Political Confrontation with Economic Reality: 
Mass Immigration in the Post-Industrial Age

by Vernon M. Briggs, Jr.

As the United States enters its post-industrial phase of economic development, its labor market is in a state of radical transformation. A marked break has occurred from the nation’s evolutionary patterns of employment growth as well as in the composition of its labor force. The introduction of new and extensive technological advances now means that more output can be produced with fewer labor inputs. Major shifts in consumer tastes have altered the character of the demand for labor, by contributing to the meteoric growth of the service sector and the decline of the goods sector.

The co-existence of labor shortages and vacant jobs is becoming the operative policy challenge. In such an environment, labor force policies must focus on the qualitative aspects of the supply of labor rather than on its mere quantitative size. The nation does not need more workers per se; it does, however, desperately need specific types of labor to meet the emerging requirements of its post-industrial economy.

On the supply side, major changes have occurred in the expectations of minorities and women concerning their participation and their status in the labor force. If you combine these trends with greatly enhanced foreign competition, and rapidly changing population demographics, it is clear that unprecedented demands are being placed upon the U.S. economy and government to nurture and educate the nation’s citizens and to help them find employment opportunities.

Because mass immigration has reemerged during this period of extreme flux, it is essential that the nation’s contemporary immigration policy be consonant with the pursuit of these economic and social goals. Presently, it is not. Instead, it is perceived by policymakers as being essentially a political policy whose features are to be manipulated without any serious concern given as to its economic impact.

All other advanced industrial nations—to varying degrees—are experiencing similar quantum changes in their employment patterns. No other such country, however, is experiencing such major simultaneous alterations in its labor force as is the United States. Of the multiple influences on the size and composition of the U.S. labor force, it is the revival of mass immigration that is by far the most unique. Indeed, a recent comprehensive study of U.S. society that was conducted by an international team of social science scholars concluded that “America’s biggest import is people.” It added that “at a time when attention is directed to the general decline in American exceptionalism, American immigration continues to flow at a rate unknown elsewhere in the world.”

The Phenomenon of Mass Immigration

The revival of mass immigration began in the mid-1960’s when the nation’s existing immigration laws were overhauled. The reform movement of that era sought to purge the system of the racism associated with the “national origins” admission system which had been in place since 1924. Modest increases in the level of immigration were envisioned. No one, however, anticipated what has subsequently occurred. The
ensuing mass immigration flow has been the cumulative result of the tyranny of seemingly small politically motivated policy decisions as well as the product of a massive dose of political indifference to the ensuing policy outcomes.

Of all the factors that influence population and labor force growth, immigration is the one component that public policy should be able to control. To date, however, policymakers in the United States have been unwilling to view immigration policy in this light. Unguided in its design, immigration policy is dominated by the pursuit of purely political objectives. It has yet to be held responsible for its sizable economic consequences.2

Prevailing immigration policy primarily promotes the migration of relatives of recent migrants and provides little room for immigration to supply those persons who already possess needed skills and experience. Less than 8% of the immigrants and refugees who are legally admitted to the United States each year are admitted on the basis that the skills and education they possess are actually in demand by U.S. employers. The percentage is considerably less if illegal immigrants are included in the total immigrant flow.

Each successive immigration “reform” since the 1960s has increased the annual level of immigration. Furthermore, the failure to enforce the existing laws has permitted the largely unfettered influx of illegal migrants from less economically developed nations to compete with this country’s poor and to aggravate their collective poverty. Immigrants constitute a rising portion of the total growth of the labor force, and, at current U.S. fertility rates and immigration levels, they will lead within a century to a U.S. population one-half again as large as would occur with natural increase alone.3

In all of its diverse forms, the immigrant flow has accounted for anywhere from one-quarter to one-third of the annual growth of the U.S. labor force during the decade of the 1980s. The presence of a considerable number of illegal immigrants complicates efforts to be precise. It is highly probable that, when the rising female labor force participation rate eventually stabilizes (as it soon must) and as the influences of the “baby boom generation” on the size of the work force ebbs (as it is beginning to do), immigration could, by the turn of the century, comprise all of the annual growth of the nation’s labor force. Immigration, therefore, is already a vital determinant of the nation’s economic welfare; it can only be expected to become more so.

