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### Don't Close the Golden Door: Our Noisy Debate on Immigration and Its Deathly Silence on Development

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by Michael Clemens and Sami Bazzi

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#### ABSTRACT

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Throughout history, international migration has been a central tool in the battle against global poverty and inequality, but the recent heated political debate over immigration reform has largely failed to capture the important ways in which the international movement of people shapes the development process. In this essay, research fellow Michael Clemens and co-author Sami Bazzi outline five major reasons why migration is a development issue in today's world, and they outline an agenda by which the next U.S. administration could make U.S. migration policy work for the United States, for countries of origin, and for the migrants themselves.

After considering the often immovable ideas and political constraints surrounding international migration, now and throughout our history, Clemens and Bazzi make the case for a few crucial and substantive actions the next administration can take to spread and enhance the positive effects of migration.

One fundamental principle of action, they argue, should be that movement and linkages between the poorest countries and the United States are at the heart of the global development process. This guides a five-point strategy for the next administration: forge a broad understanding of our tradition of opportunity, craft an economically sound policy toward guest workers, greatly raise or eliminate caps on high-skill worker visas, do our fair share for refugees, and know who is moving in and out.

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**DON'T CLOSE THE GOLDEN DOOR: OUR NOISY DEBATE ON  
IMMIGRATION AND ITS DEATHLY SILENCE ON  
DEVELOPMENT\***

Michael Clemens and Sami Bazzi

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\* This essay is excerpted from a chapter in the forthcoming book, *The White House and the World: A Global Development Agenda for the Next U.S. President*.

## **Introduction**

International movements of people can spark and sustain the development process in poor countries, helping people climb out of poverty. Creating opportunities for poor people to improve their lives is in our interest. Doing so promotes our values, enhances our security, and restores an image of America that is faltering abroad. The United States has a long and incomparable history of welcoming people in search of advancement, since long before Emma Lazarus's poem celebrating the "golden door" was affixed to the base of the Statue of Liberty in 1903.

Some view the phenomenon of migration as a sign of failed development, which causes people to leave their home countries because of a lack of opportunity and, in the process, harm the places they leave by taking their skills and labor with them. But there is an entirely different way to see the international movement of people. It is a view in which the movement of people between the United States and the rest of the world is so much at the heart of the global development process that, rather than being a sign of failed development, it is actually a form of development. A careful look at how the United States itself developed and has interacted with the poorest places on earth reveals that from the beginning of our history—and now more than ever—the movement of people is at the heart of complex development processes all around the world.

The next president of the United States has an opportunity to advance a migration agenda that is one of several pillars of our leadership position on global development. Our economy's spectacular growth over the last century has given us a far greater ability to offer opportunities to low-income workers than we did when we first became the land of opportunity. Although many Americans have legitimate concerns about the effects of immigration on our economy and society, a careful look at the evidence suggests that we can give enormously more opportunity to many more low-income people. Doing this makes us stronger, not weaker.

It is easy to see how highly skilled immigrants create jobs and prosperity in this country. Immigrants play a key role on Wall Street and in Silicon Valley, and their skills and drive help keep the United States in a leadership position in many global industries. What is somewhat harder to see, but no less real, is that lesser-skilled immigrants create jobs and prosperity too. About sixty million people have come to this country to stay since 1900, and our unemployment rate today is almost exactly equal to what it was then. The unequivocal lesson of history is that there is no trade-off whatsoever between enormous, largely low-skill immigration and jobs for people already here. We are also far more materially prosperous than we were in 1900. The only way this is possible is if all those new arrivals have been part of our strength. They frequently perform jobs that complement those done by people who arrived before them; they typically work very hard, and they make a large range of goods and services cheaper and better for others here, greatly contributing to the prosperity of our families and businesses. Being open to

them is the development strategy that has built the United States into the richest country the world has ever known, and we need to maintain that proven strategy.

Maintaining that strategy will take strong, wise leadership on this divisive issue—and leadership on migration is not political suicide. The idea that Americans are more resistant than ever before to migration is quite wrong. The Gallup organization has asked Americans the same question every year since 1965, back when the foreign-born share of the population was far lower than it is today: “Should immigration be kept at its present level, increased, or decreased?” The fraction of people saying “increased” is more than twice as high today as it was in 1965. And whereas 65 percent said “decreased” in 1993, that fell to just 39 percent by 2006—during a period when immigration soared.

Today the United States regulates the movement of workers from poor countries by two broad standards: one for high-skilled workers and another for the low-skilled. Entry of well-educated workers is easier than for those with only a basic education, but skilled-worker visas are capped at one-third the level of just seven years ago. Employers’ requests exhausted all the skilled-worker visas for fiscal 2008 in a single day in early 2007, leaving perhaps hundreds of thousands of educated and potentially very productive workers to remain at home with far lower productivity or to go to other, more welcoming rich nations. This is bad for the U.S. economy, to be sure. But it also reduces the opportunities available to people from poor countries struggling to build a professional career and, contrary to conventional wisdom, may even do harm to prospects for those who would not have moved.

Low-skill workers from poor countries are even more severely restricted. Around half of the low-skill workers who enter the United States to stay enter as unauthorized migrants—about half a million every year—despite risks to personal safety, high costs, and the insecurity of an undocumented life.<sup>1</sup> The vast majority of the rest are given residence for the goal of family reunification, not for the goal of promoting U.S. economic growth or of allowing low-skill workers from poor countries greater opportunity. The current policy of the United States, in broad strokes, is to run a large program staffing its farms, construction sites, janitorial positions, domestic assistant positions, and factory floors with many millions of workers obliged to live in the shadows, partially outside the social and fiscal institutions that weave the American social contract.

Vast numbers who would jump at the chance to come to the United States cannot, and we are more closed to low-skill migrants than we have been in the past: in 1910, 15 percent of Americans were foreign-born. Today it is only 12 percent, despite the fact that we can offer much more opportunity to low-skill workers than ever before: those who came a century ago typically doubled or tripled their real incomes; today low-skill workers can achieve salaries in the United States between five and twenty times their best option at home.

Crucially, the world is much different and people are far more mobile than they were in the nineteenth century. Back then, movement often meant permanent settlement. In recent

decades, temporary movements of workers shape many labor markets. The United States is far out of step with this enormous global trend; we ourselves, and the developing world, are the losers. The most glaring example is the Immigration Reform and Control Act of 1986. This law, rather than create legal pathways for established patterns of temporary and circular movement of workers at the border, opted instead to illegalize them—causing millions of Mexicans and others to stay here permanently and illegally rather than temporarily.<sup>2</sup> We missed an enormous opportunity to bring workers out of the shadows, help our economy remain strong, and foster development-friendly links with poor communities south of the border. We must do better, and we can. This chapter gives many specific steps the next president can take to get us on the right path.

### **Why migration is a development issue**

The movement of people across borders shapes the entire globe's development process in ways that can be difficult to see at first. Five of these are the changed decisions by those who might have moved but did not, interactions between those who moved and those who did not, return migration, effects of the pure absence of those who moved, and enormous opportunities for the migrants themselves.

