From Border Control to Urban Planning:
An Urban Planner’s Thoughts on Immigration Reform

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Abstract

Recent developments in US immigration policies have brought tired attention to the problems of immigration in the United States. Although there has been growing awareness of the need to manage immigration that address the economic causal factors underlying the motivation to cross borders, the recent changes in immigration policies fail to do so. This paper brings attention to the futility of border control laws and calls on urban planners to address immigration through strategic planning for a socially-responsible, sustainable economic development in sending countries. This paper concludes with recommendations for how to do this.

Keywords

urban planning; economic development; immigration reform; Socially Responsible Corporations

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1. Immigration Reform and Urban Planning: Moving Beyond Border Control

The recent media attention given to the mass transnational movements occurring across the globe, outcomes of political instabilities and climate change, have reigned immigration concerns worldwide and in the United States. Notably, the new waves of refugees towards Europe due to violent conflicts in parts of the Middle East and Africa and the rise of climate change refugees resulting from the flooding effects of skyrocketing temperatures have all revived public attention to the crises that lead to large-scale migrations. Among these newsworthy events were the 2010 ratification of Arizona SB (Senate Bill) 1070 and a cascade of immigration laws approved since President Donald Trump’s inauguration in January 2017. Each of these developments in US immigration policy has brought only tired attention to the socio-economic and political conundrums underlying immigration because the tropes shaping the negative stereotyping of immigrants and the approach to reducing migrant inflows have been hopelessly redundant, if not futile.

Throughout history, the immigrant narrative in the US has been written by sentiments of American nativism, influencing policy solutions that have focused singularly on enhanced border control measures intended to keep out “undesirable” immigrants. A review of immigration laws reveals that heightened measures have neither deterred nor effectively managed immigration to the US (Cornelius, et al. 1994). Arizona’s SB1070 and Trump’s executive orders have been particularly contentious because, rather than addressing the more deeply-rooted factors that induce transmigrations at high rates, the race-based language facilitating detainments and the emphasis on border control measures merely belabor redundant frameworks that consistently portray immigrants as a threat to American life, in effect reiterating nativist sentiments, and criminalize immigrants. Consequently, opponents have vigorously attacked these legislative initiatives for exacerbating the racial rifts underlying white-colored relations in the US and doing little to alleviate the racial tensions long associated with immigration.

The transnational nature of migrant movements casts immigration as a global phenomenon subject to the turbulences of global economic, political, and climatic uncertainties. The general topic of immigration is thus imprinted in the dialectical relationship between sending and receiving countries, as population movements are by and large impelled by the anorexic economies and political problems of sending countries, two primary drivers of transborder movements (de Haas 2008; Ewing 2007; Castles and Miller 1998; Massey et al. 1993; Massey 1990). The phenomenon of ‘climate change refugees’ (Mellino, Eco Watch, 5 January 2016) signify that immigration is also couched in the intersection connecting anthropogenic activities to the ecosystem. These causal factors indicate that immigration cannot be examined solely through the lens of impact to the receiving country; it needs to be understood holistically (Ewing 2007) to also consider the “push and pull” stimuli (Castles and Miller 1998) that propel cross-border movements despite risks to life. Yet, instead of pursuing immigration policies that have proactively responded to the inducements, American policymakers have simply reacted to the high rates of migration by building a wall and by modifying immigration laws. Neither effort has done much in the way of remediating the inequalities in socio-economic well-being and political stability between sending and receiving countries.
The controversies surrounding immigration reported in the news media promulgated questions that led to this paper’s framework. Firstly, had immigration policies effectively deterred unlawful border crossings in the past? Secondly, as key figures in the management of cities and regions, what role could urban planners play within the immigration dilemma? Thirdly, what could urban planners as participants in the immigration discussion contribute to managing immigration rates beyond policy regulations? Based on the discoveries unearthed from the desk research on the causes and implications of immigration, this paper argues that addressing the immigration dilemma purely through changes in immigration law/policy has not effectively mitigated the incentive to migrate. Furthermore, any endeavor to manage the flood of transnational migrants would entail a tactic that addresses the causal factors. Henceforth, the discussions in this paper critically reflect on the futility of border control laws in managing migrations, bringing to the surface the racial politics that have influenced the immigration policy framework, and shed light on the need to address cross-border movements at the source.

