

C. The Economics of (Im)migration

1. Economic Disparities That Drive (Im)migration

Alarmed by the large numbers of undocumented immigrants coming from Mexico and other parts of Latin America, the U.S. policy has been to increasingly militarize the border. This has served to make crossings more treacherous (and too often deadly) but increased enforcement has not stopped or even slowed undocumented immigration. What makes people so motivated to come to the U.S. even at the risk of death?

Note: While we will be focusing mostly on immigration to the U.S. from Latin America (and in particular, Mexico), these economic factors are work on a global scale. As globalization moves jobs across borders, workers are following those jobs.

Illegal People: How Globalization Creates Migration and Criminalizes Immigrants (<http://www.beacon.org/productdetails.cfm?SKU=4226>), by David Bacon. Beacon Press (2008), 272 pages.

For two decades veteran photojournalist David Bacon has documented the connections between labor, migration, and the global economy. In *Illegal People* Bacon explores the human side of globalization, exposing the many ways it uproots people in Latin America and Asia, driving them to migrate. At the same time, U.S. immigration policy makes the labor of those displaced people a crime in the United States. *Illegal People* explains why our national policy produces even more displacement, more migration, more immigration raids, and a more divided, polarized society.

Moving Millions: How Coyote Capitalism Fuels Global Immigration (<http://amzn.to/c0QaTD>), by Jeffrey Kaye. Wiley (April 19, 2010) 320 pages.

In addition to talking about the “coyotes” – the people who smuggle undocumented migrants across the border for profit, Kaye also talks about the history of unskilled workers migrating to follow jobs and how we have profited from it.

The Children of NAFTA: Labor Wars on the U.S./Mexico Border (<http://amzn.to/bU0ej4>), by David Bacon. University of California Press (March 1, 2004), 348 pages

Relating first-hand stories from Mexican laborers, the author of “Illegal People” shows how the Mexican government has suppressed workers’ attempts to unionize for rights and wages in an attempt to attract foreign investment.

NAFTA and Mexican Immigration (<http://borderbattles.ssrc.org/Portes/>), by Alejandro Portes for Border Battles: The U.S. Immigration Debates (ssrc.org - July 31, 2006)

In this short, accessible essay, Portes describes how instead of decreasing immigration to the U.S. from Mexico, NAFTA actually increased it many fold.

NAFTA, the WTO and Other Trade Agreements

(<http://www.citizen.org/Page.aspx?pid=1014>)

From Public Citizen.org, a web resource with links to information on NAFTA, the World Trade Organization (WTO) free trade agreements (FTAs) for several countries.

Dying to Live: A Migrant's Journey (<http://www.dyingtolive.nd.edu/>)

This award-winning documentary looks at immigration from a religious (Christian) perspective. It is a profound look at the human face of the immigrant that explores who these people are, why they leave their homes and what they face in their journey. Drawing on the insights of Pulitzer Prize winning photographers, theologians, Church and congressional leaders, activists, musicians and the immigrants themselves, this film exposes the places of conflict, pain and hope along the US-Mexico border. It is a reflection on the human struggle for a more dignified life and the search to find God in the midst of that struggle. Download the movie guide from Sojourners for this and several other movies on immigration (<http://www.faihandimmigration.org/movieguide>).

Causes of the Irish Emigration (<http://bit.ly/doN4u4>), by Linda Magnusson. As published on ThinkQuest.

In the second half of the 19th century, large numbers of Irish immigrants immigrated to the U.S. and crowded into squalid tenement buildings, taking up low paying and dangerous jobs. Most of us were taught in school that they came as a result of the potato famine – a massive failure of the crop on which they relied. But what caused Irish farmers to become so dependent upon the potato? After all, the potato is a “New World” vegetable that only entered the Irish diet after the European colonization of the Americas.

