

The Wall Street Journal

Review & Outlook

April 25, 2015

Scott Walker's Labor Economics

The Governor needs a better tutor on jobs and immigration.

The good news is that Scott Walker is looking to advisers to educate him on the issues he will have to address if he wants to be elected President. The bad news is that on the economics of immigration the Wisconsin Governor is listening to Alabama Senator Jeff Sessions.

In a radio interview Monday with [Glenn Beck](#), Mr. Walker said “the next President and the next Congress need to make decisions about a legal immigration system that’s based on, first and foremost, on protecting American workers and American wages.” He went on to say, “I’ve talked to folks, I’ve talked to Senator Sessions and others out there.” At the “forefront of our discussion going forward,” he says, must be what legal immigration is “doing for American workers looking for jobs” and what it “is doing to wages.”

By all means let’s have that discussion on jobs and wages. Because Mr. Walker seems to be taking his cue from Senate hearings Mr. Sessions held recently to spread a whopper: that Americans with degrees in STEM subjects (science, technology, engineering and math) can’t get jobs because foreigners are stealing them.

Mr. Sessions is the Senate’s leading crusader against any immigration, legal and illegal, and his latest targets are H-1B visas for skilled workers. Practically speaking, these visas are the only way U.S. companies can bring foreign talent to work in America, and more are going to STEM specialists.

The Senator calls claims of a skilled-worker shortage a “hoax.” But the numbers suggest otherwise: The U.S. Citizen and Immigration Services announced last week that it received a record 233,000 requests from American business for the 85,000 H-1B visas available.

This unmet demand is why a bipartisan group of other Senators—including Mr. Sessions’s fellow Republicans Orrin Hatch, [Marco Rubio](#) and Jeff Flake—have introduced a bill to make it easier to hire high-tech workers. But it’s going to be hard to pass the Senate with Mr. Sessions chairing the immigration subcommittee and his ally, Iowa Republican Chuck Grassley, chairing Judiciary.

Their argument is that America's high-tech companies are looking for workers to exploit. But the two Senators rely almost entirely on anecdote and a misleading measure of the job market. Mr. Sessions claims there are only six million high-tech STEM jobs in the U.S.

But a new study from the **National Foundation for American Policy (NFAP)**—a pro-immigration think tank—shows how phony this six million figure is. It notes the National Science Foundation's "Science and Engineering Indicators 2014," which reports that the number of college-educated workers who say their jobs require a least a bachelor's degree in a STEM subject is 16.5 million. That's almost three times the Sessions figure.

The same NSF publication found that only 5% of Americans with a degree in engineering or computing or math were involuntarily working outside their chosen fields in 2010, the most recent year for which statistics are available. The figure is only 1.4% for those who earned a master's degree in math or computer science in the last five years.

The NFAP concludes that Mr. Sessions's data "would exclude every American recipient of the Nobel Prize in the past 100 years who worked as a professor, which would be classified as a post-secondary teacher, and the CEO of Apple, since management positions typically do not count as a STEM occupation under government classifications."

As for jobs overall, in 2010 the Federal Reserve Bank of San Francisco concluded "there is no evidence that immigrants crowd out U.S.-born workers in either the short or long run." It also found that the long run effect on the income of Americans is small but positive.

And let's ask this question. If more people, even people with skills such as those on H-1B visas, are bad for an economy, why is the high-growth state of Texas working overtime to get people from other parts of the country to move there? Under the Walker-Sessions model, shouldn't that depress wages and take jobs from those already there?

Economists call this the lump of labor fallacy, which holds that the amount of available work is fixed. If one person gets a job, another loses it. But the addition of new workers into a market, especially skilled workers, can increase the productivity of companies in a way that expands the supply of work for everybody.

Republicans used to understand this basic economic principle, but the politics of immigration is turning some of them into economists for the AFL-CIO. The irony is that Mr. Sessions's view of labor economics requires believing that the most innovative U.S. companies aren't built on smarts or innovation but on the exploitation of cheap foreign labor.

Mr. Walker is right that the GOP needs to focus on raising the incomes of average Americans, but the way to do that is with policies that increase growth and improve upward mobility. Zero-sum labor economics will do neither.