

MIGRATION

Article 7.1

WALLED OFF FROM REALITY

Trump's claims about immigration economics are without merit.

BY JOHN MILLER

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Mexico's leaders have been taking advantage of the United States by using illegal immigration to export the crime and poverty in their own country. The costs for the United States have been extraordinary: U.S. taxpayers have been asked to pick up hundreds of billions in healthcare costs, housing costs, education costs, welfare costs, etc. ... The influx of foreign workers holds down salaries, keeps unemployment high, and makes it difficult for poor and working class Americans—including immigrants themselves and their children—to earn a middle class wage.

— “Immigration Reform That Will Make America Great Again,”
Donald Trump campaign website

Donald Trump's immigration plan has accomplished something many thought was impossible. He has gotten mainstream and progressive economists to agree about something: his claims about the economics of immigration have “no basis in social science research,” as economist Benjamin Powell of Texas Tech's Free Market Institute put it. That describes most every economic claim Trump's website makes about immigration: that it has destroyed the middle class, held down wages, and drained hundreds of billions from government coffers. Such claims are hardly unique to Trump, among presidential candidates. Even Bernie Sanders has said that immigration drives down wages (though he does not support repressive nativist policies like those proposed by Trump and other GOP candidates).

Beyond that, even attempting to implement Trump's nativist proposals, from building a permanent border wall to the mass deportation of undocumented

immigrants, would cost hundreds of billions of dollars directly, and forfeit the possibility of adding trillions of dollars to the U.S. and global economies by liberalizing current immigration policies. That's not counting the human suffering that Trump's proposals would inflict.

No Drag on the Economy

Even the most prominent economist among immigration critics, Harvard's George Borjas, recognizes that immigration has had a large positive effect on the U.S. economy. By his calculations, immigrant workers (documented and undocumented) add \$1.6 trillion to the U.S. economy each year, or 11% of Gross Domestic Product (GDP). The great bulk of that additional income (97.8% according to Borjas) goes to immigrant workers. But that still leaves what he calls an "immigrant surplus" of \$35 billion a year, which goes to non-immigrants, including workers, employers, and other users of services provided by immigrants.

Others have emphasized the disproportionate impact that immigrants have had on innovation in the U.S. economy. A study for the Kauffman Foundation found that, in 2006, foreign nationals residing in the United States were named as inventors or co-inventors in over 25% of all U.S. patent applications. Around the same time, another study found that immigrants were the founders of over half of all Silicon Valley startups and almost one-third of Boston startups.

Immigrants Didn't Do It

U.S. workers have undoubtedly fallen on hard times. The reasons are manifold: slow economic growth; pro-rich, anti-worker, anti-poor policies; the decline of unions; "free-trade" globalization; and so on. But immigration isn't one of those reasons, especially when it comes to "the middle class." Not only has immigration benefitted the U.S. economy, but economists find no evidence that immigration causes a widespread decrease in the wages of U.S.-born workers.

Estimates vary, but the best economic studies point to the same conclusion: over the long run, immigration has not caused the wages of the average U.S. born worker to fall. Immigration critic Borjas calculated that, from 1990 to 2010, immigrant labor pushed down the wages of (pre-existing) U.S. workers by 3.2% in the short run. But even he conceded that over the long run, wages of native-born and earlier immigrant workers recovered to their previous level. Other economists find immigration to have a positive long-run effect on wages. Gianmarco Ottaviano and Giovanni Peri found that, from 1990 to 2006, immigration reduced wages of native-born workers in the short run (one to two years) by 0.7%, while over the long run (ten years) immigration into the United States boosted wages 0.6%.

Neither Ottaviano and Peri's nor even Borjas's estimates of the wage effects of immigration are consistent with Trump's claim that immigration is destroying the

middle class. But what happens when we look at the wages of native-born workers by level of education? The Ottaviano-Peri study shows, in the long run, immigration is associated with an increase in wages across all education levels. Borjas's study reports that immigration has negative effects on the wages of native-born college graduates and especially on workers with less than a high-school education (those at the "bottom" of the labor market, mostly in low-wage jobs), even in the long run. But again concedes a positive effect for the 60% of U.S. workers with either a high school degree or some college (but no degree).

These results are probably a headscratcher for anyone who has taken introductory economics. After all doesn't increasing the supply of labor, through immigration, drive down its price (the going wage)? Well, no.