Public Unawareness of Policy Consequences

Public recognition that immigration has once again assumed a prominent role in the U.S. economy has, unfortunately, been slow to develop. Immigration had significantly declined in importance from World War I through to the mid-1960s. As officially measured, the foreign born percentage of the population had steadily fallen from 13.2 percent in 1920 to 4.7 percent in 1970. The foreign born population in 1980, however, rose to 6.2 percent of the U.S. population (a 46 percent increase over the decade). Given immigration developments during the 1980s, the figure for 1990 should easily approach 9 percent (or about one of every eleven persons in the U.S. population). Even these percentages are widely suspected of being far too low due to the belief that there was a significant undercount of illegal immigrants by the 1980 Census and the anticipation of similar problems in the 1990 Census. Given policy obligations already built into existing immigration laws and prevailing Congressional tendencies to incrementally expand immigration without regard to overall policy consequences, the percentage should again approach or exceed the high level of 1920 by the year 2000.

The main reason that the effects of the resurgence of mass immigration have not aroused more public attention is that the impact is geographically concentrated. Six states—California, New York, Florida, Texas, New Jersey, and Illinois—account for 38.4 percent of the U.S. population but 71.4 percent of all immigrants admitted to the U.S. in 1987. The additional flows of illegal immigrants, non-immigrants and refugees have followed similar settlement paths. Moreover, within these states, immigrants have overwhelmingly settled in urban areas.4 In 1980, 92 percent of the foreign born population that was actually counted that year by the Census lived in metropolitan areas compared to only 72 percent of the native born population. Thus, the magnified effects of mass immigration are largely manifested in the urban areas of a handful of states. They are, however, the largest labor markets in the U.S. economy (e.g., New York, Los Angeles, Chicago, Houston, and Miami). Hence, there is still a pronounced national as well as a clear local significance to these developments.

In 1981, a presidential commission—the Select Commission on Immigration and Refugee Policy—bluntly stated that U.S. immigration policy was “out of control” and it urged policymakers to confront “the reality of limitations.” Subsequently, on two occasions Congress attempted to adopt legislation that would address the nation’s immigration policy in a comprehensive manner. Both efforts failed. A new tactic was next pursued: piecemeal reform. The immediate consequence was the adoption of the Immigration Reform and Control Act of 1986 that was targeted largely to the issue of illegal immigration. But even this policy thrust was watered-down. Its provisions fail to adequately address the issue of worker identification. Congress, in a period of fiscal constraint, has been unwilling in the years since its enactment to sufficiently fund the enforcement mechanisms required to make the law effective. Moreover, as Congress has turned its attention to the remaining areas of policy reform—those pertaining to legal immigrants, non-immigrant workers, and refugees, it has encountered well organized special interest groups who have placed selfish and shortsighted goals ahead of any consideration for the national welfare. These groups focus their power on each of the separate policy components that Congress takes up. There is, apparently, no one interested in watching what is the cumulative outcome. The consequence is that Congress is in the process of making a mockery of the Select Commission’s informed plea for a policy of “limitations.” Thus, if anything, immigration policy is now more “out of control” than it was when the reform process began almost a decade ago.

The Changing Nature of the Labor Market

Paralleling the return of mass immigration, the years since the 1960s have also witnessed a dramatic restructuring of the
nation's industrial and occupational patterns. The goods producing industries—which had been the country's dominant employment sector since the founding of the nation—have rapidly declined. As late as 1950, over half the labor force was employed in this sector; by the late 1980s, it accounted for only about 26 percent of all employed persons. It is projected to decline even further in the 1990s. Moreover, the largest employing industries in the goods producing sector have sustained the most significant contractions. Agricultural employment has declined annually since the late 1940s—accounting now for only about 3 percent of all employed workers. Manufacturing—which in the mid-1950s provided jobs for over one-third of the labor force now does so for less than one-fifth. Mining has also had a steady decline. Only the construction industry has shown moderate growth, but it is characterized by significant cyclical fluctuations in any given year.

The rapid fall-off in employment in the goods producing sector has been caused by the confluence of several broad economic forces. First, there has been a shift in consumer spending patterns that is the hallmark of the coming of the post-industrial economy. The maturing of the mass consumption society is symbolized by shifts in expenditures away from goods toward services. It is a truism in economics that where spending increases, employment increases (i.e., the service sector); where spending falls, employment declines (i.e., the goods sector). In addition to spending shifts, the advent of computer-controlled technology has created self-regulating production systems that have reduced the demand for unskilled and semi-skilled workers in the goods producing section. Lastly, of course, there have been the intrusive effects of international competition in the past two decades that have exceeded any such previous pressures in all of U.S. economic history. The manufacturing sector in particular has been hard hit by the tide of foreign imports (and the inability to export) associated with the largely unilateral pursuit of a free trade policy by the U.S. government.

