Chapter 2

# Historical Trends

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The history of most Americans — especially minorities and immigrants — has been subject to legal and political restrictions as well as by economic forces. Nowhere is this more apparent than among Asian Pacific Americans. Their fortunes, livelihoods, and lifestyles have been shaped by immigration laws curtailing their arrival, laws proscribing where they could live and what livelihoods they could pursue, and labor shortages or surpluses that have either beckoned to them or refused their passage to America. This chapter provides an overview of how the state of the economy and formal and informal sanctions shaped the lives of Asian Pacific Americans. Rather than provide an exhaustive analysis, we summarize how political and economic constraints shaped Asian Americans' experiences in the economy. As a result, there are some topics that will have limited coverage due to considerations of brevity. For example, there is relatively little discussion of "push" factors that led Asians to escape from their home countries.

We discuss these factors during three time periods: the period covering 1850 to World War II, from the World War II to 1965, and the post-1965 period. The first period focuses on the stories of early immigrants and the severe restrictions they faced during a period of major conflict between labor and capital. The second period discusses the decline of some of these restrictions and the entrance of large numbers of American-born Asians into a mature industrial economy with the U.S. as the world economic leader. The final period discusses the consequences of having new immigrant workers enter the U.S. during the relative decline and restructuring of

the U.S. economy. This chapter closes with a discussion of future labor market prospects for Asian Pacific Americans.

## The Early Immigrant Experience: Pre-World War II

From 1850 to World War II, Asians were subject to the whims of a rapidly developing industrialized economy. Massive changes swept the U.S. economy: production evolved from the traditional craft method of production to factory production with labor specialization and wage labor predominant (Gordon, Edwards, and Reich, 1982; Braverman, 1974); small, regionally diverse markets were connected by transportation innovations allowing the growth of large, nationally integrated markets (Davis et al., 1972); mechanization and specialization in agriculture created larger farms with single cash crops (Hughes and Cain, 1994); increased labor productivity created pressure for U.S. expansion into world markets (Williams, 1969).

U.S. race relations also underwent a dramatic change in the late 19th century. The end of slavery ushered in a new set of racial institutions such as Jim Crow, laws segregating workers based on race, and laws demarcating the place of nonwhites in society. These new racial restrictions arose in the midst of societal conflict — largely between capital and labor during American industrialization (Reich, 1981) — that severely circumscribed the labor market opportunities of early Asian immigrants.

Against this tumultuous background, Chinese immigrants were hired to build the industrial and agricultural infrastructures on the West Coast during the 19th century. Although the initial arrival of Chinese in the 1850s was the result of the Gold Rush in the Sierra Nevada, the Foreign Miners' Tax in 1853 discouraged Chinese from continuing in mining (Chan, 1991, p. 28), scattering them into a host of occupations. Chinese workers, recruited by the Central Pacific Railroad, were responsible for constructing the western half of the first transcontinental railroad that was essential for integrating U.S. markets and providing a passageway to Pacific markets. The Chinese also built the spur lines that fed the transcontinental railroad and constructed the dikes and levees

that allowed the Sacramento river delta to be reclaimed as farmland (Melendy, 1984, p. 51). They became urban businessmen, specializing in laundries, dry goods, and restaurants and established themselves in small-scale manufacturing industries such as textiles and woolens, boot and shoe making, and cigar making in the urban areas. By the 1880s, over 100,000 Chinese resided in the United States, mainly in the West and primarily composed of prime-age working men.

