

## 12 Networks and niches: the continuing significance of ethnic connections

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At the top of the immigration research agenda stands the question of how the newcomers change after they have arrived. The conventional wisdom, both academic and popular, says that immigrants *should* change by entering the American mainstream. The concept of assimilation stands as a shorthand for this point of view.

In its canonical form, the theory of assimilation began with the assumption that immigrants would arrive as "ethnics," an identity reinforced by their tendency to recreate their own social worlds. Cultural change would come first, as Americanization made the second generation quite different from their forebears in tastes, everyday habits, and preferences. But Americanization could proceed even as the ethnic social structure of interpersonal relations largely stood still: as long as immigrants and their descendants remained embedded in ethnic neighborhoods, networks, and niches, integration into the fabric of American society would have to wait. Once ethnic boundaries were crossed, however, increasing exposure probabilities to outsiders would inevitably pull ethnic communities apart: with the move from ethnic ghetto to suburb, interethnic friendships, networks, and eventually marriages would all follow in due course. Thus, the advent of structural assimilation, to borrow the influential term coined by Milton Gordon, signaled entry into the "mainstream," and the beginning of the end for any distinctiveness associated with the immigrant generation (Gordon 1964).

All this is now entirely familiar to the students of American ethnicity. But perhaps too much so, since the canonical view had little, if anything to say, about the driving force behind changing contact probabilities – namely, movement out of the socioeconomic cellar. All that one can do is to infer the likeliest answer: that economic progress took the form of dispersion from the occupational or industrial clusters that immigrants initially established. After all, from the assimilationist standpoint, concentration is a source of disadvantage, to be explained by lack of skills and education. With acculturation and growing levels of schooling and American experience, immigrants and their children

would naturally move upward by filtering outward from the ethnic niche.

Today's scholars, however, tend not to agree. The emphasis, instead, is on the connections that bind the newcomers together and the resources generated by the contacts that crisscross the immigrant communities. These ties constitute a source of "social capital," providing social structures that facilitate action, in this case the search for jobs and the acquisition of skills and other resources needed to move up the economic ladder. Networks tying veterans to newcomers allow for rapid transmission of information about openings in workplaces or opportunities for new business start-ups. Networks also provide better information within workplaces, reducing the risks associated with initial hiring, and similarly connecting coethnic entrepreneurs, who take membership in the community as an index of trust (Bailey and Waldinger 1991). Once in place, the networks are self-reproducing, since each incumbent recruits friends or relatives from his or her own group, and entrepreneurs gravitate to the cluster of business opportunities that their associates in the community have already identified. Relationships among coethnics are likely to be many-sided, rather than specialized, leading community effects to go beyond their informational value, and engendering both codes of conduct, and the mechanisms for sanctioning those who violate norms (Portes and Sensenbrenner 1993). In other words, concentration is the way to go, with the search for advancement taking a *collective*, not an individual form, as network-dense communities provide the informational base and support mechanisms for a pattern of parallel movement up the economic ladder.<sup>1</sup>

So goes the now conventional wisdom among many of today's immigration specialists. These views are most likely to resonate with sociologists and anthropologists, but they are hardly confined to these particular disciplinary tribes alone. The economist Glenn Loury was one of the first to invoke "social capital" as a factor facilitating movement up from the bottom, arguing most recently that "each individual is socially situated, and one's location within the network of social affiliations substantially affects one's access to various resources" (Loury 1998). George Borjas, certainly a card-carrying, neoclassical economist, has essentially endorsed the same point of view, showing that access to resources shared by the group as a whole can redound to the individual's benefit (Borjas 1994). And similar perspectives can be found among political scientists and other authorities of the same type.

Of course, not everyone has signed on to the program. There remain numerous defenders of the old-time religion, who continue to argue that dispersion remains the best, and more importantly, the most common

way by which immigrants and their descendants move up the economic ladder (Alba and Nee 1997). And even the exponents of the new point of view are divided on almost as many points as they agree. There is uncertainty as to how best to characterize the clusters that immigrants have established – are they ethnic economies, ethnic enclaves, ethnic niches, or perhaps even some other neologism that better captures the phenomenon? Just what name to use matters, because each concept denotes a somewhat different phenomenon, each varying in nature and extent. Whether one opts for the most restricted or most expansive appellation, questions of how to explain the emergence and persistence of ethnic niches remain in play. So too is the future of the phenomenon: is this simply a matter of cultural lag, found only among the most disadvantaged of workers and in the most traditional of work settings? Or do the circumstances that foster the consolidation of ethnic networks reappear among more skilled workers engaged in complex tasks and in up-to-date organizational settings? And is the ethnic niche simply a property of immigrants or rather a recurrent form of social organization, in which case the concentrations established by other, earlier-established groups of outsiders shape the options open to today's newcomers? These are the questions to which this paper is addressed.

#### **Ethnic enclaves, economies, or niches: the play of debate**

That immigrants tend to gravitate toward a narrow set of economic activities and then stay there is neither new nor news. The historical literature on American immigration is replete with observations on the predilections of immigrants for trades and occupations of various kinds. Scholars studying chain migration naturally noticed that newcomers moving from the same hometown not only became neighbors in the new world but often worked alongside one another. As is the case today, clustering was always more pronounced among some groups than among others. Jewish immigrants from Poland were a particularly noticed and noticeable example, establishing not only *landsmanschaften* – hometown associations – but also a *landsmanschaft economy*, a striking concept coined by Moses Rischin, but one that somehow never got much intellectual circulation (Rischin 1962).

