

MACROECONOMICS AND IMMIGRATION:
THE IMPACT OF THE ECONOMY ON
POLICY AND ENFORCEMENT

by

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ABSTRACT

Immigration to the United States has been a hotly contested topic for decades. Historically speaking, anti-immigrant sentiment tends to intensify during periods of economic downturn, giving rise to the notion that new immigrants are taking jobs from native citizens and placing an undue fiscal burden on the nation's economy. Noted differences in public opinion also exist between skilled and unskilled immigrants. After analyzing deportation data as well as statistics on legal permanent residents, the results demonstrate that regardless of legislation passed in the wake of economic downturn and public outcry ultimately is not significant, and actually causes more issues. The result of increased deportations is due to a massive increase in global population, as well as improved transportation technology.

While unemployment is often championed by some as a reason to restrict immigration, a downturn in those rates had no statistically significant effect on deportations or the immigration of both skilled and unskilled individuals. Simply based on raw statistical data, a relationship does indeed exist between the economy, immigration policy, and enforcement. If investigated fully, this information could be a strong predictor of migration numbers available for the government based on the current state of the economy.

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Immigration has been one of the most hotly debated and controversial topics this country has faced. It is an argument that most recently reached a tipping point during the recession that rocked this country beginning in 2008. Interestingly, however, this same debate about immigration and a perceived negative economic effect has happened nearly a dozen times over the last two centuries. Is this a coincidence? Or are other factors responsible. The United States is a nation of immigrants. This country was built on the premise of the “land of the free,” and equal opportunity for an individual to work hard, sacrifice, and build a better life. The American Dream can be realized by all. However, political discussions concerning this same topic have not been so idealistic. Since the foundation of the U.S, citizens have argued about who should be allowed into this country, rather than living up their initial lofty dreams of civilization. Deportation and legal admittance rates have varied throughout the years, with accusations for this change directed at xenophobia, political events, wars, and economic recession. This thesis seeks to examine this variation in immigration policy and enforcement in the context of macroeconomic changes over time. In other words, how does the macroeconomic health of the U.S. economy and selected elements of global trade impact U.S. immigration policy and enforcement? More specifically, how do forces of globalization and unemployment rates within the United States impact deportation rates of undocumented migrants and admissions of skilled and unskilled legal permanent residents to the United States?

LITERATURE REVIEW

Legal Permanent Resident Status & Internal/External Economics

Immigration has been one of the most hotly debated issues in the United States since shortly after its inception. But two important questions must be answered. The first being: Why do people choose to immigrate? It boils down to a cost-benefit analysis, examining both push and pull factors. Push factors are those that would encourage a person to leave their native land, while pull factors are what make a specific region or country especially desirable. Espenshade (1995) offers two different theoretical approaches. First is the neoclassical approach, which portrays all migrants as “income maximizers,” and only move if they expect to earn more than they would by staying in their home country. Neoclassical macroeconomic theories posit that international migration is driven by regional imbalances in the supply and demand for labor (Espenshade 1995). Basically, if one country has a larger and well-sustained economy people will choose to migrate. The counter to this theory is microeconomic in nature, assuming that all people are rational decision makers, and that people move not just for themselves, but include families or significant others. The goal is not necessarily to maximize profit, but to minimize risk to the family unit (Espenshade 1995).

The high level of development and age-old ideal of the “American Dream” has made the US a very highly desired destination for migrants. In addition to economic factors dictating enforcement of immigration policy through increased deportation rates, economic factors may also play a role in number and type of immigrants the U.S. offers legal permanent resident status. Indeed, the economy certainly plays a role in the reason people from around the globe desire to immigrate to the United States. In particular, reasons for migration can be categorized as ‘push’ and ‘pull’ factors. Push factors are reasons that a person may be inclined to leave their home

country for a new place, and these can include unemployment, war, and civil conflict (Schrool, et al. 2000). Pull factors, on the other hand, are characteristics that make a destination country attractive for migrants, and economic freedom has been described as the most important guiding factor for migrants selecting a new country (Schrool et al. 2000).

These reasons are particularly salient for individuals seeking to immigrate to the United States. The U.S. is a 'brain gain' country, attracting the best and brightest minds that other nations have to offer, often at the expense of the source country that needs them most. The mass departure of intellectuals from other countries that come to the US is largely due to economic incentives, such as an increase in salaries and career prospects, among other non-economic factors such as the constitutional freedoms (Schrool, et al. 2000).

Indeed, research has indicated that there is a marked difference in public attitudes between highly skilled and low-skilled immigrants. Hainmueller and Hiscox (2010) in their study of these attitudes found that, while they may seem non-economic in nature, generally have economic undertones. Individuals may fear that migrants are creating too much competition in the labor market, and that they place a "fiscal burden on public services." (Hainmueller et al. p. 1, 2010) These two economic factors were determined by the authors to be important in allowing an individual to create an opinion on immigration, and that non-economic factors like race and the current political atmosphere grow from there. It is also interesting to note, according to Facchini and Mayda (2011), that unskilled workers are less likely to oppose more strict immigration policies, relative to skilled workers. This is reflective of their labor-market hypothesis, which posits that because the majority of migrants are less skilled than native workers, so the competition for those jobs is much less than for skilled positions. While this is very interesting in determining the public attitudes toward immigration, my study will take it one

step further by observing the potential impact that this has on the numbers of skilled and unskilled migrants that arrive in the United States. Hanson (2007), Devadoss and Luckstead (2008) found similar results in their studies, noting that more animosity exists in the high skilled sectors, and less so in a service industry like agriculture. Immigrants to the US are disproportionately clustered at the lower end of the skill distribution, as 21% have less than a high school degree. Compare this with the native population, 4% of which did not complete high school (Hanson, 2007). According to Devadoss and Luckstead (2008) every 100 service industry (unskilled) migrants only displace domestic workers by 1.23 in a profession that is undesirable.

