

pose charter-school bills, standards-based accountability, and vouchers.

—Its cost-benefit ratio is dubious. This is a sensitive topic, as only a churl would skimp on disabled children. Yet in weighing society's overall human capital investment, it's appropriate to ask whether the next million dollars are better spent on more services for a few handicapped youngsters or on physics and math for a large number of kids who are apt in the future to be mainstays of the country's economic strength.

—It fans the flames of victimhood and Washington-knows-best while making it easier for educators and parents to avoid responsibility for their students' achievements.

Even the education establishment is no longer of one mind. The American Federation of Teachers is troubled by the burdens that special education places on teachers. School boards are aggrieved by its soaring costs. Principals find school safety threatened by its double standards.

Desirable reforms are easy to sketch. Distribute federal block-grants via a formula that doesn't create perverse incentives. Permit states to close the program's open-ended entitlement and weigh special-education services against competing priorities. Roll back the rules (and bureaucracies) that substitute Washington's judgments for those of teachers, parents, and school boards. Eliminate the double disciplinary standard. Restore the civil-rights protections to prohibitions against individual discrimination, not group benefits. Exempt innovative programs like charter schools. Quit paying lawyers' fees. Experiment with vouchers for parents.

Easily described, yes, but not easily done as long as the entire topic is avoided on Capitol Hill. Not even the intrepid House freshmen, in their bill to abolish the Education Department, were willing to touch special education. No presidential candidate has gone near it.

As for the Clinton team, its special-education bureau is headed by a long-time activist, and its civil-rights office by a litigious and enterprising enforcer. Between them, the Education Department grows ever more intrusive. A recent "monitoring report" on South Carolina's program faulted the state for not screening prison inmates to see if they need special-education services. They held an Alabama district to be discriminatory because resource classes for L.D. youngsters were held in a trailer.

They even hassle their own agency. They're pressing the National Assessment of Educational Progress to divert scarce resources into costly accommodations to enable more disabled youngsters to take its tests (though nobody expects such data to be comparable). Until members of Congress complained, they sought to restrict the government's popular "blue ribbon" schools competition to the handful of buildings that are fully "accessible."

Insofar as the program's excesses are buttressed by zealotry, its reform prospects are slim. But what about cowardice? Will political calamity truly befall all agents-of-change in this domain?

Perhaps not. The special-education population is about the same size as the Hispanic enrollment in U.S. public schools (and about as large as the total private-school enrollment). No member of Congress has high concentrations in his district, though none is without some such constituents. Every community and state has its own built-in special-education lobby. That is why some state laws go farther than the federal program and why today, even if Uncle Sam were to fold his tent, disabled youngsters would not be shut in closets or barred from school.

The governors have already signaled

that they'd like to have more such decisions returned to the states. So have state school superintendents. Allying those two powerful groups with teacher unions and school boards would yield some political "cover" for skittish Congressmen. If special-education reform were also harnessed to changes that benefit masses of non-disabled youngsters—e.g., vouchers, real block grants, or safer schools—such a coalition might wield serious clout.

Of course, the specter of tiny wheelchairs circling the Capitol in protest cannot be dismissed. Special-education advocates are expert at lathering the parents of disabled children into paroxysms of outrage and entreaty. And many of the kids tug at the heartstrings—and the TV screen.

The activists know this well and can be as cynical in using such assets as are partisans of other causes. That's why special education is a test of Congressional consistency and resolve. The reason to reform U.S. education, after all, is not to placate its producer interests and their lobbyists but to strengthen its quality for all children, disabled and non-disabled alike. Exempting one bloated bureaucratic remnant of the early Seventies from the norms of the late Nineties does nobody much good. □

The Welfare Magnet

For more and more immigrants, America is becoming the land of welfare opportunities.

GEORGE BORJAS

THE evidence has become overwhelming: immigrant participation in welfare programs is on the rise. In 1970, immigrant households were slightly less likely than native households to receive cash benefits like AFDC (Aid to Families with Dependent Children) or SSI (Supplementary Security Income). By 1990, immigrant households were more likely to receive such cash benefits (9.1 per cent *v.* 7.4 per cent). Pro-immigration lobbyists are increasingly falling back on the excuse that this immigrant-native "welfare gap" is attributable solely to refugees and/or elderly immigrants; or that the

gap is not numerically large. (Proportionately, it's "only" 23 per cent).

But the Census does not provide any information about the use of noncash transfers. These are programs like Food Stamps, Medicaid, housing subsidies, and the myriad of other subsidies that

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make up the modern welfare state. And noncash transfers comprise over three quarters of the cost of all means-tested entitlement programs. In 1991, the value of these noncash transfers totaled about \$140 billion.

Recently available data help provide a more complete picture. The Survey of Income and Program Participation (SIPP) samples randomly selected households about their involvement in virtually all means-tested programs. From this, the proportion of immigrant households that receive benefits from any particular program can be calculated.