#### ***1. Broadened horizons for those who stay behind***

The prospect of migration changes the decisions of people who do not migrate. Anyone who grew up in rural America understands that the existence of faraway urban centers,

and the fact that some people from rural areas leave to work in those centers, shapes rural communities. For example, one of the reasons rural Americans insist on quality schools for their children is so that some of those children can have opportunities in colleges and jobs far away. Those good schools end up helping even the kids who do not leave.

Similar things happen in the developing world. The Philippines, for example, is a very poor country that sends more nurses to work in rich countries than any other country in the world. Most foreign-born nurses in the United States are from the Philippines, and the majority of all nurses in oil-rich Saudi Arabia are from the Philippines. One result of this outward migration is that an enormous system of high-quality nursing education has arisen in the Philippines to prepare (mostly) low-income women to take advantage of these opportunities.

But does this outward migration of nurses mean that the Philippines lacks nurses? No. There are about six times as many nurses per capita in the Philippines than there are in countries at a similar level of income, more even than in the United Kingdom or Austria—two of the richest countries in the world.<sup>3</sup> What makes this seeming paradox possible is that large numbers of people whose education decisions were shaped by the migration opportunity did not leave the Philippines. This is hard to see because it is not easy to know why people make the choices they do. But it is happening on an enormous scale all over the world.



The prospect of migration can change people's decisions in other ways that are difficult to quantify but no less real. For example, why are Latin American athletes and musicians in the United States revered by so many children in their countries of origin, just as athletes and musicians of humble origin are revered by many children in inner-city U.S. neighborhoods? Perhaps it is because seeing people like themselves achieve spectacular material success inspires them to think of themselves as potentially successful, and it reminds them that poverty need not be their fate. Shifts in self-esteem can spread even to the poorest corners of developing countries.

## ***2. Interaction between workers abroad and the poor countries they come from***

People working abroad interact extensively with their countries of origin. They send enormous amounts of money home; they help build trade and investment ties between the United States and the rest of the world; they serve as conduits for spreading American technology and ideas to the world; and they make it easier for other people from their countries to find work here.

People working in the United States sent \$45 billion in unrequited transfers to Latin America in 2006.<sup>4</sup> This vastly exceeds all U.S. development assistance in the same year, not just to Latin America but to the whole world (\$23 billion).<sup>5</sup> Remittances are roughly one-fifth of gross domestic product in Albania, El Salvador, and Haiti. Such sums have a large positive effect on welfare in the countries of origin.

But cash gifts are just the beginning of the story. Other, perhaps far more important, interactions occur between diasporas and home countries. Indian and Taiwanese immigrants to the United States, for example, have been crucial to the formation of manufacturing and informational technology hubs in those countries, by serving as intermediaries, commercial ambassadors, investors, and conduits for technology transfer. Chinese entrepreneurs in California were the first to commission the manufacture of IBM-compatible computers from Taiwanese firms like Acer, Mitac, and Compeq in the 1980s. This blossoming of high-tech industry helped induce tens of thousands of Taiwanese engineers to return to Taiwan from the United States in the 1990s. In other words, earlier migration was part of the process of developing home industries and retaining skilled workers. Migration did not affect Taiwan's development; it has been part of Taiwan's development. Likewise, Indian engineers working at U.S. firms were the first to outsource software services to their home country, which encouraged others to do the same and sparked rapid economic growth in Bengaluru, Hyderabad, Mumbai and elsewhere.<sup>6</sup> Investment capital also flows through migrant networks: small firms in Mexico that are attached to migrant networks face a lower cost of capital, and thus reap greater profits, than those that are not.<sup>7</sup> One of Africa's most important cellular telephone networks was built and financed by Mohamed Ibrahim, a naturalized British citizen who left his native Sudan at age 26.

There is a common theme here. We know from our own history that analogous patterns have been part and parcel of our own process of slowly developing into a very rich country over centuries. The development of the whole nation, not just its urban areas, has

been driven by people born in rural areas who moved to urban areas to make their mark and never went back: John D. Rockefeller, Abraham Lincoln, Thomas Edison, and countless others. These people built networks of trade and investment, shaped ideas, and brought new technologies to every corner of the country—and the whole nation benefited, not just the cities they spent their careers in. Such linkages did not “affect” our development process; they have been an intrinsic part of it. We should expect nothing fundamentally different at the global level, where the United States is a hub for world commerce, ideas, and capital, just as New York City has been a hub for commerce, ideas, and capital to all fifty states.

### ***3. Knowledge, skills, and savings brought home from abroad***

Many immigrants from poor countries return home bringing with them savings, skills, raised expectations, and familiarity with American institutions. In the 2005–2006 academic year, over half a million foreign students were enrolled in U.S. institutions of higher education, including 77,000 from India and 6,200 from Nigeria.<sup>8</sup> A large fraction of those trained in the United States do not remain here: of the foreign students that received a U.S. doctorate in 1991, 42 percent had left the country by 2001.<sup>9</sup> Although this departure rate was only 14 percent for Indian students, it was 50 percent for Turks, 53 percent for Africans (outside South Africa), and 59 percent for Peruvians. The large majority of these departures represent returns to the country of origin.<sup>10</sup>

These movements have significant positive effects on development. People who receive an advanced degree here and go home carry with them not only skills acquired in the world's top system of tertiary education but also firsthand experience of American institutions and raised expectations for their colleagues and institutions at home.

Although the effects of this are inherently difficult to measure, one recent study finds that democratic reform has progressed substantially more in developing countries that have sent more students to universities in democratic countries like the United States.<sup>11</sup>

Behind many of the best-known examples of positive change in the developing world stand international migrants. Return migrants from the United States in key leadership positions of the Indonesian government—Widjojo Nitisastro, Ali Wardhana, and others popularly known as the “Berkeley Mafia”—are widely credited with helping to sustain Indonesia's three decades of growth and poverty reduction beginning in the 1960s.<sup>12</sup>

Most economists agree that economic reforms championed by a group of Chilean return migrants from the United States in the 1970s—Sergio de Castro, Pablo Baraona, and several other colleagues known collectively as the “Chicago Boys”—contributed to make Chile the fastest-growing major Latin American economy for the last thirty years.<sup>13</sup> Lee Kwan-Yew, who guided Singapore's transformation into an emerging economy of global importance, is a return migrant from the United Kingdom. Chung-Mou “Morris” Chang founded the world's largest silicon foundry in Taiwan after a twenty-five-year U.S. career at Texas Instruments. Deng Xiaoping, the Chinese leader from 1978 to the early 1990s, whose economic reforms led to the largest and fastest reduction of poverty in history, was a return migrant from France. Mohandas K. Gandhi studied and worked for twenty-seven

years in the United Kingdom and South Africa before returning to shape his homeland. Recently important and admired developing-country leaders who lived and studied abroad for long periods before leading their governments include Nobel laureate José Ramos Horta of East Timor, Ellen Johnson-Sirleaf of Liberia, and Joaquim Chissano, the former Mozambican president who in 2007 won the Mo Ibrahim Foundation's Prize for Achievement in African Leadership.

Of course there is nothing magical or automatically "good" about return migrants; Khalid Sheikh Mohammed, who orchestrated several major terrorist attacks including the destruction of the World Trade Center from bases in South Asia, lived and studied in North Carolina. Nevertheless, a close look at nearly all places in the developing world where sustained economic growth has occurred since World War II reveals important movements of people in key public and private sector positions to and from rich countries.

