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Abstract

"An interim analysis of the effect illegal immigration from Mexico on the labor force of the United States."

Keywords

immigration, immigrant, labor, Mexico, illegal, United States, wage, job, employ, border, alien, federal, economic

Comments

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SPECIAL REPORT ILLEGAL IMMIGRATION FROM MEXICO

Illegal Immigration from Mexico and Its Labor Force Implications

Vernon M. Briggs

One of the most important labor market developments in the United States since the late 1960s has been the resurgence of immigration as a vital factor of national life. The trend is so strong that demographers have already concluded that immigration in the 1980s is as important as fertility rates in explaining both population and labor force growth. The revival of immigration has occurred so quickly that the nation has yet to recognize that our prevailing immigration policies-conceived during the 1950s and early 1960s when immigration was numerically small-have been overwhelmed by the strains placed upon them in the 1970s and early 1980s.

In response to the need to update prevailing policy, Congress approved the creation of the Select Commission on Immigration and Refugee Policy in 1978 to study all aspects of the nation's immigration policy. The sixteen-member Commission, chaired by Rev. Theodore Hesburgh, issued its final report in early 1981. It described the nation's immigration system as being in total disarray and completely incapable of carrying out its stated objectives. Although all aspects of the nation's immigration system were criticized, the Commission asserted that the greatest deficiency is the unenforceability of the prevailing statutes with respect to illegal entry. It described this problem as being "out of control."

Before discussing illegal immigration, it is important to note that the United States is unique in the number of persons that it continues to admit as *legal* immigrants and refugees. On average, about two-thirds of the immigrants to all of the nations of the world are annually admitted to the United States. Yet despite this relatively liberal policy, many additional persons defy the legal system and enter illegally. Thus, the topic of immigration reform as it has emerged in the 1980s is not one that involves restrictionism per se; rather, it is an issue that pertains to the ability of the nation to enforce what has been legislatively agreed upon.

How Many Are There?

Obviously, an important concern to any discussion of illegal immigration is the number of persons involved. But by the very illegal nature of the movement, precise data will never be available. Only figures pertaining to apprehensions exist and even they are suspect due to numerous duplications. The growth of apprehensions has been staggering—from 86,000 in 1964 to over a million in 1979 with no real change in deterrent ability. One must assume that the total number of illegal immigrants is growing in a similar fashion.

It makes little conceptual difference whether the stock of illegal immigrants in the nation is 3 million, or 6 million, or 9 million, or 12 million persons. All of these numbers have been cited in various official reports and research studies. The precise number is irrelevant if one concedes—as everyone familiar with this issue does—that the number of persons involved is substantial and that the direction of change is toward annually increasing numbers.

Moreover, before one despairs that little can be learned because the data are so poor, it should be realized that this also is the case with most of the major social problems of the day. Reliable data are unavailable about the size of energy supplies, local labor market conditions, the extent of discrimination, crime, health, mental health, and the degree of environmental degradation, to name only a few issues. The problem of illegal immigration is as real as any of these issues. Yet with these other concerns, the lack of poor data has not precluded the enactment of major public policy initiatives.



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They simply walk, swim, climb, or drive across the border without passing through a border control point.

Who Are the Illegal Immigrants?

Illegal immigrants are streaming into the United States from virtually every nation in the world. About sixty countries have been identified as regular sources with fifteen countries regarded as being significant sources. By far the largest single supplier is Mexico. It is estimated that it alone accounts for about 60 percent of the annual flow and of the accumulated stock of illegal immigrants.

Most of the illegal immigrants from Mexico are classified as having "entered without inspection" ("EWIs" in the parlance of the immigration system). They simply walk, swim, climb, or drive across the border without passing through a border control point. It is the process of entering the United States without proper documents that creates their illegal status. Illegal immigrants from most other nations usually enter with proper documents but they either overstay their entry visas or they seek work during their visits in violation of their visa terms or both. They are "visa abusers." They may have entered as tourists, businessmen, students, or crewmen, to name a few of the access routes.

