Brendel, Sven

2008-06

Immigration in the U.S.: Should the U.S. take a more or less restrictive approach to immigration?

https://hdl.handle.net/10133/1217

Downloaded from OPUS, University of Lethbridge Research Repository
Immigration in the U.S.: Should the U.S. take a more or less restrictive approach to immigration?

Sven Brendel
California State University Monterey Bay (CSUMB)
Seaside, California, USA

Citation:

Abstract

The U.S. is at a crossroads, regarding its immigration policy. Considering the harm principle by John Stuart Mill and the categorical imperative by Immanuel Kant, Americans should not look to a more restrictive approach to immigration unless there is sufficient evidence to suggest that the cost of immigration outweigh its benefits. Yet, empirical evidence suggests that the effects of immigrants on the government budget, crime rates and the wages of working class natives are negligible, while the increases in standard of living experienced by immigrants themselves after moving to the U.S. are not. The slight negative impact on the native population, estimated by some of the studies reviewed, is likely outweighed by the gains made by immigrants. Additionally, the U.S. economy has become dependent upon immigrant labor, further suggesting that there is no basis to support a more restrictive approach.

Since the dawn of humanity, people have constantly migrated: from Africa to Asia, Europe, America and Australia. Never once has our species stopped moving. Yet, as commonplace as human migration has been since we descended from the trees of the African jungle, it has often been violent. From the Norman Conquest to the grand European empires, the soil of all five continents has been soaked in blood. We seem utterly incapable of dealing with the ever-so ordinary phenomenon of migration. Today, as in all eras of human history, migration continues: as do the misunderstandings and violence. Our modern world is split between the rich and the poor. The rich world is home to about 17% of all humans – the “golden billion,” while the poor world is home to about 83% (Sachs, 2005, pp. 18-19). Not surprisingly one of the most common migration patterns today is that from the poor to the rich world. The United States, the product of rather recent migration itself, makes up almost one third of the rich world. Like all societies, the U.S. has struggled with immigration. Each successive wave of immigrants was faced with discrimination by preceding immigrants. Today, it is at a crossroads. Should the U.S. try to open itself up as much as possible, or aggressively attempt to further restrict current immigration? Should the U.S. attempt to recognize, accept and adjust to humankind’s migratory nature or attempt to undermine it? Empirical findings on the effects of immigration and key philosophical principles that guide western thought and concepts of justice indicate that the United States needs to adopt the former approach: embrace immigration.

Reason suggests that a law must either protect or perpetuate the common good in order to be rational and just. John Stuart Mill articulated this idea in his book On Liberty in the harm principle:

The only purpose for which power can be rightfully exercised over any member of a civilized community, against his will, is to prevent harm to others... the conduct from which it is desired to deter him [any sane, mature human] must be calculated to produce evil to some one else. (p. 10)

Harm includes acts of omission, which result in what economists call “opportunity costs.” For example, if an individual fails to pay taxes, he or she is, to a certain extent, limiting the ability of the state to provide social services and, therefore, harming society. This harm manifests itself in the foregone benefit – the opportunity cost, of the state not being able to advance the common good. There can, of course, be debate over what constitutes harm. Both libertarians and modern liberals might agree upon the harm principle’s general premise, but may disagree on what constitutes harm. Yet, the principle does provide a guide as to what constitutes a just law. One must only infringe upon individual liberty when necessary to prevent harm and advance the common good. In order to ensure freedom, “the default position [must be]...
Immigration in the U.S.
http://www.lurj.org/article.php/vol3n2/immigration.xml

