

1. Introduction

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During the years since *Nations of Immigrants: Australia, the United States and International Immigration* (edited by Gary P. Freeman and James Jupp) appeared in 1992, Australia and the US have experienced similar economic and immigration needs, but their responses have differed substantially. Australia has fine-tuned its immigration programme in reaction to strong economic growth and resulting labour shortages up to the end of 2008. The US has made no comparable adjustments in its programme, despite a spectacular high-tech boom in the late 1990s and an equally unbridled 'housing bubble' during most of the 2000s. This book picks up where *Nations of Immigrants* left off, by comparing and contrasting Australian and American immigration programmes since the mid-1990s.

Immigration policies in Australia and the US necessarily reflect important historical and institutional similarities and differences between the two countries. Both originated as British settler colonies and societies, with independence in the US dating from the late eighteenth century and in Australia from 1901. Both have long been liberal democracies, albeit with quite different political institutions. The US is a presidential republic with a marked separation of executive, legislative and judicial powers. Australia is technically a constitutional monarchy (the British monarch is head of state) with a Westminster parliamentary system that has, however, important 'American' features, such as a bicameral parliament with more or less co-equal chambers, a written constitution and a High Court with powers of judicial review. Both countries are federal political systems in which states (50 in the US, six in Australia) have important power, but Australia's states are generally less powerful than their US counterparts. Australia has a highly professional and well-staffed federal public service; the US civil service is poorly paid, understaffed and weighed down by a thick layer of political appointees who often have little substantive knowledge of their portfolios.

Geographically, the two countries have land masses nearly equal in size, but the US population is 305 million and Australia's is 21 million. Important for effective immigration policy, Australia is an island continent whose territorial borders can quite readily be protected; the US has northern and southern land borders that extend thousands of kilometres

and are protected only with great difficulty. Both are multicultural societies made up of immigrants who have come from virtually every corner of the world, but racial divisions and tensions are substantially greater in the US, where 13 per cent of the population is African American, than in Australia, where indigenous Aborigines and Torres Strait Islanders comprise only 2 per cent of the population.

After the Labor Party's victory in Australia's November 2007 federal election, the new Minister for Immigration and Citizenship, the Hon. Chris Evans, identified in a public statement the main aspects of the country's immigration policy:

Successful immigration programs need several ingredients. They must be open to anyone regardless of religion, race or nationality, providing they meet fair and objective criteria. They must be seen to deliver real economic, social or humanitarian benefits. They need to be well managed, with a high degree of integrity, transparency and accountability. Those who meet our eligibility criteria should be confident that their application will be processed professionally and efficiently. Those who seek to subvert our programs should face strong and effective border protection and compliance measures. (Evans 2008)

While Australia's major parties, Labor and the Liberal-National coalition, disagree about some details of immigration policy, there is substantial bipartisanship, and Australia's immigration programme is recognized internationally as one of the most successful practised by any country. On nearly every aspect of immigration policy listed by Minister Evans, the US situation is fraught: immigration's economic and social effects are subjects of acrimonious debate; integrity, transparency and accountability in managing immigration are at best weak; immigration applications suffer from long queues and delays; border protection is porous; and compliance measures are quixotic and virtually non-existent in the country's interior until very recently.

Chapters in this book, by leading Australian and American immigration specialists, analyse the two countries' recent immigration intakes and their effects on labour markets, government policies, social cohesion and citizenship. Our opening chapter sets the stage by providing an overview of trends in immigration to Australia and the US during the past 15 years and flagging some of the issues these trends pose.

RECENT IMMIGRATION TRENDS

During the years immediately following the publication of *Nations of Immigrants* Australia suffered a relatively mild economic recession that

resulted in an immigration intake much reduced from its record level of 170 000 in 1987. The intake dropped from 122 000 in 1991 to less than 70 000 in 1994, though by 1996 the intake had climbed back to 92 000. The decline in numbers during the first half of the 1990s reflected both economic circumstances and reduced refugee flows from Asian countries.

Before 1996, when Prime Minister John Howard's Liberal-National Party coalition government took office, two special features of Australia's immigration intake had been relatively high humanitarian and family reunion admissions. But during the Howard government's long life (March 1996 to November 2007) immigration increasingly displayed these features:

- Rising aggregate intakes.
- Skill-based immigration at the relative expense of family reunion and other admissions criteria.
- Changed sources of immigrants, with China and India becoming the most important.
- Stabilization of the humanitarian intake.
- Strong measures to deter unauthorized asylum seekers and refugees.
- Rising numbers of international students that swelled the ranks of temporary long-term residents.
- Reduced public opposition to high immigration intakes, as unemployment fell to record lows during a dramatic commodities boom that began in the mid-1990s.
- Unprecedented numbers of emigrants but also of temporary long-term entrants.

By the time of the Howard government's election defeat in late 2007, the international circumstances surrounding Australia's immigration programme were much changed from the early 1990s. Not only had China and India become the most important sources of skilled immigrants, but international competition to attract such immigrants had increased and return migration, especially to China and India, had also increased. In order to meet continuing labour shortages, the Labor government that took office at the end of 2007, headed by Prime Minister Kevin Rudd, began to consider a Pacific Islander guest worker scheme that had been strenuously resisted during the Howard years, together with changes in the contentious '457' temporary visa programme, which is discussed below.

