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Immigration Policy: Political or Economic?

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Abstract

Our politically dominated immigration policy is counter to our nation's labor needs and exacerbates our worst racial and income disparities. An economically sound immigration policy would secure our national well-being.

Keywords

labor market, United States, employment, immigration, public policy, labor supply, labor demand

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Immigration Policy: Political or Economic?

Vernon M. Briggs, Jr.

Our politically dominated immigration policy is counter to our nation's labor needs and exacerbates our worst racial and income disparities. An economically sound immigration policy would secure our national well-being.

As the United States enters the last decade of the twentieth century, its labor market is in transformation. New forces that are restructuring the nation's employment patterns are altering the demand for labor. At the same time, the labor supply is in a period of rapid growth in size and unprecedented changes in composition. Assessing the evolving situation, then 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." Many other knowledgeable observers have expressed similar concerns. The nature of the workforce 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 multiracial and multicultural makeup of the population, to the prospects for maintaining domestic tranquility.

The forces altering the nature of labor demand in the United States are the same confronting all industrialized nations. They are associated with the pace of technological change, the expansion of international trade and shifts in consumer spending preferences. Conceivably, the effects of reduced military spending may soon be added to the list. The consequences of these influences are reshaping the nation's occupational, industrial, and geographic employment patterns. 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.

The concurrent forces being exerted on the supply of labor, however, constitute a uniquely American experience. Over the twelve-year period ending in 1988, the U.S. labor force increased 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 nations, compared with the United States, ranged from minimal to modest.

Even more significant than the rapid growth of the U.S. labor force are the differential growth rates of its component groups, depicted in Table 2. Women have accounted for two-thirds of the increase in workers since the mid-1970s and are projected to do the same during the 1990s. Minorities (blacks, Hispanics, and Asians) are sustaining growth rates that greatly exceed those of whites, which means that their respective proportions of the labor force are increasing while the proportion of whites is shrinking. And black males continue to experience the greatest employment difficulty: black males have the lowest labor force participation rates. Blacks are the only racial or ethnic group in which the absolute number of female workers exceeds that of male workers—a pattern that, as Table 2 shows, is projected to worsen.

Women in general and minorities in particular (with the possible exception of Asian Americans) have had fewer opportunities to be trained, educated, or prepared for the occupations that are forecasted to increase most in the coming decade. They are disproportionately concentrated in occupations and industries already in decline or most vulnerable to decline in the near future. None of the nation's major international competitors are faced with

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Table 1

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

	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.

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Table 2 **Civilian Labor Force and Participation Rates by Sex, Race, and Hispanic Origin*, 1976 and 1988, and Moderate Growth Projections to 2000**

Group	Participation Rate (%)			Level (in thousands)			Change (in thousands)		Percent Change		Growth Rate	
	1976	1988	2000	1976	1988	2000	1976-88	1988-2000	1976-1988	1988-2000	1976-1988	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	0.9
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	0.7
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

* Persons of Hispanic origin may be of any race.

Source: U.S. Department of Labor.

comparable pressures 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.

Historic role of immigration policy

For present purposes, however, concern is about the one element that impinges on the size and diversity of the U.S. labor force and 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 that continues to distinguish the United States from other industrialized nations is that "immigration continues to flow at a rate unknown elsewhere in the world."

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

In general, immigration policy prior to World War I was consistent with economic development trends and labor force requirements of the United States. Throughout its first century, the country had neither ceilings nor screening restrictions on the number and type of people permitted to enter for permanent settlement. In this preindustrial stage, the economy was dominated by agricultural production. Most jobs required little training or educational preparation. Policymakers did not need to concern themselves with human resource preparation issues. Because a vast amount of land 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 later decades of the nineteenth century, the newly introduced technology of mechanization required mainly unskilled workers to fill manufacturing jobs in the nation's expanding urban labor markets. The same can be said of the other employment growth sectors of mining, construction, and transportation. Pools of citizen workers existed who could have been incorporated to meet those needs — most notably the recently freed blacks of the former slave economies of the rural South. But 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 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 nineteenth century and the first two decades of the twentieth century was also consistent with the labor market needs of the nation. Jobs created during this expansive era typically required little in the way of skill, education, literacy, or fluency in English from the workforce. The enormous supply of immigrants who came during this time generally lacked these human capital attributes but nonetheless reasonably matched the prevailing demand for labor. The technology of that period asked little in the way of human resource preparation. Available jobs required mainly blood, sweat, and tears, and most immigrants as well as most native-born workers amply provided all three.

