

# Reframing the Immigration Debate: An Overview

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by Bill Ong Hing\*

This project concerns controversy, context, and information. The controversy is over policies related to immigration and immigrants. In addressing the controversy, one goal is to place the debate in proper context; and another is to provide more information that will enable the public and policymakers to make informed judgments.

Immigration has reached levels not witnessed since the first decade of the century. And since 1965, those reaching the nation's borders have been dominated by Asian Pacific and Latino emigres. From 1971 to 1990, nearly nine million immigrants entered from Asian and Latin American countries, contributing to phenomenal growth in Latino and Asian Pacific American growth in the United States. The Latino population increased by 141 percent over the 20-year period to reach 9 percent of the total U.S. population, while the Asian Pacific American population grew a striking 385 percent to comprise 2.9 percent of the population. By the year 2000, Asian Pacific America is projected to represent 4 percent of the total.<sup>1</sup>

Asians and Pacific Islanders have made up over a third of all legal immigration to the United States since 1970. After 1975, most refugees admitted to the country have been Southeast Asian. This phenomenon has produced several results: (1) a surge in the Asian Pacific American population that is now predominantly foreign born; (2) a change in the demographic character of many parts of the United States; (3) an impact on educational institutions; (4) changes in languages we hear and foods we eat; (5) a transformation in the characteristics and types of businesses; and (6) an influence on many other social, economic, and political institutions. Undoubtedly, in some quarters, the influx of Asian and Pacific immigrants and refugees has contributed to a backlash against immigrants and immigration policies.

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A certain level of anti-immigrant sentiment has always been a part of the nation's heritage. As economic times get rough and many longtime residents observe social changes that cause discomfort, the level, however, can reach fever pitch. Daily front-page coverage of immigration issues makes it obvious that we are at one of those levels today.

## **The Project**

As one effort to begin addressing the social and economic concerns swirling in the current debate, this volume covers four topics specific to Asian Pacific America: demographics, entrepreneurs, education, and citizenship. The research papers presented certainly do not provide every answer to every question that is important to the debate over immigrant and immigration policy. They certainly, though, provide a good deal of information not previously shared or understood. And by doing so, the papers prompt us to place the controversy in proper perspective.

Part I is a detailed demographic picture of Asian Pacific American communities. Sociologists Lawrence Shinagawa and Robert Jiobu bring us up to date on available data, while offering a variety of perspectives that provide us a new understanding of the various Asian Pacific American communities. They both pay particular attention to the impact that immigration laws and immigrants have on the characteristics of Asian Pacific America.

Shinagawa and Jiobu remind us that today's fastest growing racial community was once the subject of abhorrent exclusion laws that brought growth to a virtual standstill for groups such as Chinese, Koreans, and Asian Indians. After 1965, the population of Asian Pacific America surged but certainly not due to anything foreseen by policymakers of the 1960s. Today Asian Pacific immigrants are about 40 percent of all immigrants; combined with Latinos, the two groups make up well over 80 percent of all immigrants to the United States.

The amount of data provided by Shinagawa and Jiobu is impressive. They include numerous tables and charts that are helpful for understanding the profiles of various Asian Pacific communities. Different groups tend to favor different metropolitan areas of the country, such as Pakistanis in New York and Washington, and Vietnamese in California. Shinagawa's maps reveal the distribution of Asian Pacific Americans across the continent as well as the density in New York and California. While figures for the aggregate Asian Pacific America suggest high levels of educational attainment, a separate study of communities such as Cambodians, Tongans,

and Laotians reveals a much different picture. The fact that the median ages for U.S.-born Korean Americans and Cambodian Americans are 9 and 4.7, respectively, reminds us just how new much of Asian Pacific America is. A majority of every group (except the Hmong) rates itself as speaking English well or very well, a point that suggests that acculturation market forces or immigrants' own desires to learn English are quite strong. Labor force participation rates for Asian Pacific America are higher than average, as are household incomes. But per capita income among Asians is lower in areas of high concentration of Asian Pacific Americans. Perhaps the most important contribution of the papers by Shinagawa and Jiobu, however, is their reminder that Asian Pacific America is tremendously diverse.

