



**Israel National Defense
College
46th Class 2018-2019**

**Global Economics Seminar -
Globalization, Immigration, and the
Economic Impacts on Canada, the
United Kingdom, and Singapore**

Academic Supervisor: David Brodet
Academic Instructor: Eran Kamin

Submitted by:
Colonel J.S.R. Priest (United Kingdom)
Colonel P. Lemyre (Canada)
Colonel S.F. Teng (Singapore)

The views expressed in this academic research paper are those of the authors and do not reflect the official policy or position of their respective Governments or Defense Establishments.

17 May 2019

INTRODUCTION

Most of the evidences produced by the last few decades of academic researches on international movement of people tell us that the first half of the twenty-first century will be characterized by even more migration. Over the last thirty years, the overall number of international migrants doubled, and we can easily think that this growth trend will expand further over the next fifty years (Goldin, 2012, p.213). History teaches that rapid economic and political change, as typically seen in globalization, dislodges people from their traditional environment and compels them to seek opportunity and security in unfamiliar new homes. Migration is certainly not new, but economic globalization has influenced migration in a whole new way, causing global shifts and human displacement on an unprecedented scale (Ciarniene, 2008, p.42).

Economic globalization has led to disruptions and unrest in less developed or developing countries, and it has also been a factor of unemployment, wage decline, and job insecurities in dominant market economies. But at the same time, for those strong economies, it maintained an uninterrupted source of human capital, and economic growth. This collaborative paper will focus on the impacts of globalization and immigration on the economies of the United Kingdom, Canada and Singapore.

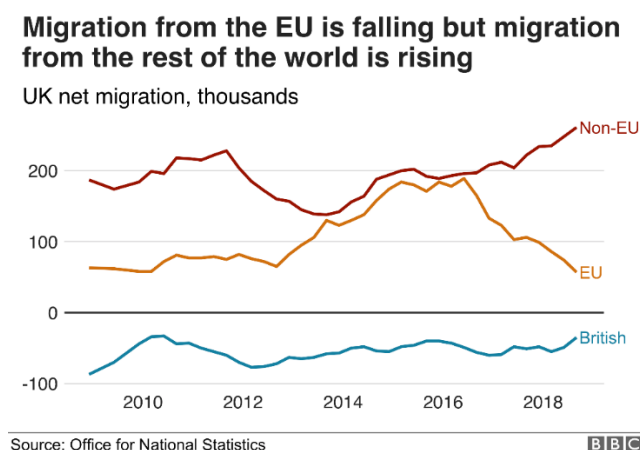
In its first section, covering the United Kingdom, the paper will describe this Nation's need for selective migration to ensure economic growth, and the required policy changes. The second section of the paper will analyse Canada and the effects of economic globalization on the Canadian labor market, and more specifically provide a brief description of how it is shaping employment opportunities for immigrants. The final section of this paper will consider Singapore, and will explain the need for their society to confront and accept an economic model predicated on high levels of migration. In the end, through the example of those three very different Nations, this paper will demonstrate that economic globalization, while extremely disruptive for developing countries, also impacts strong economies.

THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND

Introduction

Since 1945, immigration to the UK under British nationality law has been significant, in particular from the Republic of Ireland and from the former British Empire including India, Bangladesh, Pakistan, the Caribbean, South Africa, Nigeria and Ghana. This was largely in response to post-WWII reconstruction. Other immigrants have come as asylum seekers, looking for protection as refugees under the United Nations 1951 Refugee Convention, or from member states of the European Union (EU), exercising one of the EU's Four Freedoms.

However, for the last two decades, the UK has seen more people arriving to live than leave for other shores and the population has been rising. Albeit, net migration from EU countries has continued to fall to a level last seen in 2009. Conversely, migration to the UK from countries outside the EU has hit its highest level for 15 years. Statistics indicate¹ 261,000 more non-EU citizens came to the UK than left in the year ending September 2018 - the highest since 2004 (Figure 1). The decline in migration from EU countries could be due to a number of factors. These include the Brexit-related political uncertainty, the falling value of the pound making UK wages less attractive, or simply the fact that job opportunities have improved in other EU countries.



(Figure 1)

¹ BBC, 2019, <https://www.bbc.com/news/uk-47400679>.

Benefits of Immigration

Importantly, recent European migration has been good for Britain. According to the Migration Advisory Committee², it has largely raised economic performance and improved public finances. It has certainly been more positive than some politicians and parts of the media have espoused. Furthermore, there is no evidence that European migrants come to live a life on benefits or take jobs from Britons. The figures calculated show that the average adult migrant from the European Economic Area (EEA) contributes £2,300 more to the UK public purse than the average UK resident. They also paid £4.7bn more in taxes than they took out in benefits and public services – not an inconsiderable sum.

