



Rebuttal of Sen. Sessions' Anti-Legal-Immigration Op-ed

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Senator Jeff Sessions' (R-AL) [Washington Post op-ed](#) calls "for an honest discussion on immigration." He then lays out his case against legal immigration.

Although I appreciate Sessions' honesty in calling for large reductions in legal immigration—a level of candor too often shrouded by immigration-restrictionists' political correctness ("I'm only against *illegal* limmigration")—his op-ed makes a poor case for more government regulation of international labor markets.

Below, I look at Senator Sessions' arguments against legal immigration. His writings will be in block quotes and my responses will follow.

The first "great wave" of U.S. immigration took place from roughly 1880 to 1930. During this time, [according to the Census Bureau](#), the foreign-born population doubled from about 6.7 million to 14.2 million people. Changes were then made to immigration law to reduce admissions, decreasing the foreign-born population until it fell to about 9.6 million by 1970. Meanwhile, during this low-immigration period, real median compensation for U.S. workers surged, increasing more than 90 percent from 1948 to 1973, [according to the Economic Policy Institute](#).

Senator Sessions only presents the income data for Americans during the time when immigration was restricted. Real per-capita GDP increased by 95 percent [during the 1880–1930 period](#) of high-immigration that he cites. There are [other sources](#) for wage data from that period, although all of them are troublesome compared to the modern economic information available.

The United States *did not* have closed borders from 1948 to 1973. The Bracero guest-worker visa program let in nearly five million lower-skilled Mexican workers to temporarily labor in American agriculture, a policy that did more to limit unlawful immigration during that period than any other.

From 1948 to 1982, the size of the U.S. workforce practically doubled from 60 million to 111 million. A baby-boom, women entering the workforce, and other migrations increased the number of workers. The number of working women increased from 16.3 million in 1948 to 43.3 million in 1982 to 73 million in 2012. The number of male workers shot up to from 43 million in 1948 to 76 million in 2012. Female labor market gains did not take jobs away from men. There is not a [fixed supply of jobs](#) to be divided up amongst Americans: the market constantly creates and destroys new job opportunities and increasing supplies of workers and consumers help that process along.

Internal migration was also a big factor. About 29 million black and white Southerners migrated to the North during the course of the 20th century. Those migrations took place during periods of rapid income growth around the nation. If immigrants supposedly lower the wages of Americans, wouldn't women also lower the wages of men and Southerners depress the wages of Northerners and Westerners? The scale of those migrations and the entry of women into the workforce dwarfed the post-1968 immigration.

Senator Sessions' theory that the supply of workers is the prime determinant of wages ignores much. Worker productivity is also influenced by the type and quantity of capital in the economy, the differences between immigrant workers and native-born workers, and the availability of technology. In a well-functioning economy, increases in the supply of workers increases demand for workers, which don't lead to more unemployment.

This ongoing wave coincides with a period of middle-class contraction. The [Pew Research Center reports](#): 'The share of adults who live in middle-income households has eroded over time, from 61% in 1970 to 51% in 2013.' Harvard economist [George Borjas](#) has estimated that high immigration from 1980 to 2000 reduced the wages of lower-skilled U.S. workers by 7.4 percent—a stunning drop—with particularly painful reductions for African American workers. Weekly earnings today are [lower than they were in 1973](#).

Senator Sessions begins by talking about middle-income households, but he cites George Borjas' work on how lower-skilled immigrants decrease the wages of Americans with less than a high-school degree. In order to compete with middle-income Americans, immigrants must have similar skill sets. Because not all labor is the same, a lower-skilled immigrant who works in agriculture does not compete with a middle-skilled American accountant. By the senator's own admission, immigrants are more likely to be less skilled than middle-class Americans, so it's hard to see how immigrants in one skill category lower the wages of Americans in another.

Concerning Borjas, his [findings](#) that immigrants decrease the wages of Americans are the most negative in the economics literature. In that paper, he holds the supply of capital as fixed—an assumption that may be fine for an academic publication but it is not useful for analyzing policy. The stock of capital is dynamic, increasing with population. Ignoring that important effect would make any increase in population decrease wages. It should further be noted that Borjas, like other economists, [admits that](#) immigration does help Americans more than it harms them, but with some distributional consequences.

Applying Borjas' research methods to different periods of time yields less negative results. This [recent paper](#) used Borjas' methods but includes the wage data up through 2010, finding effects so small that they are insignificant. That is a significant rebuttal to Borjas' findings.

In contrast to Borjas' work that holds the stock of capital fixed, economists Gianmarco Ottaviano and Giovanni Peri [assume](#) that capital adjusts in response to immigrant inflows. They find that immigrants have a very small effect on the wages of native-born Americans without a high school degree (-0.1 percent to +0.6 percent) and an average positive effect on all native workers of about +0.6 percent. The negative wage effects of new immigrants are concentrated on older immigrants. Unsurprisingly, new immigrants compete with older immigrants who both share similar skills while native-born Americans benefit from a larger supply of lower-skilled workers.

[Research](#) by Peri and Chad Sparber finds that increases in lower-skilled immigration induce lower-skilled natives to specialize in jobs that require communication in English while the

immigrants specialize in jobs that are more manual-labor intensive. Communication jobs are more highly compensated than manual-labor jobs. This complementary task specialization reduces the downward wage pressure because natives react by adapting and specializing in more highly paid occupations, not by dropping out of the job market. This effect decreases wage competition between lower-skilled natives and immigrants by around 75 percent. Peter Henry found that low-skilled immigrants to an area induced natives to improve their school performance so that they wouldn't have to compete with lower skilled immigrants. Immigrants push Americans up the skills ladder.

