

Cooperation in the Informal Economy: A Study of Day Laborers in North Carolina

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ABSTRACT

MANUEL RAFAEL GALLEGOS LERMA: Cooperation in the Informal Economy: A Study of Day Laborers in North Carolina
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The growing number of day labor markets in the United States has provided important insights regarding the inner-workings of the informal economy and lives of thousands of immigrant day laborers. In this paper, I address how social norms emerging from day laborers' interactions and personal beliefs pose challenges to our traditional understanding of competition, which is assumed to shape informal social arenas. Empirical foundations stem from two years of community work, multiple observations, and 20 in-depth interviews with Latino immigrant men at an informal labor-hiring site in Central North Carolina. I use snowball and convenience sampling techniques to select immigrant workers who had been at the site at least three years. Findings illustrate complex human relationships emerging from day laborers' social fabric stemming from economic solidarity, mentorships, wage rigidity, community building, and cultural values, such as luck, which challenge conventional neoclassical economic assumptions related to competition at informal labor markets.

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TABLE OF CONTENTS

LIST OF ABBREVIATIONS.....	vi
Chapter	
I. INTRODUCTION.....	1
Background.....	5
Significance.....	10
II. LITERATURE REVIEW	15
Understanding the Role of Competition in the Development of Economic Thought.....	15
Labor Markets and Competition.....	21
Day Labor Research: A Replica of Competition, Neoclassical Economics, and an Antithesis of Formal Labor Markets?.....	26
Luck, Immigrants, and Day Labor Markets: Is there a Connection?.....	31
Religious Practices	33
Lack of Control.....	34
Counterfactual Argument.....	35
Day-to-Day- Working Arrangements.....	37
III. RESEARCH DESIGN AND METHODS.....	38
Research Site.....	38
Description of the Site.....	48
Research Design.....	53
Sample.....	60

Data Analysis.....	62
VI. FINDINGS.....	68
Creando Comunidad (Building Community): An Impossibility?	70
Social Networks and Building Community?.....	72
Pacto de Caballeros (Gentlemen’s Accord): Questioning the Rationality of Competition.....	75
Wage Rigidity: An Informal Labor Markets Impossibility?	77
Economic Solidarity: Mentorships, Transferring Labor Skills, and Forfeiting Jobs.....	83
Workers’ Collaboration: Negotiating Wages and Employment.....	91
<i>Suerte</i> (Luck): Beyond Economic Rationality.....	95
<i>Suerte</i> : How Does it Play Out at the Corner?	97
Justifying Success.....	99
Sense of Parity.....	102
Lessening Competition.....	103
VII. CONCLUSION.....	107
Limitations and Future Directions.....	110
VIII. REFERENCES.....	113

LIST OF ABBREVIATIONS

NC	North Carolina
IRCA	Immigration Reform and Control Act of 1986
DLM	Day Labor Markets
DL	Day Labor
TRA	Triangle Research Area
NAFTA	North American Free Trade Agreement
CAFTA	Central American Free Trade Agreement

CHAPTER 1: INTRODUCTION

“[Economic] theories fail in part because they are based on the unrealistic psychological assumptions that people’s ability do not depend on their state of mind and that they are rational in the simplistic sense that they maximize a utility that depends only on their own consumption and working conditions, not on the welfare of others” (Bewley, 1999, p.1).

Day labor, or work that is offered on a daily basis with no further promise of employment or work protections, is not a new phenomenon in the United States. Historical and contemporary accounts have illustrated employers’ increasing reliance on day laborers, a segment in the U.S. labor market that is currently comprised of foreign-born and minority workers. The increasing dependence in contingent labor, which is work that is characterized by informal arrangements that do not provide full benefits to workers, stems from the convergence of the contemporary U.S. economic restructuring during the 1980s-90s, and the increasing access of U.S. businesses to a growing number of displaced workers. The dramatic social, political, and economic changes emerging from the industrial and demographic reorganization has led labor and immigration scholars to explore: 1) The incorporation process and experiences of immigrant day laborers, as they adapt to the U.S. labor market and its informal economy (Hondagneu-Sotelo, 2001; Menjivar, 2000; Melendez, Theodore, & Valenzuela 2010; Pinedo-Turnovsky, 2004, 2006; Ramírez & Hondagneu-Sotelo, 2009; Stoll et al., 2002; Theodore, Valenzuela, & Melendez, 2006; Valenzuela, 2001, 2002, 2003; Valenzuela et al., 2006; Valenzuela

& Melendez, 2003; Waldinger, 1996; Waldinger & Lichter, 2003); and 2) The social processes that emerge among day laborers that are influenced by the development of their identity and social ties (Camou, 2009; Gordon, 2005; Mahler, 1995; Menjívar, 1994, 2000; Pinedo-Turnovsky, 2004, 2006; Purser, 2007).

Important findings stemming from the emergent research on day labor have not only unveiled social processes unfolding at these social sites, but also illustrated the role and impact competition has among Latino immigrant day laborers at their place of employment. This emerging body of literature is an initial attempt to document the accounts of contingent workers who are being forced to seek employment on streets, corners, and hiring centers across the nation. However, as these initial accounts begin to explore the social fabric that emerges in these social arenas, they have also, to some extent, imposed labor economic principles not conducive to fully explore informal day labor sites. As a result, the interactions that emerge at informal day labor sites, which are said to be hyper-competitive, chaotic, and unstable, are automatically represented as antithesis of the formal economy.

The attempt to essentialize human behavior based on ambiguous concepts, such as competition, which can imply competing against, in collaboration with, or something else depending on the individual experiences, has been crucial in developing fixed rational ideals that economists and labor scholars have used to describe human behavior. As a result, an etiological disconnect has emerged that prevent us from distinguishing between incomplete theoretical frameworks governing competition and reality. When describing day labor, researchers may not necessarily have a complete understanding regarding the actual role of competition at informal

day labor markets, or whether or not the parties being described are indeed aware they are engaged in a competitive process (Dennis, 1977). As a result, a tautology is likely to emerge.

The growing research on day labor, which attempts to understand its workforce and its typologies, must continue to develop a more nuanced understanding of this group of socially and economically marginalized people. It is imperative that day labor researchers develop or apply theoretical frameworks that investigate beyond neoclassical economic assertions related to rational competition as the driving mechanism of informal day labor markets. The application of “perfect competition” ideals, which have become the basis for most public policy and research in the United States (Shelby & Morgan, 1995), should be further explored in these informal social arenas. By accepting pragmatic competitive assumptions at face value, which suggest the need for individuals to be sufficient onto themselves, day labor scholars face the risk of advancing attitudes leading to a principle of social disintegration. A morality of individualism begins to define day labor as initial accounts undermine human and social relationships, and foster images of individuals fending for themselves and competing with one another.

As a result, day labor accounts based on economic and labor markets’ principles illustrate social arenas that exist in social vacuums, governed by narrow assumptions of economic interests and competition, and void of social concerns that emerge among human beings that could lead to cooperative labor environments. Men and women are portrayed as no longer responsible for one another. Instead, they are portrayed as interchangeable, unrelated, and not human (Tennenbaum,

1951). The prominence given to “rational” economic motives, which emphasize competition and individualism, has justified labor scholars and economists’ efforts to hypothesize models leading to societal disintegration as they attempt to explain social reality.

Informal day labor markets provide an invaluable opportunity to explore how social unity can also emerge from collective norms, group cohesion, solidarity, and social networks in informal day labor hiring sites. After all, day laborers occupations vary, which means that they may not be competing directly with every single worker present at the hiring site. In this study, I examine the interpersonal relationships among immigrant day laborers to find out, whether or not, less obvious organic social processes emerge at this hiring site that provide a more nuanced understanding of the role of competition at informal day labor sites. To do so, I address the following guiding questions:

- Do social norms at this informal hiring site emerge among workers that allow for solidarity and cooperation to exist? Or, does competition, which portrays workers as independent from one another, dominates this informal site? And if so, how? And if not, how not?
- Do workers’ labor and interpersonal relations at the informal hiring site unfold according to our neoclassical rational understanding of competition? And if so, how? And if not, how not?
- Do individuals’ cultural beliefs create divergences between Latino immigrant day laborers’ economic rationality and neoclassical economic rationality? And if so, how? And if not, how not?

BACKGROUND

To understand the evolution and portrayal of day labor work, it is important to acknowledge that historical accounts of cartmen, scavengers, chimneysweepers, woodcutters, stevedores, dockworkers, housekeepers, nurses, laundresses, and cooks, to name a few, have long illustrated the struggles of contingent workers' economic survival in the United States. For over two hundred years, this largely unregulated labor force's demographic makeup has changed as a result of the constant inflow of immigrants to the United States, but also as a result of the negative economic changes, government deregulation, deterioration of workers' control over the means of production, and the shrinkage of the manufacturing and agricultural economy.

During the early nineteenth century, accounts of European immigrants and unemployed U.S. workers in New York became one of the first illustrations of the emergence of a diverse contingent workforce in the U.S. In 1855, more than half of the population in the New York area was composed of foreign-born residents (Ernst 1994, p. 61). Thousands of German, Scottish, English, and French newcomers hailing from farm communities assembled in New York and other Eastern cities. Eastern ports became large recruiting centers for foreign workers. Early reports of contingent labor also include women, primarily European Immigrants and African Americans (Ernst, 1994; Martinez, 1973; Valenzuela, Kawachi, & Marr, 2002). Upon their arrival, immigrant workers had to quickly learn or adapt any labor skills they possessed to the U.S. labor market; however, it was not an easy task. As a result, only those considered "skilled craftsmen," such as tailors, shoemakers, and

metalworkers were able to find steady employment in large cities. On the other hand, those considered “unskilled,” had to rely on local jobs that were unsecured, physically demanding, and hazardous.

As European immigrants settled on the East coast, in the early 1900s, a more homogenous day labor population sprouted in California, which was primarily composed of agricultural workers (Harrington, 1962; Hoch & Slayton, 1989; Wallace, 1965). Historical accounts highlight how in Santa Barbara, California, during the early 1900s, local employers found a pool of Mexican workers ready to work (Camarillo, 1979). Simultaneously, local employers in Los Angeles also found a willing day labor population near “Sonoratown” (Romo, 1975).

At the turn of the 20th century, a compilation of foreign-born Europeans, displaced African and Caucasian American workers, and a sizable Latino population in the West and Southwest played an important role in shaping the informal local economic landscape as they solicited work on streets and corners across the United States. The solidification of this informal economy led to the surfacing of private, public, and non-profit hiring temporary agencies in the 1920s, which managed the labor supply of thousands of workers to the labor market (Valenzuela, Kawachi, & Marr, 2002). As a result, initial attempts to formalize day labor emerged.

However, in the 1940s, dramatic labor changes emerged from the U.S. involvement in World War II. In an attempt to sustain war efforts and the local economy, the United States implemented the *Bracero Program*, which lasted from 1942 to 1964 and aimed to import and manage thousands of Mexican workers to alleviate shortages in the domestic farm workforce. This labor program, which

allowed thousands of Mexican workers to find employment in the United States, not only it did not provide *Braceros* with enough protections against labor violations, but it also tied them to individual employers who often abused them (Bernhardt et al., 2008). The systemic precarious working environments thousands of immigrant workers encountered after their arrival to the U.S., and their extreme economic situations in the home countries, forced many immigrant workers, especially Mexicans, to join other hazardous labor occupations as a mean for survival.

By the end of WWII, many immigrant workers and their families, who had been living and working in the United States' farming industry, began to settle permanently in the country. The conclusion of WWII led to the eventual shrinkage of the United States' economy and a decrease in jobs reserved for *Braceros*. This, in turn, forced immigrant workers to migrate internally to new receiving communities beyond Southwestern and Western states in search of employment. The resettlement of migrant workers and their families into other segments of the informal economy and geographical areas in the United States, and the decreasing economic possibilities in traditional receiving communities, provided the basis for the creation of larger social networks and information channels extending across multiple states that allowed immigrants to find jobs more easily.

However, beginning in the mid 1970s', the global economic crisis stemming from the oil industry led to a major industrial restructuring (Osterman, 1999). Economic transformations led the U.S. government to greatly deregulate the labor market in the 1980s during the Reagan Era, which decreased government support and allowed for the creation of low-paying jobs that allowed American business to

compete internationally (Kalleberg, 2011). As labor markets became more globally oriented, corporations also began to downsize and outsource labor in search of greater profits. Corporations operating globally not only gained access to low-pay labor, but also to natural resources (i.e. land) and more permissive regulations needed to operate more efficiently. As labor markets expanded, corporations not only increased the flow of goods and capital across political borders, but also imposed economic conditions that forced thousands in individuals to emigrate to the U.S.

The dramatic economic changes in the U.S., and the steady growth of the immigrant population had major demographic consequences. In the 1980s and 1990s, as a result of the expanding social ties among immigrants, which have been long forging since the end of the *Bracero Program*; the major economic and labor adjustments in the U.S. economy, which forced industries to move south in search of cheaper labor and more lenient laws; and the effects of globalization, which displaced thousands of workers abroad, provided the optimal conditions leading to an increase in the foreign born population residing in the U.S. According to recent estimates, the number of immigrants tripled from 1970 to 2005, increasing from 4.8% to 12.1% respectively (Kalleberg, 2011, p. 84).

As a result, on any given day, approximately 117,600 workers are either looking for day labor jobs or employed as a day laborer (Valenzuela et al., 2006). Estimates suggests that seventy-five percent of day laborers congregate at informal hiring sites, while the remaining search for work in formal day labor centers or hiring halls (2006). Moreover, in line with historical accounts on contingent labor,

Valenzuela and colleagues (2006) found that the largest segment of present-day day laborers in the United States continues to be primarily composed by foreign-born workers. The recent inflow of immigrant workers from Latin American countries to the United States has reshaped day labor's population to the extent that eighty-seven percent of all day laborers in the United States come from Mexico and Central America (2006). Valenzuela's findings suggest that seventy-five percent of immigrant day laborers in the United States are undocumented, and seventy-one percent of them have been in the United States less than five years. The majority of all day laborers have never been married, while forty-seven percent reported either being married or living with a partner. The average educational attainment among immigrant day laborers is eight years. Moreover, Valenzuela and colleagues found that the primary employers of day laborers in the United States are homeowners/renters and construction contractors, representing forty-nine and forty-three percent respectively (2006).

More importantly, day labor hiring sites, which are primarily composed of Latino workers, are expected to continue to burgeon in many towns and cities across the United States and become an intrinsic element of the urban landscape (Malpica, 1996; Valenzuela, 1999; Valenzuela & Melendez, 2003; U.S. General Accounting Office, 2002). Therefore, as day labor hiring sites continue to unfold across the country, there is an emergent need to further explore the social processes stemming from the daily interactions among day laborers to better understand the intricacies of labor markets, day labor, and day laborers.

SIGNIFICANCE

Current day labor research has been essential in providing context to better understand day labor phenomena in the U.S. Recent accounts not only illustrate the complexity of studying informal day labor hiring sites and its population, but also the need to go beyond existing neoclassical paradigms to question their all-encompassing theoretical approaches used to describe the social fabric that weaves our society together. I argue that exploring the role of competition in informal day labor markets is imperative to the development of a social understanding that would help us contextualize the social processes that emerge among day laborers at their place of employment. Informal hiring sites can be more than places where laborers search for jobs. These are social arenas where workers socially engage one another as they “network, talk and communicate, get loans, give tips, share food, strategize, cry, drink, sing rancheras, roll dice, and just hang” (Quesada, 1999, p. 171). Informal day labor hiring sites are more than geographical locations where laborers communicate their stories of hardship and wait for a job; these are locations day laborers need to survive.

So far, most contemporary descriptions of informal day labor markets have followed labor economics’ principles based on competition, rationality, repetition, structure, and predictability. Informal day labor markets, which lack any “formal” regulatory norms by governmental institutions, are assumed to inherently display a structural framework emerging from the perspective of “perfect markets.” This premise, which is based on the idea of equilibrium, suggests that informal labor

markets are social areas primarily shaped by demand and supply forces, competition, and information flow that enable day labor markets to function perfectly. In other words, informal day labor markets are portrayed as textbook cases where economic forces, based on competition, flexible wages, underbidding, and individualism dictate workers employment opportunities. By not exploring alternative organic social processes that can arise among day laborers, social scientists are missing the opportunity to explore whether or not social unity, collective norms, group cohesion, solidarity, and cooperation can also emerge in a competitive environment such as an informal day labor site.

Economists and social scientists have long understood that major financial players are expected to cooperate and collaborate if they are to maintain the stability of local, national, and international economies. Moreover, we know that the most important information that shapes labor market is transmitted from one person to another across short distances, and that social networks mostly determine people's jobs (Grantham & MacKinnon, 1994). So, why is it so difficult to expect cooperation among day laborers? Quezada's (1999) findings illustrate that beyond using social networks to find employment, newly arrived day laborers receive financial assistance from more established workers. Connections and collective support among immigrant workers create collective resources that assist them offsetting the harshness of their social environment (Boissevain et al., 1990). After all, newcomers depend on the goodwill of more established immigrants to secure loans, get acclimated to the labor market, and learn labor skills. Otherwise, how else would any immigrant survive? To explore the complexity that exist at informal day labor sites, it

is important to account for individuals' set of beliefs, culture, and social fabric that emerges as part of their labor experiences. By doing so, we can further explore the complexity of human behavior, which is generally observed through rational economic lenses.

I contend that day labor markets provide a social arena where men can develop a sense of community. These multifaceted locations reflect the needs and wants of individuals searching to improve their employment opportunities. As day labor scholars continue to develop more accurate descriptions about how individuals make decisions, they need to account for how face-to-face communication also enhances cooperation (Ostrom, 2000). Individualist assertions have imposed assumptions that suggest that unless there is coercion among individuals in larger groups, people will act in a common, rational, and self-interested manner (Olson, 1965). As a result, economists and labor researchers have been mostly interested in exploring people's choices based on the maximization of short-term self-interests, which presuppose that survival is achievable only through the aggressive pursuit of individuals' own interests. The notion of reciprocity among individuals, which is what has allowed humanity to survive, has taken the back seat.

