Immigration and Farm Labor: Policy Options and Consequences

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3 Themes

• About 2.4 million workers fill an average 1.2 million FTE jobs; half are unauthorized
• Enforcement of immigration laws could raise labor costs, force adjustments
• 4 major policy options and impacts
  • Status quo: I-9 audits & S&L laws = risk avoidance via contractors but not systemic change
  • Enforcement: Mandatory E-Verify etc = worker circulation & self-employment
  • Enforcement + E-Z guest workers = more guests
  • Comprehensive: faster exits from ag, replacement with guest workers, uncertain cost impacts
Farm Jobs and Workers

- Peak & average employment versus number of persons hired during the year
- COA, NASS, QCEW suggest average hired worker employment of 1.2 million, meaning 1.2 million FTE jobs
- California UI data suggest 2 workers for each FTE job, or 2.4 million farm workers, including 800,000 in CA
- NAWS interviews crop workers; 80% in FVH:
  - 2/3 born abroad, usually in Mexico, more S Mexico
  - Half unauthorized since 1995
  - Average $9 in 2009, 17% less than $10.50 NASS
Unauthorized Foreigners

• 40 million FB residents, including 11.2 million or almost 30% of imms unauthorized in 2010

• Majority of US residents want more done to reduce illegal migration

• Congress:
  – House 2005: enforcement only, mandatory E-Verify and more border agents and fences
  – May 1, 2006 day without immigrants and Senate approval of CIRA with path to legalization & new guest workers
  – CIRA 2007 failed despite Bush support; Republicans oppose amnesty and Democrats fear guest workers
Federal Enforcement

• 2007: DHS notice with SSA no-match letters; employers to fire suspected unauthorized within 90 days or ICE presumes they knowingly hired unauthorized workers

• 2006-07: raids of meatpacking plants, where Hispanic share of laborers up sharply after Vanguard halted in late 1990s. Swift 12/12/06

• Obama: stop workplace raids and shift focus to “silent raid” I-9 audits (and deportations)

• I-9: form completed by new hires and employers; show documents proving identity and right to work
S & L Enforcement

• IRCA legalization and continued unauthorized migration spread unauthorized foreigners from the Big 6 states around the US

• Unauthorized are almost 30% of all immigrants, but half or more of immigrants in new destinations, southeast & mountain states

• Attrition-through-enforcement laws in new destinations with high shares of unauthorized among imms, Alabama, Arizona, and Georgia

• USSC: states MAY enact laws penalizing employers who hire unauthorized (AZ 2007 law), can they also make illegal presence a state crime?
Enforcement & Agriculture

• Pre-IRCA early 1980s: people chase enforcement reflected in distribution of unauthorized, less-perishable citrus had more unauthorized than more perishable vegetables

• IRCA: employer sanctions aim to close the labor market door to unauthorized. What do farmers want in exchange?
  – East Coast H-2 sugar and apples: minor changes in H-2 program (recoup full cost of meals)
  – West Coast had no farm worker housing and feared unions sending workers in response to required recruitment. They want no housing requirement, no DOL certification
From SAW to AgJOBS

• SAW: legalize unauthorized & labor costs rise as farmers:
  – Raise wages to retain more mobile legal workers
  – Invest in housing to employ H-2A guest workers
  – RAW: allow free agent guest workers IF there are farm labor shortages (1989-93)

• SAW: legalize 1.1 million farm workers, 1/6 of adult men in rural Mexico, create/support false documents industry

• 1990s: SAWs down, unauthorized up, and farmers press for RAW II in Congress, veto threat

• 2000: Fox and Bush and AgJOBS negotiated; SAW II (continued farm work) & H-2A made E-Z
Reform = More Enforcement

• Status quo: I-9 audits, S&L laws = uneven impacts and risk avoidance (FLCs) or housing H-2A
• Mandatory E-Verify = worker circulation, as with Operation Vanguard in late 1990s
• Enforcement + Guest workers: E-Verify & I-9 audits + H-2A changes or new guest worker programs; employment of guest workers up
• Comprehensive: enforcement & legalization; details
  – Speed exits from farm work force despite continued farm work?
  – Guest workers up, depending on costs
  – High costs & mechanization, crop changes etc
The Farm Labor Road Ahead

• 1964: End of Bracero program, few unauthorized, big 40% wage increases and unions, fewer, larger, and more specialized farms, mechanization

• 1986: Legalization too successful, sanctions failed due to false documents and no requirement for employer to determine authenticity

• Today: Prospect of enforcement raising labor costs:
  • How much risk-shifting to FLCs and other intermediaries? What trade off between quality and certainty of workers via direct hiring versus risk of enforcement?
  • Will farmers invest in housing and switch to guest workers for a core work force? For all workers or just year-round workers (dairies)?