

The Stump

Turning the consensus on illegal immigration upside-down

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A surprising analysis from the Cato Institute shows legalization of low-wage workers could boost prosperity for everyone

Look, it's not paranoia. In a state with 11.9 percent unemployment, you can understand why many Oregonians eye the state's illegal work force warily.

Conventional wisdom is that every job that illegal workers take, whether in agriculture, nursery work, construction or the restaurant business, they take away from U.S. citizens. Although many employers dispute this simple subtraction -- Oregon farmers, in particular, often complain that they can't find enough legal workers to harvest their crops -- a brutal recession intensifies the perception that illegal immigrants jeopardize livelihoods.

But is this really true?

The very precariousness of our economy should motivate us to take a new look. Satisfying as it might be, in theory, to see illegal workers banished, a [new study from the libertarian Cato Institute](#) shows that we actually have much to lose from such a massive crackdown. Upending conventional wisdom, the study suggests that the prosperity of the nation's 8.3 million illegal workers, and its legal workers, is intertwined.

Think "for richer, for poorer."

Using an economic model developed for the U.S. International Trade Commission, two researchers at an Australian university ran the numbers for a continuum of public policy choices. From a huge immigration crackdown at one end to massive legalization at the other end, the economists examined the effects of different policies on productivity; imports and exports; the occupational mix of U.S. households; capital owned by U.S. households; and public expenditures.

A massive crackdown would create modest savings in public expenditures, authors Peter B. Dixon and Maureen T. Rimmer acknowledged. But those savings would be more than offset by losses in economic output and job opportunities.

In contrast, the model showed a policy of massive legalization would raise the incomes of U.S. workers and their families. Why is this so? In part, because the economy expands, and the mix of jobs improves.

It's true that a crackdown on illegal workers could open up some extremely low-wage jobs, and thereby give some individual Oregonians a hand. And yet, overall it would put a steep downward pressure on the economy. And some people who might have been motivated to climb to a higher rung on the economic ladder would wind up settling for less -- much less.

Conversely, the Cato study showed that legalization of the undocumented work force could provide a tremendous boost to economic productivity. The reason, in part, is that low-skilled immigrants chase native-born workers up the occupational ladder. (Something similar happened between 1910 and 1930, when an influx of immigrants started filling low-wage factory jobs, thereby compelling more Americans to finish high school.)

Obviously, no one study can turn perceptions about illegal immigration upside-down. And in a recession, there is no doubt that immigration reform becomes a harder sell.

But the Cato study should help boost the case for reform. It's becoming ever clearer that such reform would expand the economic horizons not just of illegal workers but of legal ones, too.

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