However, in economic sectors that require more skill, the number of qualified migrants arriving in the US is on the rise. Hanson (2007) discovered in his study that while they are still not quite as many skilled migrants as unskilled ones, some that are arriving have achieved slightly more advanced degrees (10%), which is essentially equal to American natives in attainment of a Bachelor's degree. Ruth Groenhout (2012) explains that this brain drain migration of LPR's to the US from the global south is reflective of the higher salaries available there, but she does not examine other economic factors in the US that may encourage them to remain home. She recognizes salary increase as the most important pull factor, but during times of economic downturn opportunities decrease for everyone in the capitalist system. Based on this research, it is clear that the government recognizes the importance of immigrants to the strength of the economy, and that both skilled and unskilled migrants are crucial to the continuance of the American economy.

Push and pull factors also vary by geographic region and district according to Facchini and Steinhardt (2011). They argue that different regions may desire skilled or unskilled immigrants depending on their individual needs. One example is California, which employs

nearly 3 million immigrant farm workers according to the 2002 Census of Agriculture. This indicates that California has a huge need for unskilled agricultural workers. However, the National Agricultural Worker Survey estimated that 57% or more of those workers are undocumented and unauthorized. Only 5% of California's agricultural workers are domestic, so policies that would make it more difficult for these immigrants to come to the United States would prevent many critical farm tasks from being completed, and would be a detriment to US agriculture as a whole. However, the attitude of business owners and policy makers living in large Californian cities may desire more skilled migrants for high-tech and business professions. (Devadoss and Luckstead, 2008). The need for various distinctions of immigrants can vary between and within states.

The next element of globalization I want to consider for this study is the impact of Free Trade Agreements on skilled and unskilled migration. In the context of unskilled immigrants, Fernandez-Kelly and Massey (2007) believe that the North American Free Trade Agreement (NAFTA) increased Mexican immigration to the US, despite that being omitted from the agreement. They claim that the treaty was modeled mostly after the European Union economic agreement, but contradicts it in the sense that provisions that would have allowed for better social policies, equalization of economic infrastructures, and guaranteed worker's rights and mobility within the trade zone were left out. Rather, migration was stifled by restrictive border policies. Now, migrants no longer desired to risk reentry frequently, leading to an unprecedented percent of the Mexican population living north of the border (Fernandez-Kelley, Massey 2007).

For the second part of this study I will focus only on Legal Permanent Residents, and categorize them as skilled and unskilled.

Legal Permanent Resident Hypotheses: The number of skilled legal permanent residents moving to the United States will decrease during periods of economic change.

AND

The number of unskilled legal permanent residents moving to the United States will increase during periods of economic change.

The Economic Roots of Immigration Policy

Immigration policy today cannot be divorced from its historical roots. Article 1, Section 8:4 of the U.S. Constitution delegated the power of naturalization to the federal government. This gave Congress the ability to determine what was necessary to be an American citizen. Article 1, Section 8:3, or the Commerce Clause, has also been cited as among the constitutional powers of Congress relating to immigration policy. For example, it was the Commerce Clause that allowed for the massive influx of slaves to the United States in the early nineteenth century because slaves were of significant economic importance to the U.S., and the acquisition of slaves required the movement of people (Henkin, 1987). In other words, the idea that the immigration of people, whether slave or free, was tied to the growth of the American economy originated from the beginning and influenced the broad interpretation of the Commerce Clause. As the United States is still a young nation, relatively speaking, and its history can be clearly demarked by four distinct periods of immigration.

Though immigration was legally a power of the federal government, it was an issue that was not a priority throughout the early years of the United States. During this time scholars argue about what the founding fathers' motivations were for creating immigration policy, but most

agree that it was likely either economic or ideological. This new country could adopt an ideological republicanism and cosmopolitan outlook making it a safe-haven for those seeking liberty (Totten, 2008). Economically speaking, the founding fathers may also ushered in this “Open Door Era” in an effort to fill an ever increasing labor supply, as well as have more people to strengthen the fledgling nation and allow it to expand with force (Totten, 2008). While this was beneficial, it would also make it easier for competing European nations in the western hemisphere to spy on the United States.

