

# THE OCCUPATIONAL AND ECONOMIC INTEGRATION OF THE NEW IMMIGRANTS

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## I

### INTRODUCTION

The pivotal question for the current immigration debate is the extent of the impact that immigrants exercise on the labor market. Most experts argue that “push,” not “pull,” has been chiefly responsible for impelling the migration of relatively unskilled and uneducated migrants from poorer, developing countries. These new immigrants, they contend, have succeeded in obtaining “good” jobs that are normally desired by national workers. The presence of immigrants, however, has increased the supply of labor in the United States, thereby depressing wages, creating unemployment, and distorting normal labor market patterns. The alternative argument, articulated by a minority of analysts, is that the new immigration is but the latest in a series of external and internal migration flows that have fed into the lower levels of the labor market. In contrast to the displacement theses, these scholars maintain that immigrants comprise a “noncompeting” group occupying bottom level work stations that complement the higher level jobs filled by natives.

If the focus is expanded beyond the issue of the impact of immigration on American society, one notices critical implications for the future of immigration hidden in the crossfire of debate. Despite the focus on present conditions, each of the two competing viewpoints also suggests a distinctive scenario for the long term absorption of the new immigrants into American society. If the immigrants are obtaining “good” jobs, then it is likely that they and their descendants will secure a slow but steady climb from their present places in the occupational structure. On the other hand, if the immigrants have acquired “bad” jobs that national workers disdain, then they may have simply passed through a tarnished door—an economic cul-de-sac offering no passage into the core economy.

The uncertainty that attends this issue reveals a sense that American society has changed too radically for the historical experience of immigrants to serve as a valid guide. To be sure, that experience is a story of initial disadvantage turned to good fortune in the face of considerable prejudice and antagonism. The descendants of Polish steelworkers, Russian-Jewish garment makers, and Italian longshoremen have moved upwards impressively in two to four generations. Today

their educational and occupational accomplishments rival, when they do not outrank, the achievements of their "old immigrant" Protestant counterparts.<sup>1</sup> Nor is the progress of more recent immigrants out of line with the historical trend; indexed by income, legal immigrants in the 1950's and early 1960's did well, outperforming their native counterparts on that important measure.<sup>2</sup>

Yet it is also apparent that the opportunities of which the earlier immigrants availed themselves no longer exist in similar number or form. The America that the turn-of-the-century immigrants encountered was an economy based on goods production in which seven out of every ten Americans found employment in manufacturing, agriculture, or mining.<sup>3</sup> That economy grew in robust fashion, in stark contrast to the current sluggish state of affairs. Expansion generated a demand for willing hands and strong muscles, nimble fingers and bent backs—not diplomas or technical expertise. Immigrant-dominated industries like textiles, mining, or steel asked for nothing more than a displaced peasant or artisan willing to subject himself to the ardors and dangers of industrial work. Neither literacy, language, nor technical ability were adjudged imperative for employment; mechanical skill could be acquired in "hands-on" fashion on the job.<sup>4</sup>

A brief sketch suggests how different the situation is today. Goods production furnishes employment for only three out of every ten workers, and the number of manufacturing jobs has remained virtually stagnant for much of the decade.<sup>5</sup> Industries such as steel and automobiles that once beckoned to newcomers have shriveled, now providing unstable and diminishing prospects of employment. Other sectors that once absorbed immigrants in large numbers now offer only unsteady jobs and monetary returns that incessantly slide further below the average wage.

More importantly, perhaps, the industrial labor market lacks the fluidity it possessed at the turn of the century. "Dual labor market" theorists argue that the economy is currently segmented into two sectors. The "primary sector" consists of large, generally unionized firms paying high wages, guaranteeing considerable job security, and providing opportunities for advancement. The "secondary labor market," composed of small firms engaged in highly competitive industries, offers near-poverty wage levels, minimal shelters from instability, and scant opportunities for mobility. Job openings in the primary sector are limited and carefully rationed; even during periods of expansion, heavy investments in capital tend to reduce the need for labor. By contrast, entry into the secondary sector is considerably easier, especially for such marginal worker groups as domestic racial minorities, women, and foreign workers. Subsequent progress, however, is problematic. Shrunk job ladders limit intrafirm mobility. Secondary firms, vulnerable to changes in the economic conditions, typically adjust employment levels to rela-

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1. A. GREELEY, *THE AMERICAN CATHOLIC: A SOCIAL PORTRAIT* 50-68 (1979).
  2. Chiswick, *The Economic Progress of Immigrants: Some Apparently Universal Patterns*, in 1979 AMERICAN ENTERPRISE INSTITUTE, *CONTEMPORARY ECONOMIC PROBLEMS* 357, 372-76.
  3. D. BELL, *THE COMING OF POST-INDUSTRIAL SOCIETY* 129 (1973).
  4. P. TAYLOR, *THE DISTANT MAGNET: EUROPEAN EMIGRATION TO THE U.S.A.* 192-201 (1971).
  5. BUREAU OF LABOR STATISTICS, U.S. DEPT. OF LABOR, *EMPLOYMENT AND EARNINGS*, Jan. 1981, at 210.

tively slight shifts in demand. For workers who cannot escape into the primary market, then, the secondary sector is a morass providing an ample supply of equally undesirable, dead end jobs.<sup>6</sup>

While changes at the lower levels of the labor market suggest diminished opportunities there, other shifts portend further difficulties. Growth has occurred in those fields in which immigrants with traditional backgrounds are least likely to qualify: white-collar, technical, and professional occupations in which specialized skills are often demanded. Educational requirements have also risen, though not necessarily in response to more exacting job requirements. Rather, education is often used as a screening device, barring entry to workers with lower levels of schooling. Increasingly, people with traditionally high levels of education are drifting into "middle-level" jobs, bumping those with high school or partial college educations into competitive labor markets further down the occupational scale. For the new immigrants, then, the job ceiling may have lowered, delaying or altogether preventing the passage from "bad" to "good" jobs and crowding the newcomers into competitive and unstable labor markets.<sup>7</sup>

Even if structural changes have not diminished the opportunities for immigrant mobility, the emergence of illegal immigration may constitute an even greater threat to the economic integration of the new immigrants. Certainly the common perception is that illegality compounds the economic difficulties arising from foreign birth, lower levels of education, and insufficient training. Many analysts argue that "the role of illegal aliens . . . is . . . due to specific differences in rights, equality under the law, and access to opportunity that aliens have in America."<sup>8</sup> Although its conclusions are open to debate, the Select Commission on Immigration and Refugee Affairs argued that these disparities have created "an underclass of workers who fear apprehension and deportation."<sup>9</sup>

This paper will assay the prospects and actual progress of the new immigrants. It will survey the empirical evidence to ascertain the factors promoting or impeding successful occupational integration of the major immigrant groups—legal immigrants, illegal aliens, and refugees.

## II

### LEGAL IMMIGRANTS

The shift in immigration policy signalled by the abolition of the national origins system has produced an immigrant population distinguished by both its numbers and its composition. Between 1924 and 1965 only a narrow stream of newcomers, most of whom were ethnically harmonious with the dominant Anglo-Saxon core, trickled into the United States. As late as 1965, the traditional

6. Piore, *Jobs and Training*, in *THE STATE AND THE POOR* 53 (S. Beer ed. 1970).

7. I. BERG, *EDUCATION AND JOBS: THE GREAT TRAINING ROBBERY* 14-15 (1971).

8. D. NORTH & A. LABEL, *MANPOWER AND IMMIGRATION POLICIES IN THE UNITED STATES* 141 (1978).

9. STAFF OF SELECT COMM'N ON IMMIGRATION AND REFUGEE POLICY, 97TH CONG., 1ST SESS., *FINAL REPORT: U.S. IMMIGRATION POLICY AND THE NATIONAL INTEREST* 41-42 (Comm. Print 1981) [hereinafter cited as SCIRP FINAL REPORT].

sending countries of Europe and Canada continued to furnish more than half of the new entrants, with countries such as the United Kingdom or Germany sending the largest number. The currents of immigration have shifted dramatically since then. Old World immigrants now absorb a minor share of the quotas allocated to newcomers and are greatly outnumbered by the new immigrants coming from Asia, the Caribbean, and Latin America. In 1979, the last year for which data are available, Korea sent almost five times as many immigrants as Germany; Mexico sent three and a half times the number coming from Britain, and Jamaica sent three times as many as Italy. Overall, European and Canadian immigrants accounted for less than one-sixth of the 1979 immigrants, with the remaining shares split by arrivals from Latin America (39%) and Asia (41%).<sup>10</sup>

Historically, immigrants were homogeneous populations of persons narrowly concentrated at the bottom of the occupational scale. Domestic servants and general laborers dominated the immigrating population for most of the 19th century with the upper ranks of industry, commerce, and the professions contributing little to the flow.<sup>11</sup> The recent wave, in contrast, is heterogeneous, resembling the U.S. population with respect to socioeconomic characteristics. In 1979 white-collar workers comprised 45% of the immigrants with previous work experience, and it is likely that the percentage would have been higher still were it not for the large number of refugees admitted that year. This white-collar group was heavily weighted toward the more prestigious occupations; almost one-third of the immigrants who had worked before moving to the United States had been employed in either professional, technical, or managerial jobs. Even the blue-collar group contained numerous immigrants with experience in skilled occupations; in 1979, craft workers made up an additional 11% of the experienced immigrating population.<sup>12</sup>

The high occupational composition of the immigrant population reveals a "brain drain" of highly educated and well-trained persons moving from less-developed countries. In recent years most of these high level immigrants have come from Asia; indeed, more than half of the 1979 foreign professionals were Asian in origin.<sup>13</sup> Although four countries alone—the Philippines, India, China, and Korea—have contributed substantially to this flow, they have produced more immigrant professionals than either Europe, North America (Canada and Mexico included), or South America. Overall, Asians are twice as likely to be employed as professional and technical workers as immigrants from other areas.<sup>14</sup>

Despite relatively high occupational levels at home and concomitant levels of educational achievement, legal immigrants move downwards after entering the U.S. labor market. Workers from upper tier occupations are apt to be affected more strongly, especially if they speak English poorly, lack transferable credentials,

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10. 1977 U.S. IMMIGRATION AND NATURALIZATION SERVICE ANN. REP. 38 [hereinafter cited as INS REPORT].