Shinagawa and Jiobu's accounts make us wonder about the intent behind many of today's restrictionist proposals. Since immigration has fueled the communities' growth since 1965, is the intent to curtail that growth? Certainly many advocates of restrictive immigration policies are motivated by a protectionist sense of economics, but how many other restrictionists are motivated because of growth related specifically to immigration, and how many of those are motivated by the current ethnic composition of immigration?

Part II begins an inquiry into an area that is often neglected in the popular debate over immigrants and immigration policy—the contributions of immigrant entrepreneurs. More often than not, the controversy over the economic impact of immigrants is framed in terms of job competition, wage depression, and public costs. As law and economics specialist Shubha Ghosh points out, highly-publicized studies purporting to report on the economic impact of immigrants do not even attempt to measure benefits that immigrant entrepreneurs may pour back into public coffers and employment rolls.

Ghosh's paper provides a theoretical framework for thinking about contributions of immigrant entrepreneurs. Small, immigrant-owned businesses are an important part of the economy; and the number owned by Asian Pacific Americans has surged. Between 1982 and 1987, the number of Asian Pacific American-owned businesses grew by almost 90 percent. By the late 1980s, their total sales and receipts were over \$33 billion annually, they had a payroll of \$3 billion, and over 350,000 employees. By creating regional markets, immigrant entrepreneurs increase gross national product. Simply put, the likely positive impact that these immigrants have on job creation, tax contributions, property values, and the overall economy is too substantial to ignore.

Ghosh is careful not to overstate his positions, but the implications of his concepts are evident: a fair evaluation of the economic impact of immigrants must include serious consideration of contributions by entrepreneurs. While his introductory data refers to Asian Pacific American-owned businesses, his theories are no less relevant to the numerous enterprises operated by natives of the Middle East and Latin America. In fact, although the 1992 uprising in South Central Los Angeles often highlighted the impact on Korean American businesses, a third of the businesses affected were Latino-owned.<sup>2</sup>

Sociologist Edward Park takes our inquiry on a more specific turn toward the impact of Asian Pacific American entrepreneurs. He first conducts a thorough review of the current literature that attempts to understand Asian Pacific American entrepreneurs, their role in the economy, their impact on the specific ethnic group and the larger community, and the models that have been fashioned by researchers to describe the phenomenon. As he moves to the focal point of his paper—Asian Pacific immigrants and the high tech industry of Silicon Valley—Park quickly establishes, however, that the Silicon Valley illustration does not fit neatly into prototypes constructed by even the most thoughtful modern commentators.

The Silicon Valley cluster is clearly not the laundry or grocery store that many Asian Pacific immigrants have turned to in response to discrimination, language barriers, limitations on capital, or cultural boundaries. Certainly analogies can be found: glass ceiling issues have prompted many Asian Pacific Americans to turn to their own Silicon Valley enterprises the way discrimination and other barriers pushed the smaller business owners; and the availability of venture capital from Asia for the high tech start-ups may be reminiscent of the pooling of money among friends and relatives for smaller scale businesses. High tech entrepreneurs, though, have positioned themselves in a subcontracting role that has played an instrumental role in the success of Silicon Valley. Unlike other Asian Pacific business endeavors, this one represents a path into the mainstream labor market via ethnic entrepreneurship. And the path toward high tech businesses relying on special educational and work backgrounds is also unique for this group of Asian Pacific Americans.

The case studies by Melanie Erasmus, Craig Huynh, and Gen Lee provide some modern, real life illustrations to our consideration of immigrant entrepreneurs. Erasmus follows Park's piece with a series of examples of high-tech ventures in which immigrants and refugees have played critical

roles. Huynh and Lee focus on new waves of smaller financed businesses. Huynh considers the question of how and why Vietnamese refugees have come to operate a staggering 80 percent of all nail salons in Los Angeles, and 30 percent nationwide. And Lee, who has worked in doughnut shops herself, provides vivid examples of a handful of Cambodian refugees who are part of the community that has come to dominate the doughnut shop industry in California.

