The Immigrant Challenge

BY THOMAS MULLER

Not since the Great Depression has the United States seen a tide of anti-immigrant sentiment to rival today's. So strong is public feeling that it helped drive President Bill Clinton to reverse the nation's long-held policy of welcoming any refugee who managed to escape from Fidel Castro's Cuba. Instead of a hero's welcome, the Cuban boat people received inglorious confinement in Panama or at the U.S. naval base in Guantanamo Bay.

Two years earlier, after the 1992 Los Angeles riots, Patrick Buchanan declared that "foreigners are coming to this country illegally and helping to burn down one of the greatest cities in America." Buchanan, then seeking the Republican presidential nomination, may represent an extreme in American politics, but he was not shouted down when he made this incendiary statement. Indeed, many "moderates" simply found another way to blame the immigrants, claiming they had taken jobs from the city's poor blacks. This fall, Californians will vote in a statewide referendum on a proposition that would deny schooling and nonemergency medical care to illegal aliens.

Korean Americans demonstrate in Los Angeles after the 1992 riot. A number of Korean-owned stores and businesses were burned down during the violence.

Congress may limit health and other benefits even for those entering legally, and new barriers are being erected along the U.S.-Mexico border against illegal immigrants. Even New Yorkers, heirs to one of the most liberal traditions in the nation, tell pollsters that recent immigration has hurt their city.

Since 1980, close to 14 million Mexicans, Central Americans, Asians, and other immigrants have entered the United States, about two million of them illegally. Net immigration (excluding undocumented aliens) now accounts for over 35 percent of U.S. population growth, and its share will grow in the years ahead. Half or more of all workers entering the labor force during the next decade will be immigrants or the children of foreign-born families that arrived after the mid-1960s. Unlike earlier immigration waves, this one has washed over the entire nation, bringing foreign-born workers to virtually every community, large and small, from the rural South to the mountain West.

Anti-immigrant feeling is a simple sentiment with complex roots, some of them social and racial, and some seeming more practical. Immigrants are blamed for overcrowded schools, rising hospital deficits, and high welfare costs—indeed, for virtually everything that ails American society. Nothing ails this country more than the poverty of a large segment (one-third) of the black population, and stagnant or declining wages among Americans of all races and all but the highest income levels, and fingers are being pointed at the immigrants. Not too many years ago, the sight of a Korean shopkeeper or a Salvadoran construction worker would have been taken by many citizens as reassuring evidence of the American Dream's lasting power. Now such recent arrivals are likely to be seen as alien interlopers who are taking good jobs from hard-working Americans.

These sentiments are strongest, of course, among groups with a disproportionately high share of low-wage and unskilled jobs. This has always been so. "Every hour sees the black man elbowed out of employment by some newly arrived immigrant," Frederick Douglass despaired in 1853. A century and a half later, when Congress sanctioned increased immigration in the Immigration Act of 1990, another black leader, Representative Major Owens (D.-N.Y.), warned that "we are taking one more step toward the creation of a permanent black underclass."

A certain sort of common sense suggests that such warnings may be justified. Douglass's certainly was. Free blacks who had found work in antebellum New York City as waiters, bricklayers, and servants found Irish immigrants moving into these fields while their own paths into other occupations were blocked by racism. Today, it is easy to produce anecdotes about native-born men and women who apply for a job, only to see the employer award it to a Mexican or an Asian. There even seems to be some hard data to back up this impression. Economist Donald Huddle of Rice University, a frequent critic of immigration policy, claims that for every four unskilled immigrant workers, one or two U.S.-born Americans are unable to find jobs or are thrown out of work.

But this kind of evidence tends to melt under close scrutiny. Application of Huddle's ratio to actual population figures, for example, leads to the preposterous conclusion that virtually every low-skilled native-born worker in America is jobless. Representative Owens's statement overlooks, among other things, the recent experience of Western Europe, which is now watching in dismay as its own white-skinned underclass forms in the cities. And anecdotes can be

Thomas Muller, a consultant to local governments, is co-author of The Fourth Wave: California's Newest Immigrants *(1985) and author of* Immigrants and the American City *(1993).* *Copyright © 1994 by Thomas Muller.*

found to illustrate any story. Even when they are true, they tend to ride roughshod over complex realities. Immigrants certainly do take some jobs, but they also fill jobs that nobody else will accept and which in many cases would not even exist without immigrant labor. Moreover, immigrants are consumers as well as workers, and their purchases of everything from paper towels to minivans help to create jobs in the U.S. economy.