Formal and informal restrictions placed on Asians during this time period were prevalent and severe. Legal restrictions on occupations, citizenship, and immigration severely limited Asian American opportunities in the economy. Formal and informal sanctions against the Chinese began as early as the 1850s (Daniels, 1988, pp. 29-76). Informal sanctions included anti-Chinese marches, formation of anti-coolie clubs, demonstrations, and violence. Daniels (1988) and Saxton (1971) discuss the role of labor supporting and developing the anti-Chinese movement. Although several individuals in the labor movement often spoke out against Chinese discrimination, elements of the labor movement often supported the anti-Chinese movement. Ong (1981) argues that the conflict between labor and capital in the latter part of the 19th century led to the exclusion of Chinese workers from the high-paying, dynamic sectors of the economy. Formal social and occupational sanctions raised against the Chinese were numerous. Social sanctions included the inadmissibility of Chinese testimony in courts and anti-miscegenation laws. The California Foreign Miners' Tax (1850) and the 14 San Francisco Laundry Ordinances (1873-1884) were all targeted to exclude Chinese from certain occupations. In general, many of these formal sanctions were restrictions instituted at the local and state levels.

The conflict between labor and capital during industrialization ultimately resulted in national legislation to end Chinese immigration to the United States (Ong and Liu, 1993). The 1882 Immigration Act, which was renewed in subsequent decades, effectively ended Chinese immigration to the United States. The results of these formal and informal sanctions were to exclude new Chinese immigration and to circumscribe economic opportunities for Chinese residing in the United

States. In fact, by the end of the 19th century, the restrictions against the Chinese were so onerous that many left the U.S., decreasing the population of Chinese in the mainland United States from approximately 100,000 in 1880 to 80,000 by 1900.

The chronic shortage of labor in the West made it difficult for West Coast agriculture to expand at the end of the 19th century. West Coast agriculture in wheat and other specialty crops became increasingly important to the national economy during the latter part of the 19th century. During the 1890s, Japanese laborers were recruited to fill these agricultural jobs. By the early 20th century, many Japanese made the transition from agricultural worker to tenant farmer (O'Brien and Fujita, 1991). Given the relatively small size of Japanese farms, farmers grew labor intensive, high value added, specialty crops such as berries, celery, onions, and sugar beets.

Japanese immigration to the United States differed markedly from the earlier Chinese immigration due to a greater number of female immigrants. The higher number of women allowed more family formation among the Japanese compared to the Chinese. Family labor was critical in providing labor for Japanese enterprises, primarily the family farm and, to a lesser degree, in family retailing businesses in the early part of the 20th century. By the 1920s and 1930s, Japanese women had also extended their employment outside ethnic enterprises into urban service occupations (Glenn, 1986).

The Japanese, like the Chinese, faced both informal and formal sanctions. By the early 1900s, numerous groups and individuals such as the Asiatic Exclusion League (Daniels, 1988, p. 118) were calling for an end Japanese immigration. In an attempt to curtail Japanese, and to a lesser degree Chinese, expansion into small farms, various land acts were passed to prevent Japanese farmers from owning land. In California (1913) and Washington (1921), state alien land acts were enacted, banning land ownership by foreign nationals. Although the passage of these acts did discourage some Japanese from entering farming, the overall impact was minimal as the Japanese found numerous means to circumvent the law. Japanese exclusion became national policy with the passage of the 1924 Immigration Act, which set a numerical quota on immigration based on the number of each nationality's

population in the U.S. as of 1880. As there were few Japanese residing in the United States in 1880, the Act effectively ended Japanese immigration to the U.S.

Like the Chinese, the Japanese began to diversify into small businesses, particularly hotels, grocery stores, and restaurants. However, the Japanese remained predominantly involved in agriculture throughout most of the pre-war period. As a result, the Japanese were not as urbanized as the Chinese during the 1920s and 1930s. The numbers of Japanese Americans continued to increase after the 1924 Immigration Act due to the birth of the Nisei (the second generation). By 1940, the population of Japanese in the United States was approximately 127,000, while the Chinese population numbered 77,500.

The shortage of agricultural labor in the West Coast also contributed to the arrival of Filipinos into the United States. American colonization of the Philippines allowed large numbers of Filipinos to circumvent the 1924 Immigration Act as migrant farm workers harvesting sugar beets, lettuce, asparagus, and fruits (Melendy, 1984). Unlike the earlier Chinese and Japanese immigrants, the Filipinos did not move into ethnic enterprises or farm ownership. Falling agricultural prices, combined with informal sanctions, limited employment opportunities and wages for Filipino workers during the 1920s and 1930s. With the granting of commonwealth status to the Philippines in 1935, Filipino immigration was limited to 50 persons per year. By the end of the 1930s, the population of Filipinos numbered approximately 100,000 with the majority consisting of single men employed primarily in agriculture.

