RURAL MIGRATION NEWS
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Rural Migration News summarizes the most important migration-related issues affecting agricultural and rural America. Topics are grouped by category: Rural Areas, Farm Workers, Immigration, Other and Resources.

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California: Covid, Elections

California had a second wave of Covid in winter 2020-21, prompting the state to order counties and cities to issue stay-at-home orders as hospital intensive care beds filled with Covid patients. Doctors learned how to treat Covid patients more effectively, but the rising number of Covid cases meant ever more people were hospitalized.

Small business owners opposed the stay-at-home orders, calling on city leaders to create “sanctuary cities” that allowed people to choose whether they wanted to eat outdoors or enter smaller stores. With unemployment rising and benefits ending, San Joaquin Valley food banks saw unprecedented demand for aid.

California’s Employment Development Department struggled to pay unemployment benefits quickly and accurately. Between March and November 2020, EDD paid $110 billion in UI benefits, with three to eight percent deemed improper, meaning that up to $9 billion worth of UI benefits went to ineligible recipients. There were prosecutions of prisoners and others who fraudulently receiving UI benefits.

Who should get priority for vaccines? There was general agreement that front-line health care workers and those living and working in nursing homes should be first in line, but less agreement on who comes next. Advocates for essential workers said that they should be next in line to prevent the spread of the virus, while advocates for the elderly said that those over 75 should be next in line.

DHS-CDC guidelines define 70 percent of US workers as essential, even though many managers and office support workers in essential infrastructure sectors do not interact with the public in ways that front-line police, transport and retail workers do. The CDC defined 87 million workers as essential, over half of the US labor force of 160 million.

As Americans began to be vaccinated against Covid in December 2020, polls showed that a third of US residents do not plan to be vaccinated. The EEOC announced in December 2020 that employers may lawfully require their employees to be vaccinated to keep their jobs.

California had its worst fire season on record in 2020, as 8,500 wildfires burned over 4.1 million acres and killed at least 31 people before rains ended the fire season. Five of the six largest fires in the state’s history occurred in August and September 2020.
Election. A record 22 million Californians were registered to vote in November 2020, and almost 18 million cast ballots. Biden won 11 million or 64 percent of the state’s votes while Trump won six million or 34 percent. Democrats won 42 of California’s 53 House seats, 60 of the 80 seats in the state Assembly, and 30 of the 40 seats in the state Senate, giving Democrats super majorities in both houses of the state legislature.

Voters considered 12 propositions in November 2020, and approved five. California is overwhelmingly Democratic, but voters refused to raise taxes or require gig workers to be employees.

Over $650 million was spent on ads for and against the 12 propositions, including $240 million on Prop 22 to keep gig drivers independent contractors. Over 90 percent of Prop 22 spending was for a yes vote, which won 58-42 percent and overturned AB 5, a 2019 state law that required gig workers to be employees. Prop 22’s approval raised the value of Uber and Lyft stock by $20 billion in the week after the vote.

Prop 22 requires gig drivers to earn at least 120 percent of the minimum wage and to receive subsidies for health insurance. Voter approval of Prop 22 may signal the emergence of a third type of worker, beyond employer and employee.

The next most expensive battle was over Prop 15, which would have revised Prop 13 to allow commercial property to be reappraised and taxed at its current value rather than its purchase price. Prop 15 failed 48 to 52 percent. Each side spent about $70 million; the result was a defeat for unions that wanted more taxes to increase spending on social services. The approval of Prop 13 in 1978 is considered the beginnings of a tax revolt that spread from California around the US.

Prop 16, which would have overturned the ban on affirmative action approved by voters with Prop 209 in 1996, was defeated by 57-43 percent. Analysts interpreted the Prop 16 vote as a signal that even in majority-minority California, which has not elected a Republican to statewide office since 2006, there is opposition to affirmative action. Nine states including California ban affirmative action.

What does the defeat of Prop 16 mean? Some polls suggest that most Americans do not agree with progressive Democrats on the need for affirmative action, abortion, limits on guns, more immigration and less policing. More conservative Democrats urge race-neutral polices that disproportionately benefit minorities and women, such as expanding Medicaid or higher minimum wages.

Governor Gavin Newsom proposed a record $227 billion budget for 2021-22, including $90 billion for K-12 schools and $1 billion for improving resilience against wildfires. Stock market gains in 2020 promise to increase state income taxes that provide two-thirds of the state’s revenue.
Population. California lost population in 2020 for the first time since 1900, joining nine other states that are each expected to lose one Congressional seat: Alabama, Illinois, Michigan, Minnesota, New York, Ohio, Pennsylvania, Rhode Island and West Virginia. Texas is expected to gain three seats, Florida two, and five others may gain one each: Arizona, Colorado, Montana, North Carolina and Oregon.

California had almost 40 million residents in 2020: they were 39 percent Hispanic; 37 percent white; 15 percent Asian American; and six percent Black. California lost US residents to other states, and gained residents via immigration. About 55 percent of California residents were born in the state, almost 30 percent in foreign countries, and 15 percent in other states.

Between 2010 and 2020, Texas gained 4.2 million people; Florida 2.9 million; California 2.1 million; and North Carolina and Arizona gained a million each. Illinois lost 243,000 residents over the decade, the most of any state.

California has a $3 trillion economy, larger than that of the UK, and four of the largest US cities, Los Angeles, San Diego, San Jose and San Francisco.

Meat and Covid

Meatpacking is the largest industry in rural America. Over 500,000 people are employed in US meat and poultry processing, and there are 49 nonmetro counties where animal slaughtering and processing employment (NAICS 3116) is 20 percent or more of total employment. In these nonmetro meatpacking counties, a third of residents had below poverty level incomes between 2016 and 2018.

US meat processors handle nine billion chickens, 120 million hogs, and 33 million cattle each year.

The number of Covid cases reached 50 per 100,000 residents in April 2020 in nonmetro counties with high shares of meatpacking workers, and remained higher at 25 cases per 100,000 in September 2020, compared to 20 Covid cases per 100,000 in other nonmetro counties.

There were Covid-19 outbreaks in meatpacking plants in the US, Germany, and other countries in spring 2020. US plants closed in April 2020 for deep cleaning and the installation of plastic sheets between workers. The Occupational Safety and Health Administration fined several meatpackers less than $16,000 each for failing to maintain safe workplaces. JBS and Smithfield, the meatpackers cited by OSHA, contested the fines.

OSHA was criticized for its failure to inspect meatpackers more aggressively and the small fines levied, which OSHA says are the maximum allowed for a single serious violation.
Meatpackers Tyson, Cargill Inc. and JBS USA Holdings prepared for a Covid surge in winter 2020. JBS sent 200 at-risk workers at its 3,500 employee Greeley, Colorado beef plant home with pay in November 2020. Major meatpackers said they were testing many of their employees weekly for Covid and, after positive tests, testing employees who were near infected workers. Tyson’s new CEO came from Alphabet (Google), and is leading the firm’s efforts to automate disassembly lines for cows, pigs and chickens.

The son of a worker who died after contracting Covid at Tyson’s Waterloo pork processing plant alleged in a November 2020 suit that Tyson managers did not provide workers with protective gear and took bets on how many employees would contract Covid. Tyson suspended and later fired seven managers at its largest pork-processing plant, which processes 20,000 hogs a day.

Covid is speeding efforts to automate more processes in meatpacking plants. Smithfield Foods is the largest US pork processor, handling 130,000 hogs a day at 10 plants across the country, including a plant in Tar Heel, North Carolina that processes 35,000 hogs a day, is considering efforts to automate the removal of meat from carcasses.

Meatpacking automation is more advanced in China and Europe. Danish Crown has a more automated pork processing plant in Horsens that uses robots to kill, bleed, and remove meat from carcasses. At Danish Crown, the number of hogs processed per worker per week, 60, is double the 30 hogs per worker per week in Smithfield plants. Prestage Farms in Eagle Grove, Iowa has opened an automated pork processing plant using European equipment with similar 60 hogs per week per worker productivity.

Foster Farms, the largest chicken processor in California, has struggled to contain Covid in its facilities. The Merced County Health Department ordered one of the Foster Livingston plants to close for a week in September 2020 after 400 of the 3,700 workers tested positive for Covid and eight died. The United Farm Workers union, which represents Foster’s Livingston employees, sued Foster in December 2020, seeking a court order to require Foster to do more to protect its employees.

In December 2020, after 200 of the 1,400 workers in a Foster plant in Fresno tested positive, Foster closed the plant for a deep cleaning and promised to test employees twice a week after reopening.

Labor, H-1B

The unemployment rate fell below seven percent in Fall 2020, ending the year at 6.7 percent. Almost 159 million Americans were employed in February 2020, and
150 million were employed in December 2020. Nonfarm wage and salary employment fell from 152 in February 2020 to 143 million in December 2020.

The loss of nine million jobs in 2020 exceeded the drop in employment of five million in 2009.

Women’s labor force participation fell due to job losses in services such as leisure and hospitality and the need to care for children as schools closed. Hiring for the 2020 holiday season was concentrated in warehouses and customer service centers rather than in retail outlets. The US Travel Association estimated that half of the nine million people employed in the US travel industry lost their jobs by the end of 2020.

The federal government in spring 2020 provided $2,000 per person stimulus checks to persons with adjusted gross incomes of less than $75,000 in 2019, and another $600 per person was sent in January 2021. About 20 million laid-off workers were collecting unemployment benefits at the end of 2020 that included state payments plus $300 a week in federal benefits.

California’s minimum wage rose to $14 an hour for employers with 26 or more employees on January 1, 2021, and will increase to $15 an hour on January 1, 2022. The federal minimum wage has been $7.25 since 2009. The Biden administration is expected to push for a $15 minimum wage, which could raise wages for 17 million workers directly and another 10 million workers who now earn slightly more. Employment could fall by 1.3 million due to the higher minimum wage.

Wal-mart is the largest private US employer, with 2.2 million employees. Amazon, the second-largest US employer with 1.1 million employees, is expanding its employment faster than any other large private employer. Over 85 percent of Amazon’s 800,000 US employees work in warehouses, earning at least $15 an hour, above the $13 average pay of retail workers. Amazon also has another 500,000 delivery workers who are independent contractors rather than employees.

Covid is accelerating changes already underway, including the automation of jobs at all rungs of the job ladder. However, for the two-thirds of US workers without a college degree, the threat of job loss is aggravated by falling real wages that peaked in 1985 and have since fallen by 10 to 20 percent. The US has larger wage gaps, fewer high-quality jobs, and less intergenerational mobility than other OECD countries.

Automation will replace workers with machines, but at a slower pace than many fear. Robots learn from data and repetition, but they are slow to learn enough to operate self-driving cars and to operate warehouses without human assistance. The key to helping workers who are displaced by machines is to link their training to the skills employers are seeking, as exemplified by the certificates issued by IBM, Google and other firms that train workers to repair machines that are filled with electronics.
Covid may slow the movement of older Americans into nursing homes, which were the sources of many Covid cases and deaths. Some 1.3 million Americans lived in nursing homes at the beginning of 2020, but that number fell as more families decided to keep elderly relatives at home, often utilizing in-home care aides and telemedicine. Covid is likely to spur the expansion of home-health care businesses and shrink nursing homes.

Covid benefitted many professionals who could work remotely, allowing them to maintain their earnings while saving on commuting and other costs. Lower-skilled essential workers, on the other hand, had to continue working in person, sometimes earning bonuses. Many lower skilled service workers lost their jobs, so that Covid increased inequality, benefitting some Americans while hurting others.