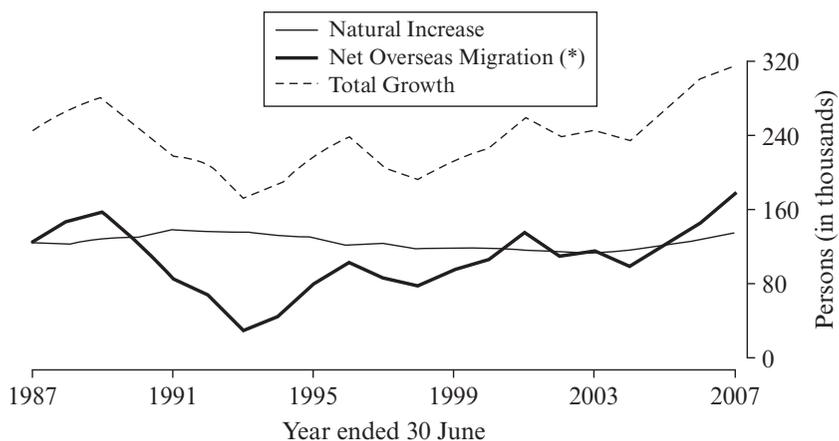
Meanwhile, after the early 1990s immigration to the US displayed these features:

- Large intakes of legal immigrants and flows of unauthorized and undocumented migrants.
- Legal intakes based preponderantly on family reunion instead of skills.
- Humanitarian intakes (asylum seekers and refugees) that declined sharply from 140 000 in the early 1990s to an annual average of about 50 000 (11 per cent of the total legal intake) during the 2000s.
- Post-9/11 and tightened visa procedures, declining numbers of international students between 2004 and 2006 but rebounding to a record high in 2008.
- Sharply increased public opposition to unauthorized and undocumented migration amid worsening economic conditions during the mid-2000s.
- Federal government policy focused, with debatable effectiveness, on border controls against the entry of unauthorized and undocumented migrants.
- A patchwork of dubiously legal enforcement measures constructed by many state and local governments to blunt the costs of servicing unauthorized and undocumented migrants arriving on their doorsteps.
- Increasing emigration by foreign-born residents, albeit at a declining rate, while emigration by native-born US citizens remained negligible.

IMMIGRATION'S SURGE AND COMPOSITION

In 2007 the Australian population grew by 1.6 per cent (331 000 people) to a total of 21.3 million. This was the fastest population growth among the world's richer countries and it was composed of 44.5 per cent (147 434) natural increase and 55.5 per cent (184 438) net immigration. Clearly in the absence of immigration Australia's population would be in net decline. In 2006 the US population passed 300 million and has been growing at about 1 per cent (three million people) annually. As in Australia and all European countries, the birth rate among native-born white Americans is below the replacement level of 2.1 births per woman, and immigration is consequently responsible for a significant part of the US population increase. Between 1980 and 2005 legal immigration accounted for 58 per cent of the 68 million people added to the total US population, and 82 per cent of further population growth to 2050 is projected to consist of new immigrants and their US-born descendants (Passel and Cohn 2008, pp. 2, 12).

In Figure 1.1 the components of Australia's population growth,



Note: * Contains a break in time series from 2006–07.

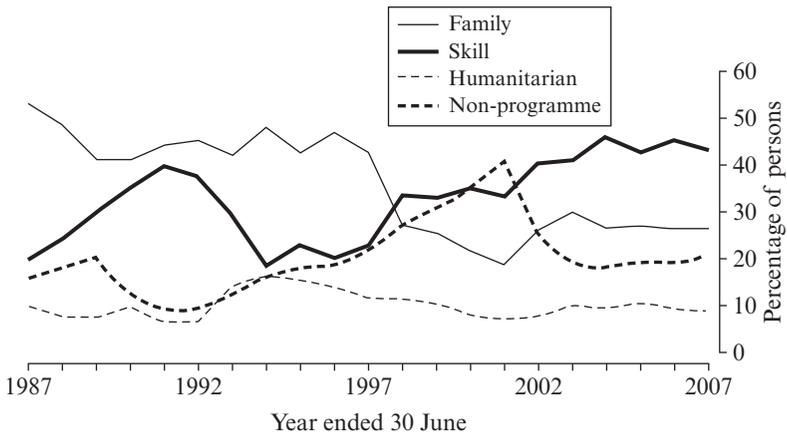
Source: DIAC, *Settler Arrivals* (various issues), www.immi.gov.au.

Figure 1.1 Growth and components of Australia's population change, 1986–2007

1986–2007, are shown, with the dramatic (almost quadruple) rise in net overseas immigration between 1993 and 2007 apparent. Figure 1.2 records the trend in arriving immigrants by eligibility category between 1986 and 2007. It shows a more than doubling of the skill category, a halving of the family reunion share and the humanitarian intake's relative constancy.

