

Immigration debate often ignores labor market reality

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Political debate over immigration often ignores this reality: Immigration is driven by demand. Job opportunities fuel immigration, both legal and illegal. A sane immigration system would make it easier for the supply of labor to legally match the supply of jobs. Yet this is often disregarded by politicians who instead try to artificially suspend market forces.

Critics claim immigrants take jobs from native-born workers. Yet a job would not be open for an immigrant if qualified native-born workers were applying. Efforts to legislate away that reality haven't had the intended effect.

In a recent column, Benjamin Powell, a senior fellow with the Independent Institute, notes that from 1942 to 1964 the federal Bracero Program “allowed American farmers to hire Mexican seasonal workers,” about half a million workers each year. These individuals weren't given U.S. citizenship. They were simply allowed to legally enter and work in the United States, and most returned to Mexico after harvests were completed. But in 1962, Powell notes, that program was overhauled, in part because critics claimed it reduced job opportunities for American agricultural workers.

Yet an extensive study published in February by the National Bureau of Economic Research “found that agricultural wages rose more slowly — not faster” after the Bracero Program was eliminated.

“That's because farmers made up for the loss of migrant labor in large part by using more machinery and switching to crops that did not require as much labor to harvest,” Powell writes.

U.S. policy regarding high-skill labor has been equally misguided. Legislation proposed by Sens. Tom Cotton, R-Ark., and David Perdue, R-Ga., has gained much attention for its focus on prioritizing job skills. That bill would reduce visas granted for purposes of family reunification and rank other immigration applications based on factors that include age, education, income, job prospects and proficiency in English.

Having a skills-based system has appeal, but Alex Nowrasteh, an immigration policy analyst at the Cato Institute's Center for Global Liberty and Prosperity, notes the proposal would not result in an increased number of immigrants with high-level job skills.

“Cotton-Perdue does not increase skilled immigration at all — it only cuts non-employment categories like families and the diversity visa while creating a points-based system for employment-based green cards that does not increase the numerical cap,” Nowrasteh writes. As a result, he says the bill will “do nothing to boost skilled immigration.”

Supporters of the Cotton-Perdue legislation say it would give the United States an immigration system similar to that of Canada and Australia. But Nowrasteh notes the skills-based

immigration systems in those countries grant access to far more immigrants as a share of population.

“If the Cotton-Perdue bill intended to copy Canada's skills-based immigration system, then it would increase the number of annual employment-based green cards from the current level of about 75,000 to about 592,000 annually ...,” Nowrasteh writes.

To duplicate the Australian system would mean increasing employment-based immigration to about 852,000 annually.

Immigration policy should allow labor supply to meet demand. Until politicians admit that, they will not resolve this debate.