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The Changing Nature of the Workforce: The Influence
of U.S. Immigration Policy

Vernon M. Briggs, Jr.

As the United States enters the last decade of the 20th Century, it finds its labor market in transformation. New forces are altering the demand for labor which are restructuring the employment patterns of the nation. At the same time, the labor supply is in a period of rapid growth in its size and unprecedented changes in its composition. Assessing the evolving situation, Secretary of Labor Elizabeth Dole proclaimed in late 1989 that the nation's labor force was "woefully inadequate to meet the changes that lie ahead."¹ Many other knowledgeable observers have expressed similar concerns. It is the nature of the work force itself that is emerging as the number one economic issue confronting the nation. The implications extend not only to the competitiveness of the economy and to the preparedness of the labor force but, given the multi-racial and multi-cultural composition of the population, to the prospects for the maintenance of domestic tranquility.

The forces that are altering the nature of labor demand in the United States are the same that confront all industrialized nations. They are associated with the pace of technological change, the expansion of international trade, and shifts in consumer spending preferences.² It is conceivable that the effects of reduced military spending may soon be added to the list.³ The consequences of these influences are reshaping the nation's occupational, industrial, and geographic employment patterns.⁴ Employment in most goods producing industries and in many blue collar occupations is declining while it is increasing in most service industries and many white collar occupations. Regional

employment trends are extremely unbalanced with growth generally more pronounced in urban than in rural areas and particularly strong in the Southwest and weak in the Midwest and Prairie regions.

It is the concurrent forces being exerted on the supply of labor, however, that constitute a uniquely American experience. Over the twelve year period ending in 1988, the labor force of the United States increased in size by about one-third more than the combined growth of the other nine major industrial nations of the free world (see Table 1). Moreover, much of the labor force growth in the other industrialized nations was in the form of increases in unemployment rather than in employment. In all cases, the growth in employment in these other nations -- when compared to that of the United States -- ranged from minimal to modest.

But even more significance than the rapid growth of the U.S. labor force are the differential growth rates of its component groups. As shown in Table 2, women have accounted for two-thirds of the increase in workers since the mid-1970s and they are projected to do the same during the 1990s; minorities (blacks, Hispanics and Asians) are sustaining growth rates that greatly exceed that of whites which means their respective proportions of the labor force are increasing while that of whites is shrinking; and black males continue to be the group that is experiencing the greatest employment difficulty (i.e., black males have the lowest labor force participation rates and blacks are the only minority group in which the absolute number of female workers exceeds that of male workers -- a pattern which is projected to worsen).⁵ 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 types of occupations that are

Table 1**Changes in Labor Force, Employment, and Unemployment in 10 Industrialized Nations Between 1976 and 1988
(number in thousands)**

| Country | Labor Force | | | Employment | | | Unemployment | | |
|----------------|-------------|--------|--------|------------|--------|--------|--------------|-------|--------|
| | 1988 | 1976 | Change | 1988 | 1976 | Change | 1988 | 1976 | Change |
| United States | 121,669 | 96,158 | 25,511 | 114,968 | 88,752 | 26,216 | 6,701 | 7,406 | -705 |
| Canada | 13,275 | 10,203 | 3,072 | 12,245 | 9,477 | 2,768 | 1,031 | 726 | 305 |
| Australia | 7,974 | 6,244 | 1,730 | 7,398 | 5,946 | 1,452 | 576 | 298 | 278 |
| Japan | 60,860 | 53,100 | 7,760 | 59,310 | 52,020 | 7,290 | 1,550 | 1,080 | 470 |
| France | 23,590 | 22,010 | 1,580 | 21,180 | 21,020 | 160 | 2,410 | 990 | 1,420 |
| Germany | 28,580 | 25,900 | 2,680 | 26,770 | 25,010 | 1,760 | 1,810 | 890 | 920 |
| Italy | 22,660 | 20,300 | 1,850 | 20,870 | 19,600 | 1,270 | 1,790 | 700 | 1,090 |
| Netherlands | 6,560 | 4,890 | 1,670 | 5,940 | 4,630 | 1,310 | 620 | 260 | 360 |
| Sweden | 4,540 | 4,149 | 391 | 4,467 | 4,083 | 384 | 73 | 66 | 7 |
| United Kingdom | 28,150 | 25,290 | 2,860 | 25,740 | 23,810 | 1,930 | 2,410 | 1,480 | 930 |

Note: All data for foreign nations are adjusted to approximate U.S. definitions.

