












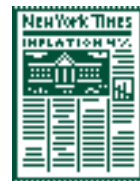
INSIDE . . .

-  Immigration Reform in the New Congress 1
-  Welfare Reform and Immigration: A Prognosis, by *Norman Matloff* 4
-  The Illegal Immigration Reform and Immigrant Responsibility Act . . . 6
-  Working at Cross Purposes: Welfare Reform and Immigration 8
-  The Foreign Workers Debate, by *David North* 11
-  Legal Immigration Surges 14
-  FYI 5
-  Capital Currents 11
-  **Book Review:** *Rand Immigration Studies*, reviewed by David Simcox 15
-  **Book Review:** *Still the Promised City?* by Roger Waldinger, reviewed by Frank Morris 18
-  Immigration Reading . . . 20

Immigration Reform in the New Congress

A number of politicians, most political pundits and the mainstream media all have announced that the momentum for immigration reform has passed and that the issue is dead — at least for the next year or two. Senate Majority Leader Trent Lott (R-MS) told the U.S. Chamber of Commerce in mid-January: “I don’t see much prospects of more action in that area, at least not this year.” Conservative commentators Paul Gigot and Linda Chavez agree. They believe that legal immigration reform has been put on indefinite hold. And newspapers like *The Wall Street Journal* and *The New York Times* echo that analysis.

A recent *New York Times* article, “Effort to Reduce Legal Immigration Loses Impetus in Congress,” set out three reasons for this “turn-about”: 1) Republicans lost ground with Hispanic and Asian voters in the 1996 elections; 2) Sen. Spencer Abraham (R-MI), an ardent supporter of mass immigration, is replacing retiring Sen. Alan Simpson (R-WY) as the chairman of the Senate Immigration Subcommittee (see box on p. 2 for more on Abraham); and 3) “the enactment of the [illegal] immigration bill and the welfare bill...seems to have spent, at least for the present, the public anger against immigrants....”



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Center for Immigration Studies
1522 K St., NW, Suite 820
Washington, DC 20005
Phone: (202) 466-8185
center@cis.org
<http://www.cis.org/cis>

The first of these reasons is based largely on the unseating of Rep. Robert Dornan by Loretta Sanchez Brixey in Orange County, California. Chavez and Gigot, among others, both cited this race as proof (though they provided no evidence) of an Hispanic backlash against “anti-immigration Republicans.” Actually, Rep. Dornan was a proponent of current legal immigration levels. In the words of *National Review* editor John O’ Sullivan, he is a “strong supporter of the Wall Street Journal’s pro-immigration line.” And then there are the charges of massive voter fraud in that race — charges for which there appears to be significant evidence. The Fair Elections Group, a non-profit research organization in Southern California, has identified over 12,000 duplicate voter registrations in the Dornan/Sanchez district. These results do not take into account potential voting by noncitizens, which could add significantly to the total impact of voter fraud.

Senator Spencer Abraham

Elected to the United States Senate in 1994, Sen. Spencer Abraham (R-MI) serves on the Judiciary, Commerce and Budget Committees. It was in his role as a member of the Judiciary Committee that he gained national prominence last year during the debate over the immigration reform legislation introduced by Sen. Alan Simpson (R-WY). On the first day of the full Committee's consideration of the legislation, Abraham made clear his intention to separate legal from illegal immigration reform, thus ensuring that cuts in legal immigration would not pass in the Senate (see *Immigration Review*, No. 25, p.1).

Denying that his goal was to kill legal immigration reform, Sen. Abraham stated on numerous occasions last year that proposals to reform legal immigration deserved to be heard and voted on, but not in conjunction with the debate over illegal immigration. In using this argument, the Michigan Republican succeeded in convincing the Committee to split Sen. Simpson's bill, despite pleas from Sens. Jon Kyl (R-AZ) and Dianne Feinstein (D-CA), both of whose states are heavily and adversely affected by mass immigration, unlike Abraham's.

On January 10, 1997, Sen. Abraham was selected by Senate Judiciary Committee Chairman Orrin Hatch (R-UT) to chair the Senate Immigration Subcommittee in the 105th Congress. Abraham publicly announced his new position at a press conference at the headquarters of Cypress Semiconductor Corporation in Silicon Valley, where it became apparent that, in fact, he has no intention of allowing a Senate debate of legal immigration levels. Dismissing the fact that illegal immigrants account for less than one-quarter of all immigrants in the United States, Abraham argued that Congress had already eliminated the "excesses of immigration" by passing illegal immigration reform last year. He promised to defend the interests of Cypress and other high-tech companies by blocking legal immigration reform, despite the fact that more than 80 percent of the American public, including Abraham's constituents in Michigan, support much lower levels of legal immigration.

In fact, results from the 1996 election do not indicate a significant anti-Republican backlash among Hispanic voters. Bob Dole won the Hispanic vote in Florida, although President Clinton won the state as a whole. David Simcox, in an article in the Spring 1997 issue of *THE SOCIAL CONTRACT*, examines actual Hispanic voting patterns from the 1996 election — something Chavez, Gigot and others appear not to have done before drawing their conclusions — and finds little evidence that support for legal immigration reform affected candidates negatively. Simcox's analysis reveals that, of the 39 Congressman who were original cosponsors of legal immigration reform, only North Carolina Republican Fred Heineman lost in the general election — in a district with a negligible Hispanic vote. Immigration simply is not a decisive issue for most voters. A post-election poll of 1,200 U.S. voters found that "fewer than one percent based their vote on the candidates' immigration position," according to the January 1997 issue of *Rural Migration News*, edited by Dr. Philip Martin of the University of California at Davis.

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It is also important to note that many Hispanics and Asians who labelled Republicans “anti-immigrant” did so because of the cuts in immigrant eligibility for welfare, not because of proposals to reduce immigration. Sen. Spencer Abraham was a main supporter of those cuts; in fact, he has appropriated the Cato Institute’s slogan: “Immigration yes, welfare no.” Most experts see the obvious fallacy in that argument: welfare usage (and poverty in general) can be expected to increase when the unskilled labor market is continuously flooded with infusions of mostly unskilled workers. Thus, Sen. Abraham’s position not only hurts unskilled native-born workers seeking employment at livable wages, but it also hurts the unskilled immigrants, who now have no welfare safety net (see the articles on p. 4 and p. 8).

And that brings us to the second reason set out by the *New York Times*. There is no question that Sen. Abraham’s appointment to chair the Senate Immigration Subcommittee presents a serious obstacle to meaningful legal immigration reform. Abraham himself, however, demonstrated last year that a subcommittee chairman does not necessarily control the agenda. Moreover, Senate rules permit non-germane amendments to be attached to any piece of legislation being considered on the floor. In other words, any Senator could propose legal immigration reform as an amendment to an unrelated bill. It also remains to be seen whether Abraham’s Michigan constituents will tolerate his protection of high-tech industry, and thus mass immigration, over their own interests.

The third reason for the “turn-about” is simply untrue. The American people have demonstrated in poll after poll that they understand the difference between legal and illegal immigration, and that they want illegal immigration stopped and legal immigration reduced. They also have made quite clear that they are not angry at individual immigrants, but rather at the excessive levels of legal immigration permitted by current law and at the impact of these numbers on jobs, schools, housing, public infrastructure, and so on. As legal immigration levels continue to increase — which they are expected to do, according to projections by the Immigration

and Naturalization Service (INS) — the problems associated with adding more people to already over-burdened systems will increase, as will the pressure for reform.

The good news is that not all members of Congress agree that immigration reform is dead. Numerous immigration-related bills already have been introduced, including:

- an immigration moratorium (H.R. 347, introduced by Rep. Stump and cosponsored by Rep. Sonny Callahan (R-AL) - see *Immigration Review*, No. 24, p. 4 for details on this moratorium, which is the same as the one Rep. Stump introduced in the 104th Congress);



- a bill to ensure that H-1B temporary workers do not displace American workers (H.R. 119, introduced by Rep. John Conyers (D-MI) - see article p.11 for more on the temporary worker issue);

- two bills to limit birth-right citizenship to children of citizens and legal residents (H.R. 7, introduced by Rep. Brian Bilbray (R-CA) with 25 cosponsors, and H.R.