Of those persons apprehended by the U.S. Immigration and Naturalization Service each year, usually between 90 and 99 percent are from Mexico. The reason for the higher apprehension rate for Mexicans than for others is that it is far easier to capture EWIs in the process of crossing or in near proximity to the border than it is to ferret out visa abusers who, having entered the country months or years before, have subsequently scattered geographically. The disproportionate apprehension rate for Mexicans has contributed to the false impression that illegal immigration is a problem only with Mexico and affects only the Southwest. This is not the case. Illegal immigrants come from a variety of nations and they can be found almost anywhere.

Why Mexicans?

Illegal immigration from Mexico has existed as long as the border itself. What has changed dramatically is the scale. The United States acquired the land mass that is today the Southwest as the result of the treaty that ended the Mexican War of 1846–48 and the Gadsden Purchase in 1853. At that time there were only about 75,000 Mexicans in this vast area. Very few Mexicans immigrated into the area throughout the remainder of the nineteenth century, and it was not until the period from 1910 to 1930 that the first mass movement of Mexicans into the

United States took place. The impetus for the movement at that time was the brutal violence of the Mexican Revolutionary War and its aftermath during which, it is estimated, one out of every fifteen Mexicans in the nation's entire population was killed. Over three-quarters of a million Mexicans legally immigrated into the United States during that period. Many more entered illegally; there was no real effort made to control entry prior to the creation of the U.S. Border Patrol in 1924. It was this mass migration that largely created the population base for our present-day Chicano population and laid the foundation for subsequent legal and illegal immigration flows from Mexico.

During the 1930s, the immigration movement temporarily abated due to the lack of jobs. There were even efforts made by various U.S. agencies to "repatriate" many of those who had come earlier. In the 1940s, the labor shortages associated with World War II led to demands by southwestern agricultural interests for the creation of the Mexican Labor Program-better known as the "bracero program." Ostensibly a temporary program, it was continued for twentytwo years. Under its auspices, hundreds of thousands of rural Mexicans were exposed to the higher wages, better standard of living, and broader array of jobs of the American economy. The rapid upsurge in illegal immigration from Mexico can virtually be dated to the unilateral termination of this program by the United States on December 31, 1964. The long life of the program served to reestablish the immigration links between the two nations.

By the early 1960s, Mexico had become the largest source of legal immigrants to the United States, a distinction it has maintained ever since. No quotas were placed on immigration from any Western Hemisphere nations until 1965, and it was not until 1976 that Mexico was included under the same ceiling as all other nations of the world (i.e., 20,000 immigrants a year plus immediate family members who are not counted). The result of the application of this seemingly equitable policy was that the demand for visas quickly exceeded the available places, and a massive backlog developed. As of early 1982, there were over a quarter-million visa applications pending from Mexicans seeking to immigrate legally to the United States.

Thus, the consequences of these dual actions—the termination of the bracero program in 1964 and the beginning of the first efforts in 1965 to place some limitations on immigration from Mexico—set the stage for the illegal immigration problem that has developed in the ensuing years.

Aside from the effects of these institutional developments, there is also the reality

of the economic differences between the two nations. It is unlikely that any land border in the world separates two nations with greater differences in per capita income (a gap of over \$7,000) or standard of living. Mexico, in addition, has its own internal difficulties that have contributed to the emigration rate. It has consistently had one of the world's highest population growth rates-even higher than that of India. With the median age of its population being fifteen years of age, the prospects for finding jobs for its swelling labor force are bleak even under the best of circumstances. Moreover, the World Bank reported in 1980 that Mexico has one of the most unequal distributions of income of any of the "middle income" but still economically less developed nations for which it collects data. It also noted that, in the preceding fifteen years in which the economy had experienced significant economic programs in the aggregate, there was "little or no change in the distribution of income." Fully 45 percent of the families of Mexico were classified in 1977 as being poor (poverty defined as \$1,135 per family per year).

In addition, Mexico has been ruled since the 1920s by an essentially one-party political system that has become so corrupt that the corruption itself became a major topic in the presidential campaign of 1982. The fact that there is virtually no room for effective reform through the system of single-party rule means that there is little prospect for improvements in the seemingly endemic national problems of unemployment, underemployment, and poverty. Moreover, since 1940 the political leaders of Mexico have relentlessly pursued a capital-intensive economic development strategy in a nation with an already chronic surplus of labor. The result has been that many Mexicans have become convinced that their only hope for improvement is to move north to the United States.

