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**COMMENTARY**

## Dodging the Guest-Worker Bullet

 By **GORDON H. HANSON**  
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The Senate's bid to reform U.S. immigration policy ended last week, not with a whimper but with a bang. After defections on both sides of the political aisle, the grand bargain collapsed. The bitterness of the debate and the political heat the bill's sponsors endured suggest there is little hope Congress will reconsider comprehensive changes in immigration any time soon.

Despite the many indications that America's immigration system is broken, we should be grateful the Senate effort failed. The nation is better off without the proposed overhaul.


The plan's main defect was not -- as House Republicans claimed -- an amnesty for illegal immigrants. The U.S. has long had an implicit contract with those able to get into the country, be it by securing a green card or slipping across the border: If you work hard and keep out of trouble, you will be allowed to stay in America. For the most part, immigrants have embraced the opportunity. Relative to similarly skilled native-born adults, illegal immigrants are more likely to have a job and less likely to engage in crime.

There are good reasons for their commitment to work. Illegal immigrants make due without a social safety net, and if they are convicted of a felony, they are deported immediately after their incarceration. Legalizing the unauthorized population would have simply rewarded immigrants for living up to their end of the deal.

Nor was the problem -- as some Democrats would have it -- the reallocation of green cards from family members of U.S. residents to skilled workers. Currently, the government awards two-thirds of green cards to immigrants who are sponsored by a family member in America and only one-sixth to foreign workers sponsored by a U.S. employer. The strong bias toward family reunification lacks any economic justification. Giving skill greater weight in immigrant admissions was perhaps the most sensible feature of the Senate's approach. The proposed point system for ranking potential immigrants was vague and did not appear to recognize an individual's actual employment prospects, but it was a step in the right direction.

No, the real drawback of the Senate's plan was that it sought to replace a dynamic and reasonably efficient market for low-skilled workers with a Byzantine guest-worker program. The U.S. economy absorbs around 300,000 new illegal laborers each year. These workers build houses, harvest crops, man

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assembly lines, clean homes and care for children, accounting for nearly 30% of U.S. labor with less than a high school education. Under the numbers Congress was contemplating, the new work visas would have satisfied only two to three years of demand for new illegal labor. After that, employers would have had to make due without extra low-skilled help, an insane prospect given the abundance of willing and available workers next door in Mexico.

Adding to the complication, politicians seemed intent on making it as costly as possible to hire temporary immigrants. The bill would have required employers to demonstrate no American would take the job being offered, limited visas to two years, and fixed the number of guest workers without regard to U.S. economic conditions.

The one element of the Senate's plan that is likely to survive is greater spending on enforcement at the Mexican border, which would continue a two-decades long increase in the U.S. Border Patrol's operations. Tightening the border might be justifiable on national security grounds, but an economic rationale is harder to find.

No credible research says illegal immigration imposes large economic costs on America. Even the estimates produced by the Center for Immigration Studies -- a think tank that is strongly anti-immigration -- puts the net annual cost of illegal immigration at less than one-tenth of a percent of GDP. This means that if the additional cost of reducing illegal immigration to zero were greater than \$13 billion, the economic return on the extra enforcement would be negative.

Some members of Congress want to spend far more than this amount, though few believe even large sums would enable the Border Patrol to halt illegal entry altogether. Apparently, the worst we can expect from this round of immigration reform is some wasteful new spending.

Sensible reform would require Congress to demonstrate it understands how the market for low-skilled labor operates. Unless employers find it easy to hire legal immigrant workers and immigrants can easily move between employers, jobs for low-skilled foreigners will remain outside the law.

Building a political coalition to support reform would also mean reassigning the fiscal burden of immigration. States and cities foot the bill for educating the children of immigrants and providing health care to immigrant families, while the federal government receives the income and social security taxes that many illegal immigrants pay. Part of the grassroots opposition to immigration is a reaction to this inequity.

Finally, the Department of Homeland Security would have to show it can handle immigration on a much larger scale. The fear that DHS is incapable of monitoring the comings and goings of guest workers was one factor that inspired House Republicans to revolt on immigration. The agency is trying to improve how it manages the nation's borders, but it still lacks credibility with the American public.

After months of hyperbole over the consequences of illegal immigration, little has changed for the country's 12 million unauthorized residents. The day after the Senate bill died, Congress was consumed with a predictable rash of finger pointing, as politicians tried to deflect blame for failing to deliver a workable reform plan. Meanwhile, in Atlanta, Houston, Las Vegas, and many other cities, illegal immigrants woke up, said goodbye to their kids, and went off to work. The outcome could have been much worse.

***Mr. Hanson is the director of the Center on Pacific Economies at the University of California, San Diego.***

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