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#12

REVISED VERSION

Illegal Immigration and the American
Labor Force: The Use of "Soft" Data for Analysis

by

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I. The Issue

In 1974, the Commissioner of the Immigration and Naturalization Service (INS) of the U.S. Department of Justice publicly stated that "the United States is being overrun by illegal aliens" and, he warned, "we are seeing just the beginning of the problem."¹ During the 1974 fiscal year, when 788,000 illegal aliens were actually apprehended, the INS estimated that the number of undetected illegal aliens who entered the United States during the year ranged upwards to 4 million.² Moreover, the INS estimated the accumulated number of illegal currently residing in the United States in 1974 to be between 7 and 12 million people.³ As the limited amount of research actually conducted on illegal entrants has shown that the vast proportion of illegal aliens come to the United States to work,⁴ the impact on the labor force of the nation has to be substantial. As one noted authority on the economics of labor markets in the United States recently stated: "Virtually unnoticed, illegal aliens have become a factor of tremendous -- and still explosively growing -- importance."⁵

Given the aforementioned introductory observations, it would seem that nation is in the midst of the largest in-migration in its history. Yet a careful assessment of both the quantitative (i.e., the aggregate numbers involved) and the qualitative (i.e., the types and location of the jobs held by illegal aliens) is largely precluded due to the covert nature of the entry and work process. Nonetheless, social scientists must take cognizance of critical social issues even if they are denied readily accessible and professionally acceptable data. In fact, the obligation to pursue these areas of inquiry is all the more necessary because of the "softness" and sometimes questionable

nature of the data. For how else can society be informed as the validity of an emerging social issue? The issue may be real; or it may be a figment of imagination; or an instrument of political demagogry; or it may be some combination of these or other extremes. The difficulty of data collection and the dangers of professional criticism, however, cannot be allowed to deter investigation of such subject matters.

The objective of this paper, therefore, is to examine the "knowledge crisis" as it relates to the study of the contemporary impact of illegal immigration on the labor force of the United States.

II. The Existing Data Sources

In its annual report, the Immigration and Naturalization Service (INS) lists the number of aliens who have been apprehended and/or deported in the preceding fiscal year. Overtime, the definitions used for reporting purposes have changed considerably so that precise long run comparisons are difficult to make.⁶ Moreover, it is understood that apprehension levels are -- to a significant degree -- a function of the size of the INS staff assigned to the task.⁷ But the greatest difficulty with this data series is: (1) it contains a substantial amount of double-counting (i.e., many aliens from Mexico especially are apprehended more than once during a given year); and (2) the figures only measure those illegal aliens who are caught. The apprehension figures, therefore, are only the tip of the iceberg. The size of the total flow of illegal aliens can only be approximated.

In addition to apprehensions, therefore, the INS in recent years has undertaken the task of estimating the total illegal alien flow (i.e., those apprehended plus those not apprehended). These figures are not published in any regular series. Rather they are used during congressional hearings, in news releases, and in public speeches by officials of the INS. Exactly how this estimate of total illegal immigration is computed is somewhat of a mystery. Indeed, it seems that even the highest officials in the INS are uncertain precisely how the figure is derived. For instance, the Commissioner of INS, Leonard F. Chapman, Jr., told an inquiring reporter from the Washington Post in early 1975 that the overall estimate of illegal aliens was a composite of separate estimates provided by 32 district offices of the INS. The local estimates, he stated, were made by the district directors who each used "a formula" as a basis for their respective estimates. But when the Post reporter called several of the district directors to learn the nature of the formula, he was told flatly that none existed.⁸ Upon further investigation, it was revealed that the estimates are based upon a composite of factors. Among these are: (1) "leads" which the INS investigators are unable to follow-up; (2) monitoring of electronic sensors planted in the desert and border areas of the Southwest; (3) estimates made by local police; (4) an appraisal of the economic conditions in the home countries of the immigrants; and (5) "street wisdom."⁹ In this context, one is not totally dismayed to learn that Commissioner Chapman, in testimony before a subcommittee of the House of Representatives as to how the INS in 1973 had estimated the magnitude

of illegal immigration to be 4 or 5 million, stated:

It is just a mid-point between the two extremes. I have heard one or two million at one end of the scale and eight or 10 million at the other. So, I am selecting a mid-point ... Just a guess, that is all. Nobody knows.¹⁰

In early 1975, the Chairman of the subcommittee of the Judiciary Committee of the House of Representatives responsible of immigration matters, Representative Joshua Eilberg (D-Pa) candidly admitted that the INS "gives us [i.e., the Subcommittee] a rule of thumb that for every one that gets caught, five or six get through."¹¹ Thus, apparently, this rule is the basis for the 4 million undetected illegal aliens in 1974 (i.e., 5 times 788,000 = 3.9 million).¹² Obviously, the available data is makeshift and it is not the kind that inspires confidence for those who must rely on it.

In all probability, the poor data base is the major reason why economists have generally avoided the topic until only recently. Volumes of studies have been made by economists of internal migrations and labor market impacts of sub-groups of the nation's work force (i.e., of blacks, Appalachian whites, southerners, migratory workers, rural to urban shifts, etc.). But virtually nothing has been done on the topic of illegal immigration by economists despite the fact that the topic is saturated with overtones and implications for economic policymaking.

III. Demands for Information

In recent years, various legislative studies have sought to focus attention upon the impact that illegal immigrants are having on various components of the American labor force. In 1969 and 1970,

Senator Walter F. Mondale conducted exhaustive hearings on the reasons for migrant seasonal farmworker powerlessness for the Subcommittee on Migratory Labor of the U.S. Senate Committee on Labor and Public Welfare. A principal conclusion by the committee for the pervasive and prolonged poverty status of so many Chicanos in the Southwest was the "massive hemorrhage" of the border by alien workers from Mexico.¹³ The same fears led Subcommittee No.1 of the U.S. House of Representatives Committee on the Judiciary [chaired at that time by Representative Peter W. Rodino (D-NJ)] to conduct an exhaustive series of hearings throughout 1971 and 1972 on the precise topic of illegal aliens. The principle product of this committee's investigation has been the so-called "Rodino bill" which would enact criminal penalties against employers who hire illegal aliens. During the course of one of the Subcommittee's sessions in 1973, Representative Joshua Eilburg (D-Pa), who became Chairman of the Committee in 1973, stated the rationale for the bill as follows:

Whatever sympathy one might have for the underprivileged aliens illegally in the United States in their desire to improve their economic posture, this Government cannot condone employment when it adversely affects American citizens and other persons who are lawfully in the United States. There must be an orderly system of admission and aliens cannot be permitted to violate that system and derive benefits from their illegal acts while bona fide immigrants and non-immigrants are denied early admission.¹⁴

He added unequivocally that "the consequences of this action compromises labor conditions, depresses wage rates, and deprives Americans of jobs."¹⁵

The "Rodino bill" overwhelmingly passed the House in 1972 (during the 92nd Congress) and 1973 (during the 93rd Congress) only to die both times in the Senate. In early 1975 the bill is again before Judiciary Committee and it is likely to clear the House again in the near future. The prospects in the Senate this year are, however, more favorable for passage than in preceding years.¹⁶

Meanwhile, the courts of the nation have become increasingly involved in trying to prod the legislative branch to act. For under the provisions of the Immigration and Nationality Act of 1952 the national policy is enunciated that immigration policy shall not endanger prevailing working standards or job opportunities. Referring to this Act, the California Court of Appeals ruled in 1970 that the number of illegal aliens in the Southwest "represents an abject failure of national policy."¹⁷ The court added that the lack of meaningful corrective action "must be ascribed to self-imposed impotence of our national government."

A number of states -- including California in the Southwest -- have sought to place restrictions on the employment of illegal aliens by employers only to have them declared unconstitutional. The courts have consistently ruled that immigration matters are the exclusive province of the Federal government.

