Investor as Immigrants:

Reexamining the immigration policy of Japan from the experiences of the United States and Canada

By Rick Liu

A thesis submitted to the

Graduate School of Public Policy,

The University of Tokyo

Supervised by Professor Hideki Kanda

Graduate Schools for Law and Politics,

Graduate School of Public Policy,

The University of Tokyo

Acknowledgement

I would like to express my gratitude to my advisor Professor Hideki Kanda for the continuous support of my study. His patience, encouragement and experience in the field has not only guided me but also inspired me to approach the subject matter in different perspectives.

I would also like to thank my family, my mother Nancy Wang and younger brother Steven Liu, who supported my decision to come to Japan in order to pursue studies in the area of public policy.

Abstract

According to *A Nation of Immigrants* published in 1958 by former US president Kennedy, immigrants were “American History”. Indeed, immigration can be said as part of the national development for the United States. Without immigrants, colonial states of the British Empire in North America would not become United States of America as one knows today. To Canada however, immigration is regarded as an area of public policy (Hawkins, 1988, p.34) that serves various purposes by the authorities. First, immigration is considered to position Canada as a multi-culture accepting nation that can be well recognized by its people, in particular, the founding citizens from the British and France. Hence, multiculturalism is implanted to sustain the nation. Other notable reasons are economic. Though immigration is not identically categorized for the US and Canada on the North American continent, immigrants played an indispensible role in both countries. Today, both nations alike implement immigration policies to attain economical goals and growth.

The paper attempts to examine in a bird’s eye view the economical roles immigration plays in North America and how policies have evolved and applied in recent times. Equations in line with the policies are examined. As one will observe, immigration policies devised by the authorities in North America adjusts their programs according to the changing economical conditions. Given that neoclassical economical theoretical framework states that the economical output or gross domestic product (GDP) is composed of primarily labor, human

capital and tangible capital. The study will show that immigration policies applied in North America shifts the point of focus from attracting labor exclusively, to human capital and then tangible capital. Upon demonstrating that immigration policies of the North American countries have significantly contributed to their respective economies, the study will examine Japan as it is the only nation among the G7 member countries that continues to decline such immigration polices despite the decrease of its domestic labor, human capital and tangible capital. Finally, the study would like to acknowledge that immigrant policy such as the immigrant investor program established and implemented by the United States of America and Canada provides one of the ways for the Japanese authority to combat population declines and national deficit.

Table of Contents

1. Introduction

As defined by dictionary, the term “immigration” stands for the movement of non-native people into a country in order to settle there. It can be said that the modern immigration “begins in Europe, (…) before the industrial revolution.” (Hofstetter, 1984, p.31). Peasants, labors, and families change their settlements to urban areas in correlation with the availabilities of economical opportunities. As the economy expand exponentially along with the border, opportunities also stretch greatly into more far reaching lands for foreign citizens.

1.1 The Demand for labor

The earliest governing bodies that advertise immigration and its opportunities to the public, was perhaps the local colonial governments in North America of the British Empire in 1609. The demand for settlement to the American continent was critical at the time as labor was in great need to “cultivate the virgin land of the new world.” (Jacobson, 1998, p.48). Since population was indispensible to process raw materials back to the mother country and also consume the finished goods produced as a result, one of the major incentives for nations throughout history was to establish colonies in order to pursue economical interests.

In fact, the demand for people was so great during the colonial era until 1775 to the extent that new settlers were provided with free transportation, food equipment, land and other supplies. And to create a greener grass on the other side image, colonial government

devised official schemes to increase property values, and rents on a long term basis. Other benefits include the intangibles such as the right to vote, religious freedom and the absence of military service. To further secure new settlers, bounties or rewards were provided to recruiting agents who successfully attain headcounts of newcomers willing to relocate to the new world.

And since the new world of North America was divided up with different colonial governments, different states and Canada battled for immigrants. The following quotation reflects the intensity of the immigration competition in 1874: "congressmen debated a proposal to reserve a huge tract of western land for thousands of Mennonites as an inducement for them to come to the United States rather than to Canada." (Jacobson, 1998, p.56). At the time, the United States seemed to gain the upper hand in the battle for immigrants as "Canada did not exert an independent pull on European migrants destined to North America; rather, flows coming to Canada were part of a general transatlantic movement to this continent." (Green, 1976, p.5).

As social problems such as ethical and warfare between nations start to take place, so does the number of immigrants permissible at the time. The Quota Act of 1921 "limits the annual number of entrants of each admissible nationality to 3% of the foreign born of the nationality according to Census" (Jacobson, 1998, p.63). But even at a time of restriction, economical motives cannot be overlooked. The same year, the US congress introduced the

principle of family unity to the immigration policy allowing families of US citizens to enter and settle in US if desired and this represented the non-quota category.

1.2 Theoretical framework: Demand for labor (L)

Indeed, the era in need of immigrant labor to support the economy can be reflected by the Cobb-Douglas production function devised in 1927 (Mankiw, 2009, p.57).

$$Y = AK^{\alpha}L^{1-\alpha}$$

The notations are as follows:

A is the productivity level reflected by the technology of the nation

K is the amount of capital a nation possesses

L is the number of labor in the nation

α is a constant gauging the distribution of capital and labor.

To be particular, immigration policy at the time corresponds to the economical conditions since vast number of labor (L) was in demand to develop the unexplored land of America. Equivalently, L also becomes part of the expanding population of the North American continent.

1.3 Theoretical framework: Population

Coupled with the great depression and high unemployment of population in the North American continent, the immigration program had observed labors in excess of economy demand. At this point, the economic state could be better expressed with a variation of the above function, namely, the Solow growth model (Mankiw, 2009, p.213).

$$(\delta + n)\, K = Y$$

The notations are as follows:

δ is the amount depreciation or wear out of capital annually.

n is population growth rate.

K is capital.

Y is economical output.

According to the model, increasing population reduces income level per worker in any country. To understand, a numerical example is helpful. Here, hypothetical data is shown to provide validity. Assume the following:

Case 1:

Population is 1,000

Population growth (n) is 2%

Capital (K) is $100.

Depreciation (δ) is $50

Solow model:

($50 + 2%) * $100 = $5,002

Economy output (Y) / Population after growth = Individual income

$5,002 / (1,000 * 1.02) = $4.904

Case 2:

Population is 1,000

Population growth (n) is 3%

Capital (K) is $100.

Depreciation (δ) is $50

Solow model:

($50 + 3%) * $100 = $5,003

Economy output (Y) / Population after growth = Individual income

$5,003 / (1,000 * 1.03) = $4.8573

As revealed above, the higher the population growth, the less income each member of the population receives. Indicated by the hypothetical cases, each individual obtains $4.904 of income where population growth is 2% while one only collects earnings of $4.8573 if the population grows at 3% annually.

Characterized by the growth of unskilled labor and hence, population in the late 1950s, US and Canada have continued to accept labor immigrants. However, both countries began to favor immigrants who are highly trained and skilled even unemployment of the unskilled remained high during the period.

1.4 The demand for human capital

According to the Government of Canada Annual Report 1958-59, "Although total opportunities for foreign labor were down, nevertheless there were still many vacancies for professional, skilled and service workers which could not be filled by Canadians." In fact, the demand for the skilled labor was so critical that the number "can be absorbed in almost

unlimited numbers" (Green, 1976, p.35).

With US gaining the lead in developing immigration policy based on individual characteristics, the national origins quota system were abolished with the Hart-Cellar Act of 1965. Under such act, immigrant applicants were given no preferential treatment regardless of nationality and applicants were to be admitted on a first-come, first served basis (Jacobson, 1998, p.70). Before US introduced the above said policy, the Canadian government has noticed that the US has becoming more positioned to take a more and more liberal approach in its immigration policy. In the Canadian Senate committee took place in 1946, national difficulties and countermeasures towards the US policy is discussed "there was a desperate shortage of trans-Atlantic shipping, (…) No official action had been taken on Canada's role in helping refugees and displaced persons in Europe, although the United States had taken swift action in Decemeber 1945. No change had been made in the Immigration Act and the regulations which were highly restrictive. No word had been heard from the Liberal government on Canada's immigration policy, (…)" (Hawkins, 1988, p.82).

1.5 Demand of human capital exceeds supply

What really alarmed Canadian authorities was the shortage of skilled labor in the 1950s. After the war, "the supply of immigrants from Europe had been declining (…), due first to the brightening economic climate in the United Kingdom and Europe, and secondly to a lack of

initiative on Canada's part." (Hawkins, 1988, p.74). Such conditions had put forth the Canadian government to expand heavily into immigrant recruiting programs overseas. Ensured that immigrants will generate returns or national income for Canada, recruitment expenditures were categorized as investments.