346, introduced by Rep. Bob Stump (R-AZ)); and

- a proposal for a secure Social Security card to prevent illegal aliens from gaining employment through the use of fraudulent documents (H.R. 231, introduced by Rep. Bill McCollum (R-FL)).

So, while the political playing field certainly has changed, immigration reform is far from dead. As the impacts of mass immigration continue to grow, and as they spread from the half-dozen traditional “high-impact” states into middle America, the calls for reductions in legal immigration are likely to increase and come from more diverse quarters. Political leaders who believe they can postpone reform indefinitely will only ensure that, when it does come, it will be more severe than if dealt with in a reasonable and responsible way now. ♦

—Rosemary Jenks

Welfare Reform and Immigration: A Prognosis

by Norman Matloff

Greta is the admissions coordinator in a federally-subsidized senior citizens housing facility in the San Francisco Bay area. She remarks that, when one of her tenants, an immigrant from Taiwan whom we will call Wen, told her that he had just passed his citizenship test, “I was congratulating and welcoming him, but he laughed and said, ‘Now they can’t take my [welfare] money away.’”

Wen’s action was prompted by the welfare reform law passed by Congress last August, which limits access to various public assistance programs to legal immigrants who have not become naturalized citizens. Indeed, since the legislation was first introduced in November 1993, immigrants have been applying for naturalization in record numbers (the increase in applications is the result of a variety of factors including, but not limited to, the welfare reform proposal), even forcing the Immigration and Naturalization Service (INS) to open new offices to meet the surge in demand.

Wen’s rush to naturalize reflects an irony in the immigrant-related provisions of the welfare reform law in that the new law will, for the most part, do nothing to solve the problem which comprised its original motivation—the explosive growth in elderly immigrant usage of Supplemental Security Income (SSI), the nation’s designated welfare program for the aged, blind and disabled. Under the old law, immigrants were essentially barred from SSI during their first five years (three years until 1994 when Congress extended it to five years) of residence in the United States. Under the new law, they will be ineligible for SSI until they naturalize or until they have worked and paid taxes in the United States for at least ten years. Since immigrants can apply for naturalization after five years, the new legislation will merely replace one five-year waiting period for another for most immigrant seniors, i.e., no net change.

Immigrant advocacy groups have claimed that the citizenship test, and particularly the English requirement, are formidable barriers to naturalization for the elderly. But this has not been true in most cases, as the huge number of naturalizations by seniors in the last couple of years demonstrates. Moreover, the INS waives the English and civics testing requirements for certain seniors.

Nevertheless, some seniors will not naturalize and will lose their federal support. Some of these will then turn to

county governments for General Assistance, which provides a much smaller monthly check than SSI. The likely result is that they will be forced to, in the words of Bob Kim, executive director of the Korean Community Center of the East Bay in Oakland, “move back [in] with families that don’t want them.” (Ironically, their families originally petitioned for the seniors’ immigration under the family reunification provisions of U.S. immigration law.)

There are indeed problems with immigrant use of welfare. The number of aged immigrant SSI recipients skyrocketed by 580 percent between 1982 and 1994. Numerous interviews with immigrant seniors and social workers reveal that those who have come here in more recent years know in detail about SSI and other welfare programs in the United States before they even apply to immigrate, and that they and their adult children sponsors have advance plans for the seniors to go on welfare. The *World Journal*, the largest Chinese-language daily in the United States, even runs a semi-regular “Dear Abby”-style advice column on SSI and other welfare benefits.

And there are problems with children and working-age adult immigrants using welfare, as well. For example, economics professor George Borjas of Harvard University has examined both cash welfare, such as SSI and Aid to Families with Dependent Children (AFDC), and noncash services, such as Medicaid (called Medi-Cal in California) and food stamps. He found that, in California, 40 percent of all such welfare dollars goes to immigrant-headed households. Borjas states, “It is not too much of an exaggeration to say that the welfare problem in California is on the verge of becoming an immigrant problem.”

As we have seen, the new welfare law will have relatively little effect on SSI expenditures, and the situation with AFDC (now called TANF) is likely to be largely similar. But there will be significant effects on other types of public assistance, notably Medicaid and food stamps.

Take health care. Again, the old law, in effect, barred immigrants from SSI and AFDC for five years and three years, respectively, by designating as the safety net of first resort the immigrants’ family members who sponsored them for immigration and agreed to provide financially for them. (This is the so-called



“deeming period,” in which a sponsor’s income is deemed to be available to the immigrant for the purpose of determining welfare eligibility.) But there was no such restriction on Medicaid. By contrast, the new law does bar future immigrants from access to Medicaid for their first five years in the United States (and leaves up to the states whether to continue to provide Medicaid to already-resident immigrants). Thus, in California, for instance, where immigrants have been eligible for Medi-Cal after only one year of residence, there will be a savings of four years of Medi-Cal expenses per recipient for the state and federal levels (Medicaid expenses are shared by the state and federal governments).

Local government officials, however, fear that the costs will simply be shifted to them, as the immigrants increasingly will turn to county-hospital emergency rooms for health care. (The law continues to allow immigrants access to free emergency care.) The degree to which this will occur is not clear. For instance, the prospect of going five years without medical coverage (or of having to rely on one’s family to pay for expensive private insurance during that time) may well dissuade many immigrants from coming to the United States in the first place. The Organization of Chinese Americans, one of the most active groups that has lobbied against congressional proposals to reduce welfare eligibility for immigrants, has stated that many Chinese-Americans would not sponsor their family members abroad for immigration if welfare were not available, and presumably this extends to Medicaid, as well. But this effect may be confined largely to elderly would-be immigrants, who are less likely to hold jobs and more likely to need costly medical services.

Most working-age immigrants and their children probably will continue to come to the United States in spite of the medical risks. Thus, the potential magnitude of the fiscal burden on local governments could be crushing. Given that many counties with large immigrant populations, such as San Francisco, Los Angeles and Orange Counties in California, are in quite precarious fiscal condition as it is, there is a very real possibility that some spectacular county bankruptcies could occur.

The new legislation does give state and local governments the option to subject immigrants to a deeming process in determining eligibility for public assistance programs funded by those governments. It appears that states will be forced to exercise this option, though immigrant advocacy groups are sure to fight any such effort. Nevertheless, county officials have indicated that, in practice, it may be

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➡ Commission on Immigration Reform names new Chairwoman

Shirley M. Hufstedler has been named by President Clinton as the new Chairwoman of the bipartisan Commission on Immigration Reform. She is Senior Counsel and litigator in the Los Angeles law firm of Morrison & Foerster. Ms. Hufstedler received her B.A. from the University of New Mexico and her LL.B from Stanford University. She served as a U.S. Circuit Court Judge from 1968 to 1979 and as Secretary of Education during the Carter administration.

In an effort to undermine the Commission’s impact on potential congressional consideration of legal immigration reform, the Cato Institute’s Stuart Anderson called the Commission “irrelevant” during a press conference sponsored by the National Immigration Forum. Anderson declared that the Commission’s recommendations had been dismissed by policymakers, and he suggested that it be terminated and its remaining funding given “to the homeless.” The Commission’s final report is due in September 1997.

➡ Asylum Granted to HIV-Infected Man

The Presidential Advisory Council on HIV/AIDS in January 1996 recommended that aliens infected with HIV be granted “stays of deportation, suspension of deportation, extended voluntary departure, deferred action, and asylum based on the social group category of HIV-positive individuals,” despite the fact that federal law bars such individuals from immigrating to the United States. The INS responded that, while it does not recognize such aliens as “a new class of claimants” for asylum or relief from deportation, HIV infection would be considered as a factor weighing in favor of such grants. A New York immigration judge, however, in July 1996 granted a Togolese man asylum based on his membership in the social group category of HIV-positive individuals. The INS declined to appeal the ruling.

