



1 *Labor Shortages and U.S. Immigration*  
 2 *Reform: Promises and Perils of an*  
 3 *Independent Commission*

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 15 Comprehensive U.S. immigration reform proposals have three major  
 16 elements: improved border and workplace controls, dealing with the  
 17 11 million unauthorized foreigners in the U.S., and managing “future  
 18 flows” of foreign workers requested by U.S. employers. Improved  
 19 controls and dealing with unauthorized foreigners were discussed  
 20 extensively in the U.S. Senate in 2006 and 2007. Future flows were  
 21 not. This article reviews the decisions governments face when employ-  
 22 ers request migrant workers, Britain’s independent Migration Advisory  
 23 Committee, and the promises and perils of a similar U.S. commission  
 24 to manage labor migration. We conclude that a U.S. commission  
 25 could help to clarify the trade-offs involved in migrant labor policy,  
 26 but cannot replace the need for inherently political choices between  
 27 competing policy objectives.

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 29 *U.S. IMMIGRATION REFORM: MANAGING “FUTURE FLOWS”*

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 31 Arizona in April 2010 enacted a law (SB1070) making it a crime for  
 32 unauthorized foreigners to be in the state. President Barack Obama said

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 38 this article does not necessarily reflect the views of the MAC. Ruhs is the co-editor (with  
 39 Bridget Anderson) of *Who Needs Migrant Workers? Labor Shortages, Immigration and Public*  
*Policy*, Oxford University Press, 2010; martin.ruhs@compas.ox.ac.uk.

1 SB1070 was “a misdirected expression of frustration over our broken  
2 immigration system,” but added “I don’t have 60 votes in the Senate” to  
3 enact comprehensive immigration reform.<sup>3</sup> In late July 2010, a federal  
4 judge blocked the implementation of Arizona’s law just before it was to  
5 take effect because of a “a substantial likelihood that [Arizona law  
6 enforcement] officers will wrongfully arrest legal resident aliens” if SB  
7 1070 is implemented, imposing “a ‘distinct, unusual and extraordinary’  
8 burden on legal resident aliens that only the federal government has the  
9 authority to impose.”<sup>4</sup>

10 The controversy over the Arizona law renewed the U.S. debate over  
11 immigration. There is agreement that comprehensive immigration reform  
12 must deal with three elements: border and workplace controls, the 11 mil-  
13 lion unauthorized foreigners in the U.S., and the “future flow” of foreign  
14 workers requested by employers. The first two elements were debated  
15 extensively in the Senate in 2006 and 2007, but there was much less dis-  
16 cussion of how to respond to employers seeking temporary migrant or  
17 guest workers.<sup>5</sup> One reason the Senate failed to approve the Comprehen-  
18 sive Immigration Reform Act (CIRA) in 2007 is because some Republi-  
19 cans thought that CIRA did not make it sufficiently easy for U.S.  
20 employers to hire foreign workers, while some Democrats feared that  
21 CIRA made it too easy for employers to get access to foreign labor.

22 Opening the U.S. labor market to more guest workers is one of the  
23 toughest migration issues facing Congress. The most challenging questions  
24 include how many foreign workers should be admitted and what criteria  
25 employers should have to satisfy before they receive permission to hire  
26 migrant workers. The U.S. government currently uses an easy attestation  
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29 <sup>3</sup>Quoted in Migration News. 2010. Arizona, Polls, REPAIR. Vol. 17. No. 3. <[http://www.migration.ucdavis.edu/mn/more.php?id=3612\\_0\\_2\\_0](http://www.migration.ucdavis.edu/mn/more.php?id=3612_0_2_0)>

30 <sup>4</sup>Quoted in Migration News. 2010. Arizona, Obama, Legalization. Vol. 17. No. 4.  
31 <<http://www.migration.ucdavis.edu/mn>>.

32 <sup>5</sup>Ray Marshall, Secretary of Labor under President Carter, in April 2009 proposed a For-  
33 eign Worker Adjustment Commission to determine whether there are labor shortages that  
34 need to be filled with guest workers or immigrants (Marshall, 2009). Marshall’s plan for  
35 comprehensive immigration reform was endorsed by the two major U.S. federations of  
36 unions, the AFL-CIO and Change to Win. Papademetriou *et al.* (2009) proposed renew-  
37 able 3-year provisional visas for foreign workers that would tie them to employer who  
38 sponsored them for their first year in the U.S., after which they could change U.S.  
39 employers. MPI proposed that Congress determine the number of provisional visas and  
the criteria for renewal and adjustment to immigrant status.

1 procedure for employers seeking college-educated foreigners to fill jobs  
2 that require a college degree under the H-1B program, which is one reason  
3 the regular 65,000 H-1B visas are often requested as soon as they  
4 become available.<sup>6</sup> The certification procedure for employers seeking low-  
5 skilled foreigners to fill seasonal farm jobs includes more steps to protect  
6 U.S. workers, one reason why the number of H-2A visas is not capped.

