

Case Study by Economy
Pacific America

United States

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Revised Paper

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INTRODUCTION

The United States admits the single largest *number* of foreign workers of any nation and is, though not the largest, among the largest nations of immigration even if gauged at the *rate* of such immigration. Roughly two-thirds of the global supply of college-educated migrants reside in the United States, even while it hosts a significant flow of temporary workers who are highly skilled. Asian migrants are the single largest source of these highly skilled workers.

This paper has as its mission the review of immigration trends to the United States, a review of immigration's economic impact, a description of U.S. admission policies and, particularly, the part played by Asian nations and bilateral agreements involved in skilled, temporary flows; and an additional discussion of efforts to control unauthorized workers. The first section demonstrates that the foreign-born working population has grown substantially since 1970 and, today, makes up about 15 percent of all workers. The educational composition on the population is bimodal and immigrants make up a substantial proportion of both the least and most-skilled workers.

The review of the literature on economic impacts is, per force, somewhat abbreviated. But it reveals that, despite strong assertions one way or the other, that the empirical literature is somewhat conflicted with varied findings as to whether impacts are small, large, positive, or adverse. A planned inclusion of the impacts of highly skilled migrants will demonstrate that, and again despite strong assertions one way or the other, there is little empirical regularity.

Next, a discussion of admission policy begins, as it should, with a delineation of the major classes of permanent admission. Employment-based visas are trumped by the much larger number of family-based admissions, creating the bimodal skill distribution noted in the statistical trends. The temporary admission system is then described with special attention to the widely-known specialty worker (H-1B) visa which has experienced intense lobbying for numerical increases. The history of that debate, and Congressional

increases in numerical caps, took place in a context of poor support for assertions of labor market shortages. Subsequently, the foreign student admission stream is discussed as this is increasingly seen as a core element of selective temporary-to-permanent admission policy.

Following these opening sections, there is a description of temporary migration from Asian nations. India dominates skilled, temporary programs and particularly the specialty worker (H-1B) and intracompany transferee (L) visa programs. Altogether, Asian nations supply a dominant proportion of all skilled, temporary workers. Recent PECC relevant trade agreements with Chili and Singapore have incorporated, and uniquely so, preferred temporary visa programs.

The paper ends with a section that describes the major policy efforts to manage its flow of foreign unauthorized workers. The North American Free Trade Agreement (NAFTA) with Canada and Mexico, both members of PECC, is one attempt to manage unskilled migration through economic development while also instituting a significant, skilled visa component. However, NAFTA has not been any more effective at stemming northward movement of unauthorized workers than policies to control border crossing or worksite employment.

IMMIGRATION MAGNITUDE AND TRENDS

The Immigration Act of 1965 opened access to the United States for immigrants from nations that had been virtually excluded since the 1920s and set in play significant growth of the foreign-born population. As the immigrant population grew, the share of immigrants in the workforce also increased. Admission policy tends to favor, as we shall see below, family reunification over employment migration. Partly as a consequence, the skill composition of immigration includes substantial numbers of both highly and less-skilled workers.

Working population. In 1970, the Census counted 4.3 million foreign-born workers aged 16 and over who made up just 5.3 percent of the total civilian labor force. Those numbers increased to 11.4 million by 1990, and 21.2 million in 2004, at which time they made up 14.5 percent of all civilian workers (see Figure 1). During the three decades from 1970 to 2000 the native labor force grew by 38 percent while the immigrant labor force grew 218 percent. Immigrant males led labor force growth throughout, with females remaining at about 40 percent of immigrant workers over this period. But while the number of immigrant workers has reached a historic high, their share of the workforce is roughly the same as it was at its peak earlier in the last century.

FIGURE 1 HERE

Because the 1965 Act opened up immigration from countries that now send most immigrants to the United States, there has been a significant shift from a foreign-born population dominated by Europeans in 1970, to a population dominated by Latin Americans and Asians in 2000. Whereas Europeans, Canadians, Australians, and New Zealanders made up 68 percent of all the foreign-born in 1970, by 2000 that share had dropped to just 19 percent. Meanwhile, Mexicans grew from just 8 percent of all the foreign-born to 30 percent in 2000, while the share of other Latin Americans doubled from 11 to 22 percent. Of equal significance is the increase of Asians from 9 percent of all immigrants to 26 percent during this short three-decade span.

There has also been an increase in the number of foreign-born workers who are unauthorized, particularly in the late 1990s when the number of new unauthorized migrants may have exceeded the number of legal admissions. Of course the presence of unauthorized workers in the US workforce is not new. In 1980, there were already an estimated 1.8 million unauthorized workers making up over one-quarter of the foreign-born workforce. In 2004, the best available estimate places the number of unauthorized workers at 6.3 million or 30 percent of all foreign-born workers. Using a different measure, the unauthorized population was about 2 percent of the total US labor force in 1980 and 4.3 percent in 2004. The Latin American share of the unauthorized workforce

may be a little more than 81 percent, the region's estimated share of the unauthorized population.

Educational Composition. Immigrants since 1970 have shown a bimodal educational distribution, being both more likely than natives to have a college education and more likely not to have finished high school. The most noteworthy trends are the increasing improvement in the education of immigrants over time, simultaneously with an even faster growth in natives' education – leading to a widening education gap. In 1970, 46 percent of native adults had not completed a high school education. The percentage of native adults without a high school education declined precipitously as older persons died and as a high school education became more universal. In addition, as more natives completed high school, increasing numbers went on to college.

During these decades of marked improvement in the education of natives, immigrants remained a substantial share of non-high school educated adults (see Figure 2). In 2000, about 31 percent of all immigrants were still not high school graduates. At the same time, recent immigrants in each decade have also been more likely than natives to have a college education. Hence, newly arriving immigrants have been better educated over time, but the substantial share without high school education differentiates them from the native population, which has seen more significant gains in secondary education over time. Among the foreign-born, it is primarily Mexican and certain other Latin American immigrants who have not completed a high school education.

FIGURES 2 & 3 HERE

At the same time, the U.S. admits substantial numbers of highly educated immigrants both in its permanent and temporary streams (see Figure 3). Asian and European immigrant adults are not only very likely to complete high school; they are also more likely than natives to have a college education. Latin American immigrants, on the other hand, also have quite low levels of college education. And while Asian and European immigrants demonstrated the same sharp increase in levels of education from 1970 to

2000 as natives, Latin American immigrants demonstrated some improvements in high school completion but relatively little improvement in college completion. In short, Latin American immigrants, who are the majority of all foreign-born, are relatively poorly educated, while Asians and Europeans are very well educated relative to today's natives.

THE ECONOMIC IMPACTS OF IMMIGRANTS

Research on the economic impacts of immigrants has primarily attempted to estimate how increases in the supply of immigrants affect native wages. A couple of studies attempt to assess how much immigrants add or subtract from the national economy. A small body of research assesses fiscal impacts. Unfortunately, no single study or set of studies precisely establishes the economic impacts of immigrants, although a general storyline is clear. Immigrants' greatest adverse impact is on low-skilled workers and other immigrants; and most effects are locally concentrated.

Labor Market Impacts. A large number of studies have attempted to estimate the impact of the percentage of immigrants in metropolitan areas on individual wages. The basic question is whether or not natives in cities with many immigrants earn less than natives in cities with relatively few immigrants. Most econometric studies that explore this question reveal only small, generally adverse, effects of all immigrants on the wages of U.S. residents (Card 2004; Friedberg and Hunt 1995). Typically, a 10 percent increase in the number of immigrants is associated with about a 1 percent decrease in native wages.

The initial reason given for small impacts was that immigrants are a small portion of the national labor force and that the method averages impacts across hundreds of metropolitan areas. A new methodological criticism argues that because workers can move between cities the impact of immigrants cannot be readily measured using metropolitan areas. Some research has suggested that when immigrants move into cities, natives move out. If that happens, then natives who lose out would not be captured in the cities where immigrants were increasingly prevalent. Hence, the measured impacts across cities are "arbitraged" by migration and are deceptively small (Borjas et al. 1996).

