MYTH 1

IMMIGRANTS TAKE AMERICAN JOBS

"Immigrants take American jobs" is one of the most common arguments brandished to justify the need for a restrictive immigration policy. There are two main fallacies in the argument. They are fallacies that serve a purpose. In the pages that follow I will explain the two fallacies, and explain why, although they are so problematic, so many of us nonetheless believe them.

The first fallacy lies in the very concept of "American" jobs. In fact, today's economy is so globally integrated that the idea of jobs having a national identity is practically useless. In many industries, employers seek to reduce costs by employing the poorest, most vulnerable people. They do this by moving to parts of the world where poverty and inequality create a vulnerable labor force, and by supporting policies that create poverty and inequality at home—including immigration policies that keep immigrants coming, and keep them vulnerable. So we'll look at what the concept of "American jobs" really means.

The second fallacy is closely tied to the first: the notion that immigration and immigrants reduce the number of jobs available to people already in the United States. In fact, immigration plays a much more complex role in the employment picture, and many different factors affect employment and unemployment rates.

Most analyses point to two major structural developments in the U.S. economy as the main causes of the shifting employment pattern in the late twentieth century: deregulation and deindustrialization. Deregulation of major sectors of the economy and cutbacks in federal social spending under the presidencies of Ronald Reagan and his successors went hand in hand with a rise in plant closures and outsourcing.

Not only did jobs disappear in this period, but the nature of jobs in this country underwent a shift. High-paying manufacturing and government jobs evaporated, and many of the new jobs that were created were low-paying jobs in the service sector, at places like McDonald's and Wal-Mart. Again, this is part of a larger structural change in the U.S. economy and the way it is integrated into the global economy. Immigration makes up just a very small part of this bigger picture.

Generally, businesses seek to keep their expenses as low as possible, to achieve the greatest profit margin possible. One way of doing this is by moving workers, and moving production, around the globe. In the early days of the industrial revolution, factories brought workers to the point of production. Some came from local rural areas to the new industrial cities, while in the United States some came from halfway across the globe.

In today's economy—sometimes called the "postindustrial" economy—it's been industries as well as workers that have relocated. The global economic restructuring since World War II has created what some have called a "new international division of labor."[1] Low-paid workers in the Global South used to produce and export raw materials, which fueled the industrial revolution in the north. The cheap raw materials produced by these workers—with great profits for investors—contributed to the prosperity of the United States and Europe, which was based partly on the artificially low prices made possible by their labor.

In the postwar restructuring, the industries started to move to the south to take advantage of the low wages there. People in the south still produced items for export to the north—but now they exported manufactured goods as well as raw materials.

The New England textile industry was one of the first to experiment with plant relocation, shifting its production to the U.S. southeast starting at the very beginning of the twentieth century in search of lower costs. By the end of the century, the trend had spread to almost all industries.

Just as the U.S. working class began to share fully in the benefits of industrialization in the mid-twentieth century, U.S. businesses increased their search for cheaper workers abroad. As early as the 1940s, the U.S. government was collaborating with businesses on ways to re-create the low-wage, high-profit system that was being undermined inside the United States by the rights achieved by factory workers. Their first experiment was in Puerto Rico. Dubbed "Operation Bootstrap," it offered incentives to U.S. businesses to transfer the most labor-intensive portions of their operations to the island. The island government offered land, loans, buildings, and infrastructure to companies willing to take the risk.

The Puerto Rican program was so successful—for businesses—that it was soon extended to Mexico. The U.S. and Mexican governments turned once more to A.D. Little, a consulting firm in Cambridge, Massachusetts, that had helped set up Puerto Rico's Operation Bootstrap, to design a similar program for Mexico. The Border Industrialization Program went into operation in 1965.

It was an ingenious move. Since it was getting harder and harder to deprive workers of rights inside the United States because of popular mobilizations, unions, and laws protecting workers and their right to organize, companies found it more and more attractive to move the jobs across the border, to where U.S. laws did not apply. It worked so well that by the 1970s the U.S. government was extending this strategy to the Caribbean, and later on to Central and South America and Asia. The North American Free Trade Agreement, or NAFTA, which went into effect in 1994, pushed it even further. U.S. manufacturing industries began a wholesale move abroad in search of the country that would offer them the lowest wages, the most docile (or nonexistent) unions, and the least regulation of their activities.

Workers in countries like Mexico, El Salvador, and the Dominican Republic have seen a flood of foreign investment in offshore production—often called *maquiladora* production, referring to the system whereby companies

outsource the most labor-intensive part of the production process. Workers in these countries gain in some ways when Nike, Liz Claiborne, or Dell opens a factory there. They gain because jobs are created; but they also lose because the new jobs are dependent on employers' keeping wages, benefits, and government regulation low. If workers, or governments, start to demand a greater share of the profits, the company can simply close down and move to a cheaper location.

This phenomenon creates what some analysts have termed the "race to the bottom." Workers and governments compete with each other to offer businesses lower taxes, lower wages, and a more "business-friendly environment" in order to attract or preserve scarce jobs. The competition may be more devastating in already poor Third World countries, but it's going on in the United States as well, as communities pour resources into schemes to attract businesses.[2]

By maintaining and exploiting global inequalities, the U.S. economic system has managed to create a high-profit/cheap-product model. But it is unsustainable, both morally and practically. In practical terms, we saw the results in the 1930s: if workers aren't paid enough to be consumers, there will be no market and production will crash. The New Deal tried to remedy this by restructuring the division of resources and putting more money into the hands of the working class. Industry responded by accelerating its move abroad. But the high-profit, low-wage system is no more sustainable globally than it was domestically.

As for the second fallacy—that the number of people determines the number of jobs—at first glance, it might seem logical: there is a finite number of jobs, so the more people there are, the more competition there will be for those jobs. By this theory, periods of population growth would also see rising unemployment rates, while periods of population decline would see falling unemployment. How can it be, then, that a recent study by the Pew Hispanic Foundation of employment patterns throughout the United States over the past decade found that "no consistent pattern emerges to show that native-born workers suffered or benefited from increased numbers of foreign-born workers"?[3]

Clearly, the relationship between population size and the number of jobs available is not quite as simple as it might seem. In fact the number of jobs is *not* finite, it is elastic, and affected by many factors. Population growth creates jobs at the same time that it provides more people to fill jobs, and population decline decreases the number of jobs at the same time as it provides fewer people to work at them. Population growth creates jobs because people consume as well as produce: they buy things, they go to movies, they send their children to school, they build houses, they fill their cars with gasoline, they go to the dentist, they buy food at stores and restaurants. When the population declines, stores, schools, and hospitals close, and jobs are lost. This pattern has been seen over and over again in the United States: growing communities mean more jobs.

