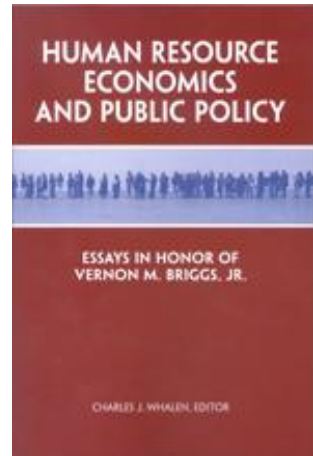




Upjohn Institute Press

Immigration Policy and Economic Development

James T. Peach
New Mexico State University



Chapter 7 (pp. 111-128) in:

**Human Resource Economics and Public Policy: Essays in Honor of
Vernon M. Briggs, Jr.**

Charles J. Whalen, ed.

Kalamazoo, MI: W.E. Upjohn Institute for Employment Research, 2010

DOI: 10.17848/9781441635983.ch7

Copyright ©2010. W.E. Upjohn Institute for Employment Research. All rights reserved.

7

Immigration Policy and Economic Development

James T. Peach

New Mexico State University

For more than three decades, Vernon M. Briggs Jr. argued that U.S. immigration policy should be determined largely on the basis of the nation's rapidly changing labor-market trends. In Briggs's view, U.S. immigration policy and the needs of the labor market have been mismatched. He has been particularly concerned about a new (fourth) wave of migration with detrimental effects disproportionately felt by unskilled workers and minorities, especially blacks and Hispanics. What is needed, Briggs argues, is an immigration policy that reduces the massive flow of international migration to the United States and matches the characteristics of immigrants with genuine labor force needs.

Briggs's policy conclusions are based on a careful, detailed analysis of immigration law and the often-unintended consequences of changes in immigration law. His analysis is logical, subtle, and compelling. Yet Congress has failed to pass immigration legislation consistent with changing labor-market conditions and needs.

The latest attempt to pass a major immigration reform law in 2007 contained some elements consistent with Briggs's proposals, but it had almost no chance of being passed by a deeply divided Congress. Not surprisingly, there were no major immigration law changes in the 2008 presidential election year, nor did immigration policy play a major role during the presidential campaign. Immigration was simply too controversial for either major party to bring into play. Given the global economic and financial crisis that became more serious in late 2008 and continued into 2009, immigration is not likely to be a high priority on the policy agenda of Congress or the Obama administration. In brief, major U.S. immigration reform may not occur for many years.

The immigration problem is not intractable. The main theme of this chapter is that policies designed to accelerate the process of economic development in migrant-sending nations should be the key element of an overall immigration policy. Certainly, the convoluted, illogical, contradictory, and generally unenforced mess that is now immigration law in the United States is badly in need of reform, and Briggs's suggested labor-market-oriented changes to immigration policy could form a solid foundation for such reform. Changes in the law, however, cannot directly affect the root causes of migration. In contrast, rapid economic development in the sending nations *can* affect the flow of migration.

The development of this thesis is not a critique of Briggs's analysis and does not contradict his major research and policy conclusions. Most of the key ingredients of the argument presented here can be found in Briggs's own works. While his work has focused mainly on the inconsistency between U.S. labor-market needs and immigration policy, he has consistently mentioned the need for economic development and economic-development assistance, particularly to Mexico, as one element in a comprehensive strategy. The proposal developed here represents only a change in emphasis. In brief, U.S. immigration reform will not reduce the flow of international migration to the United States unless major sending regions are more successful in their economic-development efforts.

Two related labor-market issues also need to be addressed briefly. First, whether or not immigration flows are increasing, the United States must address the educational and workforce training needs of its residents in a fashion consistent with rapidly changing economic trends and labor-market conditions. Although the previous sentence is not a direct quote from Briggs's published works, it will surely sound familiar to those who have read them.

Almost every release of data on U.S. educational attainment paints a deteriorating picture, and the No Child Left Behind Act has failed to reverse these trends. Institutions of higher education are struggling with tight budgets and increasing costs, and state and local governments are unlikely to provide the needed resources.