Beginning with the outbreak of World War I, however, the nation experienced a sharp contraction in immigration. After the war, the United States imposed its first quantitative screening on the number of immigrants to be admitted. Moreover, the pervasive negative social reactions to many of the new ethnic groups also led to the adoption of overtly discriminatory qualitative restrictions. 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 Europe, disfavored all other Europeans, banned virtually all Asians, and ignored most Africans. Immigration from the Western Hemisphere, however, was not included in the ceiling or

the national origin quotas. It has only been since 1968 that Western Hemisphere immigration has been subject to prevailing immigration ceilings and their admission provisions.

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. Assembly line technology, however, still required largely unskilled workers. To meet these needs, employers had to turn to domestic labor surpluses. They found these pools of underutilized workers in the nation's massive rural economy. During the 1920s, the rural population declined for the first time. 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, the South, and the 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, providing access to a wide array of jobs that were hitherto unavailable to these domestic sources of labor. These inclusive developments occurred when even the low entry quotas of prevailing immigration laws were not being met.

The pent-up demand for products and the forced saving of the World War II era led to economic prosperity in the 1950s. During this period of general affluence, the United States was finally forced to confront the legacy of racial inequality that had plagued it since its inception. The Civil Rights movement was launched in earnest and soon spread throughout the South and elsewhere, culminating in passage of the Civil Rights Act of 1964. This legislation sustained the principle that overt racism would no longer be tolerated. It was only logical that the next step would be to purge racist practices from the nation's relations with the external world.

Noneconomic focus of new policy

Enactment of the Immigration Act of 1965 ended the era of using immigration for racial and ethnic discrimination. It also ushered in the era of mass immigration that has continued to this day. Virtually dormant for more than forty years, this sleeping giant from America's past was aroused. Instead of seizing the opportunity to craft a new immigration policy to meet some positive definition of the public interest, however, Congress created a policy aimed primarily at fulfilling the private interests of its legal residents. It sharply increased immigration levels and adopted a politically popular new admission system based on the concept of family reunification; 80 percent of total visas available each year were reserved for various categories of adult relatives and extended family members of American citizens. In addition, immediate family members (spouses, minor children and parents) of each adult visa holder were made exempt from all quotas and were usually admitted automatically. In other words, noneconomic considerations held sway as the guiding principle for designing the nation's revised immigration policy.

In response to mounting humanitarian pressures and difficulties in accommodating refugees under the legal immigration system, Congress passed the Refugee Act of 1980. This bill separated refugee admissions from the legal immigration system and, in the process, created a new entry route with 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, who has the authority to set the number of refugees to be admitted each year after a largely *pro forma* consultation with Congress. Subsequent annual figures have ranged from a low of 67,000 refugees in 1986 to a high of 217,000 refugees in 1981. The admission figure for 1991 was 131,000. Obviously, no labor market test is applied to refugee admissions. The preponderance of refugees since 1980 have been from Third World nations in Asia, the Caribbean area, and Central America. Most have been deficient in their levels of skill, education, and English language proficiency. Many have clustered together in a handful of urban enclaves.

The complex admission systems for both legal immigrants and refugees have proved easy to circumvent, however. Illegal immigration has flourished, and because of its nature, the exact number of illegal immigrants can

never be known. Official estimates are that in the 1980s the flow was about 200,000 a year, but this figure is suspected of being far too low. Apprehensions—admittedly a poor indicator—have soared from 110,000 in 1965 to a high of 1.7 million in 1986. The figure for 1990 was 1,087,786. Despite four generous amnesty programs in 1986 in which a combined total of more than 3.2 million illegal immigrants were allowed to legalize their status, it is believed that there are still close to 4 million illegal immigrants in the United States and that their ranks mount by the day. Of course, illegal immigrants enter without regard to their preparation for available jobs or to the effect they might have on citizen workers with comparable skills or education. Likewise, no labor qualifications were imposed on the amnesty recipients whose entry into the labor force has now been legitimized. As with refugees, most illegal immigrants and amnesty recipients have been from less economically developed nations, and suffer deficiencies in their skills training, education, and ability to speak English. They, too, have tended to cluster in enclaves—mainly in urban areas but also in some rural communities where labor-intensive agricultural methods prevail.

