

# What should we do about immigration?

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# *Outline*

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Trends in immigration policy and immigration

Immigration's effects

Current policy options

# Trends in immigration policy and immigration

## *We are a nation of immigrants*

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The U.S. population consists almost entirely of immigrants and their descendants (Native Americans  $\approx$  1%)

A political cartoon featuring five characters. On the left, a man in a cowboy hat and a woman stand together. In the center, a man in a suit points his finger towards them. To his right, a small child stands holding the woman's hand. On the far right, another woman stands with her arms crossed. Two speech bubbles are present: one above the man in the suit and one above the woman on the right.

**IT'S TIME  
TO RECLAIM  
AMERICA  
FROM ILLEGAL  
IMMIGRANTS!**

**I'LL  
HELP  
YOU  
PACK.**

# Ancestry with largest population in county

- African American
- Aleut/Eskimo
- American
- American Indian
- Dutch
- English
- Finnish
- French
- German
- Hispanic/Spanish
- Irish
- Italian
- Mexican
- Norwegian
- Puerto Rican
- Other

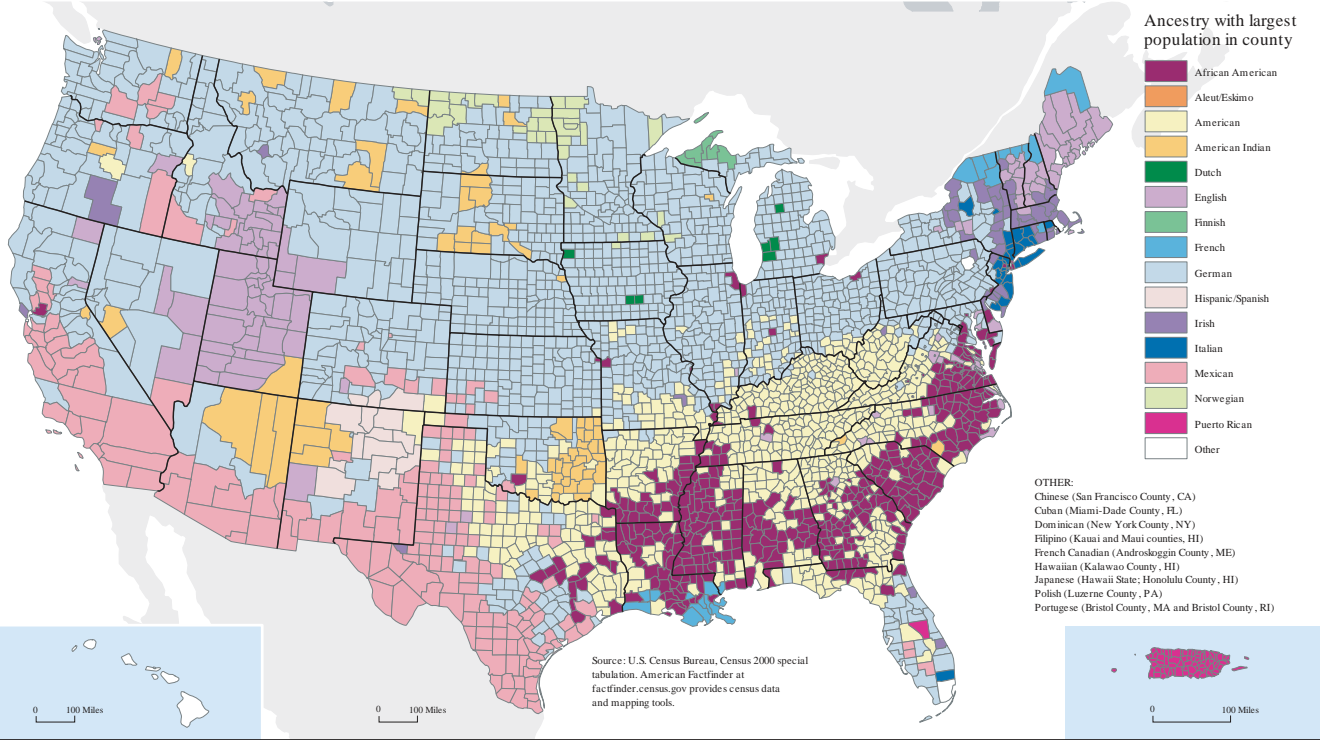
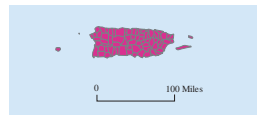
- OTHER:**
- Chinese (San Francisco County, CA)
  - Cuban (Miami-Dade County, FL)
  - Dominican (New York County, NY)
  - Filipino (Kauai and Maui counties, HI)
  - French Canadian (Androscoggin County, ME)
  - Hawaiian (Kalawao County, HI)
  - Japanese (Hawaii State; Honolulu County, HI)
  - Polish (Luzerne County, PA)
  - Portuguese (Bristol County, MA and Bristol County, RI)