The educational and workforce training problem is national in scope and needs to be addressed at the federal level. The need to do so is obvious. In February 2009, the unemployment rate among those

with less than a high-school education was 15.1 percent, whereas the comparable rate for those with a bachelor's degree or higher was 4.2 percent (U.S. Bureau of Labor Statistics 2009). Income levels by education show similar disparities. What the nation does with immigration policy will matter little over the next several decades unless there is a huge effort to provide education and training for all U.S. residents consistent with success in an increasingly high-technology and internationalized economy.

Second, there is no excuse for failing to address the U.S. unemployment problem. The opportunity cost of employing the unemployed is zero.¹ The unemployed are, from an economic perspective, wasted resources who do not add to the nation's output. Little imagination is required to devise policies to eliminate unemployment, and there is more than enough useful work that needs to be done.

It is obvious that macroeconomic stability and relatively strong long-term economic growth during the quarter century from 1982 to 2007 have not been sufficient to ensure employment for all of those who want to work. The current economic crisis brings added urgency to the unemployment problem. In February 2009, the U.S. unemployment rate reached 8.1 percent, and many analysts expect continued labor-market deterioration (U.S. Bureau of Labor Statistics 2009).

In early 2009, 12.5 million people in the United States were unemployed, an additional 5.6 million wanted a job but quit looking for work, and 4.0 million others worked part time but would have preferred to work full time (U.S. Bureau of Labor Statistics 2009). In 2008, the average U.S. worker added about \$100,000 to the nation's gross domestic product (GDP) (author calculations based on U.S. Bureau of Economic Analysis 2009). The lost output from 12.5 million unemployed persons is more than a trillion dollars.

Although there are indications that immigration to the United States, particularly from Mexico, has declined during the current economic downturn, it remains a rather odd policy to allow in-migration when there are millions of current U.S. residents without a job. Even stranger is that the nation tolerates domestic unemployment on a large scale even though there are policy options available to eliminate all or nearly all of it.

There are several powerful arguments for placing economic development, education, workforce training, and unemployment higher on the policy priority list than immigration reform. First, as indicated above, the U.S. political process is not likely to soon produce immigration reform or allocate immigration enforcement resources along the lines suggested by Briggs. Second, the politics of immigration reform will be easier to address once U.S. unemployment is reduced to zero (or almost zero), the educational and training needs of the current and future labor force are adequately addressed, and migrant-sending nations are progressing rapidly. Third, economic development issues, unemployment, and education issues need to be addressed whether or not the nation grapples with the immigration issue. Fourth, the immigration issue is far more complex and contentious than the other three issues. Unfortunately, there is little reason for optimism that the nation will seriously address any of these issues, including immigration reform.

AUTHOR BIASES

Gunnar Myrdal, a Nobel Laureate in economics, argued forcefully that there is no such thing as a value-free social science (Myrdal 1968). Myrdal argued the best we can do is be as aware of our value judgments and biases as possible and state them explicitly. Not doing so leads to a false sense of scientific objectivity.

With that in mind, I first confess that I took three classes in labor economics from Briggs when I was an undergraduate majoring in mathematics at the University of Texas at Austin in the 1960s. I have respected him and his work very highly for more than four decades. I am honored to have the opportunity to contribute a chapter to this volume. I am equally honored that after more than four decades he remains a valued friend and colleague.

Second, I have always shared Briggs's concern over the plight of the poor. His concern for the underprivileged is genuine, and whether he is addressing immigration or other structural imbalances in the economy, that value judgment or bias is apparent.

Third, in 1974 (or possibly early 1975), I was extraordinarily privileged to listen to a great debate on immigration policy between Briggs and his University of Texas colleague Wendell C. Gordon at the supper seminar series sponsored by the university's Department of Economics. The supper seminar series was always a well-attended and intellectually stimulating event. The Briggs–Gordon debate on immigration was the best of them all. Briggs presented the case for a more restrictive border policy, while Gordon presented the case for a more open border. Both participants' remarks were later published in the *Social Science Journal* (Briggs 1975; Gordon 1975). Better short statements of the two opposing sides of the immigration debate are hard to find, and I still have my students read those articles. Today, I have the same mixed feelings about the immigration issue that I had more than 30 years ago during this great debate. As Briggs has maintained, the labor-market consequences of relatively unconstrained immigration are felt disproportionately by the unskilled and poor. At the same time, borders and nationalism broadly defined are impediments to the process of economic development. Sorting out the issues about the costs and benefits of migration empirically is an almost impossible task.