Source: U.S. Department of Labor

Table 2

Civilian labor force and participation rates by sex, race, and Hispanic origin, 1976 and 1988, and moderate growth projection to 2000

| Group | Participation rate (percent) | | | Level (in thousands) | | | Change (in thousands) | | Percent change | | Growth rate | |
|--------------------------------|------------------------------|------|------|----------------------|---------|---------|-----------------------|----------|----------------|-----------|-------------|-----------|
| | 1976 | 1988 | 2000 | 1976 | 1988 | 2000 | 1976-88 | 1988-200 | 1976-88 | 1988-2000 | 1976-88 | 1988-2000 |
| Total, 16 and over..... | 61.6 | 65.9 | 69.0 | 96,158 | 121,669 | 141,134 | 25,511 | 19,465 | 26.5 | 16.0 | 2.0 | 1.2 |
| Men, 16 and over..... | 77.5 | 76.2 | 75.9 | 57,174 | 66,927 | 74,324 | 9,753 | 7,397 | 17.1 | 11.1 | 1.3 | .9 |
| Women, 16 and over..... | 47.3 | 56.6 | 62.6 | 38,983 | 54,742 | 66,810 | 15,759 | 12,068 | 40.4 | 22.0 | 2.9 | 1.7 |
| Whites, 16 and over..... | 61.8 | 66.2 | 69.5 | 84,767 | 104,756 | 118,981 | 19,989 | 14,225 | 23.6 | 13.6 | 1.8 | 1.1 |
| Men..... | 78.4 | 76.9 | 76.6 | 51,033 | 58,317 | 63,288 | 7,284 | 4,971 | 14.3 | 8.5 | 1.1 | .7 |
| Women..... | 46.9 | 56.4 | 62.9 | 33,735 | 46,439 | 55,693 | 12,704 | 9,254 | 37.7 | 19.9 | 2.7 | 1.5 |
| Blacks, 16 and over..... | 58.9 | 63.8 | 66.5 | 9,565 | 13,205 | 16,465 | 3,640 | 3,260 | 38.1 | 24.7 | 2.7 | 1.9 |
| Men..... | 69.7 | 71.0 | 71.4 | 5,105 | 6,596 | 8,007 | 1,491 | 1,411 | 29.2 | 21.4 | 2.2 | 1.6 |
| Women..... | 50.0 | 58.0 | 62.5 | 4,460 | 6,609 | 8,458 | 2,149 | 1,849 | 48.2 | 28.0 | 3.3 | 2.1 |
| Asian and other, 16 and over.. | 62.8 | 65.0 | 65.5 | 1,826 | 3,709 | 5,688 | 1,883 | 1,979 | 103.1 | 53.4 | 6.1 | 3.6 |
| Men..... | 74.9 | 74.4 | 74.6 | 1,036 | 2,015 | 3,029 | 979 | 1,014 | 94.5 | 50.3 | 5.7 | 3.5 |
| Women..... | 51.6 | 56.5 | 57.5 | 790 | 1,694 | 2,659 | 904 | 965 | 114.4 | 57.0 | 6.6 | 3.8 |
| Hispanics, 16 and over..... | 60.7 | 67.4 | 69.9 | 4,279 | 8,982 | 14,321 | 4,703 | 5,339 | 109.9 | 59.4 | 6.4 | 4.0 |
| Men..... | 79.6 | 81.9 | 80.3 | 2,625 | 5,409 | 8,284 | 2,784 | 2,875 | 106.1 | 53.2 | 6.2 | 3.6 |
| Women..... | 44.1 | 53.2 | 59.4 | 1,654 | 3,573 | 6,037 | 1,919 | 2,464 | 116.0 | 69.0 | 6.6 | 4.5 |

Note: Persons of Hispanic origin may be of any race.

