and uncertainty of long-term prospects discourage patterns of economic behavior that would benefit both immigrants and host-countries. As Hernando de Soto argues persuasively in the context of property law, lasting economic growth has occurred primarily in societies where “extralegal arrangements have been replaced by the law.”<sup>ap</sup> The application of de Soto’s argument about property to labor is clear: legally documented jobs, just like legally documented property, allow individuals to become profitably enmeshed in the networks of insurance, credit and investment upon which the larger economy thrives. De Soto’s argument also suggests more fundamental positive externalities for a society that legalizes existing immigrant labor, since “the way law stays alive is by keeping in touch with social contracts pieced together among real people on the ground.”<sup>aq</sup>

This author’s recent interviews with Gambian immigrants in southern Spain have tested this hypothesis and generated overwhelmingly affirmative replies. As one recently regularized Gambian confirmed, “right now I am starting to make plans for what I want to do. But in the time when I didn’t have any paper, I didn’t have any plans, what plans can you make when any day they can send me back to my home?”<sup>ar</sup>

Chang’s “tariff” model furthermore provides a more precise and flexible system of incentives in order to attract immigrants whose skills are in excess demand. Chang argues that the quota systems of existing immigration regimes are already “largely designed to select particularly skilled or wealthy immigrants for permanent residence.”<sup>as</sup> The advantages of a tariff-based system are two-fold: it would not only justify a more economically desirable quantity of immigrants, but also provide a more flexible range of incentives to attract potential immigrants who are sufficiently skilled and/or wealthy to choose between competing

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host countries. Chang suggests that current laws which predetermine quotas rather than making decisions based on the likely economic value of each individual immigrant to the host-country probably admit a sub-optimal quantity of skilled labor. Moreover, a multi-faceted concept of “tariffs” may be tailored to give added incentives to the immigration of skilled labor. The supply of skilled labor, Chang argues, will be very elastic with regard to “tariffs” in the form of tax incentives. In the case of skilled individuals, it may actually be in the national economic interest to offer a “negative tariff” of income taxes well *below* the level of natives.<sup>at</sup>

Chang’s conception of tariffs takes other dimensions of decision-making into consideration as well. For example, he criticizes the current rigidity of quotas for family-based immigration as discouraging the immigration of valuable skilled immigrants with families, and argues that facilitating “family-based immigration may act as an implicit negative tariff” which, despite the added costs of the dependents, “may stimulate enough skilled immigration to be in the economic interest of natives.”<sup>au</sup> Chang’s conception of “negative tariffs” also incorporates citizenship incentives, especially with regard to highly skilled immigrants. He argues, “legal status that includes the option of citizenship in relatively short order would make our offer more attractive to prospective skilled immigrants and increase the likelihood that they will stay once they take up residence here.”<sup>av</sup>

Chang’s model, though drawing data from Mexican-American immigration, is also relevant to a third question related to Spanish policies: to what degree do restrictive immigration policies inflict harm on the Spanish national economy by imposing deadweight costs in terms of labor? Before examining what empirical evidence exists on the effects of immigration policy on labor outcomes, it is useful to clarify and resolve the theoretical dilemma, provoked by Chang and others, of whether it makes sense to extend the normative principle of free trade into the more controversial area of labor migration. Chang takes an important theoretical step in arguing that “precisely the same theory applied to trade in goods also applies to trade in services.”<sup>aw</sup> Economists such as Julian L. Simon have disputed this extension of Ricardian reasoning into matters of immigrant labor, arguing, “consumers do not obtain the same sort of direct gains from the international movement of people as

they do from international exchange of goods...”<sup>ax</sup> Indeed, most classical economists treated migration as an exception to the principles of liberal free trade.<sup>ay</sup>

However, many of the essential dynamics at work in creating gains from liberalized trade in goods would also be operative if the movement of labor were further liberalized. Chang points out that “immigration

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barriers ... cause wage rates for the same class of labor to diverge widely among different countries,” and sensibly evokes the logic of marginal costs and benefits in explaining that, “for any given class of labor, residents of high-wage countries could gain by employing more immigrant labor, and residents of low-wage countries could gain by selling more of their labor to employers in high-wage countries.”<sup>az</sup> An article in *The*