An alternative method gauges the impact of immigrants with aggregate national-level data by skill/educational level. Inequality has been increasing since the 1970s as the wages of high school dropouts has declined relative to more educated workers. One research effort has suggested that immigrants reduced the wages of dropouts by 5 percent or 13 billion per year (Borjas et al. 1997). At the same time, lowered wages have increased the returns to capital. The balance of lower wages and bettered returns to employers may have generated as much as a \$10 billion boost to the economy in the latter 1990s (Smith and Edmonston 1997). But that positive impact is also trivial in a \$10 trillion dollar economy.¹

However, the results of the aggregated analyzes are contested and the migration arbitrage critique of metropolitan areas is not fully convincing as studies of metropolitan migration do not find consistent patterns (Card 2004). More nuanced econometric approaches to resolving the arbitrage problem have also taken into account complicating factors like worker skill levels, industrial restructuring, city scale effects, capital mobility, etc., and tend not to find substantial impacts on natives (Card 2004). Yet, the metropolitan method does find substantial impacts when there are impacts to be found—the group “most clearly and severely disadvantaged by newly arrived immigrants is other recent immigrants.... the uniformity of research results in this area is striking” (Fix and Passel, 1994, p. 51)."

One of the more nuanced metropolitan analyzes included multiple channels of influence, as well as city-specific impacts (Davies et al. 1998). The research focused on Mexican immigrants and as usual found small national effects on natives, but found that a 20 percent increase of low-skilled Mexicans decreased the real wages of other Mexican immigrants—by 3 percent nationally; by 7 percent in California and 14 percent in Los Angeles; and by 5 percent in Texas and 19 percent in El Paso. At the same time, Mexicans were found to generate substantial returns to capital which is good for

¹ Another trade-based model takes a different tact and finds that immigrants generate a \$72 billion loss to the U.S. economy (Davis and Weinstein 2002). Whether positive or negative, however, such an estimate is well under 1 percent of the entire economy.

businessmen. Overall, the authors' concluded that Mexican immigrants create job displacement and downward pressure on wages and that these "effects impede the upward economic mobility of less-skilled migrants" (Davies et al. 1998, p. 1105).

Recent research makes various assumptions and comes to somewhat conflicting conclusions. One study finds no correlation between low skilled immigration and the wages of low skilled natives in American cities, an outcome believed due to the absorption of immigrants in a subset of industries where they do not compete with natives (Card 2004). Another empirical analysis finds that skill-specific traits of jobs are associated with what workers actually do and that immigrants work in jobs that generate better-paying complementary jobs for natives (offsetting but not eliminating an adverse wage impact; see Peri 2007a, 2007b). Yet, many economists question the "small" impacts from such city or state-level analyses because capital and native migration may "arbitrage" the impact of immigrants across labor markets. An analysis of impacts at the national level, within age and educational groups, finds that immigrants reduced the average annual earnings of high school dropouts by 7.4 percent between 1980 and 2000 (Borjas 2003). In short, there are some contradictory findings in the research literature with outcomes depending on assumptions, level of measurement, and modeling approaches.

Fiscal Impacts. The findings of research on labor market outcomes have parallels in research on the fiscal impacts of immigrant, especially in so far as national level effects and local areas effects can be quite different. Then too, the issue of immigrants' skills is critical in shaping fiscal outcomes. The most ambitious study to date differentiated between immigrants by level of education and estimated what their net impact would be over their lifetime (Smith and Edmonston 1997). It found that young immigrants tended to generate net fiscal benefits and that fiscal outcomes depend more on differences in earnings than on rates of participation in welfare programs. The net present fiscal cost of a high school dropout is minus -\$13,000, while the net present benefit of an immigrant with more than high school is a positive +\$198,000.

In terms of the total fiscal budget, the federal government takes in more taxes from immigrants than it pays out in program costs. But some states with many immigrants neither receive enough compensation from the federal government, nor are they able to collect enough in state taxes from low-income households to cover the costs of say providing education to the children of low-income immigrants. In California, immigrants are a net liability to taxpayers. In the 1997 study it was estimated that taxpayers paid \$1,178 more in taxes than they received in benefits linked to immigration (Smith and Edmonston 1997). Yet, states like New Jersey or cities like Chicago, with generally well-educated immigrants, have not been found to have a fiscal deficit. In the final analysis, most research agrees that it is low-skilled and primarily undocumented immigrants—only half of the latter are thought to pay taxes—who are a net fiscal drain and then primarily to particular states and local communities where they are concentrated (Camarota 2005).

ADMISSION POLICY FOR PERMANENT AND TEMPORARY CLASSES

Much of U.S. legal admissions policy was formulated in the 1960s, with some changes in 1990 to reflect new realities. The Immigration Act of 1990, in particular, expanded somewhat permanent employment-based admission numbers while easing entry requirements for temporary working visas.

Permanent Immigration. Permanent immigrants—“green card holders”—are persons who are entitled to live and work permanently in the U.S. and, after five years, to become naturalized U.S. citizens. The four principal bases or doors for admission are family reunification (either sponsored by green card holders or naturalized citizens), employment-based, diversity, and humanitarian interests. By far the largest admissions door is for relatives of U.S. residents. In 2006, the last year for which there is detailed statistics, 66 percent of the 1.266 million immigrants were granted entry because family members already resident in the U.S. formally petitioned the U.S. government to admit them. The second largest category of immigrants in 2006 (20 percent) included refugees, asylees and other humanitarian admissions. Immigrants and their family members admitted for economic or employment reasons represented 12.5 percent of admissions,

and about 3.5 percent came under the diversity visa category—immigrants from countries that have not recently sent large numbers of immigrants to the U.S.

Immigrants represent a significant part of the growth of the U.S. labor force each year. Most of America's legal migrants (ninety percent) are chosen because of family, humanitarian or other criteria that do not consider labor market factors. During the past twenty years, there have been persistent calls for shifting admission numbers from family categories, under which many immigrants with less than a high school education enter, to skills-based ones that attract more highly educated immigrants. In particular, reformists propose limiting immigration to nuclear family only. Proponents of extended family migration counter that admission of extended family serves not only humanitarian purposes but economic ones as well. Extended families often work or live together, strengthening the household economy of members who would otherwise live in poverty.

The employment-based or skilled immigration category is divided into five preferences, or groupings, each with its own admission ceiling. The highest priority goes to priority workers or persons of extraordinary ability, outstanding professors and researchers, and executives and managers of multinational corporations. The second group includes professionals with advanced degrees and workers of exceptional ability. The third group is composed of other professionals, skilled workers and a limited number of other workers, with the fourth permitting entry of religious workers and the fifth including entrepreneurs admitted for activities creating employment. Unused numbers in higher priority groups can be passed down to lower priorities. Although there is an overall ceiling of 140,000 employment-based visas, Congress passed legislation in 2005 that recaptured 50,000 visas that had not been used in previous years to augment the number of visas that would be available in 2005 and 2006.

Not surprisingly, the employment-based immigrants are better educated than any other class of immigrant: More than 70 percent of those listing an occupation (that is, principal applicants rather than accompanying family members) are in managerial or executive occupations and professions (over 80 percent together). In contrast, less than 30 percent

of family-sponsored immigrants are found in these highly skilled occupational categories. Diversity immigrants, for whom a high school degree is required, are at an intermediate level with about 52 percent finding work in these two occupational categories. Refugees for whom there are no economic screens are least likely to have had high skilled occupations (7 percent).

Most employment-based immigrants are sponsored by employers. There are some clear advantages to such a system. Not surprisingly, rates of employment among these immigrants are very high since they already have jobs and, generally, a supportive employer. It is also argued that employers are the best judges of the economic contributions an individual can make. A checklist, as used in a point system, may identify would-be migrants with educational or language skills, but arguably these individuals may not have other, more difficult to measure capabilities, such as an ability to work in teams, that employers find valuable. Because the U.S. system is employer/employee driven and a job offer is essential, 90 percent of those admitted to permanent residence in the employment-based categories are already in the U.S., “adjusting” from a temporary visa.²

Temporary Workers. Temporary work categories are increasingly important as the vehicle for admission of foreign workers, particularly professionals, executives and managers. Each year, hundreds of thousand visas are issued to temporary workers and their family members. In addition, an unknown number of foreign students are employed either in addition to their studies or immediately thereafter in practical training (see below for more on foreign students). The growth in the number of foreign professionals admitted for temporary stays reflects global economic trends. In fast changing industries, such as information technology, having access to a global labor market of skilled professionals is highly attractive. Also, as companies contract out work, or hire contingent labor to work on specific projects, the appeal of temporary visas, rather than permanent admissions, is clear. Some foreign firms, understanding that it may not be

² Other categories include large numbers of persons adjusting status in the United States, including 55 percent of immediate family of U.S. citizens.

possible to undertake an entire project offshore, obtain temporary work visas to the U.S. so their employees can complete the job at the U.S. client's facilities. The temporary programs also give employers and employees a chance to test each other before committing to permanent employment. Multinational corporations find the temporary categories useful in bringing their own foreign personnel to work or receive training in the U.S.

