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Marx on Immigration

Workers, Wages, and Legal Status

by [David L. Wilson](#)

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On April 9, 1870, Karl Marx wrote a long letter to Sigfrid Meyer and August Vogt, two of his collaborators in the United States.¹ In it Marx touched on a number of subjects, but his main focus was the “Irish question,” including the effects of Irish immigration in England. This discussion seems to have been Marx’s most extensive treatment of immigration, and while it hardly represents a comprehensive analysis, it remains interesting as a sample of Marx’s thinking on the subject—at least on one day in 1870.

Given the intense and often bitter debates over immigration now taking place in the United States and Europe, the letter to Meyer and Vogt has received surprisingly little attention from the modern left. Immigrant rights advocates in particular have ignored Marx’s thoughts on the issue, especially his remark—which reflects his assessment of how the capitalist system operates—that the influx of low-paid Irish immigrants to England forced wages down for native-born English workers. In fact, many present-day



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DAVID L. WILSON is coauthor, with Jane Guskin, of *The Politics of Immigration: Questions and Answers*, to be reissued in a new edition by Monthly Review Press later this year.

supporters of immigrants' rights have taken the side of liberal economists who insist that immigration actually boosts wages for native-born workers.²

Marx on Irish Immigration

In his 1870 letter, Marx charged that English policy toward Ireland was based chiefly on the economic interests of England's industrial capitalists and landed aristocracy. The English aristocracy and the bourgeoisie, he wrote, had "a common interest...in turning Ireland into mere pasture land which provides the English market with meat and wool at the cheapest possible prices." For the capitalists there was also an interest

“ in reducing the Irish population by eviction and forcible emigration, to such a small number that *English capital* (capital invested in land leased for farming) can function there with "security." It has the same interest in *clearing the estates of Ireland* as it had in the clearing of the agricultural districts of England and Scotland. The £6,000-10,000 absentee-landlord and other Irish revenues which at present flow annually to London have also to be taken into account.

But, Marx went on, the English bourgeoisie also had "much more important interests in the present economy of Ireland"—the forced immigration of Irish workers into England:

Owing to the constantly increasing concentration of leaseholds, Ireland constantly sends her own surplus to the English labor market, and thus forces down wages and lowers the material and moral position of the English working class.³

And most important of all! Every industrial and commercial centre in England now possesses a working class divided into two *hostile* camps, English proletarians and Irish proletarians. The ordinary English worker hates the Irish worker as a competitor who lowers his standard of life. In relation to the Irish worker he regards himself as a member of the *ruling* nation and consequently he becomes a tool of the English aristocrats and capitalists against Ireland, thus strengthening their domination over himself. He cherishes religious, social, and national prejudices against the Irish worker. His attitude towards him is much the same as that of the "poor whites" to the Negroes in the former slave states of the U.S.A. The Irishman pays him back with interest in his own money. He sees in the English worker both the accomplice and the stupid tool of the *English rulers* in Ireland.

This antagonism is artificially kept alive and intensified by the press, the pulpit, the comic papers, in short, by all the means at the disposal of the ruling classes. *This antagonism* is the secret of the *impotence of the English working class*, despite its organization. It is the secret by which the capitalist class maintains its power. And the latter is quite aware of this.

Marx wrote these passages nearly 150 years ago, and he was certainly not infallible: in the same letter he suggested optimistically that independence for Ireland might hasten "the social revolution in England." But a great deal of his analysis sounds remarkably contemporary.

The parallels become obvious if we substitute the Caribbean Basin countries for Ireland and the United States for England. Just as English policy devastated small-scale agriculture in Ireland, U.S.-promoted neoliberal programs like the North American Free Trade Agreement (NAFTA) have uprooted small producers in Mexico, Central America, and the Caribbean islands, and this in turn has driven millions of the displaced to seek work in the United States. Once here, present-day immigrants are forced, like their Irish predecessors in England, into low-paying jobs and substandard living conditions, only to face hostility from native-born workers who view them as competitors. Antagonisms over this competition are further fueled by racial and ethnic prejudices, “artificially kept alive and intensified by the press.”

