

**FROM DENIAL TO ACCEPTANCE:
Effectively Regulating Immigration to
the United States**



IMMIGRATION POLICY CENTER

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THE POLITICS OF CONTRADICTION

U.S. immigration policy is based on denial. Most lawmakers in the United States have largely embraced the process of economic “globalization,” but stubbornly refuse to acknowledge that increased migration, especially from developing nations to developed nations, is an integral and inevitable part of this process. Instead, they continue an impossible quest that began shortly after World War II: the creation of a transnational market in goods and services without a transnational market for the workers who make those goods and provide those services. In defiance of economic logic, U.S. lawmakers formulate immigration policies to regulate the entry of foreign workers into the United States which, for the most part, are unrelated to the economic policies they formulate to regulate international commerce. Even in the case of Mexico – with which the United States shares a 2,000-mile border, a hundred-year history of labor migration, and two decades of purposeful economic integration – the U.S. government tries to impose the same arbitrary limits on immigration as it does on, say, Mongolia. Moreover, while the global trade of goods, services, and capital is regulated through multilateral institutions and agreements, U.S. policymakers persist in viewing immigration as primarily a matter of domestic law enforcement.

This quixotic attempt to promote the expansion of trade across national borders while imposing arbitrary numerical limits on the movement of foreign-born workers across U.S. borders has failed. As the U.S. government struggles in vain to stem the migratory flows its own economic policies produce and the U.S. labor market demands, a large share of immigration to the United States is simply being driven underground, swelling the ranks of the undocumented. In the process, U.S. border-enforcement efforts are accomplishing precisely the opposite of their intended effect. Immigrants who might have returned home after a few years of work in the United States are now settling permanently. Profits for people smuggling

have been driven so high as to attract large-scale criminal organizations from around the world that pose a far greater risk to national security than undocumented immigrants themselves. The expansion of an underground labor market has driven down wages and working conditions for all workers in industries that employ large numbers of immigrants. In short, there is an unsustainable contradiction between U.S. economic policy and U.S. immigration policy, and economics is winning.

Lawmakers must devise a realistic solution to this dilemma. Continuing the status quo by pouring ever larger amounts of money into the enforcement of immigration policies that are at war with economic reality will do nothing to address the underlying problem. Nor is it feasible to wall off the United States from the rest of the world. While observers may debate how the process of globalization should be managed and what rules should govern international trade, globalization itself is now a fact of life. The dependence of the United States upon transnational commerce and immigrant labor cannot simply be undone, at least not without devastating the entire economy in the process. It's a little late to try forcing the genie of globalization back into the nativist bottle.

The most practical option is to bring U.S. immigration policy in line with the realities of the U.S. labor market and an increasingly global economy. Lawmakers should craft immigration policies that are as responsive to market forces as their economic policies, while implementing and enforcing tough labor laws to guarantee fair wages and good working conditions for all workers, be they natives or immigrants. They should establish a process by which undocumented immigrants already living and working in the United States can apply for legal status. And they should treat immigration as the transnational issue it truly is and negotiate migration agreements with other countries, particularly Mexico. By taking these steps, the U.S. government would be able to more effectively control, regulate, and monitor immigration, rather than consigning a large portion of it to a shadowy and insecure black market.

THE IMPOSSIBLE QUEST

The rather conflicted foundation of the modern global economy was laid in 1944 in Bretton Woods, New Hampshire. Representatives of the United States and its World War II allies met to design a new international financial system that might prevent a recurrence of the economic chaos which reigned during the world depression of the 1930s. The blueprint that emerged from the Bretton Woods Conference called not only for a new monetary policy, but also the lowering of trade barriers among member nations and the creation of multilateral financial institutions to facilitate greater international coordination in economic decision making and the movement of capital. Over the next three years, the resulting Bretton Woods Agreement gave birth to the General Agreement on Tariffs and Trade (the predecessor of the World Trade Organization), the International Bank for Reconstruction and Development (World Bank), and the International Monetary Fund. Although the monetary system established by the Bretton Woods Agreement eventually broke down in 1973, these three institutions and the model of global economic integration they represent did not.¹

In fact, the scale and scope of economic integration have expanded dramatically in the 60 years since Bretton Woods. The alliance of 23 nations that created the General Agreement on Tariffs and Trade (GATT) now encompasses the 147 nations of the World Trade Organization (WTO). According to the United Nations Conference on Trade and Development, from 1980 to 2002 exports of merchandise and services worldwide more than tripled from \$2.4 trillion to \$8 trillion. Roughly 65,000 transnational corporations now span the globe and hold reserves of capital that exceed the budgets of some governments. From 1990 to 2001, the total sales of the largest 100 transnational corporations increased from \$3.2 trillion to \$4.8 trillion. In 2000, the largest 100 economic entities in the world consisted of 71 national economies and 29 transnational corporations.²

However, the post-World War II model of globalization on which this economic expansion is based has been plagued by a fundamental contradiction since the begin-

Much of modern-day migration, especially from developing to developed nations, is an intrinsic part of globalization.

ning; it doesn't account for the movement of workers. Generations of policymakers around the world have successfully promoted the expansion of trade in goods, services, and capital across international borders, regulated by a wide array of multilateral institutions and agreements. Yet migration – particularly from developing nations to developed nations – continues to be defined primarily as a matter of national sovereignty in which governments impose arbitrary numerical limits unrelated to global economic forces or even domestic labor demand. As a result, immigration that exceeds those limits is viewed simply as a law-enforcement issue largely unconnected to economic policy. Individual governments are, in effect, trying to impose a set of rules on one factor of production (labor) that is fundamentally different from the set of rules applied to all other factors of production. And there is no multilateral institution that might offer a forum in which nations could coordinate immigration policies.³

