Both the current immigration debate and immigration itself have changed in recent years and require changes in thinking about immigration and the architecture of U.S. immigration laws. In California, which receives about a third of all immigrants, voters and state leaders have shifted from viewing immigration as a net benefit to focusing on the costs of immigration to taxpayers. Contributing to such changing attitudes are the following changes in immigration: (1) a rapid increase in immigration over the last decade; (2) decline in the educational level of immigrants relative to the U.S. population; (3) shift in countries of origin and greater diversity of origins; (4) increasing labor force participation of female immigrants; and (5) increased geographic concentration of immigrants in California, Florida, New York, Illinois, and Texas. In addition, the receiving environment is undergoing such changes as slowing employment growth due to worldwide economic change, the inability or unwillingness of all levels of government to cover increasing costs of health services and effective schooling, government gridlock, and growing income and wage disparities. These concurrent changes have rekindled latent concerns about the costs of sustained large scale immigration. Immigrants make their largest service demand on education, which also represents the largest component of state budgets and a significant portion of local budgets. Five principles are outlined to form a new framework for guiding immigration policies. (SV)
Undocumented Immigration

An Irritant or Significant Problem in U.S.-Mexico Relations?

Georges Vernez

Reprinted from The Mexican Labor Migration to the United States of America: A Bilateral Perspective from Mexico
Undocumented Immigration

An Irritant or Significant Problem in U.S.-Mexico Relations?

Georges Vernez

Reprinted from The Mexican Labor Migration to the United States of America: A Bilateral Perspective from Mexico
UNDOCUMENTED IMMIGRATION:
AN IRRITANT OR SIGNIFICANT PROBLEM
IN U.S.-MEXICO RELATIONS?

Georges Vernez

Renewed debate over immigration in the United States

Only three years after completion by the U.S. Congress of a comprehensive overhaul of our immigration laws, the country once again is in the midst of a negative debate about the effects of immigration in general, and undocumented immigration in particular. This is all the more surprising because the last debate preceding passage of the Immigration Act of 1990 supported increased levels of immigration. It took place with relatively little acrimony and was dominated by growing concerns that legal immigration was not sufficiently responsive to the nation’s needs for labor. Immigration advocates and business joined forces in support of a 50 percent increase in the number of visas subject to worldwide limitations while maintaining unrestricted entry for immediate family members. This change — coupled with a steady increase in the ceilings for refugee admissions, an increase in each individual country’s quota from 20,000 to 47,000, and the establishment of a “temporary protected immigration status” for a selected group of undocumented immigrants — suggest that the United States can expect an excess of 1 million immigrants annually throughout the 1990s. Ten to twenty percent of these are expected to be undocumented immigrants.

Ambivalence and turn around in support of immigration in general, and tolerance of undocumented immigration in particular, are not new in the United States. It has led to occasional U.S. enforcement crackdowns — when the volume peaked and apparently became “intolerable.” The Immigration and Naturalization


Service conducted its first reported crackdown in 1929, when an estimated 100,000 or more undocumented immigrants were crossing the border yearly. After World War II, undocumented immigration resumed, and competition with the Bracero program led to another crackdown in the 1950s. As a result, more than 1 million undocumented immigrants were deported in 1954. Following a hiatus of more than 20 years, undocumented immigration became an issue, once more, when net undocumented immigration into the U.S. increased from an estimated 23,000 annually by 1970 to 112,000 annually by 1980. It led to the passage of the Immigration and Control Act (IRCA) of 1986 after an acrimonious debate that lasted nearly 6 years. IRCA sought to stem undocumented immigration by making it illegal for employers to hire undocumented immigrants, a path taken earlier by European nations and by Mexico as well. Although IRCA’s employer sanctions have been in effect for 6 years, analysts generally agree that the sanctions have only modestly reduced entries of undocumented immigrants, if at all, for two main reasons: (1) a relatively low level of enforcement; and (2) the ease with which one or more of the 19 different acceptable proofs of “work authorization” can be falsified and obtained in the black market.

Could it be then that today’s negative debate on immigration is simply part of this cycle of loosening and then hardening attitudes towards immigration? Possible. If so, and in spite of the tough talk of some politicians, it could lead to some benign actions that will leave the architecture of U.S. immigration laws pretty much untouched and will once again recede in the background.

