

The failure of Congress to pass a comprehensive reform package reflects a set of competing interests that proved impossible to reconcile. Advocates for comprehensive reform—including business leaders in a number of key industries, pro-immigration organizations, and even the White House—were defeated by a vocal minority that played upon fears that immigrants were displacing native-born workers, draining social programs, and overtaking American communities. The majority of Americans believe the immigration system is broken and must be fixed in a manner that allows undocumented immigrants to legalize their status,<sup>1</sup> but their voices were muted in this debate.

What do the debates of 2005–07 portend for the coming years? With a bad problem only getting worse, will the next several years increase pressure on powerful interests, especially business, to convince cultural conservatives that immigration reform is critical to the nation's future economic health? Can the border be secured and the law enforced in a manner that does not trample over individual rights? How can costs currently absorbed at the state level, such as for emergency medical care of uninsured immigrants, be alleviated so that state coffers are not drained as a result of federal inaction?

## Economic Forces

These questions will persist so long as the underlying economic forces that spawned them remain. The free trade policies of the past thirty years and the opening of the American economy to imported goods have contributed greatly to a process of de-industrialization. Technological developments and a broad expansion of the service sector have also changed the face of many industries. These elements, combined with an aging and better-educated American workforce, left many U.S. industries without a steady supply of low-wage, low-skill American workers. American companies began to look elsewhere.

The North American Free Trade Agreement (NAFTA) was expected to facilitate trade in goods but not labor. While NAFTA did not address migration directly, many supporters believed that it would create jobs in Mexico, reducing the flow of undocumented immigrants from Mexico to the United States such that, as then-Mexican President Carlos Salinas said, Mexico would export goods, not people. From 1994–2004, however, the decade after NAFTA came into force, unauthorized immigration from Mexico to the United States increased. The free trade agreement, combined with a financial crisis and stagnant job growth in Mexico, created a surge in Mexico's unemployed workforce. At the same time, a strong U.S. economy in the late 1990s fuelled migration to the north, much of it outside legal channels.<sup>2</sup> Low-wage jobs in the United States serve as a magnet drawing labor to the north. Reports by the Bureau of Labor Statistics show that job growth in industries requiring low levels of formal education—such as food service, hospitality, and construction—will continue to increase.<sup>3</sup>

Such job growth occurs as U.S. citizens increasingly decline to take the toughest and most dangerous low-skilled jobs. As President Bush stated in 2004, “Some of the jobs being generated in America's growing economy are jobs American citizens are not filling.”<sup>4</sup> U.S. Commerce Secretary Carlos Gutierrez called the worker shortage acute for low-skilled jobs, warning of a “very detrimental impact to the economy” if this shortage is left uncorrected.<sup>5</sup>

In addition to meeting the demand for labor, immigration from Latin America—both lawful and unlawful—has contributed to the boom in consumer spending. A University of Georgia study put Hispanic purchasing power at \$798 billion in 2006 and predicted this figure will reach \$1.2 trillion by 2011.<sup>6</sup> The U.S. Census Bureau found that 1.6 million Hispanic-owned firms provided jobs to 1.5 million employees in 2002.<sup>7</sup> The same firms had receipts of \$222 billion and generated payroll of \$36.7 billion.<sup>8</sup> Scholars also argue that certain businesses would not exist or could not expand without immigrant labor, much of it undocumented.<sup>9</sup>

Experts debate the impact of immigrant labor on the wages of less-skilled Americans who are in fact competing for the same jobs. Recent studies found that the influx in Mexican workers negatively affects the wages of less-educated native-born workers, but simultaneously improves the wages of college graduates in the United States.<sup>10</sup> Other scholars found no discernable impact on wages that could be attributed to immigrant labor in many urban areas.<sup>11</sup> Where these wage variances exist, they are apt to hurt the least-educated of the American workers, including the rural poor and minorities.

## The Anti-Reform Movement

Anti-reform sentiment seems to be driven by the same type of fear and isolationism that has plagued American immigration policy for centuries. Germans were derided by Benjamin Franklin in the 1750s for failing to learn proper English, swarming across our shores, and potentially destabilizing the government.<sup>12</sup> Chinese were recruited for their labor but prohibited from owning property; Africans were forcibly brought to the United States as property.

