

Outside help for social security

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(PhysOrg.com) -- Professor proposes an idea that would address both the problems of illegal immigration and Social Security.

Rarely do you see two of our country's most intractable problems - illegal immigration and the solvency of Social Security - lumped together in the same sentence.

I would like to propose an imperfect idea that could address both problems at once. The plan wouldn't have to work that well to be an improvement on the current immigration system, and we know the financing problems of Social Security are dire.

So here goes: We allow immigrant workers to come to the United States to work for up to three years. The cost of a work permit would be that immigrant workers and/or their employers would have to pay Social Security and Medicare payroll taxes. Workers would not be able to get benefits from either system even though they paid taxes, thereby lessening the impact of the looming Baby Boomer retirement on both programs.

Some [illegal immigrants](#) pay such taxes now and cannot benefit, but routinizing this arrangement would maximize taxes paid and reduce identity theft. Employers would get employees, and workers would get a job that enabled them to return money to their home nation. At the end of three years, they would return home.

I start out with two basic assumptions - that the benefits of illegal

immigration accrue mostly to the immigrants and their employers, and that these same benefits outweigh the costs to society as a whole. If it were the other way around, we would have found a more effective means of stopping illegal immigration. The benefits include the contribution of illegal workers to the economy, perhaps doing jobs that citizens don't want. Costs include [health care](#) and other social services, notably schooling that is provided to workers and their children.

The intangible benefits and costs of the cultural diversity inherent with illegal immigration are difficult to estimate, and I doubt if any analysis on such a subjective question would change the views of many people, so I assume they are a wash.

I acknowledge there are many problems with my idea. First, one reason illegal labor is attractive to employers is because they can presumably pay such workers lower wages. Such employers are unlikely to want any change.

Second, lack of health insurance and the related issues of a person receiving care in an emergency room will remain. We would need to develop a catastrophic insurance scheme that could be financed primarily or fully by immigrant workers. (most workers are likely to be young and healthy).

Third, what if they have kids while in the U.S.? Currently, that child is an American citizen, with all the afforded rights. There have been suggestions of changing the Constitution so that children so born would not be citizens. What about children born to parents of mixed status (one parent a citizen, the other not)? This is a tangled issue with many dimensions, and some sort of compromise solution would have to be worked out.

Fourth, this doesn't address the illegal immigrants currently in the U.S. I

view the deportation of 12 million people as unrealistic, so some form of amnesty is inevitable.

And, finally, how do we make sure the workers leave the country when their three years are up? The best hope of doing so is transforming a now-illegal labor market into a workable guest worker program that can be monitored.

These problems notwithstanding, the biggest benefit of my idea is that it acknowledges that some employers now see fit to hire illegal immigrants. If they didn't, there wouldn't be an illegal immigration problem. The goal should be to maintain this source of labor if it is truly important to our economy, but to do so in a way that broadens the benefits of now-illegal labor by helping to address the financing problems of Social Security and Medicare.

And if it turned out that persons no longer wanted to come to work under this arrangement, or that employers no longer wanted to hire them because they would be forced to pay [Social Security](#) and Medicare taxes, then we would have developed a market-based solution to illegal immigration where an interdiction approach has not worked, and seems unrealistic.

Provided by Duke University

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