SPECIAL REPORT

U.S. Immigration Policy in Global Perspective:

International Migration in OECD Countries

WINTER 2007

IMMIGRATION POLICY CENTER

A division of the American Immigration Law Foundation

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by David L. Bartlett, Ph.D.

EXECUTIVE SUMMARY

The United States possesses a number of competitive assets in the global war for talent: most notably, its huge and flexible labor market and an abundance of leading-edge multinational corporations and world-class universities. However, the United States also faces growing competition in the global labor market from other countries within the Organization for Economic Cooperation and Development (OECD), as well as from the expanding economic opportunities available in the home countries of Indian and Chinese professionals who constitute a vital talent pool for U.S. high-tech companies. These trends underscore the need to revamp U.S. immigration policies to make them more responsive to the demands of an increasingly competitive global economy.

Yet the quota-based immigration system of the United States diminishes the country's ability to sustain, let alone expand, inflows of high-skilled immigrants. The optimal remedy for this defect in U.S. immigration policy is to replace the H1-B visa program for highly skilled foreign professionals with a quality-selective regime along the lines of the point-based systems introduced in Australia, Canada, and New Zealand. The United Kingdom is moving in this direction, away from a work-permit regime to a multi-tiered system that would entitle high-skilled immigrants to work for any British employer or to set up their own businesses in the country. However, the political environment in the United States—where homeland security concerns remain acute five years after September 11th and the furor over undocumented immigration clouds the separate issue of skilled immigration—provides little cause for optimism that such a policy reform will soon materialize.

Among the findings of this report:

Migration Patterns in the OECD, 1990-2000

- Luxembourg has the OECD's largest foreign-born population (32.6 percent in 2000), followed by Australia, Switzerland, and Canada.

- Austria, Finland, and Ireland posted triple-digit growth rates in their working-age immigrant populations during the 1990s.

Global Competition for Skilled Immigrants

- In 2000, the United States was home to 12.5 million immigrants with more than a high-school education, representing 50.7 percent of the OECD total.

- The more educated share of working-age immigrants increased significantly in several OECD countries during the 1990s, especially Ireland, the United Kingdom, Luxembourg, and Finland.

Integration of Skilled Immigrants

- Immigrants with a college degree are more likely to obtain skilled jobs in the United States than elsewhere in the OECD.

- The success of educated immigrants in securing U.S. jobs commensurate with their skills varies widely by country of origin, ranging from 76 percent of educated men from India to 25 percent of educated Moroccan men.

Out-Migration from OECD Countries

➢ Mexico is the OECD's biggest source of expatriates living in other OECD countries, followed by the United Kingdom, Germany, and Italy.

➢ The United Kingdom is the OECD's leading source of skilled emigrants living in other OECD countries, followed by Germany, Mexico, and Canada.

"Brain Gain" and "Brain Drain"

➢ Australia, Canada, Luxembourg, the United States, Switzerland, New Zealand, and Sweden experience the OECD's greatest net "brain gain" in the bidding for skilled workers.

➢ In 2000, the United States was a net importer of 9.9 million immigrants with more than a high-school education, equivalent to 5.4 percent of the U.S. working-age population.

Countries of Origin

➢ In 2000, 51.8 percent of the U.S. foreign-born population came from Latin America and the Caribbean, with Mexico accounting for the largest share.

➢ While Mexican immigrants to the United States are predominately less-skilled workers, the skilled immigrant community draws upon a much broader geographic base that includes the E.U., Eastern Europe and the former Soviet Union, East Asia, South Asia, South America, the Middle East, and Africa.

Recent Trends in Immigration to the United States

➢ Between 2000 and 2005, the foreign-born population from India experienced the most dramatic increase (39.8 percent), followed by Peru and Honduras.

➢ Among immigrants arriving from 2000 to 2004, 12.1 percent held advanced degrees (compared to 10.3 percent of those arriving between 1990 and 1999), while 22.2 percent had bachelor's degrees (compared to 17.3 percent of those arriving during the 1990s).

Competitive Challenges to the United States

➢ While China, South Korea, and Japan have increased their funding for research and development (R&D) significantly, especially since 9/11, U.S. R&D funding in the physical sciences and engineering has declined or remained stagnant since the early 1990s.

➢ Other nations, particularly in Asia, account for a rising share of published scientific papers, as well as a growing share of applications for U.S. patents.

➢ The foremost challenge to U.S. primacy in the global labor market comes from India and China, both of which are experiencing high economic growth rates and rapid technological developments that boost domestic job opportunities for university-degreed professionals, thus diminishing the allure of immigration to the United States.

➢ In Fiscal Year (FY) 2003, India alone accounted for 36.5 percent of all H1-B visas and 24.7 percent of employment-based LPR (legal permanent resident) petitions approved in FY 2004. China accounted for 9.2 percent of H1-B visas in FY 2003 and 10.0 percent of employment-based LPRs in FY 2004.

Arbitrary Limits on High-Skilled Immigration to the United States

➢ In 2004, Congress allowed the annual H1-B quota to revert from 195,000 to its 1990 level of 65,000, which represents just 1 percent of the U.S. science and engineering workforce and has been filled before the start of each fiscal year since it took effect.

➢ The time (5 months or more) and administrative/legal fees ($3,000-5,000) required to process initial applications for H1-B visas hinder recruitment of skilled foreign professionals, while extensions of H1-B visas beyond the current six-year limit are costly and time consuming.

INTRODUCTION

The United States possesses a number of competitive assets in the global war for talent: most notably, its huge and flexible labor market and an abundance of leading-edge multinational corporations and world-class universities. However, the United States also faces growing competition in the global labor market from other countries within the Organization for Economic Cooperation and Development (OECD),[1] as well as from the expanding economic opportunities available in the home countries of Indian and Chinese professionals who constitute a vital talent pool for U.S. high-tech companies. These trends underscore the need to revamp U.S. immigration policies to make them more responsive to the demands of an increasingly competitive global economy.

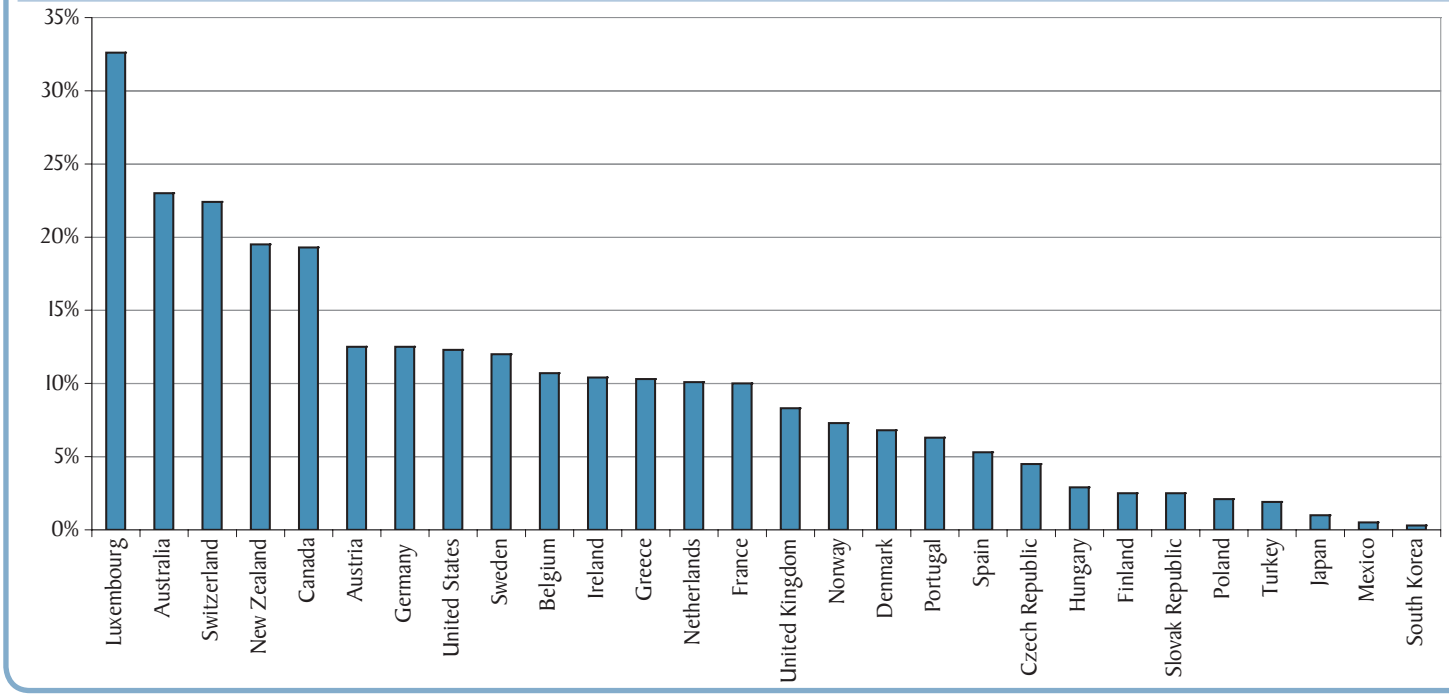
These emerging competitive challenges are highlighted by the latest international migration report from the OECD, which presents the first results of that institution's decades-long campaign to harmonize immigration data across the 30 member states.[2] Parallel efforts by the World Bank have boosted the quality and comparability of country-level statistics on international migration flows, augmenting the empirical base for scholarly research on the global labor market.[3] These new databases shed light on three important issues: 1) how immigration to the United States compares with other advanced industrialized countries, 2) the standing of the United States in the global war for talent, and 3) measures that the United States should take to strengthen its ability to attract skilled foreign workers.

MIGRATION PATTERNS IN THE OECD, 1990-2000

At 12.3 percent of the total population in 2000 (the last year for which internationally comparable statistics are available), the foreign-born community of the United States is not exceptionally large compared to that of other advanced industrialized countries. Luxembourg has the OECD's largest foreign-born population (32.6 percent in 2000), followed by Australia, Switzerland, and Canada. The foreign-born shares of Austria, Germany, Sweden, Belgium, Ireland, Greece, the Netherlands, and France approximate that of the United States. The United Kingdom, Norway, Denmark, Spain, and Portugal have shares in the 5-10 percent range. Finland, which consistently appears at or near the top of other measures of globalization, has a foreign-born population share of just 2.5 percent—testimony to the country's geographic remoteness and difficult native language. The Czech Republic, Hungary, and Poland—recent entrants into the global labor market which joined the OECD in 1995—also register foreign-born population shares in the low single digits. Turkey and Mexico report foreign-born shares of 1.9 and 0.5 percent, respectively,

Figure 1:

FOREIGN-BORN SHARE OF POPULATION RESIDING IN OECD COUNTRIES, 2000



Source: Jean-Christophe Dumont & Georges Lemaître, 2006, Table 1 {Excludes Italy & Iceland}.

reflecting their statuses as low/middle-income economies that attract relatively few workers from abroad. Japan and South Korea, which have the OECD's most insular labor markets, also are characterized by minuscule shares of foreign-born persons (1.0 and 0.3 percent, respectively) {Figure 1}.[4]