Why not expect a more collegial environment to emerge among day laborers? Why would day laborers, who are at the bottom of the labor market, prefer competition over cooperation when principles emerging from economic antagonisms have created disadvantages for them? Why not try something different? Why not expect workers to develop stronger bonds in an unregulated social arena to compensate for any power imbalance? Offe and Claus (1985) found that workers

tend to construct “collective consciousness and organization to overcome obstacles” (p. 178). After all, day laborers are free from pressure related to competition that emerges from formal employment as a result of pre-established levels of productivity that are tied to wages. Since day laborers are not be competing against one another based on a productivity scale or occupation, it is possible they do not perceive others as rivals.

Blau has argued that rationality in social life “is not only defined in terms of the actor’s perspective and utilities, but it is also shaped by the perspectives and utilities of others” (1993, p. 33). When workers encounter similar situations and are in constant communication with one another, it is possible they develop similar understandings and feelings about the problems they face. As a result, they can implement collective strategies to solve detrimental situations, which can lead them to act as a collective unit (Furaker, 2005, p. 87). When this occurs, a more collegial environment can emerge to challenge our traditional understanding of competition in informal labor markets.

In chapter one, I present a summary of relevant scholarship that is intended to link the development of the concept of competition through history, its influence on the development of labor markets literature, and day labor. Moreover, using a sociological approach, I introduce the concept luck to provide a more nuanced understanding of social forces that can also shape the social organization of informal labor markets. In chapter two, I provide the research design and methodology, including an in-depth description of the site and its labor force, and brief description of the historical, political, social, and economic processes that led to the formation of

this hiring site. The final chapter includes findings (*Creando Comunidad/Building Community*, *Acuerdo de Caballeros/Gentlemen's' Accord*, and *Suerte/Luck*) that stem from my in-depth analysis, a summary, and a discussion section that addresses important findings and posits future research directions.

CHAPTER 2: LITERATURE REVIEW

In this chapter, I provide a summary of relevant scholarly work pertaining to four important bodies of literature: competition, labor markets, day labor, and luck. By exploring the relation between these broad areas of research, I will engage the philosophical debate on rational choice (economic principles versus social principles) that has divided economists and social scholars as they attempt to explain human behavior. The objective of this section is not only to provide a theoretical foundation to better understand how economic principles, based on competition, have shaped the development of economic thought, labor markets, and day labor, but also to highlight how individual cultural beliefs, such as luck, further complicates the role of competitive principles in explaining human behavior.

UNDERSTANDING THE ROLE OF COMPETITION IN THE DEVELOPMENT OF ECONOMIC THOUGHT

The concept of competition, which has been traced to the pre-Aristotelian Greek poet, Hesiod, was introduced as the tale of two potters striving to outdo one another in the production of their goods (Gordon, 1975). The illustration captures the first written event related to competition, which revealed the act of rivalry that is said to emerge among individuals as they strive to attain a benefit while preventing rivals

from achieving the same objective. For centuries, economists from varied schools of thought (mercantilism, classical, and neoclassical) have developed, proposed, defended, and challenged complex frameworks to describe the role of competition. Emerging from these massive attempts to explain competition, a sense of ambiguity surrounding competition solidified. Debates among economists about whether or not to treat competition as a law-like concept are a major cause for the philosophical divergence. After all, how does anyone know if individuals who are said to be competing have a clear understanding that both parties are in competition with one another? The argument stems from the idea that “perfect formulations” are incapable of describing the unconscious struggle participants endure, whom at the end, may not be aware of whom their opponents are, or that they are engaged in a competitive process (Dennis, 1977).

This summary is not intended to provide an all-encompassing review of the wide range of topics ever analyzed by economists regarding the development of competition as a concept; rather, it attempts to outline key elements of its evolution that are relevant to the development of leading economics schools of thought. More specifically, I focus on the importance of competition as a philosophical force that has shaped contemporary studies of labor markets.

Beginning in the 16th and 17th centuries, mercantilist literature, which highlighted the economic exchange between nations, set forth not only the need for more centralized forms of economic institutions, but also the complementary idea of national competition (1977). Large monopolies were set to compete in international markets, which not only fueled national rivalries, but it also allowed for the

reinforcement of national identity. The emergent dialectic enabled economies to highlighting the local benefits of defeating rival interests abroad for the sake of a healthy national economy. And although the well being of local business was perceived as a benefit for the entire nation (Parker, 1648, in Dennis, 1977, p. 30), the focus of mercantilism was the self-interest that stemmed from monopolistic ideals rooted in nations' competitive strategies.

However, by 1651, Thomas Hobbes' masterpiece *Leviathan*, which introduced the concept of economic individualism (individual property rights), proved an extremely influential in the development of classical economic thought by highlighting the negative effects of monopolies in local economies (Hobbes, 1650, in Dennis, 1977, p. 33). As a result, Hobbes' concept of economic individualism began to take hold and central governments began to change. The emerging philosophy, which was based on individualism ("every man against every man"), seemed a more desirable and productive enterprise. Economists began to place more emphasis in capturing the essence of competition and describing its role in society. In 1735, Dyche and Pardon's publication, *A New General English Dictionary*, provided the first analytical definition of competition, which they described as "the striving of two or more persons to get or do the same thing." The definition illustrates the philosophical transformation in economic thought posited by early economists that advocated for economic individualism. Applying a similar line of thought, in 1755, Samuel Johnson's publication, *A Dictionary of the English Language*, provided a more refined definition of competition: "the act of endeavoring to get to or do what another endeavors to gain at the same time." Johnson's definition presents a more

developed description that highlights the need to outgain an economic rival (“to get to or do what another endeavors”). By the end of the 1750s, competition had become an important tenet of economic thought.

During the 1770s to the 1820s, the classical concept of competition, which had become familiar, had not yet become a doctrine that was rigidly enforced or superimposed upon other economic discussions (1977). However, growing economic antagonisms continued to evolve from the exchanges that took place between individual buyers and sellers in the open market. The economic assumptions of this period recognized that economic exchanges provided equal possibilities to both parties as a result of “free” competition. Classical economists posited that “free” competition would allow for a greater efficiency in resource allocation. This doctrine stemmed from the idea that competition had individualizing, equalizing, and equilibrating tendencies. John Stuart Mill’s classical rationale of the principle of competition emerges from his belief that: “rents, profits, wages, prices, are determined by competition” (1848, In Dennis, 1977, p. 162). He described competition as an “exclusive regulator” that established the foundations for sorting out between more efficient and less efficient arrangements. Classicists envisioned a society driven by conflicts as a result of the competitive environment stemming from the economic struggle of people in different social classes.

Starting in the early 1870s, a major transition took place that led to the evolution from classical to neoclassical models. Neoclassical economists became more interested in pursuing microeconomics, and understanding supply and demand, producers and consumers, and the networks of production, distribution,

and consumption (Dennis, 1977). Competition, however, continued to serve as a connecting link between the two traditions. Jevon, Menger, Walras, and Marshall perceived competition as a useful instrument to explain how regularity and order could yield equilibrium. Marshall, more specifically, equated the concept of normality with that of free competition (1890, In Dennis, 1977, p. 250). Neoclassical economists posited that for markets and the economy to function efficiently consumers or producers should strive to maximize their profits and compete as vigorously as possible because this produces the best possible results for the economy, markets, and society as a whole.

The inherent focus on microeconomic processes enabled neoclassical economics to contribute important developments on human behavior stemming from economic processes related to price determination, the economy, and markets. As a result, an understanding of the ways by which consumers behave in the economy and markets began to solidify. Neoclassical economics' tenets related to competition began to describe individuals' willingness to cheat in order to maximize their profits, which have had pervasive effects on public policy development and social research (Shelby & Morgan, 1995). By understanding the role of competition in the formation of economic thought, labor scholars can begin to address possible biases on the development of economic principles based on an imprecise notion that discounts the possibility for cooperation to emerge as contemporary economic thought suggests.

Classical accounts, to some extent, have overlooked the degree to which industries display affinity towards organizing in clusters (Krugman, 1991). The rationale used to explain this process stems from parties' need to communicate

complex information that requires extensive contact to convey subtle and idiosyncratic information (Grantham, 1994). Because information flow can be detained when using more formal means of communication, contemporary economic models are beginning to highlight the development of new organizational schemes that encourage the proximity of a diverse group of companies and institutions to foster better coordination and trust (Porter, 1998). According to this logic, “[organizational] clusters mitigate the problems inherent in arms-length relationships without imposing the inflexibilities of vertical integration” (p. 80). In other words, members of different organization can be informally linked and engage in cooperation to develop a robust organizational structure that offers its members efficient, effective, and flexible venues to compete in the economy. Unlike the narrowly defined concept of competition proposed by earlier economists, contemporary scholars are addressing the possibility for both competition and cooperation to coexist. This ideological change, in part, is fueled by the need to develop economic models that emerge from real world economic processes that best represent the needs of organizations. So, why not take this approach to develop organic social frameworks that better describe the way day laborers negotiate competition?

LABOR MARKETS AND COMPETITION

Historical economists, to a great extent, would argue that the evolution of society has been driven by the results of economic sequences based on people's cost-benefit analysis. Early accounts highlight European feudal society ripping the financial benefits stemming from their control over a labor pool consisting of "the debris of the manorial tenantry" (Grantham, 1994, p. 13). For several centuries, large family landholdings controlled the production and local markets; however, when tenancies were distributed among families with no ties to their former landlords, it forced working families to find ways to survive by harvesting products they could sell or trade in the open market (1994). Because agriculture is a seasonal trade, peasants were also forced to search for earnings stemming from other type of work. To supplement their insufficient income, families were forced to send members to seek employment in distant markets. As a result, the income of seasonal immigrant farm workers allowed not only for the infusion of capital into rural families, but it also served as a mechanism that intensified the concentration of farm workers in industrial regions.

As people began to concentrate in large industrial cities and ports, the large-scale production allowed for the formation of labor markets. The creation of these social arenas resulted from the "population growth, market-induced specialization, geographical discovery, and technological change" stemming from the supply of peasants' labor, and from employers increasing competition in the labor market (1994, p. 10). Emerging from these processes, an economic rationale was

developed that has long described labor markets by its “competitive nature.”

Following this line of thought, prominent labor scholars have illustrated labor markets as “social arenas” that emerge primarily for the “production and sale of some good or service” (Fligstein, 2002, p. 30); or as locations where buyers and sellers meet to negotiate (Polanyi, 1957). The primary focus of labor scholars has been to understand the patterns of daily competitive interactions among millions of workers and employers by merely accounting for economic motivation and perceptions of self-interest (Ehrenberg & Smith, 1997).

The role of competition, which is a fundamental and pervasive concept in labor markets and economic theories, has been used to describe a cost-analysis process that emerges between buyers/sellers and employees/employers’ to set prices that ultimately shape economic and labor markets. Competition is thought to emerge from the individual need to secure a benefit. More broadly, competition is believed to prevent the materialization of monopoly and centralized power, to aid in the formation of competitive markets where people are allowed to act according to their needs and wants, and to allow for greater efficiency and minimization of costs.

The importance of understanding labor markets stems not only from the need to further comprehend how these sites operate and its economic ramifications, but also from the need to investigate how these social arenas shape or are being shaped by human behavior. Do collective actions support or challenge long held assumptions in labor markets’ tenets? In line with neoclassical economists, labor scholars have used labor markets to study and understand human behavior based on economic relations related to market’s supply and demand forces. As a result,

law-like principles used to explain people's decisions not only stem from the idea that we are surrounded by a competitive environment, but also presuppose that individual or collective decisions are independent from one another (Fine, 1998). This line of thought suggests that individuals develop an understanding about the amount of competition and their opportunities based on the information they are able to collect. Arguments emerge positing that individuals' "economic rationality," which is fueled by competitive assumptions, is the primary driving force of labor markets.

The assumption that under normal labor market conditions employers and employees behavior is guided by a cost-analysis approach have become standard when describing workers' relationships. Events describing multiple employers competing for workers were perceived as a benefit for workers, while competition among workers enhanced employers' negotiating power for lowering wages and working conditions. This, however, also implied a social understanding from the workers perspective to realize the advantage of working together, which is generally obscured by unrealistic assumptions related to independent competition. The driving rationale of competition is that since this is a two-sided process in which employers and workers act independently, the emerging conditions will allow for efficient processes to materialize and profits to increase.

In line with previous labor researchers continued efforts to analyze labor markets through economic lenses in search of the magic formula that explains competitive behavior, literature describing informal economic environments has taken a similar approach. This orthodoxy has led contemporary scholars of informal day labor markets to focus on the competitiveness that emerges among workers in

the informal sector, which is said to emerge from the lack of institutional constraints and the free interaction stemming in these labor market processes (Camou, 2009; Gordon, 2005; Menjívar, 2000; Pinedo-Turnovsky, 2004, 2006; Purser, 2007; Theodore, Valenzuela, & Melendez, 2006; Valenzuela, 2003, 2006; Valenzuela et al., 2006; Valenzuela & Melendez, 2003).

Moreover, it has long been theorized that in order to develop stable employment situations, there is an inherent need for administrative rules regarding internal wage, hiring, promotion, and layoff rules (Doeringer & Piore, 1971). The premise is that rules governing “internal” or “primary” labor markets accord rights and privileges to workers, such as access to jobs filled internally and continuity of employment (1971). In other words, formal labor markets not only provide protection from direct competition by outsiders, but they also serve as buffers that curtail free market ideals to ensure stability. Doeringer and Piore’s contributions suggest that internal labor markets need to operate outside our classical understanding of “free” and “perfect” competition to achieve stability.

The dialectic that emerges between formal and informal labor markets is useful when observing contemporary accounts of day labor markets. These social arenas have been described as textbook examples that illustrate economic theory principles where extreme competition leads to efficient wage price determination stemming from unemployment, supply and demand forces, and the absence of regulations by bureaucratic institutions. Following this line of reasoning, contemporary day labor scholars have continued economists legacy of minimizing the role of community, cooperation, and positive interpersonal relations that emerge

in public spaces, which people require to function effectively. By dismissing the importance of social fabric and solidarity, day labor research is also dismissing the social processes that emerge among humans that drive labor markets.

Karl Marx, Emile Durkheim, and Max Weber have long theorized about the importance of solidarity, cooperation, and collaboration among people. Marxist's teachings have emphasized the unity that emerges among subjugated populations to fight oppression. The idea that workers can develop solidarity as they become conscious of their shared working-class identity (1932). Marx suggested that social solidarity allows the masses to unite against the privileged class. Moreover, Durkheim theorized that a common lifestyle, set of beliefs, and customs known and practiced by members of a collectivity could develop into a collective consciousness (1960). He posited the possibility that groups' social norms can develop social solidarity, which could guide and control individual behavior (1960). Durkheim contended that a collective conscience shapes the social organization by developing social cohesiveness among its members. He argued that interdependence and cooperation reinforced social solidarity. Finally, Weber also suggested that communal relationships could emerge if the orientation toward social action is driven by a mutual rational agreement (1947). Marx, Durkheim, and Weber theorized about different social processes that would give rise to solidarity. They postulated that unity and cohesion are feelings that can emerge from a collectivity that shares certain social characteristics and beliefs. Why not expect social conditions described by Marx, Durkheim, and Weber to emerge among a group of day laborers?

Informal labor markets, just like formal markets, depend on powerful organizational forces based on “customary norms, group cohesion, kinship, and social networks” (Assad, 1993, p. 925). Social norms, which emerge among people, should be taken into account when observing labor market relations as they can provide information that can further expand our understanding regarding human behavior. Labor market scholars’ approach, based on competition, has prevented day labor scholars from developing social frameworks based on more positive organic relations that emerge at informal markets. We know that labor scholars have thoroughly accounted for the benefits of formal employment, and have developed comprehensive frameworks to explain its inner workings. However, less is known about informal labor markets. The study of day labor provides a unique opportunity to explore whether or not social unity emerges from collective norms, group cohesion, solidarity, and social networks among disadvantaged people.

DAY LABOR RESEARCH: A REPLICIA OF RATIONAL COMPETITION, NEOCLASSICAL ECONOMICS, AND AN ANTITHESIS OF FORMAL LABOR MARKETS?

The importance of understanding the evolution of competition, as an economic concept, and its influence in shaping labor markets’ literature is to highlight the pervasiveness of competitive assumptions in day labor writings. The result of this influence has been a structural determinism applied to labor markets research that limits the way we analyze its participants. Conjectures of competition have not only permeated economic and labor markets’ literature, but it has also had a considerable influence in immigration research, which has traditionally highlighted

the emergence of competition among immigrant workers (Boyd, 1989; Chávez, 1998; Hagan, 1998, 1994; Hondagneu-Sotelo, 2001, 1994; Mahler, 1995; Menjívar 1994, 2000; Portes & Sensenbrenner, 1993; Ramírez & Hondagneu-Sotelo, 2009; Zlotniski, 2006).

During the last three decades, immigration literature has not only provided innumerable accounts that have described the importance of social networks as a main driving force, but also about the dynamic nature of relationships among immigrants, which are said to weaken and erode overtime. As scholars studied the processes that shape immigrants' relationships with one another, they found that once immigrant workers settle, newcomers also endure disadvantages and social closure stemming from social networks (Chávez, 1998; Hagan, 1998, 1994). Sarah Mahler (1995) described how the lack of cooperation among a group of immigrants residing in New Jersey allowed for social disintegration to emerge between more and less established workers. She found that marginalization and poverty challenged racial, cultural, and national ties. Pierrette Hondagneu-Sotelo's (1994) study of immigrant workers found that more established laborers exploited economically more recent newcomers. Cecilia Menjívar (1994) also illustrated how Salvadorans networks weakened and became more competitive as a result of fluctuations in the local economy. Alejandro Portes and Julia Sensenbrenner (1993) also explored the "underside" of networks, and noted the potential of social networks among immigrants for constraining action.