Franchisors develop concepts to provide goods and services, and entice franchisees to invest in the concept, buy supplies from the franchisor, and adhere to terms that make the customer experience similar across all McDonald’s or Holiday Inns. The 774,000 US franchised establishments that operate, for instance, 85 percent of US chain restaurants and 55 percent of US hotels, employ 8.4 million workers.

More franchisees are suing franchisors, arguing that the master brand requires too much spending or charges too much for supplies. Some franchisees have sued master brands, alleging they charge too much in royalties for developing the concept.

DOL in December 2020 allowed restaurants to pool and distribute tips between both front- and back-of-the-house workers if wait staff received at least the standard state or local minimum wage. Some wait staff believe that sharing tips will reduce their hourly earnings.

H-1B. There are 85,000 H-1B visas available to for-profit employers, including 20,000 for foreigners with advanced degrees. Employers request far more, about 200,000 a year, and USCIS allocates the H-1B visas by lottery. USCIS in October 2020 proposed to allocate H-1B visas on the basis of salary, with the highest-paid workers in each occupation and area receiving priority for scarce visas.

Many H-1B visas go to outsourcers such as Infosys, an IT firm based in India that uses H-1B workers to take over a US’s firm’s computer services, with backup from other employees in India. US employers say that they need to hire the best and brightest global talent to remain competitive, while critics allege that H-1B visas allow employers to replace US IT workers with Indians and reduce their labor costs.

The DOJ sued Facebook in December 2020, alleging that the social media company refused to hire 2,600 US workers in order to hire or retain H-1B foreigners who were being sponsored for immigrant visas. To obtain immigrant visas, employers must demonstrate that US workers are not available to fill the
job in question. According to DOJ, Facebook did not try to recruit US workers for the positions it wanted to fill with sponsored foreign workers.

**Education.** Students and their parents have borrowed $1.7 trillion from the federal government to attend one of the 6,000 US colleges and schools that accept federal aid. A November 2020 analysis concluded that the federal government will recoup less than $1 trillion in repayments, as students default or elect to join a repayment program that allows the repayment of education loans with a maximum 10 percent of the borrower’s discretionary income, defined as adjusted gross income minus 150 percent of the federal poverty line. Loan balances are forgiven after 10, 20 or 25 years.

Students borrow about $100 billion a year from the federal government for higher education, with a maximum $31,000 a year for undergraduates, but no limits for Parent PLUS or graduate student loans. Over the last decade, 40 percent of student loans went to borrowers with credit scores below the subprime threshold of 620. Critics say that easy access to federal credit encouraged colleges and schools to raise tuition faster than inflation.

Medicaid provides health services to low-income residents. Enrollment expanded under the 2010 Affordable Care Act when the federal government reimbursed states for 90 percent of the cost of new enrollees, up from the usual 50-50 federal-state cost split. Medicaid expanded again toward 70 million participants at the end of 2020 as a result of the covid pandemic and more people who lost jobs and income and thus qualified for coverage. State governments spent an average 30 percent of their budgets on Medicaid in 2018.

Social Security is running out of money, as higher unemployment confronts an aging society. Employers and employees pay 12.4 percent of earnings up to $137,700 a year; President-elect Biden wants to require those earning over $400,000 to pay Social Security taxes on their high earnings. Some 178 million people contributed to Social Security in 2020, and 46 million received $70 billion in Social Security benefits, an average of $1,500 a month.

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**FARM WORKERS**

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**California: Covid**

Cal/OSHA in November 2020 issued emergency rules that require employers to identify potential Covid transmission points in their workplaces with the help of their employees, notify potentially exposed employees of Covid outbreaks and offer them testing at the workplace, pay workers for two weeks while they are in quarantine, and report Covid outbreaks to local health departments ([https://www.dir.ca.gov/dosh/coronavirus/COVID19FAQs.html](https://www.dir.ca.gov/dosh/coronavirus/COVID19FAQs.html)).
The new rules require workers to wear masks indoors unless they are at least six feet apart. There are special provisions for H-2A workers, whose beds must be at least six feet apart and who must be kept at least three feet apart while being transported. H-2A workers are be organized in stable pods or groups who sleep, travel and work together to minimize outbreaks. Over 350 H-2A workers contracted Covid in California in 2020.

California farm employers opposed the emergency Cal/OSHA regulations, arguing that they were unnecessary overkill that conflicts with federal law and could reduce the housing available to farm workers. Farmers argued that Cal/OSHA failed to show that Covid spread faster in farm workplaces than in the community, that employers should not be responsible for community transmission, and that H-2A housing requirements, which are regulated by federal law, should not be changed by an emergency regulation.

Fresno county in December 2020 released guidelines that urged farm employers to test 10 percent of their employees every two weeks, to space workers properly in employer-provided transportation, and to have a Covid coordinator to develop a workplace safety plan. Many states including California amended their workers compensation laws to allow workers with Covid to presume that the disease was contracted at work.

California’s Housing for the Harvest program, under which the state paid for motel rooms for farm workers in quarantine, attracted less than 100 farm workers between July and December 2020. California spent $75,000, three-fourths reimbursed by the federal government, to reserve hotel rooms before realizing that most farm workers prefer to isolate at home rather than be isolated in hotels. More farm workers requested cash aid to replace lost wages than free motel rooms that took them away from their families.

Media reports suggested that some California farm workers earned less in 2020 than in 2019 because they worked fewer hours, leaving them with debts rather than savings for the winter season when there is little farm work. Worker advocates report that state efforts to help unauthorized farm workers are often shunned by workers who are fearful of becoming known to immigration authorities.

Florida, Southeast

DOL debarred Flo-Ag LLC and owners Jose and Juan Flores from the H-2A program in December 2020 after finding that 113 US workers were owed $45,200 in back wages; the US workers were paid less than H-2A workers and were not provided with free housing. Flo-Ag provided workers to harvest blueberries and vegetables at Smith Farms in Trenton, Florida and Wood Farms in Rochelle, Georgia.
Clay Pederson of Agromillora Florida developed an experimental block of oranges near Lake Placid with 908 trees per acre that can be harvested mechanically with an over the row harvester similar to that used to harvest olives. Pederson said: “Growers want to pick 100% of the fruit. But, if you are mechanically harvesting, you can leave a percentage on the tree and it still makes more economic sense.”

Over 240,000 chickens died in a December 2020 fire at a Cal-Maine Foods facility in Dade City 40 miles northeast of Tampa. Cal-Maine, based in Jackson, Mississippi, accounts for almost 20 percent of US shell egg production.

Florida voted 51-48 percent for President Trump in November 2020. Major cities including Miami, Orlando and Tampa voted for Biden, while most voters in the rest of the state voted for Trump. Voters approved Amendment 2 by a 60-40 margin to raise the state’s minimum wage from $8.56 in 2020 to $15 an hour by September 2026, becoming the eighth state to adopt plans for a $15 minimum wage.

Miami, often considered the “capital” of much of Latin America, has a population that is mostly Hispanic and immigrant. The Cuban-Americans who dominate political leadership are mostly Republicans, and many of the other immigrants rejected Democratic candidates in 2020 after they were deemed to be “socialists.” Many of Florida’s immigrants escaped from socialist homelands.

Georgia. In September 2020, the USTR asked the International Trade Commission to undertake a Section 201 investigation to determine if imported blueberries are hurting US producers, primarily in Florida and Georgia. Under Section 201, the ITC can find that foreign producers engaged in “unfair trade practices” or that their exports are a “substantial cause” of injury to US producers, paving the way for tariffs on the imports.

Midwest, Northeast, Northwest

Illinois. Major seed corn firms such as Bayer (Monsanto) and Corteva Agriscience (DuPont Pioneer) use labor contractors to find workers in south Texas to detassel corn for seed. These contractors are responsible for recruiting, housing and supervising migrant workers.

The San Antonio Express in 2006 reported that 70,000 migrants from south Texas work in Midwestern states each year, and that detasseling seed corn generated the most worker complaints.

Local teens wearing long pants and shirts, gloves, and safety glasses have been replaced by adults in seed corn fields. Some farmers are using machines to cut the tassels, with hand crews following the machines to get tassels that the machines missed. Seed companies are also experimenting with corn plants that
cannot secrete pollen from their tassels and fertilize the female silks on an ear of corn.

A Florida-based FLC’s H-2A job order in 2018 offered $12.93 per hour or $70 per acre to detassel seed corn fields in central Illinois; the workweek was 36 hours or six six-hour days. Workers were required to detassel at least 0.1 acres per hour or 0.6 acres in a six-hour day. The job order includes the statement: “Employees working under the piece rate system will be required to average not less than the state and federal minimum wage at the end of the first work week.” A 2018 job order from a Texas-based FLC to detassel corn fields in Iowa offered $13.42 an hour and no piece rate wage.

**Colorado.** The 1922 Colorado River Compact allocates the water from the 1,450-mile long river between seven states, today affecting 40 million people and 5.5 million acres of farm land. Most of the river’s water originates in Colorado’s mountains, and officials there want water to be priced so that more moves from low-value farm commodities to cities.

Hedge-fund Water Asset Management is one of several private investors who are buying water rights from farmers and reselling the water to urban communities. Some want to develop a futures market to set water prices, and allow water prices to fluctuate to reflect water supplies.

Water managers are trying to develop a plan to allocate Colorado River water over the next five years amidst continued drought and population growth. Demand management would pay farmers for the water to which they are entitled and send it to cities willing to pay more. Investors want to accumulate water in wet years in Lakes Mead and Powell and sell the water for a higher price in dry years.

There is general agreement that agriculture, which uses 70 percent of Colorado River water, does not value the water as much as urban areas. The 1922 Compact was signed before western cities had significant populations, and it requires cities to save water before farmers, prompting water investors to buy land with water rights for the water rather than to farm.

California’s agricultural water markets, which were active during the 2015 drought when growers of almonds were willing to pay high prices to keep their trees alive, may serve as a model for buying and selling Colorado River water. Australia has had water markets since 2006, and has found that they are dominated by nonfarm investors who may be able to manipulate prices.

**Mississippi.** Tackett Fish Farms LLC was ordered to reimburse 38 H-2A employees in November 2020 for the expenses they incurred in traveling to the fish farm. Employers are required to pay all recruitment and travel costs of the H-2A workers they employ.

**New York.** The 2019 Farm Laborers Fair Labor Practices Act required farm employers to pay overtime wages to farm workers after 60 hours a week. The
law also created a state Farm Wage Board to determine whether the overtime threshold should be lowered toward 40 hours a week. The Board in January 2021 agreed with farmers and kept the overtime threshold at 60 hours; worker advocates urged the Board to reduce the overtime threshold to 40 hours a week.

Virginia. Many employers required H-2A workers to interact only with fellow crew members in 2020 to prevent the introduction and spread of Covid. Lipman Family Farms, which paid $0.65 a bucket to tomato pickers on Virginia’s Eastern Shore in 2020, was certified to fill 2,658 jobs with H-2A workers in FY19.

In 2020, Lipman confined H-2A workers to their housing even during non-work hours, provided staple foods free of charge to H-2A workers and allowed selected money transfer agents and food vendors to visit worker housing areas. Some workers complained about the lockdowns, which Lipman and worker advocates agree reduced the incidence of Covid. Several H-2A workers quit their jobs at Lipman and returned to Mexico at their own expense.

Washington. The state Supreme Court ruled 5-4 in November 2020 that the state’s constitution requires dairy workers to receive overtime wages because they work in a hazardous occupation. The ruling applies to other farm workers in the state with hazardous jobs.

