What does an AIG executive have in common with the farmhand who picked the lettuce you ate at lunch? If, as is likely, the farmhand is foreign-born, he too is the target of growing populist rage.

With unemployment soaring, it’s hardly surprising that immigrant workers, along with Wall Street and international trade, are being singled out for blame. The rage is directed at all kinds of foreigners: Mexican farmhands, Indian Ph.D.s, exchange students, seasonal help at summer resorts. And in a striking shift from pre-recession sentiment, people are expressing resentment not just of illegal immigrants, but also those here legally.

The scapegoating hasn’t produced violence yet (the massacre last week at an immigrant welcome center in Binghamton, N.Y., was the work of a deranged foreigner, not a nativist), but the rising anger has grown loud enough to be heard in Washington. And an unholy alliance of anti-immigrant Republicans and labor-friendly Democrats in Congress is moving to shrink, end, suspend or tie up in red tape the few, inadequate programs that exist to bring foreign workers into the U.S. legally.

The stimulus package passed in February included a clause that makes it harder for banks getting bailout money to hire skilled workers on H-1B visas. Labor Secretary Hilda Solis has rescinded a Bush administration rule that made it easier for growers to hire farm help using the H-2A program. Legislation is expected to be introduced in coming weeks that would slash the number of seasonal H-2B visas available for unskilled, non-farm laborers. And judging by the rhetoric on Capitol Hill, this is just the beginning – more restrictions lie ahead.

The only problem: Even in a recession, we still need immigrant workers, at both the top and the bottom of the economy. In the downturn, as before, foreigners aren’t generally taking jobs from Americans; on the contrary, they’re helping to keep U.S. workers employed. Those here legally have broken no rules – we can’t hold that against them. And as the recession ebbs, they will be increasingly important for the economy, essential fuel for the
growth we’ll need to put Americans back to work.

The recession hasn’t changed any of the fundamental economic or demographic realities that produced the immigrant influx of the last 25 years. Americans are increasingly educated: Only 10% of U.S. men now drop out of high school to look for unskilled work, compared with 50% in 1960. Few of us want to do farm work or menial service-sector jobs. And even when we’re laid off, we’re much more hesitant than immigrants to relocate in order to find work.

But nor are we educated enough to keep our 21st-century knowledge economy globally competitive. Foreigners still account for two-thirds of the students enrolled in computer science and engineering programs at American universities. And the laws of supply and demand still apply.

So on the ground too, the collapse has meant less change than might be expected. As the economy has slowed, we’ve needed fewer foreign workers, particularly in hospitality and construction, and the influx from abroad has slowed accordingly. But there’s still demand for immigrant labor on farms, in food-processing plants, in home health care and in the high-tech sector. The need is particularly acute where the work is seasonal – not even laid-off U.S. workers seem interested in traveling hundreds of miles for a three-month stint picking fruit or making beds at a resort.

And geography isn’t the only issue. A recent article in The New York Times about how the recession is affecting lives at a Tennessee chicken processing plant found that even when they have been out of work for six to nine months, U.S. workers dropped from the skilled middle rungs of the workforce were not applying for the low-end line jobs still filled largely by immigrant labor. There’s an economic misunderstanding at the heart of the growing rage. Workers are not identical or interchangeable, and aggregate unemployment numbers are misleading.

In the downturn, as before, immigrants are different from American workers, both more and less educated. By and large, newcomers complement rather than compete with those already here. Americans cluster on the middle rungs of the job ladder, immigrants at the low or high ends. And because they do things Americans don’t, foreigners help sustain jobs for the native-born. They provide the technical expertise to keep an American company globally competitive, for example, or make it possible for a grower to continue operations in the U.S. rather than move to another country, one where farm labor is plentiful.

The result: not just continued employment for the U.S.-born supervisors on the farm, the U.S.-born technicians who tend the machinery and the U.S.-born clerical help that keeps the books, but also more work for a wide range of other businesses and other native-born workers, both upstream and down in the U.S. economy – everything from the companies manufacturing farm machinery to the banks financing farm production.

According to one estimate, every farm worker employed in the U.S. supports 3.5 additional jobs off the farm – jobs that would disappear if the grower moved operations to another country. And this isn’t true just in farming. It’s true in every sector where immigrants are
helping to keep U.S. businesses open by doing high-and low-end work that there are few Americans to do – even in the recession.

The need for immigrant workers will be even greater when the economy rebounds. Housing starts will climb, restaurants will fill up again, and Americans will take the vacations they’ve been putting off through the downturn. Instead of planning layoffs, employers will start hiring, and U.S. workers will want their jobs back. But many companies will be unable to grow – and unable to rehire managers, technicians or clerical help – if they can’t find unskilled workers.

Demographic trends won’t change: declining U.S. birth rates, an aging U.S. workforce and increasing U.S. educational levels will mean shortages at the bottom rungs of the economy. Renewed global competition for scientific and technical talent will eat into our growth, especially if we’ve closed our doors. And then, as now, it will make more sense to legally admit the workers we need.

The choice is ours. We can listen to the populist rage and act on it, turning on legal as well as illegal immigrants. But satisfying as that may seem in the short term, it will only deepen the downturn, sharpen our pain and, eventually, choke an economic recovery.

Tamar Jacoby is president of ImmigrationWorks USA, a national federation of employers advocating for immigration reform.