



## **If immigrants go, there is a price**

By Tracy Warner, Editorial Page Editor

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There is a common assumption, which grows stronger in difficult economic times, that immigrants among us take more than they give. Many of us are certain the economic burden immigrants impose exceeds the value of their contribution, whatever that is. The cost of their social services, health care and education surely exceeds the value of their labor, we are told. And they take jobs, and jobs are like cookies in a jar — the more they take, the less we get.

If immigrants are an economic drain, then we can conclude that if we take in no more, our economic prospects will surely improve. Better yet, if we root out the immigrants and send them away, we will reap the economic bounty.

But this isn't true. Send immigrants away and they take their brawn and brains and energy with them, and the value we could have shared disappears. Economics is not a zero sum game. It turns out that jobs are not like cookies in a jar, to be counted out until they are gone. It takes people and the exchange of value between them to sustain and create wealth and capital and jobs. Human beings are the greatest resource, goes the oft-repeated lesson of economist Julian Simon. Their effort and ingenuity are enriching, not a drain.

The case study is Arizona, which in 2007 passed a law imposing requirements on hiring designed to exclude unauthorized immigrants from the workforce, and thus exclude them and their families from the state and reduce the public burden of educating their children, paying for their health care or incarcerating their wrongdoers. In 2010 the state passed another now famous law to enlist local law enforcement in discouraging illegal aliens and assist efforts to root them out.

As a means of exclusion, it worked. The Cato Institute recently released a study of the laws' economic effects, by analyst Alex Nowrasteh. By January 2011, Arizona's unauthorized immigrant population had declined by 200,000, a 35.7 percent drop, larger than neighboring states with similar immigrant populations but no exclusionary laws. "Upon leaving Arizona,

these immigrants took their labor, businesses, purchasing power and housing demand with them. As a result Arizona's economy suffered," said Cato.

Parts of Arizona's law were declared unconstitutional by the Supreme Court, but many of the restrictions were upheld and since copied by other states. Among the most effective is the requirement that employers run all new hires through E-Verify, the federal database that confirms their legality. This added a regulatory burden on business and thus discouraged hiring, and had a major impact on industries like construction and agriculture that employed many unauthorized immigrants. Construction employment was already declining, but when the law passed it accelerated at a greater rate than other states. "Native employment in construction did not increase to fill the gap," Cato found. In agriculture, crop patterns and plantings changed to adjust for the shortage of labor. Agricultural production, employment and profit declined. Jobs disappeared. "The number of agricultural workers in Arizona plunged 15.6 percent, while both California and New Mexico experienced modest gains," said Cato. Cumbersome federal guest worker programs like H2A were of little help.

"Arizona's immigration laws seriously hampered its economic growth and recovery," Cato concluded. The laws "are driven by despair and hypocrisy; despair over the virtual impossibility of uniformly enforcing immigration regulations in a free society, and the hypocrisy of enjoying the economic benefits of immigration while railing against it."