7 Opinion polls suggest that most Americans, and majorities in other  
8 industrial democracies, want immigration reduced, including guest worker  
9 admissions (Transatlantic Trends, 2009).<sup>7</sup> The Labor government elected  
10 in Britain in 1997 greatly increased the admission of migrant workers,  
11 but reformed its migrant worker system a decade later as public opinion  
12 turned against the rapid growth in immigration. A key mechanism introduced  
13 by the British reform was an independent Migration Advisory  
14 Committee (MAC) charged with determining if labor shortages exist in  
15 occupations for which employers request migrants and whether admitting  
16 migrants is a sensible response.

17 Senate Democrats in April 2010 released an outline for comprehensive  
18 immigration reform, Real Enforcement with Practical Answers for  
19 Immigration Reform (REPAIR), that includes a new U.S. commission to  
20 assess the need for migrant workers. The Commission on Employment-  
21 Based Immigration would study “America’s employment-based immigration  
22 system to recommend policies that promote economic growth and  
23 competitiveness while minimizing job displacement, wage depression, and  
24 unauthorized employment.”<sup>8</sup> REPAIR does not include a new guest  
25 worker program, prompting Senator John McCain (R-AZ), once a leading  
26 supporter of comprehensive immigration reform to assert: “We don’t  
27 need a commission. I can’t support any proposal that doesn’t have a  
28 [new] temporary worker program.”

29 This article examines the key challenges facing governments when  
30 employers request migrant workers. We review the British experience with  
31 the MAC since 2008 and assess the promises and perils of a similar  
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33 <sup>6</sup>Additional 20,000 H-1B visas are available for foreigners who earned advanced degrees in **14**  
34 the U.S., and an unlimited number are available to universities and nonprofits seeking college-  
35 educated foreigners to fill U.S. jobs that normally require a college degree.

36 <sup>7</sup>For example, a May 2010 WSJ/NBC poll found that two-thirds of U.S. adults supported  
37 SB 1070, even though almost two-thirds agreed that it would lead to discrimination  
38 against legal Hispanic immigrants.

39 <sup>8</sup>The REPAIR proposal is available at: <<http://www.media.washingtonpost.com/wp-srv/politics/.../REPAIRProposal.pdf>>.

1 commission in the U.S. We conclude that a commission could provide  
2 help to Congress to enact comprehensive immigration reform, but cannot  
3 and should not replace Congressional decisions that weigh the trade-offs  
4 involved in decisions to admit migrant workers.  
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### 6 *EMPLOYER-LED MIGRATION POLICY*

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8 Governments face several key decisions when designing guest worker pro-  
9 grams. These include how many migrants to admit, how to select  
10 migrants, what rights and privileges to grant them after admission, and  
11 whether to allow migrants to change employers and become permanent  
12 residents or require them to return home after a period of employment.

13 One answer to questions about how many and what type of tempo-  
14 rary migrant workers should be admitted is to take a “trust-the employer”  
15 approach. Such an employer-led policy usually allows employers to hire  
16 migrants after meeting two basic requirements – offering a bona fide job  
17 and testing the labor market to ensure that “local workers”<sup>9</sup> are not avail-  
18 able to fill it.

19 Labor market tests usually involve a government agency *certifying*  
20 that an employer tried and failed to find local workers. The agency typi-  
21 cally monitors employer recruitment efforts by requiring that job vacan-  
22 cies be posted on local employment exchanges and checking on the  
23 outcomes of employer interviews with local workers who respond. Failed  
24 recruitment efforts are “rewarded” with a certification that the employer  
25 can fill the job with the desired guest worker, who is generally identified  
26 before the employer began the fruitless search for local workers.

27 Certification becomes contentious when local workers respond to  
28 employer recruitment efforts but are not hired. If rejected local workers  
29 complain that the employer unlawfully preferred migrants, government  
30 agencies are not well equipped to determine whether the local worker or the  
31 migrant is better qualified to fill a particular job. For example, recruiter  
32 Global Horizons was found by the U.S. Department of Labor to have  
33 rejected qualified U.S. workers to fill apple picking jobs because Global  
34 preferred Thai guest workers. Mordechai Orian, the president of Global  
35 Horizons, testified during a July 2007 trial that Thais were preferred because  
36 “they work really hard” and were less likely to abscond or leave their  
37 employers than local workers, who might change jobs to earn higher wages.  
38

39 <sup>9</sup>In the U.S., “local workers” are U.S. citizens and other legally authorized workers.