The number of people in a given community is not the only thing that affects the number of jobs, though. Some people work in jobs that directly service the local community, and those jobs are directly affected by population growth or decline. But many jobs produce goods and services that are consumed elsewhere. Automobile plants in Detroit, or fruit farms in California, or garment factories in El Salvador, or call centers in Bangalore, depend on global, not local, markets.

As has become painfully obvious in recent decades, businesses that service a global market don't generally have a strong commitment to the local community. A factory may provide jobs in Detroit for a decade, or a century, and then close and move elsewhere for reasons that have nothing to do with the size of the population in Detroit. In fact population loss often follows job loss—when a factory closes, people, especially younger workers, leave a community because they lose their jobs—and then local businesses also start to close, because the population can't support them anymore.

Pretty much all of us live, work, and consume in both a local and a global economy. The local economy may be more visible, but we eat grapes grown in Chile, drive cars assembled in Mexico, and pump them with gas from Kuwait or Colombia. And people in the United States produce goods and services that are sold abroad. The United States imports and exports over $100 billion worth of goods and services every month.[4] So jobs in the United States have a lot to do with the global economy, not just what's happening locally.

Between 1920 and the 1970s, the unemployment rate in the United States generally hovered between 4 percent and 6 percent. The exception was the Depression in the 1930s (a period of very low immigration), when unemployment skyrocketed to over 20 percent. The rate dropped again by the 1940s with the Second World War. Starting in the late 1970s it rose, peaking at almost 10 percent in the early 1980s, and remained between 5 percent and 8 percent for the rest of the twentieth century and into the twenty-first.[5] Many factors have influenced the fluctuations in the unemployment rate over the years. Immigration rates, though, do not appear to have any direct relationship at all with unemployment rates.

During the period from the 1870s to the 1910s there was a very high rate of immigration into the United States. World War I, and restrictive immigration legislation in 1917, 1921, and 1924, cut way back on the number of arrivals. The Depression of the 1930s, with its devastating rates of unemployment, occurred when hardly any immigrants were coming into the country. The deportation of thousands of people of Mexican origin from the Southwest during the decade did little to affect employment rates in that region (unless you count those employed to carry out the deportations). Unemployment during the Depression, like unemployment today, simply had very little to do with immigration.

MYTH 2

IMMIGRANTS COMPETE WITH LOW-SKILLED WORKERS AND DRIVE DOWN WAGES

Wages in the United States have indeed been falling with respect to prices, and with respect to profits, since the 1960s. In 2006, wages and salaries made up a smaller proportion of the country's gross national product than at any time since the government started collecting those statistics in the 1940s, while corporate profits rose to record highs.[1] The gradual gains made by the working class during the first half of the twentieth century were being chipped away in the second half—just as immigration rates began to rise again. Why did this happen?

If you look only at the small picture, it indeed seems to be the case that immigrants and low-skilled citizens are competing for the same jobs. Businesses certainly *want* this kind of competition—it means they can find people willing to work for low wages. And, businesses argue, low wages keep prices low.

It's true, if you look at the U.S. economy as a whole, that prices for some kinds of products have gone down and that people in the United States are consuming a lot more of those products. Clothing and electronics are two good examples of how manufacturers and retailers have been able to use low wages and deregulation—both inside the United States and outside—to keep prices down. And U.S. consumers are buying lots of those things. Most of the clothes and electronic devices we buy are produced outside of the United States in factories that pay low wages, in places where governments keep taxes and other expenses low. So companies can keep prices low for consumers while still making a profit.

If prices for some consumer products, especially those produced abroad, are kept low, prices for other kinds of goods and services are rising in today's economy. A lot of the things that are getting more expensive are basic human needs—things like health care, housing, and education. Middle-class and even low-wage workers in the United States may benefit from cheap shoes, cell phones, and iPods, but at the same time they are finding it harder and harder to buy a house, get the health care they need, or send their kids to college.[2]

What's going on? And what does it have to do with immigration?

Study after study has shown that since the late 1970s, the distribution of wealth in the United States has become more and more skewed. By the end of the century the richest 1 percent of the population owned about 30 percent of the country's wealth, and the top 5 percent controlled 60 percent of the wealth.[3]

True, immigration also increased during the last decades of the century. But this does not prove that immigration was the cause of the growing inequality. Coincidence does not prove cause and effect. Rather, the same global economic restructuring that exacerbated inequality in the United States *also* contributed to increasing immigration. In fact, we could argue that cause and effect are reversed: increasing inequality *created demand for immigrant workers* and thus spurred immigration.

Rising inequality, concentration of wealth, and cheap products all go together. To understand how and why immigration fits into the global economy, we need to understand how this system works.

Products can be produced cheaply when business expenses—things like wages, benefits, taxes, infrastructure costs, and the cost of complying with health, safety, and environmental regulations—are low. Businesses have always wanted to keep their costs down—that's why they tend to oppose regulations such as those listed above, which add to their expenses. Inequality helps them keep costs down in several ways.

First, when workers are poor and lack legal protections, they are more willing to work long hours for low wages. So businesses benefit when there exists a pool of workers without economic or legal recourse. This is one of the reasons why early industries relied on immigrant workers; why agriculture in the United States has used slavery, guest workers, and immigrants; and why businesses tend to oppose restrictions on immigration today. It also helps to explain why deregulation of the economy, and even why increasing repression and criminalization of immigrants, actually creates greater demand for immigrant workers.

In a democracy, it's hard to justify deliberately keeping part of the population poor and excluded by legal means. Racial slavery was one means used to do precisely that until the 1860s. Temporary guest-worker programs, Jim Crow laws, and other forms of legalized discrimination—in the North as well as the South—were other methods that kept a supply of workers without rights available until the 1960s. In the western United States, legal restrictions against U.S. citizens of Mexican origin served the same purpose as Jim Crow did in the South. It's no coincidence that in periods when rights have been expanded to previously excluded sectors of the population, businesses have sought new sources of exploitable labor.

