Beyond Border Enforcement: Enhancing National Security Through Immigration Reform

WALTER A. EWING, Ph.D.*

Since 9/11 the watchword in the debate over immigration reform has been "security." As a result, most policymakers and pundits now approach the subject of immigration largely from a law-enforcement perspective. That is, the focus is how best to fortify U.S. borders so as to prevent the illicit entry into the country of terrorists or weapons of mass destruction. This concern has been especially acute in the case of the U.S.-Mexico border, across which hundreds of thousands of unauthorized immigrants enter the United States undetected each year. However, the current border-enforcement strategy, which tends to lump together terrorists and undocumented jobseekers from abroad as groups to be kept out, ignores the causes of undocumented immigration and fuels the expansion of the people-smuggling networks through which a foreign terrorist might enter the country. As a decade and a half of failed border-control initiatives have illustrated, law-enforcement efforts alone are not sufficient to achieve security. As long as U.S. immigration policies remain unresponsive to the economic forces which drive immigration, U.S. national security will be continually undermined by a system that sends the dual messages "Keep Out" and "Help Wanted" to the immigrant workers upon whom large sectors of the U.S. economy depend.

The primacy of economics in driving immigration highlights another, often overlooked, aspect of the debate over security. From a broader perspective, security in the context of immigration implies more than just safeguarding the nation from attacks by foreign terrorists. It also suggests economic security in the sense of policies that enhance the long-term health and global competitiveness of the U.S. economy. At a time when the native-born workforce is growing older, the U.S. economy is creating large numbers of jobs at both ends of the educational spectrum. With international competition for skilled workers growing, immigration is an increasingly vital economic resource. Attempting to impose arbitrary limits on immigration without regard for the needs of the U.S. labor market is economically self-destructive.

In the wake of the November 2006 mid-term elections, the political environment may once again be conducive to the enactment of some sort of immigration reform. Before 9/11, considerable momentum had gathered behind the proposals of a wide range of business associations, labor unions, ethnic and religious groups, and politicians to "regularize" the flow of foreign workers into the United States, particularly from Mexico. The proposals were based on the common-sense recognition that immigrants have become indispensable to the

^{*} Walter Ewing is a Research Associate at the Immigration Policy Center and has been researching and writing on immigration policy since 1998. He received his Ph.D. in Anthropology from the City University of New York (CUNY) Graduate School in 1997.

U.S. economy, especially in the service sector, and that in the absence of adequate legal channels to enter the United States, large numbers of these workers resort to more dangerous illegal routes. The essence of the proposals put forward was to create opportunities for these workers to enter legally and to provide a pathway to legal status for those already living and working in the country. However, these proposals were derailed by the 9/11 attacks as the U.S. government turned its attention to security concerns and immigration reform dropped off the political radar screen. As a result, the Bush administration was left with failed and costly border-enforcement policies from the 1990s that have increased deaths at the border without reducing undocumented immigration or enhancing national security, while playing into the hands of immigrant smugglers.

Lawmakers must now re-focus their attention on bringing U.S. immigration policy in line with U.S. economic reality by expanding both temporary and permanent avenues for immigration to the United States and by creating a mechanism through which undocumented immigrants can acquire legal status once they have been screened to identify any individuals who might pose a risk to national security or public safety. In contrast to the claims of anti-immigration advocates, this sort of comprehensive immigration reform would enhance national security far more than the current border-enforcement strategy by bringing undocumented immigrants out of the shadows and allowing the U.S. government to keep better track of who is actually in the country. Moreover, industries that are characterized by large numbers of less-skilled jobs would no longer be reliant upon an underground labor market to supply the workers they need.

I. THE FAILURE OF "ENFORCEMENT ONLY"

The bulk of the U.S. immigration-enforcement budget is devoted to border control. Border-enforcement resources, in turn, are deployed primarily along the southwest border with Mexico, across which the vast majority of undocumented entries into the United States occur. Most observers agree that undocumented immigrants who enter the country from Mexico are interested in finding jobs and reuniting with their families, not in launching a terrorist strike. Since 9/11, however, concern has mounted among policymakers and law-enforcement authorities that foreign terrorists affiliated with al Qaeda might use Mexico as a transit point to enter the United States, relying on the same people-smuggling networks as undocumented immigrants and becoming lost in the large undocumented flow. Several lawmakers have voiced fears that terrorists already are among the growing number of undocumented non-Mexicans crossing the southern border, although most of these come from Central and South American

^{1.} Doris Meissner et al., Report of the Independent Task Force on Immigration and America's Future, Migration Policy Institute, Immigration and America's Future: A New Chapter 45 (2006).

Blas Nuñez-Neto, Congressional Research Service, Border Security: The Role of the U.S. Border Patrol 2 (2005).

nations that pose no security threat to the United States.³ There is no evidence this has happened,⁴ despite suggestions by some lawmakers that the extremely small number of Arab and Muslim non-Mexicans apprehended at the border constitute a threat to national security.⁵ Yet safeguarding the homeland from another terrorist attack has become a principal justification for a wide range of proposals to further fortify the U.S.-Mexico border, such as deployment of the military and the construction of a 2000 mile-long fence extending from the Pacific Ocean to the Gulf of Mexico.⁶

To the extent that measures such as these are intended to drain the sea of undocumented immigrants within which terrorists might hide, and eliminate the smuggling networks they might use, the recent history of U.S. border enforcement does not bode well. For over a decade, the federal government has devoted increasing amounts of money and manpower to reducing undocumented immigration from and through Mexico by fortifying longer stretches of the border. To date, these efforts have failed to slow the pace of undocumented immigration, although more of it now occurs through isolated terrain where border enforcement is relatively weak. More undocumented immigrants enlist the services of people smugglers in making the increasingly difficult journey to the United States. In order to circumvent new border-enforcement measures, many smuggling networks have become more extensive in their reach and technologically savvy in their operations. The growing profitability of people smuggling,

^{3.} See Office of Sen. Kay Bailey Hutchison, The Border Patrol Helps Guard Against Terrorist Infiltration from the South, Capitol Comments, Apr. 1, 2005; 151 Cong. Rec. H9421 (2005) (statement of Rep. Ted Poe); How Illegal Immigration Impacts Constituencies: Perspectives from Members of Congress (Part I): Hearing Before the H. Subcomm. On Immigration, 109th Cong. 21-29 (2005) (statement of Rep. Henry Bonilla).

^{4.} The Worldwide Threat to the United States: Hearing Before the S. Select Comm. On Intelligence, 109th Cong. (2005) (statement of Admiral James Loy, Deputy Secretary, U.S. Department of Homeland Security).