1 The Thais had each paid \$10,000–\$17,000 to obtain U.S. work visas and were  
2 loyal to Global because getting fired meant being removed from the U.S.<sup>10</sup>

3 The alternative to certification is *attestation*, a procedure that allows  
4 employers to attest or assert that they offered at least the prevailing occu-  
5 pational wage and, in some cases, have sought and failed to find local  
6 workers. U.S. attestation policies do not involve labor market tests.  
7 Instead, employers can recruit foreign workers simply by asserting that  
8 they are offering prevailing wages, and government agencies wait for com-  
9 plaints made by foreign or local workers to trigger inspections. Attestation  
10 makes it relatively easy for employers to obtain foreign workers but, to  
11 provide some protections for local workers, there is often a cap on the  
12 number of work visas available.

13 The U.S. H-1B program is an example of an attestation program.  
14 H-1B visas are available to foreign workers with at least a BA degree who are  
15 requested by U.S. employers to fill jobs that normally require such degrees.  
16 When the H-1B program was created in 1990, a compromise gave employ-  
17 ers easy access to foreign university graduates in exchange for an annual cap  
18 of 65,000 visas a year, almost three times annual admissions at the time. A  
19 combination of the IT-boom in the 1990s and the development of a migra-  
20 tion infrastructure to move Indian and other guest workers into U.S. jobs  
21 pushed employer requests above 65,000 a year in the late 1990s, and  
22 prompted successful employer efforts to raise the cap and create exemptions  
23 from it.<sup>11</sup> Today, the cap is 65,000 a year, plus 20,000 H-1B visas for  
24 foreigners with advanced degrees from U.S. universities and an unlimited  
25 number for those employed in nonprofit institutions such as universities.<sup>12</sup>

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27 <sup>10</sup>See H-2A, H-2B, Global. 2007. Rural Migration News. Vol. 13. No. 4. October. <[http://www.migration.ucdavis.edu/rmn/comments.php?id=1249\\_0\\_4\\_0](http://www.migration.ucdavis.edu/rmn/comments.php?id=1249_0_4_0)>, Global was charged with  
28 human trafficking in September 2010 even though all of Global's workers were admitted  
29 legally with H-2A visas.

30  
31 <sup>11</sup>The American Competitiveness and Work Force Improvement Act of 1998 raised the  
32 cap on H-1B visas from 65,000 a year to 115,000 in 1999 and 2000 and 107,500 in  
33 2001, imposed a \$500 per H-1B visa training fee on employers to generate funds to train  
34 U.S. workers to fill the rising number IT jobs, and required H-1B-dependent employers  
35 and willful violators of H-1B regulations to attempt to recruit U.S. workers and not lay  
36 off U.S. workers to hire H-1B foreigners.

36  
37 <sup>12</sup>Congress again raised the cap on H-1B visas to 195,000 a year for FY01, FY02, and  
38 FY03 in the American Competitiveness in the Twenty-First Century Act of 2000. (The  
39 cap reverted to 65,000 a year in FY04.) The employer-paid training fee was raised to  
\$1,000 per H-1B visa, and H-1B visas issued to foreigners employed by U.S. universities  
and research institutions were exempted from the cap.

1 Under the H1-B program, employer attestations are submitted via the  
2 internet, and over 99 percent are approved in seconds. Enforcement nor-  
3 mally awaits complaints about employer violations, and complaints are rare  
4 because foreigners whose legal stay in the U.S. depends on satisfying their  
5 employer rarely complain. Most U.S. employers may lawfully hire H-1B  
6 visa holders even if U.S. workers are available, and some do (Hira, 2009).

7 Until 2008, Britain had a similar trust-the-employer approach to the  
8 admission of skilled non-European Union (EU) workers. British employ-  
9 ers had to submit job offers and undergo a labor market test to hire  
10 migrants, but there was no cap on how many could be admitted. The  
11 labor market test was to advertise the job for 2 weeks (1 week if the salary  
12 exceeded £40,000) and, if local workers were unavailable,<sup>13</sup> the employer  
13 received permission to hire the migrant worker. Amidst rapid economic  
14 growth, there was little oversight of employer recruitment efforts, and the  
15 number of work permits tripled from <30,000 in 1995 to almost 90,000  
16 in 2007 (MAC, 2008a).

17 The rising number of work permits for non-EU migrants, plus  
18 workers from Eastern Europe who arrived after EU enlargement in May  
19 2004, contributed to a rapid rise in overall immigration, from 330,000 a  
20 year in the early 1990s to 574,000 in 2007; net migration rose from  
21 44,000 to 233,000 during this period (MAC, 2009a). Rising migration  
22 triggered a heated debate about the impact of migration on UK popula-  
23 tion growth even before the onset of the global economic downturn. If  
24 net migration remained at 2008 levels, Britain's population was projected  
25 to increase from the current 61 million to over 70 million by 2029  
26 (Office for National Statistics 2009).

