

Speakers Discuss Types of Citizenship Paths, How They Play Out Economically, Politically

By Laura D. Francis

Jan. 27 — The “citizenship premium”—the boost to the economy from immigrants earning more after naturalizing—depends greatly on how immigration overhaul legislation structures access to citizenship for undocumented immigrants, speakers said Jan. 27 at an event sponsored by the Center for American Progress.

The event coincided with the release of a CAP report comparing other countries' citizenship requirements and how that has played out for those countries' economies.

One of the report's authors, Don DeVoretz, a professor of economics at Simon Fraser University in Canada and research fellow at the Institute for the Study of Labor in Germany, said at the event that a path to citizenship needs to maximize the economic benefits to the country by creating an environment “where the take-up rate is large.”

Immigrants who naturalize will invest in education, learn the labor market, get on-the-job experience and invest in small businesses, thus creating the “citizenship premium,” but the costs of obtaining citizenship need to be low enough so that most immigrants actually will apply, he said.

Five-Year Waiting Period ‘Optimal.’

“The literature on new and old immigrant-destination countries shows that the clearer the pathway to citizenship, the greater the gains, and that the optimal waiting period for citizenship is five years,” according to the report, “The Economic Case for a Clear, Quick Pathway to Citizenship.”

On the other hand, “[p]lacing significant restrictions and lengthy delays on immigrants' ability to become citizens diminishes the size of their ultimate economic premium,” the report said. The reason, it said, is there are fewer years that immigrants would be able to work as citizens, and they would have fewer incentives to invest in themselves through education. Furthermore, the report said, the “best and brightest” immigrants may leave the country if barriers to citizenship are too large.

Looking at the economic premium other countries derive from their citizenship policies, the report said Canada has a high economic premium from its citizenship policy—a three-year waiting period, recognition of dual citizenship and minimal language requirements. Immigrants who become Canadian citizens earn 14 percent higher wages compared with those who don't, and those from developing countries may see a 29 percent wage boost from citizenship, the report said.

Germany is in the middle, with a wait time of eight years, “strict language requirements” and no dual citizenship for immigrants older than age 21, the report said. While immigrants get a 15 percent wage boost from naturalization, only about 30 percent of the country's immigrants become German citizens, thus reducing the economic benefit to the country, the report said.

The report said the Netherlands and Norway are on the low end because of “a combination of opaque citizenship-acquisition policies, lack of dual citizenship, high language standards, and long waiting periods,” translating to low rates of naturalization and “little or no citizenship premium.”

Fees Preventing Naturalization

Manuel Pastor, a professor of sociology and American studies and ethnicity and co-director of the Center for the Study of Immigrant Integration at the University of Southern California, said his research has shown “pretty much the same wage gain” from naturalization.

That wage gain comes from naturalized immigrants investing more in education and training, being able to access a wider range of occupations and sending a “positive signal” to employers, he said.

However, he said, the increase in U.S. naturalization fees about 10 years ago “has had a significant impact on the number of people naturalizing,” particularly among low-skilled immigrants and immigrants from Mexico. The \$680 in combined fees is about two weeks of pay for someone earning minimum wage, Pastor said, and that doesn't count the legal fees immigrants need to hire a lawyer to assist them with the naturalization process.

Pastor said although he doubts that the political process would change the naturalization fee structure in a way that makes the most economic sense, U.S. Citizenship and Immigration Services could alter its own fee structure to recoup its costs by raising fees for other immigration services—such as H-1B highly skilled guestworker visas, which would be paid by companies sponsoring them—to cover lowering the cost of naturalization.

He added that the USCIS has been increasingly likely to grant fee waivers to low-income immigrants seeking citizenship, and the agency still has been able to cover its costs.

'Political Problem' for Republicans

Republican strategist Ana Navarro said Congress has to pass some kind of pathway to citizenship for undocumented immigrants not only because of the economic benefits, but because otherwise it will create a “political problem” for the Republican Party. “We want to get elected and the number of Hispanics is not going down,” she said.

Even though immigration may not be the most important issue for Hispanic voters, it has become a “litmus test,” she said.

“There's always going to be a group of folks who don't listen,” but the number of Republican lawmakers who “see the big picture” outnumber the “hell no caucus,” even though they have been a “vocal minority,” Navarro said.

Pastor said some opposition to granting citizenship to undocumented immigrants comes from the fear that they will become Democratic voters. But he said undocumented immigrants have 5.5 million U.S.-citizen children who will become voters in the next 15 years regardless of their parents' status.

If their parents are relegated to second-class status, their children will become “permanently angry” voters, he said.

Navarro said it is “sheer stupidity” to think that all undocumented immigrants would vote Democrat if they become citizens. If the Republican Party can't compete for new citizens' votes, “then we might as well just throw in the towel as a party,” she said.