➡ Noncitizens in the Federal Criminal Justice System

A U.S. Department of Justice report released in July 1996 shows that, between 1984 and 1994, the

(Continued on page 7)

difficult to collect reimbursements from the immigrants' sponsors.

Up to this point, I have referred mainly to legal immigration, since most, though by no means all, immigrant usage of welfare occurs in that sector. However, an aspect which has been little noted by the press, but which could become quite significant, is that the new welfare reform law implements nationwide one of the most controversial sections of California's Proposition 187. That measure, passed by voters in 1994 but still pending judicial review, requires state agencies to report to the INS any applicant for public services who cannot document legal residence status in the United States. The welfare law includes a similar requirement for agencies that dispense public assistance. Soon after President Clinton signed the legislation, the head of San Francisco's Health Department held a press conference to announce that her agency would defy the requirement, and since many health-care providers made similar pledges regarding Proposition 187, it is possible that there will be fairly widespread acts of civil disobedience.

The welfare reform law also will have a major impact on the labor market, as the large influx of native-born welfare recipients who are forced off the rolls will have to compete with immigrants for low-skilled jobs. Such jobs are already in short supply, often with five or ten applicants per opening. Indeed, that is why many working-age immigrants take welfare; many are able to find work only sporadically and turn to welfare both to fill in the gaps and to supplement the very low wages they receive. The Economic Policy Institute has warned that the sudden influx of natives forced off the welfare rolls by the new law could erode the already-meager wages in low-skilled jobs.

The implications in terms of competition for these jobs are alarming. Conflict between native-born minorities and immigrants is already at worrisome levels. An Asian/Latino coalition recently filed a lawsuit against the city of Oakland, claiming that city contracts are awarded to African American firms to the detriment of the coalition's constituents. Two years ago, Asian and Latino activists succeeded in pushing through an Oakland redistricting plan that increased their power and reduced that of African Americans. The increased competition between blacks and immigrants for low-skilled jobs could greatly escalate such tensions.

California Sen. Dianne Feinstein has been aware of the fiscal and social problems described here. She even warned of "Armageddon" last year when she called for congressional action to reduce the yearly quotas for legal immigration. At that time, however, a "strange bedfellows" group of lobbyists representing conservative corporate America, liberal ethnic advocates, and even the Christian Coalition, succeeded in defeating such legislation (see *Immigration Review*, No. 26, p. 1). But a catastrophic event, say the bankruptcy of Los Angeles County, would revive congressional calls to reduce legal immigration levels, and would make such calls much more compelling. Whether Armageddon occurs or not, the consequences of the new welfare law with regard to immigration will indeed be profound, and are sure to maintain — even increase — immigration's status as a hot-button issue in this decade and beyond. ♦

Professor Matloff teaches at the University of California at Davis and writes about immigration and minority issues. A speaker of Chinese, his detailed analysis of welfare use by elderly Chinese immigrants may be accessed on the World Wide Web at: <ftp://heather.cs.ucdavis.edu/ssi.html>.

The Illegal Immigration Reform and Immigrant Responsibility Act of 1996

Both the House and the Senate last spring passed measures to control illegal immigration (see *Immigration Review*, No. 25, p. 1), but it wasn't until fall that the House-Senate conferees met to work out the differences between the two bills. The primary, though not the only, stumbling block for the conferees was the Gallegly amendment, named for its sponsor, Rep. Elton Gallegly (R-CA), to allow states the right to deny public schooling to illegal immigrant children. President Clinton had promised to veto any legislation containing such a provision, and

Senate Democrats had threatened a filibuster to prevent the measure from ever reaching the President's desk. House Republicans finally agreed to drop the Gallegly amendment and allow it to be introduced as a separate measure in order to assure passage of the illegal immigration bill.

Once Republicans had reached agreement among themselves, conferees were officially appointed. The House Republican conferees were Reps. Lamar Smith (TX), Elton Gallegly, Bill McCollum (FL), Henry Hyde (IL), Robert

Goodlatte (VA), Ed Bryant (TN), Sonny Bono (CA), William Goodling (PA), Randy “Duke” Cunningham (CA), Howard “Buck” McKeon (PA) and Clay Shaw (FL). The Democratic conferees were Reps. Xavier Beccera (CA), Howard Berman (CA), John Bryant (TX), Barney Frank (MA), John Conyers (MI), Matthew Martinez (CA), Gene Green (TX) and Andrew Jacobs (IN). Senate Republican conferees included Sens. Alan Simpson (WY), Charles Grassley (IA), Jon Kyl (AZ), Arlen Specter (PA), Orrin Hatch (UT) and Strom Thurmond (SC). The Senate Democrats were Sens. Edward Kennedy (MA), Dianne Feinstein (CA), Paul Simon (IL), Herb Kohl (WI) and Patrick Leahy (VT).

By this time, the 104th Congress was drawing to a close and Members were anxious to return to their states to campaign for the November elections. This gave the White House the upper hand in the negotiations: if Members wanted to end the session in time to campaign effectively, Republicans would have to make certain concessions. These concessions included striking significant portions of Title V, which extended the welfare law’s restrictions on noncitizen eligibility for public assistance, including the provisions to bar noncitizens from taxpayer-funded AIDS treatment — which costs over \$100,000 annually per patient — and to make deportable legal immigrants who become public charges in their first seven years of residence in the United States. The section requiring sponsors of immigrants to demonstrate an income level of at least 200 percent (140 percent for sponsors of spouses and minor children) of the poverty level was amended by reducing to 125 percent the required income level for all sponsors.

Once negotiations were completed, the illegal immigration bill was rolled into an omnibus appropriations bill, which passed in the House by 370 to 37 and in the Senate by 84 to 15. It was signed into law by President Clinton on September 30, 1996.

The main provisions of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 are as follows:

Border enforcement. The law authorizes 1,000 additional Border Patrol agents each year from 1997 to 2001; requires additional physical barriers (including 14 miles of triple fencing near San Diego) and technology along the border; imposes, for the first time, civil penalties on illegal border crossers and criminal penalties for high-speed flight from immigration checkpoints; and calls for the fingerprinting of all apprehended illegal aliens nationwide.

FYI

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number of noncitizens in Federal prisons increased an average of 15 percent annually, compared to an overall Federal prison population increase of ten percent. Nationals of Mexico accounted for 48.6 percent of the 18,929 noncitizens in federal prisons in 1994, followed by nationals of Colombia (10.2%) and the Dominican Republic (5.7%). Of all noncitizens prosecuted in Federal courts in 1994, 45 percent were charged with drug offenses, up from 35 percent in 1984.

➡ Keeping Immigrants on Welfare

Billionaire George Soros, founder of the Open Society Institute, last fall pledged \$50 million to help legal immigrants who will lose their welfare benefits under the new welfare reform law. The first \$11.8 million of this money was awarded in January to 22 advocacy groups, including Catholic Legal Immigration Network (\$3 million), the Fund for New Citizens (\$2.5 million), the National Council of La Raza (\$1 million) and the National Immigration Law Center (\$1 million). Instead of providing job training or employment opportunities to help immigrants become self-sufficient and get off welfare, the money will be spent to help them become naturalized U.S. citizens so they can continue to be eligible for welfare.

➡ States:

President Clinton and **Virginia** Gov. George Allen endorsed last fall a statewide initiative, called “Virginia’s Jobs for Virginia’s Workers,” to place welfare recipients into jobs formerly held by illegal immigrants. The concept, dubbed “Operation Jobs” when it was first tried in the Dallas District of the INS, calls on INS officials to notify state social service administrators when they conduct worksite raids to remove unauthorized workers. The social service administrators then provide the employers with a list of qualified welfare recipients to fill the open jobs. The employers are not required to hire from the names offered, but the potential benefits of the program are many — American jobs, often paying well above minimum wage, are returned to legal workers; welfare recipients are given additional employment opportunities, thus reducing the costs to taxpayers of providing welfare; and employers can hire legal workers and avoid further raids. **Florida** is expected to adopt the program this spring.