Asians provided agricultural labor not only for California but also Hawaii. The "Great Mahele" of 1848 allowed Hawaiian lands to be bought and sold by private individuals, creating large land holdings with no adequate labor force to work the land (Kent, 1983). The native Hawaiians were decimated by contact with Western civilization and proved to be an inadequate labor force for plantation owners (Takaki, 1983). Chinese farm workers initially formed the backbone of the plantation labor force during most of the 19th century. However, by the end of the 19th century, sugar planters began recruiting laborers from Japan in large numbers. By 1902, Japanese laborers made up 73 percent of the plantation

workforce. The passage of the Gentleman's Agreement in 1907 curtailed further immigration of Japanese into Hawaii. Planters then recruited workers from the Philippines, as well as the rest of the world, beginning large-scale immigration of Filipinos into Hawaii such that by 1920, Filipinos accounted for almost 30 percent of the agricultural labor force.

By the end of the Depression, the Japanese and Filipinos were largely employed in agriculture, whereas the Chinese had become predominantly urban workers. In 1940, over 20 percent of Japanese males on the mainland were employed as farm managers or farm owners. In addition, one in four Japanese workers was employed as an agricultural worker. Almost half the Filipino workers in the mainland U.S. were employed in agriculture. However, unlike the Japanese, Filipinos were rarely owners of the farms they worked. The Chinese were heavily urbanized by 1940 and were largely employed as operatives in the garment industry and food service sector. A large number of Chinese were also self-employed as small shopkeepers in the retail, restaurant, and service industries (see Table 1).

## The First American-Born Generation: The Post-War Period until 1965

World War II brought several changes to the American economy. By the end of World War II, the U.S. economy had completed the transition from a relatively small industrial economy to the preeminent urban industrial economy. High-paying semi-skilled jobs abounded in the manufacturing sector with the dominance of U.S. manufacturing in the world economy. The infrastructure development and housing boom of the post-war period also generated construction jobs throughout the national economy. The increasing U.S. military role around the world provided high-wage jobs in the defense industry. Finally, the expanding role of both the local and federal government generated relatively high-paying white collar jobs (Duboff, 1989). As a result, labor markets were relatively tight during this period with unemployment averaging between 4 to 7 percent.

Race relations improved considerably during this period, as

Table 1. Occupational Distribution of Chinese, Japanese, and Filipinos Compared to All U.S. Workers - 1940

| Occupation | All U.S. | Chinese | Japanese | Filipino |
|---|---|---|---|---|
| Men | | | | |
| Professional & Technical | 6% | 2% | 4% | 1% |
| Managerial, Official, & Proprietor | 10% | 21% | 13% | - |
| Sales & Clerical | 13% | 10% | 9% | 2% |
| Craft | 15% | 1% | 3% | 2% |
| Operative | 18% | 22% | 7% | 6% |
| Service | 6% | 31% | 7% | 22% |
| Private Household | - | 6% | 5% | 6% |
| Farmers & Farm Managers | 15% | 1% | 21% | 5% |
| Farm Laborer | 8% | 3% | 27% | 49% |
| Laborer | 9% | 2% | 6% | 7% |
| Not reported | 1% | 1% | 1% | 1% |
| Women | | | | |
| Professional & Technical | 13% | 8% | 3% | |
| Managerial, Official, & Proprietor | 4% | 9% | 5% | |
| Sales & Clerical | 28% | 26% | 20% | |
| Craft | 1% | - | - | |
| Operative | 18% | 26% | 9% | |
| Service | 11% | 19% | 11% | |
| Private Household | 18% | 10% | 19% | |
| Farmers & Farm Managers | 1% | - | 2% | |
| Farm Laborer | 3% | 1% | 28% | |
| Laborer | 1% | 1% | 2% | |
| Not reported | 2% | 1% | - | |