Immigration to the US had a quite different composition in this period. The Department of Homeland Security (DHS), in which the principal agencies for administering immigration have been located since March 2003, reports an annual average of one million immigrants (that is, lawful permanent residents (LPRs) with 'green cards') between financial years (FY) 2002 and 2006. But it is estimated that in reality the annual level of immigration and migration in this period averaged about 1.8 million, close to double the DHS figure. The difference arises from the nature of some temporary immigration and, more sweepingly, from the number of unauthorized and undocumented immigrants entering the US. Table 1.1 displays the approximate composition of actual average immigration to the US annually between 2002–06.

Compared with the Australian trends shown in Figure 1.2, what stands out in Table 1.1 is the much larger proportion of family-sponsored ('family reunion') legal immigrants to the US: 63 per cent versus about 28 per cent



Source: DIAC, *Settler Arrivals* (various issues), www.immi.gov.au.

Figure 1.2 Settler arrivals in Australia by eligibility category, 1986–2007

Table 1.1 Approximate annual immigration to the US, 2002–06

Immigration Category	Annual Average Number
All new lawful permanent residents (DHS)	1 021 844
Employer sponsored	163 366
Family sponsored	648 944
Temporary workers and dependants*	320 686
H1B business visa	74 884
H2B business visa	45 227
Dependants of H1B, H2B and O visas	123 983
O1, K, S, T, U visas (special entrants)	51 616
V visa (spouses/children of pending 'green card' holders)	24 976
Unauthorized, undocumented migrants	500 000
Total average entrants per year	1 842 530

Note: * Estimated number of workers who entered each year on temporary visas but were likely to stay permanently.

Source: Migration Policy Institute (2007).

of Australia's intake in the same period; and, correspondingly, the much less emphasis placed by the US on skill-based ('employer-sponsored') permanent immigrants: 16 per cent versus Australia's 44 per cent. Even when the proportion of temporary business visa holders (and dependants)

likely to stay permanently in the US is added to employer-sponsored immigrants, the proportion of entrants who could be thought of as skill based has been less than half of all legal entrants annually in recent years. What also stands out, of course, is the gross number of unauthorized and undocumented migrants, who accounted for nearly a third of annual US arrivals and now total roughly 12 million people residing illegally in the US, 78 per cent of them from Mexico and other Latin American countries (Passel 2006).

During the 2000s permanent arrivals in Australia increased steadily, from 93 910 in FY 2002–03 to 190 000 in FY 2007–08. In the US, by contrast, permanent arrivals hovered around 400 000 annually, with no significant year-on-year change. However, there was a marked jump upwards in the number of persons in the US who adjusted their status from temporary to permanent residents. From about 300 000 persons who made this adjustment in 2003, the number jumped to 700 000 in 2006, with steady increases during each intervening year. It is obvious that acquisition of permanent US resident status is becoming less a matter of applying from abroad for permission to immigrate and more a matter of arriving legally on some temporary visa and then petitioning for an adjustment of status or, indeed, of arriving illegally and hoping that some form of ‘amnesty’ will open the way to permanent status.

Annual immigration admissions to Australia represent targets that the government tries to meet, whereas in the US annual admissions have caps beyond which admissions are not allowed, except in special circumstances. Applications to immigrate to the US are invariably more numerous than the slots allocated for immigration; in Australia slots established by the government tend to be more numerous than applications to fill them. In FY 2006–07 the permanent additions to Australia’s population were located in four eligibility categories: family, skills, humanitarian, and New Zealand citizens and others. Albeit in significantly different proportions, permanent additions to the US population were in the same general categories, though the US has no provision for the unrestricted entry of an adjacent country’s citizens as Australia does for New Zealanders.

Australia’s skill category is its largest and provides flexibility because adjustments can be made according to changing economic and labour market needs. A points system for education and occupational experience of applicants has been augmented by occupational shortage criteria. Skilled and other immigrants and accompanying family members can also gain admission under provisions for specific and regional migration visas that involve immigrants committing to work in specific occupations or living in specific geographic areas. Of key importance is that some 40 per cent of permanent residents in the skill category derive from

onshore applications, concentrated among those arriving initially as international students or temporary business entrants (Class 457 visas). After Australia's shift to a skills-oriented and points-based system in the mid-1990s, its family reunion stream was effectively ended. Nevertheless, as international labour mobility has increased, spousal migration has grown, and since 2004 skill-based immigrants have been allowed to bring parents from abroad, subject to paying a government charge to cover possible welfare and health costs.

A points system modelled on Australia's has recently been adopted by some European Union member states and a similar one was part of a comprehensive immigration reform bill that died in the US Senate in June 2007. Critics of the provision claimed that inefficient US immigration agencies could not manage such a system and that it would take discretion away from employers. For now, the bulk of immigrants to the US arrive on the basis of family sponsorship, and skill-based immigration relies on requests that employers, including universities, lodge for the admission of high-skilled individuals and students. Although US immigration policy responds in this way to changing labour market needs, unlike Australia, it does not do so in a centrally directed and targeted way that derives from a national strategy for attracting skilled immigrants. Moreover, understaffing of relevant administrative agencies, together with close scrutiny of applicants for security risks, make the US method of admitting skilled immigrants exceedingly slow, sometimes requiring as much as five years before a visa for permanent residence is finally issued.