^{5.} Hutchison, supra note 3; Office of Rep. Rick Renzi, THE RENZI REPORT 3(5), July 2005, at 1.

^{6.} Rep. Charlie Norwood, Remarks at Americans for Immigration Reform, No Amnesty News Conference (Nov. 2, 2005) (regarding deployment of the military), *available at* http://www.house.gov/list/speech/ga10_norwood/CLEARadvances.html (last visited Feb. 13, 2007); TRUE Enforcement and Border Security Act of 2005, H.R. 4313, 109th Cong. (2005) (regarding the construction of a "security fence").

^{7.} Wayne A. Cornelius, *Controlling "Unwanted" Immigration: Lessons from the United States,* 1993-2004, 31(4) J. of Ethnic and Migration Studies 775, 777-80 (July 2005); Douglas S. Massey, Jorge Durand & Nolan J. Malone, Beyond Smoke and Mirrors: Mexican Immigration in an Era of Economic Integration 93-95 (2002).

^{8.} Cornelius, *supra* note 7, at 783; Massey et al., *supra* note 7, at 108-09; U.S. Gen. Accounting Office, INS' Southwest Border Strategy: Resource and Impact Issues Remain After Seven Years, GAO-01-842, 2 (Aug. 2001).

^{9.} Cornelius, *supra* note 7, at 783; Massey et al., *supra* note 7, at 129-30; U.S. Gen. Accounting Office, Alien Smuggling: Management and Operational Improvements Needed to Address Growing Problem, GAO/GGD-00-103, 6 (May 2000).

^{10.} Peter Andreas, *The Transformation of Migrant Smuggling Across the U.S.-Mexican Border*, in Global Human Smuggling: Comparative Perspectives 118-19 (David Kyle & Rey Koslowski eds., Johns Hopkins University Press, 2001); U.S. Gen. Accounting Office, Alien Smuggling: Management and Operational Improvements Needed to Address Growing Problem, GAO/GGD-00-103, at 10-11 (May 2000).

particularly from countries other than Mexico, has attracted the interest of some criminal networks that also traffic in drugs, weapons, and human beings. ¹¹ As a result, the current border-enforcement strategy has fostered greater sophistication in the illicit pathways by which a foreign terrorist might cross the southern border into the United States. ¹²

This is not to say that sealing the U.S.-Mexico border against unauthorized entry is impossible. As the demilitarized zone separating North and South Korea illustrates, this could be done. Given enough fencing, razor wire, troops, cameras, motion detectors, surveillance aircraft, and perhaps land mines, the federal government could, in theory, prevent anyone from crossing, digging under, or flying over the U.S.-Mexico border in an unauthorized location. But such measures are not going to be effective security tools unless they also are implemented along the 4000-mile border with Canada and the 5000 miles of Pacific, Atlantic, and Gulf coastline where unauthorized entry might occur by boat, submarine, or airplane. Otherwise, terrorists, immigrants, and smugglers alike could go around a newly fortified southern border. Even if the federal government spent the tens of billions of dollars needed to implement these kinds of security measures along the perimeter of the United States, the country would not be safeguarded against a terrorist attack launched by native-born perpetrators, as occurred in the London train bombings of 2005 and the Oklahoma City bombing of 1995.

The key policy question with regard to border enforcement and national security isn't whether or not U.S. borders can be sealed, but whether or not this is the most effective way to catch terrorists and reduce undocumented immigration. From a security standpoint, border enforcement is a needle-in-a-haystack approach to intercepting foreign terrorists. Apprehending any terrorist, foreign or native-born, depends on the gathering of intelligence indicating that someone poses a threat to national security and is either planning to enter the country or is already here. Foreign terrorists can come to the United States on valid visas if intelligence and law-enforcement agencies have not previously identified them as threats, or have not shared such information with each other or the overseas consulates that issue visas (as was the case with the 9/11 hijackers). Without specific and accurate intelligence, attempting to locate terrorists by sifting through every foreign-born person who enters the country is not a promising means of unraveling a terrorist plot.¹³

Regardless of their personal motivations, most undocumented immigrants

^{11.} Federal Research Division, U.S. Library of Congress, Organized Crime and Terrorist Activity in Mexico, 1999-2002, at 21-34 (Feb. 2003); U.S. Nat'l Sec. Council, International Crime Threat Assessment 23-25 (Dec. 2000); Alien Smuggling: Management and Operational Improvements Needed to Address Growing Problem, GAO/GGD-00-103, at 10 (May 2000).

^{12.} See generally Walter A. Ewing, Special Report of the Immigration Policy Center, Border Insecurity: U.S. Border-Enforcement Policies and National Security (2006), available at http://www.ailf.org/ipc/border_insecurity_spring06.pdf (last visited Feb. 13, 2007) (a more comprehensive discussion of this topic).

^{13.} MARGARET D. STOCK & BENJAMIN JOHNSON, IMMIGRATION POLICY CENTER, AMERICAN IMMIGRATION LAW FOUNDATION, THE LESSONS OF 9/11: A FAILURE OF INTELLIGENCE, NOT IMMIGRATION LAW 1, 3 (Dec.

come to the United States because there are jobs available for them and current limits on legal immigration do not match the demand for foreign-born workers in the U.S. economy. If heightened border enforcement in defense of these limits succeeded in keeping undocumented immigrants out of the country, the result would likely be a greatly restricted labor supply in many U.S. industries. The U.S. economy would be better served by reforming the U.S. immigration system to accommodate U.S. labor demand within a system that ensures livable wages and good working conditions for all workers, both native and foreignborn. In the process, fewer immigrants would try to enter the United States without authorization, the market for people smugglers would be undercut, and foreign terrorists would be deprived of the large undocumented flows and smuggling infrastructure that might aid their entry into the United States. Moreover, the U.S. Border Patrol could focus more on finding terrorists and less on apprehending jobseekers.