This “Open Door Era” lasted until the latter part of the 19th century, when U.S. immigration policies drastically changed. The first major wave of immigrants began arriving in the 1840’s, and many of them originated in Western Europe, specifically from the United Kingdom, Ireland, Germany, and Scandinavian nations. This wave reached a zenith of 5 million immigrants in the 1880’s (Passel and Fix, 1994). While most of these people would have arrived in New York at Ellis Island, its western counterpart in San Francisco saw a massive influx of immigrants as well, this time from Asia. Now, the federal government became much more active in regulating immigration. As their control over this policy is expressly stated under Article 1 Section 8:4, their increased activity was due to an increased concern for national security (Henkin, 1987). Congress began to pass legislation establishing quotas of specific ethnic immigrants, first in the form of the Chinese Exclusion Act of 1882. This was done in part due to public opinion and the real or perceived idea that new immigrants take jobs away from Americans during periods when jobs are scant and Americans need them most (Espenshade and Hempstead, 1996). More specifically, Awad (2009) argues economic recession may lead to increased anti-immigration movements, and renewed government efforts to keep jobs in the

hands of natives.¹ Laws restricting the admittance of western Europeans were not passed, though these new immigrants were deemed to be second-class citizens by locals (Totten, 2008).

Congress also passed the Alien Contract Labor Law in 1885, a reaction to wide spread public opinion that immigrants were responsible for job loss of jobs of American citizens. It was proclaimed to be “salvation of U.S. labor against the mass immigration of impoverished workers from Europe” (Calavita, 1994, pp. 144). However, that was effective in stopping only less than one half of one percent of European immigrants (Calavita, 1994).

The third major immigration phenomenon to the United States came at the turn of the 20th century, with these arrivals coming from mostly Eastern and Southern Europe, specifically Poles, Italians, and European Jews from the Russian Pale, reaching their peak number of roughly 9 million migrants in the 1900’s (Passel and Fix, 1994). This new group, consisting of mainly Catholics and Jewish people was deemed “unassimilable,” and Congress with bipartisan support passed the Immigration and Nationality Act, effectively establishing a quota system for immigrants from any country (Massey and Pren, 2012). This quota system does not seem to be economic in nature, but is more reflective of widely held public opinion that massive waves of immigrants would not be able to be absorbed by the country, and would engender the fall of the economy and fiscal shortcomings.

One interesting situation that does not necessarily fall into any of the major U.S. immigration epochs was the Bracero Program. This was enacted during World War II and gave Mexican farm workers a temporary visa to replace American farmers sent off to fight. This program lasted until the early 1960’s, when several reports were distributed to the public and exposed the horrors of the working and living conditions these workers lived in (Massey and

¹ Rogers et al (2009), however, posits that the relationship between the economy and anti-immigrant sentiment is merely coincidental.

Pren, 2012). Still, even at the end of this program it had nearly half a million participants, and when it closed Mexico was relegated only 20,000 migrants per year, per the INA. The flow of migrants did not stop, it simply continued illegally. Now, the U.S. media could frame this astronomical increase of permanent Latino residents as a “crisis,” shaping public opinion that it was an invasion meant to retake lands Mexico believed to be rightfully theirs in the American Southwest (Massey and Pren, 2012).

The most recent major phase in U.S. Immigration can be pinpointed to 1965, which is often cited as a turning point. Amendments were made to the original Immigration and Nationality Act of the 1920’s repealing the national origins quotas in the wake of domestic issues such as the Civil Rights movement and Sexual Revolution of the 1960’s (Massey and Pren, 2012). However, the number of immigrants continued to rise quickly and just over 20 years later Congress looked to attack the immigration issue from a different angle. Rather than limiting the number of people allowed into the United States, they turned their efforts to those who had been arriving illegally. The Immigration and Reform and Control Act of 1986 aimed at reducing numbers of illegal workers by levying fines and sanctions to those employers that would hire them (Wells, 2004). This new wave of restrictive public opinion intensified as immigrants were again blamed for taking jobs from legitimate residents, depleting social welfare availability, and increasing crime (Wells, 2004). The IRCA of 1986 became the benchmark for future policies. It arose in circumstances similar to the Chinese Exclusion Act, as the United States had recently endured a minor economic recession earlier in the decade. This new legislation is also reflective of the new wave of immigrants that were arriving in the U.S. No longer were the majority of migrants from Western Europe, but Eastern Europe and South and Central America (Martin, 2006).

Three major pieces of legislation created in the 1990's addressed this public opinion. First, the Antiterrorism and Effective Death Penalty Act virtually eliminated the rights of any illegal alien suspected of terrorism and a new court was created to expedite their deportation. Next, the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) limited public assistance to noncitizen immigrants already in the U.S. in an effort to encourage them to leave, and for other not to immigrate. Finally, the Illegal Immigration Reform and Immigrant Responsibility Act (IIRIRA) expanded the range of deportable offenses, streamlined the apprehension and deportation process, further limited their due process rights, and nearly doubled the number of agents and equipment on the Mexican border (Wells, 2004). Just as anti-immigrant sentiment was diminishing, the terrorist attacks of 9/11 and subsequent economic recession lasting well into 2002.