Source: U.S. Census Bureau, Census 2000 special tabulation. American Factfinder at [factfinder.census.gov](http://factfinder.census.gov) provides census data and mapping tools.

0 100 Miles

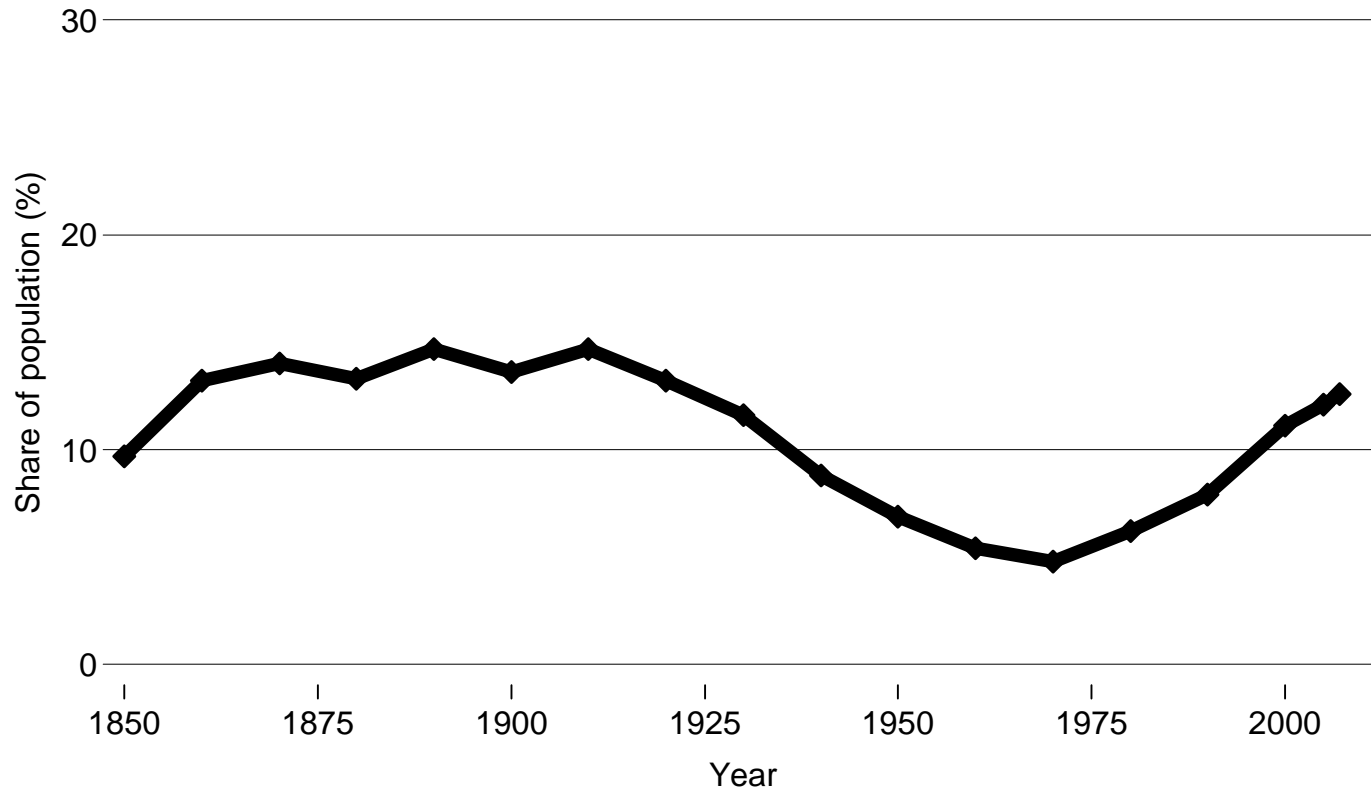
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# *Trends in immigration*