The results are striking. The “welfare gap” between immigrants and natives is much larger when noncash transfers are included [see table]. Taking all types of welfare together, immigrant participation is 20.7 per cent. For native-born households, it’s only 14.1 per cent—a gap of 6.6 percentage points (proportionately, 47 per cent).

And the SIPP data also indicate that immigrants spend a relatively large fraction of their time participating in some means-tested program. In other words, the “welfare gap” does not occur because many immigrant households receive assistance for a short time, but because a significant proportion—more than the native-born—receive assistance for the long haul.

Finally, the SIPP data show that the types of welfare benefits received by particular immigrant groups influence the type of welfare benefits received by later immigrants from the same group. Implication: there appear to be networks operating within ethnic communities which transmit information about the availability of particular types of welfare to new arrivals.

The results are even more striking in detail. Immigrants are more likely to participate in practically every one of the major means-tested programs. In the early 1990s, the typical immigrant family household had a 4.4 per cent probability of receiving AFDC, *v.* 2.9 per cent of native-born families. [Further details in Table 1].

And that overall “welfare gap” becomes even wider if immigrant families are compared to non-Hispanic white native-born households. Immigrants are almost twice as likely to receive some type of assistance—20.7 per cent *v.* 10.5 per cent.

The SIPP data also allow us to calcu-

late the dollar value of the benefits disbursed to immigrant households, as compared to the native-born. In the early 1990s, 8 per cent of households were foreign-born. These immigrant households accounted for 13.8 per cent of the cost of the programs. They cost almost 75 per cent more than their representation in the population.

The disproportionate disbursement of benefits to immigrant households is particularly acute in California, a state which has both a lot of immigrants and very generous welfare programs. Immigrants make up only 21 per cent of the households in California. But these households consume 39.5 per cent of all the benefit dollars distributed in the state. It is not too much of an exaggeration to say that the welfare problem in

in the tracking period. Only just over a fifth (22.7 per cent) of native-born households did so. And 10.3 per cent of immigrant households received benefits through the *entire* period, *v.* 7.3 per cent of native-born households.

Because the Bureau of the Census began to collect the SIPP data in 1984, we can use it to assess if there have been any noticeable changes in immigrant welfare use. It turns out there has been a very rapid rise.

During the mid-1980s, the probability that an immigrant household received some type of assistance was 17.7 per cent *v.* 14.6 per cent for natives, a gap of 3.1 percentage points. By the early 1990s, recipient immigrant households had risen to 20.7 per cent, *v.* 14.1 per cent for natives. The immigrant-native

AVERAGE MONTHLY PROBABILITY OF RECEIVING BENEFITS IN EARLY 1990s

Type of Benefit	Immigrant Households	Native Households
Cash Programs:		
Aid to Families with Dependent Children (AFDC)	4.4	2.9
Supplemental Security Income (SSI)	6.5	3.7
General Assistance	0.8	0.6
Noncash programs:		
Medicaid	15.4	9.4
Food Stamps	9.2	6.5
Supplemental Food Program for Women, Infants, and Children (WIC)	3.0	2.0
Energy Assistance	2.1	2.3
Housing Assistance (public housing or low-rent subsidies)	5.6	4.4
School Breakfasts and Lunches (free or reduced price)	12.5	6.2
Summary:		
Receive Cash Benefits, Medicaid, Food Stamps, WIC, Energy Assistance, or Housing Assistance	20.7	14.1

Source: George J. Borjas and Lynette Hilton, “Immigration and the Welfare State: Immigrant Participation in Means-Tested Entitlement Programs,” *Quarterly Journal of Economics*, forthcoming, May 1996.

California is on the verge of becoming an immigrant problem.

The pattern holds for other states. In Texas, where 8.9 per cent of households are immigrant but which has less generous welfare, immigrants receive 22 per cent of benefits distributed. In New York State, 16 per cent of the households are immigrants. They receive 22.2 per cent of benefits.

The SIPP data track households over a 32-month period. This allows us to determine if immigrant welfare participation is temporary—perhaps the result of dislocation and adjustment—or long-term and possibly permanent.

The evidence is disturbing. During the early 1990s, nearly a third (31.3 per cent) of immigrant households participated in welfare programs at some point

“welfare gap,” therefore, more than doubled in less than a decade.

Thus immigrants are not only more likely to have some exposure to the welfare system; they are also more likely to be “permanent” recipients. And the trend is getting worse. Unless eligibility requirements are made much more stringent, much of the welfare use that we see now in the immigrant population may remain with us for some time. This raises troubling questions about the impact of this long-term dependency on the immigrants—and on their U.S.-born children.