But Marx also claimed that Irish immigration drove down wages for English workers. Anti-immigrant forces in the United States make similar claims today. Does that put Marx on the side of people like Donald Trump and former Arizona sheriff Joe Arpaio?

The Economists’ Findings on Wages

The effect of immigration on wages is in fact a key point of contention in the current debate over immigrants to the United States, with nativists routinely charging that immigration reduces pay for U.S.-born workers, and immigrant rights activists countering that immigration has only a small negative influence on wages for the native-born, or even a positive effect.

Both sides cite the work of academic economists. The nativists quote George Borjas, a conservative Cuban American professor at Harvard’s Kennedy School of Government. In 2013, Borjas wrote that from 1990 to 2010 immigration probably “reduced the average annual earnings of American workers by \$1,396 in the short run.... [T]he impact varies across skill groups, with high school dropouts being the most negatively affected group.”⁴ Immigrant rights activists prefer to cite Giovanni Peri, a University of California, Davis professor who argued in 2010 that the total immigration to the United States from 1990 to 2007 would be expected to bring about “an increase of about \$5,100 in the yearly income of the average U.S. worker in constant 2005 dollars.”⁵

Activists on the issue are naturally quick to cite the academic studies that support their own position.⁶ They are less eager to look under the hood and analyze how scholars arrived at these numbers. Calculating the effect of immigration on wages is a complicated undertaking. There are a variety of possible empirical approaches. One method tries to correlate wages with levels of immigration over a given period. For example, many assume that the stagnation in real wages since the 1970s is connected to the increase in immigration during that period. However, there are many other possible causes—the weakening of the labor movement, job losses due to automation and offshoring, and so on—and these are difficult to quantify. Short of discovering an alternative universe, there’s simply no secure way to model what wages would have been in the absence of immigration.

Another empirical approach is to compare wage trends in different parts of the country. For example, if wages rise in one city as immigration increases there, while at the same time wages fall in another city experiencing an immigration decline, then increased immigration may be a factor pushing wages up.

This second approach is the one that both Borjas and Peri favor, using sophisticated statistical methods to control for other factors, such as the tendency of immigrants to settle in places with higher wages, or of U.S.-born workers to move away from areas where they face competition from immigrants. But the two economists come up with opposing results, and in either case, they can only demonstrate a correlation, not a cause.⁷ Ultimately, data alone will never provide us with an indisputable conclusion.

The Economists' Theoretical Models

To deal with this problem, Borjas and Peri supplement their empirical studies with models based on economic theory, principally in terms of supply and demand. When immigrants enter the work force, they increase the supply of labor without immediately increasing the demand; the short-term result is a tendency for wages to fall. Over time, wage rates should stabilize, since the new immigrants also increase the demand for goods and services, and therefore for labor, but these effects vary across different sectors of the workforce. Much of the immigration to the United States from 1970 to 2008 involved workers with little education and limited English proficiency, who sought manual jobs at a time when demand for such work was shrinking. The result was an oversupply of manual laborers, which would then be expected to push wages down for native workers in the same job categories. This is the basis for Borjas's argument that immigration reduces wages.

Peri and his collaborators refine this basic model of supply and demand using a principle they call "complementarity." In their view, low-wage immigrants do not simply substitute for native-born workers: given their lower English proficiency, the immigrants take jobs that require minimal communication skills, encouraging native-born workers to use their greater communication skills to move into higher-level jobs. For example, as Peri wrote in 2010,

“ [a]s young immigrants with low schooling levels take manually intensive construction jobs, the construction companies that employ them have opportunities to expand. This increases the demand for construction supervisors, coordinators, designers, and so on. Those are occupations with greater communication intensity and are typically staffed by U.S.-born workers who have moved away from manual construction jobs. This complementary task specialization typically pushes U.S.-born workers toward better-paying jobs, enhances the efficiency of production, and creates jobs.⁸

For Peri and his collaborators, this factor more than compensates for the effects of simple supply and demand. According to their models, an influx of low-wage immigrants will bring down wages slightly for less educated native-born workers, and will depress wages significantly for other immigrant workers already in the country. However, Peri writes, the benefits to better-educated U.S.-born workers outweigh the losses for the less educated; according to Peri's calculations, over the long run, the average worker's income goes up by 0.6-0.9 percent for each one percent increase in the immigrant population.⁹

What the Economists Miss

Though they reach opposite conclusions, the analyses of both Borjas and Peri share a major defect: their assumption that the only factors determining wage levels are labor supply and demand and immigrant workers' education and skill levels. In the real world, of course, there are many other forces at work. Women and African Americans are paid less than white men, but this is not due to an excess supply of women and African Americans. Likewise, it is not because unionized workers are better educated that they earn more than their non-union counterparts.