Singled out for scrutiny in this paper is the economic (“push”) factor prompting transnational migrations, specifically, the failures of the FDI (Foreign Direct Investment) economic investment model to reduce the between- and in-country economic inequalities driving up immigration rates and, alternatively, suggests that a foreign investment strategy enriched by SRCs (Socially Responsible Corporations) be explored. Preliminary, self-promotional documents discussing the philosophies of SRCs (William 2007; Beloe, et al. 2006) indicate that such companies are predisposed towards social responsibility and sustainability, as they favor developing mutually beneficial relationships with communities and workers, are more likely to pay in-country taxes and workers a living wage, and more likely to adhere to environmentally friendly practices, all of which generate greater returns to sending countries. However, the minimal literatures about SRCs have remained hypothetical and optimistic rather than being critical and scrutinizing, giving reason to investigate further the legitimacy of the benefits proclaimed in the promotional SRC materials. In the light of such knowledge deficiencies, this paper simultaneously calls on urban planners to begin conducting such an investigation, as they are held with the responsibility of managing the economic development of cities and regions. In this unique role, urban planners are able to embark on an incisive examination of the socio-economic impacts of an SRC-diversified foreign investment portfolio, the outcome of which would provide the grounds for planning sustainable, socially responsible economies and, in consequence, steer immigration reform efforts away from the identity-driven approach that continues to define it today.

Accordingly, the central thesis of this paper is not so much about SB1070 or immigration theory, in general, as it is about bringing to light the potential for actualizing an economic development strategy, consisting of an SRC-diversified investment portfolio, better attuned to the fiscal constraints and sustainability concerns of sending countries. Within this thesis, this paper suggests that urban planners collect and analyze pertinent data that give evidence of the positive impacts SRCs have made on local economies and on the environment, provide insight into the extent to which urban and regional land spaces may accommodate SRCs, and reveal the degree to which an SRC-diversified, local and regional economy bolsters quality of life.

This paper begins with a critical conversation about the immigrant-nativism sentiments underlying contemporary immigration debates that have shaped immigration policies (Section 2),
providing the rationale for approaching immigration policy more holistically. Integrating into this section the controversial use of race-identity to justify stringent restrictions on migrants of color in SB1070 and the Trump administration executive orders is necessary in order to convey both the persistence of nativism in immigration policy and the usefulness of these policy initiatives as springboards for problematizing the ideological foundation of the immigrant-nativism nexus. To illustrate the holistic reality of immigration, attention is also drawn to the “push and pull” factors underlying immigration (Section 3), as encapsulated in the theoretical writings by Castles and Miller (1998) and other scholars (e.g. Gold 2005; de Haas 2008; Massey et al. 1993; Massey 1990; Fawcett 1989). This is followed by a discussion (in Section 4) about the failings of the border control approach to managing migrations to the US. Section 5 argues for a sustainable, socially-responsible foreign investment approach to economic development, giving reasons to further explore such an investment model. Section 6 explains the reasons urban planners should initiate data collection and recommends the types of data needed for analyzing the contributions of SRCs to the ecosystem, including the overall net returns to the workers and economies of sending countries. The insights generated from the gathered data would enable urban planners to effectively plan socially responsible, sustainable economies.

Because the immigration topic is broad, the conceptual limitations imposed by the narrow scope of this paper were unavoidable. Incorporating discussions on alternative strategies for tackling other “push” factors, namely, political dictatorships and climate change, apart from the economic, is an ambitious undertaking. Consequently, the suggested strategy delineated at the end of this paper are restricted to the economic development purview, with a consideration to sustainability.

2. A Perspective on Immigration Ideology: Nativism, SB1070, and the Trump-Era Executive Orders

During Barack Obama’s presidency (2008-2016), US policymakers introduced and reinitiated legislation to reconsider and change immigration laws, some of which were successful. In 2010, for example, amidst mass protests from immigrant communities, SB1070 (“Support Our Law Enforcement and Safe Neighborhood Act”) was ratified by the Arizona State Legislature under the leadership of former governor, Jan Brewer (2009-2015). SB1070 was intended to preclude undocumented persons from engaging in economic activities, accessing government benefits and social services, and unlawfully entering the US. Fines of US$500 or more and/or jail time were imposed on immigrants breaching any part of this law (State of Arizona Senate, 49th Legislature, 2nd regular session, 2010). The problem was that implementation was more expansive, not restricted to only those entering the US without the appropriate documentation, and resulted in the dragnet detainment of thousands of individuals of Mexican heritage.