So immigration scholars were always sensitive to the specializations with which the newcomers so frequently began. But ideological and academic preoccupation with assimilation led attention to wander elsewhere: the social science analysis of immigrant adaptation developed analytic tools and concepts to study such phenomena as intermarriage or residential change, but not the ethnic structuring of the occupational order. For

the most part, the state of thinking was pretty much captured by Stanley Lieberson, in his influential 1980 book *A Piece of the Pie*, who used the term “special niches” to note that “most racial and ethnic groups tend to develop concentrations in certain jobs,” reflecting cultural characteristics, special skills, or opportunities available at the time of arrival, but pretty much left the matter there (Lieberson 1980).

#### *The ethnic enclave*

What led social scientists to think differently was renewed interest in, and appreciation of, that much maligned social category, the *petite bourgeoisie*. Small business had always been an immigrant and ethnic specialty, but too insignificant to get more than the passing academic nod, until Ivan Light wrote his seminal *Ethnic Enterprise in America*. Light's central point, that ethnic solidarity propelled business growth among Japanese, Chinese, and West Indian immigrants, can now be seen as a formulation of embeddedness *avant la lettre*; but widely as the book was read, its historical focus blunted its broader impact on the ways in which social scientists thought about immigrant progress (Light 1972).

Instead, the catalytic intellectual development resulted from the publication of Franklin Wilson and Alejandro Portes' article on the Cuban “Immigrant Enclave” in Miami, almost twenty-five years ago (Wilson and Portes 1980). Reporting on the initial wave of a longitudinal survey of newly arrived Cuban refugees and their labor market experiences in Miami from 1973 to 1976, Wilson and Portes (1980) found that a sizable proportion of the newcomers went to work for coethnics. They also discovered that those who worked for immigrant bosses were doing better than refugees employed in white-owned, secondary-sector firms – which in turn prompted a piece of scholarly revisionism that became known as the “ethnic enclave hypothesis.” What earlier observers had seen as a sweatshop, Wilson and Portes recast as an apprenticeship: low wages for a couple of terms of labor in the ethnic economy – dubbed the “enclave” – in return for which one learns the tools of the trade in order to set up on one's own and thus move ahead.

The scholarly news about Miami's Cuban ethnic economy and its impact provoked immense interest, for reasons having to do with policy and theory. After all, the central question in immigration research concerns the prospects for immigrants and their children. The research on the Cubans suggested that at least some would move ahead successfully; and more startlingly, they would do so on their own, turning disadvantage to good account. But if Cubans, and possibly other, entrepreneurially active groups, could use business as a stepping stone, how was one to account for

this state of affairs? An earlier wave of research had shown that other visibly identifiable minorities were trapped in the "secondary labor market," unable to move into the "primary labor market," where employment was more stable, job arrangements allowed for upward mobility, and workers were rewarded for investments in skill and training (Gordon 1972, Piore 1979). Indeed, Portes' own research showed that this same pattern persisted among recent Mexican immigrants (Portes and Bach 1985). The puzzle was all the more compelling because the industries that comprised the Cuban ethnic economy also made up the "secondary sector." The same structural factors that impeded skill acquisition, attachment (to a particular firm, industry, or labor market), and upward mobility in the secondary sector also characterized the ethnic enclave. Yet, workers in the enclave appeared to enjoy some of the advantages associated with the primary sector.

As to be expected with any attention-grabbing piece, the ethnic enclave hypothesis quickly led to an ethnic enclave debate. It soon became apparent that the phenomenon to which Portes drew attention was not so easily identified in the other capitals of immigrant America. In the unusual immigrant metropolis of Miami – where the largest group of newcomers were also middle-class refugees – Cubans appeared to provide ample employment to others of their own kind. Though by definition, employment of coethnics served as a distinguishing feature of the enclave, scholars eventually noted that this characteristic was relatively uncommon: immigrant entrepreneurship could be found aplenty; instances where immigrant owners *and* workers were overrepresented in the very same activity was a good deal more rare (Logan, Alba, and McNulty 1994).

The concept of the ethnic *enclave* also proved limiting. *Enclave* denotes segregation within a particular territorial configuration. And Portes' original elaboration made the enclave into a case of a still more special kind, depicting the enclave as not only geographically distinct, but as a self-supporting economy generating a variety of inputs and outputs itself. The notion of self-sufficiency was a non-starter from the very beginning: if the largest cities are far from self-supporting, how could small ethnic enclaves do any better? Moreover, our knowledge of immigrant economies shows that they are not spread throughout the economy, but rather highly specialized in a few industries or business lines where ethnic firms can enjoy competitive advantages. Likewise, the emphasis on spatial concentration proved a red herring: though many immigrant neighborhoods serve as the fount of business activity, immigrant entrepreneurs spring up throughout the urban landscape – whether there are lots of coethnic customers to be found or not. Clearly, space may be a variable affecting immigrant

entrepreneurial outcomes, but there seems little reason to treat it as a defining characteristic.<sup>2</sup>

