

Immigration and the U.S. Labor Market:  
Public Policy Gone Awry

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One of the least discussed, yet most significant influences upon contemporary economic affairs in the United States, has been the post-1965 revival of mass immigration. In 1991, the annual number of foreign-born persons granted permanent residence status set an all-time record high of 1.8 million persons. It was the second consecutive year that such a record was established and the third straight year that the number exceeded a million persons. But even these figures underestimate the actual scale of entry because they do not include any allowance for illegal immigrants during the year; or for refugees and asylees admitted that year who must wait at least a year after entry before they can qualify for such status; or for foreign nationals who are legally permitted to work in the United States (called "non-immigrant workers") for specified periods of time. In terms of the stock of foreign born persons in the U.S. population, the "official" estimates from the decennial Census counts confirm the post-1965 trend. In 1970, the foreign born population totaled 9.6 million persons (or 4.7 percent of the population); by 1980, it was 13.9 million persons (or 6.2 percent of the population) and by 1990 it was 19.8 million (or 7.9 percent of the population).<sup>1</sup> These "official" figures also underestimate the true levels and actual percentages of the foreign born population because they too seriously undercount the illegal immigrant population of the nation. It was precisely in these contexts that a report by an international team of social science scholars, who were commissioned to study U.S. society in the 1980s, concluded 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>2</sup>

The United States did not embark on its post-1965 course of mass immigration with any forethought. It was not the product of careful planning or public debate. Rather it has been the inadvertent consequence of the design and implementation of the separate components of the nation's immigration policy, without any attention being given to their collective effects, compounded by an appalling indifference by policymakers to the unexpected outcomes of their legislative actions. Specifically, the relevant policy components are those that pertain to the entry of legal immigrants, illegal immigrants, refugees, asylees and foreign workers who are temporarily permitted to work in the United States (i.e., "non-immigrant workers" in the parlance of immigration law). Collectively, they constitute the mass immigration phenomenon of the current era. As it is prevailing public policy that determines both the size and the composition of each of the aforementioned immigrant groups, it is these policies -- and not the foreign-born persons themselves -- that raise the question of congruence of mass immigration with the prevailing national interest. The foreign born entrants are only responding as individuals to the opportunities afforded by prevailing U.S. policy.

But, regardless of the reasons for specifically admitting or indifferently permitting the mass entry of foreign born persons for permanent or temporary residence in the United States, all immigrants must support themselves by their own work or by that of others. Hence, there are economic consequences associated with their presence, whether intended or not. Most adult immigrants, including their spouses, enter the labor market

soon after entry and most of their children will eventually do so. As the scale of immigration has become larger, it follows that its economic effects on the size and the composition of the labor market has also increased. Immigration policy, therefore, must be recognized for what it is -- an instrument of economic policy. Unfortunately, as will be discussed, policymakers have yet to adopt this fundamental perspective as they have designed the features of the nation's immigration system or have appraised its consequences.

With immigration currently accounting for 30-35 percent (depending on what estimate of illegal immigration is applied) of the annual growth of the U.S. labor force, it is essential to know how immigrants -- regardless of their mode of entry -- fit into the labor market. After all, our immigration policy is a purely discretionary act of the federal government. The flow of immigrants is the one aspect of labor force size and composition that public policy should be able to control and shape to serve the national interest.

### The Historical Role of Mass Immigration

It is true, of course, that immigration at times has played a significant role in the economic history of the United States. The nation's political structure that has postulated such ideals as freedom, equality under the law, and a toleration of diversity has long appealed to persons from all parts of the globe. There has never been any problem in attracting would-be immigrants when the nation thought it needed them. But historical and economic circumstances change. What is both necessary and positive in its effects at one time, may not be so at another time. Too much of modern economic

analysis is ahistorical in its quest to interpret labor market happenings. But, with respect to immigration, an appreciation of historical circumstance is the key to understanding the policies that have governed the scale and shaped the composition of the immigrant flows that have occurred at any given time. Thus, while the basic questions pertaining to the nation's immigration policy remain the same -- how many immigrants should be admitted? what criteria should be used to choose who is admitted? how should the policy be enforced? and what are the anticipated effects on the economy and the domestic labor force of immigration? -- the answers will often be different.

In general, immigration policy prior to World War I was consistent with economic development trends and labor force requirements of the United States. Throughout its first century as an independent nation (i.e., until the late 1870s and early 1880s), the country had neither ceilings on the number nor screening restrictions as to the type of people permitted to enter for permanent settlement. In this largely preindustrial stage, the economy was dominated by agricultural production and the labor market by agricultural employment. Most jobs required little training or educational preparation. Policymakers did not need to concern themselves with human resource preparation issues. Because the nation had a vast amount of land that was largely unpopulated and it was still expanding its territory throughout much of this era, an unregulated immigration policy was consistent with both the nation's basic labor market needs and its requirements for nation building.<sup>3</sup>

When the industrialization process began in earnest during the latter decades of the nineteenth century, the newly introduced technology of mechanization also required

mainly unskilled workers to fill the growing number of manufacturing jobs in the nation's expanding urban labor markets. The same can be said of the employment growth in the other goods sectors of mining, construction, and transportation at that time. Immigrants became the major source of the workers for the growing non-agricultural urban labor force in the North, Midwest, and West. Pools of citizen workers existed who could have been incorporated to meet those needs. Most notably there were the millions of recently freed blacks of the former slave economies of the rural South. There were also millions of underutilized citizens from other racial groups living and working in the nation's vast rural sector. But mass immigration from Asia and Europe became the chosen alternative. Before long, however, immigration from China (in 1882) and Japan (in 1908) was banned in response to negative social reactions, so various ethnic immigrant groups from Eastern and Southern Europe became the primary source of new workers during this critical era of industrialization.

From purely an efficiency standpoint, the mass immigration of the late nineteenth century and the first fourteen years of the twentieth century was consistent with the labor market needs of the nation. Most of the immigrants were men, their numbers consistently exceeding the number of women by 2 to 1 margin and at times by a 3 to 1 margin (for some specific ethnic groups the male to female ratio, was as high as 9 to 1). Jobs created during this expansive era typically required little in the way of skill, education, literacy, or fluency in English from the workforce. The enormous supply of immigrants who came during this time generally lacked these human capital attributes but, nonetheless, they reasonably matched the prevailing demand for labor. The

technology asked little in the way of human capital and the immigrants of that era came with little. The available jobs required mainly blood, sweat, and tears, and most immigrants as well as most native-born workers of those periods amply provided all three.

Beginning with the outbreak of World War I in 1914, however, the nation experienced a sharp contraction in immigration. After the war, when it appeared that mass unemployment might resume, the United States imposed its first quantitative restrictions on the number of immigrants who could be admitted. A ceiling of about 154,000 immigrants a year from the countries of the Eastern Hemisphere was established. Moreover, the pervasive negative social reactions to many of the recent immigrants from Eastern and Southern Europe also led to the adoption of overtly discriminatory qualitative screening. Both of these restrictive actions were embodied in the Immigration Act of 1924 (often called the National Origins Act). Ethnic screening standards were enacted that favored immigrants from the nations of Western and Northern Europe, disfavored all other Europeans, banned virtually all Asians, and ignored most Africans. Immigration from the entire Western Hemisphere, however, was not included in the ceiling or the national origin quotas of this legislation.