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Foreign-born share of the U.S. population. Includes both legal and illegal immigrants. Data source: U.S. Census Bureau.

## *Trends in immigration policy*

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1800s and early 1900s: minimally restrictive

1921-65: heavily restrictive

1965-present: moderately restrictive

## *Trends in immigration policy*

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1800s and early 1900s

Little restriction on immigration into the U.S.

Exceptions

1882 law limited immigration from China  
(transcontinental railroad was completed in 1869,  
reducing need for Chinese laborers)

1892 law barred immigrants with severe diseases

1917 literacy requirement for immigrants over age 16

# *Trends in immigration policy*

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## 1921 Quota Law

By the early 1900s immigrants increasingly came from "undesirable" regions such as southern and eastern Europe

The 1921 law limited the annual number of immigrants from each country to 3% of the persons of that nationality currently in the U.S.; the intent and effect was to reduce the volume of immigration and freeze the country's existing ethnic mix

Changes in 1924 and 1929 made the quota system even more restrictive

## *Trends in immigration policy*

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### 1965 Immigration Act

Ended the national origins system, though it retained an upper limit on the total number of immigrants

Instituted a system for ranking immigration applicants: preference given to (1) family reunification and (2) highly skilled persons

Ended the "guest worker" arrangement with Mexico and established a cap of 120,000 on the number of immigrants from the Western hemisphere (later changed to 20,000 per country)

This law is the basis of our current immigration policy

## *Trends in immigration policy*

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### 1980 Refugee Act

Exempted political refugees from the numeric limit

The number of refugees permitted to enter is decided each year by the president and Congress — usually about 15% of the immigrant total

## *Trends in immigration policy*

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### 1986 Immigration Reform and Control Act

Offered citizenship (amnesty) to illegal immigrants living in the U.S. since 1982

Created harsh penalties for businesses who employ illegal immigrants

## *Trends in immigration policy*

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2006 and 2007

Immigration reform bills proposed something similar to the 1986 law

- Provide a path to citizenship for illegal immigrants who have been here for several years

- Impose harsh penalties on businesses that employ illegals

Each passed in one body of Congress but was blocked in the other, due to opposition by anti-immigration groups

## *Trends in immigration*

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Number of incoming immigrants prior to the 2008 economic crash

