

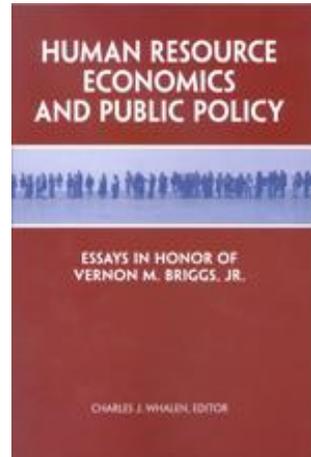
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# Training and Immigration in the Real World

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# 6

## Training and Immigration in the Real World

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Although it has been more than 40 years since I sat in Vernon Briggs's classroom at the University of Texas, his insights into the value of training in the labor market and the role of the public sector are echoed in my work every day. Briggs's economics has always been about moving beyond theory and into the realm of action and practical problem solving.

In this chapter, I describe how I have continued to act and examine issues in the spirit of what I learned in Briggs's classroom, even when our policy conclusions have diverged. I first highlight an initiative to establish labor-market intermediary institutions and then address the subject of immigration.

### **STRUCTURAL UNEMPLOYMENT AND TRAINING**

Not long after I left the University of Texas, I began organizing with the Industrial Areas Foundation (IAF), the nation's largest community organizing network, founded by Saul Alinsky in Chicago in the 1940s. For more than three decades, my colleagues and I have been working, primarily in the Southwestern United States, to build broad-based community organizations with the power to address the responsibilities of both the public and private sectors in a dynamic economy and democratic society.<sup>1</sup> These organizations have won countless victories for their families and communities throughout the years.<sup>2</sup>

IAF leaders in the Southwest consulted with Briggs when we were developing the concept of labor-market intermediaries about two decades ago. His reflections on the nature of structural unemployment, a form of joblessness not responsive to mere changes in aggregate demand, supported our leaders' instincts that a mediating institution could serve as a bridge between workers and employers and be beneficial to both. It is not that fiscal and monetary policies are unimportant, Briggs explained, but changes in the U.S. economy were fundamentally altering the nature of the American labor market.

Today, of course, what Briggs was teaching is accepted as common knowledge as America's economy has moved from the production of goods to the production of services as its driving force. However, his analyses of national and global trends were both insightful and tremendously useful as IAF leaders began to puzzle through the changes they were experiencing in local labor markets in the late 1980s.

One of Briggs's most powerful lessons is reflected in IAF efforts to improve education and training: the success of a democracy and the wealth of a society are based largely on their human capital. In San Antonio, Communities Organized for Public Service (COPS) and the Metro Alliance created Project QUEST, the first high-skill, high-wage job-training program developed by the IAF organizations in the Southwestern United States. Learning from the lessons of Project QUEST, Valley Interfaith leaders organized VIDA (Valley Initiative for Development and Advancement), the Pima County Interfaith Council formed JobPaths, Austin Interfaith leaders created Capital IDEA, and the El Paso Interreligious Sponsoring Organization founded Project ARRIBA. Since 1992, these five independent job-training institutions have trained and placed more than 10,000 participants in jobs that pay an average of nearly \$32,000 annually. This is particularly significant considering the average annual wage of program participants before participation was less than \$10,000.

The IAF emphasis on human capital will translate into roughly 30 years of increased wages and productivity for each job-training graduate. This benefits not only the individual worker but also his or her family and employer. As the number of graduates increases, local labor markets will reap the still larger community benefits of a well-educated,

well-paid workforce with the skills necessary to succeed in the face of structural economic changes.

## IMMIGRANT HUMAN CAPITAL

Although I agree with Briggs's views on structural unemployment and the usefulness of labor-market intermediaries, I disagree with his views on the role of immigrant human capital in a dynamic economy. He views a more generous immigration policy as an impediment to raising wages, improving working conditions, and securing employment opportunities for U.S. workers (see, for example, Briggs 1996). In response, I would stress the contributions that immigrant workers make in terms of increasing demand for domestic goods and services, which in turn creates new jobs (Legrain 2006, p. 136).

Immigrants also add to the diversity of communities, which urban-studies expert Richard Florida and demographer Gary Gates identify as an important driver of regional economic growth. In fact, Florida and Gates report that eight of the top 10 U.S. metropolitan areas with the highest percentage of foreign-born residents are among the nation's top 15 high-technology regions (Florida and Gates 2001). According to British economist Philippe Legrain, "Big global cities capture the whole world in one place" (Legrain 2006, p. 119). Surely this is a benefit, given the increasing globalization of our economy.