To measure effectiveness of overseas recruitment, the Canadian government devised the following formula (Green, 1976, p.52):

Effectiveness of immigration recruitment (E) = (IA * $100) / EX

The notations are as follows:

E is effectiveness of immigration recruitment

IA is immigrant arrivals to Canada

EX is expenditures spend on immigrant recruiting effort

TABLE 2-4 *The "Effectiveness"[a] of Overseas Branch Expenditure, by Selected Countries and Regions for Three Periods, 1951–52 to 1956–57, 1957–58 to 1961–62, and 1962–63 to 1968–69*

Country/Region	1951–52 to 1956–57 (1)	1957–58 to 1961–62 (2)	1962–63 to 1968–69 (3)
1) United Kingdom	12.02	2.45	4.87
2) Italy	25.03	11.80	68.09
3) United States	(b)	15.20	7.15
4) Northern and Western Europe	7.80	2.29	1.84
5) Asia	3.46	1.73	2.24
6) Total	11.98	4.17	4.29

Source: Green, 1976, p.52

To interpret, Italians became a major source of immigrants to Canada in the 1960s. Conversely, since the authority did not intend to alter ethical demographics of the Canadian population, less immigrant recruiting effort could be observed in Asia.

In short, such overseas recruiting effort was deemed necessary at the time for several reasons but two major motives were as follows. First, there was a clear shortage and demand for high skilled labor that cannot be filled by local Canadians. Second, better economical outlook in Europe and the USA after WWII would endanger the steady supply of immigrants to fuel economical growth in the long run causing further scarcity of labor. Foreign citizens make decisions to immigrate based on freewill. If no proactive action on immigration is taken by the Canadian authority, the country will no longer be competitive on the international

scene. At the time, the government of Canada had realized that immigration had "ceased to be a (Government of Canada's) buyers market. (…) Promotion is meaningless and unethical if immigrants are to be encouraged one year and discouraged the next, (…) this was simply bad business. " (Hawkins, 1988, p.73-74).

1.6 Population contributes to technologic progress

In line with the direction of a positive outlook on immigration on the North American continent, the academia also begins to view population as a key driver in advancing economic prosperity since the skilled population such as engineers, inventors, scientists and thinkers are indispensible for societies to progress. According to Michael Kremerian, a large population is a prerequisite for technological advance (Kremer, 1993, p.7). The Kremerian model states:

$$A = P * g$$

The notations are as follows:

A is technological progress of a nation

P is the population

g is the productivity of an individual

According to the above, the technological progress is positively correlated with population. Without population, technological progress will cease to exist and eventually lead to dismiss of the entire nation since one does not exist without the other.

Nevertheless the traditional Solow model stated earlier (see section 1.3) indicates that population has negative effect on citizens standard of living since the share of earnings is fixed and more people living in the same nation only makes the pie thinner. Even so, the Kremerian model revels that the productivity of an individual (g) also contributes to technological progress of a nation. Hence, if (g) attains adequate levels, it can offset population as the major source of technological progress (A). In other words, in pursuing economical growth, Canada is adopting suitable immigration policies by attracting skilled labor yet without fundamentally altering the population characteristics of the nation as it determines the paramount mix of (p) and (g).

Looking at the Kremerian model once again, it can be discovered the higher the productivity of an individual (g), the more the growth of the technological progress of a nation. Thus, an individual who possess more productivity (g) contributes more compared to the average population (P). One can categorize this type of persons as skilled labor but since their contribution to the economy is beyond average, they are also considered as an asset or human capital to the nation.

1.7 Theoretical framework: Incorporating human capital

Human capital can also be reflected mathematically as well. Utilizing the Cobb-Douglas production shown earlier as base, it is suggested that human capital can be incorporated into a quantifiable model in 1992 (Mankiw; Romer; Weil, 1992, p.11):

$$Y = A * [K ^ (\alpha)] * [L ^ (\beta)] * [H ^ (1 - \alpha - \beta)]$$

The notations are as follows:

A is the productivity level reflected by the technology of the nation

K is the amount of capital a nation possesses

L is the number of labor in the nation

H is the human capital in the nation

α is a constant gauging the distribution of capital.

β is a constant gauging the distribution of labor.

$1 - \alpha - \beta$ represents the residual constant gauging human capital

In short, the model classifies human capital apart from the traditional population category. Consequently, human capital serves a role different from population. While positive population growth (n) structures the standard of living of each individual in the economy to

be lower, human capital (H) now provide the task of contributing positively to the gross domestic output (GDP) of an economy.

Having implemented immigration policies aiming at expanding economical growth by satisfying labor (L), and later human capital (H), the Canadian government has taken another step forward in introducing another class of immigration plan known as the immigrant investor program to capture the remaining part of the equation, the tangible capital (K) in 1985. In contrast to North American experiences in immigration, this time, the Canadian authorities took the lead and the US launched a comparable program or EB-5 program (employment based immigration – fifth preference) five years later as part of the Immigration Act of 1990.

2 Immigrant investor programs of US and Canada compared

Here, the paper will proceed to provide an overview of the immigrant investor program in both US and Canada. Since Canadian authorities went in front of introducing this kind of immigration in 1985, the Canadian immigrant investor program will be explained first, followed by the US program, which is initiated in 1990.

2.1 Immigrant investor program – Canada

Description of the Program

Created in 1985, the Program seeks to attract experienced business people and their capital to Canada to promote economic growth in all regions. The three main requirements to qualify for the Program are:

- Demonstrate a net worth of at least $800,000[2];
- Commit to an investment of $400,000 at 0% interest for five years;
- Possess adequate business and management experience.

Source: Ware, Fortin & Paradis, 2010, p.10

In the above program description at 2010, the potential investor is required to invest CAD400,000 and own a minimum of CAD800,000 at the time of application and prove that he or she possesses an adequate business experience. The fund will be returned to the applicant guaranteed without interest after living in Canada for five years. During the five year period, the government of Canada will manage the fund on investor's behalf in expanding the local economy. The investor need not to be active in managing the funds during the five year period. Hence, the program is uniquely characterized by its "passive nature."

It will be known in the next sections that the immigrant investor program of the United States can be characterized as "active" since it requires the immigrant to invest into the private companies (hence, the economy) directly without any publically owned channels in the investing process. Therefore, the US program entails more risk to the investor as the invested funds required by the plan is not guaranteed in any way by the United States

government. In exchange, immigrants investing in to the United States EB-5 will have more choices in selecting investments.

Coming back to describing the Canadian program, below are examples on how provincial governments utilize the invested funds.

- *Nova Scotia*: This province joined the Program on April 1, 2008. Previously, Nova Scotia was involved in three government funds under the Program, out of which only one was funded and active - the Nova Scotia Government Fund. So far, three investment transactions have been approved: the construction of a cogeneration facility by Minas Basin Pulp and Power, the implementation of a high-speed wireless broadband service by Eastlink Communication, and a $120 million Knowledge Infrastructure Program in participation with the Federal and Provincial Government and nine Nova Scotia universities.

- *Manitoba*: The main recipient of investor funds is the Manitoba Opportunities Fund (MOF), whose funds are used to support Manitoba's "Growing through Immigration Strategy", which is one of seven points in Manitoba's Action Strategy for Economic Growth. Current priorities include increased support for "qualifications recognition and responsive settlement and English as a second language" training; increased Provincial Nominee certificates for skilled workers and business persons including a new Young Farmer Program, and enhanced strategic recruitment of Francophone workers/entrepreneurs and international students. To date, MOF has funded over 97 economic development projects throughout Manitoba.

Source: Ware, Fortin, Paradis, 2010, p.19

2.2 Contribution to the Canadian economy

How this scheme benefits the overall Canadian economy is explained here. Given the national income accounts identity (Mankiw, 2009, p.27):

$$Y = C + I + G + NX$$

The notations are as follows:

Y is gross domestic product (GDP).

C is consumption

I is investment

G is government revenue

NX is net exports

GDP (Y) can be defined as the sum of consumption (C), investment (I), government purchase / spending (G) and net exports (NX), or Y = C + I + G + NX. Hence, the net contribution that the Canadian government receives can also be categorized in the same way. The paper now proceeds to look at how the immigrant investor program contributes to the overall Canadian economy in the year of 2010 in each category of the equation.

2.3 Consumption contribution to Canada

In terms of consumption, it is estimated that over 90% of the immigrants make real estate purchases in Canada upon their arrival as shown in the table below (Ware, Fortin & Paradis, 2010). The property purchase, combined with durable expenditures for family and personal use, accumulates up to CAD721,500 per family as at 2010.