Source: U.S. Bureau of Census, 1940 1% Public Use Microdata Sample.

is usual during boom periods. With plentiful jobs, legal restrictions based on race became less acceptable, although informal sanctions remained. As evidence of this change, Roosevelt ended employment discrimination in the federal government with the signing of Executive Order 8802 in 1941. By the 1950s, the Civil Rights Movement had begun formal challenges to the pattern of racial segregation in schools, politics, and society in general that had been instituted since slavery. The easing of tensions between organized labor and management in the post-war period also meant that race was less likely to emerge as a political issue. Moreover, the emergence of the United States as a leader in the world economy meant that the U.S. could no longer formally pursue racial segregation as a state policy in order to remain credible as a world leader to the non-European nations (Ong and Liu, 1993).

As a result of the changes in race relations and the strength of the U.S. economy, Asian Pacific American workers, particularly the U.S.-born, were able to expand their occupational choices in the post-war period. Income differences between Asian Pacific Americans and non-Hispanic whites narrowed. These same factors affected all racial minorities in the United States, as African Americans were also able to narrow the differential in incomes (Smith and Welch, 1989).

The war had an immediate and severe economic impact on Japanese Americans via the internment. The internment hastened the end of a concentration in the ethnic niches of agriculture and small businesses. Although these niches still provided employment in 1950, occupational diversification of Japanese Americans occurred in the wake of the internment. Two additional reasons account for the increasing occupational diversification of Japanese Americans in the post-war period. First, more of the Nisei (the second generation) came of age after the war and were finally able to use their American educations as overt racial discrimination lessened. Second, the post-war job expansion created opportunities in engineering, medical, and white collar sales and clerical occupations for both men and women (see Table 2).

Although the post-war expansion allowed Japanese Americans access to a broader range of occupations, they were not able to fully participate in all areas of the labor market. For example, higher-paying blue collar manufacturing jobs and

Table 2. Occupational Distribution of Chinese, Japanese, and Filipinos Compared to All U.S. Workers - 1960

| Occupation | All U.S. | Chinese | Japanese | Filipino |
|---|---|---|---|---|
| Men | | | | |
| Professional & Technical | 10% | 18% | 14% | 8% |
| Managerial, Official, & Proprietor | 11% | 16% | 10% | 2% |
| Sales & Clerical | 14% | 4% | 15% | 6% |
| Craft | 20% | 7% | 17% | 10% |
| Operative | 20% | 16% | 10% | 16% |
| Service | 6% | 23% | 6% | 22% |
| Private Household | - | 1% | 1% | 1% |
| Farmers & Farm Managers | 6% | 1% | 11% | 11% |
| Farm Laborer | 3% | - | 8% | 22% |
| Laborer | 7% | 2% | 9% | 11% |
| Not reported | 5% | 7% | - | - |
| Women | | | | |
| Professional & Technical | 13% | 17% | 11% | 16% |
| Managerial, Official, & Proprietor | 4% | 6% | 3% | 1% |
| Sales & Clerical | 38% | 38% | 36% | 33% |
| Craft | 1% | 1% | 1% | 2% |
| Operative | 15% | 21% | 20% | 19% |
| Service | 13% | 9% | 13% | 18% |
| Private Household | 8% | 2% | 8% | 3% |
| Farmers & Farm Managers | 1% | - | 2% | - |
| Farm Laborer | 1% | - | 5% | 8% |
| Laborer | 1% | - | - | - |
| Not reported | 6% | 6% | - | - |

Source: U.S. Bureau of Census, 1960 1% Public Use Microdata Sample.

construction jobs were generally not available. Moreover, earnings for Japanese continued to lag behind whites. Daniels (1988) cites a 1965 California Fair Employment Practices Commission report which found that Japanese males received only $43 for every $51 made by white males.

