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THE ECONOMICS AND POLITICS OF IMMIGRATION

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OPENING REMARKS:

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BUSETTE: So welcome, everybody. I want to welcome you here to our discussion about the economics and politics of immigration. I'm Camille Bessette, I'm the interim vice president for Governance Studies here at Brookings. And it's a pleasure to welcome you. As I usually do before these events start, I want to thank our events and security staff, who are always vital to ensuring a successful event. So by way of introduction, as many of you know, immigration consistently shows up on public opinion polls is one of the issues of greatest concern to voters. Much of the public debate over immigration is colored by emotion, fear, xenophobia, hyperbole, misunderstanding, and political posturing. Our goal today is to inject into the political, into the public debate over the economics and politics of immigration. Facts and evidence based analysis. Brookings is particularly well suited to accomplish this because of the breadth of our expertise across a range of policy domains, and today that is illustrated by the fact that this conversation is a joint effort of the Governance Studies department and the Economic Studies department here at Brookings. We cannot hope to bust all the myths or clarify all the misconceptions about immigration in an hour-long conversation, but we do hope to take a few steps in that direction. So let's start with some facts. There are broadly three types of policies that govern immigration into the United States the visa policy. So legal immigration into the US can be accomplished by applying for a visa or being a successful applicant to the Diversity Immigrant Visa lottery. There is also an extensive set of visas for employment and educational purposes. We also have asylum policy. One can also enter the US, US legally as an asylum seeker. The asylum policy of the United States is governed by the Refugee Act of 1980, and under this law, the United States recognizes refugees as individuals with a well-founded fear of persecution. In line with the definition established by the United Nations. It is also established that the office of Refugee Resettlement within the Department of Health and Human Services will oversee asylum policy. The Refugee Act also provides a mechanism to raise the cap on annual refugee intake, so applying for refugee status is a separate process from applying for entry as an economic. Migrants and refugees may apply from their home country or within their first year of entering the United States. Spouses and children of those seeking asylum are also considered in the application, and unaccompanied children can also apply independently. In order to qualify for asylum, applicants must meet the legally recognized definition of a refugee, must have no record of serious crimes, and cannot have already resettled in another country. Much of the current attention on US immigration policy is focused here on those entering the country as asylum seekers. Finally, one can enter the country illegally. Policies regarding illegal immigration are primarily regulated by the Immigration Reform and Control Act of 1986, and Illegal Immigration Reform and Immigration Responsibility Act of 1996. Immigration and Customs Enforcement is responsible for the prevention and investigation of illegal immigration. Those who enter illegally can be subject to deportation. So with that background, it is my pleasure to introduce today's

moderator, my colleague here at Brookings, David Wessel, senior fellow and director of the Hutchins Center on Fiscal and Monetary Policy and Economic Studies. And David will introduce our panelists and moderate the conversation. David.

WESSEL: Thank you. Camille. Some of you may have noticed that although the billing for this had a Elaine Kamarck on our panel, Elaine is unfortunately sick. Although she assured me she's watching from her sickbed at home. So any moment I expect an email telling me I said something wrong. She didn't give me her talking points, so I'm not going to try and impersonate, Elaine. But I am going to share with you some thoughts. So our goal today was to, as Camille said, is to try and shed some light on what is a very heated debate and to not focus only on the politics or only on the economics, but both. And I think we have a pretty good, panel to do that. Madeline Zavodny at the far end is the Donna L. Gibson, First Coast Systems professor of economics at the University of North Florida. She's written a couple of books on immigration. "Beside the Golden Door US Immigration Reform in a New Era of Globalization," and a book titled "The Economics of Immigration." She's an economist. She has a PhD from MIT. Tara Watson is director of our Center for Economic Security and Opportunity and a senior fellow in Economic Studies. She's been a professor of economics at Williams College and did a stint at the Treasury as deputy assistant secretary for microeconomic and analysis. She's also an economist. I can't remember where your PhD is from. Harvard PhD. And she is an author of a recent book called "The Border Within the Economics of Immigration in an Age of Fear." And Ruy Teixeira is a nonresident senior fellow at the American Enterprise Institute, and writes a lot about the transformation of party coalitions, the future of American electoral politics, and particularly the impact of demographic change on our politics. Before joining AEI, he was a senior fellow for almost 20 years at the Center for American Progress. But more importantly, he had a couple stints as a visiting fellow here at Brookings. Ruy has a PhD in sociology. I have no graduate degree, so that's why I'm the moderator. So Madeline I wonder if I could start with you. There's a lot of talk about what effect does immigration, broadly defined, have on the American labor market, on the workers who were already here, on the workers who come here. And I know you've done a lot of work on that. So how would you how would you describe that?

ZAVODNY: So there isn't a better time, I think you're talking about immigration than right now. I'm just hoping that we're not overtaken by events at this moment, by the White House doing something. There are lots of things that we know about immigration as economists, but I think the general public doesn't know or might not believe if they do know. And one of those things is a very clear consensus among economists that the economic impact of immigration in the US is small, regardless of really how big the magnitude of flows