Australia's humanitarian intake has remained relatively constant at about 12000 annually, varying upwards in 2004–06, mainly because of an increase in onshore visa grants in this category. The US humanitarian intake has likewise been relatively constant at about 50000 annually, though it was much greater during the early 1990s (nearly 140000 in 1992, for example) following the Soviet Union's demise, the sudden opening of East European countries to emigration and the plight of refugees from countries such as Somalia.

TEMPORARY RESIDENTS, EMIGRANTS AND RETURN MIGRANTS

Important additions to Australian and US labour markets now come from permission granted to temporary residents, especially international students, to stay and work indefinitely. In Australia it is possible for those on temporary visas to apply onshore for visa extensions or permanent residence. The earlier and strict US prohibition against onshore changes

of resident status has loosened, but persons in many temporary resident categories must still return home before lodging applications for permanent resident status.

It is important to distinguish between the two major categories of legal immigration – permanent and temporary – because the relative importance of the two has changed substantially in both countries during the past 15 years. In Australia ‘long-term movement’ (LTM), that is, temporary immigration, has been the major component of net overseas immigration since 1999. In FY 2006–07 there were 373 000 LTM arrivals and 203 000 LTM departures. The net LTM rise of 170 000 was an increase of 25 per cent from the year before. In the US ‘legal permanent residents’ (LPRs or ‘green card’ recipients) number about 12 million and constitute roughly a third of the foreign-born population if unauthorized and undocumented migrants are included. LPR status typically entitles the holder to apply for US citizenship after five years. In 2005, for example, there were 11.5 million naturalized citizens who had formerly been LPRs. Of the 980 000 persons granted LPR status on average annually in FY 2001–05, 61 per cent were already in the country and had succeeded in shifting from temporary visas to LPR status. Not surprisingly, therefore, the demand for US temporary visas has skyrocketed. The number of such visas and of intra-company transfer visas tripled from 136 000 in FY 1992 to 440 000 in FY 2005. As the Migration Policy Institute observes, ‘Demand for H-1B visas, the primary path for high-skilled workers, is so high that the annual cap has typically been met before the fiscal year even begins’ (Meissner et al. 2006, p. 21).

At 72 000 in FY 2006–07, emigration from Australia was at its highest level ever. Permanent departures by the Australia-born, at 36 882 or 51.2 per cent of the total, were also at the highest level ever. Emigrants from Australia now total more than one million, with the young and skilled being conspicuous among them. In addition, return migration, especially to Hong Kong, New Zealand and Japan, accounts for a growing proportion of those leaving Australia.

The magnitudes of emigration and return migration from the US are more uncertain, in large part because the US government does not collect systematic data on departures. However, emigration appears to be concentrated among the country’s foreign-born population. Between 1995 and 2005 about 2.9 million former immigrants left the US, approximately 4.5 per cent of the total foreign-born in the country. Compared with the 1960s, this constituted a decline in the rate at which former immigrants left the US (Passel and Cohn 2008, p. 43). Compared with Australia, the emigration of US citizens is proportionately much smaller, though the number of US citizens residing and/or working abroad (not counting

military personnel) is estimated at nine million. There is, however, no indication that most of these citizens will not at some point return to the US. Uncertainty about return migration from the US is considerable because it is essentially unknown how many unauthorized and undocumented migrants return seasonally or permanently to the countries, primarily Mexico, from whence they came. Before US border controls were beefed up during the mid-2000s, the magnitude of return migration was thought to be large. But it is speculated that the now more stringent border controls 'wall in' undocumented migrants just as they 'wall out' an unknowable number of migrants who would enter the US illegally if they could more easily or safely do so.

IMMIGRATION POLICY ISSUES

The patterns of Australian and US immigration and other movements of people to and from both countries pose a number of important issues. The following chapters discuss such issues, but let us flag some of them here.

Immigration and Social Cohesion

The rising numbers of permanent and temporary arrivals of people from an increasingly diverse set of countries tests the social cohesion of Australian and American societies. In Australia a survey study titled *Mapping Social Cohesion*, by A. Markus and A. Dharmalingam (2008), has found high levels of positive responses to questions relevant to social cohesion. As regards identifying with Australia and its way of life, the survey found that:

- 96 per cent express a strong sense of belonging to Australia.
- 94 per cent take great pride in the Australian way of life and believe that maintaining Australian culture is important.
- 'Taking all things into consideration', 89 per cent indicate that they are happy with their lives, while 85 per cent expect their lives to be the same or improved in three to four years time.
- 75 per cent express satisfaction with their present financial situation.

These and similarly 'cohesive' attitudes of Australians must of course be qualified because they are affected by variables such as age, gender, urban/rural location and so on. For example, on immigration intakes and government programmes for settling immigrants, the survey found

that lowest levels of public support are among 'people with trade level qualifications; people born in Australia to Australia-born parents [and] people aged over 54 years' (Markus and Dharmalingam 2008, p. vii). Moreover, public attitudes about immigration have fluctuated historically with swings in the economy, particularly levels of unemployment. When the unemployment rate has been high, public support for immigration has been low (McDonald and Withers 2008, p. 3). During 2008 Australia's extended period of strong economic growth and spreading affluence was sharply attenuated by international petroleum price spikes and ramifications of the US-based mortgage and financial credit crunch. It is plausible to believe that immigration intakes and settlement programmes will be substantially greater bones of public contention during the next several years.