Yet each year, the United States adds another million mostly low-wage permanent legal immigrants who can work, draw benefits and become voting citizens. Legal immigration is the primary source of low-wage immigration into the United States. In other words, as a matter of federal policy—which can be adjusted at any time—millions of low-wage foreign workers are legally made available to substitute for higher-paid Americans.

If controlling immigration to the United States was as easy as flipping a policy switch, then there would be no debate over immigration reform. The most contentious issue, the 11 to 12 million unlawful immigrants, wouldn't be here. The only times in American history when our immigration laws were largely obeyed were when there was a Great Depression that turned off the “jobs magnet,” a world war that prevented the crossing of borders, and a large-scale guest-worker program to funnel would-be unlawful immigrants into the legal system (the Bracero program). Since 1964, we have not had a Great Depression (thank God), world war (thank God), or a functional guest-worker visa program for lower-skilled workers. As a result, we have a large problem with illegal immigration that spending on border enforcement can't [halt](#). Only a functional legal immigration system can prevent illegal immigration.

This federal policy continues at a time when robotics and computerization are slashing demand for workers. One Oxford University professor [estimates](#) that as many as half of all jobs will be automated in 20 years. We don't have enough jobs for our lower-skilled workers now. What sense does it make to bring in millions more?

Economist, futurist, and Artificial Intelligence researcher Robin Hanson is skeptical of the claim that 47 percent of jobs are at risk of being automated. [He wrote](#):

Yet this 47 percent figure comes mainly from the authors 'subjectively' (their word) labeling 30 particular kinds of jobs as automatable and 40 as not. They give almost no justification or explanation for how they chose these labels. Such a made-up figure hardly seems a sufficient basis for expecting catastrophe.

Even if 47 percent of jobs were soon to be automated, why not let the market decide how many workers should be added to our economy? Surely the free market is better able to regulate labor markets than well-meaning politicians.

Every few decades going back to the early 19th century, concerns about machines taking away our jobs briefly push Luddite fears to the forefront of public debate. Interestingly, [an editorial](#) adjacent to Senator Sessions' op-ed in the Washington Post is skeptical of Luddism. What sense does it make for the U.S. government to base immigration policy on yet another prediction that our jobs will soon be automated?

The percentage of the country that is foreign-born is on track to rapidly eclipse any previous historical peak and to continue rising. Imagine the pressure this will put on wages, as well as schools, hospitals and many other community resources.

The economy is dynamic and adaptive, just like immigrants. They don't just magically appear on our shores; they are incentivized to come here for economic, family, or humanitarian reasons. If there are few job opportunities then fewer immigrants will come. Once here, immigrants increase production and demand for goods and services.

As a percentage of the U.S.-born population, yearly immigrant flows to the U.S. are half of what they were during the 19th century and early 20th centuries. Australia's immigrants, as a percent of their entire population, is about double what it is in the United States. Using the same metric, Canada's immigrant population is about 50 percent bigger than in the United States. Australia and Canada are both wealthy, growing economies with more liberalized immigration and migration policies than the United States. Senator Sessions has spoken approvingly of Canada's immigration system in the past. Having more immigrants is correlated with a more quickly growing economy, not increasing poverty and joblessness.

As for the pressure on government services, those must be put in to perspective. It is currently illegal for new immigrants to get most means-tested welfare benefits. Those barriers to welfare use should be increased, [as we've written](#) about in detail at Cato. Even so, [poor immigrants use much less](#) means-tested welfare than poor-natives. We should absolutely seek to lower those expenditures through welfare reform, but imposing more government controls over immigration is a difficult and backwards way to go about it. The fiscal effects of immigration are small—mostly clustered around zero. The long-term taxes paid by immigrants and generated through the economic activity they jumpstart are about equal to the benefits that they consume. ([Read here](#) for a literature survey on the topic.)

If welfare and government budgets are the primary concerns, then reform or eliminate those programs. Reforming the fiscal policies of the government will have a much bigger, direct, and immediate effect on our budgetary problems than attempting to change demographics by fiddling with immigration policy.

What we need now is immigration moderation: slowing the pace of new arrivals so that wages can rise, welfare rolls can shrink and the forces of assimilation can knit us all more closely together.

The pace of immigrant assimilation is unaffected by immigration restrictions and has been for as long as data on the issue have been available.

But high immigration rates help the financial elite (and the political elite who receive their contributions) by keeping wages down and profits up. For them, what's not to like? That is why they have tried to enforce silence in the face of public desire for immigration reductions. They have sought to intimidate good and decent Americans into avoiding honest discussion of how uncontrolled immigration impacts their lives.

Any honest discussion of immigration must acknowledge that our immigration system is more complex and restricted than virtually any other sector of the economy. A two-second glance at [this chart of immigration laws](#) should be enough to dispel the myth that immigration is “uncontrolled.” Indeed, too much government control over an economic activity leads to chaos. The problem with immigration isn't that it's “uncontrolled,” but that the quantity and

restrictiveness of government controls have created an unpredictable system of arbitrary government edicts and poorly understood statutes that run contrary to our rule-of-law principles.

There is undoubtedly wage competition between some immigrants and some Americans. But that relatively small amount of wage competition is dwarfed by the economic gains of a more open labor market. Senator Sessions points to some problems in America, like a stubbornly high unemployment rate for some workers and an unsustainable welfare state, but economic protectionism through immigration restrictions will not fix these problems; it will only worsen them.

I've previously rebutted Senator Sessions' claims that immigration will make us poorer. I'm not alone in thinking that immigration is a boon for the U.S. economy. Virtually every economist who studies immigration concludes that it benefits Americans. Economist David Card called research on the topic "the elusive search for negative wage impacts of immigration." An honest discussion over immigration policy must also consider the universally acknowledged and known economic benefits of immigrants.

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