11. Easterlin, *Immigration: Social and Economic Characteristics*, in HARVARD ENCYCLOPEDIA OF AMERICAN ETHNIC GROUPS 480-81 (S. Thernstrom ed. 1980).

12. INS REPORT, *supra* note 10, at 47.

13. *Id.*

14. *Id.*; M. WONG & C. HIRSCHMAN, THE NEW ASIAN IMMIGRANTS 12 (Duke Univ. Center for Int'l Studies, Occasional Paper Series, 1979).

face difficult licensing requirements, or need to pass stringent examinations. Many Koreans, for example, have apparently failed to qualify for upper level jobs, despite high levels of educational and professional training. A study commissioned by the Department of Health, Education, and Welfare found that nearly 60% of the Korean residents possess a college degree or better. Only 25% of the professionals are employed as such, however, while 49% are employed as operatives, craft workers, or salespeople.<sup>15</sup> Craft workers may not be secure against occupational sliding, either. In some instances, premigration training may have provided instruction in techniques that are less sophisticated or outmoded by U.S. standards; in other cases, union apprenticeship programs may bar entry to a trade.<sup>16</sup> Finally, many immigrants appear to secure employment immediately after arriving; burdened by debts and unwilling or unable to accept support from relatives, employment at a lower level may seem preferable to an extended search for the proper job.<sup>17</sup> Whatever the cause of downward mobility, most pre-1970 immigrants moved along an upwards slope after settlement, gaining increments in pay as they acquired greater experience, firm-specific training, and greater labor-market information. Data for immigrants counted by the 1970 census—a population largely untouched by the new immigration—indicate that the earning of immigrants rose with length of residence in the United States. Barry Chiswick has shown that the earnings of immigrants reached parity with the earnings of comparable natives after ten to fifteen years; thereafter, the former surpassed the latter in earnings ability.<sup>18</sup>

As to the fate of those who have moved to the United States during the past decade, trends in mobility will only become discernible when data for the 1980 census are made available and analyzed. Yet, Chiswick's own findings portend slower rates of progress for the newly arrived. Overall, the mobility attained by the pre-1970 immigrant was buoyed by the record of what was then a predominately white and European immigrant population. Nonwhite and non-European immigrants fared notably worse, despite impressively high levels of education.<sup>19</sup> The disparity suggests that the economic integration of immigrants may encompass more than a simple process of occupational adjustment and that other factors, in particular discrimination, may influence the eventual outcomes.

#### A. Asians

The progress of Asian immigrants is a critical case in point. Asian-Americans have registered notable socioeconomic gains, surmounting formidable barriers of hostility and discrimination. As a group, Asian-Americans exceed whites in educa-

15. Kim, *Ethnic Enterprise Among Korean Immigrants in America*, in *THE KOREAN DIASPORA* 91 (H. Kim ed. 1977).

16. G. DEFRIETAS, *THE RELATIVE EARNINGS OF BLACK IMMIGRANTS: THE AMERICAN CASE 1-14* (Faculty of Economics and Politics, University of Cambridge [England], Research Paper No. 14).

17. G. HENDRICKS, *DOMINICAN DIASPORA* 75 (1974); R. WALDINGER, *NEW IMMIGRANTS IN A DECLINING INDUSTRY: MIGRATION STRATEGIES AND PATTERNS* 30-35 (Joint Center for Urban Studies of MIT and Harvard Univ., 1981).

18. Chiswick, *supra* note 2, at 372-76.

19. *Id.*

tional attainment, occupational status, and median income.<sup>20</sup> Foreign-born Asians lag only slightly behind their native counterparts and have outpaced native-white increases in schooling. Nonetheless, the evidence suggests that whites and Asians are still rewarded disproportionately, with the latter reaping poorer returns for equal levels of schooling and occupation. Of all Asian groups only the Japanese have attained parity with whites.<sup>21</sup> Chinese-Americans, by contrast, fail to match the earnings of their white counterparts when such background variables as educational level, generational status, and occupation are controlled. Despite waning prejudice and equal employment codes, discrimination has declined marginally, if at all, since 1960; one careful estimate has measured the 1976 "cost" of Chinese ethnicity as \$1600 in annual earnings.<sup>22</sup>

For immigrants with training and education, economic progress thus follows settlement in due course, albeit at a pace that may be slower than the immigrants expect or deserve. A substantial portion of the immigrant population, however, arrives lacking in schooling and relevant occupational experience. These newcomers seem to encounter an altogether different experience in the labor market.

Although professionals and managers predominate among Asians, the composition of this immigrant population diversified significantly during the last half of the 1970's. Initially, Asian professionals entered the country under quotas reserved for skilled workers in labor-scarce occupations. Settlement, however, has created a basis for immigration under familial screening codes, and immigrants with family ties to permanent residents or citizens need not show evidence of needed occupational or technical skills. Thus Korean immigration, for example, has come to draw from a much wider range of backgrounds. Between 1966 and 1968, sixteen out of every twenty experienced Korean immigrants were professionals, and only one had been employed in a blue-collar job.<sup>23</sup> By the 1975-1977 period, the proportion of professionals had fallen to ten out of twenty while the blue-collar share had risen to five out of twenty.<sup>24</sup> Other Asian countries have exhibited a decline in the proportion of workers with prior occupational experience, a significant development, since the latter are often women who take up employment in lower-level jobs. Consider the Indian case; only 48% of the 1975-1977 immigrants had worked before moving to the United States in contrast to 59% between 1966 and 1968.<sup>25</sup>

Upper level Asians thus appear to wend their way through the occupational hierarchy; their less fortunate counterparts, however, may find themselves trapped in an ethnic subeconomy. As Wong and Hirschman have pointed out, there is an "underside" to Asian life that is all too frequently obscured by the image of Asians

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20. Jiobu, *Earnings Differentials Between Whites and Ethnic Minorities: The Cases of Asian Americans, Blacks, and Chicanos*, 61 SOC. & SOCIAL RESEARCH 24, 28 (1976).

21. Gwartney & Long, *The Relative Earnings of Blacks and Other Minorities*, 31 INDUS. & LAB. REL. REV. 336, 342 (1978).

22. M. Wong, *The Cost of Being Chinese, Japanese, and Filipino in the United States: 1960, 1970, and 1976 at 16-20* (available at Texas Christian University, Fort Worth, Texas); Hirschman & Wong, *Trends in Socioeconomic Achievement Among Immigrant and Native-born Asian-Americans, 1960-76*, 22 SOC. Q. 495, 507-14 (1981).

23. M. WONG & C. HIRSCHMAN, *supra* note 14, at 12-13, Table 5.

24. *Id.*

25. *Id.*

as "model minorities."<sup>26</sup> Notwithstanding the high proportion of Asian professionals, the overall occupational distribution tends to be bimodal, with a comparable share concentrated in the traditional employments of petty trade and small industry. Four out of ten Chinese-born men worked in retail trade in 1976, in sharp contrast to the one-to-ten ratio registered for whites.<sup>27</sup> To be sure, small trade and industry generate their own rewards and may propitiate intergenerational mobility. Yet the returns in such fields are meager given the labor demanded. The attractions of self-employment can only be understood in light of the absence of alternative employment opportunities. Small, immigrant-owned firms, moreover, are viable only because they can draw on a workforce amenable to low wages and poor working conditions. In 1970, for example, 75% of the restaurant workers in New York's Chinatown reported working more than forty hours a week, and careful but anecdotal evidence suggests that payment of overtime premiums is regularly waived in Chinese restaurants.<sup>28</sup> Similarly, the garment factories which provide employment to more than 20,000 immigrants in New York's Chinatown operate under unsafe and substandard conditions and have recently been cited by the U.S. Department of Labor for violations of wage and hour codes.<sup>29</sup> Low prevailing wages force Chinese immigrant families to press all members into the labor force; two-earner families are considerably more common among the Chinese than among whites.<sup>30</sup> Nonetheless, immigrants frequently find themselves in straitened circumstances. In 1970, 12.5% of all Chinese families fell under the poverty line, as compared with 10.8% of all whites. In the Northeast, where the impact of the new Chinese immigration has been most heavily felt, the white-Chinese disparity was even greater.<sup>31</sup>

## B. Latin Americans

Unlike the Asians, among whom the well-educated and socially mobile are a majority, most Caribbean and Latin American immigrants arrive with backgrounds unpropitious for economic progress. As a result, they forego many of the rewards reaped by their more fortunate counterparts. Newcomers with experience in professional, technical, or managerial jobs—the predominant group among immigrants as a whole—comprise only a slight share of the Hispanic migration flow (16% of those who moved in 1979), yielding first place to immigrants who had previously worked in low-level blue-collar or service occupations (56%).<sup>32</sup> Overall,

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26. Hirschman & Wong, *supra* note 22, at 511.

