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OLLAS Policy Brief No. 1

IN THE BALANCE:

IMMIGRANT ECONOMIC CONTRIBUTIONS AND THE ADVANCEMENT OF HUMAN RIGHTS IN NEBRASKA

October 2008

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On Oct. 15 of this year OLLAS released a report titled “Nebraska’s Immigrant Population: Economic and Fiscal Impacts,” authored by UNO Economics Professor Christopher S. Decker. The report finds that, in 2006, immigrants spending resulted in \$1.6 billion worth of total production and generated some 12,000 new jobs. The report also calculates that the loss of this workforce would amount to economic losses to the state in the amount of \$13.5 billion in production and thousands of jobs in one single year. The impact would be particularly devastating for smaller communities whose economic base is heavily dependent on the injection of a new and youthful labor force. In addition, the fiscal contributions of immigrants to the state treasury clearly outweigh the costs.

Some in the media, state legislature, and critics of immigration policy reform have argued that there is a lack of credible research documenting the impact of immigration on the economy of the state of Nebraska. This report speaks directly to their concerns. By itself, however, the report cannot answer many of the questions we all have about immigration, let alone provide us with a definitive sense of how its findings should inform new public policies. That job is the collective responsibility of elected officials, grassroots, business and nonprofit leaders, researchers and others who are charged with the task of understanding and addressing the challenges and opportunities associated with immigration. From our perspective, the OLLAS report serves notice to state leaders that they can no longer postpone the belated task of crafting immigrant integration policies that will bring new hopes to Nebraska communities and protect the human and labor rights of their diverse population. For that they must first loudly reject the ill-informed nativist orthodoxy and enforcement-only practices which are hardening ethnic and racial divisions and stoking hate in our communities. As economist John Maynard Keynes replied when asked why he changed his position on a particular issue, “When I get new information I change my mind. Sir, what do you do?”

While benefiting from the economic growth that immigrants spur, local communities have also been disproportionately charged with the responsibility of addressing the many challenges that come with rapid demographic change, low-wage jobs, and mixed-status immigrant families. Far too many employers sit on the sidelines, content to have their low-cost labor supply guaranteed by these immigrant families. The federal government is all but absent from immigrant integration policy-making while abdicating its responsibility to design immigration policies for the 21st century. Far-sighted state senators fight lonely battles to promote the kind of immigrant-

integration policies that make sense for our state but which, by themselves, are insufficient and may ultimately prove to be ineffective as well.

Often, the first in some people's minds, is whether we can assume that the report's findings hold when talking about "illegal immigrants." We have a short and a long answer to such question. The short answer is yes. The longer answer is that, while available data does not permit us to differentiate between the economic impact of authorized versus unauthorized Nebraska immigrants, there are a number of reasonable inferences that can be made. Unauthorized migrants are not very different in terms of their labor force participation or public benefit utilization from authorized immigrants. They are overwhelmingly employed and, therefore, contributing to production, employment and taxes in ways similar to their authorized counterparts. Moreover, there is reason to believe that, if anything, the economic contributions of unauthorized immigrants are underestimated. Such workers, for example, are more likely to work in the informal economy where self-exploitation is common and hidden subsidies to the state are not logged neatly into accounting books. They are also more likely to fall prey to labor arrangements that deny them the right to fair pay for a fair day's work. While they may pay little or no income tax, this is the result of their poverty wages not their legal status. They all have to pay sales and property taxes through rents. Distinguishing between them in an economic impact study of this sort is not as critical as some may think.

Questions also arise with regards to public benefits and, particularly immigrants' health care costs. A number of reputable studies by organizations such as the Migration Policy Institute have dispelled many of the myths that seek to, erroneously, blame immigrants, especially the unauthorized immigrant population, for rising health care costs. Let us mention just a few known facts about immigrants and health care. One is that immigrants, even legal immigrants, largely as a result of the 1996 immigration law, are much less likely to be eligible for public benefits than their native-born counterparts. Latinos, especially the foreign-born, have the highest rates of occupational injuries of any group in the state and the nation. However, few are protected by their employers, have an understanding of, or expect local government to protect their rights when injured in their jobs. As the studies by anthropologists David Griffith and Donald D. Stull have documented, meatpacking workers specifically are less likely to seek, or benefit from, workers compensation and more likely to seek refuge with their families back home who then assume the costs of their healing.

Additionally, the foreign-born, regardless of immigrant status, are much less likely to use emergency rooms than the native born. However, there is no question that in places where large numbers of low-income immigrants are working in jobs that offer no health insurance (as is the case for most of low-wage jobs in Nebraska), they will represent a greater share of the uncompensated health care costs in their particular communities. This is not an immigration crisis. This is the same health care and employment security crisis afflicting our nation as a whole, particularly low-income workers and communities of color. Injured low-wage workers are likely to tax the system regardless if they are immigrants or non-immigrants.

The fate of the state hinges in great measure on the availability of a next generation of better-educated children of immigrants. Historically, migrant streams have shown to have a beginning and an end; they ebb and flow sharply. As it has been noted in the media, and a forthcoming

OLLAS demographic report suggests, immigration to the state is beginning to wane. The second generation of citizen children will measure the advantages of staying in small Nebraska communities, or in Nebraska period, in ways that differ sharply from how their foreign-born parents assessed the pros and cons of those decisions. The time to respond proactively and put in place policies and programs that support the aspirations of these children and their parents is about to pass us by. The state stands to pay a heavy price if it chooses to waste precious time criminalizing families rather than making sure they remain viable and long-term members of our communities.