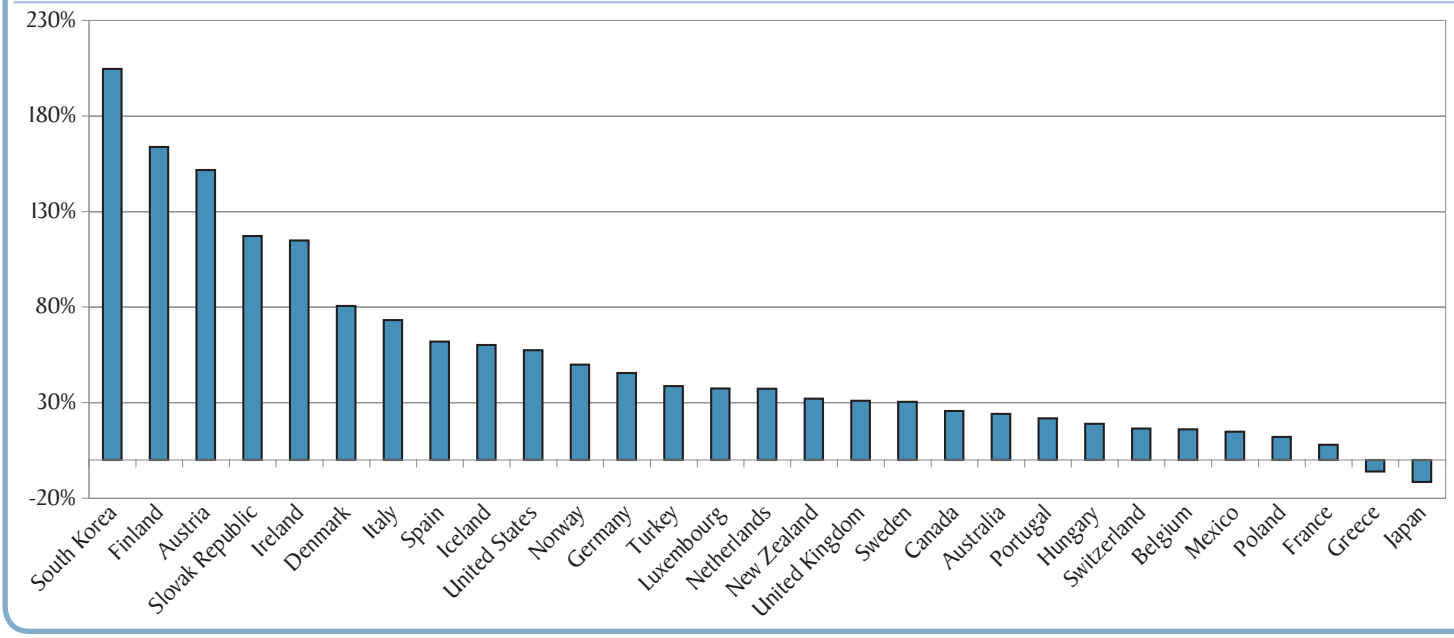
But while the foreign-born share of the U.S. population is not particularly large, the United States plays a dominant role in global migration, particularly among those immigrants most likely to be in the labor force.[5] Between 1990 and 2000, the number of working-age immigrants (those 25 and older) in the OECD grew by 17.2 million, or 41.0 percent. The foreign-born working-age population of the United States increased by 8.9 million, or 57.5 percent, during this period, which represents over half of the aggregate increase in the number of all working-age immigrants in the OECD. However, other OECD countries posted higher growth rates than the United States in their working-age foreign-born populations. South Korea registered the highest growth rate in the OECD (204.7 percent), reflecting that country's unusually low starting level (fewer than 50,000 working-age immigrants compared to 33.3 million working-age natives in 1990). Austria, Finland, and Ireland also posted triple-digit growth rates during the 1990s {Figure 2}.[6]

The foreign-born share of the working-age population in some OECD countries also is higher than in the United States. Compared to the U.S. share of 11.7 percent in 2000, immigrants in Luxembourg comprised 27.4 percent of the working-age population. Switzerland—which, like Luxembourg, is a small, open, wealthy European economy with heavy inflows of foreign-born workers—had a working-age immigrant share of 24.7 percent. Australia, New Zealand, and Canada—wealthy countries with strong immigrant traditions—also had higher foreign-born shares of their working-age populations than the United States {Figure 3}.[7]

However, when measured in terms of total immigration flows within the OECD, the United States far exceeds other countries. By 2000, the United States accounted for 41 percent of all working-age immigrants in the OECD. The U.S. working-age foreign-born population in that year (24.4 million) surpassed the combined total (18.7 million) of the other G-7 countries (Canada, France, Germany, Italy, Japan, and the United Kingdom).[8] Alone among OECD countries, Japan experienced both absolute and relative declines in its working-age foreign-born population—an ominous development for a country facing greater declines in fertility and larger increases in the elderly population than either the United States or the European Union (E.U.).

Figure 2:

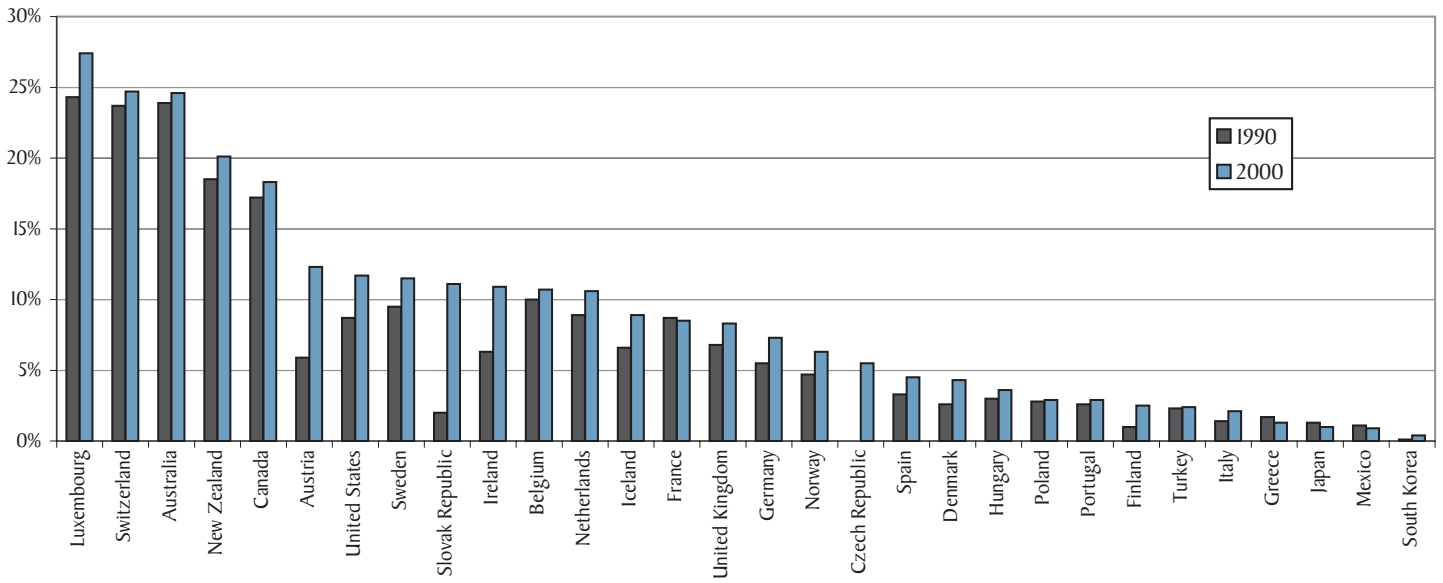
PERCENT CHANGE IN SIZE OF WORKING-AGE FOREIGN-BORN POPULATION RESIDING IN OECD COUNTRIES, 1990 TO 2000



Source: Frédéric Docquier & Abdeslam Marfouk, 2005, Tables 5.5.A & 5.6.A.

Figure 3:

FOREIGN-BORN SHARE OF WORKING-AGE POPULATION RESIDING IN OECD COUNTRIES, 1990 & 2000



Source: Frédéric Docquier & Abdeslam Marfouk, 2005, Tables 5.5.A & 5.6.A.

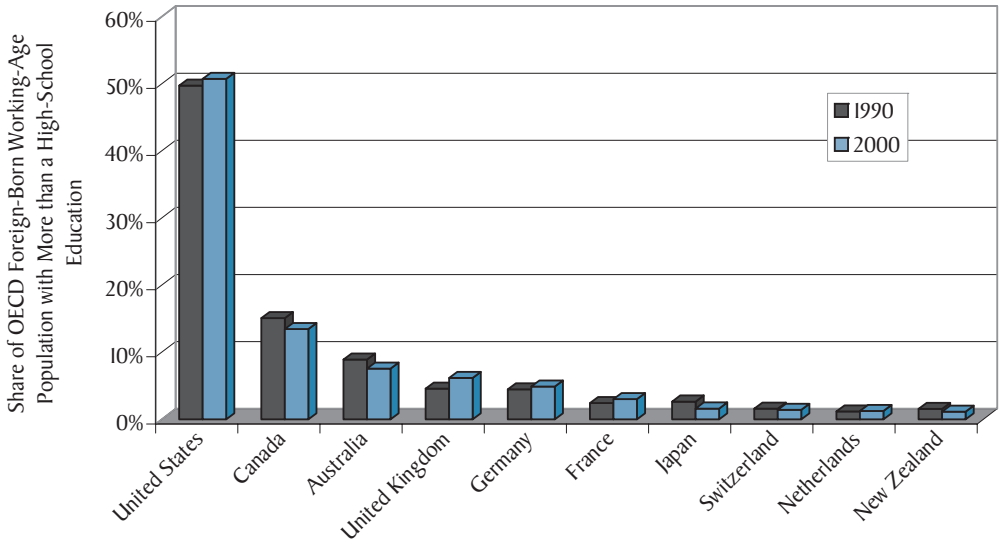
GLOBAL COMPETITION FOR SKILLED IMMIGRANTS

In addition to being the leading destination in the world for immigrants as a whole, the United States wields a competitive advantage in the global bidding for skilled foreign workers in particular. In 1990, the United States was home to 6.2 million immigrants with more than a high-school education, representing 49.8 percent of the OECD total. During the ensuing decade, the number of skilled immigrants in the United States doubled to 12.5 million, or 50.7 percent of the OECD total {Figure 4}.[9]

The dominant position of the United States in the global competition for skilled workers stems from several factors:

Figure 4:

TOP 10 OECD COUNTRIES OF RESIDENCE FOR THE FOREIGN-BORN WORKING-AGE POPULATION WITH MORE THAN A HIGH-SCHOOL EDUCATION, 1990 & 2000



Source: Frédéric Docquier & Abdeslam Marfouk, 2005, Tables 5.5.A & 5.6.A.

(1) the size, diversity, and flexibility of the U.S. labor market, which generates a variety of professional opportunities for immigrants with college degrees; (2) the premier quality of U.S. institutions of higher education, which attract large numbers of foreign students who stay after graduation to work in U.S. companies; (3) the high concentration of foreign-based multinational corporations with a presence in the United States, the U.S. subsidiaries of which bring in scientists, engineers, and managers from the parent company; and (4) the large number of U.S.-based multinationals with a presence abroad, the foreign subsidiaries of which dispatch foreign professionals to the United States on rotational assignments.