This outdated view of immigration would seem to imply that migration is something which occurs in spite of globalization rather than because of it. In fact, much of modern-day migration, especially from developing to developed nations, is an intrinsic part of globalization. At the most basic level, the advances in communications and transportation technology on which globalization is ultimately based simply make it easier now than in the past for information and people to move quickly across national borders. More importantly, though, competition in a global market has inevitably had very different consequences for developed and developing countries. Developed nations are centers of wealth and power in the global system, have well-established market economies, and have become increasingly specialized in industries that generate continual demand for workers in both highly-skilled professional occupations and less-skilled service occupations. At the same time, birth rates in developed countries have fallen or will soon fall below replacement levels, meaning that their native-born populations are beginning to shrink and grow older. In

contrast, developing nations are far less wealthy and powerful than developed nations, generally have market economies that are less well established, and have been opened rather abruptly to international economic competition. As the economies of developing countries are restructured to conform to the rules of the global market, government-owned businesses are privatized and government price controls eliminated, thereby displacing many workers and farmers who are not readily reabsorbed by newer, capital-intensive industries that employ fewer people. Meanwhile, the native-born populations of most developing countries are still increasing at least to some degree.

The end result of these economic and demographic trends is that there are too few jobs in the developing world, while there are too few native-born workers in many occupations in the developed world. Not surprisingly, workers respond to this fundamental imbalance in the international supply of and demand for labor by moving from areas where jobs are relatively scarce (developing countries) to areas where jobs are more plentiful (developed countries). However, the governments of developed nations persist in trying to impose arbitrary numerical limits on immigration that do not come close to matching the movement of workers across national borders that is actually taking place. A large share of this labor migration has thus been driven underground.⁴

THE U.S.-MEXICO PARADOX

In the United States, the contradiction between unrealistically restrictive immigration policies and the realities of a transnational economic system is most extreme in the case of Mexico (although there are other examples, particularly among the nations of Central America). The U.S. economy has grown increasingly reliant on the labor of Mexican workers in an increasingly diverse range of industries for more than a century. The two nations have actively pursued economic integration over the past 20 years to the point that Mexico is now the second largest trading partner of the United States. Yet, paradoxically, the U.S. government has attempted to swim against the tide of its own economic policies by trying to impose

arbitrary numerical limits on Mexican immigration since the mid-1960s. The rise of undocumented migration has been the predictable result.

Systematic demand for Mexican labor in the United States began at the end of the 19th century, facilitated by the completion of rail lines linking the two nations. U.S. companies that relied upon Asian workers for railroads, agriculture, mining, and construction in the American West found this source of labor dwindling in the face of new restrictions on Asian immigration such as the Chinese Exclusion Act of 1882 and the 1907 “Gentlemen’s Agreement” between the U.S. and Japanese governments, which all but ended immigration from Japan. As a result, by the dawn of the 20th century these companies were turning to private labor contractors who traveled to Mexico to recruit workers, often by fraudulent means. The disruption of European immigration to the United States with the outbreak of World War I in 1914 only increased the demand for Mexican labor, leading the U.S. government to implement its own worker recruitment program. About 621,000 Mexicans came to the United States during the 1920s, despite rising anti-immigrant sentiment that fueled new legal restrictions on immigration from Southern and Eastern Europe and creation of the U.S. Border Patrol in 1924. With the onset of the Great Depression in 1929, employment opportunities for Mexicans quickly evaporated as displaced native-born workers took the few available jobs – even in agriculture – and the U.S. government began mass deportations of Mexicans that totaled 453,000 by 1937.⁵

However, demand for Mexican workers surged again after the United States entered World War II in 1941. Native-born workers left the fields for the factories as industries mobilized for the war and thus left U.S. agriculture facing a labor shortage. The federal government responded by establishing the now-infamous *bracero* program, which brought nearly 5 million Mexicans to the United States as temporary agricultural workers between 1942 and 1964. The brutality and corruption of the *bracero* program led to its demise in 1965, after which the U.S. government abruptly attempted to stem the flow of Mexican immigrants it had encouraged for decades. In 1968, immigration from the countries of the western hemisphere was subjected to

an overall cap for the first time (120,000 per year). In 1976, immigration from each country in the western hemisphere was subjected to the same annual cap of 20,000 (not counting the immediate relatives of U.S. citizens) applied to every other country of the world since 1965.⁶

But factors more persuasive than numerical caps continued to drive higher levels of Mexican migration to the United States. U.S. society generally had come to define agricultural work as “Mexican” work, well-trodden migratory paths from Mexico to the United States had been established, and the U.S. economy was generating demand for workers in less-skilled occupations beyond agriculture, especially in manual labor and service industries. As a result, immigrants still came, only most were now undocumented. From 1965 to 1986, about 28 million undocumented Mexicans entered the United States. Yet the vast majority – 23 million – returned home after a few years of work, just as they had in the past.⁷