### 27 28 *SPECIAL OR NATIONAL INTERESTS*

29  
30 Employer-led migrant worker policies often become special interest poli-  
31 cies that give significant influence to recruitment agencies and the "migra-  
32 tion industry." Employers, migrants, and intermediaries clearly benefit  
33 from increased migration, but the admission of more migrant workers  
34 may not always be in best interest of the economy and society as a whole.  
35 To make immigration policy sustainable, labor immigration policies need  
36 to be based on the *national* interest, a term that is often hard to define  
37

38 <sup>13</sup>In the UK, "local worker" means workers from within the European Economic Area  
39 (EEA), the 27 member states of the EU plus Iceland, Liechtenstein, and Norway.

1 but involves balancing the interests of all affected parties, including those  
2 of local workers. The national interest must also consider the wider bene-  
3 fits and costs of immigration, including the positive productivity spill-over  
4 effects of highly skilled migrants and any negative economic or congestion  
5 effects of migrants concentrated in particular occupations and areas.

6 This means that what is good for IT and financial firms such as  
7 Microsoft and Goldman Sachs may not be in the national interest. The  
8 existence of unfilled job vacancies does not, by itself, indicate that there  
9 are labor or skills shortages that would justify the admission of migrant  
10 workers. There are several reasons, including the fact that there is no uni-  
11 versally accepted definition of a labor or skills shortage. Employers may  
12 claim that there is a shortage if they cannot find local workers at *prevail-*  
13 *ing* wages and employment conditions, and most media reports of short-  
14 ages are based on surveys that ask employers to report hard-to-fill jobs at  
15 *current* wages and employment conditions.

16 In competitive labor markets, changes in wages can be expected to  
17 bring labor supply and demand into balance. Most labor shortages should  
18 be temporary, eliminated by rising wages that increase the supply and  
19 reduce the demand for labor. However, labor market adjustments can be  
20 slow, so government responses to unfilled vacancies often depend on the  
21 reasons for labor shortages, such as whether they are due to a sudden  
22 increase in the number of jobs or high turnover among workers who  
23 move up in an expanding labor market.

24 The fundamental point remains: complaints of labor shortages can-  
25 not be separated from wages and other labor market indicators. Industries  
26 and occupations reporting labor shortages should have rising relative real  
27 wages, faster-than-average employment growth, and relatively low and  
28 declining unemployment rates.

29 It is hard to find evidence of national labor shortages using such  
30 top-down measures. For example, Veneri (1999) looked for labor short-  
31 ages in 68 occupations in the late 1990s, when U.S. unemployment rates  
32 were low. Labor-short occupations were defined as those with employ-  
33 ment growth at least 50 percent higher than the average for all occupa-  
34 tions; median weekly earnings rising at least 30 percent faster than the  
35 average for all occupations; and an occupational unemployment rate at  
36 least 30 percent lower than the average for all occupations. Veneri found  
37 shortages in only 7 of the 68 occupations, and did not find shortages in  
38 information technology, among construction workers and for registered  
39 nurses, occupations that U.S. employers claimed had significant shortages.

1           One limitation of top-down national wage and employment indica-  
2           tors is that they cannot deal with employer claims of shortages in specific  
3           areas. Bottom-up evidence from employers, workers, and other stakehold-  
4           ers is a major feature of the British MAC's approach to dealing with labor  
5           shortage complaints. For example, the MAC in 2008 relied on bottom-up  
6           evidence to find a shortage of "project managers for property development  
7           and construction," even though top-down data did not suggest a national  
8           shortage in the broader occupation "managers in construction" (SOC  
9           1122). Similarly, there was no top-down evidence of a shortage of  
10          "secondary education teaching professionals" (SOC 2314), but bottom-up  
11          evidence found a shortage of secondary education math and science  
12          teachers (MAC, 2008a).

13          If there are labor shortages, is immigration a "sensible" response?  
14          Answering this question requires an assessment of the feasibility and desir-  
15          ability of alternatives to migrants. Employers can respond to perceived  
16          shortages by increasing wages to attract local workers who are not in the  
17          labor force, who are unemployed, or who are employed in other sectors.  
18          Second, if local workers lack necessary skills to fill vacant jobs, employers  
19          could invest in training or change production processes to use less-skilled  
20          labor. Third, employers could remedy some labor shortages by changing  
21          to less labor-intensive production processes. Finally, some labor shortages  
22          could be dealt with by shrinking production at home and increasing  
23          imports, as with labor-intensive agriculture.