But there are reasons to believe that this may not be the case. In this essay, I will argue that the nature of the current debate and immigration phenomenon is qualitatively, as well as quantitatively, different and requires changes in the way we think about migration on both sides of the border and in the architecture of U.S. immigration laws. The next section outlines the significant changes that are altering the views about immigration in the United States. The third section takes note that the phenomenon we are experiencing in the United States is part of a worldwide phenomenon. In conclusion, we outline some principles that might guide the development of a new architecture for U.S. immigration policies.

A Changed environment

A politically significant change in the U.S. debate on immigration is that California and its representatives at the national and state levels have joined their voices to those

---

who are emphasizing the costs of immigration, and particularly undocumented immigration. In other words, California has changed sides in the immigration debate.

Until a year or two ago and several decades before that, immigration in California was generally perceived as a net benefit, if not a bonanza. Study after study stressed the net increase in aggregate income for the nation and California as a whole brought about by immigration and generally found little negative effects on wages or employment opportunities for native born, particularly in the long-run, if not always in the short run. And, the state, its leadership and its voters have been willing and economically able to provide the public services required by immigrants and their children, alleviating, if not meeting, in the public mind the question of whether immigrants place a "tax burden" on natives.

So what has changed? Plenty: the number and composition of immigrants, their concentration and the receiving environment.

Number and Composition of Immigrants

The number of immigrants has increased rapidly over the last decade and their composition also has changed. More immigrants have entered the country (8.7 million) and California (3.3 million) over the last decade than over the five decades before that. About fifty percent of the foreign born residing now in California have located here since 1980. They contributed 60 and 54 percent of the country's and state's population growth from 1980 to 1990 respectively, and for much more of that growth if their children born here were taken into account. Today more than one in four residents of California is foreign born, compared to one in six only a decade ago. In spite of this, the rate of growth of California's population is at its lowest since the beginning of the century, except for the 1970-80 period.

In addition to increasing numbers, the composition of immigrants has changed with the most important of these changes being a decline in the level of education of immigrants relative to that of the native population. And, that is particularly true for immigrants from Mexico. Surely, today's Mexican immigrants are better educated than their counterparts of previous years. The average years of schooling of successive cohorts of Mexican immigrants increased by two full years, from 5.5 in 1960 to 7.5 years in 1980, reflecting increasing access to an upgrading of education in Mexico over the last three decades. But, in spite of this progress, the schooling deficit of male immigrants relative to native-born has continued to
increase: in 1960 the ratio of Mexican immigrants with less than eight years of schooling to native born was 2.5. Today it is 5.1.¹

Such trends cause concerns because low levels of education command low wages and lead to greater employment instability which a recent study suggests may last over the duration of the immigrant working life in the United States.² They are also at somewhat greater risk for needing publicly supported services such as medical care and income transfers. In 1980, immigrants households were only slightly more likely than native born to receive welfare, 9 vs. 8 percent. However, Mexican immigrants were nearly twice (12 percent) as likely as the native born and other immigrants to receive welfare.

Another change significant for the United States, because of the speed with which it is taking place, has been a significant shift in the pattern of countries of origin. Most notably, Asian immigrants who constituted just one in seven immigrants during the 1960s, comprised three out of every seven immigrants during the 1980s. In California, the Asian community is now growing at twice the rate of the Hispanic community (124 vs. 69 percent) changing the configuration of many communities and increasing competition among immigrants: most experts agree that the one group whose jobs opportunities and wages are consistently reduced by successive waves of immigrants are the immigrants themselves, both the newcomers and those already here.³

Such competition may be exacerbated by the increased mix of immigrants. Asian immigration, for example, has become more diversified with large segments coming from several different Asian countries including Korea, the Philippines, Vietnam, Cambodia, Laos, and China. Similarly, although Mexicans still dominate immigration from Latin America, increasing numbers of Latino immigrants are arriving from El Salvador, Guatemala, the Dominican republic, and Nicaragua.