Other than in war times, social cohesion in the US has always been fragile. The bloody civil war between north and south showed this in spades. Wide and deep economic inequalities and racial tensions, to mention but two longstanding features of American society, have stood in the way of a social cohesion comparable to Australia's. Thus, recent public opinion research on social trust among Americans finds half agreeing that 'you can't be too careful in dealing with people', only 45 per cent believing that 'most people can be trusted' and two-fifths believing that people 'try to take advantage of you' and are 'just looking out for themselves' (Pew Research Report 2007). Another survey, conducted in 2006, found only 49 per cent of Americans (down from 61 per cent in 2002) expecting the quality of their lives to improve during the next five years, with the detailed analysis of attitudes showing that Americans in 2006 were on average about one-third less optimistic about their lives' trajectories than earlier in the decade. 'Nativist' hostility toward immigration and immigrants, though fluctuating in intensity according to good and bad economic times, international wars and perceived foreign threats to national security, is never far below the surface of American society and it periodically erupts in harsh attacks on immigration policy and on immigrants themselves. In general the country's vastly larger population, its innumerable ethnic and racial enclaves, its weak national state and a host of other circumstances make the US social cohesion fragile.

It is hardly surprising, therefore, that recent survey studies of Americans' attitudes about immigration show greater division than the Scanlon surveys find in Australia. A CBS/*New York Times* poll in July 2008 revealed that 32 per cent thought the existing level of immigration should be decreased and 38 per cent thought it should not be allowed to increase. An opinion poll by CBS News in January 2007 showed that 56 per cent thought the issue of illegal immigration 'very serious' and another 29 per cent thought

it 'somewhat serious'. In June 2008 a survey by the Cable News Network indicated that a small majority (52 per cent) favoured building a fence along 700 miles of the US border with Mexico.

At least two issues are raised. First, can Australia and the US continue their recent, extraordinarily high and diverse immigration intakes without suffering real losses in social cohesion? Second, if the economic downturn experienced during 2008 proves long lasting, will Australian and American publics turn against these intakes and make sustaining them too politically costly?

Skills-based Immigration

Both countries have shifted toward an emphasis on skilled immigrants during recent years, Australia explicitly via its points system and the US implicitly via a large increase in the number of temporary residence visas issued to persons with needed skills. The shift in Australia's immigration programme to an increased proportion of skilled immigrants is generally counted a success. Employers have more easily been able to obtain the workers they need and the immigration points system has been responsive to changing market demand for various skill categories. It should be noted, however, that immigrants entering under the old family reunion category have not performed much worse as regards employability and economic integration than those who have entered via the new skilled category. For that matter, when achievements of second and third generations are taken into account the humanitarian stream's outcomes, judged by educational attainments, exceed those of both the family reunion and skilled components.

The US has no coherent national strategy for recruiting skilled immigrants, and the bulk of those entering legally continue to be sponsored by close relatives already in the country. Though there may be something to the shibboleth that anyone who migrates from their country of birth to another country possesses above average ambition and self-discipline and thus contributes to the receiving country's social capital, the presence or absence of needed work skills among family-sponsored immigrants is more or less random. As for the half-million unauthorized and undocumented migrants who have entered the US in each recent year, they are overwhelmingly unskilled or low-skilled agricultural, construction and menial service workers. But they are not inconsequential for the US economy's health because it is widely and credibly believed that without these migrant workers whole sectors of the economy would dwindle and become more costly to sustain. This is why most large and influential agricultural and industrial corporations strongly supported the Senate's aborted effort in

2007 to regularize the status of unauthorized and undocumented migrants and enable them to obtain permanent resident status eventually.

The issue posed by the search for skilled immigrants is that of balance and how to achieve it. Obviously, large intakes of both skilled and unskilled immigrants are needed in the post-industrial, service-based economies of Australia and the US. It is a fact of life that large proportions of native-born Australians and Americans, growing up in conditions of affluence and leisure, shun menial service work, just as they shun dirty and tiresomely repetitive agricultural and manual industrial jobs. Large numbers of unskilled or low-skilled immigrants are presumably essential to the performance of these jobs. The trick for immigration policy is to provide a sufficient supply of them while at the same time recruiting high-skilled entrants to sustain cutting-edge sectors of the economy.

Guest Workers

During the post-Second World War period guest worker schemes were not part of Australia's immigration programme. Its emphases were on settlement and citizenship and on government and other services necessary to secure the successful integration of immigrants arriving on a permanent basis. But during 2008 the Labor government initiated a very limited trial guest worker scheme for Pacific Islanders, whose labour can be used in seasonal horticulture. The government has tried to ensure that charges of exploitation cannot be levelled. Award wage conditions (which are determined in a centralized and quasi-judicial way in Australia), health and other services, as well as travel payments and the provision of acceptable recruitment and training facilities, are part of the requirements necessary before employers are allowed to engage guest workers. Partners but not families are allowed to accompany workers, who are permitted to work in Australia for periods of five to six months in successive years. In addition, the Labor government reviewed the Visa Class 457 for temporary business entrants, and a law against employer practices that undermine work conditions of 457 visa holders was enacted. The law aims at preventing employers from paying substandard wage rates and imposing work or other conditions below those generally required in Australia.