Source: U.S. Department of Labor.

forecasted to increase the most in the coming decade. They are disproportionately concentrated in occupations and industries that are already in decline or are most vulnerable to decline in the near future. None of the nation's major international competitors are faced with any comparable pressure to accommodate so many new job seekers or to adjust to such rapid changes in the gender and racial compositions of their respective labor forces.

For present purposes, however, the concern is with the one element that impinges on the size and diversity of the U.S. labor force that is virtually unknown in other nations: the role of immigration. Since the mid-1960s, mass immigration has again surfaced as a distinguishing feature of life in the United States. Indeed, a recent study of contemporary American society stated that the single feature which continues to distinguish the United States from other industrialized nations is that "immigration continues to flow at a rate unknown elsewhere in the world."⁶

With immigration presently accounting for 30 to 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 aforementioned labor market transformation process. After all, immigration policy is a purely discretionary act of the federal government. The flow of immigrants is the one aspect of labor force size and character that public policy should be able to control and to shape to serve the national interest.

U.S. Immigration Policy in Historical Perspective

As a general statement, immigration policy prior to World War I was consistent with the economic development trends and labor force requirements of the United

States.⁷ Throughout its first century, the country had neither ceilings nor screening restrictions on the number and type of persons permitted to enter for permanent settlement. In this preindustrial stage, the economy was dominated by agricultural production. Most of the jobs required little in the way of training or educational preparation. There was little need for policymakers to be concerned with human resource preparation issues. With a vast amount of land that was largely unpopulated, an unregulated immigration policy was consistent with the nation's basic labor market needs.

When the industrialization process began in earnest during the latter decades of the 19th century, the newly introduced technology of mechanization required mostly unskilled workers to fill manufacturing jobs in the expanding urban labor markets of the nation. The same can be said of the other employment growth sectors of mining, construction, and transportation. There were pools of citizen workers who could have been incorporated to meet these needs -- most notably the recently "freed" blacks of the former slave economics of the rural South. But the alternative of mass immigration from Asia and Europe became the chosen alternative. Before long, however, immigration from China and Japan was banned in response to negative social reactions so that various ethnic groups from Eastern and Southern Europe became the primary source of new workers during this era.

From purely an efficiency standpoint, the mass immigration of the late 19th Century and the first two decades of the 20th Century was also consistent with the labor market needs of the nation. The jobs that were 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 timespan typically lacked these human capital attributes but, nonetheless, they reasonably matched the prevailing demand for labor. The technology of that period asked little in the way of human resource preparation.⁸ The available jobs largely required blood, sweat, and tears. Most of the immigrants as well as most of the native born workers of that era amply provided all three.

Beginning with the outbreak of World War I, however, the nation experienced a sharp contraction in immigration. Following the war, the first quantitative restrictions on the number of immigrants to be admitted in the nation's history were imposed. Moreover, the pervasive negative social reactions to many of the new ethnic groups also led to the adoption of qualitative restrictions that were overtly discriminatory. These restrictive actions were embodied in the Immigration Act of 1924 (often called the National Origins Act). Qualitative screening standards were enacted that favored immigrants from Western and Northern Europeans; disfavored all other Europeans; banned virtually all Asians; and ignored most Africans.

In the 1920s, the 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. The assembly line technology, however, still required largely unskilled workers. To meet their needs, employers had to turn this time to domestic labor surpluses. These pools of underutilized workers were found in the nation's massive rural economy. During the 1920s, the rural population declined 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 finally began their exodus to the large cities of the North, South, and West Coast.