“There is no quicker, faster, more effective way to alienate a bunch of voters” than to say they “are going to become a bunch of lemmings” and “follow the piper right off the cliff,” she said. Rather, Navarro said, there is “diversity of thought” among Hispanics, and those who say otherwise aren’t Hispanic, aren’t elected officials and often are individuals who make statements that are intended to cause controversy and “create headlines.”

Pastor added that “I think people aren’t paying enough attention to these Asian voters, and in particular these Asian immigrant voters.” He said while there was a lot of focus after the November 2012 election on 71 percent of Hispanics voting to reelect President Barack Obama, it is “more striking” that 73 percent of Asian voters also preferred Obama over former Massachusetts Gov. Mitt Romney (R). Given Asians’ higher educational and socioeconomic status, Pastor said it would seem they would be more likely to vote Republican, “so they may be really sensitive to immigrant issues as well.”

Legalization Versus Citizenship

Navarro said the important element in any legislation is that there not be a bar to citizenship, rather than necessarily the “special pathway” to citizenship contained in the comprehensive immigration bill (S. 744) passed by the Senate last June (124 DLR AA-1, 6/27/13).

The set of principles anticipated from House Republican leaders may not contain that special path, but rather could advocate for access to lawful permanent residence with a chance to naturalize through traditional channels, Navarro said.

The “tough question” for overhaul advocates, she said, will be whether they will want to convince undocumented immigrants who fear deportation not to accept a legislative package that removes that fear, but doesn’t grant them citizenship.

Another possible scenario—that young, undocumented immigrants known as DREAMers have greater access to citizenship than the general undocumented population—is “a bad idea for economic reasons,” DeVoretz said. The Senate bill already provides an accelerated citizenship path for DREAMers—five years as opposed to 13.

Not allowing DREAMers’ parents to naturalize means there won’t be the household economic gains to support future investment in both the parents and children, DeVoretz said.

Pastor added that allowing legalization but not citizenship means “we’re leaving dollars in the ground” because the economic gain from citizenship is larger than the gain from granting legal status. But Navarro said a pathway to citizenship should be sought if it can pass political muster. If it can’t, “let’s not shoot ourselves in the foot” by rejecting anything short of that, she said.

Undocumented immigrants right now are working without authorization, meaning “they’re being exploited, they’re off the charts, they’re not being paid a minimum wage, they don’t have the benefits,” Navarro said. If given a green card, these immigrants would be able to apply for most jobs, she said, thus improving their economic situation.

‘Separate Premium’ From Citizenship

But DeVoretz said there is a “separate premium” that comes from citizenship as opposed to merely legalization. The political debate needs to focus on the cost to the country and U.S. taxpayers—not the undocumented immigrants—if a compromise doesn't contain an opportunity for citizenship that maximizes the number of people who will take advantage of it, he said.

Pastor agreed, saying the data on the citizenship premium is “quite consistent.” Even outside of undocumented immigrants, however, “we have not done a good job in this country” of being able to “remove the obstacles” that are keeping current lawful permanent residents from naturalizing, he said.

Recognizing that “any immigration bill won't be ideal,” Pastor said he believes S. 744 “is probably an artful compromise.” Although he said the period that undocumented immigrants would be required to remain in registered provisional immigrant status should be shortened, the bill provides a clear path to citizenship and increases border enforcement and security.

Pastor also said the other big economic benefit derived from overhauling the immigration system is bringing in immigrant labor on both the high- and low-skill ends of the spectrum, which S. 744 does. Net migration from Mexico currently is zero, and birth rates are declining, meaning “we actually need immigrants in the future” to fill workforce gaps, he said.

Senate Pathway Too Long

DeVoretz said the citizenship path in S. 744 needs to be “substantially altered” from its current language because the U.S. won't see a good economic benefit from a 13-year pathway to citizenship—which translates to about 25 years for the substantial number of undocumented immigrants who already have been in the country for more than 10 years.

He said it is “very possible politically” to alter the Senate bill provisions to create a pathway similar to Germany's model, which moves immigrants in the “shadow economy”—the equivalent to undocumented immigrants in the U.S.—up the citizenship line if they have been working for a long period of time.

DeVoretz also said the economic benefit to the U.S. would be lowered by the income and employment requirements for citizenship eligibility under the Senate bill. Although the citizenship premium to the immigrants naturalizing under those provisions would be high, there would be fewer immigrants who take the step to naturalize, he said.

Pastor added that it is unrealistic to assume that all immigrants would be able to remain above poverty and remain employed for 10 years. That, and not allowing registered provisional immigrants to purchase health insurance through state exchanges created by the Affordable Care Act, are among the Senate bill's provisions that “don't make a lot of economic sense,” he said.