The unpleasant reality is that persistent poverty among blacks, high rates of joblessness, and stagnant or falling real wages, have complex causes. Foremost among them is technological change, which has raised the basic skill level required for a decent job above what many people possess. The evidence of this can be seen in the blighted neighborhoods of Rotterdam and Liverpool as easily as it can in the South Bronx or on Chicago's South Side. But the immigrant explanation for what has gone wrong is attractive because it is quick, simple, and personal.

The fear that outsiders will take jobs from native-born workers is old and well traveled. Artificers (skilled workers) in Elizabethan London and Canterbury rioted against French immigrants in the 1660s and 1670s. A sympathetic speaker in Parliament explained that the immigrants "took the very bread out of their mouths." Others worried that "poor industrious families" might be ruined by competition from foreign-born workers. Nineteenth-century America, with its vast areas of uninhabited land and long stretches of chronic labor shortages, would seem an unlikely place for anxiety about employment opportunities. Yet in the 1830s accusations that Irish immigrants were vying for low-skilled jobs, such as stevedore and construction laborer, held by native-born workers sparked major riots in several American cities. Irish workers in New York City rioted against free blacks during the Civil War and attacked Chinese laborers on the West Coast a decade later. During the 1880s, southern blacks protested that Italians—"dirty and ignorant sons of Naples," as one black newspaper put it—were taking farm jobs from them.

By the end of the century, both major political parties were taking aim at immigrant workers in their political platforms. "For the protection of the quality of our American citizenship and the wages of working men against the fatal competition of low priced labor, we demand that the immigration laws be thoroughly enforced," the GOP thundered in 1896. Not to be outdone, the Democrats declared that "the most efficient way of protecting American labor is to prevent the importation of foreign pauper labor to compete with it." The nation's powerful captains of industry, however, did not exert their considerable political power in support of anti-immigrant legislation. No doubt they believed that a continuing influx of overseas labor would make life difficult for the nation's fledgling labor movement, but many also recognized that immigrants expanded the market for mass-produced goods and increased their profits. Andrew Carnegie remarked in 1905 that it was a mistake for organized labor to believe that "a man who comes to this country to work injures other working men by doing so." Labor, he continued, "is an undivided whole, and every laborer, being a consumer, employs other labor."

It was only in the early 1920s, a period of acute isolationism, postwar economic recession, and rising ethnic bigotry that the anti-immigration forces triumphed on Capitol Hill and won restrictive legislation, the Immigration Act of 1924. In the decades that followed, migrants (black and white) from the rural South and immigrants from the Caribbean and Mexico met the labor needs of American industry.

Whether immigration limits helped blacks and other poor Americans is a difficult question which admits no single answer.* Black share-

*For a fuller discussion, see my book, *Immigrants and the American City* (1993).

croppers and field hands who managed to find unskilled factory jobs in Chicago and other northern cities during the 1920s probably did benefit. But the economy as a whole suffered from the exclusion of several million immigrants during the 1920s; the slowdown in construction and consumer spending no doubt contributed to the coming of the Great Depression in 1929. Likewise, the southern migrants who were able to land good factory jobs in the North during the Great Depression and World War II were direct beneficiaries of the Immigration Act of 1924. But if immigration had been allowed to continue, the United States would have had a larger working-age population—roughly 2.5 million stronger—to commit to the military and industrial effort to win the war. The conflict might have ended sooner, with fewer casualties. After the war, the dearth of new immigrants helped speed the decline of the nation's big cities, many of which began losing population during the 1950s.

Today, economists have at their disposal much better data and methods to measure the effects of immigrant labor. What they show, by and large, is that Andrew Carnegie was right. During the economic recovery of the early 1990s, for example, immigrants were a major source of new housing demand, and residential construction was followed by a resurgence in purchases of appliances, furniture, and other capital goods. (If job growth was not as great as in other postwar expansions, it was not the immigrants' fault but the result of large productivity gains brought about chiefly through the use of new technology.) A Harvard University study estimates that immigrants will purchase 1.5 million homes during the next six years. James Johnson, chairman of the Federal National Mortgage Association (Fannie Mae), believes that the recent immigrant surge will eventually create a major housing boom that will reverse urban decay in many American cities.