Thus, the level of responsibility for action or inaction is clearly defined; the federal level of government has exclusive jurisdiction with respect to public policy formulation and enforcement. And while social scientists may quarrel over whether or not this really is an issue or not, legislative and judicial bodies have largely pre-judged the case and, it seems, they are on the verge of acting with or without hard data to support their beliefs.

IV. Special Data Problems

The effect of illegal immigration on the American labor force raises a number of serious data problems. Among these are:

- 1.) It is impossible to determine the true dimensions of the immigration flow due to the surreptitious nature of the entry process. Likewise it is difficult to assign labor force status specifically to aliens or to study with precision their occupational, industrial, or geographic patterns of employment. The data is either merged into established labor market surveys or it is not collected at all (see points 2 and 3 below).
- 2.) It is likely that the U.S. Census figures and other official labor market surveys of the federal government include some of the illegal entrants. In the past year for instance, the INS has released estimates that there are a million illegal aliens in New York City (or about 10% of the total population) and over 50,000 illegal aliens in San Antonio (or about 8 percent of the total population). Obviously if one is speaking of magnitudes of such high proportions, some of these people have to have been included in official government surveys (i.e., the decennial census and the monthly household survey). If included, it is likely that the illegal aliens are less than honest about their actual birth place and citizenship and may fabricate backgrounds, work histories, and labor force status in order to lessen the chance of exposing their true identity. Hence, they introduce an unknown factor into existing labor market data.

As their numbers mount, of course, so does the significance of this possible error factor.

- 3.) Conversely, one can postulate that the official labor market statistics grossly misstate actual labor market conditions due to statistical undercount of aliens. It is likely that most illegal aliens do everything they can to avoid dealing with government officials in general and census and household survey enumerators in particular.¹⁸ To this degree, it is likely that a significant distortion from reality exists in the published data. The problem is exacerbated by the fact that it is likely that illegal aliens have a higher incidence of labor market participation than is true of the citizen population. This is because the profile of illegal aliens usually portrays them as being overwhelmingly composed of young adult men.¹⁹
- 4.) It is believed that there is a significant amount of commuting over time by aliens back and forth between their homelands and the United States. This seems to be especially true of Mexican aliens who compose the vast majority of the total alien population. This flow -- especially with Mexico -- may distort the true number of individuals involved. How frequently commuting occurs and for what time duration has important quantitative and qualitative implications for domestic labor market adjustment processes.

5.) The limited research to date on illegal entry does suggest that there is a considerable difference between the illegal immigration that occurs from Mexico and that which is non-Mexican. In the Southwest, most aliens are from Mexico and they enter the United States without any official documents at all. In New York, it seems, most aliens are non-Mexicans and most enter the United States legally with temporary visas that expire without the visitor returning to his native land.²⁰ It is also likely that if as much attention was paid to illegal aliens outside the Southwest as is the case in the Southwest that the percentage of Mexican apprehension to total apprehension would fall sharply. Since the cost of returning Mexican aliens is much cheaper than the cost of returning aliens from Asia, Europe, Africa, and Latin America, the INS has paid disproportionate attention to the Southwest.²⁰ It is probable that the two situations should be separately analyzed as their labor market significance is likely to be quite different. For example, in the Southwest, the rural area has traditionally borne the burden of accomodating the illegal aliens. Even though this is changing in the Southwest, the rural economy remains a significant employment sector. It is unlikely in other regions that rural employment has been or presently is a major employment factor at all. Moreover, many of the non-Mexicans came as students or travelers which suggests quite a different occupational background and future horizon than a rural peasant who may be not only poorly versed in English but also in his native Spanish.