Finally, both Briggs and I are long-standing members and past-presidents of the Association for Evolutionary Economics. We share a common intellectual heritage dating back to the works of Thorstein Veblen, John R. Commons, and Clarence E. Ayres. The institutional or evolutionary tradition places great emphasis on technological and institutional change as major determinants of the way economies evolve. Among institutional economists, there is no automatic assumption that markets will cure all economic problems. Yet institutionalists, like mainstream economists, have expressed very different and sometimes conflicting views on immigration. Veblen regarded borders and restrictions on immigration as significant obstacles to the efficient functioning of the industrial system. Commons thought that restrictions on immigration were needed. A brief attempt to examine and reconcile these views is presented in Peach (2007).

CONTRASTING BRIGGS'S PERSPECTIVE WITH SOME FALSE ISSUES

Briggs's view toward immigration is that the size of the migration flow to the United States and the characteristics of those who migrate here should complement, rather than disrupt, the functioning of the U.S. labor market. Briggs argues that U.S. immigration issues could, for the most part, be ignored during the 1950s and early 1960s when migration flows were relatively small. Conversely, he argues that the increased migration flows that occurred during the last quarter century can no longer be ignored (Briggs 1984, 1992, 2003).

Briggs's perspective does not imply some numerically precise optimal level of immigration in a dynamic, modern economy. There simply can be no such optimal or desirable migration rate. As a practical matter, Briggs argues that the appropriate number of migrants in any given year should be determined administratively on the basis of labor-market conditions (fewer migrants should be admitted when unemployment rates are high, for example).

A zero migration or zero net-migration policy, promoted by some politicians and commentators, is not the position advocated by Briggs. Zero migration and zero net-migration are very different concepts, but both are absurd notions in an increasingly internationalized or global economic system. Zero migration presumably means no migration—either into or out of a nation. Zero net-migration means that the number of immigrants would exactly equal the number of emigrants, a highly unlikely occurrence. Neither policy could be demographically neutral in the sense of not affecting population size (Bouvier et al. 1995). Zero net-migration is not likely to be demographically neutral because the age and fertility patterns of immigrants and emigrants are likely to be different. Zero migration cannot be demographically neutral because prohibiting all migration would also change a society's fertility and mortality rates.

There are other reasons to reject any notion of zero U.S. migration. For example, such a policy would be virtually impossible to enforce in a democratic society. Further, the aging of the U.S. population and fertility rates near or perhaps even below replacement levels are hard to

ignore. Without some level of net in-migration, the prospect of a shrinking U.S. labor force is very real. The United Nations reports that more than 40 percent of the world's population already lives in nations with a fertility rate that is below replacement level and that this figure is likely to increase in coming decades (United Nations 2006).

Economists and policymakers have not yet determined how to deal with issues of economic growth or the provision of goods and services in an economy with a declining labor force. In a very meaningful sense, some migration will be essential to keep the U.S. economy growing and to maintain or increase per-capita income over the next decades. Moreover, the Social Security issue complicates the immigration issue considerably. With an aging population and population growth due to natural increase slowing down, migration is particularly needed to fund future Social Security obligations. In short, zero migration simply won't work.

The U.S. immigration debate often focuses on numeric estimates of the stock or flow of (legal and illegal) immigrants. Are the numbers increasing or decreasing? Where are the migrants from? What are their characteristics? These are important and meaningful questions in a policy context. Yet there are no precise numeric answers to many of these questions, and this is particularly the case with regard to estimates of illegal migrants. Despite the best efforts of demographers and economists, estimates of the stock and flow of illegal migration to the United States are undoubtedly wrong and contribute little to a resolution of the immigration debate. Over the last decade or two, the U.S. Census Bureau has amply documented an increase in the number and proportion of the foreign-born U.S. population. The trends in the foreign-born population of the United States could not have occurred without significant in-migration. In a policy context, the Census estimates of the foreign-born population provide enough information to formulate immigration policy (for example, see Briggs 2003).

Congress and the President, however, address most policy issues without "adequate" data on the nature of the problem or the potential impact of proposed solutions. As Briggs (1984, p. 10) points out, "Obviously, reliable data are needed, but policy formulation and the selection of topics for social science inquiry cannot depend on the quality of available data." Fiscal and monetary policies designed to stimulate

the economy are adopted without adequate data indicating the magnitude of the problem. For example, no one really knows, or can possibly know, whether the current stimulus package (The American Recovery and Reinvestment Act of 2009) is too large or too small. Energy policy, Social Security policy, environmental policy, and countless other policies are also changed without adequate data.