*Economist* vividly captured the relevance of these principles to Spain’s labor market in 2001:

Gabriel Barranco runs a business in Almeria province, in deep-south Spain. He needs workers for the plastic hot-houses where he grows vegetables, year round, for northern Europe. Mustafa, an illegal Moroccan immigrant, lives in a shantytown on the edge of El Ejido, centre of the irrigation-based horticultural boom that has made this once semi-desert one of the richest areas in Spain. He wants work. Yet under a new anti-immigration law, Mr. Barranco would risk a heavy fine were he to hire Mustafa.<sup>ba</sup>

One may profitably apply Ricardian reasoning to the labor market in this situation. Moroccan labor has a comparative advantage in the market for farm labor in Spain. Even though Spanish labor is as productive or more productive than Moroccan labor, the opportunity costs of engaging in menial and low-paying jobs are higher for a native Spaniard, given the linguistic and societal benefits of being a native. Studies that show skill transferability across borders as largely a function of “the similarity of the origin and the destination”<sup>bb</sup> serve to further illuminate the unique situation of African immigrants in Spain. Although linguistic differences place African immigrants at a disadvantage in many sec-

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tors of the economy, farming techniques are in fact similar to those used in North Africa's climate.

Thus, the loss incurred by Barranco by hiring one Spanish worker instead of two Moroccans amounts to a reduction of his workforce by at least one-half – and likely more, given that illegal laborers are typically willing to work longer and more irregular hours with fewer breaks.<sup>bc</sup> This assumes, too, that Barranco will be able to recruit a native. *The Economist* stated, “As Spaniards became richer and better educated they turned their backs on menial jobs in farming, domestic service and construction. Despite unemployment... there are some jobs that few but immigrants will now accept.”<sup>bd</sup> Thus the idea that immigrant labor poses a direct threat to native employment may rest on a faulty assumption that immigrants and non-immigrants are competing for jobs in the same labor markets. Many observers have refuted this assumption in the context of other countries.

Before examining empirical evidence from other countries concerning the impact on labor and subsequently on tax revenue, this paper will make a few theoretical conclusions. The often-noted segmentation of the labor market may be reconceived in neo-classical terms, as a kind of specialization among labor and native populations according to comparative advantage. Thus, the essence of the Ricardian argument for free trade in goods does seem applicable to labor mobility, and may be useful in explaining the economic benefits that accrue to the countries that encourage immigration. Secondly, the imposition of government regulation destroys wealth by creating deadweight loss of migrant labor and loss of native labor in other sectors where it may have a comparative advantage. Although such jobs may not exist for natives in an economy plagued by unemployment, economic theory states that the liberalization of labor would in time create jobs for natives. This would happen both by increasing consumer demand within the economy and by providing entrepreneurs such as Gabriel Barranco with the profit margin necessary to expand and diversify his business operations. Perhaps, in time, he would employ accountants, managers and other types of jobs more in keeping with the employment expectations of the native Spanish workforce. As an expression of the hidden costs of Spanish immigration policy, however, the case of Barranco is telling, and the deadweight

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loss of labor is far from theoretical. Barranco says, “The administration is either ignorant of the real situation, or inefficient. Or both.”<sup>be</sup>

The hidden costs to Spain in restricting labor is also suggested by the work of economists who have examined the impacts of immigrant labor on countries such as Germany and the United States. In the past, these countries confronted influxes of labor similar to the one Spain faces today. These economists are virtually unanimous in concluding that the net effect of immigration on these economies was beneficial. As Brinley Thomas demonstrates in the case of post-World War II Germany, “one of the necessary conditions of [Germany’s] “economic miracle” was the absorption of immigrants on an unprecedented scale.”<sup>bf</sup>

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Recent research debunks many myths about the negative impact of immigrants on the employment prospects and wages of native workers. As Julian Simon summarizes, “in the past decade there has appeared an impressive body of empirical research showing that immigration does not increase unemployment even among competing groups.”<sup>bg</sup> While some studies

discern slight declines in the wages of native workers upon the introduction of immigrant labor,<sup>bh</sup> Simon calls these changes “small relative to ‘common sense’ expectations and relative to other sources of variation.”<sup>bi</sup>

