



## **Need for low-skilled immigrants remains, economic study says**

**por Rosalba Ruíz**

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WASHINGTON, D.C. — There is no strong economic argument to change dramatically the number of low-skilled immigrants in the United States, at least in the short run, says a report just released here by the Migration Policy Institute. That's the conclusion of economist Harry Holzer, a Georgetown Public Policy Institute professor who reviewed stacks of research literature to assess the costs and benefits low-skilled immigrants bring to the U.S. economy.

His report, "Immigration Policy and Less-Skilled Workers in the United States," suggests some directions that immigration reform can take, highlighting the importance of the labor market. Key among the suggestions is one that has tied this nation in political knots for years: a pathway to legal residency for undocumented workers.

A response panel of experts — economists and public policy administrators that included MPI president Demetrios Papademetriou and former U.S. Immigration and Naturalization Service Commissioner Doris Meissner — drew an audience of some 200 persons to MPI on the subfreezing morning of Jan. 13. Offered the chance to broaden the dialogue with questions, they joined in to raise other immigration policy concerns such as social and humanitarian aspects.

### **Costs and Benefits**

Immigration has increased the number of less-skilled workers (those without a high school diploma) in the United States since the 1980s. Holzer's report suggests that the impact of this expansion on the wages and employment prospects of less-skilled workers is minimal. Among his cited reasons are that immigrants consume products and services, increasing overall labor demand, and that employers adjust production techniques to take advantage of the larger supply of lowskilled workers that immigration generates.

As far as who benefits, in general it is the employers, who pay lower wages, and consumers, who pay less for goods and services: high-income consumers benefit from reduced childcare, landscaping and restaurant tabs, for example. The low-income consumer receives cheaper food, medical care and housing.

However, costs and benefits are complex and differ, depending on many variables, such as immigration flow, legal status of the workers, and the condition of the labor market and the economy at the time, he qualifi es. If there is an infl ux of low-skilled workers, this might

improve the net real earnings (due to higher earnings and lower prices) of higher-income, native-born consumers, but might reduce them for lower income U.S. workers.

Workers who are undocumented usually are paid less than authorized ones, so “it would be better if we convert them to legal immigrants,” Holzer explained, adding that too often the cost/benefit discussion is framed around the legal status of the lowskilled workers. Immigrants here illegally tend to be scapegoated, he pointed out, saying a question that should be asked is how we help native-born unskilled workers via education, workforce development or market interventions. Policy Changes Because it is nearly impossible to determine an optimal level for lessskilled immigrants, Holzer said U.S. policy should aim at maximizing benefits; minimizing costs and helping immigrants who stay in the country integrate and gain upward mobility.

The report points to some ways to do that: First, provide pathways to legal status and citizenship for low-skilled workers already here and a legal route for future workers by using provisional visas that make it possible for some temporary workers to become permanent residents. Second, allow lessskilled workers on employment-based visas to switch employers more easily and gain a path to citizenship.

Third, set employer visa fees at a level sufficient to offset some of the costs that low skilled immigration impose. And finally, to ensure flexibility in the numbers admitted so that flows can respond to employer demand and macroeconomic conditions.

If those strategies were implemented, said Holzer, the risk of worker exploitation would be reduced.