(Continued on page 9)

Alien smuggling and document fraud. The law allows wiretaps for investigations of alien smuggling operations; increases the criminal penalties for alien smuggling and document fraud; and establishes criminal penalties for aliens who make false claims of U.S. citizenship to obtain benefits and for noncitizens who vote in federal elections.

Exclusion, deportation and detention. The law permanently bars from the United States any alien convicted of an aggravated felony and ordered deported and retroactively defines an aggravated felony to include any crime carrying a sentence of one year or more; bars from the United States for three to ten years illegal aliens, depending on how long they resided here illegally; authorizes immigration inspectors to summarily exclude aliens who arrive at a port of entry with no documents or false documents, unless they claim asylum; streamlines the asylum process and limits judicial review; mandates detention of all criminal aliens pending deportation; limits judicial review of deportation orders and eliminates most forms of relief from deportation; and makes deportable aliens convicted of domestic violence, stalking or child abuse, neglect or abandonment, and aliens who violate protection orders.

Employer Sanctions and Interior Enforcement. The law requires the INS to establish three four-year voluntary employment authorization verification pilot programs in five of the top seven states of illegal immigrant settlement; reduces the number of documents employers may accept as proof of work authorization; authorizes 300 additional investigators, with at least half to investigate employer sanctions violations, each year from 1997 to 1999; allows the Attorney General to enter into agreements

authorizing state or local government officials to apprehend and/or detain illegal aliens; and requires the INS to station at least ten agents in each state.

Public benefits. The law amends the welfare reform law to make eligible for welfare benefits certain battered spouses and children; postpones noncitizen ineligibility for food stamps until April 1, 1997; makes illegal immigrants ineligible for Social Security benefits and special in-state tuition for postsecondary education and requires verification of residence status for applicants for Social Security and higher educational assistance; mandates that affidavits of support be legally binding; requires sponsors of immigrants to demonstrate the ability to maintain an income of at least 125 percent of the poverty level.

Miscellaneous provisions. The law establishes forced abortion, involuntary sterilization, and “resistance to a coercive population control policy” as grounds for refugee status; limits the number of such refugee grants to 1,000 a year; restricts the Attorney General’s parole authority and requires long-term parolees to be subtracted from annual family-preference immigration levels; requires asylum claimants to file applications within one year of arriving in the United States; allows the Attorney General to revoke asylum status if home-country conditions improve; authorizes additional asylum officers; establishes a program to monitor foreign students; prohibits state and local governments from instituting policies of non-cooperation with the INS; makes female genital mutilation of women under age 18 a federal crime; and requires birth certificates to be issued on safety paper and have other security features. ♦

—Rosemary Jenks and Robert Malloy

Working at Cross Purposes: Welfare Reform and Immigration

The welfare reform law signed last year by President Clinton with much fanfare and hand-wringing certainly will have a dramatic impact on “welfare as we know it.” The law’s supporters see it as a long-overdue reform needed to move welfare recipients into jobs. Some critics view it as mean-spirited and misguided—especially the time limits it places on welfare use. Others argue that there simply are not enough jobs available for welfare recipients, and that the jobs that are available pay less than welfare. While scholars disagree about the relative importance of the factors that lead to welfare dependence, there is

widespread agreement that the labor market is an important part of the equation. By failing to reduce legal immigration and implement a secure national work authorization verification system to control illegal immigration, the federal government has undermined the goal of welfare reform: moving people from welfare to work.

The new welfare law shifts much of the administration and responsibility for assisting the poor to state and local governments. The states must follow certain federal guidelines in order to qualify for the new block grants that the

federal government will provide. These guidelines limit welfare recipients to two consecutive years of public assistance and to no more than five years over the course of a lifetime. These time-limit provisions, as well as the restrictions on welfare use by immigrants, will result in hundreds of thousands of people being forced off the welfare rolls and into the labor market.

About half of those currently using welfare are women with young children going through the economic disruption associated with divorce or temporary job loss. Generally, such recipients become self-sufficient within a few years. Depending on how the states ultimately use their new latitude, it seems likely that the impact of the new law on short-term welfare recipients will be limited. However, for those who would normally rely on welfare for ten or more years — about 48 percent of current recipients — finding and holding a job will not be easy. This is an exceptionally low-skilled population facing bleak employment prospects. Roughly two-thirds are high school dropouts, and many are functionally illiterate. Data from the Department of Labor's Bureau of Labor Statistics indicate that the real wages (adjusting for inflation) of high school dropouts have declined by 30 percent over the last 17 years, and dropouts are among the most likely to be unemployed or to have given up looking for work altogether.

Most scholars of welfare use point to the low earning potential of unskilled workers as being a determinate factor in explaining welfare dependence. They argue that the real key to welfare reform is to "make work pay." In other words, the current wage rate for unskilled labor is so low that welfare recipients, especially long-term recipients, are better off collecting welfare. A leading proponent of this position is David Ellwood, a former Assistant Secretary for Planning and Evaluation in the Department of Health and Human Services. He argues in his 1994 book, *Welfare Realities* that, unless we find a way to make low-skill work pay, we can never make progress in improving the lives of poor people. Nor will we be successful in moving people off welfare.

If the goal of the new welfare law is to encourage the long-term welfare population to become economically self-sufficient, it makes no sense to flood the unskilled labor market at the same time that welfare users will be seeking unskilled, entry-level jobs. Yet this is precisely what current U.S. immigration policy is doing. About 40 percent of the adult immigrants the United States admits in any given year are high school dropouts. David Jaeger, an economist at the Bureau of Labor Statistics, calculated that

FYI

(For Your Information)

In a related development, Gov. Lawton Chiles signed an Executive Order making **Florida** the first state in the country to participate in the INS Employer Verification Pilot (EVP). This gives state agencies a simple and secure way to verify the employment eligibility of new noncitizen hires, as required by U.S. law. In addition, Gov. Chiles signed a Memorandum of Understanding prohibiting publicly funded contracts from being awarded to companies that knowingly employ illegal workers. Florida's law enforcement agencies also have been provided with on-line access to INS information, including the immigration status, past enforcement actions, pending benefit status, and visitor visa status of noncitizens charged with aggravated felonies.

The INS and the Marshalltown, **Iowa**, Police Department raided a Swift hog processing plant last August and arrested 125 illegal aliens. Swift had contacted the INS because of irregularities that appeared on I-9 employment forms. The company is enrolling in the EVP program in order to reduce the number of illegal aliens hired in the future. INS also conducted two raids at the IBP meatpacking plant in Waterloo, Iowa last summer.

The Glendale, **California** City Council passed an ordinance outlawing solicitation on public streets by laborers or prospective employers to prevent immigrant day laborers from drinking, harassing women, breaking bottles and urinating in public. Violators of the new anti-solicitation law will be charged with a misdemeanor carrying a \$500 fine or six months in jail. The City Council agreed to build an open-air structure with water fountains and bathrooms for the day laborers. Jobs will be assigned to the workers through a lottery, and those not working will be given English classes and job training sponsored by a local charity.

The San Francisco Board of Supervisors voted on December 9, 1996 to make San Francisco a "safety zone" for immigrants. The legislation would prohibit local government officials from denying public benefits on the basis of a persons' immigration status and bar police from inquiring about residence status. In addition to the city's "close your eyes" approach to illegal immigration there will be funds available for those who need translators at public meetings and to anyone who needs help naturalizing.

the 3.06 million immigrant high school dropouts made up one-fifth of all high school dropouts in the labor market in 1990. In contrast, immigrants comprised only one-tenth of all high school dropouts in the labor market in 1980. Thus, the share of immigrant dropouts doubled in just ten years. The March 1995 Current Population Survey (CPS) found that an additional 1.05 million adult high school dropouts immigrated to the United States between 1990 and 1995. While the CPS data do not include an estimate of labor force participation rates, it is reasonable to assume that the majority of these recent immigrants have entered the labor market, given their young average age.