27. *Id.* at 509.

28. Light & Wong, *Protest or Work: Dilemmas of the Tourist Industry in American Chinatowns*, 80 AM. J. SOC. 1342, 1352-53 (1975).

29. Richardson, *U.S. Cracks Down on 85 Chinatown Firms*, Women's Wear Daily, Oct. 19, 1979, at 1, col. 1.

30. B. SUNG, A SURVEY OF CHINESE-AMERICAN MANPOWER & EMPLOYMENT 140-43, 151-59 (Praeger Special Studies Program, 1976); M. Wong & C. Hirschman, Asian-American Women: Stratification & Sequestration 11-13, 16-17 (paper presented at the Conference in New Directions in Theory & Methods of Immigration & Ethnicity Research, Duke Univ., May 15-17, 1981).

31. Light & Wong, *supra* note 28, at 1353.

32. INS REPORT, *supra* note 10, at 38.

the percentage of immigrants with experience in low-level jobs is disproportionately of Latin American and Caribbean origin.<sup>33</sup> Mexicans, for example, made up only one-eleventh of the legal immigrants who moved to the United States in 1979, but accounted for one-fourth of all those who had previously been employed as farm laborers.<sup>34</sup>

Latin American and Caribbean immigrants are also ill-equipped to attain the educational and technical thresholds required for entry into many upper-level jobs. Educational deficiencies among the Mexican immigrant population are particularly severe; a large scale survey of legal Mexican immigrants found that a mere 5.5% had received twelve years of schooling or more.<sup>35</sup> More disturbing still are the indications that white-immigrant gaps in education have widened rather than narrowed as the Mexican foreign-born population has grown. One critical sign is the level of education among different age groups. Among adult men over fifty-five years of age, secondary education is a rarity among the Mexican-born (9%), but it is also infrequent among whites (34%). Among the youngest white male cohort, however, twelve years of schooling is almost universal: 82% of those aged twenty to twenty-four in 1970 had received twelve years of education or more. By contrast, only 38% of the Mexican-born men in this group had completed high school. Central and South Americans exhibit significantly higher rates of educational attainment; 66% of the foreign-born males aged twenty to twenty-four had completed high school in 1970 and schooling retention rates through college were high. Nonetheless, there continues to be a disparity between the educational levels of whites and Central and South Americans.<sup>36</sup>

Like other immigrants, newcomers from the Caribbean and Latin America earn less than national workers who are equally endowed in such human capital variables as education or experience. As their length of stay in the United States increases, their earnings also rise. In his analysis of returns from the 1970 Census of Population, Chiswick found that the earnings of Mexican immigrants exceeded the earnings of comparable Mexican-American men after fifteen years.<sup>37</sup> A more recent study examining the 1976 Survey of Income and Education reports that the crossover point occurs after twenty years of residence for Mexicans and after seventeen years for Central and South Americans.<sup>38</sup>

There is, however, a significant difference in the earnings curve of Mexican immigrants. Unlike other foreign workers, they fail to either equal or surpass the earnings of comparable native whites, never even approaching that income plateau.<sup>39</sup> The obstacles impeding Mexican immigrants are difficult to specify, but education and experience do play less important roles in the economic progress of

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33. *Id.*

34. *Id.*

35. Portes, *Illegal Immigration and the International System: Lessons from Recent Mexican Immigration to the United States*, 26 *SOC. PROBS.* 425, 429 (1979).

36. A. JAFFE, R. CULLEN & T. BOSWELL, *CHANGING DEMOGRAPHY OF SPANISH AMERICANS IN THE UNITED STATES* 31, 135-40 (1981) [hereinafter cited as A. JAFFE].

37. Chiswick, *supra* note 2, at 379.

38. M. TIENDA & L. NEIDERT, *SEGMENTED MARKETS AND EARNINGS INEQUALITY OF NATIVE AND IMMIGRANT HISPANIC WORKERS IN THE UNITED STATES* 13 (U. Wis. Center for Demography and Ecology Working Paper 80-13, 1980).

39. Chiswick, *supra* note 2, at 379.



Mexican immigrants than in the foreign-born population at large. Chiswick's analysis, for example, showed that each year of education increased the earnings of Mexican immigrants by only 3.9% in contrast to 5.7% for all foreign-born whites.<sup>40</sup> These low returns for education are consistent with the general economic status of the Mexican-American population and confirm findings that Mexican-Americans earn less than comparable whites in all occupations.<sup>41</sup> Such differences in earnings comprise the labor market "cost" of Mexican ethnicity; they contribute significantly to the low incomes of Mexican-Americans and, despite legal sanctions against discrimination, appear not to have appreciably declined.<sup>42</sup>

These findings suggest that Hispanic immigrants encounter little trouble in entering the American economy at its lowest levels. Once inside the economy, however, they face severe difficulties in "moving up," regardless of whether movement is defined in terms of income or occupational status. This phenomenon requires a three-part explanation.

First, discrimination bars the route into primary sector firms. Prior occupational experience and education appear to have little weight in the hiring decisions of primary sector employers when they are considering Hispanic immigrants. As one large-scale study of Mexican immigrants showed, premigration occupational experience barely influenced U.S. occupation; most immigrants were simply compressed into the lowest level positions.<sup>43</sup> Foreign birth also compounds the "costs" of Spanish ethnicity; Mexican and Central and South American-born workers are even more likely to be consigned to secondary sector employment than their Hispanic-American counterparts.<sup>44</sup>

Second, employment in the secondary sector is itself an impediment to upward mobility. Small, undercapitalized secondary firms frequently rely on antiquated and backward technology—practices that reduce the chance of learning skills that could be applied to more remunerative or stable occupations. Nor does secondary employment foster an ability to venture beyond the confines of the immigrant community and the immigrant-absorbing industries. Recruitment practices often create predominantly Hispanic work crews and work tasks rarely require or spur mastery of English. Moreover, employment relations within the immigrant-absorbing firm offer little opportunity to learn the functioning of bureaucratic organizations since secondary employers and employees interact directly and demands and obligations tend to be interpreted in a highly personal way.<sup>45</sup> Thus, immigrants get "locked into" secondary sector jobs. As evidenced by returns for the 1976 Survey of Income and Education, a special government study designed to

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40. *Id.* at 375.

41. Jiobu, *supra* note 20, at 28-30.

42. V. BRIGGS, W. FOGEL & F. SCHMIDT, *THE CHICANO WORKER* 43-49 (1977) [hereinafter cited as V. BRIGGS]; Long, *Productivity, Employment Discrimination, and the Relative Economic Status of Spanish Origin Males*, 58 *SOC. SCI. Q.* 357, 363-71 (1977).

43. Portes, *Modes of Structural Incorporation and Present Theories of Labor Immigration*, in *GLOBAL TRENDS IN MIGRATION* 279, 284-90 (1981).

44. M. TIENDA & L. NEIDERT, *supra* note 38, at 17-18.

45. M. PIORE, *THE ROLE OF IMMIGRATION IN INDUSTRIAL GROWTH: A CASE STUDY OF THE ORIGINS AND CHARACTER OF PUERTO RICAN MIGRATION TO BOSTON* 10-14 (MIT Dep't Econ. Working Paper 112, 1973).

collect detailed information on low income and minority workers, chances for mobility from secondary concerns to better paying and more stable primary firms do not improve with years of residence in the United States.<sup>46</sup>

Third, employment conditions in the secondary sector keep wages down. Since employment levels are unstable and secondary firms lack capital resources, there is little investment in training. The result, as one recent study of Mexican immigrants disclosed, is that experience has almost no positive effect on the earnings of workers employed in secondary firms. Immobility is yet another depressing factor; with secondary sector workers having difficulty moving up and out, the very large number of workers greatly reduces the pressure for wages to rise.<sup>47</sup>

### III

#### ILLEGAL IMMIGRANTS

While it is possible to assemble statistics portraying the immigration of illegals and their participation in the labor market, this is done without the coherence or certainty that exists in studying the population of legal immigrants. Because the illegal immigrants comprise a covert population of unknown parameters, surveys of sample populations are useful for only limited generalization. Moreover, research efforts have been focused unevenly, with most emphasis going to developments in the Southwest where illegal immigration is at once most visible and controversial. As a result, the best information concerns the characteristics and experiences of the primarily Mexican immigrants who congregate in that region. The most reliable estimates of the illegal population, however, indicate that Mexicans comprise at most 60% of total illegal immigrants; of the remaining 40%, most of whom reside in the Northeast, only sketchy and often conflicting bits of information are available.<sup>48</sup>

Nonetheless, a composite portrait of the illegal immigrant population and its labor market experience can be developed from a variety of sources employing different methodologies. Information about the characteristics of the illegal population can be drawn from studies of illegal immigrants apprehended by the Immigration and Naturalization Service (INS),<sup>49</sup> from surveys of unapprehended illegal immigrants living and working in the United States,<sup>50</sup> from interviews conducted

46. M. TIENDA & L. NEIDERT, *supra* note 38, at 18-20.

47. A. PORTES & R. BACH, DUAL LABOR MARKETS AND IMMIGRATION: A TEST OF COMPETING THEORIES OF INCOME INEQUALITY 25-28 (Duke Univ. Center for Int'l Studies, Occasional Paper Series, 1979).