Table 6. Economic activities in Canada

Characteristics	N (%)
Own an Apartment or House in Canada	
Yes	75 (90.4%)
Time or Financial Support of Charity Organization	
Yes	65 (80.2%)
Value of Personal Holdings or Assets in Canada	
$0 - $99,999	9 (9.2%)
$100,000 - $999,999	62 (63.3%)
$1 million - $5 million	24 (24.5%)
More than $5 million	3 (3.1%)
Respondent's Current Economic Status	
Self-employed	58 (55.2%)
Employed	11 (10.5%)
Unemployed	7 (6.7%)
Retired	29 (27.6%)

Source: Ware, Fortin & Paradis, 2010, p.26

2.4 Government revenue and investment contribution to Canada

Regarding government revenue, since the investor is to invest CAD400,000 with 0% interest, the government of Canada will receive a gain from the difference between the five year Canadian bond yield as at 2010 (given 4%) and 0%; due to time value of money:

$$FV / [(1 + r) ^ t] = PV$$

The notations are as follows:

FV is future value of money

r is interest rate yield

t is time in annuals

PV is the present value of money

In other words, as at 2010,

FV = CAD400,000

r = 4%

t = 5 years

Utilizing time value of money,

CAD400,000 / [(1 + 0.04) ^ (5)] = CAD328,771

The government of Canada will be entitled the difference of CAD400,000 and CAD328,771 or CAD71,229. Subtracting related administrative cost of CAD26,437 as at 2010, total net benefits per family to the Canadian government or (G) totaled at CAD44,792 for the year 2010.

To be more precise, since the government of Canada prorates and distributes the investment (I) of CAD400,000 into the Canadian business community for investment purpose during the five year investment period, the combined net amount of investment (I) and

government (G) received from the program totaled CAD44,792.

2.5 Net export contribution to Canada

Last but not the least, Canadian net export (NX) also enjoyed an annual increase of CAD15,000 as a result of business expansions inside the Canadian economy in the area of international trade. Recall that the program requires the potential investor to possess a level of business experience at the time of application, a number of investor immigrants have brought their knowhow and business contacts from the former country of residence to Canada. The knowledge transfer has thus benefited numerous Canadian companies annually.

2.6 Economical impact of the immigrant investor program to Canada as at 2010

To summarize, annual increases in GDP can be broken down with:

Consumption (C) = CAD721,500

Sum of Investment (I) and Government revenue (G) = CAD44,792

Net Export (NX) = CAD15,000

Putting the equations together, annual economical impact to the Canadian economy per family is:

(C) + (I) + (G) + (NX)

CAD721,500 + CAD44,792 + CAD15,000 = CAD781,292

Given the number of families admitted in 2010 approximately totaled 2,500 families, the total aggregate economical contribution to the Canadian economy annually is nearly CAD2 billion.

Another approach to achieve the same conclusion is provided by Canadian economists: Roger Ware, Pierre Fortin and Pierre Emmanuel Paradis. Their methodology is based on the following equation (Ware, Fortin, Paradis, 2010, p.32):

Benefit – Costs =

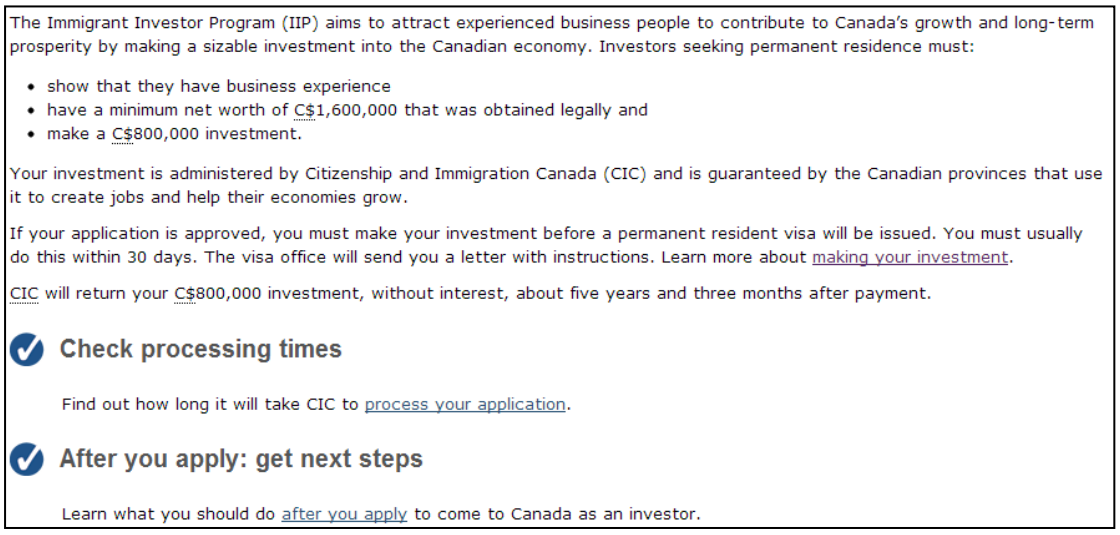
[foreign cash inflows – program costs] + [productive use of investor funds] + [asset purchase and consumption + production + integration – social costs].

Using the same figures, this paper verifies that the Canadian immigration investor program indeed contributes positively to the Canadian economy by categorizing economical growth in terms of consumption (C), investment (I), government (G) and net exports (NX)

with national income accounts identity of [Y = C + I + G + NX]. It showed an alternative way to derive the same conclusion the program's net economical contribution to Canada is nearly CAD2 billion.

2.7 The immigrant investor program of Canada, as of 2012.

At the time of this writing, the Canadian government has doubled hence marked up the required amount of investment from CAD400,000 to CAD800,000 and the required net worth of an immigrant investor to be at least CAD1,600,000 as shown below from the web page extracted from the government of Canada (CIC, 2013):



The Immigrant Investor Program (IIP) aims to attract experienced business people to contribute to Canada's growth and long-term prosperity by making a sizable investment into the Canadian economy. Investors seeking permanent residence must:

- show that they have business experience
- have a minimum net worth of C$1,600,000 that was obtained legally and
- make a C$800,000 investment.

Your investment is administered by Citizenship and Immigration Canada (CIC) and is guaranteed by the Canadian provinces that use it to create jobs and help their economies grow.

If your application is approved, you must make your investment before a permanent resident visa will be issued. You must usually do this within 30 days. The visa office will send you a letter with instructions. Learn more about making your investment.

CIC will return your C$800,000 investment, without interest, about five years and three months after payment.

Check processing times

Find out how long it will take CIC to process your application.

After you apply: get next steps

Learn what you should do after you apply to come to Canada as an investor.

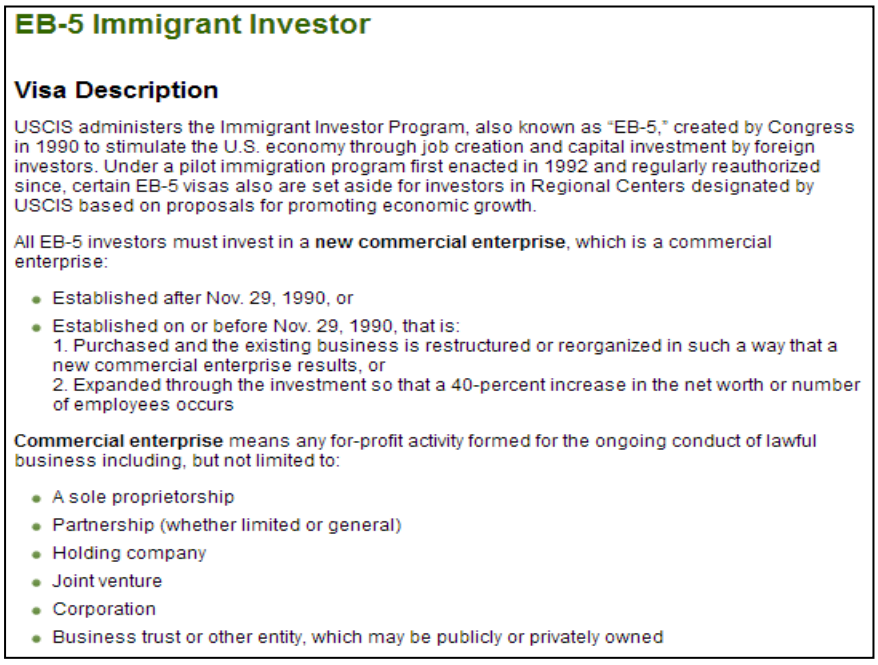
Source: Government of Canada, Citizenship and Immigration Canada (CIC), 2013.

With net economical contributions from the program fuels annually to the Canadian economy, it is not surprising to see that this is one of the policies that append to the Canada's

declining debt to GDP ratio as it is expected to reach 33% at 2016 according to the International Monetary Fund (IMF) mentioned by Diane Brady in her Bloomberg article "Is Canada too smug about its economic future?" dated 25June2012.