A. A New Strategy Much Like the Old

There is no doubt that 9/11 raised the stakes for U.S. border enforcement. Robert C. Bonner, Commissioner of U.S. Customs and Border Protection (CBP), explained the post-9/11 approach to border control by noting that the "priority mission of CBP, specifically including all Border Patrol agents, is homeland security—nothing less than preventing terrorists and terrorist weapons—including potential weapons of mass destruction—from entering the United States." This priority mission is seen as complementary to the Border Patrol's "traditional missions of interdicting illegal aliens and drugs and those who attempt to smuggle them across our borders." Indeed, Bonner argues, "[w]e cannot reduce or eliminate illegal entry by potential terrorists without also dramatically reducing illegal migration." 14

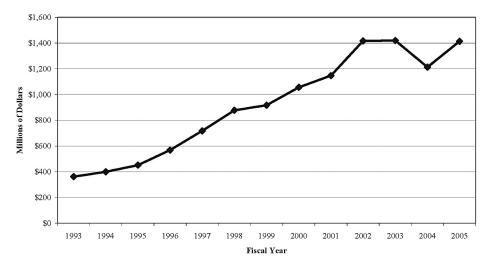
According to Bonner, the new National Border Patrol Strategy of 2005 is a "bold" response to the security challenges of the post-9/11 era. Yet the new approach looks a lot like the old one, particularly along the southern border. The new strategy does contain provisions to improve the intelligence-gathering capabilities of the Border Patrol and the readiness of Border Patrol teams to respond rapidly to a terrorist threat. For instance, the strategy calls for an expansion of training and response capabilities for the Border Patrol's Tactical Team (BORTAC); Search, Trauma, and Rescue Team (BORSTAR); and Special Response Teams (SRT), as well as improving the Border Patrol's coordination with the CBP Office of Intelligence. He crux of the revised strategy for

^{2003);} Muzaffar A. Chishti et al., Migration Policy Institute, America's Challenge: Domestic Security, Civil Liberties, and National Unity After September 11, at 153 (2003).

^{14.} Office of Border Patrol, U.S. Customs and Border Protection, U.S. Department of Homeland Security, National Border Patrol Strategy, Mar. 28, 2005, at ii, *available at* http://canada.usembassy.gov/content/can_usa/borderissues_nationalbpstrategy.pdf.

^{15.} Id.

^{16.} Id. at 13-14.



Source: Office of Border Patrol, U.S. Customs and Border Protection, U.S. Department of Homeland Security, February 2006.

Figure 1: U.S. Border Patrol Budget, FY 1993-2005

the U.S.-Mexico border is to "leverage the success" of the "prevention through deterrence" tactics employed since 1994.¹⁷ That is, the Border Patrol will continue to concentrate agents and new technologies in "high traffic" areas so as to increase the "certainty of apprehension" and therefore deter would-be migrants, smugglers, and, presumably, terrorists from crossing.¹⁸

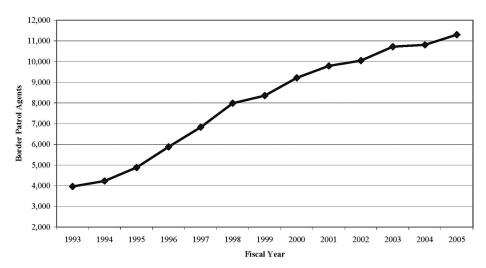
However, the prevention-through-deterrence strategy has not been a success. From Fiscal Year (FY) 1993 to FY 2005, the Border Patrol budget quadrupled from \$362 million to \$1.4 billion {Figure 1} and the number of Border Patrol agents nearly tripled from 3965 to 11,300 {Figure 2}. ¹⁹ Most of these resources and personnel have been devoted to fortifying traditional border-crossing locales in the southwest (about 90% of all Border Patrol agents are deployed along the U.S.-Mexico border²⁰). Despite these efforts, the pace of undocumented immigration to the United States has increased. The Pew Hispanic Center estimates that the number of immigrants entering the country in an undocumented status, or falling into undocumented status by overstaying a valid visa, rose from about 400,000 per year between 1990 and 1994, to 575,000 per year between 1995 and 1999, to 850,000 per year between 2000 and 2005 (anywhere from 25% to 40% of undocumented immigrants are visa

^{17.} Id. at 15.

^{18.} Id. at 8-9, 15.

^{19.} Statistics provided to the author by the Office of Border Patrol, U.S. Customs and Border Protection, U.S. Department of Homeland Security, February 2006.

^{20.} Nuñez-Neto, supra note 2, at 10.



Source: Office of Border Patrol, U.S. Customs and Border Protection, U.S. Department of Homeland Security, February 2006.

Figure 2: U.S. Border Patrol Agents, FY 1993-2005

overstays rather than undocumented arrivals).²¹ As the U.S. Government Accountability Office²² concluded several years ago, heightened border-enforcement efforts have succeeded primarily in shifting undocumented immigration from place to place²³ and are motivating more prospective migrants to hire people smugglers to guide them into the country.²⁴

The available evidence indicates that immigrant smuggling is a growth industry, particularly across the United States-Mexico border. According to Border Patrol statistics, the share of undocumented immigrants apprehended along the southern border who reportedly were smuggled into the United States rose from 5.5% in FY 1992 to 22.2% in FY 2004 {Figure 3}. In absolute terms, this amounts to an increase from 62,909 to 252,651 apprehensions. However, the Border Patrol numbers include multiple apprehensions of the same individual and provide no indication of how many immigrants, smuggled or otherwise, make it across the border without being caught. Other estimates as to the scope and expansion of the smuggling industry are much different than the Border Patrol data suggest. According to the Mexican government, for instance,

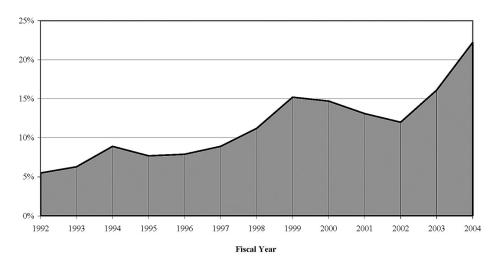
^{21.} Jeffrey S. Passel, Pew Hispanic Center, The Size and Characteristics of the Unauthorized Migrant Population in the U.S.: Estimates Based on the March 2005 Current Population Survey 2-3, 17 (March 7, 2006), *available at* http://pewhispanic.org/files/reports/61.pdf.

^{22.} Prior to July 7, 2004, the Government Accountability Office was known as the General Accounting Office.

^{23.} U.S. Gen. Accounting Office, INS' Southwest Border Strategy: Resource and Impact Issues Remain After Seven Years, GAO-01-842, at 2 (Aug. 2001).

^{24.} U.S. Gen. Accounting Office, Alien Smuggling: Management and Operational Improvements Needed to Address Growing Problem, GAO/GGD-00-103, at 6 (May 2000).

^{25.} Statistics provided to the author by the Office of Immigration Statistics, U.S. Department of Homeland Security, September 2005.



Source: Office of Immigration Statistics, U.S. Department of Homeland Security, September 2005.

