

Week Five

Who Benefits From A Broken System?

Goals

- Tying together what has been learned from the previous weeks
- Reframing the debate from one of citizenship to one of globalization and corporate power

Learning Objectives

- Understand how immigration does not necessarily hurt U.S. workers
- Understand how corporations benefit from cheap labor
- Understand how corporations benefit from the business of enforcement

Handouts for Week Five

- 5.1 Don't Be Fooled: Immigration is NOT the Real Problem
- 5.2 Does Globalization Help the Poor?
- 5.3 Migrants: Pawns in Mexico—U.S. Game
- 5.4 This Alien Life: Privatized Prisons for Immigrants
- 5.5 Prison Economics Help Drive Ariz. Immigration Law

Workshop-at-a-Glance

1. 5" Chalice Lighting and Opening Reading
2. 10" Check-in
3. 20" Activity 1: Cheap Labor for Cheap Goods
4. 20" Activity 2: Economic Development
5. 20" Activity 3: The Profitability of Prisons
6. 10" Debrief
7. 5" Closing

Chalice Lighting and Opening Reading

In order to address the issue of mass migration to the U.S., we must understand the root causes of this migration: poverty, conflict, oppression. Part of our responsibility is to study what effect U.S. foreign and economic policies may have on increasing poverty and oppression in the countries from which many immigrants come. As the Catholic Bishops of the US said. . . "We oppose efforts to stem migration that do not adequately address its root causes and that permit the continuation of the political, social, and economic inequalities that contribute to it.

—Statement of Principles on Immigration Issues, Interfaith Worker Justice Board of Directors

Check-in

Participants are invited to share where they are spiritually/emotionally with respect to the class.

Activity 1: Cheap Labor for Cheap Goods

Based on what we learned in session three about the economic pressures on immigration and handouts 5.1 and 5.3, who is it that benefits from this large pool of undocumented workers? Who is hurt? In what ways are we as U.S. consumers complicit?

Activity 2: Economic "Development"

Much of our economic/trade policies with "developing" countries is based on the assumption that free-trade and globalization are beneficial to the poor. Based on handout 5.2, are these assumptions valid. Who is it that benefits from "economic development" and "free trade"?

Tying in from session three, what is the effect on the workers as goods are shipped freely across borders?

Activity 3: The Profitability of Prisons

As we have learned from session one, being in the U.S. without proper documentation is a civil offense, not criminal. Yet in recent years there has been an increasing movement towards criminalizing undocumented immigration in order to "get tough" on those who come (or stay) without proper papers. Based on handouts 5.4 and 5.5, what other motivations are at work?

Regardless of one's feelings about undocumented immigration, how do people feel about our tax dollars being spent this way?

Debrief

Participants are invited to share anything that strongly moved them during the session.

Closing Reading and Extinguishing the Chalice

May God bless us with discomfort
at easy answers, half truths, and superficial relationships,
so that we may live deep within our hearts.

May God bless us with anger
at injustice, oppression, and exploitation of people,
so that we may work for economic justice for all people.

May God bless us with tears to shed for those who suffer
from pain, hunger, homelessness and rejection,
so that we may reach out our hand to comfort them
and to turn their pain into joy.

And may God bless us with enough foolishness
to believe that we can make a difference in the world
so that we can do what others claim cannot be done.

—Franciscan Prayer to End Poverty

Homework for Week Six

6.1 We Are One, by Unitarian Universalist Association (UUA) President, Rev. Peter Morales

6.2 Chronological Summary of UUA Statements on Immigration

6.3 Liberation Theology

6.4 Interfaith Platform on Humane Immigration Reform

6.5 Who is my Neighbor? (Research to be completed before session 6.)

Further Study

To explore the topics covered in this session, as well as related topics, see the resources listed in [section II.E \(PDF, 12 pages\)](#) of the study guide.

Handout 5.1 - Don't Be Fooled: Immigration is NOT the Real Problem

By Edith Rasell, Minister for Workplace Justice, Justice & Witness Ministries
United Church of Christ, November 19, 2007

Many Americans have a love-hate relationship with immigrant workers. We sometimes hate immigrants who take "our" jobs. At the same time we love low prices, prices that may depend on the very low wages paid immigrant workers. But when native-born workers are in conflict with immigrant workers, we all lose. A good society can only be built on justice for all – for immigrant workers and for workers born in the U.S.

Chiapas is one of the poorest states in Mexico and the former home of many immigrants. A typical coffee farmer in the highlands lives in a tiny house with a dirt floor and a single dangling light bulb. Everyone is well acquainted with poverty and hardship. But as a tidal wave of economic destruction has washed over the highland villages, people have been forced to travel north seeking work. Loved ones left behind experience the destruction of their family and community life. When asked to identify their greatest problem, the villagers name immigration.

Coffee farmers in Chiapas and many other workers around the world are losing their livelihoods and ways of life due to biased international agreements that favor corporations over workers. Skewed economic policies are forcing people to leave their homes to seek work and refuge from a tsunami of economic globalization.

Workers in the U.S. are also confronting this tidal wave of economic change and destruction. Globalization has brought stagnant or falling wages, a shift from well paid manufacturing jobs to lower paying ones, financial insecurity, and competition by immigrants for jobs. Immigration has become a hot-button issue. But the real problem is not immigrant workers. They are often victims of a system that serves neither native-born nor foreign-born workers.

A few years ago, the U.S. Department of Labor found that none of the poultry processing plants they examined paid employees for all the time they worked. In meat packing, more than one in every ten workers has a significant injury each year. Both these industries employ large numbers of immigrant workers. And immigrants from Mexico are killed on their jobs in the U.S. at a rate 75% higher than that of workers who were born here.