Current trends in violent crime indicate that immigration is not having any significant negative impact on crime. According to Lee, Martinez and Rosenfeld (2001), "the stereotype of the criminal immigrant has persisted...[even though] available contemporary studies echo the findings from...[earlier] research, that immigrants are not particularly crime-prone...[despite facing] deleterious social conditions rivaling or surpassing those of the most disadvantaged native groups" (p. 560). Lee et al. analyzed homicides from 1985 to 1995 in Miami, El Paso and San Diego, which are home to large, growing immigrant populations. While there was a positive correlation between an increase in poverty and Latino homicides, there was no relationship between Latino homicides and recent immigration. With the exception of San Diego, recent immigration was also not found to bear a significant relationship with African American homicides. Possible explanations for San Diego's exception to the rule include, "that homicides in San Diego are more likely to involve intergroup conflicts involving new immigrants and black residents...[or] that new immigrants tend to settle in San Diego communities with preexisting high levels of black-on-black homicide" (Lee at al., 2001, p. 571). While economic insecurity, poverty and social instability are related to homicides among both, Latinos and African Americans, the researchers "found either no relationship or a significant negative relationship between homicide and recent immigration" (Lee at al., 2001, p. 571). Decreasing homicide rates in Los Angeles and New York, during an increased influx of immigrants further support the conclusions of Lee at al. In Los Angeles the homicide rate declined 48% between 1985 and 2005, and the overall violent crime rate declined by 50%; while New York City saw decreases of 66% and 64%, respectively (Bureau of Justice Statistics, 2007). While New York City saw decreases of 66% and 64%, respectively (Bureau of Justice Statistics, 2007). It was also not found to bear a significant relationship with African American homicides. Possible explanations for San Diego's exception to the rule include, "that homicides in San Diego are more likely to involve intergroup conflicts involving new immigrants and black residents...[or] that new immigrants tend to settle in San Diego communities with preexisting high levels of black-on-black homicide" (Lee at al., 2001, p. 571). While economic insecurity, poverty and social instability are related to homicides among both, Latinos and African Americans, the researchers "found either no relationship or a significant negative relationship between homicide and recent immigration" (Lee at al., 2001, p. 571). Decreasing homicide rates in Los Angeles and New York, during an increased influx of immigrants further support the conclusions of Lee at al. In Los Angeles the homicide rate declined 48% between 1985 and 2005, and the overall violent crime rate declined by 50%; while New York City saw decreases of 66% and 64%, respectively (Bureau of Justice Statistics, 2007). There is simply no evidence to suggest that immigration must be restricted to curb violence.

Figure 1: Components of a just public policy.

Figure 2: Violent crimes per 100,000 residents in cities with large immigration populations since 1985 (U.S. Bureau of Justice Statistics, 2007ab)
So immigration does not pose a serious threat to the presence of law and order, but what about the economy? According to the testimony of Harry J. Holzer in front of the Senate Judiciary Committee in 2006, “the vast majority of economists in the United States believe that, on average, immigration is good for the U.S. economy.” In a recent survey of members of the American Economic Association (AEA), Klein and Stern (2006a) found that, “most economists oppose tighter immigration controls.” This should not come as a surprise considering that most economists, and social scientists in general, commonly find themselves in agreement with liberal ideas (Klein & Stern, 2006b; Klein, 2004). An earlier poll by Moore in 1989 of 38 economists who either served on the President’s council of economists or as presidents of AEA supports current findings, showing that immigration has been looked upon favorably by economists for at least two decades. The study found that 80% of these 38 individuals believed immigration to have a “very favorable” impact on economic growth, with the other 20% believing it to have a “somewhat favorable impact.” Furthermore, 74% believed that unauthorized immigration was having a largely positive impact on the economy, while only 11% believed that its effects were negative (Simon, 1995).

But why do economists favor immigration? Contrary to what one might expect there is, and has been for more than a decade, a lack of reliable data regarding the effects of immigration on the economy (Miller & Ronald, 2006; DaVanzo, Wade, Valdez & Vernez, 1993). Most of the data available, however, does not support immigration restrictions. Immigrants have little to no effect on the wages of natives in the working class or the government budget. They experience a tremendous increase in their standard of living and make up an essential component of the labor force. Even if – and these findings are contested – immigration causes a deficit and depresses wages for native workers, the benefits enjoyed by immigrants themselves more than compensate for any of the slight cost the native population may face, even in the most pessimistic studies.

Rather than displacing large swaths of working class natives, immigrants, especially those who are undocumented, fill positions in sectors of the labor market largely abandoned by natives. Espenshade (1995) found that, “empirical findings are more consistent with the position that undocumented workers hold jobs that other groups find unattractive than with the widely held public perception that illegals compete with natives... for jobs and wages” (p. 209). Low-skilled immigrants are merely offsetting the decline in the low-skill native labor force. Capps, Fix and Fortuny (2007) found that between 2000 and 2005, the “total number of native-born low-wage workers fell by about 1.8 million, while the number of immigrants rose by 620,000,” leaving the U.S. with a net loss of at least 1.2 million low-wage workers (p. 2; see figure 3). The driving force behind this process is education. “As more and more native-born adults are earning high school diplomas and college degrees, there is an increasing... demand for lower-skilled immigrants” (Capps et al., 2007 p. 4). The fact that the very slight changes in the labor participation among natives lacking a college education were the same as those of immigrants and college graduates (see figures 4 and 5), also suggests that immigrants are not displacing uneducated natives (if they were, the decrease in labor participation among uneducated natives would have been greater than for college graduates and immigrants). Consequently, the effect of immigration on natives’ wages is extremely slight, with estimates ranging from a long-term increase of 1.8% to a decrease of 3% (Capps et al., 2007). With immigrants merely filling a gap in the labor market, “there seems [to be] little doubt... that any negative effects of immigration on earnings are modest in magnitude and mostly short-term in nature” (Holzer, 2006).