Figure 3. Share of Undocumented Immigrants Apprehended Along the Southern Border Who Reportedly Were Smuggled FY 1992-2004

the proportion of undocumented Mexican immigrants making use of smugglers rose from 15% in 1993 to 41% in 2003—although the evidence on which these estimates are based is unclear.²⁶

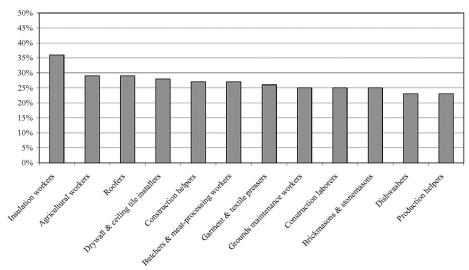
B. The Economics of Undocumented Immigration

The main reason these costly enforcement efforts have failed is that they ignore the economic forces which drive migration. Most immigrants come to the United States because they lack sufficient economic opportunities at home and because the U.S. labor market continues to generate demand for workers that is not being met by either the growth of the native-born labor force or current limits on legal immigration. Migration from Mexico in particular has increased over the past two decades because the U.S. and Mexican governments have actively promoted the economic integration of the two countries since at least 1986.²⁷ As the past fifteen years of federal border-enforcement efforts have made crystal clear, immigration policies that ignore these larger economic forces merely drive migration underground rather than regulating it effectively in ways that are most beneficial to both sending and receiving societies.

While the security implications of undocumented migration and people smuggling may be nebulous, the causes are not. For the most part, undocumented immigration is

^{26.} Gobierno de México, Secretaría General del Consejo Nacional de Población, *Informe de ejecución 2003-2004 del Programa Nacional de Población 2001-2006*, Julio de 2004, at 79.

^{27.} See Douglas S. Massey, Jorge Durand & Nolan J. Malone, Beyond Smoke and Mirrors: Mexican Immigration in an Era of Economic Integration 47-50, 73-74 (2002); Walter Ewing, From Denial to Acceptance: Effectively Regulating Immigration to the United States, 16 Stan. L. & Pol'y Rev. 2, 455-62 (2005).



Source: Jeffrey S. Passel, The Size and Characteristics of the Unauthorized Migrant Population in the U.S., March 7, 2006, p. 12.

Figure 4: Undocumented Share of Labor Force in Select Occupations, March 2005

the result of restrictions on legal immigration that stand between the supply of workers in one country and the demand for workers in another—particularly between neighboring nations such as the United States and Mexico that have long been linked through trade and labor migration. Under these conditions, more stringent border controls force the flow of workers underground, creating a lucrative market for people smugglers. If the movement of workers across international borders were liberalized to the same extent that trade and finance are already, the demand for people smugglers would decline enormously.²⁸

In the case of the United States, the demand for foreign-born workers clearly exceeds current legal limits on their entry into the country, especially for those workers who fill less-skilled jobs and who make up the bulk of the undocumented population. According to the Pew Hispanic Center, there were 11.1 million undocumented immigrants in the United States as of March 2005, including the 7.2 million undocumented workers who accounted for 4.9% of the U.S. labor force. Among the major occupational groups, undocumented immigrants comprised 24% of all workers in farming, fishing, and forestry; 17% in building and grounds cleaning and maintenance; 14% in construction and extractive occupations (which includes mining); and 12% in food preparation and serving. The undocumented share of workers was even higher in specific occupations such as insulation workers, agricultural workers, roofers, and drywall installers {Figure 4}. Yet the U.S. immigration system allots only

^{28.} Patrick A. Taran & Gloria Moreno-Fontes Chammartin, Int'l Labour Org., Perspectives on Labour Migration, Getting at the Roots: Stopping Exploitation of Migrant Workers by Organized Crime 5-6, 8-9 (2003), available at http://www.ilo.org/public/english/protection/migrant/download/pom/pom1e.pdf.

^{29.} Passel, supra note 21, at 9, 11, 12.

5000 employment-based green cards each year for workers in less-skilled jobs³⁰ and caps the number of temporary workers in less-skilled occupations other than agriculture at 66,000 per year (the H-2B visa). In theory, an unlimited number of temporary agricultural workers can enter the country each year (the H-2A visa), but the program by which they do so responds slowly to the often rapid fluctuations in labor demand that are characteristic of agriculture and, as a result, is little used.

II. IMMIGRATION AS AN ECONOMIC RESOURCE

The extent to which undocumented immigrants have become a major part of the workforce in many occupations underscores the extent to which immigration in general has become a driving force in the U.S. economy. Immigration, both legal and undocumented, has become essential to the growth of the U.S. labor force. Moreover, immigrants provide a net benefit to the U.S. economy through the taxes they pay, the money they spend on housing and consumer goods, and the businesses they create. Contrary to popular belief, immigration also may produce a slight *increase* in the wages of most native-born workers.

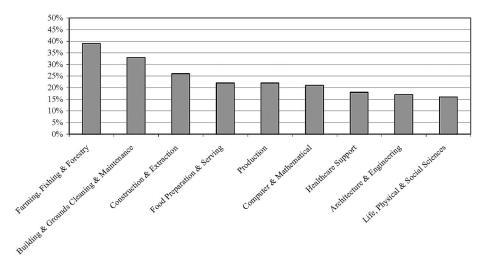
A. Immigration is Essential to Labor-Force Growth

Although the heated political debate over undocumented immigration has focused attention on the role that immigrants play in filling less-skilled jobs that require little formal education, immigrants are a vital part of the labor force at both ends of the educational spectrum. According to data from the Current Population Survey, about 15% of the labor force age 16 and older was foreignborn in 2005, amounting to 22 million workers. However, foreign-born workers accounted for a higher percentage of the labor force in specific occupations. For instance, the foreign-born accounted for roughly 39% of workers in farming, fishing, and forestry; 33% in building and grounds cleaning and maintenance; 26% in construction and extraction; and 21% in computer and mathematical occupations {Figure 5}.31 Moreover, the National Science Board estimates that in 2003 the foreign-born comprised 35.6% of all scientists and engineers in the United States with a doctorate and 29.0% of those with a master's degree. The foreign-born share of advanced-degree holders was even greater in particular occupations. For instance, the foreign-born accounted for 57.4% of doctorate holders in computer science, 57.0% in electrical engineering, 54.2% in civil engineering, and 52.2% in mechanical engineering.³²

^{30.} The cap is set at 10,000, but 5000 visas are reserved each year for beneficiaries of the Nicaraguan Adjustment and Central American Relief Act of 1997 (NACARA). Nicaraguan Adjustment and Central American Relief Act of 1997, Pub. L. No. 105-100, 111 Stat. 2160 (codified as amended in scattered sections of 8 U.S.C.).