- 6.) It is likely that the apprehension priorities used by INS distort the published apprehension figures from being a true measure of the actual impact of illegal aliens on the work force. In a special in-house study conducted by INS itself of the 505,949 deportable aliens in 1972, over 38 percent were not employed at the time they were caught.²² Again, this is because of the emphasis placed on the Mexican border region. INS is able to apprehend many individuals before they can find a job. Conversely, there is some anecdotal evidence that outside the Southwest the INS has tended to concentrate more on the apprehension of alien workers in high paying jobs (where they compete with middle income workers) and to play down its enforcement role against low wage alien workers (where the citizen workers are less able to vocalize their opposition). If true in either one or both cases, the possibility of error is present in drawing conclusions from the published apprehension data about employment patterns.
- 7.) Studies of the effect of the Immigration Act of 1965 (which became effective in mid-1968) are just beginning to appear. One of the first was done for the U.S. Department of Labor and it concluded that legal immigration to the United States is having a substantial impact on the American labor force.²³ The impact is being felt because the legal immigrants are not being distributed equally throughout the nation. Rather, they are settling disproportionately in urban areas; in some

states more than others; and are seeking employment in a rather selective array of occupations. It is quite likely that much the same could be said for illegal immigrants. The need for disaggregation of data by separate local labor markets is essential if the impact of aliens is ever to be adequately appraised. Unfortunately, the quality of local labor market data for the regular citizen labor force is not very good which is a further complication.

- 8.) The study of illegal aliens also introduces a rather novel problem for measurement in the social sciences. Namely, it is often possible to change one's classification from illegal to legal immigrants. This can be done a number of ways -- say by marriage to an American citizen, or by having a child born in the United States, or through intervention of influential employers and politicians. Hence, a categorization problem that is not present when one studies employment patterns for racial, ethnic, or sex groups is a potential trouble spot when illegal aliens are the subject of inquiry.

V. Substitute Information

To compensate for the lack of reliable data, the social scientist needs to look for substitute information sources. With regard to the impact of illegal aliens on the labor market, it is necessary to examine local labor market conditions. When one looks at South Texas, for example, and finds (1) the unemployment rate consistently much higher than either the state or the national unemployment rate;

(2) the two poorest SMSA's in the nation in terms of per capita income; (3) the poorest counties in Texas in terms of median family income and per capita family income; (4) the federal minimum wage rate is, in fact, the prevailing wage across large and diverse occupational categories; (5) the dropout rates from public schools are considerably higher than elsewhere in the state or nation; (6) the manpower programs designed to provide upward occupational mobility are converted into "unofficial" income maintenance programs due to the fact that program stipends are often higher than wage rates that program graduates can expect to earn if they enter the local labor market; (7) union activity is scant, if existent at all, and strike-breaking is a common characteristic of labor disputes when they do occur; and (8) the level of use of food stamps and other forms of welfare assistance is abnormally high. All of these are signs of labor surplus which is one indication of the presence of sizeable numbers of illegal aliens. But since these characteristics are not positive proof, it is necessary to rely upon personal interviews, newspaper accounts, and INS activities in the local labor market to confirm their presence. Further, confirmation may be found by appraising the views and actions of those groups who benefit from a continuation of the presence of illegal aliens as well as those who are hurt by their presence. The frequency, intensity, and means of expression used by the respective local pressure groups -- employers, unions, local government officials, chambers of commerce, farmers, ranchers, etc. -- to suggestions to alter the prevailing policies governing the availability of illegal aliens may offer a clue as to the significance illegal aliens play in the local labor market. The only

groups that are unreliable guides to insight on this issue are those community groups which share the same ethnic identity as the illegal aliens. Often they are internally torn between a fear of direct economic competition and a feeling of cultural affinity with the alien workers. The effect is often to neutralize these groups with regard to their external activities on this question.

VI. Concluding Observations

In my estimation the impact of illegal entrants on selective labor markets in the United States is substantial. Elsewhere I have stated my views and, rather reluctantly, offered my policy recommendations that call for a much more restrictive border policy.²⁴ I will not re-argue the details here. But the essential point is that the impact of alien workers upon America is the creation of "a shadow labor force" in a number of cities and regions. The presence of this shadow labor force can seldom be seen but can always be felt. From my own personal field work in Texas, a review of the works of other scholars from many disciplines, a collection of numerous local journalistic accounts, and from a number of personal interviews with knowledgeable persons in local communities, I am convinced that this shadow force is no mystical phantom. My own "street wisdom" convinces me that this labor market phenomenon is real and every sign is that the problem is going to get more severe. This is because the issue embraces not only competition for jobs but also competition for a variety of already scarce community commodities -- as low income housing, public health facilities, welfare services, crime control, and private charity funds. There are also strong racial and ethnic group dimensions to this issue and cannot be overlooked.