The contradiction between economic reality and U.S. immigration policy reached new heights in the 1980s. In 1982, the Mexican economy was devastated by a combination of massive foreign debt and falling oil prices, precipitating the demise of the economic model based on government-directed industrialization that had prevailed in Mexico since the 1930s. In response to the crisis, the cash-strapped Mexican government – with strong U.S. encouragement – began the process of “liberalizing” the Mexican economy by privatizing government-controlled enterprises, lowering barriers to foreign trade and investment, and reorienting industry and agriculture towards production for export rather than “import substitution.” This process fully crystallized with Mexico’s entry into GATT in 1986 and marked the formal beginning of an accelerating integration of the U.S. and Mexican economies.⁸

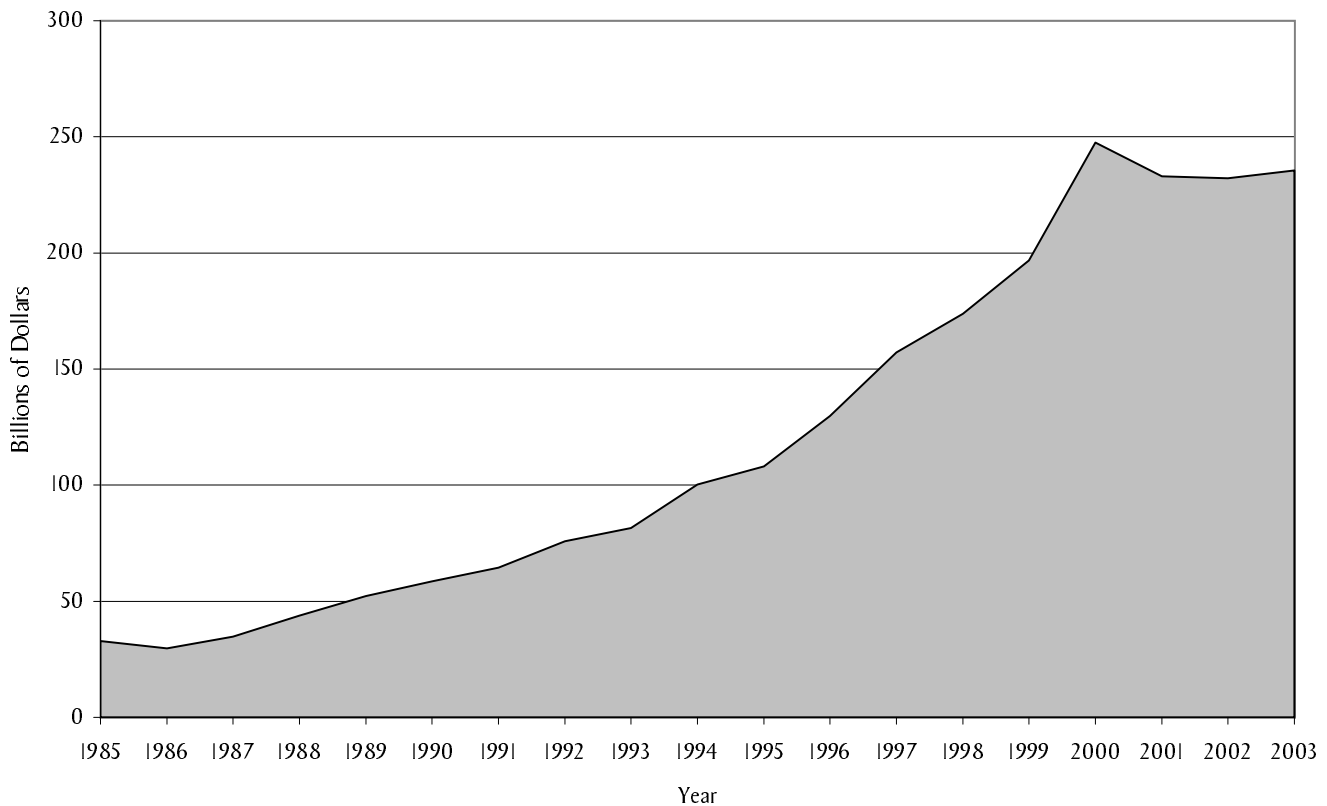
Yet, with predictable irony, 1986 also was the year the U.S. Congress passed the Immigration Reform and Control Act (IRCA) in an attempt to better “control” undocumented immigration to the United States. IRCA sensibly provided legal residence to about 3 million formerly undocumented immigrants already working and living in the country, 2.3 million of whom were Mexican. But it sidestepped the question of how to address the

future flow of immigrants that would inevitably result from the burgeoning economic ties between Mexico and the United States and the continuing demands of the U.S. labor market. IRCA maintained previous numerical limits on immigration, increased funding for U.S. border enforcement, and created “employer sanctions” to punish businesses that “knowingly” hired undocumented immigrants. While the threat of employer sanctions did not reduce undocumented immigration, it did create a thriving black market for the manufacture of fraudulent identification documents which immigrants could present to employers as proof of their eligibility to work in the United States.⁹