From this perspective, the losses to the economy suggested above appear groundless and inexcusable since the major political justification of protecting native workers, often cited in arguing for these controls, is rendered suspect. The counterintuitive nature of these findings further begs the question of whether the data represents a simple absorption of immigrants into a labor market already sufficiently segmented to buffer native workers from their impact, or if perhaps a more dynamic process is at work. It would be worthwhile to determine the frequency with which native workers are temporarily dislocated by foreign competition, only to later find a better-paying job in a different sector of the economy. Possibly, such an inquiry would support the answer offered by Slobodan Djaji, that eventually “unskilled natives benefit because the

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economy expands, increasing the demand for the services of unskilled labor.”<sup>bj</sup> In either case, the task of calculating the cost of restrictive immigration policies should be expanded to examine the possibility of long-term labor improvements for natives as an indirect result of immigration.

### **SOCIAL SECURITY AND DEMOGRAPHIC BENEFITS**

There is a tentative consensus from researchers working in Germany, the United States and other Western countries that the effect of an increase in immigrant labor on native workers is mainly neutral. However, there is a unanimity that, in the words of James Hollifield, “immigrants contribute more to the budget in taxes – because of their higher employment rates – than they take out in the form of unemployment benefits, health care, education or social security.”<sup>bk</sup> The scale of this transfer is likely large, as Julian Simon forcefully asserts: “...every study that provides dollar estimates shows that... (immigrant) tax payments vastly exceed the cost of the services used by a factor of perhaps five, ten or more... On balance, then, the conclusion is quite the opposite of what is commonly supposed: natives exploit illegal immigrants through the public coffers.”<sup>bl</sup>

Even the National Research Council, a research body funded by the restrictionist U.S. Commission on Immigration Reform, conceded in its 1997 report, “even before Congress enacted new restrictions on immigrant access to public benefits in 1996, immigrants would have a net positive effect on the public treasury... the Council estimates that the average immigrant will produce a net fiscal benefit of \$80,000 overall in net present value in 1996 dollars.”<sup>bm</sup> This conclusion is likely not unique to America; the effects of such a transfer are likely to be even more extreme in a welfare state, given that illegal immigrants are typically young, employed, and less inclined to seek out state aid for fear of deportation.<sup>bn</sup> Another reason that immigrants provide a net economic benefit is that “intensive foreign-born consumption of public goods occurs at the end of the immigrant’s economic life while there exist intensive consumption of public goods at both ends of the life cycle for the native-born population.”<sup>bo</sup>

The applicability of these benefits to Spain was highlighted in a country study published in 2005 in *The Economist*, asserting:

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...immigrants in Spain behave much like immigrants everywhere else. That means they put more into the kitty than they take out. They are net contributors both to the tax and to the welfare system, according to the OECD, and they have already turned round the fortunes of the pension system...<sup>bp</sup>

The article goes on to note that this boon may prove temporary, as “today’s immigrants will themselves one day retire.” However, it is also important to note several factors which will diminish and delay the effects of this eventuality, such as the predominant youthfulness of today’s immigrants to Spain, the persistently higher birth-rate of non-native families,<sup>bq</sup> and the theoretical policy option of continuing in the future to offset the costs of aging populations by admitting new immigrants.

The severity and immediacy of the impending crisis in tax revenues (and labor supply) presented by demographic trends in Spain does not afford the luxury of indefinite long-term conjecture. *The Economist* summarized the dilemma in its 2004 country survey:

...while Spaniards’ life expectancy is growing—that is, the population is getting older—Spanish women have lost their eagerness to have babies. The fertility rate (the average number of children per woman) dropped from 3.0 in 1967 to 1.3 in 2001. It is now one of the lowest in the world. The result is that, even with immigration, Spain is in for a demographic shock, which, though it will strike later than similar shocks in most other rich countries, predicts the OECD, will be more severe.<sup>br</sup>

*The Economist’s* reference to immigration is significant in three ways: It indicates the patent obviousness of turning to immigration as an available and cost-effective solution to the problem of a declining population. Indeed, immigration already accounts for the bulk of

***If immigrants clearly ameliorate but do not entirely solve the problem of demographic decline, it follows that the marginal value of each additional immigrant will remain high.***

Spain’s population growth: from a total of 847,000 new Spaniards between 1996 and 2000, immigration accounted for 800,000.<sup>bs</sup> A more subtle economic point may also be inferred from the assertion that even with immigration, Spain will experience a damaging decline in population. If immigrants clearly ameliorate but do not entirely solve the problem of demographic decline, it fol-

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lows that the marginal value of each additional immigrant will remain high, and that the law of diminishing returns is unlikely to set in, even under a dramatically liberalized immigration policy.