Over time, a large number of different temporary admission visa categories have emerged, each referred to by the letter of the alphabet under which it is described in the Immigration and Nationality Act. The visa categories now encompass almost the entire alphabet (A-V). The principal sections under which temporary workers enter are the E visa for traders and investors entering under bilateral treaties, H1-B for specialty workers, H-2A for agricultural workers, H2-B for other seasonal workers, L for intracompany transfers, and J for exchange scholars among others. Smaller numbers enter under the O visa (extraordinary ability in the sciences, arts, education, business, or athletics), P (artist or entertainer), Q (cultural exchange and training), and R (religious workers). In addition, there are visa categories for officials of foreign governments, foreign journalists, and officials of the United Nations and other intergovernmental organizations. Professionals, managers and executives may also enter under the North American Free Trade Agreement.

As with other immigration matters, there are trade-offs in using temporary admission categories. While they may help increase business productivity and even generate job growth, they also render even highly skilled foreign workers more vulnerable and may, thereby, decrease wages and undermine working conditions for U.S. workers. Generally, the foreign worker is tied to a specific employer who has requested the visa. Loss of employment may also mean the threat of deportation. Moreover, because the temporary visa is so often a testing period, the foreign professional may put up with any conditions imposed by the employer, fearing loss otherwise of the chance at permanent resident status.

In the Immigration Act of 1990 Congress imposed restrictions on the growing use of the H visa, intended to protect the domestic worker. Originally, the visa had no numerical limitations and few labor protections. In 1990 a numerical cap of 65,000 new H-1Bs per year was imposed. A numerical cap is intended to damp down escalating demand for foreign workers and encourage internal market adjustments that are in the best long-term competitive interests of the U.S. economy (e.g., increased training, better wages and working conditions, new technologies, or innovative production strategies).

Demand for the H-1B indeed continued to grow, largely reflecting demand for the visa by the rapidly expanding information technology (IT) sector. It reflects too, the growth in supply of foreign-born IT graduates from U.S. colleges, the changed nature and appeal of the visa, and procedural backlogs faced by those who would prefer admission via the permanent system that make the H-1B an easier alternative. In recent years employer demand for H-1Bs has been such that the numerical cap was exceeded before the year ran out.

In response, Congress raised the cap twice since 1998. Primarily as the result of lobbying by the information technology industry, the U.S. Congress passed the American Competitiveness and Work Force Improvement Act (ACWIA). That legislation, beginning in October of 1998, provided an increase in the number of available H-1B visas from 65,000 per year to 115,000 per year in 1999 and 2000, and 107,500 in 2001. The ACWIA was designed to sunset in three years unless the US Congress voted to extend it. However, Congress did not extend the cap and in the wake of the tragic events of 9/11 and, more concretely, the recession of 2001 and the “jobless recovery” that extended through 2003. The numerical limit returned to 65,000 for fiscal year 2002, but this cap was again affected by new legislation. However, the new legislation did not extend the progressive elements of ACWIA’s labor market protections.

As a trade-off to those who opposed increased numerical limits, ACWIA included new worker protections for so-called H-1B dependent firms, e.g., those most likely to unfairly exploit the specialty worker at the expense of U.S. workers. Dependent firms are defined

as those with a certain percentage (ca. 15 percent) of their workforce who are H-1Bs. ACWIA also had a requirement that H-1B workers receive the same fringe benefits as U.S. workers. The Act required an additional \$500 fee for petitions filed, since increased to \$1,000, and provided for new investigative procedures and new penalties for violations. The bulk of the fee went toward the training of displaced workers and scholarships for low-income students. Employers such as universities, federally-funded research institutes, etc., were exempted from the fee.³

While employers welcomed the increase in the H-1B cap in ACWIA, the numbers proved to be insufficient given backlogs carried over from prior fiscal years and ever-growing demand. By the end of December 1998 59,108 of the 115,000 H-1B visas available for Fiscal Year 1999 had been used; 19,431 of the visas were issued to migrants whose applications were held over from the previous fiscal year and 39,677 were new cases. Indeed, available visas under the cap ran out before years end in 1999. In fiscal year 2000, the available visas also ran out and the INS stated it would process no new applications by midyear. In response, Congress once more passed legislation, the American Competitiveness in the Twenty-first Century Act of 2000 (ACTFA), which increased the ceiling to 195,000 and exempted certain categories of employers, particularly universities and research centers, from numerical limits.

Of course, subsequently, there was a sharp downturn in the fortunes of the IT sector and large layoffs in the “dot.com” industries and elsewhere. While concerns with U.S. security may some day improve data gathering capacity, there are currently no data to confirm journalistic claims that H-1Bs are either the first or the last to be fired. One can speculate that temporary workers can be less costly or burdensome to employ in a risky economy since the employer offers no long-term commitment. Indeed, demand for H-1Bs remained strong, but not at the levels seen during the economic boom. According to DHS, “During FY 2003, the Congressionally-mandated cap of 195,000 beneficiaries was not

³ In fact, under ACTFA H-1Bs to such nonprofit institutions were, and remain, exempted from the overall cap and there numbers have reached 20,000 and more.

reached and about 78,000 individuals, mostly initial beneficiaries, were counted against the cap. The corresponding number for FY 2002 was 79,000” (DHS, 2003).

When the legislative sunset occurred, Congress did not extend the higher numbers under the cap. As of this writing, the number has reverted to 65,000. Along with ACWIA’s demise, the provisions for H-1B dependent employers and training programs were also eliminated. Demand did not diminish, however. The Department of Homeland Security announced it had received 150,000 applications in April 2007 for FY 2008, which begins on October 1, 2007. Unsurprisingly, H-1B interest groups see the current cap as a constraint on employer demand for H-1B workers and would like the numbers to be significantly increased.

Foreign Students. Foreign students are an increasingly important contribution to the inflow of highly skilled workers. Since its passage in 1952, the Immigration and Nationality Act (INA) has controlled the admission of foreign students to the U.S. (Wassem 2003). Amended multiple times, the Act admits foreign students on “nonimmigrant” visas, tying their entry to a specific purpose and a temporary period of time. The vast majority of foreign students at U.S. universities enter as F-1 visaholders. Smaller numbers enter as J-1 exchange visitors admitted for specific studies. Some F-1 students later work as H-1B specialty workers in post-doctoral or other academic jobs.

Following a period of sustained growth, the number of foreign students coming to America declined in 2002 and the numbers did not begin to rebound strongly until 2005. The decline in student visa numbers was dramatic—there was a 20 percent drop from 2001 to 2002 in the number of F-1 student visas issued and another 8 percent drop in 2003. That trough in the supply of enrollees raised alarms on America’s campuses and beyond to stakeholders who advocate for foreign students to supply business, science, and engineering jobs after graduation. Foreign students made up about one-third (35 percent) of core-Science, Technology, Engineering and Math (STEM) enrollees in the 2000/01 academic year (National Science Foundation, 2006).

The U.S. faces more competition from foreign countries competing for international students. While the U.S. has traditionally been the leader in attracting the largest number of the world's students, the global marketplace for international students has been on an upward trend for the past three decades. The number of international students jumped from a little over 1 million in 1994 to 2.7 million in 2004. Much of the competition for foreign students is concentrated in schools where instruction is carried out in English, namely the U.S., the U.K., Canada, Australia, and New Zealand which have had about half of the global international student population. Additionally, among large nations, France and Germany increasingly provide instruction in English and have redesigned their curriculum to fit in with the more universal bachelors and masters' degree format (ICMPD 2006).