are. Our economy is able to absorb either small or large numbers of immigrants, particularly over the long run. It's about ten years with very small effects on US natives. Now, that said, there are a couple of groups who do tend to be adversely affected. One is the least educated US natives, people who haven't finished high school. And part of that is because historically, at least until post the Great Recession in 2007 or so, a lot of the flows coming into the US were people who had very low levels of education. And so those US natives who also had very little education were facing a lot of labor market competition. The other group is previous immigrants, because, of course, newly arriving immigrants are very close substitutes with those previous immigrants. But for the average US native, immigration is often a complement, not a substitute, in the labor market. It might actually increase your wages or increase your employment opportunities. But this comes as a surprise, I think, to a lot of people, even though, as the National Academy of Sciences study in 2017 shows, with this huge study, you know, made very clear there's this consensus among economists. So why don't people, you know, why is why do we know that it's small? Besides, you know, all these fancy econometric studies thinking back behind, you know, what's going on behind the scenes? Well, the thing is, immigrants, when they come, they not only many, many of them work, they also buy things. So in that way, they're not only increasing labor supply, they're increasing labor demand. So they're creating jobs for people as well. Immigrants often go to different places. Then lots of US natives live, and again, they tend to go to places where previous immigrants are. So they're in ethnic enclaves within cities. They're going to very underpopulated rural areas where there's meatpacking plants that are desperate for workers. They fill lots of gaps in the labor market in some cases, either at the low end, at the middle, or at the very top end for, you know, professors, computer scientists, things like that. They tend to be very entrepreneurial. Immigrants are more likely to start a business again, maybe at the low end, an auto body shop, maybe, you know, at the very high end. And we can certainly think about, you know, Sergey Brin, Elon Musk, these very famous immigrants who have founded, you know, the unicorn type companies. The US economy is incredibly flexible as well. So this is what allows us to absorb large numbers of immigrants. One thing that economists have shown very clearly on Giovanni Perry, who's at University of California, Davis, has a whole bunch of studies showing this is that US natives tend to switch occupations when their industry or occupation gets a large influx of immigrants. And what US natives tend to do is they tend to move into higher paying occupations. So suppose that you work in construction. There's a large inflow of immigrants. Maybe you become now the construction manager who deals with the client because you are comparative advantage in economic speak, you're speaking English. Maybe you move into sales or marketing something like that. If you work in a high tech field and there's a lot of computer programmers coming in, maybe you move out of computer programing and again, you move into managerial type roles, you move into human resources, you move into

the public relations and customer service. Parts of the profession in those jobs often pay more. Not only do people respond, businesses who are people respond as well. They or they change their not to sound like Mitt Romney, but they change their product mix. They change how they make whatever they make, as well as changing what they make. When we get more workers, it often slows automation. It slows offshoring the movement of jobs overseas so it can actually keep more jobs in the United States. There's research out of the Wharton School of Business that shows this. So again, the US economy can absorb very, very large numbers of immigrants. Even the large flows that we've been getting for the last year, year and a half or so.

WESSEL: So what do we know about communities, say, South Florida, New York, parts of California, urban areas which get lots of immigrants, partly for the reasons you suggested that people tend to go where they know people are relatives. Is the impact on the native or recently arrived immigrant there more severe. And is that something we should worry about?

ZAVODNY: But definitely there are concentrated costs at the state and local level. And a lot of that is because immigrants recently they've been bringing children. They're also relatively young, so they tend to have more children. And so there's costs that are imposed, particularly on school districts. So you might see some overcrowding, you might see some increased need to hire teachers. You might see some pressure as well on rental markets and on housing markets in the short run. Right. And over time, immigrants tend to disperse across the country than unnecessarily stay where they initially went. We hire more teachers, we build more buildings, and we can absorb them. But definitely there are costs in state and local areas that get large numbers of immigrants that federally we don't deal with.

WESSEL: Well, right. And I think Tara and Wendy Edelberg, have a suggestion. Let me ask one more question. What do we know about, the pattern of upward mobility among immigrants, their children and their children's children?

ZAVODNY: Sure. So the immigrants have followed the same trajectory for, you know, over a hundred years. So my family came in 1880s through 1910s. Right. And so they were initially farmers. Then people started going to college. And now I'm a college professor. And what the phrase is Italians then Mexicans now. And so the intergenerational progress really hasn't changed. I think the data are quite clear on that. And it is surprising to. Many people.

WESSEL: And it's a different than from natives. Is there more upward mobility among and.

ZAVODNY: In in many cases, yes, because the immigrants who come in are disproportionately at the bottom.

WESSEL: So, Tara, you can comment on what Madeline said, but I wanted especially to ask you to talk a little bit about, why your work suggests that we need immigrants for demographic reasons, given that we're an aging society. Fertility rates are low, and they don't appear to be picking up. How do how how does that how do the immigrants fit into that part of our economic challenge?

WATSON: Yeah, I'm happy to talk about that. There are, many aging societies around the world. Of course, we have declining fertility, as you said. We're probably around 1.7 children per woman. We have. Related challenge, which is the aging of the population. So not only are we having fewer children, but, the baby boomers are entering their later years and people in general, even after the baby boom, is, sort of the the squirrel that's gone through the python. We're still going to have.

WESSEL: Squirrel. No. Elephant?

WATSON: I think.

TEIXEIRA: Squirrels can be pretty tasty.

WATSON: The we we, distracting. We're still going to have much longer longevity than we've had in the past. And so we're going to have many more people who are in their 90s in over 100. And, even though at every given age, those people are likely to be healthier than in the past, they're still going to require support and care. So they're there's a challenge related to direct care for, our older population, as well as a general issue, that there are fewer working age people relative to the older population than there were in the past. So if we think back to 1970 and we look at workers ages 18 to 64, there were 5.7 of those for every person 65 and up. If we fast forward 50 years to 2020, we're at 3.7 workers for every person 65 and up. Now we go to 2040. Not that long from now we're at 2.7 workers for every worker 65 and up. So we just have many, many fewer people doing the the work that will support the society as a whole. So that, of course, has implications both for the direct care work that I mentioned earlier, but also for the sustainability of our systems like Social

Security and Medicare. And, if you dig into the numbers, like the Social Security trustee's, report does and says, what are the implications for Social Security solvency over the long haul? Immigrants are not going to completely solve our Social Security solvency issue. But they do help. So if you look at the most recent trustees report, they try to project over 75 years. What kind of problems are we going to have financing Social Security, if we have what they call high immigration scenario? We're looking at being in the hole 3.12% of the payroll tax base, which is the denominator they use if we have a high immigration scenario, I'm sorry, that's a high immigration scenario. If we have a low immigration scenario, they're talking about 3.9% of payroll. So we are in trouble either way. In a sense, we need to make some changes. But immigrants and immigrant immigration policy can be a big part of a solution to those big demographic trends.