Another false issue that clouds the immigration debate is ideology. Immigration is not a liberal–conservative or left–right issue. The immigration views of conservatives and liberals, Democrats and Republicans, and corporate executives and labor union leaders do not fall into neat and consistent categories. After all, immigration legislation is often the work of both liberals and conservatives and Republicans and Democrats. The Immigration Reform and Control Act of 1986 (IRCA) was commonly referred to as the Simpson–Rodino bill. Alan Simpson was a conservative Republican senator from Wyoming, whereas Peter Rodino was a more liberal Democratic U.S. representative from New Jersey.

The logic of market-oriented mainstream economics is that any barrier to the mobility of resources or trade in goods and services inhibits the efficient functioning of the economy. But not everyone who thinks that “markets work best” will also favor reducing restrictions on migration. Briggs has often discussed both the neoclassical economists’ lack of appropriate theoretical models of immigration and the false issue of ideology (see, for example, Briggs 1984, 1996, 2003). Immigration issues do indeed make for strange bedfellows.

THE CASE FOR ECONOMIC DEVELOPMENT AS IMMIGRATION POLICY

An effective, perhaps the most effective, form of immigration policy is to promote economic development in migrant-sending nations. An important corollary to this thesis is that immigration-law reform—no matter how well intentioned or well designed and regardless of the seriousness of efforts aimed at greater enforcement—will not substantially reduce the flow of in-migration to the United States. International

migration is, after all, an international issue and not one that can be adequately addressed by domestic policy alone.

Enforcement of U.S. immigration laws has been about as effective as the enforcement of prohibition in the 1920s and early 1930s and perhaps less effective than the so-called war on drugs. Enforcement is inherently difficult and there have been a number of major changes to U.S. immigration law in the last 20 or more years.² The IRCA legislation of 1986 is probably the most widely known of these changes because it 1) made hiring immigrants without proper documentation illegal and 2) provided for amnesty, under certain conditions, for those who were already in the country illegally. IRCA, for the first time, made employers potential targets of enforcement operations. Enforcement of the employment provisions of IRCA has been lax and has apparently had little effect on the flow of undocumented immigrants to the United States (for example, Abraham and Hamilton 2006).

After the events of September 11, 2001, immigration and customs enforcement were consolidated in a single agency, Immigration, Customs and Enforcement (ICE), within the Department of Homeland Security, and enforcement budgets were substantially increased. Between fiscal year 2005 and fiscal year 2009, the ICE budget increased from \$3.6 billion to \$5.9 billion, an increase of 63 percent in a four-year period (U.S. Immigration and Customs Enforcement 2009). “Operation Jump Start” even brought National Guard troops to the U.S.–Mexico border in 2006 to assist in the enforcement effort, although those troops were reassigned in 2008.³

In addition to revisions in immigration law and increased resources for enforcement, there has been considerable controversy over the construction of a fence along the U.S.–Mexico border. Cost estimates of a border fence along the entire border vary considerably—from \$47 billion to \$59 billion, not including maintenance, surveillance, or enforcement costs. Environmentalists, border residents, and border governors have been less than enthusiastic about the construction of the border fence. Governor Rick Perry (a Republican) of Texas and Governor Janet Napolitano (a Democrat, appointed as Secretary of the Department of Homeland Security in early 2009) of Arizona both oppose the fence for a number of reasons, each using a similar phrase to

describe its likely effectiveness: “Show me a 20 foot fence and I will show you a 21 foot ladder.”⁴

By most accounts (for example, Camarota 2007), migration flows to the United States were at record levels in the early 2000s despite changes in immigration law, greater expenditures on enforcement, and the construction of fences. If reducing the flow of in-migration to the United States is a desirable goal, it is reasonable to ask whether there is a more cost-effective mechanism for getting the job done.

Investing in the economic development of migrant-sending nations, particularly Mexico, could be a more effective use of scarce resources and provide other benefits as well. This economic-development suggestion is not an argument against meaningful revision of the convoluted and largely unenforced U.S. immigration laws. Indeed, if implemented, the economic-development policy as immigration policy idea could pave the way for successful implementation of immigration law based on U.S. labor-market needs as suggested by Briggs.