#### ***4. The pure effect of migrants' absence***

It is often assumed that migrants, especially the highly skilled, harm rather than help the places they leave. But there is evidence that, on the contrary, migration can have some positive effects on the people who stay behind. For example, very large movements of labor out of particular countries, especially specific sectors in those countries, can raise wages there; when labor is scarce, its price rises. This has been documented in very large emigrations, such as the nineteenth-century exodus from Ireland,<sup>14</sup> and late twentieth-

century emigration from Mexico<sup>15</sup> and Puerto Rico.<sup>16</sup> Movements on such a large scale are unlikely, of course, in most of today's poor countries, though emigration rates in parts Morocco, the Philippines, and Vietnam are of the same order of magnitude. Nevertheless, surges of emigration from certain sectors can raise wages within that sector even if most of the country stays put. There is suggestive but incomplete evidence that sector-specific wages among Pakistani skilled construction workers and Filipino manufacturing workers have increased due to large increases in out-migration.<sup>17</sup>

Again, this is not just an international phenomenon; hundreds of economically depressed counties in the United States, in the Deep South, Heartland, Rust Belt, and Great Plains, have lost about a third of their collective population since the 1930s. Precisely this freedom of movement meant that per capita income in those places did not decline significantly with respect to the national average.<sup>18</sup> In contrast, tsarist Russia severely restricted the internal movement of its poorest farmers from the sixteenth to the eighteenth centuries, and it has been argued that this is one of the chief reasons for its impoverishment relative to Western Europe and the United States by 1900.<sup>19</sup>

New evidence also suggests that emigration of skilled workers in particular does not necessarily make poor countries worse off. It is certainly true that the absence of skilled émigrés who provided key services to society prior to departure—risk-taking entrepreneurs, scientists, honest politicians, health care professionals, and so on—can tend to make access to those services more difficult for people remaining in the countries of origin, to some degree. For such reasons the British government has banned

recruitment of doctors and nurses from most developing countries, including all of Africa, and developing countries such as South Africa have enacted punitive measures against émigré health professionals.

But does forcibly restricting movement result in better delivery of important services in developing countries? First, it is important to remember that entrepreneurs, scientists, and doctors from poor countries are indeed people, with aspirations and rights of their own. Policy measures to prevent “human resources” from being “drained,” “poached,” or “exported” reduce them from human beings to mere commodities. Second, the full consequences of restricting movement must be carefully considered. Some of India’s most important high-technology entrepreneurs have worked abroad for extended periods. Would the industry that is one of India’s most dynamic engines of growth be where it is today if those people had been blocked at the airport from leaving India in the first place?

Once again, we have an intuitive sense of these complexities from our national experience. Would West Virginia have done well for itself by forcing Harvard professor Henry Louis Gates Jr. to remain in the small mill town where he was born? To what extent would the economic development of American inner cities be advanced by forcing their most skilled and talented young people to reside there, even if in some cases it was against their wishes?

Using the blunt tool of migration restrictions on skilled workers in order to promote development in faraway, complex places is extraordinarily difficult and likely to produce

unintended consequences. All forms of coercion carry the same risks, even when they sound less coercive than actually restricting the movement of skilled professionals. These include the frequently advocated policies of bans on recruitment (that is, forcing U.S. employers not to provide information about U.S. jobs to people in foreign countries) and “self-sufficiency” in high-skill sectors (that is, eliminating U.S. jobs available to the foreign-born by ensuring that they are exclusively filled with the U.S.-born).

### ***5. Immediately improved living standards for those who find work abroad***

Getting a job in a rich country makes a certain number of poor people much better off—immediately, massively, and almost certainly. If economic development is the construction of systems of exchange that make people progressively better off, then jobs in rich countries are not an alternative to development—they are a form of economic development for some people from poor countries. What is largely invisible to the rest of us is the fact that, even when working conditions for immigrants in the United States are hard, for the vast majority of immigrants conditions are better here than where they came from.

To claim that substantial numbers of immigrants “get it wrong” and come here by the millions to make themselves worse off is to believe that immigrants are quite stupid. One hears claims of this sort frequently: a recent National Public Radio story claimed that “most” Filipino laborers in the United States “would rather be somewhere else,”<sup>20</sup> while an editorial in the *New Republic* compared today’s Mexican agricultural laborers to



nineteenth-century African-American slaves.<sup>21</sup> This is simply false. Nearly all of today's immigrants freely choose to come here, having judged where they would rather be, much better than anyone else could judge for them. And the typical Mexican laborer in the United States makes roughly five times what he or she could make at home.<sup>22</sup> Of all the Mexican-born people in the world who earn more than the paltry sum of \$10 per day, 43 percent live in the United States.<sup>23</sup> By this reasonable standard of poverty, departure to the United States has been not just one route out of poverty for lucky individual Mexicans. It has been one of the principal routes out of poverty available to any Mexican.

The United States obviously cannot employ the whole world. But our extraordinarily strong economy—the richest in the world, and in all of human history—can employ many people from many countries. And better jobs for the poorest people on earth are economic development.

Migration as a route out of poverty is very familiar from our national story. Best known is the frontier homesteading of the nineteenth century. Less known, but at least as important, is the epochal movement of about one million African-Americans born in the South to cities of the North and West, beginning in the 1920s and 1930s—known as the “Great Migration.” At the heart of the economic development process for many African-Americans born in western Mississippi was departure for distant centers of economic activity in prosperous cities. Generating those opportunities through movement did not affect the process of development for those Mississippians; it was development for them.

## **A snapshot of current migration policy debates**

In late June 2007, after several months of intense formal deliberation and nearly 800 pages of documentation, the U.S. Senate effectively tabled the Comprehensive Immigration Reform Act of 2007,<sup>24</sup> which had emerged as a compromise on three previous bills: the Secure America & Orderly Immigration Act (the McCain-Kennedy Bill), the Comprehensive Enforcement & Immigration Reform Act of 2005 (the Cornyn-Kyl Bill), and the earlier Comprehensive Immigration and Reform Act of 2006. The Comprehensive Immigration Reform Act was the most concerted attempt at wholesale immigration reform in over a decade, but it never reached a final vote. As of January 2006, an estimated 11.6 million unauthorized immigrants were residing in the United States,<sup>25</sup> and pressure for congressional action on immigration policy had been mounting for several years.

### ***Z-visas and point systems***

Largely credited to twelve senators,<sup>26</sup> the Comprehensive Immigration Reform Act focused on many provisions, including border enforcement, employee hiring practices, temporary worker programs, family reunification, visa and green card opportunities for undocumented immigrants, and educational opportunities for children of those immigrants. While bipartisan proponents portrayed the bill as a victory for all stakeholders including the migrants, conservative interest groups attacked several of the bill's key components, notably the "Z-visa" provision.