WESSEL: So, Madeline mentioned that in some communities with concentrations of immigrants, lots of recent immigrants, people, many of whom have kids or our kids are going to have kids that that's creating some local and, economic challenges. And you just described that the proposal that you and our colleague Wendy Edelberg had for how the federal government might deal with that.

WATSON: Sure. So if you look into the data, a lot of the costs that, immigrants, impose on governments specifically. So fiscal costs, are relatively, concentrated when they first arrive and are relatively concentrated at the state and local level. So education, as Madeline mentioned, health care is another, key category, but the benefits largely accrue at the federal level. And that's because immigrants pay income taxes. Even undocumented immigrants pay into the, revenue streams for federal government. And so there's this mismatch between the federal government is benefiting in terms of its fiscal picture, sort of separate from all these economic issues we've been talking about. And the, the state and locals are are bearing some costs at the in the short run. And that's certainly true with a more recent influx right now, who additionally need support in terms of shelter and other things that are somewhat atypical. So, the, the mismatch there, led Wendy Edelberg and I to argue that we should be redirecting some resources from the federal government to places that are absorbing a lot of new, immigrants with less education, which are the ones that where that fiscal cost is the most, biggest problem.

WESSEL: But basically, the federal government should send some money to the places that are most having the most concentrated cost.

WATSON: That's right. Because in the long run, the federal government will still win out. But in the short run, states and localities face these costs. They don't have a lot of flexibility in their budgeting to think about the long run. And so, some places need help. Yeah.

WESSEL: So Ruy I hang out with a lot of economists. And what you heard from, Madeline and Tara is very much, I think, the consensus of the economics profession. But when you look at the public opinion polls or just see what voters say, when they talk to reporters or which is I'm not and I've been talked to a lot of voters lately, but there's clearly it's a huge issue. And many people in the public do not see this huge economic benefit that The economist described. So what's going on here? Why is that?

TEIXEIRA: Right. Well if they got the memo from the economists about how wonderful immigration is, they didn't read it. So, yeah. Well, let's just kind of briefly, what is the situation now in terms of public opinion and immigration and its political salience right now? Immigration is probably the second most salient issue to voters according to most polls. In other words, economy inflation is first. But, you know, immigration is is, you know, really rocketed up the charts, so to speak, and now is a clear second in most polls. And how does that play politically right now? Probably Trump is favored by 20 or 30 points on immigration and border security over Biden. There's an enormous level of concern about the issue. Most people think it's it's not just a problem, but a crisis. People really do think we need to do more on border security. Now, if you look, in fact, I mean, this is this is not new in a sense. I mean, if you look at public opinion data over decades, I mean, people have always been for, you know, pretty tight border security for more spending, more enforcement. But the salience of that goes up and down and the level can go up and down. And that's what we're seeing right now, that it's both more salient and we have more people thinking it's it's a huge concern and they want something done about it. So why is that, okay? Why do people why are people concerned so much about immigration right now? Well, I think one thing that's very important to differentiate here is the issue of immigration and the issue of illegal immigration. They are not coterminous. They're not the same thing. I mean, legal immigration is a subset of immigration overall. But what are people really concerned about? They're mostly concerned about illegal immigration by the situation, the disorder and chaos they see at the border. They see people flowing into cities that they might live near or live in. They see the pressure that's being put on social services, that fiscal costs. There's a sense among a lot of these people that there's pressure on the low wage labor market and just a general sense of social disorder people, if you look at it, another part of public opinion, right? People kind of like immigration. They like immigrants. They think immigrants overall benefit the country. But what people really don't like is illegal immigration, in a sense that

people can just sort of waltz into the United States and kind of hang out indefinitely, which basically they can do right now because of the way the asylum system has essentially been gamed by people coming into the, into the country. And that's what Biden, recently has tried to clamp down on, which is enormously popular, like 70% approval by the public. So, you know, what people want is immigrants who come here legally and they work hard and they play by the rules, and that's fine with people. That is fine. That's not the problem. The problem is illegal immigration. And that's why it's such a salient issue today. That's why the Republicans benefit so much from from talking about the issue, because they know that people are unhappy about very high levels of illegal immigration and the knock on effects on that. And just this general sense that, you know, people are are basically taking advantage of the United States taking advantage of its borders. I mean, people know we're a nation. You know, we're a nation of citizens. We have borders. Those need to be enforced. There need to be some rules. There needs to be an orderly process. If we want immigration reform over the long term, right. We need a better immigration system is broken. Right. So people would prefer if you ask them to have a situation where maybe there could be higher levels of legal immigration, maybe it should be skills biased. I mean, we don't know exactly what can be sold to the public, but we will not sell to the public and to voters is sort of like, well, there's this ton of illegal immigration. And really trust us, it's going to benefit us in the long run. People shouldn't worry about that. It's all those, you know, only the only people that possibly object to this are racist and xenophobic. That's not true. I mean, ordinary people, ordinary voters, particularly working class voters very concerned about this. It's gotten to the point where you can ask CBS news recently, ask a question, would you support a national program to start deporting all illegal immigrants in the United States? This is a pretty heavy duty question. 60% said yes, right? I mean, I think that's soft. I don't think people are running around saying, oh my God, we got to deport everybody. But but the fact you would get that response now is remarkable, including among 53% of hispanic registered voters, 55% of white college educated voters, right, who are tend to be much more liberal than white working class voters who are off the charts on this one. So. So we're clearly at a point where we need to do something about the immigration system, but we're not going to do it without basically what Biden is doing. And even more to actually assure people we have control of the border. People are not just waltzing in, they're not just gaming the system. I mean, this is this has to be stopped. And if you want more immigration in this country over the medium to long term, you're going to have to have a reform agenda that basically changes the the criteria in which people are admitted. That makes clear who is admitted than enforced, who gets admitted, and that can actually like be sold to the public. Is this is good for you, right. But we will not sell to the public is the current system we have and the laxness we've seen recently at the border. It's like a good thing and not a bad thing. I just think that's the nature of the beast.