The argument presented here is in the context of migration from Mexico to the United States—the issue that initially engaged Briggs’s interest and subsequent work on immigration policy (Briggs 1975).⁵ Briggs, himself, did not ignore economic development as part of an overall strategy to reduce migration flows. In the 1970s, Briggs (1975, p. 483) stated: “With respect to the special problems associated with illegal entry from neighboring Mexico, the United States should make overtures to Mexico concerning how efforts could be made to develop the economy of Mexico’s northern states.” He also argued that the United States “should carefully reassess its trade and tariff policies as they pertain to Mexico” (Briggs 1975, p. 483).

Briggs continues to maintain that economic-development assistance to sending nations should be part of the overall policy mix: “More attention should also be given by national policies to addressing the push factors in the major source countries. More economic assistance should be made available and tailored to the particular factors in any country that cause so many of its citizens to leave their homeland” (Briggs 2003, p. 280).

If there is a difference between Briggs’s views on the role of economic development as migration policy and my own, it is a matter of emphasis. Briggs places reform of immigration law and increased en-

forcement as the highest priorities, while the suggestion here is that mutually agreed upon development assistance would be more effective in reducing migration flows than immigration reform or enforcement.

What do we know about Mexican immigrants to the United States? Most of those born in Mexico and residing in the United States are not U.S. citizens (78.5 percent). More than a quarter (27.0 percent or roughly 3.1 million) of these foreign-born noncitizens entered the United States between 2000 and 2006, even though migration from Mexico to the United States may have slowed down for a year or two after the terrorist attacks of September 2001 (U.S. Census Bureau 2007).⁶

Why do these immigrants come to the United States? Migration (domestic and international) occurs for many reasons. Migrants are motivated to relocate for personal reasons such as family reunification, to seek political asylum (to flee real or imagined political persecution), and to satisfy inherent restlessness. Despite this wide range of reasons, economic motives for migration are amply supported by economic theory (Massey et al. 1994; Todaro 1969) and numerous empirical studies (see, for example, Greenwood and McDowell 1991; Passel 1990; Stark and Taylor 1989). In the case of Mexico and the United States, there is strong evidence that large U.S.–Mexico income disparities contribute significantly to U.S. migration from Mexico (see, for example, Díez-Cañedo Ruiz 1984; Passel 2006). That is why policies designed to reduce those income differentials could go a long way toward reducing migration flows between the two nations.

Economic growth theory generally suggests that income differences among nations and regions should disappear over the long run. To the extent that migration is motivated by economic concerns, income convergence should reduce migration to the United States in the long run. But, given the historical record and current policies, it will be a very long time before U.S.–Mexico income convergence occurs. According to World Bank data, U.S. GDP per person (\$43,984) was 5.5 times that of Mexico (\$8,051; World Bank 2008).⁷ If Mexico's GDP per person were to grow at 2 percent per year and U.S. GDP per person did not grow at all, income convergence between the two nations (as measured by GDP per person) would not occur until about 2091. We can be reasonably confident that this is too long to have an effect on early twenty-first-century immigration flows or policy.

The 2 percent per year growth rate used in this example is not entirely arbitrary. GDP per person in the United States has grown at about 2 percent per year for more than a century. If U.S. GDP per person continues to grow, then either a much higher growth rate in Mexico or a much longer time (perhaps centuries) will be required to achieve income convergence between the two nations.

The preferred solution, of course, is faster growth in Mexico and not slower U.S. growth. Rapid economic growth in Mexico is possible. The historical record suggests that the Mexican economy grew at very high rates from the 1940s to the early 1980s, a period commonly referred to as *el milagro* (the miracle). The rapid growth of the Mexican economy during the miracle years was associated with rapid urbanization and even more rapid industrial growth.

Neither market forces nor current policies will reduce U.S.–Mexico income differentials enough to affect the contemporary debate over U.S. immigration policy. The most optimistic projections of the effects of the North American Free Trade Agreement (NAFTA) on economic growth in Mexico and the United States do not suggest that bi-national income convergence is just around the corner. A 2003 Congressional Budget Office Study (2003, p. xiv) concluded that “NAFTA has increased U.S. GDP but by a very small amount—probably no more than a few billion dollars” and that the effects on Mexico were likely to be roughly the same size.

