

## Economic impacts of H-2 nonimmigrant visa eligibility for Haiti

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Nationals of Haiti are currently ineligible to participate in the United States' H-2A and H-2B low-skill temporary work visa programs.<sup>2</sup> Haitians' average standard of living fell steadily—by half—between 1970 and the 2010 earthquake, after which it fell even further. Even if Haiti experienced Chinese levels of economic growth starting today, it would be generations before most Haitian workers had opportunities allowing them to escape destitution. Allowing Haiti to participate in the H-2 nonimmigrant visa programs would create rare and substantial economic opportunity for Haiti while complementing U.S. relief efforts there.

### Economic impact on Haitian families

- Each H-2 worker admitted would typically raise the income of a Haitian family by \$19,000 per year. This arises from the vast difference in the returns to labor between Haiti and the United States. The typical unskilled agricultural wage in Haiti is just over US\$1,000 per year.<sup>3</sup> The typical wage of an unskilled H-2A agricultural worker in the United States is roughly US\$20,000 per year.<sup>4</sup>
- A moderate flow of H-2 workers, over ten years, would put almost \$400 million into the pockets of Haitian families, including the workers. It would be reasonable to expect an eventual flow of at least 2,000 Haitian H-2 workers per year to the United States, given that somewhat more developed, smaller or comparably-sized H-2 eligible countries near the U.S. already send much more than this number.<sup>5</sup> The annual gain of \$19,000 per worker, summed over 2,000 households and over 10 years, equals \$380 million.

### Broader economic impact on Haiti

- Roughly 30-40% of H-2 workers' income would be sent to Haiti. Haitians now in the U.S. who send money to Haiti, most of whom are quite different from temporary low-skill agricultural workers, send home roughly 20% of their incomes in remittances, repatriated savings, and expenditures during home visits.<sup>6</sup> Haitian H-2 workers would likely remit a much larger fraction of income. Comparable Mexican seasonal low-skill agricultural workers (H-2, non H-2, and unauthorized together) send home more than 1/3 of income as remittances or repatriated savings.<sup>7</sup> And Haitian H-2 workers would likely send even more, because they would all be authorized (unauthorized workers send less, among other reasons, due to lower earnings and to high smuggling fees) and because many H-2 employers are required to provide housing and meals lowering those workers' cost of living.
- Each dollar sent to Haiti expands the Haitian economy by three dollars or more. This happens through two channels. First, remittances sent to Haiti are spent in their large majority on Haitian goods and services—food, education, health care, and housing—not on imported goods.<sup>8</sup> It thus passes from hand to hand of other Haitians, resulting in a “multiplier effect”. In this way, in other very poor countries such as Bangladesh, each remitted dollar adds about three dollars to the economy.<sup>9</sup> Second, 76% of Haitian remittance-receiving households report spending some of the money on education and 15% report spending some of it on business investment. Both of these activities expand the Haitian economy in the medium and long term.

### Impact on Haitian labor mobility

- Haitian workers currently have essentially no legal path to enter the United States for employment.<sup>10</sup> Almost all Haitians who come to the U.S. and acquire permanent residence do so through family-based petitions (85% in FY 2010) or asylum claims (12% in FY 2010). Haitians are categorically ineligible for Diversity Visas and few Haitians have the skills or capital to qualify for high-skilled employment-based immigrant visas (0.8% in FY 2010). Nearly all (87% in FY 2010) nonimmigrant visas issued to Haitians in FY 2010 were B-1/B-2 visitors for business (commercial or professional activities related to a pre-existing job) or pleasure (tourism). Only 22 H-1A and H-1B highly skilled temporary work visas were issued to Haitians in FY 2010 (0.09%). All

of the major legal paths to enter the United States for employment—either temporarily or permanently—are legally or functionally closed to most Haitians.

- H-2 eligibility would only cause a small change in movement between Haiti and the U.S., no “brain drain”, and no substantial change in overall entries to the U.S. As noted above, it would be reasonable to expect in the neighborhood of 2,000 Haitian H-2 visas per year. All would be low-skill workers. Despite its outsized economic benefit, this would change only modestly the number of visas issued to Haitians each year. (Today, Haitians receive about 22,000 immigrant and about 20,000 nonimmigrant visas, mostly tourist and business, annually.) They would only represent 2% of the total H-2 visas issued worldwide each year, and many would likely substitute for H-2 workers from other countries—thus growing the total H-2 pool barely if at all.