The government is seemingly responsive to the anti-immigration sentiments of Americans during periods of economic recession in that, in three of the four epochs, additional restrictions have been placed on numbers of immigrants allowed to enter the U.S. during these times. Although research on deportations is underdeveloped, this same line of argumentation may also apply to government enforcement of illegal immigration policy. It may be the case that governments more aggressively enforce illegal immigration policy during periods of economic downturn as a result of the perception that the undocumented migrants are unfairly taking jobs from Americans who could otherwise be employed in these jobs. This real or perceived idea of unfairness may be based in the fact that undocumented migrants entered and/or remained in the U.S. illegally and therefore are not legally eligible to work their jobs, and that Americans cannot

compete with undocumented workers for these jobs because the undocumented workers are favored by some employees because they can pay them lower wages.²

As mentioned briefly, the economy was only one of the reasons that public opinion pressured Congress into passing restrictions during the various periods of immigration. While the first epoch of immigration had a partial focus on opening the country for demographic reasons and populating the vast territory that was not the case for the majority of U.S. history. As Passel and Fix explain (1994) immigrants that were banned beginning in the 1880's and beyond were considered unassimilable, and would not fit in for either religious or vastly diverse ethnic differences. Economics, according to Wells (2004), forms the base of anti-immigrant sentiment and allows other fears to develop. She argues that in the modern age immigrants who are unable to be successful right away in the United States end up abusing the social welfare system that is funded by taxes, turn to crime to provide for their families, and if they have to power and ability to vote could essentially throw the U.S. into political mayhem.

While I have analyzed the historical perspective of immigration from the eyes of the United States, it is important to discuss the other side: Why do people choose to immigrate? It boils down to a cost-benefit analysis, examining both push and pull factors. Push factors are those that would encourage a person to leave their native land, while pull factors are what make a specific region or country especially desirable. Espenshade (1995) offers two different theoretical approaches. First is the neoclassical approach, which portrays all migrants as "income maximizers," and only move if they expect to earn more than they would by staying in their home country. Neoclassical macroeconomic theories posit that international migration is driven

² Immigrants that are classified as deportable are defined by the Department of Homeland Security as those who exist within the borders of the United States without proper documentation. It can include those that were smuggled into the country, or those who remained in the U.S. after their original visas expired.

by regional imbalances in the supply and demand for labor (Espenshade 1995). Basically, if one country has a larger and well-sustained economy people will choose to migrate. The counter to this theory is microeconomic in nature, assuming that all people are rational decision makers, and that people move not just for themselves, but include families or significant others. The goal is not necessarily to maximize profit, but to minimize risk to the family unit (Espenshade 1995).

The United States has been passing legislation since 1882 to minimize the pull factors that would encourage someone to migrate to its shores. However, even with these changes Hatton and Williamson (2006) argue that will not deter migrants from coming to the United States. Using Mexico as an example, they argue that this migration is work-based and cyclical, much as what was experienced with the Bracero Program. Mexican workers will come and go as they deem necessary. With tighter border enforcement and more stringent requirements to become a citizen, these workers may choose to relocate their families to the U.S. instead of constantly making the treacherous trip back and forth. Another important factor to consider that has been increasing every immigration epoch is total global migration, and factors of globalization. Technological advancements, changing laws, new economic agreements, as well as a booming increase in population have changed the landscape of global migration.

So, public opinion may drive government enforcement of immigration policy through the vehicle of policy, quotas, and stringent enforcement of removal when American jobs are threatened during periods of economic recession. Thus, undocumented migrants that are working jobs in the United States may be more likely to face the threat of deportation during periods of economic downturn because of the real or perceived perception that they are taking jobs from U.S. citizens. However, the massive increase in global population over the last half century and subsequent rise in number of global migrants as a by-product of globalization will cause a

fluctuation in the rates of migrants deported from the U.S. I therefore arrive at my first hypothesis:

Deportation Hypothesis: Deportation rates are impacted by unemployment rates and globalization.

RESEARCH DESIGN

While macroeconomic variables are not the only factors that determine changes in immigration and deportation numbers, they can be reflective of the political atmosphere of the time. Economic changes can also have a strong influence on people's personal beliefs and opinions on immigration, and those attitudes can change how the government responds to waves of immigration. Thus, in order to investigate the macroeconomic factors that impact deportation rates of undocumented immigrants, and immigration rates of legal permanent residents (LPRs), I will conduct two separate quantitative statistical analyses.

The first hypothesis states that the number of skilled LPRs moving to the United States will decrease during periods of economic change and H2 posits that the number of unskilled LPRs moving to the United States will increase during periods of economic change, as they deal specifically with legal permanent residents who legally entered the United States. I adopt the same definition of legal permanent residents as the Department of Homeland Security: foreign nationals who have been granted the right to reside permanently in the United States. LPRs are commonly referred to as 'immigrants,' but can also be called 'permanent resident aliens' or 'green card holders.' For the purpose of H1 and H2, I break up this classification into "skilled" and "unskilled" categories. Skilled immigrants are those employed in "management, professional, and related occupations." Unskilled immigrants are those employed in the service

industry.³ This data has been compiled by the DHS into very comprehensive Immigration Statistic Yearbooks since 2003, and are available online.⁴

A slight variation exists between H1 & H2 and H3 in terms of independent variables. I am still measuring unemployment and globalization, but because these hypotheses deal with specific regions, my manner of defining globalization has changed. Total migration statistics from the Population Division of the United Nations will be used again, as will Free Trade Agreements (FTA) involving the United States.⁵ I have also lagged the independent variables by two years, as unemployment rates and globalization factors would not instantly have an effect on the dependent variables. After running the variables on a lag of one year and three years, I settled on leaving it as two as that had the most significant results throughout the analysis.