A final significant change in the character of recent immigrant flows has been the increasing labor force participation among women.⁴ Women have traditionally constituted about half of all immigrants—including immigrants from Mexico—


² Cited in (5) above.


and that share has remained relatively constant. However, the labor market effects of immigration may well be changing due to the increasing tendency of women immigrants to participate in the labor market. In 1960, for example, less than one-third Mexican born immigrants participated in the labor market; in 1980 half of them were employed. This feminization of the Mexican labor force in the United States mirrors the rapid feminization of the US labor force as well, but for Mexican women it has taken place at a faster rate.

**Increased Geographic Concentration of Immigrants**

Another important change, however slow, has been the increasing concentration of immigrants in a few states of the nation and within those states in a few large metropolitan areas. One in every three new immigrants to the United States now settles in California. Of these, three immigrants in five choose to live in the Los Angeles metropolitan area. In Los Angeles county, one third of its population is now foreign born and in the city of Los Angeles, this proportion is even higher: 40 percent.

The most visible effect of this concentration is growing ethnic diversity. But the greatest challenge in a political and legal sense is to the meaning of “ethnic minority.” Today, unlike in the early part of this century, newly arrived immigrants or specified ethnic minorities are now benefiting from protection under civil rights legislation and judicial rulings that were initially intended to compensate and benefit native minorities. Already, no one ethnic group is a majority group for many cities in California. And the issue is similar in the other few states and localities in which immigrants concentrate — Florida and Miami; New York and New York City; Illinois and Chicago; and Texas and Dallas and Houston.

**Changes in the Receiving Environment**

As significant as these changes have been, the most critical ones have been those that have occurred in the social and economic environment of the country as a whole and that of California, in particular; the receiving environment if you will. The most significant of those changes are summarized below:

- Political and economic changes worldwide have spurred economic restructuring, slowing employment growth throughout the United States, especially in California.

---

All levels of government appear unable and/or unwilling to continue covering the increasing costs of key health services, effective schooling, and post-secondary education not only to immigrants but to the population at large.

Government at all levels has reached gridlock. Governance issues are a particular problem for schools, community colleges, and city and county governments, historically key institutions for integrating immigrants and their children into the larger society.

Income and wage disparities in the country have grown, highlighting the slower pace of minority educational and economic progress.

**Implications of these Changes**

Concurrent changes in the factors outlined above have rekindled latent concerns about the costs of sustained large scale immigration. Under current social and economic circumstances, they are increasingly perceived as being greater than the benefits. Nowhere has the effects of this relatively recent phenomenon been more acute than in the State of California. There, decreasing tax revenues coupled with a continuing increase in demand for public services have led to major and sustained fiscal difficulties for all levels of governments and has led to significant cuts in public services for native born and immigrants alike.

Setting aside the question of whether immigrants "fully" pay (in the form of taxes) for the public services they use in the aggregate, the evidence strongly suggests that the fiscal burden of immigrants increases as the size of the jurisdiction decreases, ranging from neutral or even positive at the national level, to neutral to negative at the state level, to negative at the local (county/city) level.  

This sliding scale of fiscal effects stems from two main reasons. One, is the federal nature of the U.S. political system combined with the concentration of immigrants in a few areas. Due to their relatively young age and higher fertility rates, immigrants make their largest service demand on education. And education also represents the largest component of states’ budgets and constitutes a significant portion of local/city budgets. In California, the state covers 61 percent of K-12 expenditures, local districts provide 21 percent and the federal government 7 percent. In other words, there is a disconnect between those who formulate and enforce immigration policies and those who pay for the public services they primarily use.

---

The second reason is that states and counties, unlike the federal government, are constrained by their constitutions to balance their operational budgets on a yearly basis. This requirement seriously reduces a jurisdiction’s ability to respond flexibly to demands for services. Using again education as an example, the state cannot borrow against future revenues to finance today’s operating costs, even though education is an investment as well as a consumption good.

In a context of diminishing revenues, continuing immigration is fueling intense debate that pits the needs for education, training, and other services for younger age groups—in which immigrants are currently disproportionately represented—against the needs of the growing elderly population, which is disproportionately native born, the natives’ desires to control growth and preserve the environment against the need to create jobs for the newcomers, and the rights and entitlements of the native born against the targeted benefits and entitlements of immigrants. This growing political pluralism is highly visible in those jurisdictions experiencing immigration, but it is also emerging as an issue across the nation.