Immigrant workers do add to the supply of labor. But the economic effects of immigration do not stop there. Immigrants largely spend their wages within the U.S. economy. Businesses produce more—and hire more workers—to meet the increased demand. The cost savings from hiring cheaper immigrant labor also frees up businesses to expand production and hire more workers overall. Both those effects increase the demand for labor, offsetting the effects of added labor supply.

Economist David Card concludes that, taking into account these demand-side effects, "the overall impacts on native wages are small—far smaller than the effects of other factors like new technology, institutional changes, and recessionary macro conditions that have cumulatively led to several decades of slow wage growth for most U.S. workers."

Complements or Substitutes?

The effect of immigration on native-born workers with less than a high-school education remains a matter of dispute. Borjas insists that the costs of immigration are visited disproportionately upon those with the least education (and, to a lesser extent, those with the most education). He estimates, in a couple of different studies, that over the long run the wages of native-born high school dropouts fell 3-5% due to immigration.

But these estimates rely on the assumption that immigrant and native-born workers are substitutes for each other, and therefore compete for the same jobs. But, in fact, their skills differ in important ways. The first is their command of English. The Immigrant Policy Institute found that approximately one-half of the 41 million immigrants ages five and older speak English less than "very well." In addition, immigrant workers often have culture-specific skills—from cooking to opera singing to soccer playing, to cite examples given by Ottaviano and Peri—that differ from those of native-born workers.

When Ottaviano and Peri accounted for the imperfect substitutability between immigrants and natives, the negative effect of immigration on native high school dropouts disappeared, and their wages were shown to rise by 0.3% over the long run.

Giving More Than They Get

Nor is there a credible case that undocumented immigrants are draining the public coffers by consuming more public services than they pay for. Immigrants migrate to jobs, not to welfare, and are disproportionately of working age. They are not major beneficiaries of the most generous U.S. welfare-state programs—Social Security and Medicare, which serve the elderly, not the young or the poor. And undocumented immigrants are already ineligible for most government benefits. (Even documented immigrants are ineligible for many federal programs, at least for some years after their arrival.)

On top of that, immigrants, both documented and undocumented, do pay taxes. They pay sales taxes, payroll taxes, and often income taxes. And they pay far more in taxes than they receive in benefits. That puts Trump's outrage over \$4.2 billion in "free tax credits ... paid to illegal immigrants" in a different light. In 2009, the federal government did in fact pay \$4.2 billion in child tax credits to low-income tax filers using an Individual Taxpayer Identification Number (ITIN), the vast majority of them undocumented immigrants. But that same year, those ITIN filers paid an estimated \$12 billion into a Social Security system from which they are not eligible to collect any benefits.

Trillions Left on the Sidewalk

Before the 1882 Chinese Exclusion Act, the United States allowed completely free immigration into our country. Immigration from elsewhere remained unrestricted until the eve of World War I. And immigrants flooded into the country and contributed mightily to its economic development.

Liberalizing immigration policies, unlike Trump's proposed border wall or mass deportations, could once again benefit the U.S. economy. Economists Angel Aguiar and Terrie Walmsley found that deporting all undocumented Mexican immigrants from the United States would reduce U.S. GDP by about \$150 billion, while granting legal status to unskilled, undocumented Mexican workers (without additional effective border enforcement) would raise it by nearly that amount. And the potential gain for the global economy from liberalizing immigration policies is far greater. In fact so large that economist Michael Clemens likens liberalizing immigration to picking up "trillion-dollar bills on the sidewalk."

Such policies would also specifically improve conditions for workers, immigrant and native, in the United States. Immigrant workers, especially the estimated eleven million undocumented immigrants, tend to have less bargaining power than native-born workers. A policy granting undocumented immigrants legal status would make it easier for them to insist on their rights at work, and to organize and form unions. That's why the AFL-CIO and unions like UNITE HERE and SEIU now favor it.