I chose 16 countries of origin to test these two hypotheses, including 8 from Central America, and 8 from Western Europe. Central America statistically has a higher influx of unskilled immigrants, while Western European immigrants tend to be more skilled. The Central American countries that were chosen for this are Mexico, Belize, Guatemala, El Salvador, Honduras, Nicaragua, and Panama. For Western Europe, the countries that have been selected are the United Kingdom, Ireland, France, Germany, Netherlands, Belgium, Spain and Portugal.

³ I use only service industry immigrants in the unskilled category for two reasons. First, it is one category of employment that exists in the DHS data for all 16 countries of origin used in this study. Second, although there is a large number of immigrants labelled 'Other/Unemployed', I opted not to include them in the unskilled category because it is not clear if these individuals are skilled or unskilled workers. They are most likely family-sponsored immigrants that could be skilled or unskilled. Finally, to confirm that the service category is comprised mainly of unskilled workers, I observed the relative numbers of those in the management/professional category from Western Europe and Central America, versus the relative numbers in the service category from these two regions. There are significantly higher numbers of immigrants from Western Europe than from Central America in the management/professional category. Conversely, there are significantly higher numbers of immigrants from Central America than from Western Europe in the service industry category. This makes me confident that the service industry category is an accurate proxy for unskilled immigrants.

⁴ As the Department of Homeland Security is still a relatively new organization, the earliest year I can access in this format is 2003. Prior to this year no centralized list like this existed, as it was divided and rarely shared between organizations dealing with immigration.

⁵ Here, I am not looking for exactly what the terms of the FTA were, but rather the presence of one in any given year.

Only eight countries were selected from Western Europe for numerical consistency with Latin America, and the largest countries with the biggest number of immigrants were selected for comparison.⁶ I examine the immigration rates as number of immigrants admitted to the United States from fiscal years 2003 to 2012 from each of these countries in both the skilled and unskilled categories.⁷

While this is never ideal, one of the most glaring issues with this project is the fact that this is controlled by the limitations of available data. Plenty of data exists courtesy of the Bureau of Labor Statistics concerning unemployment dating back to the 1950's, however the Department of Homeland Security is a different story. This is because it is a relatively new organization, and it is essentially a consolidation of the Immigration and Naturalization Service (INS), US Border Patrol, and the US Customs Service, among others. These branches all operated separately, and information from one organization was not always shared with the others. The DHS has allowed for this information to be settled under one roof, and the raw deportation data is available dating back to 1925, but the comprehensive annual yearbooks have only been compiled since 2003, so this is the first year I can uniformly investigate the migration numbers of LPR's from the 16 aforementioned countries.

The second part of this study deals with variance of immigration statistics given economic fluctuations. Thus, the dependent variable for this hypothesis is deportation rates. The Department of Homeland Security (DHS) defines a deportable alien as a person who exists within the borders of the United States without proper authorization. This includes people who

⁶ Countries like Luxembourg or San Marino were not included because their immigration numbers to the United States are very small.

⁷ Data is not readily available on the DHS website prior to 2003. Nevertheless, looking at the years ranging from 2003 to 2012 allows me to examine changes in immigration allowances for skilled and unskilled workers based on macroeconomic indicators given significant shifts in unemployment and GDP during this time, including the Great Recession of 2008.

were smuggled into the country undetected, and those who have remained in the country after a visa has expired. Deportation will be measured with data collected from the DHS website, specifically the data set titled ‘Aliens Apprehended: Fiscal Years 1925-2012’. Deportation is measured as the raw numbers of removed migrants.

