

# 49

Meetings of the  
Social Statistics Unit of the  
American Statistical Association  
New Orleans, LA  
August 23, 1988

Immigration Reform and the Urban Labor Market:  
Resolved and Unresolved Data Issues

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Since the mid-1960s, the United States has once more witnessed the revival of mass immigration as a distinguishing feature of its economy. A comprehensive study of U.S. society, conducted by an international team of social science scholars and released in 1986, concluded that "America's biggest import is people." It added that "at a time when attention is directed to the general decline in American exceptionalism, American immigration continues to flow at a rate unknown elsewhere in the world."<sup>1</sup> Yet the data needed to assess the magnitude, composition, and, most importantly, the economic impact of these immigrant flows has been repeatedly found to be grossly inadequate. Indeed, a panel established by the National Research Council to study the nation's immigration statistics chose to subtitle its extensive report issued in 1985 as A Story of Neglect.<sup>2</sup> The panel's findings capsulized the state of affairs as follows: "In recent years, the expressions of concerns over inadequate, incomplete, and often unreliable information available for use in planning, implementing, or evaluating immigration policy have become both more numerous and more strident."<sup>3</sup>

The lack of adequate data has been a major explanation for the limited amount of useful research that has been conducted on this vital subject and for the persistent confusion surrounding attempts to interpret the findings

of that which have been produced. The void also explains why research has played an insignificant role in the past design and the on-going efforts to reform the nation's immigration system.

The purpose of this paper, however, is not to re-open an old wound just to throw salt in it. The lack of useful labor force data on immigrants has been a serious obstacle to public discussion and policy formulation. It stills is. Some changes have been made. More must be forthcoming. On the optimistic side, one could interpret the text commentary of the 1986 Statistical Yearbook published by the Immigration and Naturalization Service (I.N.S.) in October 1987 as a public mea culpa for the agencies past indifference to the importance of data collection to policy formulation and the conduct of research.<sup>4</sup> In this particular publication -- the predecessors of which have been but an annual series of statistical tables, there is a lengthy written prolog. In this introductory material, the major components of the annual immigrant flow to the United States are listed and discussed. Each part contains three subsections entitled "data overview," "data collection", and "limitations of data". In addition, there is a general section entitled "data gaps" that pertains to an overall perspective on immigration measurement issues. Hence, the government agency responsible for the conduct of the immigration system has initiated a frank dialog with the users of its data pertaining to legal immigrants, refugees, asylees, and nonimmigrants who are admitted for temporary work. There is another section in this report devoted to enforcement data as it pertains to the thorny measurement issues surrounding illegal immigrants. These discussions, however, serve essentially as warnings to users rather than as answers to the data needs of researchers and policy makers. They focus primarily on

the quantitative measurement issues surrounding the number of persons involved in each of these separate streams of new arrivals. They provide little insight into what actually happens after they arrive. Indeed, the entire review serves to indicate how little data information there is about their actual labor market features and impacts.

#### The Process of Immigration Reform

Public recognition that immigration has once again assumed an important role in the U.S. economy has only been slowly recognized. Immigration had declined in importance from the 1920s through to the mid-1960s. The foreign born as a percentage of the population had fallen from 13.2 percent in 1920 to 4.7 percent in 1970. But since the mid-1960s there has been a sharp trend reversal. The foreign born population in 1980 rose to 6.2 percent of the population and the figure for 1990 could easily approach 9 percent. Even these percentages are suspected of being too low due to charges of significant undercount of illegal immigrants by the 1980 Census and the anticipation of similar problems in the 1990 Census.<sup>5</sup>

The myriad of causes for the re-emergence of mass immigration to the United States is beyond the scope of this paper.<sup>6</sup> Suffice to say, that when a congressionally created and presidentially appointed commission on immigration reported in 1981 that "U.S. immigration policy was out of control", there were few who would argue with the conclusion (although many disagreed about what to do about it).<sup>7</sup> The commission warned that the nation must face "the reality of limitations" and that it should adopt "a cautious approach" in the design of its immigration policies. In this context, the Congress -- after dismissing a reform package offered by the Reagan Administration in 1981 as being inadequate -- began its own efforts to craft

a comprehensive immigration reform law. The complexity of the topic and the ensuing controversies that surrounded the proposed reforms caused these legislative attempts to fail in 1982 and again in 1984. In the ensuing session of Congress a new political tact was taken: piecemeal reform.