Two milkers at DeRuyter Brothers Dairy in Yakima, where 3,000 cows are milked three times a day, argued that the exclusion of farm workers from overtime was racially motivated. Since most farm workers in 1959 were white when the overtime exclusion was enacted, the court relied on a provision of the state constitution that obliges the state to protect workers in dangerous occupations, and found dairying to be dangerous. DeRuyter sold the dairy in spring 2017, but farm groups intervened to argue against changing the overtime exemption.

The court did not address whether other farm workers are covered by overtime and whether dairy employers would have to pay farm workers overtime wages for the past three years, as allowed under state law. If overtime must be paid retroactively, Washington dairy farmers owe an estimated $40 million a year or $120 million for three years of unpaid overtime to their employees.

Larger California farmers are required to pay overtime wages to farm workers after eight hours a day or 40 hours a week by 2022, replacing a state 10-60 overtime law enacted in 1976. Overtime wages were required on a 9-50 basis in 2020, which prompted some employers to say they were accelerating labor-saving mechanization and planting fewer labor-intensive crops. Livestock workers are most likely to be paid overtime wages, followed by equipment operators and irrigators.

Previously, the court ruled that piece-rate workers were entitled to separate pay at their regular rate for rest breaks and time spent on tasks such as meetings and setting up equipment, that is, the employer could not assume that the employee was earning more than the state’s $13.50 an hour minimum wage ($13.69 in 2021) if his piece-rate earnings exceeded the minimum wage for all hours worked.
Washington’s Department of Labor and Industries (L&I) agency performed almost 400 inspections of farms in 2020 and found 130 violations of regulations aimed at protecting farm workers from Covid. Most of the fines levied by L&I were for less than $10,000, and almost all were appealed.

In December 2020, L&I fined Gebbers Farms $2 million for “egregious and willful” violations of state Covid-safety regulations; two of Gebbers’ H-2A workers died in July 2020. The state recommended that employers group workers in pods of 15 or less. Gebbers grouped workers into pods of 42, and said it needed time to reorganize its 4,500 workers into smaller pods.

The state Employment Security Department has long complained that it spent more to administer the H-2A program than it receives in an annual grant from DOL. SB 5438 would have introduced a state H-2A fee on employers to cover ESD costs, but strong opposition from employers led to an eight-member employer and worker committee to study the issue.

Columbia Legal Services sued DOL in December 2020 for approving H-2A job orders to pick cherries and other tree fruits for hourly rather than piece-rate wages. Torres Hernandez said that he could fill five bins of cherries in eight hours, earning $48 a bin or $30 an hour, far more than the $12 an hour guaranteed wage approved by DOL in the job orders filed by employers seeking certification to hire H-2A workers. Most apples, cherries and pears are picked for piece-rate wages that enable most workers to earn $15 to $25 an hour.


The state’s 1,260 apple growers are expected to produce 134 million 40-pound boxes of apples in 2020, two-thirds of US fresh apples. The eight major varieties are Gala, Red Delicious, Fuji, Honeycrisp, Granny Smith, Cripps Pink, Golden Delicious and Cosmic Crisp.

Protests by some apple packers in spring 2020 over the lack of PPE led to the formation of Trabajadores Unidos por la Justicia (Workers United for Justice), to advocate for workers employed by Allan Brothers, a Yakima-area apple and cherry packer. Allan and Trabajadores signed an agreement in May 2020 to end the strike, but Trabajadores is not recognized as a union representing Allan employees. Familias Unidas por la Justicia is assisting Allan employees.

The first nest of Asian giant hornets was destroyed near Blaine, Washington in October 2020. The so-called murder hornets, which kill up to 50 people a year in Japan, are up to two-inches long and destroy honeybees.
UFW, ALRB, DOL

The Napa Valley Register reviewed UFW activities December 18, 2020, noting that the UFW represented workers only at Charles Krug and St Supery, while the UFCW represented workers at Hess Collection. At each of these wineries, the number of workers represented is small, about 20, as the wineries rely increasingly on custom harvesters and other nonfarm businesses that bring workers and equipment to their vineyards.

There are over 800 wineries in Napa county, including 500 that have public tasting rooms.

The largest grape grower in Napa county, Andy Beckstoffer, had two contracts with the UFW before creating a non-union business. The Napa Valley Grapegrowers association says that two-thirds of their member farms offer full-time farm worker employees health insurance.

The UFW acknowledged that it has fewer than 50 members among the 5,000 farm workers in Napa. However, UFW goals are to “improve the lives of farmworkers throughout the entire food supply chain” by lobbying for federal and state laws that would help farm workers and their families. The UFW has been advocating for immigration reforms to legalize unauthorized farm workers for two decades.

ALRB. The US Supreme Court in November 2020 agreed to hear appeals from two growers after a divided Ninth Circuit decision in May 2019 upheld the ALRB’s 1975 access regulations that give union organizers access to workers on farms up to three hours a day and four-30 days a year.

The Cedar Point strawberry nursery and the Fowler Packing Company that produces citrus and table grapes challenged the access regulation, arguing that the union organizers who entered their property to talk to workers disrupted their business operations. They argue that giving union organizers automatic access to workplaces is an unlawful “taking” of their private property.

The Ninth Circuit dissenters concluded that union organizers should be prevented from entering private property unless farm workers live on the property, which they did not at Cedar Point and Fowler Packing. The USSC is expected to decide whether the access regulation is constitutional by June 2021.

Cedar Point employs about 100 year-round workers and 400 seasonal H-2A workers that it houses in motels in Dorris, California near the Oregon border. Fresno-based Fowler employs about 2,000 seasonal field workers and 500 packingshed workers.

DOL. President-elect Joe Biden promised to empower American workers by raising the federal minimum wage from $7.25 to $15. Biden could quickly raise
the minimum wage for federal contractors from the current $10.10 an hour to $15.

Biden promised to roll back Trump actions that curbed diversity training for federal employees, to reverse DOL and NLRB orders that make it easier for workers to be considered independent contractors, and to double the number of OSHA inspectors to enforce regulations aimed at protecting workers from Covid.

The Protecting the Right to Organize Act (PRO), approved by the House in February 2020, would tighten the definition of independent contractor to make more workers employees by adopting the California Supreme Court’s ABC test. The PRO Act would also weaken right-to-work laws that prohibit mandatory collection of dues from union-represented workers in 27 states.

The California Supreme Court on April 30, 2018 switched from a 10-factor test to an ABC test to determine if workers are employees or independent contractors. In Dynamex Operations West, the Court ruled 7-0 that, if a worker performs a job that is part of the “usual course” of the company’s business, he or she should be considered an employee.

The 300 Dynamex drivers set their own hours to deliver packages, and could work for other firms. The court’s ABC test said that firms must satisfy three tests to make their workers independent contractors, are they free of the company’s "control and direction," is the work "outside the usual course of the hiring entity’s business," and is the worker regularly engaged in an independent occupation or business of the same type he or she is performing for the company? If not, the workers are employees.

The Alphabet Workers Union organized 225 Google engineers in December 2020; Google has 260,000 directly hired and contract employees. There are few unions in the tech industry, where wages are higher than average, but some workers believe unions are needed to confront management over diversity and other issues.

IMMIGRATION

Immigration: Biden, Trump Legacies

Democrat Joe Biden was elected president in November 2020, winning 81 million votes and 306 electoral votes to 74 million votes and 232 electoral votes for Republican Donald Trump. Almost half of the votes in 2020 were cast by mail.

Biden promised to stop building the wall on the Mexico-US border, change immigration enforcement priorities inside the US, and increase refugee admissions to 125,000 a year. Biden also promised to restore the Deferred Action
for Childhood Arrivals program that gives temporary work permits to unauthorized foreigners who were in the US before age 16, to stop deportations for 100 days, and to urge Congress to approve legislation that would create a path to legalize the 10.5 million unauthorized foreigners in the US, including farm workers.

The first priorities of a Biden administration include dealing with the Covid pandemic and its economic fallout. Biden promised to take steps to slow climate change, create new options for Americans to obtain health insurance and invest in infrastructure.

Biden is likely to return to Obama administration migration policies. Unlike some of the candidates seeking the Democratic presidential nomination, Biden did not promise to make illegal entry into the US a misdemeanor or to abolish ICE.

Biden’s website promised to “ensure farm workers are treated with the dignity and respect they deserve, regardless of immigration status,” and promised to encourage Congress to require paid sick time for farmworkers and to step up the enforcement of protective labor laws in agriculture.

Legacies. President Trump made over 400 changes to the US immigration system, from ordering the building of a wall on the Mexico-US border to requiring over 60,000 asylum seekers who arrived in the US from Mexico to wait in Mexico for their hearings.

Beginning in March 2020, asylum seekers and unauthorized foreigners apprehended just inside the US border were returned to Mexico under an emergency health order. One result was more Mexican men being apprehended multiple times, since apprehension resulted in a quick return to Mexico and the opportunity to try to re-enter the US.

There were many analyses of Trump’s legacies on immigration and other issues. Before Trump, Democrats and Republicans generally agreed that the US was a nation of immigrants that benefitted from admitting more. Disagreement centered on unauthorized or illegal migration, and especially what to do about the 11 million unauthorized foreigners in the US.

Trump threatened to deport unauthorized foreigners, beginning with those convicted of US crimes. However, deportations or removals fell in the Trump administration, in part because many states and cities refused to cooperate with ICE, the agency that enforces immigration laws inside the US, refusing to share information on foreigners convicted of crimes as they exited prisons and jails.

Trump reduced refugee admissions to 15,000 in FY19, down from over 100,000 a year during the Obama administration. Trump allowed the USCIS agency to deny immigrant visas to foreigners who have been or are likely to become public charges dependent on federal welfare assistance.
Trump tried to end the Deferred Action for Childhood Arrivals program that protected 640,000 unauthorized foreigners brought to the US as children at the end of 2020, and 400,000 foreigners who have temporary protected status because of disasters in their home countries. Judges stayed both of these executive actions, and a Biden administration is likely to reverse them.

The major legacies of Trump’s policies were the wall on the Mexico-US border and the separation of children from their parents in May-June 2018. Trump spent about $15 billion on 450 miles of border wall; two-thirds taken from the US military budget after Congress refused to appropriate as much as Trump wanted to spend. Most of the new and reinforced wall was built in areas controlled by the federal government rather than in areas where most migrants enter the US, as in the Rio Grande Valley where many private landowners refuse to allow access to their properties.

Trump’s child-separation policy was widely condemned. All adults who entered the US illegally in May-June 2018 were prosecuted. However, because children cannot be detained for more than 20 days, some 4,000 children were separated from their parents. Some of the parents were deported without being reunited with their children, raising an outcry and making child separation one of the most controversial Trump policies.

Trump’s protectionist trade policies were reflected in an America-first policy that led to tariffs on allies that have trade surpluses with the US. Efforts to protect US workers from foreign competition may continue, since many Democrats are skeptical that the rising tide of freer trade lifts all boats. Unions emphasize the loss of US manufacturing jobs to China, Mexico and other countries, and expect strict policing of the labor provisions of the new USMCA that require Mexico to revise and enforce its labor laws.

Republicans traditionally worried about a rising national debt and the strains an aging population will place on the Social Security and Medicare trust funds and called for reducing government benefits rather than raising taxes. Trump’s 2017 tax cuts led to unprecedented peace-time deficits that increased with federal spending to mitigate the effects of the Covid lockdowns. Economists predicted that massive federal spending in 2020 would lead to higher interest rates and inflation, but these after effects have not (yet) occurred.

