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MINORITIES & IMMIGRANTS— STRUGGLE IN THE JOB MARKETS

The commonly told tale about post-industrial New York is that of two cities, of white elites and minority poor, of advanced services and a crumbling manufacturing base. The conventional explanation for the ills of the minority poor is equally simple: they lack the skills that today's employers want.

But there is a problem with this story: over a million nonwhite newcomers, often low in skills, rarely speaking English, lacking credentials, are doing reasonably well, particularly in comparison with native blacks and Hispanics. Indeed, many of the immigrants seem to move quickly into the middle class, or at least its lower reaches. And the explanations for this divergence are not simple at all.

Through the Factory's Revolving Door

Though the shift from goods to services in New York has driven the number of easy-entry jobs down, recent immigrants still start where their predecessors began: at the bottom. They inherit the low-status, insecure jobs that native New Yorkers are no longer willing to do. Nowhere is this transition clearer than in the city's quintessential immigrant trade: the garment industry.

When the bottom fell out of the market for New York's garment industry in the 1970s, hourly earnings dropped relative to those in the rest of the city's already depressed manufacturing sector; working conditions—never good to begin with—got worse; and seasonality became more pronounced, producing a small weekly paycheck. Consequently, native workers real-

ized, as one employer put it, that "they can get more doing something else" and they dropped out of the industry's labor supply. By 1980, just over a third of the industry's production workers were white—a drop of almost fifty percent since 1970—and most of these workers were on the far side of their careers.

Replacements came from a familiar source: immigration from abroad. In contrast to the natives, to whom a garment shop is far worse than an office or hospital job, the immigrants came "hoping to find any job, it didn't matter . . . as long as it was a job." The turnover of workers—high even in bad times—meant that employers were always looking to add a new hand. The industry had already adapted to Puerto Rican workers with supervisors who were bilingual or could at least mediate between Spanish-speaking workers and non-Hispanic employers; hence there was an infrastructure ready to absorb new cohorts of Latino immigrants, the largest group of whom came from the Dominican Republic.

Informal networks helped newcomers find jobs where other immigrants were already employed: three quarters of a group of Hispanic immigrants I interviewed found their first job through connections with relatives or friends. Finally, some arrivals started out by working in a factory owned by a fellow (or sister) immigrant garment capitalist. Thus, by 1980, newcomers from the Third World made up almost half of New York's needle trades proletariat. The consensus among garment employers: "If there were no immigrants, the needle trades would be out of New York."

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But why did immigrants—and not native blacks or Hispanics—take over these entry-level jobs? Several factors seem to be involved. Like many low-wage manufacturing industries, garments suffers the stigma of being an “immigrant trade.” One factory owner told me:

I find that whereas there are fewer blacks in the factory, the office staff has become black and Puerto Rican. This has been the normal progression: the parents work in the factories, and the kids look for white-collar jobs. In the office we get young Hispanics and blacks who are second generation and have never set foot in a factory.

Moreover, the extraordinary outflow of whites from New York during the 1970s opened up opportunities in the services and the white-collar sector; hence job choices widened and most of the alternatives available to moderately skilled native blacks or Hispanics were preferable to working on a punching press or sewing machine.

But even in entry-level employment markets that carry no immigrant stigma, newcomers often have an edge over blacks: the strength of their informal networks. “Connections” are particularly important for job-finding in small business industries where there are few defined career ladders or bridges from one firm to the next. The legal immigration system actually reinforces these ties since it rations entries on the basis of family connections to U.S. citizens and residents. This link between settlers and newcomers never seemed to provide as strong a tie between black southern migrants and northern settlers. And the growth of black female-headed families provides another negative—the “missing uncle” factor, George Sternlieb calls it—since close relatives are especially important in finding good jobs.

Discrimination also comes into the picture. Studying immigrants and blacks in New York’s restaurant industry, Thomas Bailey found that many owners would recruit immigrants but were loath to hire blacks in the “front of the house” where contact with customers is high. The portals to the remaining skilled jobs also essentially remain closed: though the number of apprentices in New York’s construction trades has doubled since 1980, the proportion

of minority apprentices has actually gone down. Finally, the importance of the ethnic network as a source of labor gives recruiting a strong exclusionary bias; because immigrants going into business often hire their compatriots, native blacks find themselves shut out of many jobs.

Enterprising Immigrants

The passing of an older generation of Jewish, Italian, and Irish entrepreneurs whose own children have no wish to succeed them in small business has left space, even in declining industries like garments, for new immigrant contractors, now mainly Chinese, but also other Asians, Dominicans, and Greeks. In similar fashion Koreans took over small retailing from Jewish or Italian owners who were just too old, tired, and scared of crime to keep on minding their stores.