WESSEL: We haven't had a major immigration reform since 1990. There are been proposals floating around that would you would you suggest and somehow they never get through Congress. They get close, and then something blows up. Why is that? Is that just a function of Congress? Or?

TEIXEIRA: You may not have heard this, David, but we're a kind of a polarized country these days. And it's a little like.

WESSEL: Well I don't have a PhD in sociology, I don't know these things.

TEIXEIRA: It's a little hard to get the two sides to kind of agree on anything, particularly about a hot button issue like this. But clearly there are, you know, a substantial section of the Republican Party that is, you know, borderline nativist. They just don't want to do anything about this. Right? They prefer to have almost no immigration, but there's a significant section of the Democratic Party that doesn't want to see the current situation change. They don't want tighter border security. They think it's borderline racist, if not outright racist, to do it. I mean, look at the reaction from like, Pramila Jayapal, when recently the head of the Congressional Progressive Caucus, when Biden did this, I think in some ways relatively modest attempt to tighten up the borders like this is terrible. You know, this is awful. This is racist. We should have more resources for people. We need to, you know, basically fix the situation of the people who are now in the country illegally. We need to totally reform the system before we do anything like the finish of the ludicrous. Yeah, that's not going to happen. So, you know, this is like failing to support a modest step in the direction of reassuring people. Democrats care about border security. So if you can get, you know, then you can get the Republicans moving in the direction of accepting some changes to the system, doing something about the illegal people here already, so on and so forth. And you can get the Democrats to admit that you need to actually have a very, you know, sort of serious system that incorporates border security. Eventually, maybe you'll get a bipartisan agreement on that. But I would just add, you say that's difficult. Yeah, it's difficult, but you will not get any serious reform of the of the immigration system unless it is bipartisan. The idea that, you know, you can actually push through the version that left wing Democrats think, as you know, we'll immigration reform is just like cloud cuckoo land. It's not going to happen.

WATSON: Can I push back on that a little bit. So, I think clearly Republicans are concerned about the border. They're concerned about the perceived level of chaos at the border. The border is under-resourced.

There are a lot of people coming to the border, and the their capacity is not there to handle it. I think it's, it gets lumped in to illegal immigration, by which most people, when they think of that term, mean people sneaking across the border in the middle of the night. And that's not what is happening these days. What is happening is people are presenting to an official at the border. They, more so than in the past, are being let into the US, on a temporary basis without an official visa so that they can seek asylum. And so while they don't have a legal visa and therefore it can be called by some people illegal immigration, I think it's really a fundamentally different thing. They are briefly screened. But the reality is we do have a lot of people, millions of people who have come in the past few years.

TEIXEIRA: They're basically economic migrants who are basically gaming the system. You don't think that's true?

WATSON: I think there there is a large group of people who are here, for both economic reasons and because their home countries are in, really bad shape and they view this as an opportunity to escape that. So we will see what the asylum courts do. At the moment, there are roughly half of those people who are getting through the asylum process, which takes a very long time because we are so backlogged, are getting asylum, which means they've met a fair standard. And so someone, some judge is agreeing that they are in fact, meeting that threshold for an asylum seeker. But clearly there's some economic motivation, given our strong.

WESSEL: I think we should at least note that there was a bill that was moving until Trump blew it up. So it's not it's not like it's all okay.

TEIXEIRA: We're a polarized country.

ZAVODNY: But that bill only dealt with the border. Right. And we spent over a decade from 2007 to about 2019, the unauthorized immigrant population in this country was actually falling, and we didn't get anything done. Right. And so, of course, the situation at the border post Covid has just created havoc and has dashed any hopes of doing anything, but I don't think we would have done anything anyway.

WATSON: I mean, we had the attempt in 2013. To try and.

WESSEL: Let me interject with, Elaine's talking points. So Elaine is a senior fellow in, in Governance Studies here at Brookings. But she did relevantly she did a stint, working on Gore's reinventing government thing. So she's focused a little bit on, in this regard, in the mechanisms. And, if she were here, she would make these points, even if we could get the politics straight. And I guess we are at polarized country and we could get agreement on the law about the border. We still face what she calls enormous management issues at the border. And she makes four points. One is there are a lot of people who want to come here. We know that's a fact. I'll spare you the numbers. Two, it's really hard to hire people at the border. The compromise bill that Trump, helped defeat provided funding for 1500 new Customs and Border Patrol agents. But it would take years to hire them, because the Customs and Border Patrol has to compete with other law enforcement agencies. They need security clearances. And for reasons which I don't understand, 65% of the people who apply to Customs and Border Patrol fail a polygraph test, which is higher than other law enforcement. I wish Elaine were here to explain that one to me. The workers in remote towns on the southern border, people don't necessarily want to live there. And she points out that President Trump attempted to hire 7500 new border agents, the company he hired or the government hired to facilitate the hiring, ended up hiring only 58 new agents. So it's hard to hire at the border. Part three is there's a classic problem of surge management, which means that you have to have a workforce big enough to deal with a situation that can fluctuate wildly. And, we know that there have been a lot of ups and downs during Covid. And since, she points out that in October of fiscal year 2021, the number of land border encounters at the southwest border was 72,000. A year later, it had more than doubled to 165,000. And in and a year after that, it was 240,000. So all that while the number of agents at the southwest border remained constant at 16,000. And she says that the problem of surge management is that it's beyond the control of the Customs and Border Patrol, like Venezuela falls apart, and a lot of people want to come here or we have a recession and suddenly there are fewer jobs, so there are fewer people crossing the border. So, like, it's hard to plan for surges when they're unpredictable and forth. As, as Tara just mentioned, there's a real shortage of immigration judges. She says there are currently 682 immigration judges on the bench, and the pending cases per judge is 4500. So people are left waiting years to see a judge. And that's one of the reasons why people have so little confidence in the system. Her plan. So I'm not going to defend this plan. Okay, guys, this is hers. Close the border temporarily so we're not adding to the backlog. Recruit immigration judges to work through the backlog by offering to pay their law school debts. And have a plan for surges, something like the National Guard. Stand by people who are trained and available to come work on the border when there are a lot of people coming through. So let me just. So that's Elaine. That's what Elaine would say if she were here. You're welcome to respond. Madeleine, you look like you were going to have a heart attack when Ruy was talking. I don't want to. Didn't

mean to cut you off like so. What's that? Why is there such a disconnect between what Ruy picks up, which is clearly a lot of public angst about immigration and the belief that you have with evidence that actually it's good for the economy and that a lot of people benefit by having immigrants in their community. How do we make sense of this?