The problem for American workers is not immigration but weak and poorly enforced workplace protections. Most firms do not exploit workers, immigrant or native-born. But some do. If these companies can pay less than is required by law, violate safety standards, fire a worker or get him deported if he tries to form a union, and do so with minimal penalties or none at all, then we will see more firms exploiting workers. Wages will continue to fall, benefits will continue to disappear, union membership will continue to decline, and American workers will become more financially insecure. The rich will get richer and the poor, poorer.

The answer is not hostility to immigrants. Instead, we must demand that politicians strengthen and enforce workplace protections for all of us. And politicians must revise biased international agreements that benefit multinational corporations and harm workers here in the U.S. and around the world.

UUA Immigration Study Guide

<http://www.ucc.org/justice/immigration/immigrant-workers.html>

Handout 5.2 - Does Globalization Help the Poor?

by Jerry Mander, Debi Baker and David Korten

IFG Bulletin, 2001, Volume 1, Issue 3, International Forum on Globalization



During the past few years, we have heard steady proclamations emanating from the advocates of economic globalization and leaders of the Bretton Woods institutions - the World Bank, the International Monetary Fund (IMF), the World Trade Organization (WTO), et. al. - that their deepest purpose in pushing economic globalization is to help the world's poor. More specifically, they contend that removing barriers to corporate trade and financial investments is the best path to growth, which they say offers the best chance to lift the poor from poverty.

They also assert that the millions of people who have visibly opposed the economic globalization model are harming the interests of the poor. Everyone should please back off and leave it to corporations, bankers and global bureaucracies to do the planning and solve the world's problems.

Such claims are routinely replayed in the media. One prominent national columnist, for example, says, "protesters are choking the only route out of poverty for the world's poor." In other words, if the protests would stop, the IMF, the World Bank, the WTO, Nike and Monsanto would save the day. Is this true? Are the interests of global corporations and bureaucracies really aimed at helping the poor? Or do these institutions have other primary motives?

WHO BENEFITS? So far, almost all of the evidence from the past three decades (1970-2000) - the period of economic globalization's most rapid ascendancy - shows that it is bringing exactly the opposite outcome that its advocates claim. The evidence now comes nearly as much from the proponents of globalization as its opposition.

Clearly, poverty and inequality are rapidly accelerating everywhere on earth. A 1999 report by the United Nations Development Program found that inequalities between rich and poor within and among countries are quickly expanding, and that the global trading and finance system is one of the primary causes.

Even the U.S. Central Intelligence Agency (CIA) confirms the United Nations' (UN) conclusions, agreeing that globalization brings massive inequalities. The benefits of globalization do not reach the poor, says the CIA, and the process inevitably brings increased global protest and chaos.

Robert Wade of the London School of Economics, wrote in *The Economist* (2001), "Global inequality is worsening rapidly...Technological change and financial liberalization result in a disproportionately fast increase in the number of households at

the extreme rich end, without shrinking the distribution at the poor end...From 1988 to 1993, the share of the world income going to the poorest 10 percent of the world's population fell by over a quarter, whereas the share of the richest 10 percent rose by 8 percent."

The ideologies and rules of economic globalization - including free trade, deregulation, privatization, and structural adjustment - have destroyed the livelihoods of millions of people, often leaving them homeless, landless and hungry, while removing their access to even the most basic public services such as health and medical care, education, sanitation, fresh water, public transport, job training and the like. The record shows that economic globalization makes things worse for the poor, not better.

Economic globalization has only proved to be successful in making global corporations and a few elites wildly wealthy. For example, of the largest 100 economies in the world, 52 are now corporations. In what the UN describes as the "staggering concentration of wealth among the ultrawealthy," total wealth controlled by people with assets of at least \$1 million nearly quadrupled from 1986 to 2000, from \$7.2 trillion to \$27 trillion. Even with the dot-com crash and the current global financial slump, Merrill Lynch predicts that wealth controlled by millionaires will continue to increase by 8 percent a year, reaching \$40 trillion by 2005.

Contrary to its claims, wealth generated by globalization does not trickle down. Rather, the rules lock the wealth at the top, removing from governments and communities the very tools necessary to redistribute wealth, protect domestic industries, workers, social services, the environment, and sustainable livelihoods.

There are isolated instances where some improvement has been achieved among Third World countries, over short periods. The Bretton Woods institutions love to trumpet these examples. But the truth is that the benefits of this "growth" have been very short-lived. In any case, nearly all the benefits have gone to the elites in these countries, and the chief executives of the global corporations at the hub of the process; executives whose annual earnings are now astronomical, often in the tens or hundreds of millions of dollars. All figures show that these discrepancies between top executives and ordinary workers are rapidly growing.

Even among the so-called "poster children" of free trade, the "Asian Tigers" like Taiwan, South Korea, Singapore and Malaysia, improvement has not come by assiduously following the dictates of the Bretton Woods regimes - the IMF, World Bank, the WTO, etc. - but often by doing the opposite of what the institutions prescribe. By at first resisting the economic model pushed by Bretton Woods, some countries managed to stay free of the volatility of export markets. But when they finally succumbed to heavy pressures from the IMF and the World Bank, they found their glory days quickly disappearing into the infamous Asian financial crisis (1997-1998), rooted directly in the new rules of free trade for finance and global corporations.

Most poor countries, however, have not enjoyed much benefit from globalization. After three decades of heavy IMF and World Bank medicines and less than a decade of WTO

policies, they have understood that globalization is selling a false promise. The policies of the Bretton Woods institutions are not designed to benefit them, but to benefit rich industrial countries and their global corporations. The question is this Do these globalizing institutions know what they're doing? Or do they just blindly follow a failed ideological model?

The worst case conclusion, which many now believe, is that the institutions surely do know what they're doing and always have. They have an assignment to remove all impediments to the free flow of global capital as it seeks to pry open the world's last natural resource pools, markets, and cheap labor (and, to keep it cheap). To suggest they do all this to help the poor is high cynicism.