---

**Tara Magner** is director of policy at the National Immigrant Justice Center in Chicago and a member of the American Bar Association's Commission on Immigration. From 2003 to 2006, she served as a counsel to the U.S. Senate Committee on the Judiciary.

Anti-immigrant sentiments are also fueled by a combination of fears and prejudices, exacerbated by the attacks of September 11, 2001, and heavily propounded by certain politicians, commentators, and cultural conservatives who fear that immigration is changing the complexion of America. Of course, demographics are changing the face of America overall with the percentage of Hispanic Americans growing rapidly. Immigrants, whether documented or undocumented, tend to put down roots where jobs are available and where familiar communities are already established with many now settling in suburbs and rural areas that were traditionally populated by smaller or negligible immigrant populations. Anti-immigrant activists argue that these populations drain state resources for health and education and complain that the federal government does not adequately reimburse state programs.

The argument falls flat in relation to public education, which is funded through property taxes that are ultimately paid by homeowners and renters, regardless of immigration status. Critics have a stronger argument in relation to health care. However, state health care systems generally do not track the immigration status of patients and therefore no one knows what the true burden is. The high cost of emergency care for the uninsured is part of a larger problem faced throughout America for which undocumented immigrants cannot alone be blamed.

Prejudice also plays a role in the anti-immigrant backlash, driven by unfounded fears of terrorist attacks or crime waves. In fact, “incarceration rates are lowest among immigrant young men, even among the least educated and the least acculturated among them,” according to a study by the Migration Policy Institute.<sup>13</sup> Federal records analyzed by Syracuse University have shown that claims of high rates of arrests by federal prosecutors for federal terrorist crimes are typically minor and non-violent offenses related to immigration status violations.<sup>14</sup> It found that less than 0.01% of arrests of non-citizens by Homeland Security agents were terrorist related.<sup>15</sup>

### What Does the Future Hold?

The prospects for reform are now dim. Analysts predict it will be 8-10 years before Congress gains the courage to address the issue in a comprehensive manner again. Meanwhile, targeted bills to bolster border security, increase detention space, and curtail judicial review of deportation orders are expected to proliferate.

Must enforcement come first? According to a 2005 study by the Migration Policy Institute, “overall spending on enforcement activities has ballooned...with appropriations growing from \$1 billion to \$4.9 billion between fiscal years 1985 and 2002 and staffing levels increasing greatly.”<sup>16</sup> For several of those years, as spending spiked, so did the number of undocumented immigrants entering the United States.<sup>17</sup> Scholars argue that border enforcement has a minimal deterrent impact on illegal immigration into the United States.<sup>18</sup> Rather, as discussed earlier, migration is spurred largely by economics. There is no question, however, that border fences and heightened security in populated areas have pushed illegal crossings into desolate desert areas, making the journey more dangerous.<sup>19</sup> As a result of the remote crossings, increased danger and the associated higher cost of such travel, seasonal migration flows have decreased and “rates of return migration have plummeted.”<sup>20</sup> Rather than decrease illegal entries, border fences create incentives for the undocumented to choose the risks attendant to undocumented status over the physical danger of seasonal border crossings.

Meanwhile, the aggressive tactics of U.S. Immigration and Customs Enforcement (ICE) have not demonstrably improved national security. High-profile raids elicited cheers from restrictionists but

further damaged the image of ICE with immigrant groups. They claimed that families were cruelly and unnecessarily separated<sup>21</sup> and that some of those arrested were denied access to legal counsel. The August 2007 announcement of a crackdown on employers of undocumented immigrants is the latest step in fulfilling an enforcement agenda that offers little hope of repairing the broken system, and may serve to harm the economy. Employers in low-skilled industries with high rates of undocumented workers, such as agriculture, are likely to be targeted in spite of the fact that they face significant hurdles in locating and hiring native-born workers or authorized immigrants.