The Asian Pacific immigrant entrepreneur examples discussed by this group of researchers seem to be only the tip of the iceberg. Ghosh cites examples from across the country: Seattle, New York, Dallas, and Washington, D.C. Erasmus and Park add California and Massachusetts. But so many others are impressive. Consider Josie Natori, the founder and president of New York's Natori Company who was originally from the Philippines. Her fashion company does \$30 million in annual sales. Japan-born Shoji Tabuchi, packs them in daily in his 2,000-seat Shoji Tabuchi Theater in Branson, Missouri, where he presents country and western family entertainment and occasionally brings down the house with his own violin playing. His company brings in \$12 million a year. James Kim, from Korea, is the majority shareholder of two companies, including the Electronics Boutique stores located in busy shopping malls everywhere. His companies' sales are \$400 million annually, and his headquarters are in Gladys, Pennsylvania. China-born Bernard Chiu is the founder and CEO of Duracraft, Inc., of Whitinsville, Massachusetts. The company is the leading manufacturer of fans, space heaters, and humidifiers, and has annual sales of \$140 million.<sup>3</sup>

The fact that Asian Pacific immigrants can make a go of it in troubled industries or in small stores and shops in poor neighborhoods across the country is also impressive. Consider the extensive firm development and growth among Chinese immigrants in the declining garment manufacturing industry in New York City. Or the fact that Korean-owned businesses in Los Angeles have established a major presence in low income Latino and African American communities, particularly in small scale retailing.<sup>4</sup> Surely contributions of the high and low profile immigrant entrepreneur in terms of capital investments, jobs, taxes, property values, civic pride, innovation, and vitality are inspiring and healthy for the entire nation.

As evidenced in the passage of Proposition 187, much of the backlash against immigrants is related to the belief that the education of immigrant children and the children of immigrants is too costly.<sup>5</sup> In Part III of our report, Paul Ong and Linda Wing provide a forthright appraisal of this

difficult issue. Between 1970 and 1990, the number of first and second generation Asian Pacific American children increased by more than a million. Ong and Wing acknowledge the “additional costs” that many of these children may bring to bear on the educational system, such as in programs for limited-English speakers and the poor; after all, most Southeast Asian refugees and recent Asian Pacific immigrants speak little English and many live in poverty.

Ong and Wing, however, provide an enlightening context. They inform us that many adult Asian Pacific immigrants have already been educated abroad and therefore transfer those human capital qualities to the United States at no charge. Those workers immediately contribute tax revenues and boost the economy. More importantly, Ong and Wing remind us of the multi-purposes behind our society’s social contract to educate our children: to transmit knowledge, culture, and skills from one generation to the next, to enable children to care for the future. Only a foolish country would not do its best to educate all of its children. Even the most cynical should realize that the payoff comes in terms of productivity and tax contributions. The fair way to view the so-called “cost of education” is as an investment in human capital. Only after considering the person’s entire life—including the working years when the education pays off—is it fair to judge whether the educational expense was too costly. In order to begin an inquiry into the payoff, Ong and Wing cite the higher than average earnings of Asian Pacific Americans (which is tied to educational attainment). The implications are clear: educating the children of immigrants and immigrant children pays off in the long run.

