

141719

THE G·A·O

A QUARTERLY SPONSORED BY THE U.S. GENERAL ACCOUNTING OFFICE

JOURNAL



**A CHALLENGE
FOR YANKEE
KNOW-HOW**
*New themes in
competitiveness*

**SOVIET
REFUGEES**
*The continuing
dilemma*

**WOMEN IN
THE MILITARY**
*Do combat
exclusion laws
make sense?*

THE G·A·O

A QUARTERLY SPONSORED BY THE U.S. GENERAL ACCOUNTING OFFICE

JOURNAL

NUMBER 9

SUMMER 1990

C O N T E N T S

FROM THE COMPTROLLER GENERAL 3

NEW THEMES IN COMPETITIVENESS

• AN AMERICAN SOCIETY IN A GLOBAL ECONOMY 141720 4
An Interview with Robert B. Reich

• JAPAN'S MOVE TOWARD CREATIVITY 141721¹³
Sheridan M. Tatsuno

• THE NEED FOR A STRATEGIC MARKETING PLAN 19
FOR U.S. TECHNOLOGY 141722
Amy Lowen Manheim

SOVIET REFUGEES: THE CONTINUING DILEMMA 141723²⁴
David R. Martin & Susan Gibbs

SHOULD WOMEN BE KEPT OUT OF COMBAT? 29
Beverly Ann Bendekgey 141724

PERSPECTIVES ON THE 1980s 34
The Deshmukh Memorial Lecture, Bombay, India, January 1990 141725⁻
E. Gerald Corrigan

Graham Hancock, *LORDS OF POVERTY: THE POWER, PRESTIGE, AND CORRUPTION OF THE INTERNATIONAL AID BUSINESS* and Hernando de Soto, *THE OTHER PATH: THE INVISIBLE REVOLUTION IN THE THIRD WORLD*, reviewed by J. Allan Hovey, Jr. • James Q. Wilson, *BUREAUCRACY: WHAT GOVERNMENT AGENCIES DO AND WHY THEY DO IT*, reviewed by Sarah F. Jaggard • Jack Weatherford, *INDIAN GIVERS: HOW THE INDIANS OF THE AMERICAS TRANSFORMED THE WORLD*, reviewed by Sheila Avruch •

47

THE G·A·O

A QUARTERLY SPONSORED BY THE U.S. GENERAL ACCOUNTING OFFICE

JOURNAL

- *Comptroller General of the United States*
CHARLES A. BOWSHER

- *Editorial Advisors*
HARRY S. HAVENS,
Chairman
IRA GOLDSTEIN
JAMES F. HINCHMAN
DONALD J. HORAN
MICHAEL SPEER

- *Office of Public Affairs*
CLEVE E. CORLETT,
Director

- *Editor*
STEPHEN ALTMAN

- *Managing Editor*
RICHARD SMITH

- *Staff*

- *Associate Editors*
LINDA F. BAKER
HANNAH F. FEIN
DEBORAH A. SIGNER

- *Text Editor*
DIANE REINKE

- *Coordinator*
JOAN D. SCOTT

- *Design*
KROHN, INC.

- *Office of Publishing and Communications*
MICHAEL SPEER,
Acting Director

- *Production*
KATHLEEN KEVLIN
TOM KNEELAND

- *Editorial Advisory Board*
JOHN F. AHEARNE
GEORGE J. ALEXANDER
EDWARD BALES
THEODORE C. BARREUX
NORTON M. BEDFORD
ROBERT F. BORUCH
NORMAN M. BRADBURN
JOHN BRADEMÁS
MARVIN BRESSLER
ANDREW F. BRIMMER
JOHN C. BURTON
MICHAEL N. CHETKOVICH
SHELDON COHEN
WILLIAM T. COLEMAN, JR.
MICHAEL COLLINS
MORRIS W. H. COLLINS, JR.
ROBERT CURVIN
BREWSTER C. DENNY
JOHN T. DUNLOP
URSULA F. FAIRBAIRN
PAUL L. FOSTER
J. RONALD FOX
BARBARA H. FRANKLIN
MARTHA W. GILLILAND
PATRICIA A. GRAHAM
C. JACKSON GRAYSON, JR.
ROBERT HAVEM
CHARLES T. HORNGREN
MELVIN R. LAIRD
HERMAN B. LEONARD