Recent immigration studies continue to illustrate the complexity of social ties among immigrant workers, and illustrate how social networks among immigrants are

not always positive and static. In a study of Mexican gardeners (*jardineros*) in California, Hernán Ramírez and Pierrette Hondagneu-Sotelo (2009) described how newcomers' under-bidding created a competitive environment that prevented *jardineros* from increasing their prices. To buffer their decreasing profits as a result of the competitive environment, the authors found that *jardineros* depended on side jobs for extra money (2009). In line with labor markets literature's assumptions, immigration literature has, to some extent, portrayed immigrant workers' relationships as dependent on economic and labor market processes that ultimately lead them towards individualism and selfishness.

As the number of Latino immigrants working in the informal economy continues to escalate, emerging contemporary day labor literature continues to apply the same orthodox rhetoric of competition that focuses on the competitive nature of day laborers relations at informal labor sites (Camou, 2009; Gordon, 2005; Hondagneu-Sotelo, 2001; Menjivar, 2000; Pinedo-Turnovsky, 2004, 2006; Purser, 2007; Ramírez & Hondagneu-Sotelo, 2009; Theodore, Valenzuela, & Melendez, 2006; Valenzuela, 2003, 2006; Valenzuela et al., 2006; Valenzuela & Melendez, 2003; Zlotniski, 2006). Stemming from a broad range of studies in day labor, two important bodies of literature on day labor have explored the impact of competition among day laborers. The first set of studies focus on day laborers' typologies, transition to the U.S. economy, labor abuses, and the competitive nature of day labor (Theodore, Valenzuela, & Melendez, 2006; Valenzuela, 2003, 2006; Valenzuela et al., 2006; Valenzuela & Melendez, 2003). The second body of literature studies how day laborers' identity and interpersonal relations based on

racial, ethnic, and national identity creates competition at informal day labor sites (Camou, 2009; Gordon, 2005; Menjívar, 2000; Pinedo-Turnovsky, 2004, 2006; Purser, 2007).

Recent accounts have not only highlighted the chaotic or unstructured nature of informal day labor sites, but also the rigorous cutthroat competition that emerges among workers (Valenzuela, 2003, 2006). Valenzuela describes “curbside hiring sites” as having “a divide and conquer atmosphere” (2003, p. 318). In his research, he has highlighted how as day laborers attempt to transition into the larger U.S. economy, they engage in a hyper-competitive struggle at day labor pick up sites. Second, in a study conducted in Long Island among Latino immigrant day laborers, Jennifer Gordon illustrated how social disintegration eventually led workers to stop campaigning to institute a self-enforced minimum wage (2005). She described how the collective well-being was undermined by the selfishness and competition among workers.

Third, Cecilia Menjívar’s study in San Francisco described how social networks among Salvadoran immigrants denied assistance to newly arrived immigrants (2000). She highlighted how common background and shared migration experiences among immigrant laborers do not automatically translate into unified and supportive networks in the United States (2000). Part of her observations regarding the complexity of immigrant networks at informal day labor hiring sites revolved around its competitiveness. Menjívar described how social ties could be sources of tension among workers instead of creating the foundations for social cohesion. Fourth, Carolyn Pinedo-Turnovsky (2004) also described a culture

involving competition for jobs, ethnic sorting, and social stigmatization. In her study on day laborers in New York, she described how “Regulars” (Polish and Latino men) stood in separate locations from the “Temps” (African American and Latinos of African descent). She posited that as Latino men competed for a job, they also maintained a distance from “Temps” because they understood that race, ethnicity, and nationality provided them with an advantage, as employers preferred Latinos day laborers.

Finally, Gretchen Purser pointed out that as day laborers compete, they self-sort and stigmatize one another by portraying each other’s masculine identity as more feminine (2007). Day laborers who worked at a work-hiring program described rival day laborers working on the street as sexually depraved and desperate; on the other hand, day laborers who searched for employment on streets and corners described day laborers at the hiring center as dependent, incompetent, and lacking of work ethic (p. 134). Contemporary labor and immigration studies have not only illustrated the complexity of social ties, but also have challenged the assumption that workers’ social networks are primarily positive and have follow old labor market tenets related to competition when describing the informal economy.

Therefore, before describing informal labor markets, which are likely to be comprised by racial minority groups and immigrants, we need to question the validity of employing competitive lenses to describe Latino immigrant day laborers’ understanding, reactions, and interpersonal relations with one another at their place of employment. In an early study of immigrant workers, Chávez described how beyond “cantankerous social relationships,” immigrant workers, who generally lack

of resources, developed extensive social networks among acquaintances and relatives (Chávez, 1998, p. 140). The point is that although negative relations do emerge, which can lead to social closure, immigrants' networks are not static. Instead of focusing on the negative aspects of social networks, which immigrants themselves avoid in order to prevent social closure, we need to explore how day laborers develop and negotiate positive relationships that enable them to survive.

LUCK, IMMIGRANTS, AND LABOR MARKETS: IS THERE A CONNECTION?

The notion of luck has been in the center of contemporary discussions within Psychology and Philosophy as they continue to further explore the role of luck in people's lives. Pritchard and Smith (2004) posit that philosophical accounts have primarily focused on discussing luck as an undefined primitive conceptual characterization. In fact, representative philosophical accounts by Foley (1984), Gjelsvik (1991), Greco (1995), Hall (1994), Heller (1999) and Vahid (2001) do not offer a conceptualization of luck in their discussions. Engel (1992), a pioneer in providing epistemic foundations of the meaning of luck, describes this concept as "situations where a person has a true belief which is in some sense fortuitous or coincidental" (p. 59). Philosophical approaches have described luck as the result of an accidental event (Harper, 1996).

In contrast, the psychological approach to luck has been more empirical in nature, which has involved looking at the method by which luck influences the "way in which people construct causal explanations for why events happened" (Pritchard & Smith, 2004, p. 7). Psychologists have been particularly interested in examining

“when it is that people typically attribute an event as being due to luck and the feelings associated with such an attribution” (p. 7). Heider (1958) found that when an individual perceives his/her success as the result of fortunate random events beyond his control, she/he would attribute his success to luck. Moreover, Weiner and colleagues (Weiner, 1986; Weiner et al., 1972) have also described that luck can be attributed to events beneficial to the individual that were initially perceived as external, unstable, and uncontrollable.

The interest in understanding cultural beliefs related to superstition in everyday life has long been drawing the attention not only of psychologists, but also other professionals, such as researchers, educators, and clinicians (Zusne & Jones, 1989). We know that superstition has long permeated societies and influenced individuals in all socioeconomic levels (Nemeroff & Rozin, 2000; Vyse, 1997). It is the general understanding that superstitious strategies are more likely to emerge under conditions of uncertainty (Felson & Gmelch, 1979; Malinowski, 1954; Vogt & Hyman, 1959) and stress (Keinan, 1994, 2002; Padgett & Jorgenson, 1982).

Beyond contemporary philosophical and psychological explanations of luck, this section will provide a sociological analysis of luck to describe how superstitious beliefs can shape the social organization of informal day labor market. To do so, I explore four bodies of literature that describes the role of religiosity, feelings related to a lack of control over their work environment, counterfactual arguments stemming from traumatic experiences in the migratory journey, and individuals' day-to-day working arrangements.

Religious Practices

First, it has been conjectured that religion influences economic activity (Barro & McCleary, 2003; Greif, 2006; Iannaccone, 1998; Mokyr, 1990; Weber, 1930). This body of literature primarily emerged from Max Weber's writings in *The Protestant Ethic and the Spirit of Capitalism* (1930) in which he argued that in Protestant countries, Reformation changed people's preferences to support labor activities as supposed to leisure, savings instead of consumption, and physical goods over emotions. The result was an encouragement for individuals to accumulate capital. Richardson (2009) and Greif (2006) have also posited that religious beliefs have long influenced the manner by which the industry has organized, while Hume (1993), Marx and Engels (2004), Smith (2003), and Weber (1930) have described the manner by which religion has influenced individuals' choices, principles, and needs.

Understanding the role of religion has been a major task among social scientists. The complication stems from religion's extensive set of beliefs, which influence individual's behaviors and their relationships in ways not easily observable. As a result, a major focus of this body of literature has been in understanding the impact religious beliefs have in the structure and performance of economic institutions (Richardson, 2009). In line with these efforts, recent immigration research has also begun to explore the intersection between immigration and religion. In a recent study by Jacqueline Hagan, she explored how religiosity, spiritual practices, and belief systems influenced Latino immigrants' decision to emigrate (2008). In her book, *Migration Miracle*, she describes the importance in

understanding the role of immigrants' spirituality to better understand the immigration journey. But more importantly, I argue, Hagan's findings illustrate how immigrants' rationality is strongly influenced by religious beliefs grounded in local cultural and social norms. Therefore, if we are to better understand the way immigrants navigate the U.S. society and adapt to local labor markets, it is imperative that we explore how Latino immigrant workers' rationality, which stems from a different set of social and cultural norms if compared to the U.S., shape the way they organize at informal day labor markets.

By extending research to include immigrant personal beliefs, scholars will be able to further explore how individuals, in particular, those who travel from Latin American cultures, may develop an idiosyncratic rationality when engaging the U.S. economic system. Using this line of reasoning, a larger question can be explored, how do disadvantaged immigrant workers, whose cultural beliefs and economic understanding differ from Euro-American views, understand economics and labor markets? After all, accounting for individuals' cultural norms is imperative if we are to understand how immigrants navigate society.

Lack of Control

Second, I illuminate how individuals' understanding of their lack of control creates uncertainty and stress that can force them to use "less rational" beliefs to regain a sense of control (Jahoda, 1969; Keinan, 1994, 2002; Malinowski, 1954; Singer & Benassi, 1981; Zusne & Jones, 1989). Stemming from this body of

literature we have learned that when individuals face stressful, traumatic, uncertain, or chance-determined situations, they are likely to use superstitious strategies to obtain personal stability and a sense of agency. According to Weiner's (1986) attribution theory, achievements that are accredited to luck generally stem out of the individual's belief that the positive resulted from external, unstable, and uncontrollable causes.

The study of individuals' perception of control over their environment is important because it provides a framework to better understand the connection between individuals who suffer stress and uncertainty, and their understanding of luck. We know day laborers' position in the labor market is uncertain and precarious, which is a result of the limited control they have over their own employment, as they depend on day-to-day work arrangements, and the lack of labor protections; however, we know little about how their lack of control may affect day laborers' perception of the labor market. We know that immigrants are resilient, but we do not know how they make sense of their labor conditions, and how immigrant perceptions shape the way labor markets operate.

Counterfactual Arguments

Third, I explore the role of counterfactual thinking and its relation to luck. According to Johnson's (1986) study, which explored participants' understanding of near outcomes to find out how individuals described the degrees of luck, he found that among those who were considered 'near losers,' these participants were also

regarded as luckier. Janoff-Bulman (1992) found that survivors, who after experiencing negative life altering events, began to perceive themselves as being luckier when comparing their actual situations with what could have been worse. According to Pritchard and Smith (2004), individuals perception of what actually happened with what might have happened was termed 'counterfactual thinking,' which appeared to play an important role in how people perceive social events (see also Miller, Turnbull, & McFarland, 1990). In a similar study, Teigen (1998) found that when hazardous situations were avoided, individuals were perceived as being luckier. In other words, success was measured according to how close the event approached to failure.

Counterfactual thinking is a useful concept to explore the way immigrant day laborers may perceive their own fortunes. Since most day laborers are undocumented, the majority have had the misfortune to endure difficult journeys through the desert, where many immigrants have perished throughout the years. The trauma stemming from leaving their loved ones behind, facing the possibility of perishing during the journey, being kidnapped by drug cartels, or witnessing other migrants die in the process is a reality immigrants are forced to endure. Day laborers not only experience traumatic events stemming from their journey, but also at their place of work. Therefore, stemming from life changing experiences, it is reasonable to assume day laborers can develop counterfactual thinking that may not necessarily reflect Western's notion of economic rational behavior.

Day-to-Day Working Arrangements

Finally, I also explore how day laborers' perception of day-to-day working arrangements may also influence their perception of luck, and therefore, their understanding of their labor experiences. In Alvarez and Schmidt (2006) recent study on fishermen, they investigated fishermen's perception of the importance of luck and skills. Both found that luck is more important when explaining daily catches, while skills becomes more important over longer periods of time since the effects of luck tend to average away. Alvarez and Schmidt study is particularly important because they suggest that the collection of daily accounts allow them to observe daily nuances of fishing. They posit that because fishing is heavily dependent on random circumstances, since fish are a "mobile resource," fisherman tend to explain daily catches in terms of luck as opposed to skills or machinery.

Fisherman and day laborers face the daily possibility that at the end of their workday, they may end up empty handed. If applying a similar line of reasoning, we can deduct that day laborers day-to-day work arrangement also enhances day laborers perception of the importance of luck. Because day laborers employment depends on their daily performance, their lack of control over their environment and randomness in their employment opportunities can greatly enhance the significance of the role of luck when searching for employment.

CHAPTER 3: RESEARCH DESIGN AND METHODS

In this chapter, I describe the methodological approach used to explore the impact of competition at an informal day labor site, and the strategies immigrant day laborers use to buffer the negative effects of competition. The following section will first outline the regional, national, and international socioeconomic conditions that played a major role on development of this research site. Second, I briefly describe how workers navigate the research site. Third, I delineate the grounded methodology used to craft the research design and select the sample. Finally, I describe analytical strategies for completing my research. The research design includes 20 in-depth interviews, and formal and informal observations stemming from two years of continuous communication with day laborers at the hiring site.

RESEARCH SITE

In this section, I focus on the local, national, and international economic and demographic changes that led to the formation of an informal day labor market located in the Research Triangle area of North Carolina. Beginning in the early 1980s, NC experienced an outstanding Latino population growth as a result of the national industrial restructuring, thriving economy, and low unemployment rates

stemming from the booming construction and service industries (Johnson-Webb, 2003). As new employment opportunities began to emerge beyond traditional destinations (i.e. Southwestern and Western states), Latino immigration in the U.S. spread to all corners of the nation (Durand, Massey, & Capoferro, 2005). As a result, immigrants began to arrive in NC during the early 1980s searching for agricultural work (Nelson, 1990). However, as economic conditions improved in NC during the 1990s, a new group of immigrants seeking non-agricultural work appeared. Census estimates suggest the Latino population in NC nearly quadrupled between 1990 and 2000 suggesting that by the end of the decade 378,963 Latinos resided in NC (U.S. Census Bureau, 2001). By 2008, as a result of the outstanding growth, the Latino population almost doubled to 694,185, which translated to 7.4 percent of the entire population in NC. (U.S. Census Bureau, 2006, 2009).

Job availability lead to a massive increase in the total proportion of Hispanic workers in NC (8% in 1980 versus 35% in 2000) (Kandel & Parrado, 2004). The industrial restructuring, which brought a large number of manufacturing jobs to NC, not only transferred blue-collar jobs, but also allowed for the creation of jobs in the service and construction industry sectors (Chávez, Mouw, & Hagan, 2008; Hagan & Lowe 2008), which further unleashed the migratory process of Hispanic immigrants to NC. Between 1995 and 2005, the number of Hispanic workers in NC increased 431%, which accounted for 35% of the state's total workforce (Kasarda & Johnson, 2006). By the end of 2005, three out of four Latinos residing in NC were employed in construction, wholesale, manufacturing, and the retail industries (2006).

NC's Latino population is comprised predominantly of Mexican immigrants (Johnson-Webb, 2003). Zúñiga and Hernández–León (2005) found that in NC half of the Latino population increase can be attributed to Mexican and Central American newcomers, and to migratory patterns that brought Latinos from traditional gateway cities, such as Los Angeles, Houston, and Chicago. Although immigrants tend to be primarily males, the emerging Latino population in NC also consists of a large number of young females and males (18-34 years of age), which are overly-represented in low-wage occupations, and reside in counties along the I-85 and I-40 corridors (Johnson-Webb, 2003).

However, in order to better understand NC's Latino population's growth, is imperative that I address complex socioeconomic conditions, local and international, that brought over half-million Latino residents to NC and led to the formation of this informal labor market. First, the role of labor demands in the U.S. (Arango, 2000; Massey, 1999; Piore, 1979), and neoliberal policies enacted by Western economies forced individuals residing in less economically developed Latin American countries to migrate to the U.S. Free-trade agreements, such as the North American Free Trade Agreement (NAFTA) and the Central American Free Trade Agreement (CAFTA) had profound economic, demographic, and political repercussions in Latin American economies, which forced these governments to shed state-owned firms and reduce their blue-and white-collar labor force.

As a result, Latin American economies, which are characterized by a young labor population, experienced strong “push factors” stemming from a market-driven economic approach and fiscal austerity. The overall decreasing employment

capacity in the public and private sector emerging from privatization, destruction of *ejidos* (communal lands), limited employment among farm workers, political crises, and periods of rapid inflation were responsible for displacing millions of Latin Americans, especially Mexicans. As a result, Hispanic immigrants from rural communities became more likely to migrate to the U.S. (Massey & Espinoza, 1997), and settle in rural areas in nontraditional receiving states (Kandel & Parrado, 2004), such as NC.

Beyond scarce labor opportunities in their home communities, immigration was also fueled by employment recruitment conducted by multinational corporations in receiving countries (Piore, 1979). Immigration literature has long described the importance of “pull factors,” which include the presence of labor recruiters in sending countries enlisting workers for jobs in steel and sugar industries in the South (Portes, 1978). NC’s positive economic growth during the 1980s and 1990s not only coincided with the industrial decline in Rust Belt cities in the Midwest and Northeast (Tellez & Ortiz, 2008), but also with positive economic conditions in the South stemming from growing local markets, government tax incentives, and increased job opportunities in “low-skill” occupations, which increased the flow of Latino workers (Mohl, 2003; Walden, 2008).