If economic growth in Mexico is important to the United States, it is difficult to tell. Other than trade policy and mild praise from U.S. officials for Mexico’s attempts to restrain the growth of its money supply and balance its federal budget, the United States has done little to promote economic growth in Mexico. Worse, it is difficult to claim that praise, restraining money supply growth, or balancing budgets contributes much to growth at all. An argument can be made that the United States has no right to interfere in the internal affairs of its neighbor to the south, despite a long record of doing so, but interference is not what I am suggesting.

A rapidly growing U.S. economy, operating at or near full capacity, is critical to Mexico’s economic growth. Thus, investment in education and worker training and an attack on the U.S. unemployment problem are essential to the long-term growth of the *Mexican* economy. The two

economies are interdependent and have been for some time (Musgrave 1985). Interaction between the two countries is obvious in trade relations, investment patterns, labor-market activities, business cycles, and in the environmental arena. U.S.–Mexico interaction is asymmetric: policies and activities in the United States have much more of an effect in Mexico than the reverse.

Trade is a particularly important part of any economic growth scenario in Mexico. Mexican exports constitute nearly a third of its GDP and now, as a century ago, nearly 90 percent of Mexico's exports are destined for U.S. markets. Trade relations between the U.S. and Mexico reinforce the notion that a growing U.S. economy is important for Mexico's economic development. In the current (2008–2009) U.S. economic downturn, Mexico's exports have plummeted. Between January 2008 and January 2009, Mexico's exports declined by 30 percent (INEGI 2009). In previous U.S. downturns, particularly in 1981–1982, Mexico's exports also decreased.

During the debate over NAFTA in the early 1990s, it was frequently argued that NAFTA would promote prosperity in Mexico and reduce Mexican migration to the United States. This was a false assertion, and there is little evidence that NAFTA has reduced U.S. immigration flows (Passel 2006; Scott, Sala, and Campbell 2006). In fact, in the year NAFTA took effect (1994), Mexico experienced its worst economic crisis since the Great Depression. The United States had little choice except to put together a \$50 billion financial rescue package for Mexico, the third U.S. attempt to bolster the Mexican economy since the early 1980s (Peach 1995). Mexico willingly accepted the severe restrictions on its own domestic fiscal and monetary policy that came along with the various rescue plans. It is not impossible to influence Mexico's policy stance and development strategies from north of the border, and the current economic crisis (2008–2009) may provide yet another opportunity to do so. The key question is whether this will be done in a constructive manner.

More meaningful economic-development policies toward Mexico are possible. A modern version of the Marshall Plan, involving large-scale investments by the three NAFTA partners, is another possibility. Such a plan could be easily designed with an emphasis on education, transportation, and energy infrastructure needed to make NAFTA work

more effectively. The need for coordinated education, energy, and transportation policies in the three nations has become apparent since NAFTA has been implemented, and such investments could stimulate economic growth in all three nations without threatening national sovereignty.

Another possibility is for the United States to provide several billion dollars in scholarships for Mexican students to study at U.S. universities, perhaps with the condition that they must return home after completion of their studies. This could benefit both U.S. institutions of higher education and the Mexican economy. In fact, both nations already profit from a sizeable Mexican program to subsidize the education of its residents in the United States.

Many other economic-development programs could be devised with just a little imagination and could be paid for with some or all of the billions of dollars the United States already spends on various immigration enforcement activities along its southern border. The need to devise such programs is reinforced by the current global economic crisis. There are many signs that the Mexican economy is again in serious trouble. For example, Mexico's real GDP decreased 8.2 percent between the first quarter of 2008 and the first quarter of 2009, and Mexico's exports decreased 35.6 percent between April 2008 and April 2009 (INEGI 2009). Another Mexican economic crisis would almost certainly increase the flow of migrants from Mexico to the United States, even if the U.S. economy is performing poorly. I suggest we adopt policies that will address both the immediate economic crisis, the long-term development needs of the United States and Mexico, and alter migration flows between the two nations. It is possible to do it all—reform immigration along the lines suggested by Briggs, improve enforcement, and promote economic development in Mexico. But, if we must choose between them, my choice is to emphasize economic development as the highest priority.