Sociologists have used the concept of the *dual labor market* to explain how this system has worked throughout the history of the United States (and other industrialized countries). The *primary labor market* refers to jobs that are regulated. Workers are protected by laws that establish living wages, health and safety standards, and benefits. Their jobs are long term and secure. Their right to organize unions is accepted and protected by law.

The *secondary labor market* consists of jobs that are generally not regulated. Wages are low, and working conditions are dangerous and often harmful to workers' health. Not only are the jobs unpleasant and poorly compensated, they are also dead end: there is little or no room for advancement.

Poor working conditions are often justified with subtle or overt prejudice against the people who work in those jobs: they are seen as less intelligent, less deserving, and congenitally suited for the kind of work they do. Often they are not citizens. Until the 1930s, most factory work fell into this category.

Why would people acquiesce to working under these substandard conditions? Inequality helps to provide the answer, in some obvious and some less obvious ways.

Let's look at the obvious ways first. Inequality maintains a population of poor people who lack access to resources, and who may have little alternative but to accept jobs under the worst of conditions.

But inequality works on a regional and global, as well as a local, level. These larger inequalities help to explain why industrial societies have tended to rely on *immigrants*, rather than the domestic poor, to fill jobs in the secondary sector.

The southern and eastern European immigrants who filled the factories and the mines and the Latin American and Asian immigrants who now fill the sweatshops, the fields, and the lower ends of the service sector share several characteristics that are related to regional inequalities.

First, *the dollar is worth more in the home country than it is in the United States.* Immigrants tend to believe that the United States is a country of fantastic wealth, where hard work can bring unbelievable reward. And they're right: 26.3 percent of Mexicans, 46.4 percent of Filipinos, and 90.8 percent of Nigerians live on two dollars or less per day in their respective homelands.[4] These people know that they could earn more in the United States.

Of course, the cost of living in Mexico, the Philippines, and Nigeria is much lower than the cost of living in the United States. The minimum wage, or subminimum wage, that a Mexican worker might earn in the United States wouldn't be enough to support a family here—but it can mean the difference between utter dispossession and dignified survival, or between minimal survival and hope for the future, in Mexico, Nigeria, or the Philippines.

This brings us to the second piece of the puzzle: *immigrants are willing to accept conditions abroad that they would never accept at home.* Many people immigrate planning to spend a brief period of time working abroad, living under the most onerous conditions, and earning money that can be used to help those who remain at home, and then to return home themselves to purchase a house, buy land, or start a business. Migrant workers who come with this intention are not terribly concerned about their living conditions while in the United States—they are often willing to work fifteen hours a day, live six to a room, forgo any social life, and eat out of tin cans in order to save as much money as possible and return home as quickly as possible.

Immigrants do jobs that American citizens wouldn't do—in Mexican president Vicente Fox's notorious words, "jobs that not even blacks want to do"—because they are not trying to live a decent life in the United States.[5] They couldn't, on their meager wages. Their frame of reference is their much

poorer home country, and what seem like unlivably low wages here are worth a lot more there.[6]

Over time, however, even these migrants' frame of reference changes. Some do return home with their savings, but others begin to set down roots in their new land and bring or establish families here. World War I, and the subsequent immigration restrictions, accelerated this process for European immigrants, who could no longer return home. As they begin to assimilate into the new society, immigrants are no longer willing to work for substandard wages and conditions. They begin to struggle to better their conditions in their new home.

For the European immigrants in the early part of the century, this process was in general successful. The growing strength of labor unions, combined with federal legislation that began to regulate the conditions of work, changed the conditions of factory work during the 1930s and 1940s. Instead of being dangerous and underpaid, the assembly line became the basis of a middle-class lifestyle. Industrial workers could buy houses and cars, take vacations, and send their children to college.

Some sectors of the economy were excluded from the New Deal reforms of the 1930s and 40s, though, and remained in the secondary labor market. The main areas left out of the reforms were agriculture and domestic service. (As of 2006 the National Labor Relations Act *still* excludes agricultural and domestic workers.) Since these were the sectors where most of the workers were and are people of color, especially African Americans and Mexican Americans, most analyses conclude that the New Deal reforms, while not explicitly mentioning race or privileging white people, in fact had the result (and probably the goal) of reinforcing racial inequality and the dual labor market.

Other federal reforms of the middle of the century also contributed to hardening preexisting racial inequalities. The GI bill of 1944, for example, helped millions of people from the working class get access to higher education—but most colleges and universities in the United States still excluded blacks. Federal housing loans and mortgage policies also exacerbated racial inequality, since racial covenants, written and unwritten local codes, and lending policies clearly excluded nonwhites.

When southern and eastern European immigrants came to the United States in the late nineteenth and early twentieth centuries, they were not considered white—at least not fully white. They went to work in the factories and in the mines under abominable conditions. Because they were poor, because they were marginalized as noncitizens and as newcomers, and because legislation protecting the rights of factory workers was in its infancy, businesses were able to use them as a secondary labor market to build their industries. African Americans and Mexican Americans were even further legally marginalized because racial segregation and discrimination were widespread and encoded in the law.

The mid-century reforms extended rights to European immigrants at the same time as they drew the lines more firmly against people of color, whether immigrants or citizens. People of Mexican origin—including many who were U.S. citizens—were deported in massive waves in the 1930s, just as the New Deal was beginning to improve the conditions of work in the factories. The continuous expansion of rights described in the introduction needs to be qualified with the continuous exclusion from rights that accompanied it. Each period of expansion and reform has been accompanied and/or followed by a redefinition of exclusion. And exclusion guaranteed the continuing existence of a pool of workers for the secondary labor market.

The *bracero* program established in 1942 created a new legal way for Mexican workers to be used as a secondary labor market. They were brought into the country on temporary visas that defined them as "arms" rather than people (bracero comes from the Spanish word *brazo*, or arm) and treated essentially as indentured servants of the businesses that hired them. In the northeast, a similar recruitment program brought Puerto Ricans—who, like African Americans, were citizens, but second-class citizens—to work in the farms and fields.