But arguably, the U.S. has long had in place policies that have been competitive. There have been no caps on the U.S. admission of students and visa requirements, compared with those of other nations, have been relatively straight forward. Indeed, no one has suggested easing educational or English requirements. And while the U.S. has had no *de facto* retention policies, in practice it has facilitated retention. For instance, all foreign students may take advantage of one year of practical training after graduation and many students transition to the H-1B which is valid for up to six-year working years. Furthermore, close to three-quarters of foreign doctoral students extend their stay to work in the United States.⁴

Neither is the U.S. equally in competition with all other nations. Over 60 percent of the U.S. foreign student population comes from Asia and another 12 percent from South America. Competition for Asians is primarily with smaller Australia, increasingly the U.K. colleges, and some Asian colleges. Only Spain has substantial numbers of South American students, but less than one third the numbers that are in America. At least half

⁴ In addition to the competition from other developed nations, competition also comes from the source countries of foreign students. Many of the major source nations, such as India and China, are expanding their college educational systems and are educating ever greater proportions of their growing populations. Their job markets are expanding, particularly their export industries, as well as outsourcing and high technology industries. Their college graduates may be more able to avail themselves of education at home and to find employment there after graduation.

of the foreign students in Germany and other nations come from within Europe, while France or Belgium draw half of the majority of their foreign students from Africa. The market is heavily segmented and our competition is not so much with “Europe” or transitional “Asia,” as it is with specific host/source nations.

Economic conditions were the most obvious reason for the early 1980s drop in visa issuances. If economic growth falters it is more difficult to afford studies in the United States. In the year 2000, just 7 nations were the source of half of all students, but they experienced a sharp drop in GDP in 2001 of 7 percent. An analysis of visa issuances for a large sample of nations from 2000 to 2004 did not find that U.S. admission processes were a major determinant of the downturn; and neither was competition from other nations (Lowell and Khadka 2008). Relative per capita income is the greatest driver of the demand for student visas and educational capacity in poorer nations actually increases such visa demand. Critics are correct in pointing out that US visa policy deters students (increased rejections of applicants), but the effect is rather small. All of which implies that the greatest deterrent to demand post 9/11 was neither policy nor even sharp increases in US tuition, but more likely the same fears, etc., that depressed tourism (Bonham, Edmonds, and Mak, 2006). And demand for US student visas is likely to remain strong or even increase as other nations (both sources and destinations) gear up their "competitive" educational capacity.

TEMPORARY WORKERS FROM ASIA

Skilled workers from Asia, admitted under temporary work programs, are the single largest source of America’s legal temporary workforce. India has led the way, but other Asian and Oceanic nations have also seen substantial rates of increase in the number of migrants. While Asian nations have experienced growth, temporary migration from other nations has grown yet more. Most Asian temporary workers enter the United States under existing admission policy and visas, but a substantive number are affected by visas created under various trade agreements.

Trends in temporary visas. There was a significant increase in the number of working visas issued from the mid-1990s through today, even factoring in the above mentioned fall in visas after 2001. Figure 4 shows the number of temporary working visas issued by major region and for the leading countries (see also Appendix Table 1). The total number of working visas issued grew from 212,000 in 1997 to 454,000 about a decade later in 2006. Asia made up about one-third of that increase, with nearly another half coming from North America. However, North America's contribution to the working visas is largely that of low-skilled H-2 workers from Mexico and these visas, in turn, made up 30 percent of *all* working visas.

FIGURE 4

If one considers just skilled visas, then it is clear that Asian nations are major players in skilled mobility to the United States (see Appendix Table 2). Asian migrants are 51 percent of treaty traders (E), 61 percent of intra-company transferees (L), and 71 percent of specialty workers (H-1B) as of 2006. These three visas are 85 percent of all skilled visas issued. India alone makes up about four-tenths of the intra-company transferee (L) and specialty worker (H-1B) visas. No other Asian nation dominates temporary working visas as much as India does, with the exception of Japan but only in the class of treaty trader (E) visas.

Bilateral labor agreements in Asia. The U.S.-Australia Free Trade Agreement, which took effect January, 2005, had been proposed many times before, but it wasn't until two leaders as amenable as George Bush and John Howard were in place that negotiations began. It was seen as an opportunity for two nations who had already grown close politically, particularly over Iraq policy, to also grow closer economically. Months after being ratified and just weeks before going into effect, the agreement was nearly derailed by the American pharmaceutical industry who wanted more access to the Australian market—a concern solved by an eleventh-hour amendment.

The American Congress made another change to the Australian-U.S. free trade agreement five months after it took effect. They created a new non-immigrant visa similar to the H-1B but specifically for Australian professionals. Called the E-3, it is subject to an annual quota of 10,500 workers (plus spouses, who are also permitted to work, and children), but it is not subject to an annual numerical limit. Australian nationals apply for an E-3 by visiting a consulate's office outside of the U.S., show documentation of a temporary offer of employment, proof of a university education, and evidence from their employer of an approved Labor Condition Application from the Department of Labor. The E-3 visa holder, unlike H-1Bs, may not apply for permanent residency, but they are permitted unlimited two-year extensions after completing an initial stay of two years.

The U.S.'s bilateral free trade agreement with Singapore was its first with an East Asian nation, having taken effect in January, 2004. Along with the U.S.-Chile FTA, it was one of the initial steps in George Bush's strategy to use smaller, bilateral agreements as a springboard to pursue much wider free trade within the Americas or even globally. Unlike parallel deals with Chile and Australia, the deal with Singapore is heavily weighted towards opening up service sectors like investment and banking. In fact, the main sticking point between these two already friendly nations was over laws restricting capital movements out of Singapore during financial crises. In the end, Singapore retained the authority to impose controls on capital outflows, but American investors can apply to recover any investments trapped in the country.

The U.S.-Singapore deal does not create a special visa classification like Australia's E-3, but uses a modified version of the H-1B visa called the H-1B1. Singapore professionals are limited to 5,400 visas annually, but those are set-asides and not subject to the restrictive quota imposed on the total number of H-1Bs. Like traditional H-1B visa holders, Singaporean H-1B1 workers must apply at a U.S. consulate overseas, be sponsored by an American employer, and show proof of a university degree and an approved Labor Conditions Application. The FTA visa is explicitly not intended as a step to permanent residency, and visa applicants must prove they intend to return to Singapore. They are permitted an initial stay of 18 months with unlimited extensions, compared to

H-1B visa holders from elsewhere who have a longer initial stay of three years but may only renew once for a total of six years.

MANAGING MIGRATION IN NORTH AMERICA

There has been heated debated over the reform of U.S. admission policy for over a decade, but especially since President Bush took office. The Immigration Act of 1990 failed to anticipate the complexity of evolving demand for skilled workers, while the Immigration and Reform and Control Act of 1986 for a myriad of reasons has failed to stem low-skilled, illegal migration. In place of systemic reform of the immigration system, the U.S. Congress has toyed with *ad hoc* changes in the number of skilled specialty workers (H-1Bs) and, more seriously, passage of NAFTA partly as an effort to generate economic growth that would offset illegal migration.

Bilateral Trade Deals in North America. In parallel to bilateral agreements in Asia, the Bush administration has negotiated and the U.S. Congress has authorized bilateral agreements in the Americas. A bilateral FTA with Chile, passed early in the Bush Administration, includes mobility. The Chilean FTA is the smallest of the U.S.'s three bilateral trade deals with APEC and PECC nations of which Chile is a member. Like Singapore's FTA, it took effect in January, 2004, and was intended to add momentum to George Bush's vision of far more extensive free trade across the western hemisphere or even the world. Negotiations started soon after a North American Free Trade agreement (NAFTA) was ratified in 1994 (see below), but dragged on for close to ten years, slowed down by issues regarding capital control and agricultural supports; and by the Republican Congress's distrust of President Clinton. After negotiations concluded, ratification in the U.S. was threatened by Chile's diplomatic stance against American policy in Iraq, a stance that was in contrast to the positions taken by Singapore and Australia.

The non-immigrant visa structure of the Chilean agreement and its visa process are very similar to those governing the Singapore visa agreement. Workers under the Chilean Free Trade Agreement can enter on a so-called H-1B1, with an initial stay of 18 months and

unlimited extensions. It does not provide a pathway to permanent citizenship. And applicants apply by visiting a U.S. consulate office and presenting the same documentation as Singaporeans. The U.S. sets aside 1,400 Chilean H-1B1 visas annually, and does not subject them to the more restrictive quota imposed on traditional H-1B's.