In the US there has been considerable discussion about reviving some variant of the Bracero Program, in which agricultural workers from Mexico were allowed entry for seasonal work between 1942 and 1964. Seasonal workers are currently admissible under the H2A visa programme and in FY 2007 the DHS issued 50 791 H2A visas for seasonal agricultural labour (DHS 2008). After his election in 2000, President George W. Bush proposed a large-scale guest worker programme in which an unlimited

number of 'willing workers' would be given temporary work permits to join 'willing employers'. A version of this proposal was included in the Senate's aborted 2007 comprehensive immigration reform bill, which would have created an unlimited number of new H2C temporary work visas good for three years and renewable for another three-year term. Of course, the millions of unauthorized and undocumented aliens in the US already constitute a population of guest workers de facto, but without being vetted and with no provisions for return migration other than arrest and deportation.

Guest worker programmes are inherently controversial because of their suspected downward pressures on general wage levels and because they carry a taint of exploitation. They are a politically sensitive second-best option to high legal intakes of unskilled immigrants. The issue posed is whether Australia and the US can institute effective guest worker programmes at bearable political and wage-level costs.

International Students

Australia and the US give large numbers of international students ready access to their universities and these students increasingly enter the two countries' workforces upon completing their studies. Australia has greatly expanded its international student visa programme during recent years and it has focused on students from Asian countries. With seven categories of visas, numbers in the international student visa programme exceeded 250 000 in June 2007, an increase of about 20 per cent over the previous year. Of these, more than 110 000 were in the higher education category. A substantial and growing part of the immigration programme now stems from permanent resident visas issued onshore in the general skilled migration (GSM) categories. (Previously, as in the US, students applying for permanent residence were required to do so offshore.) In the programme year 2006–07 there were 22 858 visa grants to overseas students (including dependants), of which 20 288 were in the GSM's independent overseas student category.

The sourcing of new immigrants from the international student programme has proved to be an effective way of accessing new skills for the Australian economy. It has the advantage that graduating international students not only have English language skill but are already acclimatized to Australia. As McDonald and Withers (2008, p. 15) observe:

Immigration policy has been shifting more towards a 'funneling' process where immigrants enter Australia on a range of temporary long-stay visas but are able to convert to permanent residence after a period. The temporary period

operates as a trial period for both sides: to enable temporary immigrants to assess whether they want to stay permanently and for the Australian authorities to better assess the person's suitability for permanent residence. In the meantime, many labour shortages are met while the immigrant works on a temporary basis in Australia. This assists settlement.

Following the 9/11 attacks on New York and Washington in 2001, the US government tightened student visa procedures and a noticeable decline in the number of students entering the country ensued. For the 2003–04 academic year the number of enrolled international undergraduates dropped by 4.6 per cent. The enrolment of international graduate students dropped by 3.6 per cent in 2004–05. In both categories of students the rate of decline slowed in 2005–06 and then reversed, so that by 2008 the total number of enrolled international students was 6 per cent above its pre-9/11 level. However, there is still no clearly demarcated route that international students can follow to gain permanent resident status in the US. Students who complete their studies and who play vital roles in high priority research teams and projects can apply for such a change in status and other graduate students are eligible for a one-year work visa for purposes of practical training. But the great bulk of international students are required not only to seek visa renewals annually, but return to their country of origin immediately upon finishing their studies.

Relying on international students to meet part of the need for high-skilled workers is problematic. One reason is that competition for these students is increasing between OECD and middle-income developing countries. In Latin America, for example, Venezuela, Argentina and Chile now actively recruit and welcome quality students from neighbouring countries. An increasing number of South Korean students enrol in Chinese instead of American universities. Universities in Western and East Central Europe regularly seek to attract able tertiary-level students from ex-Soviet countries such as Ukraine. As sources of international students, China and India are of special importance for Australia. The same can be said about the US, for which five Asian countries – India, China, South Korea, Japan and Taiwan – accounted for almost half (47.8 per cent) of all international students enrolled in American higher education during 2006–07. Much now depends on changing social and cultural patterns in Asia, such as the role of women, generational changes, the rise of new chain-migration networks and the pattern of immigration cooperation between Asian countries themselves.

Another reason why a reliance on international students is problematic is the growing dependence of Australian and US tertiary education institutions on tuition fees paid by students from abroad. It is noteworthy that

during the ten years to 2007 Australia's public outlays on tertiary education fell by 4 per cent, relative to the OECD average increase of 48 per cent, while in US universities international students now account for 50 per cent of all science researchers, 40 per cent of science engineering PhDs and 65 per cent of PhDs in computer science. It was not surprising, then, that when the economic downturn took hold globally toward the end of 2008, Australian and US universities and other tertiary institutions feared that international student enrolments would taper off and lead to gaping budget deficits. It is also worth bearing in mind that international students who are given permanent residence status are among those most inclined to return to their home countries and cultures after a few years – a reverse brain drain. Overall, the issue is whether large intakes of international students who can be 'funnelled' into high-skilled workforce components, and who buttress the fiscal solvency of Australian and US educational institutions, are in reality a frail reed on which to rely.

