

Foreign Workers: Unwanted Guests?

Large numbers of foreign workers now reside in Western European nations and in the United States. How to cope with the influx of foreign workers has become a subject of extensive debate here and abroad. European countries have had mixed success in dealing appropriately with this issue. This article about the European experience in migration management is condensed from a report written by David S. North, a Fund consultant.

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PRESIDENT CARTER has become the first U.S. President since Eisenhower to face up to the issues posed by perhaps millions of illegal alien workers in this country. Illegal immigrants present a variety of challenges to the nation: their unlawful presence is a legal problem, reflecting a major breakdown in the enforcement of the immigration law; they present a problem in international relations, as their home governments do not want them to return and swell unemployment rolls; there are suggestions that the illegals drain the welfare systems, and vigorous counter-arguments that they are more likely to pay taxes than use tax dollars; some look at them as needless additions to the populace, arriving at a time when the United States is approaching a stabilized population; and some ethnocentrists are concerned that these migrants are mostly brown or black. Then there are those—often from the Third World—who believe that there should be no barriers to international migration.

The principal debate, however, has been over their role in the U.S. labor market. Former Immigration Commissioner Leonard Chapman contended that the illegals are taking “good-paying jobs” from U.S. workers; others replied that they are hard-working people who accepted jobs that Americans would not take (in farm labor, services, restaurants, etc.). A third view is that there probably is some one-to-one displacement of U.S. residents by the illegals (a very docile, attractive work force), but their more significant impact is to loosen further an already loose labor market, which in turn depresses or conserves wages and working conditions in the places where they cluster. This third view leads to concern that the most powerless workers in the United States—blacks, Puerto Ricans, teenagers, the aging, and the handicapped—bear the brunt of the cost of the illegals.

Facing this array of considerations, President Carter produced a complex group of proposals; while virtually every item in the package was without precedent in the United States, every one of them has been tried by one or more European nations, although this was apparently not known to the administration.

The White House proposals deal with a class of persons

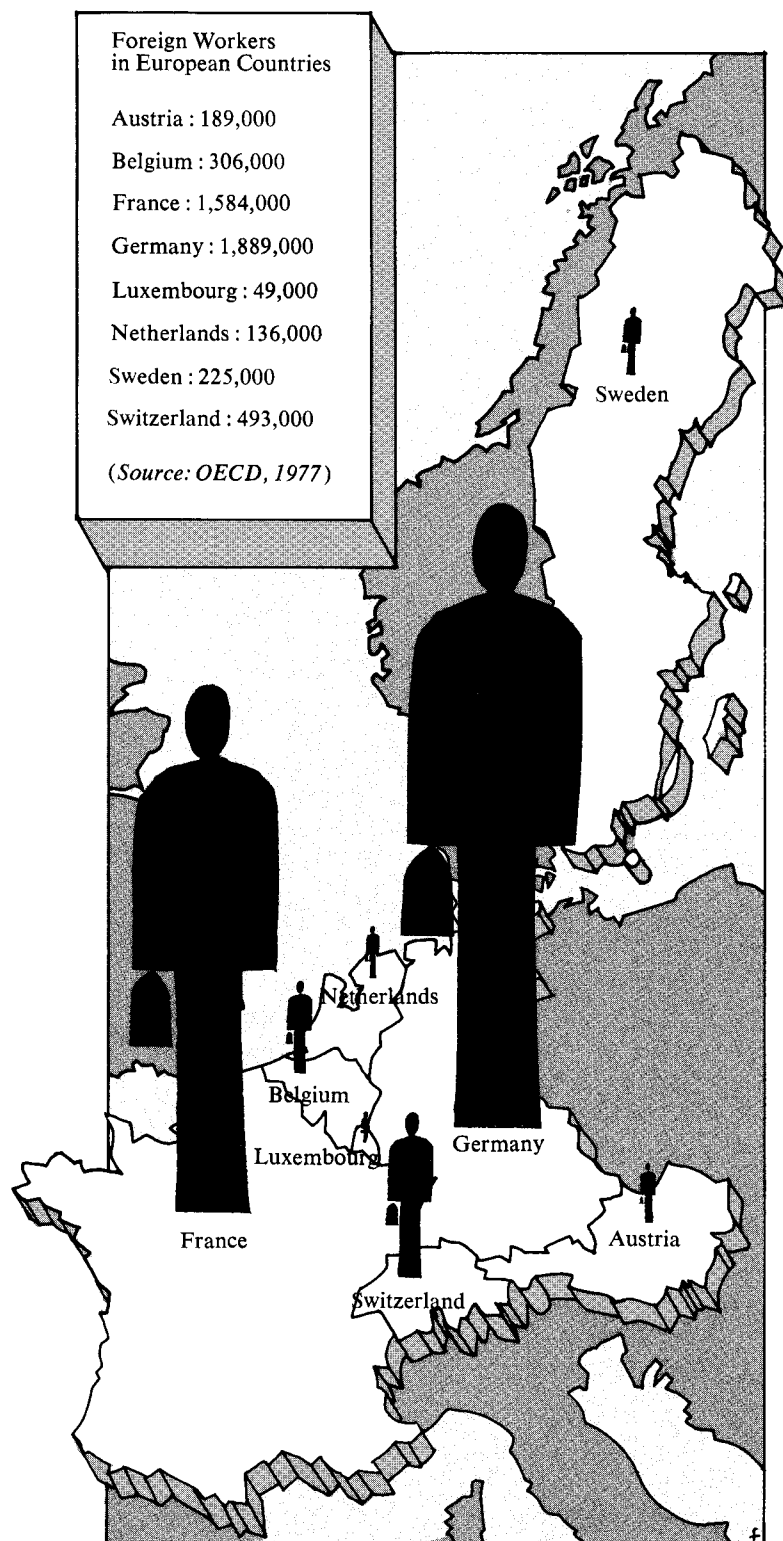
it labels “undocumented workers.” The package would buttress the undermanned Border Patrol, but offers no additional support for the other two less glamorous, alien-regulating units: the Consular Service of the State Department, which issues, or denies, visas to would-be visitors; and the inspections function of the Immigration and Naturalization Service, which checks people seeking to enter the nation at the ports of entry. The White House also proposed:

- *Employer sanctions*, punishing an employer of an illegal alien with fines; illegal workers are now punished, when caught, by expulsion from the country.
- *Amnesty* for the more senior illegal aliens; those who had been in the country since 1970 would be given legal immigrant status.
- *Half-an-amnesty* for less senior illegals; those who arrived between January 1, 1970, and January 1, 1977 would be given “temporary resident alien status,” which would allow them to work, pay taxes, and cross the border freely for a period of five years; they would not be allowed to use tax-supported programs or to use this status to bring their families to join them.
- *Economic development* for the areas that are sending illegal aliens to the United States.

In addition, there is some consideration within the Government of an assisted repatriation program, designed to encourage some illegal aliens to leave the nation and to stay away.

The White House rationale was that regularizing the presence of all but the most recent illegals would eliminate the need for a mass deportation program, while making it less likely that the legalized ones would be exploited in the labor market. Further, the White House apparently felt that a tighter border coupled with employer sanctions would discourage illegal immigration in the short run, while economic development would ease the long-term push forces that cause many illegals to leave their homelands.

The decisions of European governments to stop importing foreign workers in recent years is usually linked with the unemployment that followed the oil crisis; one suspects



that the oil crisis triggered those decisions, but other considerations probably played a major role as well. By the early 1970s, the governments had become more aware of ethnic and social antagonisms toward the migrant workers. They sensed that people who had been regarded as a temporary part of the labor force had, in fact, become a permanent part of the population. They noticed inner-city ghettos and educational, social, and employment problems such as those experienced with the Turkish teenagers growing up in Germany. The European governments

decided to discourage further migration, but not to expell large numbers of migrants forcibly.

The Carter Initiatives: Employer Sanctions

Of the four Carter initiatives, only one is a "hard" enforcement program: the proposal that employers of illegal aliens be penalized. Four of the five nations that the author visited (France, Germany, Belgium, and Holland, but not Great Britain) have employer sanctions laws. These laws are easy to administer because alien workers need passport-type documentation before they can work legally—there is no such requirement in the United States, as U.S. employers point out to Congress, and to make such work permits mandatory might raise issues of civil liberties.

Generally, employer sanctions programs have been mounted with little zeal, and often through decentralized enforcement machineries—comparable to asking Tammany Hall to enforce Prohibition. Faced with the lack of interest of local judges and police departments, France has turned to a centralized enforcement system, which is too new to evaluate, and the Dutch Government is leaning in the same direction.

Some quantitative data are available in France, Germany, and Belgium about the number of employers fined for employing illegal workers, the size of those fines, and the ratio of the incidence of fines to the size of the alien labor force, which are shown below. The French data do not reflect the new administrative fine system, which is set at about \$600 per illegal worker hired.

Incidence of Fines for Employing Illegals

Nation	Number of Employers Fined For Employing Illegals	Ratio of Fines to Alien Worker Population*	Range of Typical Fines (U.S.\$)
Germany (1976)	9,335	1/215	50-500
France (1977)	1,910	1/777	130 or less
Belgium (1976)	241	1/1,273	30-150

* Based on the SOPEMI, Continuous Reporting System on Migration Estimates, published by the Organization for Economic Cooperation and Development (OECD), Paris.

European officials say that these rather minor fines are only part of the penalties that employers must pay; in Germany, they must also pay the airfare home of the expelled worker, and in all countries they must pay any previously ignored social security contributions, which are much more expensive to employers in Europe than is the comparable tax in the United States. It appears from those statistics that there are either very few illegal workers in