Legal: 1,000,000 per year

Illegal: 500,000 to 700,000 per year

## *Trends in immigration*

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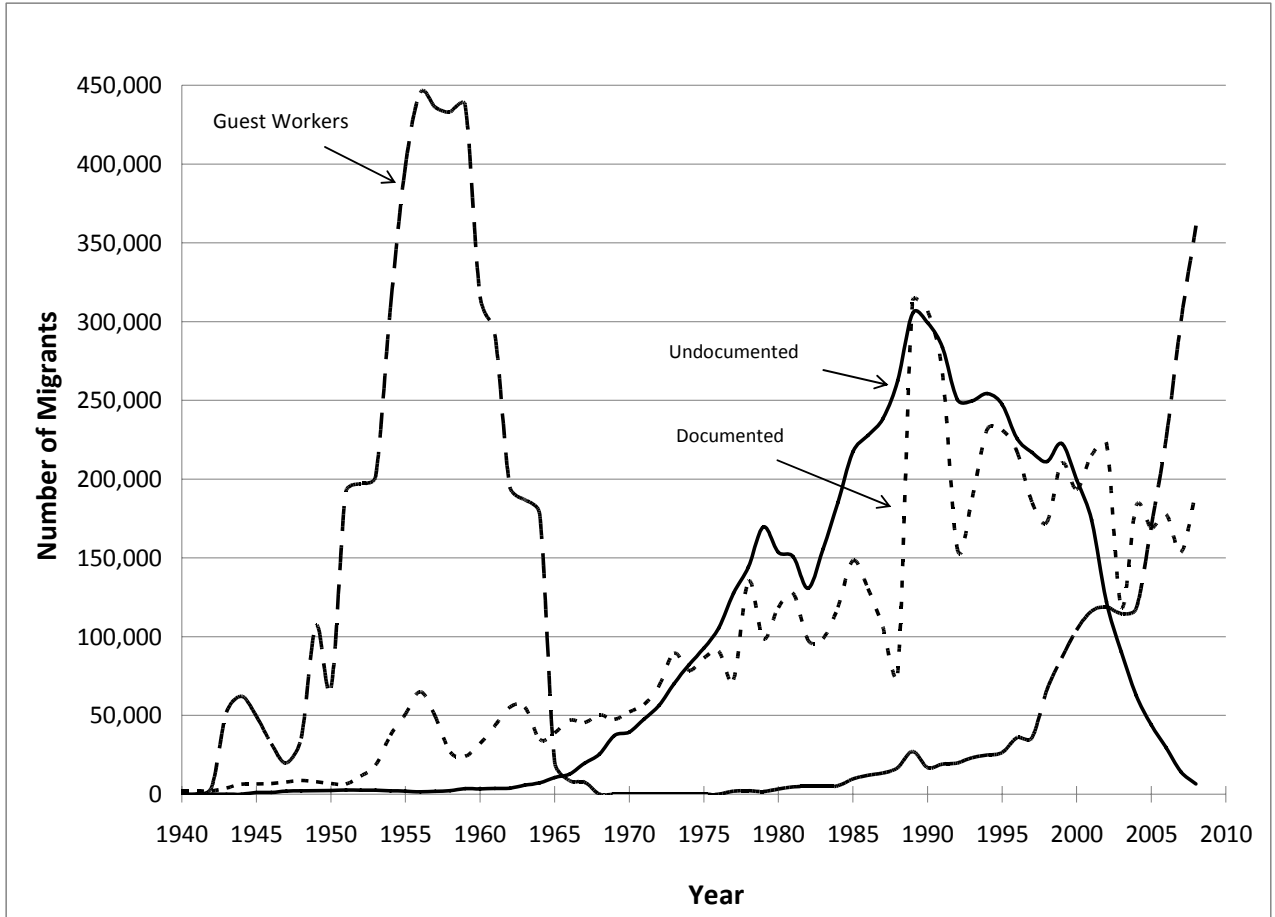
Why so many illegal immigrants?

About two-thirds are from Mexico

But there hasn't been an increase in the total number of immigrants from Mexico each year; it's been around 500,000 per year since the mid-1950s