Will Trumpism, defined as anti-immigrant, anti-globalization, and anti-elite attitudes, fade away? Trump may declare his candidacy for the 2024 Republican nomination, which would give him a platform for rallies that attack the deep state of bureaucrats, foreigners seeking to take advantage of the US, and elites who embrace globalism. After Mitt Romney lost in 2012, Republicans concluded that they “must embrace and champion conservative immigration reform” to win elections given rapidly changing demographics. Trump’s victory in 2016 seemed to disprove this conclusion.
One of the legacies of Trump is the reshaping of the judiciary; 53 of the 165 judges on US courts of appeal were appointed by Trump. Most appeals court cases are decided by three-judge panels whose rulings are usually final.

The 2020 elections showed that the US is divided almost evenly between Democrats and Republicans. Vote margins in many key battleground states were very narrow. The House remained in Democratic hands, but with a reduced majority of the 435 seats, and the Senate was tied.

Before the November 2020 elections, Democrats had full control of 19 state legislatures and 24 governorships, while the Republicans had 29 legislatures and 26 governorships. After November 2020, the picture was largely the same, with Republicans adding one governorship.

Census. The Census estimated 333 million US residents on April 1, 2020, up from 308 million in 2010. However, the Census missed a December 31, 2020 deadline to deliver the data needed to allocate House Congressional seats and federal funding. President Trump asked Census for two state-by-state population counts, a total count and a count that removes the unauthorized foreigners in each state.

Federal courts ruled in 2020 that unauthorized foreigners may not be removed from state population counts. The US Supreme Court in November 2020 heard arguments on whether the federal government may exclude unauthorized foreigners from the count when redistricting to allocate Congressional seats. With 333 million residents, the 435 House districts have an average 760,000 residents. The 10.5 million unauthorized foreigners are not evenly distributed. Excluding them could reduce the number of House seats in California by two.

The Census reported problems with the count of people living in group quarters. There were 7.5 million such persons in 2010, but there could be fewer in 2020 due to students who moved home in spring 2020 during the pandemic.

DHS: CBP, ICE, USCIS

Cuban immigrant Alejandro Mayorkas was named secretary of the Department of Homeland Security and began to fill some of the 74 leadership positions in the sprawling agency with 240,000 employees. The Trump administration made more than 400 changes to the US immigration system, and migrant advocates want to reverse them as quickly as possible.

CBP. Almost 54,800 foreigners were apprehended just inside the US border with Mexico in September 2020, bringing the total for FY20 to 400,000. Apprehensions began rising in March 2020, after the Border Patrol started returning apprehended migrants immediately, which encouraged some to try to re-enter the US.
The Customs and Border Protection Agency said that over half of those apprehended in fall 2020 were Mexican citizens who had been caught before.

CBP apprehended 2.8 million foreigners just inside US borders between FY15 and FY19, and found an additional 725,000 foreigners at ports of entry who were inadmissible. An enforcement lifecycle analysis that aims to determine what happened to foreigners whose first contact was with CBP found that apprehensions of solo Mexicans who did not apply for asylum were resolved quickly with repatriation, while cases involving Central American families with children who applied for asylum took time to resolve, with most remaining in the US several years (https://www.dhs.gov/immigration-statistics/special-reports/enforcement-lifecycle).

FY19 stands out as the year in which most CBP encounters involved Central American families with children. The number of foreigners who expressed fear or returning to their country of origin rose to a record, 115,000 in FY19, which typically results in asylum applications that take time to resolve.

Some Central American parents sent their children to the US, hoping that after applying for asylum their children will be sent to live with relatives in the US. Under Title 42 of US laws governing public health emergencies, CBP in March 2020 began returning solo migrant children to Mexican child welfare agencies or flying them to their countries of origin.

The CBP, which says that all migrants who are apprehended must be returned to avoid Covid in detention facilities, blocked the entry of 200,000 foreigners between March and November 2020, including 14,000 minors. A federal judge in November 2020 ruled that CBP cannot return unaccompanied foreign minors without first allowing them to seek asylum.

In October 2020, CBP apprehended over 70,000 foreigners, including 4,630 unaccompanied children and 4,501 family groups just inside the US border. There were surges of unaccompanied children in 2014 and migrant families in 2018.

The US Supreme Court will consider the lawfulness of the CBP Migrant Protection Protocols or Remain in Mexico program in 2020-21. A federal appeals court blocked the MPP program in February 2020, but the US Supreme Court allowed the MPP to continue in a March 2020 ruling.

The MPP program requires non-Mexicans who apply for asylum at the Mexico-US border to wait in Mexico for their hearing before an immigration judge. Some 25,000 foreigners, mostly Central Americans, were waiting for asylum hearings in Mexico at the end of 2020 in informal settlements near ports of entry. Another 35,000 are believed to have given up and returned to their home countries.

Biden promised to end the MPP program, but may not do so immediately to avoid a surge of migrants. Instead, the Biden administration plans to determine
the most vulnerable migrants who are waiting in Mexico and allow them to move to the front of the line for asylum hearings. Biden wants to avoid a “rush for the border” that could occur if an influx of Central American migrants tried to enter the US.

Before MPP, foreigners applying for asylum at the border were allowed into the US. Many worked, accumulating savings until their asylum applications were rejected, as 85 percent were.

Since President Trump was inaugurated in 2017, almost 450 miles of fencing on the Mexico-US border has been built or upgraded, usually by replacing existing fencing with steel bollards. Most of the new fencing is on government-owned land, largely because private landowners often resist efforts to build or upgrade border fencing on their land. President-elect Biden promised to stop construction of the wall.

ICE. The Immigration and Customs Enforcement agency deported 185,884 foreigners in FY20, including 62,700 from the interior of the US. Another 200,000 foreigners apprehended just inside the US border were expelled, including some who were apprehended several times. Some 935,000 foreigners were deported under the Trump administration, fewer than the 1.6 million deported during the first term of the Obama administration.

ICE attributed declining deportations to Covid, noting that it detained 16,000 foreigners at the end of 2020, far less than its 50,000-bed detention capacity.

USCIS. A federal judge in November 2020 blocked implementation of the public charge rule that allows USCIS to deny immigrant visas to foreigners who have been or are likely to be dependent on federal means-tested safety net benefits such as Medicaid or SNAP; the judge found that USCIS did not follow proper procedures to implement the public charge regulation. The US Supreme Court allowed the public charge regulation to be implemented in January 2020, but also allowed lower court challenges to continue.

A federal judge in December 2020 ordered USCIS to resume accepting new applications for the Deferred Action for Childhood Arrivals program because acting DHS Secretary Chad Wolf was not properly appointed to his position. Five federal judges have ruled that Wolf was improperly appointed and invalidated some of his actions.

DACA was created by executive order in 2012 and has provided temporary protection to over 800,000 unauthorized foreigners who arrived in the US before the age of 16. USCIS in summer 2020 stopped accepting new DACA applications and limited work permits to one year. The judge’s order will allow up to 300,000 more unauthorized foreigners to apply and extend work permits to the previous two years.

President-elect Biden promised to restore DACA and to seek a permanent solution in Congress, while Texas and eight other states announced plans in
December 2020 to have DACA declared an unlawful use of presidential power by the same Texas judge, Andrew Hanen, who declared Obama’s 2014 DAPA executive order for the parents of lawful US residents unlawful. Trump did not pursue appeals or implement DAPA.

Some 843,593 immigrants became naturalized US citizens in FY19, the highest number in a decade; naturalizations rise in years before contested presidential elections. Over 14 percent of those naturalizing in FY 19 were Mexicans; followed by eight percent Indians; five percent Filipinos; and four percent Chinese. The 23 million naturalized US citizens were about 10 percent of those eligible to vote in November 2020.

USCIS implemented a new and harder citizenship test in December 2020, requiring applicants to answer 12 of 20 questions correctly instead of six of 10 questions on the old test. Critics said that the new test would be another barrier to naturalization.

Asylum. Over 70 percent of asylum applications were denied in FY20, meaning that immigration judges did not consider the applicant in need of refuge in the US. Over 30 percent of applicants with attorneys were recognized as needing asylum, compared to less than 20 percent of applicants without attorneys.

Three-fourths of the 2,700 Chinese applicants whose cases were decided in FY20 were granted asylum in the US, followed by 62 percent of the 2,000 Indians whose cases were decided. Only 14 percent of the 11,500 Guatemalans whose cases were decided in FY20 received asylum; 18 percent of 10,600 Salvadorans; 13 percent of 9,700 Hondurans; and 15 percent of 6,100 Mexicans.

There were 1.3 million cases pending before the 520 immigration judges at the end of 2020, including almost half that were asylum cases.

A federal judge in January 2021 blocked implementation of DHS regulations that would have prevented foreigners from applying for asylum in the US if they did not seek asylum in a transit country; had lived in the United States for a year without permission, or based their claim on persecution due to sexual orientation. The judge’s decision was based on a procedural flaw, viz, acting DHS Secretary Chad Wolf was not confirmed by the Senate.

H-2A; H-2B

DOL certified the applications of 13,552 employers to fill 275,430 jobs with H-2A workers in FY20. The number of jobs certified rose about six percent from FY19. The leading H-2A states were Florida with 14 percent of jobs certified; Georgia and Washington with 10 percent each; California with nine percent; and North Carolina with eight percent. The top five states accounted for over half of all certifications.
Employers specify the occupation or job title rather than the commodity where H-2A workers will be employed. Over 88 percent of H-2A jobs certified were for crop farm workers, followed by six percent for equipment operators and four percent for animal farm workers. The largest single employer was the North Carolina Growers Association with 10,650 jobs certified; followed by Fresh Harvest with 5,300; WALFA with 4,400; and Foothill Packing with 3,200.

USDA’s Farm Labor Survey (FLS) collects employment and earnings data from farm employers for the week that includes the 12th of the month in January, April, July and October, at a cost of $6.2 million in 2019. USDA proposed to add $5 million a year to the FLS budget and to collect data each quarter instead of twice a year, but instead cancelled the FLS September 30, 2020. USDA previously cancelled the FLS for budgetary reasons in 2007 and 2011, but soon restored data collection.

DOL’s OFLC uses the FLS to determine the AEWR, the minimum wage that must be offered and paid to H-2A workers and any US workers who work alongside them. The AEWR for a state or multistate region is the average hourly earnings of field and livestock workers from the FLS for the year before, so that the 2019 survey results were used to set AEWRs for 2020.

The UFW sued USDA for halting the FLS. A federal judge in October 2020 ordered the USDA to collect 2020 farm employment and earnings data and publish them. USDA announced in December 2020 that it would collect the 2020 FLS data and publish them February 11, 2021.

OFLC. DOL’s Office of Foreign Labor Certification in July 2019 proposed to change from one AEWR per state to 10 or more AEWRs per state, setting a separate AEWR for each occupation or job title. DOL proposed to use FLS data to set the AEWR for the employer-specified job but, if FLS data were not available for particular job titles, as for construction laborers and drivers, DOL would use Occupational Employment Statistics data to set the AEWR for the job.

DOL argued that, by allowing farm employers to specify the occupation of the job to be filled from the Standard Occupational Classification (SOC) system, US workers would be protected better from any adverse effects of the employment of H-2A workers. DOL received over 83,500 comments, most of which opposed DOL’s proposed changes.

After USDA cancelled the FLS, DOL on November 5, 2020 issued a final rule that froze AEWRs for most job titles at 2020 levels in 2021 and 2022 to provide “stability and predictability in labor costs” for employers. Beginning in 2023, DOL will adjust AEWRs based on the change in the BLS Employment Cost Index for wages and salaries for the year before.