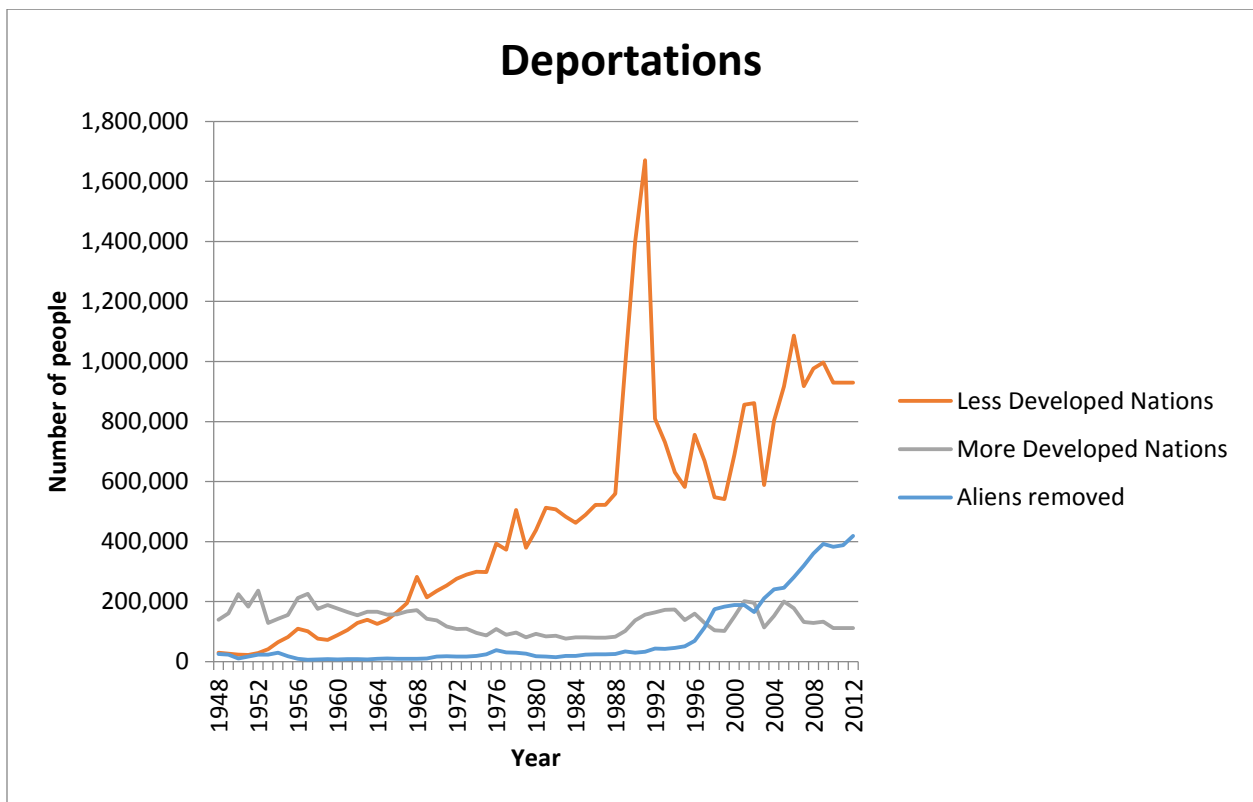
The independent variables for this hypothesis examine economic downturn and globalization. To measure economic downturn, I will use U.S. unemployment rates.⁸ I obtained unemployment rates from the Bureau of Labor Statistics (BLS), and those numbers can be traced back to fiscal year 1948. Factors of globalization will be measured in terms of total global migration to the U.S, which I obtained from the International Migration Report that is produced by the United Nations Population Division using the time frame of 1948-2012. I control for major immigration legislation passed by Congress, as well as global population. Congressional immigration legislation was gathered from the US Commission on Immigration Reform, as well as the Immigration Policy Center. I code only for new laws passed; not minor amendments to existing laws. The focus is on whether or not a law was passed, not necessarily its content. I obtained global population data from the United Nations Population Division.⁹ Thus, the analysis of the first hypothesis will examine the influence of unemployment, total migration to the United States from developed and less developed countries, and major immigration legislation on deportation rates of undocumented immigrants from 1948 to 2012. This will allow me to assess patterns in the changes in numbers of deported aliens during periods of economic downturn.

⁸ While economic downturn is more complex than simple unemployment rates, this provide the most readily available data and can be measured uniformly across fiscal years. Therefore, I believe this measure is the most valid and reliable to test my hypotheses.

⁹ Globalization is far more complex than these measurements, but migration, major legislation, and global population were selected because of the availability of data and ability to be measured uniformly across fiscal years. I believe these measures to be valid and useful in explaining my hypothesis.

RESULTS

First, below is a graph simply depicting the total number of migrants that have come to the United States, delineated by developed and less developed nations, as well as deportations from the United States since 1948. It is interesting to note the large spike of migrants from less developed nations occurring from about 1989 to 1993, which could be indicative of the collapse of the Soviet Union and the fall of the Iron Curtain, among other things.



My first and second hypotheses explore the impact of economic indicators on the numbers of skilled and unskilled legal immigrants. To reiterate, the second hypothesis predicts that the number of skilled legal permanent residents moving to the United States will decrease during periods of economic change, and the third posits that the number of unskilled legal

permanent residents moving to the United States will increase during periods of economic change. I again ran a linear regression on these variables and that model resulted in this first table:

Table 1: Deportations from the U.S. based on Skill and Globalization Variables

	Skilled Immigrants	Unskilled Immigrants
Region	-.184*** (.0055)	.0113*** (.003)
Unemployment Rates	-.0006 (.002)	.00002 (.961)
Free Trade Agreements	.0001 (.0013)	.0007** (.016)
Migration	-.00013*** (.00001)	-.00006*** (.00001)
N=160	Adjusted R2: .7891	Adjusted R2: .1485

Notes: Standard Errors in Parenthesis

***p<0.01, **P<0.05, *p<0.10

The “region” variable is coded 1 for Latin American countries and 0 for Western European countries. The results of both models in Table 2 indicate that unskilled immigrants are significantly more likely to come from Latin America, and skilled immigrants significantly more likely to come from Western Europe. In addition, unskilled immigrants are significantly more likely to come to the US as more free trade agreements are passed, but free trade agreements have no significant effect on the numbers of skilled immigrants coming to the U.S. This makes sense since most of the Free Trade Agreements are with Latin American Countries. FTAs increase the movement of both goods and people.¹⁰

Finally, as global migration increases, immigration of both skilled and unskilled workers to the US decreases. This seems contradictory to me, as it would make sense that more people moving around the world would in fact increase the number of people immigrating to the United

¹⁰ When not controlling for region, FTAs become a significant predictor for the migration of skilled workers. This indicates that region is picking up the effect of FTAs in the first model.