Hence, it is not surprising that this heightened competition for a diminishing level of services is leading to the development of intense feelings against continuing immigration. A recent poll by the LA Times shows that these feelings cut across not only the native born population, but across immigrants, and not only across whites, but across Hispanics as well. For instance, 90 percent of U.S. citizens polled rated the amount of undocumented immigration to be a problem, but so did 73 percent of immigrants. Similarly, 92 percent of whites thought undocumented immigration was a problem, but so did 75 percent of Latinos. Questions about whether undocumented immigrants get more in services than they contribute to the U.S. economy, or about whether all legal residents should carry a tamper resistant national identification card, display a similar pattern of responses. Whether these responses are based on objective reality or perceptions are beside the point, political representatives pay attention to them.

California is not unique in finding itself in this predicament, although it may be experiencing those effects at a higher level of magnitude for the reasons outlined earlier. States and metropolitan areas in the nation facing similar woes include Florida and Miami; New York and New York City; Illinois and Chicago; and Texas and Dallas and Houston.

A Global Phenomenon

Similarly, California and the United States are not alone in finding themselves in this predicament. Most industrialized nations do so, including England, France, Germany, Australia, Canada, and even Greece and Italy; Japan is an exception.
As the U.S. was approving its 1990 legislation increasing the number of legal immigrants by a significant amount, both Australia and Canada already were moving in the other direction, i.e. decreasing the number of legal immigrants they planned to admit in future years. This year both Germany and France toughened their immigration controls. Responding to an influx of some 2 million asylum seekers since 1989, Germany closed its door to most asylum seekers. In France, a new law makes it more difficult for children of immigrants born in France to become French citizens.

Hence, what we are experiencing in the United States is part of a global phenomenon. On the one hand, lagging economic growth, high fertility rates, unrest and violence, and eased and cheap transportation contribute to increasing emigration pressures from Third World countries. On the other hand, the global economic recession in the United States and in Europe is creating the same kind of domestic problems across all industrialized nations, and hence, pressures to limit immigration.

Towards a new framework for designing immigration policies

Whether immigration policies are thought of in a global perspective (as it increasingly may be necessary); in a bilateral perspective as some argue; or in a primarily domestic sovereignty perspective as is currently the case for all nations, its guiding framework ought to be grounded on the increased understanding of immigration patterns and their effects on both sending and receiving countries that have been acquired over the past 20 years or so. Below I propose five general principles to guide immigration policy formulation that are, at least in part, rooted in what is known about immigration patterns and the effects of migration.

The first principle is that immigration is not an issue that can be resolved once and for all as we have hoped for in the past by overhauling immigration laws every 20 years or so. It is an issue that has to be managed just as we manage foreign policy through frequent adaptations to changing circumstances, both international and domestic. Immigration policies of a few countries—Australia, Canada, and Switzerland—are designed to allow periodic, if not annual, adjustments in numbers and composition of immigrants allowed to enter depending on primarily domestic circumstances.

Doing so for the United States, would begin by recognizing that immigration is not an "all or nothing" proposition and that indeed the balance of costs and benefits the country derives from it will vary over time depending on numbers, composition, location within the country, and especially on aggregate economic and employment conditions. It would also begin by paying attention to the long-term as well as short-term distribution of costs and benefits of immigration. To illustrate this latter point, consider what would happen to the state fiscal woes if the entry of new immigrants...
was stopped tomorrow in California. In the short run, it would have only a minor impact on the largest component of the state budget—education, and hence, on the states immediate fiscal health. The reason is simple, the children who are going to require the state to increase its public school capacity and funding by 10 to 15 percent over the next five years, are already born and residing in the state. Conversely, displacement of native born workers might occur in the short run at a given location or in a given industry, but in the long run these workers may find new and possibly better jobs at another location or industry.