The economic interdependence of Mexico and the United States advanced to a new level with implementation of the North American Free Trade Agreement (NAFTA) in 1994, the goal of which was to promote transnational trade and investment throughout the North American continent under a uniform set of rules. The impact of NAFTA (and the trade agreements that preceded it) on U.S.-Mexican economic integration has been dramatic. According to the U.S. Department of Commerce, from 1985 to 2003 the total value of U.S.-Mexico bilateral trade increased more than seven-fold from \$32.8 billion to \$235.5 billion, making Mexico the second largest trading partner of the United States. In 2003, Mexico was the largest foreign export market for Texas (\$41.6 billion), California (\$14.9 billion), and Arizona (\$3.2 billion). Mexico also was the destination for over \$1 billion in exports each year from Florida, Georgia, Illinois, Indiana, Louisiana, Michigan, New York, North Carolina, Ohio, Pennsylvania, and Tennessee.¹⁰ The Office of the U.S. Trade Representative estimates that from 1993 to 2001 the stock of U.S. foreign direct investment in Mexico more than tripled from \$15.4 billion to \$52.2 billion.¹¹

However, NAFTA failed to address immigration. This constituted more than a minor omission given that the process of economic restructuring which international competition promotes has profoundly altered the demand for labor in both the United States and Mexico. The service sector of the U.S. economy has expanded markedly over the past few decades and continues to generate demand for younger workers in less-skilled occupations at

TOTAL VALUE OF U.S.-MEXICO TRADE, 1985-2003

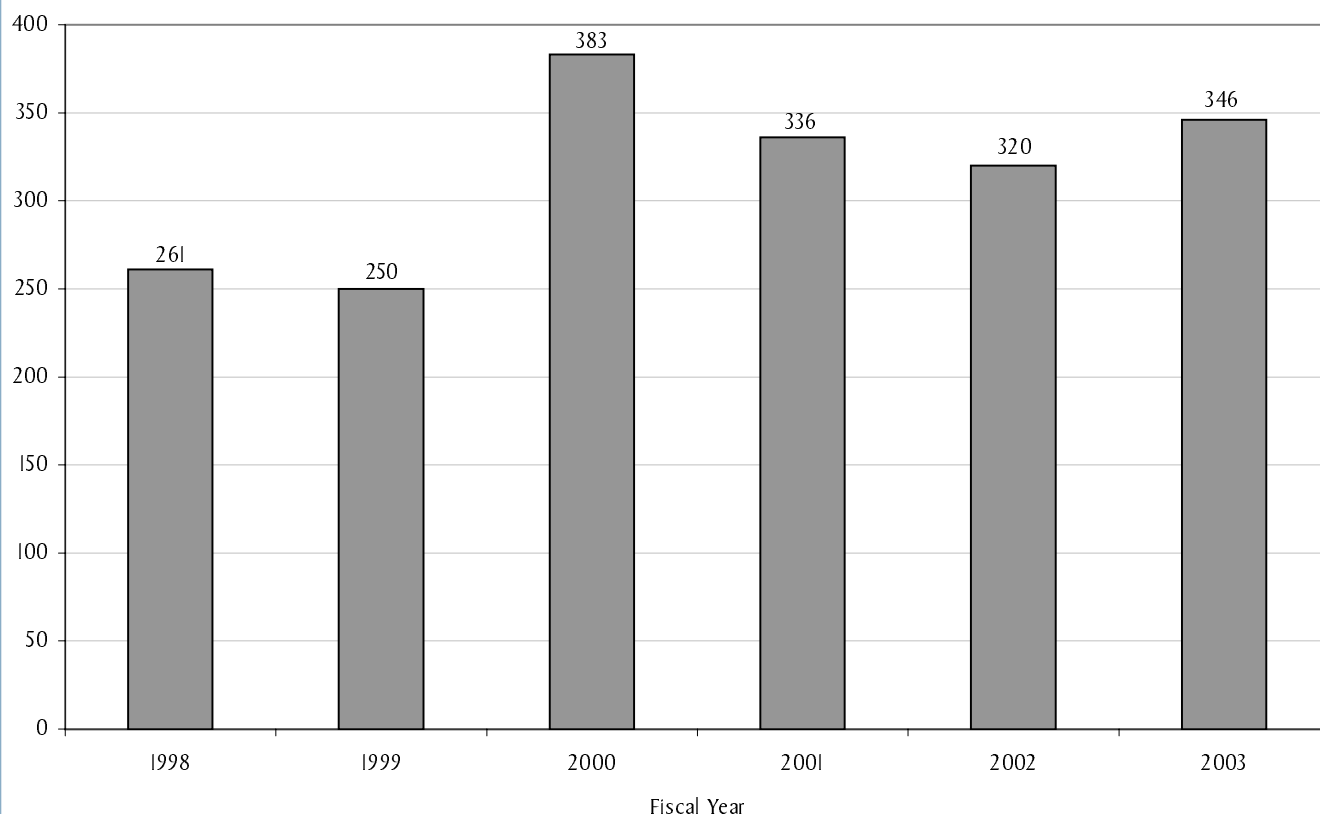


Source: TradeStats Express, Office of Trade and Economic Analysis, International Trade Administration, U.S. Department of Commerce (available at <http://tse.export.gov/>).

the same time the native-born population is steadily growing older.¹² Meanwhile, the lowering of trade barriers in Mexico since the mid-1980s has displaced many workers in formerly government-protected manufacturing industries and agriculture.¹³ So far, the creation of new jobs under NAFTA has not offset these job losses. For instance, from 1994 to 2002, the Mexican economy added about 500,000 export-oriented manufacturing jobs, but lost 1.3 million jobs in agriculture. Unemployment in Mexico's agricultural sector has been aggravated by the entry of U.S. corn into the country at artificially low prices, made possible by the large subsidies which the U.S. government gives to U.S. agribusiness. Moreover, many of the U.S. and other foreign-owned export assembly plants (*maquiladoras*) in Mexico eventually relocated to China and other Asian countries in search of lower labor costs, thereby eliminating about 30 percent of the jobs these plants provided during the 1990s.¹⁴