At the core of the bill, the proposed Z-visa would have provided a means for over 10 million unauthorized immigrants to obtain a path to legal citizenship.<sup>27</sup> For hard-line opponents, the Z-visa amounted to simple amnesty for lawbreakers. Others questioned whether millions of unauthorized immigrants would comply with the required provisions. Polling conducted by the New Media Foundation around the time of the debate over the bill in June 2007 found that, in fact, a majority (83 percent) of the unauthorized Latino immigrant population in the United States would be willing to comply with the chief provisions of the Z-visa.<sup>28</sup> Surveyed individuals, however, frequently expressed serious reservations about the bill's requirement that they return to their home countries in order to complete their application for permanent residency. Under the proposed bill, only the spouses and children of immigrants residing in the United States would be eligible for family visas. These stipulations, proponents argued, would arrest the "chain immigration" phenomenon whereby distant relatives outside the nuclear family attain visas on grounds of family reunification.

The chief architects of the Comprehensive Immigration Reform Act also introduced a novel point system that would determine employment visa acquisition. Currently, work visas for skilled laborers are sponsored directly by employers, and the details of each contract are negotiated privately and bilaterally before the employer applies to the federal government on behalf of the applicant. The proposed point system would be similar in spirit to that employed in other OECD countries.<sup>29</sup> But according to an analysis study by the National Foundation for American Policy, basic flaws in the proposed system would

have made entry difficult for broad classes of professionals, including “nurses, ... renowned actors, athletes, physicians in rural areas, factory managers, certain executives and possibly even Nobel Prize winners.”<sup>30</sup>

### *Temporary workers*

The initial stages of the Comprehensive Immigration Reform Act included proposals for a new Y-visa that would have enabled 400,000 temporary laborers to enter the United States annually for a period of two years, after which time they would have been required to return to their home countries for one year before reapplying for the visa. By the end of the debate in late June, however, the number of potential Y-visas had been reduced to 200,000 and the program had been set to expire just five years after getting under way. Opposition centered on the lack of adequate immigration enforcement mechanisms to address visa overstays, and the impact of additional immigration allowances on wages and employment of low-skill native workers.

Two aspects of the major temporary worker proposals directly addressed these concerns. First, the temporary laborers would have likely engaged in some degree of self-enforcement so long as they had reasonable assurance of subsequent opportunities to return to the United States after the required return to their home countries. Second, the proposed program would give strong incentives for immigrants' home-country governments to engage more actively in managing the flow of emigrants to the United States. Particular provisions stipulated that home-country governments would have risked

future reductions in the visa quotas allocated to their countries if current migrants were found to have overstayed.<sup>31</sup>

***“In-sourcing” brains (and jobs)***

Despite the breadth of issues covered by the Comprehensive Immigration Reform Act, substantive consideration of immigration policy toward highly skilled foreign workers had largely been neglected. The behemoths of the high-tech industry, with Bill Gates leading the charge, have lobbied consistently over the past several years for streamlined green card procedures and an elimination of the cap on H1-B visas for highly skilled professionals. The H1-B system, they claim, is broken. Most tellingly, since 1994, nearly 100,000 green cards reserved for H1-B visa holders have gone unused, a state of affairs frequently attributed to funding limitations at U.S. Citizenship and Immigration Services. By September 2007, the agency came under fire for its perceived unwillingness to streamline the visa backlog, given that associated fees provide nearly 20 percent of the agency’s annual budget.<sup>32</sup> At the time of this writing, annual H1-B visas were limited to 65,000 (with an additional 20,000 reserved for those with graduate degrees from the United States),<sup>33</sup> down greatly from the cap of 195,000 in the year 2000. Over 120,000 applications were submitted on a single day in April 2007, instantly exhausting all 65,000 visas for FY2008. The 2007 Comprehensive Immigration Reform Act proposed a return to the 2000 level of 195,000 per year.

The consequences of this low cap on H1-B visas are only beginning to emerge. Excessive red tape and an increasingly low ceiling on the number of annual H1-B visas granted has driven highly skilled workers from the Indian subcontinent and East Asia to Canada and Australia in recent years. This raises the possibility that U.S. immigration policy could strengthen our competitors; Microsoft's recent decision to expand operations in British Columbia has been linked directly to the collapse of immigration reform in the United States.<sup>34</sup> Bill Gates and others have argued that the solution to the shortage of skilled professionals lies not in any proposed point system but rather in a substantial increase (or even an "infinite" increase, to quote Gates's testimony before Congress in March 2007<sup>35</sup>) in the cap on H1-B visas in the near-term.

### ***Refugees***

In accordance with the Immigration and Nationality Act of 1965, each year the president submits a proposal to Congress for the maximum number of refugees to be admitted in the forthcoming fiscal year.<sup>36</sup> Refugee admissions were at their highest in the first few years after the Refugee Act of 1980 and the collapse of the Soviet Union. Between 1990 and 2000, nearly 95,000 refugees were admitted to the United States annually.<sup>37</sup> Since September 11, 2001, however, the United States has significantly curtailed its annual admission of refugees and asylum seekers. Admissions have only slowly recovered in recent years with nearly 41,000 refugees admitted in 2006.

At the same time, it has become much easier for previously admitted refugees and asylum seekers to obtain permanent residence. The REAL ID Act of 2005 indefinitely removed the annual cap of 10,000 green cards available to this special class of immigrants, and in 2005 and 2006 alone, nearly 140,000 such immigrants already residing in the United States won permanent residence. Today, a refugee who has resided continuously in the United States for at least one year has immediate access to a visa number.

Despite these new favorable policies toward existing refugees, the United States still lags behind other industrialized countries' humanitarian immigration programs. According to the Commitment Development Index rankings for 2007, the United States actually ranks near the bottom (seventeenth) of the twenty-one major donor countries in terms of what the United Nations High Commission for Refugees identifies as "refugee burden sharing."<sup>38</sup> Although the United States hosts a large stock of refugees, smaller industrialized countries such as Sweden and Switzerland generally bear a far greater share of the global refugee burden relative to the size of their populations.

This huge disparity has been most glaring in recent years as a single town in Sweden received twice as many Iraqi refugees as the United States allowed into the entire country in 2006.<sup>39</sup> In the four years after the far less disastrous 1991 Gulf War, the United States had accepted nearly 4,000 Iraqi refugees annually, but since 2003, no more than 300 refugees have been allowed from Iraq in any given year. To be sure, U.S. refugee policy is doing a great deal to help people from the poorest countries; the share of African nationals in U.S. refugee admissions has risen from an annual average of 11 percent in

the late 1990s to almost 50 percent today, for example.<sup>40</sup> But the United States can, and should, do more.

### ***Enforcement and splintered local efforts***

Perhaps the most uncontroversial piece of the Comprehensive Immigration Reform Act package, border enforcement was the first issue to meet legislative enactment in the wake of the late June no-vote. In late July 2007, under the sponsorship of Arizona Senator John Kyl (one of the early proponents of the act), the Senate ratified a \$3 billion increase in the federal budget for border enforcement. This increase in specific border security enforcement could generate the renewed confidence in federal immigration policymakers needed to move forward on other components of immigration reform.

The collapse of the Comprehensive Immigration Reform Act has brought the deficiencies of federal immigration policy to the fore. In the vacuum left by consistent federal inaction on immigration policy, state legislatures across the country have begun taking immigration policy into their own hands. In the first seven months of 2007, fifty state legislatures considered 1,404 bills related to immigration policies, resulting in 170 enacted into law, up dramatically from the total enacted in 2006.<sup>41</sup> These bills have mostly been aimed at curbing immigrant access to jobs and public services. Although state-specific immigration legislation is not inherently problematic, some of the most crucial policy reforms regarding visa legislation simply cannot take place without federal leadership and oversight.