FLS hourly earnings have been increasing by four percent a year, while the ECI has been increasing by two percent a year. The wage freeze will save employers of H-2A workers about $170 million a year in 2021 and 2022, and $85 million a year in 2023 and beyond if FLS earnings continue to increase by four percent a
year while ECI earnings increase by two percent a year. These wage savings could be larger if the H-2A program expands faster due to the AEWR freeze and ECI adjustment mechanism.

For the handful of occupations for which the FLS does not collect earnings data, including construction laborers on farms and truck drivers, DOL will use data from the Occupational Employment Statistics survey to set AEWRs. The OES collects data from nonfarm employers in ranges, as when employers report the number of workers who are paid $12.50 to $15. DOL will use the mean OES wage for the state to set AEWRs for non-FLS job titles, and the national OES if there is not state OES for the occupation.

Employers welcomed the two-year AEWR wage freeze and the prospect of slower rising AEWRs based on the ECI rather than the FLS. Worker advocates sued, emphasizing that the final rule adopted by DOL in November 2020 was not included in the July 2019 proposal and will clearly result in H-2A and US workers employed alongside them receiving lower wages. The effect of the AEWR wage freeze may be larger if the freeze also slows the growth of wages for the 90 percent of US farm workers who are not H-2A workers.

A federal judge in December 2020 blocked the new AEWRs from going into effect, ruling that DOL’s final rule failed to satisfy the legal requirement to protect US farm workers from any adverse effects of guest workers. The judge ordered DOL to resume using USDA FLS data to set AEWRs for 2021 before March 1, 2021.

DOL and worker advocates could not agree on how to deal with AEWRs in January-February 2021. DOL urged a two-month AEWR freeze, while workers argued that the AEWR for January-February 2021 should be increased by the average increase in the FLS over the previous five years, with back wages due to any H-2A and corresponding US workers who were paid less.

In 2008-09, the outgoing Bush administration made changes to the H-2A program that were quickly reversed by the incoming Obama administration. The 2020 Trump administration changes to the H-2A program may be reversed by the Biden administration.

OIG. DOL’s OIG reviewed the administration of four labor certification programs, PERM, H-1B, H-2A, and H-2B. The H-2A program has the most DOL involvement, including supervision of US employer recruitment of US workers and audits and potential debarment of employers who are not truthful about their need for workers.

The OIG noted that employers applying for certification to employ H-2A workers make 17 attestations, but DOL certifies their need for H-2A workers without documentation that all 17 promises have been fulfilled. Since 2008, DOL can audit employers to ensure they are fulfilling their 17 promises.
WHD investigates employers to ensure they are obeying H-2A regulations, but must find violations within two years and does not have the power to subpoena documents from employers. As the H-2A program expands, WHD investigators are finding more violations of H-2A regulations.


Canada, Mexico

Canada. The US brought the first case under the United States-Mexico-Canada Agreement in December 2020, accusing Canada of preventing imports of dairy products. Canada uses production quotas and high levies to protect its dairy farms from lower cost imports.

Canada’s federal and provincial government deficits are expected to top $300 billion or almost 20 percent of the country’s $1.5 trillion GDP in 2020 due to spending to cushion the effects of the pandemic. The US, by comparison, had a federal deficit of $3 trillion in FY20 or 16 percent of the US $19.2 trillion GDP. Two-thirds of the 38 million Canadians live in Ontario and Quebec, the provinces with 80 percent of Canada’s Covid cases.

The Seasonal Agricultural Worker Program brings 50,000 guest workers a year from the Caribbean and Mexico to Canada for up to eight months a year to fill farm jobs. The Canadian government opened otherwise closed borders to SAWP workers in 2020, and many farm employers kept their guest workers on the farm in 2020 to minimize the chances that workers could contract or spread Covid. Some of the guest workers complained that they were treated as children because they were confined to the farm that employed them.

Most SAWP workers are in Ontario, where the minimum wage was C$14,25 in 2020 and farm workers are not entitled to overtime pay.

Mexico. President Andrés Manuel López Obrador marked the second anniversary of his presidency in December 2020 by asserting that the pandemic was the worst crisis facing Mexico. Despite Mexico’s GDP dropping by nine percent in 2020, AMLO resisted calls to spend government money to help employers to retain workers. Mexico’s government debt topped 55 percent of GDP in 2020.

AMLO calls his presidency Mexico’s fourth revolution or 4T, after independence from Spain, the 19th century liberal reforms, and the Mexican revolution of 1910-17.
Mexico’s minimum wage will increase by 15 percent to 142 pesos or $7.15 a day January 1, 2021, up from 123 pesos in 2020. Formal sector employment fell by a million between March and July 2020, but rose by 407,000 between August and October 2020 to 16 million. Most of Mexico’s 51 million employed workers are in informal jobs.

Mexico’s social development agency Coneval reported that the share of the working-age population whose monthly income is below the minimum needed to buy a canasta básica, a basic selection of foodstuffs including beans, rice, eggs, sugar and canned tuna, rose from 36 to 44 percent between the first and third quarters of 2020, giving Mexico its highest poverty rate since 2005. The cost of a canasta básica is 1,700 pesos (US $84) a month in urban areas and 1,200 pesos in rural areas.

Poverty rates were lowest near the US border, under 30 percent in Baja California, Chihuahua, and Nuevo Leon, and over 60 percent in Chiapas, Guerrero, and Oaxaca. In municipalities with mostly non-indigenous residents, incomes averaged 4,253 pesos (US $211) a month, more than twice the 1,999 pesos (US $99) in mostly indigenous municipalities.

There have been many analyses of why Mexico has been unable to achieve higher economic growth despite NAFTA. Christensen argues that one of three kinds of innovation is the key to prosperity. Sustaining innovations increase profits by extending a product line, such as adding more flavors of soft drink to encourage current and new customers to drink more. Efficiency innovations reduce costs and increase profits from current products.

Market-creating innovations are the key to prosperity, since they create new markets, expertise, and jobs. Many market-creating innovations are launched in developing countries, such as Celtel in Africa, a mobile phone system based on selling calling time in small increments that led to mobile banking, insurance, and other services. Christensen argues that the key innovation is to overcome non-consumption, which means providing a good or service where none existed before. Celtel allowed Africans to contact each other by phone more frequently than travelling a week or more to meet in person.

One of Mexico’s market-creating innovators is Grupo Bimbo, the world’s largest baker. Bimbo began to sell fresh bread in clear plastic wrap in 1945 in Mexico City so that consumers could see the bread was not moldy. Bimbo extended backwards and forwards, encouraging farmers to grow wheat and developing mills to make flour and investing in distribution to ensure that fresh bread reached stores quickly.

Christensen argues that Mexico is overly reliant on efficiency innovations that reduce producer costs, as with maquiladoras that hire Mexican workers to assemble products that are often exported. The value-added in Mexico is mostly low Mexican wages. If the Mexican government tries to push up wages too fast, footloose investors may move factory jobs to lower-wage countries.
Mexico’s per capita GDP was twice South Korea’s in 1960, but today Korea’s per capita GDP is four times that of Mexico. Christensen attributes Korea’s success to moving up the value chain from manufacturing low-cost products to developing innovative high-tech products that satisfy consumer needs.

Mexico and the US share the water from the Colorado and Rio Grande rivers. Most of the runoff is stored behind dams in Chihuahua, where farmers during the summer and fall of 2020 took over the Boquilla Dam on the Conchos River to prevent Mexico from delivering the water it owed to Texas.

The Mexican defense minister between 2012 and 2018, ex-General Salvador Cienfuegos Zepeda, was arrested in the US in October 2020 on drug and money-laundering charges. Beginning in 2006, the Mexican military has been used to fight drug-trafficking, and current President AMLO has entrusted the military to build a new $3.2 billion airport. Mexico has never had a civilian defense secretary, allowing the military to police itself.

After Mexican protests, the US charges against ex-Cienfuegos were dismissed in November 2020, allowing him to return to Mexico, where most observers believe he will be exonerated. Nonetheless, the Mexican Congress approved a law in December 2020 to require federal, state or local officials to report conversations with “foreign agents” to the federal government, which US officials said would limit cooperation because of fears that any information shared could be transmitted to criminal gangs. The US has about 50 DEA agents in Mexico.

Central America. Hurricanes Eta and Iota devastated parts of Guatemala and Honduras in November 2020, prompting calls for aid to prevent more out-migration. Guatemalan President Alejandro Giammattei warned: “If we don’t want to see hordes of Central Americans looking to go to countries with a better quality of life, we have to create walls of prosperity in Central America.”

Caravans of migrants from Guatemala, Honduras, and El Salvador have been moving north since 2014. In 2018-19, Mexico made it harder for Central Americans to cross Mexico and reach the Mexico-US border and the US made it harder for foreigners to apply for asylum, requiring many to wait in Mexico for hearings before an immigration judge.

There may be a new rush for the border if the Biden administration relaxes some Trump-era rules. One proposed change would have the USCIS asylum officers who make credible fear determinations also make decisions on asylum applications to speed up the process, which would reduce the backlog of cases before DOJ immigration judges.

There are also pleas to provide more opportunities for Central Americans to work in the US. About 260,000 Mexicans a year participate in the H-2A and H-2B programs, compared to less than 10,000 Central Americans.

Latin America has eight percent of the world’s population but accounted for a third of the deaths from Covid-19 in 2020. As Covid cases surged in December
2020, leaders ordered non-essential businesses to close and urged people to stay home for the Christmas holidays.


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Europe, Asia

European countries responded to a second wave of Covid-19 infections in fall and winter 2020 by closing bars and restaurants but leaving factories and schools open. France, Germany and the UK closed restaurants and bars, gyms, and non-essential businesses in November 2020 to slow the rapidly rising number of Covid cases.

Genetic analysis suggests that one of the reasons for Europe’s Fall 2020 Covid wave was an outbreak among the 40,000 farm workers in Spain’s Catalonia and Aragón regions who harvest tree fruits. Many migrant farm workers from Eastern Europe and Africa reported sleeping in crowded housing, which allowed the virus to spread among workers who took the virus home after the harvest. Over a third of the 4,000 farm workers tested around Lleida in July-August 2020 had Covid.

The French effort to close non-essential businesses prompted complaints from small businesses that were forced to close while large superstores that sold food and TVs were allowed to remain open. To level the playing field, the government ordered the superstores to rope off the TVs and other non-essential items. Amazon may be the winner of this French micromanagement, as its online sales rose.

Germany allowed stores to remain open in November 2020, closing only bars and restaurants. In December 2020, the government ordered nonessential stores, schools and hairdressers to close as Covid cases climbed. Indoor and outdoor New Year’s celebrations were largely banned as the number of new daily Covid infections surpassed 20,000.

Most EU countries kept unemployment rates lower than in the US through short-time and similar programs that subsidized employers who kept employees on the payroll to ensure a fast restart when the economy rebounds. Many young people without long-term employment contracts were laid off and faced difficulties finding new jobs.

Britain. A Romanian smuggler and a British driver were convicted in December 2020 for attempting to smuggle 39 Vietnamese migrants in October 2019 in a
refrigerated container; the migrants died. Several others were also convicted of people smuggling, which carries a maximum 14-year sentence.

Britain and the EU reached an agreement for Britain to exit the EU December 31, 2020. A majority of British people voted to leave in 2016, and disputes over how to end the 47-year relationship while facilitating $900 billion worth of trade each year between the UK and the EU made negotiations difficult. The UK will continue to abide by most EU regulations to preserve a level playing field between British and EU businesses.