Cherry Picking

Australia, followed by Canada and the US, was the world's leading 'net brain drainer' in 2007, that is, it ranked first among nations that, as proportions of their working populations, import more people, many of them skilled, than they export. In 2007 the foreign-born amounted to 23 per cent of Australia's population, compared with 13 per cent of the US population. As Robert Rowthorn has noted, 'The countries that have been most affected by brain drain are the small island economies of the Caribbean and the Pacific where on average more than 40 per cent of skilled workers have left' (2006, p. 19). A recent analysis of worldwide immigration by *The Economist* (5 January 2008, pp. 3–4) states the issue graphically:

Most, perhaps all, poor and middle-income countries face chronic shortages of skilled workers. In South Africa, although universities churn out graduates at a fast clip, many well-qualified people promptly depart for Britain or Australia, leaving tens of thousands of jobs unfilled at home. In Morocco those with science and engineering degrees, computer skills and languages go to France, the Netherlands, and Canada . . . Hospitals and clinics in southern Africa struggle to cope with huge public-health problems as doctors and nurses pack their bags for jobs in the Gulf, Europe and elsewhere. It is a similar story for schools.

After reviewing the costs and benefits to receiving (rich) and sending (poor) countries, Rowthorn concluded that it would be preferable if the countries seeking to attract large numbers of skilled immigrants educated their own people and exported skilled workers to balance their inflows.

Where this is impractical, Rowthorn (2006, p. 23) proposes that receiving countries 'should compensate the countries from which the skilled immigrants come, either permanently or in some other way'. But it seems unlikely that immigrant-receiving rich countries such as Australia and the US will do much in either respect.

There is substantial evidence, nevertheless, that immigrants' remittances to sending countries contribute importantly, often crucially, to the latter's economies. For the foreseeable future this will probably be the only substantial immigration-related economic sustenance that rich countries provide to poor ones. It is clear, however, that magnitudes of remittances vary directly with employment conditions in the rich countries. Thus, as unemployment increased in the US during 2008, remittances to Mexico and countries in Central America and the Caribbean fell, reducing or erasing the principal incomes of an apparently large number of families and villages in those countries. Moreover, intensifying US efforts to 'wall out' unauthorized and undocumented migrants implies that the US economy will decreasingly supply the poorer countries to its south with new flows of remittances. There is, in sum, a significant issue of 'international morality' encompassing Australian and US immigration policies.

Sub-national Immigrant Dispersion

As part of the 12th International Metropolis Conference in Melbourne in October 2007, comparative studies of policies that encourage immigrant settlement in specified sub-national regions were presented (Wulff et al. 2008). In particular, Australia's smaller cities and towns encounter many barriers to successfully attracting and retaining immigrants. Wulff's study assessed a number of Australian policies and programmes that seek to disperse immigrants to sub-national regions and smaller centres by:

- Providing a bonus in the points system for immigrants who have received employment offers from outside major metropolitan centres or are prepared to locate in smaller communities.
- Giving applications by such potential immigrants faster and more flexible approvals so that employers can more quickly obtain the skilled labour they require.
- Tilting skilled migrant and family sponsorship schemes to favour specific locales.
- Instituting state- and municipality-specific schemes to attract immigrants to centres and regions suffering labour shortages.
- Allowing international students to work during their education.

But it is still the case that newly arrived immigrants to Australia settle predominantly in the major cities, and this is unlikely to change.

Neither the US government nor state and local governments make any attempt to disperse immigrants. On the contrary, a plethora of state and local measures have been adopted to deter immigrant settlement. Yet states and localities bid feverishly for business investment and corporate location, and this competition often has the unintended consequence of bringing large numbers of immigrants to states and localities that have been successful in it. Historically, urban labour markets have unquestionably attracted the lion's share of immigrants. Recently, however, the needs of employers for relatively cheap and unskilled labour in states where 'right to work' laws inhibit trade unions have propelled migrants to the south-east – Virginia, the Carolinas, Georgia, Tennessee, Alabama and Arkansas – but also Nevada and Arizona in the west and south-west, all of which experienced growth in their foreign-born populations, exceeding 35 per cent between 2000–06. Only two northern states, Indiana and Delaware, had comparable foreign-born growth rates. Not surprisingly, the large and rapid influx of immigrants to states and localities where there were few new immigrants previously has ignited anti-immigrant backlashes. In the absence of a federal government strategy that induces a more even regional dispersion of immigrants, hot spots of hostility toward them will continue to flare.

Environmental Issues and City Growth

The impact of population growth on the environment and the inexorable expansions of Australian and US cities feature prominently in debates about the two countries' immigration programmes. With climate change a widely acknowledged reality and with the difficulties of living in ill-planned and ever-spreading metropolises experienced daily by majorities of Australians and Americans, the connection between immigration and environment becomes increasingly important. In Australia, however, the connection has not caused federal governments of either party complexion to dampen their enthusiasm for immigration. In New South Wales former Premier Bob Carr's warning cries about Sydney's inability to sustain further population growth made a mark. But for the most part federal and state governments, especially those of high-growth Western Australia and Queensland, actively seek additional immigrant labour. In the US there is certainly worry about how the unending expansion of urban areas damages the environment, but alliances of real estate developers and politicians – 'urban growth machines' – that compete to attract investment, increased populations and the tax revenues that flow from them, clearly hold sway.