In line with scholarly accounts, Fernando, a Guatemalan immigrant worker who has worked in day labor markets in New York and New Jersey highlighted the increased job opportunities that immigrants have found in the Southeast:

“La realidad, en mi caso de trabajo, yo veo que aquí, en North Carolina hay un poquito más de trabajo [que] en Nueva York...” (In reality, I see that in North Carolina there is a bit more work than in New York...).

The construction boom in NC and the overflow of Latino immigrant workers to the state stemming from the strong recruiting efforts towards foreign-born workers created conditions conducive for an increase in labor demand in secondary labor markets, especially among Mexicans, who are known for their willingness to work in hazardous occupations (Crowley, Lichter, & Qian, 2006).

As food-processing plants and construction sprung in the South, employment downsizing and outsourcing continued in the manufacturing sector across the nation (Griffith, 2005; Mohl, 2003; Parrado, 2008; Walden, 2008). Saturation of work in urban communities, declining wages, expensive housing, poor schools, crowded neighborhoods, and anti-immigrant sentiments (proposition 187 in California) forced immigrants to leave traditional gateway states in the West and Southwest in search for better opportunities elsewhere (Allensworth & Rochin, 1996; Cantu, 1995; Crowley, Lichter, & Qian, 2006; Durand, Massey, & Charvet, 2000; Hernández -León & Zúñiga, 2000; Kandel & Parrado, 2004; Light, 2006). As food processing enterprises moved to the South, the construction industry also experienced an outstanding growth, which not only attracted more immigrants (Dever, 2009; Kasarda & Johnson, 2006; Pew, 2007), but also became the largest employer of Latino immigrants.

Beyond the “pull-factors” stemming from the industrial restructuring, low unemployment rates in the Triangle Research Area (TRA) of NC resulting from the expansion of construction, housing, and service sectors (Foust & Mallory, 1993; Johnson, 1998) allowed Latino immigrants to find work in the TRA as they fulfilled the labor needs of local residents and contactors (although it is not uncommon for

out-of-state contractors to stop by the site and hire day laborers to perform work elsewhere in NC). The site's proximity to a major university, and to a relative wealthy population that is associated with this institution have also provided a continuous source of employment in construction, landscaping, painting, housekeeping, food, moving, and service industries. The exceptional recruitment efforts by construction companies, the growth of NC's economy, and the regional low unemployment rates not only allowed Latino immigrants to secure employment, but also to earn relative high wages ranging from \$9 to \$22 per-hour (U.S. Bureau of Labor Statistics, 2009).

The third important factor contributing to the development of the informal day labor hiring site was the dramatic implementation of labor practices that emerged from the Immigration Reform and Control Act of 1986 (IRCA). IRCA was initially developed to diminish the number of unauthorized immigration to the U.S. by applying sanctions to employers that hired undocumented workers, and allowing immigrants to apply for U.S. citizenship. Humberto, a day laborer from Mexico City who describes himself as one of the founding members of this informal day labor site, described the effect of IRCA's stricter enforcement of labor laws on the creation of this hiring site:

There was a time when people were being fired from stores and hospital. And those who worked at the hospital...many were fired from the hospital. They ended up at the corner. This is how many people got there [corner]. I often counted over 100 [day laborers] during this period of time.

The inability to secure proper documentation, such as social security numbers, work permits, or visas created major obstacles for Latino immigrants living in urban areas to obtaining or maintaining jobs. Immigrant workers who, at the time, held jobs in hospitals, construction companies, and other firms in the service sector

suffered the consequences of the implementation of stricter job requirements emerging from IRCA, which forced employers to lay off employees who could not produce proper authorization to work in the United States. This in conjunction with the constant influx of Latino newcomers, companies recruitment efforts, and IRCA's new labor requirements created optimal conditions for the convergence of complex economic, political, demographic, and social processes during the 1990s that forced immigrant workers to search for employment at this informal day labor site.

Finally, somewhat lenient local policies towards immigrants stemming from a more progressive population have also played an instrumental role in the development of this informal day labor market. Beyond the benefits of operating in a somewhat politically progressive community, the maintenance of this informal labor market was also aided by its geographical location. The pick up site, which is located in the "less developed" sector of town, is surrounded by several efficiency apartment complexes that house a large number of Latino residents. During the last fifteen years, nearby apartment complexes have provided accommodations for immigrant day laborers, and hundreds of working class Caucasians, African Americans, Latino immigrants, Asian refugees, and college students. These adjacent residential areas have not only been instrumental in the formation and consolidation of this site because of their proximity, but also because they provide affordable and lenient leasing requirements (it is possible to rent apartments without having a valid social security number or credit history), which greatly benefits the undocumented immigrant Latino population. Anecdotal accounts by senior day laborers, such as

Humberto, shed light to the impact of broader economic factors that assisted in the formation of this informal labor market:

Since we lived near the corner... in the apartment complexes... we would inform our employers to pick us up at the nearby store. Once in the store, we drank coffee or a soda as we waited to be picked up. This is how employers began to arrive at the store if they were in need of workers. Sometimes they would wait for us. However, when employers did not show up, we would make work arrangements with other employers.

Additional accounts highlight the abundance of work and somewhat favorable economic conditions in NC during the late 1990s and early years of the 21st century. Samuel, a Mexican immigrant worker from Jalisco, arrived to NC during the mid-1990s. His early memories illustrate the abundance of jobs available for Latino workers in the informal economy:

When I first arrived [North Carolina], there was no corner or anything ... I would say that in 2001 or 2002 people began to gather there [corner]. When I first arrived in 1996 until I left in 1999, they [employers] would knock on apartments' door. In the past, employers would knock on apartment doors...I do not know how they managed to find out in which apartments Hispanics lived. There was plenty of work. All we needed to do is walk on the street to draw attention from prospective employers, and they would offer us a job...[if] you stopped by the store early enough during the morning to buy a soda, prospective employers would offer you a job.

A combination of declining economic opportunities elsewhere and an increasing need to find workers in new gateway communities enabled immigrants residing outside traditional gateway communities to find better economic opportunities elsewhere (Crowley, Richter, & Qian, 2006). As service and construction industry sectors accelerated in new receiving immigrant communities (Chávez, Mouw, & Hagan, 2008; Hagan & Lowe 2008); as labor markets in traditional gateway states became saturated (Light, 2006); and as the outstanding inflow of Latino immigrants continued, immigrant workers were forced to increasingly

rely on day labor. Samuel and other day laborers' accounts describe how during the late 1990s, employers' need for immigrant labor became so dire that they were forced to drive to a nearby apartment complex honking their horns and knocking on Latino residents' doors in search of workers. The economic possibilities that immigrants found in NC provided them with jobs not only in the formal section, but also in the informal economy.

The supply and demand imbalance emerging from NC's economic growth afforded workers more positive working opportunities, such as the possibility of choosing their employers and the type of occupations they wanted to perform. As a result, workers began to use the local convenience store as a meeting place where they could meet with prospective employers and interact with one another. The process of meeting at the local convenience store not only provided workers with the possibility to expand their social networks and gather employers and employment information, but also to learn how to negotiate wages and jobs.

The eventual growth of the number of people gathering at the local store led to overcrowding, which forced day laborers to find an alternative location.

As the number of workers waiting at the store increased, we were asked to wait for employers elsewhere. We were prohibited from gathering at the front of the store. This led us to move into the corner.

Humberto's account regarding the dissatisfaction of nearby businesses' owners ended up forcing local authorities to relocate day laborers to surrounding public areas. As a result, workers began to gather at several public spaces nearby (a bus stop, adjacent streets, and a corner). However, the strategic geographical location of the corner, which allows automobiles to quickly pick up and leave the

area, became the most desired place to gather. As day laborers began to congregate at this corner, local authorities began to receive complaints by local residents describing improper day laborers' behavior and hazardous traffic conditions. Eventually, nearby businesses began issuing trespassing notices, and local authorities enacted an anti-loitering ordinance. As a result, immigrant day laborers were not only confined to gathering at this location, but they were also limited to meeting from five to eleven o'clock every morning.

The global economic slowdown, which is felt in sending and receiving communities, stricter national immigration policies that continue to militarize the border, and the increasing bigoted sentiments against immigrant workers pose enormous challenges as they decide on whether to stay in the U.S. or return to their home communities. For instance, unmarried day laborers talk about their intentions of returning home. However, they also express their unwillingness of embarking on a journey back home because of the limited economic possibilities that await for them, and their ever increasing apprehensiveness to, once again, cross the Mexico-U.S. However, for those whose families already reside in the U.S. returning home is not the most desirable option. The prospects of facing economic insecurity and instability in their sending communities, or decreasing their children opportunities to succeed in the U.S. force immigrant workers to continue to endure hardships stemming from increasingly hostile anti-immigrant communities and government policies.

As a result, many feel trapped. Unlike earlier findings that suggested a fluid pattern of back and forth migration (Massey, Durand & Malone 2002), day laborers

wait longer to make the trip back to their communities of origin. The image of the Mexican “sojourner” (Piore 1979), who traveled back-and-forth between the U.S. and their home country in search of temporary employment is becoming less attractive as drug cartels and unscrupulous coyotes continue to kidnap, rob, kill, and force migrants to transport drugs into the U.S.

The combination of complex socioeconomic and political factors in the U.S. and abroad create conditions conducive to the creation of informal day labor hiring sites. Immigrant workers, who continue to be harassed and limited in their daily work searching activities, continue to face, more so than others, extreme economic conditions stemming from the U.S. economic recession and discriminatory local practices. Therefore, before we take for granted descriptions that highlight the volatile and competitive nature of day labor sites, which are said to appear and disappear, we need to explore what conditions allow these informal day labor markets to exist.

DESCRIPTION OF THE SITE

Every morning, from five to eleven o’clock, rain, shine, snow, ice, or else, an improvised melody begins to emerge from the lively interactions between prospective employers, day laborers, and costumers of adjacent businesses. On any given day, anywhere from forty to seventy day laborers currently gather at this pick up site in search of employment. However, in the minds of many workers, today’s lively environment provides only a brief reminder of a more vigorous social arena

where more than a hundred immigrant workers used to gather in a daily basis in search of employment. The shrinking U.S. economy, increasing job regulations, and an ever-growing anti-immigrant sentiment has forced workers to relocate or, in some cases, return to their home communities.

On any given day, anywhere from five to fifteen “lucky” workers are able to find employment. This roughly translates somewhere between ten to twenty-five percent of the entire daily population. Their odds of finding employment are low; nonetheless, every morning, they return to the site with a renewed sense of hope: “*hoy si voy a encontrar trabajo*” (today I will find employment). Not long after workers arrive to the site, passersby or local contractors begin to parade the streets driving automobiles, pick-up trucks, vans, and moving trucks in search of willing day laborers ready to take on any task; while on the other hand, immigrant day laborers await at the corner glancing and waiting for the minimum facial expression or body gesture that would distinguish prospective employers from casual observers.

The men who gather at this location are exposed to the elements. Their only protection is a combination of large evergreens and a few tree branches that hang over their heads. The only item that adorns this site is a single dark-brown trashcan that is generally positioned near the edge of the corner by a small bus stop sign. As day laborers begin to populate the site, more and more cars begin to zip past the workers into the adjacent road. To the opposite side, there is a wooden fence that separates the site from the large apartment buildings. These men, who are primarily Spanish-speaking and undocumented, are forced to sit or stand on a few tree trunks

or adjacent sidewalks's edges. Or as we would say, "between a hard place and a rock."

The majority of the workers hail primarily from Mexico (Chiapas, Guanajuato, Oaxaca, Veracruz, Mexico City, Guerrero, and Jalisco), Guatemala, and El Salvador; however, more recently, a group of African American day laborers has begun to frequent the site. And although most workers know one another, there are clear divisions among them as they congregate at the site. Guatemalans, *Chiapanecos* (Chiapans), and the remaining Mexican immigrants at the day labor site form their own groups as they wait for prospective employers. However, it is not unusual to observe workers walking from one group to another as they scrutinize the incoming traffic trying to guess who may be the next employer.

As prospective employers begin to arrive to the site, workers and employers tend to engage in different hiring processes, which primarily depend on the employers' understanding of the hiring site. For instance, when transactions involve experienced employers, they tend to make arrangement prior to arriving to the pick-up site. Many ask their workers to meet them at nearby fast-food restaurants, grocery store, a particular location at the corner, or at their apartments. These employers are generally the fastest to arrive and depart the corner.

Second, employers who understand the hiring process at corner, but have neither contacted a laborer or are still in search of a particular worker, generally spend more time searching for a familiar face. As they arrive, they immediately ask for laborers by name, or will search for workers recommended by former employees. Although these employers tend to attract an initial crowd, day laborers are quick to

disperse once they realize the prospective employer is “someone’s boss” or that she/he is looking for a particular laborer. It is not unusual that workers help employers locate workers within the hiring site or with particular labor skills.

Finally, interactions with employers who have little experience visiting the site closely resembles descriptions provided by most day labor studies that highlight the chaos stemming from workers swarming, rushing, and competing with one another as they negotiate a wage for the day. When this is the case, employers will generally look for physical appearance. In line with previous labor scholars (Granovetter, 1981; Sorensen & Kalleberg, 1981), I found that indeed matching occurs among workers and employers, since both parties must engage in searching and signaling one another. Size and strength are characteristics that favor day laborers when dealing with less experienced employers. However, some employers also look at day laborer’s clothing to get clues about workers’ occupation. Once these requirements have been met, they leave immediately. Although, further negotiations are known to continue until they arrive to the work site. In some instances, when an agreement is not reached, workers are driven back to the site or left on the road.

Moreover, when employers are new to the site, it is also not unusual for them to provide “pop-quizzes” to laborers to assess their knowledge and English speaking skills. Through this lengthier process, employers are able to discourage prospective workers who do not possess the knowledge they require, and to select among those who are best suited to perform the job. When this is the case, most workers walk away leaving only day laborers who are interested and know how to perform the job:

[W]hen the boss says: wait, I want a person who really knows...and since we know one another, some begin to inform [the employer]: “this [worker] knows how to do this; that [worker] knows how to do that.” For instance, if employers need a carpenter, then workers find one: “Come [calling the worker], they are looking for a carpenter.” Or, if employers ask: “I want someone who knows how to paint.” Then, we look for a painter among those who did not approach the employer. We direct employers to them: “he is a painter. Come [calling the painter], he needs a painter.”

Hiring negotiations are extremely important in this informal labor market because they allow workers to transfer information to one another about their particular skills. By learning from one another about their particular labor skills, day laborers are able to develop future labor relationships with other workers. Expanding social networks is always a priority because when workers know each others' labor skills, they can also inform each other about employment opportunities, which can lead to future job partnerships (i.e. someone who installs sheetrock and tile benefits from knowing someone who is a carpenter or painter, because they can partner to complete a more complex remodeling job). As Porter's (1998) clustering model suggests, during the hiring process, day laborers do compete with one another for jobs; however, this does not mean they do not actively seek to collaborate with other workers in order to take on jobs they could have not performed on their own.

By 11:00 AM, those left at the site are forced to leave the corner. The local ordinance, which was enacted in 2008, prohibits day laborers from gathering at the site past this time. The regulation directs local law enforcement officers to enforce “loitering” violations among those who choose to remain at the corner. Workers unwilling to leave are harassed by police officers until they leave the site. From time-to-time, some workers refuse to leave the site risking the possibility of being trespassed.

Day laborers recognize that jobs and money are scarce. Job opportunities can fluctuate anywhere from once or twice a month, to two or three days a week. The majority has expressed experiences with wage theft and underpayment. In line with Valenzuela and colleagues findings (2006), most day laborers' annual earnings fall below the poverty rate. The result of their precarious labor conditions, and the increasing anti-immigrant sentiment, some day laborers have been forced to rely on a local shelter for food and lodging. Others, more than ever, are relying on acquaintances and family to help them supplement their low earnings. Nonetheless, for everyone there will always be tomorrow: *¡Mañana tendremos más suerte!* (tomorrow we'll have more luck).

RESEARCH DESIGN

To better understand how day laborers react to their competitive environment, I developed grounded research based on my understanding of this informal day labor market, which includes two years of formal and informal observations, work experience, and 20 in-depth interviews with day laborers during the summer of 2010. All observation notes and interviews with participants were conducted in Spanish; all interviews lasted approximately between forty-five to one hundred and twenty minutes; and all interviews were recorded.

The decision to explore this group of immigrant workers stemmed from my interest in understanding the hardships Latino immigrant workers face in the United States. Initial insights of the social processes that unfolded at this informal day labor

market emerged as I conducted work for a local nonprofit organization, which enabled me to engage in the daily lives of workers. Although I did not collect any ethnographic data during my initial collaboration with day laborers, I immediately became intrigued with the social fabric that emerged at the site. Like most observers of these social arenas, I was originally drawn to observe the competitive and precarious conditions under which day laborers work.

During this initial stage, interactions with day laborers yielded insightful information about their lives at and beyond the informal hiring site. These experiences not only allowed me to understand the larger social processes that shape workers' behavior at the hiring site, but also illustrated how competition, the event of physically chasing after vehicles and haggling over prices with prospective employers, became less important. As I began to understand the complex social fabric at this hiring site, it became clear to me that competition is an important aspect of day labor; however, it was also clear that this social feature should not be what defines this informal labor market, as contemporary day labor research suggests. In order to understand the proper role of competition at informal hiring sites, I began to explore how these social arenas are influenced by laborers' set of beliefs and ties to one another. While waiting at the site or after leaving this social arena, I observed that day laborers, like most people, depend on friendships, family, networks, and acts of solidarity to survive.

Ongoing interactions at the site provided arguments that raised questions about initial assumptions that portrayed informal labor markets as social arenas primarily driven by a narrow understanding of free and perfect competition. I began

to observe how the emergence of social relations based on cooperation positively influenced the maintenance of “bonds of trust and cultural conventions” (Blau, 1993, p. 33). Familiarity with workers’ life situations made it easier to observe how complex social arrangements unfolded as a result of day laborers affinities stemming from shared personal experiences related to hunger, poverty, loneliness, endurance of extreme weather conditions, emotional suffering resulting from social stigma, social isolation, harassment from local organizations, and hazardous working conditions arising from the lack of breaks, food, water, and use of protective equipment. Some type of social support seemed to emerge that forced workers to account not only for their economic and social situations, but also that of others when assessing possible collective gains or losses.