In the wake of the sharp declines in employment in the goods producing sector, there have been dramatic increases in the service producing industries. Responding to the shifts in consumer spending patterns, 70 percent of the U.S. labor force is now employed in services. The U.S. Department of Labor projects that 90 percent of the new jobs that will be created in the remainder of the 20th Century will be in the service industries and that the service sector will account for 75 percent of all employment by the year 2000. Thus, the demand for labor is being radically restructured.

The supply of labor is slowly adapting, but the adjustment process is not as easy nor as automatic as it was in earlier eras when the goods producing sectors dominated. The displaced workers from the agricultural sector in the early 20th Century had little difficulty qualifying for newly created jobs in the burgeoning manufacturing sector. They only had to relocate and, when immigration flows were sharply reduced between the 1920s through to the 1960s, they tended to do so. But the emergence of the service economy has imposed an entirely different set of job requirements on the actual and potential labor force. While the technology of earlier periods stressed physical and manual skills for job seekers, the service economy stresses mental, social, linguistic, and communication skills. As a consequence, the shift to services has meant declining job opportunities for those who lack quality educations and skills. As former Secretary of Labor William Brock succinctly said in 1987, "the days of disguising functional illiteracy with a high paying assembly line job that simply requires a manual skill are soon to be over. The world of work is changing right under our feet."

Tragically, a disproportionate number of those who are presently vulnerable to these adverse employment effects are racial minorities, women and youths.

Directly associated with these dramatic industrial trends are the derivative changes in occupational patterns. Over one-third of the growth in employment since 1972 has occurred in the professional, technical, and related workers classifications. Other broad occupational groups experiencing substantially faster-than-average growth over this period were managers, administrators, and service and sales workers. The greatest decline in employment was among operatives, farmers, farm laborers, and private household workers. The U.S. Department of Labor projects that the occupations expected to experience the most rapid growth over the next decade are those that require the most highly educated workers. These include executives, administrators, and managers; professionals; and technicians and related support workers. Collectively, these three occupational categories accounted for 25 percent of total employment in 1986 but are expected to constitute 40 percent of the nation's employment growth for the remainder of the century.

The Changing Composition of the Labor Force

The composition of the U.S. labor force is also experiencing major changes. Since the mid-1960s, blacks, Hispanics, and Asians, as well as women from all racial and ethnic groups have dramatically increased their proportions of the total labor force. The Bureau of Labor Statistics projects that these trends will continue (see Table 1). Women will account for two-thirds of the annual growth in the labor force and blacks about 25 percent over the next decade. The Hispanic population grew in the 1980s at a rate five times faster than the population as a whole and Hispanics are projected to account for 15 percent of overall growth in the labor supply during the 1990s. The same general pattern also holds true for Asian Americans.

<table>
<thead>
<tr>
<th>TABLE 1</th>
<th>SELECTED LABOR FORCE CHARACTERISTICS, 1986-2000</th>
<th>Millions of Persons</th>
</tr>
</thead>
<tbody>
<tr>
<td>----------</td>
<td>----------------------------------------------</td>
<td>---------------------</td>
</tr>
<tr>
<td>TOTAL</td>
<td>117.8</td>
<td>138.8</td>
</tr>
<tr>
<td>White</td>
<td>101.8</td>
<td>116.7</td>
</tr>
<tr>
<td>Black</td>
<td>12.7</td>
<td>16.3</td>
</tr>
<tr>
<td>Hispanic</td>
<td>8.1</td>
<td>14.1</td>
</tr>
<tr>
<td>Asian</td>
<td>3.4</td>
<td>5.7</td>
</tr>
<tr>
<td>Women</td>
<td>52.4</td>
<td>65.6</td>
</tr>
<tr>
<td>Men</td>
<td>65.4</td>
<td>73.1</td>
</tr>
</tbody>
</table>

NOTE: The race/origin subgroup totals overlap and therefore do not add to total. Hispanic figures are included in both the White and Black classifications. SOURCE: U.S. Department of Labor
Presently, the incidence of unemployment, poverty, and adult illiteracy are much higher and the labor force participation rates and educational attainment levels are much lower for blacks and Hispanics than is the case for non-Hispanic whites (comparable data for Asians is unavailable). It is also the case that blacks and Hispanics are disproportionately employed in the industries and occupations that are already in sharpest decline (i.e., in the goods producing industries and in blue-collar occupations). Thus, those groups in the labor force that are most rapidly increasing are precisely those most adversely at risk by the changing employment requirements. Unless public policy measures are addressed to their human resource development needs, both these and other vulnerable groups have dim prospects in the emerging post-industrial economy.

