

The Street



Without Immigration Reform, a Poorer, Stupider America

By: Joe Deaux – February 1, 2013

NEW YORK (TheStreet) -- You may be wondering why Republicans and Democrats are coming together on immigration policy at a time when the U.S. economy is in flux and the labor situation shows little sign of meaningful improvement.

A bipartisan group of U.S. senators and President Barack Obama emerged earlier this week with plans to expedite the path to citizenship for the 11.5 million undocumented immigrants who have been living in the country.

"Remember that this is not just a debate about policy. It's about people. It's about men and women and young people who want nothing more than the chance to earn their way into the American story," Obama said Tuesday.

Maybe so, but various economists, sociologists and political analysts can agree that it's a policy issue that may have lasting effects on the economy.

The approaching debate about immigration reform is a massive container for broad-ranging issues, such as education of a rapidly growing group of America's youth, economic mobility, fairer labor competition, investments abroad and political opinions in Massachusetts and South Carolina.

The Path to Citizenship

At the top of the list for the Senate and President Obama is an easier path to citizenship for the millions of undocumented immigrants who currently live in the United States.

The Senate has proposed that the country beef up its border security and allow illegal immigrants to gain "probationary legal status." Once security requirements have been met, those immigrants with probationary legal status would then be allowed to apply for permanent residency after they learn civics, English and verify employment history.

The president is less focused on the need to beef up security measures as a step toward citizenship. Instead, he would allow "provisional legal status" for those undocumented people who pass a background check. Those who receive provisional legal status could then step in line for permanent residency and apply for citizenship five years after attaining permanent residency.

What About the Children?

"The fact that it does have bipartisan aspects to it this week is positive that there is Senate leadership on the Republican side that is willing to support this fundamental notion of a pathway to citizenship," said Hirokazu Yoshikawa, academic dean at the Harvard Graduate School of Education and author of *Immigrants Raising Citizens*. "My own work suggests being excluded from that pathway has consequences for the learning of the next generation of America's children."

About one in three children born in the United States of immigrant parents has at least one father or mother who lives here illegally. In other words, there are many immigrant-born citizens who have one or both parents who live here without citizenship and without documentation.

These kids, of course, can attend American schools and receive public education, but the hurdles many of them face begin at home.

Yoshikawa's work tracked children in New York state from infancy to age three who were born of immigrant parents who differed in their legal status and found that the undocumented parent typically worked for wages that were below minimum wage. In most cases, this suggested terrible working conditions, which caused stress at home.

Also, these illegal immigrant parents lived in constant fear that they may eventually be discovered. Fear left many of them reluctant to enroll their children in programs that would help their learning, like childcare subsidies that would provide a more stimulating environment. These children ended up with lower levels of cognitive skills, even at ages 2 and 3, according to Yoshikawa.

Eventually, as these children grew older they would become cognizant of a parent's illegal status and witness the constant strain that came with avoiding detection. This can put an enormous mental strain on younger people.

But the inability for undocumented people to receive wage increases, promotions or hope for a better job can also have lasting effects on their children.

"If wages grow, parents expectations for their children's schooling increase ... and if there is no economic hope in the family it means that the expectations for their children don't increase over time," said Yoshikawa.

Immigration has had an enormous impact on population in the United States, as well. Though it is an ageing population, higher fertility rates among immigrant families has kept the U.S. child population from shrinking.

"So immigration as always is a huge driver for the country's economy," said Yoshikawa.

Is There a Pathway to Economic Mobility?

"Knowing that the immigrant population that's here has a bifurcated educational structure, which is a fancy way of saying there's a group of them that is very well

educated and then another group that is very poorly educated," said Isabel Sawhill, an economist and senior fellow at the Brookings Institution.

Sawhill's point is evident in the proposals by the Senate and the president for low-skilled and highly skilled immigrants.

In the area of low-skilled labor, the Senate has proposed to allow more low-skilled immigrants to enter the country when the labor market is growing, and wants to create an agricultural worker program that would allow businesses to hire these people if they can prove Americans aren't in need of the positions.

Some analysts have raised concerns about policy for low-skilled labor to focus too heavily on agriculture.

"The fact is, agriculture might not be where a lot of these workers want to go or where they'd be most effective at working," said Alex Nowrasteh, an immigration policy analyst at the Cato Institute. "So a lot of unauthorized immigrants work in manufacturing, food preparation, services, the restaurant industry -- stuff like that -- so if you create a visa just for agriculture you're not going to take away the jobs magnet for future unauthorized immigrants."

The president's plan isn't as heavily focused on agricultural jobs. Instead, Obama has proposed to temporarily increase annual visas and to expand visa opportunities for immigrants who want to invest in the United States.

Highly skilled workers in both proposals may have a smoother path to green cards than their lower-skilled counterparts. The Senate has said it would give green cards to any immigrant that receives an advanced degree in engineering, science or technology from a U.S. college. Obama's plan would do the same thing.

The drawback, though, returns not to the condition of having been an immigrant, but to the same problems that face the poor in America.