ZAVODNY: I want to leave that to the sociologist, obviously. But I think that there are so many failures of our immigration system. But part of the failure is that we don't provide enough legal pathways for people to come. We make it incredibly, incredibly hard to come on a temporary work visa, particularly if you are going into what we would classify as a low skilled job, right, that we only have, what, 66,000 H-2b visas available for one year in the typical year? It is very, very hard if you don't have an immediate relative here to be sponsored by a US citizen and so on. So that's not the only reason why people are coming to the border and trying to cross illicitly, and then finding a Border Patrol agent and turning themselves in and ask for asylum. But part of it is that we're not providing enough legal right away.

WESSEL: You would agree with that, right?

TEIXEIRA: Yeah. I wouldn't disagree with that. Absolutely. I mean, again, people like legal immigrants who work hard and play by the rules. So if you figure out a way to reform the system or change the system so that there are more legal pathways anyway, at the same time, you know, cut down and tighten up border security. So we don't have so many illegal immigrants. I think you're you're on the way to a solution, though, again, how you actually are able to to do that in a, in a way that's politically feasible, you get some bipartisan support. That's yet another question. But I think that's fine. I think that if we believe that over the long term, we need more immigrants in this country because of low fertility in an aging society. Hey, that's fine. That's a that's a reasonable point of view. But if you're going to do it, do it the right way. Do it through the legislature, through Congress. So selling it to the American voters don't do it by basically like, you know, sort of being very lenient in the border and people everyone claims asylum and they kind of stream in. This is like a really bad idea, even if it's done for good reasons or good-hearted reasons, humanitarian reasons. It's a terrible idea. It promotes social division. It's incredibly unpopular. And you're just going to turn people against immigration writ large. So that's my thing.

WESSEL: This may be beyond what you've thought about. Are we all that different than Europe in this regard? They seem to be wrestling with some of the very.

TEIXEIRA: Absolutely. Europe has a lot of the same problems. Look at the EU elections that were just held right. Populist forces made huge gains and the most liberal pro-immigration parties lost the most.

WATSON: If I can share my theory about why we haven't managed to expand those legal pathways.

TEIXEIRA: Can you talk a little bit about the roundtable you've been participating.

WATSON: Oh sure I run a private roundtable a Brookings, with some folks from AEI and Cato, to talk about what's happening in immigration policy and, the, partly as a result of those conversations, my, belief is that there is, there is an overlapping consensus that we should have more legal pathways for, immigration. And the exact contours of that are probably there's probably less agreement on, but there is some, general consensus on that point. However, if we think about the political incentives of the left and the right, the left, sort of wants to hold that hostage until they can, meet other priorities, which include, pathways to citizenship for undocumented populations and perhaps some looser asylum rules. And on the right, the same the same consensus part of the puzzle is being held hostage because of these border security issues. So essentially, even though they would all agree to some package of reforms in the, in this, legal pathways, neither are willing to budge on these other issues. And that leaves us in this situation where since 1990, the number of immigrants that can legally come through most of these pathways is fixed, even though the size of our economy has more than doubled. And so we are just not keeping up with our economic need. And I would argue that part of what we see at the border, is, exacerbated by the fact that we don't have the appropriate legal pathways.

WESSEL: So, we got a number of questions, some of which we've touched on. One question was, is there any evidence that investing in the countries where people are coming from actually does anything to the flow of immigrants in coming here?

ZAVODNY: It increases it twice that. It increases it in the short run, where the short run is quite a while. So you could either, informally call it the migration hump, more formally, call it the migration transition that when you're very, very poor, you can't afford to migrate to the United States. It is incredibly expensive to get up here, hire a smuggler, and so on. Whereas when your country becomes wealth a little bit wealthier, you start getting more resources in your community, in your family, you can borrow some money. Now, you can make

that trip. So instead of staying at your home or migrating within your region or within your own country, now you can come to the United States. So it would actually increase immigration.

WESSEL: That's interesting. There was a question. Which I don't know that. Any of us can really answer, because it has to do with predicting what happens after the election. But I'll ask it anyways. Some economists expect a major economic boost for immigration in the next decade, especially after the Congressional Budget Office kind of, discovered, reported, documented that we actually had a lot more immigrants in the last couple of years than we have thought. And that's one reason why we've been able to create so many jobs, because we have more workers than we thought. But to what extent do you think these long run changes in immigration are going to be influenced by who wins the presidential election?

WATSON: The CBO, actually, has immigration really high from '23 and '24 and then gradually coming back down. And that's basically because no one really knows what's going to happen in either scenario. So I think that the next president will have more to do with what happens in the next couple of years than any kind of long run. At the end of the day, this is actually a congressional issue. And so eventually Congress is going to need to.

WESSEL: Leon Panetta once said that when it came to the federal deficit and the long run debt problems, the United States, we were it would take either crisis or leadership. And he said both it failed. So I don't know. He doesn't have a theory of change anymore. But I do wonder whether there's a possibility, right, that the amount of heat and attention on immigration and the problems at the border provide that kind of action foreseen crisis that gets Congress to do something. Do you think what would you give the odds of that somewhere north of zero?