In the 1960s, the formal system of racial segregation in the United States was dismantled, and a new wave of government programs ranging from affirmative action to food stamps tried to redress the results of centuries of legally enforced racial inequality and exclusion. The Voting Rights Act, moreover, acknowledged that blacks had been excluded by administrative means from full citizenship. The bracero program was also tacitly acknowledged to be a violation of people's rights. According to a former U.S. commissioner of immigration, "its failings could no longer be reconciled with civil rights-era sensibilities about how people should be treated in a democratic society."[7]

There was a difference, though, between African Americans, who were slowly, tortuously, accorded the rights of citizenship, and immigrants. For some immigrants, rights also slowly expanded, and opportunities for citizenship opened. Explicit racial exclusion of blacks from citizenship was dismantled through a series of steps beginning with the Fourteenth Amendment in 1868 and continuing through the Voting Rights Act in 1965. Along the way, the racial barriers to Asian citizenship were dismantled as well, on a slightly different schedule.

But the imposition of numerical quotas on Mexico and other Western Hemisphere countries for the first time, also in 1965, led to a huge rise in the numbers of "illegal immigrants" who did not have access to this expansion of rights. And the new wave of globalization of labor, begun by Operation Bootstrap in Puerto Rico in the 1940s and 50s and expanded with the Border Industrialization Program in Mexico in 1965, created new mechanisms for corporations to have access to workers who were excluded from democratic rights. Both of these U.S.-designed programs created privileged industrial export zones and invited U.S. factories to relocate in them.

But people of color who were citizens were still subject to social barriers, and people of color who were immigrants faced new structures, like the national quotas still in place today, that shut them out. Many new post-1965 immigrants

from Latin America and Asia were as definitively excluded from citizenship, or from the rights of citizenship, as previous generations of people of color had been. The category of immigrants classed as "illegal" mushroomed because of the way the law was designed, and because of the increasing economic demand for immigrant workers.

The 1965 law dismantled the national origins quotas, which were by then universally seen as discriminatory. In their place, it created a uniform quota system of 20,000 per country for the Eastern Hemisphere, and a 150,000 ceiling for the Western Hemisphere—that is, Canada, the Caribbean, and Latin America. (This was changed in 1976 to implement the 20,000-per-country quota for Western Hemisphere countries as well.) Preference went to family members of people already in the United States.

The family preference system reinforced the phenomenon of chain migration from poor countries. It was based on the humanitarian idea of family reunification, but its implications went far beyond that. It meant that immigration became structured by circles of relationships with individuals in the United States. It meant that countries with strong recent histories of immigration, like Mexico, quickly overflowed their quotas, because lots of Mexicans had family members in the United States and could take advantage of the priority given to close relatives of people (legally) in the United States. In contrast, countries without a large presence, like Paraguay, scarcely filled their quotas.

The uniform quota system also embodied its own forms of discrimination. Huge countries like China and India had the same quota as tiny countries—so a would-be immigrant from, say, Oman, had a much higher chance of receiving a visa than one from a more populous country. And different sets of historical factors (which will be discussed below) meant that the "demand" for visas in some countries was very low, while in others it was very high. So some countries never reached their limits, meaning that it was very easy for their citizens to obtain visas.

For other countries, there were far more than 20,000 applicants. This meant that if you didn't fall into a preference category, that is, if you didn't have family members in the United States or particular job skills, your chances of getting a visa were virtually nil. Even for people with close relatives who were citizens or permanent residents of the United States, the wait could be years or even decades.

One problem at the root of the new quota system is that it dealt with countries, rather than with people. At the same time that it claimed to end discrimination based on national origin, it still made national origin the decisive factor in determining whether an individual could receive permission to come to the United States or not. By treating all countries equally, it treated *people* unequally. A person's chances of getting permission to come to the United States no longer depended on his or her race—now it depended on how large his or her country of origin was, and on how many others in that country wanted to come.

Furthermore, the 1965 law ignored the long-standing economic integration, and in particular the labor migration, between Mexico and the United States. Migrant networks

and systems that had roots even older than the bracero program didn't disappear when the program ended, and the jobs Mexican migrants had filled, mostly in seasonal agricultural work, didn't vanish either. Because it placed such a low cap on Mexico at the same time that the bracero program ended, the law vastly increased the numbers of "illegal" migrants. Abolishing the bracero program without creating any other legal mechanism to allow Mexicans to work in the United States turned people who had formerly worked legally into "illegal immigrants." One hundred years after slavery was ended, continuing legal distinctions among people ensured that secondary labor market employers would have an ample supply of workers—workers who could not turn to the law to protect their rights in the workplace.

The structures of exclusion were compounded by the global inequalities that made immigrants, as people who had a dual frame of reference (the home country and the United States), more likely to accept, rather than challenge, their exclusion.

Domestic reforms of the 1960s may have extended full legal citizenship to African Americans, but structural inequalities, and the secondary labor market, persisted. By the 1970s an economic assault on the poor of all races began to unravel the social safety network established in the previous decades. And the connection of rights to *citizenship* was reinforced. Growing numbers of Latin American and Asian immigrants created a new pool of noncitizens who could be treated as workers without rights.

The unraveling of the social safety network, combined with deindustrialization, severely undermined the primary sector of the labor market. But as the primary labor force was contracting the secondary labor force was expanding. As women entered the workforce in larger numbers and people had to work longer hours to support a middle-class lifestyle, many of the services connected to the *reproduction* of the labor force moved out of the home and into the private sector. Fast food, child care, elder care, and home health care became rapid-growth sectors. These were jobs that could not be moved abroad. But if workers without social and economic rights might be recruited, they could provide a low-wage labor force.

Economist Nancy Folbre calls this aspect of the economy the "invisible heart"—as opposed to the "invisible hand" that classical economists argue governs the marketplace. The paid world of work and business, she explains, couldn't exist without the unpaid, invisible network of care provided mostly by women. The economic shifts that began in the 1970s both demanded more working hours outside the home and cut back on public services and benefits, creating what Barbara Ehrenreich and Arlie Hochschild have termed a "care deficit" in the first world.[8] Much of the new wave of immigrants that began after 1965 moved in to fill this care deficit.

The changing economy created other secondary-sector jobs too. New systems of subcontracting enabled some jobs to slip from the regulated to the unregulated sector. Factories threatened to close unless unionized workers gave up their gains of the past fifty years to compete with low-cost

workers abroad. U.S. cities tried to woo in industries by offering them exemptions from the regulations and taxes that had been part of the redistributive model of the mid-twentieth century. So conditions in the primary sector of the workforce deteriorated at the same time that jobs were being lost to outsourcing.

