

Put on ICE? Effects of Immigration Raids in the Animal Slaughtering and Processing Industry

Pia Orrenius
Federal Reserve Bank of Dallas

Madeline Zavodny
University of North Florida

ASSA/AEA meetings, January 2022

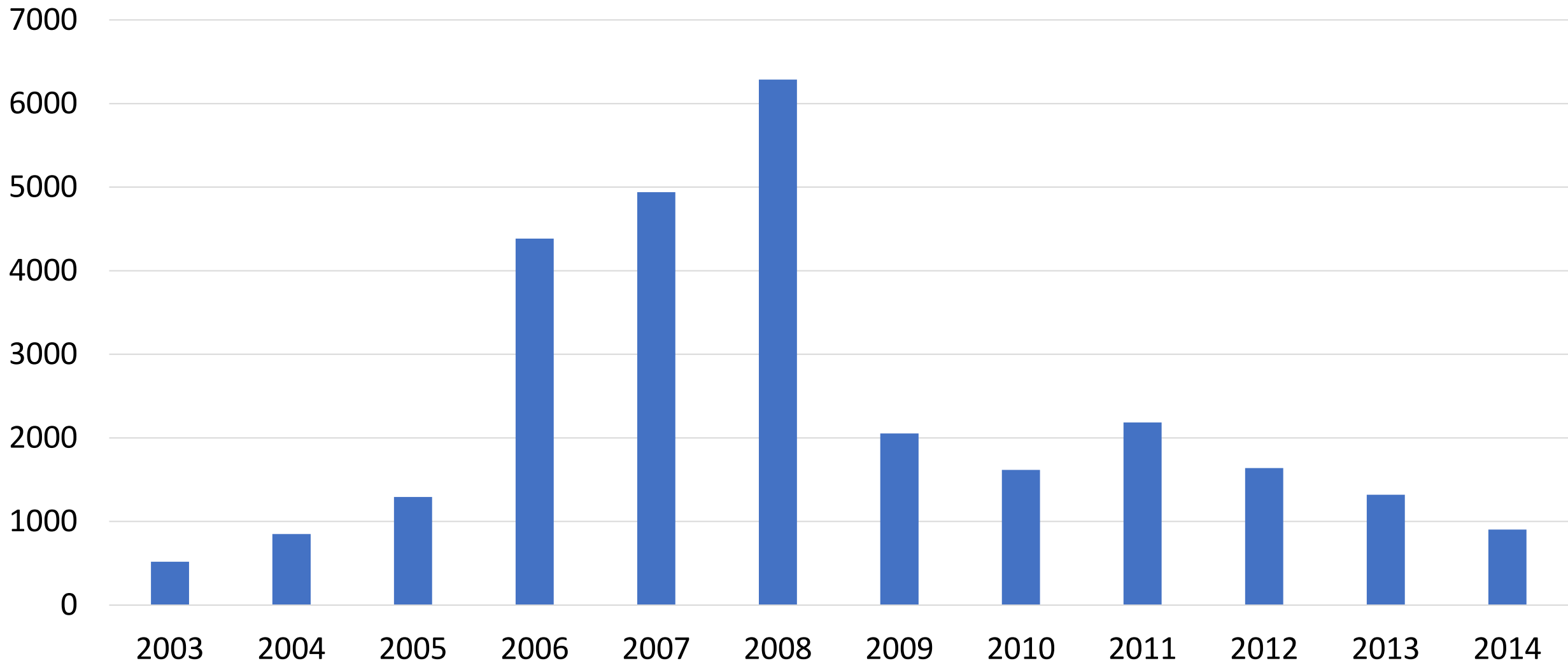
The views expressed here are solely those of the authors and do not reflect those of the Federal Reserve Bank of Dallas or the Federal Reserve System.



Motivation

- Illegal to employ unauthorized immigrants since 1986 IRCA
 - Enforcement largely focused on border, not interior, in 1990s
 - Post 9/11, increase in border and interior enforcement
- In April 2006, DHS announced plans to expand employer-based immigration enforcement
- Worksite raids and arrests soon increased dramatically

Worksite enforcement administrative and criminal arrests FY2003-2014



Motivation

- Animal slaughtering and processing industry was major focus of raids
 - About 1 in 5 workers unauthorized immigrants
 - Large, isolated facilities in rural areas easy to target
 - Union-organizing efforts may have made executives less resistant to ICE
- Industry experienced:
 - At least 25 raids during 2006–2008
 - Then-largest workplace raids:
 - Operation Wagon Train at 6 Swift meatpacking plants in 2006, 2007
 - Postville, IA, kosher slaughterhouse raid in 2008