![Figure 3: Change in thousands of low-wage workers, 2000 to 2005 (Capps et al., 2007, p. 3).](http://www.lurj.org/article.php/vol3n2/immigration.xml)

![Figure 4: Labor Participation among natives (Capps et al., 2007, p. 4).](http://www.lurj.org/article.php/vol3n2/immigration.xml)
The impact of immigration on public coffers is also relatively negligible, either slightly positive or slightly negative, depending on study. Economist George Borjas, an outspoken critic of non-restrictive immigration policy on the pages of the *National Review* (see Borjas, 2006 & 2007), found that immigration results in "a $16 billion net loss" (1995, p. 9). The largest “net loss of over $40 billion [was] estimated by Huddle (1993),” whereas a 1994 study by Passel and Clark found “that immigrants pay their way in the welfare state and contribute a net of $27 billion to native taxpayers” (Borjas, 1995, p. 9). A review of such studies by the Rand Corporation found that, owing to different assumption made by the respective researchers regarding the amounts of taxes paid and services used by immigrants, “these studies’ findings are neither comparable nor comprehensive and do not provide reliable estimates” (McCarthy & Vernez, 1996, p. 46). Yet, these studies do unambiguously suggest that the net fiscal impact of immigration is rather small (see table 1). In 1994, when the studies by Borjas as well as Passel and Clark were conducted the overall revenue of the U.S. government was $1.56 trillion and the gross domestic product (GDP) an estimated $7 trillion (Executive Office of the President, 2005; Johnston & Williamson, 2005). If Passel and Clark were correct, immigration boosted the federal revenue by 2.7%. If Huddle’s worst case scenario was correct, immigration contributed to about 2.7% of government expenditure. Following the 112th annual meeting of the AEA, Miller and Roland (2000) concluded that, “the most important conclusion, on which most analysts agree, is that the overall fiscal consequences of altering the volume of immigration would be quite small and should not be a major consideration for policy” (p. 353).

### Table 1: Net fiscal impact of immigration as a share of federal budget and GDP in 1994.

<table>
<thead>
<tr>
<th>Study</th>
<th>Net impact of immigration (billions)</th>
<th>Percent of federal revenue</th>
<th>Percent of federal expenditure</th>
<th>Percent of Gross Domestic Product</th>
</tr>
</thead>
<tbody>
<tr>
<td>Passel &amp; Clark</td>
<td>+$27</td>
<td>2.7%</td>
<td>1.8%</td>
<td>0.38%</td>
</tr>
<tr>
<td>Borjas</td>
<td>-$16</td>
<td>1.3%</td>
<td>1.1%</td>
<td>0.23%</td>
</tr>
<tr>
<td>Huddle</td>
<td>-$40</td>
<td>3.2%</td>
<td>2.7%</td>
<td>0.56%</td>
</tr>
</tbody>
</table>

In addition to showing any possible fiscal effects to be miniscule, estimates showing a potential net negative fiscal impact do not necessarily provide a valid justification for a restrictive immigration policy. The initial cost of immigration needs to be viewed as an investment and the, “current concern should not be allowed to obscure the fact that those costs are only one dimension of a broader set of issues” (McCarthy & Vernez, 1996, p. 52). Expenditures on social services for immigrants may be recovered over the course of time, as immigrants climb the socio-economic latter. Miller and Ronald (2000) found that, “[t]he net fiscal consequences of a single composite immigrant arriving in 1998… turn positive after 16 years” (pp. 351-352). As it is the low educational attainment and earnings of immigrants that cause the initial strain on public coffers (Capps, Fix, Passel, Ost, Perez-Lopez, 2003), this fiscal pressure subsides with intergenerational socio-economic progress, fueled by state spending. Smith (2002) found that, 2nd and 3rd-generation Hispanic men have made great strides in closing their economic gaps with native whites. The reason is simple: each successive generation has been able to close the schooling gap… Each new Latino generation not only has had higher incomes than their forefathers, but their economic status converged toward the white men with whom they competed. (p. 319)

Much of the progress Latino immigrants’ descendants have made is directly related to public schooling and, therefore, to state spending. Trejo (2003) found that the higher earnings of second generation Mexican-Americans, compared to those of their parents, were directly related to being “educated in the United States rather than in Mexico” (p. 487). This conclusion is supported by Bratsberg and Ragan Jr. (2002) who found that, “immigrants… who acquire U.S. schooling earn higher wages than those without U.S. schooling” (p. 63). As most immigrants, especially those who are undocumented, are from impoverished backgrounds, the use of U.S. tax dollars to advance their socio-economic well-being results in a beneficial redistribution of wealth. The negative impact on the native population is small, but the gains made by the recipients of this social investment, who are from far more impoverished backgrounds, are considerable. Thus, an initial
fiscal deficit resulting from immigration is thoroughly justifiable as it perpetuates the common good of humankind.