The constant interactions with day laborers were fundamental in uncovering extensive social norms present at this hiring site. Listening, observing, and exploring the negative economic conditions stemming from job scarcity and prejudices day laborers endure, and accompanying them to jobs and court visits, serving as a liaison with advocacy groups and local authorities, contacting and meeting with governmental and private officials on their behalf, chasing after employers who had committed wage theft, developing workshops and festivals, supplying food on a weekly basis, assisting in job searching, and working alongside allowed me to question biases stemming from orthodox neoclassical assumptions related to competition. Instead, a more complex portrait illustrating the lives of day laborers began to emerge.

After 18 months of ongoing interactions with day laborers and informal observations, I obtained Institutional Review Board (IRB) approval to conduct twenty in-depth interviews and formal observations at the day labor hiring site. All data included in this document stems from observations and interviews collected after obtaining IRB approval. However, the grounding of my analysis is based on more than two years of cumulative experiences, which translates to more than 1200 hours of continuous interaction with day laborers.

After securing approval from the local IRB, I implemented a two-step ethnographic process to study the informal day labor market. First, I conducted observations at the day-labor hiring site at least three times per week for a period of two or three hours per visit. During my visits, I continued to spent time with different groups of workers to listen to their conversations and their perceptions of the hiring site. Being able to listen to multiple dialogues about a wide-range of topics in short periods of time made me aware of emerging topics. Observations, as Patton (2002) suggests, provided the benefit of openly exchanging ideas with a large group of people.

During this process, I continued to explore themes related to competition, cooperation, community building, *suerte* (luck), wage rigidity, and the site's inner-workings of supply and demand. In line with Glaser and Strauss' (1967) grounded theory, I began to develop theories based on my understanding of the hiring site. My initial experiences were instrumental in drafting this research study. Because of my familiarity with the site, I was able to identify possible participants who had been at the site for at least three years. Although this seems quite arbitrary, I found that

workers at the corner who have regularly visited the corner for at least three years are more likely to speak with a sense of authority. When speaking with newcomers, sometimes they would seek more experienced workers to validate their opinions. Therefore, in order to capture the complexity and fluidity that exists at the corner, I decided to seek experienced workers who would be more willing to explain their understanding of the social environment at the hiring site.

As a result, I selected twenty immigrant day laborers to participate in conversations, which lasted between forty-five minutes and two hours. The design was semi-structured, and included multiple open-ended questions. Through these face-to-face interactions, I collected occupational, economic, and interpersonal information to understand how day laborers understood their work environment and relationships with one another. As part of this inquiry, I asked questions regarding the impact the current economic slowdown is having on day laborers, workers' previous working experiences, experiences at the day labor site, history of the site, wages, and other questions not addressed in this paper.

Because workers enter and leave the site as they please, I felt that a combination of convenience and snowball sampling techniques was necessary in order to reach a larger number of laborers who have been at the site at least three years. As a result, I employed convenience sampling for two main reasons. First, I selected participants who reside and gather at a specific location. Moreover, I selected participants with specific characteristics (e.g. longevity at the site). Any day laborer present at the hiring site, who has been at the site for at least three years, was a potential consultant. Second, as a result of personal social ties with local

workers, I was able to employ snowball-sampling techniques to obtain specific consultants. Participants and non-participants day laborers used their social networks to grant me access to other day laborers. Snowball sampling is also a widely used technique for locating difficult to reach populations (Chávez, 1992; Hagan, 1994). Because day laborers comprise a highly mobile population, since their permanence at the site is never guaranteed, a dual approach enabled me to select a group of experienced, knowledgeable, and willing participants.

The twenty interviews were guided by open-ended questions designed to allow immigrants to share their experiences and perceptions in greater detail. The benefits of being Latino, conversing in a private and secure environment, having known the participants for almost two years, and having worked alongside day laborers provided a good understanding about the hardships day laborers face on a daily basis.

Moreover, during the summer of 2010, while I was conducting field research, I worked in several remodeling jobs for which I had to recruit several day laborers from this hiring site. I initially considered selecting a number of workers to complete all projects. However, after hiring two highly skilled workers, whom I have known for over two years, they informed me that they would prefer be placed in charge of hiring additional labor. As a result, I was afforded the opportunity to step back and observe the organic process that emerged among day laborers, and how they used their social networks to hire additional labor.

The opportunity to work alongside day laborers in different tasks allowed me to better understand the meaning of collaboration among day laborers, and hear

about their struggles. As a result, their insightful comments and crude accounts were indispensable as I conducted face-to-face interviews and observations. Day laborers' willingness to speak freely and with confidence not only allowed me to better contextualize workers' interactions at the hiring site, but these conversations also allowed workers to take on the role of experts. In multiple occasions, long after construction projects or interviews were over, workers continued to describe to me the hiring site's inner workings. In multiple instances, they would recruit other workers to help explain events to me that occurred when I was not present at the site. Several workers, to some extent, informally adopted this research project since they wanted to ensure I could have access to "proper information."

During the data collection stage, all IRB protocols were followed to ensure the anonymity and confidentiality of participants. To minimize any discomforts among day laborers during observations and interviews, and to ensure a more accurate description of the events that transpired during our conversations, I wrote all my notes immediately after observations and interviews. More importantly, I also recorded notes-on-notes that included questions, thoughts, and reactions to events that I could not understand from earlier observations or interviews (Kleinman & Copp, 1993). All interviews and observations were conducted in Spanish, and data was coded into themes and patterns by the author. However, I only translated into English the portions of the data reported in this document.

SAMPLE

During the interview process, I collected basic demographic information on each of the twenty participants to provide a small profile of the type of workers that visit this hiring site. The majority of immigrant day laborers (18 participants) in this sample hailed from Mexico, especially from the states of Guanajuato, Guerrero, Chiapas, Hidalgo, Jalisco, Veracruz, Michoacán, Oaxaca, and Mexico City. The remaining two participants traveled from Guatemala. Out of the twenty consultants, fourteen of them began their immigration journey from rural communities where they primarily worked as farmers (9 participants), fishermen (4 participants), or had small businesses (1 participant). The remaining six day laborers traveled from urban areas, such as León, Guanajuato, Guadalajara, Acapulco, and Mexico City, where they worked primarily in construction related occupations, such as plumbing (1 participant) and welding (1 participant), and in the manufacturing (3 participants) and sales (1 participant) sectors.

The result of multiple observations and interviews yielded information that illustrated the outstanding level of adaptability of this group of workers. Since arriving to the U.S., only two out of twenty day laborers interviewed stated they had previously worked in construction related occupations (plumbing and welding). However, after arriving to NC, more than twelve workers identified construction work as their primary occupation. From the nine participants who identified themselves as farmers before migrating, only one worker in the U.S. identified landscaping or yard work as their current occupation. Although the high level of adaptability can be a

consequence of the sample of workers chosen for this study (day laborers who have been at the corner for at least three years), workers survival still depends on how quickly they learn or adapt labor skills into the labor market.

Being a day laborer is not easy. They often endure high levels of loneliness. The majority of the day laborers that I interviewed have relatives nearby (15 participants), which played an important role in their migration to the NC Triangle Research Area. However, out of these 15 participants, only two workers lived with their immediate family (spouse and children). It is not unusual for day laborers to spend years working under extremely precarious working conditions to support their families, which they rarely see.

Like most descriptions of day laborers, workers at the site generally wear blue jeans or khaki pants, t-shirts or sweaters that display construction, painting, or landscaping companies' logos on their chest or back, tennis shoes or leather boots, and baseball or wool caps. Depending on their occupation, some laborers wear stained clothing that signals prospective employers of their occupation, especially those who have experience as painters or laying cement foundations, sheetrock, and landscaping. Individuals who possess different skills related to carpentry, framing, welding, tree cutting, and moving services typically wear clothing with former employers' logo, as a way to signal prospective employers their labor skills and previous experience. As day laborers wait to be picked up at the corner, many engage in small talk about the weather and work availability, while others develop social contacts in an effort to expand their social networks.

Longevity of the men who gather at the site greatly varies. Some have regularly visited the corner for the last 14 years, while some recent arrivals have been at the site between 6 to 24 months. During the last two years the number of *Guanajuatenses* (residents of Guanajuato) and other Mexican immigrants from Central Mexico has decreased, while number of *Chiapanecos* (Chiapans) has increased. As a result, the day labor site has undergone a considerable demographic change, which more broadly reflect the notion that recent immigrants now traveling from urban and rural communities from all over Mexico (Zúñiga & Molina, 2008). The majority of the recent arrivals are traveling primarily from small rural communities in Southern Mexico, and to a lesser extent from Guatemala, where these workers performed a wide array of occupations that include farming, fishing, retail, or owned small local businesses such as selling fresh milk, carpentry, or masonry. As demographic changes continue to unfold, a follow up study would be important to explore possible changes in the social organization of this site as a result of the dramatic demographic change.

DATA ANALYSIS

Because of the exploratory nature of this study, I decided to explore the impact of competition at this informal hiring site among a racially heterogeneous group of day laborers. During the project, I did not collect participants' name, legal status, or in-depth socio-demographic information. Most questions addressed participants' labor history in their country of origin and in the US, their understanding

and perceptions of the social organization, competition, and salaries at the day labor site. Questions regarding legal status were not important since most workers at the site are undocumented and do not require work permits as they search for a job. In addition, inquiries regarding workers' socio-demographic information were kept to a minimum to ensure their identity will be protected against any possible immigration proceedings. Stemming from daily interactions and conversations, it became clear to me that a lack of interest in workers' legal status and socio-demographic profile allowed day laborers to speak more freely.

As a result, themes related to community building, luck, and solidarity began to emerge during my observations and conversations at the corner. More importantly, after reviewing interviews' transcripts with day laborers, the aforementioned themes provided a more nuanced story that conflicted with my understanding of the role of competition in informal day labor markets. Beginning from the notion that informal day labor sites behave similarly to auction markets where workers are independent of one another, I collected data that described an emerging social fabric among workers that directly challenged competition as the major driving mechanism of this informal day labor site. For instance, when respondents described aspects related to mentorship, financial assistance, willingness to forfeit their job opportunities to enable other workers to secure jobs, or other informal social understandings that had economic ramifications for workers at the hiring site, such as acts leading to wage rigidity, I coded them under *Pacto de Caballeros* (Gentlemen's' Accord).

By capturing the process by which laborers develop social norms based on solidarity, I also explored how workers developed a sense of community. Whenever participants described the corner as a location where they exchange information, contact friends, or express feelings related to solidarity, such as “we are on this together,” I coded them as *Creando Comunidad* (Building Community). Finally, I began to explore day laborers’ understanding of the role of luck. When day laborers described events that they understood to be beyond their control and provided success at the site, I coded them as *Suerte* (luck).

The questions used to collect data emerged from an organic interest in understanding the true role of competition at this hiring site. During the process, I constantly requested feedback about the social processes that I observed in order to develop questions that could solicit more nuanced responses. I conducted several mock interviews with willing participant and solicited feedback on the wording and length of the interview. After several meetings, I developed an interview guide that contained four main sections. First, I asked questions related to workers’ place of birth, occupation in sending communities, reasons for leaving, and their perceived level of competition or cooperation at the workplace. In addition, I asked for their primary occupation in the U.S., and their longevity in this country and in NC.

Second, I asked a series of questions related to the functioning of the day labor site. In this section, I asked them to describe their perceptions of their place of employment, the type of workers and employers that frequent this site, the type of jobs they obtain, their perception of competition or cooperation among workers, and the social networks that exist at the hiring site. Third, I asked participants about their

salary, specifically how wages are negotiated between employers and employees. Fourth, I asked questions regarding the role of luck on helping workers secure jobs at the hiring site, and its role on shaping interpersonal relations.

During the data collection, I encountered several setbacks. First, I was unable to randomly select participants, which prevented me from addressing the demographic makeup of the day labor population (workers' nationality, occupations, longevity, and race). Like most qualitative research exploring the social processes that emerge among the undocumented immigrant population, a major obstacle in pursuing a quota system is that informal day labor markets are extremely fluid. Because workers are free to come and go as they please, it is difficult to plan in advance the specific workers who will take part of this research endeavor. The final result is not a representative sample of immigrant day laborers that gather at the site. Instead, it is my best attempt to develop a sample of knowledgeable and willing participants. Moreover, I decided not to interview African American and Caucasian day laborers because of their infrequent visits to this hiring site, lack of interaction with Latino workers, and their recent history gathering at this hiring site in search for employment. Perhaps, exploring the social interactions of a more racially heterogeneous population can be addressed in a follow up study.

The second obstacle that I encountered throughout the duration of the data collection period was the need to adjust to the demographic change at the hiring site. The majority of immigrant workers who initially established the corner were no longer at the site, some migrated back to Central Mexico, while others moved elsewhere in the U.S. or found permanent employment. Since the beginning of my

informal interactions with day laborers, a significant number of workers left the site. As a result, I was forced to establish more selective standards when designing my sample among the remaining day labor population.

Third, as a result of the ongoing political and legal battle in Arizona regarding the Immigration Law (SB1070), which has provoked an intense debate nationwide (since it is designed to seek and deport unauthorized immigrants residing in Arizona), day laborers felt apprehensive about providing personal information. As a consequence, I decided not to collect names, addresses, family information, or ask questions that dealt with socio-demographic information. After explaining to participants their rights and possible legal consequences that could stem from their participation in this study, many decided not to take part in the interview process in fear of possible deportation, which further limited the number of willing participants.

Finally, as a result of the changing demographic make up of this labor market, which is now considerably composed of Latino immigrants from Southern Mexico (Chiapas) and Central America (Guatemala), I had difficulty entering newly developed or developing social networks. I encountered difficulties bridging significant cultural differences between workers and myself. Since most newcomers arriving at the site are native from rural sending communities in Chiapas and Guatemala, I had a difficult time expressing the benefits of this research and convincing them to agree to an interview. Many of the men I approached have never been involved in this type of research. Although most of these newcomers had no problem talking to me during observations, most declined interviews. As a result, most interviews were conducted with immigrants from Central Mexico (Guanajuato,

Mexico City, Veracruz, Aguascalientes, Veracruz, to name just a few), and a few immigrants from Chiapas and Central America. However, ongoing conversations with day laborers during my observations were more than sufficient to supplement the few interviews I conducted with workers from Southern Mexico and Central America.

CHAPTER 3: FINDINGS

In this chapter, I provide evidence that I hope will broaden our current understanding of the role of competition in informal labor markets, and illustrate how social norms can emerge in unregulated social arenas to buffer the negative consequences of competition. Therefore, to describe the role of competition in labor markets and to uncover the complex social fabric emerging at this informal day labor hiring site, I will present data that highlights the emergence of social norms based on solidarity, cooperation, and cultural beliefs that challenge our narrow understanding of the role of competition in the informal economy.

In this section, I describe how immigrant Latino workers' cultural idiosyncrasies and economic rationality allow *Creando Comunidad* (Building Community), *Pacto de Caballeros* (Gentlemen's Accord), and *Suerte* (Luck) influence the way day laborers interact with one another and employers to improve their economic situation. In line with Dennis' (1977) writings in *Competition in the History of Economic Thought*, I illustrate how competition can also have unifying effects. Since day laborers' decision or action towards striving is the result of individual agency, they have the free will to pursue economic goals in a manner that best suit them, including behavior that leads to solidarity and cooperation.

First, in the *Creando Comunidad* (Building Community) section, I highlight workers' emerging sense of community at the corner. This segment posits that

competition does not impede people to act as a collective since it requires a social understanding that forces individuals to relate to one another as they attempt to maximize their opportunities. Because economic thought has described competition as the result of individual rationality stemming from independent individual decisions, the emergence of a sense of community among laborers proposes the possibility of stabilizing mechanisms to surface within a recognized chaotic and individualistic social environment. By establishing that a sense of community can indeed emerge at informal day labor markets, this section provides an empirical grounding to *Pacto de Caballeros* (Gentlemen Accord), which I found to emerge as a result of collective solidarity and cooperation, and shared social norms.

The following section, which I call "*Pacto de Caballeros*," describes how a set of organic norms enable day laborers to sustain wage rigidity, mentorships, and economic solidarity. I describe how workers' understanding of their social environment allows them to develop more positive social norms to achieve their economic goals. Unlike the idea that labor markets' players act independently of one another, my findings suggest that day laborers' innovative or adaptive behavior can also lead towards collective economic stability. As Porter (1998) suggests, competition not only allows for the possibility of competing against someone (as in rivalry), but also competing in collaboration with others to obtain a benefit.

The final segment explores the influence of workers' understanding of *Suerte* (Luck), which provides important insights to the way workers justify their success (or lack of thereof), understand competition, and develop a sense of parity at the site. In

line with Dennis' descriptions, I find that competition's current conceptualization cannot thoroughly define the process by which parties engage in economic striving.

CREANDO COMUNIDAD (BUILDING COMMUNITY): AN IMPOSSIBILITY?

We help one another...In fact, those who no longer work at the corner still visit the place. For instance, on the weekends there are former workers who stop by the corner and offer us a coffee or soda. Most of the people that I interacted or socialized with, at some point in the past, we have helped one another.

Ramón, a highly educated day laborer from Guanajuato, Mexico, and who has visited the corner for over 5 years describes the hiring site as a social arena where people gather to find a job and socialize. While he described the sense of community that emerges at this informal day labor market, Ramón also highlighted how interpersonal relations forged at this site stem from collective solidarity and cooperation that shape how day laborers relate to one another. Feelings of unity emerged among immigrant workers' shared understanding of their own vulnerable position, which force them to develop common bonds and support one another.