48. Siegel, Passel & Robinson, *Preliminary Review of Existing Studies of the Number of Illegal Residents in the United States*, in U.S. IMMIGRATION POLICY AND THE NATIONAL INTEREST: APPENDIX E TO STAFF REPORT OF THE SELECT COMM'N ON IMMIGRATION AND REFUGEE POLICY PAPERS ON ILLEGAL MIGRATION TO THE UNITED STATES 13 (1980) (Supplement to SCIRP FINAL REPORT, *supra* note 9).

49. D. NORTH & M. HOUSTON, THE CHARACTERISTICS AND ROLE OF ILLEGAL ALIENS IN THE U.S. LABOR MARKET: AN EXPLORATORY STUDY (1976).

50. S. Maram, *Hispanic Workers in the Garment and Restaurant Industries in Los Angeles County: A Social and Economic Profile* (1980) (available from Dep't Industrial Relations, State of California); M. VAN ARSDOL, J. MOORE, D. HEER & S. HAYNIE, *NON APPREHENDED AND APPREHENDED UNDOCUMENTED RESIDENTS IN THE LOS ANGELES LABOR MARKET: AN EXPLORATORY STUDY* (1979) [hereinafter cited as M. VAN ARSDOL]; G. Cardenas, *Manpower Impact and Problems of Mexican Illegal Aliens in an Urban Labor Market* (1977) (Ph.D. Dissertation, University of Ill. at Urbana-Champaign).

with return migrants living in their communities of origin,<sup>51</sup> and from data collected from legal immigrants with previous experience of working illegally in the United States.<sup>52</sup> It is tempting to argue that these various sources, when taken as a whole, provide a measure of enhanced validity to the data, especially for the Mexican population. Unfortunately, the studies often produce disparate rather than consistent findings, and it is difficult to determine whether these differences reflect actual variations within the population or derive from the differing methodologies employed.

In contrast to legal immigrants, those Mexicans who move to the United States illegally appear more likely to come from rural backgrounds. Of the 407 Mexicans surveyed in a national sample of apprehended illegal immigrants (the North-Houston study),<sup>53</sup> 49% had worked as farmers or farm laborers before coming to work in the United States.<sup>54</sup> Other studies, however, suggest that urban, blue-collar workers who closely resemble the legal immigrants may comprise a larger proportion of the Mexican illegals than commonly has been assumed. Two large-scale surveys of unapprehended illegal immigrants living in Los Angeles found that the proportion of illegals with previous experience in blue-collar or service jobs greatly outweighed the share of former agricultural workers.<sup>55</sup> Sampling differences may account for these discrepancies, since the national survey included a much higher percentage of workers employed as agricultural laborers in the United States than did either of the two local, urban-based studies.

Other Western Hemisphere illegals compare closely to their legal counterparts on most socioeconomic indicators. The North-Houston study, for example, found that 40% of the foreign workers in this group had worked in skilled or semiskilled jobs before moving to the United States, while only 12% had previously been employed in agriculture.<sup>56</sup> Studies of unapprehended Western Hemisphere illegals and returned migrants who had previously worked in the United States illegally also indicate that occupational and educational attainments tend to exceed the Mexican norm.<sup>57</sup>

Illegal immigrants work primarily in the lower tier of the labor market. The data presented in Table 1 show that the bulk of the illegal Mexican population is concentrated in low level blue-collar and service occupations, with a heavy representation in agriculture. Sampling differences, as explained above, may account

51. W. CORNELIUS, *MEXICAN MIGRATION TO THE UNITED STATES: CAUSES, CONSEQUENCES, AND U.S. RESPONSES* (1978); Reichert & Massey, *History and Trends in U.S. Bound Migration From a Central American Town*, 14 INT'L MIGRATION REV. 475 (1980).

52. Hirschman, *Prior U.S. Residence Among Mexican Immigrants*, 56 SOC. FORCES 1179 (1978); Portes, *supra* note 35; Portes, *supra* note 43.

53. D. NORTH & M. HOUSTON, *supra* note 49.

54. *Id.* at 90.

55. S. MARAM, *supra* note 50, at 10-15; M. VAN ARSDOL, *supra* note 50, at 23-35; C. Keeley, P. Elwell, A. Fragomen, Jr. & S. Tomasi, *Profiles of Undocumented Aliens in New York City: Haitians and Dominicans* 6-9 (paper presented at the meeting of the Latin Am. Studies Ass'n, Nov. 1977).

56. D. NORTH & M. HOUSTON, *supra* note 49, at 103.

57. Poitras, *The U.S. Experience of Return Migrants from Costa Rica and El Salvador*, in U.S. IMMIGRATION POLICY AND THE NATIONAL INTEREST: APPENDIX E TO STAFF REPORT OF THE SELECT COMM'N ON IMMIGRATION AND REFUGEE POLICY, PAPERS ON ILLEGAL MIGRATION TO THE UNITED STATES 109-16 (1980) (supplement to SCIRP FINAL REPORT, *supra* note 9).

for the disparate proportions of workers engaged in farm labor. Prior occupational experience may also exercise an important influence on employment history within the United States. Studies of rural sending villages in northern Mexico, for example, report that agriculture is the single largest, if not dominant, occupational category among out-migrants who work in the United States. While rural out-migrants may move first to farms, and then in stages toward the cities, migrants of urban and industrial background may gravitate directly toward the cities. Occupational patterns also appear to be related to variations in migration strategies. Numerous sources report that temporary, shuttle migration is characteristic of Mexicans moving to the United States from rural villages. The illegals surveyed in the Los Angeles studies, however, exhibited a greater tendency toward settlement and it may be that temporary, seasonal patterns can only be maintained when the demand for labor is regulated by the fluctuations inherent in the harvest labor market.<sup>58</sup>

TABLE 1  
U.S. OCCUPATIONS OF MEXICAN ILLEGAL IMMIGRANTS

Occupation Group	North-Houston Study <sup>a</sup>	Los Angeles Community Study <sup>b</sup>
Professional, Technical & Kindred Workers	0.5	3.8
Owners, Managers, Administrators, except Farm	—	0.5
Sales Workers	0.7	1.5
Clerical & Kindred Workers	—	3.2
Craft & Kindred Workers	14.3	26.7
Operatives, except Transport	21.9	28.8*
Transport Equipment Operatives	0.7	—
Nonfarm Laborers	17.9	11.6
Farmers & Farm Managers	—	0.4**
Farm Laborers & Supervisors	27.0	—
Service Workers, except Private Household	13.5	10.9
Private Household Workers	3.4	3.1
Not in Labor Force	—	9.5
Number of Respondents	407	2,009

\* Includes operatives, transportation.

\*\* Includes farm laborers.

Sources: a. D. North & M. Houston, *The Characteristics and Role of Illegal Aliens in the U.S. Labor Market: An Exploratory Study* 104 (1976).

b. M. Van Arsdol, *Non-Apprehended and Apprehended Undocumented Residents in the Los Angeles Labor Market* (1979).

The overall occupational trend among Mexican illegals is clearly away from agriculture. Migration flows have shifted toward urban occupations as mechanization has altered the character of farm work and caused the number of full-time,

58. W. CORNELIUS, *supra* note 51, at 52-64; Reichert & Massey, *supra* note 51, at 480-86, 490.

full-year agricultural jobs to drop severely.<sup>59</sup> A study of migrants from a northern Mexican agricultural region, for example, found that recent migrants were only half as likely to work in agriculture as migrants who had worked in the United States prior to the 1970's.<sup>60</sup> Increasingly, the occupational distribution of Mexican illegal immigrants will resemble the pattern of other Western Hemisphere illegals who are overwhelmingly concentrated in blue-collar and service occupations, as illustrated by the data presented in Table 2.

