

# **A conversation with the Migration Policy Institute, February 2, 2015**

## **Participants**

- Dr. Marc Rosenblum – Deputy Director, U.S. Immigration Policy Program, Migration Policy Institute (MPI)
- Alexander Berger – Program Officer, US Policy, Open Philanthropy Project

**Note:** These notes were compiled by the Open Philanthropy Project and give an overview of the major points made by Dr. Marc Rosenblum.

## **Summary**

The Open Philanthropy Project spoke with Dr. Rosenblum of MPI as part of its investigation into labor mobility. Conversation topics included MPI's work on comprehensive immigration reform (CIR), President Obama's executive action on immigration, refugee immigration, and role of the business sector in immigration policy debates.

## **Comprehensive Immigration Reform (CIR)**

It is likely that CIR will be on Congress's agenda in 2017, and discussion of potential legal reforms may begin during the current Congress.

MPI is working on research to provide the necessary information to Congress and the executive branch for a discussion of CIR. This includes three main research areas:

- U.S. labor markets
- Alternative paths to legal immigration
- Immigrant integration policies

## **U.S. labor markets and future immigration flow**

MPI's research on the U.S. labor market focuses on predicting future demand for workers, and predicting how the role of immigrant workers in the U.S. economy may change over the next couple of decades (e.g., how many workers the market will need of different skill levels, and which jobs they will perform).

A few years ago, MPI's Labor Markets Initiative project brought together labor economists and other experts for a series of conferences and produced papers on future immigration flows. MPI is interested in restarting this line of research. Within Washington, D.C., MPI is one of only a few organizations that have focused on these issues in the last few years. Other organizations and individuals that have done future flow research include:

- The Economic Policy Institute (EPI)
- The Council on Foreign Relations
- Dr. Pia Orrenius (Vice President, Federal Reserve Bank of Dallas)

- Giovanni Peri (Professor of Economics, UC Davis)

### *Demographic effects of immigration*

The immigration of primarily young workers and families has helped bring down the average age of an otherwise aging U.S. workforce. This demographic effect may prove relevant to concerns about a future U.S. social security deficit. Some have also argued that the U.S. is outperforming Europe and Japan on certain demographic metrics (e.g., age-dependency ratio) because of immigration. However, this argument does not seem to get much political traction, because it is complicated, requires a long-term view, and lacks the intuitive narrative appeal of some anti-immigration arguments (e.g., that immigrants drive down wages).

### **Alternative paths to legal immigration**

MPI has done research on designing better ways for employers to recruit immigrant workers. Currently, U.S. employers face significant bureaucratic obstacles when trying to recruit low-skilled workers. In particular, they must show that they attempted to hire U.S. workers before hiring immigrants. This is not effective for protecting U.S. workers or for recruiting foreign workers.

MPI has also worked to develop better ways of setting visa limits, e.g., by having a research panel determine the optimal number of workers to admit in different sectors using economic modeling and analysis. MPI believes that a research panel could decide optimal visa limits more effectively than Congress. Such an approach relies on expert analysis more than employer recruitment.

States could also potentially play a role in setting immigration policy (much as Canadian provinces help determine their own local visa limits).

Some people have proposed more radical changes, e.g., open borders, but there is no serious policy discussion in Congress around those kinds of changes. Even if they were optimal from a global perspective, Dr. Rosenblum doubts that such radical reforms would be optimal for the U.S.

### *Region-specific temporary worker visas*

The U.S. could offer region-specific temporary worker visas to, e.g., Mexico, Central America and Caribbean nations, rather than country-neutral visas. The U.S. has had region-specific visa programs historically, and many other countries currently have such programs. The H-2A Temporary Agricultural Worker and H-2B Temporary Non-Agricultural Worker programs currently include lists of approved countries.

A regional visa program could be implemented within the framework of the North American Free Trade Agreement (NAFTA) or the Dominican Republic-Central America Free Trade Agreement (CAFTA-DR). NAFTA already includes a visa agreement for high-skilled workers, and it would likely not be difficult to add a new chapter to cover visas for low-skilled workers. Linking such a visa program to NAFTA or CAFTA-DR (which are generally opposed by Democrats) might also result in the beneficial formation of some non-typical political coalitions.

There has not been much discussion recently of region-specific temporary worker programs. Groups such as the Washington Office on Latin America and the Woodrow Wilson International Center for Scholars might support a policy proposal for regional visas. MPI's Regional Migration Study Group also could engage in a conversation about regional visas.

Regional visas that allow circular migration could offer better immigration management and control and meet labor market needs more effectively than other types of visa programs. Regional visa programs can also be structured to work effectively with the immigrants' communities of origin. Regional visas are a politically complicated issue, but not necessarily more complicated than temporary worker programs in general. In general, it is difficult to include temporary worker programs, including regional ones, in CIR because of opposition from labor unions; and regional visas could raise additional opposition from those who are protective of U.S. sovereignty and/or wary of international agreements on trade and related issues.