The combination of these various "push and pull" factors virtually ensured that Mexicans would continue to migrate northward. However, instead of managing migration from Mexico, the U.S. government redoubled its efforts to enforce arbitrary, 1960s-era numerical limits on immigration at precisely the same time it deepened the economic integration of the two countries through NAFTA.¹⁵ The new federal strategy called not only for a massive buildup of U.S. Border Patrol resources, but also the concentration of those resources in urban areas where undocumented immigrants traditionally crossed the border. In theory, this "prevention through deterrence" approach would either convince immigrants not to cross at all or drive them into more isolated areas where they could be more easily apprehended.¹⁶ The strategy was implemented gradually along various stretches of the U.S.-Mexico border, beginning with Operation Hold the Line in El Paso, Texas, at the end

MIGRANT DEATHS ALONG SOUTHWESTERN U.S. BORDER, FY 1998-2003



Source: Statistics provided to the author by the U.S. Border Patrol.

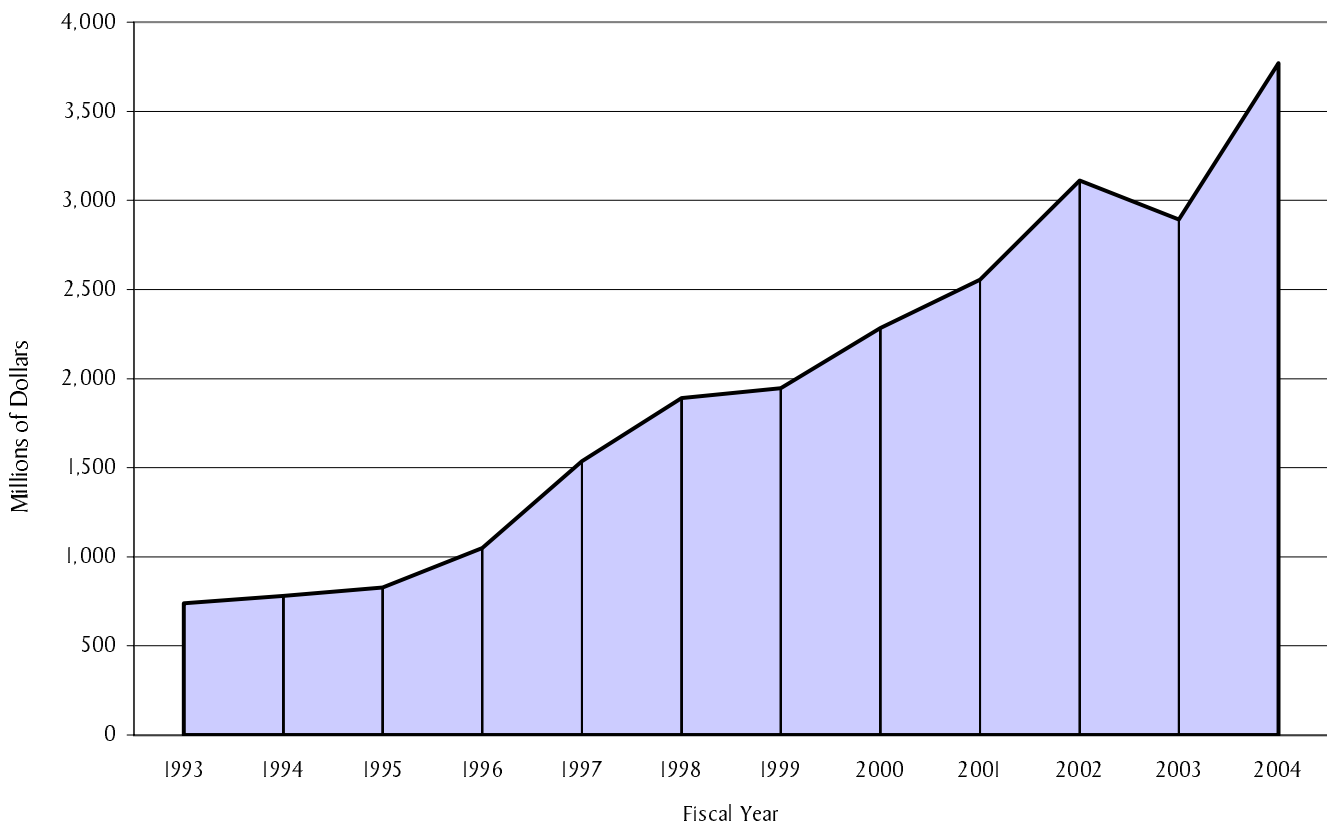
of 1993; followed by Operation Gatekeeper in California, starting in San Diego in 1994, then El Centro in 1998. Next came Operation Safeguard in Arizona, starting with Nogales in 1995 and extending to Douglas and Tucson in 1999; followed by Operation Rio Grande in McAllen and Laredo, Texas, in 1997.