In the 1920s, the rapidly expanding domestic economy was characterized by the widespread introduction of the assembly line method of production. The adoption of capital-intensive mass production techniques no longer required unlimited numbers of workers. Assembly line technology, however, still required largely unskilled workers. With mass immigration from the Eastern Hemisphere curtailed, employers had to turn to

domestic labor surpluses to meet their needs. They found these pools of underutilized workers in the nation's massive rural economy. During the 1920s, the rural population declined in absolute numbers for the first time in the nation's history. Among the new supply of workers to respond to these urban job opportunities were the native-born blacks of the rural South who could finally begin their exodus to the large cities of the North, the South, and the West Coast. Also during this decade, there was a temporary spurt in Western Hemisphere immigration -- especially from Canada and Mexico but also from the Caribbean region.

The world wide depression of the decade of the 1930s, with its massive surplus of unemployed job seekers, caused immigration from all nations to plummet. Full employment returned with the war years of the 1940s but immigration did not. Would-be immigrants could not leave the countries of Western and Northern Europe and would-be immigrants from the Western Hemisphere, fearing the military draft, were deterred from coming. The labor market was very tight. In this economic environment, the federal government initiated unprecedented policies to reduce the artificial barriers to the employment of women, the disabled, youth, and minority groups. Together, these pressures provided access to a wide array of jobs that had been hitherto unavailable to these domestic sources of labor supply. Thus, during the 1930s and 1940s even the low entry quotas of prevailing immigration law were not met.<sup>4</sup>

The pent-up demand for products and the forced-savings of the World War II era led to economic prosperity in the postwar era of the late 1940s and the 1950s. It was during these years of general affluence that the organized civil rights movement launched



its assault on all aspects of overt discrimination within the U.S. society. This movement achieved its legislative goals with the passage of historic legislation in 1964 (regarding public accommodations and employment), in 1965 (regarding voting rights), and in 1968 (regarding fair housing). Although the impetus for these laws was primarily directed toward addressing the treatment of black Americans, the legislation broadened rights protection beyond race to include national origin, gender, religious belief, and color. In subsequent years, equal employment opportunity policies have been expanded to provide protection against discrimination on the basis of age, disability, and alienage. But what is often overlooked in reviewing the evolution of the civil rights legislation is that the pathbreaking laws of the 1960s were enacted at a time when immigration levels were still sharply restricted. With regard to the employment implications of these laws, the assumption was that they would not only terminate future discriminatory practices but that they would also be accompanied by other human resource development policies designed to redress the past denial of opportunities for victim groups to be prepared for jobs. In the short run, this is, in fact, what did occur. Parallel legislation was adopted in the mid-1960s pertaining to education, training, health, housing, community development and poverty prevention. With unemployment declining in the mid-1960s, it was assumed that the newly protected groups -- blacks in particular -- would soon become qualified to fill the available jobs that a tightening labor market was providing. They would make it possible for "the Great Society" to become a reality.

As for the external manifestation of discrimination (i.e., the national origins system) that was embodied in the nation's immigration law entering the 1960s, it was only natural that it too -- in this period of heightened domestic concern over civil rights -- would be a target for reform. And it was. But the immigration reform movement at the time did not include any plans for significantly raising the overall level of immigration. It was focused entirely on purging the immigration statutes of the explicit racism inherent in the national origins admission system. Every presidential administration since that of Harry Truman in the late 1940s through to that of John Kennedy in the early 1960s had sought to accomplish that feat. It was Lyndon Johnson who successfully secured passage of the Immigration Act of 1965. What happened afterwards, with respect to immigration, was entirely unanticipated. Namely, this legislation set in motion forces that, over the ensuing years, accidentally triggered the renewal of the mass immigration experience.<sup>5</sup>

#### The Non-Economic Design of the New Immigration Policy

Enactment of the Immigration Act of 1965 ended the era of using immigration for racial and ethnic discrimination purposes. It also ushered in the era of mass immigration that has continued to this day. Virtually dormant for more than forty years, this sleeping giant from America's past was aroused. Instead of seizing the opportunity to craft a new immigration policy to meet some positive definition of the public interest, however, Congress created a policy aimed primarily at fulfilling the private interests of some of its legal residents.

The new law sharply increased immigration levels. A new ceiling on annual immigration was set at 290,000 visas a year (plus their immediate family members) and immigration from the Western Hemisphere was now included in this ceiling for the first time. But of even greater consequence, it replaced the social goals of the national origins admission system with a politically popular new admission system based on the concept of family reunification. Seventy-four percent of total visas available each year were reserved for various categories of adult relatives and extended family members of U.S. citizens and permanent resident aliens. In 1980, the percentage was raised to 80 percent. In addition, immediate family members (spouses, minor children and parents) of each adult visa holder were made exempt from all quotas and were usually admitted automatically. In other words, non-economic considerations were established as the guiding principle for designing the nation's revised immigration policy. Table 1 shows the meteoric growth in legal immigration that occurred from 1965 to 1991. Mass immigration once again became a fact of life in the United States.

#### The Inadvertent Revival of Mass Immigration

There was no general shortage of would-be workers in the United States in the 1960s when the new immigration legislation was drafted, debated, and passed. The nation was at war in Vietnam, which had contributed to a sharply declining unemployment rate, but it was not expected at the time that the war would be long or that low unemployment would prevail once the increased military expenditures associated with the military build-up had passed.<sup>6</sup> Moreover, the post-World War II "baby-boom" had just reached the stage in 1965 when it was beginning to pour an

**TABLE 1: ANNUAL LEGAL IMMIGRATION TO THE UNITED STATES BY MAJOR IMMIGRANT CATEGORIES DURING FISCAL YEARS 1965-91\***

<b>Year</b>	<b>Total</b>	<b>Immediate relatives<sup>b</sup></b>	<b>Relative preference<sup>c</sup></b>	<b>Occupational preference<sup>d</sup></b>	<b>All other</b>
1991	1,827,167	237,103	216,088	54,949	1,319,027
1990	1,536,483	231,680	214,550	53,729	1,268,204
1989	1,090,924	217,514	217,092	52,775	603,543
1988	643,025	219,340	200,772	53,607	169,306
1987	601,516	218,575	211,809	53,873	117,259
1986	601,708	223,468	212,939	53,625	111,676
1985	570,009	204,368	213,257	50,895	101,489
1984	543,903	183,247	212,324	49,521	98,811
1983	559,763	177,792	213,488	55,468	113,015
1982	594,131	168,398	206,065	51,182	168,486
1981	596,600	152,359	226,576	44,311	173,354
1980	530,639	151,131	216,856	44,369	118,283
1979	460,348	138,178	213,729	37,709	70,732
1978	601,442	125,819	123,501	26,295	325,827
1977	462,315	105,957	117,649	21,616	217,093
1976	398,613	102,019	102,007	26,361	168,226
1976-TQ	103,676	27,895	28,382	5,621	41,778
1975	386,194	91,504	95,945	29,334	169,411
1974	394,861	104,844	94,915	28,482	166,620
1973	400,063	100,953	92,054	26,767	180,289
1972	384,685	86,332	83,165	33,714	181,474
1971	370,478	80,845	82,191	34,563	172,879
1970	373,326	79,213	92,432	34,016	167,665
1969	358,579	60,016	92,458	31,763	174,342
1968	454,448	43,677	68,384	26,865	315,522
1967	361,972	46,903	79,671	25,365	210,033
1966	323,040	39,231	54,935	10,525	218,349
1965	296,697	32,714	13,082	4,986	245,915

\*The categories listed are generally used to describe large groups of immigrants. During 1965-91, minor changes were made in the qualifications for some immigrant classes making up these categories.