TEIXEIRA: Yeah, somewhere north of zero. The question is, how far north? Yeah. I mean, it's, it's hard to make predictions, especially about the future. I mean, look, if Trump gets in, he'll try to crack down and Biden gets in, you know, probably squeaks through. He really thinks he barely won .Immigration is still a hot issue. Maybe I need to do even more down the path that I did before the election. So maybe we'll get into a period either way where there'll be a concerted effort to crack down on illegal immigration and not exactly seal the border, but make it much less porous than it has been, and maybe that would create a better sort of opportunity or palate for legislative action that would actually increase legal pathways and do some of the things that that people here have been talking about. And over the long term, perhaps that would help us get

where we want to go. So, yeah, I mean, in that sense, maybe your theory about it's so hot right now that, you know, you can't just ignore the issue because you can't just muddle through. Muddling through isn't an option anymore.

WESSEL: Trying to inject a note of optimism.

TEIXEIRA: Right, right. So, so after, after the deluge, so to speak. Perhaps we'll have some action.

WESSEL: Yeah. Interesting. You guys want to make political predictions?

WATSON: Nob ut I do recall that, the Obama administration tried this idea that if we just get a little tougher at the border, then the political actors will come together with consensus. And that did not.

WESSEL: So I but I was suggesting that. But the climate was different. I mean, it's not it shows up. It's such it's impossible for politicians to ignore it. And at some point there's going to be pressure on Congress to do something about something that people care about. I mean, compare this to the deficit, where, you know, a whole bunch of wonks worry about the deficit and most Americans don't. This isn't a totally different category.

TEIXEIRA: Agree.

WESSEL: Think.

WATSON: Yeah, yeah. The other, forcing issue might be some of these labor issues that I talked about and specific fields. And also, we might, we might see the business community sort of being more of a voice, than they have been to this point, for reasons I don't fully understand, advocating for more worker flows. And I think everyone would agree it's better to have those worker flows coming through a legal pathway that is regularized rather than, what's happening at the border right now?

WESSEL: One idea that I've seen floated around. It's been pushed by among others, the Economic Innovation Group is to have a new visa category that counties could decide that if they needed workers, they could get that. They call it, I forget place based immigrant visas is a compromise, a way to, if you if you're a community that wants immigrants, you would be able to essentially have a quota of visas.

TEIXEIRA: So you can have order them up almost.

WESSEL: Well, but also, it's a way to deal with the diversity of the country where some places want them. Although the Wall Street Journal had a terrific story a couple of weeks ago about West Virginia, which is starving for workers and more hostility to immigration there than almost anywhere else. So it's not people don't always act in the way that economists think is their self-interest. I've noticed.

TEIXEIRA: Right. Well, when you say starving for workers, we mean the, you know, sort of economic actors and some of the polls, I suppose. But I mean, ordinary people, they don't walk around in West Virginia saying, I'm thirsting for more immigrants. But that's that's the problem.

WESSEL: But you go and you can't get you have to wait a long time to get service at, emergency room because they're short of people.

TEIXEIRA: Right, I'm just saying the people.

ZAVODNY: Half the tables in the restaurant are closed because they don't have workers.

TEIXEIRA: That's not how they interpret it.

WESSEL: I get I get they they don't interpret it. So, I mean, it is true that I discovered during Covid that supply chain problems and labor shortages were excuse for every service business that let you down. So people don't often believe that.

TEIXEIRA: But. Right, right. A certain skepticism there.

WESSEL: Yeah, yeah. Let me, give the audience a chance to answer a question. I think we have some mic runners. The gentleman over here. So I have a favor to ask. Oh, I I, I moved too quickly, so just going to get the mic runner's, if it would be better if you stood up so we can see you, say who you are. And we have a lot of people here. So, I like to have questions with a question mark and not a speech. Sorry, Catalina. To advance the timing. Thank you.

AUDIENCE QUESTION: Thank you for, very interesting subject. My name is Lex Reiffel, formerly with, Brookings. And, I want to start off by saying I'm a fan of immigration because my father was an immigrant. What mystifies me is that these discussions of immigration, take place without any reference to how what a sustainable population for the United States is. I mean, maybe 40 years ago, we had half the size of the population of half as many Americans as there are now. Another 40 years, we could have twice as many. But, I mean, how much? How many people do we want to have in this country? And don't more people have a connection to climate change, more people, more consumption, more climate change problem? So maybe there's some. Actually, there's maybe I'm a smaller level of population that's sustainable from the United States. Thank you.

WESSEL: You want to take that?

ZAVODNY: I have a lot.

WATSON: Okay. Yeah.

ZAVODNY: I mean, I think climate change is a global issue more than the US. And I would push back gently and say that I don't think we want to say that people have to remain poor just in there and in dysfunctional countries and mired in poverty just to help with the climate. I think we can absorb, again, large numbers of people. We're a very empty country for the most part.

WESSEL: I mean, you're right that we've the population has increased, but we have managed to do that and provide a rising standard of living over time. So some of this is, but the point you make, I think, which is worth thinking about, is that we can't obviously house the entire world population in the United States. So we do have an interest in helping to raise the living standards in other places. And that's a longer conversation, which I'm happy to have another time. The woman here in the front.

AUDIENCE QUESTION: Thanks. My name is Peggy Sands Orchowski. I've been a congressional journalist covering immigration for 15 years, and I have two books out once, "The Law That Changed the Face of America," and it's coming out in paperback this summer. So, what I'm curious about is there is no mention about the immigration laws, if there's any. Do you see any limits at all? I mean, you made a comment that

anybody who has economic problems, it's justified that they can come through dozens of countries to come here and come in illegally. And it's exactly right. That write for a Hispanic magazine. They're furious. Most Hispanics are furious about illegal immigration. So why don't you specify illegal, temporary, permanent. There are real solid categories that the American public can handle three they can handle, I think.

WESSEL: I think you're misrepresenting.

WATSON: I didn't mean to give the impression that I think anyone with an economic need should come to the US without. Without.

WESSEL: Is there a limit?

WATSON: I do think that the US needs to have some limits on immigration. I just think they should be much higher than they currently are. Yeah.