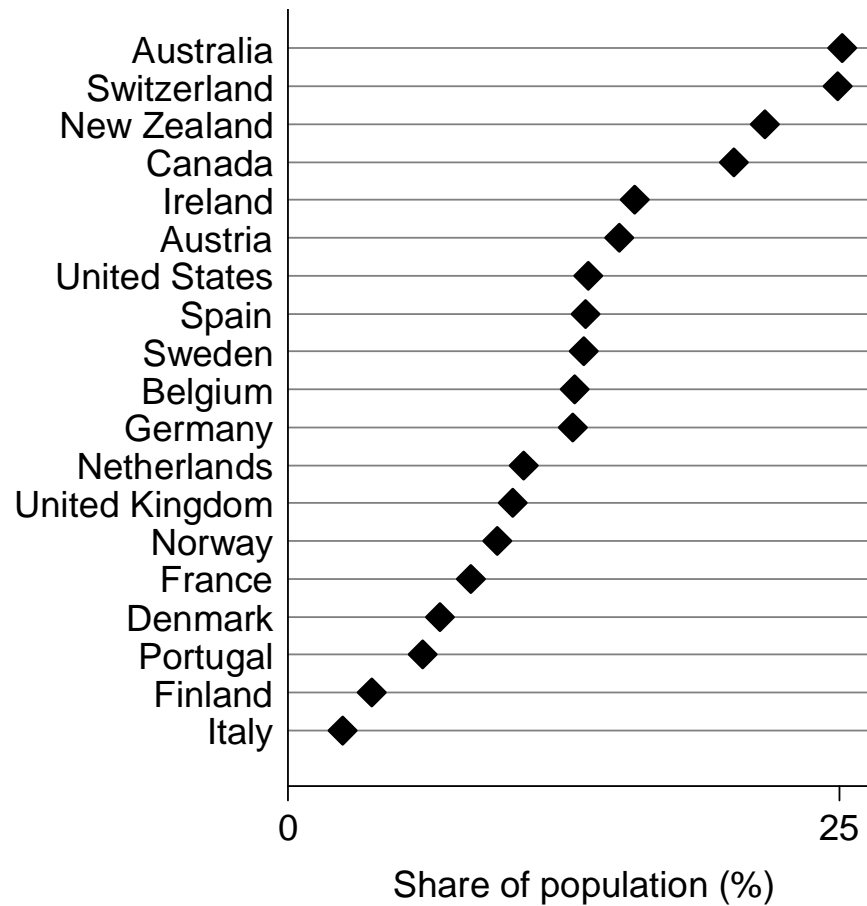
The reason is that changes in immigration law in the mid-1960s eliminated guest worker status, so most Mexicans who came here to work from the mid-1960s to the mid-2000s did so illegally

*Fig. 1. Mexican Migration to the United States, 1940–2008*



# Are we overrun? A comparative perspective

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Foreign-born share of the population, 2007. Includes legal and illegal immigrants. Data source: OECD.

# Immigration's effects

## *Economic effects*

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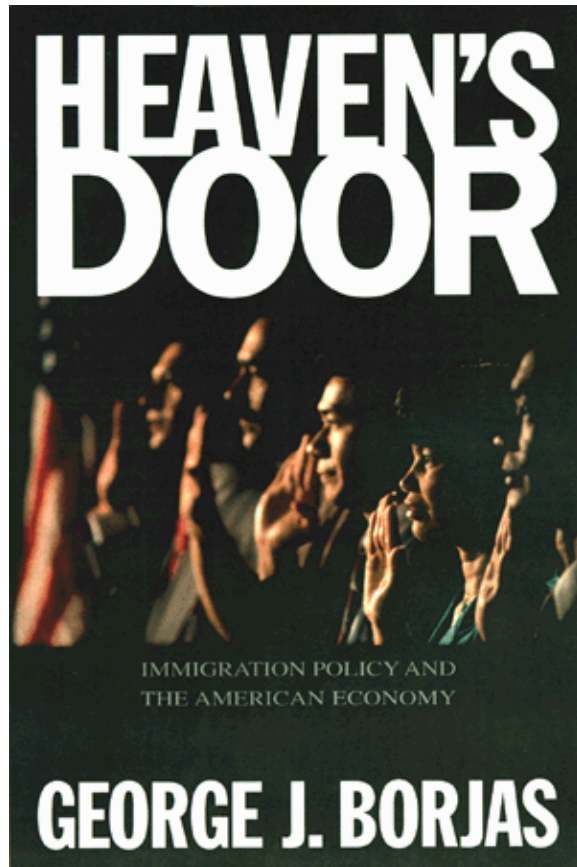
Do immigrants reduce employment and wages for low-skilled native-born workers? Yes, though there's disagreement about how large the effect is

Do immigrants cost more in government services than they pay in taxes? No, according to a 1997 study commissioned by the National Academy of Sciences

Do immigrants enhance the well-being of American consumers by reducing the cost of housing construction and various services?  
Yes

# Economic effects

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Is the New Immigration Really So Bad?