As with the employer sanctions of IRCA, the “prevention through deterrence” strategy has not actually reduced undocumented migration. According to the U.S. General Accounting Office,¹⁷ it has simply moved migrant traffic from one place to another.¹⁸ But in doing so, the strategy has yielded a number of other tangible results. More immigrants are dying in the deserts of the southwest as they attempt to cross the border in more dangerous locales. The U.S. Border Patrol estimates that 1,896 border crossers died from Fiscal Year (FY) 1998 through FY 2003, while the Mexican Ministry of Foreign Relations places the total

at 2,455 from 1997 through 2003.¹⁹ In addition, more immigrants are hiring people smugglers to lead them across the border in remote locations.²⁰ In the two-year period from FY 1997 to FY 1999, the number of undocumented immigrants apprehended by the Border Patrol who had used smugglers increased by 80 percent, rising from 9 percent of all apprehended immigrants to 14 percent.²¹ This surge in demand has made people smuggling increasingly lucrative. In the course of one year, from 1999 to 2000, the fee for crossing the border near Phoenix, Arizona, jumped from about \$150 to between \$800 and \$1,300.²² The smuggling of people from Mexico to the United States is now a \$300 million a year business, second in profitability only to drug trafficking, and involves anywhere from 100 to 300 smuggling rings.²³

In what is perhaps the greatest irony of the U.S. border-enforcement strategy, the higher costs and risks

U.S. BORDER ENFORCEMENT BUDGET, FY 1993-2004



Source: Budget statistics provided to the author by the U.S. Department of Homeland Security and the Public Policy Institute of California.

associated with crossing the border haven't persuaded immigrants to stop coming to the United States, but *have* persuaded more of them to settle permanently once they get here.²⁴ Immigrants who might have returned to Mexico after a period of work in the United States, as the majority had done for the previous hundred years, now stay rather than run the risk of having to brave U.S. border enforcement again by going home. As undocumented immigrants continue to come while fewer leave, the U.S. border-enforcement budget and U.S. Border Patrol have expanded hand in hand with the undocumented population. From FY 1993 through FY 2004, the federal government more than quintupled the amount of money spent on border enforcement from \$740 million to \$3.8 billion,²⁵ and nearly tripled the size of the Border Patrol from 3,965 to 10,835 agents.²⁶ Yet during this time the number of undocumented immigrants in the United States doubled from roughly 4.5 million to 9.3 million, 57 per-

cent of whom come from Mexico and an additional 23 percent from other Latin American nations.²⁷

Undocumented immigrants are now far from a peripheral presence in the United States in either social or economic terms. At least 3 million have lived here for 10 years or more.²⁸ About 1.6 million are children. Roughly 3 million native-born, U.S.-citizen children have undocumented parents.²⁹ According to the Pew Hispanic Center, in 2001 undocumented workers comprised about 58 percent of the U.S. labor force in agriculture, 24 percent in private household services, 17 percent in business services, 9 percent in restaurants, and 6 percent in construction.³⁰ The purchasing power of undocumented immigrants sustains hundreds of thousands of U.S. jobs. The Center for Urban Economic Development at the University of Illinois estimates that, in 2001, undocumented immigrants in the Chicago metro area alone spent \$2.89 billion, which in

turn generated an additional \$2.56 billion in local spending. Together, this \$5.45 billion in spending provided the income needed to sustain 31,908 jobs.³¹

REALISTIC SOLUTIONS

Lawmakers face three basic choices in dealing with the persistent failure of U.S. immigration and border-enforcement policies that the growing undocumented population represents. First, they can continue with the status quo, pursuing the economic integration of North America and the world while devoting ever greater amounts of money and manpower to combating the migratory consequences of that integration. Secondly, they can attempt to somehow undo the integration that has already occurred, forcing the U.S. economy to wean itself from international trade and immigrant labor. Or, third, they can reformulate U.S. immigration policies to make them consistent with U.S. economic policies and the realities of globalization.

Maintaining the status quo is, of course, not a viable option given that the current state of affairs is inherently unsustainable. Nowhere is this more apparent than in the case of Mexico. The U.S. government has been trying since at least 1994 to integrate the U.S. and Mexican economies while stemming immigration from Mexico by making it harder for migrants to cross the border. Yet after ten years, \$23 billion in enforcement spending, and 2,000 border-crossing deaths, undocumented migration continues unabated and people smugglers are enjoying an unprecedented boom in business. No matter how much money is devoted to the current border-enforcement strategy, the underlying contradiction between U.S. economic policies and U.S. immigration policies remains. The U.S. economy continues to generate demand for workers in less-skilled occupations that cannot be met by a steadily aging native-born population, and the Mexican economy continues to experience the dislocation of workers that comes with integration into a global market, at least in its early stages. It simply is not feasible to create a North American equivalent of the demilitarized zone separating North and South Korea between two countries as integrated in terms of trade and labor as the United States and Mexico.

Another alternative is to try rolling back the process of integration all together. However, even if there once was a time the United States could have existed in isolation, that time has long since passed. Regardless of whether NAFTA and other trade liberalization policies have resulted in a net increase or decline in U.S. employment over the decades, the fact remains that millions of U.S. jobs have come to depend on the production of exports, including hundreds of thousands based on exports to Mexico alone.³² Regardless of whether or not one objects to the presence of undocumented immigrants in the United States, the fact remains that they have become a critical part of the labor force in many industries and that their purchasing power sustains hundreds of thousands more U.S. jobs. In everyday life, undocumented immigrants are not a separate and distinct group that can be neatly skimmed from the surface of U.S. society. Rather, they are deeply intertwined with businesses, markets, families, and communities in the United States. There is much room for improvement in the way U.S.-Mexican economic integration – and global economic integration more generally – is managed. But the process of integration itself, in terms of both trade and immigration, cannot be undone without wreaking havoc on the U.S. economy and social fabric.