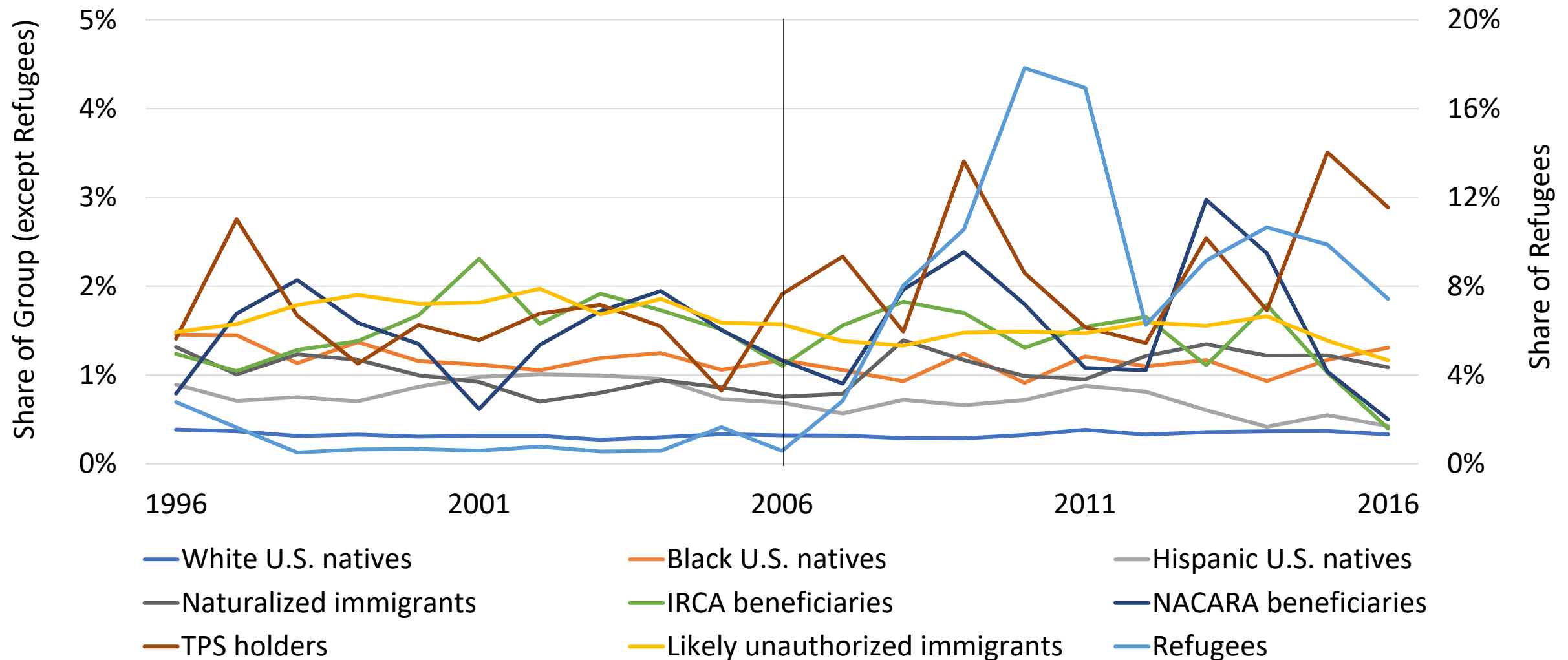
Expected effects

- Immediate drop in employment, production at raided plants
 - Short run or permanent?
- Shift toward legal workforce in industry:
 - Change in worker demographics
 - Increase in wages
 - Increase in turnover
 - Decrease in labor productivity?
 - Change in injury rate?
 - Change in where plants are located?

Event study analysis

- Compare before and after 2006, when new enforcement regime began
- Did the industry shift toward legal workers after 2006?
 - Legal workers: U.S. natives; naturalized immigrants; refugees; TPS holders; IRCA & NACARA beneficiaries
- How did share of workers within demographic groups working in industry change after 2006?
- Focus on less-educated workers
 - > 80% of industry workers have at most completed high school