## CONCLUSION

Spain has suffered due to its own restrictive immigration policies. The benefits it has accrued from liberalizing this policy are already clear: between February and May 2005, more than 700,000 formerly illegal immigrants were regularized. May 2005 saw the most dramatic drop in unemployment of any May in Spain's recorded history and a concurrent spike in the number of contributors to Social Security.<sup>bt</sup> This paper has focused on labor economics, as anti-immigrant discourse has traditionally emphasized the "threat" of immigrant labor accepting lower wages and thus "stealing" jobs from natives. As the preceding discussion has made clear, such fears are only founded in the very short-term for a shrinking percentage of the native labor force, while the long-term benefits of immigration to all native workers are immense.

The clear benefits of liberalized immigration to human rights, security, labor economics and demographic sustainability make the scarcity of policy-makers who advocate for reform baffling. At the national level, momentum actually seems to be favoring populist anti-immigrant politicians. Solutions to aging problems presently advanced at the EU level—such as the Lisbon Agenda's advocacy "active aging" or the encouragement of later retirement—seem on par with "compassionate conservatism," an appealing catchphrase which may conceal the absence of real policy, and seems designed to provide, at best, a temporary solution. The issues at stake are critical—for Spain, the European Union, and the global economy. Some economists have calculated that the gains from free movement of labor would more than double worldwide real income. Even conservative estimates put this increase at roughly thirteen percent.<sup>bu</sup> The obstacles to realizing reforms concerning the free move-

*Some economists have calculated that the gains from free movement of labor would more than double worldwide real income. Even conservative estimates put this increase at roughly thirteen percent.*

ment of people are profound in some parts of the world due to racism and xenophobia. Spain, however, has a long tradition of pluralism and cultural co-existence. As the *Economist* notes, “the expression ‘bloody foreigners’ simply does not exist in Spanish.”<sup>bv</sup> Spain – with its proximity to Africa and historical ties to Islam– may be as good a place as any to map out a new model for a more liberal EU-wide immigration policy that will help create sustained economic growth and demographic viability throughout the continent, while advancing human rights and internal security. 