For those who remain concerned about the effects of immigration on U.S. born low-wage workers, there are obvious policies that would improve the lot of

all low-wage workers: Boosting the minimum wage, making it easier for workers to organize unions, and making the welfare state more generous and inclusive, so people don't have to accept whatever lousy job they can find. These are the policies that are called for, not keeping immigrants out. □

Sources: George Borjas, "Immigration and the American Worker: A Review of the Academic Literature," Center for Immigration Studies, April 2013; Vivek Wadhwa, "Foreign-Born Entrepreneurs: An Underestimated American Resource," Kauffman Foundation, Nov. 24, 2008; Michael A. Clemens, "Economics and Emigration: Trillion-Dollars Bills on the Sidewalk?" *Journal of Economic Perspectives*, Summer 2011; Gianmarco Ottaviano and Giovanni Peri, "Rethinking the Effects of Immigration on Wages," National Bureau of Economic Research, August 2006; Gianmarco Ottaviano and Giovanni Peri, "Immigration and National Wages: Clarifying the Theory and Empirics," National Bureau of Economic Research, August 2008; Gianmarco Ottaviano and Giovanni Peri, "Rethinking the Effect of Immigration on Wages," *Journal of the European Economic Association*, February 2012; George Borjas and Lawrence Katz, "The Evolution of the Mexican-Born Workforce in the United States," in George Borjas, ed., *Mexican Immigration to the United States*, 2007; Benjamin Powell, "Why Trump's Wrong on Immigration," Independent Institute, Sept. 15, 2015; Angel Aguiar and Terrie Walmsley, "The Importance of Timing in the U.S. Response to Illegal Immigrants: A Recursive Dynamic Approach," Global Trade Analysis Project, Working Paper No. 75, 2013; David Card, "Comment: The Elusive Search For Negative Wage Impacts of Immigration," *Journal of the European and Economic Association*, February 2012; Glenn Kessler, "Trump's Immigration plan include many claims that lack context," *Washington Post*, Aug. 20, 2015; Linda Qiu, "Trump's says illegal immigrants get \$4.2B in tax credits but doesn't count their taxes paid," PolitiFact, Aug. 18, 2015; Michael Greenstone and Adam Looney, "What Immigration Means for U.S. Employment and Wages," Brookings on Job Numbers, May 4, 2012; Jie Zong and Jeanne Batalova, "Frequently Requested Statistics on Immigrants and Immigration in the United States," Migration Policy Institute, Feb. 26, 2015.

*Article 7.2***“MIGRATION IS A FORM OF FIGHTING BACK”***Looking at the Root Causes of Migration***BY DAVID BACON***September/October 2018*

For eight years at the West County Detention Center in Richmond, Calif., monthly vigils were organized by faith communities and immigrant rights organizations to support those inside. These protests, and the testimony of detainees’ families, were so powerful that the county sheriff in July announced he was canceling the contract he signed long ago with the federal government to house the prisoners.

While that was a victory, it did not lead to freedom for most of them, however, who were transferred to other detention centers. Instead, it has forced us to examine deeper questions. In those vigils we heard the living experiences of people who have had no alternative to leaving their homes and countries to escape violence, war, and poverty, who now find themselves imprisoned in the detention center. We have to ask, who is responsible? Where did the violence and poverty come from that forced people to leave home, to cross the border with Mexico, and then to be picked up and incarcerated here?

Whatever the immediate circumstances, there is one main cause for the misery that has led migrants to the United States: the actions of the government of this country, and the wealthy elites that the government has defended.

Taking Responsibility

I went to Guatemala several times over the last two decades with my friend Sergio Sosa. Sergio was brought up in the church. As a young man he was on his way to becoming a priest. Then he became a combatiente (a participant in the social struggle and war in Guatemala from the late ’70s to the early ’90s), but he remained a friend of Bishop Bobadilla in Huehuetenango, a disciple of Archbishop Romero in El Salvador (who was assassinated at the beginning of El Salvador’s insurrection and war of the same period). One evening Bobadilla, Sergio, and I spent a long time talking with about the civil war of the 1980s, and the fact that the massacres of tens of thousands of indigenous inhabitants of the mountains above Huehuetenango were carried out with guns that came from the United States, by soldiers whose officers had gone to the School of the Americas in Georgia.

Yet in all the talk I felt no anger from the bishop toward me as someone from the United States. “Why not?” I asked. “Because we know you have as little control over your government as we do over ours, probably less,” Bishop Bobadilla answered. “But you’re interested in us. You want to hear about what happened, you know it was wrong, and you want to take some responsibility for it.”

Today when I read about the women and children from Guatemala in detention, when we hear their voices and see their photographs, I think about what Bobadilla said. It sounds so unbelievably hopeful—this idea that as people here in this country we want to take responsibility, and recognize the history of all that’s happened between us and the people of Central America.