2. Our National Dependence on Cheap Labor

The U.S. is dependant upon cheap labor to produce our fruits and vegetables, our meats, our clothing, and a myriad of other things. Manufacturers are dependent upon cheap labor to keep costs down and thus remain competitive in the marketplace. Consumers are dependent upon cheap products as the result of a combination of consumer mentality and a real decline in purchasing power for many of us. The result is a vicious downward spiral that exploits both undocumented workers and U.S. workers alike.

Films

Bread and Roses (2000)

This drama, starring Adrien Brody and directed by Ken Loach, tells the story of two Latina sisters who work as cleaners in a downtown Los Angeles office

building, and their fight for the right to unionize. It highlights the economic disparities in the U.S. and how wages and benefits have declined for low-wage workers in recent years. The film is based on the Justice for Janitors campaign of the Service Employees International Union (SEIU). Read the foreword by SEIU president, Andrew Stern (<http://bit.ly/a1fGu9> - 2 page doc)

Made in L.A. (2007) (<http://www.madeinla.com/>)

Like many other low-wage industries employing immigrant workers, the multinational garment industry in Los Angeles uses a network of contractors and sub-contractors to manufacture its apparel while insulating itself from the workers' low wages and poor working conditions. Through the story of three Latina immigrants working in these garment factories and their struggle for self-empowerment, this Emmy award-winning documentary illustrates a system that makes labor laws nearly impossible to enforce and keeps workers trapped between contractor and law enforcement while customers remain mostly unaware of the human costs. Download the 21 page pdf discussion guide for this movie from PBS (<http://to.pbs.org/bdG0N0>). Download the movie guide from Sojourners for this and several other movies on immigration (<http://www.faithandimmigration.org/movieguide>).

Farm workers

Farm Worker Conditions

(<http://www.nfwm.org/category/map/learn-more/farm-worker-conditions>)

Web pages from the National Farm Worker Ministry that describes the living, working and health conditions of our nation's approximately two million migrant and seasonal farm workers

Focal Point: Standards of Living

(<http://www.wral.com/news/local/documentaries/video/3209288/#/vid3209288>)

A 23 minute documentary that ran on WRAL in North Carolina about the living conditions of migrant workers.

Para La Gente: The Film Documentary on Immigration and Farm workers in America (http://www.youtube.com/watch?v=mq_7klkKVbl)

8 min preview of the 60 min film "Para La Gente: The Film Documentary" argues that our modern agricultural industry is a continuation of the exploitation of workers that started with the slave trade.

Fingers to the Bone: Child Farmworkers in the United States

(<http://www.youtube.com/watch?v=NfEtO00DSvl>) A YouTube video made by Human Rights Watch that documents the rampant use of child labor on our country's farms. Child labor is regulated in the U.S. but legal exemptions for farm work make this kind of abuse possible.

With or Without Papers – The Same Life in a Labor Camp

(<http://bit.ly/aF2iMU>), by David Bacon. New America Media, Aug 31, 2010
Article compares the experiences of undocumented workers with those who have an H2-A guest worker visa and finds that they are basically the same.

The Bracero Program

When the U.S. was short on low-wage farm labor, due largely to the second world war, it instituted a “guest” worker program, where workers from Mexico were “invited” to work. The word “bracero” derives from the Spanish word for “arm.” At it’s height, braceros worked in nearly every state in the union.

Los Braceros 1942-1964 (<http://www.farmworkers.org/benglish.html>)

A website by the Sin Fronteras Organizing Project (which helps farmworkers organize to for their rights), it describes the U.S. Bracero program in accessible format.

The Bracero Program (<http://braceroarchive.org/>)

From the University of Northern Colorado, a 47 page pdf file based in a power point presentation, that explains the program, the economic factors for both countries, working conditions and abuse.

Opportunity or Exploitation: the Bracero Program

(http://americanhistory.si.edu/onthemove/themes/story_51_5.html)

From the Smithsonian Institution, an online taste of their exhibit on the Bracero program at the American History Museum.