However, more recent bilateral negotiations have failed to include migration. Most recently in December 2007 the Congress approved the U.S. –Peru FTA which immediately eliminates tariffs on more than two-thirds of U.S. exports to Peru, but does not include any agreements on the mobility of labor. Imports from Peru have already had minimal tariffs as it has been part of the Andean Trade Preference Act (ATPA) of 1991 which also includes Bolivia, Columbia and Ecuador. While the ATPA preferences have been extended, efforts to push Congressional authorization through for a Colombian FTA appear to be stalled. Opponents to the Colombian FTA cite human rights violations and murders of union organizers. They also argue that labor rights are not sufficiently safeguarded in Latin America and oppose FTAs in principle. Indeed, the future of bilateral FTAs, much less agreements on temporary movement, appears bleak for the balance of this administration and, quite probably, under any future democratic administration.

The North American FTA. The largest and most successful FTA encompasses Mexico and Canada; and it includes temporary movement but just for highly skilled workers. Ratified by Congress in 1994, the North American Free Trade Agreement (NAFTA) supersedes a pre-existing bilateral agreement with Canada which had no mobility provisions. NAFTA's political marketing widely promised that it would generate effective migration control, essentially of low-skilled unauthorized workers, through enhanced Mexican economic development (Weintraub, 1997). The thinking was that NAFTA would boost economic growth in Mexico and, thereby, generate enough formal sector jobs to absorb the supply of workers who otherwise might seek to migrate north. While it was recognized that the short term impact would actually be to generate some increased migration, as traditional industries were upended, the consensus was that migration would be stemmed over the medium term.

The migration component of the NAFTA, which otherwise explicitly excluded migration issues from its framework, was the so-called Trade NAFTA or TN visa. The TN visa for Canadians went into effect immediately and is uncapped, whereas the Mexican TN visa was capped at 5,000 visas until 2004 when the cap was removed. The Canadian TN permits the worker to gain admission to the United States upon presentation of a letter from a U.S. employer that states a job offer, along with evidence of certification in a NAFTA-approved occupation. The Mexican TN is similar, but requires that a visa be issued following an interview at a U.S. consulate. The visa permits employment for one-year and unregulated number of renewals. While U.S. labor law applies, there are no other conditions regulating the visa. The TN visa has been widely used by Canadians, much less so by Mexicans; and the number of TN visa admissions in 2006 reached 74,000.

Controlling unauthorized migration. Despite NAFTA, unauthorized migration from Mexico and Central America accelerated during the 1990s, particularly from mid-decade when the booming U.S. economy achieved some of the highest growth rates of the post-war era. Despite a recession in 2001 followed by a period of slow jobless economic growth, Mexican unauthorized migration since 2000 has nonetheless appeared to continue at a pace similar to that of the mid-to-late 1990s.

In the first place, it is very difficult to ascertain the degree to which NAFTA failed to stem the growing number of illegal entrants or, in contrast, succeeded in stemming additional migration that might have occurred. Firstly, events and actions in Mexico in 1982 and then in 1995 had significant impacts on migration. Peso devaluations raised unemployment in Mexico and increased the peso value of remittances sent back by Mexican workers earning dollars in the United States. Reinforcing events and policy actions also raised the attractiveness of labor migration to the United States. Although research is still inconclusive, it appears that Mexican migration flows indeed rose as a result of the peso devaluation, but booming economic demand in the United States

affected emigration changes as much as conditions in Mexico after 1994 (Bean and Cushing 1995).

When we consider the role that NAFTA might have played in affecting these increases in migration, certainly no basis emerges from the evidence to conclude that NAFTA had the dampening effect on migration often predicted by its political supporters in trying to garner votes for its passage. More likely is that the somewhat improved economy in Mexico during the latter part of the 1990s, which may have received some boost from NAFTA, helped to foster additional migration by making it more affordable for many persons actually to migrate who were already predisposed for a variety of reasons to go to the United States.

Simultaneously, the trends in unauthorized migration have caused many observers to argue that IRCA's efforts at border control and interior enforcement are largely futile, that the pressures for entry into the United States are so strong that border and migration control efforts must fail. Others have argued that control policies, especially border enforcement emphases, are not only ineffective but even counter-productive, at least in the case of Mexican unauthorized migration to the U.S. which historically has involved informal movements of poor labor migrants back-and-forth across the common border. Such policies have been argued to generate longer U.S. stays on the part of circular migrants who might otherwise have stayed for shorter periods of time were it not for the fact that crossing the border had become more difficult (Massey, Durand, and Malone, 2002).

This conclusion seems warranted when one considers that the dynamics of border crossing changed substantially since 1993, when a new INS enforcement regime was first implemented. This new regime involved saturating sectors of the border with additional Border Patrol agents, a practice that was first carried out in the El Paso sector in 1993, then the San Diego sector in 1994, and then other high traffic sectors in Arizona and Texas in 1998 and 1999. In the sectors where those efforts took place, they resulted in a tripling of the number of officer line-watch hours from 1993 to 2000. Today, fewer line-

watch apprehensions may indicate greater effectiveness in deterring border crossings on the part of persons trying to cross the border "on the ground".

But it is very important to note that this does not mean that unauthorized migration across the border declined. Higher fractions of Mexicans may have entered the United States either with legal visas and border crossing cards (and overstayed the time limits of these documents or otherwise violated their authorizations), meaning that no slowdown in overall migration would have occurred. At the same time, a large number of border crossings may occur away from the heavily patrolled and monitored sectors. Indeed, the movement to more difficult-to-cross areas of the border appears to largely explain ongoing unauthorized entries, as well as an alarming growth of deaths among migrants attempting to cross in dangerous, desert areas.

In addition to increased border enforcement, IRCA instituted a verification process that is readily gamed with fraudulent documentation and which has been further undermined by a lack of meaningful worksite enforcement. IRCA requirements oblige employers to verify the identity and work authorization of all their employees hired after 1986. An employer fulfills this obligation through completion of the I-9 form in the hiring process by requesting that the employee present a combination of documents from a list that includes more than 20 approved documents. Employers who violate IRCA's verification provisions face different civil and/or criminal penalties, known as employer sanctions, depending on whether they committed paperwork violations or knowingly hired unauthorized workers.

The key factors limiting the effectiveness of the I-9 process include the proliferation of counterfeit and fraudulent documents, unfamiliarity or confusion regarding the verification procedures and employer responsibility; a growing reliance on labor subcontractors; and low penalties for violations leaving the benefits of hiring unauthorized workers greater than the risks. Indeed, counterfeit documents have long been a problem with estimates indicating that as much as half of all unauthorized workers were using fraudulent documents two years after IRCA's implementation. Improvements

in secure document technology since IRCA have been readily matched by counterfeiting operations. And several reports have concluded that it is relatively easy to obtain genuine documents, such as birth certificates or drivers licenses, by fraudulent means.

The success of any worksite enforcement strategy turns on DHS enforcing employer compliance with verification procedures. Since IRCA, policymakers have viewed worksite enforcement of illegal hiring and employment as a low priority focusing on education and notifications of intent to fine. Following the events of September 11, 2001, resources for interior enforcement were redirected towards national security-related investigations. Prosecuting criminal employer cases became a subordinate priority to protecting critical infrastructure such as airports, military bases, and nuclear plants and criminal prosecutions plummeted. In fact, in 2003 ICE headquarters required field officers to obtain permission before initiating a workplace investigation.

A new strategy began to emerge in 2005 because “employers came to view [administrative] fines as simply the ‘cost of doing business’;” and ICE was establishing three priorities—the removal of unauthorized workers from critical infrastructure facilities, an employer outreach program including self-policing; and a focus on egregious and criminal violators targeting companies such as WalMart or Swift and Co. While the I-9 process remains the mechanism used to verify authorized work status by most all compliant employers, there are additional services that employers may use to verify work authorization although these electronic systems suffer severe problems with accuracy and timeliness. Additionally, the Administration is attempting to control workplace hires through the policing of name and social security number mismatches, although thus far the courts have barred this approach.