Fishing proved to be a last-minute sticking point. After Britain joined the EU in 1973, ships from EU countries were allowed to fish in British waters. French fishing ships are especially dependent on fishing in British waters, but will gradually have their fishing quota reduced by 25 percent. Britain is a net importer of fish, and exports 80 percent of what its own fishing boats catch.

France. High school teacher Samuel Paty was decapitated in October 2020 after showing caricatures of the Prophet Muhammad in class on free speech, prompting widespread demonstrations aimed at protecting secularism in public schools and a crackdown on extremist groups. In December 2020, a Paris court convicted 14 people of helping the shooters who carried out the 2015 attacks on the Charlie Hebdo magazine office that published the cartoons and a Jewish supermarket.

The killing of Paty unleashed a discussion of whether France’s public schools could continue to assimilate newcomers to accept the secularism or laïcité taught in schools, under which faith and ethnicity are subsumed by a shared commitment to the rights and responsibilities of French citizenship.

President Emmanuel Macron has declared war on “Islamist separatism” and defended the republican values enshrined in the 1905 law separating religion from the state. However, supporters of Muslims say that laïcité anticipated a level playing field, with peoples of all faiths mixing regularly, while France has become a country of Muslim ghettos where youth do not have equal opportunity.

EU leaders in December 2020 endorsed security checks for asylum seekers at the EU’s external borders and more surveillance of radical groups to identify potential terrorists. Macron said that Europe’s generous asylum policies could be abused by terrorists, and wants people suspected of being security risks flagged at external borders and detained.

French police cleared a migrant camp of asylum seekers from Place de la République in November 2020, unleashing a debate over security as the Parliament considered bills to restrict public filming of the police, who regularly remove tent camps housing migrants. Displaced asylum seekers are supposed to be provided with housing, often in remote locations that prompt migrants to rebuild tent camps. France received 178,000 asylum applications in 2019.
Security cameras caught three Paris police officers beating a Black man for not wearing a mask in November 2020, forcing a reconsideration of the no-filming-police bill. The camera footage showed that the officers lied about what occurred in the report they filed on the incident. France has the highest ratio of police and other security officers to population in Europe.

The Macron government introduced a bill in December 2020 to ban home schooling, ensure that organizations that receive government funds adhere to “the values of the republic,” and increase penalties against polygamy, which is already illegal. Critics of the new laws asserted that President Emmanuel Macron was moving right ahead of 2022 elections.

France is providing $1.2 billion in government aid to keep strategic industries in the country. The Covid pandemic caused some multinationals to rethink the resilience of Asia-based supply chains, but the quick recovery in Asia dampened plans to more production to Europe. The French government wants to slow the exodus of manufacturing jobs that employers attribute to high wages and payroll taxes.

Germany. Chancellor Angela Merkel called Covid-19 the challenge of the century in her 16th New Year’s speech. Merkel’s year-end speech in 2019 called for action on climate change and tolerance for immigrants and minorities in Germany; the 2020 speech warned of the dark winter ahead before Covid is defeated.

A Turkish immigrant and his ethnic Turkish wife who founded Mainz-based BioNTech used messenger RNA technology to rapidly develop a vaccine in conjunction with Pfizer that proved to be 90 percent effective against Covid. Pfizer’s CEO is Greek, and attributed the cooperation that undergirded development of the vaccine in record time with BioNTech in part to the immigrant backgrounds of key players.

Some 76,100 foreigners made first applications for asylum in Germany in 2020, and another 26,500 asylum applications were made on behalf of children born in Germany to foreigners. BAMF made decisions on 145,100 asylum applications in 2020l and granted full refugee status to 26 percent and subsidiary protection to 13 percent. Another four percent could not be deported to their countries of origin. Fewer than 1,000 rejected asylum seekers a month were deported in 2020 due to closed borders.

A lieutenant in the German Army, Franco A, applied for asylum in December 2015 as a Syrian, but was exposed as a German army officer in April 2017 bent on committing terrorist acts that could be blamed in refugees to show that anyone could enter Germany by claiming asylum. Franco A had an Italian guest worker father and German mother, and became convinced that immigration was diluting the purity of the German race. After applying for asylum, he was housed with Syrians who had middle-class lives in Syria and won the subsidiary protection given to foreigners without papers to live and work in Germany.
Germany’s skilled worker immigration law (Fachkräftezuwanderungsgesetz) that went into effect in March 2020 aimed to expedite the entry and employment of skilled foreigners arriving to fill vacant jobs, especially those with vocational qualifications rather than college degrees. Covid closed borders to most foreigners, but 500 skilled worker visas a month were issued in 2020 under the law, mostly to foreign nurses and other health care workers.

Germany developed the world’s first gasoline-powered automobiles, but lost the lead in luxury battery-powered cars to Tesla, whose $660 billion valuation at the end of 2020 exceeded the combined valuation of the world’s leading car companies. Audi, Mercedes-Benz and Porsche are developing luxury electric cars to compete with Tesla, and they expect 2021 to be a breakthrough year for German-built electric cars.

Audi and Porsche are subsidiaries of Volkswagen, the world’s largest car maker. Volkswagen aims to use a common modular toolbox or platform of components to reduce costs and allow electric car interiors to be more spacious. About 10 percent of the cars registered in the EU in 2020 were electric.

Ireland. The Irish government is considering raising the minimum wage from €10.20 to €12.30 an hour in order to raise the earnings of low-skilled workers and reduce inequality.

Italy. Romania, Poland, and Italy are the EU countries that send the most workers to other EU countries. Italy sends a high share of college graduates abroad, but in 2020 many educated Italians 18 to 34 returned as covid led to remote work. Returned Italians say that their quality of life is better in Italy, but that opportunities remain better abroad.

An Ethiopian-born cheesemaker was killed by a Ghanaian immigrant employee in a dispute over money in December 2020. Agitu Ideo Gudeta studied in Italy, and returned as a refugee after protesting against land seizures in Ethiopia, opening La Capra Felice (The Happy Goat) in Trento to sell goat cheese, yogurt and beauty products from the goats she kept in a nearby mountain valley. Media mourned Gudeta’s death in front-page stories.

Italy has national health insurance, but much of the health care system is managed by profit-seeking firms that specialize in dealing with complicated and profitable specialties rather than basic care. The Lombardy region in 1995 allowed private medical providers to collect payments from the tax-supported regional health system, increasing investment in cancer treatment but reducing investment in general family medicine.

Spain. Spain’s Canary Islands, 60 miles off the Moroccan coast, attracted more migrants who set off from Senegal in 2020. Some 36,000 migrants arrived in the Canaries in 2006, but only 2,700 in 2019 after Senegalese authorities cracked down on smugglers. In 2020, over 20,000 migrants made the trip, paying about $500 each for seats on fishing boats; many are Moroccans and Senegalese. Over 500 migrants died trying to reach the Canaries in 2020.
Smugglers unable to move migrants from Libya to Italy switched to the Senegal-Canaries route. The Spanish government wants other European countries to accept the migrants who arrive in the Canaries and are deemed to be refugees, and wants African governments to accept the return of their citizens who are not refugees.

The Canary Islands normally receive 13 million tourists a year. With tourism down, the government provided €45 ($55) a day to hotels willing to provide food and lodging to the migrants. Local residents' dependent on winter tourists want the migrants out of hotels, saying “tourism and migration are simply not compatible.”

Sweden. Sweden adopted a laissez-faire policy toward covid, allowing schools and businesses to remain open and eschewing masks and restrictions on gatherings. The government expected Swedes who trust public agency guidelines to obey social distancing recommendations and to stay home if they are sick.

In November 2020, the government changed course after recording over 6,000 new cases in one day and 200,000 among the country’s 10 million residents. The goal of the Swedish policy was to avoid an economic free fall, but since most Swedish firms are part of global value chains, the Swedish economy contracted along with the economies of its trading partners.

Switzerland. Swiss voters on November 29, 2020 rejected the Responsible Business Initiative that would have made Swiss-based companies liable for human rights violations and environmental damage committed by their subsidiaries abroad. The RBI would have required them to report on potential risks in their supply chain and what they were doing to address them. Victims abroad could have sued Swiss-based companies for damages in Swiss courts.

Almost 51 percent of Swiss voters approved the RBI, but the RBI won a majority of votes in only a third of Swiss cantons, making the RBI one of the few initiatives to win a majority of the popular vote but fail for lack of a majority vote in enough cantons. NGOs and churches launched and supported the initiative, while multinationals opposed it; spending on both sides made it the most expensive initiative in Swiss history. To head off the RBI, the Swiss government approved a law with fewer requirements that will now go into effect.

The US Supreme Court heard arguments in December 2020 in a case involving six Malians who said they were trafficked to Ivory Coast cocoa farms. The workers want to sue Nestle USA and Cargill in the US for their failure to monitor labor conditions on the Ghana and Ivory Coast farms that produce two-thirds of the world’s cocoa with help of 1.6 million farm workers, including children.

Multinationals oppose suits in US courts under the 1789 Alien Tort Statute for labor law violations in their supply chains abroad, arguing that holding them responsible for violations committed by independent suppliers in other countries
could deter investments in those countries. The US Supreme Court has already ruled that the 1789 law cannot be used when the conduct in question was almost entirely abroad or where the defendant was a foreign corporation. The US Supreme Court is likely to further narrow the scope of the 1789 law when it issues its decision in the cocoa case.

A DOL-funded NORC survey released in October 2020 estimated that 1.6 million child workers were employed in West African cocoa production; child workers were those under 12 and those between 12 and 18 who have hazardous tasks such as carrying heavy loads on farms. The World Cocoa Foundation did not dispute the number of child workers, but said that it is very difficult to eliminate child labor in areas where poor families want their children to work. The so-called Harkin-Engel protocol signed by major chocolate buyers in 2001 promised to reduce child labor in cocoa production.

China. China pledged to eliminate extreme poverty by the end of 2020, and reported that 10 million farmers and their families a year were lifted from extreme poverty over the past five years. Extreme poverty is living on less than $1.70 per day per person. The government spent over $100 billion a year providing grants and loans, as well as animals, seeds and fertilizers, to help poor and isolated farmers.

Gansu, China’s poorest province located in northcentral part of the country, announced in November 2020 that extreme poverty had been eliminated. The nonfarm jobs created in Gansu rely heavily on government subsidies.

Over half of Chinese adults are overweight, including a sixth who are obese, a near doubling over the past two decades. A Healthy China 2030 initiative aims to persuade food manufacturers to reduce sugar, salt and fat in processed foods, and to reduce food waste by discouraging the practice of ordering many dishes in restaurants to demonstrate wealth.

India. The BJP government imposed a lockdown March 24-April 14, 2020 that sent rural-urban migrants back to their home villages, spreading Covid and making even more Indians dependent on farming. Two-thirds of Indians are employed in agriculture, which generates a sixth of GDP.

In a bid to restart economic growth, the government in September 2020 enacted legislation that allows farmers to sell crops directly to consumers or food processors rather than only through government-approved wholesale markets that set minimum prices for commodities. The government also revised labor laws to make it easier for employers to terminate workers without government permission and harder for unions to organize and strike.

These marketing changes led to protests. Wholesale markets shut down to protest the prospect of new buyers, who did not appear immediately. Sikh farmers from the Punjab and elsewhere in December 2020 and January 2021 blocked the four major entrances to New Delhi to protest the elimination of minimum prices for their crops.
Some 60 percent of India’s 1.3 billion people are dependent on agriculture for most of their income. However, agriculture contributes only 15 percent to GDP, so farm incomes are lower than nonfarm incomes. Many farmers have taken out loans to expand or sustain their operations, leaving them in a precarious economic situation and fearing changes to farm policies.