### **Impact on U.S. relief and reconstruction efforts**

- Disposable income for Haitian families complements U.S. reconstruction efforts. Sustainable reconstruction of Haiti’s agriculture, manufacturing, and services economy depends critically on Haitians having money to spend. Consumption of goods and services by families in Haiti spending money earned in the United States helps make the businesses providing those goods and services profitable, which encourages investment.
- In other H-2 eligible countries with high poverty rates and struck by disasters, there is no sign that H-2 eligibility undermined relief efforts. In 1998, Hurricane Mitch caused approximately 20,000 deaths and \$6 billion in damage across several poor, H-2 eligible Central American countries including Honduras, Nicaragua, and Guatemala. The number of H-2 visas issued to those countries in the years that followed increased at roughly the same rate as the total number of H-2 visas issued to all countries.

### **Impact on irregular migration**

- H-2 eligibility is unlikely to contribute to irregular migration. U.S. law (INA §214(b)) requires all H-2 nonimmigrant visa applicants to satisfy officials at the U.S. embassy that he or she has strong ties to the home country and intends to return. This burden is met by the large majority of H-2 applicants worldwide; only 9% of all H-2A visa petitions are refused annually. For nonimmigrant visas other than H-2s, Haiti’s refusal rate (49%) is similar to that of other countries that are H-2 eligible (El Salvador 47%, Jamaica 47%).<sup>11</sup> While there is little evidence that H-2 eligibility contributes to irregular movement, there is evidence to the contrary: that when H-2 visas are available, people use them who would otherwise have moved irregularly.<sup>12</sup>

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<sup>2</sup> 76 Fed. Reg. 2915 (Jan. 18, 2011) accessed November 7, 2011.

<sup>3</sup> Laura Meissner et al. (2010), *Emergency Market Mapping Analysis: The Market for Agricultural Labor in Sud-Est Department of Haiti* (Washington, DC: US Agency for International Development), p. 10.

<sup>4</sup> Foreign Labor Certification Data Center, Online Wage Library. <http://www.flcdcenter.com/CaseH2A.aspx>. Accessed November 7, 2011.

<sup>5</sup> For example, on average over the last 10 years, 6,793 H-2 visas have been issued per year to Jamaica and 3,153 have been issued per year to Guatemala (State Department Nonimmigrant Visa Statistics, [http://travel.state.gov/visa/statistics/nivstats/nivstats\\_4582.html](http://travel.state.gov/visa/statistics/nivstats/nivstats_4582.html), accessed November 7, 2011). Jamaica has about one third of Haiti’s population and 7 times its real living standard. Guatemala’s population is only 40% larger than Haiti’s, and average living standards in Guatemala are about four times higher.

<sup>6</sup> Manuel Orozco and Elisabeth Burgess (2011), “[A Commitment Amidst Shared Hardship: Haitian Transnational Migrants and Remittances](#),” *Journal of Black Studies* 42(2): 225–246, and Manuel Orozco (2006), *Understanding the Remittance Economy in Haiti* (Washington, DC: Inter-American Dialogue).

<sup>7</sup> Catalina Amuedo-Dorantes et al. (2005), “[On the Remitting Patterns of Immigrants: Evidence from Mexican Survey Data](#),” *Federal Reserve Bank of Atlanta Economic Review*, 1: 37–58.

<sup>8</sup> Orozco and Burgess 2011, *op. cit.*

<sup>9</sup> K. A. S. Murshid et al. (2002), *A Study on Remittance Inflows and Utilization* (Dhaka: International Organization for Migration and United Nations Development Programme).

<sup>10</sup> Royce Bernstein Murray and Sarah Petrin Williamson (2011), “[Migration as a Tool for Disaster Recovery: A Case Study on U.S. Policy Options for Post-Earthquake Haiti](#),” CGD Working Paper 255 (Washington, DC: Center for Global Development).

<sup>11</sup> State Department Nonimmigrant Visa Statistics, [http://travel.state.gov/visa/statistics/nivstats/nivstats\\_4582.html](http://travel.state.gov/visa/statistics/nivstats/nivstats_4582.html), accessed November 7, 2011.

<sup>12</sup> Simón Pedro Izcarra Palacios (2010), *Los jornaleros tamaulipecos y el programa H-2A de trabajadores huéspedes* (México, DF: Plaza y Valdés).