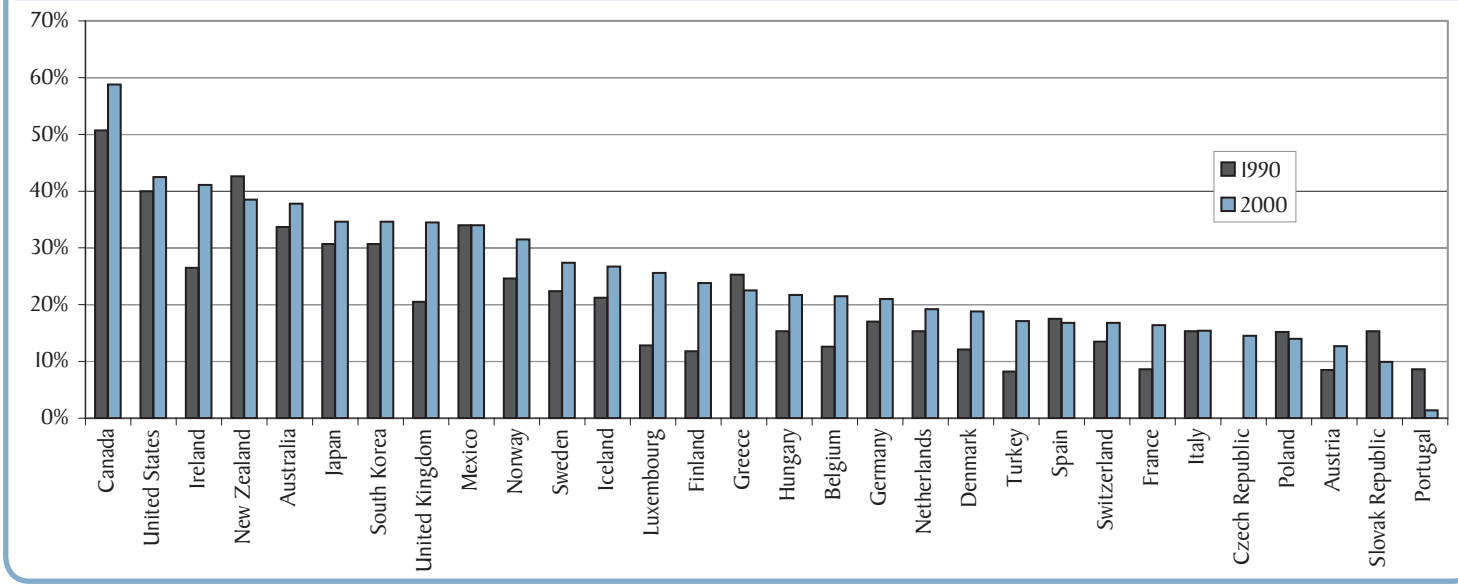
However, large, technologically advanced economies with robust international business communities such as Germany and France also attract significant numbers of foreign-born professionals. Japan, on the other hand, had only 286,000 working-age immigrants with more than a high-school education in 2000—only marginally more than countries with much smaller populations like Switzerland, the Netherlands, and New Zealand. While the United States maintained its commanding lead in both absolute numbers and relative shares of educated immigrants between 1990 and 2000, other industrialized countries exhibited a growing capacity to attract skilled workers and students from abroad.[10]

The share of working-age immigrants in the United States with more than a high-school education increased from 40.0 percent in 1990 to 42.5 percent in 2000, a share surpassed only by Canada (58.8 percent in 2000). During the same period, the more educated share of working-age immigrants increased significantly in several OECD countries, especially Ireland, the United Kingdom, Luxembourg, and Finland. In addition, Hungary's share rose from 15.3 to 21.7 percent, illustrating its growing attraction as a multinational investment locale. Combined with the more modest gains registered by other E.U. countries, this trend reflects both increasing labor migration within the European community and the growing appeal of the E.U. as an alternative destination to the United States for skilled foreign workers. At 34.6 percent of working-age immigrants, the more educated share of the foreign-born population in Japan and South Korea matched the OECD average. But owing to their small foreign-born populations, these countries do not pose a significant competitive challenge to the United States in the global labor market {Figure 5}.[11]

On the other end of the educational spectrum, the share of working-age immigrants with less than a high-school diploma fell in the United States from 25.6 in 1990 to 23.0 percent in 2000, a pattern evidenced in most other OECD countries. Notable exceptions were Portugal, Belgium, the Slovak Republic, and, to a lesser extent, Germany, Den-

Figure 5:

SHARE OF FOREIGN-BORN WORKING-AGE POPULATION WITH MORE THAN A HIGH-SCHOOL EDUCATION RESIDING IN OECD COUNTRIES, 1990 & 2000

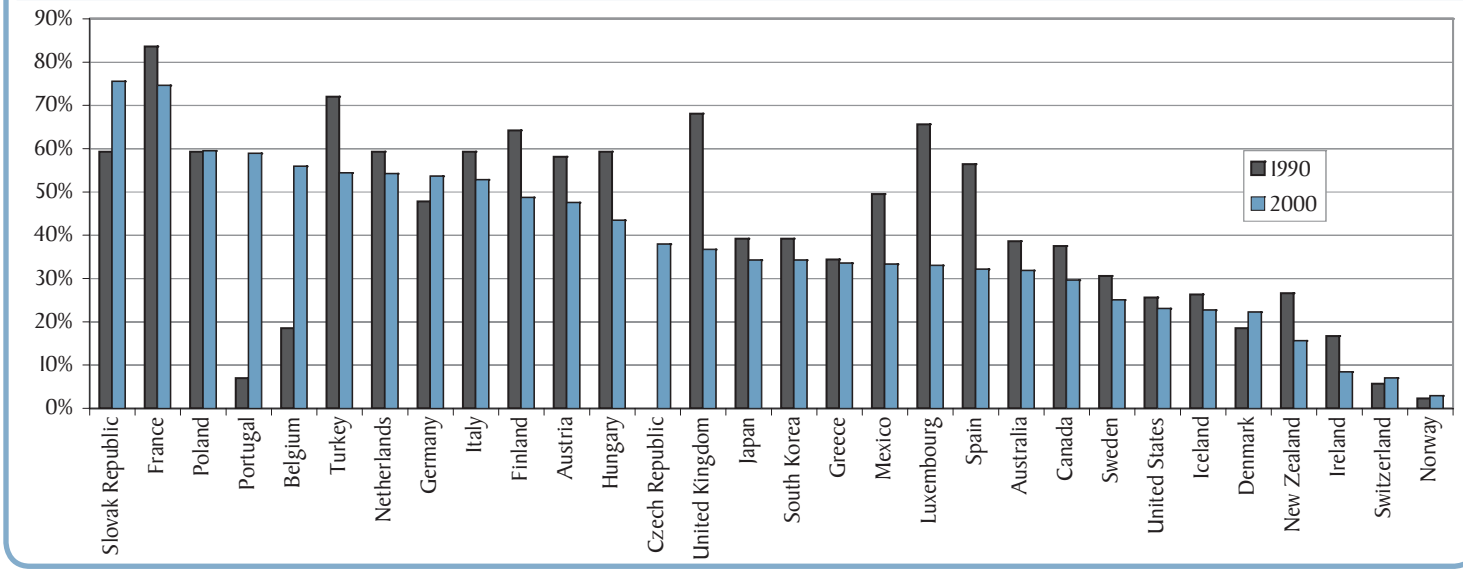


Source: Frédéric Docquier & Abdeslam Marfouk, 2005, Tables 5.5.A & 5.6.A.

mark, and Switzerland—where the less-educated share of the foreign-born population increased. The share of less-educated working-age immigrants in France fell during the 1990s, but—at 74.6 percent in 2000—remained higher than any other OECD country except the Slovak Republic (75.5 percent), illustrating France's continued reliance on less-skilled workers from North Africa and Southeastern Europe {Figure 6}. The share of immigrants with only a high-school diploma increased most dramatically in Luxembourg, Spain, Hungary, the United Kingdom, Italy, and Portugal {Figure 7}.[12]

Figure 6:

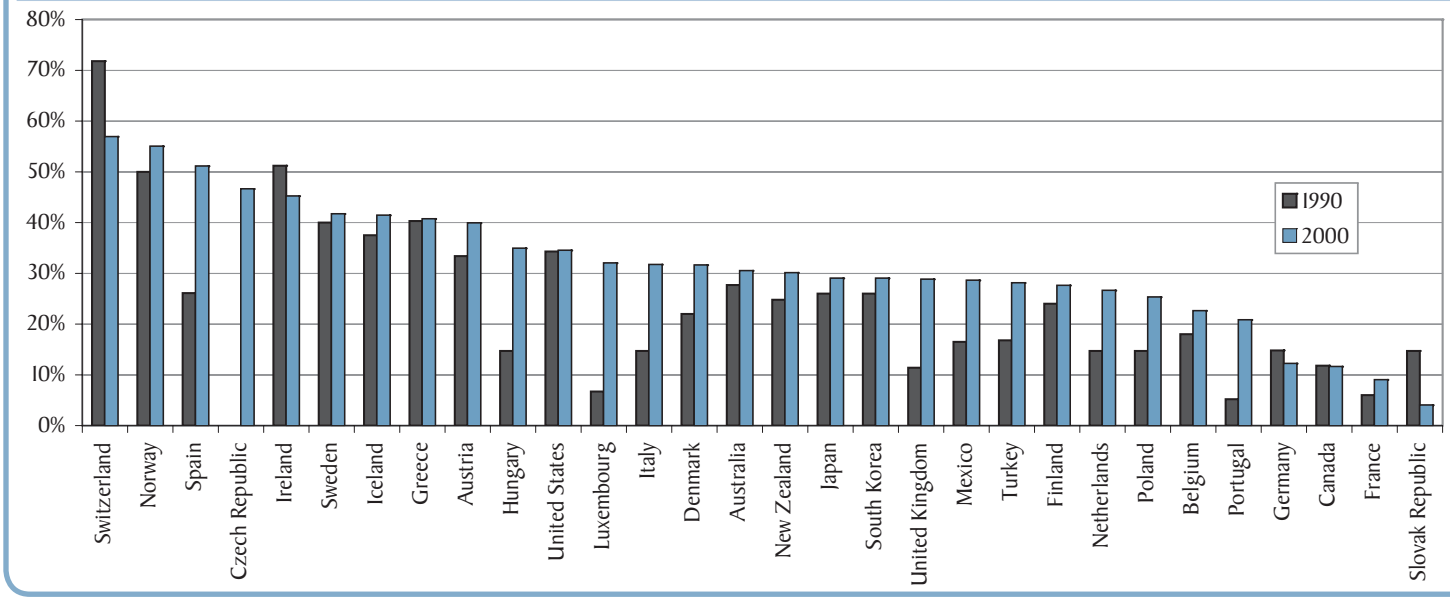
SHARE OF FOREIGN-BORN WORKING-AGE POPULATION WITH LESS THAN A HIGH-SCHOOL DIPLOMA RESIDING IN OECD COUNTRIES, 1990 & 2000



Source: Frédéric Docquier & Abdeslam Marfouk, 2005, Tables 5.5.A & 5.6.A.

Figure 7:

SHARE OF FOREIGN-BORN WORKING-AGE POPULATION WITH A HIGH-SCHOOL DIPLOMA ONLY RESIDING IN OECD COUNTRIES, 1990 & 2000



Source: Frédéric Docquier & Abdeslam Marfouk, 2005, Tables 5.5.A & 5.6.A.