- ALAN B. LEVENSON
DAVID F. LINOWES
BEVIS LONGSTRETH
CHARLES F. LUCE
BRUCE K. MacLAURY
ANN McLAUGHLIN
JOHN L. McLUCAS
DORIS MEISSNER
ASTRID E. MERGET
W. LEE NOEL
ALFRED E. OSBORNE, JR.
RUSSELL E. PALMER
MERTON J. PECK
RAYMOND E. PEET
AULANA L. PETERS
DONALD A. PETRIE
GEORGE W. PHILLIPS
JOHN R. RHINELANDER
ELLIOT RICHARDSON
J. ROBERT SCHAETZEL
EDWIN H. SIMMONS
J. EDWARD SIMPKINS
ALVIN R. TARLOV
SUSAN J. TOLCHIN
ROBERT WARNER
ROBERT WEAVER
SIDNEY J. WEINBERG, JR.
KAREN H. WILLIAMS
CHARLES J. ZWICK

THE GAO JOURNAL is published quarterly by the Office of Public Affairs, Rm. 4129, U.S. General Accounting Office, Washington, D.C. 20548. First class postage paid at Washington, D.C.

WRITERS whose work appears in the GAO Journal speak for themselves only. Unless otherwise indicated, their views or opinions should not be construed as the policy or position of GAO or any other organization with which they may be affiliated.

EDITORIAL CORRESPONDENCE: By mail to the above address. Letters to the editor are encouraged. Unsolicited manuscripts will be returned only if accompanied by a self-addressed, stamped envelope.

POSTMASTER: Send changes of address to the GAO Journal, Office of Public Affairs, Rm. 4129, U.S. General Accounting Office, Washington, D.C. 20548.

David R. Martin & Susan Gibbs

SOVIET REFUGEES: THE CONTINUING DILEMMA

As the Soviet Union finally lets its people go, the United States has to deal with the numbers.

FOR MOST OF us in this nation of immigrants, our ancestors' journeys to America are a part of history. But for tens of thousands of Soviet citizens, the decision to leave their country is a present-day trauma. Just to request an exit visa calls for courage on their part—a willingness to endure both the stigma of applying to emigrate and the uncertainty of leaving behind their homes and homeland—and entails not just the fervent hope that the authorities will grant them permission to go, but a stalwart faith that the United States or some other Western nation will accept them once they are out.

That faith has been well-founded for a long time. The United States has consistently pressured the Soviet Union for the release of Soviet citizens—prominent among them Jews and Evangelical Christians—who have suffered human rights abuses and persecution in their own land. It has been standard practice among administrations in Washington to express their wholehearted support for those able to gain release. In Rome, the major way station for Soviet emigrés wishing to enter the United States, U.S. Immigration and Naturalization Service (INS) officers have, for years, virtually rubber-stamped the applications of Soviet citizens. For those accorded official refugee status by INS, support from the U.S. government has included not just the offer of U.S. citizenship, but financial aid to cover living expenses while

in Europe, travel costs while en route, and resettlement costs here in the United States.

Over the past two years, however, something has happened to greatly complicate the situation: The Soviet Union has significantly loosened its hold on those wishing to leave. The stream of emigrés ebbed and flowed with Soviet policy for more than two decades. Recently, however, the flow became a torrent. Whether this stemmed more from U.S. diplomatic efforts or from factors internal to the Soviet Union, the fact remains that by last fall the United States found its procedures for accepting Soviet refugees—and the resources to help them—virtually overwhelmed. The dilemma that emerged so suddenly, and which remains hotly debated even now, was this: How can the United States make good on an implicit, long-standing offer of help to any Soviet refugee, when suddenly there are *so many of them*?¹

How many? By October 1989, the number of Soviet emigrés seeking access to the United States had reached some 10,000 *a month*, in stark contrast to the 20,421 admitted to the United States in all of fiscal year 1988 and the mere 3,694 admitted during fiscal year 1987.

The exit route these people followed was known as the Vienna-Rome pipeline. Inside the Soviet Union, they would apply to the proper authorities for exit visas and, if lucky enough to get them, would travel first to Vienna and then on to Rome, where they would formally apply for refugee status at INS. The pipeline had worked smoothly enough when the numbers were smaller. But now the numbers were enormous, and how much higher they would go was anybody's guess. Not only did the United States lack

The dilemma that emerged so suddenly, and which remains hotly debated even now, was this: How can the United States make good on an implicit, long-standing offer of help to any Soviet refugee, when all of a sudden there are so many of them?