As any student of Economics 101 knows, increasing the supply of a commodity without a corresponding increase in demand reduces the price of that commodity — in this case, unskilled labor. Thus, mass unskilled immigration drives down wages in unskilled occupations by dramatically increasing the supply of workers. Current U.S. immigration policy therefore undermines welfare reform by disallowing a tighter labor market that would increase wages and “make work pay” for unskilled workers — native born and immigrant.

Some proponents of high immigration argue that unskilled immigrants do not compete for jobs with unskilled natives, but instead, take only jobs that natives do not want. However, data from the Census Bureau, the Labor Department and the Immigration and Naturalization Service

show that immigrants are dispersed across all occupations. Moreover, there are no occupations that are majority immigrant — even in the lowest-paying and lowest-skilled occupations, the majority of workers is native born.

Recent economic research also suggests that unskilled immigrants compete for jobs with unskilled natives. David Jaeger found that native-born and immigrant high school dropouts are almost perfect substitutes for one another in the labor market, and so compete for the same jobs. He concluded that half the decline in wages for high school dropouts in the 50 largest U.S. cities is directly attributable to immigration. Harvard economist George Borjas found that immigration was responsible for one-third of the decline

in wages for dropouts nationwide during the 1980s. And my research indicates that, in the early 1990s, immigration caused a ten percent reduction in wages for workers in low-skilled occupations. These are precisely the kind of jobs that long-term welfare recipients will need, as they require few years of formal schooling and little experience.

Some scholars of welfare dependency believe that the low wages available to unskilled workers are not the central problem. New York University professor Lawrence Mead, in his 1992 book, *The New Politics of Poverty*, argues that welfare recipients, particularly the long-term population, lack the values and discipline to find and hold a job. He concedes, however, that the very low wage rates for unskilled labor undermine the incentive to work and make welfare more attractive. He acknowledged in a recent interview that the availability of immigrant workers probably allows employers to be “less patient” than would otherwise be the case with long-term welfare users seeking employment. Thus, even Mead agrees that mass unskilled immigration likely makes welfare reform more difficult.

In addition to the loose labor market, there are other factors hindering the long-term welfare population from moving into jobs, including a lack of affordable health and child care. But, by driving down wages, current U.S. immigration policy exacerbates these other problems by, for instance, pushing health care and child care out of reach for unskilled workers.

Absent a change in immigration policy, the wages and number of low-skilled jobs available likely will continue to decline, making effective welfare reform an almost impossible task. Ironically, shortly before Congress passed the welfare reform law last year, it killed, with the administration’s support, a proposed modest reduction in legal immigration. The illegal immigration law that Congress was able to pass is unlikely to have much impact on the labor market, especially since illegal immigrants comprise less than one-quarter of the total immigrant population in the United States. Whatever one thinks of the new welfare law, the incongruity between immigration policy and welfare policy is stark. ♦

—Steven Camarota

Harvard economist George Borjas found that immigration was responsible for one-third of the decline in wages for dropouts nationwide during the 1980s.

The Foreign Workers Debate

by David S. North

There was a useful, if somewhat frustrating, debate last year on two of the Department of Labor's (DOL) immigration-related programs. One of them grants permanent resident ("green card") status to workers with labor certifications; the other (the H-1B program) permits employers to hire temporary (nonimmigrant) foreign workers.

The debate was touched off by a report from DOL's Office of the Inspector General (IG) which was critical of the lack of protection of U.S. workers by these two programs. The replies came from allies of employers using the labor certification and H-1B programs.

The debate was helpful in that it shed some light on two often obscure programs that have significant impacts on the U.S. labor market. It was frustrating because the two sides focused so much on procedural detail that they not only missed the forest for the trees, but they missed the trees for impassioned discussions of the thickness of the bark on some of the trees. Further, each side could see little but black-and-white in a policy situation rich with patterns and textures of various shades of gray.

As one who has been studying these matters for three decades (I was an Assistant to the U.S. Secretary of Labor when the Bracero Program was disbanded in the 1960s), I sensed a lack of policy context in the recent debate. For example, all the employee-related immigration slots (except for those admitted under the Chinese Student Protection Act, which is another story) came to about 50,000 in FY'94, not including about 50,000 of their accompanying relatives. These 50,000 employment-based immigrants were a small part of the total immigration flow that year of 1.1 million or so (800,000 legal and 300,000 illegal). Given the low average educational attainment of family-preference immigrants, most of these 50,000 had useful educations and/or good connections with U.S. employers. So, on the positive side, these non-nepotistic immigrants were not very numerous and were much more highly skilled than the immigrant population generally.

On the other side of the coin, the process through which they acquired their green cards is expensive and



President Clinton on September 30, 1995 signed into law an omnibus appropriations bill for FY 1997 that included **H.R. 2202, the illegal immigration reform bill** sponsored by Rep. Lamar Smith (R-TX) and now-retired Sen. Alan Simpson (R-WY). The new law focuses on improving border controls, facilitating the deportation of criminal and other deportable aliens, increasing penalties for alien smuggling and document fraud, and streamlining the asylum system. It also establishes voluntary pilot programs to test methods of employment authorization verification and reduces the number of documents used to prove work eligibility (see page 6 for a more detailed analysis of the law's provisions).

The new members of the **House Subcommittee on Immigration and Claims** were announced recently. Republican members include Reps. Lamar Smith (Chairman), Elton Gallegly (CA), Sonny Bono (CA), William Jenkins (TN), Edward Pease (IN), Chris Cannon (UT) and Ed Bryant (TN). Democratic members are Reps. Melvin Watt (Ranking Member - NC), Charles Schumer (NY), Howard Berman (CA), Zoe Lofgren (CA) and Robert Wexler (FL).

The new members of the **Senate Immigration Subcommittee** are Republican Sens. Spencer Abraham (MI - see p. 2), Charles Grassley (IA), Jon Kyl (R-AZ) and Arlen Specter (PA). Democratic members include Edward Kennedy (MA) and Dianne Feinstein (CA) and Richard Durbin (IL).

Despite the fact that some Congressmen and political commentators have predicted that immigration will not be a big issue in the 105th Congress, a plethora of **immigration-related bills** already has been introduced in the House, including proposals to establish an immigration morato-

(Continued on page 13)

IMMIGRATION REVIEW

convoluted, and is a nuisance to the immigrants, to their employers, and to a band of innocent victims — the U.S. workers who responded to advertisements for the jobs that were, in fact, already reserved for specific immigrants, and in most cases, already occupied by those immigrants.

International migration to the United States will continue, though hopefully at something approaching the 1965 Act levels rather than those set by the 1990 Act. As long as it continues, we should want there to be a way that non-relatives with needed skills can come to the United States. A debate of the merits of the Canadian or Australian points system, which (with little regard to the direct petitions of employers or earlier migrants) makes it possible for the talented to migrate, would be useful in U.S. policy considerations. Unfortunately, the DOL and employer debaters were too worried about the thickness of the bark to pay attention to these woods-wide policy issues.

Before discussing the H-1B debate, it is useful to describe the debaters, and speculate a little about them. Joseph E. Fisch, Assistant DOL-IG for Audit, formally issued his 40-page memorandum to Assistant DOL Secretary for Employment and Training, Timothy M. Barnicle, on May 22, 1996. Fisch reported on a survey of DOL documents and site interviews, and writes like a government auditor with a limited policy perspective, but with an interest in U.S. workers.

The critics of the IG's position, who wrote at length in the grand-daddy of immigration-lawyer newsletters, the weekly *Interpreter Releases*, defended the operation of the labor certification and H-1B programs. Some dealt with the audit specifically, and others with the programs generally.