Immigration advocates on both sides are mobilized to make their cases in Washington and to the American public. Nonetheless, positive reform will not be achieved until powerful business interests argue persuasively that the need for workers in key industries outweighs the arguments of the cultural conservatives that immigrants are harmful to the nation’s economic growth and social fabric.

A comprehensive approach that creates legal avenues for immigrants to live and work in the United States combined with tough but humane border security and law enforcement—including employer sanctions for bad actors who continue to skirt the law or abuse workers—is the most viable solution for security and economic growth. It is also a solution that honors the oft-stated, if not always fulfilled, vision of America as a melting pot that welcomes and protects immigrants.

---

### article footnotes

1 Links to polls and summaries of polls taken by the Los Angeles Times, Bloomberg, Fox News, New York Times, Zogby, and Quinnipiac, among others, are available at <http://www.pollingreport.com/immigration.htm> and <http://www.immigrationforum.org/documents/PressRoom/PublicOpinion/2007/PollingSummary0407.pdf>.

2 Demetrios G. Papademetriou, “The Shifting Expectations of Free Trade and Migration,” in *NAFTA’s Promise and Reality: Lessons from Mexico for the Hemisphere*, Carnegie Endowment for International Peace, 2004, available at <http://www.carnegieendowment.org/publications/index.cfm?fa=view&id=1390>.

3 Daniel E. Hecker, “Occupational Employment Projections to 2014,” *Monthly Labor Review* 128 (11), November 2005: 71; available at <http://www.bls.gov/opub/mlr/2005/11/art5full.pdf>. See also Olivia Crosby & Roger Moncarz, “Job Outlook By Education, 2004-2014,” *Occupation Outlook Quarterly* 50 (3), Fall 2006: 29; available at <http://www.bls.gov/opub/ooq/2006/fall/art02.pdf>.

4 Remarks by President Bush proposing a temporary worker program, January 7, 2004, available at <http://www.whitehouse.gov/news/releases/2004/01/20040107-3.html>.

5 Tim Gaynor, “Business Weighs Cost of Immigration Failure,” Reuters, June 14, 2007.

6 Jeffrey M. Humphreys, “The Multicultural Economy 2006,” Selig Center for Economic Growth, University of Georgia, available at <http://www.selig.uga.edu/forecast/GBEC/GBEC063Q.pdf>.

7 U.S. Census Bureau, “Survey of Business Owners: Hispanic-Owned Firms: 2002,” released March 21, 2006, available at <http://www.census.gov/prod/ec02/sb0200cshisp.pdf>.

8 Id.

9 Eduardo Porter, “Cost of Illegal Immigration May Be Less than Meets the Eye,” *New York Times*, April 16, 2006.

10 George J. Borjas, Lawrence F. Katz, “The Evolution of the Mexican-Born Workforce in the United States,” March 2006, at 44, available at [http://post.economics.harvard.edu/faculty/katz/papers/mex\\_immig\\_nber\\_wp.pdf](http://post.economics.harvard.edu/faculty/katz/papers/mex_immig_nber_wp.pdf).

11 See, e.g., David Card, “Is the New Immigration Really So Bad?” January 2005, available at <http://www.philadelphiafed.org/econ/conf/immigration/card.pdf>.

12 Kenneth C. Davis, “The Founding Immigrants,” *New York Times*, July 3, 2007, page A17.

13 Rubén G. Rumbaut et al., “Debunking the Myth of Immigrant Criminality: Imprisonment Among First- and Second-Generation Young Men,” Migration Policy Institute, June 2006, available at <http://www.migrationinformation.org/Feature/display.cfm?ID=403>.

14 “Criminal Enforcement Against Terrorists and Spies in the Year After the 9/11 Attacks,” Transactional Records Access Clearinghouse, Syracuse University, February 2003, available at <http://trac.syr.edu/tracreports/terrorism/fy2002.html>.

15 “Immigration Enforcement: The Rhetoric, The Reality,” Transactional Records Access Clearinghouse, Syracuse University, May 2007, available at <http://trac.syr.edu/immigration/reports/178/>.

16 Migration Policy Institute, “Immigration Enforcement Spending Since IRCA,” *Immigration Facts*, November 2005, No. 10.