For Mexico, therefore, illegal immigration has long served as an escape valve, permitting the country to avoid the necessity of confronting its own realities. During the time in which an immigration reform bill (i.e., the so-called Simpson-Mazzoli bill) was pending before the U.S. House of Representatives in December 1982, the Mexican Senate unanimously passed a resolution that questioned the right of the United States to control immigration across its own borders and expressed "alarm and concern" over the possible repercussions of passage of the bill. Undoubtedly one of the real fears of the Mexican politicians was the prospect of having to address the issues of internal reform that would be necessary if large numbers of its younger and more ambitious

citizens did not continue to leave the country.

All of the factors that have "pushed" many Mexicans out of their country in the past have become far worse since early 1982. With the decline in the price of gas and oil, on whose export revenues the Mexican government had promised to improve the economy, there has come the necessity of austerity in 1983. A series of peso devaluations, hyper-inflation, curtailed public expenditures, and the world's largest external debt (as of the end of 1982) have only added to the dismal economic picture of the past. The stage is set for what is likely to be an even greater exodus of Mexicans in the spring of 1983 and the years that follow.

Labor Market Effects

The available research on the characteristics of illegal immigrants from Mexico shows that the major reason that they come is to find jobs and that they are often successful in their quest. Some of the jobs are substandard. They exist only because of the availability of an easily exploitable group (i.e., people who will seldom complain and who are grateful for anything they receive). The jobs held by the vast majority of illegal aliens, however, cannot be classified as substandard; they pay at least the federal minimum wage. Moreover, despite the fact that illegal immigrants work disproportionately in low-wage jobs, there are a significant number in manufacturing and construction who hold jobs that pay well. Brief mention needs to be made of each of these situations.

Regarding those who work under exploitative conditions, it is likely that the jobs they take are jobs that citizens would not tolerate. Yet this is certainly no excuse for their perpetuation. If it is wrong for citizens to work under unfair work standards, it is equally wrong for illegal aliens to do so.

With respect to the low-wage labor market (i.e., jobs that pay in the range of federal minimum wage and slightly above) where it is believed most illegal immigrants seek employment, it has been alleged—but never empirically supported-that illegal immigrants perform jobs that citizens will no longer do. The fact is that there is not a single occupation in the American economy for which census data will not show that the vast preponderance of workers doing that type of work are citizen workers. Indeed, the U.S. Department of Labor, in testimony submitted in 1982 in support of the pending immigration reform bill, stated that there were 29 million workers (or 30 percent of the employed civilian labor force) who were currently employed in "the kinds of lowFor Mexico, illegal immigration has long served as an escape valve, permitting the country to avoid the necessity of confronting its own realities. Even in betterpaying jobs, illegal aliens are often "preferred workers"; they are less likely to join unions, or to complain about denial of equal employment opportunity, safety violations, or sex harassment... skilled industrial, service, and agricultural jobs in which illegal aliens typically seek employment."

Apart from employment effects resulting from a shift in the amount of labor available at a given time, there are also simultaneous wage impacts. This issue is often overlooked by those who simplistically assert that illegal immigrants fill jobs that citizens will not take. The presence of a significant number of illegal immigrants in selected labor markets will reduce the absolute wage rates below what the market would have otherwise set. It will also open up relative wage gaps between different occupations and industries that will vary with the availability of illegal immigrants. It is in this context-the artificial suppression of wages due to inadequate public policy safeguards-that some employers are led to conclude that citizen workers are unavailable. But this is a self-fulfilling prophecy. It is an argument based upon economic influences rather than upon the dubious sociological contention that U.S. workers will not do certain types of work. The working of a normal labor market—one without the additional shadow labor force of illegal immigrants-should provide an ample supply of labor if the employers are willing to pay a competitive wage rate.

As for the characteristics of those workers who compete most directly with illegal immigrants, the Select Commission concluded that it is the young and the less skilled citizens who are "the most adversely affected" by the presence of illegal immigrants. These citizen groups are disproportionately composed of women and minorities who, along with youths in general, tend to have the highest unemployment rates in the nation. In the theory of welfare economics, those persons who are hurt by a particular policy (i.e., the toleration of illegal immigrants in the labor market) could be compensated financially for their losses by taxing those who benefit so that society is no worse off by the action. But if these payments are not actually made—and I know of absolutely no policy proposal that has even remotely suggested that this be done—then this benign principle does not apply.