The second generation Chinese Americans also moved away from the traditional pre-war occupations, although at a slower pace. Without the shock of the internment, a greater number of Chinese ethnic businesses survived through the war with less disruption. The survival of these ethnic enterprises meant the continuation of employment in restaurant services and in low-paying garment work for the aging immigrants. However, substantial numbers of American-born men and women increased their employment in professional and technical occupations, again concentrating in engineering and medical fields. Like the Japanese, Chinese Americans were denied access to higher-paying manufacturing and craft jobs. And like the Japanese, Chinese American earnings lagged behind that of whites in 1960.

As few Filipinas immigrated prior to the war, there was not a significant number of American-born Filipino workers entering the post-war labor market. Some immigrant Filipino workers did leave farm work as a result of the economic expansion, but most remained in low-paying service or manufacturing occupations. These included jobs in restaurants and food processing. Still, by 1960, almost a third of Filipino workers were employed in agriculture compared to just 9 percent of the overall U.S. population.

Japanese and Chinese American women entered the labor force in larger numbers during the post-war period. Although the post-war period is marked by the increasing labor force participation of all U.S. women, Chinese and Japanese women entered the labor force in even greater numbers. In 1940, approximately 32 percent of all Japanese American women between the ages of 14 and 65 were in the labor force. By 1960, the percentage of Japanese American women had increased to 47 percent. For Chinese American women, the comparable figures are 24 percent and 42 percent. By comparison, only 34 percent of all U.S. women were in the labor force.

By the end of this second period, the segregation of Asian

Americans in the labor market had diminished. Legal restrictions against Asian Pacific Americans were falling due to the relatively affluent times and the growing Civil Rights Movement. American-born Chinese and Japanese were able to find employment within the growing professional and technical occupations. However, the American-born did not fully benefit from the growth of high-paying craft and manufacturing jobs as these jobs were still not available. Although the differential in earnings had narrowed, Asian American earnings still lagged behind white incomes. The immigrant Japanese, Chinese, and Filipinos largely remained employed in the occupational niches from the first period, although there was some diversification into low-paying service occupations.

## New Immigrants and Civil Rights: The Post-1965 Period

The passage of the 1965 Immigration Act marked a turning point in U.S. immigration policy by ending the 1924 National Origins Act that had effectively curtailed Asian immigration to the U.S. for the preceding decades. The 1965 Act established new quotas of 20,000 immigrants per year and provisions for non-quota immigrants, and instituted a preference system for immigrants which determined who could emigrate to the United States. These preference categories emphasized family reunification and immigrants with special job skills. The 1965 Immigration Act, plus the subsequent refugee acts in 1975 and 1980, allowed for renewed large-scale immigration of Filipinos, Koreans, Chinese, and Southeast Asians to the United States. In the period from 1971 to 1990, approximately 855,500 Filipinos, 610,800 Koreans, 576,100 Chinese, and 581,100 Vietnamese entered the United States (*Statistical Abstract of the United States*, 1992).

These new immigrants entered a U.S. labor market that, while still growing, encountered difficulties by the end of the 1960s. The post-war dominance of the U.S. economy in the world economy had eroded, adversely affecting the domestic labor market. For example, unemployment increased from an annual average of 4.8 percent in the 1960s to 7.3 percent in the 1980s. Real wage growth also decreased dramatically, falling

from an annual average increase of 1.7 percent in the decade from 1955 to 1965 to an annual decrease of -0.1 percent during the 1975 to 1985 decade.

Structural change in occupations altered the labor market in this period with the number of high-paying manufacturing jobs decreasing and the number of lower-paying service jobs increasing (see, for example, Eitzen and Zinn, 1989). The U.S. share of total world manufacturing declined from 29 percent in 1953 to 13 percent in 1976. U.S. productivity slowed considerably with productivity increasing by only 12 percent from 1967 to 1978, compared to Japan's 95 percent increase and West Germany's 55 percent increase, making U.S. products less competitive in world markets. These factors meant a continual weakening of the manufacturing sector in the United States that had provided the bulk of high-paying semi-skilled jobs in the post-war expansion.