Some of these changes chipped away at the social and economic rights that workers had attained through decades of struggle and legislation. Prisons and security also became growing employers as larger portions of the population were pushed into economic hopelessness.

There were some moves that stripped African Americans of political rights, too. Criminalization of drug use and draconian sentencing laws and patterns contributed to the astonishing statistic that in 2003 nearly one-fourth of African American men in their thirties had prison records—while only slightly over 10 percent had college degrees.[9] Over five million Americans are legally disenfranchised because of felony convictions, including 13 percent of African American men.[10] While still technically citizens, they are deprived of one of the essential rights of citizenship in the United States: the right to vote. (Other U.S. citizens also have restricted voting rights: Puerto Ricans on the island can't vote in presidential elections and have no representation in Congress; citizens living in Washington D.C. could not vote in presidential elections until 1964, and still have no representation in Congress.)

Immigrants, however, have no political rights to begin with. If we frame our discussion by talking about countries and nationalities, it may seem logical that people should have rights only in the country where they are citizens. But if we frame the discussion by talking about workers and their rights, we see a different pattern. For centuries, the United States and other industrialized countries have institutionalized inequalities by granting rights to some people but not to others. People without rights may be slaves, they may be colonial subjects, they may be racial and ethnic minorities, or they may be immigrants, or they may be people in or subject to another country. In all cases, though, governments have made sure that there are people without rights to fulfill business's need for cheap workers and high profits. When one group of workers has gained rights, historically, businesses—with government help—have simply looked elsewhere to define or create a new group of rightless workers.

Exclusionary citizenship has allowed the United States to maintain a fiction of equal rights while also making sure that employers have access to workers without rights. From the very founding of the country, the idea that "all men are created equal" coexisted with the fact of slavery, and the exclusion of large numbers of people physically present in the United States from the rights of citizenship. This contradiction continues to characterize U.S. law and society: many people who are physically present here are still excluded from the rights and privileges of citizenship. Keeping some people outside of the bounds of equality and citizenship served employers' need for cheap labor in the past, and continues to do so today.

So let's return to the original question: do immigrants

compete with low-skilled workers for low-paying jobs? Yes. But the *reason* that this competition exists is because *too many people are deprived of rights.* The proposals for immigration reform that are circulating today do nothing to expand the rights of those currently excluded—in fact they do just the opposite. Further restrictions on immigration will not lower the numbers of immigrants—as long as the demand for labor is there, history has shown that immigrants will keep coming. And further restrictions will only compound the problem of immigrants' lack of rights. The answer to the low-wage problem is not to restrict the rights of people at the bottom even more (through deportations, criminalizations, etc.) but to challenge the accord between business and government that promotes the low-wage, high-profit model.

When historians look at the evolution of workers' rights in the United States, they often point out that the institution of slavery, and the subsequent dispossession and disenfranchisement of African Americans there, put the South far behind the North in the growth of labor organizing and the gains in workers' rights. White workers in the South may have clung to their status of legal and racial superiority, but in fact the entrenched racial inequalities undermined the socioeconomic status of poor whites as well. It is hard to organize unions when there are lots of even poorer people eager for your job, and it's hard to organize for social justice when you're focused on preserving your slight advantage over those below you.

It's important to understand, though, that it wasn't the *presence* of African Americans—or the fact that they were African American—that made it hard for poor whites to bring about social change. It was the institutions of slavery and racial exclusion, the *disenfranchisement* and *dispossession* of African Americans, combined with white racism, that prevented poor southern whites—as well as blacks—from achieving social justice and equality. Likewise, it is not the *presence* of immigrants that lowers the wages and living standards of citizens—it is the fact that immigrants are deprived of rights, combined with anti-immigrant racism, that creates the obstacles to improving the lives of poor people.

Decisions and policies made by governments and by corporations are the main factors that determine wage levels. Global—and local—inequalities allow economies to sustain a low-wage, secondary-sector labor market. Both immigrants and poor people in general, inside and outside the deindustrializing countries like the United States, are the common victims of the lavish lifestyles of the wealthy and the profits of corporations.

If we look back at history, the greatest challenges to the low-wage, high-profit model have come through federal legislation and social movements, including labor organizing. When governments offer businesses freedom from regulation and deprive workers of rights, low wages and high profits flourish, and democracy suffers. Whether the excuse is race, or economic status, or nationality, a portion of the U.S. population has always been disenfranchised. Business

may benefit from this system, but the population as a whole does not. Expanding democratic rights downward benefits everyone, especially those at the lower end. The contradiction between the rights of immigrants and the rights of citizens who are poor is more apparent than real.

MYTH 3

UNIONS OPPOSE IMMIGRATION BECAUSE IT HARMS THE WORKING CLASS

Unions in the United States have not always opposed immigration. But the mainstream union movement in the United States in the twentieth century did—until the 1990s. The reasons had to do with how the U.S. union movement came to define its goals and its place in U.S. society.

At the beginning of the twentieth century, the American Federation of Labor (AFL) competed with other, more radical unions. The Industrial Workers of the World (IWW) promoted a social justice agenda and tried to organize the most dispossessed workers. It sought profound social and economic change. The AFL, in contrast, basically accepted the social order. It concentrated mainly on trying to organize and improve the conditions of the most skilled workers—creating what some have called an "aristocracy of labor." By the middle of the century, with the growth of the Congress of Industrial Organizations (CIO) and its later unification with the AFL, this evolved into the creation of a "private welfare state" for union workers.[1]

While some of its European counterparts sought a larger

public agenda of improving conditions for the working class, the AFL-CIO concentrated on improving conditions for union members. Rather than fighting to raise the minimum wage or create a national health-care system, the AFL-CIO sought to improve benefits for organized workers through their contracts with their employers. The privileged position of (mostly white) union workers actually depended on the existence of the dual labor market—domestically and globally—that produced goods and services cheaply. That is, some get low wages so that others can enjoy cheap products.