% of workers in demographic group in animal slaughtering and processing

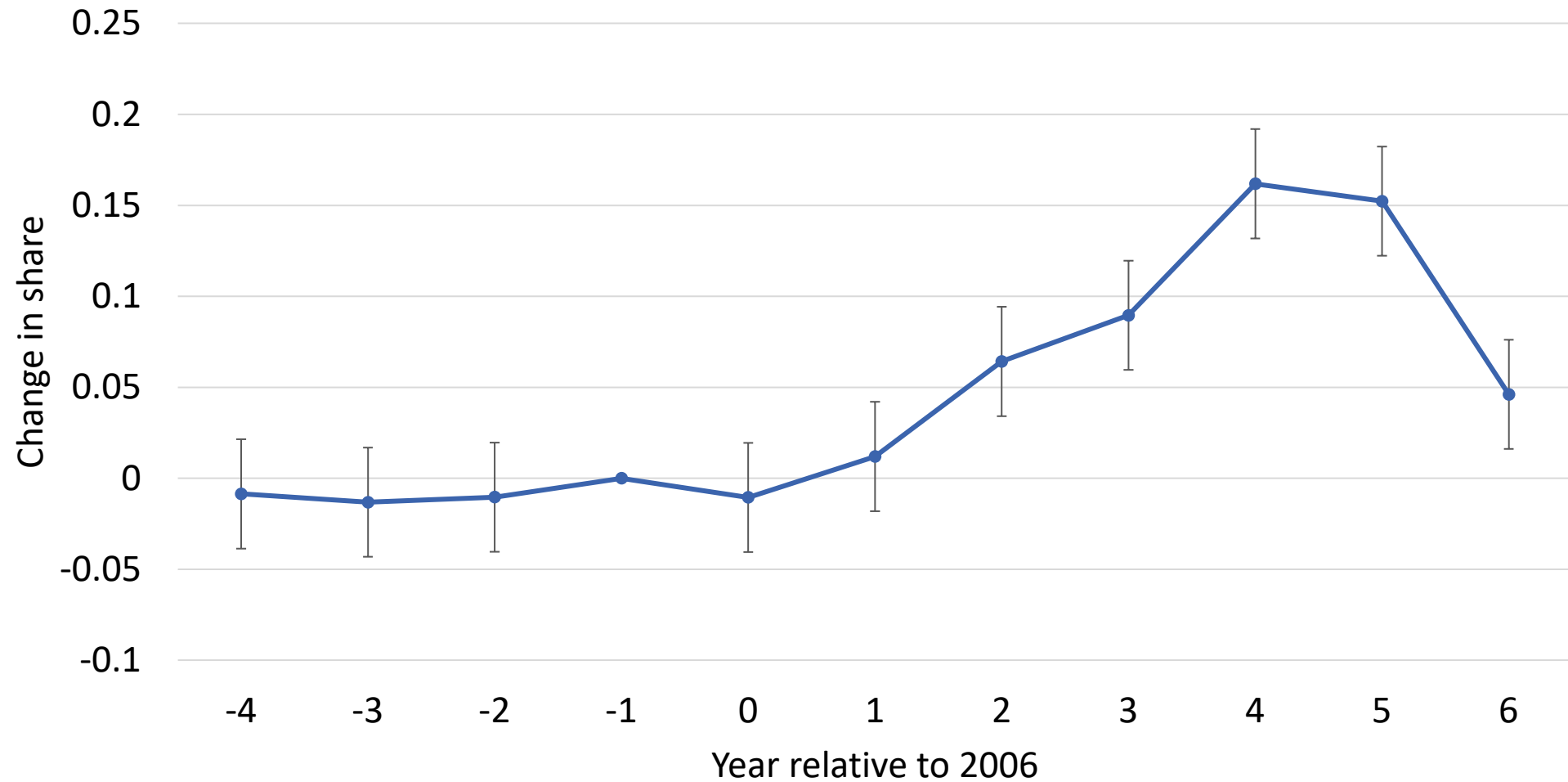


Note: Calculations based on CPS data.