## **An agenda for the next U.S. president**

A president who treats migration policy as part of his or her development policy must be a leader. It is not enough simply to “enforce our laws.” Our laws do not always serve us well, or serve the cause of justice. President James Buchanan had a responsibility to lead, not just to enforce laws allowing African-Americans to be owned by other Americans. President Calvin Coolidge had a responsibility to lead, not just to enforce laws that placed anyone sipping a beer in violation of the U.S. Constitution. Laws that impose questionable ethics on unstoppable historic forces need to be shaped in a way that makes the world a more just place. The buck stops with the chief executive.

One fundamental principle of action should be that movement and linkages between the poorest countries and the United States are at the heart of the global development process. The United States can and should maintain its centuries-long role as an engine of economic progress for the world, and this can and should be done in a way that those lucky enough to have been born here find acceptable. We cannot “save” the world, but we can do much more for many more. Today’s immigrants are not poorer in absolute terms than many of the nineteenth-century immigrants who were ancestors to so many of us: The real wages of construction workers in India across the twentieth century are similar to those in poor parts of Europe in the early-to-mid nineteenth century. If today’s immigrants are poorer relative to those already here than earlier immigrants were, it is because we have become enormously wealthier and stronger than we were back then.

This gives us greater ability, and responsibility, to continue our traditions than ever before.

A second principle of action is that the United States cannot choose to have no links with the developing world. The disparities in our world have become so large that no attempt to keep “them” out has any hope of working, as the South African architects of apartheid discovered. Our laws and policies must reflect the real world, and it falls to the president to help Americans understand this.

Indeed, the disparities between the world’s poorest and the opportunities we offer—enormously larger than they were when we first became the land of opportunity—mean that we can offer more opportunity now than at any time in our history. This new ability to help, however, comes at a time of new reluctance to help. Low-skill workers’ real wages in the United States, while roughly ten times the world average, have recently been stagnant, and overseas wars have contributed to a feeling of pessimism about the poorer parts of the world. Leadership can move the United States and the world a few steps closer to a win-win scenario on migration. The key steps are the following:

***1. Forge a broad understanding of our tradition of opportunity***

The evidence is clear: migration is one of the most important sources of poverty reduction for a large portion of the developing world. A president who wishes to build an immigration policy that continues our precious tradition of offering opportunity to poor,

hard-working people needs to talk clearly and authoritatively with Congress and with the American people. Overall, our economy is doubtlessly strengthened by the labor that today's immigrants provide, in the same way and for the same reasons that the poor and hard-working immigrants who flooded in at the end of the nineteenth century helped us become the world's industrial superpower in the twentieth century. Abundant, emotionally charged anecdotes of workers being displaced by immigrants are as numerous today as they were in the newspapers of 1900, but the leader of this country cannot let anecdotes cloud the big picture. Now, as back then, immigrants frequently choose different jobs than people whose families have been here longer—they complement the work we do, rather than take work away from us.

This is why the latest economic research<sup>42</sup> finds that the surge in immigration from 1990 to 2004 had a small, positive effect on the overall wages of all native-born U.S. workers of between +1 percent and +2 percent, and a small negative effect on the least-educated native-born, high school dropouts, of -1.1 percent. Competing with this strand of research is another, older strand<sup>43</sup> finding that a generation of enormous immigration from 1980 to 2000 decreased the overall wages of all native-born workers by just 3 percent compared with what they would have been otherwise, with a change of -8.9 percent for high school dropouts, and that all immigration between 1990 and 2004 had a cumulative effect of zero percent on the average worker and -4.2 percent on wages of native-born high school dropouts.<sup>44</sup> This latter, more negative finding depends crucially on the assumption that immigrants are perfect substitutes for native-born workers of the same education level.

In other words, the broad finding of the best economics literature is that massive immigration of all types over many decades has not lowered the wages of the average American worker at all. It also finds that this large inflow may cumulatively have lowered wages for native-born high school dropouts by a few percentage points, although even this small effect is slightly exaggerated because it does not account for the fact that immigration probably contributed to lower prices (especially for foodstuffs) and that lower wages for high school dropouts may have caused fewer people to become high school dropouts. Meanwhile, during the period 1990–2004, the United States admitted a cumulative total of 13.4 million permanent immigrants<sup>45</sup> and 161 million temporary non-immigrants<sup>46</sup> from developing countries, thereby raising their wages by 200 percent, 400 percent, or even 1,000 percent in some cases. This inflow also generated a cumulative total remittance outflow of at least \$600 billion,<sup>47</sup> dwarfing our charitable efforts at foreign aid. This vast contribution to global development has not come at a substantial cost to our overall domestic prosperity, by any reasonable standard. It falls to the president to help Americans understand this.

Similarly, the president must be clear with the public that the consensus of careful research finds no meaningful burden of immigrants on public finances. Anecdotes about crowded Arizona emergency rooms aside, the overall effect of immigrants on this strong, prosperous nation's social services and state coffers is small. Unauthorized Mexican immigrants, for example, use health services in California at much lower rates than U.S.-born Latinos.<sup>48</sup> The Congressional Budget Office determined that the cumulative impact

of all recent unauthorized immigration on state and local budgets is “modest,” increasing expenditures in the vast majority of districts by less than 5 percent. Even that small increase is mostly offset by corresponding increases in local revenue.<sup>49</sup> The most serious research available finds that the fiscal impact of immigrants themselves is roughly zero over their lifetimes—they contribute to the system roughly what they take out—and that their children are large net contributors to the system.<sup>50</sup> Incarceration rates are much lower among immigrants than among otherwise comparable U.S. citizens<sup>51</sup>—which was not the case, by the way, in the age of mass European immigration to this country.<sup>52</sup> Immigrants even have higher credit scores than otherwise comparable U.S. citizens.<sup>53</sup> Temporary guest workers, moreover, have the clear potential to contribute more to the system than they take out, thus becoming part of a complex and long-term solution to the crises faced by Social Security and Medicare as our population continues to age.

Finally, and importantly, the president must make it clear that national security does not require halting immigration (even if that were feasible); instead, it requires knowing who is coming and going. Our current policy of dramatically restricting the number of low-income people who can come here to work simply drives migration underground. Every year roughly half a million people come here illegally to stay and even more arrive illegally but do not stay.<sup>54</sup> The government has no idea who those people are. Keeping those movements in the shadows clearly and directly lowers our security. Increasing legal channels for movement is compatible with higher security, and it might be a necessary part of higher security.