The United States has been more successful than the E.U. in attracting skilled immigrants from every source country except Mexico. Only 14 percent of foreign-born Mexicans in the United States have more than a high-school education, compared to 52 percent of Mexican immigrants in the E.U. But the overall U.S. advantage over the E.U. in attracting skilled workers is especially apparent with immigrants from Taiwan, South Africa, India, Egypt, and Russia. The United States even enjoys an advantage over the E.U. in the competition for skilled workers originating from within the E.U. itself {Figure 8}.[13]

INTEGRATION OF SKILLED IMMIGRANTS

The ability of the United States to attract skilled immigrants stems in large part from the nature of the U.S. labor market, which is not only large, but also affords a higher degree of professional mobility than other OECD countries. As a result, immigrants with a college degree are more likely to obtain skilled jobs in the United States than elsewhere in the OECD. However, the success of educated immigrants in securing U.S. jobs commensurate with their advanced skill sets varies widely, ranging from 76 percent of educated men from India to only 25 percent of educated Moroccan men. South Korean men fare poorly in this measure, with just 33 percent of those with college degrees finding skilled jobs in the United States. Educated immigrants from China, which has emerged as a major source of technological talent for the United States, perform better, with 51 percent of men with a college degree securing skilled employment. Educated immigrants from Hungary are more likely to find skilled jobs than those from either Poland or Russia, frustrating generalizations about the integration of skilled immigrants from these formerly socialist economies {Figure 9}.[14]

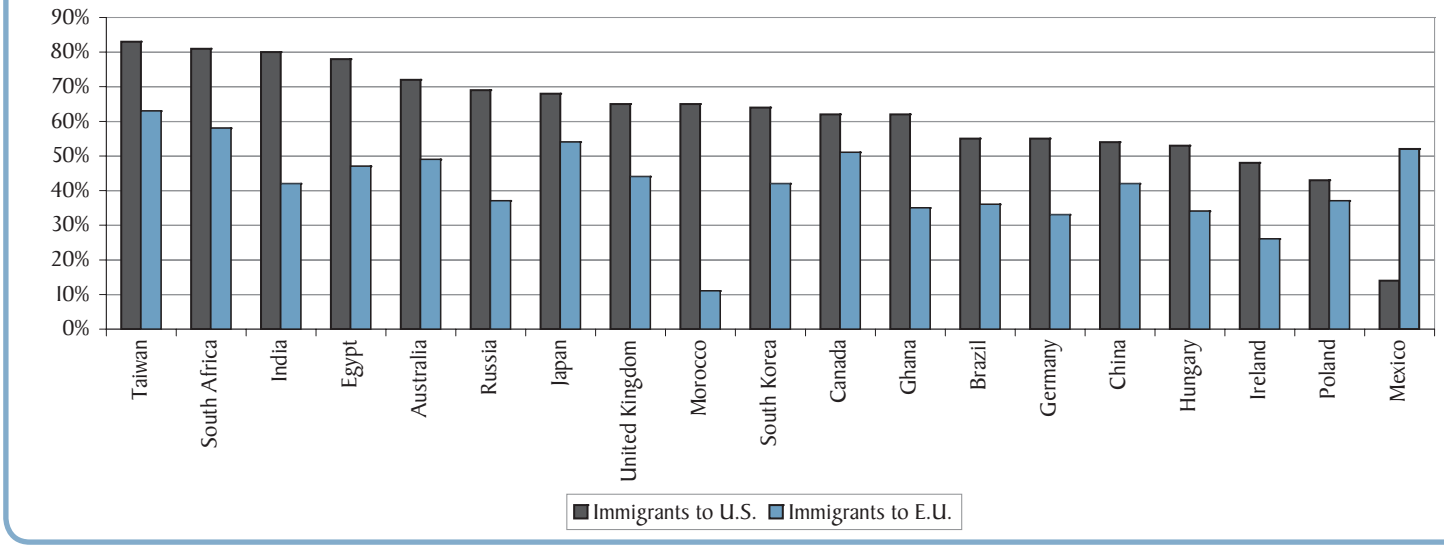
These findings demonstrate that the United States not only attracts a large share of the global supply of skilled labor, but that high percentages of educated immigrants succeed in finding jobs that are properly aligned with their skill sets. World Bank research indicates that these two factors are related: comparatively large numbers of skilled professionals migrate to the United States precisely because of the relative ease of locating high-quality jobs in the U.S. labor market.[15]

OUT-MIGRATION FROM OECD COUNTRIES

The newly released OECD data also illuminate the dominant position of the United States in the global labor market as measured by the out-migration of expatriates.[16] Mexico is by far the biggest source country of expatriates in the OECD, with 8.4 million legal emigrants living in other OECD countries in 2000, nearly equaling the combined total of the next three countries on the list: the United Kingdom, Germany, and Italy {Figure 10}.[17] Inclusion of undocumented

Figure 8:

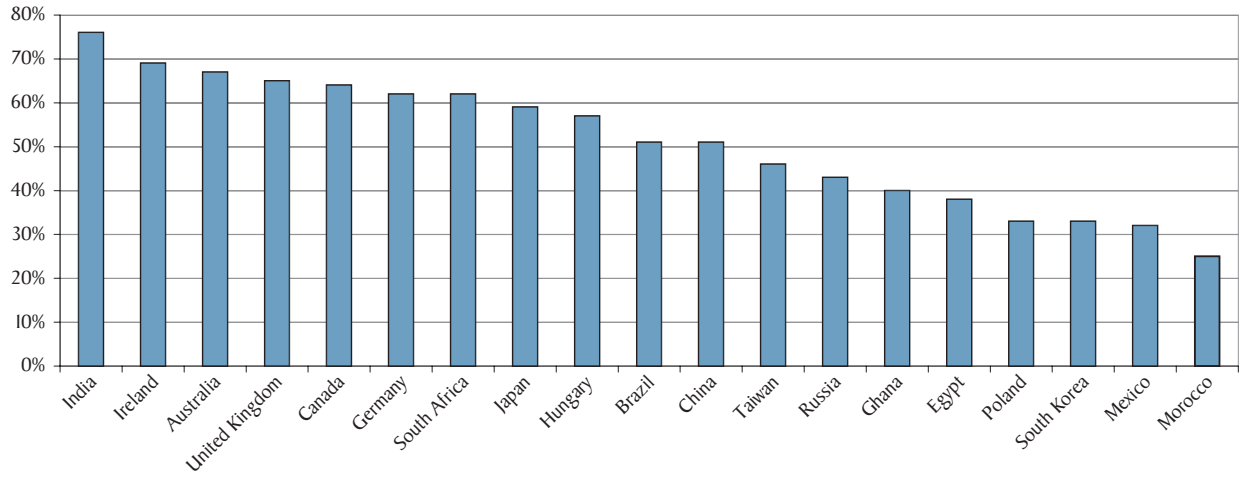
SHARE OF FOREIGN-BORN WORKING-AGE POPULATION WITH MORE THAN A HIGH-SCHOOL DIPLOMA IN THE U.S. & E.U., BY SELECTED COUNTRIES OF ORIGIN, 2000



Source: Çaglar Özden, 2005, Figure 7.3.

Figure 9:

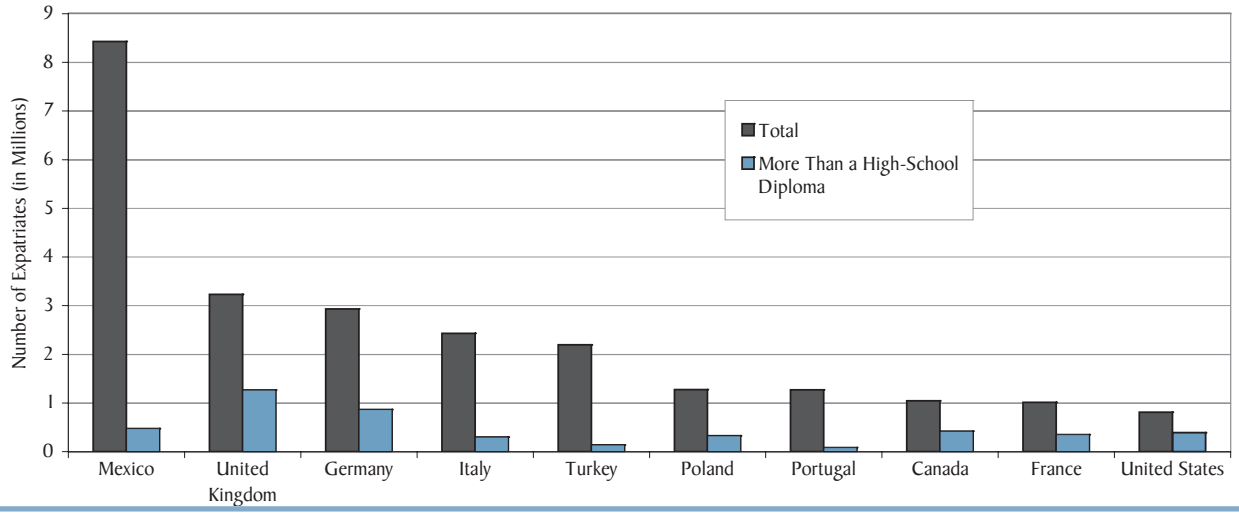
SHARE OF FOREIGN-BORN MALES WITH A BACHELOR'S DEGREE OR MORE EDUCATION FROM THEIR HOME COUNTRIES, WITH SKILLED JOBS IN THE UNITED STATES, BY SELECTED COUNTRIES OF ORIGIN, 2000



Source: Çaglar Özden, 2005, Figure 7.6.

Figure 10:

TOP 10 OECD COUNTRIES OF ORIGIN FOR EXPATRIATES LIVING IN OTHER OECD COUNTRIES, BY EDUCATION, 2000



Source: Jean-Christophe Dumont & Georges Lemaître, 2006, Table 3.

immigrants from Mexico who reside in the United States would more than double the estimated number of Mexican expatriates within the OECD.

The United Kingdom is the OECD's leading source of **skilled** emigrants by a considerable margin, producing 1.3 million expatriates with more than a high-school education living in other OECD countries in 2000. During the same year, the United States produced 390,244 educated expatriates who lived in other OECD countries, roughly a third of the United Kingdom total and lower than the levels of Germany, Mexico, and Canada. Overall, the United States ranks 10th among OECD countries in total expatriates and 5th in terms of educated expatriates.[18] These modest expatriate numbers suggest that the same factors which make the United States a highly attractive destination for skilled immigrants also generate a multitude of job opportunities for native-born professionals who might otherwise seek employment abroad. In this regard the United States enjoys a competitive advantage over the United Kingdom, which also hosts world-class universities and leading multinational companies, but whose university-degreed citizens often pursue jobs overseas.

"BRAIN GAIN" AND "BRAIN DRAIN"

The net "brain drain" or "brain gain" in OECD countries can be measured by subtracting the number of high-skilled expatriates from the number of high-skilled immigrants and then calculating that number as a percentage of the country's working-age population. By this measure, Australia, Canada, Luxembourg, the United States, Switzerland, New Zealand, and Sweden emerge as the biggest winners in the bidding for skilled workers. In 2000, the United States was a net importer of 9.9 million immigrants with more than a high-school education, equivalent to 5.4 percent of the working-age population. Mexico, South Korea, Poland, Italy, and the United Kingdom were the foremost net exporters of skilled workers. Interestingly, Ireland, which registered one of the OECD's sharpest increases in skilled immigration during the 1990s and which has become a vanguard of labor market integration in the E.U., posted the largest net loss (4.0 percent) {Figure 11}.[19]