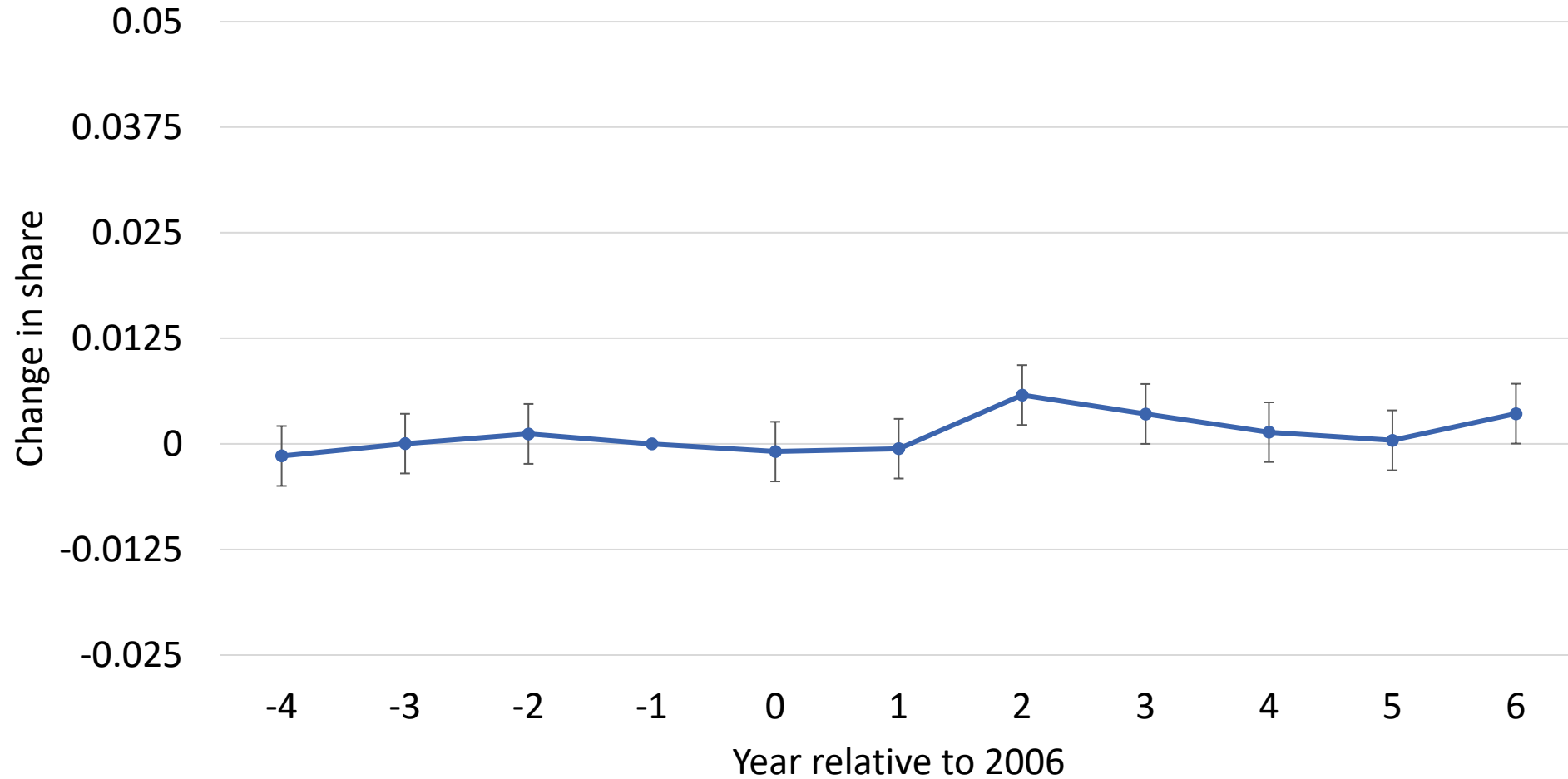
Event study analysis

- Compare change among other demographic groups relative to U.S.-born non-Hispanic whites after 2006

