

California without a Mexican

Workplace enforcement without immigration reform will cripple the economy -- and it will be Joe Public's fault.

Los Angeles Times

By Tamar Jacoby

August 25, 2007

The 2004 film "A Day Without a Mexican" was a political satire: an exaggerated fantasy about what would happen in California if all the immigrant workers suddenly disappeared. But now it seems that life may imitate art. Federal immigration authorities are readying a new enforcement tool that could indeed, if applied effectively, all but cripple the California economy.

A new fence? A massive influx of Border Patrol agents? A fleet of airborne drones? No. The new weapon is a simple two-page letter that will go out next month to companies whose employees' names and Social Security numbers do not match those on record at the Social Security Administration.

What makes these letters so potent? The SSA has been sending similar notices for years, but in the past, as long as a company had asked to see a worker's papers and filled out the proper forms, it was off the hook. Now the government is demanding that unauthorized employees be fired and threatening legal action if they aren't. This is expected to trigger widespread layoffs -- self-policing by millions of small and medium-sized businesses in California and other states.

The new measure is popular with the public -- a recent Rasmussen poll found eight in 10 Americans support it -- and understandably so. Voters want to get control of immigration. They're particularly keen to punish employers who hire illegal immigrants. And after years of lax enforcement, they're pleasantly surprised to see the authorities getting tough.

The only problem: Much as we need better enforcement, on the border and in the workplace, that's only half the answer. And without the other half -- better, more realistic immigration laws -- it will wreak havoc.

We've already had a preview of the likely consequences, and not just at the movies. For several years now, tougher border enforcement, plus competition from higher-paying hospitality and construction jobs, have deprived farmers in California and other states of the foreign workers they need to plant and harvest their crops.

The crisis peaks every year in August and September, and the photos start showing up in the newspapers: piles of rotting pears, strawberry plants choked by weeds, unpicked cucumbers grown to monstrous sizes and melons oozing in the fields.

Not even the least skilled, least educated Americans want to work in agriculture these days. More than 70% of U.S. farmworkers are estimated to be illegal immigrants. And if

the SSA's no-match letters work -- if employers act on them as expected -- that could drive fruit and vegetable farming out of the United States, putting California's \$30-billion-a-year industry at risk.

Agriculture would be just the beginning. According to economists, every farm job sustains three or four others -- at food processing plants, agricultural supply firms, companies that build trucks and other farm machinery -- many of them jobs held by native-born workers. And no-match letters won't go just to farmers. Hotels, restaurants, construction firms, landscaping contractors and healthcare services will get them too.

Those industries can't leave the United States. But they can slow -- slow dramatically -- and downsize. And imagine California "without a Mexican" a year or two from now: crumbling roads, understaffed hospitals, unbuilt classrooms and more.

This economic crunch could have a silver lining -- it might grab the public's attention and generate an outcry for better laws. Millions of Americans who think we don't need immigrant workers might wise up. Politicians who opposed immigration reform this year or last might have a change of heart. And Congress might overhaul the system in 2009, if not before, combining enhanced enforcement with legal ways for U.S. employers to hire foreign workers. That's the other half of the combination we need. And if a no-match crackdown goads us in that direction, the short-term economic pain might be worth it.

But what if, instead of choking the economy, the no-match blitz only drives more of it underground? Some companies will fire their illegal workers and downsize or move. Others will fire and then rehire them -- more deviously or completely off the books. Shady labor contractors will proliferate. Identity theft will skyrocket. Employers who have tried to play by the rules -- asking to see workers' papers, filling out the required forms -- will suffer, while those who deliberately flout the law will thrive and multiply.

The unintended consequences: more underground hiring, more sub-market wages, more mistreatment of immigrants, less tax revenue (most immigrants with fake papers pay taxes -- \$5 billion to \$10 billion a year in Social Security taxes) and a less regulated, more dangerous workplace for everyone.

Whose fault will this be? Not the feds -- it's their job to enforce immigration law, a job they've neglected for far too long. Some of the blame will lie with Congress, which could have changed the law, making it possible for employers to legally hire the workers they need. But in the end, the mess will be of our own making -- we the skeptical public who signaled to policymakers in May and June that we didn't trust them to rewrite the immigration code.

We told them to enforce existing law without changes, and that's what we're about to get. The question is what we'll do when that doesn't work and whether we can learn from our mistake.

Tamar Jacoby is a senior fellow at the Manhattan Institute.