Interviews of individuals who entered the United States as children follow the Ong and Wing article. Khanh Phan was eight years old when his family entered as refugees from Vietnam in 1975. He attended California public elementary and secondary schools, as well as state university. Today he is a social worker, earning \$3,200 a month. He is buying a home and lives with his mother and brother. David Mao’s family immigrated from Taiwan when he was age eleven. He attended public schools in Washington, D.C., served in the U.S. Army in Vietnam, went to college on the G.I. bill, and today he is a criminal investigator making \$53,000 a year. Katherine Chan’s family also fled Vietnam when she was a child. She attended public schools in New Jersey and eventually served in the Peace Corps. She also turned to social work and now earns about \$42,000 a year. These individuals verify the strength of Ong and Wing’s argument: the educational investments in these individuals have truly paid off for the nation.

A concern that many Americans have about today's immigrants is the extent to which they desire to become Americans. As nebulous as the concept of Americanization may be, in Part IV, Paul Ong and Don Nakanishi look at two measures that most people would regard as strong indications of Americanization: naturalization and voting. When it comes to naturalization, Asian Pacific immigrants have maintained high rates for three decades. In fact, Vietnamese, Chinese, and Filipinos are the ethnic groups with the highest naturalization rates, while Canadians, Italians, and British nationals are among the lowest. Voter registration and voting rates are more complex. Although recent Asian Pacific immigrants and refugees have lower voter registration rates than native-born citizens, naturalized Asian Pacific Americans who have resided here for more than 20 years have comparable or higher rates than the native-born. The voter registration rates for native-born Asian Pacific Americans are even higher. And when actual voting is considered, registered Asian Pacific American voters have among the highest electoral participation rates of any group.

The results of Parts III and IV should not be read to mean that Asian Pacific immigrants are somehow more inclined to pay back the investment in public education or more willing to Americanize than other immigrant groups. These case studies have focused on Asian Pacific Americans because we believe that such studies have seldom entered into public policy discussions, in spite of the substantial numbers of Asian Pacific immigrants and refugees entering today. Similar serious attention should be paid to other immigrant groups. Consider education. Ong and Wing's recognition of the authoritarian parenting style of Asian Pacific American parents in the context of good academic performance certainly should not be read to suggest that other immigrant families do not value education. Every immigrant group has its successes and failures; indeed, that fact encourages us to examine students' successes as the possible affirmation of identity and culture.<sup>6</sup> As for Americanization, naturalization rates certainly are not the only (nor necessarily most accurate) measure of intent to commit to the nation. Detailed surveys of Latino immigrants indicate that contrary to popular beliefs and despite low naturalization rates, the vast majority intend to reside in the United States permanently.<sup>7</sup> And given recent reports of increased naturalization applications across the country, new studies of naturalization rates are likely to demonstrate increasing rates for all nationalities.

## The Context

Economic complaints about immigrants essentially fall into two broad categories: those dealing with the labor market and those relating to costs. Labor market complaints advance the popular image of immigrants competing with native workers for jobs or depressing their wages. Complaints concerning costs argue that immigrants are a burden on our public coffers, especially in terms of public education and public assistance.

But there is substantial evidence that should make us a little skeptical about whether these complaints are even partially, much less totally, valid. Consider jobs. The fear that immigrants take away jobs from native workers rests on the theory that the number of jobs is static, or fixed. Under this theory, when immigrants get jobs, fewer jobs are left for native workers—thereby causing increases in unemployment among native laborers. The idea of a fixed workforce has a certain common sense appeal but is inaccurate. Economists agree that the number of jobs is dynamic rather than fixed: as more persons begin working and spending their earnings, demand for more goods follows, and generally more labor is needed.

Immigrants are not simply workers—they are also consumers. Like everyone else, immigrants need basic goods such as food, shelter, and clothing. Immigrant workers spend their earnings on these goods as well as (to the extent they can afford them) on other nonessential items. Immigrants therefore increase the total demand for goods. In response, businesses increase their production. To do this, they must increase their labor force and hire more workers. Thus, the entry of immigrants into the labor market ultimately creates jobs by pressuring businesses to expand their production. In fact, the mere presence of a new immigrant—even one who is not working—can increase consumption or the demand for goods and services, and cause the same result. Thus, all native workers—including minorities and women—would find better job opportunities due to overall economic growth.<sup>8</sup>

If immigrants actually create jobs for native workers, why do so many people believe that immigrants pose a threat to native workers' jobs? This may be a matter of what we think we see. While the average person may actually see an immigrant working in a job once held by a native worker, the "more indirect and diffuse" job-creation process attributable to immigrants is not as easily perceived.<sup>9</sup> This may help account for much of the public suspicion about immigrants and jobs.