DAVID R. MARTIN is an Assistant Director and SUSAN GIBBS is a senior evaluator in the Foreign Economic Assistance Group in GAO's National Security and International Affairs Division.



control over the volume of people entering the pipeline, it lacked any way of knowing how many more were on the way.

Another troublesome fact stemmed from the administration's decision in August 1988—based on the burgeoning number of applicants—to review Soviet refugee applications on a case-by-case basis, rather than to accept virtually all Soviet refugee claims on face value. As a result, some claims of Soviet emigrés already out of the Soviet Union and now in Italy were being denied. The growing population of Soviets in Italy—both those awaiting processing and those altogether stranded—was of increasing concern to American and Italian officials.

For these and other reasons, the State Department in September 1989 announced that it would immediately close the Vienna-Rome pipeline and establish a new set of application and processing procedures. The first major change was that Soviet citizens seeking refugee status would have to apply at the American Embassy in Moscow—that is, *before* they left the Soviet Union. The second major change was that—for the first time—the United States itself would impose limits on the number of Soviets to be admitted:² In fiscal year 1990, 50,000 would be granted refugee status, with limited additional admissions under the Attorney General's discretionary parole authority.³

By imposing new procedures and a firm ceiling on the number of Soviet immigrants, the administration hoped to bring some order to the migration of Soviets to the United States—a process that had been wholly dependent on the emigration policies of the Soviet Union, and that was breaking down under the burden of so many new emigrés. But by putting a cap on Soviet immigration—thereby helping to solve some administrative and financial problems—the United States may have begun to deny tens of thousands of Soviet citizens the opportunity to leave the Soviet Union—thereby adding to some delicate political ones.

The way it was

The September 1989 announcement was State's response to a billowing bureaucratic nightmare. Here is what it confronted.

The first stop for Soviet emigrés is Vienna,⁴ where voluntary agencies, such as the Hebrew Immigrant Aid Society, give them assistance. Soviet

Jews are met in Vienna by an Israeli government representative; if they decide to emigrate to Israel, they are routed directly there.⁵ Soviet emigrés who choose the United States are provided food and lodging and routed to Rome for processing by INS. There, once more, voluntary agencies meet them; transport them to temporary lodgings; and provide food, shelter, and other necessary care during their stays. The voluntary agencies also help them prepare for their all-important INS review. Each applicant's case is examined and decided by an INS officer; only after the INS interview does the applicant learn if he or she has been accepted for entry into the United States as a refugee, been denied entry entirely, or been considered for entry under the Attorney General's parole authority.

Those who are granted refugee status are processed for travel and flown to the United States where, once again, voluntary agencies greet them and help get them settled. Others, denied refugee status but offered resident alien status under the Attorney General's parole authority, also fly to the United States (but without financial assistance from the government), and are met by individuals or organizations that have pledged responsibility for their welfare. Still others, either having been denied access to the United States or having chosen not to accept parole offers, are left to their own devices in Italy.

The flow of Soviet emigrés into Vienna and on to Rome began to grow appreciably in fiscal year 1987, and then dramatically in fiscal year 1988. (See figure 1.) By January 1989 (three months into fiscal year