NOTES

- <sup>a</sup> Brookings Institute/Hoover Institute Briefing: "Troubled Partnership: What's Next for the United States and Europe," November 10, 2004
- <sup>b</sup> Isabel Bodega et al, "Recent Migrations from Morocco to Spain," *The International Migration Review*, 800.
- <sup>c</sup> John Casey, "Las Políticas de Inmigración: La Regulación de Admisión y la Acción Integradora." *Políticas Públicas en España: contenidos, redes de actores, y niveles de gobierno*. Madrid: Ariel, 1998, 319.
- <sup>d</sup> Michael Levitin, "Labor Pains," *The New Leader*, "Sep/Oct. 2001, 9.
- <sup>e</sup> Ibid.
- <sup>f</sup> Levitin, 9.
- <sup>g</sup> "Spain pressured to strengthen border with North Africa." World Socialist Web Site. October 22, 2004. <<http://www.wsws.org/articles/2004/oct2004/spai-o22.shtml>> See also Colectivo IOE. "España, frontera sur de Europa." *España y la CEE: balance social*. No 77 Octubre-Diciembre 1989. Caritas Española, Madrid.
- <sup>h</sup> Colectivo IOE. "España, frontera sur de Europa." *España y la CEE: balance social*. No 77 Octubre-Diciembre 1989. Caritas Española, Madrid.
- <sup>i</sup> Somewhere between 85 and 205 African drowning deaths per year have been recorded in the years from 1997 to 2003. See for example "Costa Del Sol News." November 13-19, 2003. <<http://www.andalucia.com/news/cdsn/2003-11-19.htm>>
- <sup>j</sup> Nigel Harris, *Thinking the Unthinkable: The Immigration Myth Exposed*. London: I.B. Tauris Publishers, 2002, 3.
- <sup>k</sup> Ignacio Cembrero, "Búsqueda y captura del subsahariano," *El País*, January 2, 2005, 6-8.
- <sup>l</sup> Interview with H., *El Ejido* July 9, 2005.
- <sup>m</sup> Cembrero, 8.
- <sup>n</sup> "The Death Penalty: List of Abolitionist and Retentionist Countries." Amnesty International. January 1, 2002. <<http://web.amnesty.org/library/index/EN-GACT500022002>>
- <sup>o</sup> "Time for Reckoning: Enforced Disappearances in Algeria (Summary)." Human Rights Watch. Feb. 2003. <<http://www.hrw.org/reports/2003/algeria0203/algeria0203.htm>>
- <sup>p</sup> Harris, 23-24.
- <sup>q</sup> Roy Pullens, *Migration Management: Export of the IOM Model for EU Security*. Amsterdam: Institute of Network Cultures, 2005.
- <sup>r</sup> Harris, xviii.
- <sup>s</sup> Valls-Russell, Janice, "Illegal Immigration: Spain's New Challenge," *The New Leader*, Sep/Oct 2001, 10.
- <sup>t</sup> Bafalikike, 42.
- <sup>u</sup> George Stolz, "Europe's Back Doors," *The Atlantic Monthly*, Jan. 2000, 27.
- <sup>v</sup> Cembrero, Ignacio. "Búsqueda y captura del subsahariano," *El País*, January 2, 2005, p.6-8.
- <sup>w</sup> ABC. "Marruecos intercepta una patera en su costa y avisa a España de otra en Cádiz." *ABC*. Sevilla: Diario de ABC, June 20 2005, 28.
- <sup>x</sup> "Defending the Human Rights of Migrants and Asylum Seekers in Europe." Human Rights Watch.

March 29, 2004. <<http://www.hrw.org/campaigns/migrants/>>

<sup>y</sup> Harris, 46.

<sup>z</sup> “Drop in Asylum Numbers Show Changes in Demand and Supply.” Migration Information Source. April 1, 2005. <<http://www.migrationinformation.org/Feature/display.cfm?id=303>>

<sup>aa</sup> “The Other Face of the Canary Islands: Rights Violations Against Migrants and Asylum Seekers.” Human Rights Watch. February 2002. <[http://hrw.org/reports/2002/spain/Spain0202-03.htm#P437\\_97770](http://hrw.org/reports/2002/spain/Spain0202-03.htm#P437_97770)>

<sup>ab</sup> Elizabeth Nash, “African Migrants Dumped on Spain’s Streets,” *The Independent*, January 31st 2005.

<sup>ac</sup> Pape and Dickey, “Europe’s Southern Shadow; Immigration from North Africa is the problem of the coming decade,” *Newsweek International*. October 18, 2004. *Newsweek International* 40.

<sup>ad</sup> Rabat, Madrid Resolved to Curb Illegal Immigration. Arabic News. July 10, 2004. <<http://www.arabicnews.com/ansub/Daily/Day/040710/2004071017.html>>

<sup>ae</sup> Pablo Pumares, Juan S. Fernandez Prados, Antonio J. Rojas and Angeles Asensio. “La Gestion de los Flujos Inmigratorios y su influencia en el sistema productivo.” Checa, Franciso, dir. *El Ejido: la ciudad-cortijo: Claves socioeconomicos del conflicto etnico*. . Barcelona: Icaria, 2001, 107. Author’s translation.

<sup>af</sup> “Suicide Bombers’ ‘Ordinary’ Lives.” BBC News, UK Edition. July 18, 2005. <<http://news.bbc.co.uk/1/hi/uk/4678837.stm>>

<sup>ag</sup> “In Britain, Migrants Took a New Path: To Terrorism.” *The New York Times*. July 28, 2005. <[\[times.com/2005/07/28/international/europe/28profile.html?oref=login\]\(http://www.ny-times.com/2005/07/28/international/europe/28profile.html?oref=login\)>](http://www.ny-</a></p>
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<sup>ah</sup> “Suicide Bombers’ ‘Ordinary’ Lives.”