^{31.} Press Release, Bureau of Labor Statistics, U.S. Dep't of Labor, Foreign-Born Workers: Labor Force Characteristics in 2005 tbl.4, (Apr. 14, 2006), *available at* http://www.bls.gov/news.release/pdf/forbrn.pdf.

^{32.} NATIONAL SCIENCE BOARD, NATIONAL SCIENCE FOUNDATION, SCIENCE AND ENGINEERING INDICATORS 2006, tbls. 3-19 & 3-20 (2004).



Source: Bureau of Labor Statistics, "Foreign-Born Workers: Labor Force Characteristics in 2005," April 14, 2006, Table 1.

Figure 5: Foreign-Born Share of Labor Force Age 16+ in Select Occupations, 2005

Immigration has had a particularly pronounced impact on the growth of the U.S. labor force in recent years. According to the 2005 *Economic Report of the President*, immigrants accounted for about 58% of the net increase in total employment between 1996 and 2003. Almost all of these foreign-born workers had arrived in the United States since 1995. The immigrant share of employment growth was even higher in particular occupations, amounting in the 1996-2002 period to 86% of the 1 million new positions in precision production, craft, and repair (which includes mechanics and construction workers) and 62% of the 2 million new positions in service occupations (such as janitors, kitchen workers, and grounds workers). Moreover, this pattern holds true beyond the traditional immigrant-receiving states of California, New York, Texas, and Florida. Between 1996 and 2003 immigrants accounted for 84% of labor-force growth in eastern North Central states (Indiana, Illinois, Michigan, Ohio, and Wisconsin) and 47% in eastern South Central states (Alabama, Kentucky, Mississippi, and Tennessee).³³

The importance of immigration to the growth of the U.S. labor force stems in part from the fact that the native-born workforce is growing steadily older and will soon begin to shrink, while the U.S. economy continues to generate high demand for workers at both ends of the occupational spectrum. According to estimates by the United Nations, the fertility rate in the United States is projected to fall below replacement level by 2015-2020, declining to 1.91 children per woman (lower than the 2.1 children per woman required for parents

^{33.} Economic Report of the President 94-95 (2005), available at http://www.gpoaccess.gov/eop/2005/2005-erp.pdf.

to replace themselves in the population).³⁴ Meanwhile, the Bureau of Labor Statistics predicts that, even with continued *net* immigration of roughly 850,000 per year during the 2004-2014 period,³⁵ the number of workers age 55 and over will likely increase by 11.3 million (49.1%), compared to only 3.5 million (3.4%) among those 25-54. Meanwhile, the number of workers age 16-24 is projected to *decline* by 110,000 (0.5%).³⁶ At the same time, the number of jobs will likely increase by 6.0 million (21.2%) in professional and related occupations and 5.3 million (19.0%) in service occupations.³⁷

These trends have important implications for the less-skilled workforce in particular when the educational differences between immigrants and natives are factored into the equation. Although roughly equal proportions of immigrants and natives have at least a bachelor's degree, immigrants are far more likely than natives to have less than a high-school diploma. According to the 2005 Current Population Survey, 31% of foreign-born workers age 25 and older had a bachelor's degree or more—comparable to the 33% of native-born workers with the same level of education. However, 28% of the foreign-born labor force had less than a high-school diploma, compared to only 7% of the native-born workforce {Figure 6}. In other words, there are fewer and fewer native-born workers willing and able to fill the growing number of less-skilled jobs.

B. Immigration is a Net Fiscal Benefit

Beyond the role of immigration in sustaining the U.S. labor force, immigrants also make a net fiscal contribution to the federal treasury. As the 2005 *Economic Report of the President* emphasizes, "a comprehensive accounting of the benefits and costs of immigration shows that the benefits of immigration exceed the costs." The President's report bases this conclusion in large part on a 1997 study by the National Research Council (NRC) that is still the most authoritative analysis to date of the economic impact of immigration. The NRC study estimates that the average immigrant paid nearly \$1800 more in taxes than he or she "costs" in public benefits such as education and healthcare. Yet, as the NRC study notes, this figure fails to consider the contributions of an immigrant's U.S.-born children and grandchildren. When both

^{34.} POPULATION DIVISION, DEPARTMENT OF ECONOMIC AND SOCIAL AFFAIRS, UNITED NATIONS, WORLD POPULATION PROSPECTS: THE 2004 REVISION, HIGHLIGHTS 71 (2005), *available at* http://www.un.org/esa/population/publications/WPP2004/2004Highlights_finalrevised.pdf.

^{35.} Congressional Budget Office, Projections of Net Migration to the United States 3 tbl.1 (2006), available at http://www.cbo.gov/ftpdocs/72xx/doc7249/06-06-Immigration.pdf.

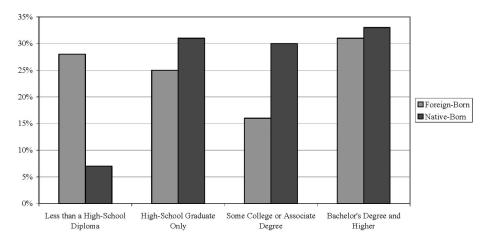
^{36.} Mitra Toossi, *Labor force projections to 2014: retiring boomers*, Monthly Labor Review 128(11), Nov. 2005, at 26 tbl.1, *available at* http://www.bls.gov/opub/mlr/2005/11/art3full.pdf.

^{37.} Daniel E. Hecker, *Occupational employment projections to 2014*, Monthly Labor Review 128(11), Nov. 2005, at 71 tbl.1, *available at* http://www.bls.gov/opub/mlr/2005/11/art5full.pdf.

^{38.} News Release, Bureau of Labor Statistics, Foreign-Born Workers: Labor Force Characteristics in 2005 tbl.1 April 14, 2006, *available at* http://www.bls.gov/news.release/pdf/forbrn.pdf.

^{39.} ECONOMIC REPORT OF THE PRESIDENT, *supra* note 33, at 93.

^{40.} James P. Smith & Barry Edmonston, Nat'l Academy of Sciences Press, Nat'l Research Council, The New Americans: Economic, Demographic, and Fiscal Effects of Immigration 349 (1997).



Source: Bureau of Labor Statistics, "Foreign-Born Workers: Labor Force Characteristics in 2005," April 14, 2006, Table
4.