The prevailing view in both countries is that it is not so much numbers of people as it is their attitudes to environmental care that will hasten or retard degradation. Thus, it is not seen as incongruous that the Australian federal government has been increasing immigration intakes greatly at the same time as it has been taking actions to manage and reduce the consequences of climate change. In the US, which consumes nearly a quarter of the world's energy supply, the tightening of that supply, highlighted by a doubling of petrol prices in mid-2008, brings a dawning recognition, but as yet few relevant policies, that ever-increasing urban populations and ever more far-flung suburbs and exurbs are unsustainable. Though anti-immigration groups such as Zero Population in Australia and the US Federation of American Immigration Reform were founded by advocates of population control and environmental protection, the major environmental interest groups, such as the Australian Conservation Federation and the Wilderness Society and the Sierra Club in the US, either refuse to take positions on the advisability of continued mass immigration or they support it.

Asylum Seekers and Migrants

The most pointed debate about Australian immigration policy has centred on the emotional issue of undocumented asylum seekers. The *Tampa* incident immediately before the Howard Government's re-election in 2001 resulted in new border protection legislation and a 'Pacific Solution', by which Australia located most processing of undocumented asylum seekers cum 'boat people' beyond its territorial waters, for example on the island of Nauru. Legislation enacted by a Labor government in the early 1990s, providing for the mandatory detention of undocumented asylum seekers, was taken a large step further. The tough stance taken by the Howard government against undocumented asylum seekers was seen by some as an important reason why there was so little public opposition to the government's steady expansion of legal immigrant intakes.

Largely because of successful agreements with neighbouring South-East Asian governments about taking effective actions against people smugglers, rather than as a result of the Howard government's incarceration of unauthorized asylum seekers (regarded as too draconian by many observers, including some Liberal Party parliamentarians), the number of undocumented asylum seekers fell to a trickle during the late Howard years. In July 2008 the new Rudd Labor government announced that it would end the policy of automatically consigning undocumented asylum seekers to harsh detention centres. These changes have left visa over-stayers – persons who remain in Australia unlawfully after the expiry

of their temporary visas – as the only significant body of illegal migrants. Their number was estimated to be 48 500 in June 2007, compared with 51 000 three years before.

The number and proportion of illegal migrants is the most striking difference between Australia and the US. Nearly one-third of the US foreign-born population is estimated to be unauthorized and undocumented, a number and proportion unacceptable for a nation of immigrants that is also a nation of laws. The growth of this population segment, despite unprecedented resources allocated to border control, has led to a sense that the US government lacks the ability and will to secure its borders and control illegal migration. The result is that illegal migration meets low-skilled demands, while temporary work visas meet demands for most high-skilled labour. Both ways of meeting the country's labour needs circumvent established immigration policy. Yet proposed changes to the policy are subject to immediate political fights and deadlocks.

Immigration and Energy

Mass immigration to Australia, the US, other English-speaking countries and virtually all countries in Europe, as well as growing immigration to middle-income countries outside the West, is one of the most important aspects of globalization. But this immigration and the globalization it manifests rest on relatively cheap and readily available energy, first and foremost petroleum. On the assumption that, as many experts forecast, petroleum will never again be as inexpensively available as it has been during recent decades, it is worth speculating whether globalization and the mass immigration associated with it will attenuate. Because of much higher energy costs, especially in air and ground transport, outsourcing of jobs to far-flung countries with cheap labour may shrink. Just-in-time procurement of materials for producing many goods may become riskier and standing inventories of those materials may again become necessary. The automobile and other industries based on cheap energy are likely to contract, and many of the jobs that immigrants now perform will either disappear or be performed by native-born persons who insist on their 'right' to these jobs. The ease with which immigrants return on frequent visits or longer periods of work to their homelands will reduce. The indulgent and indulgent lives of a great many people in the rich countries will become more pinched, and with this pinching their acceptance of mass immigration may dry up. In short, a greater scarcity of energy resources on which much immigration and return migration have depended may portend alterations in the labour markets and immigration policies of Australia and the US well beyond anything contemplated at present.

CONCLUSION

At the time of writing (January 2009), Australia has become prey to economic events beyond its borders, in particular the mortgage credit crunch emanating from the US. Though protected by the minerals boom that Chinese demand for coal, iron, gas and other resources induces, the Australian economy is nonetheless vulnerable. Should unemployment start to rise, there can be little doubt that, in the country's longstanding tradition, enthusiasm for high immigration intakes will dissipate. This does not prevent a conclusion that Australian immigration policy must be counted an outstanding overall success. It has provided for immigration that is controlled, predictable, transparent and supported publicly. It has provided essential skills from diverse countries for a growing economy without detracting from the basic social cohesion of a vibrant society.

A conclusion about US immigration policy must be less positive: 'The US immigration system is overwhelmed, outdated, and no longer serves the nation's needs' (Meissner et al. 2006, pp. xiii and xv). There is a widespread sense, heightened by the election of a new and seemingly more progressive president in November 2008, that major changes in government postures and policies are unavoidable and that some kind of turning point is at hand. Probably the battle over US immigration policy reform will resume, with Australia's generally admirable programme gaining study and perhaps some American emulation.