Interpreter Releases took this controversy seriously, and ran lead articles on the subject in four issues in quick succession (May 13, May 20, June 3 and June 10). On May 13, Stuart Anderson, a visiting policy analyst with the Cato Institute, wrote a stiff, point-by-point rebuttal of the DOL audit; he sounds like a bright, perceptive, deeply pro-business ideologue. A week later, Ted J. Chiappari, a New York immigration lawyer, wrote an interesting survey of DOL administrative decisions on disputed H-1B cases in fiscal years 1991 through 1995. The next two issues of the publication started with *really detailed* articles by two more immigration lawyers, the California-based Angelo A. Paparelli and J. Ira Burkemper; their point: employers of foreign workers should hire people with these authors' lawyerly skills to keep the employers out of trouble with government regulators.

These last two lawyers wrote of the dire consequences of crossing Uncle Sam on these issues, while Chiappari discussed the fairly minimal resources used by DOL in the enforcement of the H-1B law. I think, unfortunately, that Chiappari got that part of it right.

All the above, however, again missed the forest for the bark of the trees on the H-1B issues. The big picture is something like this: workers brought into any nation without the right to permanent settlement, like the H-1Bs or most other nonimmigrants, and all illegal aliens, are more likely to be abused in the labor market than other aliens (such as those with labor certification) who can move around the labor market freely. Furthermore, aliens brought to the United States in bunches are more likely to be used to displace U.S. workers, or to depress wages, than those introduced one at a time. The H-1B program can be used either for a single recruitment or a massive one, and it currently makes no distinction between these two uses. (One provision in Congressman Lamar Smith's (R-TX) immigration bill in the House last year sought to move in the direction of such a distinction, but it was removed at the insistence of the pro-business lobby.)

It is when the H-1B program is used to bring in groups of foreign workers — computer programmers, junior engineers and physical therapists are the nonimmigrants *de jour* — that whole departments full of U.S. workers are displaced, and are replaced by low-paid but competent nonimmigrants. This is the most worrisome part of the H-1B (and any other nonimmigrant worker) program; it has been reported heavily in print and broadcast media (e.g., in the *New York Times* and on *60 Minutes*), but this key element has not been discussed much in the on-going debate.



Another missing element: while there are clearly problems with the H-1B program, and DOL's lethargic enforcement efforts, there *are* labor standards in this program. But there are none, for all practical purposes, in the J-1 (exchange visitor) program run by the U.S. Information Agency, or in the numerous nonimmigrant programs (E-1, E-2, F-1, H-3, O, P, Q and others) run directly by the Immigration and Naturalization Service. Not all of those holding the listed visas are working in the U.S. economy, but many are.

Among the more interesting specifics that surfaced during the recent foreign worker debate are these:

- Chiappari pointed out that, in the four fiscal years covered by his H-1B survey, there were only 39 administrative determination letters (from DOL's Wage and Hour Division) and only 24 decisions by Administrative Law Judges (ALJs), or 63 formal enforcement actions in all. In most cases, the ALJs softened the penalties against employers and reduced the backpay owed to the employees, according to the administrative determinations that were appealed. (There were something like 400,000 admissions of H-1Bs during these four years; while this is a very large number, admissions cannot be equated with individuals, as some of these aliens were admitted several times in the course of those years.) Chiappari tended to regard the lack of DOL activity as proof of the lack of abuses, rather than a lack of resources (or energy) to pursue more cases, which I think was the situation.

- The perceptive Anderson noticed that nearly 20 percent of the modest \$1,349,896 in H-1B backwages owed as of July 5, 1995 were owed by three firms in Guam. What he did not say was that the real offshore scandals in nonimmigrant programs are the relentless exploitation of garment and fish-house workers facilitated by the island governments on Saipan and Samoa; the U.S. government has some sway over the situation in Guam, but it has contracted out our immigration policy to local governments in Saipan and Samoa with disastrous results.

- Anderson also makes the point, in reply to DOL's IG, that it is probably better all around that those who secure their green cards through a labor certification are often not still working for the original employer a year later. In other words, if they can move freely in the labor market, they are less likely to be exploited or to cause, directly, the lowering of wages for U.S. resident workers.

- The DOL audit reported a relatively minor incidence (six percent of the sample) of the use of H-1Bs in contracting out (i.e., employment by job shops). This is the pattern that is most likely to lead to abuse, though it is not the only abusive pattern. Similarly, DOL noted only two instances (among the 600 cases studied) in which alien small business people had, in effect, petitioned for visas for themselves. That practice should be outlawed, but it apparently persists.

- The DOL study recommended, as I have for years, that the fees for these labor-related programs be increased, and that they be dedicated to financing