Notes

1. I believe that I learned “the opportunity cost of employing the unemployed is zero” from a course taught by Briggs, but memory is a frequently unreliable source.
2. No one does a better job of summarizing and explaining the evolution and subtleties of U.S. immigration law than Briggs (1984, 2003).
3. As this chapter is being written, the Obama administration is also considering deploying troops and law enforcement agents to the border to prevent Mexican drug-cartel violence from spreading into the United States.
4. Border fences produce other forms of controversy and even amusement. In 2007, the Golden State Fence Company, hired to build portions of the border fence near San Diego, entered a guilty plea to charges that it hired illegal immigrants (as many as 250 of its 750 workers) to work on the fence (Horsley 2007).
5. Partly because the United States and Mexico share a common border, migration from Mexico to the United States generally receives the most attention in the media, and this particular migration flow is often discussed in emotional terms. Of course, Mexico is not the sole source of U.S. immigration. The American Community Survey for 2006 (U.S. Census Bureau 2007) indicates that there were 37.5 million foreign-born persons in the United States and that just 11.5 million (30.7 percent) of those were born in Mexico.
6. The American Community Survey estimates of the foreign-born population and the number and percentage of the foreign born who were born in Mexico are very similar to estimates from the Current Population Survey (CPS). See Camarota (2007) for an extended discussion of the CPS data.
7. Using GDP per person may not be the best comparison. The differences in personal income per person in the two nations may be much larger because exports account for a much larger share of GDP in Mexico than in the United States.

References

- Abraham, Spencer, and Lee H. Hamilton. 2006. *Immigration and America's Future: A New Chapter; Report of the Independent Task Force on Immigration and America's Future*. Washington, DC: Migration Policy Institute. <http://www.migrationpolicy.org/pubs/2006.php> (accessed June 10, 2009).
- Bouvier, Leon, and Thomas J. Espenshade. 1989. “The Stable Population Model, Migration, and Complementarity.” *Population Research and Policy Review* 8(2): 165–179.
- Bouvier, Leon F., Dudley L. Poston Jr., and Nanbin Benjamin Zhai. 1995. “Zero Net Migration: What Does It Really Mean?” Washington, DC: Center for Immigration Studies. <http://www.cis.org/articles/1995/back1995.html> (accessed June 11, 2009).

- Briggs, Vernon M. Jr. 1975. "Illegal Aliens: The Need for a More Restrictive Border Policy." *Social Science Quarterly* 56(2): 477–484.
- . 1984. *Immigration Policy and the American Labor Force*. Baltimore: Johns Hopkins University Press.
- . 1992. *Mass Immigration and the National Interest*. Armonk, NY: M.E. Sharpe.
- . 1996. "Immigration Policy and the U.S. Economy." *Journal of Economic Issues* 30(2): 371–390.
- . 2003. *Mass Immigration and the National Interest: Policy Directions for the New Century*. 3d ed. Armonk, NY: M.E. Sharpe.
- Camarota, Steven A. 2007. "Immigrants in the United States, 2007: A Profile of America's Foreign-Born Population." *Backgrounder* (November): 1–43. Washington, DC: Center for Immigration Studies. <http://www.cis.org/articles/2007/back1007.pdf> (accessed March 22, 2009).
- Congressional Budget Office. 2003. *The Effects of NAFTA on U.S.-Mexican Trade and GDP*. Washington, DC: Congressional Budget Office.
- Díez-Cañedo Ruiz, Juan. 1984. *La Migración Indocumentada de México a Los Estados Unidos: Un Nuevo Enfoque*. México, D.F.: Fondo de Cultura Económica.
- Gordon, Wendell C. 1975. "A Case for a Less Restrictive Border Policy." *Social Science Quarterly* 56(2): 485–491.
- Greenwood, Michael J., and John M. McDowell. 1991. "Differential Economic Opportunity, Transferability of Skills, and Immigration to the United States and Canada." *Review of Economics and Statistics* 73(4): 612–623.
- Horsley, Scott. 2007. "An Ironic Turn of Events for Golden State Fence." National Public Radio transcript, March 28. <http://www.npr.org/templates/story/story.php?storyId=9177041> (accessed March 22, 2009).
- INEGI (Instituto Nacional de Estadística y Geografía). 2009. Aguascalientes, Mexico. <http://www.inegi.org.mx> (accessed June 10, 2009).
- Massey, Douglas S., Joaquin Arango, Graeme Hugo, Ali Kouaouci, Adela Pellegrino, and J. Edward Taylor. 1994. "An Evaluation of International Migration Theory: The North American Case." *Population and Development Review* 20(4): 699–751.
- Musgrave, Peggy B. 1985. *Mexico and the United States: Studies in Economic Interaction*. Boulder, CO: Westview Press.
- Myrdal, Gunnar. 1968. *Asian Drama: An Inquiry into the Poverty of Nations*. Vol. 1. New York: Random House.
- Passel, Jeffrey S. 1990. "The Social and Economic Origins of Immigration." *Annals of the American Academy of Political and Social Science* 510(1): 60–72.
- . 2006. "The Size and Characteristics of the Unauthorized Migrant Pop-