THE CREATION OF POVERTY

Economic globalization policies as enforced by the World Bank, IMF, and the WTO actually have far more to do with creating poverty than solving it. Free trade requires that all countries adopt the same economic model, thus eliminating variations that might slow down the smooth global operations of major corporations as they seek new resources, markets and cheap labor. It is not efficient for global corporations when individual nations are permitted their own expressions of what is best for their people via their own democratic laws. These laws might be designed to protect resources and the environment; or social services for the poor; or the rights of local workers; or they might help struggling small businesses; or require foreign investors to keep their investment in place for a time; or require that foreign investors include domestic partners. All such laws are viewed as pesky impediments to corporate freedom. They have got to go.

The specific role of the WTO is to set homogenized global rules for all countries-one size fits all-and to specifically challenge national environmental and social laws viewed as obstacles to corporate free trade. Given that it was granted draconian enforcement powers, the WTO can now impose harsh punishments on democratic nations that stray from its rules. A past president of the WTO, Renato Ruggiero put it bluntly in 1998 The WTO will be "the new constitution for a global economy." (Since Seattle, such statements have not been repeated.)

STRUCTURAL ADJUSTMENT PROGRAMS

The World Bank and the IMF have their own powerful and dangerous instrument Structural Adjustment Programs (SAPs). The infamous SAPs of the IMF, and so-called "development" loans from the World Bank routinely come with harsh conditionalities that require developing nations to abandon important domestic programs that serve the population. These include education, health services and environmental programs, which don't produce revenues to repay IMF and World Bank loans or interest. As the IMF forces countries to downsize government agencies, the ranks of the unemployed grow faster than the private sector can absorb them. IMF policies raise interest rates, preventing small businesses from obtaining capital needed to expand or stay afloat, which leads to further unemployment. Meanwhile, removing barriers to foreign investment and

trade, insisted upon by the IMF and enforced by the WTO, makes it harder for local producers to compete against bigger, richer foreign businesses.

This system leaves countries utterly dependent upon market and pricing systems over which they have no control. Meanwhile, they have given up the ability to determine their own destinies. The greatest mystery of course is how any of the promoters of such rules and conditions (among others) could possibly argue that these rules could help nations rise from poverty. Clearly, this is a blueprint for dependency and poverty creation.

EXPORT-ORIENTED AGRICULTURE

Probably the most traumatic impacts of globalization policies - both in terms of poverty-creation, and environmental devastation - have come with the forced shift of local economies away from small-scale diversified agricultural models to the industrial export model, directed by global corporations.

Nearly half of the world population, even today, lives directly on the land, growing food for their families and communities. They emphasize growing staples and a mix of diverse crops, and they replant with indigenous seed varieties that their communities have developed over centuries. They have perfected their own fertilizers, crop rotations, and pesticide management, and their communities share all elements of the local commons, including seeds, water, and labor. Such systems have kept hundreds of millions of people going for millennia.

Local self-sufficiency systems are anathema to global corporations and the bureaucracies that serve them. In a global economic system, corporate profits primarily come from increased processing activity, and global trading. So now we find corporations including Archer Daniels Midland, Monsanto, and Cargill, among others, spending tens of millions of dollars in public relations and advertising campaigns arguing that small farmers are not "productive" enough to "feed the hungry world."

These campaigns run hand in hand with the investment and trade strategies and rules of the WTO, the IMF, the World Bank and the U. S. government. All of these strongly favor the entry of global corporations, which replaces local, diverse farming for self-reliance with monocultures run by corporations.

An export-oriented system of agriculture favors high priced, high margin luxury export items - flowers, potted plants, beef, shrimp, cotton, coffee, exotic vegetables - to be sent to the already overfed countries. As for the people who used to live on the lands, growing their own foods for their communities and for local markets, they are rapidly being driven off their lands. People who once fed themselves become landless, jobless, cashless, homeless, dependent and hungry. Self-sustaining communities disappear; still intact cultures are decimated. This is as true in the United States as in the Third World.

The situation is absurd. Dependency and starvation replace self-sufficient livelihoods and self-reliant nations; meanwhile global corporations get wealthy by shipping luxury foods thousands of miles. Clearly, these corporations are not concerned about feeding the hungry. That is only an advertising slogan. They are concerned about feeding themselves.

THE ROOT OF THE PROBLEM: A FAILED IDEOLOGY

The IMF, World Bank and the WTO are pursuing what some have labeled "market fundamentalism," an ideological commitment to two basic false principles:

* Economic growth and increased trade achieved through deregulation and privatization automatically increases the wealth of communities and humanity, and contributes toward a better future for all. In other words, what benefits corporations benefits all.

* Increased foreign investment in Third World countries increases productive capacities and development, adding to the well being of the poor. Neither of these has proved true. What is true is that the system has added to the well being of the corporations that have perpetuated it.

Most measures of "economic growth" such as Gross Domestic Product (GDP) and Gross National Product (GNP) tend only to measure increases in the market value of economic production, i. e., the rate at which resources are converted to commodities, and that other paid services and activities are performed. By such standards of measurement, expansion of military hardware, prisons, wars, crime (and its prevention), as well as the clear-cutting of forests, or building of toxic dumpsites are all made to seem positive as they increase GNP and GDP. Meanwhile, unpaid household labor, care for the sick and elderly, or self-sufficient food growing and distribution are not deemed positive results because they don't get counted.