## ***2. Craft an economically sound policy toward guest workers***

There are currently just 150,000 legal slots for authorized temporary low-skill workers to enter the country each year (H-2 visas). Meanwhile, roughly three times that many workers enter the country each year without any authorization. “Enforcement” is not the answer to this situation: between 1986 and 2002 the budget dedicated to patrolling the Mexican border increased about 1,000 percent and the number of border patrol officers tripled—but unauthorized entries are at an all-time high.<sup>55</sup> Our strong economy unquestionably demands those workers, and they are willing to work. The solution is to create a legal pathway for those people to give us their labor. It makes economic sense, to be sure. But it is also more humane and safer—for the workers, about 400 of whom died trying to cross the border secretly in 2007,<sup>56</sup> and for the United States: our current policy of forcing massive movements underground ensures that we have no idea who is entering our country. Creating legal channels for movement vastly increases our ability to monitor entries and know who is here. Simple enforcement of current, wildly unrealistic regulations also works against our foreign policy: according to Peter Hakim of the Inter-American Dialogue, “Regardless of its intent, the erection of [a] barrier—which is often compared to the Berlin Wall—would make it plain to most Latin Americans that Washington no longer views the region as a serious partner or collaborator, but mainly as a source of unwanted problems.”<sup>57</sup>

The president should push hard for the establishment of a temporary guest-worker program to create a legal pathway for temporary migrants to work in the United States.

This would allow hundreds of thousands more people access to opportunities here—helping them, their families, and the places they come from. It would do little to rile opponents of “amnesty” because it would not address the status of those who have broken laws in the past, but rather would create a legal path to limited but substantial opportunity for new migrants. It would placate those concerned about consumption of unpaid public services because it would confer strictly limited rights to public services, and those that were provided could be paid for by employers (health care, yes; Social Security, no).<sup>58</sup> And it would partially placate those concerned about displacement of U.S. workers because the number of workers and industries in which they were authorized to work could be flexible over time. Crucially, the program would have to be complemented by better enforcement of individual identification, such as upgrading systems to detect false Social Security numbers. The president should place this at the heart of the reform.

The first thing that the president must explain to America is that the alternative to such a plan is not “no movement.” The alternative to an expanded legal pathway for labor movement is continuation of the hundreds of thousands of annual clandestine, dangerous unauthorized border crossings every year. Creating this number of visas would not be opening the door any further, but simply watching a door that is already open and can never be completely closed, so that we impose less suffering on others and so that we know who is here and what they have and have not paid for.

The second thing that the president must explain to the American people is that we live in a much more mobile world than ever before. Many Mexican migrants would prefer not to

stay constantly and/or permanently in the United States, but they remain here precisely because there is no legal channel for them to ever return if they depart even briefly. Prior to the 1986 Immigration Reform and Control Act (IRCA), the goal of most Mexican migrants was to work abroad seasonally and temporarily. But increased border enforcement under the act caused more than two million of these workers to remain permanently in the United States under the act's amnesty provision.<sup>59</sup> That is, the massive illegalization of seasonal, temporary movements has contributed enormously to the population of lasting, permanent unauthorized residents. The president must explain to Congress and voters that the formula of interdiction-plus-amnesty has been tried and has failed. It is time for a bold new formula, the creation of a legal channel for the temporary movements that most migrants desire. Legalizing large numbers of temporary movements is quite separate from amnesty, but the two issues are related in that guest-worker visas will reduce the need for future amnesties.

Great Britain has recently discovered, with a bold experiment of its own, that labor movement from even very poor parts of Eastern Europe can be truly circular when it occurs legally. As of May 2004 anyone from the ten new European Union countries<sup>60</sup> could come to work in the United Kingdom, though eight of those countries (the "A8") are subject to special registration and other limitations. From May 2004 to March 2006, about 400,000 citizens of A8 countries came to work legally in Britain, most of them from Poland. The majority of those arrivals had already returned home by early 2007, even though their visas have no duration limit. Those who remain have had no discernible impact on U.K. wages or unemployment rates<sup>61</sup> and may have actually



lowered the natural rate of unemployment.<sup>62</sup> Fewer than 1 percent of these applied for public benefits like Jobseeker's Allowance, Income Support and State Pension Credit, and all but a tenth of those applications were immediately thrown out.<sup>63</sup> The success of the British experiment has led other European Union states that opposed free movement from the A8 countries to subsequently drop their barriers, including Finland, Italy, and Spain.<sup>64</sup>

With all of these factors in mind, the United States should create a guest-worker scheme on the scale of between 300,000 and 500,000 nonimmigrant temporary admissions per year; 300,000 is the number proposed by Princeton's Douglas Massey,<sup>65</sup> and 500,000 is the number of current annual unauthorized arrivals.

### ***3. Greatly raise or eliminate caps on high-skill worker visas***

The president should explain to Congress why limits to skilled-worker visas are bad for the United States, bad for migrants, and bad for the countries migrants come from.

Shutting the door to skilled workers, aside from eliminating hundreds of thousands of professional opportunities for educated and highly productive people from developing countries who wish to work in the United States, also lowers our productivity and threatens our ability to remain a center of innovation and job creation. Skilled workers have become ever scarcer as we have entered the information age—so scarce that it has become a major contributor to our recent sharp rise in income inequality.<sup>66</sup> In other

words, in the twenty-first century, our ill-considered attempts to cut ourselves off from the world actually divide us from one another.

In 2007 the United States issued just 65,000 H-1 visas for temporary skilled workers with private sector jobs.<sup>67</sup> This ludicrously low number—down two-thirds from the level of just five years ago—was so highly oversubscribed that the entire one-year allotment ran out in a matter of hours. At the time of this writing, proposals are floating around Congress to raise this cap to 115,000, or at most 180,000. But even these higher ceilings are scandalously low. Relative to their sizes, other industrialized countries are issuing dramatically more skilled-worker visas. If Australia, Canada, and New Zealand issued the same number of skilled-worker visas in proportion to their populations as they do now, but were the same size as the United States, Canada would offer about half a million per year, Australia would give over one million, and New Zealand would give over two million.<sup>68</sup> The European Union is getting into this game now as well, establishing the new “Blue Card” explicitly to compete with the United States for highly skilled workers from around the world.

These numbers tell us three things: First, much larger inflows of skilled workers will not harm us, as they have not harmed our friends. Second, other countries are stepping in to take advantage of this costless, invaluable resource because we are not. Third, the United States economy has the strength to offer professional job opportunities to hundreds of thousands and perhaps millions of skilled, educated people from developing countries every year at no cost.

The most recent proposals for legislative reform called for the creation of a point system reminiscent of Canada's. Employers were unenthusiastic, as the change would mean that control of which skilled workers are admitted would be largely transferred from employers to government bureaucrats. The numbers of skilled workers who would be let in under the proposed U.S. point system is so difficult to ascertain that even a careful, detailed study could not predict the number.<sup>69</sup> But exactly how the system is changed to let in more skilled workers is less important than that it be thus changed. The president must lead on this issue; forcibly keeping out the world's brightest and most productive workers is a national embarrassment, as well as being a development obstacle.

The United States should raise the number of visas it grants to highly skilled workers to levels comparable to those of our international competitors, which is to say between half a million and one million per year—or higher.

The next president should also order the Department of Education, Department of Labor, Social Security Administration, and Internal Revenue Service to explore the possibility of bilateral treaties with major sending countries for skilled migrants, providing for portable retirement benefits for return migrants in order to remove obstacles to going home when they choose to. Such agreements should also explore innovative and context-specific ways for emigrants to pay for the education they receive, especially including U.S. government and U.S. employer support for private tertiary training facilities in key sending countries.