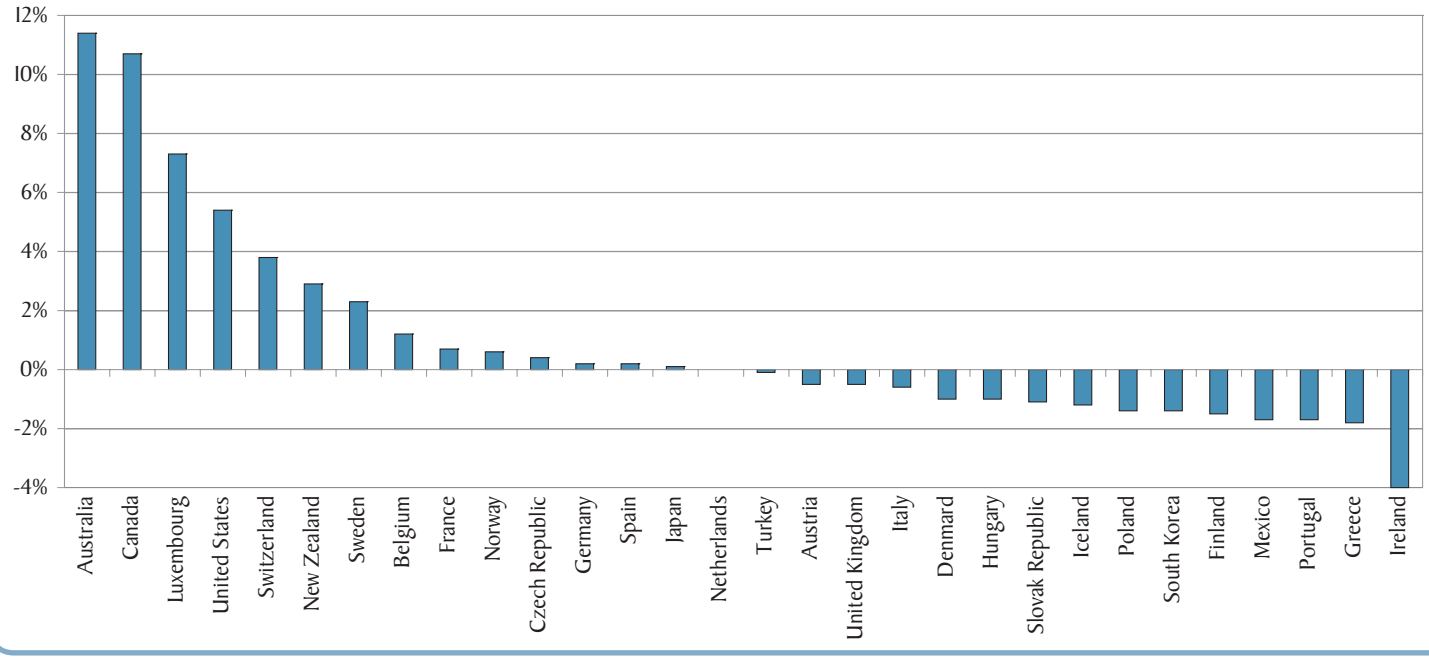
However, the home country effects of out-migration are complex and not unambiguously negative. Out-migration of skilled workers may generate positive spillover in the source economy insofar as (1) remittances of foreign earnings by expatriates boost the disposable income of family members left at home, (2) overseas periods of residence enlarge the professional skill sets and international networks of expatriates, and (3) the foreign experiences of skilled expatriates heighten the market value of higher education and thus promote human capital development in the home economy.[20] Accordingly, one must exercise caution in interpreting the data as clear demonstration of "winners" and "losers" in the global competition for skilled labor. Nevertheless, the migration patterns reported above support the broad proposition that the United States occupies a highly favorable position in the global labor market that permits it simultaneously to attract large numbers of skilled foreign workers and to generate professional opportunities for educated U.S. citizens.

COUNTRIES OF ORIGIN

Geographic proximity is a key driver of labor migration. Japan and South Korea, for example, draw the overwhelming majority of their foreign workers from Asia (74.9 and 86.4 percent respectively). The pull of geography is even more pronounced in the E.U. The overall European share of foreign-born populations in some Central and Eastern European countries exceeds 90 percent, illustrating extensive cross-border labor movements between Austria, Germany, and

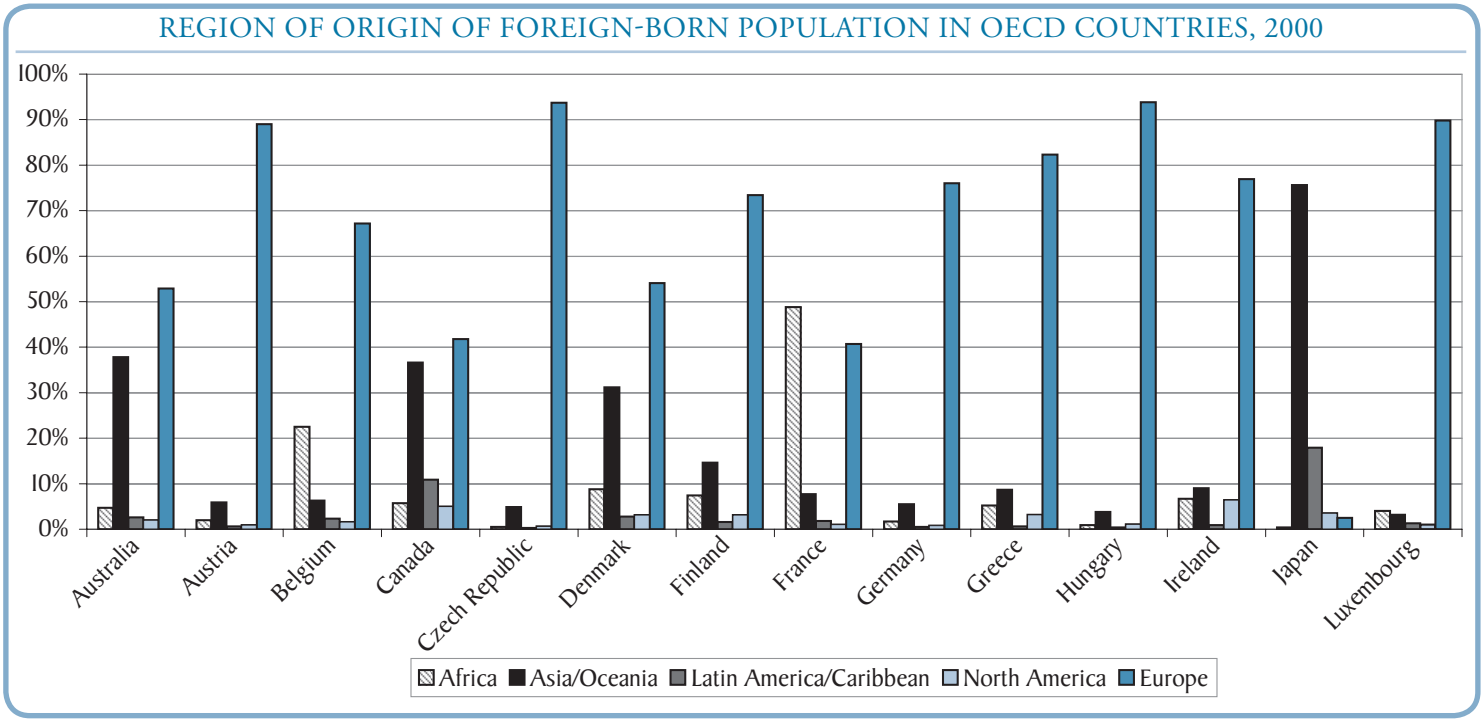
Figure 11:

NET "BRAIN GAIN" OR "BRAIN DRAIN" IN OECD COUNTRIES, 2000



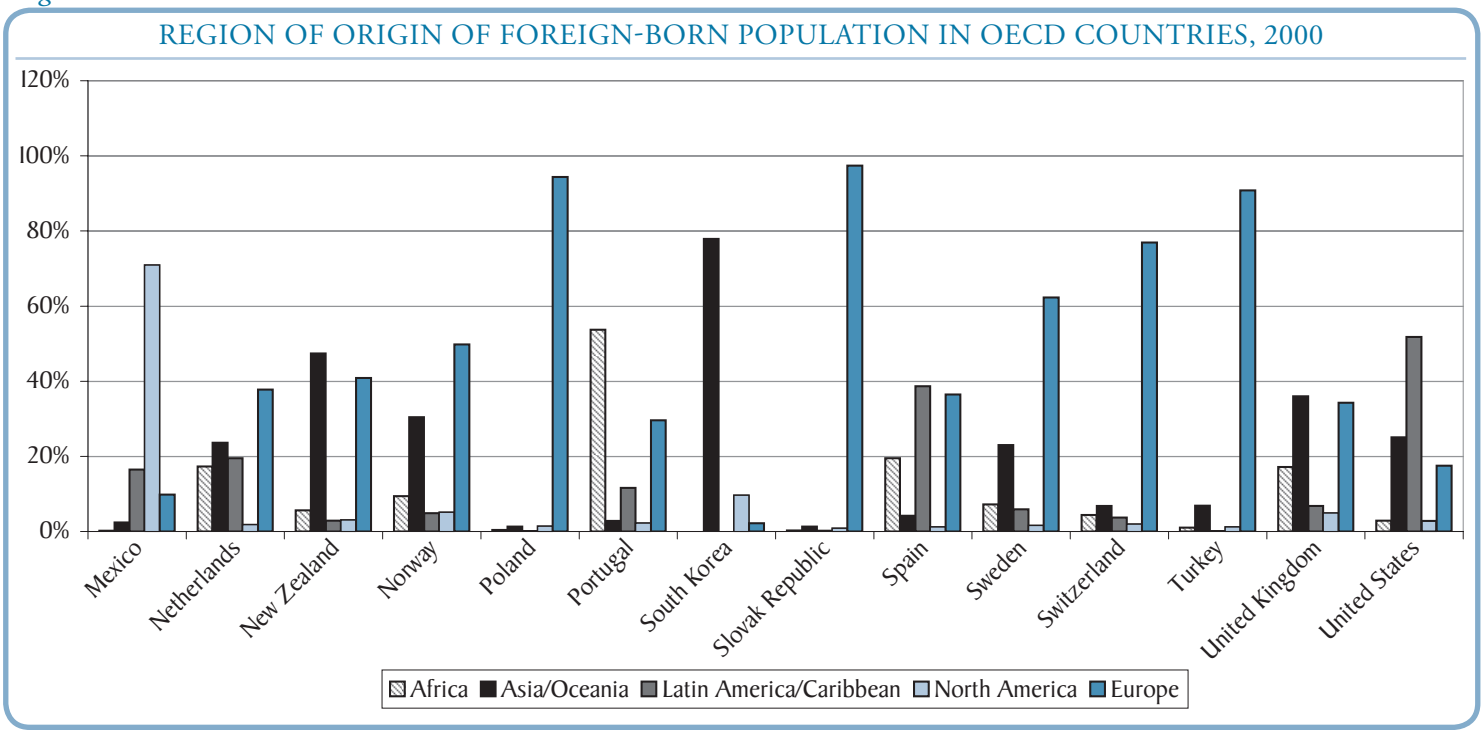
Source: Frédéric Docquier & Abdeslam Marfouk, 2005, Table 5.6.B.

Figure 12a:



Source: Jean-Christophe Dumont & Georges Lemaître, 2006, Table A3 {Excludes Italy & Iceland}.

Figure 12b:



Source: Jean-Christophe Dumont & Georges Lemaître, 2006, Table A3 {Excludes Italy & Iceland}.

the E.U. accession countries (those admitted to the E.U. on May 1, 2004). Austria, Germany, Poland, Greece, and Hungary experience sizeable inflows of workers from Southeastern Europe (notably from Turkey in the case of Germany) and the western part of the former Soviet Union (from Ukraine and Belarus in the case of Poland) {Figures 12a and 12b}.[21]

Similarly, immigration to the United States also is strongly influenced by geography. In 2000, 51.8 percent of the U.S. foreign-born population came from Latin America and the Caribbean, with Mexico accounting for the largest share. Mexican immigrants to the United States are predominately less-skilled workers. However, the skilled immigrant community in the United States draws upon a much broader geographic base that includes the E.U., Eastern Europe and the former Soviet Union, East Asia, South Asia, South America, the Middle East, and Africa.[22]

Beyond geography, E.U. countries that once were imperial powers experience large-scale immigration from their former colonies. The largest share of immigrants entering the United Kingdom, for instance, comes not from the E.U. but from Asia. The biggest share of immigrants to France and Portugal comes from Africa (48.8 and 53.7 percent, respectively), while the largest portion of immigrants to Spain come from Latin America and the Caribbean (38.7 percent).[23]

In recent decades, Australia, New Zealand, and Canada have exhibited the greatest diversity in the origins of their immigrant populations. Augmenting immigrant flows from Asia and Oceania, Australia and New Zealand draw heavily on the E.U. for foreign workers. Similarly, Canada experiences large immigrant flows from Asia and Europe.[24] The ability of these countries to attract foreign workers from geographically distant regions may demonstrate the efficacy of the "quality-selective" immigration policies enacted by their governments.