Canada’s Guest Worker Program

As in the U.S., Canada faces a shortage of (low wage) workers, and so instituted a guest worker program. As in the U.S. this has cause both social tensions and human rights concerns.

Seasonal Agricultural Worker Program (<http://bit.ly/bhdqVy>)

From the official website of Canada’s Dept. of Human Resources and Skills Development, information on their “guest worker” program.

Time to Rethink Guest Worker Program

(<http://www.thestar.com/comment/article/676158>)

Op-ed from the Toronto Star

Hard Thanksgiving for Injured Farm Workers

(<http://theyee.ca/News/2010/10/11/InjuredFarmWorkers/>)

News article out of British Columbia about the hazards faced by farm workers.

After Iowa Raid, Immigrants Fuel Labor Inquiries

(<http://www.nytimes.com/2008/07/27/us/27immig.html>)

New York Times article about the working conditions in the Postville, Iowa meat-processing plant. More than 20 of the 389 undocumented workers who were apprehended were under-age, some as young as 13.

Meat Processing: an Industry Engineered to Hire Immigrants

(<http://bit.ly/adAmpn>), as posted by Peter Rousmaniere (March, 2006) on

"Working Immigrant," a weblog about the business of immigrant work.

The author points to the notable increase of Latin@ workers in recent years and the "deskilling" of labor positions (so that they are cheaper). We note that the meat processing industry has a long history of employing immigrants for low-wage positions – for example, Irish and Polish immigrants during the first half of the 20th Century.

Immigration Law: Bringing Back Sweatshop Conditions

(<http://labornotes.org/node/1824>), by David Bacon (11/08/1998) as published on Labor Notes

Beacon Press author, David Bacon, discusses how our broken immigration system is causing "the return to exploitative conditions in the workplace reminiscent of a century ago. And the enforcement of U.S. immigration law has become a key weapon in the proliferation of those conditions..."

Wal-Mart: Sweatshop Products & Labor Exploitation Wrapped in the

American Flag (<http://www.organicconsumers.org/politics/walmart32905.cfm>),

A.V. Krebs, editor. The Agribusiness Examiner, March 29, 2005, Issue #400

The article discusses, amongst other things, Walmart's employment and abuse of undocumented workers.

Unsafe Conditions for Undocumented Michigan Oil Spill Workers, by Elise

Foley (<http://bit.ly/a3belX>). The Washington Independent, August 30, 2010

Because of their tenuous legal status, undocumented workers often work in unsafe job conditions.

3. Economic Impacts on the U.S.

"The truth is that the challenges we face as a nation have not been imported by our immigrants, nor would they disappear if we could only succeed in sealing our borders for good -- even if that were possible. In fact, there is good reason to believe that some of the problems we should take most seriously as a people -- from the decline in our economic competitiveness to the decay of our community values -- are problems that the new immigrants can help us solve."

- Mario Cuomo, Governor of New York State,

"Immigration is Source of our Strength," USA Today, July 19, 1993.

a. Economic Growth

The majority of studies on the affect of immigrants on the U.S. economy (job creation and GDP) indicate a net positive gain. However, there is dispute over the effect on wages for low-income workers with some suggesting that they are negatively impacted.

“They Take Our Jobs!”: And 20 Other Myths About Immigration

(<http://www.beacon.org/productdetails.cfm?PC=1855>), by Aviva Chomsky
Beacon Press (July 1, 2007), 264 pages

This Beacon Press book actually tackles many different facets of immigration - touching on economics, law, race and history. However, we had to put it somewhere and since the title is about jobs, here it is. Chomsky addresses twenty of the most common incorrect assumptions about immigration and questions the underlying presumptions upon which they are founded.

The Effect of Immigrants on U.S. Employment and Productivity, by Giovanni Peri. Federal Reserve Bank of San Francisco Economic Letter, August 2010.

