Evaluating the Economic Dynamics of Immigration: A Comparative Analysis of Unemployment Rates and Policy Impacts in the USA, Canada, and Australia

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Abstract. As globalization intensifies, immigration becomes a significant factor influencing economies globally. This paper presents a comparative analysis of immigration policies and their economic impacts in the USA, Canada, and Australia. Utilizing a blend of literature review and economic data analysis, the research investigates the relationship between immigration policies and key economic indicators such as unemployment rates and GDP growth. The study explores how diverse immigration policies in these countries, shaped by historical, cultural, and political contexts, influence their economic landscapes. It assesses the balance between welcoming immigrants and sustaining economic growth, highlighting the role of human capital in economic integration. The paper seeks to offer insights into how immigration policies can be optimized to promote economic prosperity while managing unemployment levels effectively. This concise analysis contributes to the ongoing dialogue on immigration policy, providing evidence-based recommendations for crafting more effective and harmonious immigration strategies in the face of global challenges.

Keywords: Unemployment, economic growth, immigration.

1. Introduction

Recently, in the increasingly globalized world, the immigration issue has become a prominent problem that should be urgently discussed. Different kinds of immigration have different aims; for example, to attract new and high-level labour, Hong Kong has set up several policies to encourage outstanding people to work in Hong Kong. They can get identification in Hong Kong more easily than normal people, and their kids find it easier to enter high-level universities. Canada, a country full of immigrants, uses its stunning natural view and careful healthcare facilities to attract a large number of young and old people. So it is easy to see that, immigration is a common situation around the world. This huge topic includes immigration between cities, provinces, and even countries. In past research, many people concentrated on improving the unemployment rate, whether it is an influential factor in economic growth or whether immigration will cause the unemployment rate. This essay will mainly focus on international immigration around the world and find the connection between the unemployment rate and immigration by finding the change in economic growth. I choose the USA, Canada and Australia as the main examples because these three countries have different policies, and they have stable economic and technological growth. Firstly, we will discuss the immigration problems in America. Although Americans like to pride themselves on their history as a "nation of immigrants," each wave of new immigrants over the past two centuries has been met with a backlash from earlier immigrants. The conflicts have become harder and harder, so how to treat immigrants properly is really important for America. Then, we will discuss the Canadian policy on immigration. As a high-welfare state, Canada's federal and provincial governments have their own welfare policies, so after landing, applicants need to understand and apply for a variety of social welfare and public services in order to get the necessary support and help. For Australia, Ultimately, understanding the relationship between immigration and the economy is critical to developing a holistic approach to addressing the opportunities and challenges that immigration presents. Through discovering this intricate topic, we hope to inform public discourse, develop evidence-based policies, and contribute to a more complete understanding of the impact of immigration on our economies in an evolving globalized world.

Some argue that immigration boosts the region's economy, while others argue that it adversely affects local employment rates. In order to find the connection between the unemployment rate and immigration in these four countries, we can use different diagrams to show that more immigration will cause a higher unemployment rate as well as lower economic growth. Also, we will discuss whether there will be different situations in different scenarios. At last, our aim is to find the best policy around the world for common immigration.

According to the pull and push model, the appearance of immigration is because the prior circumstances in which immigrants live have some disadvantages that push the immigrants to move to first-tier cities or some places that have advantages that attract them [1]. In past research, they mainly considered that new immigration has an impact on the economic status of both natives and prior immigrants [2]. For example, most studies conducted in the United States show a neutral or positive relationship between changes in immigration and unemployment rates, particularly in terms of employment rates among the native population. In contrast, many studies in continental Europe have shown the negative effects of immigration. there is no exact deduction or precise forecast for the economic change caused by immigration, but most of them think it is because of the transformation of the industrial model [3]. If the immigrant and the workers in the host country are the substitutes, more immigrants will cause a rise in the unemployment rate, but if they show a complementing connection, more immigrants cause higher output but no change in the employment rate. Also, there will be more opportunities for jobs and transfers to higher income rates.[3]. Besides, Moreno Galbis and Tritah's research found that the labour market is divided into two categories: Labour providers of indigenous peoples and migrants [4]. Building on a foundational model, the research posits a generally positive external impact of immigration on the labor market. This is attributed to immigrants often being more economically beneficial than native workers, which in turn encourages businesses to create additional employment opportunities. The study bifurcates the labor market into two segments: native labor providers and migrant workers. From this perspective, the conclusion drawn is that immigration enriches the labor force, as the presence of immigrants leads to the creation of new job openings.