24          These alternatives may not be available to all employers at all times.  
25          For example, most construction, health, social care, and hospitality work  
26          cannot be easily replaced by imports. In practice, employers weighing the  
27          recruitment of migrants versus other alternatives look at relative costs.  
28          Although migrants are often a cost-attractive option for employers, they  
29          may not be a "sensible" choice for the overall economy. For example, in  
30          some low-wage occupations, admitting more migrant workers may  
31          entrench low-cost production systems in high-wage economies, reducing  
32          their competitiveness over time.

33          Reliance on ever more migrants in response to claims of labor short-  
34          ages can lead to path dependence that makes it hard to change migration  
35          policy (Ruhs and Anderson, 2010). Employers who assume that low-  
36          skilled migrants will continue to be available may make investments that  
37          will be unprofitable if the inflow is reduced, as when meatpacking plants  
38          are opened in places with many animals but few workers, or when farmers  
39          plant apple and cherry trees in remote areas. The lower labor costs due to

1 the availability of migrants can be capitalized into asset values, distorting  
2 investment decisions in the sense that the wages acceptable to migrants,  
3 not trends in local workers' wages and benefit costs, justify investment  
4 decisions. Once low migrant wages are capitalized into asset values, own-  
5 ers have an incentive to keep border gates open to migrant workers to  
6 preserve asset values, which helps to explain the keen interest of U.S.  
7 farmers in migration policies.

8 How can governments assess the feasibility and desirability of alter-  
9 natives to migrants? Defining, measuring and identifying labor needs and  
10 the alternatives to migrants are complex. Australia, Canada, and Spain  
11 have special government units or independent advisory bodies to analyze  
12 labor shortage complaints. The UK went further, establishing the MAC  
13 to advise the government if there are skilled labor shortages that can be  
14 "sensibly" remedied by migrant workers from outside the European  
15 Economic Area (EEA). The MAC was created to develop objective analy-  
16 ses of labor shortages and appropriate policy responses, the same goal  
17 envisaged for the U.S. commission proposed by Senate Democrats. In  
18 3 years, the MAC has changed the quality of the debate over labor and  
19 skills shortages in Britain, but its experience also highlights the inherent  
20 limitations of independent commissions in making migrant worker policy.

### 21 *BRITAIN'S MAC*

22  
23  
24 In 2008, Britain reformed its immigration policy for admitting migrant  
25 workers from outside the EEA, moving from a system that offered more  
26 than 80 routes of entry to a streamlined point-based system with five tiers  
27 or entry channels. Tier 1 is for highly skilled workers without a British  
28 job offer, and is available for those with characteristics that suggest they  
29 will be successful in the UK labor market because of their education, high  
30 previous earnings, and British work experience.

31 Tier 2 admits skilled workers with a job offer in the UK in three  
32 major subchannels. One admits migrants to fill jobs on a shortage occupa-  
33 tion list, eliminating the need for the employer to test the labor market.  
34 Another permits the entry of migrants after employers have tested the  
35 labor market and failed to find local workers, but foreigners arriving via  
36 this subchannel must achieve sufficient points based on education and the  
37 UK wage offered to enter. The third subchannel is for intracompany  
38 transfers. Tier 3 is for low-skilled migrant workers and is currently  
39 closed, Tier 4 governs foreign students, and Tier 5 includes other

1 temporary migrants who are not primarily seeking jobs, such as working  
2 holidaymakers.

3 There were two key rationales for reforming the UK's immigration  
4 system: the government wanted to make the system simpler and more trans-  
5 parent and to move from an employer-led migration model to a migration  
6 policy that maximized the benefits of migration for the entire British  
7 economy. Although employers still play an important role in the reformed  
8 system, the five-tier system introduced new selection criteria and gave the  
9 MAC an important role in dealing with labor shortage complaints.

10 The MAC's initial charge was to "provide independent, evidence-  
11 based advice to government on specific sectors and occupations in the  
12 labor market where shortages exist which can sensibly be filled by migra-  
13 tion." The government has since expanded the work of the MAC, asking  
14 it to determine which jobs should be on the Tier 2 shortage occupation  
15 list (MAC 2008a, 2009b, 2010a), to recalibrate the points for Tier 1  
16 highly skilled migrants, to redesign the rules for Tier 2 entries, to assess  
17 the economic impacts of dependents (MAC, 2009a), and whether to abol-  
18 ish the Worker Registration Scheme for A8 migrants (from the eight East  
19 European countries that joined the EU in 2004; MAC, 2009c) and give  
20 A2 migrants (from Bulgaria and Romania who joined the EU in 2007)  
21 free access to the British labor market (MAC, 2008b). In summer 2010,  
22 the MAC was asked to recommend how many work visas should be made  
23 available for non-EU skilled workers (MAC, 2010b).

24 The MAC is usually given 3–6 months to respond to the govern-  
25 ment's migration questions with a public report that includes recommen-  
26 dations. The fact that the MAC's advice is public makes it harder for the  
27 government to reject MAC recommendations without good reason or fur-  
28 ther evidence. Most, but not all, of the MAC's recommendations have  
29 been adopted by the British government.