Most immigrant workers are people of color, and it is hard to imagine that racial discrimination does not affect how much they are paid. One way social scientists try to approach these questions is with the Oaxaca-Blinder decomposition technique, a statistical method that analyzes the wage gap between different groups by identifying known factors that impact wage levels, such as education and skill levels, and teasing out the unknown factors that may be attributed to discrimination. Using a Oaxaca-Blinder decomposition, a 2016 study found that even for third-generation Mexican Americans, only 58.3 percent of a worker's wage level is explained by known factors such as education and work experience. Discrimination remains still worse for people of African ancestry; for these workers, known factors only account for 48.3 percent of the difference in wages.¹⁰

Academic economists also tend to ignore the role that legal status can play in determining wage levels, even though one-third of the country's immigrant workers—some 8.1 million as of 2012—are undocumented, according to the Pew Research Center.¹¹ These workers face an additional hurdle: they have been made "illegal," and as a result live under constant threat of persecution and deportation.

Under U.S. law, undocumented workers enjoy most of the same rights as other workers, yet they do not have the right to be here: at any moment, an unauthorized immigrant can be detained, imprisoned, and slated for deportation. Fear hangs over every aspect of these workers' employment and of their lives in general. The threat of deportation is a weapon always available to employers when unauthorized workers try to assert their rights—to ask for higher wages, report workplace violations, demand compensation for injuries on the job, and form a union. And by law these workers have

no access to unemployment insurance or any other part of the frayed social safety net, so they face significant hardship if they lose their current jobs. Going on strike is risky for most workers; for the undocumented it requires a special level of courage.

Is it possible, then, to quantify the “wage penalty” that the lack of legal status imposes on undocumented workers? Several studies have dealt with this question, mostly using the Oaxaca-Blinder decomposition. Given the sheer number of variables, these studies have produced widely divergent estimates of the wage disparity, ranging from 6 percent to more than 20 percent.¹² But all agree that lack of legal status has a definite negative impact on immigrants’ pay. And this effect operates without reference to supply and demand—or Peri’s “complementarity.” Even if there is no oversupply of low-wage workers, undocumented immigrants will still be paid appreciably less than their U.S.-born coworkers, and less than immigrant workers with legal status.

This inevitably produces a substantial downward pressure on wages for U.S.-born workers in job categories with high rates of participation by the undocumented. For example, a survey in 2005 found that unauthorized workers accounted for 36 percent of all insulation workers and 29 percent of all roofers and drywall installers.¹³ Even if the wage penalty for these workers is on the low side—at 6.5 percent, say—it undoubtedly depresses wages for other workers in these construction jobs.

“A Working Class Divided”

Another factor the economists ignore is precisely the one Marx considered “most important of all”: the way immigration can be used to create “a working class divided into two hostile camps.” Marx may have exaggerated when he called antagonism between English and Irish workers “the secret of the impotence of the English working class,” and in the United States today, anti-immigrant prejudice is only one of the forces preventing the majority of the population from asserting their own strength. Racism against African Americans—along with sexism, homophobia, and many other prejudices—continues to play its historic role in keeping workers from uniting and organizing. But xenophobia is also a major factor, especially in periods when immigration rates are high.