David Card  
Department of Economics  
UC Berkeley

January 2005

ABSTRACT

*This paper reviews the recent evidence on U.S. immigration, focusing on two key questions: (1) Does immigration reduce the labor market opportunities of less-skilled natives? (2) Have immigrants who arrived after the 1965 Immigration Reform Act successfully assimilated? Looking across major cities, differential immigrant inflows are strongly correlated with the relative supply of high school dropouts. Nevertheless, data from the 2000 Census shows that relative wages of native dropouts are uncorrelated with the relative supply of less-educated workers, as they were in earlier years. At the aggregate level, the wage gap between dropouts and high school graduates has remained nearly constant since 1980, despite supply pressure from immigration and the rise of other education-related wage gaps. Overall, evidence that immigrants have harmed the opportunities of less educated natives is scant. On the question of assimilation, the success of the U.S.-born children of immigrants is a key yardstick. By this metric, post-1965 immigrants are doing reasonably well: second generation sons and daughters have higher education and wages than the children of natives. Even children of the least-educated immigrant origin groups have closed most of the education gap with the children of natives.*

## *Effect on American values*

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In the early 1900s more than 90% of immigrants came from Europe; today only about 10% do

Some worry about dilution of traditional American culture and values

Others argue that immigration actually reinforces traditional values: immigrants from Latin America and Asia are *more* likely to have a strong work ethic, commitment to family, and moral inhibitions than are native-born Americans

## *Effect on social harmony*

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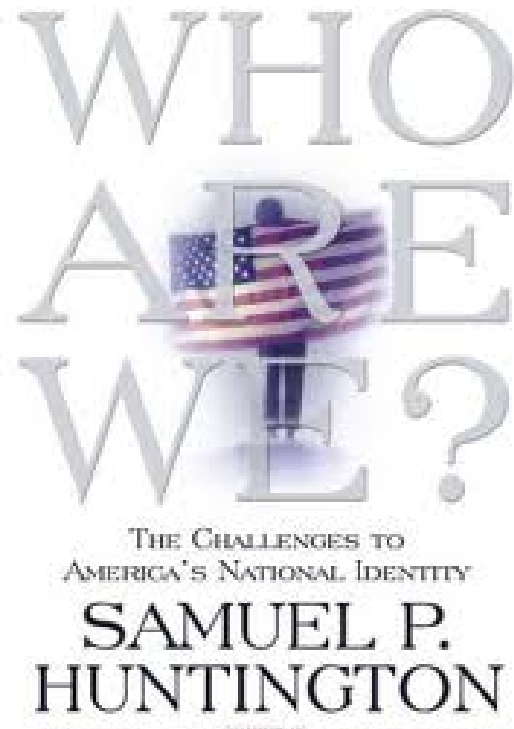
A century ago each immigrant group was so small (Polish Jews, Italian Catholics, etc.) that it had little hope of preserving its culture for more than a generation or two and little chance of mounting an effective challenge to the existing society's way of doing things

Each therefore tended to assimilate by the second or third generation — speaking English, marrying outside the group, etc.