2.8 Immigrant investor program – United States of America

In the US, the immigrant investor program is known as EB-5. It is part of the Immigration Act of 1990 to promote non-US citizens to invest in the US. Under the program, applicants interested in becoming an US citizen must invest non-borrowed $1 million in a US business that will create 10 jobs for the domestic population in the US as shown from the US government website below (USCIS, 2013):



EB-5 Immigrant Investor

Visa Description

USCIS administers the Immigrant Investor Program, also known as "EB-5," created by Congress in 1990 to stimulate the U.S. economy through job creation and capital investment by foreign investors. Under a pilot immigration program first enacted in 1992 and regularly reauthorized since, certain EB-5 visas also are set aside for investors in Regional Centers designated by USCIS based on proposals for promoting economic growth.

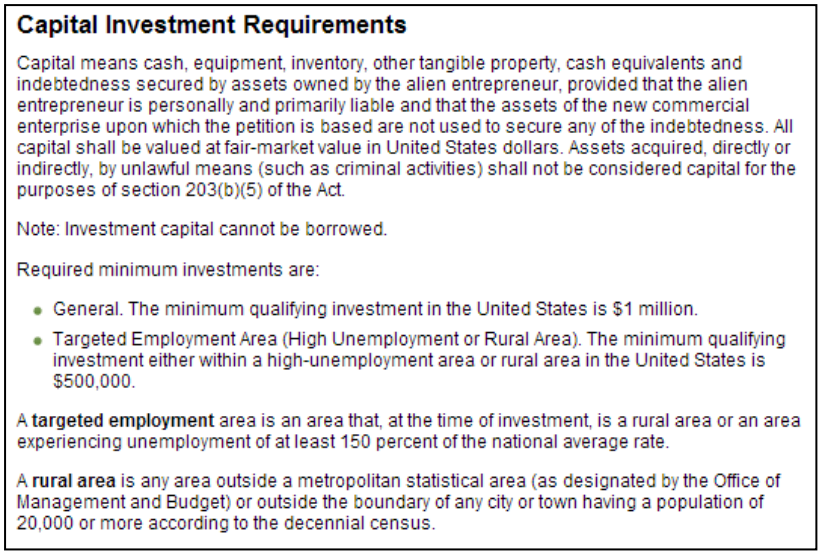
All EB-5 investors must invest in a **new commercial enterprise**, which is a commercial enterprise:

- Established after Nov. 29, 1990, or
- Established on or before Nov. 29, 1990, that is:
  1. Purchased and the existing business is restructured or reorganized in such a way that a new commercial enterprise results, or
  2. Expanded through the investment so that a 40-percent increase in the net worth or number of employees occurs

Commercial enterprise means any for-profit activity formed for the ongoing conduct of lawful business including, but not limited to:

- A sole proprietorship
- Partnership (whether limited or general)
- Holding company
- Joint venture
- Corporation
- Business trust or other entity, which may be publicly or privately owned

Source: US Government, US Citizenship and Immigration Services (USCIS), 2013



Capital Investment Requirements

Capital means cash, equipment, inventory, other tangible property, cash equivalents and indebtedness secured by assets owned by the alien entrepreneur, provided that the alien entrepreneur is personally and primarily liable and that the assets of the new commercial enterprise upon which the petition is based are not used to secure any of the indebtedness. All capital shall be valued at fair-market value in United States dollars. Assets acquired, directly or indirectly, by unlawful means (such as criminal activities) shall not be considered capital for the purposes of section 203(b)(5) of the Act.

Note: Investment capital cannot be borrowed.

Required minimum investments are:

- General. The minimum qualifying investment in the United States is $1 million.
- Targeted Employment Area (High Unemployment or Rural Area). The minimum qualifying investment either within a high-unemployment area or rural area in the United States is $500,000.

A **targeted employment** area is an area that, at the time of investment, is a rural area or an area experiencing unemployment of at least 150 percent of the national average rate.

A **rural area** is any area outside a metropolitan statistical area (as designated by the Office of Management and Budget) or outside the boundary of any city or town having a population of 20,000 or more according to the decennial census.

Source: US government, US Citizenship and Immigration Services (USCIS), 2013

Form I-526 is required to initiate the process and can be obtained from United States Citizenship and Immigration Services (USCIS) offices or the designated website without cost to the applicant as shown in the below information taken from the US government (USCIS, 2013):

EB-5 Immigrant Investor Process

Application Process

1. File a **Form I-526, Petition by Alien Entrepreneur**
2. Upon approval of the Form I-526 petition, either:
   1. File a **Form I-485, Application to Register Permanent Residence or Adjust Status**, with USCIS to adjust status to conditional permanent resident within the United States, or
   2. File a DS-230, Application for Immigrant Visa and Alien Registration, with the Department of State to obtain an EB-5 visa for admission to the United States.

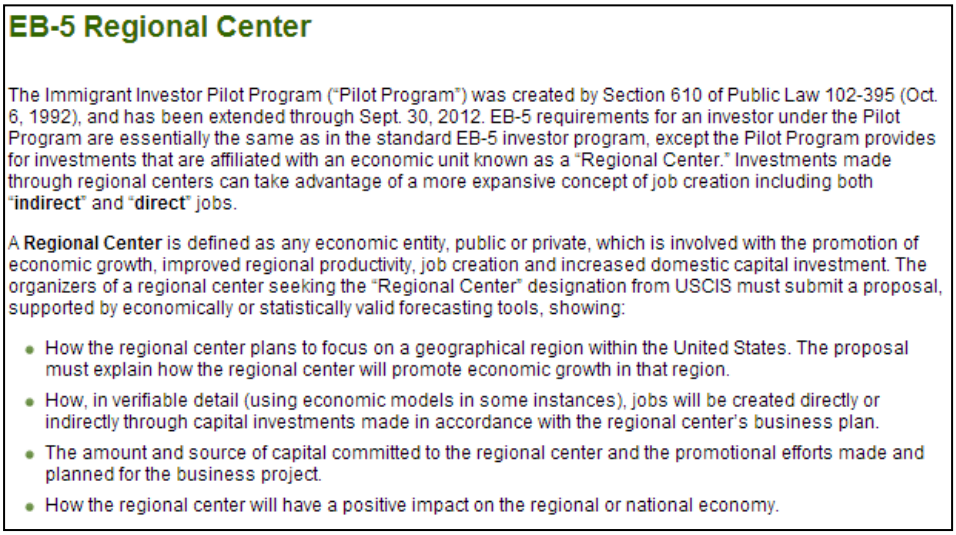
The EB-5 investor (and his or her derivative family members) is granted conditional permanent residence for a two-year period upon the approval of the I-485 application or upon entry into the United States with an EB-5 immigrant visa.

1. File **Form I-829, Petition by Entrepreneur to Remove Conditions**, 90 days prior to the two-year anniversary of the granting of the EB-5 investor's conditional resident status (Green Card). If USCIS approves this petition, the conditions are removed from the EB-5 applicant's status and the EB-5 investor and derivative family members will be allowed to permanently live and work in the United States.

Forms are available in the Forms section of the USCIS website, by calling 1-800-870-3676, or by submitting a request through our Forms by Mail system. Please see the About Us section for more information on USCIS offices.

Source: US Government, US Citizenship and Immigration Services (USCIS), 2013

To ease research burden and streamline the investment process, "regional centers" serve as the one point contact between foreign investors and eligible companies that invites foreign capital. The regional centers are private firms approved by the US government to serve as the middlemen in the immigration by investment process. The regional center definition is given by the US government shown below (USCIS, 2013):



EB-5 Regional Center

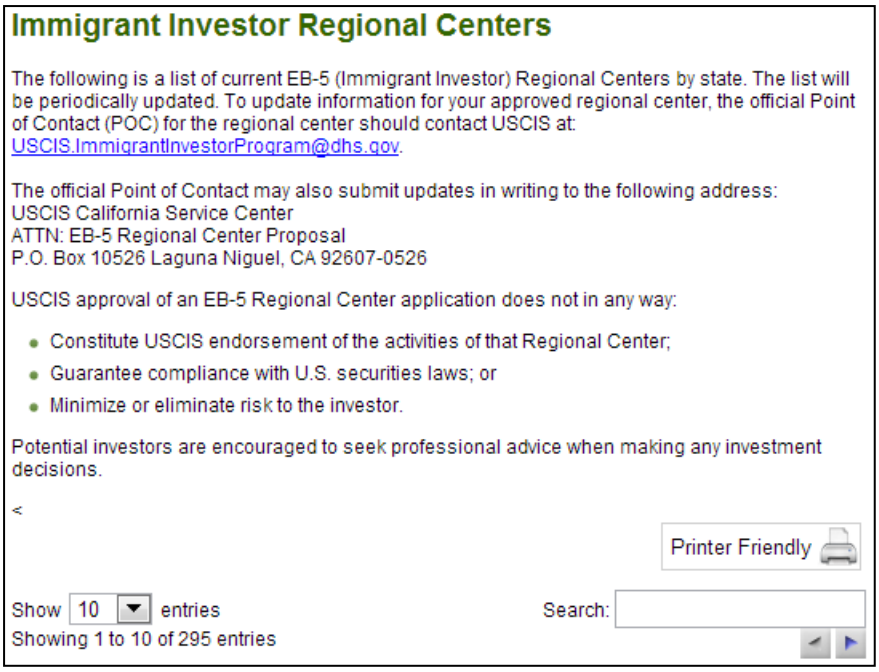
The Immigrant Investor Pilot Program ("Pilot Program") was created by Section 610 of Public Law 102-395 (Oct. 6, 1992), and has been extended through Sept. 30, 2012. EB-5 requirements for an investor under the Pilot Program are essentially the same as in the standard EB-5 investor program, except the Pilot Program provides for investments that are affiliated with an economic unit known as a "Regional Center." Investments made through regional centers can take advantage of a more expansive concept of job creation including both "**indirect**" and "**direct**" jobs.