Part of the reason for the repeated failure to achieve comprehensive immigration reform is the controversial nature of the immigration issue. Different groups are equally committed to ensuring that unauthorized migrants, on the one hand, are kept out of the country and do not receive amnesty if they have entered illegally, or on the other that these essential workers finally gain access to legal employment opportunities and,

eventually, citizenship. Among the plethora of issues that have been under debate in Congress, some of the recurring questions are the following: whether to create a separate guest worker program for agricultural workers and another for nonagricultural workers, or whether to include both groups in the same program; whether to include a legalization or earned adjustment program that would lead to legal permanent residency in the United States; whether current procedures for labor certification should be retained to protect job opportunities for U.S. workers, or whether a more streamlined process should be created? The resolution of these various questions will require further debate and a willingness to compromise in the interest of legislation that can meaningfully control the employment magnet with workable verification systems and meaningful enforcement, while rationally addressing the existing illegally-resident population and the admission of future workers. While comprehensive reform that addresses all of these issues simultaneously would be in the best interest of the country, the politics of immigration argue against such action.

THE STATE OF PLAY IN POLICY AND PRACTICE

Historically the US has enacted policies unilaterally. Congress, in particular, is very jealous of its prerogatives in this area, to the extent of voicing its opposition to the Administration including the migration related provisions in more recent trade agreements, even after allowing them in NAFTA and other agreements. At the same time, the U.S. engages in active bilateral consultations and has been supportive of regional consultations. These bilateral and regional consultative processes can result in better and cooperative management of migration, as well as opening the way for negotiations on how the U.S. might cooperate in managing movements.

Discord over Needed Reforms. While almost all observers acknowledge the need for reform of the U.S. immigration system, and this administration has firmly backed such reform, the Congress has been unable to marshal enough votes to push reform through. The U.S. public remains ambivalent about accepting more immigrants even while being generally sanguine about any ill effects of migration: only about one-third believe immigrants harm the economy and just one-fifth have any concerns about immigrant-

related terrorism. And there is remarkably little difference among the simple majority of mainstream Republicans and Democrats who believe that Congress should create a way toward amnesty for illegal residents, even while conservative Republicans are outraged by the notion of rewarding “lawbreakers” (Pew Research Center 2007). This latter sentiment has derailed solutions to America’s immigration problems. The House of Representatives, in particular, has pursued an agenda that places priority on enforcement against illegal entry while skirting reform of legal admission.

On the other hand, the Senate has considered in 2006 and 2007 bipartisan bills to reform the entire system which seemed momentarily poised for passage and negotiation with the House. These bills involved significant proposals to streamline both family and skilled-based admissions. Both favored workers in science and engineering occupations, giving foreign graduates of U.S. colleges’ direct access to permanent status, and increasing the number of temporary workers, especially the H-1B visa. The 2007 bill would have created a point system much like that of Canada, but that faced strong opposition from the business community which prefers selecting its own foreign workers. Some actors are now calling for piecemeal reform of various parts of the system, say just increasing the number of temporary H-1B workers, although even that faces serious obstacles particularly in tough economic times.

The ambitious goals of the Bush administration to create large scale temporary programs, an earned amnesty for illegal residents, and streamlined admission procedure, has failed in the Congress. As we have seen, Congressional willingness to authorize the President’s trade initiatives, much less bilateral migration accords, has also disappeared. So there is no consensus at present on how to change the immigration system and there is likely to remain serious conflict between the various interest groups on the issue. However, it is likely that the next Presidential administration, be it Democrat or Republican, will remain strongly in favor of systemic reform and increased streamlining, and numbers, for skilled temporary or permanent migration. Yet, the American “attitude” about immigration, as measured by its willingness to undertake needed reforms, will remain unknown for a couple of years.

Regional Consultative Processes. Historically the US has enacted policies unilaterally. And the Congress, in particular, is very jealous of its prerogatives in this area, to the extent of voicing its opposition to the Administration including the migration related provisions in more recent trade agreements, even after allowing them in NAFTA and other agreements. At the same time, the U.S. engages in active bilateral consultations, particularly with Mexico, and has been supportive of regional consultations, such as the Regional Migration Conference.

During the 1990s, immigration continually crept onto foreign policy agendas, particularly in the context of discussions about regional economic and political integration. The regional implications of migration have prompted a range of bilateral, regional and hemispheric initiatives in the Americas (Martin 1999). The migration ramifications of Hurricane Mitch and the deportation of criminal aliens placed immigration matters squarely on the agenda of summit meetings in Central America. And immigration remains, despite being derailed in the aftermath of 9/11, one of the most discussed issues on the U.S.-Mexico bilateral agenda. Because migration is not only controversial in itself but is connected with such diverse issues as international trade, drug smuggling, and ecological emergencies, discussion of these matters can be delicate.

The North American Free Trade Agreement, discussed above, has provided an environment for constructive engagement, rather than endless recriminations in addressing migration issues of mutual concern. One byproduct of NAFTA has been the strengthening of a range of bilateral mechanisms to address immigration matters. The primary forum for this is the Working Group on Migration and Consular Affairs of the U.S.-Mexico Binational Commission created in 1987. The agenda has included such issues as consular protection, facilitation of legal movements, increased border cooperation, cooperative research initiatives, efforts against migrant trafficking, and migration legislation and policies in both countries. The Binational Commission meetings and other Presidential summits have been the occasion for a number of joint statements on migration. In 1995 the debates of the Migration and Consular Affairs working group

led to a joint study, a rather unique government sanctioned research effort. The study involved 20 researchers, ten from each country, working in five teams to examine the size, characteristics, causes, impacts and responses to migration (Mexico-U.S. Binational Migration Study 1999). Further, a wide range of state and local government arrangements facilitate sustained discussion of border issues including border governors, attorneys general, other officials, as well as private groups.

In 1996, the Mexican government took the initiative to convene a regional conference on migration. Convening in Puebla, Mexico, representatives from the countries of North and Central America agreed to meet regularly to promote multilateral coordination. Its intent is to develop an approach for long-term multilateral cooperation in migration management. Initially, the Regional Migration Conference (RCM), also known as the Puebla Group, focused on cooperative law enforcement strategies, particularly to deter extra-regional migrants from transiting one American state to reach another. The Puebla Group was also a forum for exchanging information about immigration-related developments in each of the participating countries.

Since its beginnings, the RCM has enlarged its participation, venues, and agenda, reflecting the growing prominence of migration issues in regional relations. The annual vice-ministerial meeting has been held in Panama City, Ottawa, and San Salvador, with the fourth one scheduled for Washington. More specialized workshops occur throughout the year. In 1999, the Dominican Republic was admitted as a full member although the group decided to close the admission of other new members. Colombia, Ecuador, Jamaica, Peru, Argentina and several international organizations (the Economic Commission for Latin America and the Caribbean, the International Organization for Migration, and the UN High Commissioner for Refugees) have observer status. During the vice-ministerial meetings, time is dedicated for formal discussion with representatives of non-governmental organizations as well.

The RCM's Plan of Action was updated in 2006 to focus on three issues: Migration Policies and Management; Migration and Development; and Human Rights. With regard

to cooperation on migration management, the Plan of Action states that the RCM will focus on formulation, review, and implementation of a national migration policy based on national interests, the dynamic of the phenomenon of migration, and the commitments agreed upon starting from the first regional conference on migration. More specifically, the RCM addresses such issues as exchange of information, identity documents, human smuggling and trafficking, irregular migration, and return migration. The RCM undertakes its work through meetings, seminars on specific issues, collaborative research and data collection, and technical assistance and training of immigration officials.

The growth of bilateral, regional and hemispheric mechanisms to address migration issues of common concern represents a fundamental shift in perspective. From thinking about immigration as an issue of pure national sovereignty meriting unilateral policies, governments increasingly recognize the value of cooperation and coordination. Still, many issues are off the table in these discussions because they are too controversial or without obvious solution. When migration interests coincide with national security or economic integration interests, progress in finding multilateral solutions may be marked. Nevertheless, the mechanisms described here, although they are at an early stage of development, hold promise for a more comprehensive approach to the management of migration. Beginning with basic exchanges of information and discussion of issues where agreement is possible—for example, curbing trafficking, reducing violence against migrants, repatriating extra-regional migrants—countries can develop the habit of cooperation. Then, when more difficult issues arise, as they no doubt will, this habit may lead to new breakthroughs in cooperative action to manage international migration more effectively.

CONCLUSIONS

Recent population projections suggest that immigration's role in tomorrow's labor force will be much more substantial than thought even a few years ago. The number of immigrants hit an all time high at the turn of this century and the numbers have continued to be very high with some evidence of further increase in the offing. At recent rates of

immigration, the United States population will increase to 440 million by 2050; an addition of 140 million or about a 47 percent increase in size. Immigrants and their children will drive 82 percent of that increase. Of course, the level of immigration is front and center to ongoing debates over immigration policies, but legal status is, perhaps, the greatest stumbling block to comprehensive reform.