(<http://www.frbsf.org/publications/economics/letter/2010/el2010-26.html>)

A recent study by the Federal Reserve Bank of San Francisco shows that immigration has a net benefit for the U.S. economy and, according to them, drives wages up for everyone. Their argument is that U.S. born workers take higher paying jobs that require fluency in English while immigrant workers take manual labor jobs. The study also finds no evidence that new immigrants diminish the job opportunities of U.S.-born workers.

Raising the Floor for American Workers: The Economic Benefits of Comprehensive Immigration Reform, by Dr. Raúl Hinojosa-Ojeda. January 7, 2010 (pdf, 28 pages)

(http://www.americanprogress.org/issues/2010/01/raising_the_floor.html)

Report from the Center for American Progress argues that enforcement-only mass deportation would reduce the GDP by 1.4% whereas comprehensive reform would raise the “wage floor” for the entire U.S. economy—to the benefit of both immigrant and native-born workers.

Immigration Reform and Job Growth (<http://bit.ly/bgRd7P>), by Walter Ewing. For Immigration Policy Center. Feb 24, 2010 (pdf, 5pages)

Study finds that “neither legal nor unauthorized immigration is the cause of high unemployment, and that the higher wages and purchasing power which formerly unauthorized immigrants would enjoy were they to receive legal status would sustain new jobs.”

Restriction or Legalization? Measuring the Economic Benefits of Immigration Reform (http://www.cato.org/pub_display.php?pub_id=10438), by

Peter B. Dixon and Maureen T. Rimmer. Trade policy analysis for the Cato Institute. August 13, 2009

This study finds that increased enforcement and reduced low-skilled immigration have a significant negative impact on the income of U.S. households. A policy that reduces the number of low-skilled immigrant workers by 28.6 percent compared to projected levels would reduce U.S. household welfare by about 0.5 percent, or \$80 billion. In contrast, legalization of low-skilled immigrant workers would yield significant income gains for American workers and households. The positive impact for U.S. households of legalization under an optimal visa tax would be 1.27 percent of GDP or \$180 billion.

Increasing the Supply of Labor Through Immigration: Measuring the Impact on Native-born Workers, by George J. Borjas. Center for Immigration Studies Backgrounder, May 2004 (pdf, 12 pages)

(<http://www.hks.harvard.edu/fs/gborjas/Papers/cis504.pdf>)

In contrast to the others, this study from the Center for Immigration Studies finds that immigration lowers native-born wages by about 4% and that low-wage workers are disproportionately affected. However, his methodology is disputed. (See: <http://nyti.ms/a5vkMr>.)

b. Social Services and Taxes

Another question regarding economics is whether immigrants cost more – in terms of health care, child education, and assistance – than they pay in terms of taxes. The consensus seems to be that overall undocumented immigrants pay more than they cost. However, while it is without question that the federal government sees a significant net gain in taxes paid, some state and local governments might see a loss in cost of services relative to taxes.

Giving Facts a Fighting Chance (<http://bit.ly/aXPDE5>), by Immigration Policy Center. October 2010. (pdf, 24 pages)

This comprehensive brief touches on a number of topics, one of which is undocumented immigrants and public benefits (see page 8). The bottom line is that undocumented immigrants are not eligible for public benefits, and they pay more in taxes than they receive in benefits, at both the state and federal levels. Also see the sections on the economy and taxes.

Immigration Myths and Facts. By the ACLU, April 11, 2008. (pdf, 9 pages) (http://www.aclu.org/files/pdfs/immigrants/myths_facts_jan2008.pdf)

While this publication touches on a number of topics, the first one addressed is whether immigrants are a drain on social services. According to the ACLU, they are not. Undocumented immigrants pay in more than they receive, at both the state and federal levels. References are included.

Rand Study Shows Relatively Little Public Money Spent Providing Health Care to Undocumented Immigrants, by Rand Corporation, November 2006.

<http://www.rand.org/news/press.06/11.14.html>)

Immigrants, and especially undocumented immigrants, tend to use medical services much less than the average U.S. citizen, even in cases where they are eligible.

