

ECONOMISTS PUSH FOR IMMIGRATION OVERHAUL, ACKNOWLEDGE LEGISLATION FACES UPHILL BATTLE

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By Chris Opfer

Comprehensive immigration legislation would boost the economy and benefit a wide range of workers, including some who are already naturalized citizens, but it faces a difficult road in Congress, economists said during a panel discussion Feb. 24.

"There's an acute need for immigration reform and on the flip side there's also a great opportunity," former Congressional Budget Office Director Douglas Holtz-Eakin said during the National Association of Business Economics conference. "To me the greatest opportunity in immigration reform is the economic opportunity."

Jennifer Hunt, the Labor Department's chief economist, and Regional Economic Models Inc. Chief Executive Officer Frederick Treyz joined Holtz-Eakin on the panel. The economists argued that many of the provisions laid out in an immigration bill (S. 744) that was passed in the Senate in June 2013 (124 DLR AA-1, 6/27/13) would boost the nation's gross domestic product and create jobs by attracting foreign workers and investors to the U.S.

The economists also expressed hope that all or some of the proposed changes could get done this year, saying lawmakers largely favored most of the policies laid out in the Senate legislation. They also acknowledged that debate over a possible "pathway to citizenship" for undocumented workers already in the country, and characterization of the Senate measure as granting "amnesty" to these immigrants is likely to slow the legislative process.

Job Growth Expected to Outweigh Losses.

Treyz said two of the most important components of the Senate bill--the revamp and expansion of various visa programs and providing a pathway to citizenship for undocumented workers--would spur economic and job growth by driving up both capital and productivity.

He said the visa changes, aimed at attracting high-skill employees along with lower-skilled laborers and agricultural workers would help increase worker supply and cut out much of the red tape often associated with obtaining temporary immigrant labor. While the influx of new job seekers might cause some "crowding out" of current workers, Treyz said those losses would be vastly outweighed by the jobs created as a result of increased global business competitiveness and investment.

"These proposals are about growing the economic pie," Treyz said of the Senate bill. "As well as those who are directly impacted by these reforms, there are broad benefits for all Americans."

Treyz additionally argued that providing a pathway to citizenship for roughly 11 million undocumented workers would raise incomes for many Americans as a result of increased demand and job gains in housing and consumption industries. It also would increase wages for some workers who may be more willing to seek enforcement of existing wage and hour laws without the threat of deportation, according to Treyz

Noting that the policy would be directed at people already living and working in the U.S., he said this portion of the Senate measure wouldn't result in any increase in the workforce or population. "In a sense, it's not about immigration, but looking at existing undocumented workers," Treyz said.

Will It Happen?

Despite what Hunt and Holtz-Eakin described as widespread agreement that the country's current immigration system should be revamped and a consensus in favor of many of the policies laid out in the Senate legislation, the economists said the effort continues to face a number of obstacles.

Hunt said the principles for immigration legislation recently laid out by House Republicans (20 DLR A-2, 1/30/14) largely align with President Obama's vision, but added that the president "didn't see what he wanted" with respect to a pathway to citizenship for undocumented workers.

The Republican lawmakers specifically denounced a "special path to citizenship" for undocumented workers already in the country, saying such a move would be unfair to immigrants who come to the U.S. through legal channels, and would be "harmful to promoting the rule of law."

Holtz-Eakin, who served as economic policy director with Sen. John McCain's (R-Ariz.) presidential campaign in 2008, said House Republicans are likely to move for change on a piecemeal basis because the Senate measure has been characterized as granting amnesty to undocumented workers.

"The Senate bill has been characterized as a bad thing in the messaging wars and thus there is the need for the House to do something very different, if only for the reason that it can't look like the Senate bill," he said.

"I don't think the year is over and I don't think all hope should be given up," Holtz-Eakin added, "but it is going to continue to be a very difficult piece of legislation because of its breadth and because of the difficulties of getting legislation through the House."