## *Effect on social harmony*

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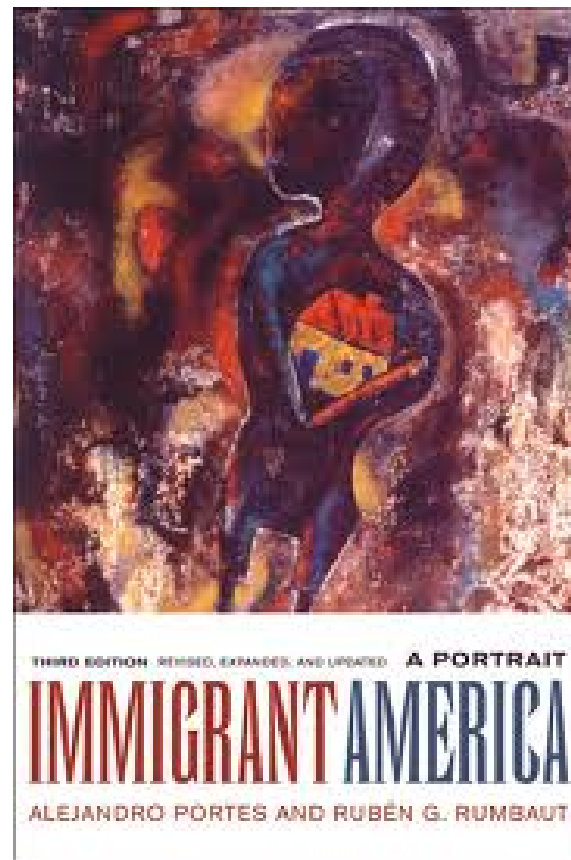
The massive influx of Mexicans since the early 1950s could be different; it may permit Latinos in the southwest to avoid assimilation and instead maintain their own language and culture



## *Effect on social harmony*

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But the evidence so far doesn't support this fear



# Current policy options

## *Current policy options*

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Zero immigration

Clamp down on illegal immigration

Prioritize skills

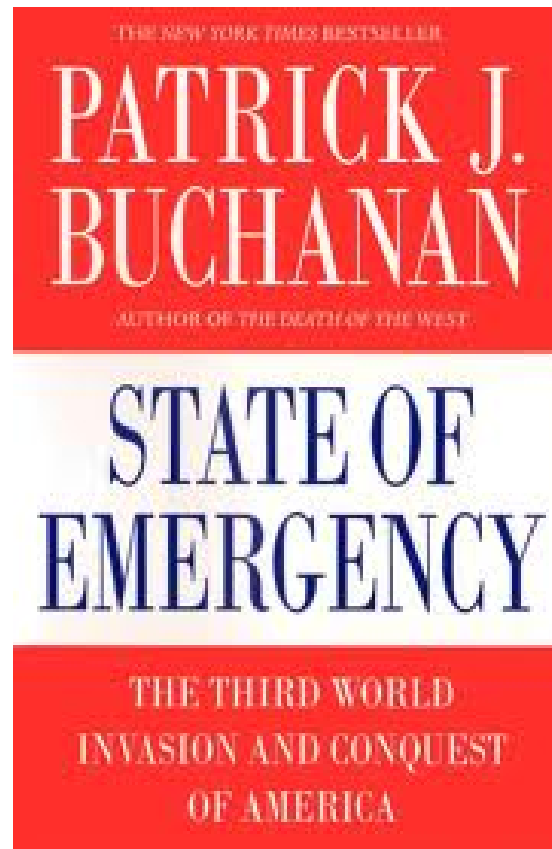
Guest worker status

Assist economic development in Mexico

# *Zero immigration*

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Pat Buchanan and some others favor this



## *Zero immigration*

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But there's little public support for it among Americans

# *Clamp down on illegal immigration*

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Most Americans favor this

Many employers in construction, restaurants, cleaning, and other low-end services oppose it

The number of illegal immigrants currently working in the U.S. is estimated to be about 7,000,000

The question is: How to do it?

# *Clamp down on illegal immigration*

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Option 1: stop people from coming in



## *Clamp down on illegal immigration*

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Option 1: stop people from coming in

Surveys suggest that many who get deported or caught attempting to cross the border try again and again

Janet Napolitano (Secretary of Homeland Security and former Arizona governor): "Show me a 50-foot wall and I'll show you a 51-foot ladder"

Massively increased border control around San Diego has shifted border crossings to Arizona

Every once in a while the number of crossers drops, but so far it has always picked back up again

# *Clamp down on illegal immigration*

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Option 1: stop people from coming in

Why doesn't it work?