There is huge variation in welfare participation among immigrant groups. For example, about 4.3 per cent of households originating in Germany, 26.8 per cent of households originating

in Mexico, and 40.6 per cent of households originating in the former Soviet Union are covered by Medicaid. Similarly, about 17.2 per cent of households originating in Italy, 36 per cent from Mexico and over 50 per cent in the Dominican Republic received some sort of welfare benefit.

A more careful look at these national-origin differentials reveals an interesting pattern: national-origin groups tend to "major" in particular types of benefit. For example, Mexican immigrants are 50 per cent more likely to receive energy assistance than Cuban immigrants. But Cubans are more likely to receive housing benefits than Mexicans.

The SIPP data reveal a very strong positive correlation between the probability that new arrivals belonging to a particular immigrant group receive a particular type of benefit, and the probability that earlier arrivals from the same group received that type of assistance. This correlation remains strong even after we control for the household's demographic background, state of residence, and other factors. And the effect is not small. A 10 percentage point increase in the fraction of the existing immigrant stock who receive benefits from a particular program implies about a 10 per cent increase in the probability that a newly arrived immigrant will receive those benefits.

This confirms anecdotal evidence. Writing in the *New Democrat*—the mouthpiece of the Democratic Leadership Council—Norman Matloff reports that "a popular Chinese-language book sold in Taiwan, Hong Kong, and Chinese bookstores in the United States includes a 36-page guide to SSI and other welfare benefits" and that the *World Journal*, the largest Chinese-language newspaper in the United States, runs a 'Dear Abby'-style column on immigration matters, with welfare dominating the discussion."

And the argument that the immigrant-native "welfare gap" is caused by refugees and/or elderly immigrants? We can check its validity by removing from the calculations all immigrant households that either originate in countries from which refugees come or that contain any elderly persons.

Result: 17.3 per cent of this narrowly defined immigrant population receives benefits, *v.* 13 per cent of native households that do not contain any elderly persons. Welfare gap: 4.3 percentage points (proportionately, 33 per cent).

The argument that the immigrant welfare problem is caused by refugees and the elderly is factually incorrect.

Conservatives typically stress the costs of maintaining the welfare state. But we must not delude ourselves into thinking that nothing is gained from the provision of antibiotics to sick children or from giving food to poor families.

At the same time, however, these welfare programs introduce a cost which

current calculations of the fiscal costs and benefits of immigration do not acknowledge and which might well dwarf the current fiscal expenditures. That cost can be expressed as follows: To what extent does a generous welfare state reduce the work incentives of current immigrants, and change the nature of the immigrant flow by influencing potential immigrants' decisions to come—and to stay? □

Loose Lips

The Clinton Administration values peacekeeping over keeping American secrets secret.

MARK LEVIN

FOR months the Clinton Administration has been downplaying serious leaks of U.S. secrets by the United Nations, while resisting congressional efforts to do something about them. The public record is littered with such intelligence breaches. For instance, on March 12, 1995 The *Washington Post* reported "Several boxes containing classified U.S. intelligence documents were discovered by U.S. officials in a vacant United Nations office in Somalia days before the pullout of UN peacekeepers early this month, prompting some U.S. officials to question whether the international organization has mishandled sensitive U.S. secrets. . . . Included in the boxes were 'source reports' recounting sensitive interviews with Somali informers, daily intelligence reports on the Somali political situation, classified data designated 'UN-releasable,' some computer diskettes, and documents stamped 'Secret Wintell' that involved highly sensitive U.S. sources and spying methods, according to a U.S. official."

Given the substantial increase in U.S. intelligence sharing with the UN, congressional Republicans are pushing for legislation requiring a formal agreement between the U.S. and the UN spelling out the conditions under which U.S. secrets would be provided to the UN.

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Provisions include procedures to limit access to this information and prevent unauthorized disclosures. After all, the United Nations' membership includes such anti-American terrorist states as Iran, Iraq, Libya, Syria, and Cuba.

Although the Clinton Administration pays lip service to intelligence concerns, UN Ambassador Madeline Albright and other senior officials have aggressively fought the imposition of real intelligence-sharing restrictions. They fear an end to UN-U.S. "peacekeeping" initiatives. More fundamentally, the Clinton Administration is not about to let the unauthorized disclosure of U.S. intelligence information derail its efforts to use the United Nations as a cheap substitute for the United States military.

Sadly, the Administration has found sympathetic ears in two gadfly senators who hold key positions on the Senate Select Committee on Intelligence—Chairman Arlen Specter and Vice-Chairman Bob Kerrey. This committee has done little to police known UN intelligence violations.

Surprisingly, one of the loudest voices in the Senate demanding answers is liberal freshman Republican Olympia Snowe. Last March, at a hearing of the Senate Foreign Relations Committee, Senator Snowe told Ambassador Albright the UN had breached U.S. intelligence four times in the last two years. Moreover, Reuters reported that Sen. Snowe charged that "career intelligence