A **Regional Center** is defined as any economic entity, public or private, which is involved with the promotion of economic growth, improved regional productivity, job creation and increased domestic capital investment. The organizers of a regional center seeking the "Regional Center" designation from USCIS must submit a proposal, supported by economically or statistically valid forecasting tools, showing:

- How the regional center plans to focus on a geographical region within the United States. The proposal must explain how the regional center will promote economic growth in that region.
- How, in verifiable detail (using economic models in some instances), jobs will be created directly or indirectly through capital investments made in accordance with the regional center's business plan.
- The amount and source of capital committed to the regional center and the promotional efforts made and planned for the business project.
- How the regional center will have a positive impact on the regional or national economy.

Source: US Government, US Citizenship and Immigration Services (USCIS), 2013

There are nearly 300 of the centers all over the United States and each one has its own expertise in their local area and particular knowledge in specific industries as shown in the description given by the US government below (USCIS, 2013).



Immigrant Investor Regional Centers

The following is a list of current EB-5 (Immigrant Investor) Regional Centers by state. The list will be periodically updated. To update information for your approved regional center, the official Point of Contact (POC) for the regional center should contact USCIS at: USCIS.ImmigrantInvestorProgram@dhs.gov.

The official Point of Contact may also submit updates in writing to the following address:
USCIS California Service Center
ATTN: EB-5 Regional Center Proposal
P.O. Box 10526 Laguna Niguel, CA 92607-0526

USCIS approval of an EB-5 Regional Center application does not in any way:

- Constitute USCIS endorsement of the activities of that Regional Center;
- Guarantee compliance with U.S. securities laws; or
- Minimize or eliminate risk to the investor.

Potential investors are encouraged to seek professional advice when making any investment decisions.

<

Printer Friendly

Show 10 entries Search:

Showing 1 to 10 of 295 entries

Source: US Government, Citizenship and Immigration Services (USCIS), 2013

Once approved, the applicant will be required to invest as prescribed and will also be granted a relevant visa to stay in the US for two years. The investor is allowed to apply the visas to all dependants if he/she chooses. After living and investing consistently and consecutively for two years, the US government will examine the investment conditions of the applicant and if the investment is satisfactory made without illegal activities, permanent residence status (green card) will be granted to the investor and the dependents.

After the investment period of five years, the applicant will have the right to apply for the United States Citizenship. Upon naturalization, the investor is free to continue or withdraw the investment without affecting his or her status as an US citizen.

2.9 Contribution to the United States economy

How this scheme benefits the overall United States economy is explained here. The figures will be mainly based on the "Study of the United States Immigrant Investor Pilot Program (EB-5)" conducted by the ICF International. Available annual figures derived from the 2010 study are based on investments made between the years of 2001 to 2006. Since the immigration policies implemented by both nations are not exactly identical, the figures might not correspond to the immigration investor program of the other country. Nevertheless, it is believed that a reasonable comparison can take place. Given the national income accounts identity (Mankiw, 2009, p.27):

$$Y = C + I + G + NX$$

The notations are as follows:

Y is gross domestic product (GDP).

C is consumption

I is investment

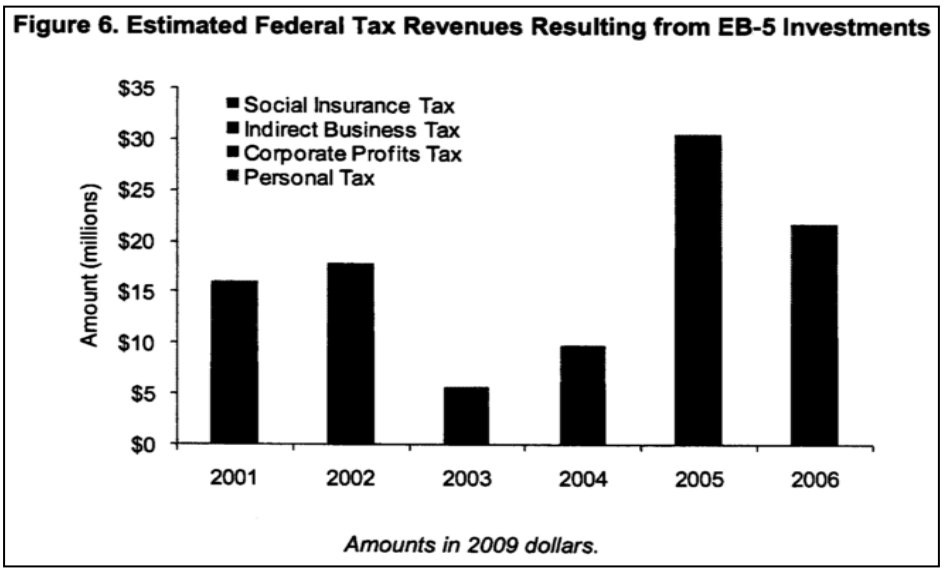
G is government revenue

NX is net exports

As before, GDP (Y) can be defined as the sum of consumption (C), investment (I), government purchase / spending (G) and net exports (NX), or Y = C + I + G + NX. Hence, the net contribution that the US government receives can also be categorized in the same way. The paper now proceeds to look at how the EB-5 immigrant investor program contributes to the overall US economy annually in each category of the equation.

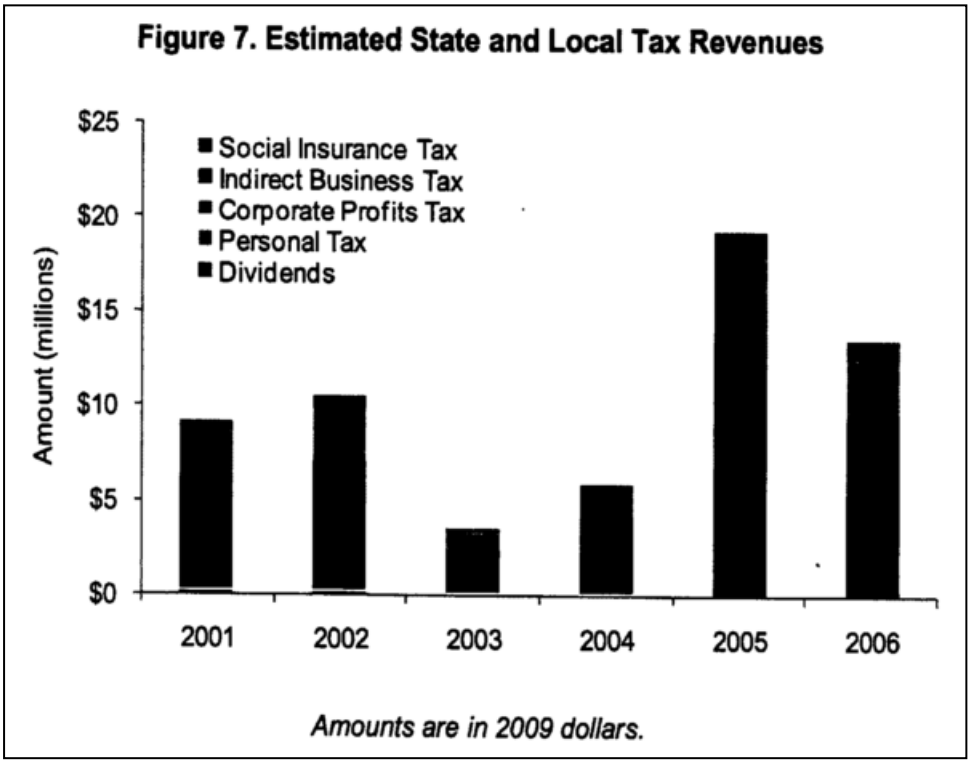
2.10 Government revenue contribution to the US

The federal government of the United States received over USD100 million in tax revenues. Of which, over 50 percent are composed of social insurances taxes, 36 percent are personal taxes and the rest are composed of corporate taxes and indirect business taxes. Such amounts are demonstrated in the graph shown below (ICF International, 2010):



Source: ICF International, 2010, p.24

The State governments also obtained a significant amount of tax revenues through the immigrant investor EB-5 program; up to over US62 million in taxes is collected by the authority. On average, 67 percent of the total taxes received are indirect business tax, 21 percent attribute to personal taxes while the rest are composed of taxes related to the investment such as taxes from dividends, corporate profits as shown in the below table (ICF International, 2010).