### **Improving immigrant integration policies**

Current U.S. policies for recognizing the skills and qualifications of high-skilled and especially middle-skilled workers could be improved. The U.S. could model new policies on the mutual recognition agreements being developed by some other countries.

Employers have an interest in improving immigrant integration policies because it is easier to recruit and retain workers, especially high-skilled workers, in a welcoming environment. It is also useful for politicians who want to maintain support for liberal immigration policies to be able to demonstrate successful immigrant integration.

### **Potential impact of the 2016 presidential election on CIR**

Many of the immigration issues raised in Congress will likely be the same regardless of which party wins the presidency in 2016 (unless a candidate runs and wins on a platform of reducing legal immigration), though the scope of the conversation may differ. If a moderate Republican or a Democrat is elected, the next Congress will likely consider either broad CIR or a set of temporary worker programs and changes to the legal system, including discussion of the U.S.'s process for admitting high-skilled and low-skilled workers.

#### *CIR vs. piecemeal legislation*

If Republicans win the presidency and a Congressional majority, individual immigration reforms will likely be proposed separately, rather than as part of a comprehensive bill. Dr. Rosenblum believes these separate policy proposals would likely still address future flow issues.

### **Executive action**

The debate over President Obama's recent executive action on immigration serves as a precursor to future legislative debate on immigration reform, and the success or failure of the executive action will be important in determining the context for future conversations.

In addition to Deferred Action for Childhood Arrivals (DACA) and Deferred Action for Parental Accountability (DAPA), the executive action also includes provisions to:

- Facilitate high-skilled immigration (e.g., granting parole to entrepreneurs, offering a national interest waiver for EB-2 visa holders)
- Recapture unused visas
- Modernize the interaction between the Department of State and the Department of Homeland Security (DHS) in the visa issuance process
- Make job-changing easier for workers waiting to receive green cards
- Provide Optional Practical Training (OPT) to immigrant students
- Further focus immigration enforcement on high-priority cases, and make reforms to the Secure Communities program

### **Potential areas for philanthropic funding**

Implementation of the provisions in the executive action will require regulatory changes. Philanthropic funding could support the organizations that will be involved in the regulation writing process over the next couple years.

Organizations likely to be involved in this regulatory process with a particular focus on high-skilled workers include:

- The American Immigration Lawyers Association (AILA),
- The National Immigration Forum
- FWD.us
- EPI and other economic think tanks

Philanthropic funding could also support research on the impacts of regulatory changes as they are implemented (e.g., the performance of paroled entrepreneurs, the effect of access to OPT on students).

### **Funding of the DAPA expansion**

U.S. Citizen and Immigration Services (USCIS) has already made investments for the expansion of DAPA (hiring, acquiring facilities, etc.) on the assumption that it will receive sufficient funding from DAPA sign-up fees to cover these costs. To raise these funds, they will need a 40% sign-up rate for DAPA in its first two years (i.e., about 2 million sign-ups in the next 18 months). USCIS is funded entirely through fees and does not receive appropriations from Congress. If DAPA does not raise sufficient funding from sign-up fees, the program will have to stop taking applications and close.

A 40% sign-up rate is a reasonable target; DACA, for example, had a sign-up rate of over 50% in its first two years. However, DACA beneficiaries are more likely to sign

up because they tend to be young, online, politically active, and receive major benefits from legal status (e.g., in applying for school or entering the labor market). The population of DAPA beneficiaries is older, less educated, less online, and mostly not seeking new employment. As a result, they stand to benefit less from gaining legal status and are more difficult to sign up.

### **Effect of executive action on Congressional negotiations**

For the last several years, the U.S. has largely followed an “enforcement first” philosophy and increased interior immigration enforcement, which has made immigrant communities in the U.S. very vulnerable. President Obama’s executive action significantly alters this status quo by protecting a large portion of existing immigrant communities from interior enforcement. This change may eventually incentivize proponents of stricter immigration policy, who are dissatisfied with the new status quo, to be more open to negotiation on immigration reform, as well as allowing CIR advocates who approve of the change to negotiate more strongly.

The “Secure Communities” information-sharing program between the Federal Bureau of Investigation and DHS will continue, but successful implementation of the executive action will limit its impact on immigrant communities.

### **Impact of research on policy-making**

MPI’s research sometimes influences policy-making directly, as congressional and executive branch staffers rely on MPI research and often consult with the organization informally and/or through congressional testimony. In addition, large interest groups, such as AILA, the U.S. Chamber of Commerce, and the AFL-CIO, are in frequent contact with MPI and read its reports. Scholars and think tanks have the opportunity to influence policy debates by contributing new ideas and communicating with key interest group staffers.