The difference in economic opportunity is very large

There now are dense family networks that encourage some to want/need to get to the U.S.

## *Clamp down on illegal immigration*

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Option 2: send them back

In Arizona, a recent law requires police to demand proof of legal status from anyone who they have reason to suspect might be an illegal immigrant

For the moment, this provision has been struck down by courts

## *Clamp down on illegal immigration*

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Option 3: punish employers who hire illegal immigrants

Harsh penalties were included in the 1986 amnesty law

But employers strongly oppose this, and they've exerted a great deal of political pressure

As a result, the penalties have not been effectively enforced

## *Clamp down on illegal immigration*

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### Option 3: punish employers who hire illegal immigrants

Since 1990, usually fewer than 15 firms per year have been fined more than \$5,000 for employing unauthorized immigrants

Enforcement/punishment increased a bit beginning in 2005, but an employed illegal immigrant still faces only about a 1 in 1,000 chance of getting caught

In 2007 Arizona passed a law with stiff penalties for employers (license to operate revoked on the second infraction), but enforcement has been limited

## *Prioritize skills*

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Among legal immigrants, those admitted based on family account for about two-thirds

Some argue that, like Canada, we should prioritize skills

This would give us more skilled labor and more taxpayers, with no net drain on social spending budgets

### Objections

- Moral concern for the most needy

- This would reduce the supply of low-cost labor

## *Guest worker status*

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This is one of the key elements of recently-debated reform proposals

It would allow a specified number of people to enter the country to work for one to three years

Argument in favor: this would satisfy the concerns of both employers and anti-immigration forces

Argument against: Would we really force guest workers to leave? And would it be good to have a large group of people in country with no political rights?

## *Guest worker status*

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Even though the reforms proposed in 2006 and 2007 did not become law, the number of immigrants who enter as guest workers (on temporary work visas) rather than illegals has increased sharply since the mid-2000s

## *Assist economic development in Mexico*

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Illegal immigration is driven by the search for economic betterment

This suggests that the more effective way to reduce it would be to improve economic conditions in source countries, particularly Mexico

## *Assist economic development in Mexico*

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The 1994 North American Free Trade Agreement (NAFTA) was a good first step

It reduced the cost of importing products from Mexico into the United States and thereby encouraged creation of factories ("maquiladoras") and businesses in Mexico

But China's rise as a site for low-cost production limited NAFTA's benefits for Mexico

The gap between the U.S. and Mexico in GDP per capita has increased, not declined, since the mid-1990s



## *Assist economic development in Mexico*

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Removing restrictions to trade may not be enough

A more aggressive proposal is for a Marshall Plan for Mexico — massive financial assistance for infrastructure development, job creation, schools, and poverty alleviation

The current economic situation in the U.S. isn't conducive to support for this sort of assistance

## *Assist economic development in Mexico*

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Douglas Massey suggests reducing or eliminating restrictions on immigration while providing such assistance to Mexico

He cites the (so far) successful experience of the European Union with Spain, Poland, Romania, and other relatively poor countries

As nations join the EU, restrictions on labor flows are automatically removed

Yet there hasn't been an overwhelming flood of Spaniards, Poles, or Romanians to richer west European countries

# *Assist economic development in Mexico*

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## *Assist economic development in Mexico*

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I doubt there will be public support among Americans for doing this any time in the near future

Also, the situation is different

There is already a very large Latino population in the southwestern United States

This might make movement to the U.S. much more attractive for Mexicans than movement to London or Berlin is for Poles and Romanians

# Summary

## *Summary*

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Our immigration policy has varied over the past century

The share of Americans who are foreign-born is smaller today than in the early 1900s and than in some other rich countries

Since the mid-1960s immigration, both legal and illegal, has increased

The key issue of debate these days is how to limit illegal immigration, which most Americans favor doing, while satisfying the desire of U.S. employers for low-cost labor and the desire of U.S. consumers for cheap services

We don't appear to be close to a successful resolution