In this section, I present arguments that illustrate how day laborers, in spite of the competitive environment, develop a sense of community. I highlight how this multifaceted location, to some extent, is a reflection of the needs and wants of dozens of individuals working alongside in search of a better standard of living for themselves and their families. For instance, Octavio, a Mexican immigrant from Chiapas and who has been visiting the corner for over 4 years, describes how a social collectivity develops among day laborers at the site. He describes how

through social networks and cultural capital sharing, day laborers develop a sense of community:

Sometimes when we arrive at the corner and [there is] someone we know...we ask: how do you do this? How do you do that? These are questions that workers ask a lot. And we respond: "this is how you do it." Meaning, there is support among workers instead of being apprehensive that other workers would steal each others jobs...For instance, when we are painting, and I ask: "what kind of paint should I use?" Then, other workers explain to me what kinds of paint can be mixed, and how to complete the job. I understand this [corner] to be a community. For example, when my nephews ask me: "Hey uncle, how would you do this job?" I tell them how to do the work. We help one another. That's why it's like a community that exists here at [the] corner.

Since informal labor markets are characterized by the absence of public venues to exchange information, social networks become a primary source of information gathering, and a venue for face-to-face communication to enhance cooperation. Daily social interactions among immigrant day laborers at the corner are imperative for them to improve their opportunities to find employment. The constant information flow enables workers to develop a sense of commonality that emerges from their understanding of the importance of learning different labor skills. Because day laborers often face similar difficulties finding a job, they understand the need to constantly develop wider array of work skills, learn to use machinery, develop networks, and constantly communicate with one another, which lead them to develop a similar understanding about the problems they face, and collective alternatives to solve them.

In this section, I expand the rationale of economic theories that evolved out of economic antagonisms among and between employees and employers. I found that day laborers in this site understand the importance of association to compensate the

perceived labor market's power imbalance between workers and employers to construct a collective consciousness and organization to overcome obstacles. In response to accounts that portray day laborers as one-dimensional and hyper-competitive beings, I was compelled to explore beyond the economic rhetoric of the marketplace, which focuses on individualism, self-interest, competition, autonomy, and efficiency, which downplay the idea that economic success can also stem from cooperation.

Social Networks and Building Community?

Actually ... yeah. It can be a community. But you do not know. It works like that. When one is away, one remembers the corner. Sometimes, when I meet another worker elsewhere, I ask: "have you been to the corner?" It's the first question that I ask. I also enquire: "Do you know who is currently working at the corner? Do you know who is getting jobs there? This is important for everyone. It's like a community. One is always aware...no gossip...but you know everything that goes on there.

Humberto, a Mexican day laborer hailing from Mexico City, who claims to be one of the founding workers of this site, illustrates the importance of personal ties at and beyond the site. Humberto's account emphasizes the importance of community building at this hiring site since day laborers, through shared experiences, are able to maintain a sense of community beyond the corner. Day laborers are highly mobile, as their work depend on *patrones* (bosses) ability to obtain contracts; therefore, it is not unusual they meet up with other laborers elsewhere. Humberto's anecdote, which is similar to other workers accounts, illustrates how this corner serves as a unifying theme among immigrant day laborers. In line with Portes (1998), I found that individuals' maintenance of social networks is generally

perceived as beneficial. Acquaintances are important because they often allow individuals to navigate different social networks unknown to them (See Granovetter 1995).

Day laborers' survival skills not only force them to cooperate and develop relationships with other day laborers to find jobs, but also to maintain a sense of solidarity among workers because work, to a great extent, is perceived as a group activity (See Goldthorpe et al., 1968). As day laborers congregate at the corner, they observe the benefits of establishing relationships with other day laborers, and quickly learn to recognize the importance of social contacts to find employment:

Yes, [there are] many advantages [when working at the corner]. First, you can find work...someone you know can recommend you for a job ... there are people who have found permanent employment. When they need workers...where do you think they will go to find them? To the corner. It is convenient to be there because former day laborers worked there. Later they will come and will take you to work. It is better when they know you...if compared to any neighbor who does not work [at the corner]. You're more likely to get a job.

Informal labor markets are characterized by the absence of a system to publicly advertize jobs and assess skills of workers; therefore, day laborers like Humberto understand that social networks become a primary source of information gathering. Because employers are more likely to hire among workers they know personally, day laborers understand the importance of cultivating personal ties with other workers. Since it is possible that an acquaintance can find permanent or long-term employment, workers understand that the information workers share with one another can strengthen their social networks. When applying economic rational principles, which assume workers will engage the labor market independently of one another, we are likely to miss how social actors may take into account the social

relations that emerge among them, the context of the relation, and the possible repercussions their actions will have on these relationships.

Samuel, a fifty-six year old Mexican immigrant worker from Jalisco, Mexico, and who has visited the corner sporadically for the last 14 years highlights how workers discover affinities beyond labor skills that also serve to develop unity:

Yes, I remember how I met other people at the corner who have traveled from other states [in Mexico] and whom I would have never met on my own in Mexico. Of course that I remember all those people who have been good to me. I always say: "I am glad that I met them!" I have mentioned to some ordinary people like myself who I met at the corner: "If you had not come to work here, we would have never met." I tell this to many people.

In micro-worlds of social life, bonds of trust and cultural affinities allow cooperation to emerge among people because they can deeply relate to other workers experiences. Instead of perceiving themselves as independent actors, this understanding enables them to perceive losses and gains as a group. When day laborers are unable to find employment, suffer labor violations, or are discriminated by local organizations, everyone feels the consequences. Workers not only depend on the corner for employment, but they also depend on coworkers/roommates finding employment to cover living expenses, such as rent and utilities. Throughout my observations, I observed day laborers being involved in finding employment for themselves, roommates, relatives, and acquaintances to avoid becoming the only source of financial assistance for their relatives back home, and relatives and acquaintances in the U.S.

Day laborers' lives not only intersect because of financial motives. I find that collegial and collaborative environments also surface as people help one another.

Instead of focusing on competition among workers, some day laborers collectively combat the daily prospects of unemployment. Ramón, who worked in Mexico and Spain for manufacturing firms, states that although the corner is “*una comunidad de puros desempleados*” (a community of unemployed workers), it is still considered a “*comunidad porque todos estamos juntos*” (community because we are all in it together). By exploring beyond the inherent competition that emerges at the informal labor site, the social fabric that emerges among workers raises important questions: why do we automatically assume that people that hold similar cultural values, face hunger, poverty, and job insecurity would inherently accept capitalist values, such as competition, instead of embracing more socially oriented values, such as cooperation? After illustrating how workers develop a sense of community at this informal day labor market, the remaining two sections will provide further evidence to better understand how this sense of community and cultural beliefs can alter human behavior in ways not expected by rational economic principles.

PACTO DE CABALLEROS (GENTLEMEN’S ACCORD): QUESTIONING THE RATIONALITY OF COMPETITION

In this segment, I explore labor markets beyond the assumptions stemming from rational competition. I illustrate how workers’ understanding of their social environment and their personal beliefs allow them to develop an organic set of norms to improve their economic situation. According to Dennis (1977), competition also have freeing effects in labor markets. Following this line of thought, I found that individuals do pursue decisions or actions that lead towards striving; however, as

they engage in this process, day laborers develop positive social norms, such as wage rigidity, which according to economists is an illusion because wages and salaries are always flexible. Economic tenets have traditionally described price fluctuation as the result of the constant interaction between supply and demand forces in the labor market and unemployment rates. However, I discovered, wage rigidity can indeed emerge in informal competitive environment because competitive behavior can also have equilibrating effects. Unlike the idea that labor markets' players act as independent actors striving against one another, laborers' innovative or adaptive behavior can also lead towards developing a collective understanding, such as a reservation income level that could lead to greater economic stability.

Second, I explore how solidarity and altruism emerge among day laborers. Because all workers are not necessarily in direct opposition with one another, I describe two processes that enable solidarity to emerge among day laborers in this competitive social arena: 1) Through mentorships and the transference of labor skills, and 2) through laborers willingness to forfeit job opportunities to allow less successful workers find employment. Because competition defines nothing about the manner by which these individuals engage in this antagonistic process, I present descriptions that recognize day laborers relationships beyond stereotypes of cutthroat competition in order to provide a more nuanced portrayal of day laborers' relationships at their place of employment.

Wage Rigidity: An Informal Labor Market's Impossibility?

Well, what I am talking about I have witnessed or heard it. I heard that some Guatemalans, although I cannot recall who did it, were offered \$8 per-hour. They took the job. Then, other workers shouted: "Well, what the heck, eight dollars? We cannot believe they just decreased our wages." The electric bill and rent payment do not decrease. As long as our utilities and rent do not decrease, we cannot diminish our wages because we do not have enough to pay them. It is not enough. We still have to support our families in Mexico, our children.

Unlike economic frameworks, which have neglected to fully explore the process that shapes individuals' behavior leading to wage rigidity (Bewley, 1999), Benito, a 49 year-old day laborer from Hidalgo, Mexico, who has been visiting the corner for over 6 years, describes how wage rigidity emerges from a collective understating of the basic expenses most day laborers have. Neoclassical economists posit that income rigidity is not possible because wages and salaries fluctuate as a result of supply and demand forces, precarious economic conditions, and the number of unemployed workers. However, day laborers, like Benito, are able to maintain a collective understanding of a reservation income level based on a collective understanding of workers needs, and from workers' precarious work arrangements that are negotiated on a daily basis. Since there are no promises of additional work, income reservation levels are also constructed based on what day laborers need to cover all their basic expenses, which currently stands at ten dollars per-hour. When day laborers are able to secure permanent employment, some are willing to work for less than ten dollars per-hour. The sense of security that emerges from a weekly or biweekly paycheck is worth the trade-off for a lower hourly rate.

Pablo, a Mexican immigrant from Guerrero, who has been working at this site for more than 4 years, described this process:

Since they already know that if they charge \$8 or \$9 [in a permanent job], the other [job] will have to pay \$10 because you are hired for the day. At the corner, workers would agree that when you work in a permanent job, it is reasonable to accept \$8 per-hour. But if you go for a day, how much would you end up with? If you buy water and food, how much do you have left? This is why they have to pay \$10, because it is a single day.

Similarly, Octavio, a Mexican immigrant from Chiapas who has been visiting the site for the last six years, illustrates that is not unusual for day laborers to accept wages below the informal reservation level:

Many people have gone to work for \$8 or \$9 [per-hour]. Not much difference between \$8 and \$10. In certain jobs this [\$8] is all you get paid. In a company that cuts grass, \$8 is what most workers get paid. But if you do not work for a company, employers cannot pay you \$8. For one day of work, \$10 is more reasonable. A company will pay you \$8, but they will pay you for an entire week. That is better. But when you work for just one day, you do not want to get paid \$8 an hour. Better to be \$10, or a little over \$10 because you will perform a job that will take them an entire week. Do you understand?

Day laborers' implementation of wage rigidity is complex, and many factors construct their reservation income levels. For instance, Keynesian economists suggests that wage rigidity is possible because workers tend to be informed about wages of workers employed elsewhere, which prevent companies from decreasing wages. Information flow, similar economic expenses stemming from the group's homogeneity, and workers collective understanding of the local labor markets are key ingredients on the creation of wage rigidity among this group of day laborers.

Traditionally economists and labor scholars have focused on developing models that primarily explain the factors leading to downward wages, such as the

competitive bargaining between employers and employees. This is especially true when scholars equate the hiring process at informal day labor markets with true labor auctions. This assumption is the result of our narrow understanding of competition in the labor market where agents are expected to haggle with one another to improve their profits. Orthodox suppositions linking informal labor markets with disorganization and antagonism have led researchers to describe day laborers as autonomous parties who are incapable of developing a consensus that could prevent downward pay. In line with Malpica's (2002) findings, which highlight how solidarity leads to an informal minimum "asking wage," I found that reservation wages can emerge and solidify through a process of social normalization. During our conversation, Humberto highlighted the process by which the current reservation wage emerged:

These [wages] have been in place for several years. About 6 or 7 years ago... employers offered \$7 or \$ 8 an hour. [However]...we would wait until an employer offered to pay \$10. Then, someone who we used to call Silva would work for \$8 or \$9. Eventually, workers began to ask him to take at least \$10. This is how we all began to ask for \$10 per-hour. We all instituted this [minimum wage]. We would tell those who worked for less than \$10: "Don't be silly, it is better if you work for \$10." This is how we all started to charge \$10.

Wage rigidity can stem from social contracts emerging from loyalty and collaboration among day laborers. Day laborers, like Humberto, whose actions are supposed to reflect independent and rational behavior leading to securing employment for the day, posit important challenges that highlight the importance of solidarity and cooperation in protecting day laborers' wages. Because of the volatility of the secondary labor market, which is generally attributed to the competitive nature of the economy, workers not perceiving their jobs as careers, and the lack of labor

contracts to protect workers, labor scholars and economists descriptions have not explored the possibility that norms emerging at informal sites can lead to wage freeze. So far, most evidence supporting income rigidity has been primarily associated with occupations in the primary sector.

According to Octavio, a day laborer who has used the corner for over four years, wage rigidity at the corner can also stem from workers social understanding of what should be a fair wage:

The problem is that \$8 is not enough. \$7 per-hour is not enough. Everything is more expensive. But if we maintain the minimum of \$10 per-hour, they [employers] have to pay. There would be no difference among those who charge more or less. It is an agreement that we all support. It is fair.

Evidence suggests that the notion of fairness affects the behavior of people (See also Fehr, 2003; Fehr and Schmidt, 1999). However, narrow frameworks describing the role of competition in labor markets continues to impose unrealistic psychological assumptions based on individualism that predispose rational people to follow a narrow competitive approach to maximize their utilities, consumption, and working conditions, while disregarding the welfare of others. And although it seems counter-intuitive that independent workers will take into account other workers' perspectives, since they operate in an unregulated social space, it is important to understand that social conventions do emerge among individuals. Social norms over time do become informal standards independent of those who propose and use them (See also Blau, 1993).

In addition to informal social norms that emerge over time, it is important to recall Weber's concept of "Legitimate Order," which describes how sanctions can

emerge from social disapproval to regulate individual behavior. When asking day laborers: why would any worker care to maintain a minimum wage? Humberto responded:

Well, if [an employee] works day-after-day and accepts less than \$10 per-hour, workers can marginalize him. We will call him: "cheap worker, cheap worker." I know many of them. But I do not know if they feel bad to be called this way. I think so. If they feel bad about it, they never come back. We tell them: "listen my friend, it is better that you do not stop by if you insist in charging little money, you harm us all."

Social arrangements that emerge from codes and symbols among people contribute not only to efficiency, but also to social accord, which is imperative for the survival of social organizations formed by a diverse group of people. Developing semiotic codes is imperative for workers to avoid being cheated, find employment, or evade being ridicule by other workers.

I have gone [to work for less than \$10]. I have told others that I worked for \$8, but only for a few hours. However, I know who I can trust to tell. Those who earn more do not tell you. Although sometimes those workers who do not say much are the ones who earn the least.

In line with Keynesian arguments, Humberto describes how workers' knowledge of other workers' earnings are important in establishing wage rigidity. Although Humberto is not required to inform others about his earnings, he shows guilt for partially breaking the reservation wage norm. Because he understands the importance of maintaining the reservation level, it is important that he justifies his decision by explaining that he only worked for a few hours, which set him apart from those he considers cheap labor and a threat to wage rigidity.

At this site, workers constantly work to maintain a wage reservation level; however, as Humberto illustrated, different situations warrant an exception to this social norm. For instance, precarious economic conditions and job insecurity frequently force workers to accept jobs below the ten dollars per-hour threshold. Rodrigo, a Mexican immigrant from Guanajuato, who has been regularly visiting the corner for over 3 years, describes how economic needs force workers to violate this social accord:

They [workers] do take jobs. When the due date for paying the monthly rent approaches, and you have not secured a job, you take what you can. Other workers will say things; especially those who ask you not to take jobs that pay \$8 because this will create a negative precedent. But if there is nothing else, you have to take that job. I imagine that's fine.

Similarly, Samuel described how he would take a lower paying job under dire economic circumstances:

If I have the need, and I have not been able to secure a job for two weeks and then someone offers me a job that pays \$9, I will take it. There is no choice. I have to eat and support my family.

At this informal day labor hiring site, social norms that organically emerge among workers enabled them to implement a desired per-hour reservation wage level. However, it is true that workers will still accept lower wages. The attempts to maintain a wage reservation level among a group of “independent” and “highly competitive” day laborers illustrate the importance of social processes that are generally unaccounted for by labor and economic theories. The idea that broad economic processes, such as competition, supply and demand, and unemployment are primarily responsible for establishing equilibrium in the labor market is

incomplete. The rational economic approach presupposes that under normal labor market conditions, employers and employees have limited choices, which stem from tenets of scarcity. Wage rigidity or downward wage rigidity, however, can also emerge from a social understanding that emanates from individuals' needs and wants. Understanding and accounting for individuals' social environments, economists and labor scholars will be best suited to develop more accurate frameworks to describe how people indeed engage the labor market. Narrow assumptions stemming from neoclassical understanding of competition should be expanded to account for the impact of social environments and individuals' social norms.

Economic Solidarity: Mentorships, Transferring Labor skills, and Forfeiting Jobs

I consider myself an individual with a very strong temperament; however, most of us [day laborers] are this way. But no matter how tough we are, our heart reminds us that when we arrived in this country we had nothing. We are all the same in that sense. In most cases, we cooperate to help newcomers because their stories touch our hearts. We also know they are in debt. We help them. Personally, I have helped many. When they are unable to find a job, I take them home and offer them food, and clothing. More importantly, when they do not have many labor skills, I teach them.

