What We're Talking About:

The Negative Business Impact of Anti-Immigration Laws

by Dan Viederman, CEO

The New York Times describes “quiet streets” in a small Alabama town in the aftermath of a state judge's ruling to uphold a stern anti-immigrant law. Farmers complain that crops are rotting in the fields because there is no one left to pick them. During a time of economic uncertainty, Alabama's lawmakers have chosen to reduce their available labor pool and put local businesses at risk. Sounds like bad policy to me.

Let's start with a simple fact: it is already illegal to hire illegal immigrants. Yet in rural America, local government turns a blind eye to the obvious presence of illegal migrants because they are essential workers. They do the backbreaking work that Americans will not do. Instead of using existing law to prosecute employers -- who are too often themselves part of the local elite -- Alabamans, and Georgians, and others take aim at the most vulnerable links in the chain, the undocumented, poor workers in their communities. My colleague who has just come back from farm assessments in the South describes a local policeman turning a blind eye to broken-down trucks packed with Hispanic farmworkers driving through his town -- because if the policeman arrested the workers, his neighbor (who might be the Mayor) wouldn't be able to get his crop to the barn.

Ironically, illegal immigrants seem like the kind of people we ought to want to have around. Illegal immigrants are by definition hard working (there is no easy work for illegals), committed to family (they leave home for literally years in order to make a better life for their families and kids), law abiding (they are fully aware that they cannot commit crimes while here or risk everything), and religious (heavily Catholic Latin America provides the bulk of immigrants, and they rely on a network of churches to support them while in the US). Yet we are willing to believe the worst stories about them -- that they take jobs from "legitimate" workers, that they commit crimes -- even while they perform work on which we depend. Sure there are bad actors, and we certainly should not needlessly accede to illegal activity including immigration. But our policies suggest an overly simplistic solution to a tenuous and complicated situation.

From Verité's experience assessing the employment situation on farms, the roots of employment of illegal immigrants are multi-faceted. According to farmers we met recently in the South, they couldn't get United States citizens to do farm work for a price
that is even close to affordable to them -- the work is physically demanding to an extreme. Someone with a green card has options, and someone with options will take them. Yet growers can't get prices for their crops that will support equitable wages, so they feel driven to cut corners. Currently farmers can't find enough workers when they need them, leading them to hire temporary workers who are often illegal immigrants.

One immediate step could make a big difference. Companies should look at their own purchasing and procurement, and answer a simple question: can farmers from whom we buy crops afford -- given how we contract with them, communicate with them, and how much we pay them -- to employ legal workers at a legal wage? The answer itself may require some complex calculations, but by asking the question it will force a focus on the system of production, procurement, and selling, and away from the simplistic belief that problems are all the fault of illegal immigration.

A lot has to change if the eviction of illegal immigrants is to lead to more jobs for Americans, which is the stated goal of the Alabama law. For one thing, growers will have to pay higher wages for farm work. Perhaps this means that crop prices and consumer prices rise.

But at this point, the “solution” to the complex and inter-related problems of immigration, low wage work, farming, and “corporate responsibility” seems to focus on victimizing hard-working undocumented residents. As a result, in the short term, Alabama has taken the biggest problem that southern farms face -- finding workers -- and made it much worse.

Alabama should have known better. When Georgia implemented a similar law this summer businesses there ended up with a disastrous choice: hire illegals, or use the convict labor that the Governor provided as a substitute. Neither is acceptable for any business that hopes to be responsible.