<sup>b</sup>Spouses of citizens, children (unmarried and younger than 21) of citizens, and parents of citizens 21 or older.

<sup>c</sup>The 1st, 2nd, 4th, and 5th categories of the immigrant preference system. The 1st preference allows the entry of unmarried sons and daughters (older than 21) of U.S. citizens. The 2nd preference covers spouses and unmarried sons and daughters of aliens lawfully admitted for permanent residence. The 4th preference allows for the entry of married sons and daughters of U.S. citizens. The 5th preference deals with the brothers and sisters of U.S. citizens, provided such citizens are at least 21 years old.

<sup>d</sup>The 3rd and 6th categories of the immigrant preference system. The 3rd preference allows for the admission of members of the professions and scientists or artists of exceptional ability. The 6th preference covers skilled or unskilled occupations for which labor is in short supply in the United States.

Source: U.S. Immigration and Naturalization Service

unprecedented number of new job seekers into the labor market -- a process that would continue unabated for the next 15 years before gradually tapering off in the 1980s.

How is it, then, that mass immigration could have been revived by a reform movement that did not seek such an objective? The explanation rests with what David North and Marion Houstoun have aptly described as "negative intent." As they explain, "those interested in reforming the immigration law were so incensed with the ethnocentrism of the laws of the past that they spent virtually all of their energies seeking to eliminate the country-of-origin provisions, and gave very little attention to the substance or long range implications of the policy that would replace them."<sup>7</sup> As a consequence, the Immigration Act of 1965 abolished the national origins system and replaced it with the aforementioned admission system that was primarily designed to reunify adult family members living abroad with adult relatives who already lived in the United States. This admission system had strong political support in Congress because it satisfied the private and personal interests of those citizens who themselves had been recent immigrants. For under the national origins system, it was these constituencies who were more likely to have close relatives who were still citizens of other nations. Family reunification was also viewed by other political interest groups as a way to perpetuate the old national origins systems but under a guise that was more politically acceptable. It was believed by these groups that those racial and ethnic groups that had been discriminated against for the past 40 years would be less likely to have living relatives in their homelands who might wish to immigrate in the near future. As the Chairman of the Judiciary Committee of the House of Representatives and the co-

sponsor of the Immigration Act of 1965, Emanuel Celler (D-N.Y), stated during the final day of floor debate on the legislation explained, "there will not be, comparatively, many Asians or Africans entering the country since the people of Africa and Asia have very few relatives here, comparatively, few could immigrate from those countries because they have no family ties to the United States."<sup>8</sup> Thus, the satisfaction of political concerns replaced the pursuit of social ends as the key rationale of the nation's new immigration admission system.

The congressional designers of the legislation in 1965, however, overlooked the fact that many of the immigrants since 1924 had come from Western Hemisphere nations. They had significant numbers of living relatives who could avail themselves of the families preferences of the new law and they began to do so. Immigration from Mexico in particular and Latin America in general quickly soared. It was also unforeseen by legislators that significant numbers of Asians would initially make use of the occupational preferences to establish a base for immigrants who could subsequently use the family preference provisions to secure entry for extended family members. Nor was it anticipated that there would be an enormous inflow of refugees from Southeast Asia in the wake of the Vietnam War debacle who would be admitted and, subsequently, use the family admission system to leverage the admission of their extended families. So Asian immigration accelerated. It was also the case that the economies of the nations of Western Europe in the 1960s and early 1970s were thriving so there was little impulse for persons from these nations to want to leave while immigration from Eastern Europe was foreclosed by the presence of the Iron Curtain that prevented any emigration from

that region. Hence, by the late 1980s, over 85 percent of all immigrants to the United States each year were coming from the countries of Latin America and Asia.

A consequence of the unexpected change in the nations of origin that ensued after 1965 was the steady rise in the number of immediate relatives who accompanied each visa holder (see Table 1). The shift in countries of origin of immigrants away from Europe to Latin America and Asia led to an increase in the size of families with minor children accompanying visa holders. Moreover, in these new source countries, the notion of extended families is a more prevalent cultural characteristic. Thus, the number of parents of U.S. citizens among the immigrant flow has also increased dramatically since 1965.

Table 1 shows that the number of immigrants who entered from "other sources" also contributed to the post-1965 surge in immigration in a major way. One cause of the growth in this category has come from the growth in refugee and asylee admissions. The Immigration Act of 1965 provided for the first time since immigration had become a subject of regulation, a formal route for certain refugees (17,400 persons a year) to be admitted on the basis of humanitarian concerns. Unfortunately, the qualifications for being a refugee in this legislation were restricted to those persons faced with persecution from nations to which U.S. foreign policy was opposed (that is, those from Communist-dominated nations) or who were fleeing from persecution countries in the Middle East rather than individuals confronted with persecution per se. Hence, even this aspect of the law was designed primarily to serve political priorities. International events (especially in Cuba and Vietnam), however, soon led to a rapid escalation in the number

of refugees admitted to the United States that far exceeded the annual number permitted to enter by the Immigration Act of 1965. An administrative procedure (called the "parole authority" of the U.S. Attorney General) and specially enacted adjustment legislation by Congress were then used to admit most of the refugees during this era.<sup>9</sup> As will be discussed later, the acceleration in the number of refugees admitted to the United States from 1965 to 1980 led to the removal of refugees from the legal immigration system in 1980 and the establishment of a separate entry mechanism for their admission.

The Immigration Act of 1965 was also important for what it did not do. Specifically, it failed to enact any effective measures to enhance the enforcement of its new provisions. Its supporters did not foresee the imminent explosion of illegal immigration (see Table 2) that quickly ensued in the years after its passage.<sup>10</sup> The lack of effective deterrence in the Act invited mass abuse -- an outcome that policymakers for many years chose to ignore.