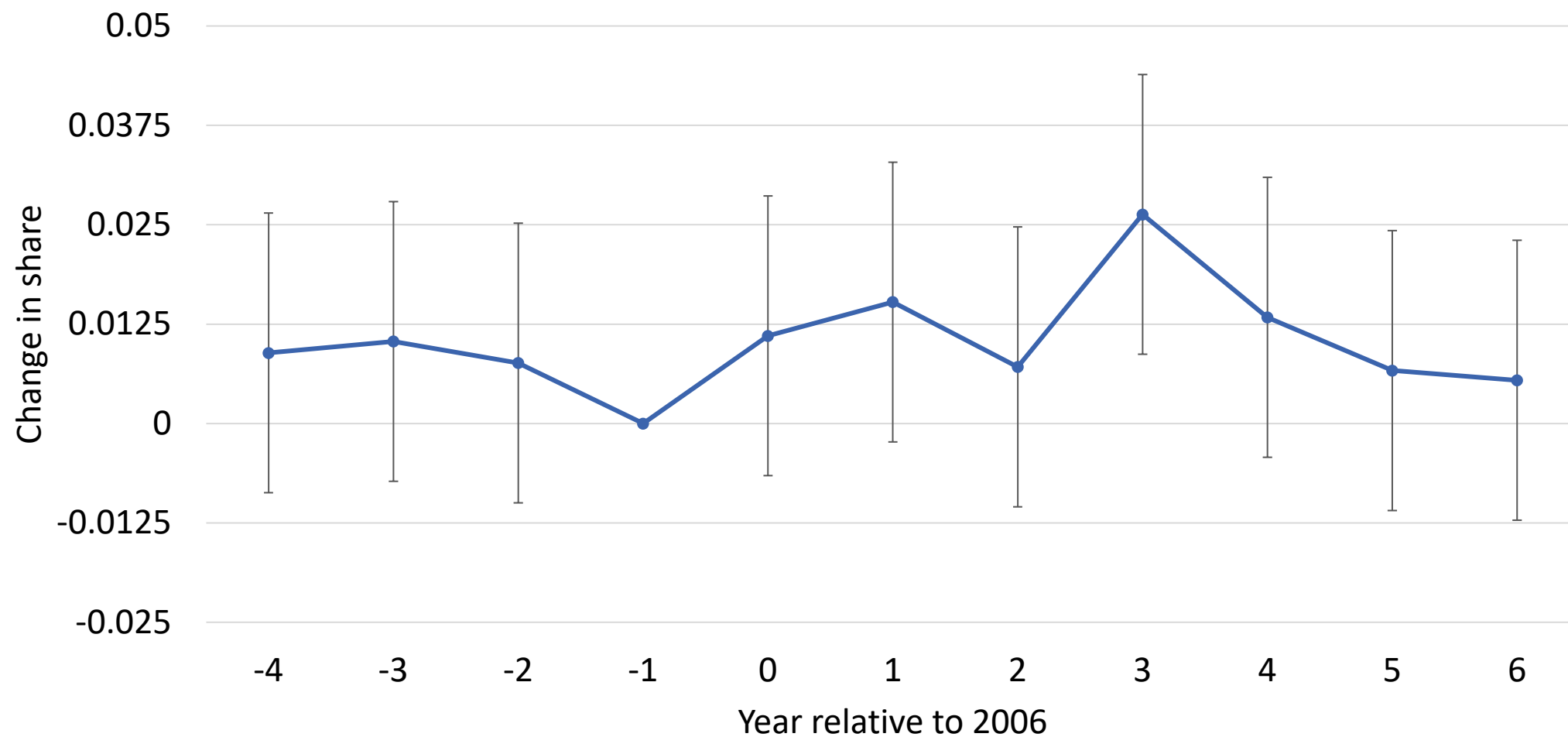
% of refugees working in animal slaughtering and processing increased



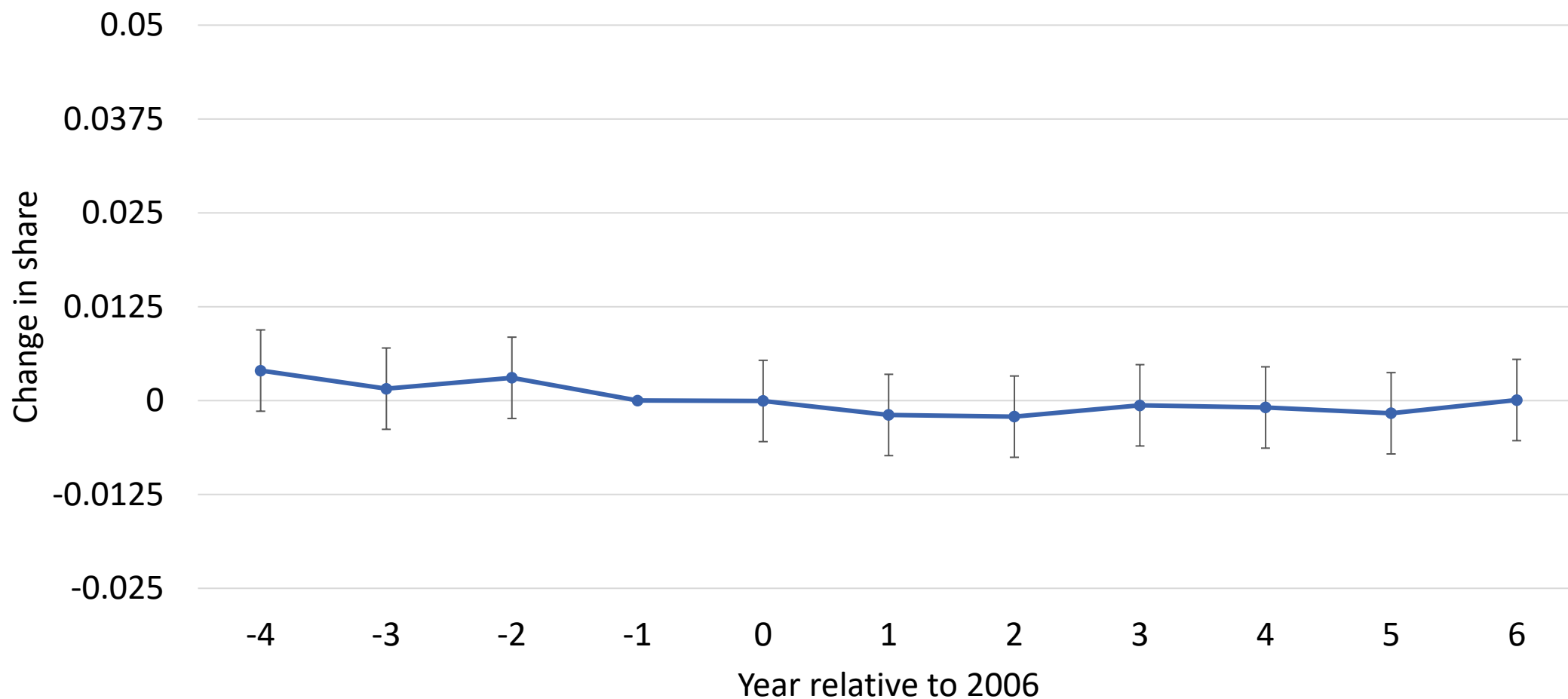
% of naturalized immigrants working in animal slaughtering and processing increased, but much less dramatically