The IWW rejected the way citizenship was used in the United States to deprive some workers of their rights. At its founding convention in 1905, "Big Bill" Haywood began his remarks by explaining, "I turned over in my mind how I should open the convention. I recalled that during the French Commune the workers had addressed each other as 'fellow citizens,' but here there were many workers who were not citizens so that would not do . . . I opened the convention with 'fellow workers.' "[2]

Contrast this to the stance taken by Samuel Gompers, the president of the AFL, in the same year. "Caucasians," he announced proudly, "are not going to let their standard of living be destroyed by Negroes, Chinamen, Japs, or any others."[3] As David Roediger explained, "They opposed entry of 'the scum' from 'the least civilized countries of Europe' and 'the replacing of the independent and intelligent coal miners of Pennsylvania by the Huns and Slavs.' They wrote of fearing that an 'American' miner in Pennsylvania could thrive only if he 'latinizes' his name. They explicitly asked ... 'How much more [new] immigration can this country absorb and retain its homogeneity?' "[4]

The United Mine Workers of America argued that labor unions needed to uphold "Caucasian ideals of civilization" and used its journal to warn continually against the "yellow peril."[5]

Gompers became an anti-imperialist in the case of the Philippines, not because of any solidarity with the Philippine independence movement or opposition to colonial expansion, but because of racism. "We do not oppose the development of our industry, the expansion of our commerce, nor the development of our power and influence which the United States may exert upon the destinies of the nations of the earth," he explained. The problem was the "semi-savage population" of the islands—he did not want to see it incorporated into the United States.[6]

"If the Philippines are annexed," he demanded, "what is to prevent the Chinese, the Negritos and the Malays coming to our country? How can we prevent the Chinese coolies from going to the Philippines and from there swarm into the United States and engulf our people and our civilization? ... Can we hope to close the flood-gates of immigration from the hordes of Chinese and the semi-savage races coming from what will then be part of our own country?"[7]

As Vernon Briggs shows, "At every juncture, and with no exception prior to the 1980s, the union movement either directly instigated or strongly supported every legislative initiative enacted by Congress to restrict immigration and to

enforce its policy provisions."[8] Until 1917, those immigration restrictions were purely race based, forbidding first Chinese, then Japanese, then all Asian immigration.

Over the course of the first decades of the twentieth century, though, the AFL, gradually and grudgingly, began to accept the new European immigrant workers into its fold. "Although self-interested, wary, and incomplete, the AFL opening to new immigrant workers initiated a process that could transform 'semiracial' typing of already arrived new immigrants ... Although specifically defending (and equating) 'white' and 'American' standards of wages, consumption, and working conditions, the more hopeful came to regard it as possible that some new immigrants could be taught those standards."[9] Workers who could not be encompassed within this new definition of whiteness, however, were still excluded.

Southern and eastern European workers established themselves as white, as Irish workers had before them, by embracing rather than challenging the racial hierarchy. The Irish "learned to distinguish themselves in racial struggles and to establish their claim as 'whites.' They did so by taking up arms for the white Republic against the blacks in the Philadelphia race riots and the New York draft riots of 1863. They also took part in the anti-Chinese movement in California."[10] Michael Rogin argues that first the Irish, then southern and eastern European immigrants, established their claim to whiteness through adopting white racism, specifically through the use of blackface: "Blackface ... distanced the Irish from the people they parodied. Demonstrating their mastery of the cultural stereotype, Irish minstrels crossed the cultural border . . . Blackface brought Irish immigrants into the white working class, freeing them from their guilt by black association."[11]

The Democratic Party opened itself to Irish immigrant workers on a pro-slavery platform before the Civil War, to "counterbalance the numerical advantage of the Northern free states and maintain slavery by the assimilation of the Irish into the white race."[12] The party became "a coalition of urban machine constituents and southern Negrophobes."[13]

Union policies like "father-son" clauses in the building trades and apprenticeship and seniority systems helped to maintain racial exclusivity in the AFL and later AFL-CIO well into the 1960s.[14] The federation opposed the NAACP's attempt to have domestic and agricultural workers included under the Wagner Act in 1935.[15] It worried that the 1964 Civil Rights Act would challenge its history of discrimination and fought to have past discrimination exempted from the Act's purview.[16]

The exclusionary system worked fairly well for many white workers until the restructurings of the 1970s began. But in the 1970s the New Deal social compact began to fall apart. Businesses accelerated their shift abroad, and government began to dismantle the New Deal social welfare state. It took the AFL-CIO until 1993 to come to terms with the fact that the old system was unrecoverable—and that its survival depended upon reaching out to immigrant workers. At its 1993 convention the federation adopted a resolution criticizing those who "exploit public anxiety by making immigrants and refugees the scapegoats for economic and social problems." "Immigrants are not the cause of our nation's problems," the resolution stated. It affirmed the rights of immigrants, whether documented or undocumented, and encouraged unions "to develop programs to address the special needs of immigrant members and potential members" and collaborate with "immigrant advocacy groups and service organizations."[17]

The "New Voices" leadership that took over the federation in 1995 continued the trend away from exclusiveness and the "private welfare state." The new leadership categorically rejected the idea "that immigrants are to blame for the deteriorating living standards of America's low-wage workers." Rather than focusing on immigrants as the problem, it proposed "increasing the minimum wage, adopting universal health care, and enacting labor law reform as the remedies for the widening income disparity in the nation."[18]

MYTH 4

IMMIGRANTS DON'T PAY TAXES

Immigrants, no matter what their status, pay the same taxes that citizens do—sales taxes, real estate taxes (if they rent or own a home), gasoline taxes. Some immigrants work in the informal economy and are paid under the table in cash, so they don't have federal and state income taxes, or social security taxes, deducted from their paychecks. So do some citizens. In fact every time the kid next door babysits, or shovels the snow, he or she is working in the informal economy.

Much of the service sector operates in the informal sphere. Nanny jobs and housecleaning jobs—which tend to be held primarily by women—generally use informal arrangements whether the workers are citizen or immigrant, documented or undocumented. But increasingly, jobs that used to be in the formal sector—like factory jobs—have sunk into the informal sector through elaborate systems of subcontracting. Textile and apparel manufacturing are particularly notorious in this regard.[1]

There are some benefits for employers, and for consumers, from this informal sector. Employers can pay lower wages than those required by law. Consumers receive access

to cheap products and services provided by these low-wage, untaxed workers.

But workers in the informal economy don't fare so well. They don't have access to any of the worker protections that come with formal employment, like minimum wage or health and safety regulations. Workers in the informal economy can't get unemployment insurance or workers' compensation and generally get no benefits from their employer (like health insurance or sick leave or vacation time).