Race relations in the United States were transformed during this period. The Civil Rights Movement worked to end *de jure* segregation in the United States, as well as *de facto* segregation. Not only did the Civil Rights Movement ask for the end of state supported racial segregation, it made claims to the state to remedy the entire history of racial discrimination. Affirmative action programs, political redistricting, community action and urban renewal programs were instituted in response to these new demands for state remedies. Instead of a homogeneous American society, the "politics of difference" moved to redefine the meaning of race in American society (Omi and Winant, 1983).

Recent Filipino immigration to the United States was largely influenced by U.S. immigration laws which gave preference to immigrants with professional and technical skills (Pido, 1986). As a result, recent Filipino immigrants have higher levels of education then previous Filipino immigrants. Over one in five Filipinas have professional occupations, primarily in the health care field. Filipino men are also heavily employed in professional and technical occupations (Pido, 1986). However, not all Filipinos are employed in higher paying occupations. Due to the family reunification preferences, many Filipinos follow the purely economic immigrants. Many of these immigrants are concentrated in low-paying service occupations (see Table 3).

Immigration laws have also shaped the pattern of Korean immigration. Although there is controversy over the degree to which the professional preference category selected Korean immigrants with higher skill levels (Baringer and Cho, 1989), we find significant numbers of Koreans in the higher-paying professional occupations in 1980 and today, particularly among men. Like the Filipinos, large number of recent Korean immigrants are also employed as low-paid service and garment workers.

Korean immigrants demonstrate a significant amount of self-employment in ethnic enterprises. Many of these ethnic

Table 3. Occupational Distribution, Selected Asian Americans Compared to All U.S. Workers - 1990

| Occupation | All | Chinese | Japanese | Filipino | Koreans | Vietnamese |
|---|---|---|---|---|---|---|
| Men | | | | | | |
| Managerial | 13% | 15% | 20% | 10% | 15% | 5% |
| Professional | 12% | 24% | 20% | 12% | 16% | 13% |
| Technical, Sales | 15% | 18% | 17% | 15% | 29% | 18% |
| Admin Support | 7% | 8% | 9% | 16% | 6% | 8% |
| Service | 10% | 19% | 9% | 16% | 10% | 12% |
| Fish, Forest | 4% | <1% | 4% | 2% | 1% | 2% |
| Prod,craft | 19% | 8% | 12% | 12% | 12% | 19% |
| Operators | 20% | 9% | 8% | 15% | 12% | 22% |
| Women | | | | | | |
| Managerial | 11% | 15% | 14% | 10% | 9% | 7% |
| Professional | 17% | 17% | 19% | 20% | 11% | 9% |
| Technical, Sales | 16% | 17% | 16% | 16% | 25% | 17% |
| Admin Support | 28% | 21% | 28% | 25% | 14% | 18% |
| Service | 17% | 14% | 14% | 17% | 20% | 19% |
| Fish, Forest | 1% | <1% | 1% | 1% | <1% | <1% |
| Prod,craft | 2% | 3% | 3% | 3% | 6% | 10% |
| Operators | 8% | 13% | 5% | 7% | 14% | 20% |

Source: U.S. Bureau of Census, *Asian and Pacific Islanders in the United States 1990*, CP-3-5, August 1993.

enterprises are the result of limited job alternatives available for high-skill immigrants. In 1982, there were over 31,000 Korean businesses with combined sales of $2.7 billion dollars (U.S. Bureau of the Census, *Survey of Minority-Owned Business Enterprises*, 1986). The majority of these firms were small retail establishments, restaurants, or providers of personal services.

The impact of these ethnic enterprises on Asian immigrant earnings, particularly among Chinese, Koreans, and Vietnamese, is often debated. For example, Portes and Bach (1987) and Zhou and Logan (1989) argue that ethnic enterprises reduce unemployment among new immigrants as well as provide a path of economic mobility for immigrant entrepreneurs. Sanders and Nee (1985) and Mar (1991) argue that ethnic enterprises do provide jobs for immigrant workers, but at extremely low wages with little mobility via future self-employment for workers in the ethnic economy.