The more realistic solution is to bring the U.S. immigration system out of the 1960s and into the 21st century by recognizing that, in a global economy, immigration policies must be as responsive to market forces as economic policies if they are to be workable. To whatever degree lawmakers choose to let the “free market” govern economic policy, this must be reflected in immigration policy as well. Contrary to some alarmist claims that this sort of approach to immigration would cause the mass displacement of native-born workers by creating an “open border,” it would in fact represent a decision to effectively regulate immigration that is already taking place. In economic terms, the current immigration system amounts to a form of labor market numerology in which policymakers (incorrectly) attempt to guess every few years how many foreign-born workers the U.S. economy “really” needs. Not only is this system incompatible with a market-based economy, but it is a poor substitute for the rigorous enforcement of tough labor

laws, which is the most effective means of protecting the rights, wages, and working conditions of all workers, foreign-born and native-born alike.

Comprehensive immigration reform based on the principle of consistency between economic and immigration policies would have two components: (1) creating legal channels for immigration – both permanent and temporary – that respond to the demands of the U.S. labor market and (2) establishing a mechanism by which undocumented immigrants already working in the United States could apply for legal status. In addition, immigration reform would be most effective if implemented as part of a broader, multilateral process of negotiation between the United States and the nations from which most immigrants come, particularly Mexico. U.S. and Mexican policymakers should cooperate to manage migration in ways that are most beneficial to both countries. Such cooperation should include a wide range of issues, such as the creation of targeted development programs in those Mexican communities from which most U.S.-bound migrants originate, and the evaluation of how particular trade policies affect labor markets and therefore influence the economic factors that drive migration.³³

THE BENEFITS OF COMPREHENSIVE IMMIGRATION REFORM

The case of Mexico illustrates well the many advantages of injecting a healthy dose of reality into the U.S. immigration system through comprehensive reform. Reform would enhance U.S. national security in ways the current border-enforcement strategy cannot, while preventing needless deaths among border crossers. Reform would improve wages and working conditions for all workers in U.S. industries that employ large numbers of immigrants. Finally, reform would foster greater economic and social stability in both the United States and Mexico.

Enhancing National Security

Given a choice, the vast majority of immigrants to the United States would prefer to enter the country le-

Comprehensive immigration reform would allow the U.S. government to screen and run background checks on immigrants who are now being funneled into an unregulated black market.

gally rather than risk death by hiking through the desert or placing their fate in the hands of increasingly ruthless smugglers. By offering undocumented immigrants a path to legal status and directing future immigration through legal channels, the U.S. government would stop wasting border-enforcement resources on the pursuit of jobseekers and could focus instead on identifying those individuals who may actually pose a threat to national security or public safety. Comprehensive immigration reform would allow the U.S. government to screen and run background checks on immigrants who are now being funneled into an unregulated black market. In the process, millions of individuals who are not a danger to anyone would be scratched off the list of potential security risks. If finding terrorists really is like trying to find a needle in a haystack, then it is only logical to make the haystack smaller.

In addition, expanding legal channels for immigration to the United States would significantly undercut the market for people smugglers who pose a far greater security risk than the immigrants they exploit. The rising profitability of people smuggling from Mexico under the current border-enforcement strategy has attracted the interest of organized crime groups from as far away as Japan, China, Russia, and Ukraine that also trade in weapons, drugs, and sex slaves. In conjunction with Mexican smuggling rings, these criminal organizations offer one-stop shopping for false identification documents and illicit transport across the U.S.-Mexico border for virtually anyone in the world who is willing to pay.³⁴ The primary threat to U.S. national security arising from the current chaotic situation along the border is these criminal syndicates, not the immigrants they smuggle. Creating adequate legal channels for immigration from Mexico would deprive smugglers of a major source of income while allowing the U.S. government to focus more effectively on dismantling the smuggling networks themselves, rather than expelling the people they victimize from the United States.

Improving Wages and Working Conditions

Because undocumented immigrants always have the threat of deportation hanging over their heads, they are less likely than their lawfully present counterparts to openly protest low wages, poor working conditions, or violations of labor laws. They also are less likely to experience upward mobility in their jobs or acquire the skills and training that is often needed to do so. The presence in an industry of a large number of undocumented immigrants who will work for substandard pay or under substandard conditions therefore results in lower wages and worse working conditions for all workers in that industry, regardless of legal status. By removing the threat of deportation and conferring legal status upon formerly undocumented workers, a legalization program can therefore translate into higher wages, better working conditions, and upward job mobility over time for all workers. For all its flaws, IRCA partially demonstrated this. The U.S. Department of Labor found that the wages of those immigrants who received legal status under IRCA had increased by roughly 15 percent five years later.³⁵

However, IRCA also provided other lessons as to how a poorly conceived immigration reform program can, in the long run, lower wages in the communities to which immigrants belong. Despite the modest gains in income experienced by IRCA beneficiaries, the wages of Mexican-origin (and Latino) workers as a whole – undocumented, lawfully present, and U.S. citizen alike – declined in the decade after IRCA. This was due in part to the fact that IRCA didn't expand legal channels for future immigration, which meant that the problems associated with a large undocumented workforce simply reappeared. In addition, IRCA's reliance on employer sanctions lowered wages as well. Some employers passed on to workers, in the form of lower wages, the bureaucratic costs associated with the law's new requirements to verify workers' eligibility for employment. Other employers sought to distance themselves from the risk of sanctions by turning to labor subcontractors for workers, who in turn took a cut of the workers' wages. And some employers, as a form of insurance against the possibility that they *might* be subject to federal penalties for hiring undocumented workers at some point in the fu-