TABLE 2  
OCCUPATIONS OF WESTERN HEMISPHERE (MEXICO EXCEPTED)  
ILLEGAL IMMIGRANTS

Occupation Group	North-Houston Study <sup>a</sup>	Los Angeles Community Study <sup>b</sup>	Return Migrants from Costa Rica & El Salvador <sup>c</sup>
Professional, Technical & Kindred Workers	1.7	5.3	10.5
Owners, Managers, Administrators, except Farm	1.7	1.8	2.1
Sales Workers	1.2	4.1	5.8
Clerical & Kindred Workers	4.1	3.6	5.6
Craft & Kindred Workers	13.3	18.9	18.8
Operatives, except Transport Equipment	36.4	29.0*	11.0
Operatives	0.6	—	1.7
Nonfarm Laborers	11.6	5.9	7.0
Farmers & Farm Managers	—	—	2.6†
Farm Laborers & Supervisors	4.6	—	—
Service Workers, except Private Household	21.4	13.6	30.5**
Private Household Workers	3.5	7.7	—
Not in Labor Force	—	10.1	4.4
No. of Respondents	173	169	575

\* Includes operatives, transportation.

† Presumably includes farm laborers. More precise occupational categories not specified.

\*\* Presumably includes private household workers. More precise occupational categories not reported.

Sources: a. D. North & M. Houston, *The Characteristics and Role of Illegal Aliens in the U.S. Labor Market: An Exploratory Study* 104 (1976).

b. M. Van Arsdol, *Non-Apprehended and Apprehended Undocumented Residents in the Los Angeles Labor Market* (1979).

c. G. Poitras, *The U.S. Experience of Return Migrants from Costa Rica and El Salvador*, U.S. IMMIGRATION POLICY AND THE NATIONAL INTEREST: APPENDIX E TO STAFF REPORT OF THE SELECT COMM'N ON IMMIGRATION AND REFUGEE POLICY, PAPERS ON ILLEGAL MIGRATION TO THE UNITED STATES 112 (1980) (SUPPLEMENT TO SCIRP FINAL REPORT).

59. W. FOGEL, MEXICAN ILLEGAL ALIEN WORKERS IN THE UNITED STATES 82-86 (1968); Reichert & Massey, *supra* note 51, at 489-90.

60. W. CORNELIUS, *supra* note 51, at 54-55.

Illegal immigrants occupy the lowest paying jobs in the occupational categories in which they are concentrated. The North-Houston study, for example, found that both the hourly and weekly earnings of illegals were lower than the earnings of native workers employed in the same occupational categories.<sup>61</sup> Despite their low wages, most illegal immigrants appear to be paid at or slightly above the minimum wage. Only 16% in the North-Houston study had been paid below the minimum wage, with most wage violations occurring among agricultural employers whose farms were located near the U.S.-Mexican border.<sup>62</sup> In addition, respondents who reported wage violations were apt to be more recent immigrants whose stay in the United States was lower than the sample average.<sup>63</sup> This finding is corroborated by Cornelius' survey of sending villages in northern Mexico where reports from recent and older migrants indicate that the level of exploitation has decreased as the migrant stream has shifted away from agricultural workers.<sup>64</sup>

The newest evidence, however, suggests that a substantial minority of the illegal population may be engaged in "black work." Infractions of the labor codes now appear to occur on a fairly wide scale among light manufacturing, service, and construction firms employing undocumented immigrants. A survey of 826 illegal restaurant and garment workers in Los Angeles found that wage underpayments affect 30% to 40% of the workforce; studies of illegal foreign workers employed in two different areas in Texas found that average hourly earnings fell below the minimum wage.<sup>65</sup> Other data derived from the investigations of federal and state labor standards agencies also point to extensive minimum wage, overtime, and child labor violations in industries employing large numbers of undocumented workers.<sup>66</sup> Patterns of exploitation are thought to be considerably more severe in the Southwest than in the Northeast. Many undocumented workers employed in the latter region have entered industries that are heavily unionized. Even those that are employed in nonunion enterprises may benefit from the firms' need to maintain competitive wage scales. The importance of unions in the Northeast, however, seems primarily to mitigate the severity of exploitation, not eradicate it completely. Infractions of overtime provisions appear to be particularly common,<sup>67</sup> and many illegal immigrants work in aging industrial structures which do not conform to legal health and safety standards.<sup>68</sup>

Evidence on the mobility of illegal immigrants is extremely fragmentary. Reanalyzing the data from the national survey of apprehended illegals, Chiswick

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61. D. NORTH & M. HOUSTOUN, *supra* note 49, at 124-27.

62. *Id.*

63. *Id.*

64. W. CORNELIUS, *supra* note 51, at 60-61.

65. U.S. COMM'N ON CIVIL RIGHTS, *SIN PAPELES: THE UNDOCUMENTED IN MEXICO* 40-45 (1980).

66. Stetson, *Sweatshops Thrive Despite Union and Federal Efforts*, N.Y. Times, Sept. 19, 1979, at A1; Crewdson, *Inquiry in Texas Finds Employers Cheating Aliens*, N.Y. Times, Oct. 20, 1979, at A16, Col. 1.

67. T. BAILEY & M. FREEDMAN, *IMMIGRANT & NATIVE-BORN WORKERS IN THE RESTAURANT INDUSTRY* 73-75, 123-26 (1981).

68. R. Waldinger, *Immigrant Enterprise & Labor Market Structure* 11, 20-22 (Paper presented to the meeting of the American Sociological Association, Sept. 1982).

found that illegal immigrants came within 2% of the hourly earnings of Mexican-born U.S. residents or citizens if human capital variables for schooling, total labor market experience, years in the United States, and marital status were held constant.<sup>69</sup> Like the legal immigrants, the earnings of illegal workers increased with residence in the United States. Chiswick estimated that about two-thirds of the difference in hourly earnings was due to the shorter period of time that the illegals had spent in the United States.<sup>70</sup> Similarly, Cornelius found that age, education, and especially length of time in the United States explained most of the earnings differences between legal and illegal migrants as well as legal and illegal immigrant settlers.<sup>71</sup> Other studies, however, suggest that illegal immigrants may encounter severe impediments in their quest for upward mobility. The survey of undocumented workers in Los Angeles conducted by Maurice Van Arsdol and his associates found no significant relationship between earnings and any human capital variables, despite the fact that Los Angeles workers were better endowed in prior education and work experience and reported larger average periods of U.S. residence than their counterparts in the two studies mentioned above.<sup>72</sup> A survey of a large sample of legal Mexican immigrants found that when controlled for relevant social and economic variables, occupational levels of immigrants who had previously migrated illegally remained lower than the levels reported by persons migrating to the United States for the first time.<sup>73</sup> Although it is difficult to explain these contradictions, there is reason to think that sampling differences do not lie at the heart of the disparity. First, the samples are sufficiently similar, particularly with respect to duration of stay, the variable that appears to exert the greatest explanatory power. Second, it is unlikely that relatively slight differences in occupational mix could account for the marked discrepancy in the effect of human capital variables (57% in the Chiswick study and 17% in the Van Arsdol report). One hypothesis, consistent with the findings on the lack of mobility of Mexican legal immigrants, is that mobility patterns for rural and urban immigrants diverge. While rural migrants who initially enter agricultural jobs and gradually infiltrate urban employments thereby attain incremental improvements in earning power, urban-industrial migrants who are directly recruited into low wage jobs in the secondary sector never move into primary sector jobs and consequently fail to gain rewards for experience or training.

Although these studies do not allow for a definitive assessment of the impact of illegal status on the integration of undocumented immigrants, there is little likelihood that the "underclass" thesis can be sustained in its stronger versions. That thesis assumes that the firm legal distinction between undocumented and legal immigrants is somehow mirrored in the migration process itself and that for each legal category there is a corresponding separate group of persons with its own particular characteristics. The evidence, however, suggests that legal and illegal flows

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69. Chiswick, *supra* note 2, at 379-80.

70. *Id.*

71. W. CORNELIUS, *supra* note 51, at 90-93.

72. M. VAN ARSDOL, *supra* note 50, at 72-98.

73. Hirschman, *supra* note 52, at 1189, 1192-94.

are not dichotomous movements. Rather, the immigration system seems to contain channels for passage from one status to another, thereby facilitating a process by which illegal immigrants "drop out" of the migrant stream to settle as permanent, legal residents. One large-scale study of Mexican *legal* immigrants, for example, found that at least seven out of ten immigrants were former illegals.<sup>74</sup>

The reasons for this flexibility further undermine the viability of the "underclass" thesis. The thesis, it should be noted, also accepts the basic postulates of conventional migration theory, supposing that migration is an individualistic phenomenon in which economic "pushes" and "pulls" propel isolated individuals into new, unknown environments. The studies of the new immigration, however, show that migration does not uproot random individuals into totally unfamiliar contexts. Rather, migration is a social process that is mediated by longstanding family, friendship, and community ties that facilitate moving and ease the migrant's integration into his new environment.<sup>75</sup> The best illustration of this process is the long history of Mexican immigration, which has reproduced in the United States extensive kinship and friendship networks into which new arrivals, whether legal or illegal, can be immediately integrated. These networks often consist of emigrants from the same community in Mexico. Legal Mexican immigrants, for example, who were interviewed as they entered the United States reported with virtual unanimity that they expected to be met by one or more friends or relatives. When the same migrants were reinterviewed three years later, most were living in close proximity to one or more relatives.<sup>76</sup>

The importance of such informal ties is enhanced because the *de jure* system institutionalizes chain migration, privileging family relationships between foreign nationals and U.S. citizens and permanent residents. Thus immigrant visas are rationed on the basis of family ties, with connections of parentage and marriage given highest preference. The operation of this system further tends to obliterate the distinction between legals and illegals. Family relationships must technically be established prior to entry as a legal immigrant. Yet the sequence is often reversed for undocumented settlers who establish family relationships with permanent residents or settlers while living illegally in the United States. Moreover, the status of such illegal settlers is often stabilized by the way in which the immigration codes are enforced. In these cases the INS usually waives the grounds of expulsion, conceding the illegal settler's right to permanent residency in the near future.