Finally, the immigration system permits certain foreign workers to be employed in the United States under specified labor market circumstances. Known as nonimmigrant workers, their numbers have been growing steadily and are now in excess of 300,000 a year. There are no annual ceilings on the total number of nonimmigrant workers who can be admitted. They are employed in a variety of occupations, ranging from agricultural workers to nurses, engineers, professors, and scientists. Most nonimmigrant workers can be admitted only if qualified citizen workers cannot be found. But typically, merely perfunctory checks are made to test for citizen availability. Supposedly the nonimmigrant workers are admitted only for temporary periods, but their visas can be extended in some cases for up to five years. The increasing dependence of U.S. employers on nonimmigrant workers is a symptom that something is seriously wrong with the current 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 contrary to national welfare

In altering admission standards and enlarging the scale of immigration flows since 1965, no one foresaw that the U.S. economy was entering a new phase of fundamental change. Even after the new employment trends became evident, the congressional committees responsible for designing immigration policy essentially ignored them. Therefore, it can be said unequivocally that, for the first time in the nation's history, immigration policy not only is inconsistent with labor force needs but also may be counterproductive to the country's welfare.

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

The labor market effects of the politically driven immigration system are twofold. Some immigrant and nonimmigrant workers have human resource endowments that are quite congruent with labor market conditions currently dictated by the economy's needs, and some are desperately needed because of the appalling lack of attention paid by policymakers to the adequate preparation of citizens for that labor market. But many do not. The majority must seek employment in declining sectors of goods-producing industries (such as agriculture and light manufacturing) or low-wage sectors of the expanding service sector (like restaurants, lodgings, and retail enterprises). Such immigrants — especially those who have entered illegally — are a major reason for the revival of "sweat shop" enterprises and the upsurge in the child labor violations reported in the nation's urban centers. The revival of such Third World working conditions in many cities is nothing for America to be proud of, regardless of whether these immigrants actually displace citizen workers in exploitive work situations.

Unfortunately, many citizen workers who are among the urban working poor or underclass are also to be found in many of the same declining occupations and industries. A disproportionately high number of these citizens are minorities—especially young people and women. As these citizen groups grow in both absolute and percentage terms, the logic of fair play would say that they should have the first claim on available jobs and opportunities for employment preparation. The last thing these citizen groups need is more competition from immigrants for the declining number of low-skill jobs that provide a livable income or for the limited opportunities for training and education that are available to low-income workers.

A legislated retreat from reality

On the last day of its legislative session, the 101st Congress passed the Immigration Act of 1990. President Bush signed it into law on November 29, 1990. Although its terms indicate more awareness of potential labor market effects than does extant immigration law, its primary focus is on increasing the quantity of immigrants. When the new law takes effect on October 1, 1991, legal immigration will increase by more than 35 percent over present levels to 700,000 people a year. Like the law it replaces, the new law gives short shrift to the specific human capital endowments of those to be admitted or to the general labor market conditions of the U.S. economy that may 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 under the present law. Hence, there is no real change in policy focus.

Actually, the use of the 140,000 figure to indicate the number of work-related immigrants to be admitted each year is a gross overstatement of what the law actually provides. This is because the work-related slots include not only the eligible workers themselves but also their "accompanying family members." As a result, the number of actual needed workers specifically admitted under the work-related provisions will be far fewer — perhaps only one-third or less of the total annual figure of 140,000 admissions. It is likely, therefore, that the majority of those admitted under the work-related provisions will actually be admitted only because they too are family members. Moreover, any work-related slots that are not used in any given year are to be added to those slots available solely for family-related admissions.

In addition, the law introduces questionable new entry routes, especially for "investor immigrants" who can now "buy their way in." It also resurrects one of the most reprehensible features of U.S. immigration history: "diversity immigrants"—the use of national origin criteria for admission. Many Americans, for instance, will be shocked to learn that 40 percent of the 40,000 diversity visas for each of the next three years are specifically reserved for immigrants from one country—Ireland.

By any fair reading the new immigration law can only be seen as a retreat from any quest to tailor immigration policy to labor market needs.

The U.S. labor market does not face a shortage of labor *per se*. The labor force is conservatively projected to grow by an annual average of 1.6 million workers to the year 2000—or by 19.5 million workers over the decade, as shown in Table 2. Moreover, this "official" projection grossly understated immigration flows at the time it was made and has become obsolete by subsequent legislative developments. The Department of Labor projection estimated that 100,000 illegal immigrants a year would enter the country when the figure is now known to exceed this by several multiples; it made no allowance for the more than 3 million former illegal immigrants who received approval of their amnesty petitions since 1988 or for the subsequent family reunification implications associated with their admission; it used an estimate of annual legal immigration of 400,000 a year when the figure has been closer to 500,000 immigrants and will rise to 700,000 when the Immigration Act of 1990 takes effect in late 1991;

and it totally omitted any allowance for annual admission of refugees. In fact, in 1989 the total number of immigrants from all sources admitted for permanent residence was 1,090,924—the highest figure for any single year since 1914. And this figure did not include any estimate of the additional illegal immigrant flow, or of the growing number of nonimmigrants permitted to work in the United States on a temporary basis during that year, or of refugees who must wait one year before they can adjust their status to become resident aliens.