One of the major ways to increase the number of job opportunities and the rewards for seeking earned income for our present working poor population is to reduce the uncontrolled supply of new entrants into the existing low-wage sector of the economy. Many of the jobs performed by low-wage workers are essential to the operation of our economy. Farm workers, dishwashers, laborers, garbage collectors, building cleaners, restaurant employees, gardeners, maintenance workers, to name a

few occupations, perform useful and often indispensable work. Unfortunately, their remuneration is often poor, in part because there is a large pool of persons available for these jobs. One way to make these jobs more attractive to citizen workers is to curtail the unfair addition of millions of illegal aliens into this sector of the economy. The normal operation of the labor market should see wages increase in response to the demand for services as the size of the surplus pool is reduced. If the illegal aliens were flooding into the legal, medical, educational, and business executive occupations of this country, this problem would have received national attention at the highest level and it would have been solved. But because it is the blue-collar, agricultural, and service workers who bear most of the burden of the competition, the issue remains largely unaddressed.

As for the better-paying jobs in construction and manufacturing, no one will debate that the illegal aliens employed in these positions cause a displacement effect. Even in these cases, illegal aliens are often "preferred workers"; they are less likely to join unions, or to complain about denial of equal employment opportunity, safety violations, or sex harassment, or to make other entitlement demands upon employers. It is in this sector that the federal government is most vigilant in its limited enforcement activities. Helping the most privileged of our society has always been a popular role for government agencies.

Only in the case of a full-employment economy is it conceivable that the presence of illegal immigrant workers could provide some aggregate economic benefits to society. Under such circumstances, it might be possible for a higher level of both production and economic growth to occur because of the additional labor supply. It might even mean that aggregate prices would be lower because of the increased competition of citizen and alien workers for jobs, which could reduce wage pressures. But all of these conceivable benefits would be very limited because most Mexican illegal immigrants are unskilled and poorly educated. There are technological limits on the amount of production that society can obtain as the result of simply increasing the supply of workers with limited human capital endowments. Given minimum wage laws, there are also limits on how far nominal wages can be reduced even if the supply of labor is artificially increased. Moreover, severe costs would be imposed on those particular subgroups-youth, women, and minorities-who would experience the direct competition with illegal immigrants in the form of lower wages and discouraged labor force participation. These costs would

have to be balanced against any possible benefits.

But to talk about theoretical benefits that might accrue to the nation from illegal immigrants in the context of full employment is, at present, too irrelevant to be of even academic interest. Given the inordinately high unemployment of the early 1980s and the growing consensus among economists that it may not be possible to reduce this rate below 6.5 percent without triggering unacceptable inflation rates, there is no rationale for a benign attitude toward any factor that contributes to unemployment of citizen workers. Illegal immigrants are not the only cause of unemployment and persistent lowincome patterns among certain subgroups of the American labor force but they certainly are a factor. The formulation of any serious full-employment strategy for the United States in the 1980s, therefore, must include measures to curtail illegal immigration.

The Front Door Alternative

If by chance the miracle of economic miracles does occur and the United States achieves full employment and if, under these special circumstances, labor shortages in certain low-skilled occupations do occur, there is a preferable alternative to illegal immigration as a means of filling these needs. That is, of course, to use the front door to the nation's labor force and simply increase legal immigration under the occupational admission categories of the existing immigration statutes. At present, it is only highly skilled and educated immigrants who are admitted under these provisions in response to perceived labor market shortages of their talents. But there is no reason why the legal system could not be adapted to meet real shortages—if they ever exist—for low-skilled workers as well.

There is absolutely no justification that can be made for the use of illegal immigration as a means to supply workers to the labor force. If there are no real shortages, the illegal immigrants harm the employment and income opportunities of citizen workers; if there are real shortages, the honorable course is to seek to enlarge the flow of legal immigrants who are unskilled and poorly educated to meet such labor market shortages.