States. Keeping with the neoclassical macroeconomic theory of immigration stated by Espenshade (1994), this would make sense if an individual did not believe they could maximize their profits in the U.S. This could help explain the lack of movement from Western European individuals, as economically both regions have been in similar situations since 2003. As for unskilled immigrants, more stringent laws with harsher enforcement would discourage many of these individuals from taking legal avenues to the country, and undoubtedly the number of illegal aliens coming into U.S. increased. Legal immigration of unskilled workers decreases as overall migration increases, or as demand for immigration among unskilled workers increases, acceptance of unskilled workers for legal immigration status decreases.

For the second part of my research I hypothesized that deportation rates from the United States would be impacted by unemployment rates and globalization factors. The results can be found in Table 2.

Table 2: Economic Factors Influencing Deportation Enforcement from the U.S.

	Deportations
Unemployment Rates	-22002.79*** (6885.068)
Major U.S. Immigration Policies	-7539.725 (21876.38)
Migration from Developed Countries	.539*** (.208)
Migration from Less Developed Countries	-.105*** (.038)
Global Population	91407.57*** (10170.05)
N= 61	Adjusted R2: .742

Notes: Standard Errors in Parenthesis

***p<0.01, **P<0.05, *p<0.10

One of the most important aspects of this chart is the adjusted R2. That number signifies how well the model explains the variability of the response data, and nearly 75% is surprisingly

high.¹¹ For the unemployment variable I lagged the results by two years to give those rates a chance to have a noticeable effect, and it became a significant predictor of deportations. Interestingly, low unemployment two years prior predicts higher deportations two years later. This means that when unemployment rates are low, more people will be deported two years later. Perhaps this is because when more people are employed they are comfortable in their own financial security, and spend more time worrying about losing their job or that security. As researched, people could see new arrivals to the country as a threat to their job stability and security. And, as Wells (2004) mentioned, people worry about the strain that this can cause the delicate U.S. financial system. The variable for migration from developed countries only becomes a significant predictor of deportations when controlling for global population, and when it is lagged by one year.¹² The more migration from developed countries overall one year prior, the more deportations there are from the U.S. I believe this is a result that can at least be partially attributed to the natural increase in global population. If more people are trying to move to the United States, then under new laws naturally a higher number of people would be deported. Also, individuals migrating from more developed countries in the last 12 years are likely more educated, therefore posing the greatest threat to replacing local Americans in the workplace. The most interesting and surprising variable from this model is migration from less developed countries, as it switches from positive to negative with the addition of the global population variable and is lagged by one year. The data is still significant and tells us that increased migration from less developed countries leads to less deportations from the U.S. Something that is also rather intriguing was that the model demonstrated that the legislation variable had no

¹¹ I ran this model without controlling for global population, and the adjusted R2 was 35%, meaning that the addition of that variable was very important to this model.

¹² This was lagged by one year to account for the time some migrants may be in the country before they are ultimately deported. Those numbers would be reflected in the next year's statistics.

significant effect on the number of deportations. This could be because the level of enforcement based off the legislation is not enough to make a significant impact at the much larger number of people migrating to the United States from less developed countries.

DISCUSSION

Now not every person that migrates to the United States is instantly deported, which is why it was so important to examine Legal Permanent Residents. I had predicted that the number of skilled legal permanent residents moving to the U.S. would decrease during periods of economic downturn, and that the number of unskilled legal permanent residents would increase during those same periods. This proved to be both correct and incorrect. H1 is correct in the fact that a relationship does exist between overall migration and the immigration of skilled workers, and that it is negative. Perhaps skilled migrants do not see the United States as a great destination during periods of economic change that accompany globalization. Still, my results allow me to say that immigration of skilled workers decreases, regardless of the overall increase in global migration. The element of this research design that did not prove to be significant was the free trade agreement variable.

The results of these regressions also proved H2+ to be true. The migration variable, interestingly enough, demonstrated that the immigration of unskilled workers to the United States decreases as global migration in general increases. As mentioned previously, I believe this to be a result of the unmeasurable variable of undocumented immigration, which must increase as global migration in general increases. The Free Trade Agreement variable also had a significant positive effect on the immigration of unskilled workers, and the North American Free Trade Agreement is reflective of this statistic. This made cross-border travel between the US and

Mexico much easier, and according to the DHS the most immigrants from Latin America coming to the US originate in Mexico.

Also, the unemployment variable was not statistically significant for either skilled or unskilled immigration. This means that the external globalization variables are far more important to telling this story than the internal economic variable of unemployment.