In January 2017, shortly after assuming office, President Donald Trump issued a series of executive orders that, like SB1070, conjoined race-identity with immigration. On January 27, 2017, Trump banned nationals from seven Muslim-majority countries from entering the US with Executive Order 13769 (“Protecting the Nation from Terrorist Entry into the United States”), inciting mass protests across the country. Despite public outcries, on June 26, 2017, the Federal Supreme Court agreed to parts of the travel ban before upholding the revised version
(“Presidential Proclamation 9645”) on June 26, 2018. Trump also signed into order the end of the Deferred Action for Childhood Arrivals (DACA), a policy that delayed the deportation of children who, accompanying their parents, had entered the US without documentation as minors. Deportation executive orders, which would concomitantly revoke work authorizations, were extended to refugees given temporary residence in the US under the resettlement program and to citizens from Haiti, Nicaragua, Sudan, Honduras, and El Salvador whom had been granted entry to the US under the Temporary Protected Status designation (Pierce and Selee, 2017).

Undeniably, these laws shone a spotlight on the discrimination underlying the government’s reasoning.

Immigration reform in the US has always had an uncomfortable link to racial and ethnic profiling, the reason that SB1070 and Trump’s executive orders have generated such controversy. The racial politics intrinsic to these laws is the implication on non-white, non-European ethnic groups at large when the aim of each was to protect US citizens from the true criminals, i.e. terrorists, not from the immigrants genuinely in need of refuge and life opportunities. The race-wide implication on documented immigrants originating from developing countries, where the majority of the world’s non-white populations reside, is especially stark in the language of SB1070 which, critics have argued, gives local law enforcement officials too much power in allowing them to detain anyone deemed to be “reasonably suspiciously illegal” for interrogation. What, after all, would constitute suspiciously illegal behavior in a reasonable way?

The controversy also rests in the way these powers feed into the criminalization of immigrants by targeting a superficial characteristic - race/ethnic identity - upon which to determine one’s legal status. Critics complained that detentions executed according to identity subject minorities to identification checks more than their white counterparts, inducing feelings of alienation among those who are citizens and permanent residents in their homeland in addition to inciting concerns that civil rights due process regulations, when making arrests, will be ignored. The critics’ fears are not social paranoia, Peden (2009) reasons, but derived from a deeply embedded history of melding together race with national identity (33). In a similar fashion, Gold (2005) notes the racist characterization of immigrants as being ‘genetically and culturally inferior’ (261) as early as the 19th Century by the behavioral scientists, Edward Ross (University of Wisconsin) and William McDougall (Harvard University). Other studies linking American nativism to immigration (Ancheta 2002; Fuchs 1990; Higham 1955) draw attention to the Naturalization Act of 1790, which demonstrates how citizenship and whiteness have been bound at the expense of excluding “the Other” (non-whites). This Act, later overturned, granted citizenship only to European immigrants. Its rationale came from an early 18th Century ideology bridging religion and citizenship that facilitated European immigration to, and cemented their claims of ownership over, the New World. Those speaking for European immigration proclaimed America as a God-granted place of sanctity, in which Europeans were guaranteed liberty and opportunity, and where they were rewarded for achievements (Fuchs 1990). Europeans’ common interest in civic life and common goals of displacing Native Americans from native lands and changing indigenous society to reflect the social interests of the European settlers were touted as traits intuitive to Europeans, securing their place in America. Fuchs (1990) puts forth that such commonalities became “the founding myth of a new political culture, unifying white Americans from different religious and national backgrounds” and consequently “the basis of American patriotism in the Eighteenth Century” (2-3). These studies demonstrate that America’s belabored
love affair with nativism, in which race-identity and nationalism are conjoined, has established the widely accepted perception that whiteness is the embodiment of “American-ness” (Ortega and Alcoff 2009, 5).

3. Understanding Immigration Holistically: Extrapolating the Push and Pull Factors

Knowledge about immigration processes have been formalized as three dominant, explanatory theories: the (1) neo-classical, (2) historical-structural, and (3) migration systems theories (Castles and Miller 1998). Scholars who have interpreted the various immigration behaviors elucidate that, while individuals will migrate under conditions of relative equality and for personal preferences, the economic imperative is a salient motivation and generally occurs from poor to rich countries (Ewing 2007, Massey et al. 1993, Castles and Miller 1998). While not yet a theory, the growing evidence of climate change as a causal factor of emigration warrants mentioning.

The more optimistic neo-classical theory argues that immigration, impelled by inequalities between countries in terms of income and finance capital, and perceived opportunities in education, employment, and business development, is a pursuit exercised by free will and free choice. As workers optimize labor opportunities by seeking work in other countries, they eventually contribute to equilibrium in the global labor market. Neo-classicists view the State as an obstructive force to this equilibrium when the State, in fact, capitalizes on opportunities created by surplus labor, usually at the expense of the immigrant (Castles and Miller, 21-22).