Recent Chinese immigration resembles the Korean pattern with large percentages of both highly-skilled and relatively low-skilled immigrants (see Table 3). Ethnic enterprises have also increased among the Chinese with almost 52,000 firms and receipts of six billion dollars in 1982. Again, like the Koreans, large numbers of recent Chinese immigrants are concentrated in lower paying service and manufacturing jobs.

The general involuntary nature of Vietnamese immigration to the United States has severely affected their labor market experience. Borjas (1990) argues that involuntary immigrants are usually significantly worse off in the labor market due to lack of preparation, savings, and other factors. Vietnamese occupations are largely concentrated in the lower paying service and manufacturing occupations. The Vietnamese have also made significant entries into ethnic enterprises, although these businesses are generally smaller in scale and concentrated in food and personal services.

In contrast to earlier immigration patterns of predominantly males, recent immigration includes equal numbers of women. Due to lower spousal earnings, the majority of recent immigrant women have entered the labor force. In 1980, for married immigrant women between the ages of 25 and 64 years of age, 61 percent of Korean women, 65 percent of Chinese women, and 83 percent of Filipino women were in the labor force (Duleep

and Sanders, 1993).

Although American-born Asians have made substantial progress in earnings, the degree of economic parity achieved by Asian Americans is still controversial. Numerous studies demonstrate that earnings problems still exist for most American-born Asians. Studies by Duleep and Sanders (1992) and Cabezas and Kawaguchi (1988) argue that due to regional location, different rates of returns to education, and different occupations of employment, even Japanese and Chinese Americans have not achieved earnings parity with non-Hispanic whites. Moreover, these studies argue that Asian Americans have particular difficulties in obtaining managerial and executive positions. Other studies (Hirschman and Wong, 1984; Chiswick, 1983) argue that American-born Japanese and Chinese have achieved parity with non-Hispanic whites. However, most studies show that post-1965 immigrants are still experiencing earnings discrimination in the labor market. Finally, many of the recent immigrant groups have a high incidence of poverty. Ong and Hee in Chapter 3 find that 46 percent of Southeast Asian, 25 percent of Vietnamese, 15 percent of Korean, and 14 percent of Chinese households fell below the poverty line in 1990.

The passage of the 1965 Immigration Act was clearly a watershed for Asian Pacific American labor in the United States. Immigration vastly increased the numbers of Asians as well as allowing immigrants from other Asian countries into the U.S. These immigrant workers joined the American-born in a labor market undergoing a sweeping transformation due to structural change and the decline of the U.S. in the world economy. In addition, the Civil Rights Movement entered a new phase, seeking remedies from the government for past injustices. This change in race relations completed the removal of the legal restrictions to Asian Pacific workers in the labor market.

## Future Prospects

Our discussion of the future prospects of Asian Pacific Americans in the labor market is based on many of the same factors that shaped their earlier experience. We focus our discussion on the impact of the U.S. economy, immigration

policy, demographic changes in the Asian Pacific workforce, and race relations.

We assume that the U.S. economy will continue to experience structural change in the labor market. High-paying jobs in the future will require increasingly higher skill and education levels. At the same time, the economy will generate low-paying service jobs filled by low-skilled workers. For example, the Bureau of Labor Statistics estimates that the occupations with the highest projected job growth in 2005 will be either high-skilled jobs, such as systems analysts, computer scientists, health care professionals and technicians, or semi-skilled, low-paying service jobs, such as home health aides, home care workers, medical secretaries, human service workers, and child care workers (U.S. Bureau of the Census, *Statistical Abstract,* 1992). The relatively high-paying, semi-skilled jobs that were important to the U.S. economy during the golden age of the 1950s and 1960s will continue to disappear. Increasing worldwide competition means that workers will have to be flexible in retraining for different jobs over their career lifetime. Finally, the slower growth of the U.S. economy over the next decade will likely affect race relations policy as well as immigration policy in the United States as less attention and resources will be directed towards racial equity programs.