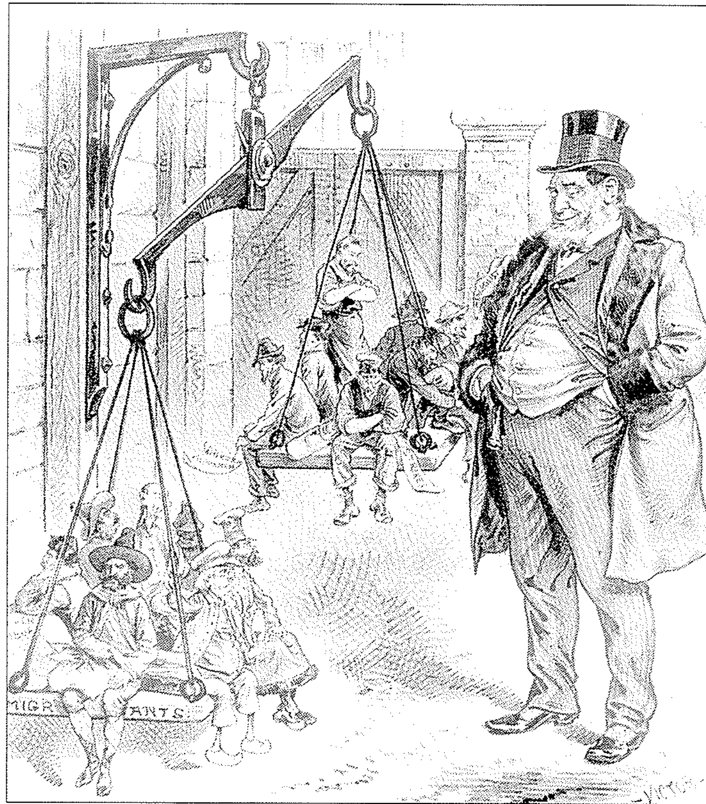
Immigrants also stimulate demand for public services such as education, although their impact on public finances is in dispute. Unquestionably, more teachers and other municipal workers are needed as population grows. Immigrants with low earnings cannot be expected to generate enough revenue to cover the cost of the services they receive. This is not an issue in the case of well-educated, highly trained foreign-born professionals, who typically produce a fiscal surplus. It is important to remember that some immigrants arrive with special skills. They include not only Pakistani engineers but Portuguese stonemasons and Korean wigmakers. It is chiefly because of the presence of leather workers trained in Mexico that there is a footwear industry in Los Angeles today.

What about the perception that immigrants compete for jobs with particular groups of native-born Americans? Among middle-class families, this concern is generally slight. While there are many foreign-born engineers in the United States, for example, there are not nearly enough native-born members of the profession to keep up with the demand. Foreign-born physicians, willing to work in public institutions and in less-than-desirable locales, have been a valuable addition to the U.S. work force. What provokes middle-class anxiety is not the job market but competition for positions whose number is fixed, notably at universities. The influx of Asian students onto the elite campuses of the University of California system, for example, has become a highly charged issue in the state.

But the American public's chief worry about aliens in the labor market is that they are competing for the same jobs as blacks with limited skills. Because average incomes in the United States have failed to rise since the early 1970s, shortly after the beginning of the current immigration wave, it is tempting to link stagnant income levels with immigrant labor. Should not blacks, who hold a higher proportion of low-paying jobs than most other groups, feel threatened by the massive flow of

Mexicans, Central Americans, and emigrants from the Caribbean nations?

If the total number of low-skilled jobs were fixed, there would indeed be substantial, direct competition between the groups. But it is not. The example of two families with homes on the same suburban street in the Northern Virginia suburbs of Washington, D.C., illustrates how the pool of low-end jobs expands with supply. One of these households employs a maid from Honduras two days a week, and periodically brings in a crew of Nicaraguan nationals to work on the lawn. A neighbor has a nanny from Sri Lanka to care for the children, enabling both parents to work. These are jobs that in all likelihood simply would not exist if there were not immigrants to fill them. There are not long lines of native-born Americans waiting to work for the pay these couples can afford.



By the late 1880s, when this cartoon appeared, anti-immigrant sentiment was on the rise. The employer says: "As long as I am plentifully supplied with Immigrant Labor, I shall be deaf to the demands of the native workingman."

In 1983, almost 600,000 blacks in the United States, or six percent of all employed blacks, worked in menial jobs in households or on farms. A decade later, the number of blacks in these occupations had dropped by nearly a third, while Hispanics increased their numbers in these areas by 70 percent. Some would no doubt say that this is a case of immigrants pushing native-born workers out of their jobs. A more rational explanation is that many younger blacks have shunned these "dead-end" jobs, generally advancing to better-paid occupations as they acquire the necessary education or training, but sometimes moving laterally, into the underground economy or into unemployment. Removing immigrants from the equation makes the process easier to see: Not many people would call the change from the 1930s, when three out of four blacks in America worked as domestics, on farms, or as unskilled laborers, a defeat rather than a great triumph.