Such standards also contribute to the depletion of social and natural capital (nature) which, as former World Bank economist Herman Daly has suggested, is the foundation of all real wealth. In fact, export-driven globalization is the greatest single contributor to the massive ecological crises of our time. Its emphasis on exponentially increased trade and transport activity requires corresponding expansion of infrastructures - airports, seaports, roads, rail-lines, pipelines, dams, electric grids; many of these in pristine places, often on indigenous lands. Increased transport also uses drastically increased fossil fuels adding to the problems of climate change, ozone depletion, and ocean and air pollution. And an ever expanding economy requires the depletion of the last resources on the planet; under free trade these are nearly always located in the global South. One of the greatest injustices against southern countries is that they are net resource exporters to the already rich North.

Indeed ecological degradation-forests, rivers, biodiversity-has the most devastating impact on the poor; and resource depletion reduces livelihoods and creates poverty. So economic growth is certainly not a measurement that benefits the poorest parts of the world. In any case, depleting nature cannot serve anyone for much longer, even the rich, who may be, as the late British financier James Goldsmith put it - "enjoying champagne on the deck of the Titanic."

One can only conclude from this that the present system is fundamentally flawed, and cannot be corrected by reforms at the margin. It must be changed to a very different

system, based on values and institutional relationships that place human beings and nature above percentage returns on investment.

Jerry Mander and Debi Barker are co-directors of the International Forum On Globalization. David Korten is a former economist with USAID, author of *When Corporations Rule the World*, and an associate of the International Forum On Globalization.

http://www.thirdworldtraveler.com/Globalization/DoesGlobaliz_HelpPoor.html

Handout 5.3 Migrants pawns in Mexico-U.S. game

By: John C. Wester

POLITICO May 19, 2010

Mexican President Felipe Calderon is scheduled to visit President Barack Obama at the White House on Wednesday, which is good news, considering the problems along the U.S.-Mexico border.

In fact, a strong relationship between Obama and Calderon may hold the key to the many problems affecting both the United States and Mexico domestically — drug-related violence, the economy and, of course, immigration.

One big misperception of the U.S. immigration debate is that if Congress could pass an immigration reform bill, it would be the magic bullet that kills illegal immigration.

Such a bill is indeed indispensable to a long-term solution and must be addressed — sooner rather than later. But it should be understood that the humane and lasting answer to this vexing social issue lies in regional, if not global, cooperation among nation-states.

Immigration is not just a domestic issue; it is keyed to foreign affairs.

If the world is a marketplace, then migrants and their labor help deliver the produce and stock the shelves. In other terms, while economically powerful nations hold the capital, migrants help fill the jobs needed to turn capital into profit. This important role in the world economic order should give migrant workers an honored place — with the appropriate legal and labor protections.

In North America, Europe and most places in the industrialized world, however, migrant workers are left without legal protection. They are characterized as criminals — as in Arizona — and blamed for myriad social ills.

The de facto migration relationship between the United States and Mexico is a prime example. Migrants from Mexico, unable to support their families at home, take a dangerous journey to the United States and fill menial but crucial jobs in the U.S. economy — dishwashers, farmworkers and day laborers, for example.

As a result, the United States receives the benefit of their toil and taxes without having to worry about protecting their rights — in either the courtroom or the workplace. When convenient, they are made political scapegoats and attacked — through both rhetoric and work-site raids — as if they were not human.

But Mexico also wins financially under this system. The country receives up to \$20 billion in remittances per year — perhaps down to \$15 billion during this recession — without having to pay attention to the lower rungs of its economy.

What is left is a “go north” policy that exposes Mexican citizens to the ravages of human smugglers, corrupt law enforcement officials and potential death in the desert.

The big losers in this globalization game are the migrants, of course. They have no political power and are unable to defend themselves from inevitable abuse and exploitation.

These migrants are pawns in a system that preys on their desperation and expropriates their work ethic. As in a chess match, they are expendable and at the service of the most valuable player, the king — in this case, the sovereign nations of the United States and Mexico.

As a moral matter, the United States and Mexico cannot have it both ways — accepting the labor and remittances of these immigrants without recognizing their basic human rights.

It is time for both nations to abandon this mutual “nod and wink” policy, not found in written law but still all too real.

In its place, they should reform their national immigration laws and enforce current labor and due-process protections, so that migrants can come out of the shadows and travel and work in a safe and controlled manner.

Over the long term, joint efforts could be pursued to promote development in communities now drained by the migrant outflow, so that Mexicans can remain at home to work and support their families.

At a minimum, both Obama and Calderon should strive to ensure that international economic agreements, like the North American Free Trade Agreement, do not devastate industries that hire low-skilled workers in their home countries.

Obama has indicated his support of U.S. immigration reforms and his interest in addressing the root causes of migration, like underdevelopment. Calderon has emphasized the need for job creation among Mexico’s poor, and he has acknowledged the continuing mistreatment of migrants within Mexico.

But neither leader has done enough to address these issues.

The state visit this week could be a good first step to help change that equation.

Together, the two leaders have the opportunity to reframe the immigration debate in a way that recognizes the effects of globalization on the movement of labor yet injects basic human rights principles into the system.

The world would take note.

They can also remind us — and the global community — that migrants, including those without legal status, are not goods to be traded but human beings to be protected.

John C. Wester is the bishop of Salt Lake City and chairman of the U.S. Conference of Catholic Bishops' Committee on Migration.

<http://dyn.politico.com/printstory.cfm?uuid=AD83AE75-18FE-70B2-A825390B54A3367A>

Handout 5.4 - This Alien Life: Privatized Prisons for Immigrants

by Deepa Fernandes, Special to CorpWatch

(<http://www.corpwatch.org/article.php?id=14333>)

February 5th, 2007

The small town of Florence, Arizona, sits at an epicenter of a new boom in private prisons for immigrants. The one-lane highway from Tucson to this desert prison town runs through cacti, red rock, and occasional mountains. Then out of nowhere, a roadside sign breaks the spell: "State Prison: Do Not Pick Up Hitchhikers."