Source: ICF International, 2010, p.25

Finally, as major source of federal and state tax revenues are generated from the

investments made, personal consumptions and medical insurances registered as prescribed under the United States immigrant investor program and local authorities, time value of money calculations are not relevant with regards to EB-5.

2.11 Investment contribution to the US

As required, EB-5 investors are obligated to make at least USD1 million investment into the US economy. With an average of about 69 immigrants made investments to the United States economy every year through EB-5, the amount under the investment category is at an average of USD69 million annually and approximately up to USD416 million in the period between 2001 to 2006 year end as shown in the table below (ICF International, 2010):

Table 11. Top Industry Sectors[14] by Increase in GDP, 2001-2006

Industry Sector	Increase in GDP
Real estate establishments	$ 66,814,308
Wholesale trade businesses	$ 55,148,912
Increased earnings from rental activity for owner-occupied dwellings	$ 28,298,238
Food services and drinking places	$ 20,292,076
Monetary authorities and depository credit intermediation activities	$ 17,914,610
Electric power generation, transmission, and distribution	$ 17,665,786
Paperboard container manufacturing	$ 17,040,228
Management of companies and enterprises	$ 16,092,289
Private hospitals	$ 15,494,816
Personal care services	$ 15,064,669

Amounts shown are in 2009 dollar terms.

Source: ICF International, 2010, p.21

2.12 Consumption contribution to the US

While no details on the specifics of items that the immigrants spend on consumption, the amount in this category is up to USD284 million from 2001 to 2006. Given that the amount represents the six year period, approximately USD47.4 million is generated per year on personal spending. With 69 immigrants annually, each investor contributes up to USD681,160 for the US economy every year.

2.13 Net export contribution to the US

And since no studies or survey is conducted with regards to how the EB-5 program affects international trade, this category is not relevant to be included.

2.14 Economical impact of the immigrant investor program to United States as at 2010

From 2001 to 2006, the EB-5 program has contributed up to USD862 million into the US economy. As one of the program aims is to generate employment, the goal is fulfilled as shown. The industry in which the jobs are been created is directly related to the field of investment selected by the immigrant. With majority of investments concentrated in the real estate industry, the subject sector also observe the largest number of jobs generated as demonstrated in the table below (ICF International, 2010).

Table 12. Top Industry Sectors by Increase in Annual Jobs, 2001-2006

Industry Sector	Annual Jobs
Real estate establishments	1,569
Personal care services	869
Food services	850
Wholesale trade businesses	546
Dairy cattle & milk production	306
Motor vehicle & parts retail	303
Automotive repair	290
Paperboard container manufacturing	256
Furniture & home furnishings retail	256
Private hospitals	246

Source: ICF International, 2010, p.21

To summarize, annual increases in GDP can be broken down as follows:

Consumption (C) = USD284 million

Investment (I) = USD416 million

Government revenue (G) = USD162 million

In all, putting the equations together, annual economical impact to the United States economy from 2001 to 2006 in aggregate is:

(C) + (I) + (G)

USD284 million + USD416 million + USD162 million = USD862 million

Divide the above with 6 (six years from 2001 to 2006):

USD862 million / 6 years =

USD143.7 million of annual contribution to the GDP of the US economy

And with the number of investor immigrants averaged at 69, the annual contribution to the US economy per approved investment is approximately:

USD143.7 million / 69 families =

USD2 million

2.15 Summary of comparisons

For simplicity, below is a summary of the figures discussed; GDP Contribution of the Immigrant Investor Program of US and Canada compared on a per year basis:

Countries:	Consumption (C)	Investment (I)	Government Revenue (G)	Net Export (NX)	GDP Contribution (Y)
US	$47,400,000	$69,400,000	$27,000,000	Not Available	$143,800,000
Canada	$1,803,750,000	$111,980,000		$37,500,000	$1,953,230,000

Assume USD1 = CAD1

Now, the Cobb-Douglas production is presented again below (Mankiw; Romer; Weil, 1992, p.11):

$$Y = A * [K \wedge (\alpha)] * [L \wedge (\beta)] * [H \wedge (1 - \alpha - \beta)]$$

Our study has revealed that countries discussed have exerted great efforts to complete the above formula. National needs of the equation also evolve with the times and economical environment. As early as 1609, labor (L) was greatly sought by colonial governments to cultivate untouched lands of North America. Later, during the 1950s after World War II, the governments have discovered the need to fill positions of human capital (H) as certain specialized tasks can only be performed by immigrants. Finally, the presence of tangible capital (K) is indispensible to increase domestic investment and allow the subject economies to continue growth of the gross domestic output (Y). The introduction of immigrant investor program is crucial in this development as it attracts (H) and (K) as a bundle package to attain a bigger (Y). With the global landscape becoming ever more competitive, obtaining (H), (K) and (Y) has become a major public policy for nations. Of the recent trend, policies regarding immigration have expanded from only focusing on refugees to attracting capital. In fact, to ensure consistent capital inflow, major developing countries have joined the contest for

immigrant investors including Mainland China, Hong Kong, Singapore, Taiwan, Malaysia and other EU countries. Concerning the number of such programs is on the rise, attracting foreign capital to a particular economy is becoming more competitive and more countries have concluded that the economical benefits of such programs clearly outweigh the cost.

At last, the paper will proceed to focus on Japan, the only developed G7 country without an investor immigration policy.

3. Conclusion: suggesting Japan to reconsider its immigration policy

Now the paper shifts the focus from the North American economy to Japan, the third biggest economy in the world and the biggest advanced economy in Asia. Alike the North American counterparts, Japan also experienced a shortage of labor historically and had foreign labor to fuel its economy.

3.1 The Demand for labor in Japan

The period in which Japan began to accept an influx of labor can be observed beginning in the late 1910s due to the economical boom from the first world war. The Chinese and Koreans represented the majority of foreign labor as recruited workers from trading communities. To cope, the government of Japan initiated immigration policies focusing on foreign labor restrictions and deports conditions under the Imperial ordinance No.352 or the

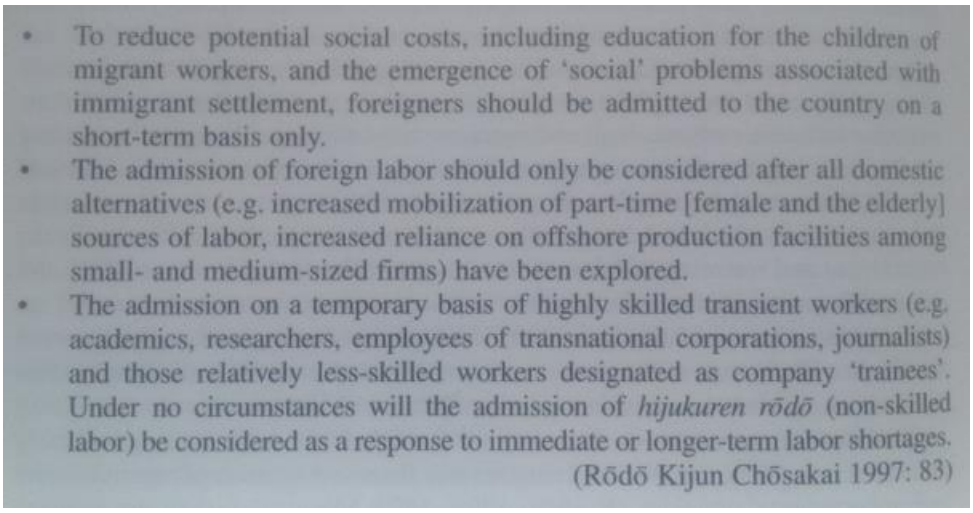
first immigration act in the modern history of Japan. Nonetheless, foreign labors were accepted subject to economical situations and the labor market. Hence, when economical boom was experienced, mutual beneficial relationship was observed from increased production compensated by acceptable wages as influenced by market forces. However, since foreign labors were at large unskilled, they often fell into the victim of layoffs during the periods of recession and also became an unwanted category by various domestic stakeholders in Japan such as their original employers, contractors and domestic workers.

In this nature, many viewed foreign workers as seasonal or replaceable hence the government of Japan did not recognize them as long term participants in the Japanese society. Therefore while deport conditions were in effect, naturalization or assimilation policies towards foreign labor were nonexistent.