Within a decade of the passage of the Immigration Act of 1965, it was clear that immigration policy had gone seriously awry. Immigration reform was again placed on the national agenda. In 1978, Congress established the Select Commission on Immigration and Refugee Policy (SCIRP) to study the effects of what had transpired and to make recommendations for changes. Appointed by President Jimmy Carter, this sixteen member commission was chaired by the Rev. Theodore Hesburgh (who was President of Notre Dame University at the time). When it issued its comprehensive report in March 1981, the Select Committee concluded that immigration was "out of



TABLE 2: ALIENS APPREHENDED, FISCAL YEARS 1961-1991

<b>1961-70</b>	<b>1,608,356</b>
1961	88,823
1962	92,758
1963	88,712
1964	86,597
1965	110,371
1966	138,520
1967	161,608
1968	212,057
1969	283,557
1970	345,353
<b>1971-80</b>	<b>8,321,498</b>
1971	420,126
1972	505,949
1973	655,968
1974	788,145
1975	766,600
1976	875,915
1976 TQ	221,824
1977	1,042,215
1978	1,057,977
1979	1,076,418
1980	910,361
<b>1981-90</b>	<b>11,883,328</b>
1981	975,780
1982	970,246
1983	1,251,357
1984	1,246,981
1985	1,348,749
1986	1,767,400
1987	1,190,488
1988	1,008,145
1989	954,243
1990	1,169,939
<b>1991-</b>	<b>---</b>
1991	1,197,875 (preliminary)

TQ = Transitional quarter that occurs when the Federal Government shifted its fiscal year from ending on June 30 to ending on September 30.

Source: U.S. Immigration and Naturalization Service

control"; that the nation must accept "the reality of limitations"; and that "a cautious approach" should be taken in the design of any reform measures.<sup>11</sup>

In the wake of the SCIRP report, Congress enacted three major immigration statutes. They were the Refugee Act of 1980 (which relied extensively on the work of SCIRP that was in progress); the Immigration Reform and Control Act of 1986, and the capstone, the Immigration Act of 1990. In part, each of these laws embraces some of the specific recommendations put forth by SCIRP. But each statute has gone well beyond SCIRP's recommendations. The overall effect of these laws has been to ignore the "cautious approach" and the modest proposals suggested by the Select Commission. The result has been to dramatically raise the already high levels of immigration to even higher plateaus. Indeed, a 1991 study by the Urban Institute concluded that these statutory changes "have reaffirmed the United States' role as the principal immigrant-receiving nation in the world."<sup>12</sup> The same report found it "remarkable" that policymakers enacted the Immigration Act of 1990 "with the nation poised on the brink of a recession and a war in the Persian Gulf" and at a time "when other industrialized countries are making theirs [i.e., their immigration policies] more restrictive."<sup>13</sup>

The reason that Congress could take such "remarkable" expansionary actions is that immigration policy has been allowed to develop without any regard as to its economic consequences. Indeed, a better descriptive adjective would be "irresponsible." For in this area of public policymaking, special interest groups with private agendas have captured the lawmaking process. They simply ignore any concern for the national interest. The Select Commission specifically warned of their growing influence and it

rejected their myopic appeals. As its report unequivocally stated, "the commission has rejected the arguments of many economists, ethnic groups, and religious leaders for a great expansion in the number of immigrants and refugees." <sup>14</sup> It went on to say that "this is not the time for a large-scale expansion in legal immigration -- for resident aliens or temporary workers." <sup>15</sup> But the warnings proved to be of no avail. Congress chose to appease the political interest groups. The consequence is that immigration policy remains essentially a political instrument largely unconstrained by the economic environment to which it is applied.

#### The Policy Manifestations of Mass Immigration

Each of the legislative actions of the past decade require brief description. To its credit, the Refugee Act of 1980 did eliminate the ideological biases associated with the definition of refugees in the earlier 1965 law. The new definition of refugees embraced the United Nation's definition to include individuals confronted with the prospect of persecution regardless of whether it is threatened by totalitarian regimes of the political left or right. The 1980 refugee law separated refugee admissions from the legal immigration system and, in the process, created a new immigrant entry route with no fixed annual ceiling. The number of refugees admitted each year varies depending on the amount of domestic political pressure exerted by special interest groups on the President. He is empowered to set the number of refugees to be admitted each year after a largely pro forma consultation with Congress. Subsequent annual admission figures have ranged from a low of 67,000 refugees in 1986 to a high of 217,000 refugees in 1981. The admission figure for 1991 was 131,000. Obviously, no labor market test is

applied to refugee admissions. Nonetheless, there are labor market consequences. The preponderance of refugees since 1980 have been from Third World nations in Asia, the Caribbean area, and Central America. Most have been deficient in their levels of skill, education, and English language proficiency. Many have clustered together in a handful of urban enclaves.

As for illegal immigration, the Immigration Reform and Control Act of 1986 (IRCA) was intended to curtail such entries. Among its multiple provisions, two public policy instruments emerged that are of paramount importance to the issue of immigration. To prevent future entries of illegal immigrants, civil and criminal sanctions were enacted that made the employment of illegal immigrants by employers an illegal act. As for those illegal immigrants already in the country at the time, four generous amnesty programs were enacted which over 3.2 million persons subsequently availed themselves.

With regard to employer sanctions, the legislation was fraught with enforcement loopholes so that by 1990 it was estimated that there were still 4 million illegal immigrants in the country and these numbers continue to mount by the day. Apprehensions, which declined slightly after the passage of IRCA, have subsequently soared again (see Table 2). There is no data on the thousands of illegal immigrants who enter each year but who are not apprehended. Illegal immigrants, of course, enter without regard to their preparation for available jobs or to the effect they might have on citizen workers with comparable skills or education.

As for the amnesty provisions, no labor qualifications were imposed on the amnesty recipients whose entry into the labor force has now been legitimized. As with refugees, most illegal immigrants and amnesty recipients have been from less economically developed nations of the world, and most have similar deficiencies in their skill training, education, and ability to speak English. They, too, have tended to cluster in enclaves -- mainly the central cities of urban areas but also in some rural communities where labor-intensive agricultural methods prevail.

As for the Immigration Act of 1990 (which became effective on October 1, 1991), it was passed with little public debate and while the nation's attention was diverted by a major budget battle between President George Bush and Congress (i.e., the infamous "read my lips" controversy). It was passed on the last day of the 101st session of Congress and signed into law by President Bush on November 29, 1990. The most significant feature of the new law is that its primary focus is on increasing the quantity of immigrants. Under its terms, the level of annual legal immigration was raised to 700,000 people a year -- a 35 percent increase over the prevailing levels of the law it replaced. As was previously the case with the Immigration Act of 1965, the new law gives short shrift to the specific human capital endowments of most of those to be admitted or to the prevailing labor market conditions of the U.S. economy that may prevail at the time of their entry. Thus, the new legislation perpetuates the notion that immigration policy -- despite its magnitude -- has little accountability for its economic consequences.

While the Immigration Act of 1990 does increase the number of immigrants admitted on the basis of occupational needs from the previous level of 54,000 visas a

year to 140,000 visas a year, the actual percentage of work-related visas to the total number of visas remains the same, 20 percent, (i.e., 140,000 of 700,000 is 20 percent) as under the law it replaced. Hence, there is no real change in policy focus.