rium, to require a Social Security card that is at least as secure as the new \$100 bill and as a United States passport, to increase sanctions against employers who hire unauthorized workers and enhance enforcement of employer sanctions and labor laws, to eliminate birthright citizenship for the children of illegal immigrants, to make English the official language, and to reform the H-1B temporary worker program so as to protect American workers (see article on p. 1 for more on these proposals).

~~~~~ The lead article in *Immigration Review*, No. 25 describes how President Clinton suddenly and inexplicably rescinded his support for **legal immigration reform** in mid-March 1996 just before the full House voted on an amendment to strike such reform from Rep. Lamar Smith's H.R. 2202. Documents obtained by the *Boston Globe* may help explain the **President's reversal**. According to a January 16, 1997 article by *Globe* reporter Michael Kranish, the reversal followed an "intensive effort" by Democratic National Committee (DNC) vice chairman John Huang "to influence Clinton's immigration policy," and ensure that no new restrictions would be placed on naturalized Asian-Americans' ability to bring to the United States their adult siblings.

Huang is at the center of a controversy over **illegal contributions to the DNC from Asian business interests** and was the host of the "most successful Asian-American political fund-raiser in U.S. history" — a \$12,500-a-head dinner that raised \$1.1 million for the DNC. The DNC already has returned \$1.2 million of \$3.4 million raised by Huang for the 1996 election.

As of late-January 1997, at least three bills have been introduced in the House of Representatives to **bar noncitizens from contributing to federal election campaigns** as a result of this scandal.

enforcement within the programs.

In closing, it is important to stress that U.S. workers — both citizens and currently resident aliens — are rarely considered in the formulating or implementing of immigration policy. The overall problem is one of numbers — of flooding the lower end of the labor market with too many low-skilled, desperate people, including both legal and illegal immigrants. This is a problem that must be addressed. At the same time, we must make an effort to tighten the management of our nonimmigrant worker programs, like the H-1B, as the IG suggests. But we should recognize

such reforms as adding a few threads — important threads — to a larger tapestry. Making immigration policy, like weaving tapestry, is a long and complicated process. ♦

*Mr. North, an Arlington-based immigration researcher, conducted the very first evaluation of the labor certification program in 1971. He also has written extensively on temporary alien (nonimmigrant) worker programs in the United States and elsewhere, and is the author of Soothing the Establishment: The Impact of Foreign-Born Scientists and Engineers on America (Lanham, MD: University Press of America, 1995).*

## Legal Immigration Surges

Preliminary data from the Immigration and Naturalization Service (INS) indicate that legal immigration rose by almost 30 percent in FY 1996—from 716,000 in FY 1995 to 911,000, not including aliens amnestied under the 1986 Immigration Reform and Control Act. INS officials plan to release the final tally of 1996 legal immigration in late March. They estimate that the total could be as high as 920,000. As the accompanying table shows, family-based immigration accounted for over 65 percent of total legal immigration, while employment-based immigration, which grew by 38 percent, accounted for just under 13 percent, according to the preliminary data.

INS projections released last spring indicated that legal immigration would rise by over 40 percent in FY 1996 and continue to rise through FY 1997, after which it would fall slowly to just over 800,000 in FY 2001 (see *Immigration Review*, No. 25, p. 12). The fact that the preliminary FY 1996 numbers fall short of those projections is due at least partially to the growing administrative backlog of 245(i) adjustment applications (see *Immigration Review*, No. 25, p. 9).

| <b>Legal Immigration: FY 1995 and Preliminary FY 1996</b> |                       |                               |
|-----------------------------------------------------------|-----------------------|-------------------------------|
|                                                           | <u><b>FY 1995</b></u> | <u><b>Prelim. FY 1996</b></u> |
| Family-Based                                              | 460,376               | 595,000                       |
| <i>Immediate Relative</i>                                 | 222,254               | 302,000                       |
| <i>Family Preference</i>                                  | 238,122               | 293,000                       |
| Employment-Based                                          | 85,336                | 118,000                       |
| Diversity                                                 | 47,245                | 58,000                        |
| Humanitarian and Other                                    | 123,237               | 140,000                       |
| <b>Total Legal Immigration*</b>                           | <b>716,194</b>        | <b>911,000</b>                |

\* Totals do not include amnestied aliens.

SOURCE:

## Book Review

## Immigrants in the Economy, the Schools and Higher Education

by David Simcox

A review of **The Mixed Economic Progress of Immigrants**, by Robert F. Schoeni, Kevin F. McCarthy and George Vernez (Santa Monica, CA: Rand Center for Research on Immigration Policy, 1996); **How Immigrants Fare in U.S. Education**, by George Vernez and Allan Abrahamse (Santa Monica, CA: Rand Center for Research on Immigration Policy, 1996); and **Immigration and Higher Education: Institutional Responses to Changing Demographics**, by Maryann Jacobi Gray, Elizabeth Rolph and Elan Melamid (Santa Monica, CA: Rand Center for Research on Immigration Policy, 1996).

We owe thanks to Rand's Center for Research on Immigration Policy for these three studies. They are clear, trenchant and mercifully sparse in social science jargon. They define genuine immigration policy questions, and they avoid the panglossian lyricism of the works of some pro-immigration think tanks, including some of Rand's own work on Mexican immigration to California more than a decade ago.

### *Unequal Performance of the Foreign Born in the Labor Markets and Education*

The very title of Rand's sober study of *The Mixed Economic Progress of Immigrants* typifies the turn of many immigration scholars in the past decade away from a faith in the unvarying economic progress of immigrants, regardless of the settlers' cultural and educational handicaps. The study confirms once again that European and some Asian immigrant groups (particularly Japanese, Koreans and Chinese), aided by years of schooling comparable to or better than natives, are doing well indeed in the U.S. economic race.

Immigrants from Canada and Europe adjust best: they start out with earnings only slightly lower than those of natives, and within five to ten years overtake them. While immigrants from Japan, Korea and China start out further behind natives in earnings, within seven to 12 years they catch up. But not all Asian groups are winners. Philippine immigrants, for example, show slower wage growth over their lifetimes.

According to the study, which echoes the work of Harvard economist George Borjas, it is immigrants from Mexico and Central America that have lagged most seriously. They receive substantially lower wages than natives when they enter the work force and the rate of their wage growth thereafter is slow. Mexicans, and to some extent Central Americans, perform poorly in the economy, even after controlling for years of education, leading the researchers to conclude that the quality and assimilating effect of education are major factors, with distinct competitive advantages going to those immigrants with the greatest amount of U.S. education.

Rand's study also found that immigrants from the Middle East and the rest of Asia on one hand, and from Africa, the Caribbean, South America and Oceania on the other, when assessed as two discrete groups, generally caught up with natives in their earnings within ten years. The researchers, however, cautioned about the validity of observations on such diverse populations lumped artificially into two groups.

### *Immigration Reverses California's Skills Balance*

Rand's researchers make a special contribution by examining how immigrant groups are faring in the State of California, the residence of choice of nearly a third of all newcomers. The high concentration there of Mexican and Central American immigrants presents a more unbalanced and troubling picture.

More than three decades of heavy immigration from Mexico and Central America have left California with a disproportionate share of the nation's poorly educated workers. By 1990, 85 percent of all male workers in the state with fewer than nine years of education were immigrants. The effect was a complete turn-about in the distribution of skills in the state over three decades. In 1970, workers in the United States as a whole were 50 percent more likely than those in California to be among the least skilled. By 1990 there was a total reversal; workers in California are 50 percent more likely to be low-skilled than those in the United States at large. California's changing skills profile has been offset somewhat by the settlement there of a sizable share of highly skilled immigrants.

Because of the declining human capital of a major sector of the immigrant flow, in the United States, but most markedly in California, earnings of immigrants relative to natives have declined substantially. In California, immigrants now dominate low-skill employment. As the gap between low- and high-skill wages has grown in the last 20 years — a gap aggravated by low-skill immigration — a substantial share of California's immigrant labor force is earning less than native-born workers. Low-skill immigrants also are finding it more difficult to be assimilated into California's labor markets because of job competition from other immigrants.

This outcome points to a troubling stratification among wage earners in California — and ultimately other immigrant-impacted regions — by such determinants as language, nationality, recency of arrival or whether schooled in the United States or abroad, as well as by race and class.

*The Mixed Economic Progress of Immigrants* concludes that immigrants in general are not assimilating any faster. They have not shortened the time it takes them to catch-up with the wages of natives. For most Asian and European immigrants, who close their wage gap with natives quickly, this is no problem. For Mexicans and Central Americans it means that the persistent wage gap they have experienced historically will not close in the foreseeable future.

Data biases in the study may make even this grim picture unduly bright. Rand's study is based on immigrant men only, so the typically lower wages of women immigrants stemming from discrimination, weaker education and experience, and family obligations do not have their customary weight in these findings.

While Rand's study of economic progress does not go into why the assimilation machinery of U.S. society seems to be bogging down, the findings of its second study, *How Immigrants Fare in U.S. Education*, point up the educational travails that account, in part, for the poor labor market performance of Hispanics in the first study.

*How Immigrants Fare* finds that those newcomers who get in and remain in the U.S. public school system have equalled or exceeded the educational attainment of native youth. Those immigrants are more likely than natives to take college preparatory courses, just as likely or more likely to graduate from high school in within four years from their sophomore year, and more likely than their native counterparts to attend college and remain there continuously for four years. And they are likely to have parents with higher expectations of college attendance for their children than do native-born Americans.