India has a complex food supply chain. Most food is transported from farms to consumers with trucks on an almost just-in-time basis, since cold storage facilities are limited. At least a sixth of fruits and vegetables, and up to 40 percent of all farm commodities, are lost to spoilage in the food supply chain. A study of the prices of potatoes, onions, and tomatoes in spring 2020 found a spike in prices of up to 50 percent, followed by a return to pre-lockdown prices.

Japan. After WWII, major firms developed lifetime employment systems that provided regular or seishain workers with bonuses equal to two months salary and assurance that they would not be laid off and would receive retirement benefits. There were always some non-regular or short-term employees, but their share of workers has been rising, so that over a third of Japan’s 56 million workers in 2020 are non-regular, meaning they do not have lifetime job security and do not earn retirement benefits.

Half of the women in the Japanese workforce are non-regular. A 2013 law required employers to convert non-regular into regular employees after five years, and to keep differences between regular and non-regular employers “reasonable.” Recent court cases rejected non-regular workers’ claims that their treatment was unreasonable despite growing wage and benefit differences between regular and non-regular workers.

Malaysia. Top Glove, which makes a quarter of the world’s disposable gloves, relies on migrant workers in its factories, some of whom contracted Covid at work or in their hostels. At one Top Glove’s factory complex with over 11,000 workers over half of employees tested positive for Covid, prompting the government to order Top Glove factories to close until more safety precautions were in place.

Migrants employed in Top Glove factories earn $300 a month and live in dorm rooms with up to 20 workers, which is $7,200 to $9,600 over two or three years. Migrants from Nepal report having to pay up to $5,000 to Nepalese recruiters get two- or three-year contracts at Top Glove. Malaysia has several other disposable glove manufacturers that also depend on migrant workers, including some that offer lower wages and worse conditions than Top Glove.

Singapore. The city-state of 5.7 million has one of the highest shares of migrant workers in its labor force. Many households have domestic workers, and most construction and low-level service jobs are filled by migrants.

Covid was rampant in some of the migrant worker dorms in April 2020. By the end of 2020, over 93 percent of Singapore’s 58,000 Covid cases were among
migrant workers. The government reacted by locking workers in their dorms except for going to work and other essential tasks, promising to reconsider tight restrictions on migrant worker movements in 2021 if Covid infections remain rare.

Singapore in fall 2021 allowed the resumption of cruising, with ships leaving for three days and returning without visiting any ports abroad. Passengers wear contact pods and practice social distancing in half-filled ships that promote themselves as Covid-free vacation destinations.

South Korea. The country’s population of 51.8 million at the end of 2020 was almost 21,000 less than the population at the end of 2019, as deaths outnumbered births. The government is offering payments for babies, including a two million won or $1,828 bonus and 300,000 won or $274 a month for the first year. However, rising education levels and demanding careers make it hard to persuade women to have more children; fertility is about one, meaning that the average woman has one child in her lifetime, half of the 2.1 rate needed to replace the population.

ANZ. Australian backpacker hostels advertised for Working Holiday Makers in New Zealand in November-December, 2020, offering A$2,000 for those willing to travel to Australia and do farm work. The number of WHMs fell from 140,000 at the end of 2019 to 50,000 at the end of 2020, as border closures made it harder for new WHMs to enter Australia.

Employment of seasonal farm workers peaks in March, and employers predict labor shortages in March 2021 unless more Pacific Islanders are admitted under the Seasonal Worker Program.

The Australian Workers Union (AWU) commissioned a study that found some contractors offering WHMs A$3 an hour to pick blueberries, far less than the going A$24 rate, by manipulating piece rates to keep earnings low. WHMs rarely complain because of their need to complete 88 days of farm work to obtain another year’s permission to remain in Australia and fill nonfarm jobs.

Some farm employers want labor-hire firms (labor contractors) to be licensed by the federal government; Queensland, South Australia and Victoria have state licensing systems. The Fair Work Ombudsman enforces labor laws, and there is agreement that the FWO needs additional resources.

New Zealand’s Recognized Seasonal Employer admits Pacific Islanders to do farm work in New Zealand, and 6,500 were allowed to remain in New Zealand after their contracts ended in March 2020. The 11,000 WHMs in New Zealand have been allowed to remain through June 30, 2021 if they work in agriculture.

PM Jacinda Ardern’s Labor Party won 64 of the 120 seats in the New Zealand Parliament in October 2020 elections, winning re-election on the strength of a science and solidarity platform that kept covid cases low.
Global Migration: OECD

The OECD’s annual migration report emphasized that immigration and temporary migration fell sharply in 2020. Both immigration and temporary labor flows are expected to fall by half in 2020 for two reasons. First, the economic recession means that employers are sponsoring fewer foreign workers for immigrant and temporary work visas. Second, governments closed visa-processing facilities and borders to prevent the spread of Covid, making it hard to complete the paperwork required for immigration and temporary work abroad.

Governments made exceptions for some migrant workers, especially in health care and agriculture. The demand for health care workers is rising due to population aging in a sector where taxes often pay the wages of caregivers. A reluctance to raise taxes depresses caregiver wages and leads to shortages of health care workers.

Specialized farms that produce labor-intensive commodities prefer just-in-time guest workers to just-in-case local workers who may do farm work while seeking better nonfarm jobs. The efforts of EU countries to persuade jobless local workers to accept seasonal farm jobs by keeping most of their unemployment benefits while doing farm work failed to yield many local farm workers.

There were 5.3 million immigrants admitted to the OECD countries in 2019, including a quarter to the US. The OECD countries had over 135 million foreign-born residents in 2019, making international migrants over 10 percent of all residents.

There were over five million temporary foreign workers admitted in 2018, including 1.1 million in Poland, which sends seasonal workers to Western Europe and admits Ukrainians and citizens of other ex-USSR countries to fill seasonal jobs in Poland. Many countries opened otherwise closed borders to seasonal farm workers in 2020.

Most migrant workers are low skilled. The greatest gap between the share of migrant- and native-workers is in domestic work (activities of households as employers), but hospitality (accommodation and food services), support services and construction also have high shares of migrant workers. The migrant share of farm workers is higher than average in the US but not in in Europe, where there are more small family farms.

Impacts. Covid may reverse the trajectory of ever more labor mobility. As governments and firms reorient supply chains from just in time to just in case, investors may become more cautious about making investments that assume just-in-time guest workers will be available, as with apple orchards planted in remote areas. The rise of remote working arrangements may open a new era of
more trade in medical and other services via the internet rather than labor mobility to provide services in-person.

Before Covid, migrants were overrepresented in some of the sectors where employment is growing and labor productivity is low, as in hospitality, administrative support and warehouses. One perennial migration question is the proper role of industrial policy in migration policy. If employers in a particular sector complain of labor shortages, should governments respond by admitting migrants to fill vacant jobs or is the better strategy to admit migrants based on their human capital, such as youth, education, and language ability, and allow them to find jobs?

What happens if there are still vacant jobs in high-immigration countries, such as vacant farm jobs in Australia and Canada that accept far more immigrants per capita than the US?

Most OECD countries have sector-specific policies for agriculture and health care, but not always sector-specific migration policies. At least 15 OECD countries have programs to admit seasonal foreign farm workers. The usual admissions procedure requires employers to try and fail to recruit local workers before being certified to hire migrants.

Procedures for recruitment vary. Employers make the decision on whom to hire, but some sending governments maintain work-ready pools to expedite employer recruitment and selection. Migrants have contracts that tie them to one employer, and must usually depart after up to 10 months abroad, although Israel and Japan allow migrant farm workers to remain three to five years.

Governments make four key labor migration policy decisions: labor market tests, recruitment, employment and dependence. First, what must employers do to be certified to recruit migrant workers, that is, what labor-market testing is required to ensure that local workers are not available? Second, how do employers recruit migrants abroad, and what laws apply, that is, may employers recruit only men? Who pays recruitment costs?

Third, who enforces the contracts that tie migrants to employers, and what happens to migrants who complain about their employer and are fired? Are dissatisfied or fired migrants allowed to change employers, or must they leave the country? Fourth, should governments worry if dependence on migrants increases over time? If yes, what is the optimal strategy to reduce dependence, quotas, levies or some combination? Finally, do the remittances and returns from seasonal migration speed development in migrant areas of origin?

When countries tailor migration policies to specific sectors, should they require employers who seek certification to hire migrant workers to also develop plans to reduce dependence on migrants over time? A US policy that gave inner-city hospitals easy access to foreign nurses around 2000 required the hospitals to develop plans to reduce their dependence on foreign nurses over time.
This end-migrant-dependence requirement prompted hospitals to hire consultants to develop plans that were not implemented. New Zealand is launching a program in 2021 that allows industries seeking foreign workers to negotiate agreements with the government that expedite migrant admissions in exchange for plans to employ more native workers over time.

Inertia is a powerful force. A quick return to normal with a Covid vaccine may also return labor mobility patterns to their pre-Covid trajectories. Countries could once again admit migrants to fill jobs on the top and bottom rungs of the labor market.

A slow return to pre-Covid economic conditions may break some migration patterns and the networks that link employers in one country to workers in another. Future migration reports may emphasize that Covid led to a break in migration patterns similar to the 1989 fall of the Berlin Wall or the September 11 terrorist attacks that marked before and after points in foreign and security policy.

**Golden Passports.** Many countries, especially small island nations, offer citizenship to foreigners who invest in the country or make a donation to a government-approved project. Chinese, Russian and citizens of ex-USSR countries are most likely to buy so-called golden passports, which permit visa-free travel to many countries.

Many of those purchasing golden passports are hiding ill-gotten gains. After issuing passports to 3,000 foreigners who each invested at least £2 million in Cyprus, the government halted its visa-for-investment program in October 2020 after journalists pretending to represent a corrupt foreign businessman who wanted to buy a passport persuaded leading politicians to support his case. Bulgaria and Malta also have citizenship by investment programs that are under scrutiny.

**Growth.** The IMF reported that the world’s economy contracted by four percent in 2020 and projected five percent growth in 2021. China grew by two percent in 2020, while the US economy contracted by four percent and the EU by eight percent. In 2021, China is projected to expand by eight percent and the US by four percent.

Global debt was $255 trillion at the end of 2019, more than three times the world’s $80 trillion GDP. This debt included $70 trillion of government debt, double the $33 trillion of government debt just before the 2008-09 recession. Many developing countries took on large amounts of debt over the past decade.

**Demography.** Africa has the youngest average population, but some of the world’s oldest leaders. In several African countries, the average age of the population is under 20, but the country’s leader is over 75. The 25 million residents of Cameroon are an average 19. President Paul Biya is 87, and has been in office since 1982.
California Agriculture

County agriculture commissioners released 2019 farm sales data in Fall 2020. Fresno county had farm sales of $7.7 billion, including $1.6 billion worth of almonds, $960 million worth of grapes, and $660 million worth of pistachios. Almonds are California’s most valuable crop, with the three billion pounds produced in 2020 worth $7 billion. The US produces 80 percent of the world’s almonds.

Bakersfield-based Grimmway Farms, one of the state’s largest vegetable growers with a peak 9,000 employees, was sold to Teays River Investments LLC of Zionville, Indiana in December 2020. Grimmway’s major rival in the carrot business is Bolthouse Farms, which is owned by a Los Angeles-based private equity firm. Grimmway farms in Arizona, California, Colorado, Florida, Georgia, Oregon and Washington, and expects to expand closer to its East Coast customers.

US Ag, Trade

Cash receipts from the sale of crops and livestock were $358 billion in 2020, down from $370 billion in 2019, due to lower prices for major crops associated with trade disputes with China and the global recession. Net farm income is nonetheless exceeded $100 billion due to government aid of $50 billion.