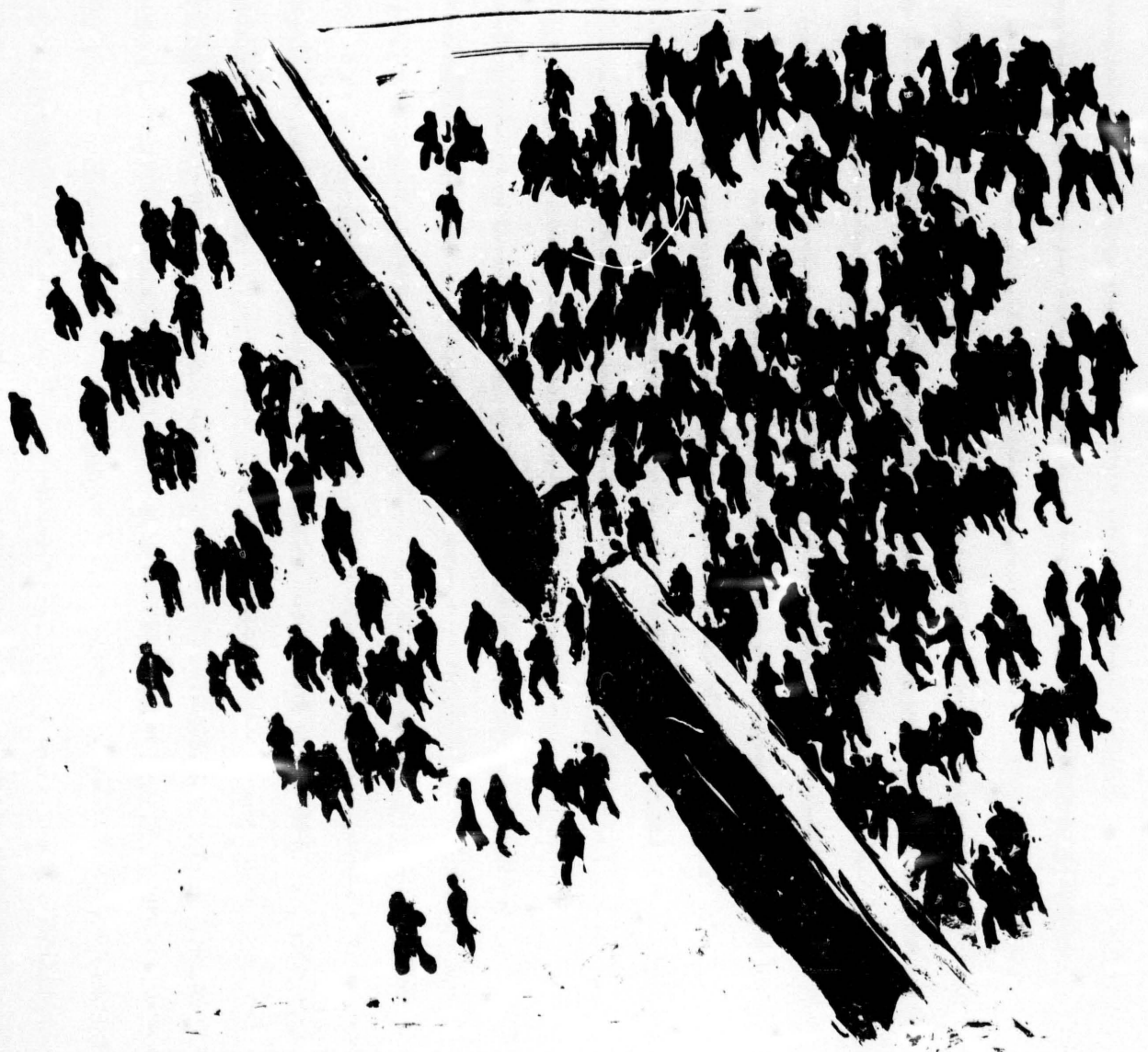
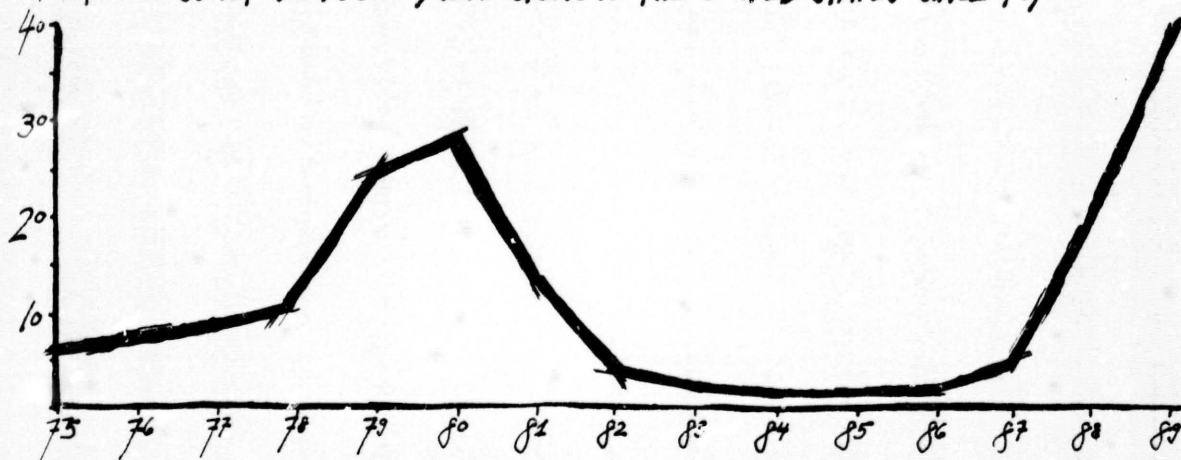