The depression decade of the 1930s (with its general surplus of unemployed job seekers) was followed by the war years of the 1940s (when tight labor markets caused previously existing artificial barriers to the employment of women and minority groups to weaken and to provide access to a wide array of jobs that had hitherto been unavailable to these domestic sources of labor supply). These inclusive developments occurred at a time when even the low entry quotas of the prevailing immigration laws were not being met.

In the 1950s, the economy prospered due to the pent-up demand for products and the forced-savings of the earlier war era. It was during this period of general affluence that the United States was finally forced to confront the legacy of racial inequality that had plagued the nation since its inception. The Civil Rights Movement was launched in earnest. It soon spread throughout the South and elsewhere. It culminated in the passage of the Civil Rights Act of 1964. This legislation manifested the principle that overt racism would no longer be tolerated within the country. It was only logical that the next step would be to purge such racist practices from the nation's relations with the external world.

The Focus of Immigration Reform on Noneconomic Objectives

The enactment of the Immigration Act of 1965 ended the era of using immigration for racial and ethnic discrimination purposes.⁹ It also ushered in the new era of mass immigration that has continued to this day. Having been dormant for over forty years, this sleeping giant from the nation's past was aroused. Instead of seizing the

opportunity to craft a new immigration policy that would be designed to meet some positive definition of the public interest, however, Congress created a policy aimed primarily at fulfilling the private interests of its legal residents. Legal immigration levels were sharply increased and a politically popular new admissions system based primarily on the concept of family reunification was adopted. Eighty percent of the total visas available each year were reserved for various categories of adult and extended family relatives of persons who are already citizens. In addition, immediate family members (i.e., spouses, minor children, and parents) of each visa holder were made exempt from all quotas and are usually admitted automatically. Noneconomic considerations, in other words, held sway as the guiding principles for the design of the nation's revived immigration policy.

In 1980, in response to mounting humanitarian pressures and difficulties in accommodating refugees under the legal immigration system, the Refugee Act of 1980 was passed. It separated refugee admissions from the nation's legal immigration system. In the process, it created a new entry route that has no annual ceiling. The number of refugees admitted each year varies depending on the amount of political pressure exerted by special interest groups on the President. He has the authority to set the annual number of refugees to be admitted each year after a largely pro forma consultation with Congress. The subsequent annual figures have ranged from a low of 67,000 refugees in 1986 to a high of 217,000 refugees in 1981. The proposed admission figure for 1991 is 131,000 refugees. Obviously there is no labor market test applied to refugee admissions. The vast preponderance of the refugees since 1980s have been from Third World nations of Asia and Central America. Most have been poorly skilled,

inadequately educated, and usually lack English proficiency. Many have clustered together in a handful of urban enclaves.

The complex admissions systems for both legal immigrants and refugees, however, have proven easy to circumvent. Illegal immigration has flourished. By its nature, the exact number of illegal immigrants can never be known. Official estimates place the flow in the 1980s to be about 200,000 a year but these figures are suspected of being far too low.¹⁰ Apprehensions -- admittedly a poor indicator -- have soared from 110,000 in 1965 to an historic high of 1.7 million in 1986. The figure for 1989 was 954,243 persons. Despite four generous amnesty programs granted in 1986 in which a combined total of over 3.2 million illegal immigrants were allowed to legalize their status, it is still believed that there are upwards of 4 million illegal immigrants in the U.S. and that their ranks mount by the day.¹¹ The entry of illegal immigrants, of course, is without regard to whether they have the requisite preparation for available jobs or what effect they might have on citizen workers with comparable skills or educations. Likewise, there was no labor qualifications 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. Most have been deficient in their skills training, educations, and their abilities to speak English. They too have tended to cluster in enclaves -- mostly in urban areas but also in some rural communities where labor intensive agricultural methods still prevail.