Briggs criticizes labor unions for supporting more generous immigration policies, stating that it is not in the interest of their members to do so given recent declines in U.S. real wages (Briggs 2001). There is no question that employers have been successful in reducing the real wages of workers, but those declines appear to be due overwhelmingly to changes in technology and the rise of global production, not to immigrants (Head 2007). "Since 1995, when the 'new economy' based on information technology began to take off, workers' incomes have not kept up with productivity, and during the past five years the two have spectacularly diverged," observes Simon Head, author of *The New Ruthless Economy* (Head 2007).<sup>3</sup>

Labor unions should work aggressively to organize all workers, including immigrants. A number of labor organizations, including the Service Employees International Union (SEIU) and the United Food and Commercial Workers International Union (UFCW), have been very successful in organizing immigrant workers and their success has somewhat mitigated the effects of decades of declining union membership. If the estimated 12 million undocumented immigrants in the labor force today were legalized, they would also become potential union members.

Conversely, if those 12 million undocumented workers were somehow miraculously located, detained, and deported, the shock to the economy and its day-to-day functioning would be tremendous. Even assuming that every unemployed person in the United States would be in the right location and have the right skill set and the right frame of mind to replace the deported workers, there would not ordinarily be enough job seekers to fill the gap. In August 2007, for example, the U.S. Bureau of Labor Statistics recognized only 7.1 million unemployed workers as actively seeking employment (U.S. Bureau of Labor Statistics 2007).<sup>4</sup>

Although it is generally agreed that immigrants contribute to the downward pressure on wages of high-school dropouts, at most only 20 percent of the incidence is attributable to the availability of immigrant labor. The remaining 80 percent is directly related to the substitution of capital for labor, advances in technology, and other issues unrelated to immigrants (Goldin and Katz 2008).

Studies also indicate that, although immigrants lower the wages of high-school dropouts by 1 percent, they increase the wages of workers who graduated from high school by as much as 4 percent (Legrain 2006, pp. 142–143). This occurs because immigrants rarely substitute for U.S.-born workers, even when their education and experience levels are similar. Instead, immigrant skills are often complementary to those of native workers. Indeed, this is true both for immigrants with high levels of education and experience (in science and technology occupations, for instance) and for those with low levels of formal education (in occupations such as cooking, caregiving, and gardening) (Legrain 2006, pp. 68–75; Ottaviano and Peri 2006a,b).

Since competition for jobs held by undocumented immigrants largely affects the most poorly educated segment of the native labor

market, a closer examination of education policies is in order. One way to address the concern about poorly educated U.S.-born workers would be to ensure that fewer U.S. students drop out of high school, thereby making them eligible for higher skilled jobs that pay better wages. The question of education policy is also central to the immigration debate from another perspective. As baby boomers continue to age, the United States economy is going to lose hundreds of thousands, if not millions, of its most highly skilled workers to retirement over the next two decades. To meet the coming demand for a skilled workforce and continue our pace of economic growth as a nation, it is in the national interest to invest in educating all children, regardless of whether their parents have legal residency papers.

## **IMMIGRATION, TRADE, AND DEVELOPMENT POLICIES**

The debate over immigration and immigration reform in the United States must also be linked to a broader discussion about trade and economic-development policies. To consider immigration in isolation from these policies is not merely impractical, it also denies the role that U.S. policymaking has played in driving up the numbers of people that have come here outside the legal process.

The North American Free Trade Agreement (NAFTA) is an example of a trade policy that has contributed to the growth of worker migration to the United States. As a consequence of NAFTA, Mexico was forced to eliminate its agriculture subsidies to subsistence farmers, destroying what had been in effect an employment and anti-hunger strategy. By purchasing agricultural products at above-market prices, the Mexican government kept farmers working, and its policy of reselling the products at a loss (through government-owned stores) made them affordable to the poorest of the nation's families. NAFTA forced these subsistence farmers into the cities to look for work, which depressed wages in the urban areas at the same time that food prices rose (Stiglitz 2007, pp. 64–66).

It should come as no surprise that these pressures left many poor Mexican nationals with few options beyond seeking work across the

border. In the mid 2000s, while Mexico's agricultural subsidies were being removed, the California and Arizona economies were booming. This boom produced a tremendous demand for labor, especially in agriculture, which now had new opportunities to sell products in Mexico, and construction. The United States needed labor; Mexicans needed jobs.<sup>5</sup>

The World Bank's structural adjustment policies created similar pressures in other developing countries (see, for example, Komisar 2000). An insistence on the elimination of subsidies and market protections forced countries to skip the middle steps in developing a strong market economy. The success of the U.S. economy followed some 200 years of infrastructure development, as well as subsidies and protectionism. The World Bank's conditions for aid ignore the role such policies played in the development of strong economies, and they create economic circumstances that lead millions of people to emigrate and even to risk their lives by immigrating illegally to developed nations in an attempt to support their families.

When the European nations decided to link their economies more closely to one another, they deliberately chose a common-market strategy rather than a trade agreement in an attempt to avoid these types of unintended consequences. They recognized the disparities between their various countries and created a huge social-investment fund to build up the infrastructure in poorer countries. They also established common labor standards. While the European Union's policy decisions have by no means completely eliminated economic tensions and immigration challenges, they appear to represent a more practical approach to international trade and development than that pursued by the United States to date.