Undocumented Immigrants Giving Social Security, Baby Boomers a Big Boost (<http://bit.ly/cE6Tq9>), by Seth Hoy. Immigration Impact, the blog of the Immigration Policy Center, September, 2010.

Discusses the extent to which undocumented immigrants are supporting our national social security system.

The Impact of Immigration on Social Security and the National Economy (http://www.ssab.gov/documents/IMMIG_Issue_Brief_Final_Version_000.pdf), by Joel Feinleib and David Warner. Issue brief from the federal government's Social Security Advisory Board, December 2005. (pdf, 10 pages)

Brief looks at our dependence upon immigration of working-age adults in order to support our social security system, as aging-baby boomers are moving from paying in to the system to cashing out.

Tally of costs and contributions of illegal immigrants 'elusive'

(<http://bit.ly/abykZ4>), by Dale Rodebaugh. Durango Herald, August 21st, 2010

Tax payments of illegal immigrants equal 70 to 86 percent of what the state and local governments spend on education, emergency medical care and law enforcement involving them.

The Border's Bottom Line, by Joan Faryon. On KPBS.org of San Diego, July 20, 2010. (<http://www.kpbs.org/news/2010/jul/20/borders-bottom-line/>)

Article discusses the differential effects on the federal government versus state and local but says the long-term result is positive on all levels.

4. Economic Impacts on “Sending” Countries

International Migration, Remittances, and the Brain Drain

(<http://amzn.to/bdFrwU>), Caglar Ozden, Maurice Schiff (eds.), Palgrave MacMillan: New York, October 2005.

International migration, the movement of people across international boundaries, has enormous economic, social and cultural implications in both origin and destination countries. Using original research, this title examines the determinants of migration, the impact of remittances and migration on poverty, welfare, and investment decisions, and the consequences of brain drain, brain gain, and brain waste.

a. Remittances

When people come to the U.S. to find work because they can't find it in their home country, they often send remittances back to their families. Often times it's

to support children whom they were forced to leave behind, or parents and younger siblings. For countries with very few job prospects where a large percentage of adults are forced to emigrate for work, remittances can be a significant part of the national income. The effect that it has on the economy of the country from which the money is flowing is debated.

Global Remittances Guide

(<http://www.migrationinformation.org/datahub/remittances.cfm>)

From the Migration Policy Institute, an interactive map showing the flow of money around the world.

Remittances: International Payments by Migrants

(<http://www.cbo.gov/ftpdocs/63xx/doc6366/05-19-Remittances.pdf>)

30 page pdf from the Congressional Budget Office details the flow of cash to and from the U.S. from various countries. If you are one who likes to see the raw numbers, here they are.

Remittance Senders And Receivers: Tracking The Transnational Channels

(<http://pewhispanic.org/reports/report.php?ReportID=23>)

Another report on cash flow, this time from the Pew Hispanic Center, focusing on Latin America.

Worker Remittances and Capital Flows to Developing Countries

(<http://econstor.eu/bitstream/10419/24037/1/dp0431.pdf>) (28 page pdf)

Worker remittances constitute an increasingly important mechanism for the transfer of resources from developed to developing countries, and remittances are the second-largest source, behind foreign direct investment, of external funding for developing countries. This paper focuses on how important worker remittances are to developing countries in quantitative terms and the factors that affect them.

Many Happy Returns: Remittances and Their Impact

(<http://www.immigrationpolicy.org/special-reports/many-happy-returns-remittances-and-their-impact>) From the Immigration Policy Center:

Millions of immigrants in the U.S. send billions of dollars in remittances to friends and family members in their home countries each year. While it is easy to assume that this represents a huge loss for the U.S. economy, the relationship between remittances and the U.S. economy is much more complex than meets the eye. It's true that remittances are an important source of income for immigrant-sending countries, but remittances are also a huge boost to U.S. exports and the U.S. economy. The following IPC Special Report reveals the economic benefits of remittances to both developing nations and the U.S. economy.