Lastly, 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 300,000

workers a year. There are no annual ceilings on the total number of non-immigrant workers who can be admitted. They are employed in a variety of occupations -- ranging from agricultural workers to nurses, to engineers, 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 they are admitted only for temporary time periods but their visas can be extended in some cases for up to five years. The mounting dependence of U.S. employers on non-immigrant workers is symptomatic that something is seriously wrong with the prevailing immigration system. It implies that the legal immigration system lacks the direction and the flexibility to respond to legitimate shortages of qualified workers to fill real job vacancies.

Policy Indifference to Emerging Employment Trends

In the process of altering the admission standards and enlarging the scale of immigration flows since 1965, the fact that the U.S. economy was on the verge of entering a new phase of fundamental change was totally unforeseen. As these new employment trends have become evident, they have been essentially ignored by the congressional committees responsible for the design of immigration policy. Hence, for the first time in the nation's history, it can be said unequivocally that the prevailing immigration policy is not only inconsistent with the labor force needs but that it may actually be counterproductive to the welfare of the nation.

Immigration policy, by definition, is capable of influencing not only the quantitative size of the labor force but also the qualitative characteristics of those it admits. Presently there is little synchronization of the immigrant flows with the

demonstrated needs of the labor market. With widespread uncertainty as to the number of illegal immigrants, refugees, and non-immigrant workers who will enter in any given year, it is impossible to know in advance of their actual entry how many foreign born persons will annually join the U.S. labor force. Moreover, whatever skills, education, linguistic abilities, talents or locational settlement preferences that most immigrants and refugees have is largely incidental to the reason that they are admitted or enter.

The labor market effects of the currently politically-driven immigration system are twofold. Some immigrant and non-immigrant workers do have human resource endowments that are quite congruent with the labor market conditions currently dictated by the economy's needs. Some are desperately needed due to the appalling lack of attention given by the policymakers to the adequate preparation of many citizen for that labor market. But many do not.¹² For the majority, they must seek employment in the declining sectors of the goods producing industries (e.g., agriculture and light manufacturing) or the low wage sectors of the expanding service sector (e.g., restaurants, lodging, or retail enterprises). Such immigrants -- especially those who have entered illegally -- are now a major factor for the revival of "sweat shop" enterprises and the upsurge in child labor violations reported in urban centers of the nation.¹³ The revival of such Third World working conditions in many cities is hardly anything for the United States to be proud about -- regardless of whether or not these immigrants actually displace citizen workers in such exploitive work situations.

Unfortunately, many citizen workers who are among the urban working poor or underclass are also to be found in many of the same declining occupations and industries.¹⁴ A disproportionately high number of these citizens are minorities, women,

and minority youth. As these citizen groups are growing in both absolute and percentage terms, the logic of fair play would say that they should have the first claim on available jobs and chances for employment preparation. The last thing these citizen groups need is more competition from immigrants for the declining number of low skilled jobs that provide a liveable income, or the limited opportunities for training and education that are available to low income workers.

The Immigration Act of 1990: A Giant Step
in the Wrong Direction

On the last day of its legislative session, the 101st Congress of the United States passed the Immigration Act of 1990. It was signed into law on November 29, 1990 by President George Bush. Although its terms manifest more awareness of potential labor market effects than does extant immigration law, its primary focus is upon increasing the quantity of immigrants. Legal immigration will increase by over 35 percent over present levels to 700,000 persons a year when the law takes effect on October 1, 1992. Like the law it replaces, the new law gives short shrift to the specific human capital endowments of the people to be admitted or to the general labor market conditions of the U.S. economy that prevail at any given time. Thus, the new legislation largely perpetuates the notion that immigration policy -- despite its magnitude -- has little responsibility for its economic consequences. While the new law does increase the number of immigrants admitted without regard to family ties to 140,000 visas a year, the actual percentage of work-related visas to the total number of visas remains the same, 20 percent, as it is under the present law. Hence, there is no real change in policy thrust. In addition, the law introduces questionable new entry routes (e.g., for investor immigrants who can now "buy their way in") and it resurrects one of the most reprehensible features of past U.S.

immigration history -- the use of national origin criteria for admission (i.e. diversity immigrants). This is not the proper forum to critique this enormously complex law (it is over 300 pages long) but by any fair reading it can only be seen as a retreat from any quest to tailor immigration policy to labor market needs. By far, the preponderance of those who will be admitted under its terms will be accommodated without regard to their human capital endowments or the actual needs of the economy.