Why do the newcomers gravitate toward business? In some cases, they bring traditions of self-employment or skills that give them an edge in some particular business line: Greeks from the province of Kastoria, where a traditional apprenticeship in fur-making is common, have entered the fur trade; Israelis are in diamonds, a traditional Jewish business centered in New York, Tel Aviv, and Antwerp; and Indians from Gujarat, renowned for their prowess in trading, arrive to extend the family business. But for many immigrants, it is neither a love affair with a business nor a preference for being one’s own boss that leads them into the petty bourgeoisie, but the quest for profit as a compensation for professional frustration: though highly educated, many immigrants arrive speaking little English and lacking the licenses and certifications needed to enter the fields for which they have trained. “This kind of hardship is for the first generation only,” says a Korean fishstore owner who had been a teacher in Seoul.

But the crucial factor is that opportunity beckons: there is considerable demand for the particular services that immigrant business owners offer. Immigrants have their own special consumer tastes, not just the old staples like foodstuffs or newspapers, but also foreign-language videos and electrical goods with

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current adapters for use back home. The business of adaptation itself is also a thriving one: the immigrant travel agent, accountant, lawyer trades on the offer of confidentiality, trust, and a more personal way of doing business. And finally, the immigrant boss has good access to cheap, reliable labor in his family and the larger immigrant network: neighbors, acquaintances from back home, "friends of friends." Thus, a common pattern is for new arrivals from the Dominican Republic to seek work in a garment shop owned by a compatriot; many shops are filled with workers from the same hometown.

Working for the State

The mythology of ethnic business is that immigrants do well because they have a special knack for turning a dollar. The reality is that immigrants are more willing to take their chances on what are often bad bets. In the small-business field, where the mortality of new firms is appallingly high, the key is the *rate* at which new businesses start up. And the immigrant self-employment rate is high; in 1980, almost 13 percent of foreign-born male adults were working for themselves, and among groups like Koreans, Chinese, Indians, or Greeks the proportion was considerably higher. By contrast, just over 3½ percent of native black males were self-employed in 1980 and among native Hispanics the self-employment rate was almost as low.

Fully one third of New York's native blacks employed in 1980 were working in the public sector, according to the census—a considerable net gain in jobs over the figures for 1970, even though the public sector has declined. In a sense, this, too, is a story of ethnic succession. Though the fiscal crisis pared down municipal payrolls, jobs were mainly shed through attrition, not layoffs: most of those who retired were civil servants high in seniority—who, as it happened, were mainly white. Fiscal stringency also led to lower wages and reduced fringes, which in turn lowered the public sector's attractiveness to whites. Thus, minorities increased their share of the public-sector jobs when municipal employment was shrinking; they did still better once hiring resumed

and city government payrolls began to swell. In 1985, 42 percent of New York City's employees were nonwhite, as were 52 percent of the workers hired by the city that year.

In the public sector, blacks have found their surest route to stable, well-paying employment as well as their best chances to get ahead. Not only are New York's native blacks over-represented in government jobs, but the proportion of government managers who are black is twice as high as in the private sector. Moreover, public-sector positions are also effective vehicles for movement into higher social class. A recent study of high-level civil servants in one city agency found that blacks in these ranks tended to be of working- or lower-class origins and were far less likely to come from middle-class families than their white counterparts.

Ethnic Division of Labor

And so, the conventional "tale of two cities" account of New York's postindustrial transition can be misleading. What we've witnessed is an extended game of ethnic musical chairs, in which positions as well as players have changed, and in which differences among minorities stand out almost as sharply as those between whites and nonwhites. Immigrants have settled into small business, especially retailing and manufacturing, while native blacks have lost ground there; but the latter are gaining in the public sector, which does not loom large in the immigrant employment picture.

But the story's complexity shouldn't eclipse its elements of suffering and conflict. Immigrant competition and structural change have hit New York's minority poor like a double whammy: poorer blacks and Hispanics are mismatched for work in the advanced services that increasingly replace goods production; and they lack the strong kinship and self-help networks that give immigrants the edge in the small firms and competitive industries that continue to offer low-skilled employment. Moreover, immigrant success has cut into the market for firms where native minorities do find work: New York doesn't have more McDonald's restaurants because its immigrant

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restaurants compete on price. Even the immigrant mom-and-pop store has returned to give the supermarkets—employers of minority youth—a run for their money.

This divvying up of the economic turf has made confrontation among minorities an increasingly important fact of life in New York. In the public sector, competition between Puerto Ricans and blacks often breaks out into the open, with Hispanics charging that they have not gained full benefit from the many equal-employment opportunity programs of the past two decades. In the marketplace, ethnic strife also erupts, as between black neighborhood residents and Korean entrepreneurs who have replaced Jews as the most visible merchants there. Dominican garment factory-owners com-

plain that “the Chinese are killing business for us,” while Colombian storeowners in Queens worry that the explosion of Indian and Korean businesses will push them out of their neighborhoods.

And so the economic story of the latest immigrants ends with a surprising twist. New York’s newcomers are mainly nonwhite; but they are living and working under conditions that are different—and often separate—from those that established, minority residents know. Although it’s too soon to say what these contrasts fully portend, one thing is sure: the ethnic division of labor is the crucible out of which new—and unpredictable—forms of ethnic identity will emerge. □