Furthermore, the use of the 140,000 figure to indicate the number of work-related immigrants to be admitted each year is a gross overstatement of what the law actually provides. This is because the number of work-related slots include not only the eligible workers themselves but also all of their "accompanying family members." As a result, the number of actual needed workers specifically admitted under the work-related provisions will be far fewer -- perhaps only one-third or less of the total annual figure of 140,000 admissions. It is likely, therefore, that the majority of those admitted under the work-related provisions will actually be admitted only because they too are family members. Moreover, any work-related slots that are not used in any given year are to be added to those slots available solely for family-related admissions. Hence, with massive backlogs of would-be family relatives currently existing, it is certain that the 700,000 immigrants will be coming every year until such time as the legislation is changed.

In addition, the law introduces questionable new entry routes, such as for "investor immigrants" who can now "buy their way in." It also provides a new entry route through a category known as "diversity immigrants." This concept resurrects one of the most reprehensible features of past U.S. immigration history. It is the use of national origin criteria for admission of immigrants from designated nations from which immigration had, since 1965, been low due to the huge backlogs of persons from Asia and Latin America. There is no labor market test associated with the admission of "diversity

immigrants" for whom 40,000 visas a year are available through 1994 (afterwards the number increases to 55,000 visas a year).

Finally, the immigration system permits certain foreign workers to be employed in the United States under specified labor market circumstances. Known as non-immigrant workers, their numbers have been growing steadily and are now in excess of 400,000 a year. There are no annual ceilings on the total number of non-immigrant workers who can be admitted. They are legally employed in a variety of occupations, ranging from farmworkers to nurses to engineers to professors to scientists. Most non-immigrant workers can be admitted only if qualified citizen workers cannot be found. But typically, only perfunctory checks are made to test for citizen availability. Supposedly, the non-immigrant workers are admitted only for temporary periods, but their visas can be extended in some cases for up to five years. The increasing dependence of U.S. employers on non-immigrant workers is a clear signal that something is seriously wrong with the current immigration system. It indicates that the legal immigration system lacks the direction and the flexibility to respond to legitimate shortages of qualified workers to fill real job vacancies.

If immigration were insignificant in its size and if the human capital characteristics of those entering were generally consistent with contemporary labor market needs, there would be little reason to worry about the employment consequences of such a politically driven policy. But neither conditions are present. The scale of immigration -- in all of its diverse forms -- is without historical precedent. Most of the immigrants -- regardless of mode of entry have been from less economically developed nations. Many lack skills

training, basic education, and the ability to speak English. The vast majority have tended to cluster in enclaves -- primarily in urban areas. Moreover, the accidental revival of mass immigration re-emerged just as the nation's labor market entered a period of radical transformation.

### The Issue of Labor Force Transformation

The revival of mass immigration has occurred at a time when the labor force of the United States was entering a phase of sustained growth and significant change. From 1965 to 1990, the U.S. civilian labor force grew from 74.4 million workers to 124.7 million workers -- or on average by over 2 million workers a year. In part, of course, mass immigration has contributed to the growth but immigration, as noted earlier, is estimated to account for only about one-third of the growth. Other contributing factors have been the maturing of the post-World War II "baby boom" generation to working age and the unprecedented entry of women into the labor market that occurred over this same interval. The point is that there has been no general shortage of labor in the post-1965 era to the present time that might warrant such a dramatic increase in immigration. It is true that the U.S. Department of Labor has projected that labor force growth will decline somewhat to about 1.6 million workers a year through to the year 2000. But this still means that the labor force for the 1990s will grow by 19.5 million workers over the decade.<sup>16</sup> But this "official" growth projection for the 1990s grossly understated immigration flows at the time it was made and has become obsolete by subsequent legislative developments. The Department of Labor projection estimated that 100,000 illegal immigrants a year would enter the country when the figure is now known to



exceed this by several multiples; it made no allowance for the more than 3 million former illegal immigrants who received approval of their amnesty petitions since 1988 or for the subsequent family reunification implications associated with their admission; it used an estimate of annual legal immigration of 400,000 a year when the figure was over 500,000 immigrants a year and rises to 700,000 persons a year under the newly enacted Immigration Act of 1990; and it totally omitted any allowance for annual admission of refugees. In all likelihood, labor force growth for the 1990s will approach the record levels of the 1980s and should certainly exceed the official projections. When this sustained growth in the size of labor force is combined with the explicit underutilization of the labor force inherent in the persistent unemployment rates in the mid-7 percent range, of the early 1990s, it is inconceivable that the United States will have a shortage of potential workers in the remainder of this decade.

But in addition to the issue of labor force growth, it is also the case that the labor market is in a period of radical transformation.<sup>17</sup> On the labor demand side, there are new restructuring forces at work associated with the nature and pace of technological change; there is the advent of international competition which the U.S. economy is confronting for the first time in its history; there are major shifts in consumer spending preferences away from goods toward services; and there are the employment adjustment effects of substantial reductions in national defense expenditures that began in the 1990s with the end of the Cold War. Collectively, these forces are reshaping the nation's occupational, industrial, and geographic employment patterns.

As shown in Table 3, employment in most goods-producing industries is declining, while it is increasing in most service industries. In more dramatic terms, Table 4 shows the shift in industrial employment in percentage terms from the goods producing sector to the service sector. With regard to occupational shifts, Table 5 shows the increasing percentage of employment in the non-production occupations (i.e., white collar jobs) and the declining percentages of employed in the production occupations (i.e., blue collar jobs) that is occurring in every industrial sector. It is in Table 6, however, that the occupational restructuring of the U.S. economy is most vividly portrayed. From 1978 to 1990, a timespan when the number of employed persons increased by an incredible 22.1 percent, the distribution of occupational growth was sharply skewed. The share of overall employment growth was the greatest for the occupations that required the highest levels of training and the most extensive amounts of education. Conversely, the share of employment growth was the smallest for those that entail the least job preparation. Indeed, most of the unskilled occupations -- private household workers, laborers, and farmworkers -- there was negative growth over this twelve year period. In other words low skilled jobs are rapidly disappearing from the U.S. economy.