RECENT TRENDS IN IMMIGRATION TO THE UNITED STATES

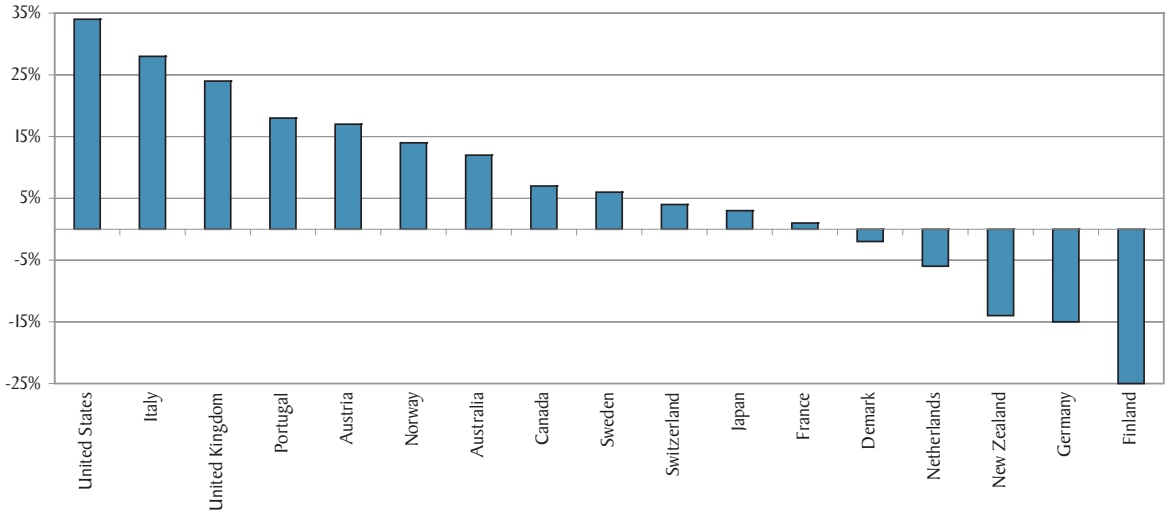
Even after 2001, the United States remained the favored destination for immigrants despite the September 11th terrorist attacks and the 2000-02 economic recession, both of which prompted a tightening of U.S. border controls and heated disputes over U.S. immigration policy. Despite these events, legal immigration to the United States rose by 34 percent from 2003 to 2004. Meanwhile, Italy and the United Kingdom also experienced increases in legal immigration, while immigration to Finland, Germany, and New Zealand declined {Figure 13}.[25]

Between 2000 and 2005, the foreign-born population of the United States increased by 4.9 million persons, boosting the foreign-born share of the population from 11.2 to 12.4 percent. Equally significant, the countries of origin of immigrants to the United States are changing. The foreign-born population from India experienced the most dramatic increase between 2000 and 2005 (39.8 percent), followed by Peru and Honduras. Immigration to the United States from the advanced industrialized countries rose only slightly (an increase of 2.1 percent from Canada and 1.0 percent from the United Kingdom) or declined (a decrease of 16.1 percent from Italy) {Figure 14}.[26]

There also has been a general rise in the educational attainment of immigrants who entered the United States after 2000. Among immigrants arriving from 2000 to 2004, 12.1 percent held advanced degrees, compared to 10.3 percent of immigrants arriving between 1990 and 1999. The share

Figure 13:

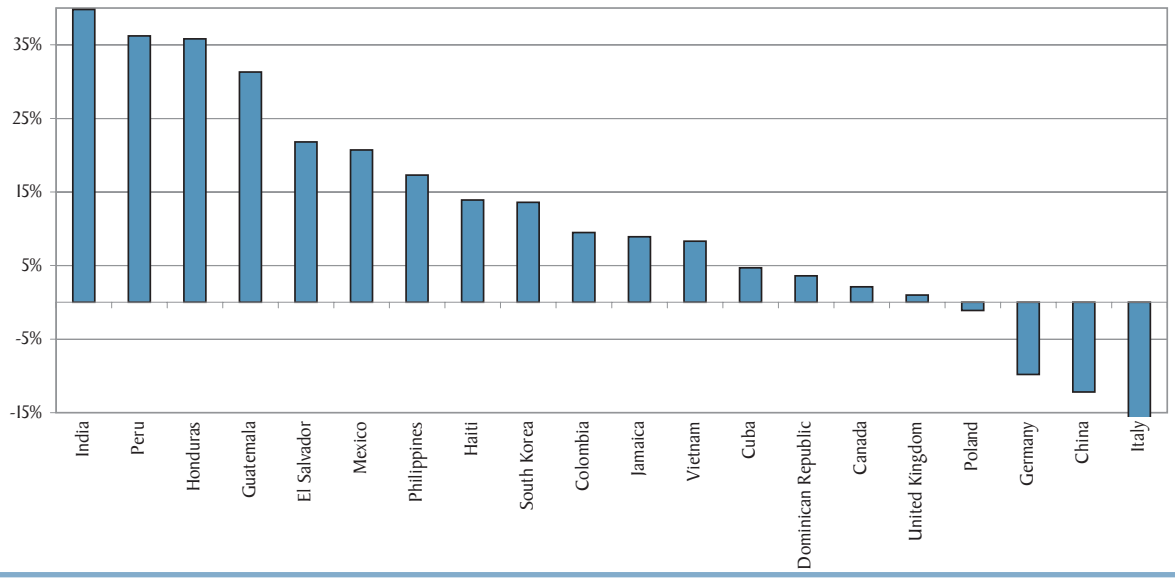
PERCENT CHANGE IN NUMBER OF LEGAL RESIDENCE PERMITS ISSUED IN SELECTED OECD COUNTRIES, 2003-2004



Source: OECD, *International Migration Outlook*, 2006, Table I.1.

Figure 14:

CHANGE IN FOREIGN-BORN POPULATION IN THE UNITED STATES, BY TOP 20 COUNTRIES OF BIRTH, 2000-2005



Source: Rick Lyman, "New Data Shows Immigrants' Growth and Reach," *New York Times*, August 15, 2006.

of immigrants with a bachelor's degree also increased from 17.3 during 1990-1999 to 22.2 percent during 2000-2004.[27] However, immigrants from Latin America still tend to be less educated than immigrants from Asia and Europe. In 2004, just 3.2 percent of Latin American immigrants in the United States held advanced degrees versus 19.7 percent of Asian immigrants and 15.9 percent of European immigrants. On the opposite end of the educational spectrum, 33.1 percent of Latin American immigrants to the United States had less than a 9th grade education versus 8.8 percent of Asian immigrants and 9.3 percent of European immigrants.[28]

COMPETITIVE CHALLENGES TO THE UNITED STATES

Although the United States still is the world leader in the global competition for skilled workers, the nation faces serious competitive challenges. A 2006 report from the National Academy of Sciences highlights many of these. The United States now runs a trade deficit in high-technology products. While China, South Korea, and Japan have increased their funding for research and development (R&D) significantly, especially since 9/11, U.S. R&D funding in the physical sciences and engineering has declined or remained stagnant since the early 1990s. Other nations, particularly in Asia, account for a rising share of published scientific papers, as well as a growing share of applications for U.S. patents. U.S. high-school students lag behind their counterparts in other advanced, industrialized countries in math and science proficiency. There are not enough highly qualified math and science teachers in the country. And relatively few U.S college students pursue science and engineering degrees.[29] In addition, post-9/11 immigration policies have, according to the report, "discouraged [foreign] students from applying to U.S. programs, prevented international research leaders from organizing conferences here, and dampened international collaboration."[30]

Apart from post-9/11 restrictions, the U.S. immigration system imposes arbitrary numerical caps on how many highly skilled immigrants can enter the United States each year. As a result, the country is at a comparative disadvantage vis-à-vis Australia, Canada, and New Zealand, which have moved from quota-based to quality-selective systems that assign points to immigrant applicants based on the skills they can contribute to the host economy.[31] While these countries do not present serious challenges to the United States in the global bidding for skilled labor, their proactive immigration policies are worthy of consideration by U.S. policymakers currently preoccupied with the war on terror and distracted by political rancor over the very different issue of undocumented immigration.

With 450 million people and a huge regional labor market, the E.U. represents a greater competitive challenge to the United States than Australia, Canada, or New Zealand. The high

concentration of scientists, engineers, and mathematicians in Eastern Europe (augmented by generous supplies of technically trained workers in the Soviet successor states) affords a larger regional supply of skilled workers for the E.U. than Mexico and Central America provide for the United States. Moreover, legal and regulatory integration of markets (including labor) is substantially more advanced in the E.U. than in NAFTA. But while these assets create the possibility of a regional labor market capable of challenging the United States, labor market integration still is relatively shallow in the newly enlarged E.U.

At the time of the May 2004 enlargement of the E.U. from 15 to 25 members, 12 of the E.U. 15 countries availed themselves of the 7-year transitional arrangements specified in the East European accession treaty. The experiences of the three E.U. countries that opted instead to fully open their labor markets to East European immigrants in 2004 (Ireland, Sweden, and the United Kingdom) have lessened fears in some quarters that workers from the new accession states displace local workers. Empirical studies have demonstrated that East European immigration had positive effects on the labor markets of those countries,[32] which prompted four other E.U. 15 countries (Finland, Greece, Portugal, and Spain) to remove their restrictions on some East European immigration in April 2006. Confronting mounting labor shortages and evidence of the benefits of labor market integration, other E.U. nations may face pressure to liberalize their markets as the transitional period draws to a close at the end of the decade.