When considering the economic dimension, it is essential to factor in GDP per capita. The hypothesis that migrants possess minimal or no human capital suggests they merely contribute to population growth, potentially straining economic expansion as resources must stretch further. Conversely, migrants with human capital can enhance economic growth by contributing their skills and knowledge. Research by Furlanetto and Robstad utilizes segregated migration models to navigate the complexities of migration and macroeconomic disturbances within the business cycle. Their studies assess the effects of migration on various economic variables. Findings indicate migration has substantial repercussions, particularly on labor markets. Surprisingly, migration shocks correlate with reduced unemployment, albeit with minimal positive impact on price levels and government finances [5]. The research, however, does not show significant changes in housing prices or consumer credit. It is observed that a decrease in the intensity of industrial capital negatively influences productivity.

2. Analyze

2.1. U.S. Immigration Policy

The Immigration and Nationality Act of 1965 ended the national origin quota system and laid the foundation for the current US immigration system based on family reunification and employer needs. Although the US immigration system has been continuously developed and improved through several immigration legislative reforms, it still faces two challenges. On the one hand, there are the challenges posed by large numbers of illegal immigrants, and on the other hand, the demographic changes brought about by the continuous influx of immigrants. There are currently 11 million illegal immigrants in the United States, accounting for 23 per cent of the total number of immigrants in the country; most of them are facing living problems, so they will not benefit from the development of the economy in America. Although the slow immigration process has led to a large lag between immigration policies and their effectiveness, this does not mean that the immigration policies pursued by the Trump administration will not work for a long time to come. The more than 400 immigration policy changes Trump has made during his four years in office will take years to be cleaned up and fully reversed. His handling of refugees and migrants at the US-Mexico border also poses a huge challenge for his successor.

2.2. Australia's Immigration Policy

Migration tends to lower the ratio of physical labor to capital in destination countries, potentially resulting in reduced output per individual. Kemnitz presents the perspective that skilled immigrants, by virtue of their human capital, can offset this decline by balancing the diminished share of manual labor with their expertise. Further research indicates immigration's overall positive effects on economic expansion and productivity, with a particular emphasis on the contributions of highly educated immigrants to these areas. In Australia, the complex economic repercussions of migration have been a significant focus of academic inquiry. Here, the narrative often points to immigration as a substantial factor in economic challenges faced domestically.

2.3. Canada's Immigration Policy

In general, the evolution of Canadian immigration policy from exclusionist to universalist Increased immigration. In fact, this is despite opinion polls showing Canadians oppose increased immigration, and the announcement of the increase in immigration levels comes against the backdrop of a sluggish economy and rising unemployment. The government emphasized the long-term economic benefits that its policies could bring [8, 9]. But recently, the Canadian government has changed its immigration policy, completely shattering the idea of illegal immigration by many people who fish in troubled waters [10]. As the competition becomes fiercer, 100 or even 300 people compete together. Moreover, the relevant employment procedures are becoming more and more complicated; some need to apply for the LMIA (Labor Market Impact Assessment Certificate), and some need other certificates. This is only a difficulty for some migrant workers and for student immigrants; after experiencing a significant increase in the refusal rate in mid-2019, the rejection rate has become very low since late 2019 [11]. But you need to have a strong language base and a sufficient budget.

3. Conclusion

Despite the importance of immigration policy and the rapidly expanding literature on the subject, immigration policy theory is not well defined and largely absent from debate between different schools of thought. The aim of this study is to describe the main approaches in the field of immigration policy and highlight the main advantages and disadvantages of each approach. Background: The immigration issue is a topic around the world. Different countries give different solutions and policies to control and manage it, but it will still cause several problems. This essay will discuss the connection between immigration and unemployment rates as well as economic growth; as a result, we will find the best solution in the specific scenario. Method: use some diagrams and learn something from the latest pages. Immigration has a great impact on a country's population, culture, economy and politics. Furthermore, the demographic stability or expansion in numerous Western countries is increasingly attributed to immigrants. The migration policies enforced by these nations play a pivotal role in shaping the patterns of migration, especially considering the vast number of individuals seeking to relocate to developed countries for economic advancement or due to political pressures. Given the limited channels available for such migration, it is ultimately the regulatory frameworks of the destination countries that regulate the extent and nature of global migration flows, which includes undocumented migrations. Thus, the immigration policies of the host countries are decisive in shaping the dynamics of migration.

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