Finally, there is the issue of the relationship of illegal and legal immigrants in the labor market. The argument of the "underclass" thesis is that the two play utterly distinct labor market roles; central to this hypothesis is the assertion that undocumented workers are attractive because their illegality makes them docile and potentially vulnerable to exploitation. The ubiquity of family ties, however,

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74. Portes, *supra* note 35, at 427.

75. Tilly & Brown, *On Uprooting, Kinship, and the Auspices of Migration*, 8 INT'L J. COMP. SOC. 139, 139-45 (1967).

76. Tienda, *Familism and Structural Assimilation of Mexican Immigrants in the United States*, 14 INT'L MIGRATION REV. 383, 393-96 (1980).



also influences the participation of illegals in the labor market. Several studies of Mexican and Latin American immigrants have found that illegal immigrants rely almost exclusively on their kinship or friendship connections to obtain employment. This process operates swiftly and efficiently, often netting the migrant a job shortly after arrival.<sup>77</sup> Evidence recently brought to light indicates that such informal ties are useful to the immigrant because immigrant-absorbing firms primarily recruit labor through the immigrant kinship and friendship network.<sup>78</sup> In contrast to the patterns predicted by the "underclass" thesis, several industry case studies have also shown that the principal function of network recruiting does not lie in the acquisition of a more docile workforce. Rather, immigrant-absorbing firms use network recruiting as a predictive and stabilizing strategy. On the one hand, it enables them to predict the characteristics of new workers from the attitudes and behavioral traits of the old employees who recruit newly arrived friends and relatives. On the other hand, it helps stabilize the workforce by promoting a relationship among all the parties to the recruitment process and forging bonds of mutual obligation and reciprocity. Thus, newcomers who gain employment in immigrant-absorbing industries are employed in a structured context where social ties to settlers double as work relationships. These factors mitigate any putative tendencies towards exploitation and further diminish the labor market distinction between illegals and their legal counterparts.<sup>79</sup>

#### IV

#### REFUGEES

Though America has been a haven from persecution since its inception, most of the newcomers drawn to the New World have been immigrants seeking economic opportunity. Since World War II, however, victims of the economic and political disasters of our century have converged on the United States in growing number. The survivors of Hitler's concentration camps and persons swept up by the upheaval of World War II were the first major group of refugees admitted in the postwar era. They were followed less than a decade later by the 35,000 refugees who fled Hungary in the aftermath of the 1956 uprising and subsequent Soviet reprisals. The harbingers of the current refugee tide from the Third World began to arrive from Cuba in 1958, just as Batista's regime tottered on the brink of extinction, and with the Cuban revolution, what had been a trickle swelled quickly to a torrent. Through three successive waves, 1959-1962, 1965-1974, and 1980, almost 1,000,000 Cuban refugees fled to the United States. Finally, the collapse of the South Vietnamese regime in 1975, the fall of the coalition government in Laos, and the subsequent Vietnamese invasion of Cambodia generated the newest massive source of refugees. As of this writing, almost 400,000 Indochinese have entered the United States in the mere span of five years. Smaller groups of refugees from

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77. W. CORNELIUS, *THE FUTURE OF MEXICAN IMMIGRANTS IN CALIFORNIA* 24-25 (1980); R. WALDINGER, *supra* note 17, at 30-35.

78. R. WALDINGER, *supra* note 17, at 30-35; R. WALDINGER, *IMMIGRATION & INDUSTRIAL CHANGE: A CASE STUDY OF IMMIGRANTS IN THE NEW YORK CITY GARMENT INDUSTRY* 89-91 (1982).

79. T. BAILEY & M. FREEDMAN, *supra* note 67, at 50-52, 71-73; R. Waldinger, *supra* note 68, at 15-17.

the Soviet Union, the Mid East, Chile, and Ethiopia—whose experience we shall not examine here—have also arrived in recent years.<sup>80</sup>

The crises that propelled these refugee movements have left their imprint on subsequent patterns of occupational and economic integration. Unlike such historic and longstanding movements as the migration of workers from Mexico to the southwestern United States, these refugee flows have arisen episodically and spontaneously, carrying in their wake persons well-established in a socially specific field and ill-prepared for a lengthy process of occupational adjustment. The refugees, then, tend to differ from “economic” immigrants. The former are apt to be older; often they have already acquired a skill which they have successfully exercised for a significant period of time. Frequently their proficiency is specific to their home society and has little or different application in the society to which they flee.

Conventional economic theory suggests that the economic integration of refugees will proceed along a different and more difficult path than the one generally followed by “economic” immigrants. Possessing skills that are specific to the firm, industry, or social context in which they were acquired, the margin for transferability to the new society will be narrow for many refugees. Doctors, to be sure, will fare better than lawyers; assuming comparable levels of technology, mechanics may do better than teachers. Nonetheless, downward mobility and little or no payoff for previous education and work experience are likely to be the common fare of the refugee. Age, moreover, is another hindrance. Being older, refugees have already made a substantial investment in specific skills, yet face a shortened working life in the country of asylum. Employers in core firms, who seek a substantial payback for any investment in retraining, may be reluctant to hire refugees for these reasons.<sup>81</sup>

#### A. Cuban Refugees

The experience of Cuban refugees partially validates these predictions. The refugees who came with the earliest waves stemmed largely from the elite of Cuban society. To be sure, this was not a simple “departure of the privileged,” as Fagen, Brody, and O’Leary noted in *Cubans in Exile*.<sup>82</sup> Though bus drivers, mechanics, and shoe salesmen were also present in the exile, the first wave was marked by the overrepresentation of the better educated and white-collar segment of Cuban society. Although just 9% of the Cuban population were lawyers, judges, professionals, and managers, this group made up 37% of the exiles.<sup>83</sup> Though every four out of ten exiles had received twelve or more years of schooling, only four out of one hundred Cubans had been equally fortunate.<sup>84</sup>

Subsequent waves have come from lower layers of Cuban society. Yet they do not present a cross section of Cuban society at large; nor, despite the unfavorable

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80. SENATE COMM. ON THE JUDICIARY, REVIEW OF U.S. REFUGEE PROGRAMS AND POLICIES, 96th Cong., 1st Sess. 24-42 (1979).

81. Chiswick, *supra* note 2, at 363-70.

82. R. FAGEN, R. BRODY & T. O’LEARY, *CUBANS IN EXILE* 24 (1968).

83. *Id.* at 19.

84. *Id.*

publicity given the exiles who fled from the port of Mariel in 1980, do they stem from Cuba's underclass. Rather, the "new wave" of refugees seems representative of the urban lower-middle and lower classes. Educational levels, accordingly, are lower than in the earlier exile cohorts, averaging close to nine years for both the most recent refugees and those who came during the late 1960's and early 1970's.<sup>85</sup> Similarly, there are fewer professionals than before, with workers from lower white-collar occupations, skilled crafts, and service trades predominating.<sup>86</sup>

Though the economic achievements of Cuban refugees have been widely celebrated, the exiles' encounter with American society gives ground for a more sobering picture. As theory would predict, most Cubans have slid a considerable distance from the positions they occupied before migration. Eleanor Rogg, who studied the heavily Cuban community of West New York, New Jersey, during the late 1960's, found that most Cubans had experienced substantial downward mobility.<sup>87</sup> The refugees had been compressed into an occupationally homogeneous group of semiskilled workers; of the former professionals and former white-collar workers, 70% of each group was then employed in just such jobs.<sup>88</sup> A follow-up study conducted almost a decade later found evidence of subsequent upward mobility.<sup>89</sup> Yet the great majority of refugees were employed in blue-collar occupations and only 30% had succeeded in moving into positions that were higher than the jobs occupied before leaving Cuba.<sup>90</sup>

The general pattern, then, is one of great downward mobility followed by upward movement that nonetheless leaves the refugee short of the position attained before fleeing to the United States. At the time of arrival, unfamiliarity with the English language and lack of specific skills erase the labor market importance of prior education and experience and it is this factor that accounts for the initial occupational compression of the refugee community. Over time, education comes more heavily into play, spurring some movement back up the occupational scale. The constraints to mobility, however, remain severe. The monetary returns on education never attain the rates achieved by native white workers, thereby depressing earnings, and American employers appear to accord little if any value to work experience obtained before migration.<sup>91</sup> As an ironic byproduct, this process levels the differences within the Cuban community: downward mobility is greatest among high status refugees, while those who had occupied lower level positions are most successful in moving up in America.<sup>92</sup>

The emergence of a burgeoning Cuban subeconomy within the confines of Dade County, Florida, and some of the other important Cuban communities in

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85. Bach, *The New Cuban Immigrants: Their Background and Prospects*, MONTHLY LAB. REV., Oct. 1980, at 40; Portes, Clark & Bach, *The New Wave: A Statistical Profile of Recent Cuban Exiles to the United States*, 7 CUBAN STUDIES 1, 9-18 (1977).