President-elect Biden named ex-USDA Secretary Tom Vilsack to lead USDA again; Vilsack led USDA for eight years in the Obama administration. Between administrations, Vilsack earned $1 million a year as a lobbyist for the dairy industry, raising fears among some that USDA will not counter growing consolidation in farming and food-related industries.

Europe. The 14-chapter book edited Rye and O’Reilly explains that most international migrants are in urban areas, but rural areas have emerged as new destinations for migrants. The 2008-09 financial crisis, the 2015 migrant influx, and political changes, from Brexit to populism and nationalism, highlighted the fact that migration increasingly affects rural areas that previously were sources of internal rural-urban migration.
The Rye-O’Reilly book covers topics that range from Romanians in Spanish agriculture to migrants in the Scandinavian Arctic. The stepwise nature of migration is illustrated by Poles going to work on the German and Norwegian farms, while Ukrainians fill jobs in Polish agriculture. The emphasis is on the need for migrants in rural areas of Europe, and their often precarious existence.


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**Food, Wine**

USDA issued Dietary Guidelines for Americans 2020-2025 that did not include recommendations to reduce added sugars from the current 10 percent and to reduce drinking limits for men from two a day. Advocates wanted added sugars to be six percent of daily consumption and alcohol limited to one drink a day. Over 70 percent of US adults 20 and older were overweight in 2015-16, including 40 percent who were obese.

Selling groceries is usually a low-margin business, but supermarket margins rose in 2020 as consumers bought more groceries and more store branded products. Walmart accounts for a quarter of US grocery sales; followed by Kroger with 10 percent; Costco with eight percent; and Albertson’s with five percent. Amazon is not considered a supermarket chain, but sold more groceries in 2020 than all of the chains except Walmart.

Romaine lettuce from the Salinas Valley was implicated in three E. coli O157:H7 foodborne illness outbreaks in November-December 2019. The FDA found that manure from cattle grazing on the hills above the Salinas Valley seeped into the irrigation water and contaminated the lettuce.

Spain produces 45 percent of the world’s olive oil, followed by Italy, where production fell in 2020 due to the Xylella bacteria that affected trees in Puglia, which accounts for half of Italian olive oil production.

**Wine.** Closed bars and restaurants reduced spending on beer, wine and spirits away from home in 2020 and increased spending on alcohol consumed at home. The same switch to drinking more at home occurs during recessions, but in 2020 those drinking at home moved up the price ladder, as exemplified by professionals working from home who bought more expensive wines.

In most years, about 15 percent of US wine is sold by bars and restaurants. Less than seven percent of wine in 2020 was sold in bars and restaurants, but sales via wine and grocery stores rose. Some Napa wineries released library or cave vintages of older wines at prices above $100 a bottle.
There is a growing list of celebrity wine labels. Movie director Francis Ford Coppola was among the first when he bought the Gustave winery in Napa in 1975 and the former Inglenook winery in 1995, which was renamed the Rubicon Estate Winery in 2016. Today celebrities from Cameron Diaz to Joe Montana have their own wineries or wine labels. Celebrity involvement in wine making is usually limited.

Global. Between 2000 and 2018, the world’s vineyards shrank from 7.8 million to 7.4 million hectares, including vineyards whose grapes are used for raisins, table grapes, or wine. Spain has 13 percent of the world’s vineyards, France 11 percent, and Italy 10 percent, and almost all of the grapes in these three countries are used to make wine. By contrast, China has 12 percent of the world’s vineyards, more vineyards than all countries except Spain, but only 10 percent of Chinese grapes are used to make wine.

Rising yields mean that more wine is being produced from fewer acres of grapes. Total wine production rose from 280 million to 290 million hectoliters between 2000 and 2018 (one hectoliter is 26.4 gallons). Italy produced 19 percent of the world’s wine in 2018; France 17 percent; and Spain 15 percent, and together these three countries accounted for 51 percent of the world’s wine. The US produced eight percent of the world’s wine, and Argentina five percent. France’s share of the world’s wine fell the most over the last two decades, while Argentina’s share rose.

Wine production exceeds wine consumption: 246 million hectoliters were drunk in 2018, up from 226 million in 2000. The US consumed 13 percent of the world’s wine in 2018; Italy 11 percent; France, nine percent; and Germany eight percent. The big three wine grape varieties remain unchanged, Chardonnay, Cabernet Sauvignon and Merlot.

Indonesian Rudy Kurniawan, the only person convicted in the US of selling fake wine, was released in November 2020 after serving nine years of a ten-year sentence in federal prison; ICE will deport him. Kurniawan sold $30 million worth of fake wine to collectors who did not believe they could be fooled.

Kurniawan arrived in the US on a student visa in the mid-1990s, and soon learned that he had an extraordinary memory for wines that he tasted. Kurniawan ingratiated himself with wine collectors by allowing them to taste expensive wines, and began auctioning wines at New York’s Acker Merrall & Condit, including Burgundy’s most prestigious wine, a fake jeroboam (equivalent to four standard bottles) of 1971 Romanee-Conti that sold for $85,000.

Kurniawan made fake wines in his Arcadia, California home by blending old commercial grade wine from France with young American wine made from the same variety of grapes. Wine critics praised the youthful fruit taste. An Acker action in April 2008 offered Burgundy Domaine Ponsot made between 1945 and 1971 for $70,000 a case. The fake was discovered because Domaine Ponsot did not control the vineyards claimed on the bottle labels at the time, leading to Kurniawan’s arrest in March 2012.
Nakedwines.com is the largest US direct-to-consumer winery, selling wine worth $170 million to 250,000 US customers and an equal number abroad.

China in November 2020 placed tariffs of up to 200 percent on Australian wine in a bid to protest Australian policies toward China; previously, China targeted Australian exports of coal, timber, seafood and barley. The Chinese government listed 14 troublesome Australian actions, including public statements in support of Taiwan and Hong Kong freedoms and criticism of the Chinese government in Australian media.

Climate Change

The Paris climate agreement of 2015 obliges governments to cooperate to prevent average temperatures from rising more than 1.5C or 2.7F over pre-industrial levels. Most government policies aim to reduce emissions from fossil-fuels, but researchers in November 2020 argued that encouraging plant-rich diets, increasing crop yields, and reducing food waste could limit temperature-raising emissions from food production, which contributes 16 billion of the 53 billion metric tons of carbon dioxide emissions a year.

Emissions from food production are rising as the population grows and people include more meat in their diets. Increasing food and meat production means that land is cleared for crops and animals, more fertilizers are used, and more rice is grown in flooded paddies.

Brazil’s national space research agency Inpe reported in December 2020 that 4,300 square miles of Amazon rain forest was burned in 2020, the most in a decade. Farmers felt emboldened to clear rain forest for cattle and soybeans after the budget of the environmental enforcement agency Ibama was reduced despite the use of the military under Operation Green Brazil to reduce deforestation. Critics say that the military displaced Ibama in the fight against deforestation, and that disputes between environmental agencies and military leaders are allowing deforestation to accelerate.

The 2020 Atlantic hurricane season was the most active on record, with 13 hurricanes and 30 named storms, surpassing the previous record of 28 named storms in 2005. The combination of Covid-damaged economies, persisting violence, damage from storms, and a new Biden administration was expected to increase Central American migration to the US.

Munich Re estimated that hurricanes, wildfires and other natural disasters caused almost $100 billion in damage around the US in 2020. Hurricane Laura led the list, with $13 billion in damage in southwestern Louisiana in August 2020, accounting for a third of the $43 billion in damages due to hurricanes. Convective storms,
including thunderstorms, tornadoes, hailstorms and derechos, caused $40 billion in damages, followed by wildfires that caused $16 billion in losses.

Australia, the driest inhabited continent, had its worst wildfires in 2019-20. The 2020-21 fire season began with half of Fraser Island, the world’s largest sand island, burned after a campfire burned out of control in mid-October 2020. La Niña brought cooler water closer to the sea surface in the central and eastern tropical Pacific, which delivered above-average rainfall to Australia in 2020, filling reservoirs in New South Wales and Queensland.

The rainfall also supported fields of grass across the plains west of the Great Dividing Range, the mountain chain along Australia’s eastern seaboard, creating the fuel for wildfires. Rising temperatures dry out grasses and brush, so that a lightning strike can lead to massive fires.

Russia is the world’s largest country; its 6.6 million square miles dwarf the 3.8 million square miles of Canada. However, most of Russia’s land area is not arable, especially the four million square miles of Siberia. Climate change is making more of Russia farmable, increasing the acreage of corn, soybeans and wheat and potentially turning Russia into an agricultural superpower.

Russia is already a major grain exporter. In 2010, after drought and wildfire reduced Russia’s wheat crop, grain exports were banned, contributing to a 40 percent increase in the price of wheat and bread riots in Egypt. In 2018, Russia exported farm commodities worth $30 billion, including 44 million tons of wheat, a quarter of world wheat exports. The US is the leading farm exporter, accounting for 40 percent of corn exports, a third of soybean exports, and an eighth of wheat exports.

The optimum average temperature for human productivity is believed to be between 52 and 59F, and for agricultural productivity 55F. A warming climate could accelerate south to north migration.

GE unveiled the world’s largest wind turbine in 2020, the Haliade-X with a diameter of 722 feet is a third more powerful than the largest current models, capable of generating 13 megawatts of enough for 12,000 homes. Haliade-X turbines are designed for use at sea, where the wind is stronger and more reliable. Some 275 Haliade-X turbines are expected to be deployed in the world’s largest wind farm at Dogger Bank off Britain.

More Americans are installing solar panels on their roofs, but the leading installers, Sunrun and Sunnova, are losing money. Nonetheless, the stock prices of Sunrun and Sunnova more than tripled in 2020, as investors expect Biden-administration policies to promote more solar panel installations.

Over the 25-year life of solar panels, installers make money by collecting lease payments or selling the electricity that is generated. Many national solar installation firms tried to grow fast and failed, raising the question of whether installing solar will turn out to be a national business like auto manufacturing or a
local business like home repairs. Home solar cost two or three times more in the US than in Australia due to US costs of permits and marketing.

DOL debars an average 15 H-2A employers a year

DOL may debar and block applications from employers who are seeking to hire foreign workers from one to three years for failure to pay the wages promised or to offer the housing and working conditions promised in their job orders for H-2A and H-2B workers. In the four years between FY15 and FY18, DOL received over 39,000 applications from employer for H-2A workers, and audited 3,100 or eight percent. DOL debarred 57 farm employers, about 15 a year, from applying for H-2A workers (https://www.oig.dol.gov/public/reports/oa/2020/06-20-001-03-321.pdf)

DOL debarred 15 employers a year from the H-2A program between FY15 and FY19

EXHIBIT 5: ETA H-2A & H-2B AUDIT & DEBARMENT DATA

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<th>FY 2015 – FY 2018 TOTALS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>H-2A</td>
</tr>
<tr>
<td>Applications Certified</td>
<td>39,375</td>
</tr>
<tr>
<td>Application Audits Completed</td>
<td>3,140</td>
</tr>
<tr>
<td>Application Audits Completed Divided by the Number of Certified Applications (%)</td>
<td>8.0%</td>
</tr>
<tr>
<td>Number of Debarment Cases</td>
<td>57</td>
</tr>
<tr>
<td>Number of Debarment Cases Divided by the Number of Application Audits Completed (%)</td>
<td>1.8%</td>
</tr>
</tbody>
</table>

Source: OIG analysis based on data ETA provided.