The bimodal educational distribution of immigrants is something that comes up for debate, along with policies that might tilt the distribution toward higher skills. Temporary migration programs are major mechanisms for importing skilled, foreign workers and Asian nations are major contributors to these programs. While the American Congress' interest in pursuing trade negotiations seems to have cooled, PECC nations have been major beneficiaries of the extant temporary visa programs for skilled employment. However, while NAFTA may significantly boost temporary admissions from Canada, and perhaps in future even from Mexico, this North American venture has not had a major impact thus far on low-skilled Mexican migration and unauthorized work.

Even more than a lack of agreement about how to manage future low-skilled migration, there is deep discord about what to do with the currently illegally-resident population. While many observers would like to regularize the status of this population, and then to move forward to reform that improves management of a more-skilled immigration stream, opponents to any resolution of illegal residents' status continue to block compromise. Thus, the often radical proposals to reconfigure the skilled admission of both permanent and temporary workers remain, for the most part, hidden in the details of recent legislative debates. And while the likelihood of any solutions in the balance of President's administration looks slim, it is an open question whether or not any future President and Congress will be able to construct a compromise for meaningful reform.

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Figure 1. Foreign Born of Working Ages (18-64): Actual and Projected

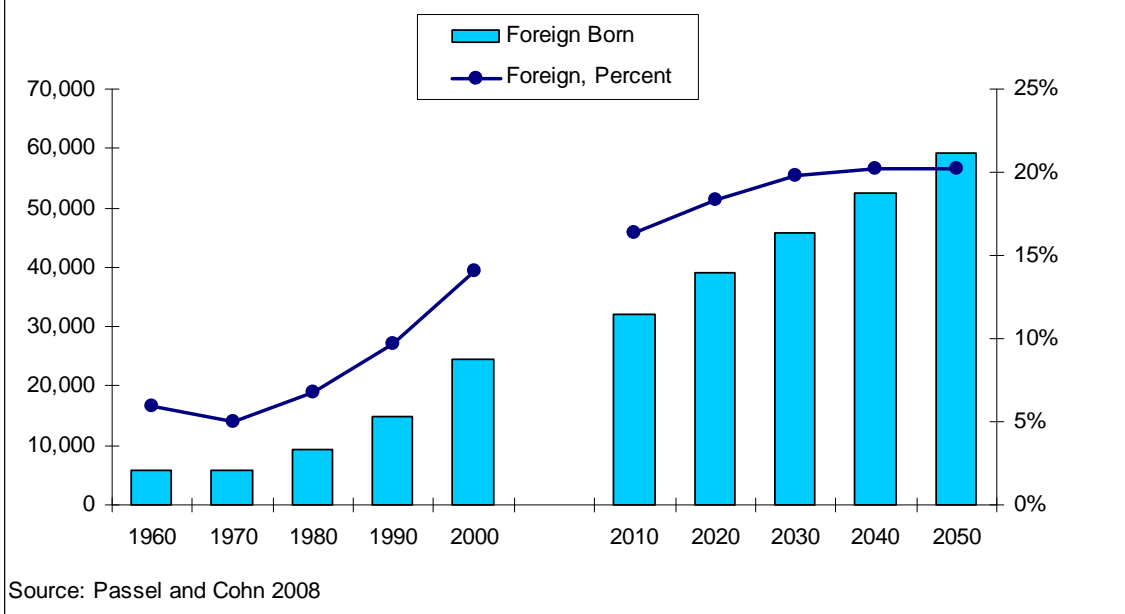
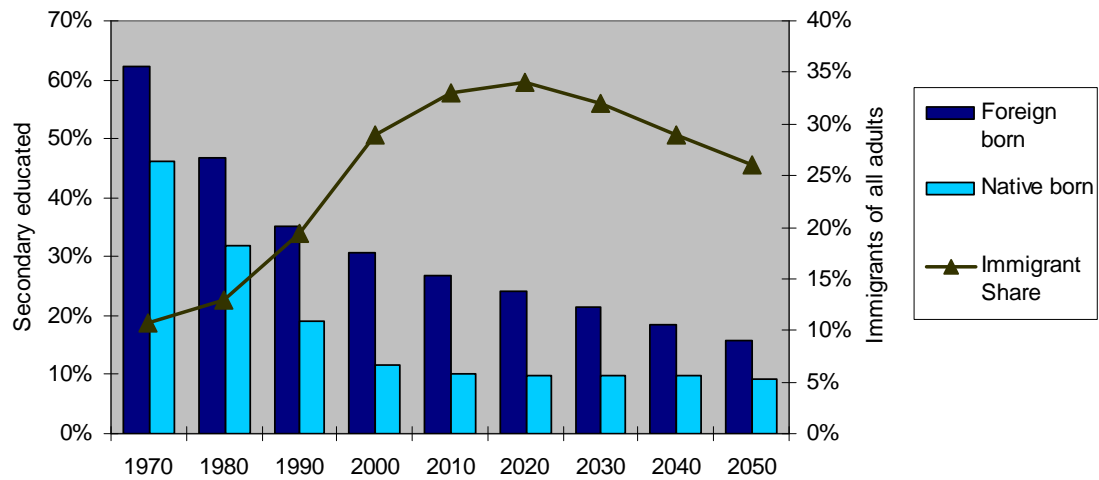
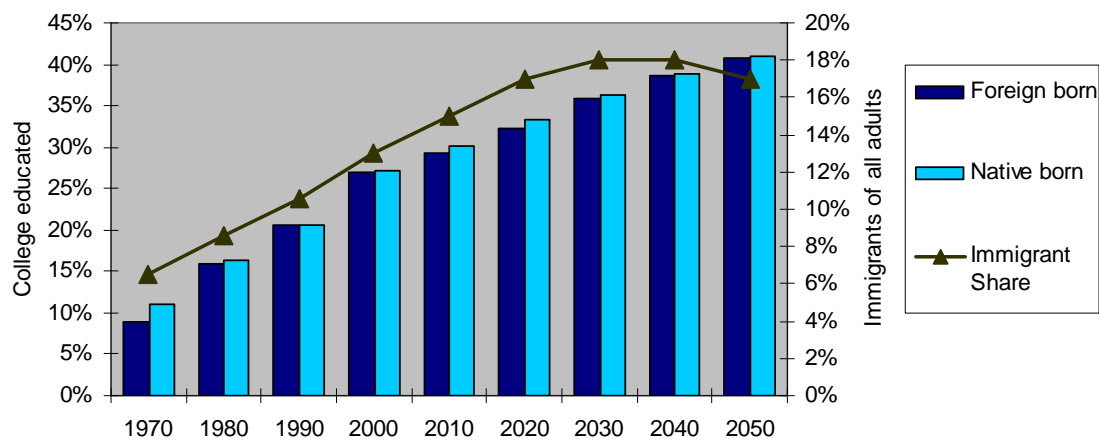


Figure 2. Adults with Less than High School by Nativity and Percent of Adults who are Foreign Born



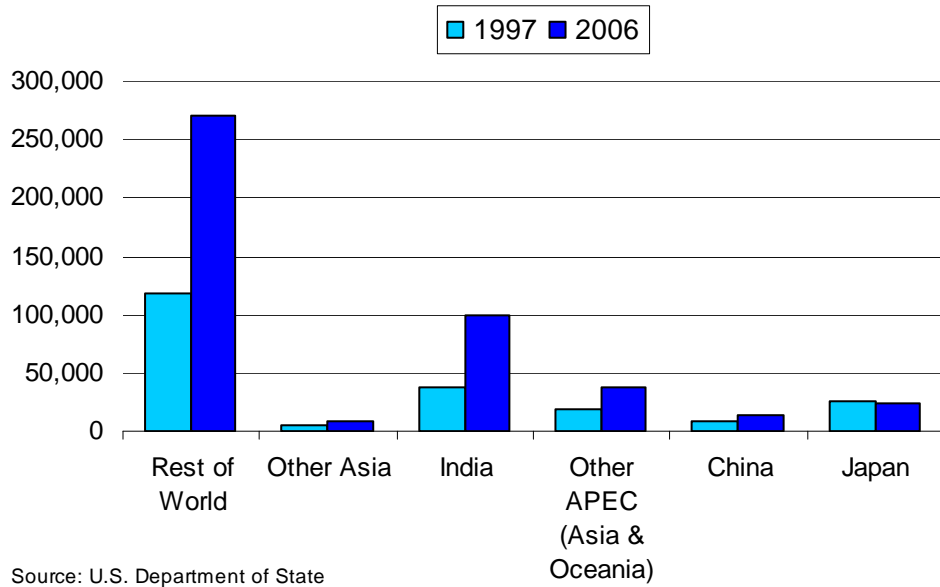
Source: Lowell et al, 2005; Passel 2007

Figure 3. College Educated Adults by Nativity and Percent of Adults who are Foreign Born