#### *4. Do our fair share for refugees*

The United States hosts more refugees and asylum-seekers from developing countries than any other country in the world, which by itself is something to be proud of. But we are also much larger and economically stronger than any other developed nation. And relative to the smaller sizes of their populations and economies, all but a handful of the other developed countries host many more refugees than we do. They do this while maintaining their national prosperity and cohesion, revealing that we could lend much more of our strength to those who need it most. Today, refugees comprise about 0.2 percent of the U.S. population, while Sweden manages to host five times that many as a share of its population—while maintaining a secure, equitable, and wealthy society. Countries like Canada and the United Kingdom host a number of refugees comprising about 0.5 percent of their populations; we can, and should, do at least that.

The number of refugees the United States may admit each year is set directly by the president.<sup>70</sup> This is one area where the next president can quickly and easily change the lives of some of the neediest people on earth with the stroke of a pen and without consulting anyone else. It can be done at negligible cost to our national strength; indeed, U.S. influence in global affairs would be strengthened by such an unequivocally humanitarian act, based on our world-renowned tradition of welcoming the tired and poor.

The next president should order the State Department's Bureau of Population, Refugees, and Migration to increase annual admissions of refugees and asylum-seekers from the current average of around 50,000 to between 100,000 and 150,000. This would bring our country into line with international standards and with our own historical precedent. Even after this large increase, there would be only somewhat more than roughly 100,000 annual refugee admissions that the Reagan, Bush, and Clinton administrations averaged throughout the 1980s and 1990s.<sup>71</sup> That number is in line with the recommendations of leading national and international refugee advocates.<sup>72</sup>

##### ***5. Know who is moving in and who is moving out***

The United States collects reliable data on arrivals of persons because this is what most voters are concerned about. But we collect very poor data on departures, the circular movements of temporary workers, and financial flows from migrants to the rest of the world because voters are not as interested in these movements and flows. But some of the most important contributions of the United States to global development have been to give temporary and permanent work opportunities to tens of millions of people born in poor countries, to thereby generate about one-quarter of official global remittance flows, and to provide higher education to public and private sector leaders in developing countries all over the globe. Understanding the full impacts of labor mobility is impossible without knowing who is coming in as well as who is moving out.

For decades, anyone wanting to measure flows of trade or investment between countries has had ready access to minutely detailed statistics in large international databases. There is no such tool for migration researchers. How many highly skilled foreign-born professionals residing in the United States left for other countries last year? No one knows. Even the countries with the largest migrant populations and the best statistics—France, the United Kingdom, and the United States—do not carefully track departures. This is a little like collecting statistics on imports but not on exports, though more bizarre because people are so much more important than commodities. How many temporary workers moved back and forth between rich and poor countries in 2003? No one can tell you, because there is no standard international definition of what constitutes “temporary” migration. This is tantamount to every country in the world using irreconcilable definitions of “goods” and “services” in their trade statistics. It is a scandal.

It is possible to do better. Years of effort in the middle of the twentieth century gave us superb statistics on trade and investment, and it is easy to measure the American contribution to global development through these channels. We have successfully worked with other countries to accurately track both inflows and outflows of capital, and to create standardized definitions of goods, services, and financial flows. We can do the same for movements of people. This too requires leadership. The president should direct the Bureau of the Census, the State Department, and Citizenship and Immigration Services to work together to lead international efforts at collecting and compiling migration statistics that are as good as our trade statistics.

## Conclusion

Keep the big picture in sight. International movement can bring much more opportunity to others without substantial harm to anyone. The population of the United States in 1900 was around 75 million. That was a time of intense concern about immigration: A *New York Times* headline on April 15 of that year warned of an unprecedented “army” of poor, uneducated immigrants at our doorstep. Then, the fraction of our population that was foreign-born was much higher than today. After 1890 the Bureau of the Census had officially declared that the frontier no longer existed, and many felt that the country was simply full.

Imagine going back in time and telling the American public that, over the course of the twentieth century, roughly 60 million more people were going to come and stay<sup>73</sup>—that is, 80 percent of the population at the time, in new immigrants—plus tens of millions more who came for a while and did not stay. People would have been terrified of what that would mean to the privileged position they enjoyed in the world. Yet that is precisely what happened, and here we are today: the richest nation the world has ever seen. Back then, who could have foreseen the emergence of Silicon Valley and its contribution to global development through circular migration and diaspora-linked flows of information and commerce? Who could have predicted that by 2007, foreign workers in the United States would be sending home almost \$50 billion per year—which, converted to the dollars of 1900, was about one-sixth the size of the entire U.S. economy? Or that by 2007 around a fifth of each graduating class of Harvard would be foreign nationals<sup>74</sup> and that

over one million foreigners would come to study in the United States each year?<sup>75</sup> All of these things happened. Though they might once have been seen as threats to our strength, they are today part of our strength.

In short, few envisioned the degree to which we have grown economically strong while retaining and enhancing our ability to provide opportunities to low-income people from all over the world. We have proven our ability to do so. It is something liberals can embrace because it effectively and enormously reduces poverty, and it is something conservatives can embrace because it is one of our longest and grandest traditions. The next president of the United States has a historic opportunity to turn today's shameful disarray into tomorrow's win-win breakthrough.



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## Notes

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<sup>1</sup> MPI 2007.

<sup>2</sup> Durand, Massey, and Parrado 1999.

<sup>3</sup> WHO 2005, pp. 50–52.

<sup>4</sup> IADB 2007.

<sup>5</sup> OECD 2006a. Workers' remittances, to be sure, are not a form of "development assistance"—they are transfers of earned money primarily to family members, not altruistic charity any more than a holiday gift to one's mother is "charity." But they are without doubt a very major source of development finance for the migrants' countries of origin. Much ink has been spilled over whether or not remittances substantially affect countries' exchange rates or whether remittances are spent on schooling or televisions, but these are second-order questions.

<sup>6</sup> Saxenian 2002; Pandey, Aggarwal, Devane, and Kuznetzov 2006.

<sup>7</sup> Woodruff and Zenteno 2007.

<sup>8</sup> IIE 2006.

<sup>9</sup> Finn 2003.

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<sup>10</sup> NSB 2003 (Table 2-12, page 2-36) shows that 41 percent of Turkish science and engineering doctoral recipients return home (thus about four-fifths of the 50 percent who depart for any other country), and 10 percent of Indian recipients (thus over two-thirds of the 14 percent who depart).

<sup>11</sup> Spilimbergo 2007.

<sup>12</sup> Their stories are documented in Thee Kian Wie 2003, among others.

<sup>13</sup> Their experience is documented in Valdés 1995, among others.

<sup>14</sup> O'Rourke 1994.

<sup>15</sup> Mishra 2007.

<sup>16</sup> Borjas 2008.

<sup>17</sup> Lucas 2005, pp. 99–100.

<sup>18</sup> Pritchett 2006, p. 49.

<sup>19</sup> Landes 1999, pp. 240–42.

<sup>20</sup> Sullivan 2007.

<sup>21</sup> *New Republic* 2007.

<sup>22</sup> The well-respected Mexican Migration Project has established this with detailed surveys of migrants since 1982, as have several other sources.

<sup>23</sup> Clemens and Pritchett 2008.