Using the legal system to admit low-skilled workers (if a need really exists) is also the preferred alternative to illegal immigration because there are certain noneconomic reasons for wanting to stop illegal immigration. One such consideration is the fact that illegal immigration via the EWI route is dangerous and often abusive to the immigrants. It often involves the use of professional smugglers ("covotes") who extract exorbitant fees for transportation and false documents. These charges may consume the life savings of the individuals involved. Frequently, individuals without sufficient funds seek additional amounts from loan sharks who charge outrageous interest rates and enforce repayment by the use of brute force. In many cases, the smugglers use means of transportation that are life threatening. In sum, there If there are real shortages, the honorable course is to seek to enlarge the flow of legal immigrants.



Immigrants are often placed at the mercy of the most undesirable elements of both Mexican and American societies. is nothing romantic about the illegal immigration process. Immigrants are often placed at the mercy of the most undesirable elements of both Mexican and American societies. Indeed, the indifference of our society and its policy makers toward the plight of illegal immigrants in our midst represents one of the most seamy aspects of contemporary American life.

Furthermore, there are other serious long-run consequences of inaction. The nation is rapidly accumulating a subclass of persons truly without rights within our society. Although technically free to avail themselves of some legal rights and protections, few illegal aliens dare to use them. In addition, they and their family members are increasingly being excluded from much of the basic social legislation in this nation. These exclusions vary from the federal level where illegal aliens are denied eligibility for Supplemental Security Income, Medicaid, and Aid to Families with Dependent Children, to individual state exclusions from unemployment compensation programs. In some localities, attempts have even been made to prevent children of illegal immigrant families from attending public schools without paying tuition. If they are paying Social Security taxes, they are likely to be contributing to fictitious accounts from which they will never receive any benefits even though they may some day desperately need the protection that this system is designed to provide. At all levels, illegal aliens are denied the political right to vote. These actions represent embarrassing efforts by our society to avoid the legitimate costs of our own policy inadequacies.

Certainly the growth of a subclass of illegal aliens cannot be in the nation's long-term interest. Once before the nation tried to live with a subclass in its midst. Then the institution was slavery, and the nation is still trying to overcome the legacy of that episode. It is an experience that should not be repeated.

Illegal immigration from Mexico in particular and from other countries in general is a serious problem that can only get worse. With no redeeming virtues, it is an issue that begs for policy reform. The nation should continue to have a liberal immigration policy but it can ill afford to continue to have no policy with respect to the presence of illegal immigrants in its labor force. Sometimes a democracy must make difficult decisions. Adopting the strict measures needed to curtail illegal immigration is one of these. As the Select Commission wisely observed, "If it is a truism to say that the United States is a nation of immigrants, it is also a truism that it is one no longer, nor can it become a land of unlimited immigration."

The Characteristics of Illegal Aliens

David S. North and Marion F. Houstoun

The purpose of this study was to gather, for the first time, data on the demographic characteristics, country of origin, employment history, wages, and participation in public services of illegal aliens in the U.S. labor market and to examine the implications of the data for U.S. manpower policy.

With the cooperation of the Immigration and Naturalization Service (INS), 793 apprehended illegal aliens, 16 years of age or more, who had worked for wages at least two weeks in the U.S., were interviewed in May-June 1975. All interviews were voluntary. The study group consisted of 481 Mexican illegals, 237 illegals from other nations in the Western Hemisphere (WH respondents), and 75 illegals from nations in the Eastern Hemisphere (EH respondents). The respondents were interviewed in nineteen, primarily metropolitan, sites across the nation; only a minority of the interviews were held at the U.S.-Mexico border.

The non-response rate was unexpectedly low (around 5 percent), and most respondents answered detailed questions about their experiences in the U.S. labor market, the amount of money they had sent home, the number of trips they had made to the U.S. in the last five years, the amount of money they had paid a smuggler (if they had been smuggled), and the number of times they had been apprehended by INS. The completeness of the interviews and the frequency with which the respondents gave answers contrary to their self-interest suggest that the survey results can generally be regarded as reliable.

It is important for the reader to note that because the number, distribution, and characteristics of illegals are not known, and because random sampling from that population is not possible, a representative sample could not be drawn. Extrapolation of the

This article has been adapted from a longer report by the authors, The Characteristics and Role of Illegal Aliens in the U.S. Labor Market: An Exploratory Study, prepared for the Employment and Training Administration, U.S. Department of Labor, in 1976. Although the study is now seven years old, it remains a landmark in research on illegal immigration, the only national study based on information elicited from illegal aliens themselves. – EDITOR