Negotiations over employment-based immigration policy have not been made very public, while enforcement and legalization policy decisions have been much more visible and controversial. For example, the U.S. Chamber of Commerce and AFL-CIO negotiated a deal to create the “W-visa” program for low-skilled workers and drafted the corresponding section of the 2013 Senate immigration bill without much public discussion, though the negotiation process did receive public attention from some interested parties. Dr. Rosenblum was involved in those negotiations.

MPI is interested in doing more policy-related research in the next two years, during which Dr. Rosenblum believes there will be a window of opportunity for new creative thinking to influence discussions. This research will build on MPI’s previous work from the last decade. In the near-term, immigration discussions will likely consist mainly of fine-tuning or incorporating creative new aspects into existing ideas.

### **Survey of beneficiaries of the Immigration Reform and Control Act of 1986 (IRCA)**

For the past 2-3 months, MPI has been in the early stages of planning a survey of the roughly 3 million immigrant workers legalized through IRCA. There has been no systematic data collection on IRCA beneficiaries since 1990, which Dr. Rosenblum considers a major research gap. It would be fairly simple to design a study comparing the 25-year outcomes of a thousand IRCA beneficiaries and a thousand immigrant workers who were unauthorized at around the same time, but were not legalized through IRCA.

MPI began planning this survey after being approached with the idea by a small funder. MPI has not yet decided where to direct a wider appeal for funding, though it has spoken to academics and advocates who are supportive and believe the idea is important. MPI will likely collaborate with one or two universities for the survey. Dr. Rosenblum estimates the total cost of the survey will be around \$500,000.

## **Refugee admissions**

“Refugees” and “asylum-seekers” are similarly defined in terms of their humanitarian circumstances, but differ in that:

- Refugees are certified as such by the United Nations and are actively resettled through UN camps, from which nations such as the U.S. choose a set number to allow to immigrate.
- Asylum-seekers arrive in U.S. on their own volition requesting humanitarian relief.

The number of refugees that the U.S. accepts is set by the executive branch in consultation with Congress and is statutorily straightforward to increase. Congress tends to grant requests by the executive branch to increase the refugee limit; however, Dr. Rosenblum does not think this is a particular priority for the executive branch. Some proponents of restrictive immigration policy see admitting more refugees as a tradeoff against other types of immigration.

The debate over refugee immigration tends to include more discussion of humanitarian values and compassion than debates on illegal immigration or employment-based immigration. While the two sides of the refugee debate consist mostly of the same members as other immigration debates, there are a small number of conservative Republicans in Congress who are pro-refugee despite supporting stricter immigration policy generally (e.g., Christopher Smith of New Jersey).

Internationally-focused humanitarian groups, such as Human Rights Watch, sometimes advocate in favor of a higher limit on refugee admissions.

## **Involvement of the business sector**

The business sector was heavily engaged in immigration policy from 2005 to 2007 but has not been very involved since then (with the exception of the H-1B discussion). During President Bush’s administration, immigration policy was a top

priority for business groups and a primary focus of the U.S. Chamber of Commerce. This is no longer the case for two main reasons:

- Following the Great Recession, mainstream business groups began hiring fewer new employees, and a surplus of unemployed U.S. workers was available for hires they did make.
- During President Obama's administration, business groups have focused on issues they consider more pressing (e.g., the Affordable Care Act, new labor union provisions).

With the exception of high-tech industries, the business community is currently not putting much pressure on Congressional Republicans to negotiate on immigration reform. A robust economic recovery would likely change this.

Although the business community is still interested in the details of a potential immigration deal, it would likely be easier to get businesses to engage in the conversation over a bill already in progress than to get businesses to help advocate for a bill initially. Most business organizations focus on their members' near-term concerns, making it difficult to build a large coalition around issues with a timeline of one or two decades.

#### *Effect of increased interior immigration enforcement*

Between 2006 and 2008, the Bush administration increased immigration enforcement by targeting employers of undocumented workers, including conducting raids on high profile worksites (e.g., six raids of Swift & Company meatpacking plants). This strategy was intended to incentivize businesses to put pressure on Congressional Republicans to negotiate on immigration reform. In practice, however, business groups pressured their representatives to oppose the enforcement practices, rather than to push for CIR, which made that level of enforcement difficult for the government to sustain.

President Obama has stopped worksite raids but has increased "paper raids," auditing employers to determine whether they have complied with eligibility verification laws intended to screen undocumented workers. Even though the fines associated with these audits have increased significantly, they are still viewed by many businesses as an acceptable risk, especially because most businesses are not fined.

A significant increase in interior immigration enforcement would likely result in more of a response from Congress, but it would be too disruptive to the status quo for either party to sustain.

*All Open Philanthropy Project conversations are available at  
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