The first issue that was identified for attention was the mass abuse of the system by illegal immigrants. Although it took until literally the final hours of that entire legislative session to accomplish, the Immigration Reform and Control Act of 1986 (i.e., the Simpson-Rodino Act) was finally passed by Congress and signed into law by President Reagan on November 6, 1986. This historic legislation linked the imposition of sanctions against employers who hire illegal immigrants with four separate amnesty programs that will allow millions of illegal immigrants (and, ultimately, unknown millions of additional family members who will be able to legally accompany them) to adjust their status to become permanent resident aliens and, eventually, to become naturalized citizens.

With this initial task completed, Congress has subsequently turned its attention to reform of the legal immigration system. In March 1988 the Senate adopted its version of a new reform bill and the House of Representatives is considering a somewhat similar bill whose status is pending at the time of this writing. Both bills would significantly increase the number of legal immigrants admitted each year. While overwhelmingly most immigrants would still be admitted on the basis of family re-unification principles, the number who would be admitted on the basis of labor market needs and potential employment adaptability would be increased. This would be accomplished by establishing a point system to set immigrant priorities for many (but not all) non-family related immigrants. The points would be awarded for such

productivity factors as English fluency; possessing skills for which occupational shortages exist; work experience; and educational attainment. The Senate bill also seeks to set an overall cap on total legal immigration (excluding, however, refugee flows). If agreement with the House of Representatives cannot be reached this year, the topic is certain to be revived in the next session.

In future years, it is also anticipated that additional incremental steps toward reform will be taken by Congress to address major problems associated with refugee, asylee, and non-immigrant policies. Thus, the immigration reform process promises to be a protracted affair that will extend well into the 1990s and, perhaps, even beyond.

Thus, to date, immigration reform has only been partially attempted. It consists only in the enacted provisions of the Simpson-Rodino Act. But even the effectiveness of the adopted reforms remains to be demonstrated. There is ample reason to fear that its provisions to address illegal immigration may be grossly inadequate. There is the massive identification loophole in the legislation (the employer is not responsible for the authenticity of the documents presented by would-be workers); there is serious doubt that there will be adequate manpower and funds to make enforcement meaningful; and there is no attention in this law to the powerful "push" factors involved in the illegal immigration process (e.g., poverty, political corruption, human rights violations, and excess population pressures) that will continue to function.

The effects of immigration reform on data issues, therefore, are limited to the effects of the Simpson-Rodino Act on the stock and flow of illegal immigrants in the population and labor force. The amnesty provisions of

the Act are designed to reduce the size of the stock of illegal immigrants while the employer sanctions seek to reduce the size of future flows. The fact that the amnesty provisions transform the status of illegal immigrants into temporary resident aliens who eventually can become permanent resident aliens and, later, naturalized citizens means that over 2 million former illegal aliens no longer exist. In theory at least, these persons should be easier to count in government data collection efforts since they no longer need to fear detection and possible deportation. In fact, however, most amnesty recipients seem to be both minority group members and workers in low wage and low skilled occupations. Both of these groups are also subject to significant statistical undercount in government population and labor market surveys. Hence, there is no real assurance that any real progress will result in the improvement of official data reporting. As for the ability of employer sanctions to stem the future flow of illegal immigrants, it is unlikely -- for the reasons cited in the previous paragraph -- they will have much impact. Thus, it can be anticipated that the flow will continue and, in the process, that the stock of illegal immigrants will soon be replenished. The new flows will join the ranks of the numerous illegal immigrants who did not avail themselves of the opportunity to adjust their status and those others who were ineligible for any of the four amnesty programs provided under the legislation. Hence, all the data questions concerning the size and characteristics of the illegal immigrant population can be expected to quickly re-kindle. In the process, the adequacy of the governments population and labor force data will continue to be the subject of academic articles, professional meetings, and congressional hearings.

### Immigration and Urban Labor Markets

There is one descriptive characteristic of the "fourth wave" of immigration to the United States (i.e., post-1965 immigrants) that is not in dispute by anyone. It is that "immigration is overwhelmingly an urban phenomenon."<sup>8</sup> In 1980, 92 percent of the foreign born population counted by the Census lived in metropolitan areas compared to 74 percent of the native born population. Because of concealment concerns, it is an uncontested behavioral in the research literature fact that most illegal immigrants -- whether counted or not -- are also in urban labor markets. It follows logically, therefore, that it is the urban labor markets that have borne disproportionately the accommodation burden of contemporary immigration flows. The actual urban impact itself, however, is far more geographically concentrated. Immigration is not a random process. Indeed, it affects essentially only the urban labor markets in a handful of States (in California, New York, Texas, Florida, Illinois and New Jersey).<sup>9</sup> These "affected" central cities (i.e., New York City, Los Angeles, Chicago, San Francisco, Miami, Houston, and San Antonio and various cities in Northern New Jersey), however, account for a substantial portion of the nation's total urban labor force.