Challenges

As acknowledged by the Home Office, there have been flaws within the immigration system that required reform. There were a number of methods used by migrants that were open to abuse, namely the student visa process³. This has seen thousands of fraudulent applications by bogus individuals posing as students that have subsequently disappeared into the black economy, possibly with little intention of ever returning home. Another component is undocumented migrants - these by definition are from non-EU countries, with the majority of people from African countries seeking a better quality of life. It is this type of illegal migration that puts a severe strain on: the public finances, including reduced tax receipts, the health service, as well as creating societal challenges and increased housing shortages.

Post Brexit

Immigration concerns were seen by many as the single biggest driving force behind the vote to leave the EU in 2016, so the government's post-Brexit vision for migration is being watched closely by the electorate. The most significant change will be the end to freedom of movement within the EU. As it

² Gov.uk, 2019, <https://www.gov.uk/government/organisations/migration-advisory-committee>.

³ The Telegraph, 2009, <https://www.telegraph.co.uk/news/uknews/immigration/6736498/Immigration-rules-result-in-flood-of-bogus-students.html>.

stands, any citizen of an EU member state can come to the UK to live and work. Post-Brexit, EU citizens will be broadly subject to same rules as non-EU citizens – depending on the terms of any future trade agreements agreed between the UK and EU. Treating EU and non-EU nationals the same will allow the government to provide full control over who comes to the UK, for the first time in decades. Furthermore, the intention is that the new immigration system will prioritize highly skilled migrants over low-skilled migrants, while enabling employers to have access to the skills they need from the global market.

New Rules

The new system proposed by the Government ultimately seeks to maintain controlled and sustainable immigration to attract and retain the appropriate level of workers. Currently, Britons must now earn a minimum of \$30,000 (£18,600) a year to bring over a spouse who is a non-EU citizen. This is unlikely to change, but ahead of an immigration bill next year, the government is proposing a single immigration system for those claimants without a relationship to a British citizen. The tightening of these immigration rules is designed to make the stay of rogue individuals in the UK more difficult. As a result, highly skilled workers who want to live and work in Britain will be given priority. However, applicants will need to meet a minimum salary threshold – for highly skilled migrants this stands at £30,000. Successful applicants will be able to bring their immediate family – but only if sponsored by their future employers.

For tourists and short-stay business trips, the government is looking at developing a system of e-gate visa checks for all low-risk countries. Passports would be scanned in airports, train stations and ports. All security and criminal records checks would be carried out in advance of visits in a US-style system.

Shortcomings

Industries that rely on so-called low-skilled labor have warned they will struggle to recruit workers, given the relatively high qualifying salaries. This includes those in the health, care and hospitality sectors. Potentially, British

citizens who want to work in the EU may also be set to suffer. As it stands, Britons can emigrate to any EU member state to live and work, but this right may be severely curtailed if a reciprocal agreement is not reached with the EU. Ergo, is it likely that there will be further refinements required to achieve the correct balance of selective migration, whilst not penalizing and preventing UK citizens from working abroad, particularly within Europe.

CANADA

Globalization's effects on the Canadian labor market

Industrialized nations like Canada are experiencing a new wave of migration due to the impact and pressures of globalization. As such, Canadians, being natives or newly arrived, are justifiably anxious about their economic and social well-being, and are certainly directly affected. This section of the paper will aim to describe the effects of economic globalization on the Canadian labor market, and more specifically to provide a brief description of how globalization is shaping employment opportunities, with an emphasis on immigrant families, across three cities: Vancouver, Toronto, and Montreal. The three cities were chosen for reasons beyond their size. They were all experiencing job-loss due to globalization and its associated effects of outsourcing of production to lower-wage countries.

For those who came to Canada from very poor backgrounds, refugee camps or conflict zones, Canada offered a clear improvement in their living conditions. But for those who came on the presumption of a need for skilled labor, they were disappointed by the lack of such opportunities. Canada, like many industrialized high-income countries, has been fully experiencing globalization, and as such, its associated decline in the manufacturing sector. Precipitated first by new technologies that reduced demand for human labor, and second by a pattern of outsourcing to low-wage countries as part of global production chains (Schrecker, 2009, p.53), those effects combined had tremendously harsh impacts on the Canadian labor market.