But the greatest problems had to do with the central finding itself: that immigrant workers laboring for a coethnic boss did better than those employed in *comparable jobs*, but engaged by an Anglo employer. The immediate issue was how to explain this apparent anomaly; the initial literature didn't help matters by offering a number of different accounts. Ethnic solidarity was one of the possibilities invoked: "Immigrant entrepreneurs," wrote Portes and Bach in *Latin Journey*, "rely upon the economic potential of ethnic solidarity." They continue:

[E]thnicity modifies the character of the class relationship – capital and labor – within the enclave. Ethnic ties suffuse an otherwise "bare" relationship with a sense of collective purpose in contrast to the outside. But the utilization of ethnic solidarity in lieu of enforced discipline in the workplace also entails reciprocal obligations. If employers can profit from the willing self-exploitation of fellow immigrants, they are also obliged to reserve for them those supervisory positions that open in their firms, to train them in trade skills, and to support their eventual move into self-employment. It is the fact that enclave firms are compelled to rely on ethnic solidarity and that the latter "cuts both ways," which creates opportunities for mobility unavailable in the outside. (Portes and Bach 1985: 345)

This story was plausible, but *Latin Journey* didn't adequately tie down the case. In the end, one is forced to conclude that Portes and Bach *assumed* solidarity, a presupposition which they never had any necessity to entertain. A more parsimonious view would simply have suggested that the development of ethnic networks would generate the infrastructure and resources for ethnic small businesses *before* a sense of group awareness or solidarity need develops. In the end, Portes himself moved on to a view of this sort, arguing that "bounded solidarity" and "enforceable trust" – *emergent* community characteristics related to the development of ethnic networks – provided the necessary ingredients for both mobilizing resources and limiting obligations, thereby making exchanges within the ethnic enclave reciprocal, and *not* exploitative.<sup>3</sup>

Conceptual niceties aside, the nub of the problem involved replication. Victor Nee and Jimmy Sanders fired the opening salvo: looking at the Chinese in San Francisco and the Cubans in south Florida, they found that self-employment was good for the immigrant bosses, but much less satisfactory for the immigrants most likely to work in their shops (Sanders and Nee 1987). Min Zhou and John Logan then added nuance, showing that male Chinese immigrants in New York did indeed benefit from working in industries of Chinese concentration, but that their female counterparts had no such luck (Zhou and Logan 1989, Zhou 1992).

Greta Gilbertson, who examined the experience of Colombians and Dominicans in New York, came up with results that essentially supported Nee and Sanders' critique (Gilbertson and Gurak 1993 and Gilbertson 1995). Portes, needless to say, fired back, but with conclusions a good deal more modest than those that he had originally advanced – namely, that workers in the enclave *do no worse* than those at work elsewhere.<sup>4</sup> Debate on the matter continues, but in the meantime the theoretical action has moved elsewhere.<sup>5</sup>

### *The ethnic niche*

As we have noted above, the particular economic configuration identified as an “enclave” is a relatively rare element in the immigrant employment scene. Miami may have an enclave, as conventionally defined, of sizable dimensions; so too, do the Chinatowns of San Francisco and New York, but one then quickly begins to run out of cases. Moreover, some of the immigrant groups with the highest self-employment levels seem to be particularly unlikely to exhibit the pattern associated with Miami's Cubans. The Koreans, for example, are renowned for their entrepreneurial success, with self-employment rates well above the levels attained by the Cubans. But Korean owners largely make do with a non-Korean workforce, in part, because small business ownership has simply swept up so many Korean immigrants that there are too few coethnics for Korean bosses to hire.<sup>6</sup> And the Korean story is hardly unique, as Ivan Light and his collaborators have shown in their work on the Iranians in Los Angeles. Admittedly, this group is not typical, as they are refugees with the good fortune of arriving with ample capital and entrepreneurial experience to boot (Der-Martirosian 1996, Light and Karageorgis 1994). But even so the example is entirely relevant: Iranians have scored tremendous business success and doing so without a coethnic labor force. Similar stories can be told for Israelis, Arabs, Russians, Greeks, Indians, and a variety of other immigrants who have made their mark in small business.<sup>7</sup> In effect, the old middleman minority pattern, exemplified in earlier immigration history by American Jews, remains alive, well, and a good deal more common than the ethnic enclave of immigrant bosses and their coethnic workers.

Moreover, the underlying sociological processes — involving the mobilization of information, capital, and support through ethnic social networks — characterize both the middleman minority phenomenon and the ethnic enclave as well. While there may well be differences between immigrant-owned firms that recruit outsiders and those that rely on insiders, these seem to be differences of degree, not kind, with plenty

of within-group variation along the coethnic employment axis, as well as movement over time. Just as one would consider immigrant businesses that sell to a coethnic clientele and those that sell on the general market as variants of a common type, so too does it seem appropriate to think of the ethnic enclave and the middleman minority situation exemplified by Koreans or Iranians as special cases of the “ethnic economy” writ large — as convincingly argued by Ivan Light (Light and Karageorgis 1994).