The benefits of immigration enjoyed by immigrants themselves are too often erroneously overlooked. Yet, if one believes that public policy is to advance the well-fare of as many human beings as possible, all of whom are held to be moral and ethical equals, then one must not solely focus on the native population. As stated above, most immigrants come from severely impoverished backgrounds. Of unauthorized immigrants in particular, 81% came from Latin America and 57% from Mexico alone (Bean, Passel & Van Hook, 2005). While Mexico is among the most advanced countries in Latin America, "in 2002, half the population in Mexico was living in poverty and one fifth was living in extreme poverty" (World Bank, 2007a). As immigration, especially if unauthorized, is a strenuous and risky endeavor it is fair to assume that many immigrants, especially those who come to the U.S. without permission, were once among Latin America's bottom quarter, living on less than $2 a day (World Bank, 2007b). The real median income for recent immigrant families in the U.S. in 2000 was $36,887. Even though this is low compared to the median of $52,057 for native families, it is considerably higher than the income they subsided on in the developing world.

Moreover, recent immigrants have become increasingly prosperous, experiencing faster income growth and greater declines in poverty than the native population during the 1990s. Between 1994 and 2000, the poverty rate for recent immigrants dropped by 34.1%, from 34% to 22.4%, compared to a 22.1% decline, from 13.1% to 10.2% among natives, respectively. The median family income of recent immigrants increased by 40.5% compared to a 13.1% increase among natives, respectively. Experiencing stronger declines in poverty and faster income growth, recent immigrants are catching up to natives. The gap in poverty rates between recent immigrants and natives narrowed by 58% and the gap in median family income narrowed by 76% (Bernstein & Chapman, 2002; see figure 6). Recent immigrants are experiencing increases in economic well-being after moving to the U.S.; catching up to the native U.S. population. These gains made by immigrants likely out-weigh the slight cost the native population may or may not face.

Figure 6: Percent Change in median family income and percent of individuals below the federal poverty line between 1994 and 2000 (Bernstein & Chapman, 2002).

Constituting a growing and increasingly prosperous share of the overall population, immigrant workers have become an indispensible part of the American labor force. The American economy could not function in such a manner as to sustain Americans' high standard of living without immigrant labor. In their analysis of 2002 data from the Current Population Survey, Capps at al. (2003) found that, "immigrants are 11 percent of all U.S. residents, but 14 percent of all workers and 20 percent of low-wage workers" (p. 1; see figure 5 and table 2). The mean percentage of immigrants for all blue collar occupations was 25%, and 31% among low paying blue collar occupations. Foreign-born workers are even more common in certain industries, such as agriculture, i.e. farming, fishing and forestry, and domestic service, constituting more than a third of workers in these areas (Capps et al., 2003, p. 7). It stands to reason that the U.S. economy could not maintain current levels of prosperity and growth without a fifth of low-wage workers.

Figure 7: Composition of low-wage labor force in 2002

Table 2: Composition of "blue collar" and low-wage labor force as well as mean immigrant earnings (adapted from Capps et al., 2003, p. 7).
Immigrants are essential to the success of the American economy. They do not deprive working class Americans of their livelihood, nor do they endanger the country's fiscal well-being by draining public coffers, nor is the U.S. being overwhelmed by an immigrant caused crime wave. Current evidence suggests that there is no considerable threat to the overall well-being of American society emanating from immigration. Even if the net fiscal impact is negative, the considerable intergenerational progress made among Latino immigrant families, who compose the primary group of immigrants, makes spending on social services benefiting immigrants a wise investment. Immigration provides tens of millions of people in the developing world some of the opportunities those in the developed world take for granted. Considering the principles articulated by Mill, Kant, Dewey and the Golden rule in combination with the empirical findings on the effects of immigration, the need for a less restrictive approach to immigration becomes evident.

About the Author

Sven Brendel is currently a junior at California State University Monterey Bay (CSUMB), majoring in the social and behavioral sciences with a concentration in political-economy and minor in global studies. Before coming to CSUMB in fall of 2007, he earned his Associate degree in university studies with high honors from Monterey Peninsula College in spring 2007, where he received Dean's honor in economics and became a member of the Phi Theta Kappa honor society.

Endnotes

1. Modern liberalism, also called social liberalism, is left-leaning and not to be confused with right-leaning classic liberalism.

2. Huddle's study was published in 1993, but his estimate is compared to 1994 GDP and government budget data, as there was no substantial difference in GDP and government revenue and expenditure between 1993 and 1994.

3. Family income differs from household income, as it only represents the income of those households where two or more members were related by blood, adoption or marriage.

4. Machine operation, service, except protection, repair-work, paid domestic work and agriculture are deemed blue collar per Beeghley (2003) and clerical workers are included per respective status description in Gilbert (1998).

References