This deeply human issue again demonstrates once more the chronic need for locally and regionally focused analysis. It also argues for more tailor-made labor market policies. Moreover, it also seems that an understanding of the issue will require analytical methods that are more intuitive, investigative, and descriptive that is presently in vogue in mainstream economics. The use of substitute information signs and alternative data sources must be relied upon to link the fragmentary findings into a logical depiction of reality. These approaches are the only alternatives, as I see it for those scholars who wish to study this complex human dilemma.

Footnotes

1. "Can't Stop Alien Flood, Official Says," San Antonio Express (October 23, 1974), p. 1.
2. Lawrence Meyer, "Aliens Hard to Count," Washington Post (February 2, 1975), p. A-1 and A-12.
3. "Adress by the Honorable William B. Saxbee, Attorney General of the United States before the Cameron County and Hidalgo County Bar Associations," Brownsville, Texas (October 30, 1974), p. 2, (mimeographed material).
4. E.g., see Julian Samora, Los Mojados: The Wetback Story, (Notre Dame, Indiana: Notre Dame Press, 1971), Chapter II.
5. Michael J. Piore, "Comments and Discussion," of paper entitled "Primary and Secondary Labor Markets: A Critique of the Dual Approach," Brookings Papers on Economic Activity, No. 3 (1974), p. 687.
6. See the discussion of the definitional changes in note to Table 4 in Samora, op.cit., p. 46-7.
7. Elliott Abrams and Franklin S. Abrams, "Immigration Policy -- Who Gets in and Why?", The Public Interest, (Winter 1975), p. 22.
8. Meyer, op.cit., p. A-12.
9. Ibid.
10. Abrams and Abrams, op.cit., p. 21.
11. Meyer, op.cit., p. A-12.
12. Supra, p. 1.
13. Statement by Senator Walter F. Mondale, Chairman of the Subcommittee on Migratory Labor of the U.S. Senate Committee on Labor and Public Welfare, in Hearings on Migrant and Seasonal Farmworker Powerlessness, Part 7-B, "Manpower and Economic Problems," (Washington D.C.: U.S. Government Printing Office, 1970), p. 4548.
14. "Statement by Representative Joshua Eilburg", Chairman of Subcommittee No 1 of the Committee on the Judiciary, U.S. House of Representatives, in Hearings on Illegal Aliens, No. 1, March 7-8, 1973, (Washington D.C.: U.S. Government Printing Office, 1972), p. 2.
15. Ibid.

16. M.A. Farber, "Battle Expected on Tighter Laws to Curb Illegal Aliens," New York Times (December 31, 1974), p. 26.
17. Diaz v. Kay-Dix Ranch (1970) as reprinted in U.S. Congress, House of Representatives, Committee on the Judiciary, Hearings on Illegal Aliens, Part 1, (Washington D.C.: U.S. Government Printing Office, June 21, 1971), p. 179.
18. Fred H. Schmidt, "The Current Economic Condition of the Mexican-American," a paper presented to the Conference on the Economic and Educational Perspectives of the Mexican-American, Aspen, Colorado (August 28, 1972), p. 5, (mimeographed material).
19. E.g., see Samora, p. 90.
20. Abrams and Abrams, op.cit., p. 22.
21. "Funds Restored in Alien Searches," The New York Times, (March 16, 1975), p. 19.
22. Hearings on Illegal Aliens, March 7, 1973, op.cit., p. 27.
23. David S. North and William G. Weissert, Immigrants and the American Labor Market, Research Report to the U.S. Department of Labor under contract #20-11-73-01, (Washington D.c.: Trans-Century Corporation, 1973), p. X.
24. Vernon M. Briggs, Jr., Mexican Migration and the U.S. Labor Market, (Austin: Center for the Study of Human Resources, 1975), Studies in Human Resource Development, No. 3.