Florence hosts Arizona's state prison, two privately run prison complexes, and one Department of Homeland Security (DHS) immigration jail.

Florence "has a prison economy and a prison consciousness," says Victoria López, an attorney who runs the town's only pro bono legal center that helps immigrant detainees fight their cases. "Florence is another world. Here most locals are people whose families have for generations worked in the prison system. Life revolves around the prisons."

As the government invokes national security to sweep up and jail an unprecedented number of immigrants, the private-prison industry is booming. In the aftermath of the September 11th attacks on New York, immigrants have become the fastest growing segment of the prison population in the U.S. today. In fiscal year 2005, more than 350,000 immigrants went through the courts. "A growing share of them committed no crimes while in the United States - 53 percent this year, up from 37 percent in 2001 - even though Bush administration officials repeatedly have said their priority is deporting criminals," the Denver Post reported.

From Mining to Prisons

Many locals have family roots in the mining industry that was the lifeblood of this rough and tumble town until the silver boom petered out. Around the turn of the 20th century, the territorial prison moved to town. But the town really came back to life after Tennessee-based Corrections Corporation of America (CCA) one of the nation's biggest prison companies, built two prisons in Florence, and the U.S. Immigration and Naturalization Service (INS) began renting bed space, and then built its own prison out of a town's old World War II prisoner-of-war camp. The influx of immigrant prisoners created jobs that drove the economy and sparked construction of

new housing complexes on the outskirts of town, followed by big retailers such as Wal-Mart.

In 2000, the industry was carrying more than \$1 billion in debt and was violating its existing credit agreements. CCA saw its stock plummet 93 percent and Business Week noted that the correction "industry's heyday may already be history."

At the time, the American Prospect, a national magazine, explained the decline:

"The private-prison industry is in trouble. For close to a decade, its business boomed and its stock prices soared because state legislators across the country thought they could look both tough on crime and fiscally conservative if they contracted with private companies to handle the growing multitudes being sent to prison under the new, more severe sentencing laws. But then reality set in: accumulating press reports about gross deficiencies and abuses at private prisons; lawsuits; million-dollar fines. By last year, not a single state was soliciting new private-prison contracts. Many existing contracts were rolled back or even rescinded. The companies' stock prices went through the floor."

Then came the September 11th attacks on New York in 2001. The government began to target non-citizens with mass arrests during sweeps through immigrant communities, increased prosecutions of undocumented border crossers, and the use of immigration law to hold people while looking for criminal or terrorist charges against them. The INS was subsumed into a new agency named the Department of Homeland Security.

The government claims that locking up people without legal status is the only way to ensure that they do not disappear into the country. A December 2004 DHS report from the Office of the Inspector General concluded that all the evidence proved the "importance of detention in relation to the eventual removal of an alien. Hence effective management of detention bed space can substantially contribute to immigration enforcement efforts."

The speed and scope of the Bush administration roundup and jailing of non-citizens created a dramatically increased need for immigrant detention space. And saved the flailing corrections industry.

The DHS-run Special Processing Center is a massive one-stop-shop,

where immigrants can be jailed, tried in an immigration court, appealed before an immigration judge, and ordered deported—all without leaving the self-contained complex. While DHS does not refer to its facilities as jails, the Special Processing Center in Florence is ringed by concertina wire, surrounded by chain-link fences, with inmates locked into cells. They face zealous prosecution and in many cases are left to languish for weeks and months without trial or sentencing.

The complex in Florence is part of a 300-facility-strong network of immigrant incarceration facilities. The average time an immigrant is detained is 42.5 days from arrest to deportation. At \$85 a day per detainee, that adds up to \$3,612.50 per person. In 2003, DHS was holding 231,500 detainees, and the budget to cover this was \$1.3 billion. Since 2001, the DHS budget for detention bed space has increased each fiscal year as has the number of beds. In 2003 there was more than \$50 million slated for the construction of immigrant jails.

Corrections Corporation of America

Contracts for these new jails flowed to the private prison industry despite the previous history of mismanagement and scandal. Yet the problems have not been solved – today detainee advocates still decry the treatment of immigrant inmates. They accuse prison companies of cutting corners in training guards and in providing basic services. The government has done little to regulate prison administration, but has sanctioned exploitive labor practices and rip-off telephone costs for inmates.

Philippe Louis-Jean, a veteran who saw combat in Iraq detailed some of abuse. A Haitian immigrant who had lived in the U.S. since he was five, the Marine had advanced quickly through the ranks. On return from Iraq, when he attempted to have his battlefield promotions honored, his superiors looked into his past and found an old military conviction for which he was served 37 days. The government used that record to begin deportation proceedings and threw Louis-Jean into CCA-run San Diego Correctional Facility (SDCF). He was appalled by conditions and treatment.

"The guards would scream and shout at us as if we were little kids. If we would ask them to stop, they would threaten to lock us down for a few days, which would happen constantly. Three people being locked in a two-man cell, in a 12 x 7 room. This happened a lot; sometimes as punishment for the actions of one or two inmates, the other 105–115 detainees would suffer."

"Other times, it seemed 'just because.' A lot of the detainees would be missing money on their accounts, which I was recently told by a detainee who keeps in contact with me was being stolen by the staff, according to [an] OIG investigation. We would get underserved during meal times. When we complained to the unit manager she would say that we were given the right amounts, which in my opinion is the appropriate portion for a ten or eleven year old. Some of the guards and staff would curse at us. They would purposely lower the televisions so we couldn't hear them, just to mess with us. During our free time they would take their time turning on the phones so we wouldn't be able to call our families. Just to be cruel."

One of his guards, an ex-marine, told Louis Jean "he was taught to not really pay attention to our complaining and to treat us like second-class citizens ... since we will be deported anyway."