However, there is little evidence to suggest that full integration of the E.U. 25 labor market will instigate major shifts in labor flows within Europe, at least in the near term. Ireland, which has the most liberal immigration regime in the E.U., experienced a two-fold increase in East European immigration during the first year after the 2004 accession. By 2005, guest workers from the East European accession states represented 3.9 percent of Ireland's working-age population. But analyses by the European Commission indicate that new migratory flows such as these are too small to exert much of an impact on the European labor market.[33] Previous enlargement rounds to the Iberian Peninsula, Southeastern Europe, and Scandinavia did not stimulate major increases in immigration from new member states. Despite the removal of *de jure* restrictions on labor migration, a variety of *de facto* impediments to labor mobility (cultural, economic, linguistic, political, and social) persist in Europe. In 2006, just 1.5 percent of E.U. citizens resided in member states other than their country of origin, a share that has barely changed since the early years of European integration.[34]

Nor does the E.U. appear positioned to boost dramatically its share of skilled immigrants from outside of Europe in the near future. A number of E.U. countries (Austria, Belgium, Denmark, Finland, France, the Netherlands, Sweden, and the United Kingdom) have enacted tax incentives targeting foreign-born professionals, as have Japan and South Korea. These programs include preferential income tax schedules, deductions for pension and healthcare costs, allowances for household living expenses, tax-free employer reimbursement of dependents' education fees, and other fiscal inducements.[35]

In theory, highly skilled immigrants surveying alternative host countries are more responsive to differential tax regimes than are less-skilled immigrants. Those with fewer skills are very sensitive to non-fiscal factors (notably the presence of established immigrant communities that provide housing, financial aid, and local contacts to new arrivals from the home country), while highly skilled immigrants enjoy greater mobility that lowers their reliance on migrant networks and heightens their responsiveness to fiscal incentives. However, empirical research indicates that tax inducements generate at best a modest impact on global migration patterns. Although skilled immigrants exhibit a preference for low-tax environments, the aggregate effect is small—suggesting that non-tax considerations (e.g., quality of life, range of professional opportunities) weigh more heavily in their choice of destination.[36]

Currently, the principal threat to the United States in the global war for talent comes not from those countries that have enacted the most progressive immigration laws (Australia, Canada, New Zealand), or the E.U. (individual members of which are major destinations for skilled immigrants, but which collectively do not match the United States in the bidding for human capital), or developed Asian countries (Japan and South Korea, which remain peripheral players in global labor market). Rather, the foremost challenge to U.S. primacy in the global labor market comes from India and China. Both countries are experiencing high economic growth rates and rapid technological developments that are boosting domestic job opportunities for university-degreed professionals, thus diminishing the allure of immigration to the United States.[37]

As key suppliers of skilled workers, these two countries occupy a pivotal role in U.S. immigration policy. In Fiscal

Year (FY) 2003, India alone accounted for 36.5 percent of all H1-B visas granted by the U.S. government to highly skilled professionals. Indian immigrants also represented the largest share (24.7 percent) of employment-based LPR (legal permanent resident) petitions approved in FY 2004. China was the second biggest source country, accounting for 9.2 percent of H1-B visas in FY 2003 and 10.0 percent of employment-based LPRs in FY 2004.[38] However, the foreign-born population from China dropped by 12.2 percent between 2000 and 2005, signaling both the growing domestic job opportunities for Chinese citizens who might otherwise migrate to the United States, and "reverse brain drain" as Chinese nationals who arrived in the United States before 2000 returned home.[39]

Yet, advanced degree holders from India and China exhibit a greater preference to stay in the United States than skilled immigrants from other countries. A National Science Foundation survey of foreign recipients of science and engineering doctorates conferred by U.S. universities in 2000-2003 indicated that 66.6 percent of Indian Ph.D.s and 63.6 percent of Chinese Ph.D.s intended to remain in the United States.[40] However, the stay rates of Indian and Chinese immigrants likely will diminish as growing professional opportunities in their home countries induce young professionals working in the United States to return.

ARBITRARY LIMITS ON HIGH-SKILLED IMMIGRATION TO THE U.S.

Despite the emerging competitive challenges to U.S. preeminence in the global market for highly skilled workers, recent changes in U.S. immigration policy have in fact diminished the country's ability to sustain, let alone expand, inflows of high-skill immigrants. In 2004, Congress allowed the annual H1-B quota to revert from 195,000 to its 1990 level of 65,000. This move was precipitated by rising concerns over homeland security after September 11th and mounting anxieties among U.S. workers, sharpened by the 2000-02 recession, over the presumed job displacement effects of immigration. The current H1-B quota of 65,000—which represents just 1 percent of the U.S. science and engineering workforce—has been filled before the start of each fiscal year since it took effect. Congress also has set a separate annual cap of 20,000 on H-1B visas issued to foreign-born graduate students, a large number of whom are pursuing advanced degrees in science and engineering disciplines in high demand in many technology-intensive industries.[41]

The quota-based immigration system of the United States creates a number of liabilities for U.S. companies competing for top global talent. The time (5 months or more) and administrative/legal fees ($3,000-5,000) required to process the initial applications for H1-B visas hinder recruitment of skilled foreign professionals. Extensions of H1-B visas beyond the current six-year limit are possible under current U.S. law, but such extensions also are costly and time consuming, typically involving re-interviews of individuals already screened for their first visas and thereby heightening uncertainty for both foreign employees and sponsoring companies.[42]

REFORMING U.S. IMMIGRATION POLICY

The optimal remedy for these defects in U.S. immigration policy is to replace the H1-B quota system with a quality-selective regime along the lines of the point-based systems introduced in Australia, Canada, and New Zealand. The United Kingdom is moving in this direction, away from a work-permit regime to a multi-tiered system that would entitle high-skilled immigrants to work for any British employer or to set up their own businesses in the country.[43] However, the political environment in the United States—where homeland security concerns remain acute five years after September 11th and the furor over undocumented immigration clouds the separate issue of skilled immigration—provides little cause for optimism that such a policy reform will soon materialize.

In May 2006, the Senate passed an immigration reform bill (S. 2611) that would raise the annual H1-B cap to 115,000 and trigger a 20 percent yearly increase if that quota is filled. The Senate bill also would loosen restrictions on foreign graduate students, permitting Ph.D. candidates in science and engineering fields to remain in the United States for a year after graduation to seek employment and making those individuals eligible for permanent residency after they secure jobs. But the enforcement-laden immigration bill passed by the House of Representatives in December 2005 (H.R. 4437) contained no increase in the H1-B cap, and House/Senate conferees, approaching the hotly contested midterm elections, proved unable to reconcile the two versions before Congress adjourned in September. In brief, politics so far has trumped economics in the debate over U.S. immigration policy. One can only hope that the newly elected Congress will place the best interests of the U.S. economy ahead of partisan politics and enact immigration reform that makes the United States more competitive in the global battle for talent.

Appendix 1:

WORKING-AGE FOREIGN-BORN POPULATION RESIDING IN OECD COUNTRIES, 1990 & 2000

	Working-Age Foreign-Born Population		% Change, 1990-2000	Foreign-Born Share of Working-Age Population	
	1990	2000		1990	2000
Australia	3,284,279	4,075,721	24.1%	23.9%	24.6%
Austria	324,201	816,001	151.7%	5.9%	12.3%
Belgium	748,543	867,620	16.0%	10.0%	10.7%
Canada	3,709,285	4,661,330	25.7%	17.2%	18.3%
Czech Republic	NA	410,249	NA	NA	5.5%
Denmark	93,934	169,664	80.6%	2.6%	4.3%
Finland	34,305	90,511	163.8%	1.0%	2.5%
France	3,480,664	3,755,514	7.9%	8.7%	8.5%
Germany	3,262,057	4,746,000	45.5%	5.5%	7.3%
Greece	112,805	106,041	-6.0%	1.7%	1.3%
Hungary	211,715	251,715	18.9%	3.0%	3.6%
Iceland	10,565	16,927	60.2%	6.6%	8.9%
Ireland	130,940	281,232	114.8%	6.3%	10.9%
Italy	533,312	923,788	73.2%	1.4%	2.1%
Japan	1,075,317	951,302	-11.5%	1.3%	1.0%
Luxembourg	83,398	114,625	37.4%	24.3%	27.4%
Mexico	363,626	417,371	14.8%	1.1%	0.9%
Netherlands	961,662	1,320,320	37.3%	8.9%	10.6%
New Zealand	456,792	603,606	32.1%	18.5%	20.1%
Norway	136,241	204,182	49.9%	4.7%	6.3%
Poland	661,517	741,571	12.1%	2.8%	2.9%
Portugal	170,390	207,476	21.8%	2.6%	2.9%
South Korea	49,500	150,812	204.7%	0.1%	0.4%
Slovak Republic	196,205	426,072	117.2%	2.0%	11.1%
Spain	845,977	1,370,657	62.0%	3.3%	4.5%
Sweden	617,449	805,143	30.4%	9.5%	11.5%
Switzerland	1,463,670	1,704,948	16.5%	23.7%	24.7%
Turkey	596,045	826,110	38.6%	2.3%	2.4%
United Kingdom	2,778,527	3,639,907	31.0%	6.8%	8.3%
United States	15,472,972	24,366,085	57.5%	8.7%	11.7%
OECD Total	**41,866,000**	**59,022,000**	**41.0%**	**6.0%**	**7.3%**

Source: Frédéric Docquier & Abdeslam Marfouk, 2005, Tables 5.5.A & 5.6.A.

Appendix 2:

EDUCATIONAL ATTAINMENT OF FOREIGN-BORN WORKING-AGE POPULATION RESIDING IN OECD COUNTRIES, 1990 & 2000

	Education							
	Less Than High-School Diploma		High-School Diploma Only		More Than High-School Diploma		Unknown	
	1990	2000	1990	2000	1990	2000	1990	2000
Australia	38.6%	31.8%	27.7%	30.5%	33.7%	37.8%	0.0%	0.0%
Austria	58.1%	47.5%	33.4%	39.9%	8.5%	12.7%	0.0%	0.0%
Belgium	18.5%	55.9%	18.0%	22.6%	12.6%	21.5%	50.9%	0.0%
Canada	37.5%	29.6%	11.8%	11.6%	50.7%	58.8%	0.0%	0.0%
Czech Republic	NA	37.9%	NA	46.6%	NA	14.5%	NA	0.0%
Denmark	18.5%	22.2%	22.0%	31.6%	12.1%	18.8%	47.4%	27.4%
Finland	64.2%	48.7%	24.0%	27.6%	11.8%	23.8%	0.0%	0.0%
France	83.6%	74.6%	6.0%	9.0%	8.6%	16.4%	1.8%	0.0%
Germany	47.8%	53.6%	14.8%	12.2%	17.0%	21.0%	0.0%	13.2%
Greece	34.4%	33.5%	40.3%	40.7%	25.3%	22.5%	0.0%	3.3%
Hungary	59.3%	43.4%	14.7%	34.9%	15.3%	21.7%	10.7%	0.0%
Iceland	26.3%	22.7%	37.5%	41.4%	21.2%	26.7%	15.0%	9.2%
Ireland	16.7%	8.4%	51.2%	45.2%	26.5%	41.1%	5.6%	5.3%
Italy	59.3%	52.8%	14.7%	31.7%	15.3%	15.4%	10.7%	0.0%
Japan	39.2%	34.2%	26.0%	29.0%	30.7%	34.6%	4.1%	2.2%
Luxembourg	65.6%	33.0%	6.7%	32.0%	12.8%	25.6%	14.9%	9.4%
Mexico	49.5%	33.3%	16.5%	28.6%	34.0%	34.0%	0.0%	4.1%
Netherlands	59.3%	54.2%	14.7%	26.6%	15.3%	19.2%	10.7%	0.0%
New Zealand	26.6%	15.6%	24.8%	30.1%	42.6%	38.5%	6.0%	15.8%
Norway	2.3%	2.9%	50.0%	55.0%	24.6%	31.5%	23.1%	10.6%
Poland	59.3%	59.5%	14.7%	25.3%	15.2%	14.0%	10.8%	1.2%
Portugal	7.0%	58.9%	5.2%	20.8%	8.6%	1.4%	79.2%	18.9%
South Korea	39.2%	34.2%	26.0%	29.0%	30.7%	34.6%	4.1%	2.2%
Slovak Republic	59.3%	75.5%	14.7%	4.0%	15.3%	9.9%	10.7%	10.6%
Spain	56.4%	32.1%	26.1%	51.1%	17.5%	16.8%	0.0%	0.0%
Sweden	30.6%	25.0%	40.0%	41.7%	22.4%	27.4%	7.0%	5.9%
Switzerland	5.7%	7.0%	71.8%	56.9%	13.5%	16.8%	9.0%	19.3%
Turkey	72.0%	54.4%	16.8%	28.1%	8.2%	17.1%	3.0%	0.0%
United Kingdom	68.1%	36.7%	11.4%	28.8%	20.5%	34.5%	0.0%	0.0%
United States	25.6%	23.0%	34.3%	34.5%	40.0%	42.5%	0.0%	0.0%
OECD Total	**40.4%**	**34.2%**	**25.3%**	**29.0%**	**29.8%**	**34.6%**	**24.5%**	**2.2%**

Source: Frédéric Docquier & Abdeslam Marfouk, 2005, Tables 5.5.A & 5.6.A.