Montreal

The difficulties faced by immigrants and natives, in obtaining work varied across the three cities. In Montreal a major cause is the collapse of the city's textile factories, where many had worked. This is reflected, in part, in the higher unemployment rates and the higher proportion of unemployment and immigration status, compared with those in the other two cities. At the same time, most Canadian immigrants acknowledge the role played by global economic conditions contributing to their lack of work. Interviews of immigrant families taking place just after the 2008 global financial crisis, showed that many Montreal immigrants and residents commented on the lack of jobs due to the subsequent recession (Labonté, 2015, p. 9). This theme was echoed in both Toronto and Vancouver, but unique to Montreal is its francophone status which created some additional limitations to newcomers. As such, in instances, immigrants complained of overt employment discrimination. Immigrants noted that the attitude towards immigration has changed and is not as welcoming, an effect attributed to globalization's swelling of the flow of migrants, affecting the capacity or willingness of communities to absorb them. While anti-immigrant prejudice was noted by immigrants in the other two cities, it was most striking in Montreal.

Toronto

Similar if less strident complaints of employment discrimination against new immigrants are also seen in Toronto. Recent immigrants to this city frequently complain of being singled out by their lack of Canadian experience, often being faced with the requirement to return to school, despite their already in-hand diplomas, obtained while attending their origin countries' education systems. A unique barrier to immigrant employment in Toronto was also stigmatization by postal code, which is the perception that a certain area with a high density of new immigrants was unsafe, unsavory and populated by the unemployable (Labonté, 2015, p.9). Unlike Montreal, where anger over the poor employment opportunities and perceived discrimination is palpable, Toronto immigrant families tend to be circumspect in attributing blame. This may partly reflect recognition that many Canadian-born families are in a similar position.

Over 32 percent of Toronto's manufacturing jobs disappeared between 2004 and 2009, due to globalization, while employment in the financial sector increased by 24 percent (Labonté, 2015, p.10). In Toronto, there is a sharp wage and security distinctions between the 'top', the knowledge and financialized economy, and the 'bottom', the services and temporary work sectors, with a hollowing out of the traditional middle of the industrial working class. While the downtown older City of Toronto is 'top heavy', most of its suburbs are 'bottom heavy' with a high portion of insecure, entry-level jobs or precarious and part-time employment (Toronto, 2010).

Vancouver

Unlike Toronto and Montreal, Vancouver never had a large industrial sector, with goods-production in 2006 accounting for only 20 percent of all employment in the city. Its traditional resources sector, fishing, forestry, and mining, however, had seen an employment decline parallel to the loss of industrial jobs in the other two cities. Over 80 percent of current employment in Vancouver is in services, much of it now being outsourced by both the public and private sectors (BC Ministry, 2010). Provincial tax cuts and removal of collective agreement rights restricting contracting out in 2001 led to spending cuts, public sector lay-offs and replacement of previously unionized workers with low-wage workers who were often employed by transnational labor firms (Stinson, 2005). Together with private sector outsourcing of services to Asia, again, a consequence of globalization, this may account for the higher rate of part-time work, higher than that found in the two other cities. Although employment rates were higher in Vancouver than in the other two cities, the impact of globalization, and its associated financial crisis and recession also created many lay-offs and factory closures.

The rise of precarious employment

While Canadian immigrants are concerned with a lack of jobs, and also resent the perceived discrimination against the experience and educational credentials many new immigrants bring with them, it is the lack of decent employment opportunities which is a central aspect of how globalization

impacts the employment opportunities for Canadians (Labonté, 2015, p.16). Precarious employment is represented by the “habituation to *expecting* a life of unstable labor and unstable living” (Standing, 2014). It is characterized by a lack of any of the non-waged benefits that had typified previous employment relations, and the progressive loss of labor rights or entitlements from the state. The rise of precarious employment is an outcome of globalization and its liberalization of economies, which has left the labor supply in a vulnerable position within open markets.

In addition, the rapid increase in precarious employment is a serious danger to population health, especially for disadvantaged populations, as job insecurity has been repeatedly shown to be associated with poor mental and physical health outcomes. An early Canadian study found that workers in precarious employment relationships reported poorer overall health and higher levels of stress than workers in standard employment relationships (Lewchuk, 2003, p.23). This is why the increase in precarious employment in Canada since the onset of the global financial crisis is so disconcerting. Between 2008 and 2011, the majority of job growth in Canada consisted of temporary (222,000) and part-time positions, whereas permanent positions decreased by 50,000 (Canadian Labour Congress, 2011). What is more, lower-wage sectors account for almost all new jobs created since the pre-recession peak, reinforcing the continuing longer-run decline in the average quality of jobs in the Canadian labor market (Stanford, 2013, p.19), with potentially serious negative health consequences to Canadian families and immigrants.