Fernando, a Guatemalan immigrant who worked as a furniture salesman before migrating to the U.S., has been visiting this corner for over 3 years. Before arriving to NC, Fernando worked as a day laborer in New York and New Jersey for two years. Like most economists who are comfortable believing that competition is more common than cooperation, especially when describing labor markets (Dowling & Chin-Fang, 2007), Fernando and other workers at the site often describe the competitive nature of the site. However, after asking these immigrant workers about

their transition into the U.S. society and their experiences at this hiring site, more benign accounts emerge. Experienced workers recollections generally describe the support they received upon their arrival, which consisted of mentors teaching them new labor skills, or former day laborers forfeiting their work opportunities to allow them to secure employment. As a result, altruistic behavior can emerge from individuals sharing the same codes of conduct and expectations (Stark, 1995). As workers perceive the benefits of sharing information, they also develop motivations to maintain behavior that is favorable to the group. According to Kant, individuals are affected by moral and ethical beliefs (1776, 1990). Whether these values emerge out of sympathy, or are imposed to individuals, the social conventions emerging from them have allowed this labor site to forge positive social relations that have continued over time.

Newcomers learn from more established group members about their obligations, norms that regulate the hiring process, workers interpersonal relations, information about the social organization of the corner, and the benefits of developing cooperative behavior. Ramón, a skilled carpenter, described how upon his arrival he had no place to stay, social connections, food, a job, or a place to stay:

When I first arrived, I had nowhere to live. I hoped for someone to offer me a place to stay. I have no family here; I have nothing. I arrived around 11 PM, and someone offered me a place to stay because he had a room available. I arrived on a Friday, and by Monday I was ready to search for work. However, he told me to rest for a week. He offered me food, a place to rest, and to find me a job. He found me a job with a remodeling company for which I have worked for the last five and a half years. I always thank him. I never get tired of thanking him for all his assistance. Because of him, I did not struggle to find work and become independent. He helped me greatly.

Ramón's account is not an isolated event. During mi observations, multiple anecdotes described how some day laborers had received assistance by other workers unknown to them. A shared responsibility to assist those in need was a common theme among day laborers. Pablo, a former veterinary school student in the University of Chapingo, in Mexico City, describes the vulnerability most workers face when they arrive to the U.S.:

More than anything, we show solidarity with a newcomer. We cooperate with him. We provide him with a place to stay and food to eat, while he regains his strength. We make him feel better, relaxed, because when you first arrive, you have lots of things on your mind, such as your family that you left behind. We give him a few words of encouragement, and bring him to our homes. This is very important because when we first arrive [to the U.S.], we do not have a job. This is how you help those individuals [newcomers]. Then, you take them with you to work, this way they learn to survive as they learn how they are supposed to work [in the U.S.].

Day labor is not just about waiting for a job at a corner, parking lot, or public street. It is also about sharing experiences that bond workers together. By developing connections with other workers, day laborers are also ensuring the survival of coworkers and, to some extent, the survival of the site as they mentor one another to ensure there is a reliable and knowledgeable source of labor at the corner (See also Hagan, Lowe, & Quingla, 2011)

Cooperation is an intricate factor in workers' survival; after all, if day laborers do not help one another, who will? According to Humberto, the assistance that newcomers receive, in part, stems from altruism; however, it also has practical motives. He described that when more established workers mentor or teach labor skills to newly arrived immigrant workers, the transfer skills is not necessarily

perceived as an economic treat that could lead to further competition. Instead, it is an attempt by more established workers to train future coworkers:

Newly arrived workers are those who you need to teach. When working with one, you have to tell him what he is supposed to do so that he can help you. Because if you're working with a newcomer, and you do not tell him what to do, he will not be able to help you. Then, you will have to complete the job on your own, without any help. That's how they learn.

Humberto's comments not only describe the importance of mentoring newcomers, but also illustrate that economic behavior unfolds from a combination of practical and ethical motives (See Etzioni, 1988). Although Humberto highlights the importance of the labor/economic relationship that bind workers together, his account points out an element of solidarity that emerges from the apprenticeships that workers undergo as part of their daily work. The socialization processes that emerge through mentorships are important because they enable workers to earn a living and foster unity. In most instances, unselfish behavior is rarely captured because these are individual arrangements that emerge in a collectivity. Day laborers at this corner are well aware that altruistic behavior occurs; however, they rarely talk about it. Unless you are privileged with this information, or have seen it unfold, you would not expect it to emerge in an informal labor market. However, among day laborers, as Humberto describes, it is not so difficult to justify:

If you just arrived, you need a job. Most of us understand this. We give them [newcomers] preference. This happens all the time. New day laborers need opportunities. We do not know whether they have any money or not. When you first arrive to this country, you have very little money. This is why we give new workers opportunities [to get a job]. Since I first started working at this corner [over 12 years ago], I have seen workers help one another. We have always done this.

Collective altruistic behavior will certainly lead to a general increase in welfare, which increases socialization among laborers while they wait for work at the hiring site. In line with Mullingan's (1997) altruism model, where the more time parents and children spend together, the stronger the altruistic bond; day laborers' bonds also illustrate solidarity that emerges from altruistic behavior that is not easily observable by others.

When workers bargain or chase after an employer, their behavior can be easily recognized because competition would involve more than one person contending for the same employer. Solidarity, however, is more discreet because it can emerge from the goodwill of a particular worker. It is not uncommon to observe workers backing off during a negotiation, deciding not to run towards an employer, or making prior arrangements to assist struggling workers find employment. Inconspicuous behavior or arrangements based on altruistic values can only be identified by the person who provided support, or by the individual who received it. And although it is difficult to quantify the amount of solidarity that emerges at this site, almost all day laborers at the site knew about this practice or had experienced it themselves.

Yes, I have experienced it with another person. In one instance, I worked two weeks without having a day to rest... [then] there was this worker who had not worked. He told us that...he had not worked in a long time. Eventually, an employer arrived. He was looking for a worker. Then, I said: "go!" I hoped he did not have difficulties communicating with the employer, but he did well. This has happened to me several times, but sometimes others have given me the opportunity to work.

Ramón's account illustrates that adapting to the U.S. labor market is not an easy process; however, he also describes how collective solidarity greatly facilitates

the economic and social adaptation of newly arrived migrants. During this study, I had the opportunity to listen laborers recall many of their earlier experiences, which were filled with sadness, desperation, and confusion as they attempted to adapt to their new environment. However, many also described how as a result of their difficult experiences, day laborers also developed feelings of solidarity and compassion that enabled them to navigate the informal day labor market.

There is [solidarity] ...when we see a person who has never been at the corner before, sometimes he approaches us. If this is not the case, I approach them to give them advice: “you know, if this is your first time, this is how you do this or that...If you see an employer, you need to ask him what he wants.” Personally, it is very important [to help other workers]. Because just as I had the opportunity to learn what I know today, I would like other people to have the same opportunity. If I earn more than \$10 per-hour, I would like other people to earn the same and have the same opportunities.

Octavio, a skilled carpenter from Chiapas, describes how after newcomers arrive at the corner, more experienced workers become the only source of information new immigrant workers have to learn to navigate their place of employment and acquire labor skills. Day laborers often described the importance of learning about newcomers because many of them, as Ramón mentioned earlier, do not have a place to stay, food to eat, or someone to help them. Upon their arrival, many day laborers experienced homelessness, which is not only a traumatic experience, but also one they could have prevented if they had asked for assistance. Preventing someone from experiencing homelessness, in many instances, can be the first step of a possible mentorship. As workers provide temporary housing to other workers in need, it is not unusual they also make arrangements to find jobs for newcomers, and bring them along to their worksite so that they watch and learn basic labor skills.

Workers talked about the importance of helping each other. Many focused on their family, stating that many [workers] at the corner have children, and they understand how awful they feel when they fail to support their families. Many workers at the corner recognize that everyone needs money to support their families. However, several mentioned that it is important to remember that: “the sun shines for everyone.”

Observation notes suggest that relationships at the corner not only allow newcomers to incorporate into the labor market, but also provide them with much needed assistance during a critical period after their arrival to the U.S. These are not isolated events. As Humberto suggests, immigrant workers understand that to survive, they need to support one another:

Even though he [immigrant newcomer] may not speak any English or know much of anything else, you take him with you to work. Then, you teach him a little English, and tell him what to do. Then, he helps you.

More importantly, day laborers are not entirely confined to this informal day labor hiring site. Once workers learn enough labor skills, they can find employment elsewhere. Day laborers who are able to transition to permanent employment eventually stop visiting the corner, although this is not the case for all. There are workers who chose to continue visiting the corner during weekends.

Personally, the corner has always been good to me. In this place if I have not been able to work with my employer, I can always count on it for additional employment. If I want to work for one or two days, I can come to the corner. I know I can find a job. Sometimes I visit the corner to socialize with my friends because it relaxes me when I am surrounded by friends. There are other advantages. When you arrive and meet acquaintances, you can get a job.

Octavio’s comments highlight how some day laborers who have found employment elsewhere generally return to the corner to supplement their income and to socialize with old friends. In multiple occasions, I have observed how these laborers, who have found employment elsewhere, are also willing to forfeit job

opportunities to allow relatives, friends, or former mentors or mentees to secure employment. The bonds that exist among workers are lasting because they are based on gratitude, solidarity, altruism, working experiences, friendship, and shared socioeconomic hardships. After all, how can they compete against individuals who assisted them when they were in need, or how can they compete against friends who are economically struggling?

Yes. Sometimes you tell them [new arrivals]: “go to work.” Or you may tell others: “give him a chance to go to work.” You know when someone has not worked in a week or two. You mention [to other workers], “give him a chance...he has not worked in two weeks.”

According to Octavio, this small geographic social arena where day laborers gather, which projects an image of chaos, is quite beneficial because by forcing workers to be near one another they are able to observe those who are struggling financially. If someone has not been able to obtain a job in weeks, they know it. By observing other laborers, and sharing accounts of hardship and abuse, workers develop sympathy for one another because they share a comparable reality.

The goal of this section has been to illustrate the complexity capturing rational behavior and its impact on the role of competition at this informal day labor market. After all, the set of norms that we use to describe rationality are not static. Therefore, in order to understand human behavior, we need to explore beyond economic behavior stemming from neoclassical tenets, and develop more realistic frameworks emerging from individuals’ cultural and personal ethical values.

This section does not attempt to develop an ethical framework to explain day laborers’ rational decisions. However, I do suggest that there is a need to explore

the social norms that emerge among workers that can shape their rationality. By investigating alternative set of values or social norms used by individuals, who may be at odds with rational behavior and competition, social scientists can develop a more accurate understanding of the complexity of human behavior. And although the social fabric emerging among workers does not prevent day laborers from experiencing poverty and precarious labor conditions, it does allow for a different set of values, such as solidarity and altruism, to emerge and buffer some negative effects of competition.

Workers' Collaboration: Negotiating Wages and Employment.

As I described earlier, the concept of competition does not necessarily discount the possibility of collaboration emerging between parties. Individuals can compete in association to achieve the same goal. This condition emphasizes a social character related to a coherent and separate process day laborers use to find employment. In social life, individuals not only face complex situations emerging from individuals' free will, but also by more complicated circumstances that evolve from other actors' rational choices. In this segment, I will describe organic processes that encourage collaboration among day laborers.

During the summer of 2010, while I was conducting this research study, I worked in several remodeling jobs for which I had to recruit several day laborers from this hiring site. To limit my involvement in the recruiting process, I initially considered selecting a number of workers to complete all projects. However, after hiring two highly skilled workers, whom I have known for over two years, they

informed me that they would prefer be placed in charge of hiring additional labor. As a result, I was afforded a valuable opportunity to observe how day laborers used their networks to hire additional labor to complete the different stages of the project. As they moved from one stage to another (i.e. from removing debris to framing, and from framing to installing sheetrock, etc...), I observed how an array of carpenters, painters, plumbers, electricians, and air conditioning technicians marched in and out as tasks were being completed.

Beyond the remarkable craftsmanship and coordination executed by all workers to complete the tasks, I was surprised by day laborers' unwillingness to directly negotiate with me. Every time I approached them and asked: "*¿Cuánto te debo?*" (How much do I owe you?). They immediately directed me to talk to the day laborers that had hired them. Time-after-time I encountered workers' unwillingness to negotiate with me. Statements such as: "*no me preguntes a mi, habla con la persona que me contrato*" (don't ask to me, ask the person that hired me) became customary. As I attempted to make sense of workers unwillingness to negotiate with me, it became clear that previous experiences at the corner had not prepared me to recognize how work associations that unfolded beyond the corner greatly influenced the way workers understand collaboration at the corner. The opportunity to work alongside day laborers in different tasks enabled me to better understand the meaning of collaboration for day laborers.

Before these experiences, personal notes described multiple accounts depicting some day laborers acting as "middlemen," and a larger group of workers willing to work with them. In multiple occasions I described how after employers

hired several workers, these intermediaries, who had longevity and more polished English-speaking abilities, would immediately become the go-between persons and would manage all worker-employer interactions. My initial reasoning led me to believe that these individuals' more privileged status stemmed primarily from their speaking abilities and longevity at the site:

Today, during my visit to the corner, Treviño offered me a job for \$10 an hour. Although I knew he was kidding, he generally acts as a subcontractor at the corner. Today, he also offered jobs to several workers, although not many were receptive to his offer. Usually, when employers arrive at the corner, Treviño's English proficiency enables him to find work easily. And when more workers are needed, employers allow him to choose among the remaining workers.

Observation notes illustrate how time-after-time workers would allow other day laborers to take over wage and labor negotiations. When questioning workers about this practice, responses described how workers preferred this practice because they could not afford being left out. They did not want their limited English speaking skills, or limited social connections to hinder their work opportunities. However, a secondary account also began to emerge, one that described how these middlemen engaged in wage theft schemes. I noticed that:

After asking, why some workers refused to work for Treviño? Many stated that they are tired of Treviño stealing their salaries. They rather not work with him. Several workers commented that when employers pay \$10 an hour, they end up receiving only \$8. In addition to stealing their wages, they complained of having to do most of the work since Treviño is not a hard worker.

Day laborers, such as Treviño, who negotiated wages on behalf of other day laborers at the hiring or work site, would also be accused of stealing wages from other workers. Laborers described how time-after-time, after receiving a lump sum to cover all labor expenses, Treviño would keep anywhere from \$10 to \$20 per worker,

on a daily basis. Observation notes reflect my earlier attempts to make sense of why any worker would accept to work under these conditions, and why would they allow these individuals to continue to negotiate on their behalf?

Accounts of free riding, which are described by economists as inefficiencies that emerge in the production of services and goods, emerged and continued because day laborers perceived these arrangements as beneficial. For newly arrived day laborers, this arrangement meant finding much needed employment, and developing labor skills. This was especially true after more experienced workers began to leave the site, as many returned to their country of origin or moved elsewhere, which limited social networks and mentorship opportunities for less experienced workers.

After having the opportunity to work alongside day workers, I began to understand why some day laborers would chose to continue to work with men like Treviño. As I observed these men hesitation to directly negotiate with me, I realized these social norms were manifestations of workers internalized working arrangements designed to secure employment and wages among workers. Several day laborers, including Humberto, emphasized punitive repercussions when workers acted to the detriment of the collectivity. By negotiating with me, workers could face the possibility of being laid off and engaging on a true auction market, which would be detrimental for everyone. The possibility of facing competition from every worker, including those with different skills, would allow me, the employer, the possibility to set lower wages. In line with Porter's idea of organizational clustering, social norms stemming from collaboration do emerge organically among day laborers.

Because of the volatility that exists at informal labor markets, individual workers' cooperative behavior could be perceived as a burden to economic achievement since it may prevent laborers from maximizing their income. However, as Octavio suggested earlier, because day laborers working conditions are precarious and unstable, their need to achieve long-term economic stability is more important than immediate economic rewards. By maintaining good working relations with other workers, day laborers are also enhancing their opportunities to be called-upon when a new work project emerges. Therefore, some workers would be willing to accept lower wages or allow others to negotiate on their behalf if these actions would allow them to secure further employment.

Social norms stemming from cooperation and solidarity have been imperative in allowing wage rigidity, mentorships, and collective working arrangements to emerge. By pushing ahead collective needs, workers have found alternative venues to maximize their economic possibilities, while avoiding, as much as possible, the detriment of others arising from competitive behavior.

SUERTE (LUCK): BEYOND ECONOMIC RATIONALITY

Luck or logic, I am not sure. The truth is that everyone says: "luck, luck." There is something special there. Luck is all around the corner. I was thinking about it...luck. Employers arbitrarily select workers from the group. There is nothing you can do when the employer says: "You, you, and you." It's luck. I think this is good because those who have not worked for a while can secure a job. There are jobs out there. Luck is the difference between those who do and do not obtain jobs.

Throughout history, people in different cultures have been found to engage in superstitious behavior (See Jahoda, 1969; Vyse, 1997). Surprising anecdotes, such

as Michael Jordan wearing his old blue University of North Carolina shorts underneath his Chicago Bulls uniform during every game; Serena Williams wearing the same pair of socks during an entire tournament; and Tiger Woods' habit of wearing a red shirt on tournament Sundays are only a few remarkable accounts of what most of us would concede as superstitious, or perhaps, irrational behavior. Why would anyone believe that wearing an old pair of shorts, the same socks, or a red shirt would enhance her/his ability to succeed? Research in superstitious behavior has already established that people are likely to use superstitious beliefs when experiencing high levels of uncertainty and stress, low levels of perceived control, and near death experiences (Keinan, 1994; Malinowski, 1954; Whitson & Galinsky, 2008).

In this section, I provide a nuanced description of the complex set of processes that allow *suerte* to play a pivotal role in workers' justification of their success, and in lessening the importance of competition stemming from a sense of parity among workers. Findings suggest that the impact of religiosity, lack of control, counterfactual thinking, and workers day-to-day working arrangements permeate social norms, which influence how day laborers form "rational" decisions. More specifically, I describe how the conditions that allow luck to play a pivotal role in shaping day laborers' behavior also allow for a more collegial social environment to persist.

Suerte: How Does It Play Out at the Corner?

In day-to-day interactions, immigrant day laborers' superstitious behavior, in particular their notion of *suerte* (luck), not only allows them to make sense of their success when searching for employment, but also to lessen the competitiveness among workers by allowing for a sense of parity to emerge. When I first visited the site, I felt apprehensive about engaging day laborers because of personal preconceived notions that linked informal labor markets with chaos, insecurity, and competition. However, I soon discovered that verbal and physical confrontations rarely happen (I never witnessed a physical altercation at the site). Instead, I began to observe how physical prowess, longevity at the site, or more advanced tactics to obtain employment were perceived as important as *suerte* in securing employment.