Self-employment is a particularly prominent, and these days, much discussed, instance of immigrant economic specialization; but it is hardly the major feature. As an *ethnic* phenomenon, employment concentration shows up elsewhere — most notably, in the well-known propensity to find jobs in the public sector, a tradition pioneered by the Irish, and taken up by others, most notably African-Americans. As we have shown elsewhere, the public-sector story has some distinctive elements, but the crucial ingredients involved in the establishment of an employment concentration seem much the same, whether the locus is private or government sector, or for that matter, wage and salary work as contrasted to entrepreneurship (Waldinger 1996: Chapter 7).

Most importantly, immigrants tend to cluster in activities where others of their own kind have already gotten established. Initial placements, just as in Lieberman (1980), may be affected by any range of factors — prior experience, cultural preferences, or historical accident. But once the initial settlers have established a beachhead, subsequent arrivals tend to follow behind, preferring an environment in which at least some faces are familiar and finding that personal contacts prove the most efficient way of finding a job. More importantly, the predilections of immigrants match the preference of employers, who try to reproduce the characteristics of the workers whom they already have. Managers appreciate network recruitment for its ability to attract applicants quickly and at little cost; they value it even more for its efficiency. Hiring through connections upgrades the quality of information, reducing the risks entailed in acquiring new personnel; since sponsors usually have a stake in their job, they can also be relied on to keep their referrals in line. The process works a little differently in business, where early success sends later arrivals an implicit signal about the types of companies to start, and the business lines to seek out or avoid. An expanding business sector then provides both a mechanism for the effective transmission of skill and a catalyst for the entrepreneurial drive: the opportunity to acquire managerial skills through a stint of employment in immigrant firms both compensates for low pay and motivates workers to learn a variety of jobs.<sup>8</sup> Thus, the repeated action of immigrant social networks yields the ethnic niche: a set of economic activities in which immigrants are heavily concentrated.

### Networks and social closure

A network-based account, such as the one offered above, suffers from a built-in contradiction: it does a nice job of explaining why tomorrow's workforce looks a good deal like today's; it doesn't tell us how today's labor force configuration came to be.<sup>9</sup> The relationship between today and tomorrow is not difficult to understand: the established immigrant workers learn about job openings before anyone else; once in the know, they run to tell their friends and relatives. They also reassure the boss that their referrals are just the right candidates to fill the vacancies, a pledge that sounds all the more meaningful when the boss thinks that birds of a feather flock together, and likes the birds he currently has.

But today is *not* like yesterday: at some point, today's immigrant veterans were outsiders, knocking on doors, with few if any contacts inside. How did the tables turn? To some extent, we have already provided the answer. On the one hand, conditions at the very bottom of the labor market are such that workers engage in extensive churning; in other words, a high turnover rate produces constant vacancies. On the other hand, we can expect that immigrants will be more apt to apply for entry-level jobs than anyone else, precisely for the reasons mentioned above: the conditions and stigma associated with the economy's "bad jobs" motivates natives to seek other options whenever possible. So even if once excluded, immigrants can rapidly build up concentrations in these jobs. In the process, the number of immigrants with the ability to help a friend or family member get a job and keep it quickly increases. Given bosses' usual preference for recruiting from inside, the immigrant presence automatically grows.

This type of explanation tells us why there are lots of immigrant sweepers and kitchen helpers, but if those were the only possibilities, opportunities would be very limited and low-skill migration streams would be a good deal smaller than they are today. Network theory, however, contends that migration quickly becomes a self-feeding process and that once the first crop of migrants takes hold, the networks will normally continue to grow.<sup>10</sup> For that to happen, some immigrant job-holders must come to possess more than the inside dope about the next dishwasher or janitor to be hired; they need to be in the position to grant access to better and more varied positions to their needy friends and kin. In other words, they have to either rise to positions of authority, or else somehow compel the authorities to comply with their wishes. But how do stigmatized outsiders manage to gain such leverage?

The answer to that question lies in the power that social networks acquire when they are imported into the workplace. In general, workers

will use their networks to find jobs, and employers will use workers' networks to hire workers because networks give both sides the *information* they need. Workers learn about job openings and job characteristics through the networks, while employers learn about worker availability and worker characteristics. Networks can also improve the employment relationship by serving as the conduit for a set of understandings shared by both workers and managers. Thus, a quid pro quo develops. Social control within the workers' network keeps their recalcitrant comrades in line. In return, the employer gives special consideration to the friends and relatives of incumbent workers.<sup>11</sup>

Over time, however, the balance of power in the relationship between workers and employer may shift. As network penetration of the workplace solidifies, the ties linking veteran workers with their associates looking for work can serve goals not in line with those of the employer. Employers turn to immigrant networks to fill specific hiring needs, but as long as newcomers keep flowing into the network, it will eventually reach up and attempt to bite into management's normally sacrosanct authority. To begin with, incumbents are naturally positioned to exercise influence over the hiring process. If one group enjoys privileged access to information about job vacancies, outsiders automatically find themselves at a disadvantage. Secondly, the connections that bring ethnic communities into the workplace also become the means for excluding workers who aren't members of the same ethnic club. If work is a fundamentally social activity, and if the necessary skills are learned through interaction with others on the job, a worker must earn the acceptance and cooperation of the numerically dominant group – otherwise one can't learn the needed skills or function on the job. In other words, once a group has constructed a stronghold, it is likely to both put forward its own candidates and block the integration of others hired over its opposition. Thus, the ties that bind the workforce comprise a resource that group members can use to maintain and expand their share of employment in a firm, even against management's wishes.