The neo-classical theory is partly true. Emigrating provides economic opportunities that can be converted into wages for immigrants, who remit portions of earned income to family members in sending countries (Gold 2005, 264; Castles and Miller 1998, 93, 148). An UNCTAD (United Nations Conference on Trade and Development) report revealed that remittances to low-income countries, which constitute a fairly large proportion of immigrant-sending nations, increased considerably by billions of dollars (US$) between 1990 (3.5 billion) and 2011 (27 billion), comprising roughly 2% of GDP, whereas the share of remittances among more developed, higher-income countries declined (UNCTAD 2012, 9-10). The collective impact of remittances is reported by Adams, Jr. and Page (2005), who observed that remittances result in a decline of 2.1% of people living on less than a dollar a day and, correspondingly, elevate individuals from poverty. A sobering aspect is that remittances are not easily captured into economic development dollars (Waldinger 2010, 28).

Furthermore, de Haas (2008) points out that the neo-classical theory overlooks two important points: labor market imperfections that skew opportunities and the imperfect knowledge among immigrants “about the costs and benefits of immigrating” (6). For instance, wages in immigrant-receiving countries are often lower than expected and social discrimination creates barriers to higher-income employment, thereupon concentrating immigrants in low-skilled labor. These caveats in the neo-classical immigration theory give way to a neo-Marxian perspective that better accounts for the power disparities in global, economic relations influencing migration decisions.
The Marxian, historical-structural theorists accuse neo-classical adherents of romanticizing the labor market, as it never functions ideally. International economic relations are more realistically shaped by power differences arising from political and military dominance (Castles and Miller, 23). Such powers have distributed economic wealth and political influence disproportionately across the globe. Devotees to the historical-structural theory view immigration as emerging from these economic and political power disparities pervading the world economy. Another way in which the neo-Marxists depart from the neo-classicists is that, in the view of the former, the structural inequalities marking global relations indicate that immigration is often not a choice for those facing dire economic circumstances. The life constraints imposed by socio-economic hardships in one place force people to look elsewhere for more gainful opportunities, even for basic survival (de Haas 2008).

Both neo-classical and historical-structural immigration theories originate in world systems theory, first postulated in 1974 by Emmanuel Wallerstein who perceived the global economy to be ranked according to degrees of wealth and, for that reason, coined the terms “core,” “peripheral,” and “semi-peripheral” to denote the differences in wealth concentrations of nations (Massey et al.1993; Strikwerda 2000, 336-39). The histories of colonial dominance, militarization, and slavery underpinning these between-country inequalities define, as well, the differences among nations in the comparative advantages of, for example, labor capital, natural resources, etc. (Strikwerda 2000).

In distinction to the neo-classical and historical-structural theories, the migration systems theory accounts for all factors characterizing the complex patterns and layers of immigration processes, and propounds that transnational movements are affected by a series of macro-structural and personal networks that have emerged from formal/informal and historical/contemporary relationships. Fawcett (1989) underscores the significance of relational links defining the migrant networks central to understanding migration systems theory, as these networks generally influence the direction of population flows (671). Features of the multi-layered and multivalent relationships highlighted in migration systems theory may be financial investments and socio-cultural and family ties (Castles and Miller 1998, 24-27). Colonialism perhaps epitomizes the relational links that define the migrant trajectory from sending to receiving country. Through colonialism, the wealthier, heavily militarized nations composing North America, Western Europe, and Oceania possessed the leverage to write the stories of transnational networks (Massey 1990). Immigration patterns over the last two centuries tell of the poor-to-rich country movements affected by colonialism. For example, the US’s colonization of the Philippines (1898 to 1946) makes it the target destination for hundreds of thousands of Filipina/os. Immigrants from other colonized countries have followed equivalent movement patterns, such as Jamaicans to Britain, Algerians to France, and Indonesians to the Netherlands (Castles and Miller, 24).

Although linkages are central considerations, or more clearly, the ways in which immigrants shape and are simultaneously shaped by the societies of receiving countries (Fawcett 1989, 672-73), migration systems theory, like the historical-structural and neo-classical theories, sustains the notion that “the economic interdependence of nations” generates positive economic returns to the immigrant (Massey 1990, 68).
In recent years, new studies shedding light on the impacts of climate change to the security of citizens in their homeland have been published. Such studies demonstrate that industrialization is intertwined with climate change. Compared to knowledge about politically-induced displacements, cases of displacements resulting from climate change hazards is not as well known. Recent media attention has caused perceptions to shift, a transition due in large part to the causal relationships now being made between natural disasters and the social welfare of citizens in countries most vulnerable to climatic disasters (e.g. Fatima et al. 2014; Brown 2008). Such countries are generally tropical and poor, as exemplified by Bangladesh and the Philippines, where many households affected by Cyclone Ailas and Typhoon Haiyan remain homeless and destitute. The difficulty of recovering and adapting from natural disasters has caused leaders of countries most vulnerable to the effects of climate change to request settlement permission from the global community.