Beyond improving the lives and livelihoods of workers in many occupations, comprehensive immigration reform would have more broadly stabilizing effects on the U.S. economy and society.

ture, lowered the wages of all their workers in a discriminatory fashion.³⁶

Both the positive and negative consequences of IRCA demonstrate that a comprehensive immigration reform program *can* improve the wages, working conditions, and job prospects of workers *if* the program is structured properly. Specifically, the program must establish sufficient legal channels for future immigration, *not* rely on employer sanctions as its primary enforcement tool, and both strengthen and improve enforcement of wage and labor laws. Without these basic elements, any new reform program is destined to repeat the mistakes of IRCA.

Promoting Greater Economic and Social Stability

Beyond improving the lives and livelihoods of workers in many occupations, comprehensive immigration reform would have more broadly stabilizing effects on the U.S. economy and society. Industries that now rely on significant numbers of undocumented workers would have a more stable labor force, without workers who vanish overnight because they have been deported or are trying to avoid deportation. Immigrants from Mexico who wish to return home after a job stint in the United States – as most did throughout much of the 20th century – would more easily be able to do so. Public safety and quality of life in U.S. border communities would improve as uncontrolled immigration and the violence of the smugglers who profit from it declined. Families that include someone who is undocumented could more readily plan for the future and thus integrate into U.S. society. The undocumented status of parents would not disrupt the lives and educations of their U.S.-citizen children.

The economic and social stability of the United States is also enhanced by the stability of Mexico given the close proximity of the two nations and their strong economic ties.

Events and policies that spark economic or political crises in Mexico have the potential both to disrupt U.S.-Mexico trade and to increase the pressures that motivate Mexicans to migrate to the United States. Comprehensive immigration reform would assist in avoiding such crises in two ways. First, it would ensure that undocumented immigrants who are filling available jobs in the United States will not be summarily expelled back to an economy that does not have sufficient jobs for them. Second, immigration reform would add further stability to the enormous flow of money sent by Mexicans and Mexican Americans in the United States to their families in Mexico. From 1996 to 2003 remittances to Mexico, primarily from the United States, more than tripled from \$4.2 billion to \$13.2 billion. For better or for worse, remittances provide the primary source of income for many families and communities in Mexico and in 2003 exceeded the value of new foreign direct investment for the first time.³⁷ Given that about 20 percent of the Mexican-origin population in the United States is currently undocumented,³⁸ policies that affect undocumented immigrants have a significant impact on remittances.

Some observers contend that these concerns have nothing to do with the United States and are “Mexico’s problem,” but this is a very shortsighted view. If, by the wave of a restrictionist wand, all undocumented Mexicans in the United States were magically transported back home, Mexico would be filled with millions of newly unemployed people at the same time millions of other Mexicans were deprived of hundreds of millions of dollars in income from remittances. Such a situation would only serve to worsen the condition of the Mexican economy and provoke even greater levels of migration to the United States by increasingly impoverished Mexicans.

MOVING FORWARD

The chaos that currently reigns along the U.S.-Mexico border is a textbook example of how the U.S. government has doomed its immigration policies to failure by remaining intentionally blind to economic reality. In the final analysis, most immigration is driven by economics. Migrants leave countries that lack sufficient economic opportunities and journey to other countries where jobs

are available that pay more than they can earn back home. Regardless of the other personal considerations that motivate the decision to migrate, the simple fact remains that large numbers of migrants would not go to another country unless there were jobs available for them.³⁹

Ultimately, immigration from Mexico to the United States will decline when the Mexican economy creates more and better-paying jobs, or there are no longer jobs available in the United States. However, that day has not yet arrived. The native-born workforce of the United States continues to grow older, while the U.S. economy continues to demand workers in less-skilled occupations. Meanwhile, the Mexican economy remains unable to meet the needs of its people, many of whom have been displaced from their traditional livelihoods by the dislocations associated with integration into the global market. But instead of efficiently and effectively managing Mexican migration, the federal government is engaged in a failed attempt to use border enforcement as a means of limiting immigration that its own economic policies and the demands of the U.S. labor market produce. Rather than actually reducing immigration, this strategy has succeeded only in driving it underground and into the hands of smugglers, to the detriment of U.S. national security, the U.S. economy, and immigrants themselves.

The time has come for policymakers to stop throwing ever greater amounts of money and manpower into a broken system and accept that immigration is part of globalization and the economic integration of North America. The time has come to try a different approach. Current U.S. border-enforcement policies are only funneling undocumented immigrants into deadly border terrain and then trapping them in the United States. The nation would be much better served by a system that regulates the flow of immigrants across the border and allows undocumented immigrants already living in the United States to apply for legal status. This kind of comprehensive immigration reform would enhance national security by bringing undocumented immigrants out of the shadows and weakening the grip of smugglers, improve wages and working conditions for all workers in industries that employ large numbers of immigrants, and save billions of dollars now wasted treating jobseekers as criminals.

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