

# Security for workers on both sides of border

The Bush administration is giving serious consideration to establishing an international agreement with Mexico to coordinate Social Security benefits and taxes between our two countries. Such an agreement would have major benefits for many U.S. workers and their employers and would help to strengthen ties between the two nations.

Unfortunately, unwarranted fears about illegal Mexican immigration and other issues by some in Congress may scuttle the agreement. I hope the administration overcomes the objections of opponents and moves forward on this important initiative.

The United States has a long history of establishing international Social Security agreements with other countries. What are the purposes of these agreements? Just as trade agreements such as NAFTA create a framework to facilitate the trade of goods across borders, these agreements create a framework for pension benefits and taxes to facilitate the mobility of workers across borders. They do this in two ways:

First, the agreements eliminate dual Social Security taxation, which saves workers and their employers from paying duplicative taxes. Often, an individual working overseas must pay his or her home country's Social Security taxes as well as the Social Security taxes imposed by the foreign country. This imposes steep and unnecessary costs on both employees and employers. Secondly, the agreements

help fill gaps in retirement benefit protection for individuals who have worked in both the United States and another country, but who haven't worked enough in either to qualify for full benefits. The agreements allow workers to combine earnings to qualify for benefits under either or both systems, with benefits prorated to reflect the number of years that workers paid into each system.

A growing number of U.S. and foreign workers spend part of their work years beyond their home boundaries. These agreements create fair rules to help workers and their employers, and also help to deepen our international economic ties. Over the past 30 years, the United States has established international Social Security agreements with 20 countries, including Canada, Chile, South Korea, Australia and most of Europe. The glaring exception has been Mexico, our second-largest trading partner. Just as we have established an agreement with our neighbor to the north — Canada — we should now do so with our neighbor to the south.

Opponents of the Mexico agreement argue that it would cost the United States dearly and that the agreement would liberalize our immigration rules and lead to Social Security benefits being paid to illegal immigrants. Indeed, some in Congress propose to kill not only the Mexico agreement but also all 20 existing agreements. These concerns are all unwarranted.

First, the long-term costs of an agreement would be very modest. The

20 international agreements now in effect save U.S. workers and employers hundreds of millions of dollars a year, and while an agreement with Mexico would modestly increase U.S. costs, these added costs would amount to only a fraction of the net gains from our other 20 agreements. In addition, an agreement with Mexico would not change our immigration laws in any way or authorize payments to undocumented workers. None of the 20 international agreements now in effect has altered our immigration laws or provided benefits to undocumented workers. Lastly, eliminating the 20 agreements now in effect would translate into an \$800 million tax increase for American workers and their employers and erode 30 years of efforts to strengthen our economic ties overseas. The opponent's charges make for great rhetoric, but that's all.

Work on establishing a U.S.-Mexico agreement began during the Clinton administration and moved forward during the Bush administration. President Bush has a real opportunity to use this agreement to strengthen ties with Mexico and help U.S. workers and employers. I hope that he successfully concludes these negotiations and moves us one step closer to strengthening worker protections, eliminating duplicative taxes and fostering economic ties with Mexico. That would be good for Texas, the United States and Mexico.

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