

Should Immigration Policies Be More Welcoming to Low-Skilled Workers?

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In spite of, or perhaps because of, the world's economic woes, debates regarding immigration policies continue. It has been nearly ten years since the topic of immigration was last addressed in this column. At that time booming economies such as that in the United States were experiencing increasing numbers of illegal immigrants. European countries were pondering policies regarding a flood of guest workers, some legal and some illegal.

These issues tend to arise at times of economic growth or stress. The differing rates at which countries emerge from the recent global economic crisis will determine future immigration "hot spots" attractive to potential immigrants. In the U.S., a country with an estimated 9 to 11 million undocumented immigrants, the issue promises to resurface in the coming months. And who knows? Given China's growth, aging population, and potential shortages of labor, it may even become one of those hot spots.

Responses to an oversupply of potential immigrants have favored the talented over the low-skilled. Favored destination countries have been able to choose the "best" immigrants, whatever that means, and such practices have generally been condoned politically. But recent studies suggest that both legal and illegal immigration of low-skilled workers to the U.S. have effects that have been overlooked. They raise questions as to whether much the same is true elsewhere in the world and whether some countries have been pursuing immigration policies contrary to the interests of their citizens.

A study by Daniel Griswold of the Cato Institute of several pieces of research concludes, for example, that in the U.S. immigration has not expanded the size of the "underclass," which he defines as people living "in households earning less than \$25,000 a year or without a high school diploma." Instead: (1) new waves of immigrants populate the "underclass," enabling others to move up the income scale, (2) Hispanic immigrants play this role at present, enabling (or encouraging through education) all groups (including other minorities) to move out of poverty, (3) the Pew Hispanic Center estimated that male illegal immigrants aged 18 to 64 had a very high 92 percent labor force participation rate in 2004, (4) rates of incarceration for immigrants are lower than for native-born Americans, and (5) crime rates have declined in cities and regions of high immigrant concentrations, reflecting national trends since the early 1990s.

The Cato study concludes that there are "strong, positive arguments... for pursuing a policy of expanding legal immigration for low-skilled workers." Such a policy could, it is claimed, free up resources currently employed along borders to deter illegal immigration. According to a second Cato Institute study produced in Australia, such a strategy could even benefit from a "visa tax" that otherwise illegal immigrants would be able to pay in lieu of much higher "smugglers' fees" for illegal entry.

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Note that these findings are cited by an organization that advocates strongly for free trade and generally less government. But do the hypotheses they advance deserve closer examination? Are the findings peculiar to the United States, or do they have relevance for other parts of the world? Should immigration policies be more welcoming to low-skilled workers? What do you think?

To read more:

Peter B. Dixon and Maureen T. Rimmer, "Restriction or Legalization? Measuring the Economic Benefits of Immigration Reform," Centre of Policy Studies at Monash University, Australia, published as Cato Institute Center for Trade Policy Studies Free Trade Bulletin No. 40, August 13, 2009.

Daniel T. Griswold, "As Immigrants Move In, Americans Move Up," Cato Institute Center for Trade Policy Studies Free Trade Bulletin No. 38," July 21, 2009. (The quote is from page two of a print-out of this document.)

Jeffrey S. Passel, "Unauthorized Migrants: Numbers and Characteristics," Pew Hispanic Center, June 14, 2005, p. 25. WK

Reader Comments:

1. I believe the U.S. doesn't have a shortage of low-skilled workers. The average unemployment rate of this country is approximately 10.2%. The job losses are mostly in the construction, manufacturing, and retail sectors. Since the unemployment rate is significantly high these low-skilled job sectors, it would suggest that the U.S.'s need for low-skilled workers isn't that great. Therefore promoting policies that welcome low-skilled workers would only exacerbate the problems that low-skilled U.S. citizens are facing at this time. If one is interested in helping low-skilled U.S. citizens, then promoting such policies would be counter productive.

Anonymous

2. Immigration has always been an emotional issue to most Americans, but the reality is most of our family backgrounds/history is made up of immigrants. Over the years I have seen immigrants from all levels of the economic scale assimilate into the 'melting pot' called America.

I have also noticed that most of the tough menial jobs are done by immigrants (and illegal aliens) and if they are not available these jobs seem not to be filled. The service level and availability of certain services seems to depend on this type of work force.

Over the years I have known and worked with many immigrants from many nations and areas of the world and most seem to have one thing in common, they educate their children.

I believe that the Cato study is correct and probably essential to support our standard of living and future growth.

Charlie Cullinane

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