How did these children come to be here? And what does taking responsibility mean? It’s not enough to believe that all children should be valued and cared for with the greatest tenderness and love. We need to know why they’re here, in such an obviously dangerous and painful situation, enduring separation from their families and the adults in their lives.

You don’t hear much discussion of responsibility or acknowledgement of history in the discourse of our national leaders. And it’s not just the racist slurs of Trump.

To Sergio, migration is not just a journey from one point to another. Migration is a form of resistance to empire. “People from Europe and the U.S. crossed borders to come to us, and took over our land and economy,” he points out. “Now it’s our turn to cross borders. Migration is a form of fighting back.”

U.S.-Sponsored Wars

Migration from Central America has been happening for very long time, but modern migration began with the wars. Refugees fled El Salvador and Guatemala because of massacres. Sergio says, “Our army was trained at the School of the Americas, and they would come back afterwards and kill our own people. The United States used its power, and we buried the dead.”

This means we have had separated families for at least 35 years. When families settled in U.S. cities, many lived in the MacArthur Park neighborhood in downtown Los Angeles. In the 1990s this neighborhood was the focus of the Ramparts scandal, which exposed massive corruption in the Community Resources Against Street Hoodlums (or C*R*A*S*H) anti-gang unit of the Los Angeles Police Department.

In the name of combating gang activity among young immigrants from Central America, cops dished out unprovoked shootings and beatings, planted false evidence, framed suspects, stole and dealt narcotics themselves, robbed banks, lied in court, and covered up evidence of their crimes. It was one of the most extensive cases of police misconduct in U.S. history. The young people they targeted were imprisoned and then deported. The names of their gangs in Central America refer to Los Angeles streets.

Some 129,726 people convicted of crimes were deported to Central America from 2000 to 2010. With the deportations, the two most prominent Los Angeles gangs—the Mara Salvatrucha 13 and the Barrio 18—quickly became the two largest transnational gangs. In El Salvador, Guatemala, and Honduras, U.S. law enforcement assistance pressured local police to adopt a *mano dura* or hardline approach to gang members. Many young people deported from the United States were incarcerated almost as soon as they arrived. Prisons became schools for gang recruitment.

U.S. funding for law enforcement and the military still flows, two decades after the wars ended, through the Central America Regional Security Initiative. Marine Corps General John Kelly, when he was commander of the U.S. Southern Command, said that migration was a national security threat, calling it a “crime-terror convergence.” Today he’s Trump’s chief of staff in the White House.

Imposing Economics

During and after the war, the United States imposed an economic model on Central American countries based on producing for export, in “export processing zones” where companies could operate without complying with normal taxes, environmental regulations, and labor standards. San Pedro Sula in Honduras, called a “murder capital” by the *New York Times*, is not just a city of gangs. It’s a factory town.

One of San Pedro Sula’s working women, Claudia Molina, described the conditions there: “Our work day is from 7:30 AM to 8:30 PM,” Molina told me, “sometimes until 10:30, from Monday to Friday. On Saturday we start at 7:30 AM. We get an hour for lunch, and work until 6:30 PM. We take a half hour again to eat, and then we work from 7 PM until midnight. We take another half hour rest, and then go until 6 on Sunday morning. Working like this I earned 270 lempiras per week [about \$30 at the time].” When Molina and her coworkers tried to organize a union, 600 women were fired.

Over 95% of the women in the Honduran plants are younger than 30, and half younger than 20. To keep women from getting pregnant and leaving the factory to have children, USAID funded contraceptive distribution posts staffed by nurses in EPZ factories, including Osh Kosh B’Gosh. You can make the clothes for U.S. babies, but don’t have any of your own.

And kids themselves are workers. Girls between 10 and 14 make up 16% of the women in the factories.

The U.S. government promoted policies providing low-cost labor to U.S. corporations, promoting economic development that tied the economies of Central American countries to U.S. corporate investment.

By the end of the 1990s, the number of Salvadorans in the United States had reached two million. And U.S. taxes didn’t just pay for war and maquiladoras; they funded an even larger strategy of encouraging foreign investment through privatizing state utilities, services, and assets, and of negotiating “free-trade” agreements with Mexico (the North American Free Trade Agreement—NAFTA) and with Central American countries (the Central American Free Trade Agreement—CAFTA).