A corollary to this first principle, is that the topic of immigration must be allowed to become a legitimate topic of ongoing democratic debate. Too often, the debate in the United States and elsewhere has been conducted through use of stereotypes both in the academic community as well as the political community. For instance, to suggest that immigration might have costs (as well as benefits) exposes one to be labeled “anti-immigrant” at best, and “racist” at worst. Yet, identifying and measuring the level and distribution of those costs are critical to identifying policies that might address them without affecting the number of immigrants allowed to enter the country. Or, alternatively, it is needed to define at what level of immigration the balance of benefits and costs tips towards the latter. Indeed, even the most pro-immigrant groups are not suggesting that the United States ought to have an open border to all who might wish to come.

The second principle is that the unit of government which has the authority to make decisions about the number and composition of immigrants—and enforce those decisions—should also bear the responsibility to cover some, if not all, of the costs of providing education and public services to immigrants and their children. This principle particularly applies to the United States federalist system in which only the federal government has the authority to effectively intervene to control the number of immigrants entering the country, but where states and counties bear a disproportionate share of the costs of the socialization, education, and social support of immigrants. In the United States, the federal government has the power and the means to regulate the flow of refugees, and of legal and undocumented immigrants to level of its choosing. Internalizing the costs of its choices should help ensure that the trade-offs it makes, serve the broader national interest and alleviate the tensions experienced at the local levels.

The third principle is a recognition of the limits of governmental long-term effectiveness in enforcing immigration laws, particularly with respect to undocumented immigration. It is not so long ago that the passage of IRC and its provisions of sanctions against employers who hire undocumented immigrants, raised serious concerns about potential labor shortages, discrimination, and “mass return” to countries of origin. Now five years after implementation of IRC, none of these extreme predictions came true. Not only there was no mass return, but the employer sanctions turned out to be only a one to two year deterrent with patterns seemingly settling back to their pre-IRC.
levels over the past few years. Where IRCA was perceived by some Mexican analysts to be an “anti Mexico” law, it turned out that Mexican immigrants, and indirectly Mexico, became its main beneficiaries through IRCA’s amnesty programs and the continuation of the flow of undocumented immigration.

Here again, the question is not whether undocumented immigration can be stopped altogether. The question is whether it can be reduced and maintained at a level “tolerable” by the receiving localities, while at the same time preserving cherished democratic, privacy and due process values.

A fourth principle is that government policies are more effective at starting flows of immigration than they are at stopping them. The broad experience with “guest workers” programs which have led to long-term immigration both legal and undocumented, well passed the time the bilateral agreements had expired bear witness to this principle. So it became with the Bracero program between Mexico and the United States and the Turkish-German guest worker program. Involvement in regional conflicts or military presence in various parts of the world have triggered similar flows of refugees or immigrants which have lasted well beyond the duration of the events.

A fifth principle, is that in any debate within a country or across boundaries about immigration, decision makers need to scrutinize carefully the “facts” about the current effects of immigration and about the composition of immigrants. And, that includes those presented by the so-called experts. The reasons for this are many. But, in a nutshell, we simply do not know enough about the effects of the more recent wave of immigrants. Most of the studies we continue to rely on, used 1980 data on immigrants who entered the country under different economic and social conditions. Thus, they have examined a somewhat different phenomenon than the present one. And, we do not even have accurate ongoing data on the most basic item, i.e. the number of immigrants, legal and undocumented as well as refugees who settle in any one location every year. Beyond that, we lack systematic information about the pattern of public services used by different groups of immigrants; the effects of public service use on the nature and speed of immigrants’ linguistic, economic, and social integration and that of their children; and the budgetary, institutional, and community relations effects of sustained cumulative waves of immigrants on local jurisdictions.

So, we are left to making guesstimates to inform such key issues as the net effects of immigration on state, county, and local demand for services and for tax revenues, which do not constitute a good basis for guiding policies. We have explored this problem and what could (should) be done about it and believe that these questions can be answered in a reliable way, were we to choose to make the investment.11