4. The Paradox of Border Control Laws: The American Experience

When immigration levels are at their zenith, governments generally respond in one of two, or both, ways: by building a wall as a means of physically deterring unlawful border crossings or by revising the legal language in immigration law to reflect the stronger restrictions in immigration policy. The US government has done both.

Re-tooling the legal language to change entry classifications either strengthens border control laws by imposing a ceiling on the number of immigrants allowed to enter, or expands the doorway to new immigrants by giving amnesty to undocumented persons. Amnesty has been previously granted to thousands of undocumented immigrants residing in the US, but the government has more commonly pursued policies that limit entry, in particular, the national origins quota in the 1920s; the Immigration and Nationality Act in 1865, which constrained immigration to family ties; and with IRCA (Immigration Reform and Control Act) in 1986, which imposed penalties on employers caught employing workers without visas (Borjas 1994, 1669). Since the turn of the 21st Century, lawmakers have again passed a series of laws that have restricted entry.

Under the George W. Bush administration (2000–2008), the Homeland Security wall was erected to keep out undocumented immigrants from Mexico. In 2010, the Barack Obama administration resuscitated the DREAM (Development, Relief, and Education for Minors) Act. If it had won the Senate vote, it would have given asylum to children of undocumented immigrants (Herszenhorn, New York Times, December 18, 2010). Thereafter, as mentioned earlier in this paper, Trump decreed seven immigration executive orders, beginning with the 90-day ban signed in January 2017 that curtailed entry into the US for citizens of certain Muslim countries (CNN Politics, January 28, 2017). This ban merely replicates the race-based tactic of Arizona SB1070, prompting lawsuits from congressional legislators who challenged its constitutionality (Garcia, The Blaze, March 7, 2017). Trump’s other executive orders were equally restrictive and targeted even those with protected status. The revival of the immigration dilemma vis-à-vis each of these legislative resolutions, yet again, frames immigration into a border control issue.

Managing migrations by modifying the legal language governing entry has hardly curbed transnational movements. Scholars (e.g. Cornelius, et al. 1994; Borjas 1994) have demonstrated
that there is little correlation between stricter immigration laws and the numbers of entering immigrants. Stricter border laws have not abated immigration. The divergence between the demand to emigrate and immigration laws is illustrated in the following analysis:

_Despite significant increases in immigration control efforts and monitoring of unauthorized immigrants already working in other countries . . . we found less confidence today among officials that they could effectively regulate immigration flows and employment of unauthorized foreign workers than there was fifteen years ago . . . the supply of immigrant labor . . . is now determined mainly by conditions in the principal sending countries combined with the expansion of already established transborder social and labor brokerage networks promoting migration for . . . economic gain_ (Cornelius, et al. 1994, 4).

Borjas (1994) further points out that, despite more restrictive language in immigration policy, the overall number of immigrants allowed into the US grew exponentially after World War II by more than fifty percent (1770) and has consistently grown since the 1970s, not lessened. The study of national data by Castles and Miller (1998) show that US annual migrant intakes averaged about 450,000 during the 1970s, an average that jumped to 600,000 per year in the following decade (84); in 1990, 1.5 million immigrants became permanent residents, a number that again increased to 1.8 million the following year (85); and, despite heightened regulations on undocumented immigrants flowing into the US, millions of applicants seeking resident status were nevertheless approved, the largest number of all countries with legalization programs (97).

Another example of the futility of border restrictions is the Homeland Security wall constructed along the US-Mexico border spanning across Arizona, New Mexico, and Texas. This wall has not prevented migrants from crossing over. As UC Berkeley professor, Michael Dear, wrote in an opinion editorial article for the _New York Times_, thousands of new detainments have not deterred migrants from crossing into the US (“Mr. President, Tear Down this Wall,” _New York Times_, March 10, 2013). Evidently, the divergence of immigration entry rates from legislative strategies aimed at restraining transnational flows indicates that (1) immigration has to be managed more comprehensively (Ewing, 2007, 445-46) and (2) affirms the need to deeply explore alternative approaches to simply heightened border patrolling.