## ***Hispanics: Dropping Out of School, or Not Dropping In?***

**A**s in the labor market competition, Asian and White immigrants, in that order, are the best performers in school, while Hispanics, mainly Mexicans, lag seriously. In 1990, one of every four immigrants from Mexico of high school age was not in school, a rate markedly higher than that of other immigrants and Mexican-Americans. The study attributes the low Mexican high school participation rate not to dropping out, but to "not dropping in in the first place" — not enrolling at all because of the inability to catch up or the need to support themselves and their families.

Rand's scholars find reason for concern in the large educational gap between Hispanics and other ethnic groups. A quarter-century of high immigration is making Hispanics the nation's largest minority, with one out of three high school students in California now of Hispanic origin. The authors correctly warn that the educational success of Hispanics in the future will determine the quality of the labor force and the demand for public services in key states of the country. But the remedies the authors seem to have in mind would involve expensive financial assistance and special educational programs to native and foreign-born Hispanics, with no suggestion of slowing the immigration inflow.



The data used for the study, a longitudinal survey of high school students between 1980 and 1986, raises questions about the timeliness and current relevance of the findings. Information about the educational experience of the decade of foreign-born students passing through U.S. high schools into colleges since 1986 might have been even more negatively affected than is suggested here by the high Mexican and Central American illegal immigration streams of the late 1980s and early '90s and the continued decline of public education in major U.S. urban centers in that same period. A quick glance at the crisis-ridden New York City public schools shows them to be significantly more crowded now by immigration and high birthrates among the city's foreign born than a decade ago.

## *American Universities: Rising Diversity Means Changing Assumptions*

The perspective of Rand's third study, *Immigration and Higher Education*, is not the performance or needs of the immigrants themselves, but how the nation's colleges and universities are coping in the 1990s with rising enrollments of immigrants and the special policy issues their presence raises.

The report consists of case studies of 14 two- and four-year institutions with large enrollments of immigrants. The institutions were hardly representative: all were large — over 14,000 students; most were public; and no institutions in Texas were included because of the unique nature of the large Mexican immigrant enrollment there.

Immigrants were defined as those foreign born who are permanent residents or on the track to permanent residence, such as refugees. Although now numbering more than 400,000 nationally, foreign students on temporary "nonimmigrant" visas were excluded from the study (though a third or more of them will ultimately settle in the United States), since their support systems supposedly differ from those of regular immigrants.

## *Disadvantaged Immigrants or Immigrants vs. the Disadvantaged?*

The researchers found that the large and diverse immigrant population of students highlighted what they called "pivotal, unresolved tensions facing the

higher education sector." Among the strains is a complex of questions produced by growing campus diversity, such as the entitlement of immigrants to blanket "disadvantaged" status and to special support programs, and the displacement of truly disadvantaged native minorities from racially-based support programs by more gifted immigrants. The study notes:

*Displacement may occur either within or between ethnic groups. An example of the former is the possibility...that programs designed to recruit and enroll African-American students are increasingly serving Caribbean immigrants. On some campuses special admissions programs intended to provide access for a small number of promising students whose grades or test scores fall below official criteria are increasingly servicing Asian immigrants with low verbal but high quantitative scores rather than the intended native-born students (p.100).*

Respondents to Rand's survey feared that special support programs for immigrants, whose problems they considered no more serious than many other students, would worsen campus fragmentation. Other points of tension highlighted by the heavy immigrant presence were English language deficiency and the universities' responsibilities for remedying it; the "fairness" of English competency tests to immigrants; and conflict between immigrant students' cultural traditions and institutional values rooted in Western cultural tradition.

The study finds that while these strains still are not a crisis, left unaddressed they are likely to increase and bring on intervention by state legislators or other outside policymakers — presumably the worst fear of university administrators. Yet many of the very issues identified here are increasingly hot in the public arena, partaking of current controversies over affirmative action, rising costs of public education, language unity and shrinking voter commitment to public assistance for immigrants.

The study's exclusion of Texas universities and nonimmigrant foreign students probably makes the problems encountered seem less acute than they really are. The question of the fiscal cost of providing public higher education to often unprepared immigrants is nowhere addressed. All of these are issues too important to be left to academicians. ♦

*Mr. Simcox is Chairman of the Board of the Center for Immigration Studies.*

## Book Review

## Urban Labor Markets: Immigrants vs. African Americans

by Dr. Frank L. Morris

A review of **Still the Promised City?**, by Roger Waldinger (Cambridge: Harvard University Press, 1996).

**S***till the Promised City?* is a hard-hitting, well-researched work that challenges and scrutinizes many of the accepted theories and assumptions about urban job and labor markets. Using New York City as a case study, Waldinger provides important insight into how urban public and private labor markets have absorbed the large increase in immigrant workers over the last generation, and the impact of this increase on African Americans.

The greatest contribution of this book is the documentation, through rigorous historical analysis, of how most immigrant groups have succeeded economically: by finding particular occupational niches, from which they can then consolidate their economic gains. One of the most common ways in which immigrant groups have sought to preserve economic gains is by reserving access to their occupational niche to only members of their ethnic group. The book documents the fact that conflict often is inherent either in establishing occupational niches, if other ethnic groups are competing for the same niches (often in public sector employment or competitive private sector fields, such as construction or the garment industry), or in protecting an established niche from access by other ethnic groups seeking a foothold.

*Still the Promised City?* is a must read for anyone interested in African American urban employment and the potential for ethnic conflicts resulting from employment-related issues. Waldinger examines whether high Black urban unemployment is more a result of declining industrial and manufacturing jobs, or of intense low-wage immigrant competition and racial discrimination. He also examines whether the often-blamed weakness of African American educational and training capabilities could account for their seeming inability to adjust to the changing local economy as efficiently as recent immigrant groups. He finds that the assumption that African American workers suffer disproportionately higher urban unemployment than immigrants because of less education or skills simply is not true. African Americans should have a competitive advantage over most immigrants because of Blacks' generally higher educational attainment and better English skills.

To his credit, Waldinger recognizes that, to understand why African Americans are concentrated in public sector work, one must thoroughly examine the extensive racism and barriers to their participation in both the private and public sectors going back over many generations. However, he does not em-

phasize adequately that the African American niche in certain New York City government jobs developed as large numbers of European immigrants abandoned these positions when better opportunities became available in the private sector.

Waldinger correctly points out that racial barriers continue to this day in both public sector niches, such as the New York City Fire Department, and private sector niches, such as the construction industry. He finds that the collective experience of past and present denial to African Americans of access to the most lucrative restaurant industry jobs, such as waiter and bartender positions, helps explain the low participation rate of Blacks in this industry.

Waldinger's use of New York City as a case study limits the broader applicability of some of his conclusions. For example, he takes great pains to point out the fact that African Americans never were able to establish niches in New York City's manufacturing sector because it was controlled largely by white immigrant groups. Thus, the decline of the manufacturing industry over the last generation did not affect African Americans in New York as greatly as it did in other parts of the country, especially in the midwest and north central states, where Blacks held a much larger share of manufacturing jobs.

In comparing the experiences of African Americans and immigrants in New York City, Waldinger notes that many immigrants enter the United States

with a labor market advantage over African Americans because they can benefit immediately from the already-established immigrant occupational niches. Furthermore, many immigrants arrive with the knowledge that they can depend on the established immi-

grant community as clientele for a successful small business operation. The absence of successful African American small business owners as role models is an additional barrier to Blacks' entry into private sector economic niches.

The greatest weakness of *Still the Promised City?* is that Waldinger does not fully understand the cumulative effects of

the generations of racial discrimination experienced by African Americans, especially when compared to the immigrant experience. He assumes that employers do not differentiate in hiring, purchasing or contracting decisions between African Americans and immigrants of color. However, he quotes individuals who attribute positive stereotypes to black West Indians while attributing negative ones to African Americans. This would seem to indicate that employers may prefer immigrants of whatever color to African Americans. If this is the case, African Americans will continue to be denied entry into certain occupations while immigrants are hired, just as, according to Waldinger, they were denied entry into the skilled trades in New York over the last century because European immigrants were preferred. ♦

*Dr. Morris is a professor at the University of Texas at Dallas and a Board member of the Center for Immigration Studies.*



## Immigration Reading



***What is the Relationship Between Income Inequality and Immigration?***, by John L. Martin (Washington, DC: Federation for American Immigration Reform, 1996). Martin uses 1990 Census data to show that metropolitan areas with smaller immigrant populations have higher shares of middle-income households, and that areas with larger immigrant populations have fewer middle-income households.



***Americans No More: The Death of Citizenship***, by Georgie Anne Geyer (New York: Grove/Atlantic Inc., 1996). At a time when the INS is naturalizing more citizens than any other time in our history, Geyer examines the factors that contribute to the devaluation of citizenship in American society.



***Rights Across Borders: Immigration and the Decline of Citizenship***, by David Jacobson (Baltimore: The Johns Hopkins Press, 1996). Jacobson attributes to immigration the blurring of the distinctions between citizens and noncitizens and discusses the impact of this on the concept of the nation-state.



***Origins and Destinies: Immigration, Race and Ethnicity in America***, edited by Silvia Pedraza and Ruben G. Rumbaut (Belmont: Wadsworth Publishing, 1996). This is a collection of 36 essays by prominent scholars exploring immigration, race and ethnicity in historical and contemporary America.



***The Price of Immigration: Can We Still Afford to be a Nation of Immigrants?***, by David M. Kennedy and ***The New Economics of Immigration***, by George J. Borjas (in *The Atlantic Monthly*, November 1996). Kennedy highlights the differences between the current immigration wave and the one at the turn of the century, but then concludes that immigration is still beneficial to the United States. Borjas provides an alternative view, citing economic research to show that current immigration levels disproportionately harm poor Americans.



The Center for Immigration Studies  
1522 K Street, N.W.  
Suite 820  
Washington, D.C. 20005  
(202) 466-8185

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