The U.S. economy is also in the midst of significant geographic shifts in its employment patterns. The expansion of non-agricultural employment in the United States is extremely unbalanced.<sup>18</sup> The regions of greatest employment growth in the 1970s and 1980s were in the South Atlantic (from Delaware to Florida), West South Central (from Arkansas to Texas), and the Pacific Coast regions. The areas of greatest decline have been in the mid-Atlantic (New York, New Jersey, and Pennsylvania) and

**Table 3: Employees on Non Farm Payrolls, by Major Industry,  
Ten-year intervals, 1950-1990  
(in thousands)**

<b>Year</b>	<b>1950</b>	<b>1960</b>	<b>1970</b>	<b>1980</b>	<b>1990</b>
<b>Industry</b>					
<b><u>Goods Producing</u></b>					
Mining	901	712	623	1,027	735
Construction	2,333	2,885	3,536	4,346	5,205
Manufacturing	15,241	16,796	19,349	20,285	19,064
<b><u>Service Producing</u></b>					
Transportation Communications, and Public Utilities	4,034	4,004	4,504	5,146	5,838
Wholesale Trade	2,518	3,004	3,816	5,275	6,361
Retail Trade	6,868	8,388	11,255	15,035	19,790
Finance, Insurance, and Real Estate	1,919	2,669	3,687	5,160	6,833
Personal Services	5,382	7,423	11,641	17,890	28,209
Government	<u>6,026</u>	<u>8,353</u>	<u>12,561</u>	<u>16,241</u>	<u>18,295</u>
<b>Total</b>	<b>45,222</b>	<b>54,234</b>	<b>70,920</b>	<b>90,405</b>	<b>110,330</b>

Source: Economic Report of the President: 1991

**Table 4: Percentage of Employees on Non Farm Payrolls, by Goods  
Producing and Service Producing Sectors, for Ten Year Intervals,  
1950 - 1990  
(percentage terms)**

<b>Sector/Year</b>	<b>1950</b>	<b>1960</b>	<b>1970</b>	<b>1980</b>	<b>1990</b>
Percent in Goods	41.6	37.6	33.1	28.4	22.7
Percent in Services	58.4	62.4	66.9	71.6	77.3
<b>Total (%)</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source: Economic Report of the President: 1991

**Table 5: Percentage of Employees in Private Sector Who Are Employed in Non-Production or Supervisory Occupations (percentage terms)**

Industry/Year	1950	1960	1970	1980	1990
<u>Goods Producing</u>					
Mining	9.4	19.9	24.1	25.8	28.0
Construction	11.1	14.7	16.7	21.3	23.0
Manufacturing	17.8	25.1	27.5	29.9	32.1
<u>Servicing Production</u>					
Transportation, Communication, and Public Utilities	N.A.	N.A.	13.3	16.6	16.9
Wholesale Trade	9.6	13.9	16.6	18.2	19.8
Retail Trade	5.6	7.5	9.1	10.2	11.5
Finance, Insurance, and Real Estate	17.1	18.4	21.0	24.3	27.4
Personal Services	N.A.	N.A.	9.2	11.0	12.8

N.A. = Not Available

Source: U.S. Department of Labor

**Table 6: Actual Percentage Growth and Percentage Share for Major Occupational Groups in U.S. Economy Between 1978 and 1990 (percentage terms)**

<b>Major Occupation</b>	<b>Percentage Increase (or decrease) from 1978 to 1990</b>	<b>Share of Employment Increase (or decrease)</b>
Executive, Manager and Administrator	56.7	25
Professional	42.3	22
Technical	45.8	5
Sales	36.7	18
Administrative Support	18.4	13
Protective Services	35.9	2
Private Household	-26.1	-1
Other Services	24.3	12
Prevision Production and Craft	13.9	8
Machine Operator	-10.0	-4
Transportation Operatives	7.9	2
Laborers	-3.9	-1
Farm, Forestry and Fish Workers	<u>-7.9</u>	<u>-1</u> Total
Occupational Growth for U.S. Economy	22.1%	100%

Source: John H. Bishop and Shani Carter, "How Accurate are Recent BLS Occupational Projections?" Monthly Labor Review, (October 1991) p. 38.

East North Central (the Great Lakes area from Wisconsin through to Ohio) regions.

The employment shifts reflect the broader movement of the population away from the Northeast and Midwest to the South and West.

The 1990 Census also revealed that, for the first time in the nation's history, more than half of the nation's population lived in the 39 large metropolitan areas with a population of one million persons or more.<sup>19</sup> In 1950, 30 percent of the population lived in such areas; in 1980, 46 percent did; and in 1990 slightly over 50 percent did. Of these 39 large metropolitan areas, 90 percent grew in size over the decade of the 1980s. The greatest growth came in the metropolitan areas in the South Atlantic states (e.g., 9 of the 12 fastest growing metropolitan areas in the nation were in Florida) and the Pacific Coast states. The greatest growth in metropolitan areas, however, was in the suburbs and not the central cities of metropolitan areas. Of the five largest metropolitan areas that lost populations, four (Pittsburgh, Buffalo, Cleveland, and Detroit) were in the former manufacturing heartland region bordering on the Great Lakes. The only other metropolitan area to decline was New Orleans. Implicit in the proportional growth of all metropolitan areas, of course, is the proportional decline in non-metropolitan areas (i.e., rural areas).

On the labor supply side, the nation's labor force has not only been growing in size at a pace far faster than all of its major industrial competitors combined and at a rate without precedent in its own history, but, of even greater significance, its composition is also undergoing significant changes. The fastest growing segments of the labor force are women, minorities, and immigrants. Women in general and minorities in

particular (with the possible exception of Asian Americans) have had fewer opportunities to be trained, educated, or prepared for the occupations that are predicted to increase the most in the coming decade. They are disproportionately concentrated in occupations and industries already in decline or which are most vulnerable to decline in the near future. As for immigrants, with human capital attributes playing such a minor role in the determination of who enters, it is not surprising that George Borjas, in his 1990 assessment of the economic impact of immigration, found that "the more recent immigrant waves have less schooling, lower earnings, lower labor force participation and higher poverty rates than earlier waves had at similar stages of their assimilation into the country."<sup>20</sup> Nor should it be surprising to learn that the use of welfare assistance by immigrants has also been found to be higher than that of earlier waves of immigrants.<sup>21</sup>

What the nation faces is a shortage of qualified labor. In such a case, the appropriate policy need is to address the mounting mismatch between the skills of the citizen workforce and the emerging skill and education requirements of the workplace. In other words, an expanded national human resource development policy for citizen workers is what is required. In this context, there is certainly no need for an immigration policy that annually admits or tolerates the mass entry of immigrants without regard to their human capital attributes or which places additional remedial burdens on an already underfunded and inadequate education and training system.



## The Conflict of Immigration Policy with the National Interest

When Congress embarked in the 1960s on the course of adopting a politically driven immigration policy that essentially neglects economic considerations, few people recognized that the country was entering such a phase of fundamental economic change and labor market restructuring. Even after the new employment trends became evident in the 1980s, the congressional committees responsible for designing immigration policy ignored the signs as the provisions of the Immigration Act of 1990 vividly demonstrate.

By definition, immigration policy can influence the quantitative size of the labor force as well as the qualitative characteristics of those it admits. Currently, there is little synchronization of immigrant flows with demonstrated needs of the labor market. With widespread uncertainty as to the number of immigrant workers who will enter in any given year, it is impossible to know in advance of their actual entry how many foreign-born people will annually join the U.S. labor force. Moreover, whatever skills, education, linguistic abilities, talents, or locational settlement preferences most immigrants and refugees possess are largely incidental to the reason they are legally admitted or illegally enter.