5. **Diversifying with SRCs: A Better Approach to Foreign Direct Investment?**

There is growing recognition in the US that immigration reform needs to address the deeply-rooted causes of population movements. The following quote taken from a federal study indicates that the cognizance is there: “Development and the availability of new and better jobs at home is the only way to reduce migratory pressure over time” (Castles and Miller 1998, 100). Regardless, in spite of this cognizance, the US government has continued to support economic development policies that have failed to improve both wage levels and living conditions in the sending countries.
The US has ardently subscribed to the more conventional FDI (Foreign Direct Investment) approach to economic development by promoting investments of multinational corporations (MNCs) in sending countries. The assumption that MNCs would liberalize markets and eventually lift sending countries out of poverty conflicts with the research findings illuminating the economic impacts of FDI policies. Data indicate that the rise in concentrations of MNC investments in sending countries has not corresponded with reduced wage inequalities (Noorbaksh, et al. 1999; te Velde and Morrissey 2002; OECD 2007). While jobs were created, wages were not fair. In most contexts, workers were paid less than a dollar a day. Furthermore, FDI has not automatically resulted in greater in-country tax payments (Goodspeed 2006). MNCs have been known to pay little trade taxes, a custom founded on the neo-classical rationale that reducing levies would liberalize trade, encourage more economic investments, and cause domestic markets to flourish (UNCTAD 2000, 11-12). An OECD (2008) policy brief, confirming that FDI discourages tax payments, reported that “FDI decreases by 37% following a percentage point increase in the tax rate on FDI” (2). The case study of Malaysia by Salihu et al. (2015) provides additional proof of the negative tax burden for foreign-owned firms. History teaches the obvious lesson that economies of sending countries have not benefited as anticipated from the conventional FDI model.

An alternative foreign investment strategy, more ethical and compliant with humane ideals, would be to diversify the investment portfolio of sending countries with SRCs. Known to be legitimately concerned with the ethical mantras of conducting business – the economic, the social, and the environmental – company edicts that Williams (2007) labels the triple bottom line, SRCs hypothetically would be more likely to practice sustainability, pay living wages, and pay taxes. In summary, proponents anticipate that SRCs contribute more strongly to sustainable, socially responsible economic development.

5.1. Living wage

Linked to cost of living, the living wage has been cited as an effective legislative tool for improving quality of life. Low-skilled workers who suffer the most from the effects of wage inequalities are targeted as primary beneficiaries of the living wage. Studies demonstrate that the living wage improves quality of life for low-income and poor populations due to improved purchasing power per worker at minimal cost to the economy (Brenner 2002; Pollin 2003). Moreover, reports of outcomes of living wage policies extant in select American cities have not demonstrated an inverse, negative relationship with economic prosperity (Brenner 2008; Brenner and Luce 2005; Pollin, The Nation, 23 November 2003). A living wage would be a considerable improvement in developing countries, where most of the world's populations survive on less than US$1.25 per day (Deaton 2010).

5.2. In-country taxes

The argument for tax payments, a stimulus for economic growth and essential to providing basic public services, the main ingredient in securing social welfare and other benefits for the economically vulnerable (Avi-Yonah and Margalioth 2006), is a moral one, based on the rationale that investors should take some responsibility for capitalizing on the cheap labor and the abundant natural resources of sending countries. In terms of spurring economic growth, taxes
accomplish this in a variety of ways. Tax revenues fuel fledgling, domestic industries, creating jobs for local populations; improve transportation infrastructures, which encourage domestic and inter-regional trade between sending countries; and potentially generate subsidies for microlending institutions that aid in the emergence of new businesses among aspiring local entrepreneurs. Investing tax revenue in these ways would yield economic development in sending countries.

The challenges facing tax collections in the developing world are well known. According to Bird (2008), a nation's taxes must comprise 24% to 30% of GDP (Gross Domestic Product) for its economy to augment (3, 4). Contrary to this determination, the taxes collected by many low-income countries on average is merely 18% of GDP. To help low-income countries set a realistic target, the UN (United Nations) Millennium Project suggested a 22% tax rate, but many still cannot meet this target.

Another challenge regarding taxes are answers to questions about what taxes, precisely, should be collected and, just as importantly, what tax rates should be levied on international investors? Taxes are commonly derived from personal and corporate income, goods and services (Value Added Taxes), and international trade, but what additional taxes should be collected from investors without causing them to divest from sending countries?

In the philosophy of SRCs, the standard guiding tax liabilities is that “tax evasion is ruled out on more fundamental ethical grounds” (Williams 2007, 8). Hence, in terms of tax payments, the question to answer for SRCs is not in whether or not to pay, but in how much (ibid, 8, 9) and in how to compute taxes both responsibly and sustainably (Beloe et al. 2006). It would be fair to say that SRCs are more likely to pay taxes to sending countries compared to MNCs, but many have not inscribed fair and appropriate tax payments in their CSR codes of conduct (Jenkins and Newell, 2013).