The Wrong Remedy for the Wrong Diagnosis

The labor market of the United States is not confronted with the prospect of a shortage of labor per se. As shown earlier in Table 2, the labor force is conservatively projected to grow by an annual average 1.6 million workers through to the year 2000.¹⁵ Moreover, this "official" projection grossly understated the immigration flows at the time it was made and has been made more obsolete by subsequent legislative developments. The U.S. Department of Labor projection used an estimate of illegal immigrants entering the country of 100,000 a year when the figure is now known to exceed this by several multiples;¹⁶ 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 admissions; it used an estimate of annual legal immigration of 400,000 a year when the figure has been closer to 500,000 immigrants and will go to 700,000 when the Immigration Act of 1990 goes into effect in 1992; and it totally omitted any allowance for the annual admission of refugees. In fact, in 1989 the total number of immigrants from all sources admitted for permanent residence was 1,090,924 persons -- the highest figure for any single year since 1914 (and this figure does not include any estimate of the additional illegal immigrant

flow or of the number of non-immigrants permitted to work in the United States on a temporary basis during that year.

In this context of a continuation of significant labor force growth and with persistent unemployment rates already in the high 5 percent range, it is simply inconceivable that this nation will have a shortage of potential workers in the 1990s. What the nation is facing is a shortage of qualified labor. The appropriate remedy in this case is to address the evolving problem of a "mismatch" between the skills of the citizen workforce and the emerging skill and education requirements of the work place.¹⁷ In other words, the real need is for an expanded national human resource development policy for citizen workers -- not for a continuing increase in the immigrants who are mostly admitted without regard as to their human capital attributes.

No technologically advanced industrial nation that has 27 million illiterate adults and another 20 to 40 million adults who are marginally literate need have any fear about a shortage of unskilled workers in its foreseeable future.¹⁸ Indeed, immigration -- especially that of illegal immigrants, recent amnesty recipients, and refugees -- is a major contributor to the growth of adult illiteracy in this nation. To this degree, immigration -- by adding to the surplus of illiterate adult job seekers -- is serving to diminish the limited chances that many poorly prepared citizens have 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 nature of the overall immigration and refugee flow is also contributing to the need for localities to expand funding for remedial education, training, and language 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.

On the labor supply side, the incidence of unemployment, poverty, and adult illiteracy are much higher and the educational attainment levels significantly lower for blacks and Hispanics than is the case for non-Hispanic whites and for Asians. It is also the case that blacks and Hispanics are disproportionately employed in the industries and occupations that are already in sharpest decline (i.e., in the goods producing industries and in blue collar occupations). Thus, those groups in the labor force that are most rapidly increasing are precisely those most adversely at risk by the changing employment requirements. Unless public policy measures are targeted to their human resource development needs, many members of both groups as well as other vulnerable segments of the general population 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, the large and unplanned influx of immigrant labor will serve -- by providing both competition and alternatives -- to maintain the social marginalization of many citizen blacks and citizen Hispanics. If so, the rare chance afforded by the employment trends of the 1990s to reduce significantly the economically disadvantaged population and the underclass will be lost for another generation. It will also mean that job opportunities will be reduced for the growing numbers of older workers who may wish to prolong their working lives and for the vast pool of disabled citizens who were only recently extended employment protection by the Americans with Disabilities Act of 1990 who are seeking entry into the labor force.

In other words, there is already a substantial human reserve of potential citizen workers. If their human resource development needs were comprehensively addressed, they could provide an ample supply of workers for the labor force needs of the 1990s and beyond. If the prevailing character of the nation's immigration policy is not changed, the immigration system will almost guarantee that many citizens from these groups will remain potential or marginal work force participants. As matters now stand, immigration policy represents a major obstacle to the achievement of a politically stable, fully employed, and truly equitable society.