% of TPS holders working in industry increased, too



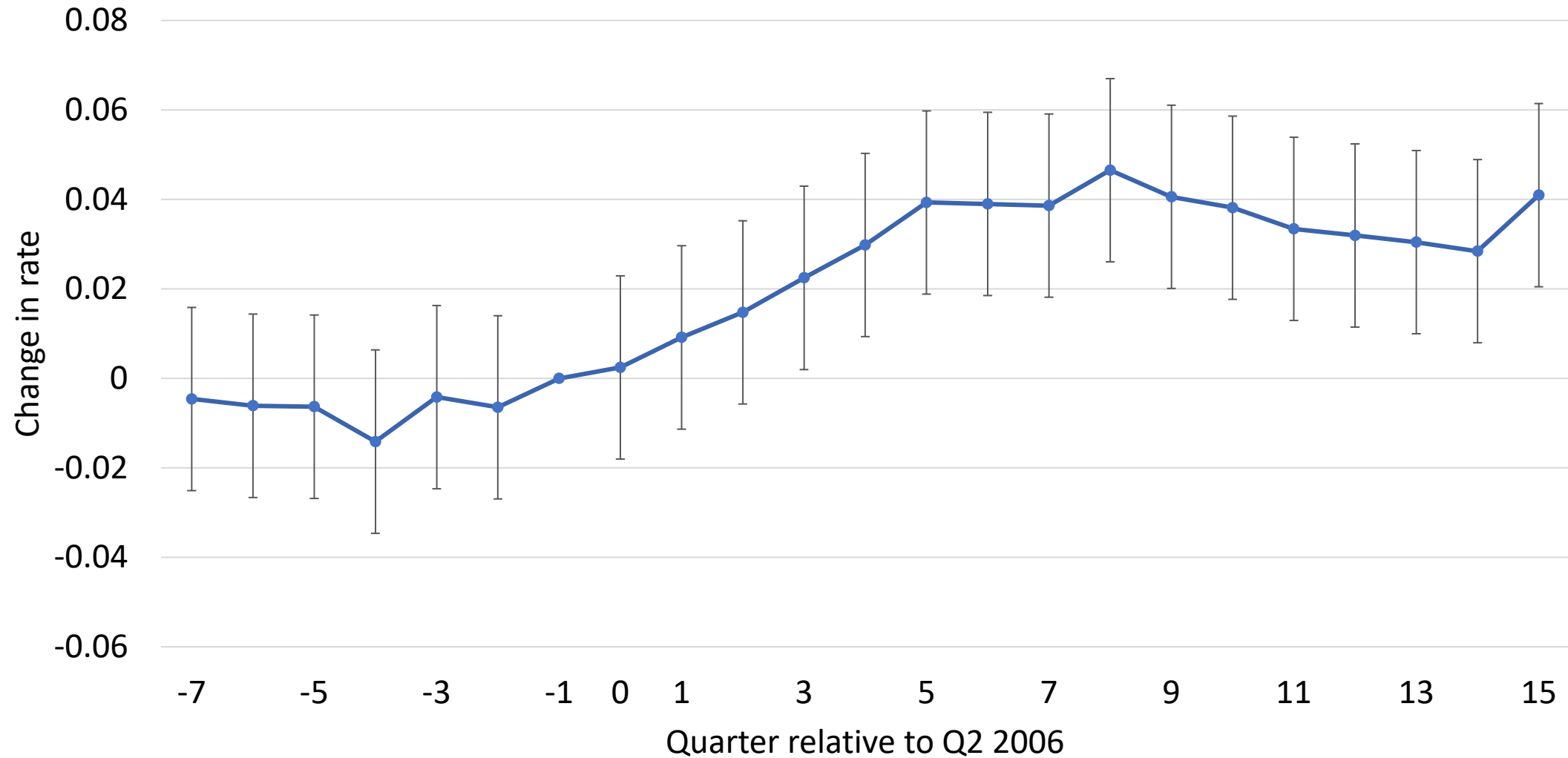
% of likely unauthorized immigrants working in industry didn't change



