

The Social Contract

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A Note from the Editor

Immigration ‘Loopholes’ Defraud Americans

A number of programs originally intended to benefit certain segments of America, including the economy, have become agencies for abuse. Far from advancing the public good, they are defrauding American taxpayers, many of whom are hard-working, middle class wage earners scrambling year after year to support their families.

THE EARNED INCOME TAX CREDIT

Come every April 15 (Income Tax Day), we learn that illegal aliens are receiving checks from the Internal Revenue Service (IRS), as well as from state and local taxing authorities. In this issue of *The Social Contract*, Edwin S. Rubenstein, a distinguished economics analyst, explains how illegal aliens benefit financially from the Earned Income Tax Credit (EITC), the Additional Child Tax Credit (ACTC), and the American Opportunity Tax Credit (AOTC).

The Earned Income Tax Credit and Illegal Immigration was originally released by The Social Contract Press in April of 2009. The information featured in this issue is an update of that report, which highlights the fact that the abuses he identified nine years ago have been allowed to flourish.

OUTSOURCING

As the *Wall Street Journal* recently pointed out, outsourcing and “workforce solutions” companies (which essentially lease workers to employer clients) are coming to dominate global employment (Lauren Weber, “Outsourcing Grabs More of Workforce,” *WSJ*, December 29, 2017, p. B3).

“Outsourcing companies are vacuuming up the world’s workers as traditional employers are handing over more of their tasks to non-employees, a shift that has transformed the way corporations do business and profoundly affected workers’ prospects and pay,” the *WSJ* reveals.

Employers now “view labor as an on-demand resource they can rent as needed,” instead of keeping a well-trained, loyal workforce; as the *WSJ* continues,

For employers, dispatching work to outside companies saves money and lets them access skills they need without adding to their headcount. Workers in jobs that have gone to outsourcers...can feel moved around like chess pieces, either displaced entirely or rebadged as employees of a service provider...with fewer benefits and lower pay.

This is encouraged by government authorities, which write the tax codes and set labor practices. As always, it remains for grassroots activists to fight for the interests of the public at large. ■

Wayne Lutton, Ph.D.