"If you're less educated and less skilled, you do tend to get into these jobs that don't go much of anywhere," said Sawhill. "The ones that are poorly educated, I think, are not going to make a lot of progress whether they're legalized or not."

Sawhill said this does not necessarily mean that the low-skilled, lesser-educated immigrants have no opportunity to climb into a higher economic level. In fact, she argued that because many of them came from more difficult parts of the world to seek greater opportunity in the United States tend to be more hopeful.

Essentially, many immigrants may find fortune due to a positive attitude to move up.

Whether new reforms immediately will make economic mobility easier for immigrants may remain to be determined.

Fine Line Between Who's In and Who's Out?

"The present regulations are too generous in terms of allowing individual citizens to bring in their whole family -- it is reasonable to bring a spouse and perhaps younger kids -- but bringing siblings and elderly parents?" said Alejandro Portes, a professor of sociology at Princeton University.

Portes pointed out that there are many economic pressures the United States could face if it did not restrict who newly admitted citizens could bring into the country. Portes, who is currently conducting research at the University of Miami, said in his studies he talked with many hospitals that had complained they had to treat an increasing number of ill elderly parents who were not fluent in English.

Portes admitted incidents like these have not reached crisis levels, but said it does add to the already high health costs in the U.S.

New citizens who bring an influx of family members to look for work could weigh on the fragile labor market. But that may assume an extreme case, and at the moment would be difficult to gauge.

The debate does beg the question as to who the country should permit to enter.

The Senate has argued to allow more lower-skilled immigrants in when the labor market is improving and allow permit workers who have shown prior success in their communities. Obama would temporarily increase the amount of annual visas.

With a stagnant labor market, the Senate's language may make it difficult to determine when exactly is a good time to increase lower-skilled positions for immigrants.

Obama's idea may have legs in the opinion of some experts.

Portes has said more temporary labor programs would encourage businesses to hire. There are many experts who believe this wouldn't work, something Portes acknowledged in the interview.

He argued that a way to encourage immigrants to pursue the temporary visas -- which can be costly for many -- would be for businesses to pay back fees and payroll taxes taken from paychecks. In Portes's view, something like the Bracero Program would encourage immigrants to work for a year or two in the United States to gain skills, and when the period concludes return to their country of origin with earnings to invest and use to help their family back at home.

"Some of my colleagues say that that is impossible," said Portes.

Bipartisanship, What's Up With That?

There are clear economic benefits that could emerge from immigration reform. An easier path to citizenship could lift immense pressures on families, and the new laws could encourage better-educated immigrants to pursue competitive skilled positions. Low-

skilled workers who gain legal status may have children who could gain education advantages that previously may not have been available to them and their parents.

It does seem that Republicans and Democrats agree on enough to come forward and tackle this issue now.

Why Republicans?

"I think the Republicans have to get behind some kind of immigration reform, and if they didn't do this and the White House did something independently it puts the onus squarely right back to [the GOP]," said Sig Rogich, a former adviser to presidents Ronald Reagan and George H.W. Bush. "You can't go into 2016 having no new taxes and abortion and gay rights as their issues. There's too many things that people view in terms of priorities as being too important. "

The GOP found itself wounded after the 2012 election in November as the president grabbed a huge percentage of minority voters. Democratic pickups in the Senate and the Republican-controlled House didn't bode well either.

To worsen matters, Republicans conceded an increase in income taxes to avoid the so-called fiscal cliff -- a move that put many conservatives in a precarious position for primaries in the 2014 mid-term election.

House Republicans, following the initial lead of Rep. Paul Ryan (R., Wis.), decided to extend the debt limit for a few months in order to avoid more criticism from American voters on an issue that would have been a difficult battle to win.

Immigration reform is appealing legislation for Democrats, but they have to avoid tripping up on some of the nuances.

For example, Obama remained quiet in his proposal about immigrant same-sex couples' ability to sponsor a foreign-born spouse to become a resident.

"If you're a liberal Democrat from Massachusetts ... you can say, 'I want a path that approves every single potential person who qualifies based on whatever the criteria is, and we don't care if they're white, black, Hispanic, Asian, we don't care if they're gay or straight,'" said Michael Goldman, a Democratic operative in Massachusetts. "But if you come from South Carolina, you can't. If you come from Arizona, you can't."

Therein sits the politics. A representative in a more conservative district may not vote yes to certain immigration reform if it includes language about same-sex couples or other topics that their constituents prefer not to approve.

Still, Republicans realize they're losing ground among minorities.

"The one brilliant moment that George W. Bush had in his presidency was understanding what most Americans don't: They assume that as a 'minority' they are likely to be Democratic voters and have more in common with blacks than they do with white, empowered males," said Goldman. "The truth is that's not true. Bush understood

that if there was one group of people who were religiously more in tune with the Republicans' social policies it was the Hispanic community."

Momentum is on the side of immigration reform, and regardless of the politics, an easier path to citizenship may be the beginning of a larger domino effect that could greatly benefit the education and economic mobility of immigrant families for generations to come.

"That the children who grow up in America with undocumented parents, those who make it are real heroes," said Portes.