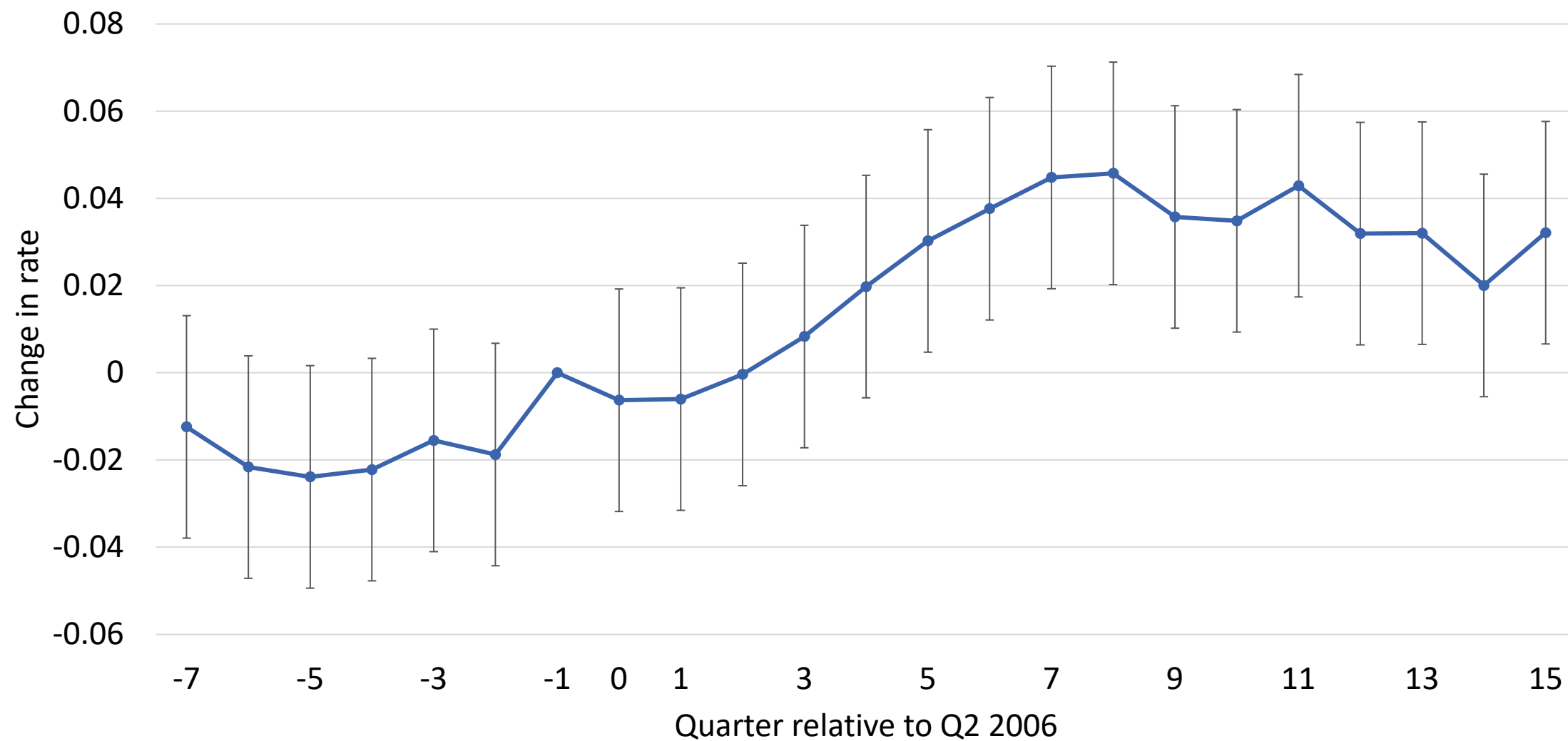
Additional event study analysis

- QWI data on employment, separations, hires in industry relative to private sector as a whole before and after Q2 2006
- BLS labor compensation & productivity annual growth rate data for industry relative to private sector as a whole before and after 2006