But simply noting the settlement patterns of the foreign born population does not help to understand the actual effect of immigration on urban labor markets. It is at this point that the data shortcomings become starkly apparent. It is only Census information that provides labor force data on the foreign born. But immigration in all of its diverse forms is an on-going and increasing phenomenon. Census data, however, are collected only every 10 years. As indicated earlier, the foreign born population increased by

over 45 percent between 1970 and 1980. Given the immigration-related events of the 1980s, it is certain that the 1990 Census will show even greater absolute and percentage increases. No other labor market data suffers from such rapid obsolescence. Aside from being largely aggregate data, the available statistical information is grossly inadequate to meaningful attempts to assess the labor market significance of immigration. The Current Population Survey (CPS), which is a monthly household sample of the population and labor force, provides no data on the foreign born on a regular basis. Nor do the other two monthly labor force surveys (i.e., the Establishment Survey of employers or the Unemployment Insurance Survey of unemployment claimants). On rare occasions when special funding is arranged, a special survey is included as part of one of the monthly CPS surveys but it is highly aggregate in its tabulation and irregularly available.<sup>10</sup>

Hence, there is no up-to-date or reliable way to measure such basic concerns as the effects of immigration on the size and personal characteristics of the labor force (gender, race, or age) or their particular industrial, occupational, or geographic patterns. Nor is there any regular measurement of labor force status -- employment, unemployment, or labor force participation -- of immigrants. Likewise, measures of the largest annual flow of immigrant workers -- i.e., illegal immigrants -- are simply unavailable in any data series. As for the growing number of non-immigrant workers who are legally allowed to work in the United States for specified time periods, only labor market data of an aggregate nature are published. Much of this data are incomplete with respect to their actual industrial, occupational, geographic employment patterns.



With regard to the substantial amnesty programs that were initiated as part of the Simpson-Rodino Act, there are detailed numbers prepared by I.N.S. on the gross number of applicants, their personal characteristics, their countries of origin and states of residency but only minimal information was gathered on their labor force characteristics and status. The amnesty labor force data classifications are so broad as to be almost useless for analysis. For example, the interim report issued in December 1987 on amnesty applicants lumped unemployed and retired persons in the same category; it reported 22 percent of the amnesty applicants as having "unknown" labor force status or occupation; and it listed only very broad occupational classifications to describe the actual employment patterns of the remainder.<sup>11</sup>

The almost total absence of labor market data on immigrants means that all of the critically important derivative policy issues that affect urban market operations are either unknown or in serious contention among analysts and scholars. Among these critical concerns are the differential employment patterns of the different immigrant grouping (i.e., of legal immigrants, illegal immigrants, refugees, and non-immigrant workers); the collective employment patterns of all immigrants; the collective impact of immigrants on employment opportunities, wages, and working conditions of native born workers (actual and potential); the selective impact on local businesses; the collective utilization of public services by immigrants; or the overall fiscal and economic consequences of a growing immigrant population at the municipal, state, or national level. Likewise, the effects of the growth of linguistically similar employment enclaves on the job opportunities for immigrants from the same group, for immigrants from other groups, and for native born workers who collectively seek jobs in the same urban labor markets

has yet to be carefully analyzed. Worse yet, the political milieu that encompasses the formulation of immigration policy often does not want to know the answers as to the labor market effects of immigration. Politically, the topic of responsible immigration policy is "too hot to handle." It is perceived as being "insensitive at best" and "racist at worst" in many localities even to raise the issue of labor market effects of immigrants.<sup>12</sup>

#### Systemic Barriers to Improved Immigration Data

The data problems associated with the nation's immigration policies are endemic to the nature of the current immigration system. They stem from two institutional factors. First and foremost is the fact that the extant immigration policy of the United States has evolved in such a manner as to be permitted to be largely unaccountable for its economic consequences. It is fundamentally a political policy. The legal immigration system admits most immigrants on nepotistic bases (i.e., 80 percent of the annually available visas are tied to family reunification standards). Only 20 percent of the visas are linked to labor market needs that are certified by the U.S. Department of Labor. In addition, the refugee and asylee admission procedures are, by virtual definition, unaffected in their design by prevailing labor market considerations. Moreover, the participants in the largest component of the immigrant flow -- illegal immigrants -- simply ignore considerations as to whether they are needed, whether they displace actual citizen workers, or whether they discourage labor force participation by potential citizen workers. As noted earlier, there is little reason to believe that the Simpson-Rodino Act in its present form will prove to be very effective in stemming the flow of illegal immigrants. The past permissiveness that tolerated mass abuse of the law has institutionalized migration patterns

that are likely to continue. Hence, the application of immigration policy itself does little to generate a need for reliable labor market data on immigrants and their collective economic impact.