30 The MAC has had three major impacts on British debates about  
31 labor shortages and immigration policy. First, the MAC has earned a rep-  
32 utation for transparent analysis of the data and evidence relied upon to  
33 reach its recommendations, helping to win them wide acceptance. There  
34 are many stakeholders who disagree with some of the MAC's recommen-  
35 dations, but the MAC's use of both top-down indicators and bottom-up  
36 evidence, such as submissions from employers, unions, government  
37 departments, has bolstered its reputation and provided flexibility. Bottom-  
38 up evidence allows employers and other stakeholders to have a voice in  
39 MAC analysis.

1 Second, even if the MAC finds that there is a labor shortage, it can  
2 decide not to recommend the admission of migrant workers. Requiring  
3 the MAC to weigh top-down and bottom-up evidence of labor needs  
4 before deciding whether admitting migrant workers is a sensible solution  
5 helps to make clear that the mere existence of a labor shortage does not  
6 automatically open the door to migrant workers.

7 Even when the MAC recommends the inclusion of a particular  
8 occupation on the shortage list, it can point out that migration may not  
9 be a sensible long-run response to shortages. For example, two-thirds of  
10 the care assistants in London are migrants. The MAC's analysis found  
11 that shortages of care givers were often due to low wages. Most social care  
12 is publicly funded by local governments but provided by the employees of  
13 private businesses and voluntary organisations, and constraints on local  
14 authorities' budgets keep wages low. As a result, care operators tend to  
15 hire flexible migrants willing to accept prevailing wages. Simply training  
16 more British workers is unlikely to provide more British care workers  
17 because local workers with required training can earn more elsewhere.<sup>14</sup>

18 Third, the MAC highlighted the link between training and immigra-  
19 tion to foster more cooperation between government departments. In late  
20 2008, then-Prime Minister Gordon Brown announced that if an occupa-  
21 tion was put the labor shortage list, making it easier for British employers  
22 to recruit non-EU workers to fill vacant jobs, the government would  
23 review whether and how more training of British workers could reduce  
24 the need for migrants, highlighting the links between shortages, migration,  
25 and training.

26 A key limitation of the MAC is that it can deal only with questions  
27 submitted to it by the government; it cannot independently conduct anal-  
28 yses and make recommendations other issues. For example, British gov-  
29 ernments and stakeholders have discussed caps on non-EU migration for  
30 the past several years, but the MAC dealt with the question of caps only  
31 after being asked to do so by the Conservative–Liberal Democrat govern-  
32 ment elected in May 2010. The MAC's analysis emphasized that only 20  
33 percent of non-EU migration in recent years is employment related, so  
34

35  
36 <sup>14</sup>The MAC's analysis concluded that care "budgets need to be larger, or at least better  
37 targeted toward those parts of the sector suffering from labor shortage, so that those work-  
38 ers can be paid more." It recommended that only the highest skilled care workers be  
39 added to the shortage occupation list to avoid "institutionalizing low pay in the care sec-  
tor." (MAC, 2009b:96).

1 that the government can achieve its goal of reducing net migration  
2 to “tens of thousands” only by reducing non-EU student and family  
3 migration.<sup>15</sup>

4 The MAC has helped to define and refine controversial migration  
5 policy issues and the options to deal with them. Until recently, the MAC  
6 dealt only with the economic aspects of migration. The then-Labor Gov-  
7 ernment in 2008 established a separate Migration Impacts Forum (MIF)  
8 to examine the social effects of migration, but it received little support,  
9 prompting criticism that the government was considering only economic  
10 issues in making migration policy. The current Conservative–Liberal  
11 Democrat government asked the MAC to consider economic as well as  
12 social impacts of migration when making recommendations to the govern-  
13 ment.

#### 14 15 *CONCLUSION: PROMISES AND LIMITATIONS OF AN* 16 *INDEPENDENT U.S. COMMISSION*

17  
18 Regulating the entry and right to work of migrants is a key function of  
19 governments. However, it is often hard for government agencies to  
20 assess and respond to employer requests for foreign workers to fill  
21 alleged labor and skills shortages because of the complexity of measuring  
22 shortages and evaluating alternative options to deal with them. The cost  
23 of bad policy decisions can be very high, leaving local workers without  
24 jobs and delaying productivity-increasing changes that keep economies  
25 competitive. On the other hand, restricting access to foreign workers  
26 could adversely affect particular employers and may slow economic  
27 growth.