If 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 groups into the mainstream economy. Instead, it is likely that the heavy and unplanned influx of immigrant labor will serve—by providing both competition and alternatives—to maintain the social marginalization of many citizen blacks and citizen Hispanics. If so, the chance to eliminate once and for all the underclass in the U.S. economy will be lost—probably forever.

The Impacts of Immigration

Immigration policy, by definition, is capable of influencing not only the quantitative size of the labor force but also its qualitative composition. As matters now stand, there is virtually no synchronization of the immigrant flows with the demonstrated needs of the labor market. With widespread uncertainty as to the number of illegal immigrants, refugees, and non-immigrant workers who will enter, it is impossible to know in advance how many actual persons from foreign countries are actually entering the U.S. labor force each year. Moreover, whatever skills, education, linguistic abilities, talents or locational settlement preferences most immigrants, refugees, and non-immigrants have is purely incidental to the reason that they are admitted or enter the country. The legal system reserves 80 percent of the 270,000 visas issued each year for various family reunification purposes. The immediate relatives (i.e., spouses, children, and parents) of each of these visa recipients—an additional 219,000 persons in 1988—are, of course, exempt from meeting any labor market standard. The same is true for the refugees admitted each year (e.g., about 125,000 at present levels) and for the estimated 200,000 to 500,000 illegal immigrants who continue to enter the United States each year. The vast preponderance of the illegal immigrants and refugees of the 1980s have had very few skills, little formal education, and limited (if any) literacy in English. An additional several hundred thousand non-immigrants are admitted each year to work in the United States for various lengths of time after only minimal checks as to whether citizen workers are available or could be trained to do the work.

As a consequence, the labor market effects of the current politically driven immigration system are twofold. Some of the immigrants do have human resource endowments that are quite congruent with the labor market conditions currently dictated by the economy's needs. In fact, they are desperately needed due to the appalling lack of sufficient attention given by the nation to the adequate preparation of many citizen members of its labor force. But most do not. Hence, they must seek employment in the declining sectors of the goods producing industries (e.g., agriculture and light manufacturing) or the low-wage sectors of the expanding service sector (e.g., restaurants, lodging or retail enterprises). Unfortunately, it is also the case that many of the nations citizens who are in the underclass are also in these same employment sectors. A disproportionately high number of these citizens are minorities, women, and youth. As these citizen groups are growing in both absolute and percentage terms, it is they who the logic of national survival would say should have the first claim on the nation's available jobs. The last thing they need is more competition from immigrants for the limited number of existing jobs as well as for the scarce opportunities for training and education that are available.

The post-industrial economy of the United States is facing the real prospect of serious shortages of qualified labor. It does not have a shortage of actual or potential workers. No advanced industrial nation that has 23 million illiterate adults (some say the figure is now 27 million) and another 40 million adults who are marginally literate need have any fear about a shortage of unskilled workers in its foreseeable future. Immigration is a contributing factor to the growth of adult illiteracy in this nation. As a consequence, immigration—by adding to the surplus of illiterate job seekers—is serving to diminish the limited chances that many poorly prepared citizens have to find jobs or to improve their employability. It is not surprising therefore, that the underground economy—with its culture of drugs, crime and gangs—is thriving in many of the nation's urban centers. The nature of the immigration flow is also contributing to the need to expand remedial education, training, and language programs at a time when such funds are desperately needed to upgrade the human resource capabilities of much of the citizen labor force.

The popular notion of the need for labor force growth for growth's sake is obsolete. It is doubtful that the idea was ever completely valid since it is, in essence, the deadly theory of the cancer cell. It is a general principle that can distort normal adjustment processes. With respect to the labor market, shortages are a wonderful issue for society to confront. Shortages force public policymakers to look first at how society is using and preparing its human resources. It is no accident that such issues as education, health, housing, transportation, training, rehabilitation, poverty prevention, and anti-discrimination measures have only recently come to the fore. Labor shortages should compel policymakers to resolve these domestic needs before they turn to the placebo of mass immigration. It is the quality of life that is the key to the achievement of a fully employed economy and an equitable society in the post-industrial era.

The prospect of shortages of qualified labor offers to this country a chance to improve the lot of the working poor and to rid itself of its large underclass. It can force public policy to focus on the necessity to incorporate into the mainstream economy many citizens who have been "left out" in the
past. It was in this precise context that William Aramondy, the president of the United Way, recently said, "We have the biggest single opportunity in our history to address 200 years of unfairness to blacks. If we don't, God condemn us for blowing the chance." The major threat to "the opportunity" he correctly identified is the perpetuation of the nation's politically dominated immigration policy. It is long past time for immigration policy to cease being a contributor to the problems of the U.S. labor force. Instead it must become accountable for its economic consequences so that it can be part of the answer to the nation's pressing needs in an increasingly competitive world economy.