A 2003 report by the DHS Inspector General forcefully condemned the treatment of immigrants inside various jails in its report, "The September 11 Detainees: A Review of the Treatment of Aliens Held on Immigration Charges in Connection with the Investigation of the September 11 Attacks." Infractions included routine abuse of basic prisoner rights, mental and physical abuse, denial of health care and medical treatment, prison overcrowding, and a lack of working showers, and toilets.

Despite a long record of problems, CCA continues to promote privatization and win contracts. "The private prison industry, to increase the demand for its services, exerts whatever pressure it can to encourage state legislators to privatize state prisons," wrote Sharon Dolovich in the Duke University Law Journal. "[T]he industry is adept at lobbying legislators and targeting campaign contributions to promote its privatization agenda."

Indeed, some critics charge that the company's success is related to its deep rooted ties to elected officials. In addition to CCA's record of campaign contributions to the Republican Party since 1997, there are significant connections between executives and government officials. J. Michael Quinlan, former head of the Federal Bureau of Prisons, has been an executive at CCA for the past decade. CCA's chief lobbyist in the state of Tennessee is married to the speaker of the house. And CCA is a member of the American Legislative Exchange Council, a conservative group that writes and pushes bills on policy such as sentencing guidelines.

For the second quarter of 2005, CCA announced that its revenue had increased three percent over last year, for a total of almost \$300 million. CCA calculates that its expenditure of \$28.89 per inmate, per day allows it

to make a daily profit of \$50.26 per inmate. Meanwhile, on July 1, 2005, the Bureau of Immigration and Customs Enforcement awarded CCA contracts to continue running the 300-bed Elizabeth Detention Center in New Jersey and the 1,216-bed San Diego Correctional Facility. Both of these contracts are for three years with five three-year renewal options. In 2005 CCA also secured new prison contracts with the Kentucky Department of Corrections, the state of Kansas, and the Florida Department of Management Services.

Business is good for CCA and the more people it stuffs into its prisons the better it becomes. "As you know, the first 100 inmates into a facility, we lose money, and the last 100 inmates into a facility we make a lot of money " CCA Chief Financial Officer Irving Lingo said on a 2006 company conference call.

Wackenhut

Florida-based Wackenhut, a major private security company, has also received a great boost in the years since the September 11th attacks on New York. Its poor record has not undermined its ability to reap lucrative government contracts. Before 2001, Wackenhut, like CCA, had been at the center of all manner of inmate-abuse scandals: Guards were caught having sex with underage inmates, there were routine reports of extreme mistreatment of inmates, and there was even a disproportionately high level of deaths in their facilities.

Wackenhut CEO George Zoley has been flippant about the cases of abuse. After a CBS Television report exposed the repeated rape of a 14-year-old girl at a Wackenhut juvenile jail and two guards were found guilty, Zoley said, "It's a tough business. The people in prison are not Sunday-school children." Still more worrying was Wackenhut's record with inmate-on-inmate killings, which, contrary to public perception, are not very common in America's prisons. In 1998–99 alone, Wackenhut's New Mexico facilities had a death rate of one murder for every 400 prisoners. For the same period in all U.S. prisons, the rate was about one in 22,000.

Wackenhut's most visible response was to change its name. Now as the GEO Group, it is still headed by George Zoley, and it continues to run the Wackenhut facilities and get new contracts. In 2005 the State of California Department of Corrections gave GEO the contract for the housing of minimum security adult male inmates at the 224-bed McFarland Community Correctional Facility estimated to generate \$4.1 million in annual revenues. On August 8, 2002, Immigration and Customs

Enforcement (ICE) awarded GEO a contract for the company's Broward Transitional Center in Miami. The contract has been extended through September 2008.

Under a 2005 ICE contract GEO also manages the Queens Private Correctional Facility, where it expects to reap \$10.5 million in annual revenues. The Mississippi Department of Corrections also renewed GEO's contract for the continued management and operation of the 1,000-bed Marshall County Correctional Facility. Meanwhile, also in 2005, GEO announced a merger with Correctional Services Corporation (CSC) that will add approximately \$100 million in revenue to GEO's coffers. GEO is especially excited about the earning potential from CSC's 1,000-bed expansion of its State Prison in Florence, Arizona.

GEO executives are overjoyed about the boom in business. In 1999, the feds farmed out less than 3 percent of beds; but seven years later, the number had reached almost one in five. "That's a remarkable turnaround," GEO Group CEO George Zoley told his fellow executives. "And it's continuing to lead in that direction, that for minimum-security beds by the BOP (Bureau of Prisons) to house criminal aliens and illegal aliens by either the U.S. Marshal Service or the BOP or immigration service, they are turning to private companies."

"I think we're in a new era that I could never predicted, really, this scale of acceptance by the federal government. We talked about it for many, many years, but we're finally on the verge of it..." added Zoley.

Cost Savings

The corrections industry has routinely argued that privatizing prisons dramatically lowers costs. A 1996 U.S. General Accounting Office report concluded, however, that there was no clear evidence supporting this contention.

Prison companies do have clear advantages over other corporations: They are able to save large amounts of money on labor practices that would be illegal under any other circumstances. Inmate jobs in all prisons pay a pittance, but immigrant prisons are even worse. Because DHS guidelines mandate that non-citizen prisoners cannot earn more than \$1 per day, the company gets janitors, maintenance workers, cleaners, launderers, kitchen staff, sewers and grounds keepers at almost no cost.

With the increase in prison beds for immigrants comes the pressure to fill

them-- a scenario that has immigrant advocates extremely worried. Isabel García, attorney and human rights activist in Tucson, sees the drive to jail immigrants as fueling the same prison-industrial complex that first flourished with the war on drugs.

"The war on drugs has conveniently become a war on immigrants," says García, "and there is a lot of money to be made in detaining immigrants." The grown industry of incarcerating immigrants is facilitated by the tight connections between the private-prison industry and the federal government and the extent of the industry's powerful and well-funded lobby. García worries that the profit motive behind detaining immigrants will promote the criminalization of immigrants.