17 Jeffrey S. Passel, Roberto Suro, “Rise, Peak and Decline: Trends in U.S. Immigration 1992 – 2004,” Pew Hispanic Center Reports, September 27, 2005.

18 G. H. Hanson, R. Robertson, A. Spilimbergo, “Does Border Enforcement Protect U.S. Workers From Illegal Immigration?” *Review of Economics and Statistics*, 84: 1 (Feb. 2002): 73-92.

19 See Government Accountability Office, Report GAO-06-770, “Illegal Immigration: Border-Crossing Deaths Have Doubled Since 1995,” August 2006.

20 Statement of Douglas S. Massey, Hearing before the U.S. Senate Committee on the Judiciary, “Comprehensive Immigration Reform II,” October 18, 2005, available at <http://judiciary.senate.gov/hearing.cfm?id=1634>; see also, Massey, Douglas S., “The Wall that Keeps Illegal Workers In,” *New York Times*, April 4, 2006.

21 Many spouses and children of undocumented or deportable immigrants are U.S. citizens.



MIT CENTER FOR INTERNATIONAL STUDIES

September 2007

# Audit of the Conventional Wisdom

## Immigration Reform: Failure and Prospects

Tara Magner  
National Immigrant Justice Center

PSB 07-08-0734



Massachusetts Institute of Technology  
Building E38-200  
292 Main Street  
Cambridge, MA 02139

MIT CENTER FOR INTERNATIONAL STUDIES





# Audit of the Conventional Wisdom

## The Audit of Conventional Wisdom

*In this series of essays, MIT's Center for International Studies tours the horizon of conventional wisdoms that define U.S. foreign policy, and put them to the test of data and history. By subjecting particularly well-accepted ideas to close scrutiny, our aim is to re-engage policy and opinion leaders on topics that are too easily passing such scrutiny. We hope that this will lead to further debate and inquiries, with a result we can all agree on: better foreign policies that lead to a more peaceful and prosperous world. Authors in this series are available to the press and policy community. Contact: Michelle Nhuch (NHUCH@MIT.EDU, 617.253.1965)*

## Immigration Reform: Failure and Prospects

Tara Magner

National Immigrant Justice Center

The debate over immigration reform in America has come full circle. It began in late 2005 with an “enforcement only” bill in the House of Representatives that relied on aggressive implementation of existing law and greatly restricting future immigration. The most extreme legislation proposed in this vein would have made felons of undocumented immigrants and prosecuted those who provide such immigrants with aid or comfort. In essence, the proposal threw down a gauntlet to any who supported immigrant rights. While the most punitive measures of that bill were largely rejected, the parameters that it laid out represent the current position of the U.S. government. Today’s policy focuses on border security, employer sanctions, and the detention and deportation of undocumented immigrants.

Efforts to provide a more comprehensive approach to immigration reform have also failed. The inability of Congress to pass legislation in either 2006 or 2007 reflects the lack of consensus among policymakers over how to resolve the broader issues. While there are major economic interests supportive of comprehensive reform, misperceptions about migration effects, cultural prejudices, and the real and perceived costs of immigration undermined support of bipartisan legislation. The result is that the Bush administration has retreated into an “enforcement first” or “enforcement only” approach that ignores the economic and labor needs of the country. This approach is one that has not worked in the past—and will not work in the future.

### Failed Reform on Capitol Hill

The Senate took a more comprehensive approach to resolving the nation’s immigration woes in 2006 and 2007. The Senate approach included tough enforcement measures, but also offered a path to legalization for the undocumented. It also provided a temporary worker program with labor and wage protections, and increased legal channels for permanent immigration to the United States. The premise of the Senate approach was that each piece of the reform package was necessary to address a complex set of issues holistically. Nonetheless, opponents labeled these measures “amnesty.”

#### Center for International Studies

Massachusetts Institute of Technology  
Building E38-200  
292 Main Street  
Cambridge, MA 02139

T: 617.253.8093  
F: 617.253.9330  
cis-info@mit.edu

[web.mit.edu/cis/](http://web.mit.edu/cis/)  
[web.mit.edu/cis/acw.html](http://web.mit.edu/cis/acw.html)