Overall, about 170,000 blacks left (or were displaced from) several categories of low-paying jobs during the 1983–93 period. At the same time, about 800,000 gained management and professional positions (a rise of more than 60 percent), and another 800,000 moved into administrative-support and sales jobs. White-collar occupations accounted for the vast majority of additions to the black labor force.

Yet even as this very positive trend was

gathering strength, a disturbing schism was emerging among black Americans. As University of Chicago sociologist William Julius Wilson observed during the mid-1980s, one segment of the population was rising to prosperity while another—lacking education and marketable skills—was sinking deeper into poverty. In mid-1994, for example, the unemployment rate for black teenagers who were between 16 and 19 and who were not attending school was 44 percent, more than twice the rate for whites or Hispanics. Black joblessness, which has persisted at levels far above the national average since the 1960s, has both economic and social roots. Wilson places much of the blame on the loss of manufacturing jobs in the urban core and the deteriorating social climate within inner cities. Is rising immigration another underlying cause?

Studies comparing cities with differing percentages of immigrant workers find no significant variation in black income, earnings, unemployment rates, or other economic indicators. Indeed, they show that blacks do somewhat *better* in areas with a large immigrant presence. Thus, in the immigrant magnets of Los Angeles, New York, and San Francisco, about one out of every four blacks in 1992 was employed as a professional worker or as a manager, almost 50 percent above the national average for blacks. These gains reflect, in part, rising educational attainment among blacks in these cities and nationally. By 1990, 36 percent of all black adults across the nation, but only 28 percent of all Hispanics (and an even smaller share of Hispanic immigrants), had some college education. Immigrants *do* have a modest adverse impact on the wages of one group: native-born Hispanics. That is because the two groups are more likely to compete for similar jobs.

Sophisticated econometric models confirm these findings. Kristen Butcher and David Card at Princeton University found in their 1991 study little indication of an adverse wage effect of immigrants "either cross-sectionally or within cities over time." A study by Julian Simon and several co-authors released in 1993 concluded that "there is little or no observed increase in aggregate national unemployment due to immigration." Extensive research by Robert LaLonde and Robert Topel at the University of Chicago found that "immigration has a small effect on wages but virtually all of this burden falls on immigrants themselves." In other words, the surfeit of immigrants competing for jobs as nannies or in apparel factories keeps wages down in these fields.

While there is scant evidence that immigrants are hurting the chances of blacks and other minorities today, there is reason to worry about the future. One of the main avenues of black upward mobility in America during the past 30 years has been government employment. In Los Angeles, 30 percent of all black jobholders—but only six percent of employed Hispanics—work for the federal, state, or local government. Today, blacks are more than twice as likely as Hispanics to hold jobs in the public sector. And these jobs typically pay better than comparable ones in the private sector. It is not hard to see what is going to happen. As Hispanic (and Asian) political strength grows—and the two groups together recently passed blacks in sheer numbers—so will the demand for a "fair share" of these desirable jobs. This is already occurring. A recent report by the U.S. Postal Service's Board of Governors concludes that blacks dominate the agency, while Hispanics are under-represented—not particularly surprising since blacks, finding other doors closed to them, began flocking to the Post Office Department during the 1930s. In Los Angeles, the report notes, 63 percent of all Postal Service employees are black, even though blacks constitute only 11 percent of the city's work force. Unless large numbers of blacks begin moving into the private sec-

tor, bitter political struggles are likely, some of them on Capitol Hill and in courtrooms, but many of them in the furnace of big-city electoral politics.

Meanwhile, the flow of immigrants seeking low-skilled jobs is not going to slow any time soon. As long as there are help-wanted signs in the nation's restaurants, hotels, and suburban shopping centers, foreigners seeking a better life will continue to come to the United States. Although there has been a shift toward work that requires greater skill and more education, one study projecting job growth in the coming decade includes occupations such as janitor, food counter worker, and waiter among its top 10. Because both legal and illegal entry are expected to rise above current levels in the years ahead, there will be plenty of applicants for these jobs.

No measure now contemplated, including a national identity card, will stop or substantially slow the immigrant influx. Instant global communications, easy transportation, and the high U.S. standard of living keep the dream alive of coming to America. Only draconian steps that American society is unwilling to consider—such as mandatory confinement of undocumented workers and their employers—could conceivably keep immigrants out. For black youngsters and others looking for jobs near the bottom of the occupational ladder, the message is clear. It is futile to compete directly with immigrants who will keep coming and keep working for low wages and it is vitally important to acquire enough education and training to qualify for jobs that aliens cannot get. There will be many more such jobs in the future and for many of them we will doubtless have the foreign-born workers themselves—and their paychecks—to thank.