In the name of national security, the Department of Homeland Security has let industry lead the way in implementing systems and procedures that purport to protect America from future terrorist attack. However, in many cases it is immigrants and non-citizens with no connections to terrorism who get tangled in the net.

Adapted from *Targeted*, by Deepa Fernandes (Seven Stories Press, 2007). Additional research by Terry Allen.

Immigration Prisons by the Numbers

"A record 26,500 undocumented aliens are held across the United States by federal authorities. The number will rise to 32,000 by year's end

"A \$65 million tent city in Texas holds 2,000 immigrants in windowless tents where they are locked down 23 hours a day, often with insufficient food, clothing, medical care and access to telephones.

"Some 1.6 million undocumented immigrants are being held in some stage of immigration proceedings. "ICE holds more inmates a night than Clarion hotels have guests, operates nearly as many vehicles as Greyhound has buses and flies more people each day than do many small U.S. airlines."

"An estimated 12 million undocumented immigrants live in the US.

"80 percent of ICE's beds are rented at 300 local and state jails nationwide, concentrated in the South and Southwest.

"The Border Patrol made 1.1 million arrests last year. The majority were Mexicans who immediately were sent back the border. A half million more

entered legally and overstayed visas.

"An additional 630,000 are at large, ignoring deportation orders, and 300,000 more who entered state and local prisons for committing crimes are to be deported but will probably slip through the cracks after completing their sentences."

Source: Washington Post, February 2, 2007

Handout 5.5 - Prison Economics Help Drive Ariz. Immigration Law

by Laura Sullivan. NPR, October 28, 2010

Last year, two men showed up in Benson, Ariz., a small desert town 60 miles from the Mexico border, offering a deal.

Glenn Nichols, the Benson city manager, remembers the pitch.

"The gentleman that's the main thrust of this thing has a huge turquoise ring on his finger," Nichols said. "He's a great big huge guy and I equated him to a car salesman."

What he was selling was a prison for women and children who were illegal immigrants.

"They talk [about] how positive this was going to be for the community," Nichols said, "the amount of money that we would realize from each prisoner on a daily rate."

But Nichols wasn't buying. He asked them how would they possibly keep a prison full for years — decades even — with illegal immigrants?

"They talked like they didn't have any doubt they could fill it," Nichols said.

That's because prison companies like this one had a plan — a new business model to lock up illegal immigrants. And the plan became Arizona's immigration law.

Behind-The-Scenes Effort To Draft, Pass The Law

The law is being challenged in the courts. But if it's upheld, it requires police to lock up anyone they stop who cannot show proof they entered the country legally.

When it was passed in April, it ignited a fire storm. Protesters chanted about racial profiling. Businesses threatened to boycott the state.

Supporters were equally passionate, calling it a bold positive step to curb illegal immigration.

But while the debate raged, few people were aware of how the law came about.

NPR spent the past several months analyzing hundreds of pages of campaign finance reports, lobbying documents and corporate records. What they show is a quiet, behind-the-scenes effort to help draft and pass Arizona Senate Bill 1070 by an industry that stands to benefit from it: the private prison industry.

The law could send hundreds of thousands of illegal immigrants to prison in a way never done before. And it could mean hundreds of millions of dollars in profits to private prison companies responsible for housing them.

Arizona state Sen. Russell Pearce says the bill was his idea. He says it's not about prisons. It's about what's best for the country.

"Enough is enough," Pearce said in his office, sitting under a banner reading "Let Freedom Reign." "People need to focus on the cost of not enforcing our laws and securing our border. It is the Trojan horse destroying our country and a republic cannot survive as a lawless nation."

But instead of taking his idea to the Arizona statehouse floor, Pearce first took it to a hotel conference room.

It was last December at the Grand Hyatt in Washington, D.C. Inside, there was a meeting of a secretive group called the American Legislative Exchange Council. Insiders call it ALEC.

It's a membership organization of state legislators and powerful corporations and associations, such as the tobacco company Reynolds American Inc., ExxonMobil and the National Rifle Association. Another member is the billion-dollar Corrections Corporation of America — the largest private prison company in the country.

It was there that Pearce's idea took shape.

"I did a presentation," Pearce said. "I went through the facts. I went through the impacts and they said, 'Yeah.'"

