

# Just-in-Time Immigration Reform

BY HILDA OCHOA-BRILLEMBOURG

*The case for a  
sustained but  
selective  
immigration  
policy.*

One of the more effective tools developed to enhance global productivity is a business inventory management method called “just in time.” Just-in-time management reduces manufacturing and distribution costs caused by large inventories of merchandise waiting to be sold. The method matches the supply and demand for goods, promptly reducing imbalances and wasteful costs.

It is a logic that cries out to be applied to American immigration policy. We have the technology and the data to do it: All we need is the will. There should not be production bottlenecks created by poor matches between domestic and foreign supply and demand for human capital.

American exceptionalism has in large part been built on the drive and productivity of its immigrants. Insularity can hamstring even the most industrious of nations, as these last two decades in Japan have evidenced. But the diversity and drive that entrepreneurial immigrants bring to America’s life are now jeopardized when we need them the most, as we grapple with the real challenges that uncontrolled and illegal immigration pose to the fabric of our welfare state.

There is appropriately intense discussion on the paths to legalization of the millions of immigrants already in the United States, but in my view additional attention needs to be placed on creating just-in-time dynamic immigration policies for new immigrants going forward. Globalization has thrived on

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THE INTERNATIONAL  
ECONOMY

THE MAGAZINE OF INTERNATIONAL ECONOMIC POLICY

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Washington, D.C. 20002

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*Fifty new U.S. citizens take the Oath of Allegiance at George Washington's Mount Vernon estate.*

free capital and trade flows, while human capital flows are obstructed by political gridlock on our own shores. This is a threat to the essence of American success. We have to continue to attract the best and brightest of human capital, as well as those immigrants meeting the employment needs of all sectors of the economy, including farmers and households. Time is of the essence.

#### **AFTER THE BOOMERS, WHAT?**

The generation that has exemplified the extraordinary societal achievements in American life since the 1950s has almost run its course. The Boomers are graying, retiring, and increasingly demanding social welfare for which they contributed—but not enough for their longer life expectancy. In a blink of an eye, it seems, they have gone from the locomotive to the caboose. This demographic challenge is patently not just an American challenge, but I would argue that we are in the best position to tackle it, and immigration policy is the key. How well we do the job will determine how well we do economically and socially.

The free flow of human capital was a fundamental contributor to our post-war achievements. From 1970 onward, ten million middle-class, college-educated women chose to work professionally rather than be full-time wives and mothers; I was one of them. Between 1970 and 1990, seventeen million immigrants came to the United States, and quite apart from their profound contribution to construction, agriculture, manufacturing, technology, and the service sector, they changed the lives of a generation of working mothers. That I could hire legal, reasonably priced childcare allowed me to manage a growing family and compete in the financial services industry. The prosperous dual-income family pro-



vided a formidable boost to our consumption-driven economy for more than thirty years.

The point cannot be stressed enough: Immigration, sustained and selective, drives American success, and always has. But our future depends now more than ever on sustained and selective immigration policies. Based on data collected by the Pew Research Center, we can conclude that in order to make our demographic flow and balance sheet work from 2012–2032, we need to bring in roughly fifty million new immigrants over the next twenty years, forty million to replace the retiring middle class and ten million to serve the needs of college-educated women entering and leaving the labor force. Calculated simply, that is about 2.5 million per year, relative to the two million (one million legally and a variable one million illegally) who have been coming here over the last twenty years. It's not much of an increase (500,000) but enough to make a positive difference in our fiscal deficits, consumption, savings, and investment needs, and to take care of the emerging and aging population's household and other employment needs.

Here is how it should be done:

■ **Immigrants and graduates.** We should give visas to any foreign student graduating from our colleges and graduate schools, as New York's Mayor Bloomberg and others have suggested. We train them, and we should have the option of keeping them.

■ **Attracting capital and local spending.** Switzerland, the United Kingdom, Canada, the United Arab Emirates, Singapore, and many other countries have opened their economies to wealthy foreigners who as resident aliens have brought their savings, investment, and consumption strength. These countries attract wealthy foreigners by taxing only what they spend or produce in the country, or

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some other fixed amount, not their global income and savings, as we would do. We see this as politically incorrect, and it may be, but it's also smart and has worked well for the countries that have adopted the policy.

■ **Retain and tax.** There are ten million illegal immigrants in the United States, the vast majority working productively. They should be given visas and brought into our taxpaying apparatus immediately. It is fiscally prudent and humane to do so.

■ **Nanny and granny visas (supplementing guest worker and farmer visas).** The care of the young and the old falls on the most emotionally available and socially responsive sex: our women. Unless we open immigration to nannies and nursing care practitioners, we will see

many of the gains achieved by women and dual income families in the United States eroded by the very real, unfairly distributed, and now rapidly increasing family demands on women's time. We have already begun to see a leveling off and marginal decrease in the higher income strata of professional women, forced to leave the labor force for lack of home management support. That could be the most destructive trend of all. We have allowed immigrants to fill in seasonal employment demands; child and elder care is one more of those "seasonal," limited duration demands that need to be met at least over the life expectancy of our boomers.

Just-in-time management can do for our people what it has done for inventory management: increase productivity and reduce human adversity. ◆