Appendix 3:

NET "BRAIN GAIN" IN OECD COUNTRIES, 2000

	Skilled Foreign-Born Population	Skilled Expatriates	Net Brain Gain	Net Brain Gain as % of Working-Age Population
Australia	1,539,670	116,723	1,422,947	11.4%
Canada	2,742,090	516,471	2,225,619	10.7%
Luxembourg	29,321	7,281	22,040	7.3%
United States	10,354,285	431,330	9,922,955	5.4%
Switzerland	286,682	88,051	198,631	3.8%
New Zealand	232,296	161,740	70,556	2.9%
Sweden	220,731	77,703	143,029	2.3%
Belgium	186,186	102,187	83,999	1.2%
France	614,598	312,494	302,104	0.7%
Norway	64,239	46,286	17,953	0.6%
Czech Republic	59,631	88,112	-28,481	0.4%
Germany	996,000	848,414	147,586	0.2%
Spain	230,159	159,889	70,703	0.2%
Japan	328,870	268,925	59,946	0.1%
Netherlands	253,651	256,762	-3,111	0.0%
Turkey	141,034	174,043	-33,009	-0.1%
Austria	103,239	130,487	-27,248	-0.5%
United Kingdom	1,256,892	1,441,307	-184,415	-0.5%
Italy	142,469	408,287	-265,818	-0.6%
Denmark	31,873	68,643	-36,770	-1.0%
Hungary	54,502	124,426	-69,923	-1.0%
Slovak Republic	41,989	79,451	-37,462	-1.1%
Iceland	4,512	6,598	-2,086	-1.2%
Poland	103,496	459,059	-345,563	-1.4%
South Korea	52,137	652,894	-600,757	-1.4%
Finland	21,515	76,132	-54,617	-1.5%
Mexico	141,912	922,964	-781,052	-1.7%
Portugal	29,816	147,438	-117,622	-1.7%
Greece	23,810	159,895	-136,085	-1.8%
Ireland	115,721	209,156	-93,435	-4.0%
OECD Total	**20,403,000**	**8,533,000**	**11,870,000**	**1.6%**

Source: Frédéric Docquier & Abdeslam Marfouk, 2005, Table 5.6.B.

Appendix 4:

REGION OF ORIGIN OF FOREIGN-BORN POPULATION IN OECD COUNTRIES, 2000

	Africa	Asia	Latin America	Caribbean	North America	E.U. 25	Other Europe	Oceania	Unknown
Australia	4.7%	27.4%	1.8%	0.8%	2.0%	46.4%	6.5%	10.4%	0.0%
Austria	2.0%	5.7%	0.6%	0.0%	0.9%	36.4%	52.6%	0.2%	1.7%
Belgium	22.5%	6.2%	1.9%	0.4%	1.6%	56.5%	10.7%	0.1%	0.0%
Canada	5.7%	35.7%	5.9%	5.0%	5.0%	35.2%	6.6%	0.9%	0.0%
Czech Republic	0.5%	4.8%	0.2%	0.1%	0.6%	76.8%	16.9%	0.1%	0.0%
Denmark	8.8%	30.6%	2.6%	0.2%	3.1%	32.7%	21.4%	0.6%	0.0%
Finland	7.4%	14.0%	1.4%	0.2%	3.1%	39.3%	34.1%	0.6%	0.0%
France	48.8%	7.6%	1.4%	0.4%	1.0%	33.7%	7.0%	0.1%	0.0%
Germany	1.7%	5.5%	0.5%	0.0%	0.8%	24.9%	51.1%	0.0%	15.5%
Greece	5.2%	6.8%	0.5%	0.1%	3.2%	17.0%	65.3%	1.9%	0.1%
Hungary	0.9%	3.7%	0.3%	0.1%	1.1%	22.2%	71.6%	0.1%	0.0%
Ireland	6.7%	6.9%	0.7%	0.2%	6.4%	72.8%	4.1%	2.1%	0.1%
Japan	0.4%	74.9%	17.9%	0.0%	3.5%	2.0%	0.5%	0.7%	0.0%
Luxembourg	4.0%	3.1%	1.1%	0.2%	1.0%	81.5%	8.3%	0.1%	0.7%
Mexico	0.2%	2.2%	14.5%	2.0%	70.9%	9.0%	0.8%	0.2%	0.1%
Netherlands	17.3%	22.8%	13.7%	5.8%	1.8%	21.1%	16.7%	0.8%	0.0%
New Zealand	5.6%	25.1%	0.5%	2.4%	3.0%	38.8%	2.1%	22.3%	0.0%
Norway	9.4%	30.0%	4.5%	0.4%	5.1%	34.9%	14.9%	0.4%	0.2%
Poland	0.4%	1.2%	0.1%	0.0%	1.4%	32.1%	62.3%	0.1%	2.4%
Portugal	53.7%	2.6%	11.5%	0.1%	2.2%	24.4%	5.2%	0.2%	0.0%
South Korea	0.0%	77.4%	0.0%	0.0%	9.6%	2.2%	0.0%	0.5%	10.4%
Slovak Republic	0.3%	1.2%	0.1%	0.1%	0.8%	83.9%	13.5%	0.1%	0.0%
Spain	19.5%	4.0%	34.3%	4.4%	1.2%	27.5%	9.0%	0.2%	0.0%
Sweden	7.2%	22.7%	5.6%	0.3%	1.6%	42.3%	20.0%	0.3%	0.0%
Switzerland	4.4%	6.5%	3.1%	0.6%	1.9%	54.4%	22.5%	0.3%	6.5%
Turkey	1.0%	6.6%	0.1%	0.0%	1.2%	35.6%	55.2%	0.3%	0.0%
United Kingdom	17.2%	32.5%	2.0%	4.8%	4.9%	30.7%	3.6%	3.5%	0.9%
United States	2.9%	24.3%	38.9%	12.9%	2.8%	13.3%	4.2%	0.8%	0.0%

Source: Jean-Christophe Dumont & Georges Lemaître, 2006, Table A3.

FOOTNOTES

[1] The OECD describes itself as a "forum where the governments of 30 market democracies work together to address the economic, social and governance challenges of globalisation as well as to exploit its opportunities." These countries are: Australia, Austria, Belgium, Canada, Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Japan, South Korea, Luxembourg, Mexico, Netherlands, New Zealand, Norway, Poland, Portugal, Slovak Republic, Spain, Sweden, Switzerland, Turkey, United Kingdom, United States. (OECD, *The OECD*. Paris: November 2006, p. 7, 29).

[2] OECD, *International Migration Outlook*. Paris: June 2006.

[3] Frédéric Docquier & Abdeslam Marfouk, "International Migration by Education Attainment, 1990–2000," in Çaglar Özden & Maurice Schiff, eds., *International Migration, Remittances, and the Brain Drain*. New York, NY: Palgrave Macmillan (for the World Bank), November 2005.

[4] Jean-Christophe Dumont & Georges Lemaître, *Counting Immigrants and Expatriates in OECD Countries: A New Perspective* (Social, Employment and Migration Working Paper No. 25). Paris: Organization for Economic Cooperation and Development, 2006, Table 1.

[5] The terms "foreign born" and "immigrant" are used interchangeably in this report.

[6] Frédéric Docquier & Abdeslam Marfouk, 2005, Tables 5.5.A & 5.6.A.

[7] *ibid.*

[8] *ibid.*

[9] *ibid.*

[10] *ibid.*

[11] *ibid.*

[12] *ibid.*

[13] Çaglar Özden, "Educated Migrants: Is There Brain Waste?" in Çaglar Özden & Maurice Schiff, eds., *International Migration, Remittances, and the Brain Drain*. New York, NY: Palgrave Macmillan (for the World Bank), November 2005, Figure 7.3.

[14] *ibid.*, Figure 7.6.

[15] *ibid.*, p. 236-237.

[16] "Expatriates" are defined as citizens of OECD countries legally residing abroad, regardless of the duration of their overseas residence.

[17] Jean-Christophe Dumont & Georges Lemaître, 2006, Table 3.

[18] *ibid.*

[19] Frédéric Docquier & Abdeslam Marfouk, 2005, Table 5.6.B.

[20] *ibid.*, p. 151-152.

[21] Jean-Christophe Dumont & Georges Lemaître, 2006, Table A3.

[22] *ibid.*

[23] *ibid.*

[24] *ibid.*

[25] OECD, *International Migration Outlook*, 2006, Table I.1.

[26] Rick Lyman, "New Data Shows Immigrants' Growth and Reach," *New York Times*, August 15, 2006.

[27] U.S. Census Bureau, Foreign-Born Population of the United States, Current Population Survey - March 2004, Detailed Tables (PPL-176), "Table 2.5: Educational Attainment of the Foreign-Born Population 25 Years and Over by Sex and Year of Entry: 2004."

[28] U.S. Census Bureau, Foreign-Born Population of the United States, Current Population Survey - March 2004, Detailed Tables (PPL-176), "Table 3.5: Educational Attainment of the Foreign-Born Population 25 Years and Over by Sex and World Region of Birth: 2004."

[29] National Academy of Sciences, National Academy of Engineering & Institute of Medicine, *Rising Above the Gathering Storm: Energizing and Employing America for a Brighter Economic Future*, February 2006 edition. Washington, DC: National Academies Press, 2006, p. 1-7, 1-8, 3-3, 3-6, 3-7, 3-9.

[30] *ibid.*, p. 1-9.

[31] Frederic Docquier & Abdeslam Marfouk, 2005, p. 152-153.

[32] Commission of the European Communities, *Report on the Functioning of the Transitional Arrangements Set Out in the 2003 Accession Treaty (period 1 May 2004-30 April 2006)*. Brussels: February 8, 2006, p. 10-13.

[33] *ibid.*, p. 13.

[34] European Commission, "European Year of Workers' Mobility 2006: Facts and Figures," 2006.

[35] Jean-Christophe Dumont & Georges Lemaître, 2006, p. 19-20.

[36] Thomas Liebig & Alfonso Sousa-Poza, *Taxation, Ethnic Ties and the Locational Choices of Highly Skilled Immigrants* (OECD Social, Employment and Migration Working Paper No. 24). Paris: July 29, 2005.

[37] See "The search for talent: Why it's getting harder to find," a special report in *The Economist*, October 7-13, 2006, p. 3-24.

[38] U.S. Department of Homeland Security, Office of Immigration Statistics, *Characteristics of Specialty Occupation Workers (H-1B): Fiscal Year 2003*, November 2004, p. 8; Kelly Jefferys, *Characteristics of Employment-Based Legal Permanent Residents: 2004*. Washington, DC: Office of Immigration Statistics, U.S. Department of Homeland Security, October 2005, p. 2.

[39] Rick Lyman, "New Data Shows Immigrants' Growth and Reach,"

New York Times, August 15, 2006.

[40] National Science Board, *Science and Engineering Indicators 2006* (Volume 2). Washington, DC: National Science Foundation, Appendix Table 2-33.

[41] David Bartlett, *Building a Competitive Workforce: Immigration and the U.S. Manufacturing Sector*. Washington, DC: Immigration Policy Center, American Immigration Law Foundation, August 2006.

[42] Spencer E. Ante, "Give Me Your Diligent, Your Smart," *Business Week*, May 1, 2006; Fay Hansen, "Visa Limits Fuel Frustration in Efforts to Fill Technical Jobs," *Workforce Management* 85(7), April 10, 2006.

[43] Michael Burd & James Davies, "Workplace Rights: Migrant Skills Ranked," *Management Today*, May 2006.

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