In the context of a continuation of significant labor force growth, and with persistent unemployment rates already in the high 6 percent range, it is inconceivable that the United States will have a shortage of potential workers in the 1990s. What the nation faces is a shortage of qualified labor. In this case, the appropriate remedy 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 workplace. In other words, the real need is for an expanded national human resource development policy for citizen workers, not for a continuing increase in immigrants who are admitted mainly without regard to their human capital attributes.

No technologically advanced industrial nation that has 27 million illiterate and another 20-40 million marginally literate adults need fear a shortage of unskilled workers in its foreseeable future. Indeed, immigration—especially that of illegal immigrants, recent amnesty recipients and refugees—is a major contributor to the growth of adult illiteracy in the United States. To this degree, immigration, by adding to the surplus of illiterate adult job seekers, is serving to diminish the limited opportunities for poorly prepared citizens to find jobs or to improve their employability by on-the-job training. It is not surprising, therefore, that the underground economy is thriving in many urban centers. Moreover, the nature of the overall immigration and refugee flow is also contributing to the need for localities to expand funding for remedial education and 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 is much higher and the educational attainment levels significantly lower for blacks and Hispanics than for non-Hispanic whites and Asians. In addition, blacks and Hispanics are disproportionately employed in industries and occupations already in sharpest decline—the goods-producing industries and blue-collar occupations. Thus, the most rapidly increasing groups in the labor force are precisely those most adversely at risk from the changing employment requirements. 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, will have dim employment and income prospects in the emerging postindustrial economy.

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

In other words, a substantial human reserve of potential citizen workers already exists. If their human resource development needs were addressed comprehensively, they could provide an ample supply of workers for the labor force needs of the 1990s and beyond. 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 workforce participants. As matters stand, immigration policy represents a major obstacle to the achievement of a politically stable, fully employed and truly equitable society.

Appropriate federal policy

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

In this context, the appropriate role of immigration policy is clear. Immigration policy must be made strictly accountable for its economic consequences. It should be a targeted and flexible policy 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 number needed. Immigration should never be allowed to dampen two types of market pressures: (1) those needed to encourage citizen workers to invest in preparing for vocations that are expanding; and (2) those needed to ensure that government bodies provide the requisite human resource development to prepare citizens for the new types of jobs that are emerging.

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

Legal entry should be restricted to skilled and educated immigrants because America has an abundance of unskilled and poorly prepared would-be workers. With job prospects for unskilled and semiskilled workers becoming dimmer by the day, long-term human resource strategy must be predicated on ways to enhance the employability of workers facing reduced demand for their services and to prevent future would-be workers from facing such dismal prospects. That too many of those lacking sufficient skills and education are from the nation's growing minority populations only adds urgency to this domestic challenge. The United States cannot allow the labor force to continue to polarize along racial and class lines if it hopes to prosper and persevere.

Obviously, refugees will continue to be admitted without regard to labor market criteria. Nonetheless, it behooves the federal government to provide all financial assistance necessary to prepare refugees to meet employment requirements of the local communities in which they are settled.

Refugees are admitted as the result of federal government policy decisions, and the government alone should bear the full financial costs associated with their job preparation. It is also imperative to strengthen federal policy in order to reduce illegal immigration. To accomplish this, it will be necessary to tighten restrictions on the use of fraudulent documents, to devote more funds and human resources to enforcement of employer sanctions, and to introduce penalties on apprehended illegal immigrants found to be employed.

The national goal of all elements of the U.S. human resource development policy must be to build a high wage, high-productivity labor force along the lines being pursued by Japan and West Germany. In the process, shortages of qualified labor offer America a rare chance to reduce its persistently high levels of unemployment, to improve the lot of its working poor, and to rid itself of a large underclass. These shortages can force public human resource development policy and private sector employment practices to focus on the need to incorporate into the mainstream economy many citizens who have been left out in the past.

In this precise context, William Aramondy, president of the United Way, recently said, "We have the biggest single opportunity in our history to address two hundred years of unfairness to blacks. If we don't, God condemn us for blowing the chance." The major threat to the opportunity he correctly identified is perpetuation of

the nation's politically dominated immigration policy. Immigration policy must cease being a cause of U.S. economic problems and instead be redirected to become a source of solutions.