The labor market effects of the politically driven immigration system are twofold. On the one hand, some immigrant and non-immigrant workers have human resources endowments that are quite congruent with the emerging labor market needs. Some have the education, skills, and work experience that are desperately needed to fill vacant jobs that are the result of the appalling lack of attention paid by policymakers to the adequate preparation of citizens for the emerging new job requirements of the labor

market. But even in those instances where legitimate labor shortages exist, immigration should never be allowed to dampen two types of market pressures: those needed to encourage citizen workers to invest in preparing for vocations that are expanding; and those needed to ensure that government bodies provide the requisite human resource development programs needed to prepare citizens for the new types of jobs that are emerging. First recourse always should be to retrain and re-educate unqualified workers and to relocate unemployed and underemployed qualified workers. As the Commission on Workforce Quality and Labor Market Efficiency warned in its 1989 report to the U.S. Secretary of Labor, "by using immigration to relieve shortages, we may miss the opportunity to draw additional U.S. workers into the economic mainstream."<sup>22</sup> It went on to state that public policy should "always try to train citizens to fill labor shortages."<sup>23</sup> This fundamental principle of priority is presently missing in the formulation of the nation's immigration policies.

On the other hand, most immigrants of this post-1965 era have lacked the human capital attributes that the labor market requires. As shown in Table 7, the occupations of legal immigrants and refugees are essentially the mirror opposite of those occupations that are shown in Table 6 to be growing the most. The majority of immigrants have sought employment in declining sectors of goods-producing industries or low-wage sectors of the expanding service sector. Such immigrants and their family members -- especially those who have entered illegally -- are a major reason for the revival of "sweat shop" enterprises and the upsurge in the child labor violations reported in the nation's urban centers.<sup>24</sup> The mounting presence of such Third World working conditions in

**TABLE 7: PERCENT DISTRIBUTION OF IMMIGRANTS, BY MAJOR OCCUPATION GROUP AT TIME OF ARRIVAL, SELECTED YEARS 1970-1990**

Fiscal year	Total	Professional technical, and kindred workers	Managers officials, and proprietors (exc. farm)	Clerical and kindred workers	Sales workers	Craftsman, foremen, and kindred workers	Operatives and kindred workers	Laborers exc. farm and mine	Private household	Service workers (exc. priv household)	Farmers and farm managers	Farm laborers and foreman	No occupation <sup>1</sup>
1970	373,326	12.3	1.6	3.7	.7	7.5	4.9	3.8	2.7	2.5	1.0	1.2	57.9
1975	386,194	9.9	2.6	3.8	.9	5.5	4.8	3.4	1.5	4.2	.2	1.6	61.3
1979 <sup>2</sup>	530,639	8.6	4.0	4.6	1.0	4.4	6.6	3.0	1.9	3.5	.2	2.1	59.8
1985	570,009	7.3	3.6	3.4	2.1	4.6	8.5		7.5		1.9		61.1
1989	1,068,342	4.2	3.0	4.2	2.0	6.4	15.7		12.8		2.9		48.5
1990	1,536,483	4.4	3.0	3.7	2.0	7.3	15.9		14.9		6.8		41.7

<sup>1</sup>Includes dependent women and children and other aliens without occupation or occupation not reported.

<sup>2</sup>Occupational data for 1980 and 1981 were lost in data processing by INS (see 1981 Statistical Yearbook of the INS (Washington D.C.: U.S. Government Printing Office, 1982), p. VI). Hence, 1979 data are used.

Source: U.S. Immigration and Naturalization Service

many cities is nothing for the nation to be proud of, regardless of whether these immigrants actually displace citizen workers in exploitive work situations.

Unfortunately, many citizen workers who are among the urban working poor are also employed in many of the same declining occupations and industries. A disproportionately high number of these citizens are minorities -- especially young people and women. The last thing these citizen groups need is more competition from immigrants for the declining number of low-skill jobs that provide a livable income or for the limited opportunities for training and education that are available to low-income workers. Other citizens have withdrawn from the labor force due to becoming discouraged from hoping to find a job in the legitimate labor market and have become part of the swelling urban underclass. Thus, the flooding of low-wage labor markets with unskilled immigrant workers renders hollow the political rhetoric at the national level that there is any serious public concern for their well-being.

Moreover, no technologically advanced industrial nation that has 27 million illiterate and another 20-40 million marginally literate adults need fear a shortage of unskilled workers in its foreseeable future.<sup>25</sup> Indeed, immigration -- especially that of illegal immigrants, amnesty recipients, and refugees -- is a major contributor to the growth of adult illiteracy in the United States. To this degree, immigration, by adding to the surplus of illiterate adult job seekers, is serving to diminish the limited opportunities for poorly prepared citizens to find jobs or to improve their employability by on-the-job training. It is not surprising, therefore, that the underground economy is thriving in many urban centers. Moreover, the scale and nature of the overall immigration and

refugee flows are also contributing to the need for localities to expand funding for remedial education, basic job skill training, and language acquisition programs in many urban communities. Too often these funding choices cause scarce public funds to be diverted from being used to upgrade the human resource capabilities of the citizen labor force.

The incidence of urban unemployment, poverty, and adult illiteracy is much higher and the educational attainment levels significantly lower for blacks and Hispanics than for non-Hispanic whites and Asians. In addition, blacks and Hispanics are disproportionately employed in industries and occupations already in sharpest decline -- the goods-producing industries and blue-collar occupations. Thus, the most rapidly increasing groups in the labor force are precisely those most adversely at risk from the changing employment requirements. Both groups have unemployment rates that are considerably above the already high average rate for the nation that has prevailed during the early 1990s. Unless public policy measures are targeted to address their human resource development needs, many members of both groups, as well as other vulnerable segments of the general population, will have dim employment and income prospects in the emerging post-industrial economy.

If the policy of mass and unguided immigration continues, it is unlikely that there will be sufficient pressure to enact the long-term human resource development policies needed to prepare and to incorporate these citizen groups into the mainstream economy. Instead, by providing both competition and alternatives, the large and unplanned influx of immigrant labor will serve to maintain the social marginalization of many citizen

blacks and citizen Hispanics in particular and all unskilled workers in general.<sup>26</sup>

Moreover, it will also mean that job opportunities will be reduced for the growing numbers of older workers of all racial and ethnic heritages who may wish to prolong their working lives and who were given employment protections by Age Discrimination in Employment Act of 1968 in order to pursue such aspirations. The same can be said for the vast pool of disabled citizens who were only recently extended employment protection by the Americans with Disabilities Act of 1990.

In other words, a substantial human reserve of potential citizen workers already exists. If their human resource development needs were addressed comprehensively, they could provide an ample supply of workers for the labor force needs of the 1990s and beyond. Without changes made in the nation's immigration policy, the immigration system will guarantee that many citizens from these groups will remain unemployed, underemployed, or only marginally attached to the labor force. As matters stand, immigration policy represents a major obstacle to the achievement of a politically stable, fully employed and truly equitable society.

