

A conversation with Michael Clemens on April 21, 2014

Participants

- Michael Clemens – Senior Fellow, Migration and Development Initiative, Center for Global Development
- Alexander Berger – Senior Research Analyst, GiveWell

Note: This set of notes was compiled by GiveWell and gives an overview of the major points made by Dr. Clemens.

Summary

GiveWell spoke with Dr. Clemens about the efforts to liberalize immigration for workers of different skills levels and the history of immigration policy in the U.S.

Immigration by workers of different skill levels

Advocates for increased immigration generally focus on the immigration of high-skill workers (such as computer programmers), but there is a stronger humanitarian case for liberalizing migration of low-skilled workers (such as landscape workers and caretakers for the elderly). This is due to the greater number of potential low-skill migrants, their lower baseline income, and the higher (proportional) wage gains they derive from migration. That said, self-interest and humanitarian considerations on this topic generally point in the same direction: allowing more workers of both high- and low-skill to move to the U.S. would be beneficial both for them and for natives.

The U.S. Chamber of Commerce is an example of an advocate for immigration that focuses on high-skill immigrants. This could be due to a desire to focus on policies that are feasible or due to a substantive policy preference amongst their staff or members. Employers of low-skill immigrants have also not been very active in doing advocacy related to immigration.

It is important to develop accurate projections of future needs for low-skill labor migration in the U.S. For example, these would be relevant to a proposed bilateral trade agreement between the U.S. and Mexico. At a recent expert roundtable discussion on low-wage migration, Dr. Clemens found that none of the organizations in attendance had made such projections. According to the U.S. Bureau of Labor Statistics (BLS), the U.S. will need thousands of high-skill immigrants and millions of low-skill immigrants in the next decade.

GiveWell asked about the possibility that immigration systems biased in favor of high-skill immigrants may receive more public support.

Points-based systems are used in many countries to select higher-skilled permanent immigrants. It is plausible that these systems could increase positive feelings among native citizens of a country toward immigrants, but Dr. Clemens has not encountered any evidence of this.

Canada, which uses a points-based system for selecting skilled permanent immigrants, also has a relatively large seasonal agricultural labor program, which employs approximately 30,000 migrant workers. A similar program in the U.S. employs 50,000 people, despite the fact that the population of the U.S. is approximately ten times that of Canada. Overall, the Canadian immigration system is well-regarded and popular.

On the other hand, Australia uses a points-based system modeled on the Canadian one but has strong public opposition to immigration, so an immigration system that selects permanent immigrants on the basis of skill does not seem to guarantee popular support.

Provisional work visas proposal

The economists Pia Orrenius and Madeline Zavodny wrote the book *Beside the Golden Door*, which proposes a system of renewable provisional work visas for immigrants. Currently about 80% of visas in the U.S. are provided for family members of legal U.S. residents, while the rest are for employment purposes. Dr. Orrenius and Dr. Zavodny propose changing this such that 50% of visas are provided for employment purposes. They also propose allocating visas to employers through auctions. An employer could buy a permit from the government to provide a visa to a low-skill immigrant. The employer could then sell the permit to any other employer at any price. This proposal is worthy of further consideration.

History of immigration policy in the U.S.

Before the passage of the Immigration Reform and Control Act (IRCA) in 1986, there were 3 million unauthorized immigrants in the U.S. IRCA provided opportunities for regularization (offering legal status to some unauthorized immigrants who were already in the country). About 2 million unauthorized immigrants were regularized in 1986, but about 5 years later there were 3 million unauthorized immigrants in the U.S. again. Between about 2003 and 2005, the net change in unauthorized immigrants was an increase of about 300,000-350,000 per year. Regularization in the absence of a workable low-skill migration program may have contributed to current challenges in U.S. immigration policy.

George W. Bush made a significant effort to improve immigration policy during his presidency. He negotiated a bilateral immigration proposal with Vicente Fox, then president of Mexico, but the proposal did not succeed. Mr. Bush tried to have immigration reform passed in Congress, but the bill lost by a few votes.

Part of the reason that there has been little progress in the House of Representatives in reforming immigration policy is that many representatives are cautious about repeating the problems of IRCA.

Other people to speak with about immigration issues

- Tamar Jacoby – President, ImmigrationWorks USA. Ms. Jacoby focuses on issues related to low-skill immigrants.
- Edward Alden – Bernard L. Schwartz Senior Fellow, Council on Foreign Relations
- Martin Ruhs – Associate Professor of Political Economy, Oxford University
- Philip Martin – Professor, Agricultural and Research Economics, University of California, Davis
- Manjula Luthria – Senior Economist, World Bank
- Thomas Hertz – Economist, Economic Research Service, U.S. Department of Agriculture (USDA). Dr. Hertz forecasts demand in the U.S. for agricultural labor.
- Frank Bean – Chancellor’s Professor, School of Social Sciences, University of California, Irvine. Dr. Bean recently published a report on low-skill immigration commissioned by Partnership for a New American Economy.
- Jeremy Robbins – Executive Director, Partnership for a New American Economy

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