It's hard to calculate exact numbers for the informal economy because, by definition, it's unregulated. One recent study in Los Angeles estimated that immigrants made up 40 percent of the city's population, and one-fourth of these were undocumented. The informal economy accounted for some 15 percent of the city's workforce, and undocumented workers were concentrated there: 60 percent of workers in the informal economy were undocumented.[2]

Many immigrants work in the formal economy, in which case they have all of the same tax deductions from their paychecks as citizens do. Undocumented immigrants who work in the formal economy generally do so by presenting false social security numbers. The Social Security Administration estimates that about three-fourth of undocumented workers do this.[3]

Public commentary about this practice is often quite angry. In fact, though, the only ones who lose anything when workers use a false social security number are the workers themselves. Taxes are deducted from their paychecks—but if they are undocumented, they still have no access to the benefits they are paying for, like social security or unemployment benefits.

Even with a false social security number, the federal and state taxes that are deducted from a worker's paycheck will go into federal and state coffers. Social security payments are either credited to whoever's number was used, or, if a worker uses a number that doesn't belong to anybody, they go into the Social Security Administration's "earnings suspense file." As of 2005, Social Security was receiving about $7 billion a year through false social security numbers—allowing it to break even, because that's about the same amount as the difference between what it paid out in benefits and what it received in payroll taxes. According to the *New York Times*, "illegal immigrant workers in the United States are now providing the system with a subsidy of as much as $7 billion a year."[4] Yet these workers will never be able to receive Social Security benefits.

MYTH 5

IMMIGRANTS ARE A DRAIN ON THE ECONOMY

This is a complicated question that requires us to define "the economy." Generally, those who say immigrants are a drain on the economy are referring to the myth that immigrants use more in public services than they pay in taxes. In fact the majority of immigrants, being of prime working age and ineligible for many public services, tend to contribute more to the public sector than they actually use. However, many of the services they do tap into are local services (schools, transportation, libraries), and the new wave of immigration coincides with federal cutbacks to these services, placing a greater burden on local governments. (The native born, it should be said, *also* tend to use more in local services than they pay in local taxes.)

Several state-level studies have tried to assess the level of state and federal taxes that immigrants, documented and undocumented, pay compared to the level of state and federal services that they receive. Early studies in California and in the Southwest as a whole and more recent studies in the Southeast, which is seeing the highest rates of immigrant population growth now, have come to similar conclusions. Immigrants, documented and undocumented, are more likely to pay taxes than they are to use public services. Undocumented immigrants aren't eligible for most public services and live in fear of revealing themselves to any government authorities. Documented immigrants are eligible for some services—but even they hesitate to use them, since they fear that being seen as a public charge will make it harder for them to stay, apply for citizenship, or bring family members. Nationally, one study estimates that households headed by undocumented immigrants use less than half the amount of federal services that households headed by documented immigrants or citizens make use of.[1]

There are some government services that both documented and undocumented immigrants do benefit from: public schools, emergency medical care, and the public safety system (e.g., police, prisons). These are known as "mandated services," which federal authority requires state government to provide to all people, regardless of immigration status.

The only kind of public service that immigrant households use at higher rates than natives is food assistance programs such as food stamps, WIC, and free or reduced-cost school lunches. However, it's not the immigrants themselves who use this aid—they're usually not eligible—but rather their U.S.-born children, who are citizens.[2]

The Georgia Budget and Policy Institute estimates that undocumented immigrants in the state pay between $1,800 and $2,400 a year in state and local taxes, including sales,

property, and income taxes (for those who file W-2 forms with false social security numbers). This brings from $200 to $250 million into state and local budgets.

"Do undocumented immigrants pay enough in taxes to cover the services used?" the report asks.

> For undocumented immigrants, the answer is unclear. However, for legal immigrants, studies have shown that first-generation immigrants pay more in federal taxes than they receive in federal benefits. The same does not hold true for state taxes and services, however, as first-generation immigrants often use more in services than they pay in taxes. However, the descendants of the first-generation immigrant correct that pattern and contribute more in taxes at both the federal and state level than they consume in services at both levels. Each generation successively contributes a greater share due to increased wages, language skills, and education.[3]

Similarly, in Colorado undocumented immigrants were found to pay about $1,850 in state and local taxes if they were working on the books, and $1,350 (in sales and property taxes) if they were working under the table. Thus the estimated 250,000 undocumented immigrants in that state were paying $150 to $200 million in state and local taxes, covering about 70 to 85 percent of the approximately $225 million they used in state and local services.[4]

If immigrants don't make heavy use of social services and they do pay taxes, then why don't their taxes cover all of, or more than, the services they do use? Mostly because they earn such low wages that their tax payments are lower than those of people who earn higher wages. Low wages mean that less is withheld for income taxes, and it means that they have less money to spend, so they pay less in sales and property taxes than people who earn more. In fact, our progressive system of income taxes is designed to take a greater chunk of the income of a high earner than a low earner. So if immigrants are paying less, it's because they're earning less.

A Florida study found similar results: new immigrants tend to have lower levels of education and lower earnings —and thus pay less in taxes—than the U.S. population as a whole. Within fifteen years, immigrants' earnings—and their taxes—have caught up.[5]

Since the 1990s, economists have started to use a more complex model for evaluating the effects of immigration with respect to taxes and public services. Instead of just looking at the cost of educating the children of immigrants, for example, they also look at the potential future tax revenues of those children. This approach, called "generational accounting," is based on the notion that when government spending exceeds tax revenues—that is, when the government operates at a deficit, as is currently the case—future generations essentially have to pay back the debt. So the numbers of new immigrants in future generations will affect how the costs of the debt are distributed—more immigrants means less burden on the native born.[6]

From the perspective of businesses, employing immigrant workers, and workers in other countries, brings some

special advantages. Again, a comparison to slavery is enlightening. Slaveholders generally preferred to purchase slaves of prime working age and strength. They discovered that it was cheaper to continually import new slaves and overwork them to death rather than having to pay for the *reproduction* of their slave labor force. Brazilian slaveholders found that they could recover the cost of purchasing a slave with two years of harsh labor, so that any amount of time that a slave survived after that was pure profit. The average was three more years—and the profit could then be used to buy a new slave worker.

When the slave trade was abolished—at the beginning of the nineteenth century in the United States, much later in the century in Brazil and Cuba—slaveholders had to shift their strategies. In order to maintain a slave population, they had to foster reproduction. This meant that they had to invest more in their existing slaves. They had to provide for children who were too young to work, and for the women or elders who cared for the children. They had to increase the level of subsistence so that slaves would *not* die within five years.