5.3. Integrity and Pro-Environment Practices

Sustainability and integrity are additional standards of practice that SRCs uphold. SRCs service customers and workers with integrity by abiding by the ethical procurement and production of quality goods. To this end, SRCs commit to fair trade agreements with producers and manufacturers in developing countries in which goods and services are bought/sold at prices that benefit workers, and yet are fair to customers. At the same time, SRCs commit to activities that foster environmental sustainability, such as the careful extraction of natural resources and the conscious use of recycled and biodegradable materials (Williams 2007, 4-6; Beloe et al. 2006, 10-12).

Case reports written by SRCs provide examples of demonstrated leadership in ethical and moral fairness. The Fair-Trade Network, through their cooperative alliances with organic farmers in low-income countries, are known for paying growers above market rate prices for comparable goods and for paying farm laborers decent wages. Another company, Anglo American, trains African mining entrepreneurs in enterprise development. Through its partnerships with various business stakeholders, Anglo American creates local jobs, supports the development of new businesses, and strives for sustainable mining (Business Call to Action n.d.).
Promotional Services (IPS), an economic venture collaborative, invests in developing countries and ensures that workers benefit from healthcare, humane working conditions, and decent wages. Agriculture is one area in which the IPS companies heavily invests, providing loans and trainings to farmers. Over the years, the collaborative has contracted thousands of farmers (The Atrium Dialogues n.d.). The list goes on.

6. Role for Urban Planners: Planning the Socially Responsible Business Investment Portfolio

Urban planners have diversified and multifaceted roles. One of these is the distinct role of planning and managing the economic development of cities and regions, a responsibility that consists of the intersecting tasks of balancing multiple stakeholder interests, including those of residents, and forecasting the benefits (e.g. wages, jobs generated, and city/regional revenue) derived from attracting economic investors without compromising the qualities of urban environments and life. Because urban planners are at the center of this hub of perspectives, in this role, they are in a crucial position to visualize and plan for spatial economic density, whilst emphasizing an SRC-diversified investment portfolio that meets the sustainable and long-term fiscal goals of cities and regions.

The planning component of managing economic development requires the production of ideas. Ideas are contingent on data that enable planners to understand not only the benefits of economic development, but also the impacts of actions taken in pursuit of economic development. As so, urban planners are simultaneously ensconced in a multitude of “information systems,” referred to as the intelligence center, involving data that help to understand the potential success of any economic development initiative (Singleton et al. 2018; Kaiser et al. 1995). The urban planner’s role, in this respect, would encompass the collection of pertinent data about SRCs to evaluate impacts in terms of tax revenues, employment opportunities, wage levels, and urban/regional sustainability. Once interpreted, the data would allow urban planners to make informed decisions about the extent to which cities and regions could accommodate agglomerations of SRCs and how best to spatially manage and zone their placements within and around cities.

While several promotional materials attest to the impacts of living wages, fairer tax payments, increased revenues, and sustainable practices associated with SRCs, to date there have been few critical, evaluative studies testing such claims. The small number that have appeared are case studies of companies that have adopted corporate social responsible codes of conduct (denoted in these studies as “CSR” practices) and bring attention to the impact of CSR activities on corporations, such as the tension between CSR activities and company profits (e.g. Zhang et al. 2014; Pan et al. 2014), between a company’s tax payments in relation to its CSR activity (Laguir et al. 2015), and to the utility of evolutionary theory to appreciating the particularities of CSR activities (Prates et al. 2015). These research articles expand our understanding of the trade-offs between socially responsible and sustainable practices in relation to company profits, albeit fail to inform about the number of urban/regional jobs generated, neither clarify the degree to which wages improve employees’ overall welfare nor illuminate the value of the dollar amount paid in taxes to local economies, and do not clarify which sustainable practices foster healthy urban/regional environments. Without the data to inform as such, urban planners could at best
make only educated guesses about the actual contributions of SRCs to defined places.

At least two databases maintained by Vigeo-Eiris and CSRHub rate and evaluate corporations on CSR activities. The shortcomings of these reported evaluative ratings is that they apply to a wide range of corporations and do not distinguish SRCs from MNCs demonstrating incorporated CSR practices. Therefore, comparisons cannot be made of the scale and the extent to which SRCs benefit communities relative to that of MNCs engaged in CSR activities. These databases also fail to narrow the multiplier effects (i.e. wages, tax revenues) of socially responsible activities on municipalities, townships, or regions. Without narrowing the analysis of the impacts of CSR practices to smaller administrative boundaries, urban planners could not measure the comprehensive benefits to local areas and corresponding hinterlands. Localizing data enables urban planners to make contextualized economic development decisions.