In 1938, the National Mobilization Law (Kokka Sodoin Ho) gave the Japanese government direct controls on the recruitment, deployment and management of labor. The collective deployment of colonial labor was approved by the cabinet in 1939 and the policy continued until 1945. Hence, supply of foreign labor was largely replaced by involuntarily recruitment from colonies. Market forces in the labor market were absent until 1950 post WWII. From 1950 and into 1970s, labor shortages were filled by inter-industrial, internal migration and a handful of second generation Chinese and Koreans (Douglass & Roberts, 2000, p.42-44).

3.2 Demand for skilled labor in Japan

Nevertheless, with the Eugenic Protection Act (Yuseihogoho) of 1948 sanctioning abortion on demand, the resulted sudden decline of 40% birthrate (Matsutani, 2006, p.4-5) contributed to the exhaustion of labor and human capital in the 1980s. As such, Immigration Control and Refugee Recognition Law (ICRRL) was revised in 1990 so as to expand categories of legal residence and employment of skilled labor. In essence, the immigration principals of Japan were based as follows:



- To reduce potential social costs, including education for the children of migrant workers, and the emergence of 'social' problems associated with immigrant settlement, foreigners should be admitted to the country on a short-term basis only.
- The admission of foreign labor should only be considered after all domestic alternatives (e.g. increased mobilization of part-time [female and the elderly] sources of labor, increased reliance on offshore production facilities among small- and medium-sized firms) have been explored.
- The admission on a temporary basis of highly skilled transient workers (e.g. academics, researchers, employees of transnational corporations, journalists) and those relatively less-skilled workers designated as company 'trainees'. Under no circumstances will the admission of *hijukuren rōdō* (non-skilled labor) be considered as a response to immediate or longer-term labor shortages.

(Rōdō Kijun Chōsakai 1997: 83)

Source: Douglass and Roberts, 2000, p.60

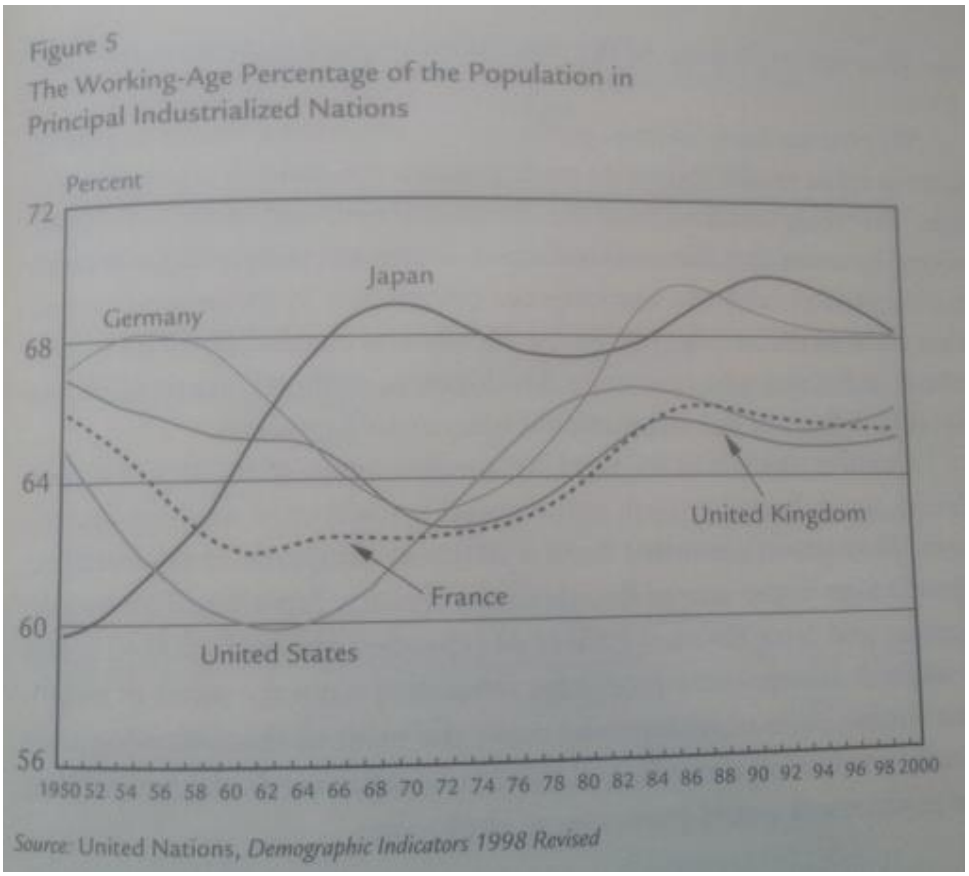
One can observe that the above immigration principles are in stark contrast with the immigration policies implemented on the North American continent in which citizenship are granted after a few years of consecutive stay and family unity being as one of the main

principles embedded in the Western immigration policies, developed in the 1920s (see section 1.1 The demand for labor). Even though the government of Japan has identified the need to attract foreign labor to fuel the economy, utilization of foreign labor is essentially different with the North American counterparts. Foreign labor, skilled or unskilled, only offer short term benefits to the economy of Japan at best. To the government, long term stay of foreign labor, including education for the children of migrant workers represents social cost outweighing economical benefits. In fact, one research from the Japanese academia asserts that: "foreign workers are a stopgap solution that would simply postpone Japan's demographic day of reckoning. They might allow Japan to forestall the shift to negative economical growth. They might even alleviate the funding shortfall in the nation's pension system. But like government bonds issued to fund fiscal deficits, they would simply shift the problem to future generations. To whatever extent they alleviated problems for Japan today, they would magnify the problems of economic decline and pension underfunding that will confront posterity." (Matsutani, 2006, p.17).

This view thus asserts that even economical benefits of foreign labor or human capital bring more harm to Japan than good. In sharp contrast, authorities in the North American continent have a different interpretation. Already in the 1950s, the government of Canada already categorized human capital as investments that contribute definite long term economical benefits and are indispensible to maintain national competiveness on an

international stage (see section 1.5).

Since no major changes have affected the revision of the ICRRL in 1990, one can refer to the below to understand the seriousness and severity of labor and human capital in the long run as shown from the data extracted from the United Nations (Matsutani, 2006) and OECD (Chung, 2010):



Source: Matsutani, 2006, p.11

TABLE 1.2. *Foreign Populations and Alien Rights in Selected OECD Countries (2006)*

Country	Foreign Population (thousands)	% of Total Population	Citizenship Rights
Austria	817.5	9.9	Civil, social, political[c]
Belgium	932.2	8.8	Civil, social, political
Canada	6,187[a]	19.8	Civil, social, political[d]
Denmark	278.1	5.1	Civil, social, political
France	3,506.5[b]	5.6	Civil, social
Germany	6,755.8	8.2	Civil, social
Japan	2,083.2	1.6	Civil, social
Netherlands	681.9	4.2	Civil, social, political
Sweden	492	5.4	Civil, social, political
Switzerland	1,523.6	20.3	Civil, social, political[e]
United Kingdom	3,392	5.8	Civil, social, political[f]

[a] Foreign-born population.
[b] 2005 figures.
[c] Voting rights in Vienna local elections only.
[d] Local voting rights extended only to immigrants of British nationality in certain provinces.
[e] No political rights at the national level. Foreigners may be able to vote or run for office at the local level, depending on the individual canton or commune.
[f] Voting rights in national elections for Commonwealth and Irish citizens only. Commonwealth citizens, however, do not automatically have immigration rights.

Sources: Earnest 2006; *OECD in Figures*, 2006–2007 ed.; SOPEMI 2008; *Statistics Denmark* 2005.

Source: Chung, 2010, p.41

3.3 Attracting individual's foreign capital to Japan

Before 1985, one might find hard to observe the positive relationship between immigration and tangible capital. But as one can observe in section 2 of this paper, authorities on the North American continent successfully bundled tangible capital and immigration into one package. Rather, without the convenience of extended stay in the country of interest, typical individual investors might be reluctant to place investments in a foreign country, as shown:

Trading volume by investor type Tokyo, Osaka & Nagoya; units in 1,000 shares

Foreign

	sales	purchases
institutions	234,178,210	238,024,184
individuals	620,015	629,976

Source: Tokyo Stock Exchange, 2013

The above data indicates that foreign individual investors were only composed of less than 0.3 percent compared with their institutional counterparts for the year 2012. One can observe sharp contrast with individual investments received by the US and Canadian authorities with the presence of the immigrant investor program (see sections: 2.1, 2.11).

