

## Be a patriot: Hire an illegal alien

The fears about what illegal immigrants are doing to the US economy don't stand up to scrutiny, yet some states now penalize employers who hire them.

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Despite being a country of immigrants, the U.S. remains vexed about how to deal with the fact that people from elsewhere still want to come here.

Two successive presidents have now been stymied in their attempts to pass comprehensive immigration reform. The latest foray is the Dream (Development, Relief and Education for Alien Minors) Act, a narrow but important piece of the immigration reform puzzle that would, at a minimum, give the children of illegal immigrants a path to citizenship. The bill failed in the Senate last December, despite the Obama administration's support.

Senate Majority Leader [Harry Reid](#) reintroduced the act in May, but the prospects for passing any meaningful legislation before the 2012 elections are slim.

## **Penalties for hiring illegal immigrants**

### **Criminalizing employers, too**

In the meantime, the millions of illegal immigrants already here must continue to live and work in the shadows, one false move away from arrest and deportation. Indeed, legislation in states such as Alabama and Georgia is moving toward treating not just illegal immigrants, but also those who employ them, as criminals. And yet if forced to do without illegal labor, vast sectors of the U.S. economy, from agriculture to construction, would founder -- not to mention the putting greens infested by crab grass and the children who would run riot without care. Even the U.S. Chamber of Commerce supports legalizing undocumented workers who are "already contributing to our economy," provided they don't otherwise run afoul of the law.

What makes the political impasse over immigration particularly frustrating is that hiring an illegal immigrant is good for the worker, good for the U.S. economy and good for the country he or she comes from. So what's not to like? In cases like this, there is only one moral course available for true patriots: Go find an illegal to hire. Huge numbers of people in border states are doing precisely that.

### **What brings immigrants to America?**

There are about 11 million people living illegally in the U.S., according to the [Pew Hispanic Center](#). By most estimates, the overall net economic impact of this illegal immigration on Americans is pretty small. Consider, for instance, the common argument that illegal immigrants are a drain on public services. A comparatively conservative analysis by Gordon Hanson at the National Bureau of Economic Research, or NBER, suggests that illegal immigrants contribute about 0.03% of U.S. gross domestic product. If the net cost of government services to immigrants is included, their overall economic impact amounts to -0.07%, or roughly \$10 billion -- "essentially a wash," Hanson concludes.

### **Crowding out US-born workers?**

But don't immigrants take jobs from and depress the wages of unskilled, native-born workers? Actually, immigrants tend to leave when there are fewer jobs available -- that's one reason migration to the U.S. from Mexico is at an all-time low at the moment. As economists Gianmarco Ottaviano and Giovanni Peri argued in a paper in 2006 for the

NBER, the impact of total immigration on the wages of unskilled, native-born workers was less than 2%, or roughly \$8 per week. In a 2010 paper, Ottaviano, Peri and Greg Wright looked across U.S. industries and found that the net effect of immigration has been to create more jobs for native workers, including low-skilled workers. That's in part because many immigrants take jobs that would otherwise be sent abroad.

In a separate study, Peri analyzed cross-state evidence and found no proof that immigrants crowd out native, unskilled employment -- and considerable evidence that they increase productivity. Each 1% increase in employment due to immigrants is associated with a half-percent rise in state income per worker between 1960 and 2006. Immigrants provide services efficiently and are themselves a source of demand for local goods and services. Unskilled immigrants take on manual tasks such as construction, while unskilled natives move into communications tasks such as call centers. This is an efficient division of labor that increases overall productivity.

There's no question the U.S. can do more to improve the life chances of citizens at the bottom of the economic ladder. But Congress could better accomplish that through approaches such as expanding the earned income tax credit, or more generous and flexible payments to replace food stamps, than by rooting out illegal immigrants and sending them home. In the end, it makes almost no economic difference to low-income Americans whether business owners and households decide to hire illegal workers.

### **A global perspective**

And what of the material improvement in the lives of illegal immigrants themselves? Most illegal immigrants have made a considerable effort to get across the border -- traveling long distances, paying human smugglers, avoiding border guards and Homeland Security Department agents. They make the effort for a reason. Hanson, of the NBER, estimates that illegal unskilled workers from Mexico in the U.S. earn 250% of what they could earn legally at home. That adds up to \$170 billion in additional wages -- a considerable proportion of which is sent back to families in Mexico. Not surprisingly, economists such as Hanson conclude that illegal immigration is a strong net positive for global prosperity.

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The scale of that impact is enormous. Michael Clemens at the Center for Global Development has calculated that four out of five Haitians worldwide who are living on more than \$10 a day are living in the U.S., not Haiti. The most plausible way to get to a

decent income if you are Haitian -- not an income that allows a big house or a taste for expensive wines, but one equivalent to three Happy Meals a day -- is to move to the U.S. Lant Pritchett of Harvard University has calculated that if rich countries increased the size of their labor force by just 3% through increased migration, this would add \$300 billion to the welfare of citizens of poor countries. Immigration is by far the most powerful tool at our disposal for making the global poor better off.

So at this point it's surely worth asking: How much do we value the negligible-to-nonexistent threat to the livelihoods of a few U.S. citizens against the immense, life-transforming benefits to people born on the wrong side of our borders, people who move here without waiting on an immigration process that pretty much won't let them in legally unless they are already privileged by considerable education and experience? (Even for foreigners with a high school education and a skilled occupation, the chances of getting a visa through the lottery process are 1 in 242.)

### **The moral question**

The macroeconomic argument in favor of employing immigrants, even those without papers, is unassailable. But what about the problem that, absent reform, it's breaking the law to do so? When a law itself prohibits doing the right thing, when it is immoral rather than just annoying or inconvenient, and when breaking that law does no great harm to any others, it is justifiable for people of conscience to choose to break that law. That is close to where we find ourselves with immigration legislation. It limits freedom of movement by immigrants and freedom of choice by employees. It does no good, but it causes considerable suffering. Current U.S. immigration laws have all the moral standing of *pass laws in apartheid South Africa*.

The moral course of ignoring immigration legislation is being widely followed already, particularly in some of the states that are, on their surface, the most anti-immigrant. For example, a Texas law introduced this year would make hiring an illegal immigrant subject to a fine or two years in jail. But it explicitly excludes home help and gardeners, because, its backers admit, they'd have to lock up much of the state if they didn't.

Given the fact that native-born Americans keep having fewer kids and keep aging, they're going to need some more people around to tend the farms, businesses, golf courses, and rest homes. The cynic would say that's what the good people of Texas have already realized. But perhaps they are doing the right thing because it is, well, the right thing. Perhaps the mass disregard of immigration laws in the state makes Texans the rightful heirs of a civil disobedience movement outlined in the Martin Luther King

Jr.'s "**Letter from Birmingham Jail.**" If so, in the spirit of American exceptionalism, let us praise the rank yet noble hypocrisy of the border states.