

Immigration, economics: a symbiotic relationship

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The second day of the Texas State Democratic Convention opened to an empty convention center.

There were 12,364 people at the Austin convention center Friday night and by Saturday morning the number had dropped to less than half that.

Those approximately 6,000 people trickled in throughout a morning that was consumed with the work of the various committees. Lost amid the shuffle was the last issue caucus of the convention — a presentation on immigration and the economy.

The lecture given by Eddie Aldrete, a senior vice president for the International Bank of

Commerce, was one of the most heavily attended issue discussions throughout the convention. So many people participated in the question and answer session that it ran severely over time.

It was scheduled to run from 9 to 10 a.m.; however, it kept going until well past 11 a.m. Aldrete spoke about the relationship between declining birthrates, aging of the American workforce and the need for a comprehensive immigration policy.



Eddie Aldrete discusses the relationship between immigration and economics at the Texas State Democratic Convention. His lecture illustrated the economic impact of what he termed as an “enforcement only policy.” He recommended a floating cap v

“Unless native fertility rates increase, any rises in the U.S. workforce will have to come from immigration by the middle of the century,” Aldrete said, quoting from a February 2006 paper from the Congressional Budget Office. He continued on and described how the U.S. fertility rate is currently at 2.1 births per woman, which demographers refer to as the replacement level.

However that number is expected to decline within the next decade.

“If you break the fertility rate down, it’s much worse. The Anglo fertility rate is 1.8, African Americans 2.3 and Hispanics 2.9,” Aldrete said.

He also showed that the needed immigrants won't be coming from Europe.

"All of Western Europe has a negative fertility rate," he said. "Eastern Europe is even worse."

Declining birthrates and aging population is not a new crisis, in fact some demographers and journalists were noticing the possibility of a crisis as early as the 1980s.

William H. Reid, a human development specialist for the University of Georgia, released a statement in 1987 that said, by the year 2030, "For every retired person, there will be only 2.5 persons in the labor force."

Aldrete carried this statement a little further. He cited a statement from former Air Force Secretary Michael Wynne that the Air Force fleet is "geriatric" and in dire need of replacement.

"Forty percent of the aerospace workers will be retiring," Aldrete said. "How can you ramp up production when 40 percent of your workers are retired?"

He switched gears to discuss the border fence.

"Last year in McAllen, the National Border Patrol Chief David V. Aguilar said 'there is no one in Border Patrol who believes the border fence will stop illegal immigration or drug trafficking.'"

Aldrete explained that while Aguilar was speaking he "was in the room." He then cited another statement from Aguilar.

"He also said that the wall will slow immigrants down three or four minutes."

The current estimated cost of the border wall is \$49 billion.

"Forty-nine billion for three or four minutes," Aldrete said. He also cited articles from Arizona and California newspapers.

"When the California border wall was completed, illegal immigration and drug smuggling went up in Arizona," Aldrete said. He continued on by saying that "when the Arizona wall was completed, illegal immigration in Texas went up. And what's going to happen to the Texas wall is completed? Already the Coast Guard is calling, saying that drug traffic in Malibu has gone up."

As a temporary compromise, Aldrete showed a proposal from the Rio Grande Valley to "eradicate the Carrizo Cane." Carrizo Cane is a non-native plant that grows fast and tall and is used by smugglers to shield immigrants and drug shipments.

Aldrete continued by discussing the impact of immigration on the U.S. economy.

“The state of California estimates they’ve lost 30 percent of their agricultural crops because of unavailability of pickers,” he said.

He also cited an example of Microsoft opening a research facility in Canada “because they couldn’t get the visas.” Aldrete said the state of Washington listed Microsoft as having a multiplication factor of four.

“This means that for every job Microsoft creates, four are created in support industries,” Aldrete said.

This means that in addition to the 1,500 research jobs that were created in British Columbia with the opening of Microsoft’s new facility, 4,500 dry cleaning, coffee serving, table-waiting and other jobs also were created.

Additionally Aldrete illustrated the economic underpinnings of immigration by juxtaposing a timeline of the U.S. economy with immigration arrests and estimates. The graph showed that when the economy is in recession, illegal immigration is down. “The numbers are pretty simple,” he said.

He continued on to show the work a researcher at the Federal Reserve did. “She put immigration numbers and hiring in construction together and found that when construction is down, immigration is down,” he said. He also said that “every research study shows that the jobs immigrants are taking are the jobs performed by high school dropouts and immigrants who came before them.” Aldrete recommended a ‘floating cap’ solution.

“The government currently issues 5,000 unskilled labor visas and 65,000 skilled visas,” Aldrete said. “These numbers are completely arbitrary.” He cited labor studies that show the real demand for unskilled labor is closer to 485,000 workers and for skilled labor it is 120,000 jobs. “A floating cap would increase the number of visas when unemployment is low and decrease them when unemployment is high,” Aldrete said. He explained that demographically the need for unskilled or semi-skilled labor is a constant and the American workforce has changed in the last 50 years, making it harder to fill that need. “In 1950, one out of 10 U.S. citizens went to college. Now, it’s more like six out of 10,” he said.

When asked what he felt has stopped a permanent solution from being found, Aldrete said, “Unfortunately for the last few years, we’ve had such a focus on the Middle East that we don’t have a Latin American policy.”