Figure 1 THOUSANDS SOVIET REFUGEE ADMISSIONS TO THE UNITED STATES SINCE 1975



1989), State Department officials were anticipating over 100,000 applications—about half of them coming through Rome—by the end of the fiscal year. By July, the number of applications had already exceeded 32,000 in Rome and 38,000 in Moscow. When the fiscal year ended in September, 39,553 Soviet refugees had been admitted to the United States. The great majority of these were Jews and Evangelical Christians coming through Rome; fleeing a history of persecution in the Soviet Union, members of these two groups were usually granted refugee status by INS. (By contrast, most Soviets who were applying at the American Embassy in Moscow were Armenians. As a group, they were not fleeing persecution and generally were not granted refugee status.)⁶

The rapidly increasing number of applicants moving through the Vienna-Rome pipeline strained the resources available to help them. The voluntary agencies, even with financial help from the State Department, were hard pressed to keep up. During fiscal year 1989, the State Department—funding food, lodging, and medical expenses for the refugees, and also reimbursing the voluntary agencies for their assistance to each approved refugee—spent \$85 million on refugee processing in Vienna and Rome.⁷

Money aside, by early 1989, the influx of Soviet emigrés into Rome had swamped the capacity of the voluntary agencies and INS to keep them moving. In response, both the voluntary agencies and INS increased the size of their staffs substantially. Yet by July 1989, the backup in Italy amounted to some 12,000 persons in various stages of processing. By the end of September, that number had grown to about 15,000, with an additional 12,000 in Vienna awaiting travel to Rome.

Not surprisingly, the strain began to show in Italy itself. Many of the Soviet emigrés enduring the long

processing cycle in Rome—typically 60 to 90 days—were housed in the small seaside town of Ladispoli, Italy. For Ladispoli's residents, the influx of foreign transients created housing shortages and was in other ways troublesome and disruptive—all the more so because it just kept growing.

Another problem lay with the increasing number of Soviet emigrés who, having been denied refugee status, were unwilling or unable to accept a parole offer as an alternative. Some declined parole status under the rationale that to accept it would be a tacit admission that their group had not suffered persecution as a class in the Soviet Union. Others did not have relatives or contacts in the United States who could provide the required stateside affidavits of support. As of July 1989, about 4,400 Soviet emigrés in Italy had been denied refugee status and been offered parole. According to INS, at that time only 117 had accepted the offer and left for the United States. Those who stayed behind had little choice but to enter the Italian labor market as illegal aliens.⁸

The way it is

Clearly, then, there were several pressing reasons behind the decision to close the Vienna-Rome exit route. The dramatic rise in the number of Soviet emigrés had led to an equally dramatic rise in processing costs and to tremendous strains on the system. The pipeline had never before accommodated so large a volume of refugee applicants, and no one could predict with certainty whether their numbers would continue to rise or drop off. The levels already reached had led not just to thousands of Soviet emigrés enduring lengthy delays in Italy while their

The rapidly increasing number of applicants moving through the pipeline strained the resources available to help them. The voluntary agencies, even with financial help from the State Department, were hard pressed to keep up.

cases were processed, but to the specter of large numbers of them being stranded entirely.

By now the effects of the decision are being felt. For one thing, the United States has gained control over the number of refugee applicants entering the system: State and INS can now decide how many applicants will be interviewed and how many refugees will be admitted. Processing costs for each refugee should fall by more than one-half, as there will be no need for feeding, sheltering, and caring for applicants, as had been the case for those processed in Vienna and Rome. And there will no longer be large numbers of Soviets citizens lingering at Ladispoli and Rome for processing.

For the prospective applicants themselves, there are some advantages: They can now apply for refugee status—and get a decision—without having to disrupt their lives by first applying for and receiving visas from their own government, and then packing up and leaving their country in a state of uncertainty. Under the new, Moscow-based system, those denied refugee status can return to their homes without having burned their bridges behind them.