SINGAPORE

A demographic overview

Singapore is a small Southeast Asian City state with an area of 648 square kilometers and a population of almost five and half million. Notwithstanding of its size, Singapore’s location at the geographical center of Southeast Asia astride important trade routes have conferred it distinct economic advantages. Singapore has been ranked as the top maritime capital of the world, since 2015. Currently one of the world's busiest port in terms of

total shipping tonnage, it also trans-ships a fifth of the world's shipping containers, half of the world's annual supply of crude oil, and is the world's busiest trans-shipment port. Thousands of ships drop anchor in the harbor, connecting the port to over 600 other ports in 123 countries and spread over six continents.

Given its size and obvious lack of geographical strategic depth, there is near complete reliance on overseas sources for manpower, basic needs such as food, fuel and a significant portion of its water supply from neighboring Malaysia. Singapore's geographic and economic imperatives leave it with little choice but to be a globalised city. When Singapore's economy had to evolve from manufacturing to high-tech and value-added activities in the late '80s, the government started pursuing a clear and distinct immigration policy. As a country formed largely from early immigrants, Singapore has always acknowledged the need for immigrants to bolster its economy. In Singapore, the most visible immigrants are knowledge workers who belong to a high or middle socioeconomic status (SES) and also the blue-collar workers and domestic workers that help feed its ever growing construction industry and support white-collar households. Given the demographic and educational profile, Singapore has been open to foreign workers to relieve the tight labour market, a situation compounded by persistently low fertility rates and sustained economic growth. Particularly in the services sector and blue-collar professions- skilled foreign workers are seen as being able to bring skills and expertise to grow industries that Singapore wants to develop.

The social cost of immigration

Social cohesion has been a major political concern since Singapore's inception in 1965. Singapore has an ethnically plural society comprising a Chinese majority (about 76 percent), a substantial minority of Malay/Muslims (about 15 percent) and a smaller percentage of Indians and others⁴. Singapore's social and ethnic fabric is a unique blend of cultures and people – Malays, Chinese, Indians and expats from various countries. High emphasis is

⁴ Noor Aisha Abdul Rahman, 2009.

placed on communal and racial harmony. Singapore's lifestyle is multi-cultural with each of these ethnic communities maintaining their unique way of life and at the same time living harmoniously. Singapore's society is cosmopolitan due to the influx of foreigners in recent times. The reasons cited for encouraging immigration were consistent and clear. First, Singapore aims to be an Asian financial hub, especially in new high-tech industries that the government was trying to build; to boost the economy with much needed talent - an economic strategy which requires plenty of skilled migration, as well as foreign workers in lower skilled sectors, like construction and childcare. Second, to counter the low fertility rate and greying population that Singapore was experiencing like many developed countries. Third, Singapore is also facing a brain drain as younger Singaporeans move overseas for work thus a need to replenish Singapore citizens who had chosen to migrate to other countries. There was also a fourth but less-cited reason. As Singapore developed and its citizens became more educated and affluent, there was an acute need to import transient workers for lower-level blue-collar jobs that Singaporeans shunned, such as those in the service industry, construction labourers, shipyard workers, sanitation staff and domestic helpers⁵.

Lately immigration is becoming a hot button issue in Singapore. From 2000 to 2014, Singapore's foreign-born population swelled from 1 to 2 million. The impact of immigration on Singaporeans, as described by Singapore media, is either economic or cultural in nature. Immigrants are sometimes seen as displacing the locals from jobs, places in schools and housing. On the other hand, they are also seen as infringing local cultures and norms. Public unhappiness at the government's liberal immigration policies has led to foreigners being blamed for overcrowded public transport and high property prices, among other things⁶. Some of the key social issues include the perception that immigrants were taking away white-collar jobs, places in schools and hospitals, as well as driving up property prices. Some citizens also expressed a fear that the national identity was being diluted, and that many

⁵ Global-is-Asian, 2017.

⁶ Clarence Lim, 2015.

expatriates will leave as soon as better opportunities were offered elsewhere. Like most countries, Globalisation's ills for Singapore can be described not only in terms of loss of jobs through imports and MNCs, but also the transmission of phobias communicated by the Internet⁷. When social media became popular, some isolated incidents of derogatory remarks posted online by foreign talents on Singaporeans also caused widespread anger. One other migration danger Singapore faces, in the case of skilled migrants, is that those coming here live pleasant lives set apart from the mainstream of Singaporean society, and thus remain ignorant of its history and social norms. This in turn risks breeding resentment from ordinary Singaporeans, and undercutting support for migration and globalization itself.