The Needed Reform

It was Napoleon who said that "policy is destiny." As the nation enters the 1990s, the evolving employment patterns overwhelmingly reveal a preference for skilled and educated workers as well as diminished parallel demand for those job seekers who lack such human capital endowments. The nation is facing the prospect of the worst of all possible situations: a shortage of qualified workers co-existing with a surplus of unqualified job seekers with clear racial dimensions as to whom is in which grouping.

In this context, the appropriate role of immigration policy is crystal clear.¹⁹ Immigration policy must be made strictly accountable for its economic consequences. It should be a targeted and flexible policy that is designed to admit only persons who can fill job vacancies that require significant skill preparation and educational investment. The number annually admitted should be far fewer than the actual number needed. Immigration should never be allowed to dampen the market pressures needed to encourage citizen workers to invest in preparing for vocations that are expanding and to insure that governmental bodies provide the requisite human resource development

programs needed to prepare citizens for the new types of jobs that are emerging.

As it takes time for would-be workers to acquire skills and education, immigration policy can be used on a short run basis to target experienced workers for permanent settlement who possess such abilities. But it is the "preparedness", or lack thereof, of the existing labor force that is the fundamental economic issue confronting this nation. Over the long haul, citizen workers must be prepared to qualify for the jobs that have the greatest growth potential.

The reason to restrict legal entry to skilled and educated immigrants is that the nation has an abundance of unskilled and poorly educated adults. The last thing that the nation needs are more poorly prepared would-be workers. With the job prospects for unskilled and semi-skilled workers becoming dimmer by the day, the long run human resource strategy must be predicated on ways to enhance the employability of those workers facing reduced demand for their services and to prevent future would-be workers from facing such dismal prospects. The fact that too many of those presently lacking sufficient skills and education are from the nation's growing minority populations only adds urgency to this domestic challenge. The nation cannot allow its labor force to continue to polarize along racial class lines if it hopes to prosper and persevere.

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

It is also imperative that federal policy to reduce illegal immigration be strengthened. To do this, it will be necessary to tighten restrictions on the use of fraudulent documents; to devote more funds and manpower to the enforcement of employer sanctions; and to introduce penalties on apprehended illegal immigrants found to be employed.

The national goal of all elements of the nation's human resource development policy must be to build a high wage, high productivity labor force along the lines being pursued by Japan and West Germany.²⁰ In the process, the existence of shortages of qualified labor offers to this country a rare chance to reduce its persistently high levels of unemployment; to improve the lot of its working poor and to rid itself of its large underclass. Such shortages can force public human resource development policy and private sector employment practices to focus on the necessity to incorporate into the mainstream economy many citizens who have been "left out" in the past. It was in this precise context that William Aramondy, the president of the United Way, recently said, "We have the biggest single opportunity in our history to address 200 years of unfairness to blacks. If we don't, God condemn us for blowing the chance."²¹ The major threat to "the opportunity" he correctly identified is the perpetuation of the nation's politically dominated immigration policy. Immigration policy must cease being one of the causes of the problems of the U.S. economy and, instead, be redirected to become a source of solutions.

Endnotes

1. "U.S. Study says Work Force is Suffering from Shortages," New York Times September 2, 1989, p. A-9.
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4. For a comprehensive reflection on labor force changes over the past two decades, see Ronald Kutchner, "Employment Growth in the United States" in Job Generation: U.S. and European Perspectives, edited by Howard Rosen (Salt Lake City: Olympus Publishing Co., 1986). For prospective trends see, Valerie Personick, "Industry Output and Employment Through the End of the Century," Monthly Labor Review, (September 1987), pp. 30-45, and G.T. Silvestri and J.M. Lukasiewicz, "A Look at Occupational Employment Trends to the Year 2000," Monthly Labor Review, (September 1987), pp. 46-63.
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