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Government Perpetuates the Underclass **by Sheldon Richman**

Sunday's *New York Times* ran a depressing story about a new study showing that day laborers, most of whom are "illegal aliens," are often stiffed by employers. Of course, they're already working in dangerous low-paid construction jobs.

The *Times* reported, "Forty-nine percent of those interviewed said that in the previous two months an employer had not paid them for one or more days' work." About 20 percent said they had been injured, many of those missing work as a result.

The 2,226 workers interviewed in 20 states and Washington, D.C., "earned a median of \$10 an hour and \$700 month," said the *Times*. "The study said that only a small number earned more than \$15,000 a year." Three-fourths were in the country illegally, from Mexico and Central America.

I can't vouch for the findings or the method used by the professors who conducted the study. But the story it tells is hardly startling. According to the authors, "Day laborers continue to endure unsafe working conditions, mainly because they fear that if they speak up, complain, or otherwise challenge these conditions, they will either be fired or not paid for their work." One of the authors, Abel Valenzuela Jr. of the University of California, Los Angeles, said, "This is a labor market that thrives on cheap wages and the fact that most of these workers are undocumented. They're in a situation where they're extremely vulnerable, and employers know that and take advantage of them."

Here is the key to the matter. People who fear the Immigration and Naturalization Service (INS) cannot press their claims if they are ripped off. They have no recourse against theft, fraud, or even physical abuse because they have no standing before the law. Their nonperson status shapes the market in which they attempt to earn a living. A labor environment in which workers are easily victimized, with little prospect for redress, is likely to attract victimizers as employers.

If those workers come to the United States and work as day laborers under those conditions, we can conclude that that, in their eyes, is their best option. But that is not the end of the matter. Their "best" option currently is determined by a constellation of adverse government

controls and prohibitions that make them powerless and subject them to exploitation. When someone being mugged gives up his money rather than his life, he too is taking his “best” option. The essential question is why such a pitiful option is best.

Removing the INS as a threat to these workers would go a long way toward improving their situation. People coming here to make better lives should be welcomed, not persecuted. But more can be done, such as removing all government barriers to competition, work, and self-employment, such as licensing, regulations, and taxes, which reduce people’s options and help to perpetuate the underclass.

Finally, in the nineteenth and early twentieth centuries, many low-income workers, including immigrants, created a safety net of insurance services through fraternal societies, or lodges. People paid dues when they were well, and drew benefits when they were too sick or injured to work. What’s more, lodge members often contracted with doctors to provide affordable medical care for themselves and their families. This was so successful that organized medicine, backed by the government, cracked down on physicians engaged in “lodge practice” in order to keep incomes from falling. Later the fraternal societies’ safety-net functions were squeezed out first by state governments and then by the federal government when politicians and bureaucrats saw career opportunities and power in the tax-financed welfare state.

Thus self-help based on voluntarism and fellow-feeling was replaced with impersonal bureaucracies subject to changing political winds. The reader can decide whether the change was for good or ill.

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