Figure 6: Educational Attainment of Foreign-Born & Native-Born Labor Age 25+, 2005

the public costs and tax contributions of an immigrant's descendants are taken into account, the net fiscal contribution of the average immigrant was \$80,000. ⁴¹ The NRC study also estimates that the economic benefits of immigration ran as high as \$10 billion per year. ⁴²

The tax contributions of immigrants are particularly important given that the native-born population is growing older. Because immigrants in general tend to be younger than natives and to have higher birth rates, their presence in the labor force plays an important role in the financing of Social Security and Medicare. Moreover, these contributions are not limited to legal immigrants. More than half of undocumented immigrants work "on the books," so they pay into federal and state entitlement programs but are not eligible to receive any benefits. ⁴³ Undocumented immigrants are believed to account for a major portion of the funds tracked in the Social Security Administration's Earnings Suspense File (ESF), which represents social security taxes paid by workers who have invalid or mismatched social security numbers and who therefore cannot receive social security benefits. ⁴⁴ In 2002, the ESF totaled \$463 billion. ⁴⁵

However, the net fiscal contributions of immigrants are not evenly distributed. For instance, states that experience a large influx of immigrants may suffer from over-burdened public education and healthcare systems, the expansion of

^{41.} Id. at 351.

^{42.} Id. at 220.

^{43.} ECONOMIC REPORT OF THE PRESIDENT, supra note 33, at 107-08.

^{44.} Social Security Administration, Office of the Inspector General, Obstacles to Reducing Social Security Number Misuse in the Agriculture Industry, Report No. A-08-99-41004, at 12 (2001).

^{45.} ECONOMIC REPORT OF THE PRESIDENT, supra note 33, at 107-08.

which are then financed through higher taxes. But this has as much to do with the structure of the tax system and the allocation of tax revenue as it does with the nature of immigration itself. The 1997 NRC study notes that the federal government tends to deliver pension and healthcare benefits to people *after* they have already paid taxes through decades of work. But state and local governments tend to deliver benefits—such as education—to people *before* they become tax-paying adults. As a result, the short-term fiscal benefits of immigration tend to accrue at the federal level. 46

C. Immigrant Purchasing Power and Entrepreneurship Create Jobs

The wages earned by foreign-born workers are not only a source of tax revenue, but also are used to purchase consumer goods and to rent or buy housing. By increasing demand, this spending stimulates the creation of new businesses and jobs. In addition, immigrants themselves create businesses and thereby increase employment.⁴⁷ Most of the available statistics on national consumer purchasing power and business formation are broken down by race and ethnicity rather than nativity. However, given that roughly 40% of the 41.9 million Latinos and 67% of the 12.5 million Asians in the United States were foreign-born as of 2005,⁴⁸ these statistics are a good indicator of the economic power wielded by foreign-born consumers and entrepreneurs.

According to the Selig Center for Economic Growth at the University of Georgia, Latino buying power totaled \$736 billion in 2005 and is expected to increase to \$1.1 trillion by 2010. 49 Asian buying power totaled \$397 billion in 2005 and is expected to increase to \$579 billion by 2010. 50 Immigrant purchasing power is particularly important to the housing market. Harvard University's Joint Center for Housing Studies estimates that in 2001 there were more than 5.7 million foreign-born homeowners in the United States, representing \$1.2 trillion in home value and \$876 billion in home equity. 51 In addition, "house-hold growth, the primary driver of housing demand, may well exceed 12 million between 2000 and 2010" and immigrants will "contribute more than one-quarter of this net increase." 52

^{46.} Smith & Edmondston supra note 40, at 347-48.

^{47.} Immigration Policy Center, American Immigration Law Foundation, Economic Growth and Immigration: Bridging the Demographic Divide 7-8 (2005).

^{48.} U.S. CENSUS BUREAU, AMERICAN COMMUNITY SURVEY (2005) (Table B06004D: Place of Birth by Race (Asian Alone) in the United States and Table B06004I: Place of Birth by Race (Hispanic or Latino) in the United States).

^{49.} Jeffrey M. Humphreys, *The Multicultural Economy 2005: America's Minority Buying Power*, 65(3) Georgia Bus. & Econ. Conditions, at 1, 7 (2005).

^{50.} Id. at 5.

^{51.} RACHEL BOGARDUS DREW, JOINT CTR. FOR HOUSING STUDIES, NEW AMERICANS, NEW HOMEOWNERS: THE ROLE AND RELEVANCE OF FOREIGN-BORN FIRST-TIME HOMEBUYERS IN THE U.S. HOUSING MARKET 2 (2002), available at http://www.jchs.harvard.edu/publications/markets/son2003.pdf.

^{52.} THE STATE OF THE NATION'S HOUSING: 2003, at 3 (Joint Center for Housing Studies, Harvard University 2003).

In terms of immigrant business formation, the U.S. Census Bureau estimates that, in 2002, 1.6 million Hispanic-owned firms provided jobs to 1.5 million employees, had receipts of \$222 billion, and generated payroll of \$36.7 billion. The same year, 1.1 million Asian-owned firms provided jobs to 2.2 million employees, had receipts of \$326.4 billion, and generated payroll of \$56 billion. Moreover, a 2005 report from the Ewing Marion Kauffman Foundation found that "immigrants have substantially higher rates of entrepreneurship than U.S.-born individuals." During the period from 1996-2004, 0.46% of immigrants created a new business, compared to 0.35% of natives. 55

D. Immigration Raises Wages for Most Native-Born Workers

Contrary to conventional wisdom, a growing body of evidence suggests that immigration actually raises the wages of most native-born workers. Because immigration increases the labor supply, some economists have concluded that the presence of immigrants in the workforce lowers wages for native-born workers with whom they compete for jobs. 56 However, as economists Giovanni Peri and Gianmarco I.P. Ottaviano point out in a 2006 study, this conclusion is based on two faulty assumptions: "(1) that foreign-born and native-born workers with the same level of education and labor-market experience are interchangeable with each other; and (2) that immigration represents an increase in the labor supply for a given amount of physical capital (machinery, buildings, etc.) that does not change over time."⁵⁷ However, these assumptions are unrealistic. In fact, foreign-born workers have skills, occupations, and abilities that complement those of native workers, thereby increasing the productivity of natives and stimulating investment. When these factors are taken into account, Peri and Ottaviano find that immigration increases the average wages of native-born workers, except for the small and shrinking number who do not have a high-school diploma. During the 1990-2004 period, immigration raised the average yearly wages of native-born workers by 1.8%. Among native-born workers with a high-school diploma or more education, wages increased between 0.7% and 3.4%, depending on education level. Among native-born workers without a high-school diploma (who comprised only 11.7% of the native-born population age 25 and older in 2005⁵⁸), wages declined by 1.1%.⁵⁹

^{53.} U.S. CENSUS BUREAU, HISPANIC-OWNED FIRMS: 2002 (SB02-00CS-HISP), at 267-70, tbl.8 (Mar. 2006).