Drafting The Bill

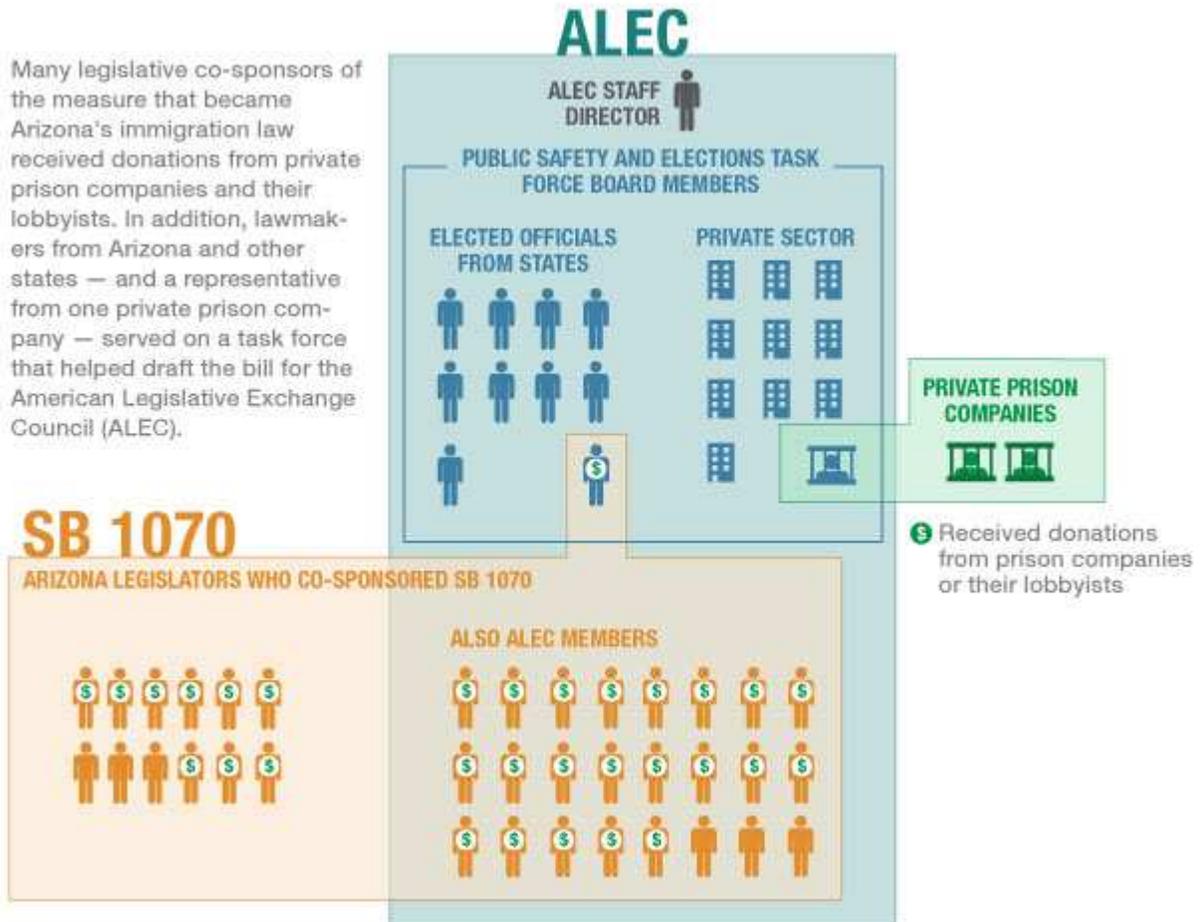
The 50 or so people in the room included officials of the Corrections Corporation of America, according to two sources who were there.

Pearce and the Corrections Corporation of America have been coming to these meetings for years. Both have seats on one of several of ALEC's boards.

And this bill was an important one for the company. According to Corrections Corporation of America reports reviewed by NPR, executives believe immigrant detention is their next big market. Last year, they wrote that they expect to bring in "a significant portion of our revenues" from Immigration and Customs Enforcement, the agency that detains illegal immigrants.

In the conference room, the group decided they would turn the immigration idea into a model bill. They discussed and debated language. Then, they voted on it.

Key Players That Helped Draft Arizona's Immigration Law



Source: NPR News Investigations
Credit: Stephanie D'Otreppe/NPR

"There were no 'no' votes," Pearce said. "I never had one person speak up in objection to this model legislation."

Four months later, that model legislation became, almost word for word, Arizona's immigration law.

They even named it. They called it the "Support Our Law Enforcement and Safe Neighborhoods Act."

"ALEC is the conservative, free-market orientated, limited-government group," said Michael Hough, who was staff director of the meeting.

Hough works for ALEC, but he's also running for state delegate in Maryland, and if elected says he plans to support a similar bill to Arizona's law.

Asked if the private companies usually get to write model bills for the legislators, Hough said, "Yeah, that's the way it's set up. It's a public-private partnership. We believe both sides, businesses and lawmakers should be at the same table, together."

Nothing about this is illegal. Pearce's immigration plan became a prospective bill and Pearce took it home to Arizona.

Campaign Donations

Pearce said he is not concerned that it could appear private prison companies have an opportunity to lobby for legislation at the ALEC meetings.

"I don't go there to meet with them," he said. "I go there to meet with other legislators."

Pearce may go there to meet with other legislators, but 200 private companies pay tens of thousands of dollars to meet with legislators like him.

As soon as Pearce's bill hit the Arizona statehouse floor in January, there were signs of ALEC's influence. Thirty-six co-sponsors jumped on, a number almost unheard of in the capitol. According to records obtained by NPR, two-thirds of them either went to that December meeting or are ALEC members.

That same week, the Corrections Corporation of America hired a powerful new lobbyist to work the capitol.

The prison company declined requests for an interview. In a statement, a spokesman said the Corrections Corporation of America, "unequivocally has not at any time lobbied — nor have we had any outside consultants lobby — on immigration law."

At the state Capitol, campaign donations started to appear.

Thirty of the 36 co-sponsors received donations over the next six months, from prison lobbyists or prison companies — Corrections Corporation of America, Management and Training Corporation and The Geo Group.

By April, the bill was on Gov. Jan Brewer's desk.

Brewer has her own connections to private prison companies. State lobbying records show two of her top advisers — her spokesman Paul Senseman and her campaign manager Chuck Coughlin — are former lobbyists for private prison companies. Brewer signed the bill — with the name of the legislation Pearce, the Corrections Corporation of America and the others in the Hyatt conference room came up with — in four days.

Brewer and her spokesman did not respond to requests for comment.

In May, The Geo Group had a conference call with investors. When asked about the bill, company executives made light of it, asking, "Did they have some legislation on immigration?"

After company officials laughed, the company's president, Wayne Calabrese, cut in.

"This is Wayne," he said. "I can only believe the opportunities at the federal level are going to continue apace as a result of what's happening. Those people coming across the border and getting caught are going to have to be detained and that for me, at least I think, there's going to be enhanced opportunities for what we do."

Opportunities that prison companies helped create.

<http://www.npr.org/templates/story/story.php?storyId=130833741>)