Of course, the reader should realize that the properties described above aren't unique to *immigrant* networks alone. The Old-Boy network of private boarding schools and country clubs need take lessons from no one when it comes to using connections to exclude. Craft unions in the construction trades know how to use informal ties among their (skilled) workers to play the same game, stomping on the employer's ability to run the firm as he (usually it is a he) would like. African-Americans have also successfully implanted networks in particular sectors of the economy, especially government, and these have expanded in much the same way described above, as we shall now see.

### African-Americans and the public sector

Government employment offers the one bright light in the generally dim black jobs scene: the public sector now looms as the largest, highest-quality employer of African-Americans. In 1990, one out of every four employed blacks held a government job; close to half of the country's African-American civil servants worked on municipal payrolls.<sup>12</sup> Blacks hold a much higher share of upper-level jobs in the public than in the private sector; discrimination exerts a less powerful influence on public-sector employees than on their private-sector counterparts; and the public sector seems to do better as a ladder of mobility into the middle class for blacks than for whites (Fainstein and Fainstein 1994).

Government may now be a prime concentration of black employment; that wasn't always the case. As I explained in Waldinger (1996), a book about African-Americans and immigrants in New York, African-American convergence on the public sector involved a protracted process, in which African-Americans simultaneously replaced Euro-American workers in the least desirable public functions, while contending with Euro-American workers and their organizations over access to the more desirable jobs. Blacks entered municipal service at the bottom during the first half of the twentieth century; there, they found a structure – bequeathed to them by interethnic conflicts among Irish, Italians, and Jews – that made it hard to get ahead. In the 1960s and the 1970s, the search for mobility led to open and intense conflict with these Euro-American, ethnic workers, who had earlier colonized the civil service. While these first confrontations were partly successful at best, due to changes in the power and social structure of Euro-America, incumbent groups yielded a new ethnic division of labor in the 1980s. Blacks replaced Euro-American ethnics who moved up the labor queue and fell out of the city's labor supply, a process facilitated by political changes that opened up civil service structures. By 1990, African-Americans had emerged as the successors to the Irish, while other outsider groups, most notably Hispanics, enjoyed much scantier access to the public's jobs (Waldinger 1996: Chapters 4 and 7).

While Waldinger (1996) tells the story of an important case, one might still ask whether the New York experience is unique, or reappears in other contexts as well. As Lim (2001) shows in a study of America's five key immigrant urban regions – New York, Los Angeles, Chicago, Miami, and San Francisco – government is the key African-American concentration in each place. More importantly, trends over the 1970 to 1990 period demonstrate growing isomorphism, both in the degree of public-sector concentration and in the specific public functions in which

African-Americans concentrated. In 1970, African-American niches often varied from region to region, with concentrations reflecting the particular types of opportunities available in each place – for example, blast furnaces in Chicago, or apparel in Los Angeles. By 1990, six public sector industries – welfare services, mass transit, the postal service, other health service, hospitals, and federal public administration – had become black niches in all five regions, a trait characteristic of local public administration in all regions but San Francisco. Furthermore, such industries as domestic services, hotels, or laundries, that had historically absorbed high levels of black employment in almost all five places, shifted from over- to underrepresentation during the 1970–90 period. Most striking was the thinning out in the number of black niches, as the remaining concentrations, which still absorbed a large proportion of total black employment, were now clustered in a very small number of industries. Examining the ten largest African-American niches in each region, Lim found that these fifty cases actually involved only eighteen separate industries.

As Lim argued, the isomorphic nature of the African-American niches in all five regions underscores the ethnic nature of the black employment pattern: clustering in the public sector represents one of the distinguishing traits of this group. The isomorphic nature of the niches further suggests that the underlying force producing concentration was likely to have been endogenous. Though the five regions encompass America's leading immigrant places, they do vary greatly in the relative size and composition of their immigrant populations. And yet, the types of concentrations toward which blacks have gravitated differ little from place to place: roughly the same set of clusters show up in Miami – where immigrants comprise 41 percent of the workforce – as in Chicago – where the foreign-born workforce is just over 15 percent. Much the same can be said for the specializations from which African-Americans exited: for example, why should laundries have disappeared as an African-American concentration in all five regions, were there not some other set of factors – independent of immigration – that should have weakened African-Americans' attachment to this industry?

The pattern unlocked by Lim may help explain why so many researchers have concluded that immigration has had only a modest, if any, negative impact on the employment chances of blacks. In converging on government, African-Americans also moved into a niche whose properties impeded immigrant penetration. In general, government work requires modest levels of skills and schooling, producing a formidable barrier to the entry of immigrants without a high-school education – roughly one quarter of the US total. Getting a government job usually requires formal application and passage of an examination, requirements which

further hinder the route to newcomers who, if literate, may be leery of government and unfamiliar with established procedures. And the powerful civil service unions, themselves highly responsive to the interests of their African-American members, when not headed up by African-American leaders, consistently act in ways that keep job requirements high – and therefore in reach of people just like the existing union members.

That African-Americans found employment gains in the public sector also highlights the positive factors associated with immigration. The decades following 1970 were years when America's leading immigrant places were losing their hold on their native-born population. Were it not for immigration, their populations would have almost certainly shrunk, which in turn would have made for a greatly reduced demand for public services and public funds allocated for such services. To the extent that immigrants swelled the demand for public employment, even as the employment structure of the public sector remained unusually closed to foreign-born workers, the inflow of immigration may have generated distinctive benefits for native-born African-Americans, whose dependency on public-sector jobs has grown over the years.

On the other hand, the same traits that impede immigrant entry into the public sector also tends to exclude African-American workers with limited schooling from those industries of greatest African-American densities. For instance, skill or credential requirements in the public sector make it difficult, if not impossible, for the least skilled of African-American workers to exploit the ethnic networks implanted in government employment. At the same time, these least-skilled workers must find employment in a market increasingly saturated with immigrants, where the likelihood of working as a member of a small, quantitative minority – and therefore, easily harassed and vulnerable – grows steadily. Moreover, the circumstances under which African-Americans moved into the public sector no longer hold. For much of the time in question, government was a growth sector, which made it easier for federal, state, and local governments to incorporate African-American workers without totally alienating the established white rank and file. Now, however, government is clearly a declining enterprise.

What is more, immigrants – or if not immigrants, then their descendants – increasingly want greater access to those public-sector jobs that remain. In this light, it is important to note that the same processes that opened up public jobs for African-Americans in the late twentieth century are likely to work in the opposite direction in years to come. The visibility of public-sector employment made it a particularly convenient target for the application of affirmative action. Transparency made it difficult for government officials to defend functions that did a poor job of

recruiting African-Americans and likewise made it easier for advocacy groups to focus their efforts on those departments that were lagging in the effort. That same characteristic, however, now highlights the degree of African-American overrepresentation in a situation where their population shares are at best stagnant, if not declining, and where the new immigrant populations have generally yet to attain parity. What is more, the changing demographic situation is also steadily undermining black political influence in the leading immigrant cities, a process bound to accelerate as rates of immigrant naturalization and voting grow.

### Networks and niches in a high-tech economy

The sociological literature prepares us to expect that niches are the refuge for immigrants lacking in skill, education, or language ability; others, more equipped to enter the mainstream of the US labor market, should disperse out of the ethnic concentration in short order. The matter is of no small moment, since contemporary immigration to the United States is characterized by socioeconomic diversity: unlike the past, when the newcomers were concentrated at the bottom of the socioeconomic ladder, today's arrivals span the entire occupational spectrum, with a sizable portion moving into the middle or above.

But the extraordinarily high concentration of immigrant engineers at the very heart of America's high-tech economy – Silicon Valley – suggests that ethnic clustering is not simply a vestigial phenomenon, but rather a distinctive aspect of the immigrant phenomenon, wherever it may appear.<sup>13</sup> In the conventional ethnic concentrations, lovingly studied by the literature, low standards of compensation, whether measured in relative or absolute terms, make the native-born labor force chronically unstable. Native workers seize the chance for better opportunities further up the ladder whenever economic expansion makes mobility possible. Moreover, the repeated association between low-quality jobs and the stigmatized outsider groups who fill them has the lasting effect of reducing the *social* desirability of these positions, well below the level one would expect based on monetary rewards and conditions of work alone. Once natives flee and immigrants step in, the process is difficult to reverse.

In high technology, however, the long-term instability in the demand for high-skilled labor created the conditions whereby immigrant networks could take root and get implanted. The production of scientific and engineering workers is a protracted process, especially at the high end, where it takes four years of college and at least two years of graduate studies to obtain the necessary skills. But for the past thirty years, the demand for highly trained scientific and engineering personnel has gone

through many gyrations. Consequently, the market for high-technology labor has been characterized by a cobweb cycle, in which new workers have been successively over- and then underproduced, a pattern with particularly pronounced effects on the highest-skilled workers, for whom the monetary and opportunity costs of skill-acquisition are particularly great.

Under these circumstances, the growth of the high-technology sector has repeatedly swollen the demand for professional and technical labor in a way that prompted sourcing from abroad. India, Taiwan, Korea, and other newly industrialized countries built up their own capacity to produce scientific labor, with all the proficiencies required to meet industry's needs in the United States. Moreover, the US system of postgraduate training offered a convenient point of entry: while the cobweb cycle has persistently discouraged the bachelor's graduates of American institutions from pursuing additional formal training, it has also left the graduate schools of engineering with underutilized capacity, for which the turn to a heavily foreign-born and-trained student body has been a source of relief. In this respect, foreign students have a very different cost/benefit calculus than their US-trained counterparts, for whom the diminishing relative returns associated with each year of postgraduate study are the most relevant considerations. For foreign students, however, entry into a US graduate engineering program greatly increases the probability of subsequent entry into the US labor market. And permanent migration to the United States remains attractive, since notwithstanding rapid economic growth in the Asia-Pacific region, the United States still offers far superior employment and career opportunities, not to speak of the social amenities associated with an American lifestyle.

And thus, in an ironic reversal of the expected pattern, the pattern of immigrant concentration is most marked at the highest end of the high-tech labor market. As of the late 1990s, engineers and systems analysts had a slight tendency toward immigrant concentration, as the foreign-born index of representation in these occupations stood at 1.09. But the degree of concentration varied with sector and skill. Within high technology, the index of immigrant representation stood at 1.3. And within the high-tech sector, immigrants were still more overrepresented among those best-educated workers with a Master's degree or more: within the high-tech sector overall, these best-educated foreign-born workers had a representation rate of 1.9, topped at 2.6 by the best-educated immigrants among the ranks of engineers and systems analysts working in high tech.<sup>14</sup>

So succession processes operate at the high – and not just at the low – end of the labor market. While the factors that facilitate immigrants'

entry into high tech take a somewhat different form from those at work in less-skilled sectors, the role of networks is much the same. The costs of recruitment are high, which is why high-tech firms mobilize the contacts of the existing workforce whenever possible. Once firms learn to recognize the skills that foreign-born professionals possess, and also negotiate any of the obstacles that might impede access (such as the elaborate system of visas for "temporary" professional workers), they then return to the source. Experienced workers are preferred to those without the immediately relevant skills, a category that includes new graduates, since the costs of training are high, the organizational resources are lean, and the proficiencies general. Globalization essentially diffuses the same skills worldwide, which means that a technical proficiency learned in a foreign context can easily be put to use in an American setting; that foreign professionals may have previously worked in a transnational American corporation makes their expertise all the more transferable. Moreover, foreign graduate students in US universities develop a high level of groupness: living in an alien context, experiencing high levels of ethnic density, living and studying under conditions of frequent interaction, they build up the networks that facilitate parallel action during and after graduate school. Finally, the distinctive regional clusters associated with high technology lend a highly localized form to ethnic ties and, thus, facilitate the mobilization of ethnic resources. And so it should be no surprise that Silicon Valley, with its high levels of immigrant density, has spawned an elaborate infrastructure of organizations run by and oriented toward immigrant, high-technology entrepreneurs.

### Conclusion

In a sense, this paper tells the oldest of stories, confirming that today's immigrants are following the timeworn paths of immigrants' past: linked by connections to established residents, and moving with the help and guidance provided by veterans, newcomers gravitate to the jobs where their compatriots have gotten started. Because migration is driven by networks, it also involves a process of social reproduction, in which the current crop of workers begets a new bunch that looks very much like themselves.

But there is also something new under the sun: the ethnic niches of the turn of the twenty-first century are not quite the same as the ethnic niches of yore. Yes, they are to be found at the bottom rungs of the occupational ladder, where workers with no other resource but social support necessarily rely for help from others of their own kind. But the distinctively new breed of immigrants – the newcomers who arrive with



high levels of education – turn out to be no less likely to converge on niches than their less-skilled counterparts.

Of course, the pattern of ethnic niching is not an immigrant phenomenon alone. In older urban, immigrant regions, like New York or Chicago, earlier immigration histories set in motion a process of ethnic succession, which shaped both the timing and the sectoral destination of the pattern by which immigrants have moved into economic concentrations. Since groups concentrate in niches in response to disadvantage, it is no surprise that ethnic niching distinguishes African-Americans as well. To some extent, the contemporary African-American concentration in government reduces the potential for competition with immigrants; it would also seem to establish the preconditions for conflict in the relatively near future.

At once pervasive and persistent, the ethnic niche shows that ethnicity is not simply an imported cultural characteristic, but rather a principle of social organization, deeply shaping the role that immigrants play in America's dynamic economies at the turn of the twenty-first century America. The product of the largely unconscious actions of employers and workers, natives and immigrants, insiders and outsiders among the US-born, the niche also activates a set of boundary creating and maintaining mechanisms, providing groups with the motivation and the opportunity for excluding all those who aren't members of the same ethnic club.

## NOTES

1. For a fuller elaboration of this argument, see Waldinger 1996.
2. For further elaboration along these lines, see Waldinger 1993. For a further discussion of the impact of spatial factors on ethnic economies, see Waldinger, McEvoy, and Aldrich 1990, Kaplan 1998. Of course, the paragraph above constructs the problem in relatively narrow terms, implying that the issue at hand involves the relationship between the spatial configurations of ethnic entrepreneurs and a set of economic outcomes (such as wages or business foundings), and nothing else. But, as Portes and Rumbaut argued in *Immigrant America*, to considerable success, the ethnic enclave, as *form of immigrant community*, can affect the process of immigrant incorporation in any number of ways. That effect is largely due to the enclave's status as an encompassing entity, cross-cut by a web of complex relations among coethnics of various sorts, where the density and multiplexity of ties produces considerable social control. The question is how those social control effects vary according to the spatial configuration of a community: are they dependent on recurrent face-to-face contacts, or do they persist under conditions of greater decentralization? To my (very possibly imperfect) knowledge, this question has not been systematically addressed.

3. Portes and Sensenbrenner 1993; for a fuller elaboration of these concepts see Portes and Zhou 1992 and Portes and Stepick 1993.
4. Portes and Jensen. For a more detailed review of the controversy, readers might want to consult Waldinger 1993. But I should note that many of the criticisms lodged at the enclave hypothesis strike me as mainly suited for scoring points, as opposed to illuminating our understanding of the question at hand. In particular, the conclusions arrived at by Sanders and Nee (1987) were clearly related to their own change in the terms of comparison, never clearly signaled to the reader. Whereas Portes and Bach (1985) mainly emphasized the advantages of the ethnic economy relative to the secondary sector, Sanders and Nee made the open economy (consisting of secondary and primary firms) the point of reference. This framing of the question seems to verge on straw-manning: to make the case for the ethnic economy one only need compare mobility opportunities in a Chinese restaurant to McDonald's – not to General Motors'. And it is precisely the fact that, in contrast to days of old, immigrants are unlikely to find employment among the dwindling General Motors-type employers, that makes the enclave an alternative worth taking seriously.
 

As suggested in an earlier footnote, my summary of the debate may be framing the debate in excessively narrow terms. To some extent, the discussion may simply have taken a different turn, no longer concerned with the narrow economic effects of the enclave, but rather with its broader, and possibly longer-term social consequences. If it is the case that participation in an ethnic enclave exposes members to broader social resources not available to those group members with lower levels of community attachment, then the economic consequences of employment in an enclave firm – whether positive, negative, or simply benign, as compared to the generally unattractive alternatives – may be of lesser significance. For an argument along these lines, see Zhou and Bankston 1997. In my view, again possibly mistaken, the case is not settled.
5. It is also the case that the hypothesis has been loosened over time. At root, the original formulation simply specified a particular interaction between two variables – employment in primary, secondary, or ethnic sectors, on the one hand, and education on the other – contending that the return to education was greater in the ethnic enclave than in the secondary sector. The more recent renderings involve considerable broadening, as in Portes 1997, where he argues that “The real questions, from the standpoint of (the ethnic enclave) theory, are the viability of these firms, their capacity to spawn new enterprises, and the extent to which workers can become entrepreneurs themselves.” This formulation seems to allow for the possibility that returns to education or experience among *workers* employed in enclave firms might be no different from those among workers in secondary firms. The impact of employment in an ethnic enclave would be observable only *after* that employment had ceased, enclave workers varying from the secondary sector counterparts in the greater probability that self-employment would succeed a stint of wage and salary work.
6. On the Koreans, Kim (1981) adds depth, brings the story up to date, and highlights the growing dependence of Korean entrepreneurs on non-Korean labor.

7. See, e.g., Gold and Phillips 1996.
8. Waldinger 1996: Chapters 1, 9, and *passim*; see also Waldinger 1994.
9. This section draws on my book, Waldinger and Litcher 2003. There, the argument is developed at much greater length, backed up with supporting material, based on extensive interviews with employers in Los Angeles.
10. As argued by Massey, Alarcon, and Durand 1987.
11. On the role of networks in matching workers with jobs, Granovetter 1995 is a basic source. See also Granovetter and Tilly 1988, Stevens 1978, Grieco 1987, and Powell and Smith-Doerr 1994.
12. Calculated from 1990 Census of Population, Table 47.
13. This section draws on my unpublished report on immigrants in the science and technology complex in California, prepared for the Alfred P. Sloan Foundation, 2000.
14. Representation rates calculated from a merged sample of the 1994–8 Current Population Survey; data for employed persons, 25–64 years old only. In this sample, 12.4 percent of all workers were foreign-born.

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## 13 Nonwhite origins, Anglo destinations: immigrants in the USA and Britain

*Suzanne Model*

Until very late in the twentieth century, the USA was the setting for most statistical studies of ethnic inequality; Canada ranked second, Australia a distant third. This situation reflected the high proportions of immigrants in these countries and the large amount of information that researchers could obtain about the foreign born. After World War II, however, the numbers immigrating to Europe began to grow. Today, annual immigration to Europe is twice as high as annual immigration to the "New World" (Widgren 1994). As a result, Europe's immigrants have attracted increasing amounts of research attention. Indeed, several European nations now field surveys explicitly designed to illuminate the experiences of their ethnic minorities.

Studies of Britain's ethnic minorities stand at the forefront of this new scholarship. The first survey specifically devoted to this population was launched in 1966; more exhaustive studies followed in 1974, 1982, and 1994. To be sure, in the early years, the data collected in these surveys were available only to a small group of scholars. But today researchers can obtain the responses to the 1994 National Survey of Ethnic Minorities on CD-ROM from the Data Archive at Essex University. Of course, already in the late 1980s, the British Labour Force Survey was available on computer tape; by 1993 the UK Census was accessible on the University of Manchester's mainframe. And each year new sources of information on Britain's immigrants and minorities become available.

Several scholars have taken advantage of these sources to examine the position of ethnic groups in the British labor market (Cheng and Heath 1993, Fieldhouse 1996, Heath, Roberts, and McMahan 1997, Heath and McMahan this volume, Holdsworth and Dale 1997, Leslie 1998). A related development has been the emergence of cross-national comparisons of the economic attainment of ethnic minorities. Since many of the immigrant groups settling in Britain have settled in other countries as well, scholars have begun to compare the economic well-being of ethnic minorities across receiving countries. In the main, they find that America's ethnic minorities are more advantaged than their British