^{54.} U.S. CENSUS BUREAU, ASIAN-OWNED FIRMS: 2002 (SB02-00CS-ASIAN), at 277-80, tbl.8: (May 2006).

^{55.} Robert W. Fairlie, Ewing Marion Kauffman Found., Kauffman Index of Entrepreneurial Activity 1 (2005).

^{56.} See generally George J. Borjas, The Labor Demand Curve is Downward Sloping: Reexamining the Impact of Immigration on the Labor Market, 118 Q. J. of Econ. 1335 (2003).

^{57.} GIOVANNI PERI, AM. IMMIGR. LAW FOUND., RETHINKING THE EFFECTS OF IMMIGRATION ON WAGES: NEW DATA AND ANALYSIS FROM 1990-2004, at 2 (2006).

^{58.} U.S. Census Bureau, Current Population Survey, Educational Attainment in the United States: 2005, tbl. 10, *available at* http://www.census.gov/population/socdemo/education/cps2005/tabl10-01.xls.

^{59.} Peri, *supra* note 57, at 6-7.

III. MORE THAN A TEMPORARY FIX

Despite the importance of immigration to the U.S. economy, and the inadequacy of virtually all channels for legal immigration to the United States, most policymakers have come to equate "immigration reform" only with controlling undocumented immigration. Even within the confines of this limited discussion, the debate is focused on whether the most effective response to undocumented immigration is enhanced immigration enforcement alone, or enhanced enforcement in conjunction with a new "guest worker" program that is more responsive than current immigration policies to the labor needs of the U.S. economy. All but lost in the debate over border fences and guest workers is the need to revamp pathways for *permanent* immigration as well. Yet overhauling channels for permanent immigration is essential not only to controlling undocumented immigration, but also to crafting immigration policies that best serve the long-term economic and social interests of the United States. Immigration reform will not be truly comprehensive, or effective, unless it recognizes the vital contributions of temporary workers and permanent immigrants alike, and the inadequacy of the current immigration system in providing legal channels for either to enter the country.⁶⁰

A. Moving Beyond Undocumented Immigration and Temporary Workers

It is understandable that the immigration debate has focused so heavily on undocumented immigration. The large population of undocumented immigrants in the United States is by far the most visible symptom of the current immigration system's endemic dysfunction. Recognizing that undocumented immigration on this scale is socially and politically unsustainable, but that the U.S. economy demands more immigrant workers than current legal limits allow, a growing number of lawmakers accept the need for some sort of immigration reform. Advocates of reform generally agree that existing legal channels through which temporary workers enter the United States are hobbled by arbitrary restrictions that are unresponsive to actual labor demand. This is true especially for workers in less-skilled jobs, who make up the bulk of the undocumented population.

Many employers and immigrants alike, therefore, could benefit from a new temporary-worker program, provided that it included strong wage and labor protections to prevent abuses such as those which occurred under the *bracero* program of 1942-1964. A legal flow of temporary workers undoubtedly would meet at least some of the labor needs of U.S. employers, particularly in industries which produce jobs that are seasonal in nature or require relatively few formal skills, such as agriculture or hotels and restaurants in resort towns. Likewise, many prospective immigrants would welcome the chance to work legally in the United States for a few years in order to save enough money to

^{60.} Walter A. Ewing, *More Than a "Temporary" Fix: The Role of Permanent Immigration in Comprehensive Reform*, 5(1) IMMIGRATION POLICY IN FOCUS 1, 2 (Jan. 2006), *available at* http://www.ailf.org/ipc/infocus/2006_morethantemporary.pdf.

build a house, start a business, or buy needed consumer goods in their home countries. In fact, a temporary-worker program could restore some of the circularity that characterized a significant share of labor migration to the United States, especially from Mexico, throughout most of the twentieth century. This pattern of circular migration was disrupted as the U.S. government began fortifying the southern border in the early 1990s, thus encouraging more undocumented immigrant workers to settle permanently in the United States and bring their families with them rather than risk repeated border crossings.⁶¹

However, while most policymakers who favor immigration reform recognize the need for a new temporary-worker program, relatively little attention is paid to the fact that avenues for permanent immigration must be expanded as well if reform is to be effective. A "temporary only" approach to immigration reform suffers from serious shortcomings, most obviously in the case of undocumented immigrants already in the United States. Roughly thirty-four percent of undocumented immigrants have lived here for 10 years or more, 1.8 million are children, and another 3.1 million U.S.-citizen children have at least one undocumented parent. As a result, attempting to fit all of the currently undocumented population into a temporary-worker program that lacks a pathway to permanent residence raises the specter of serious social and economic upheaval in the communities where undocumented immigrants live and the businesses where they work.

Moreover, a rigid, temporary-only approach to immigration reform fails to adequately address the many factors which continue to drive undocumented immigration. The persistence of undocumented immigration reflects limitations in the existing avenues by which both permanent immigrants and temporary workers can legally enter the country, and serious flaws in family-based as well as employment-based immigration channels. For instance, the family-based system is crippled by arbitrary numerical caps and complex rules that impose enormous delays on family reunification. U.S. citizens may obtain "visa numbers" immediately when petitioning for their spouses and children under the age of 21 to immigrate to the United States. However, the allotment of visa numbers for all other relatives of U.S. citizens and for all the relatives of lawful permanent residents (LPRs) is governed by a "family preference" system characterized by waiting times of many years. In the case of Mexican nationals, wait times as of November 2006 were about 7 years for the spouse of an LPR and 13 years for the unmarried adult child of a U.S. citizen.⁶³ Delays such as these are just as powerful in spurring undocumented migration as the dearth of employment-based avenues for entering the country.

Beyond its potential effectiveness in achieving a major reduction in undocumented immigration, a temporary-only approach to reform suffers from much

^{61.} Massey et al., supra note 7, at 128-29.

^{62.} Passel, *supra* note 21, at 2, 7-8.

^{63.} Bureau of Consular Aff., U.S. Dep't of State, Publ'n No. 9514, Visa Bulletin for November 2006 (2006), available at http://travel.state.gov/visa/frvi/bulletin/bulletin_3046.html.

broader limitations. Not all of the U.S. economy's labor needs can be met by the transient workforce that a temporary program would supply. A temporary program that does not allow particularly valuable or productive workers to remain in the United States would represent a needless waste of talent. Perhaps most importantly, the labor of temporary workers from abroad cannot substitute for the economic vitality and social stability that the United States has historically derived from permanent immigration. Both temporary workers and permanent immigrants fill critical gaps in the U.S. labor force, but permanent immigrants are far more likely to acquire new job skills, achieve upward mobility, learn English, buy homes, create businesses, revitalize urban areas, and integrate into their communities.