Remittances Ebb and Flow with the Immigration Tide Econ South, vol 10, no. 3 (2008) (<http://bit.ly/cwkztl>)

A brief article from the Federal Reserve of Atlanta shows how the level of remittances are tied to levels of immigration.

b. “Brain Drain” and “Brain Waste”

Not all immigrants who come to the U.S. for economic reasons are poor. Many come from what would be considered “middle-class” families in their home countries and have college degrees, sometimes higher. But they come because the economic opportunities in the U.S. are much greater than what they could find at home. Sometimes they are able to find work in the same field in which they were trained – many of nations top scientists are from other countries. Sometimes they are forced to take a job below their training – you might find a taxi cab driver who was once a lawyer – yet they still make more money in the U.S. than they would had they not immigrated. What effects does this migration of “brain talent” have on the migrant sending countries and receiving countries?

The immigration brain drain (<http://bit.ly/cDUZHf>), by Michael Elliott, CNN Money (June 14, 2010)

The editor of Time International calls to attention the negative impact that emigration of their brightest minds has on migrant sending countries

Brain Waste? Educated Immigrants in the US Labor Market

(<http://bit.ly/dbGQ4R>), by Aaditya Mattoo, Caglar Ozden and Cristina Neagu, *Journal of Development Economics*, vol.87, no.2, p.255-69, 2008. (31 page pdf)

Using U.S. census data, authors examine how widespread unskilled employment is among educated immigrants in the U.S. and whether incidences of underemployment vary country of origin. A 1pg pdf summary of their results can be found here: <http://bit.ly/cLv6MK>

How Extensive Is the Brain Drain? by William Carrington and Enrica Detragiache. (<http://www.imf.org/external/pubs/ft/fandd/1999/06/carringt.htm>), Finance and Development, a quarterly magazine of the IMF, vol 36, no.2 (June, 1999)

How extensive is the "brain drain," and which countries and regions are most strongly affected by it? This article estimates the extent of migration, by level of education, from developing countries to the United States and other OECD countries.

The economic consequences of "brain drain" of the best and brightest: microeconomic evidence from five countries (<http://bit.ly/cjpLfL>), by John Gibson and David McKenzie, a policy working paper for the International Migration and Development program of the World Bank

The paper presents the results of surveys that tracked academic high-achievers from five countries to wherever they moved in the world in order to directly

measure the channels through which high-skilled emigration affects the sending country.

How To Plug Europe's Brain Drain, by Jeff Chu. Time Europe (Jan 11, 2004) (<http://www.time.com/time/europe/html/040119/brain/story.html>)

Article demonstrates European concern about their “best and brightest scientific minds” leaving for the U.S.

Two Perspectives

American Brain Drain: Why We Need H1B Visa Immigration Reform

(<http://huff.to/iNpiZ>), by Gary Shapiro. Huffington Post (May 4, 2009)

The president & CEO of the Consumer Electronics Association argues that we need immigration reform to attract “the world’s brightest and most entrepreneurial workers.”

Brain drain: A bill that would give visas to high-tech foreign students will exploit the greatest minds of the third world for the sake of American industry

(<http://www.salon.com/news/feature/2000/01/10/brains/>), by Sarita Sarvate, Salon (Jan 10, 2000)

The author writes from the perspective of one of her nation’s “brightest,” educated at the expense of Indian taxpayers, who was attracted to work in the U.S.

Questions for Reflection:

1. According to the UN Convention, there is no such thing as an “economic refugee.” Do you agree or disagree? Why?
2. What rights do laborers have in this country regardless of legal status? How are those rights guaranteed?
3. In what ways might you benefit from cheap labor? Does that make you complicit?
4. Globalization and free-trade causes goods to move freely across borders. If goods (and thus jobs) can move freely across borders, is it moral to limit the movement of workers?
5. Some economists have argued that immigrant workers help the U.S. economy by taking manual labor jobs for less money than U.S.-born workers are willing to take. If true, what do you think of it?