<table>
<thead>
<tr>
<th>Series Number</th>
<th>Order Number</th>
<th>Title</th>
<th>Author</th>
</tr>
</thead>
<tbody>
<tr>
<td>94-17</td>
<td>RP-338</td>
<td><em>Young Men and the Transition to Stable Employment</em> [Monthly Labor Review, August 1994, pp. 31-48]</td>
<td>Jacob Alex Klerman</td>
</tr>
<tr>
<td></td>
<td></td>
<td><em>A Joint Model of Marital Childbearing and Marital Disruption</em> [Demography, Vol. 30, No. 4, November 1993, pp. 653-681]</td>
<td>Lynn A. Karoly</td>
</tr>
<tr>
<td></td>
<td></td>
<td><em>Measuring Health and Economic Status of Older Adults in Developing Countries</em> [The Gerontologist, Vol. 34, No. 4, August 1994, pp. 491-496]</td>
<td>David Reuben</td>
</tr>
</tbody>
</table>

15
<table>
<thead>
<tr>
<th>Year</th>
<th>Reprint Series</th>
<th>Title</th>
<th>Authors</th>
</tr>
</thead>
<tbody>
<tr>
<td>94-09</td>
<td>RP-322</td>
<td>The Demographic Transition in Southern Africa: Reviewing the Evidence from Botswana and Zimbabwe</td>
<td>Duncan Thomas, Ityai Muvandi</td>
</tr>
<tr>
<td>94-08</td>
<td>RP-321</td>
<td>The Demographic Transition in Southern Africa: Another Look at the Evidence from Botswana and Zimbabwe</td>
<td>Duncan Thomas, Ityai Muvandi</td>
</tr>
<tr>
<td>94-07</td>
<td>RP-301</td>
<td>Gender and Life Cycle Differentials in the Patterns and Determinants of Adult Health</td>
<td>John Strauss, Paul Gertler, Omar Rahman, Kristin Fox</td>
</tr>
<tr>
<td>94-05</td>
<td>RP-299</td>
<td>Converging Employment Patterns of Black, White, and Hispanic Women: Return to Work After First Birth</td>
<td>Young-Hee Yoon, Linda J. Waite</td>
</tr>
<tr>
<td>94-03</td>
<td>RP-283</td>
<td>American Families: Trends and Correlates</td>
<td>Julie DaVanzo, M. Omar Rahman</td>
</tr>
<tr>
<td>94-02</td>
<td>RP-287</td>
<td>How Economic Development and Family Planning Programs Combined to Reduce Indonesian Fertility</td>
<td>Paul Gertler, Jack Molyneaux</td>
</tr>
<tr>
<td>94-01</td>
<td>RP-277</td>
<td>Using Regional Data to Reexamine the Contribution of Demographic and Sectoral Changes to Increasing U.S. Wage Inequality</td>
<td>Lynn A Karoly, Jacob Alex Klerman</td>
</tr>
</tbody>
</table>
RAND Labor and Population Program Reprint Order Form:

Name: ____________________________________________________________
Title: ____________________________________________________________________________
Company or affiliation: _______________________________________________________________________
Address: ____________________________________________________________________________
City, State, and Zip: _______________________________________________________________________

Please send me the following Reprints:

94-18. RP-316 (Vernez) ______ 94-08. RP-321 (Thomas and Muvandi) ______
94-17. RP-338 (Kerman and Karoly) ______ 94-07. RP-301 (Strauss et al.) ______
94-16. RP-341 (Lillard and Waite) ______ 94-06. RP-300 (DaVanzo et al.) ______
94-15. RP-340 (Kington et al.) ______ 94-05. RP-299 (Yoon and Waite) ______
94-14. RP-342 (Smith) ______ 94-04. RP-284 (DaVanzo and Chan) ______
94-13. RP-335 (Pong) ______ 94-03. RP-283 (DaVanzo and Rahman) ______
94-12. RP-330 (Martin and Kinsella) ______ 94-02. RP-287 (Gertler and Molyneaux) ______
94-11. RP-310 (Kerman and Karoly) ______ 94-01. RP-277 (Karoly and Kerman) ______
94-10. RP-319 (Kerman and Leibowitz) ______
94-09. RP-322 (Thomas and Muvandi) ______

Please add my name to the mailing list for future publications:

All Aging Center Reprints ______
All Population Center Reprints ______
All Development Center Reprints ______
All Labor and Population Program Reprints ______

Mailing Information

Mail to:
Labor and Population Program
RAND
1700 Main Street, P.O. Box 2138
Santa Monica, CA 90407-2138