WESSEL: Yeah.

TEIXEIRA: The one thing that is true, I'll just add, I mean, based on her comment, this is it's very it's very interesting to track the views of Hispanics. On on these issues. I mean, people generally tend to assume all Hispanic voters, they're pro-immigration. That's a really big issue for them. They want us to be more liberal than we are. So the reverse is true at this point. They're moving rapidly toward a much more restrictionist position. Hispanic voters, actual citizens. Right. So that that's an important part of why we see Hispanics moving toward the Republicans, in most places is they're actually not big pro-immigration voters that actually are concerned about the flows of illegal immigrants and sort of the implications that has for their communities.

WESSEL: So do you basically think that I think you've written this. I know you think this, that, Biden actually made a mistake, that he didn't get to where he was today earlier.

TEIXEIRA: Absolutely big mistake. Because because it just allowed the issue to explode over time with the massive flows of illegal immigrants. And you see the, you know, public opinion just became more and more, I don't know, sort of hardcore in this. People became more and more concerned about it, had more and more,

you know, sort of hard line positions on it. The Republican position appealed more and more to people. And now Biden finally is moving in the direction of sort of trying to close down the border, at least temporarily, and at least in some ways. So but, you know, actually, what he did when he came into office was, you know, completely predictable. It would have this reaction in terms of what he did on the asylum system and a lot of other things, and sort of trying to reverse what was believed to be Trump's kind of anti humanitarian policies at the border. It basically said a loud signal to, you know, potential migrants into the cartels. It's going to be a lot easier to get in. Now, let's all come. And, you know, they did it just this is like me talk about economics. This you you reduce the cost of coming. More people will come. You know, it's it's wasn't rocket science. So so that happened and I think Biden just let it happen. Let it happen. Let it happen. And you know, I wrote a piece about this in my Substack called Joe Biden Prisoner of the Progressive Left because one reason, one big reason why he let it go on for so long and let the crisis fester, is because there was so much pressure on him from the left of the party not to do anything on this, just let it ride. I mean, you know, I mean, as you pointed out, the left of the party is pretty committed to like, not only what we have now, but even more liberal.

WESSEL: So I agree with you on the danger of generalizing about what Hispanics think. I'm reminded that in an earlier generation, the German Jews who came here first were very hostile to the Eastern European Jews. So they thought it would, you know, be they were more tend to be more peasants and not. But do you think that but I think there's some ambivalence also if there is some willingness, correct me if I'm wrong, to deal with people who are fleeing Ukraine, Afghanistan, places that are clearly not economic, only migrants, is that true?

TEIXEIRA: Sure. I mean, actual refugees are right, you know, like we used to think about them are, you know, a people are of a much more generous attitude toward them. But what they don't trust now is that the asylum system, which was sort of originally created for people like that, is what we're getting now. So, yeah, if we could restrict that, the actual refugees, I think people would be pretty happy.

WESSEL: Yeah. But it's hard to define are people leaving Venezuela actually refugees?

TEIXEIRA: No, I don't think so. I don't think so. I don't think the refugees I mean, not in the sense was originally intended. Political refugees who are basically going to be exterminated. Or arrested and killed. If they're not, if they if they're not given asylum. I mean, asylum can't mean I'm leaving a dysfunctional society

where this social disorder, the economy, is collapsing. You know, this is this this sucks. I want to go to America. You know, those aren't refugees in the sense it was originally intended, in my view.

WESSEL: Look like you wanted to say something, Madeleine, but maybe not.

ZAVODNY: No, I agree, the uniting for Ukraine program has been immensely popular. The Cuban, Haitian, Nicaraguan, Venezuelan programs are all large. The big problem is we're just not getting through the asylum claims that are not going to meet the standard for persecution fast enough.

WATSON: And if I can just, maybe reframe the Biden's situation a little bit. It's a hard problem. Right? So when he came into office, we had Title 42 in place that was allowing people to be, not considered for asylum on public health grounds, even though, that was probably not really due to public health concerns. It was a way of managing the border that, sort of was in place and he was able to take advantage of it until May, of last year. And, once that ended it, there were there were no similar, rules in place until last week. So we have this situation where, right now we are, quote unquote closing the border. That's not really what's going to happen, but that means between ports of entry, if people present themselves to, a Border Patrol officer, they can be removed. And that hasn't been happening very much, in the, in the intervening year or so. And, but if you remove someone and there are thousands of people coming a day and you're removing them by saying, just go back across the border to Mexico, you need some cooperation from the country of Mexico in order to do that which was not in place. So he was facing a really challenging situation. And it I agree, was it was probably exacerbated by the fact that the, the solution to that was then to let many people wait in the U.S while their asylum claim was going through.

WESSEL: And it was kind of a visceral reaction to some of the harshness of the Trump policies as well. Right? The separating kids from their parents thing.

TEIXEIRA: I mean, that doesn't mean that the response was right, because it was the response. Right?

WESSEL: No I'm trying to explain the response.

TEIXEIRA: Well, I well, I, I could say more about that, but I won't.

WESSEL: And then you can go first and then we will go.

AUDIENCE QUESTION: Yes. Thank you so much.. So my name is on [inaudible name] I work for the Dutch Embassy at the economic department. And I find it really interesting to see on one hand research showing that, there's, like, there's room for immigrants. And then on the other hand, public opinion saying we don't want it, especially illegal immigrants. And I'm just curious, like, what, can be done or how how can we like, get research, to the people to make, like, well informed decisions? Because now it seems that the research that has been done has not reached the public or, I don't know, there's some different, definition of immigration. And I'm just wondering, like how you can, like, combine those two or get those two more together?

WATSON: Hold Brookings events?