86. Portes, Clark & Bach, *supra* note 85.

87. E. ROGG, THE ASSIMILATION OF CUBAN EXILES 105-07 (1974).

88. *Id.*

89. E. ROGG & R. COONEY, ADAPTATION AND ACCULTURATION OF CUBAN MIGRANTS: WEST NEW YORK, NEW JERSEY 38-39 (1980).

90. *Id.*

91. Chiswick, *supra* note 2, at 376-79.

92. Long, *supra* note 42, at 363-71.

New Jersey has created an alternative mode of economic integration. While immigrant communities often provide a limited niche for specialized immigrant-owned concerns, the size and diversity of the Cuban entrepreneurial enclave suggests that this is a phenomenon of much greater import. In Dade County alone, almost one-third of the businesses are presently immigrant-owned. The Cuban immigrant enclave includes more than 150 manufacturing firms, 230 Latino restaurants, 30 furniture factories, a shoe factory employing 3,000 people, and 30 transplanted cigar factories. Nor is Cuban enterprise confined to the lower segments of the economy. Sixteen out of 62 bank presidents in Dade County are Cuban and they work alongside 250 Cuban vice presidents and an additional 500 Cuban bank officers.<sup>93</sup>

Although knowledge about the characteristics of the Cuban subeconomy and its functioning is still limited, that economy appears large enough to absorb a significant share of incoming refugees. One study that has been following the progress of 590 Cuban refugees who arrived in 1973-1974 found that four out of ten initially obtained employment in an immigrant-owned or managed firm.<sup>94</sup> Six years later the same proportion existed in an enclave enterprise, indicating that the immigrant enclave is a source of stable employment.<sup>95</sup> More importantly, those refugees working in immigrant-owned firms after three years of residence were earning significantly more money than their counterparts employed in secondary sector firms that were not part of the immigrant enclave.<sup>96</sup> Enclave firms also provided more substantial rewards for education and experience than secondary sector concerns.<sup>97</sup>

Why and how enclave firms facilitate the process of economic integration is as yet unclear. Several preliminary studies suggest that immigrant enterprises use ethnic affinities to widen their access to labor markets.<sup>98</sup> By hiring through the immigrant network, enclave firms induce privileged work arrangements that compensate for the managerial, technological, and capital deficiencies of the immigrant-owned concern. By the same token, employment in an enclave firm brings advantages foregone by workers hired by secondary sector firms. Reciprocal obligations between owner and worker promote training and facilitate job mobility. Common ethnic ties minimize the likelihood that job advancement may be impeded by discrimination, and the expansion of the immigrant enclave creates new opportunities for immigrants in which they can exploit past investments in specific skills.<sup>99</sup>

The optimism suggested by this picture of the ethnic enclave, however, must be tempered by the continued disparity in native white-Cuban economic status.

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93. *Hispanic American Immigrants; Soon: The Biggest Minority*, TIME, Oct. 16, 1978, at 48, 51; BUREAU OF THE CENSUS, U.S. DEPT OF COMMERCE, 1977 SURVEY OF MINORITY-OWNED BUSINESSES: SPANISH ORIGIN 130.

94. Wilson & Portes, *Immigrant Enclaves: An Analysis of the Labor Market Experience of Cubans in Miami*, 86 AM. J. SOC. 295, 308-14 (1980).

95. *Id.*

96. *Id.*

97. *Id.*; see also Bach, *supra* note 85, at 45.

98. T. BAILEY & M. FREEDMAN, *supra* note 67, at 73-78.

99. *Id.*; R. Waldinger, *supra* note 68; Wilson & Portes, *supra* note 94, at 314-16.

Cubans still have lower incomes than whites; they are more heavily concentrated in lower level occupations, and they suffer from higher than average rates of unemployment.<sup>100</sup> In the past, Cubans benefited from a favorable public image that may have weakened discrimination.<sup>101</sup> Public perception seems to have been damaged, however, by the refugee wave of 1980, as reflected in the successful referendum repealing Dade County's 1973 bilingual ordinance.<sup>102</sup> Thus, the prospects for successful economic integration, while more favorable than for other Hispanic groups, remain uncertain.<sup>103</sup>

## B. Indochinese Refugees

The influx of Indochinese refugees bears a certain resemblance to the migration of Cuban exiles. Like the Cuban refugee flow, this has been a migration of relatively skilled and well-educated people. Yet the tide that has carried almost 400,000 refugees from Indochina has been a distinct phenomenon.

Though refugee movements are by nature uncertain and difficult to predict, none has arisen as suddenly or spontaneously as the outpouring from Vietnam in 1975. Moreover, historically most refugees have been able to draw on already settled members of their own ethnic community who can aid in the resettlement process and help diminish the sense of loss and discontinuity. Some refugees, to be sure, have been luckier in this respect than others. For every one Hungarian refugee arriving in 1957, for example, there were eighteen Americans of Hungarian descent; there were five settled Cuban-Americans for each refugee arriving in the wake of the Cuban revolution. In the case of the Vietnamese, however, the settled community was of such miniscule proportions that it was greatly overshadowed by the very first wave of refugees arriving in 1975. Finally, the Indochinese are in the first non-European, nonwestern movement of refugees to America, and the racial and cultural differences have important implications for the process of integration.<sup>104</sup>

The impact of these factors has been mitigated by the characteristics of the refugees themselves. As in the Cuban case, the composition of the refugee population has changed with successive waves. The earliest refugees were highly educated; only one out of five adult refugees had received less than eight years of schooling and many had attended elite, private French schools in Vietnam.<sup>105</sup> Occupationally, the refugees stemmed from the upper tiers: professional, technical, and managerial workers comprised the single largest group while the earliest waves were notable for the virtual absence of refugees with agrarian backgrounds. A substantial minority of the refugees, moreover, had gained some benefit from

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100. Newman, *A Profile of Hispanics in the United States Work Force*, MONTHLY LAB. REV., Dec. 1978, at 7-10; Perez, *Cubans*, in HARVARD ENCYCLOPEDIA OF AMERICAN ETHNIC GROUPS 258 (S. Thernstrom ed. 1980).

101. Perez, *supra* note 100.

102. Volksy, *Approval of Antibilingual Measure Causes Concern*, N.Y. Times, Nov. 9, 1980, at A24, col. 2.

103. See generally V. DOMINGUEZ, FROM NEIGHBOR TO STRANGER: THE DILEMMA OF CARIBBEAN PEOPLES IN THE UNITED STATES 40-46 (1975); Newman, *supra* note 100; Perez, *supra* note 100.

104. J. TAFT, D. NORTH & D. FORD, REFUGEE RESETTLEMENT IN THE U.S.: TIME FOR A NEW FOCUS 11-24 (1979)[hereinafter cited as J. TAFT].

105. G. KELLY, FROM VIETNAM TO AMERICA 47-49 (1977).

their long wartime contact with the American army and seven out of twenty households already knew enough English to function on a job at the time of arrival in the United States.<sup>106</sup> More recent evidence suggests that the most privileged Vietnamese were the first to escape and that the more recent inflows are more representative of the population. A review conducted by the General Accounting Office concluded that the newest refugees are generally "poorer, less able to speak English, [and] less exposed to urban environments" than those that preceded them.<sup>107</sup>

The level of employment is the best current indicator of the economic integration of the Indochinese refugees. It is relevant for several reasons. Unlike immigrants who pass immediately into civilian life and whose absorption into American society is greatly aided by the presence and contacts of friends and relatives, the Indochinese were initially interned in resettlement centers and then moved to locations where sponsors could be found. Moreover, both the officials administering the resettlement programs and the populace at large plainly feared that the refugees would become a dependent population absorbing large sums of money through public assistance while never fully entering the labor force.

Recent data indicate that labor force participation rates among the refugees are indeed lower than average.<sup>108</sup> Yet the disparity obscures basic differences among the various refugee waves themselves and, more importantly, hides an encouraging trend. Not surprisingly, labor force participation rates rise with years of residence and the oldest wave of refugees has already attained near-average rates. The newest refugees, however, do not yet participate to the same extent and it is this factor that holds down the overall rate.<sup>109</sup>

While the fact of economic activity can be considered a positive sign, it is clear that many Vietnamese have entered the labor force by moving into the lower classes. Refugees with experience in upper-level jobs are still predominantly employed in blue-collar positions and those who have been fortunate enough to secure work in white-collar positions are generally engaged in fairly routinized low status jobs. Moreover, the anecdotal evidence provided by some of the other sponsoring agencies suggests that many of the blue-collar jobs are of the most unskilled kind. Notwithstanding this low occupational position, many refugees appear to have experienced some economic mobility. Income levels have gradually increased, although some of the improvement is due to the simple fact that a much larger than average percentage of refugees works more than forty hours a week. Welfare dependency is still appreciable, yet it has declined significantly and tends to account for a very small percentage of family income among those still receiving assistance.<sup>110</sup>

Overall, however, the rates of progress are not impressive in comparison to the

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106. *Id.* at 41-56.