Considering these knowledge gaps in the research material, this paper calls on urban planners to take the initial steps in collecting data, allowing for preliminary assessments. Firstly, gather data on the investment activities of SRCs from SRCs, government and non-government databases other than Vigeo-Eiris and CSRHub and measure the potential returns to cities and regions. Indicators of interest are (1) the number of jobs generated, (2) the gross and average wages paid to workers, which should be measured against the living wage, (3) average taxes paid to municipal and federal governments, (4) the types of sustainable practices in which the SRC is engaged, and (5) the impacts of these sustainable practices to the surrounding communities. Continuously tracking such data over time would allow urban planners to determine how well SRCs endure socially responsible and sustainable practices.

Secondly, undertake a land and commercial property audit in local districts to ascertain (1) how much of municipal land spaces has been and should be optimally allocated to SRCs remaining consistent with the triple bottom line principles, and (2) the value of those land spaces in relation to economic returns, to the preservation of green spaces and related impacts on air quality and urban aesthetics, and to urbanization. Land audits are useful for assessing the spatial patterns of current land availability and can be figured into analysis of land use classifications to determine the most sustainable and optimal management of urban land use changes (Kaiser et al. 1995). The results of land audits should be stored in a database and periodically updated. Lands determined to be prime for development should subsequently be “banked” (called “land-banking”) for future use and should become part of long-range planning goals for cities and regions. In this way, long-term visions of socially responsible, sustainable FDI strategies would be comprehensive, whilst accounting for different variables affecting economic development, rather than be ad hoc, and oriented towards the future. Land audits are just as important for forecasting regional land holding capacities for commercial development and preservation.

Finally, track the environmental performance of SRCs. The environmental performance indicators should be drawn from the environmental mission statement of the SRC and the assessment be measured against the overall contribution of activities that uphold the sustainability of urban and regional ecosystems. The findings from such an assessment would enable urban planners to ascertain the collective returns from sustainable practices to residents and to ecosystems.
To verify the legitimacy of the economic, social, and environmental benefits claimed by the SRCs and to recognize their distinct contributions, urban planners should compare the performances by SRCs against that of MNCs in these domains. Moreover, when determining which SRCs to invite for investing in cities and regions, preference should be given to those with the most beneficial triple bottom line portfolio. The choices should ideally complement what is already provided by existing businesses.

From the data on the wages and taxes paid, the number of jobs generated by SRCs, the land audits and land valuations of cities and regions, and the environmental performances of SRCs, urban planners would be able to determine the degree to which SRCs contribute to the cities and regions of sending countries in terms of income and other social returns, economic wellbeing, and environmental quality. The data would be integral to planning, for example, agglomeration economies or, as another example, visualizing economies of scale in fiscally-deficient urban and rural spaces in consonance with sustainability principles. The data may be useful for identifying capacity-building programs that support the piloting of an SRC-diversified investment portfolio. Finally, the data may lay the groundwork for municipal policies that incentivize continued participation in socially responsible, sustainable practices. Sharing data with other countries will enable adaptation to other contexts.

7. Conclusion

The revival of immigration concerns due to political instabilities around the world, to the effects of climate change, and to Arizona’s SB1070 and President Trump’s executive orders in the US has only brought tired attention to the immigration discussion. Although there is growing awareness of the need to respond to the burgeoning immigrant population beyond policing strategies, the race-based immigration laws have failed to do this. Rather than managing immigration by addressing the root causes, such laws reinforce a weary approach that have failed to mitigate immigration to the U.S.

Nevertheless, the revival of the immigration discussion gives urban planners the opportunity to shift attention away from race/ethnic identity towards a strategy involving SRCs that proactively responds to the economic motivation to emigrate from sending countries. SRCs purportedly generate greater socio-economic and environmental benefits to urban/regional economies and residents. By learning more about the contributions of SRCs, urban planners could tap into an SRC-enriched, FDI investment model that would potentially manage immigration more proactively than have border control laws. However, incisive knowledge about the impacts of such a model among urban planners and other stakeholders remains a work in progress. By collecting the necessary data on the land availability of cities as well as on the economic, social welfare, and sustainability performances of SRCs, urban planners in their unique role as urban managers could make informed decisions about the ways in which sending country governments would best transition towards socially-responsible, sustainable economic development in the interests of urban/regional economies and residents.
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