We also assume immigration to the United States from Asia will largely continue as described previously. Although there is increasing political pressure to limit future immigration to the U.S., there has been no political mandate to change immigration laws. This means that the preference categories favoring high-skill occupations and family reunification will continue to shape who comes into the United States. Highly-educated, highly-skilled immigrants are likely to continue to do well in the future U.S. economy. However, low-skilled workers rejoining families, as well as Asian Pacific refugees, will face increasing difficulty in the labor market as the economy produces less high-paying, semi-skilled occupations. Anti-poverty programs will therefore be of increasing importance to these immigrant workers as they face more unemployment and lower wages. In addition, given the continued importance of ethnic enterprises among recent immigrants, programs to assist small minority businesses diversifying out of low-wage industries will be

important.

Even if immigration laws change to limit future Asian immigration, the previous cohort of Asian Pacific immigrants will give birth to a second generation of American-born. By most accounts, this American-born generation is likely to continue to achieve high levels of educational attainment (Ong and Hee, 1993a). As a result, they are likely to fare well in the future labor market. However, this generation of American-born will face difficulties different from the earlier American-born generation. One, they enter a much more competitive labor market when the U.S. economy is no longer dominant in the world economy. Two, the fiscal crises of the federal and state governments have decreased financial assistance to all levels of education, but particularly for higher education. Three, the current retrenchment in affirmative action programs allows the continuation of employment difficulties for Asian Pacific Americans in obtaining managerial and executive positions. The economic "success" of this American-born generation is not guaranteed.

Future race relations are likely to be fluid. Although American race relations are unlikely to return to anything resembling race relations prior to the Civil Rights era, there is increasing conflict over race in the United States as the "politics of difference" continues to be waged. The economic slowdown and dislocation have contributed to a resurgence of violence against Asian Pacific Americans as well as growing hostility towards Civil Rights programs such as affirmative action, equal employment opportunity, and community economic development.

Asian Pacific Americans will become a critical part of the future U.S. workforce. Projections by Ong and Hee (1993a) estimate that the Asian Pacific American workforce will grow from 3.2 million in 1990 (2.5 percent of the workforce) to perhaps 10.2 million by 2020, tripling the number of Asian Pacific Americans in the workforce over the next three decades. As it is unlikely that the entire U.S. workforce will grow by 300 percent, Asian Pacific Americans will have a growing impact on the future U.S. labor market.

We have argued that the labor market experience of Asians in America has been impacted by formal sanctions, informal sanctions, and the U.S. economy. The early, pre-World War II

experience of Asians was largely constrained by immigration laws, state and local restrictions on economic activities, and informal sanctions in the context of an industrializing economy. After World War II, American-born Asians faced a lessening of these institutional restrictions. Prime working-age American-born Chinese and Japanese entered the labor force at a time termed by many economists as the "Golden Age" of the U.S. economy where American economic power was predominant in the world market place and when high-paying jobs were relatively plentiful. As such, the American-born were able to considerably narrow the gap with non-Hispanic whites in terms of occupational differences and earnings.

The 1965 Immigration Act ushered in a new period of Asian immigration. The Immigration Act dictated preference categories for immigrants that emphasized family reunification and professional and technical occupations. As a result, the skills and social composition of immigrants are markedly different from the earlier period. On one hand, among many immigrants, there exists a group of highly-educated professional workers. On the other hand, immigrants rejoining family members in the United States do not necessarily have the same level of skills and training. As these new immigrants enter the labor market when the U.S. economy is no longer dominant and is experiencing structural change, their economic opportunities are constrained to low-paying service and manufacturing jobs. Studies also suggest that discrimination still persists.

We believe that the future labor market experience of both new immigrants and the American-born continues to be shaped by race relations, immigration legislation, and the restructuring of the U.S. economy. Policy surrounding immigration, race relations, poverty, small business development, and education must be developed within these confines as Asian Pacific Americans play a greater role in the future workforce.