107. Bach & Bach, *The Employment Patterns of Southeast Asian Refugees*, MONTHLY LAB. REV., Oct. 1980, at 31, 34 (citing U.S. GENERAL ACCOUNTING OFFICE, *THE INDOCHINESE EXODUS: A HUMANITARIAN DILEMMA* 88 (1979)).

108. *Id.*

109. *Id.* at 33-34.

110. G. KELLY, *supra* note 105, at 163-84; Montero, *Vietnamese Refugees in America: Toward a Theory of*

experience of other refugee or immigrant groups. Although the reasons for slower progress are still difficult to ascertain, one likely factor is the role of government policy. Heavy pressure from both the government and the private sponsoring agencies has been exerted upon the refugees to accept any available job and not hold out for a position more compatible with previous skills and experience. This insistence reflected a perspective on the resettlement process that was common to both parties, namely, that the most critical element in resettlement is attaining self-sufficiency.<sup>111</sup> A related factor may be the lack of government involvement in retraining. In contrast to other countries that have accepted large numbers of refugees—for example, Canada or Australia—the United States invested only small sums in preparing the refugees to resume their pre-migration occupations. In fact, the government has sponsored only two retraining programs. The two assisted groups—doctors and dentists—actually represent a tremendous savings to American society with respect to total training costs.<sup>112</sup> Even instruction in English as a second language has not received significant funding. Moreover, the resettlement process has been run in a highly decentralized fashion. Most of the sponsors have been private organizations, and the placement effort has been splintered among numerous agencies with inadequate coordination and supervision. While some agencies have undoubtedly performed at extremely high levels, others have done considerably less well.<sup>113</sup>

## V

### CONCLUSION

“Immigration fear” has been a chronic American affliction. Though Americans usually subscribe to the notion that theirs is a “country of immigrants,” they do so ambivalently and often with the tacit assumption that the present mix of immigrants and ethnics needs no further tampering. Immigration anxiety has taken a number of different forms. At an earlier point in American culture, Anglo-conformists feared immigrants for the biological threat that they posed to the “pure” American stock. Today, in a period when crude nativist sentiment has sharply declined, the apprehension that immigrants arouse is linked to protectionist feelings about the ability of our economy to absorb newcomers and the perception that immigrants may comprise a permanent “underclass.”

The historical experience of immigrants strongly contravenes this argument. Moreover, there is ample ground to think that the generation of “new immigrants” that has been moving to the United States since the late 1960’s will forge ahead successfully in the race for economic success. Numerous factors shape the prospects facing new immigrants. Immigration is a process of self-selection that generates a group of people more determined and less vulnerable to setback than the average individual. Undoubtedly, these qualities count heavily in the success of

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*Spontaneous International Migration*, 13 INT’L MIGRATION REV. 624, 631-40 (1979); Stein, *Occupational Adjustment of Refugees: The Vietnamese in the United States*, 13 INT’L MIGRATION REV. 25 (1979).

111. Stein, *supra* note 110, at 31-32.

112. *Id.* at 34.

113. G. KELLY, *supra* note 105, at 184-85; J. TAFT, *supra* note 104, at 123-26, 133-45.

the "new immigrants," but they are also qualities that all immigrants have historically shared. What distinguishes this generation of newcomers and critically favors their mobility is their high level of education and skill. Moreover, the decline of discrimination and increasing acceptance of ethnic diversity ease the path of economic integration.

Of the major "new" immigrant groups, Asians and Cubans have attained the greatest success so far. As noted, Asian-Americans have surmounted great obstacles to climb to near economic parity with native whites. Though the tide of anti-Oriental prejudice has not totally receded, the newest immigrants do not confront the barriers of discrimination that faced their predecessors. They begin, moreover, from more advantaged circumstances: the "new" Asian immigrants are far better educated than the "old," enjoying levels of schooling that also exceed the average for native whites. These factors generally bode well for the new Asian immigrants, but there is a more somber side to the picture as well. A substantial minority of the new immigrant population remains trapped in an ethnic subeconomy where low incomes, long hours, and poor working conditions are the norm. The history of Asian-Americans suggests that the children of the immigrants will escape to better jobs and more prosperous lives; that undoubtedly is the hope of the immigrants themselves.

Problematic as the "underside" of Asian immigrant life may be, far more serious is the fact that Mexican, Latin American, and Caribbean immigrants have yet to progress at rates that compare with the white-immigrant or Asian-immigrant norm. To a large extent the new Hispanic immigrants are emmeshed in a vicious circle where mutually reinforcing factors impede mobility. On the one hand, levels of education are significantly lower than average—especially among Mexicans. The effects of little schooling are compounded by the ever-increasing "credentialization" of American society, a trend that raises the threshold for job mobility among the undereducated. On the other hand, advancement is impeded by the very structure of the American economy: the fact that so many Hispanics gain employment in the secondary sector depresses income and leaves them searching vainly for a gateway to more remunerative and stable jobs.

To be sure, the portrait of the socioeconomic status of these immigrants should not be painted in black. Latin American and Caribbean immigrants are generally better educated and enjoy higher levels of income than their Mexican counterparts.<sup>114</sup> Moreover, there are signs that intergenerational mobility is proceeding more smoothly than the integration of the first generation of immigrants. American-born Mexicans, in particular, have made notable gains in schooling.<sup>115</sup> Yet the prospects of the latter must be judged lacking. The overall income of Mexican-Americans is still substantially lower than average. While the incomes of second and third generation Mexican-Americans generally exceed immigrant levels, the margin is slight and the payoff for the greater education possessed by the native-born counterparts extremely disappointing.<sup>116</sup>

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114. A. JAFFE, *supra* note 36, at 31.

115. *Id.* at 315-18.

116. V. BRIGGS, *supra* note 42, at 49-52.



Assessing the status of illegal immigrants is more difficult. While it is probably too early to pass a definitive judgment on the claim that illegal immigrants comprise a new “underclass,” the extreme versions of this thesis are certainly not borne out. As we have shown, the illegals migrate and work in a social context that is structured by an extensive web of kinship, friendship, and hometown connections. Moreover, the fact that many illegal immigrants subsequently attain legal status—a phenomenon that Alejandro Portes has labelled the “return of the ‘wet-back’”<sup>117</sup>—suggests that undocumented workers are not so severely confined to the underreaches of American society. The empirical evidence on the mobility and earnings of illegal immigrants, however, cuts both ways, barring any clear-cut verdict on the impact of “illegality” per se on the process of economic integration. In addition, the indications that a substantial, though undetermined, number of illegals participate in an “underground economy” of firms that violate wage codes and minimum working standards are quite disturbing. Ultimately, the critical variable may be the fact that the illegals have gained access to the labor market at the very lowest levels and that, in the late 20th century, upward movement from these levels can be most difficult.

Fortunately, one can be somewhat more sanguine about the prospects of the major refugee groups. As the popular press has oftentimes discovered, there is much to celebrate in the economic progress achieved by the Cuban refugees. Moreover, the Cuban business enclave—a somewhat exotic phenomenon that journalists enjoy spotlighting—in fact turns out to have important and positive implications for the income and mobility of the exiles from Cuba. The educational and occupational levels of second generation Cubans have also risen impressively, and there is ground to suggest that they might recoup the occupational losses that their parents sustained in fleeing to the United States. For the moment, however, the path towards economic integration is not all smooth. The indicators of employment and income reveal a continued disparity in the socioeconomic condition of the Cuban population.<sup>118</sup> It should also be remembered that the Cuban community has just received a large complement of refugees in a very short time and that while these refugees resemble their “second wave” predecessors, their encounter with American society has just begun. One question mark regarding their progress is whether enclave enterprises can absorb a large enough portion of these newcomers to prevent the pattern of downward mobility noted earlier. Another uncertainty is whether the difference in the economic conditions that have greeted the successive waves of refugees—notably the disparity between the prosperous 1960’s and the sluggish 1980’s—will adversely affect the opportunities of the newest refugees.<sup>119</sup>

As for the Indochinese, no clear judgment can be reached yet. There are signs of significant economic progress, but these are balanced by less favorable trends in the rate of occupational mobility. There are also indications that the Indochinese have already attempted to pursue the strategy of ethnic enterprise. Unfortunately,

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117. Portes, *The Return of the Wetback*, 11 *SOCIETY* 40 (1974).

118. A. JAFFE, *supra* note 36, at 259-60.

119. *Id.* at 249.

this has created conflict with national competitors, and it is unclear how well immigrant enterprises can endure amidst such hostility. Finally, one must acknowledge the fact that history provides no guide for a group that has migrated in such numbers and in such a short time. Other immigrants have benefited greatly from the sheltering functions that previously settled members of the group could provide. Moreover, where large numbers of newcomers have migrated within a short period of time and have overwhelmed the size and resources of settled communities—as in the case of blacks migrating to the northern United States—the results have often been unfortunate. Whether and to what extent the Indochinese will overcome the disadvantages of “newness” is a critical question that only future inquiry can answer.<sup>120</sup>

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120. Starr, *Troubled Waters: Vietnamese Fisherfolk on America's Gulf Coasts*, 15 INT'L MIGRATION REV. 226, 226-38 (1981).