Policy as Leverage

The United States used immigration as a lever to force governments to go along. In 2004 Deputy Secretary of State for Latin America Otto Reich threatened to cut remittances if people voted for the left-wing Farabundo Martí National Liberation

Front (FMLN) in El Salvador. After the FMLN lost, CAFTA was signed and implemented in 2005 by the government that Reich supported.

In Honduras, the congress had to ratify CAFTA in a secret meeting at midnight, when no opposition parties were present. Then, in 2009 a tiny wealthy elite overthrew Honduran President Manuel Zelaya because he raised the country's minimum wage, gave subsidies to small farmers, cut interest rates, and instituted free education.

Raising living standards would have given people a future at home. Nevertheless, after a weak protest, the Obama administration gave de facto approval to the coup regime that followed. If social and political change had taken place in Honduras, we would see far fewer Hondurans trying to come to the United States.

Many of the children and families coming from Central America to the United States today are therefore coming to reunite with their families, who were divided by war and earlier migration. They are responding to the threat of violence caused by criminalization and deportations. They are looking for economic survival in countries tied to the neoliberal economic model.

These are the real causes. There is no lax enforcement, and the claim that kids are coming because they think they'll be allowed to stay is a myth. Around 400,000 people are still deported every year, and 350,000 people spend some time in an immigrant detention center. The Border Patrol has 20,000 agents, and the United States spends more on immigration enforcement than the FBI and DEA budgets combined.

The migration of Central Americans, including children, has been used by Tea Party and Border Patrol to push to expand that budget, to build more private detention centers, to increase funding for CARS and the military, and to kill the DACA program (Deferred Action for Childhood Arrivals, the Obama-era order that allowed young people brought to the United States without documents as children to stay). The hysteria played a big part in electing President Trump, with chants at his rallies of "Build the Wall!"

But children will keep coming so long as we don't take responsibility for dealing with causes of migration. Knowing where the violence and poverty are coming from, and who benefits from this system, is one step toward ending it. But we also have to know what we want in its place. What is our alternative to the detention centers, and the imprisonment of the people inside? To the hundreds of people who still die on the border every year?

What's the Alternative?

We have had alternative proposals for many years. One set of alternatives was called the Dignity Campaign. The American Friends Service Committee had another. They all had certain commonsense ideas in common:

- An end to mass detention and deportations, and the closing of the detention centers.

- An end to the militarization of the border.
- An end to the idea that working without papers should be a crime.

These proposals also tried to deal with the root causes by calling for:

- An end to the trade agreements and economic reforms that force people into poverty and make migration the only means to survive.
- An end to military intervention, to military aid to right-wing governments, and to U.S. support for the repression of the movements fighting for change.

The migration of Central Americans has benefited our labor and social justice movements. One big example was Justice for Janitors in Los Angeles, where Central American janitors defied the police and were beaten up in Century City, but finally won a contract.

It is a powerful combination—workers on the bottom with not much to lose in minimum wage jobs, and politically sophisticated organizers hardened in a war zone.

That should inspire progressive movements in the United States to look at immigration in a different way. Simply being an immigrant may not bend a person politically to the left. But many immigrants bring organizing skills and working-class political consciousness with them, depending on where they come from, and their previous experiences.

The Right to Stay Home

Mixtec professor Gaspar Rivera Salgado says, “The right to stay home, to not migrate, has to mean more than the right to be poor, or the right to go hungry. Choosing whether to stay home or leave only has meaning if each choice can provide a meaningful future, in which we are all respected as human beings.”

That right can’t be achieved in Central America alone. The policies pursued by our government, whether through war and military aid, or through trade agreements and pressure to keep wages low, all produce migration. When we look at the families in detention centers today, we have the responsibility to give them a world in which the choice to leave Guatemala or El Salvador or Honduras is truly voluntary—where they have a future with dignity if they choose to stay. The ability to stay home is as important as the ability and right to migrate.

If you think this is just a dream, remember that a decade after Emmett Till was lynched in Mississippi, the U.S. Congress passed the Civil Rights Act. That same year, 1965, Congress put the family preference immigration system into law, the only pro-immigrant legislation we’ve had for a hundred years.

That was no gift. A civil rights movement made Congress pass that law. When that law was passed we had no private immigrant detention centers. There were no

walls on our border with Mexico, and no one died crossing it, like the hundreds who now perish in the desert every year. There is nothing permanent or unchangeable about these institutions of oppression. We have changed our world before, and our movements here can do that again. □