This study has many potential implications. While much has been done concerning American immigration policy and enforcement, most of it deals with the non-economic elements, acknowledging economic factors but not really digging too much into it. The most important implication I can think of is the fact that this is using the raw statistics of American immigration correlated with periods of economic change to attempt to demonstrate that a relationship does indeed exist between the economy, immigration policy and enforcement. This, if investigated fully, could be a strong predictor of migration numbers available for the government based on the current state of the economy. Because a relationship does exist, mainly based on an ever increasing global population and migrating population, US officials can be confident that the number immigrants, as well as the overall number of deportations will continue to increase proportionally alongside the global population. Migration, a globalization variable, as well as US Immigration Legislation are not outright economic variables, but they do have economic undertones that this research reflects. It should be noted, however, that elements like public opinion, xenophobia, and the current political atmosphere may also be undertones for those variables.

As it turns out, similarities in immigration and deportation trends clustered around periods of economic downturn throughout the last two centuries are not merely coincidental. The

results of this research strongly support the notion that the state of the economy plays a significant role in the government's decision to admit and deport certain classifications of immigrants. Throughout history, the economy has influenced the creation of new immigration policy by way of public opinion. The same thing has been happening for decades, for as much as the world changes around us, the debates will stay the same. According to the research, however, low unemployment two years prior predicts higher deportations two years later. This completely disregards the driving argument of public opinion that high unemployment leads to higher numbers of deportations. Using this false premise, Congress historically passes laws in an effort to tighten borders and prevent these new people from entering the country. The data here demonstrates that these increases in border security actually have no significant effect on deportations. This could be an effect of increased numbers of total migrants to the United States that these laws are not readily accounting for; therefore deportations will increase regardless of legislation.

These increased numbers of total migrants are a result of ever-increasing globalization as well as a rapidly rising global population. As that population increases, so does migration to the U.S, and in turn deportations rise as well. When distinguishing these migrants by their country of origin I find that this only holds true for citizens of developed nations, as increased immigration from less developed countries leads to fewer deportations from the U.S. This is intriguing as well, but perhaps is a result of skilled workers from more developed countries taking the desired jobs of American citizens. It could also be because far fewer migrants from developed countries arrive in the United States, so deportations are likely to have a more noticeable effect on that smaller population. However, more migration from less developed countries means that more people are crossing the borders, and not as many are caught in the U.S. illegally, giving the

statistical impression that increased migration from less developed countries means fewer deportations.

CONTRIBUTION

My contribution to the study of American immigration policy and enforcement is two-fold. First, the data table I made for the purposes of this study is a combination of elements of many other data tables, but will include the macroeconomic element I am investigating, as well as deportation rates, a limited definition of globalization, and profiles of LPR's from sixteen different countries. It could also easily include data for criminality, nation of origin, country deported to, and gender, based on what the individual would like to study. The information is readily available, and only needs to be coded properly. Also, the literature that exists only uses the economy as an indicator for public opinion, which in turn has an effect on immigration. My study looks at raw numbers and statistics from national and international agencies and bases those off the economy to determine whether a relationship exists. Yes, the non-economic reasons may be the ones that eventually encourage stricter laws to be passed, but I believe many of them can be traced to economic roots. This study can help prove that the economy and globalization are a stronger predictor for the movement of LPR's into the country and deportations than previously thought.

This study could also be expanded to include a number of other factors that could have an impact on migration. According to Hainmueller and Hiscox (2010) men and women migrate for different reasons. Men are more likely to move around beginning in their mid-twenties, moving not only to better their opportunities, but scout ahead to see if a better life is possible for his family. Men also have been known to only spend limited time in other countries like the United

States, working to earn remittances to send home to their families. Women, according to Hainmueller and Hiscox (2010), generally migrate following a male who has gone before them, or perhaps to give their children a better life. Pregnant women are especially interesting because of the US Naturalization Law. This states that any child born on American soil is immediately granted US citizenship, so if these women can give birth to their children in the US they instantly provide their children with more options and possibilities. Information about the number of male and female Legal Permanent Residents is available from the Department of Homeland Security's website as well. I am studying skilled and unskilled LPR movement as a whole, but those numbers are subdivided into male and female categories, making this study very possible.

Another intriguing manner in which to investigate this topic could be by researching this not as the aggregate country, but by individual states. However, several issues arise with this. First and perhaps most importantly, is the issue that immigration is not controlled by the states. Instances have occurred where a state government may attempt to take matters of enforcement into their own hands, but the power remains with the federal government. Next, this data is also limited. The US is not divided into states for the purposes of the DHS. It is instead divided into a number of different regions that will include parts of different states, and referenced as border patrol sectors. This creates many problems for studying, as unemployment rates, laws, and other factors of each state cannot be used to generalize for a region that includes multiple states. Too many issues exist when investigating this at a state level, the data is simply not available.

Enforcement of these laws based on a consideration of an individual's criminal history could also be interesting to investigate. The Department of Homeland Security's website includes a large number of data tables with the raw statistics for persons who were in the country illegally, and have been removed based on the commission of a felony. These tables go as far as

to specify the type of crime that the individual committed. It could be interesting to see if enforcement of deportation policy is based more off of an individual's commission of a crime, or new national laws making immigration policy stricter.

Finally, more data tables available from the DHS include the specific country that deported individuals will be returned to. This is interesting because one could investigate the reasons that people are more often deported to that region, be them economic or non-economic. The only downfall is that I cannot distinguish between those working skilled or unskilled professions, as it is not specified. Assumptions can be made based on the statistics of the country they are being deported to, but as mentioned it is not ensured.

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