Secondly, the location of the Immigration and Naturalization Service in the Department of Justice (DOJ) and under the supervision of the judiciary committees of Congress virtually assures that there is little or no interest in the economic impact of immigration. To redress this situation, the I.N.S. should be shifted back to the U.S. Department of Labor (DOL) which had this responsibility from its inception as an organization in 1914 until 1940. In the process, congressional oversight should be shifted to the labor and human resource committees of Congress. Ostensibly, the rationale for the organizational shift in 1940 was based on temporary national security considerations stemming from fears about foreign subversives entering the nation on the eve of entry into World War II. When the war ended, however, immigration policy was not returned to DOL. It remained with DOJ -- the most politically-sensitive agency and the most legalistically-oriented agency in government. As a consequence, the type of data that is forthcoming from I.N.S. pertains largely to enforcement issues rather than to economic concerns. Data are collected to reflect conformance to the six preference categories, the overall annual ceiling, the individual nation quotas, the numerically unrestricted number of immediate family members accompanying an immigrant visa holder, and compliance with the thirty-three exclusion restrictions of the legal immigration laws. The same can be said for the data describing adherence to the annually set ceiling and geographic distribution restrictions that pertain to refugee admissions as well as the data reporting the number of persons admitted under the 13 separate

non-immigrant admission categories. For illegal immigrants, the only useful information that is regularly available pertains to the annual number of apprehensions and their homelands. There is no imposed necessity to provide data on the employment and income effects relevant to the operation of the overall system nor has there been any voluntary effort by I.N.S. to gather such information. It is not difficult to see why meaningful economic data is absent.

#### Concluding Observations

Thus, any alleged benefits of immigration reform to date have yet to permeate the realm of labor force data needs. As a consequence, the significant influences that immigration policy in all of its diverse manifestations is exerting on urban labor markets can only be inferred and imagined. They cannot be ascertained.

I see little hope for changing the current data collection priorities until immigration policy is recognized for what it actually is -- an element of national economic policy that significantly influences the size and composition of the nation's labor force -- and the responsibility for administering immigration policy is returned to its logical base -- in the U.S. Department of Labor or some new super agency associated with human resource development in its entirety. Then -- and only then -- can immigration policy be held accountable for its sizeable economic consequences on the nation's urban labor markets.

## Endnotes

1. Oxford Analytica, America in Perspective, (Boston: Houghton Mifflin Company, 1986), p. 20.
2. National Research Council, Panel on Immigrant Statistics, Immigration Statistics: A Story of Neglect, (Washington: National Academy Press, 1985).
3. Ibid., p. 3.
4. U.S. Department of Justice, Immigration and Naturalization Service, 1986 Statistical Yearbook of the Immigration and Naturalization Service, (Washington, D.C.: Government Printing Office, 1987), pp. XIII-XLII.
5. For an excellent discussion of the historical and methodological efforts by the Bureau of the Census to enumerate illegal immigrants in the decennial censuses, see Statement of John G. Keane, Director of the Bureau of the Census before the Subcommittee on Energy, Nuclear Proliferation and Governmental Affairs of the Committee on Governmental Affairs of the U.S. Senate, (September 18, 1985), [Reproduced material].
6. For a careful discussion, See Vernon M. Briggs, Jr., Immigration Policy and the American Labor Force, Baltimore: Johns Hopkins University Press, 1984).
7. Select Commission on Immigration and Refugee Policy, U.S. Immigration Policy and the National Interest, Washington, D.C. U.S. Government Printing Office, 1981), p. 5.
8. Elizabeth Bogen, Immigration In New York, (New York Praeger Publishers, 1987), p. 60.
9. Briggs, op. cit., pp. 74-78.
10. E.g., see Ellen Sehgal, "Foreign Born in the U.S. Labor Market: The Results of a Special Survey," Monthly Labor Review, (July, 1985), pp. 18-24.
11. Immigration and Naturalization Service, "Provisional Legalization Application Statistics", (December 18, 1987) [xeroxed material].
12. E.g., see Leon Bouvier and Vernon M. Briggs, Jr., The Population and Labor Force Future of New York, (Washington: The Population Reference Bureau 1988), Chapter 7.