## **CIVIL LIBERTIES AND POLICY IMPLEMENTATION**

In addition to believing that U.S. immigration policy is hampered by not being sufficiently considered in its wider context, I am concerned that its implementation has at times infringed on the civil liberties of U.S. citizens as well as noncitizens.

For example, I have heard testimony from Hispanic women with strong West Texas accents who were handcuffed in workplace raids, marched to their lockers, and then upon presenting evidence that they were citizens, told that such evidence was meaningless because it could be faked. A request for a female agent was denied, and the male agents proceeded to frisk the women—women who had proof of their citizenship status. The presumption in such cases is clearly one of guilt rather than innocence, in direct violation of the Supreme Court's interpretation of the civil rights and civil liberties guaranteed by the U.S. Constitution.<sup>6</sup>

To be sure, the intention to enforce our current laws may have merit. Yet the possibility of unintended consequences and disastrous implementation only underscores the need to craft our policies in a way that ensures they are executed with good judgment, care, consideration, and thoughtfulness. Otherwise, our incapacity to do so trumps the logic of our policies.<sup>7</sup>

## **THE BRIGGS TRADITION**

Briggs has consistently shown he cares about people, particularly about people of color. With that concern as a guide, he made major practical contributions to problem solving through his work on structural unemployment and training (see, for example, Briggs 1979, 1973; Marshall and Briggs 1967). I have drawn directly on his insights and guidance in my own work relating to labor-market intermediaries and economic issues more generally. It is a testament to his scholarship and integrity that my colleagues and I are still benefiting from what I first began to learn from him more than 40 years ago.

On immigration policy, our views are obviously different. Yet, the pragmatic approach to public policy I learned from Briggs makes me confident that it is fully within our capacity as a nation to address the formidable education, trade, development, and civil rights issues—especially those relating to unintended consequences and practical policy implementation—confronting the nation with respect to immigration.

## Notes

1. These organizations include A Mid-Iowa Organizing Strategy (AMOS) in Des Moines; Albuquerque Interfaith; Allied Communities of Tarrant in Fort Worth; Austin Interfaith; Bay Area Organizing Committee in San Francisco; Border Interfaith in El Paso; The Border Organization in Del Rio and Eagle Pass, Texas; Communities Organized for Public Service (COPS) in San Antonio; Communities Organized for Relational Power in Action (COPA) in Watsonville, Salinas, and surrounding California communities; Dallas Area Interfaith; El Paso Interreligious Sponsoring Organization (EPISO); The Jeremiah Group in New Orleans; Marin Organizing Committee (Northern California); The Metro Alliance in San Antonio; North Bay Sponsoring Committee in Sonoma/Napa (Northern California); Northern Arizona Interfaith Council; Northern and Central Louisiana Interfaith; Oklahoma City Sponsoring Committee; Omaha Together One Community (OTOC); One LA—IAF in Los Angeles; Pima County Interfaith Council in Tucson; Sacramento Valley Organizing Community; The Metropolitan Organization (TMO) in Houston; Valley Interfaith in the Lower Rio Grande Valley; Valley Interfaith Project (VIP) in metropolitan Phoenix; the West Texas Organizing Strategy in Lubbock, San Angelo, and surrounding communities; and the Yuma County Interfaith Sponsoring Committee in Yuma, Arizona.
2. For discussions of the work of these organizations, see, for example, Greider (1992), Osterman (2002), Putnam and Feldstein (2003), Rogers (1990), Warren (2001), and Wilson (2001). A list of additional references is available from the author.
3. Head adds that between 1995 and 2006, U.S. worker productivity grew 340 percent more than real wages—and 779 percent more than wages in the last six years (Head 2007).
4. In December 2008, a year after the latest recession began, the U.S. Bureau of Labor Statistics reports there were 11.1 million unemployed workers (U.S. Bureau of Labor Statistics 2009).
5. As this chapter is being prepared for publication, the U.S. economy is in recession. However, when recession gives way to recovery, states on the border will again be a magnet for Mexico's displaced farmers and struggling urban workers.
6. The author heard this testimony at a public hearing sponsored by the UFCW in Omaha, Nebraska, on August 16, 2007 (UFCW 2007). In contrast, according to the U.S. Supreme Court, "The principle that there is a presumption of innocence in favor of the accused is the undoubted law, axiomatic and elementary, and its enforcement lies at the foundation of the administration of our criminal law" (U.S. Supreme Court 1895).
7. A failure of the capacity to implement policy effectively is, of course, not unique to immigration policy. For example, this failure is one of the fundamental flaws in the No Child Left Behind legislation. The internal logic of an educational accountability system has, in implementation, created monstrous requirements and strained the capacities of our nation's teachers and schools (see, for example, Young 2009).

Another example is the U.S. policy in Iraq (see Ignatieff 2007). Attention must be given to ensure that policies work in practice, not just in theory.

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