#### The Elements of Immigration Reform

As the United States enters the 1990s, evolving employment patterns overwhelmingly reveal a preference for skilled and educated workers as well as a diminished parallel demand for job seekers who lack these human capital endowments. The nation is facing the worst possible labor market situation: a shortage of qualified workers coexisting with a surplus of unqualified job seekers, with clear racial dimensions as to who is in which grouping. At this juncture in the economic development of the

United States, immigration policy must be seen for what it is: a critical element of national economic policy. For as Napoleon once said, "policy is destiny." Maintenance of existing immigration policy cannot possibly be in the national interest. Major policy changes are required.

The most important reform that is needed is to shift the emphasis of the legal immigration admission system away from the politically popular family reunification to one that is primarily designed to serve economic purposes. Legal entry should be primarily restricted to skilled and educated immigrants because America has an abundance of unskilled and poorly prepared would-be workers. With job prospects for unskilled and semiskilled workers becoming dimmer by the day, long-term human resource strategy must be predicated on ways to enhance the employability of workers facing reduced demand for their services and to prevent future would-be workers from confronting such dismal prospects. That too many of those lacking sufficient skills and education are from the nation's growing minority populations only adds urgency to this domestic challenge. The United States cannot allow the labor force to continue to polarize along racial and class lines if it hopes to prosper and persevere. Because it takes time for would-be workers to acquire skills and education, immigration policy as it pertains to legal immigrants and non-immigrants can be used on a short-run basis to target experienced workers who possess these abilities. But the preparedness, or lack thereof, of significant portions of the domestic labor force is the fundamental economic issue confronting the United States. Over the long haul, citizen workers must be

prepared to qualify for jobs that are expanding and which have the greatest growth potential.

Changing the admission priorities of the legal immigration system will have little benefit if illegal immigration continues to flourish. Hence, it is also imperative that IRCA's provisions to reduce illegal immigration be strengthened. To do this, it will be necessary to adopt a counterfeit-proof identification system; to tighten restrictions on the use of fraudulent documents; to enhance border patrol activities; to devote more funds and manpower to the enforcement of employer sanctions; and to place fines on illegal immigrants who are apprehended and found to be employed.

Obviously, refugees will continue to be admitted without regard to labor market criteria. Nonetheless, it behooves the federal government to provide all financial assistance necessary to prepare refugees to meet employment requirements of the local communities in which they are settled. Refugees are admitted as the result of federal government policy decisions and the federal government alone should bear the full financial costs associated with their job preparation.

The national goal of all elements of the U.S. human resource development policy must be to build a high wage, high-productivity labor force along the lines being pursued by Japan and Germany. Shortages of qualified labor offer America a rare chance to reduce its persistently high levels of unemployment, to improve the lot of its working poor; to incorporate marginalized segments of the population into the mainstream; and to rid itself of a large underclass. Immigration policy must get into step with the pursuit of these national objectives. Presently it is not.



## Endnotes

1. The 1990 data are preliminary data from the 1990 Census. I have excluded the 1.8 million foreign born persons who were born of U.S. citizens from this data. The final data for the 1990 Census on the foreign born will not be available until mid-1993.
2. Oxford Analytica, America in Perspective, (Boston: Houghton-Mifflin, 1986), p. 20.
3. See Vernon M. Briggs, Jr. Immigration Policy and the American Labor Force, (Baltimore: Johns Hopkins University Press, 1984), Chapter 2.
4. See Vernon M. Briggs, Jr., Mass Immigration and the National Interest, (Armonk, N.Y.: M.E. Sharpe, Inc. 1992), Chapter 4.
5. Ibid., Chapter 5.
6. For a background review of labor force trends and issues in the 1960s, see Charles C. Killingsworth, "The Fall and Rise of the Idea of Structural Unemployment," Proceedings of the 31st meeting of the Industrial Relations Research Association, (Presidential Address), (Madison, WI: Industrial Relations Research Association, 1978), pp. 1-13.
7. David S. North and Marion F. Houstoun, The Characteristics and Role of Illegal Aliens in the U.S. Labor Market: An Exploratory Study, (Washington, D.C.: Linton & Company, Inc., 1976), p. 5.
8. U.S. Congress, House of Representatives, Congressional Record, 89th Congress, 1st Session (August 25, 1965), (Washington: U.S. Government Printing Office, 1965), p. 21, 758.
9. See Briggs, op. cit., Mass Immigration..., pp. 121-150.
10. Ibid., pp. 150-163.
11. Select Commission on Immigration and Refugee Policy, U.S. Immigration Policy and the National Interest, (Washington, D.C.: U.S. Government Printing Office, 1981).
12. Michael Fix and Jeffrey S. Passel, The Door Remains Open: Recent Immigration to the United States and a Preliminary Analysis of the Immigration Act of 1990, (Washington, D.C.: The Urban Institute, 1991), p. 1.

13. Ibid., p. 9.
14. Select Commission, op. cit. p. 7.
15. Ibid., p. 8.
16. Howard N. Fullerton, Jr. "New Labor Force Projections Spanning 1988 to 2000," Monthly Labor Review, (November, 1989), pp. 2-12.
17. For a detailed discussion of the causitive factors and characteristics of this transformation, see Briggs, op. cit., Mass Immigration..., Chapter 7.
18. Philip L. Rones, "An Analysis of Regional Employment Growth, 1973-85", Monthly Labor review, (July, 1986), pp. 3-13.
19. Barbara Vobejda, "Half of Population Lives in Urban Areas," Washington Post, (February 21, 1991), p. A-1 and A-12.
20. George Borjas, Friends or Strangers: The Impact of Immigration on the U.S. Economy, New York: Basic Books, Inc., 1990, p. 20. See also the similar findings in Barry Chiswick, "Is the New Immigration Less Skilled Than the Old?" Journal of Labor Economics, (April, 1986), pp. 192-196.
21. Borjas, op. cit., Chapter 9. See also George Borjas and Stephen J. Trejo, "Immigrant Participation in the Welfare System," Industrial and Labor Relations Review, (January, 1991), pp. 195-211.
22. Commission on Workforce Quality and Labor Market Efficiency, Investing in People: A Strategy to Address America's Workforce Crisis, (Washington, D.C.: U.S. Department of Labor, 1989), p. 32.
23. Ibid.
24. For examples of such abuses, see Lisa Belkin, "Abuses Rise Among Hispanic Garment Workers," New York Times, November 29, 1990, p. A-16; Constance Hays, "Immigrants Strain Chinatown's Resources: Many Aliens Face "A Kind of Indentured Servitude," New York Times, May 30, 1990, p. B-1; "Report: Kids Fill City Sweatshops," Ithaca Journal, May 28, 1990, p. A-9; and Peter Kilborn, "Tougher Enforcing of Child Labor Laws Is Vowed," New York Times, February 8, 1990, p. A-22.
25. Jonathan Kozel, Illiterate America (Garden City, N.Y.: Anchor Press/Doubleday, 1985).

26. E.g., see Jack Miles, "Immigration and the New American Dilemma: Blacks vs. Browns," The Atlantic, (October, 1992), pp. 41-68.

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