28 Managing future flows of migrant workers is one of the three key  
29 elements of U.S. immigration reform proposals. The bills considered by  
30 the Senate in 2006 and 2007 would have followed current policy by stip-  
31 ulating the number of work visas in law and setting out the procedures to  
32 be followed by employers seeking migrant workers. However, the April  
33

34  
35 <sup>15</sup>Net migration was 196,000 in 2009, when 55,000 non-EU foreign workers and  
36 163,000 non-EU foreign students arrived for planned stays of more than a year in the  
37 UK. The MAC recommended reducing work-related non-EU migration by 20 percent,  
38 which means that family unification and student migration must be reduced by 80 percent  
39 if the government is to achieve its goal of reducing net migration to <100,000 by 2015  
(MAC, 2010b).

1 2010 Senate Democrats' proposal copies the UK approach by calling for  
2 a MAC-like independent commission to make recommendations on when  
3 and how many migrants to admit.

4 The experience of the British MAC suggests that a U.S. commission  
5 could make several key contributions. First, it could help to de-politicize  
6 the debate on labor needs by allowing data and evidence to replace asser-  
7 tions about the need for migrant workers. Careful consideration and anal-  
8 ysis of both top-down labor market indicators and bottom-up evidence  
9 from employers, unions, and other stakeholders can raise the quality of  
10 the debate over the need for foreign workers. Second, an independent  
11 commission can help to clarify the various measures of shortages and out-  
12 line sensible responses when shortages are found. Third, a commission  
13 can make the trade-offs that underlie competing policy objectives clearer,  
14 such as that between protecting local workers and giving employers easy  
15 access to foreign workers.

16 It is equally important to be clear about the limitations of a com-  
17 mission. Immigration policy ultimately requires a balancing of competing  
18 interests. The MAC has shown that there is no single answer as to  
19 whether migrants are needed to fill vacant jobs. Deciding whether the  
20 optimal response should be additional migrants, higher wages, or some  
21 other option is an inherently political decision. An independent commis-  
22 sion can make the trade-offs between policy options and their conse-  
23 quences clearer, which is a very important contribution. However, it  
24 cannot and should not replace an explicit political debate about compet-  
25 ing policy objectives and trade-offs. An independent commission can pro-  
26 vide the data and evidence to improve migration decision making, but it  
27 cannot resolve political decisions about whose interest should have higher  
28 priority.

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# Author Query Form

Journal: IMRE

Article: 843

Dear Author,

During the copy-editing of your paper, the following queries arose. Please respond to these by marking up your proofs with the necessary changes/additions. Please write your answers on the query sheet if there is insufficient space on the page proofs. Please write clearly and follow the conventions shown on the attached corrections sheet. If returning the proof by fax do not write too close to the paper's edge. Please remember that illegible mark-ups may delay publication.

Many thanks for your assistance.

Query reference	Query	Remarks
1	<b>AUTHOR: A running head short title was not supplied; please check if this one is suitable and, if not, please supply a short title of up to 40 characters that can be used instead.</b>	
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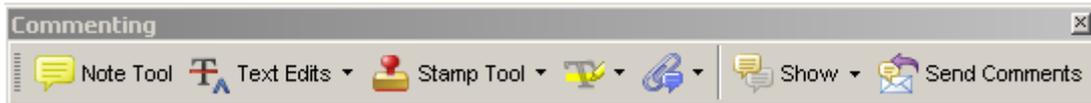
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13	<b>AUTHOR:</b> Please check all website addresses and confirm that they are correct. (Please note that it is the responsibility of the author(s) to ensure that all URLs given in this article are correct and useable.)	
14	<b>AUTHOR:</b> Please check and approve the correction made in the sentence “Additional...degree.”	

## USING E-ANNOTATION TOOLS FOR ELECTRONIC PROOF CORRECTION

### Required Software

Adobe Acrobat Professional or Acrobat Reader (version 7.0 or above) is required to e-annotate PDFs. Acrobat 8 Reader is a free download: <http://www.adobe.com/products/acrobat/readstep2.html>

Once you have Acrobat Reader 8 on your PC and open the proof, you will see the Commenting Toolbar (if it does not appear automatically go to Tools>Commenting>Commenting Toolbar). The Commenting Toolbar looks like this:



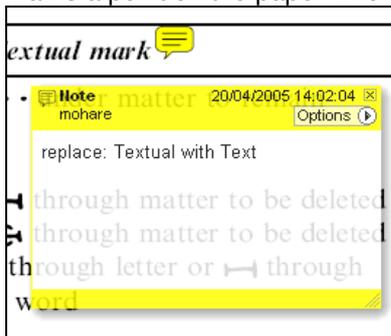
If you experience problems annotating files in Adobe Acrobat Reader 9 then you may need to change a preference setting in order to edit.

In the "Documents" category under "Edit – Preferences", please select the category 'Documents' and change the setting "PDF/A mode:" to "Never".



### Note Tool — For making notes at specific points in the text

Marks a point on the paper where a note or question needs to be addressed.