Singaporeans need to confront and accept an economic model predicated on high levels of migration. Singaporean citizens often fear that immigrants are 'stealing' white-collar jobs, but the truth is that the foreign workers usually take up jobs that qualified Singaporeans are not interested in pursuing. There are stringent immigration laws in place to prevent an influx of immigration occurring faster than what Singapore's physical infrastructure could cope with. While Singapore's strict immigration policy is a necessary evil, some observers have also criticized Singapore's immigration policy as discriminatory. While white-collar workers with high educational qualifications are welcomed in the hope that they will integrate into society and become permanent residents or citizens, blue-collar and domestic workers are rendered invisible not only by society's attitudes towards them but also by way of government policies that leave them with no social or economic security.

CONCLUSION

In an economic globalization context, embracing more migration is in our collective interest. The coming century will witness unprecedented demographic changes in societies around the world, especially in the developed countries facing shrinking populations. However, as shown with the examples of the United Kingdom, Canada and Singapore, whether it is with

⁷ Today Online, 2017.

improved laws protecting the Nations against illegal migration, better selection and integration of migrants, and opportunities in a meaningful labor market, much work remains in order to mitigate the shortcomings of economic globalization, and migration. Fundamentally, all three countries need to address the negative tropes of troublesome, job-stealing migrants and the surge of precarious employment for newcomers. Globalization impacts all nations, and all economies, under-developed, developing, or dominating ones alike, and this new challenge will only grow, as all indications suggest even larger migration shifts in the years to come.

REFERENCES

BOOKS AND ACADEMIC JOURNALS

- Canadian Labour Congress (2001). *Recession watch bulletin*, Issue 5, Spring 2011
- Castles, Stephen (2002). Migration and community formation under conditions of globalization, *International Migration Review* 36(4)
- Ciarniene, Ramune, and Kumpikaite, Vilmante (2008). The impact of globalization on migration processes, *Social Research*, Kaunas University of Technology, Lithuania
- Deliso, Christopher (2017). *Migration, Terrorism and the Future of a Divided Europe*, Praeger Security International, Denver, Colorado
- Dorman, Andrew M, and Kaufman Joyce P (2014). *Providing for National Security: A Comparative Analysis*, Stanford University Press, Stanford, California
- Goldin, Ian, Cameron, Geoffrey, and Balarajan, Meera (2012). *Exceptional people: How migration shaped our world and will define our future*, Princeton University Press, New Jersey, United States
- Labonté, R (2015). *Globalization and the health of Canadians; having a job is the most important thing*, *Global Health 2015, Globalization and Health*, BioMed Central
- Lewchuk W, de Wolff A, King A, and Polanyi M (2003). *From job strain to employment strain: health effects of precarious employment*, Just Labour
- Ministry of Advanced Education, & Labour Market Development and BC Stats (2010). *A regional perspective on the BC economy – Mainland/Southwest*. In *A Guide to the BC Economy and Labour Market 2010*, Vancouver
- Noor, Aisha Abdul Rahman (2009). *The Dominant Perspective on Terrorism and Its Implication for Social Cohesion: The Case of Singapore*, *The Copenhagen Journal of Asian Studies* 27(2), pp 109-128
- Schrecker, T (2009). *Labor markets, equity, and social determinants of health*, in *Globalization and health: pathways, evidence and policy*, New York: Routledge, pp. 81–104
- Segal Uma A, Elliott Doreen, Mayadas Nazneen S, (2010). *Immigration Worldwide: Policies, Practices, and Trends*, Oxford University Press, New York
- Standing G (2014). *The precariat: the New dangerous class*. London: Bloomsbury

Stanford J (2013). *The myth of Canadian exceptionalism: crisis, Non-recovery, and austerity*. Alternate Routes

Stinson J, Pollack N, and Cohen M (2005). *The pains of privatization: How contracting Out hurts health support workers, their families, and health care*, Vancouver (BC): Canadian Centre for Policy Alternatives

Toronto Workforce Innovation Group (2010). *Innovative approaches to prosperity: shaping Toronto's labour market*, background paper, Toronto: MaRS Centre

INTERNET ARTICLES

Globe-is-asian (2017). *Singapore's lesson: Managing immigration to create a win-win situation*, retrieved on 14 April 2019, from <https://lkyspp.nus.edu.sg/gia/article/singapore-s-lesson-managing-immigration-to-create-a-win-win-situation>

Lim, Clarence (2015). *Immigration in Singapore: Changing Reactions and Rhetoric*, retrieved on 14 April 2019, from <https://www.ipsonline.com.sg/immigration-in-singapore-changing-reactions-and-rhetoric/>

Today Online (2017). *Why do people oppose globalisation?* Retrieved on 14 April 2019, from <https://www.todayonline.com/commentary/why-do-people-oppose-globalisation>