**Labor Force and Population Size**

The preceding discussion (and indeed my professional experience) is focused on the size, composition and change of the U.S. labor force. Other authors in this series have much greater professional expertise to address the question of optimum population, in the sense of an overall number. There are, however, close connections between the policies I have advocated above and the nation's demographic future.

As to immigration: I have argued that the current pattern of mass immigration of primarily unskilled people is a direct threat to the nation's well-being. We do require the immigration of certain skills and professional expertise, but not in such numbers as to discourage our national effort to produce professionals and skilled workers in those categories.

The nation's requirements could possibly change again in the future, and we should retain the flexibility to examine immigration policies in the light of changing realities. For the foreseeable future, however, I have suggested immigration policies that would involve a movement far smaller than at present, and from economic strata that tend in most countries to have fewer children than the poor and unskilled. This of course means that their contribution to U.S. population growth after their arrival would be smaller than for the average present immigrant.

As to the character of the indigenous labor force: I have argued that we need skilled labor, not mass labor, and that there is already a substantial population of functional illiterates who have great trouble entering the labor force.

Our national policies and social behavior have constituted a nearly total mismatch with these needs. We have let educational standards slide, and our graduates, by and large, are neither literate nor (in Garrett Hardin's phrase) numerate.

In the first paper in this NPG FORUM series, Lindsey Grant pointed out that fertility among the affluent and the educated is far below replacement level. It is about twice as high among the poorest and least educated. This difference is geometric as the generations progress: four times as many grandchildren, eight times as many great-grandchildren, and so on. Those who can or will educate their children are having very few of them; the population growth is occurring among those who cannot educate theirs. Presently, the poor are in a vicious circle, with their poverty often perpetuated by their ignorance. Social policies that sought to reduce this discrepancy in fertility would lead to fewer of the poor children, and a better hope that society can find the means to educate those whose parents cannot.

In a society such as ours, one is on delicate ground even to suggest that there is a public interest in fertility levels. Our view of the role of government would certainly preclude any very large government role in any effort to change the national mindset about them. One can, however, posit a happy situation wherein the poor have about the same number of children as the more educated and prosperous, and in which those children—precisely because their parents and society can better afford to rear and educate them—will escape the vicious cycle of poverty and, having escaped it, adopt the fertility habits of their new economic condition.

In another of this series of NPG FORUM articles, demographer Leon Bouvier has sketched out several demographic scenarios, drawn from Census Bureau projections. What I have said about immigration and fertility in this paper would lead me somewhere close to, or below his "hard" path—i.e. a total fertility rate of 1.5 and net immigration of 300,000. That scenario yields a slight rise in population from the present 248 million to 278 million in 2020, and then a gradual decline to 218 million in 2080.

I find this prospect rather attractive.

Certainly, everything I have said here suggests that immigration and education and the size and composition of the labor force and population should be seen as interconnected, and with fundamental consequences for the national well-being. Our politicians must work themselves out of the illusion that immigration is simply a political issue, and a way of rewarding vociferous interest groups. It is an important determinant of our future.

**FOOTNOTES:**


5.
NEGATIVE POPULATION GROWTH, Inc.
210 The Plaza, P.O. Box 1206, Teaneck, N.J. 07666-1206, Telephone: (201) 837-3555

NPG, Inc., is a nonprofit organization founded in 1972. Annual dues are $25, and are tax deductible to the extent the law allows. It publishes from time to time in the NPG FORUM articles of particular interest on population, immigration, resources and the environment. The views expressed by the authors do not necessarily represent those of NPG.

Published papers currently available from NPG are listed below.

**Zero Net Migration** by Donald Mann. 1986. Four pages.

**Some Perspective on Coercion in China’s Family Planning** by Leo Orleans. 1986. Two pages.

**Immigration Control and Individual Liberty** by Jack Parsons. 1986. Four pages.


**Too Many Old People or Too Many Americans? Thoughts about the Pension Panic** by Lindsey Grant. 1988. Four pages.


**“NIMBYs” and the Fence** by Lindsey Grant. 1989. Four pages.


**How To Get There From Here: The Demographic Route to Optimal Population Size** by Leon F. Bouvier. 1989. Four pages.


The papers are priced at $1.00 each, including postage and handling. For orders totalling ten or more, the price is 25¢ each. Single copies of each paper are free to the media and to NPG members. Papers are also free to libraries, if orders are accompanied by one self-addressed stamped envelope for each paper ordered.

February 1990