Day laborers understanding of *suerte*, which I conceptualized as a supernatural force beyond workers' comprehension that greatly impacted their possibilities of obtaining a job, plays an important role in instilling a sense of equilibrium among all workers. This, however, does not suggest that workers no longer compete and dash towards incoming employers with less impetus. What it does mean, however, is that luck, to some extent, lessens competition. Workers described time-after-time being "lucky" to find a particular employment; being "lucky" that the weather allowed them to work (e.g. rain would have a devastating immediate impact for landscapers' opportunities to obtain a job at the corner, but could be seen as a fortunate event that could provide jobs in days to come); or being

“lucky” to be standing at a particular place, during a particular day, where they arbitrarily found employment.

As I explored this informal day labor market, it became clear that in order to explore human behavior, it is imperative that we observe the impact of social norms emerging in communities to better understand individuals’ rationality. Stepping away from neoclassical economic tenets, such as competition, allowed me to observe the importance of cultural beliefs and the social fabric that emerges from individuals’ needs and wants, and challenge our orthodox understanding of individuals’ economic behavior. Left out, I believe, is a more important concept, social rationality, which is grounded on the idea that “unless we cooperate, we cannot achieve social objectives” (Blau, 1993, p. 3). We know that rationality would be difficult to discern from an outsider’s perspective. There are no social formulas that can illustrate or predict the result of individuals’ complex interactions. And unlike economic rationality, which can fluctuate according to supply and demand forces, social norms are not renegotiated with every encounter.

As economic principles dominate the manner by which we shape rationality, behavior stemming from beliefs related to luck continue to be interpreted as creations of irrational minds. However, regardless of whether we agree or not with this type of superstitious behavior, people use this “illogical” framework to make sense of their environment in order to gain an advantage. To date, little is known about how superstitious beliefs, such as luck, affect economic processes.

In the following three segments, I present findings that attempt to close this gap by demonstrating the influence of luck in the daily interactions among immigrant workers at this informal day labor market.

Justifying Success

Many of us who are carpenters know that rain can keep us from working for a day or two. However, if you are a landscaper, rain is beneficial because you will be able to find employment in the following days. Sometimes we tell one another: “how lucky, those who work in landscaping will have work.”

Departing from the idea of uncertainty, Ramón describes how luck can serve as a stabilizing mechanism that individuals can use to attempt to control or understand a particular outcome. When uncertainty permeates someone’s environment, luck is generally used to explain events in order to develop an illusion of predictability. In many instances, day laborers will justify their ability, or lack of thereof, to secure employment by describing weather and seasonal constraints. When random events are perceived to be beyond their control, such as the weather, which greatly restrict or increase work opportunities, day laborers can justify their success or failure because these are events beyond their control.

Just like workers can use random events to explain job outcomes, Hayano (1978) has also described how poker players develop a belief that they can control the outcome of a game. For instance, like crapshooters, who may talk to the dice before throwing, Fernando describes how to some extent, he is personally responsible for his own destiny.

Yes, it could be luck or it could be that we are predisposed to believe it is luck. You have to be positive. You have to have the will to work. As soon as I leave my house, God willing, I tell myself: "I will get a job." Until the very last minute I spend at the corner, I have to be positive.

When superstition and performance are thought to be associated, individuals' perception of self-efficacy increases. Day laborers' desire to succeed can turn superstitious thoughts into observable benefits. Luck is not only associated with self-efficacy, but also with optimism, hope, and confidence, which drive day laborers daily attempts to improve their employment opportunities. Constant dashes towards incoming traffic are not only clear examples of self-efficacy, but also, to some extent, examples of a renewed belief that one may be the next lucky employee to find a job.

Those in need of work must be active to find it. Sometimes even if we are active, we do not secure a job. But we have to continue to be active. You always have to be active. Personally, as soon as I see an employer arrive, I run to meet him.

As Octavio suggests, securing employment is difficult. Anywhere from five to fifteen (10% to 30%) of all workers at the corner, on any given day, will find employment. From those who are able to secure employment, around five day laborers have already arranged a job before arriving to the corner. This leaves fewer jobs available for the remaining day laborers. In an environment that is full of uncertainty, where day laborers not only depend on employers, but also on the weather conditions, seasons, economic conditions, and fluctuating interactions with local authorities, day laborers develop luck-associated beliefs to heighten their perception of self-efficacy toward finding employment.

Like Fernando, he is very lucky...he is very lucky. When he first arrived to this corner, he did not know anything. Since his arrival, he has been very active and lucky.

Humberto's understanding of Fernando's success stems not only from luck, but also from Fernando's active behavior at the site; in general, day laborers do believe they have some control over the hiring process, which lead them to actively seek employment. At the same time, day laborers failure to secure employment is not directly associated with weak character. Not being able to find a job is not generally attributed to workers unwillingness to work, since everyone that visits the site is indeed in search of employment. Not finding a job can also be attributed to the way you perform your job.

In general, luck seems to provide laborers with the possibility to attribute their success, or lack of thereof, to supernatural forces. Since workers already suffer the stigma of working on the streets and having no control over their economic situation, day laborers use luck to justify their outcomes and protect their self-confidence. Moreover, because the corner is located in a small geographic area, and because laborers are aware of who does and does not get a job, luck provides workers with the possibility to minimize comparisons based on skills, or other physical attributes to make sense of their own success. This, as I will discuss below, help day laborers develop a sense of parity among all workers.

Sense of Parity

It is luck. Yes, I have seen many people who have been at this site for a long time and they have the same opportunities than workers who recently arrived. Sometimes employers need workers to carry things for them. When this is the case, employers will pick chubbier workers. I've seen many people who are very lucky finding jobs at the corner.

According to Samuel's description, luck enables day laborers to develop a perception that everyone has equal opportunities to obtain a job. The diversity of occupations represented at this corner allows individuals to understand that not everyone is their "direct competitor," and that, to some extent, everyone's opportunities to obtain a job depend on events beyond their control. During wintery weather, landscapers and construction workers employment opportunities diminish because their job skills require them to perform their work outdoors. Day laborers understand that in this line of work, wintery weather diminishes their job opportunities in comparison with a painter who can perform his job indoors. The same is true for landscapers during the spring and summer, which are their best seasons. There are many instances when workers ability to find employment is not dependent in economic motives or labor skills, which allows these workers to apply a different rationality when understanding their economic success at the corner.

It has been theorized that when people know that an outcome is attainable, they will prolong their search in the setting (MacLeod & Pingle, 2005). When asking Humberto about the differences between workers who are perceived as being more successful in comparison with those who are not as successful, he answered: *"Pues quizás suerte... Cuando uno no trabaja, uno dice: 'si no fue ahora, será mañana"*

("Well, maybe luck ... When one does not work, one says," if not today, maybe tomorrow"). According to Humberto, it is not just about competing, being a better haggler, being more established, or having more labor skills. There are still unknown mechanisms that come into play every time they dash towards a prospective employer. Every time they charge full force in search for employment, they also engage in an independent event that provides the same odds of finding employment. It is true that some strategize and pick special locations that they perceive will grant them better opportunities to get to employers first, but they know this does not guarantee them employment. Like experienced gamblers, however, some day laborers will continue to apply strategies they believe will provide them better opportunities to find employment.

Lessening Competition

Sometimes we tell one another: "well, it was his turn." There is the understanding that: "well, luck was on his side today. It is not about running faster or slower. At the corner, there is less competition. If someone else found a job, I know that tomorrow I may be able to find a job. Meaning, competition here is not the same as in other places.

Octavio's account illustrates how his understanding of the role of competition is shaped by his understanding of the degree of control workers have over their employment, and his sense of the level of parity that exists among all workers. Because of his understanding of luck, every time he obtains a positive outcome, past luck events will fortify his future expectations for success. This guarantees workers

will return the following day in search of employment. Workers beliefs regarding luck, to some extent, are imperative in the permanence of this site.

It is true that not having proper documentation to work in the U.S. is another important factor that leads workers to search for employment at this site. However, as Octavio suggests, the notion that the corner provides an environment that is less competitive can also account for day laborers' daily visits. During our interview, Octavio compared the corner with a permanent job he obtained in Maryland several years ago, before moving to NC:

When I worked in Maryland, the owner of the company hired new people. When they began to negotiate another contract, the people [other workers] said: "this worker already works for a different company, or this worker does not know how to do the job." There was a rivalry between workers with more and less longevity. These workers did not even know one another; they were just competing for the job.

Moreover, Octavio also stated the following:

We all have different points of view. We know that competition exists, but it is not about harming another person. It is about work. Not hate. Sometimes workers may say: "he does not know how to work." We play these types of jokes on one another, but we do not walk over to the employer and inform him that someone does not know how to work. If someone received the opportunity to work, or fulfilled the job requirements, then he probably got the job. Someone had to get the job.

Octavio's comments are particularly important because they illustrate a more nuanced portrayal of these social arenas. Unlike previous accounts by scholars, who primarily focused on the negative consequences of competition, Octavio introduces a different type of understanding of a day labor market. Because many workers have had the opportunity to work in a wide variety of jobs, and encounter many trying circumstances, they develop a different understanding. Without insinuating that day

labor provides an optimum working environment, it does suggest that day laborers' perception is more positive than economists and labor markets' scholars.

During multiple observations, I noticed how workers engaged in daily competition to secure a job, and then returned to their previous location smiling and laughing about not getting the job.

Several minutes after 11AM, a white pick up truck stopped at the corner. A White male rolled down his window and asked for two workers. Rodrigo and Jorge ran towards the man. As they approached the truck, the man told them that he needed their help to move some furniture, but that he only needed them for an hour. Rodrigo and Jorge did not mind. As they were getting in the truck, I noticed how Leónardo had also attempted to run towards the truck; however, not fast enough. As Leónardo walked back, he laughed and mentioned to me that Jorge outran him to the truck. However, he was not upset. It is all about luck.

Accounts of workers fighting one another at informal day labor sites illustrate outsiders' predisposition to link competition with violence. It is true that workers do argue and disagree publicly with one another, but fistfights or brawls are uncommon, especially during work hours. Workers understand the detrimental impact this would have for them (i.e. police officers can send them home early or employers would no longer stop by the corner because of fear).

Folk-theorems suggest that cooperation can emerge among individuals if they perceive the need to maintain current arrangements that benefit them (Richardson, 2009). If workers expect to continue to visit the corner, they have the responsibility to develop social norms that enable the corner to survive (i.e. avoiding fistfights, asking drunk laborers to leave the site, or maintaining a clean site). After speaking with Humberto, who has visited the corner for more than 15 years, he explained that the site depends on senior day laborers transferring social norms to newly arrived

workers regarding the way they should behave at the corner. After all, the longevity of the site also depends on workers' behavior.

Informal arrangement emerging from individuals' understanding of luck is important because they illustrate the complexity that emerges in this social arena. Workers understanding of parity not only allows workers to perceive this place as more welcoming, but also as worth maintaining. As workers understand their role in maintaining the site, they begin to account for the needs of others as they also depend on other workers' behavior to collectively sustain their place of employment.

As we realize that beneath the surface, there is a considerable structure and informal organization in this day labor market, we can begin to look beyond the Darwinian understanding of competition driven by forces of supply and demand. By exploring additional factors that can affect human behavior, we will be best equipped to understand how day laborers shape the organization of this informal day labor hiring site. Workers are bound to develop customs and norms over time to develop an environment that is conducive to find employment. The social fabric present creates unwritten precedents based on practice, which govern many aspects of their work relationships, including wages and day laborers working arrangements. Overall, informal labor markets respond as much to competition as they do to informal rules and day laborers beliefs based on cooperation.

CONCLUSION

Contemporary portrayals of day laborers highlighting rational economic principles, such as competition, stem from the assumption that people are primarily driven by economic motives emerging from cost-analysis process. The notion that day laborers inherently choose to act opportunistically raises questions about scholars' assumptions that have been permeated by orthodox economic principles. Therefore, before applying any competitive and economic principles to describe informal day labor markets, we need to reconsider how we choose to describe human behavior. The influence of competition has transformed the way we perceive public and private life because it diminishes the importance of solidarity, or the idea that people learn to function socially through cooperation.

Throughout this study, I observed day laborers provide story-after-story about how they prepared food for one another when sick, depressed, or hungry; how they comforted one another after enduring family losses and marital separation; how they advocated for one another when facing legal proceedings or suffered injustices (e.g. wage theft); and how they towed each others automobiles whenever they broke down or were impounded, risking their own welfare in the process as many of them do not possess a valid driver license. However, in spite of the support that can emerge at informal day labor sites, scholars have limited their descriptions to illustrating the more obvious outcomes of competition, such chaos, rivalry,

underbidding, or personal conflict that are said to stretch along busy streets, small corners, and parking lots where day laborers congregate. According to these accounts, the high levels of disorganization that emerge at informal day labor hiring sites stem from workers' fluid entrance and exit, and the lack of formal membership rules or regulations at informal day labor sites, which lead them to quickly appear and disappear, and to develop cutthroat environments.

Instead of following this rhetoric, we need to explore organic social relations that emerge among workers as they develop a sense of community. We need to apply a different type of rational framework based on interpersonal relations and cultural beliefs to uncover the complex social organization that evolves among people if we are to understand how they develop a sense of community, social norms, and personal values. After all, why would immigrant day laborers, who are frequently denied labor and wage protections, endure physical and mental abuse, and are publicly denigrated by local authorities and residents would not develop a sense of unity?

The sample of Latino immigrant day laborers that voluntarily shared personal accounts highlighted the importance of community, solidarity, cooperation, and cultural values, such as *suerte*. Beyond accounts of competition, day laborers' stories relayed complex events that led to economic solidarity, mentorships, wage rigidity, and community building. Through narratives and work experiences, day laborers provided insightful examples of how cooperation is reinforced at and beyond the hiring site. Unlike accounts by recent day labor studies, which follow traditional neoclassical accounts, my findings suggest the need to place more

emphasis on developing new frameworks to describe individuals' behavior that do not juxtapose cooperation and competition, as Porter (1998) suggests. Because day laborers may not perceive one another as a direct rival, since these informal labor sites are comprised of a large number of individuals with different occupations and labor skills, the possibility of cooperating with others is as real as competing against one another.

Workers relationships with one another are complex. Not only do laborers depend on work relationships at and beyond the hiring site, but also on the impact of newcomers to the site. Social norms are negotiated and learned by less experienced day laborers. The eagerness and extreme need of newcomers, which established workers know well, creates affinities that force established day laborers to provide mentorships and economic assistance. Day laborers sympathy for one another not only emerges from their shared precarious conditions, but also from the perceived vulnerable status.

As workers relate to one another, they develop a sense of community that, to an extent, is the foundation for collective solidarity. The fact that some day laborers have been at this site for more than a decade allows for the perpetuation of positive social norms developed to buffer some of the negative effects stemming from competition. The usage of established social networks not only improves day laborers' possibilities to obtain a job, but also to transfer a sense of shared responsibility that influences collective behavior that is rarely described in informal labor markets.

LIMITATIONS AND FUTURE DIRECTIONS

Limitations of this study stem from the small, and non-representative sample of Latino immigrant day laborers. Future research will include day laborers from different racial groups, longevity, new sending communities, and those who have authorization to work in the U.S. Previous research on day labor has highlighted the negative impact of race on workers' relationships (Pinedo-Turnovsky 2004).

Therefore, exploring the impact a growing number of African American workers on the site will shed light to unfolding processes among day laborers that could lead to further competition or collaboration. Since African American day laborers are linguistically competent, it is important to observe the social processes that may change the current social organization of the corner. The study of this new group of workers has the potential to explore how a new racially distinct group, which possesses linguistic and legal advantages, will affect the sense of community among day laborers. Would social norms at the site change? And if so, what would this mean for solidarity and cooperation?

Moreover, the changing demographic process not only includes the increasing number of African American workers, but also the arrival of Mexican immigrant workers from new sending communities. The emerging cultural differences between newly arrived Chiapans and Central Americans, and Mexican immigrants from traditional sending states have the potential to change current social norms. Because newly arrived Central American and Chiapans may begin to navigate in emerging social networks, which can differ from those established by

more established workers, there is a need to continue to explore the effects of cultural differences among workers in this informal labor market. It is quite possible that a decreasing number of senior laborers may not be enough to ensure the transferring of social norms that have led to solidarity and cooperation.

Moreover, a follow up study has also the possibility to explore how an informal labor market evolves from a primarily Latino population to a more diverse population that includes African American workers. Observing how the demographic impact stemming from diminishing number of established day laborers and increase of newly arrived workers from different sending communities can unfold how race and cultural differences among workers can heavily influence informal labor markets, and individuals' economic behavior.

In this exploratory study I did not interviewed day laborers who have been at the site less than three years, which limited my study to the accounts of more experienced day laborers who may have had more positive views of this site. Since more established workers are heavily vested in maintaining positive social norms, perceptions of recently arrived workers could have provided a different reality of this site. Perhaps, the lack of social networks and labor skills among newcomers may force them to more actively and physically engage the hiring process, which could lead them to perceive this site in a less positive light.

More importantly, currently unfolding processes raise important questions about the future of this informal day labor market and day laborers relationships. Is it possible that the introduction of a new group of day laborers could be responsible for dissolving social norms such as wage rigidity, mentorships, and economic solidarity?

Moreover, is the development of a more culturally diverse group will diminish the importance of shared cultural beliefs, such as suerte? Would this group of workers continue the current social organization of this site, or would this informal labor site disappear as previous research suggests? This study not only illustrates how Latino immigrant workers developed social norms that buffered some of the negative consequences of competition; but also allows the possibility to explore the development to this informal day labor hiring site, its population, and capture how these social arenas develop mechanisms that conform or challenge economic principles.

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