3.4 Positive effect on reducing national deficit of Japan

It is revealed that Japan's total debt has exceeded over USD14 trillion (assuming approximately CAD1 = USD1) or attaining over 200% of GDP. If Japan is to adopt an equivalent immigrant investor policy as in US or Canada, it will be possible to narrow down Japan's debt to GDP ratio. Assuming that the achieved economical impacts corresponds to the type of investor program, one can derive the number of years required for Japan to equalize total economical surplus and deficit with the present value of the growing annuity formula:

$$PV = (pmt * n) / (1 + r)$$

The notations are as follows:

Pmt is the annual payment or economical contribution for the immigrant investor program

r is the growth of potential immigrant investors selecting Japan

PV is present value required to attain (or eliminate) the Japanese deficit of USD14 trillion

n is the number of years required

Assume that Japan takes immediate actions to implement the said immigrant investor program, the number of years (n) it requires to achieve the complete removal of the national deficit differs depend on the policies selected:

Hypothetical case 1: if Japan to adopt the US EB-5 policy

Given the national deficit of Japan (PV) at USD14 trillion, the growth of immigrant investor settling in Japan (r) at 10 percent and annual economical contribution as a result of the immigrant investor program at USD143.8 million, the number of years required for Japan to eliminate her debt can be derived as follows:

USD143.8 million * n / 1 + 10% = USD14 trillion

n = 10,800 years

From the above, if Japan adopts the EB-5 system and assuming that it has achieved its intended results, it will take up to 10,800 years to reach a breakeven point equalizing national surplus and national deficit.

Hypothetical case 2: if Japan to adopt the Canadian immigrant investor program

Presuming that the Japanese authorities apply the Canadian model of the immigrant investor program, given again that the national deficit of Japan (PV) at USD14 trillion, the growth of immigrant investor settling in Japan (r) at 10 percent and annual economical contribution as a result of the immigrant investor program at nearly USD2 billion, the number of years required for Japan to eliminate her debt can be derived as follows:

USD2 billion * n / 1 + 10% = USD14 trillion

n = 7,700 years

From the above, if Japan adopts the Canadian system and assuming that it has achieved its intended results, it will take up to 7,700 years to reach a breakeven point equalizing national surplus and national deficit.

For simplicity, the comparison can be better observed as follows:

Countries	Economical contribution	Years for the Japanese government to achieve breakeven (n)
US	USD143.8 million	10,800 years
Canada	USD2 billion	7,700 years

Regrettably, the government of Japan merely eyes and targets local citizens as the only source of government revenue and primary solution to the country's problems and more taxes increases and pension decreases are expected post 311 earthquake. In other words, the Japanese authorities spending leads to more taxes and Japanese are worst off gradually. In the presence of this trend, more Japanese choose to leave the country. According to the Ministry of Foreign Affairs of Japan (MOFA), the number of Japanese departing the nation permanently increases by 2% per year, mounting over 1,130,000 of Japanese population as at 2009; as at the end of 2011, the total number of Japanese leaving the country permanently is over 1,175,000. The above, accompanied with natural declining population, only adds fuel to the fire. To maintain sustainable Japan, the government should think critically with regards to collecting revenue from alternative sources. Otherwise, Japan will only have a one-sided

population outflow that contributes more to the underperformance of its demographic dividend. Possessing declining population in essence, according to the Harvard University Professor, N.Gregory Mankiw, quoting from works of Michael Kremer, a nation such as the Flinders Island with a "few people to contribute new innovations, Flinders Island had the least technological advance and, in fact, seemed to regress. Around 3000 B.C., human society on Flinders Island died out completely."

The study does not imply that the government of Japan must take the said immigrant investor programs word for word. In fact, the authorities can adjust and tailor such programs to its national needs. For instance, the government of Japan can require potential applicants to invest in real estate or stocks without guaranteeing investment returns as seem in the Canadian model. Also, the number of investing applicants to be admitted and the amount of investment can be adjusted accordingly by the needs of the economical environment. If it is unprepared to introduce the immigrant investor program to the world, it can test market in specific regions or countries. For instance at the initial stage, the government of Japan can exclusively permit applications from citizens of the developed G7 members countries, or consider citizens from the neighboring countries or regions such as Korea, Singapore, Taiwan, Hong Kong or China, etc.

One might argue against the such policy as there could be costs associated in setting such program in Japan while the number of potential applicants cannot be guaranteed. There

are several reasons to counter this argument. Human beings constantly seek to improve standard of living. As depicted by Norman Rockwell in his "four freedom" series, individuals fight and aim to obtain the freedom from want. Japan is one of the developed countries with the highest living expectancies, GDP per capita and hence standard of living. Any sensible accomplished investor would be interested in living and settling down in Japan. Below is an analysis showing possible immigrant investors around the globe:

Table 14. Number of high net worth individuals (HNWIs) per region – Millions

	2000	2001	2002	2003	2004	2005	2006	2007	2008
Africa	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1
Middle East	0,3	0,3	0,2	0,2	0,3	0,3	0,3	0,4	0,4
Latin America	0,3	0,3	0,3	0,3	0,3	0,3	0,4	0,4	0,4
Asia-Pacific	1,6	1,7	1,9	2,1	2,2	2,4	2,6	2,8	2,4
Europe	2,2	2,2	2,2	2,5	2,6	2,8	2,9	3,1	2,6
North America	2,5	2,5	2,5	2,5	2,7	2,9	3,2	3,3	2,7
Total	**7,0**	**7,1**	**7,2**	**7,7**	**8,2**	**8,8**	**9,5**	**10,1**	**8,6**

Source: Capgemini and Merrill Lynch.

Source: Ware, Fortin, Paradis, 2010, p.42

Major motives that will induce potential investors to Japan will be similar, if not identical, to the motives of immigrant investors who would otherwise choose US or Canada.

In summary, the reasons are that the countries discussed, both US and Canada, are first class countries that possess a better quality of life, new professional and educational opportunities, stability and respect for rules of law. Therefore, as a developed neighbor, Japan possesses almost identical quality traits that attract the same cohort of potential immigrant investors. Different regions have different settling demands, and perhaps in Asian developing

regions, possessing a stake in Japan could also be a symbol of status or insurance for the investor. In all, the government of Japan must have flexibility in adjusting to the demands of each market. The initiative here is that the authorities must continuously evaluate its national strengths in comparison with the rest of the world. Upon acknowledging what it is, it is necessary to form a bridge between its supply and the global immigrant market. If the country continues to remain idle in the attaining labor (L), human capital (H) and tangible capital (K) in accordance with the production equation, Japan will remain a country that "resembles Europe in the 1960s, based on the long-accepted maxim of international law that every sovereign nation has the right to "forbid the entrance of foreigners within its dominions, or to admit them only in such cases and upon such conditions as it may see fit to prescribe." (Hofstetter, 1984, p.30). It is the responsibility of the Japanese government to consider and observe countries not only the United States and Canada with regard to policies relating to an immigrant investor program as one of the possible ways to: "stopping and reversing the rise in the debt-to-GDP ratio" as warned by the OECD economics reports of 2013.

References:

[1] Collins English Dictionary, 2009

[2] Hofstetter, Richard R., "U.S. Immigration Policy", *Duke University Press*, 1984

[3] Jacobson, David, "The Immigration Reader", *Blackwell Publishers*, 1998

[4] Green, Alan G., "Immigration and the Postwar Canadian Economy", *The Macmillan Company of Canada*, 1976

[5] Mankiw, N. Gregory, "Macroeconomics", *Worth Publishers*, 2009

[6] Hawkins, Freda, "Canada and Immigration – Public policy and public concern", *McGill-Queen's University Press*, 1988

[7] Kremer, Michael, "Population Growth and Technological Change: One Million B.C. to 1990", *Quarterly Journal of Economics 108*, 1993

[8] Mankiw, N. Gregory, David Romer and David N. Weil, "A Contribution to the Empirics of Economic Growth", *Quarterly Journal of Economics* 107, 1992

[9] Citizenship and Immigration Canada, *Government of Canada*, 2013

[10] US Citizenship and Immigration Services, *US Government*, 2013

[11] Ware, Roger, Pierre Fortin and Pierre Emmanuel Paradis, "The Economic impact of the immigrant investor program in Canada", *Analysis Group*, 2010

[12] Brady, Diane, "Is Canada too smug about its economic future?", *Bloomberg*, 25June2012

[13] "Study of the United States Immigrant Investor Pilot Program (EB-5)", *ICF International*, 2010

[14] Riley, Charles, "Even Abenomics can't ignore Japan debt", *CNN Money*, April23, 2013.

[15] Matsutani, Akihiko, "Shrinking-Population Economics", *LTCB International House of Japan*, 2006

[16] Douglass, Mike and Glenda S. Roberts, "Japan and Global Migration", *Routledge*, 2000

[17] Chung, Erin Aeran, "Immigration and Citizenship in Japan", *Cambridge University Press*, 2010

[18] "Trading Volume by Investor Type Tokyo,Osaka & Nagoya 2012", *Tokyo Stock*

Exchange, 2013