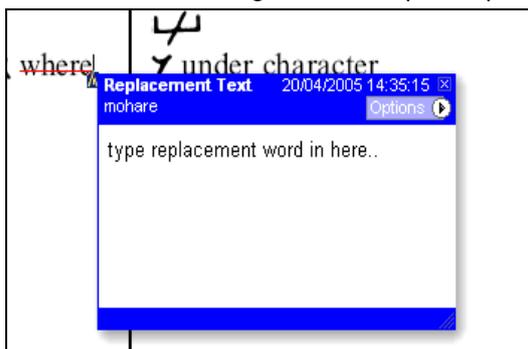


How to use it:

1. Right click into area of either inserted text or relevance to note
2. Select Add Note and a yellow speech bubble symbol and text box will appear
3. Type comment into the text box
4. Click the X in the top right hand corner of the note box to close.

### Replacement text tool — For deleting one word/section of text and replacing it

Strikes red line through text and opens up a replacement text box.

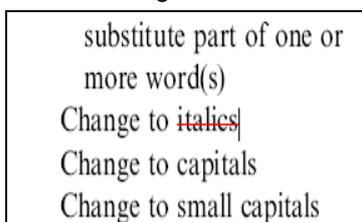


How to use it:

1. Select cursor from toolbar
2. Highlight word or sentence
3. Right click
4. Select Replace Text (Comment) option
5. Type replacement text in blue box
6. Click outside of the blue box to close

### Cross out text tool — For deleting text when there is nothing to replace selection

Strikes through text in a red line.



How to use it:

1. Select cursor from toolbar
2. Highlight word or sentence
3. Right click
4. Select Cross Out Text

Approved tool — For approving a proof and that no corrections at all are required.

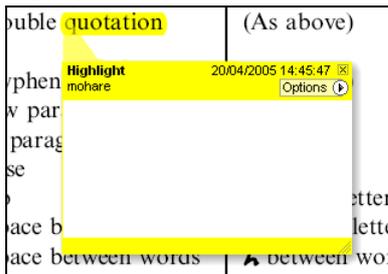


How to use it:

1. Click on the Stamp Tool in the toolbar
2. Select the Approved rubber stamp from the 'standard business' selection
3. Click on the text where you want to rubber stamp to appear (usually first page)

Highlight tool — For highlighting selection that should be changed to bold or italic.

Highlights text in yellow and opens up a text box.

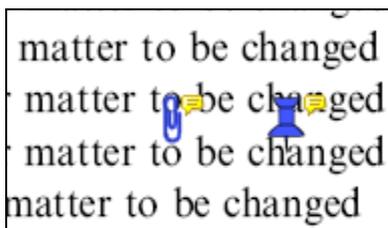


How to use it:

1. Select Highlighter Tool from the commenting toolbar
2. Highlight the desired text
3. Add a note detailing the required change

Attach File Tool — For inserting large amounts of text or replacement figures as a files.

Inserts symbol and speech bubble where a file has been inserted.

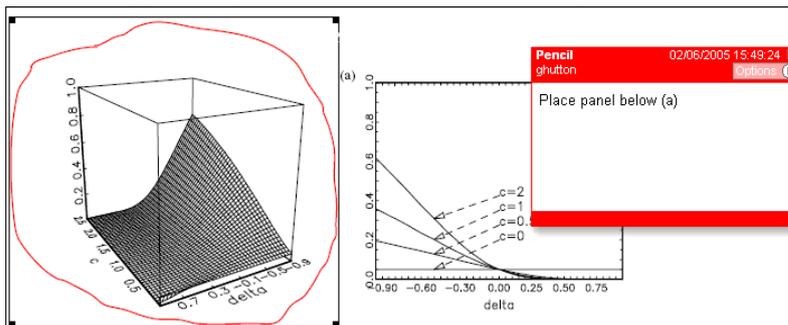


How to use it:

1. Click on paperclip icon in the commenting toolbar
2. Click where you want to insert the attachment
3. Select the saved file from your PC/network
4. Select appearance of icon (paperclip, graph, attachment or tag) and close

Pencil tool — For circling parts of figures or making freeform marks

Creates freeform shapes with a pencil tool. Particularly with graphics within the proof it may be useful to use the Drawing Markups toolbar. These tools allow you to draw circles, lines and comment on these marks.



How to use it:

1. Select Tools > Drawing Markups > Pencil Tool
2. Draw with the cursor
3. Multiple pieces of pencil annotation can be grouped together
4. Once finished, move the cursor over the shape until an arrowhead appears and right click
5. Select Open Pop-Up Note and type in a details of required change
6. Click the X in the top right hand corner of the note box to close.

## Help

For further information on how to annotate proofs click on the Help button to activate a list of instructions:

