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Working group 1 Immigrant Integration in the PostIndustrial Metropolis: A View from the United States

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This paper is designed to stimulate discussion of the relationship between urban economic change, and the integration of immigrants. As such, the paper is not intended to be a survey of the literature or a summary of findings, but rather a sketch of the major research questions and relevant controversies. However, let me begin with a disclaimer. My knowledge of the state of research in the various countries involved in Metropolis is highly imperfect and uneven. Moreover, I am an immigration specialist, not an urban specialist. What follows, hence, has an unavoidable slant toward the United States and may not provide an accurate view of cutting edge issues in the areas with which I am less familiar.

Urban processes: though patterns of spatial distribution differ from country to country, immigrants have been disproportionately concentrated in urban areas. Within a given country, major urban areas have proven quite different in their attraction to immigrants. Among countries, there is also variation in the degree to which the primate cities (where there is one) have attracted a disproportionate immigrant presence. Nonetheless, the initial generalization about the urban presence of immigrants and their descendants generally holds true. Therefore, the question of the relationship between new ethnic populations and the urban economic base is central to both research and policy agendas. That question is also troubling because the relationship between urban economic and demographic bases which held during the initial, post-war age of migration has drastically changed. At the earlier period, cities had a thriving manufacturing economy, that allowed them to serve as staging grounds for unskilled, newcomer groups. The U.S. experience was one in which the old factory-based economy allowed for a multi-generational move up the totem pole. Immigrant children could do better if they just hung on through the high school years, after which time well-paying manufacturing jobs would await them. The third generation would continue on through university and beyond, completing the move from peddler to plumber to professor. Though we know less about the historical experience of immigrants in European countries (for example, France or the United Kingdom), the available literature points to a roughly similar story. However, the past twenty-five years have seen a transformation of urban economies and social structures in ways that

make a repeat of the past unlikely. There are various interpretations of the new urban reality, and my task here is not to adjudicate among them, but to describe them, and sketch out some implications for ethnic integration:

The skills mismatch: This argument emphasizes the decline of manufacturing and its replacement by services. For the most part, the concern here is with employment and the shifting distribution of jobs by skill. Earlier, manufacturing jobs were plentiful and offered opportunities to workers with low or modest levels of schooling. But those jobs have now declined (due to suburbanization, relocation to lower-cost, domestic areas, internationalization) and the advent of the post-industrial metropolis, as such well-known U.S. academics as William J. Wilson and John Kasarda have contended, has robbed urban areas of their absorptive capacity. Changes in technology and communications, argues John Kasarda, decimated the "traditional goods-processing industries that once constituted the economic backbone of cities, and provided entry level employment for lesser skilled African Americans." In return for the eroding factory sector, cities have gained a new economy dominated by "knowledge-intensive white-collar service industries that typically required education beyond high school and therefore precluded most poorly employed inner city minorities from obtaining employment."¹⁴ Thus, on the demand side, the "very jobs that in the past attracted and socially upgraded waves of disadvantaged persons...were disappearing," on the supply side, the number of "minority residents who lack the education for employment in the new information processing industries [was] increasing."¹⁵

A second version of the skills mismatch argument emphasizes the *spatial* mismatch. In the U.S. version of this argument, the problem concerns the suburbanization of employment, and the continued confinement of ethnic minorities, black Americans, in particular, to inner cities. Within the inner cities, the job structure has been transformed as described in the paragraph above. But the suburbs have been growing much faster than inner cities, with "much of the

¹⁴ John Kasarda, "Cities as Places Where People Live and Work: Urban Change and Neighborhood Distress," in Henry Cisneros, *Interwoven Destinies: Cities and the Nation*, New York: Norton, 1993, p. 82. The article that we are citing here provides a particularly succinct and clear expression of Kasarda's views, which he has elaborated in many publications over the past fifteen or so years. For other examples, see "Entry-level jobs, Mobility, and Urban Minority Employment," *Urban Affairs Quarterly* V. 19, 1 (1984): 21-40; "Jobs, Mismatches, and Emerging Urban Mismatches," Pp. 148-198 in M.G.H. Geary and L. Lynn, eds., *Urban Change and Poverty*, Washington, D.C.: National Academy Press, 1988; "Structural Factors Affecting the Location and Timing of Urban Underclass Growth," *Urban Geography*, V. 11, 3 (1990): 234-264. William J. Wilson, a still more prominent mismatch proponent, liberally cites Kasarda's findings, while endorsing views, in his influential book, *The Truly Disadvantaged*.

¹⁵ Kasarda, "Cities as places where people live and work," p. 83.

growth occurring) in booming 'edge cities' at the metropolitan periphery. By 1990, many of these 'edge cities' had more office space and retail sales than the metropolitan downtowns.¹⁶ Not only do the suburbs offer more jobs, but they provide a much richer supply of low-skilled jobs, in part due to the relocation of manufacturing, but importantly, because the expanding suburban population base has given rise to a large, diversified service and retailing sector where educational requirements are relatively low. A version of the spatial mismatch hypothesis might apply to European cities, though possibly in very different ways given the different relationship between inner city and suburban ring. Clearly, the key issue has to do with the relationship between the spatial distribution of the ethnic population, and the spatial distribution of the jobs to which they are best matched. In some European cities, the ethnic population may be in the suburbs and the jobs in the central cities. In other cases, the situation may more closely resemble the United States. The intensity of the problem is also related to the constraints on spatial redistribution. Few groups are likely to experience levels of housing discrimination as extreme as those encountered by U.S. blacks.

Both types of mismatch formulations are related to the *underclass* hypothesis developed in the United States by William J. Wilson and applied, with important modifications, to a number of other countries. This hypothesis contends that urban job erosion has been paralleled by an outflow of the more skilled, better educated members of the U.S. black population. These two shifts have undermined the institutional infrastructure of urban black communities. The end result is a pattern of concentrated poverty, in which poor, low-skilled blacks are concentrated in urban communities with few jobs, few institutions that can provide help, and few residents with connections to either employers or helping institutions. As Wilson has recently written: "*neighborhoods that offer few legitimate employment opportunities, inadequate job information networks, and poor schools lead to the disappearance of work. That is, where jobs are scarce, and where people rarely, if ever have the opportunity to help their friends and neighbors find jobs, and where there is a disruptive or degraded school life....many people eventually lose their feeling of connectedness to work in the formal economy; they no longer expect work to be a regular, and regulating force in their lives.*"¹⁷ The underclass hypothesis flows logically from the various mismatch formulations, but it is not clear, even in the U.S., how well it applies to other ethnic minorities (for example, Mexican Americans), or to various immigrant groups. It may, however, provide a better fit with the situation of various second generation groups.

Globalization: This view offers an interpretation of urban trends that emphasizes the new sources of urban growth and dynamism. From this perspective, the urban

¹⁶ William J. Wilson, *When Work Disappears*, New York: Knopf, 1996, p. 37.

¹⁷ Wilson, *ibid.*, p. 52.

economy has been reorganized around a complex of service industries linked to the global economy. Urban areas remain crucial for their role in assembling a highly skilled labor force engaged in transactions where agglomeration and face-to-face contacts remain important. But in this view, the growth of services also involves a process of economic restructuring. The idea of restructuring means that service growth at the top simultaneously generates jobs for chambermaids and waiters, investment bankers and lawyers, while positions in between these extremes are slowly, but steadily, reduced. Restructuring also results in a deployment of new labor force groups that attracts immigrants from overseas to fill the expanded bottom-level jobs. The coming of the hourglass economy thus creates the demand for immigrant labor, but the relationship between cities and immigrants works both ways. The arrival of the immigrants helps explain why the past two decades have seen a new "urban renaissance." The influx of foreign-born workers has given the comatose manufacturing sector a new lease on life. Immigrants, so the story goes, have been a more pliable labor force, and so factory employers have not been obliged to keep wages at parity with national norms. In contrast to nationals, immigrant labor can also be deployed in more flexible ways, thereby giving urban manufacturers the scope to customize production and place greater reliance on sub-contracting. As yet another plus, urban manufacturers can also draw on a large, vulnerable population of illegal immigrants. Their presence has given new meaning to the word exploitation, making "the new immigrant sweatshop...(a) major U.S. central city employment growth sector in the past decade."¹⁸ Immigration has also propelled the service economy. According to Saskia Sassen, who has researched New York: "*immigration can be seen as a significant labor supplier for the vast infrastructure of low-wage jobs underlying specialized services, and the high-income life-styles of its employees. Messenger services, French hand laundries, restaurants, gourmet food stores, repair and domestic services -- these are just a few examples of the vast array of low-wage jobs needed for the operation of the specialized service sector and its employees. Immigrants represent a desirable labor supply because they are relatively cheap, reliable, willing to work on odd shifts, and safe.*"¹⁹ Immigrants are also a permissive factor in the continued expansion of the labor supply for newly created professional and managerial jobs. As Harrison and Bluestone argue, "the provision of ... services to the office

¹⁸ Michael P. Smith, *City, State, and Market*. New York: Basil Blackwell, p. 200. For further arguments in this vein, see Alejandro Portes and Saskia Sassen-Koob, "Making it underground," *American Journal of Sociology*, 1987: 30-61 and Patricia Pessar, "Sweatshop workers and domestic ideologies: Dominican workers in New York's apparel industry," *International Journal of Urban and Regional Research*, V. 18, 1 (1994): 127-142.

¹⁹ Saskia Sassen-Koob, *Exporting Capital and Importing Labor: The Role of Caribbean Migration to New York City*, Occasional Papers, Center for Latin American and Caribbean Studies, New York University, 1981.

workers becomes the major economic activity for the rest of the city." In their view: "the high cost of living in cities containing corporate headquarters requires that professional households include more than one wage earner in order to sustain a middle-class life style. This, in turn, forces this new aristocracy to consume more and more of the services that workers in an earlier generation would have produced for themselves."²⁰ By furnishing the "large cohort of restaurant workers, laundry workers, dog walkers, residential construction workers, and the like,"²¹ immigrants lower the costs of keeping a high skilled labor force in place. Thus were it not for the foreign-born, the advanced service sectors in New York or Los Angeles would have to pay their highly-skilled workers even more, and thus lose out in the broader competitive game. To some extent, the globalization hypothesis represents an abstraction from urban trends of the late 1970s and early to mid-1980s, when cities like New York, London, or Tokyo were in a state of vigorous expansion. But that earlier boom has now collapsed, and all three cities have since faced much more uncertain futures. It is also not clear whether specialization or diversification are the key to urban growth. New York and London are far more specialized in services and finance than Tokyo that retains a stronger manufacturing base, and for that reason may encounter greater difficulties in generating future growth or rebounding from recessionary periods. The globalization hypothesis also emphasizes the centrality of the very largest cities, but, on the global scale, the cities mentioned above are far from the largest. Even if the global scale is reduced to the ranks of advanced societies, it is not clear that the largest cities are the most competitive. Globalization also implies increased competition among metropolitan areas, and it may be that the salient feature of the current situation is the *instability* of the urban hierarchy, not the placement of cities on the hierarchy at any one time. In that case, it would be important to know how cities that vary in their immigrant density, or in the relative size of their immigrant population, rate in terms of global competitiveness.

New Forms of Urban Agglomeration: The two hypotheses outlined above imply that manufacturing is a declining activity in metropolitan areas. This is almost certainly true in *relative* employment terms, but there are various reasons to think that manufacturing may prove to be a more persistent urban phenomenon, as suggested by the writings associated with "flexible specialization" and "new industrial districts." Here the argument is that manufacturing is shifting from mass to flexible production. The advantage goes to small producers, capable of

²⁰ Bennett Harrison and Barry Bluestone, *The Great U-Turn: Corporate Restructuring and the Polarizing of America*. Basic Books, 1988, p. 80.

²¹ Joe Feagin and Michael P. Smith, "Cities and the New International Division of Labor: an Overview," in *The Capitalist City*, Feagin and Smith (eds.). New York: Basil Blackwell, 1987, p. 15.

responding quickly to shifts in demand, and linked, through networks, to sources of labor, supply, information, and capital. As Saxenian has argued: "in these systems, which are organized around horizontal networks of firms, producers deepen their own capabilities by specializing, while engaging in close, but not exclusive relations with other specialists. Network systems flourish in regional agglomerations where repeated interaction builds shared identities and mutual trust while at the same time intensifying competitive rivalries."²² In this view, the regional factor in economic growth is increasing in importance. Competitive differences among regions are linked to regional differences in the cultures and social structures supportive of new, more cooperative, more flexible work arrangements.²³ This body of research is more concerned with manufacturing than with services, though given trends in technology, the boundary between manufacturing and services is less clear than ever before. In general, the research emphasizes historical factors that produce regional advantage. This raises questions as to whether the "flexible specialization" or "industrial district" model can be imported or adopted by regions with varying historical experiences.

Though the classic industrial district was once a big city phenomenon, it is not clear that it still is. Many of the industrial districts described in the literature are found in areas of smaller or medium-sized cities. The very large, primate cities with large immigrant concentrations do not appear to harbor thriving industrial districts. The immigrant-employed industries of the labor-importing period were concentrated in the mass production sector. Some of the persistent immigrant-employed manufacturing industries have characteristics that are reminiscent of flexible specialization, for example, the clothing industry, but these also hark back to the days of the sweatshop. In other cases, as in Los Angeles or Silicon Valley, high technology firms that appear to belong to local "industrial districts" have nonetheless recruited immigrants, deploying their foreign-born workers in low-skilled, repetitive, poorly paid jobs, differing little from the immigrant role in the mass production industries during the post-war economic heyday.²⁴

Economic Integration: the comments above outline obviously bear on many of the likely research and policy concerns relating to the economic integration of

²² Annalee Saxenian, *Regional Advantage: Culture and Competition in Silicon Valley and Route 128*, Cambridge: Harvard University Press, 1994, p. 4.

²³ See, for example, Michael Piore and Charles Sabel, *The Third Industrial Divide: Possibilities for Prosperity*, New York: Basic, 1984; Allen J. Scott, *Technopolis: High-Tech Industry and Regional Development in Southern California*, Berkeley: University of California Press, 1993.

²⁴ See, for example, Scott, *Metropolis*, Chap 9 and, by the same author, "Ethnic and Gender Divisions of Labor in the Manufacturing Economy," in Roger Waldinger and Mehdi Bozorgmehr, eds., *Ethnic Los Angeles*, New York: Russell Sage Foundation, 1996.

immigrants and their descendants. Clearly, the underlying theme is one of new difficulty, in which the engine that previously propelled lower-skilled members of the society up the social ladder no longer works, or no longer works with similar force. However, this formulation emphasizes the problems encountered by all of the less skilled members of the society, not those of distinctive, or distinctively-perceived, ethnic backgrounds. Thus, the question needs refinement in order to specify the factors impinging on foreign-born populations and their descendants. Even this formulation requires further modification and attention to internal differences among both the immigrants and their descendants. Leaving aside the second generation, for the moment, it is clear that the foreign-born population is highly diverse. The axes of variation are several, not one, having to do with country of origin, timing of migration, circumstances of migration (whether economic migrant or refugee), skill level, and so on. Moreover, the degree of concern associated with the foreign-born as opposed to their descendants will vary from country to country, depending on whether the foreign-born population is long established, in which case the focus primarily switches to the second generation, or whether immigration is ongoing at reasonably high levels, in which case matters of immigrant adjustment gain priority. For labor migrants of the traditional type, any one of the scenarios of urban economic change outlined above spells bad news. The worst may be the skills mismatch, since it suggests that the immigrants no longer have a function in urban economies. For many of the labor migrants of the '60s and '70s, who now find themselves redundant, the skills mismatch hypothesis may ring a depressingly true note. But the skills mismatch view seems likely to overstate the case. Skill requirements have indeed gone up in the United States, but only to a modest degree, with the tendency toward skill deepening having slowed substantially since 1960.²⁵ Consequently, people with modest levels of schooling have continued to fill a surprising number of jobs. In 1990, for example, persons with twelve years or less of schooling held close to half of all jobs in New York City and an even higher proportion in Los Angeles.²⁶ Because the U.S. is not the only postindustrial economy to attract immigrants of a traditional type, there seems to be a sustained demand for low-skilled labor, notwithstanding the tenets of the mismatch hypothesis. The globalization hypothesis would help explain the persisting scope for low-skilled immigration, but it too has disturbing implications, since it suggests that the immigrants move into an ethnic mobility trap, in which there are few, if any opportunities to move ahead. As with the skills mismatch hypothesis, the globalization hypothesis offers, at best, an

²⁵ David Howell and Edward N. Wolff, "Trends in the Growth and Distribution of Skills in the U.S. Workplace, 1960-1985," *Industrial and Labor Relations Review*, V. 44, 3 (1991).

²⁶ See Roger Waldinger, *Still the Promised City? New Immigrants and African Americans in Postindustrial New York*, Cambridge: Harvard University Press, 1996.

incomplete account, entirely neglecting the role of high-skilled immigrants, who have played a modest but significant role in immigration to the United States ever since the enactment of the Hart-Celler Act in 1965. Notwithstanding charges that America's immigrants are of "declining quality," the 1990 Census found that a college degree was as common among all immigrants as among natives (1 out of 5). Moreover, the high skilled are often present at levels well above the U.S. average, with the college graduate share ranging from 27 percent among Russians to 65 percent among Indians. Consequently, a good proportion of the recent arrivals to the United States begins, not at the bottom, but in the middle-class or above. In contemporary Los Angeles, for example, coveted professional occupations have become immigrant concentrations. More than 35 percent of the pharmacists in the L.A. region are foreign-born, as are more than 25 percent of the dentists, and more than 20 percent of the engineers, various computer specialists, and physicians.²⁷ Regardless of how the structure of urban economic opportunities is changing, one suspects that the immigrants will adjust in distinctive ways. One possibility is that they will enjoy fewer options than most, even after taking lower levels of schooling into account, since native workers and native employers will engage in discriminatory practices. While immigrants may be stigmatized, with a cost attached to that stigma, they may also be distinctive in other ways that promote more fruitful adaptations to restructuring. We do know that immigrant communities develop through the mobilization of informal recruiting chains and networks, and these may assist immigrants in responding to the new circumstances. Because getting a job remains very much a matter of whom one knows, immigrants and members of ethnic minorities get hired through networks. The repeated action of network recruitment leads to ethnic employment concentrations, or "ethnic niches" as I have labelled them elsewhere.²⁸ The process of niche formation can often be a story of ethnic disadvantage turned to good account, enabling social outsiders to compensate for the background deficits of their groups and the discrimination that they encounter. The networks that span ethnic communities comprise 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.²⁹ Networks between ethnic incumbents and job-seekers

²⁷ Roger Waldinger and Mehdi Bozorgmehr, "The Making of a Multicultural Metropolis," in Waldinger and Bozorgmehr, eds., *Ethnic Los Angeles*, New York: Russell Sage Foundation, 1996.

²⁸ Waldinger, *Still the Promised City?*, see esp. Chapters 1, 4, 9.

²⁹ On the concept of "social capital", James Coleman, "Social Capital in the Creation of Human Capital," *AJS*, V. 94, Supplement, S95-120, 1988; Alejandro Portes and Julia Sensenbrenner, "Embeddedness and Immigration: Notes on the Social Determination of Embeddedness," *American Journal of Sociology*, V. 98, 6: 1320-1251, 1993; and Portes' edited volume on *The Economic Sociology of Immigration: Essays in Networks, Ethnicity, and Entrepreneurship*, New

allow for rapid transmission of information about openings from workplaces to the communities. And the networks provide better information within workplaces, reducing the risks associated with initial hiring. Once in place, ethnic hiring networks are self-reproducing, since each new employee recruits others from his or her own group.

While the development of an ethnic niche provides a group with privileged access to jobs, one classic example -- that of small business -- suggests that it can do far more. Ethnic businesses emerge as a consequence of the formation of ethnic communities, with their sheltered markets and networks of mutual support. Though individual firms often die off at an appalling rate, business activity offers a route to expansion into higher profit and more dynamic lines. Retailers evolve into wholesalers; construction firms learn how to develop real estate; garment contractors gain the capital, expertise, and contacts to design and merchandise their own clothing. As the ethnic niche expands and diversifies, the opportunities for related ethnic suppliers and customers also grow.

With an expanding business sector comes both a mechanism for the effective transmission of skill and a catalyst of the entrepreneurial drive. From the standpoint of ethnic workers, the opportunity to acquire managerial skills through a stint of employment in immigrant firms both compensates for low pay and provides a motivation to learn a variety of different jobs. Employers who hire co-ethnics gain a reliable workforce with an interest in skill acquisition -- attributes that diminish the total labor bill and make for greater flexibility. Thus, a growing ethnic economy creates a virtuous circle. Business success gives rise to a distinctive motivational structure, breeding a community-wide orientation towards small business and encouraging the acquisition of skills within a stable, commonly accepted framework.³⁰

Thus far, my discussion has exclusively focused on low-skilled immigrants, and it is true that these are the newcomers who traditionally dominated the migrant

York: Russell Sage Foundation, 1994. For a friendly critique of the Coleman and Portes formulations, as applied to ethnic contexts, see my article on "The 'Other Side' of Embeddedness: A Case Study of the Interplay of Economy and Ethnicity", *Ethnic and Racial Studies*, forthcoming, and the material in chapter 8.

³⁰ On ethnic economies, their characteristics, and consequences, see Roger Waldinger, Howard Aldrich, Robin Ward and associates, *Ethnic Entrepreneurs*, Newbury Park: Sage, 1990 and my article on "Ethnicity and Entrepreneurship", co-authored with Howard Aldrich in *Annual Review of Sociology* V. 16: 111-35, 1990. The role of ethnic economies figures prominently in the work of Alejandro Portes, whose research on the Cuban "immigrant ethnic enclave" in Miami has been enormously influential, though quite controversial. See his books, *Journey*, (Berkeley: University of California Press, 1985; co-authored with Robert Bach) and *City on the Edge: The Transformation of Miami* (Berkeley: University of California Press, 1993; co-authored with Alex Stepick). I discuss Portes' work, the reactions it has engendered, and the problems with the enclave concept in my article, "The Ethnic Enclave Debate Revisited," *International Journal of Urban and Regional Research*, 1993.

flows. However, the circulation of high-level labor has increased worldwide. This type of movement does not necessarily fall under the rubric of "immigration", with its implication of settlement and eventual membership in the host society itself. Many of the high-level migrants are purely transitory, heading back to the home country after a brief sojourn, or on to another stop on the international circuit. Numerically, however, they are of growing importance, and it is useful to understand how and why global economic integration changes the international circulation of labor. Though some high-level migrants are sojourners, many belong to the classical "immigrant" category, either by design, as with the countries actively engaged in recruiting high level immigrants, or by default, when a sojourn ends up lasting a lifetime. More than 160,000 foreign engineers and scientists, for example, immigrated to the United States as permanent residents between 1966 and 1984, and annual rates of immigration among engineers and scientists appear to have grown in recent years. There is a still larger foreign-born presence in the production pipeline, with American universities housing an ever-growing foreign student population. Between 1954-55 and 1993-94, for example, the foreign-student population grew from 34,232 to 449,749. For many, indeed most foreign-students, a stay in American higher education is often a prelude to permanent residence in the United States. Once on campus, foreign students make connections to U.S. citizens and employers that in turn provide the means and the incentives to settle in the U.S. for the long term.

With numbers like these, immigrant professionals have become an important presence in certain branches of American industry. In 1980, for example, when immigrants made up just under seven percent of total employment, the foreign-born accounted for nearly one out of every ten engineers. In 1982, foreign citizens accounted for 10 percent of all the new B.S./M.S. entrants to the U.S. engineering work force, and 36 percent of the new entrants among engineering and computer scientist Ph.D.s, a share that would certainly be augmented were naturalized citizens taken into account. A 1985 National Science Foundation survey of 305 companies found that foreign citizens and naturalized U.S. citizens accounted for one fifth of their scientific and engineering employment. Tabulations from the 1990 Census of Population show that Asians, a largely foreign-born population, comprise 7 percent of all engineers, but 14 percent of those with Masters degrees and 22 percent of those with doctorates.³¹ The advent of high-level immigration raises a different, though not utterly distinctive, set of issues from those concerning migrants of the labor type. For the most part, employment, as such, is not in danger as high-level migrants find themselves

³¹ Paul Ong and Evelyn Blumenberg, 1994. "Scientists and Engineers." In *The State of Asian Pacific America: Economic Diversity, Issues and Policies*, edited by Paul Ong. Los Angeles: LEAP Asian Pacific American Public Policy Institute and UCLA Asian American Studies Center.

favorably situated relative to the changing labor market trends. The more important issue, rather, has to do with the full use of the human capital of these high level migrants. It may be the case that, for all their education, the training is somehow inappropriate to the demands of host society employers. Or perhaps other attributes, language, culture, what have you, keep a limit on progress. To the extent that higher-level immigrants are also distinctive ethnically, discrimination is always a possibility. The claim that high-skilled immigrants encounter a "glass ceiling" that curbs their career development is heard with increasing frequency. Indeed, such is the case in the United States. Today the "glass ceiling" is a byword for concern about the integration of immigrant professionals, implying that well-educated newcomers start out in favorable positions, but gradually find themselves on a second-class career track. For example, the 1995 report of the Federal Glass Ceiling Commission described the situation faced by Asian and Pacific Islanders, a heavily foreign-born population, as an "impenetrable glass ceiling."³² A 1992 report by the U.S. Commission on Civil Rights found that: "*the perception that there is a "glass ceiling" barring most Asian Americans from attaining top management positions (especially upper level management positions) for which they are qualified was perhaps the concern most frequently voiced by Asian American... individuals and advocacy groups...*"

Though resource constraints prevented a full investigation of the issue, the Commission was "convinced that the problem [of the glass ceiling] is a serious one and that it pervades both private corporations and government agencies."³³ For the children of immigrants, the scenario looks somewhat different, shaped, as it is, by a complex of interacting social, economic, and psychological factors. Although partaking largely, when not fully, in the culture of the host society, members of the second generation are often visibly identifiable, interacting with a mainly white society still not cured of its racist afflictions. In the United States, one influential view contends that, in the past, the manufacturing economy allowed for a three, possibly four generational sequence of modest steps that took the immigrants' descendants far beyond the bottom-most positions to which their ancestors had been originally consigned. By contrast, today occupational segmentation has "reduced the opportunities for incremental upward mobility through well-paid, blue-collar positions."³⁴ The declining viability of small business reduces the possibilities for advancement through the expansion of

³² U.S. Federal Glass Ceiling Commission. 1995 *Good for Business: Making Full Use of the Nation's Human Capital*, Fact-Finding Report: The Commission, Washington, DC.

³³ U.S. Commission on Civil Rights. 1992. *Civil Rights Issues Facing Asian Americans in the 1990s: A Report*, Washington, D.C.: The Commission, 131-5.

³⁴ Alejandro Portes and Min Zhou, 1993, "The New Second Generation: Segmented Assimilation and its Variants among Post-1965 Immigrant Youth," *Annals* No. 530: 74-96.

businesses established by the immigrant generation, and, the general stalling of mobility reduces the chances for ethnic succession. Whereas the descendants of the "new immigration" of the 1880-1920 period were able to move up as the descendants of still earlier immigrant waves moved on to more lucrative pursuits, those prospects are unlikely to be repeated by the children of immigrants who enter adulthood on the eve of the 21st century.

The advent of the hourglass economy appears to confront the immigrant children with a cruel choice: either acquire the college and other advanced degrees needed to move into the professional/managerial elite, or else accept the same menial jobs to which the first generation was consigned. However, the latter possibility is not in the cards. As Herbert Gans writes: "*if the young people are offered immigrant jobs, there are some good reasons why they might turn them down. They come to the world of work with American standards, and may not even be familiar with the old-country conditions..by which immigrants..judged the urban job market. Nor do they have the long-range goals that persuaded their parents to work long hours at low wages; they know they are not obliged to send money here to stay in America, and most likely they are not obliged to be deported and are relatives left in the old country. From their perspective, immigrant jobs are demeaning; moreover, illegal jobs and scams may pay more and look better socially -- especially when peer pressure is also present.*"³⁵

With formulations such as these, we return to the "skills mismatch" argument, though in this case, the mismatch concerns the aspirations of immigrant children and the requirements of the jobs that they seek.. While plausible, this scenario is too crude, ignoring both inter-ethnic differences within countries and inter-country variations. Second generation options are likely to be shaped by the circumstances of their parents, and these will vary greatly. The greatest problems are likely to be encountered by the children of low-level, manual workers, especially those dislocated by industrial restructuring. In the United States, for example, Mexicans, the single largest immigrant group, but also the least skilled, are even more heavily represented among the children of immigrants. Absent the Mexicans, today's second generation looks little different from the rest of the American population in socio-economic characteristics, and in many respects it appears to be advantaged. Moreover, the declining demand for less educated labor may threaten the prospects for second generation advance;; but it need not be determining. Immigrant offspring of the past altered their attitudes toward school and behavior in school when they realized that more education would yield dividends. There is no reason to assume that today's second generation will not do the same. Indeed, immigrants and the children of immigrants comprise 41 percent of the first year students enrolled in the City University of New York -- a

³⁵ Herbert Gans 1992, "Second-generation decline: scenarios for the economic and ethnic futures of the post-1965 American immigrants," *Ethnic and Racial Studies*, V. 15, 2.

rate that leaves immigrant children over-represented in the third largest public system of higher education in the United States by a factor of almost 50.³⁶ The New York experience is not unique. Nationwide, 74 percent of all college-age immigrants are enrolled in some form of post-secondary schooling as opposed to 65 percent among the native-born. Likewise, in-school rates for immigrant 18-21 year olds are above native-born levels.³⁷ Movement into higher education is a realistic prospect for many, precisely because a large fraction of the immigrants do not start at the bottom and a similarly substantial portion of immigrant offspring do not seek positions that only represent "incremental improvements" over low-skill jobs.³⁸

Policy Implications: as of this writing, immigration policy in the United States seems to take two forms. One involves restricting the flow of newcomers, with much talk about reducing the number of legal immigrants, and action to keep out or send home those foreign-born persons who come to the United States illegally, or who came legally but declined to return home at the appointed time. The second involves efforts to punish those immigrants already residing in the United States, whether legal or illegal, as long as they have been unable to obtain U.S. citizenship, mainly by removing their eligibility for most forms of public welfare. But policies emphasizing control and punishment are more or less irrelevant for the issues of interest here. To be sure, more effective border enforcement would reduce the number of very low-skilled immigrants who have been crowded into highly competitive labor markets where they find dead-end jobs at wages that are low and declining. However, even if undocumented immigration could be reduced from roughly 300,000 net new illegal arrivals a year to zero -- not a very likely prospect -- the United States would still be the recipient of roughly 800,000 newcomers who arrive via the legal system. If the past is prologue, then those newcomers will continue to converge on urban areas, and in particular, on a handful of large cities that have absorbed a disproportionate share of the immigrant flows. As emphasized in this memo, the economies of urban areas have been changing in ways that will impede the mobility of immigrants with lower than average skills. At the moment, even lower skilled immigrants do seem to find work. Their greater difficulty involves finding work that pays well. And though not satisfactory, that might be adequate, as long as the first generation does not find itself extruded from the labor market, and their children

³⁶ City University of New York, 1994 *Immigration/Migration and the CUNY Student of the Future*, New York: The University.

³⁷ Georges Vernez and Allan Abrahamse. 1996. *How Immigrants Fare in U.S. Education*. Santa Monica, CA: Rand.

³⁸ Joel Perlmann and Roger Waldinger, "Second Generation Decline: The Children of Immigrants Past and Present -- A Reconsideration," unpublished paper, 1996.

succeed in significantly moving ahead. Clearly, there is evidence that a substantial portion of the second generation is progressing beyond their parents, but their ability to do so on a sustained basis depends on their ability to complete and obtain decent secondary schooling, and then go on to at least some post-secondary education. To a large extent, the problems confronted by the children of immigrants are not all that different from the problems faced by the much larger population of children with U.S.-born, working-class parents. The supply/demand equation for less skilled workers has turned highly unfavorable, making extended schooling an imperative. Improving the quality of secondary schooling and improving access to higher education will do much for all of America's working-class families, including those with foreign-born children or parents. If the children of immigrants do succeed in obtaining extended education of adequate quality, then the key issue will be to guarantee that they enjoy equal rewards for the skills that they possess. This, of course, is the problem raised by the "glass ceiling" controversy. Those analysts and advocates who detect a "glass ceiling" concede that higher-skilled immigrants are doing well, but then argue that these better educated immigrants are not doing as well as they *should*. It is not clear what normative expectations inform that "should": is it reasonable to anticipate that the foreign-born -- as opposed to their children -- will ever catch-up with comparably schooled natives? Perhaps not, but it would probably be better if the gap would get smaller rather than larger. Given immigration's contribution to greater diversity, it is not clear that affirmative action policies would be beneficial -- especially since affirmative action now gives foreign-born persons an entitlement that U.S.-born citizens with a class, but no ethnic, disadvantage do not currently enjoy. A better objective, rather, would be to ensure that majority groups not be able to use ethnicity as a weapon against ethnic minorities. Legal and political strictures against discrimination are needed. At the very least, immigrants and their descendants should be able to play the game on an equal footing. As I have noted, some less-skilled immigrants are moving ahead through business. There has been considerable interest in public efforts to stimulate entrepreneurial development among ethnic minorities, but, as I have argued elsewhere, governments do not appear to have the resources or the foresight to pick winners and losers from among competing small businesses.³⁹ This is not to say that governments should do nothing. Effective policies might be developed along two lines: (1) build an infrastructure that fosters small business development in general; and (2) enact and enforce systemic policies of equal economic opportunity for ethnic and racial minorities.

³⁹ Roger Waldinger, Howard, Aldrich, Robin Ward, and associates, *Ethnic Entrepreneurs: Immigrant Business in Industrial Societies*, Newbury Park, CA: Sage, 1990, Chapter 7.