Based on the report findings and the above reflections we offer the following policy recommendations:

1. Elected Nebraska officials, employers and community stakeholders should form effective coalitions to demand, from the next U.S. Congress and President, the enactment of federal immigration reform containing provisos that will afford immigrants a realistic path to citizenship, access to the same rights and benefits afforded to all citizens, including the right to live in this state with dignity and without fear for their families.
2. In the meantime, the Nebraska State Legislature should assiduously support efforts to document, on an on-going basis, the impact of immigration and changing demographics on all sectors of the state's economy, population, and regions. These efforts are critical for communities to re-design development strategies that ought to be based on principles of sustainability and inclusion. To this end, for example, these monitoring efforts should focus on the identification of potential or under-utilized immigrant skills and other bundles of knowledge. They should also monitor the extent to which rights are protected. Ultimately, they should lead to specific immigrant integration policies and programs informed by experiences in other states and localities. Immigrant integration is defined by the Center for Immigrant Integration Studies as "a two-way process by which immigrants and their families join the mainstream of American society and whereby the mainstream society comes to embrace and reflect its new members." This is one measure by which we could evaluate our success in future integration efforts.
3. The state is in dire need of large-scale, well-funded, well-coordinated programs in workforce development and English-language learning for low-income immigrant (and non-immigrant) workers. Expected impacts of such programs include an improvement in immigrants' income and, thus, on their fiscal contributions to the state. In addition, these 'grow your own' initiatives can provide the state and communities such as Columbus with a much needed higher-skilled labor force.
4. The state must invest, along with the federal government and private employers, in efforts to increase low-income workers and small businesses' access to health insurance.
5. To the extent that immigrants are more likely to be self-employed than non-immigrants, and that they contribute to the prosperity of so many small towns business districts, it is incumbent upon local chambers and elected officials to design, or support, development programs targeted specifically for these small-business owners.
6. To the extent that the second generation holds the key to the future prosperity of aging and younger Nebraskans, state leaders must come together to design programs that increase vocational skills and access to college.

7. Finally, the vibrancy of a democratic society relies on the ability of all citizens and residents to be engaged, motivated and participating. This will only occur where the effort to effectively integrate all Nebraskans is intentional, sustained and supported by both government and civil society. *De facto* and *de jure* marginalization of populations within the state will work to counter this effort.

Who is responsible and what do we need?

As mentioned earlier, local communities have shouldered much of the responsibility of addressing the challenges that come with new immigration. Schools and service organizations have been at the forefront of those efforts. Local philanthropies and non-profit organizations have tried to fill some of the many holes in services to hard-working immigrant families. The reality is, however, that their efforts are little more than triage to a much larger set of unfilled needs and negated rights.

Unlike schools and service agencies, and because of their inherent inability to address certain fundamental issues, government is obliged to undertake a comprehensive effort to address these issues. This report makes it clear that the state derives far too much in terms of benefits to the economy to turn its back of this population regardless of its legal status. We need immigration reform in Washington together with a coherent, long-term, immigrant integration plan with corresponding resources in our state. Moreover, it would be derelict of the federal government if it seeks to address this matter only through unilateral means. The immigration issue in the United States is part of a larger transnational migration phenomena and it is inconceivable that there can be a lasting solution to the matter, unless it too is transnational in nature.

The report makes clear, that the costs and benefits associated with immigrants in Nebraska must not be viewed as a “zero-sum,” whereby the all gains for one group necessarily imply an equal loss for another. In fact, the future economic vitality of the state, let alone its social stability, will be predicated on the extent to which we can fully integrate and enhance the lives of native and foreign-born Nebraskans alike.

We would like to end by noting that migrant organizations all over the world are meeting at this very moment in Manila, Philippines, in conjunction with The Global Forum on Migration and Development (GFMD). Leaders are calling on governments and civil society to place human rights at the center of immigration and economic development discussions. The preface to a petition circulated in their website (<http://www.migrantwatch.org/>) reads as follows:

While profiting tremendously from migrant labor, most countries in the world have adopted xenophobic, discriminatory policies that scapegoat migrants for social ills and alleged threats to national security. The adoption of policies that simultaneously “open” low-wage, poorly protected jobs but “close” possibilities for regularized migration or basic human rights protections have increased migrants’ vulnerability to abuse and exploitation by employers, recruiters, organized crime, and corrupt officials. Women migrants, including migrant domestic workers and laborers, are particularly at risk.

We in Nebraska must enter into a process of profound self-examination. We ought to ponder whether this glaring contradiction between profiting from a needed labor force and the virtual

absence of legal and human rights and protections for immigrant workers is the right thing to do. We should also realize that denying any group their basic rights to work and raise a family free of harassment endangers the very principles that guarantee those same rights for all of us. It is time to accept the fact that the overwhelming majority of immigrant families answered a labor recruitment call from Nebraska employers, government agencies, and economically-strapped communities more than 20 years ago. These families are no longer newcomers but long-time residents and guarantors of our general well-being. Their contributions are only limited by the punitive policies that shut them out of the safety nets, avenues for securing legal residence, and labor protections. Some of these conditions also affect many low-income Nebraskans but are particularly punitive to non-citizens. The time to remedy them is now.

The Office of Latino/Latin American Studies (OLLAS) at the University of Nebraska at Omaha (UNO) is dedicated to producing unbiased policy-relevant research about the conditions, contributions and challenges associated with the growing Latino and Latin American migrant population in Nebraska and the Great Plains region. OLLAS Report #5, Nebraska's Immigrant Population. Economic and Fiscal Impacts, constitutes the first effort to quantitatively assess the economic impact of international migrant population movements into the state of Nebraska. The report is authored by UNO's College of Business Administration, Dr. Christopher S. Decker and can be found on the OLLAS website, www.unomaha.edu/ollas.