<sup>ai</sup> Ibid.

<sup>aj</sup> “In Britain, Migrants Took a New Path: To Terrorism.” *The New York Times*. July 28, 2005. <http://www.ny-times.com/2005/07/28/international/europe/28profile.html?oref=login>

<sup>ak</sup> Koba, from Gambia. Interview with author. El Ejido. July 9, 2005.

<sup>al</sup> Ibid.

<sup>am</sup> Yoshido, 126.

<sup>an</sup> Chang, 371-414.

<sup>ao</sup> Chang, 380.

<sup>ap</sup> Hernando de Soto, *The Mystery of Capital: Why Capitalism Triumphs in the West and Fails Everywhere Else*. New York: Basic Books, 2000, 16.

<sup>aq</sup> Ibid, 108.

<sup>ar</sup> Koba, from Gambia. Interview with author. El Ejido. July 9, 2005.

<sup>as</sup> Chang, 397.

<sup>at</sup> Ibid., 386.

<sup>au</sup> Chang, 401.

<sup>av</sup> Chang, 397.

<sup>aw</sup> Chang, 372.

<sup>ax</sup> Julian L. Simon, “On the Economic Consequences of Immigration: Lessons for Immigration Policies,” *Economic Aspects of International Migration*. Ed. Herbert Giersch. Berlin, Heidelberg, New York, Tokyo: 1994, 241.

<sup>ay</sup> Thomas Brinley, *Migration and Economic Growth: A Study of Great Britain and the Atlantic Economy*. Cambridge: At the University Press, 1973, 2.

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<sup>az</sup> Chang, 373.

<sup>ba</sup> “Unwelcome to Iberia,” *The Economist*, February 10, 2001.

<sup>bb</sup> Klaus F. Zimmerman, “Some General Lessons for Europe’s Migration Problem.” *Economic Aspects of International Migration*. Ed. Herbert Giersch. Berlin: Springer-Verlag, 1994, 264.

<sup>bc</sup> Zimmerman, 265.

<sup>bd</sup> “Unwelcome to Iberia.”

<sup>be</sup> Ibid.

<sup>bf</sup> Brinley, 349.

<sup>bg</sup> Simon, 230.

<sup>bh</sup> Lalonde and Topel concluded in 1991 that a doubling of a city’s immigration rate would see a 3% decrease in the wages of other immigrant workers; the effect on natives would presumably be even smaller. Cited in William J. Carrington and Pedro P.F. de Lima, “The Impact of 1970s Repatriates from Africa on the Portuguese Labor Market,” *Industrial and Labor Relations Review*, Jan. 1996, pp. 331-332.

<sup>bi</sup> Simon 229.

<sup>bj</sup> Slobodan Djaji in *International Economic Review*, 112.

<sup>bk</sup> Hollifield, 120.

<sup>bl</sup> Djaji in *International Economic Review*, 106.

<sup>bm</sup> Chang, 403. These are Chang’s words, summarizing the Council’s findings.

<sup>bn</sup> Simon, 233

<sup>bo</sup> Devoritz, Don J. “Immigration Policy: Methods of Economic Assessment.” *Global Migration Perspectives, No. 4, October 2004*. Global Commission on International Migration: Geneva, Switzerland, 2004. <<http://www.gcim.org/gmp/Glob>

[al%20Migration%20Perspectives%20No%204.pdf](#)>

<sup>bp</sup> “Survey: Spain,” *The Economist*, 371.8381 (June 26 2004), p.10.

<sup>bq</sup> Valls-Russell, 10.

<sup>br</sup> “Survey: Spain,” *The Economist*, 10.

<sup>bs</sup> Valls-Russell, 9.

<sup>bt</sup> Maite Vázquez Del Río, “La regulación de inmigrantes y el cambio estadístico proclaman un descenso histórico del paro en mayo: El desempleo se redujo en 88.552 personas y las Seguridad Social registró 212.272 ocupados más.” *ABC*, June 3, 2005, p.88.

<sup>bu</sup> Chang, 373.

<sup>bv</sup> Survey: Spain,” *The Economist*, 11.