But there are disadvantages for them as well. Already, there is a growing backlog of applications at the American Embassy in Moscow. And because of various priorities now being assigned to those wishing to emigrate, many may not be interviewed at all. Also, because of the volume of applicants, postinterview processing of approved applicants may keep them in the Soviet Union for as long as six months after their applications have been approved. For successful applicants, all this may add up to a year's processing time from application to embarkation—something of particular concern to Soviet Jews at a time when Soviet anti-Semitism is reportedly on the rise.

Long waits may be troublesome enough, but the most profound effect on Soviet emigrés will be that not as many of them will be coming to America as probably would have had the Vienna-Rome pipeline been left open. Fifty thousand refugees and several thousand more eligible for parole status: These are sizable numbers, but they do not match the estimated 800,000 Soviet citizens who will apply for admission to the United States during fiscal year 1990.

If they don't come to the United States, where might they go? For Soviet Jews, the most prominent alternative is Israel.

This is where the administration's attempt to solve one problem has begun to stir up another. The Israelis are pleased with the influx of Soviet Jews, who number some 1.8 million and are the last great source of Jews to populate Israel. But Israel's adver-

saries, not surprisingly, are not so pleased. And the problem is doubly complicated by the possibility that the rising number of Soviet Jews entering Israel will settle in the occupied territories. It is not just Israel's adversaries, but its ally the United States, who oppose that practice. The United States now has a tangled diplomatic problem to deal with.

And it has another as well. The administration has closed the Vienna-Rome pipeline and effectively capped the number of Soviet citizens who will be admitted to the United States. This is a signal that the United States either cannot or will not accept all who would leave the Soviet Union. Many of those waiting in Moscow call this the abrogation of a promise. Is it?

In a sense, the United States may be the victim of its own good fortune. Having waited years for this window of opportunity, the nation must now make the most of the situation while keeping an eye on finances, politics, diplomacy—and its conscience. •

The United States has signaled that it either cannot or will not accept all who would leave the Soviet Union. Many of those waiting in Moscow call this the abrogation of a promise. Is it?

1. GAO's work on matters relating to Soviet refugees began in November 1988 and has included several reviews of policy and processing issues. The latest is entitled *Soviet Refugees: Processing and Admittance to the United States* (GAO/NSIAD-90-158, May 9, 1989). While the authors were significant contributors to these reports, their views as expressed in the *GAO Journal* are not necessarily those of GAO.

2. The United States has traditionally set yearly refugee admission levels on a region-by-region basis—the Soviet Union included. For years, however, the practice has been to accept all Soviets who could obtain permission to leave their country, regardless of the numbers. If individuals were not accorded refugee status, then offers of parole would be made instead.

3. Soviet citizens entering the United States under the Attorney General's parole authority do not receive travel, medical, or resettlement benefits. Until recently, parolees were not given the option of eventually obtaining U.S. citizenship. But with passage of Public Law 101-167 in November 1989, that right was extended to all Soviet parolees.

4. Because there are still Soviet emigrés in the Vienna-Rome pipeline, we have chosen to use the present tense in describing it. The reader should keep in mind, however, that the effect of the September 1989 State Department decision has been to phase out the practices we are describing.

5. Over the past two years, more than 90 percent of Soviet Jews arriving in Vienna have chosen to travel to the United States rather than Israel. In fact, most of the Soviet refugee applicants in Rome during this time have been Jews.

6. The legal basis of U.S. refugee admissions is the Refugee Act of 1980, which embodies the American tradition of granting refugee status to groups suffering or fearing persecution. For purposes of the U.S. refugee admissions program, the act adopted the definition of "refugee" contained in the United Nations Convention and Protocol relating to the Status of Refugees. In general, a refugee is one who has suffered persecution, or has established a well-founded fear of persecution, on account of race, religion, nationality, membership in a particular social group, or political opinion. The full definition may be found in Section 101(a)(42) of the Immigration and Nationality Act, as amended.

7. This figure does not include the costs of resettling refugees in the United States—costs that are funded by the U.S. Department of Health and Human Services.

8. Soviet emigrés in the Vienna-Rome pipeline are admitted to Italy, not as resident aliens, but rather as transients for purposes of resettlement in other countries, primarily the United States.