WESSEL: So look, I think there are a couple things. First of all, places like Brookings and AEI exist on the hope that if you provide good research information, it will influence at least the elites, if not the general public. Unfortunately, we're not paid for performance. So it is hard. But secondly, I think what what Ruy's point has been is that people's impression of immigration is greatly informed by what they see on TV or social media about this chaos at the border. And people generally don't like chaos, and they feel like things are out of control. And so what Ruy's point is that if you want to get, a better rational immigration system where perhaps one that, unlike the ones we've had in the past, but like the ones they have in Australia and Canada, are more based on the skills that people bring, then we have to figure out a way to calm people down, that the border is not a disaster. And the the third thing is that as me, I don't speak for the other panelists. Whenever we have economic distress, we tend to blame it on other people in other countries. It may not be. It may be blaming it on people. I'm having trouble getting a job. It must be because there are a lot of people who don't look like me, or we're having trouble with American manufacturing. It must be because China is doing something. And people tend to under value, or under appreciate how much technological change may be responsible for their circumstance. It's always easier to blame somebody else, particularly someone who's foreign. And that's just a fact of life. And, I'm not sure that the Dutch have found a magic solution to this either. From what I understand, that's my best attempt at amateur sociology. Wendell. Wendell.

AUDIENCE QUESTION: Wendell Primus with Brookings. My question is the the Senate compromise that, Trump has blocked. In your opinion, if it were allowed to go forward how much of the border security problem would have been solved by that compromise? And I also think. It didn't involve the dreamers. Do the political parties differ on what ought to be done about the dreamers?

WATSON: I don't I don't think that recent attempt at trying to do something about the border was, was. Likely to be that effective. In the same way, I don't think this Biden action is actually likely to be that effective. I think they are chipping away at some issues, but really it's a bigger problem that requires a bigger set of solutions. In terms of the questions about the dreamers, you might have a better handle on the political landscape.

WESSEL: So the dreamers, the people who came here. Yeah. As children, not legally. And can we and they have temporary legal status. And we're trying to figure out a way to make it permanent.

TEIXEIRA: Yeah. I mean, if you look at public opinion data, I mean doing something about the dreamers, I guess once you explain to people what they are not, people know what they are. I mean, it's pretty popular. I mean, it's people are sort of fine with it. I mean, getting a political compromise between the parties that would include, you know, sort of legalizing the dreamers. That's part of what gets difficult. Right? Because Republicans will say, okay, yeah, great idea. But what about border security? Are you really willing to do anything about that? And, we don't really want to do anything about that until we have comprehensive immigration reform. So this is a problem. It's not that the public doesn't want it, it's that the parties can't come together in a way that sort of brokers their issues and produces a compromise that would include this, but you're not going to get both parties suddenly standing up and saying, you know, standalone issue, standalone legislation, trying to legalize the dream. It's not going to happen.

ZAVODNY: Because I think the dreamers kind of get held up by both parties because they're the most sympathetic group. And so they become this huge bargaining chip, and therefore no one's willing to pass something just for them because they lose that chip. It'll be very interesting. Is that at the very beginning about being overtaken by events, if the white House moves forward with offering parole to spouses, undocumented or illegal spouses of US citizens, who are another somewhat sympathetic group, what will happen? Another group that gets left behind in all of this discussion is the children of H-1B workers who have are in the queue waiting for a green card. They're going to be waiting potentially their entire lifetime if they're from India and their children who were not born in the US but have spent most of their lives here, are

aging out of the system and are about to join the same system their parents are trapped in. That's another very sympathetic group.

WESSEL: Yeah, yeah, I guess the problem is everyone no one's willing to take half a loaf and they can't even agree on what the half a loaf is. And that's a political problem. I think we have time for one more question. The woman on the in the blue there who I slighted before. I'm sorry.

AUDIENCE QUESTION: No worries. Thank you so much. My name is Maddie. I'm a college student. Classic Hill-tern this summer.

WESSEL: Don't be so self-deprecating Come on.

AUDIENCE QUESTION: Anyway, I'm fascinated by the mention of the decrease in the ratio between 18 to 64 workers and 65 plus, and I'm curious I know we just touched on this with this recent era of technological progress and what seems like we're on the precipice of exponential growth and like productivity and output, could that growth substitute the need for immigration writ large or like maybe even demerit the the calls for that? Or are the, you know, flows of immigration. Maybe not directly affecting or benefiting those industries in the same way?

TEIXEIRA: Yeah, it's an interesting question. I mean, productivity growth, right, is I mean, economic growth is a product of productivity growth and labor force growth. So we need immigration for labor force growth because productivity growth is low. At least you could. And that's part of it. Right. If there's an exponential increase in productivity all of a sudden, you know, everybody's better off in the country, because, you know, we're, you know, have productivity growth is 3% instead of 1.5% or 5% or 10%. I mean, these these projections are insane about the, influence of AI potentially in productivity. Now, what do I think about that? I think it's unlikely. I think there's a bit of a sort of intellectual bubble around how much, AI is really going to increase productivity. So I would say if there was an exponential increase in productivity, it would be the case that you could probably get away with pretty slow labor force growth. But I'm not sure I believe that.

WATSON: Yeah, I think there are some sectors where there simply isn't going to be the scope for a technological substitution. And that would include the caregiving sector. At the end of the day, you're, you're going to have some technological improvements. You might have robots helping to lift someone, out of bed

or something like that. But when you need, care as a central part of the the service that's being supplied, you need people to do that. And I don't think, in those sectors, we're ever going to be able to, dwindle the labor force. And by all projections, that labor force is going to grow dramatically, even in the even if technology continues apace. So I expect that we will continue to need a growing labor force, and we will continue to need, immigrants in order to be part of that solution.

WESSEL: Great. So I think that's an excellent discussion that we touched on. Many of the issues that are like in the paper or whatever, you get your news these days. I'm old, so I get some of those papers. I admit it. Basically whatever you saw on Twitter. And, I hope that, like, we've the goal was to not change the public debate, but, at least inject some facts and analysis and evidence into what's very emotional. And I think we've succeeded because the panelists are good at expressing themselves and did it so succinctly. So please join me in thanking the panel. And. I look forward to getting Elaine's report card by email later. Great, thanks.