- ulation in the U.S.: Estimates Based on the March 2005 Current Population Survey.” Pew Hispanic Center Research Report no. 61. <http://pewhispanic.org/files/reports/61.pdf> (accessed March 22, 2009).
- Peach, James T. 1995. “NAFTA and Mexico’s Current Economic Crisis: Short Run vs. Long Run Perspectives.” *The Social Science Journal* 34(4): 375–388.
- . 2007. “Institutionalist Perspectives on Immigration Policy.” *Journal of Economic Issues* 41(2): 369–374.
- Scott, Robert E., Carlos Sala, and Bruce Campbell. 2006. “Revisiting NAFTA: Still Not Working for North America’s Workers.” EPI Economic Briefing Paper no. 173. Washington, DC: Economic Policy Institute. <http://www.epi.org/publications/entry/bp173/> (accessed 10 June 2009).
- Stark, Oded, and Edward Taylor. 1989. “Relative Deprivation and International Migration.” *Demography* 26(1): 1–14.
- Todaro, Michael P. 1969. “A Model of Labor Migration and Urban Unemployment in Less Developed Countries.” *American Economic Review* 59(1): 138–148.
- United Nations. 2006. *World Population Prospects: 2006*. Department of Economic and Social Affairs, Population Division. New York: United Nations.
- U.S. Bureau of Economic Analysis. 2009. “National Economic Accounts.” Washington, DC: U.S. Department of Commerce. <http://www.bea.gov/national/index.htm#gdp> (accessed June 10, 2009).
- U.S. Bureau of Labor Statistics. 2009. “Employment Situation: February 2009.” News release, March 6. Washington, DC: U.S. Department of Labor, Bureau of Labor Statistics. http://www.bls.gov/news.release/archives/empsit_03062009.pdf (accessed March 22, 2008).
- U.S. Census Bureau. 2007. *American Community Survey, 2006*. Washington, DC: U.S. Census Bureau. http://www.census.gov/acs/www/Products/users_guide/2006/index.htm (accessed June 26, 2009).
- U.S. Immigration and Customs Enforcement. 2009. *Immigration and Customs Enforcement Budget Fact Sheet*. Washington, DC: U.S. Department of Homeland Security. <http://www.ice.gov/pi/news/factsheets/index.htm> (accessed March 22, 2009).
- World Bank. 2008. *World Development Indicators*. Washington, DC: World Bank. <http://www.worldbank.org/data/wdi2008/index.html> (accessed March 22, 2009).

Human Resource Economics and Public Policy

**Essays in Honor of
Vernon M. Briggs Jr.**

Charles J. Whalen
Editor

2010

W.E. Upjohn Institute for Employment Research
Kalamazoo, Michigan

Library of Congress Cataloging-in-Publication Data

Human resource economics and public policy : essays in honor of Vernon M. Briggs Jr.
/ Charles Whalen, editor.

p. cm.

Includes bibliographical references and index.

ISBN-13: 978-0-88099-359-3 (pbk. : alk. paper)

ISBN-10: 0-88099-359-6 (pbk. : alk. paper)

ISBN-13: 978-0-88099-361-6 (hardcover : alk. paper)

ISBN-10: 0-88099-361-8 (hardcover : alk. paper)

1. Labor economics. 2. Manpower policy. I. Briggs, Vernon M. II. Whalen, Charles J.,
1960- HD4901.H83 2010

331—dc22

2009041858

The facts presented in this study and the observations and viewpoints expressed are the sole responsibility of the authors. They do not necessarily represent positions of the W.E. Upjohn Institute for Employment Research.

Cover design by Ace Creative, LLC.
Index prepared by Diane Worden.
Printed in the United States of America.
Printed on recycled paper.