Immigration and outsourcing (moving production abroad) fulfill the same logic, from the perspective of businesses. The New Deal social compact put the burden on businesses to give back to their workers, and to society, in order to support the reproduction of the labor force. Wages, benefits, and taxes were all ways in which businesses contributed to social reproduction.

If businesses could find a new source of workers that was reproduced outside of the United States and the New Deal social compact, however, they could save money. If a worker is born and raised in Mexico, works for a U.S. enterprise (either in Mexico or in the United States) between the ages of twenty and forty, then returns to the home community, it is the Mexican family, community, and institutions that bear the costs of reproduction. The U.S. company gets just what the slaveholder got: workers in their prime working years, with no investment in the society that raised them or that will care for them as they age.

Of course some immigrants, even if they originally intended to work for a short time and return home, end up staying. Over time, they lose those special immigrant qualities that make them willing to work for low wages in substandard conditions. In other words, they become more like citizens: they need to work for wages, and in conditions, that will sustain their life here. The opportunities for upward mobility that European immigrants enjoyed may no longer exist, but immigrants do shift in the kinds of jobs they will do, the kinds of conditions they will accept—and the amount of taxes that they pay.

As workers leave the secondary sector—whether because they return home, grow older, or set down roots here—employers remain avid for new immigrants to replace them. A significant exception to the model of economic improvement over time is undocumented immigrants. Unlike "legal" immigrants (refugees, legal permanent residents, and those who become naturalized citizens), whose incomes increase significantly in proportion to their time in the United

States, undocumented immigrants tend to remain on the margins of the U.S. economy. Even those who had been in the United States for ten years or more in 2003 had a family income of only $29,900—as compared to natives, whose family incomes averaged $45,900, refugees at $45,200, legal permanent residents at $44,600, and naturalized citizens at $56,500.[7]

It's not surprising, then, that 39 percent of undocumented immigrant children live below the poverty line, and 53 percent lack health insurance.[8] The results of the 1986 Immigration Reform and Control Act, which granted amnesty to a significant portion of the undocumented population then in the United States, are also clear. Once they achieved legal status, migrants were able to improve their levels of education and income.[9] By maintaining arbitrary status differences and excluding millions of people from legal rights, and by ensuring that immigrants will continue to arrive, and that some will continue to be classed as "illegal," U.S. policies guarantee the existence of a permanent underclass.

MYTH 6

IMMIGRANTS SEND MOST OF WHAT THEY EARN OUT OF THE COUNTRY IN THE FORM OF REMITTANCES

Remittances are a very important part of the global economy. They often account for a larger portion of poor countries' income than foreign aid does. ("Remittances" refers to money that immigrants send home to family members in the home community.) In 2004, immigrants from Latin America sent over $30 billion to their home countries—in 2005, over $50 billion.[1]

In 2004, 10 million Latin American immigrants—some 60 percent of the Latin Americans living in the United States—sent home remittances, usually ranging from $1,000 to $2,500 a year, or 10 percent of their annual income. (The total income of Latin American immigrants in the United States is $450 billion.) Although only 10 percent of what an average immigrant earns here, the money sent home represents from 50 percent to 80 percent of the household income for those at home in Latin America.[2] Ninety percent of immigrants' wages are spent in this country. Citizens, too, of course, spend some of their earnings

abroad—directly, if they travel, or indirectly, if they purchase imported goods.

Because of the complex nature of the global economy, it's very hard to untangle exactly who benefits from every dollar spent. For example, if you buy a cup of coffee at Starbucks, you're paying for rent on the building, workers' wages, baristas' wages, maintenance workers' wages, managers' salaries, and utilities (and everything that goes into producing the utilities, including perhaps the importation of coal, oil, or gas), plus various forms of insurance, advertising, the furniture, the music, the mugs, and the many people involved in the production, processing, trading, and shipping of coffee, not to mention the shareholders in all of these different enterprises, and the executive officers and their retirement packages . . .

How remittances are spent is also very complex. A significant—though shrinking—portion goes to the institutions that process the financial transactions. In the 1990s the cost of sending money to Latin America was almost 20 percent of the amount sent, though this declined to slightly under 10 percent after 2000.[3] Still, local banks and transfer companies, all of which employ people, are one beneficiary.

Some portion of the remittances goes directly to family members and is spent on food, health care, clothing, home improvement, and education. This kind of spending can have both local and global effects, since many of the products and materials used in these areas are imported. When the money is spent locally, it can also help to improve the local economy.

In some ways, remittance money is more efficient than foreign aid at improving people's lives in ways that reduce migration. Foreign aid often comes with strings attached. Sometimes it has to be spent on products, or machinery, made in the country that gives the aid. Sometimes it has to be spent on "development" projects that actually make the lives of the poor worse—like a dam, or a mine, that displaces people from their homes, or like subsidized corn that floods markets and bankrupts poor farmers.

Some remittance money goes to hometown associations that are involved in different types of development projects like building schools, water systems, or sports facilities. (In Spanish these are sometimes called *organizaciones de pueblo, clubes de oriundos,* or *clubes sociales comunitarios.*) The Mexican government has been particularly active in using incentives to channel money into economic development. In perhaps the consummate irony, the state government of Guanajuato has implemented a program of joint ventures with hometown associations to develop garment maquiladora factories in migrants' home communities. These factories produce clothing for foreign companies that in turn export to the United States. As of 2000, six of these factories had been established, with plans in the works for sixty more.[4] Other studies have shown that U.S. companies choose Guanajuato as a site for building factories because, with such a large proportion of families relying on remittances, they are able to pay lower wages there than in other parts of Mexico.[5]

Remittances can have other contradictory effects too. In

El Salvador, one study found that a significant portion of remittances is spent on imported consumer goods. Imports rose from 27.7 percent of El Salvador's GDP in 1990 to 42 percent in 2004. So rather than creating jobs, the system creates new incentives to migrate, since only families who count migrants among their members can afford this kind of consumption.[6]

Remittances, then, are one element in an extremely integrated global economy. If we look only at the flow of remittances, it looks like a lot of money is leaving wealthy countries and going into poor countries. But if we look at the global economy as a system, remittances are just one small piece of a very complex, multidirectional flow.