<sup>24</sup> The bill was introduced into the 110th Congress, 1st Session of the Senate by Majority Leader Harry Reid (D-NV) on May 9, 2007. To much less public fanfare, the House of Representatives was also debating immigration reform in its Security Through Regularized Immigration and Vibrant Economy (STRIVE 2007) Act, introduced on April 3, 2007.



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<sup>25</sup> Hoefler, Rytina, and Campbell 2007.

<sup>26</sup> Prominent in the group are Mel Martinez (R-FL), Jon Kyl (R-AZ), Edward Kennedy (D-MA), Dianne Feinstein (D-CA), Lindsey Graham (R-SC), Arlen Specter (R-PA), John McCain (R-AZ), and Ken Salazar (D-CO).

<sup>27</sup> The bill stipulated that, in order to obtain legal status, unauthorized aliens must first pay a fine of \$2,000 and back taxes on previous earnings. Applicants would also have been required to undergo a background check and have no criminal record. They would have been provided with the Z-visa for eight years, after which time they would be required to return to their home countries to obtain a green card.

<sup>28</sup> See NAM 2007, for full details of the study, including methodology and executive summaries. Because Latino immigrants make up the grand majority of the undocumented population (see Hanson 2006) and under the given time constraints, the authors did not ensure that other unauthorized immigrant populations were captured in the sampling frame.

<sup>29</sup> For example, New Zealand has had a points-based system since 1991, Canada since 1967, Australia since 1984, and Switzerland since 1996. The United Kingdom plans to launch its program in 2008.

<sup>30</sup> Anderson 2007.

<sup>31</sup> In addition to the temporary workers program, the Development, Relief, and Education for Alien Minors Act (the DREAM Act) has emerged as a feasible and less controversial policy reform. The proposed action would have provided a pathway to legal status for undocumented immigrant students who (a) came to the United States before the age of 16, (b) have resided in the United States continuously for at least five years, and (c) have

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a GED or high school diploma. Each year, nearly 65,000 undocumented immigrants graduate from high school and have little prospect of attending state universities because of stipulations in the Illegal Immigration Reform and Immigrant Responsibility Act of 1996, which make it difficult for universities to provide in-state tuition fees for undocumented aliens. The DREAM Act would reverse these provisions and also guarantee legal status to families of immigrant members of the military. The latter provision has garnered strong support for the DREAM Act from officials in the Department of Defense. In the wake of the demise of the Comprehensive Immigration Reform Act, Democratic senators, led by Richard Durbin (D-IL), capitalized on Defense Department interest by offering the DREAM Act as an amendment to the defense appropriations bill for 2008. The bill, Senate Amendment 2237, proposed by Durbin remains in its Senate draft version at the time of writing and has not yet passed.

<sup>32</sup> *Washington Post* 2007, p. A1. The article states that in June of 2006, “U.S. immigration officials were presented a plan that supporters said could help slash waiting times for green cards from nearly three years to three months and save 1 million applicants more than a third of the 45 hours they could expect to spend in government lines. It would also save about \$350 million. The response? No thanks. Leaders of U.S. Citizenship and Immigration Services rejected key changes because ending huge immigration backlogs nationwide would rob the agency of application and renewal fees that cover 20 percent of its \$1.8 billion budget, according to the plan’s author, agency ombudsman Prakash Khatri.”

<sup>33</sup> Note that there is no limit on H1-Bs for nonprofits, government research laboratories, or universities.

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<sup>34</sup> McDougall 2007.

<sup>35</sup> Gates 2007.

<sup>36</sup> See, for example, U.S. State Department 2007. Refugees are generally admitted to the United States under one of three priorities, the precise categories of which change annually. Priority one concerns general refugee and asylum seekers as stipulated by the United Nations High Commission for Refugees; priority two comprises groups identified by the U.S. government as being of special concern (e.g., religiously persecuted groups in former Soviet states and Russia); priority three comprises reunification of refugees living in the United States and their families abroad.

<sup>37</sup> Calculated from Table 13 in DHS 2007.

<sup>38</sup> Determined by the number of refugees and asylum seekers and weighted by the size of the host countries' economies, the "refugee burden sharing" index ranks the United States much lower than most of the European countries. See the Commitment to Development Index Web site ([www.cgdev.org/section/initiatives/\\_active/cdi](http://www.cgdev.org/section/initiatives/_active/cdi)).

<sup>39</sup> Ekman 2007.

<sup>40</sup> Calculated from Table 14 in DHS 2007.

<sup>41</sup> NCSL 2007.

<sup>42</sup> Ottaviano and Peri 2007. Note also the evidence that immigrants compete for jobs primarily with other immigrants rather than incumbent residents, reported in Bohn 2007 (chapter 3).

<sup>43</sup> See, for example, Borjas 2003.

<sup>44</sup> Borjas, Grogger, and Hanson 2008.

<sup>45</sup> OIS 2004, Table 3

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<sup>46</sup> OIS, multiple years.

<sup>47</sup> The World Bank (2007) estimates that cumulative total remittance outflow from the United States to all other countries during 1990–2004 (inclusive) was \$387 billion. These figures on officially recorded remittances omit a large fraction of true total outflows, much of which do not pass through official channels, according to Ratha and Shaw (2006). Ratha and Shaw estimate that remittance outflows from the United States to developing countries alone were roughly twice the level of the total recorded official outflows to all countries; \$600 billion is thus a conservative estimate of cumulative total remittance flows from the United States to developing countries alone during 1990–2004.

<sup>48</sup> Ortega and others 2007.

<sup>49</sup> CBO 2007.

<sup>50</sup> See, for example, Lee and Miller 2000; and Auerbach and Oreopoulos 1999.

<sup>51</sup> Butcher and Morrison Piehl 2007.

<sup>52</sup> Moehling and Morrison Piehl 2008.

<sup>53</sup> U.S. Federal Reserve 2007.

<sup>54</sup> MPI 2007.

<sup>55</sup> Massey 2005.

<sup>56</sup> *New York Times* 2007. See also CBP 2006.

<sup>57</sup> Hakim 2007.

<sup>58</sup> Polls show that support for immigration restrictions is much higher among higher wage earners in states where public programs are more accessible to immigrants (such as California) than in states where they are less accessible (such as Texas). See Hanson 2005.

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<sup>59</sup> Durand, Massey, and Parrado 1999.

<sup>60</sup> Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia, and Slovenia.

<sup>61</sup> Blanchflower, Saleheen, and Shadforth 2007.

<sup>62</sup> Blanchflower and Shadforth 2007.

<sup>63</sup> U.K. Home Office 2006.

<sup>64</sup> BBC 2007.

<sup>65</sup> Massey 2005.

<sup>66</sup> Goldin and Katz 1999.

<sup>67</sup> Educational institutions and nonprofits are exempted from this cap.

<sup>68</sup> Canada issues 40,000–50,000 skilled-worker visas per year (CIC 2007, p. 76), Australia about 70,000 and New Zealand about 30,000 (OECD 2006b, pp. 133–37).

<sup>69</sup> Anderson 2007.

<sup>70</sup> Martin 2005.

<sup>71</sup> DHS 2007, Table 13.

<sup>72</sup> See, for example, Refugees International 2008.

<sup>73</sup> U.S. Bureau of the Census 2007.

<sup>74</sup> Balakrishna 2007.

<sup>75</sup> Batalova 2006.