There may be no easy way to quantify the effect on wages, but we can find at least one striking example of how effective anti-immigrant sentiment can be in turning the labor movement against the interests of its members. The Immigration Reform and Control Act of 1986 (IRCA) for the first time instituted fines for employers caught hiring unauthorized workers. According to the law’s supporters, these “employer sanctions” would reduce unauthorized immigration by cutting off immigrants’ access to U.S. jobs. In reality, the sanctions have simply provided another tool for the super-exploitation of undocumented workers. IRCA’s documentation requirements provide a pretext for workplace raids, and push many undocumented workers into the underground economy, where they face still more challenges in defending their labor rights. Even

legitimate employers may reduce payment to workers who are immigrants—and therefore possibly undocumented—to compensate for the risk of being fined, while other employers now routinely use subcontractors who assume that risk themselves and pay the workers even less.¹⁴ Responding to anti-immigrant feeling in its member unions, the AFL-CIO *supported* this anti-labor measure in the run-up to the IRCA. It was not until 2000 that the labor federation finally renounced employer sanctions and came out in support of legalization for unauthorized workers.¹⁵

Fighting Exploitation, Not Immigration

Marx did not elaborate on his reasons for writing that Irish immigration reduced English workers' wages. He implied that the cause was an oversupply of manual laborers, but his other statements indicate that he considered English xenophobia and the resulting antagonism among workers an even greater problem. The important point, however, is that he was not blaming lower wages on the immigrants themselves; for him the culprits were the colonial system that drove Irish workers to England, and the exploitation of these workers once they arrived.

The same considerations apply in the United States today. The main difference is the addition of legal status as a factor in setting wage levels—the laws that now make work “illegal” for millions of immigrant workers. Immigrant rights advocates may feel it is expedient to cite academic economists like Peri who downplay or deny the downward pressure exerted on wages by the exploitation of undocumented workers. It is not. As Columbia University economist Moshe Adler has noted, this approach does nothing to convince the many U.S. citizens who work in occupations with large numbers of undocumented immigrants and therefore “know firsthand that [exploitation of immigrant workers] puts direct downward pressure on their own wages.”¹⁶ Far from helping the movement, citing Peri only adds to these workers' distrust and resentment toward middle-class immigrant rights advocates.¹⁷ More importantly, this approach distracts attention from efforts to address the real issues: the root causes of immigration in U.S. foreign policy, the super-exploitation of immigrant workers, and the common interests of immigrant and native-born workers.

In 2010, the Dignity Campaign, a loose coalition of some forty labor and immigrant rights organizations, proposed a comprehensive approach emphasizing these issues. More recently, Senator Bernie Sanders's 2016 presidential campaign platform took some steps in the same direction, while the Movement for Black Lives platform made important recommendations in August 2016 for fighting injustice and systemic racism in the immigration laws.¹⁸ The political climate has become especially favorable for organizing along these lines since the financial collapse of 2008. Paradoxically, even Trump's 2016 presidential campaign may have helped: it has emboldened the nativist right, but it has also made a broad sector of the population more aware of the racism underlying anti-immigrant xenophobia.

In his 1870 letter, Marx described what he then considered the overriding priority for labor organizing in England: “to make the English workers realize that *for them the national emancipation of Ireland* is not a question of abstract justice or humanitarian sentiment but the *first condition of their own social emancipation*.” His closing words of advice to Meyer and Vogt were similar: “You have wide field in America for work along the same lines. *A coalition of the German workers with the Irish workers* (and of course also with the English and American workers who are prepared to accede to it) is the greatest achievement you could bring about now.” This internationalist and class-based perspective has lost none of its good sense in the century and a half since it was written.