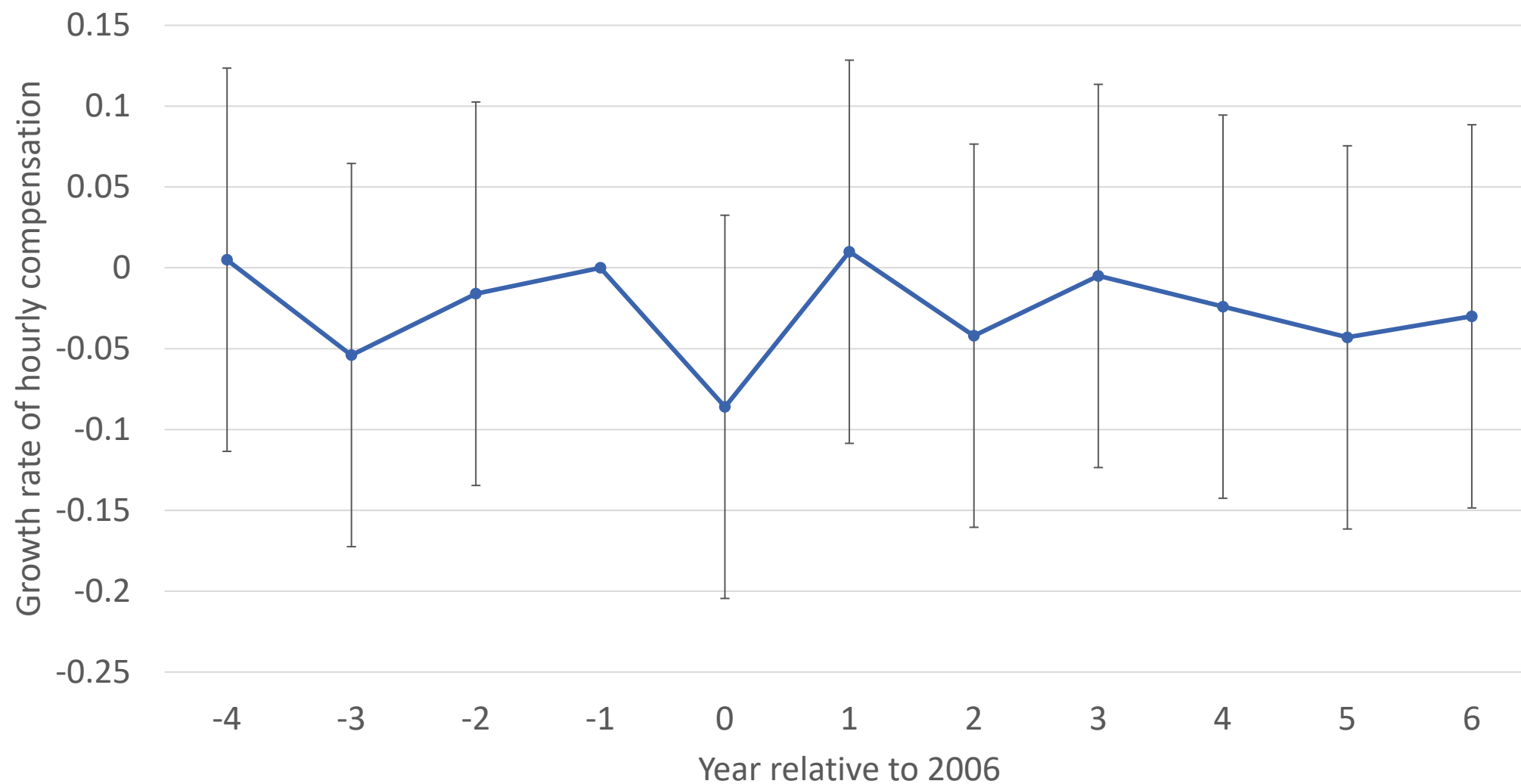
Separations rate in industry climbed after raids began



Hiring rate in industry climbed after raids began, too



No evidence of faster wage growth in industry after raids began



Our next steps: state-level effects

- Compare employment, turnover, wages, injury rates, production before and after raids at state level
- Look at first raid in state; multiple events in some states; and different treatment intensity based on arrests relative to # workers

The aftermath

Raids:

- Shift away from raids during Obama administration
 - Focus on I-9 audits and no-match program instead
- Raids returned with a vengeance during Trump administration
 - Massive raids at 7 Mississippi poultry plants in 2019
- In October, Biden administration announced end to raids

Animal slaughtering and processing industry:

- Heavy dependence on foreign-born workers continues
- Covid-19 revealed sector's vulnerabilities

Comments welcome!

pia.orrenius@dal.frb.org

m.zavodny@unf.edu