B. The Benefits of a Stable Workforce

One asset that permanent immigrants bring to the workplace which temporary workers do not is time. With few exceptions, workers acquire more skills the longer they are in a job, thereby making them more valuable employees. This is true even in occupations that require little or no formal training, although chances for upward mobility in many such occupations clearly are limited. Through apprenticeship programs, for instance, construction laborers can gain the skills needed to become plumbers or electricians. Over-reliance on temporary workers in industries that employ large numbers of immigrants, therefore, would deprive employers of the opportunity to create a seasoned labor force that becomes more productive and moves up the job ladder over time.

For the vast majority of immigrant workers, one of the most essential skills in virtually all occupations is mastery of English. This is evidenced by the fact that employers in a wide range of industries provide English-language training in the workplace. However, as with any other skill, command of English increases gradually. According to data from the 2003 American Community Survey (ACS), 48% of immigrants who were not U.S. citizens and had been in the United States for 3 years or less reported that they spoke English well, compared to 63% for those who had been in the country between 7 and 9 years. Among non-citizen immigrants from Mexico, which is the largest source of both legal and undocumented immigrants to the United States, the share who spoke English well rose from 10% for those in the country 3 years or less to 26% for those in the country between 7 and 9 years. A workforce composed mostly of temporary workers who leave the country after, say, 6 years therefore would consist in large part of workers who never become highly proficient in English.

C. The Benefits of a Stable Population

At the local level, permanent immigrants foster economic growth and social stability in ways that temporary workers cannot. Obviously, families with roots have more of a vested interest than transient workers in the creation of safe and clean neighborhoods with good schools and public services. More concretely, permanent immigrants are much more likely than temporary workers to make

long-term investments in their communities by starting a business or buying a home. These sorts of investments not only create jobs and generate local tax revenue, but represent a stake in the future.

The 2003 ACS data illustrate the degree to which a particularly important indicator of growth and stability, homeownership, is correlated with length of stay in the United States. Among non-U.S. citizen immigrants, only 11% who had been in the country 3 years or less owned a home, compared to 37% of those who had been here between 7 and 9 years. Similarly, the share of non-citizen immigrants from Mexico who owned a home rose from 7% among those who had been in the country 3 years or less to 26% of those who had been here between 7 and 9 years. A temporary-only approach to immigration reform would limit, rather than expand, the number of long-term immigrants who fuel a large portion of the housing market.

Any reform proposal that ignores the need for more effective channels of permanent immigration would fail to capitalize on the economic potential not only of permanent immigrants, but of their children as well. The children of immigrants in the United States tend to achieve higher levels of education and income than their parents or the U.S. population as a whole, which translates into more tax revenue, increased purchasing power, and higher rates of savings, investment, and home ownership. According to data from the Current Population Survey, while only 42.2% of immigrants age 25 and older had more than a high-school education in 2005, this figure jumped to 57.2% among the children of immigrants (compared to 54.7% of the children of natives).⁶⁴ Not surprisingly, this higher educational attainment is associated with higher incomes as well. In 2003, immigrant workers age 16 and older earned an average of \$27,337 per year, while their children earned \$38,418—higher than the \$35,795 earned by the general population.⁶⁵ Clearly, a temporary-worker program alone would not reap the benefits associated with the upward mobility that settled immigrant communities achieve from generation to generation.

IV. THE CONTOURS OF A COMPREHENSIVE APPROACH

Although immigration reform is by its very nature complex and controversial, the broad contours of an effective reform program already have been suggested by the twenty years of experience garnered since the last time Congress undertook this task. In the 1980s, lawmakers confronted an immigration quandary very similar to that which we confront today: a growing number of undocumented immigrants crossing the border, settling in the United States, and

^{64.} U.S. Census Bureau, Current Population Survey, Educational Attainment in the United States: 2005, tbl.10, *available at* http://www.census.gov/population/socdemo/education/cps2005/tab10-06.xls.

^{65.} U.S. Census Bureau, Current Population Survey, Characteristics of the Population by Generation, tbl.5.10, available at http://www.census.gov/population/socdemo/foreign/ppl-176/tab05-10.xls.

joining the workforce. Lawmakers of the time eventually agreed upon a remedy, the Immigration Reform and Control Act of 1986 (IRCA), which combined heightened worksite and border enforcement with legalization of most undocumented immigrants then in the country.⁶⁶

As a 2006 study by the Immigration Policy Center points out, IRCA failed to offer a long-term solution to the problem of undocumented immigration for three principal reasons: (1) it did not expand avenues for legal immigration to match the U.S. economy's continuing demand for workers; (2) it did not create an effective system through which employers could verify that their employees are authorized to work in the United States; and (3) the employer sanctions provisions of the bill have been weakly enforced. As a result, undocumented immigration not only continued after the passage of IRCA, but increased. Lawmakers should take care not to make the same mistakes in crafting new immigration-reform legislation. Comprehensive reform must address the status of undocumented immigrants already here, expand legal channels of immigration to accommodate future migratory flows, create a mechanism by which employers can readily ensure that they are not hiring undocumented workers, and crack down on employers who knowingly hire undocumented immigrants.⁶⁷

CONCLUSION

No amount of border enforcement can compensate for the fact that U.S. immigration policies are outdated. Over the past two decades, the economic integration of North America, the western hemisphere, and the world as a whole has increased dramatically. The U.S. economy continues to create large numbers of less-skilled jobs even as native-born workers grow older and better educated and are increasingly unavailable to fill such jobs. Yet the federal government persists in trying to impose numerical caps and other restrictions on immigration that were formulated in the 1960s. As a result, border-enforcement resources are devoted in large part to stemming labor migration which the U.S. economy attracts and which is an outcome of globalization. Until lawmakers create new avenues for both permanent and temporary immigration that are realistic and flexible, and allow undocumented immigrants already in the United States to apply for legal status, U.S. national security and the U.S. economy will continue to be undermined by border-enforcement efforts that divert a large share of immigration through undocumented channels and into the hands of people-smugglers.

^{66.} Pub. L. No. 99-603, 100 Stat. 3359 (1986)

^{67.} JIMMY GOMEZ & WALTER A. EWING, IMMIGRATION POLICY CENTER, AMERICAN IMMIGRATION LAW FOUNDATION, LEARNING FROM IRCA: LESSONS FOR COMPREHENSIVE IMMIGRATION REFORM 2 (May 2006).