Notes

1. ↵ Karl Marx and Frederick Engels, *Collected Works*, vol. 43, Letters 1868–70 (London: Lawrence and Wishart, 2010): 471–76. All italics in original.
2. ↵ For example, the pro-immigration American Immigration Council (AIC) wrote in 2012 that “immigration gives a small wage boost to the vast majority of native-born workers.” AIC, “Value Added: Immigrants Create Jobs and Businesses, Boost Wages of Native-Born Workers, Employment and Wages,” January 1, 2012, <http://americanimmigrationcouncil.org>.
3. ↵ The German *moralisch*, translated here as “moral,” can refer to morale as well as to morals. Marx seems to use the word in a still broader sense: for example, in *Capital*, vol. 1, chapter 10, he discusses “the moral bounds of the working-day.” He specifies that these “moral bounds” include “[t]ime for education, for intellectual development, for the fulfilling of social functions and for social intercourse, for the free-play of [a worker’s] bodily and mental activity, even the rest time of Sunday.”
4. ↵ George Borjas, “Immigration and the American Worker,” Center for Immigration Studies, April 2013, <http://cis.org>. Borjas explains his positions at length in *Heaven’s Door: Immigration Policy and the American Economy* (Princeton, NJ: Princeton University Press, 1999).
5. ↵ Giovanni Peri, “The Effect of Immigrants on U.S. Employment and Productivity,” Economic Letter, Federal Reserve Bank of San Francisco, August 30, 2010, <http://www.frbsf.org>. For a fuller discussion of Peri’s methodology, see Giovanni Peri and Chad Sparber, “Task Specialization, Immigration, and Wages,” *American Economic Journal: Applied Economics* 1, no. 3 (2009): 135–69.
6. ↵ See, for example, Neil Munro, “Report: Immigration boosts economy, widens wealth gaps, analysis finds,” Daily Caller, April 9, 2013, <http://dailycaller.com>; and Mark Engler, “Labor Day: Immigrants Build the U.S. Economy,” *Dissent*, September 3, 2010, <http://dissentmagazine.org>.
7. ↵ For one example of these disputes, see David Frum, “The Great Immigration-Data Debate,” *Atlantic*, January 19, 2016.
8. ↵ Peri, “The Effect of Immigrants on U.S. Employment and Productivity.”

9. ↪ Ibid.
10. ↪ Pedro P. Orraca-Romano and Erika García Meneses, "Why Are the Wages of the Mexican Immigrants and their Descendants So Low in the United States?" *Estudios Económicos* 31, no. 2 (2016): 305–37, <http://estudioseconomicos.colmex.mx>.
11. ↪ Jeffrey S. Passel and D'Vera Cohn, "Share of Unauthorized Immigrant Workers in Production, Construction Jobs Falls Since 2007," Pew Hispanic Center, March 26, 2015, Table 1, <http://pewhispanic.org>.
12. ↪ Patrick Oakford, *Administrative Action on Immigration Reform: The Fiscal Benefits of Temporary Work Permits* (Washington, D.C.: Center for American Progress, 2014), 14–17, <http://cdn.americanprogress.org>; Francisco L. Rivera-Batiz, "Undocumented Workers in the Labor Market: An Analysis of the Earnings of Legal and Illegal Immigrants in the U.S.," *Journal of Population Economics* 12, no. 1 (1999): 91–116.
13. ↪ Jeffrey S. Passel, "The Size and Characteristics of the Unauthorized Migrant Population in the U.S.: Estimates Based on the March 2005 Current Population Survey," Pew Hispanic Center, March 7, 2006, <http://pewhispanic.org>.
14. ↪ Douglas S. Massey and Kerstin Gentsch, "Undocumented Migration to the United States and the Wages of Mexican Immigrants," *International Migration Review* 48, no. 2 (2014): 482–99.
15. ↪ Teófilo Reyes, "AFL-CIO, in Dramatic Turnaround, Endorses Amnesty for Undocumented Immigrants," *Labor Notes*, April 1, 2000; David Bacon, "The AFL-CIO reverses course on immigration," LaborNet Newline, October 17, 1999.
16. ↪ Moshe Adler, "The Effect of Immigration on Wages: A Review of the Literature and Some New Data," Empire State College, May 1, 2008, <http://esc.edu>; "Pitting Worker Against Worker," TruthDig, April 30, 2010, <http://truthdig.com>.
17. ↪ Immigrant rights activists should also note that Peri supports highly exploitative "guest worker" programs, and has even proposed that the federal government auction off work visas to businesses, a practice that "sounds like auctioning slaves," according to *Le Monde diplomatique* deputy editor Benoît Bréville. See Giovanni Peri, "The Economic Windfall of Immigration Reform," *Wall Street Journal*, February 12, 2013; and Benoît Bréville, "Getting In and Getting On," *Le Monde diplomatique*, July 2013.
18. ↪ Dignity Campaign, "The Dignity Campaign Proposal," <http://dignitycampaign.net>; "A Fair and Humane Immigration Policy," <http://berniesanders.com>; Movement for Black Lives, "End the War on Black People," <http://policy.m4bl.org>.

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