

Economics of immigration could defy laws

Experts: Despite greater enforcement, illegal workers will continue to come

The Associated Press

updated 1:16 p.m. MT, Sun., April. 2, 2006

To the mostly immigrant workers and American employers who cross paths at El Centro Humanitario — a former car wash converted to a day labor agency on the fringes of downtown Denver — the nation's heated debate over illegal immigration is no abstract concept. It's economic reality.

“If people are willing to pay another \$20,000 for their \$200,000 house, then fine,” said Chuck Saxton, a contractor who regularly hires immigrant workers for a fraction of what full-time U.S. workers would cost, to help him build additions and finish basements for Denver-area homeowners. “But if not, we need to talk about the consequences of throwing out 12 million people.”

Those consequences — for U.S. businesses and consumers and the illegal workers who provide a consistent source of cheap, dependable labor — are impossible to deny.

That point has been largely overlooked as congressional lawmakers clash over proposals to step up enforcement and legalize foreign workers. But, regardless of the measures they devise, the economic forces underpinning illegal immigration will be exceedingly difficult to alter, experts say.

“If we enact a law that makes clear we're going to dramatically increase enforcement without allowing greater legal flows, employers and illegal immigrants will find ways around it,” said Gordon Hanson, an economist at the University of California at San Diego.

While it is difficult to predict precisely what would happen as a result of future changes in the law, Hanson's assertion is backed up by past experience.

Illegal workers will continue to come

The last time Congress overhauled immigration laws in 1986, the rhetoric was at least as heated and sentiments were largely the same. Illegal immigration was alleged to pose a threat to national security. Critics said unauthorized workers were taking good-paying American jobs. Foreign workers were accused of taking advantage of the nation's generosity by soaking up public benefits.

In the end, lawmakers passed a bill that granted amnesty to workers already here, while promising to clamp down on the flow of new arrivals. Congress ordered employers to require documents from their workers, and said there would be consequences if they didn't.

Illegal workers, though, kept coming.

In the two decades since, the number of illegal immigrants in the United States has grown from about 4 million to between 11.5 million and 12 million, according to the Pew Hispanic Center.

More than 40 percent — about 4.4 million people — have arrived within the past five years.

They account for about one in every four farm workers, hold 17 percent of all jobs in cleaning and building maintenance, 14 percent of all construction jobs and 12 percent of food preparation jobs, the center says.

Would tough new laws change that? The 1986 reforms failed because border and workplace enforcement were both weak, experts say.

Some lawmakers are calling for all employers to screen workers through a national computer system designed to catch those with fraudulent documents. A bill already passed by the House would require much more aggressive border enforcement, including an extensive fence along the frontier with Mexico.

Unlike the enforcement-focused House measure, a bill from the Senate Judiciary Committee calls for offering workers who are already here a chance at amnesty and citizenship over an extended timetable. At the same time, it would create a guest worker program to allow a continued flow of temporary workers, a response to intense lobbying by business groups.

But experts say that while the provisions in some of the bills might slow the steady stream of arrivals, that would only be temporary.

“When all the dust clears, we’re going to have higher levels of legal immigration and lower levels of illegal immigration, but within a few years we’ll return to the levels that we’ve seen,” said Peter Schuck, a Yale University professor specializing in immigration law and policy. “Immigrants will figure it out. The zeal of enforcement will wane.”

The problem is that enforcement is no match for potent underlying economics, experts say.

More than half the illegal workers in the United States are from Mexico, where the past decade’s currency devaluation and debt crisis have created tremendous economic volatility. At the same time, the Mexican labor market has been fed by a baby boom a generation behind the one in the United States. The combination has created tremendous economic pressure, pushing a surplus of workers to seek out opportunities better than those offered at home.

U.S. demand for cheap labor

The Rev. Ricardo Hernandez of Sts. Peter and Paul Roman Catholic Church in Rockford, Ill., knows their stories well.

“I think they will keep on working no matter what changes are made in the law, and they’ll still be hired by many business people who want only to find cheap labor,” said Hernandez, many of whose parishioners are undocumented immigrants from his native Mexico, working in construction, retail and restaurant jobs. “Things are so bad in Mexico that they will have to work here, and they will stay even if the pay is very low.”

Hernandez points to one couple at his church, both in this country illegally, who work at a

restaurant in nearby Belvidere, Ill., for \$3.50 an hour — well below the federal minimum wage of \$5.15 and Illinois' \$6.50 hourly minimum.

Even as overseas economics have pushed workers to leave their home countries, the rapid growth in the U.S. economy during the 1990s fueled huge new demand. It took a while for the boom to reach California, long home to the nation's largest immigrant population, where post-Cold War cuts in defense spending prolonged a downturn. But robust economic growth elsewhere drew large numbers of new immigrants to states that had previously seen relatively few, and into new industries, too.

Illegal workers flocked to factory jobs in Illinois, to clean hotel rooms and work in restaurants in Georgia, and to build homes in North Carolina and Colorado.

Saxton, the Denver-area contractor, said he began hiring immigrant workers about four years ago, after some of the American day laborers he'd previously hired arrived for work drunk. He needed 15 men for 3 days to dig out a basement, and found he could hire immigrant workers for \$8 an hour.

He now pays \$10 to \$12 an hour. But he points out that is much cheaper than the \$35 an hour he'd have to pay for full-time U.S.-born employees, including the cost of worker's compensation insurance.

"These guys work hard, they're honest, they're nice. I trust them with my tools, money anything," Saxton said.

Overstated importance?

While illegal immigrants play a crucial role in the economy, their importance is sometimes overstated. Foreign workers account for less than 5 percent of the nation's labor force. They are concentrated by industry and geography in ways that would cushion the larger economy should they be removed from it. While their labor affects the prices consumers pay for some goods, it is but one component.

Proponents of tougher immigration laws argue that the country has workers capable of doing the jobs done by immigrants, but that businesses must pay more.

"At what point in the last 20 years did Americans wake up and say 'I no longer want to work in construction for \$17 an hour?'" said John Keeley of the Center for Immigration Studies, which advocates stricter controls.

But business groups argue that growth in the number of workers in the United States is slowing, that most young workers do not want jobs that are often seasonal and temporary and involve tough manual labor.

The solution is a "practical real-world guest worker program that permits an appropriate number of guest workers in this country to address a growing need for labor to keep our economy strong," said Bob Dolibois, executive vice president of the American Nursery and Landscape

Association, which has lobbied for such a change in the law.

The reality, though, is that given the motivations of the businesses and workers at its center, regulating the flow of workers at the periphery of the economy will be very difficult, whether or not immigration is legal, experts say.

“You’re trying to legislate and end immigration in the face of tremendous economic demand for illegal immigrants,” Hanson said. “Just like with the illegal drug trade, we can say it’s illegal, but that doesn’t mean it’s not going to happen.”

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