Source: Lowell et al, 2005; Passel 2007

Figure 4. All Work-Related Non-Immigrant Visas, 1997 & 2006



Appendix Table 1. All Temporary Non-Immigrant Workers Admitted by Major Source

	1997			2006			1997-2006
	NIVs	% of Region	% of World	NIVs	% Region	% of World	% Growth
India	37,023	41.05%	17.42%	99,345	57.04%	21.86%	168.33%
Japan	25,437	28.21%	11.97%	24,397	14.01%	5.37%	-4.09%
China	7,833	8.69%	3.69%	13,641	7.83%	3.00%	74.15%
Phillipines	4,322	4.79%	2.03%	6,900	3.96%	1.52%	59.65%
South Korea	4,701	5.21%	2.21%	9,584	5.50%	2.11%	103.87%
Singapore (2004)	549	0.61%	0.26%	1,260	0.72%	0.28%	129.51%
Jordan (2002)	264	0.29%	0.12%	309	0.18%	0.07%	17.05%
APEC Asia	47,428	52.59%	22.31%	66,194	38.01%	14.57%	39.57%
Asia Total	90,183	--	42.43%	174,154	--	38.33%	93.11%
Mexico	33,591	79.35%	15.80%	126,752	80.31%	27.89%	277.34%
Jamaica	3,016	7.12%	1.42%	14,815	9.39%	3.26%	391.21%
Guatemala	381	0.90%	0.18%	5,326	3.37%	1.17%	1297.90%
North America	42,331	--	19.92%	157,819	--	34.73%	272.82%
Brazil	2,960	31.49%	1.39%	7,209	32.71%	1.59%	143.55%
Colombia	1,444	15.36%	0.68%	3,379	15.33%	0.74%	134.00%
Argentina	1,319	14.03%	0.62%	3,346	15.18%	0.74%	153.68%
Chile (2004)	415	4.41%	0.20%	1,117	5.07%	0.25%	169.16%
South America	9,400	--	4.42%	22,036	--	4.85%	134.43%
Great Britain	20,854	33.84%	9.81%	21,533	26.15%	4.74%	3.26%
Germany	7,970	12.93%	3.75%	11,396	13.84%	2.51%	42.99%
France	5,453	8.85%	2.57%	7,345	8.92%	1.62%	34.70%
Europe Total	61,621	--	28.99%	82,347	--	18.12%	33.63%
Australia (2005)	3,433	78.29%	1.62%	7,939	83.70%	1.75%	131.26%
New Zealand	913	20.82%	0.43%	1,526	16.09%	0.34%	67.14%
Oceania Total	4,385	--	2.06%	9,485	--	2.09%	116.31%
South Africa	2,016	46.68%	0.95%	4,740	55.59%	1.04%	135.12%
Nigeria	535	12.39%	0.25%	672	7.88%	0.15%	25.61%
Egypt	488	11.30%	0.23%	523	6.13%	0.12%	7.17%
Africa Total	4,319	--	2.03%	8,526	--	1.88%	97.41%
No Nationality	314	--	0.15%	38	--	0.01%	
Total NIVs	212,553	--	100.00%	454,405	--	100.00%	113.78%

Source: Department of State, http://travel.state.gov/visa/frvi/statistics/statistics_1476.html

Note: Visa listed are: H-1B, L1, E.... Etc!!

Appendix Table 2. Detailed Temporary Non-Immigrant Workers Admitted by Major Region and Nation

	E-1, 2, 3		H-1B		Other H's		L1		O-1, 2		P-1, 2, 3		Total	
	1997	2006	1997	2006	1997	2006	1997	2006	1997	2006	1997	2006	1997	2006
India	10	43	31,684	64,887	544	364	1,628	31,787	391	264	2,766	2,000	37,023	99,345
Japan	13,371	13,852	2,929	3,795	1,234	572	7,136	5,059	182	453	585	666	25,437	24,397
China	21	23	3,206	9,451	886	403	3,048	1,865	77	179	595	1,720	7,833	13,641
Phillipines	136	863	2,653	2,823	928	1,692	391	1,020	72	276	142	226	4,322	6,900
South Korea	2,099	3,271	900	3,924	151	355	1,093	1,168	116	252	342	614	4,701	9,584
Singapore (2004)	4	37	358	885	11	14	166	299	8	15	2	10	549	1,260
Jordan (2002)	1	4	247	266	0	3	11	30	4	5	1	1	264	309
APEC Asia	16,806	19,684	12,468	26,385	3,309	3,893	12,534	10,903	493	1,633	1,818	3,696	47,428	66,194
Asia Total	17,683	20,436	47,726	96,009	3,927	4,754	14,898	44,092	1,046	2,149	4,903	6,714	90,183	174,154
Mexico	849	1,776	2,785	2,699	23,117	114,358	2,346	2,361	125	803	4,369	4,755	33,591	126,752
Jamaica	8	10	141	516	1,911	13,130	11	50	65	180	880	929	3,016	14,815
Guatemala	0	1	52	115	255	5,075	27	54	2	11	45	70	381	5,326
N.A. Total	2,051	3,423	3,748	4,865	26,265	137,979	2,608	3,063	255	1,080	7,404	7,409	42,331	157,819
Brazil	34	61	1,078	2,039	127	1,664	996	1,749	120	313	605	1,383	2,960	7,209
Colombia	123	308	531	1,717	15	134	228	466	17	71	530	683	1,444	3,379
Argentina	133	132	535	1,406	22	576	262	466	46	191	321	575	1,319	3,346
Chile (2004)	4	35	149	416	91	391	108	197	14	21	49	57	415	1,117
S.A. Total	371	649	3,674	8,495	854	4,615	2,097	4,030	252	804	2,152	3,443	9,400	22,036
Great Britain	2,566	2,897	6,927	4,805	434	1,710	5,841	6,352	1,403	2,494	3,683	3,275	20,854	21,533
Germany	2,425	4,559	2,088	2,395	231	196	2,439	3,020	247	530	540	696	7,970	11,396
France	1,082	1,317	1,894	2,373	113	170	1,516	2,121	258	518	590	846	5,453	7,345
Europe Total	9,401	12,514	20,829	22,219	1,920	9,644	15,031	18,496	3,308	5,960	11,132	13,514	61,621	82,347
Australia (2005)	212	3,323	1,436	990	286	1,262	1,067	1,421	185	411	247	532	3,433	7,939
New Zealand	5	22	388	345	157	612	247	329	43	90	73	128	913	1,526
Oceania Total	218	3,346	1,829	1,341	444	1,874	1,319	1,756	228	502	347	666	4,385	9,485
South Africa	15	16	1,292	636	76	2,990	401	720	43	70	189	308	2,016	4,740
Nigeria	0	1	217	483	4	8	46	136	5	3	263	41	535	672
Egypt	2	30	303	316	5	15	45	72	5	43	128	47	488	523
Africa Total	29	70	2,532	2,918	112	3,198	581	1,173	85	191	980	976	4,319	8,526
NIV category totals	29,758	40,439	80,547	135,861	33,525	162,067	36,589	72,613	5,193	10,687	26,941	32,738	212,553	454,405
% of total NIVs	14.0%	8.9%	37.9%	29.9%	15.8%	35.7%	17.2%	16.0%	2.4%	2.4%	12.7%	7.2%	100.0%	100.0%

Source: Department of State, http://travel.state.gov/visa/frvi/statistics/statistics_1476.html

Note: Region totals don't add up to Total NIVs due to visas without a country source. The "other H" visas are the only low-skilled visas represented in this table.