While far from perfect, apparently many economists offer theories supporting the rhetoric often offered by pro-immigrant advocates that “immigrants take jobs that native workers don’t want.” The argument is that the labor market is divided into primary “good” jobs and secondary “bad” jobs. The first group is largely populated by native workers; the latter, by migrants.<sup>10</sup> Primary sector jobs are situated in so called “core” industries, where investments and financing of production are relatively high, and mainly large-scaled and unionized, and where instability has been minimized by such market features as little effective competition. Workers who fill such jobs must have relatively high skills. They are paid well and work under generally desirable conditions. By contrast, secondary jobs are found in smaller firms where production is not as highly financed and products face highly competitive markets. Positions tend to be unstable, low or unskilled, relatively low paying, and generally marked by undesirable working conditions.

Migrants are more suited for these low-paying, low-skill jobs due to (1) the flexibility of the migrant work force; (2) the lasting nature of the migrant labor supply; and (3) their susceptibility to manipulation and control. Migrants thus dominate low-paying, low-skill jobs.<sup>11</sup> The question then is whether, on account of immigrant domination of secondary jobs, native workers are pushed into primary jobs, or whether they are unemployed. President Ronald Reagan’s Council of Economic Advisors, agreeing with the principle that immigrants generally do not displace native workers, emphasized the job and occupational mobility of native workers. Native workers can move from one sector of the labor market to another, while immigrants generally cannot.

Given differences in English ability, education, and job experience between what economist George Borjas labels the “typical” Mexican undocumented alien and a native worker, the immigrant seems ill-equipped to fill many of the jobs open to native workers. Thus, many low-skilled immigrant workers and more skilled native workers may fulfill mutual needs (complementary rather than competitive) and result in increased productivity. Things are likely, however, more complicated. Borjas argues that “various combinations of complementary and substitutability among many immigrant and native groups are possible.” To the extent that some immigrants serve as real or potential substitutes of native workers, their presence increases the supply of workers and, at the very least, can depress wage rates. And when wages are lowered, some natives no longer find it worthwhile to remain in the labor force and therefore drop out.<sup>12</sup>

Economist Julian Simon responds to Borjas' point about the possibility of native worker drop-out by suggesting that while many low-wage jobs filled by immigrants might otherwise go to teenagers and retirees (*e.g.*, at fast food chains), it may not be appropriate to consider such a phenomenon in the same light as displacement of a typical native worker. He urges us to look at the "long run" "positive general effect" of immigrants on the job market, even though in the "short run" "some particular groups may be injured by a particular group of immigrants."<sup>13</sup> Additionally, absent immigrants, some advertised jobs which currently go to immigrants would remain unfilled and therefore eventually be withdrawn "because employers can make other arrangements either by using machines or cutting back."<sup>14</sup> Immigrants who fill such positions pose no direct harm to native workers.

Recent studies on effects of immigrants on the labor market shed light on the debate. They suggest that a serious evaluation of the impact must consider regional (geographic) as well as sectoral (particular industry) variations. For example, a comprehensive study by the Alexis de Tocqueville Institution yields striking results on the relationship between immigration and unemployment. The researchers took a statistical look at each state comparing unemployment figures and foreign-born populations from 1900 to 1989.<sup>15</sup> Their findings were unequivocal: the median unemployment rate was higher in states with relatively little immigrant presence. If anything, unemployment seemed negatively associated with immigration—the more immigrants, the less unemployment. Researchers were confident in rejecting the view that immigration causes unemployment.<sup>16</sup>

That study paid particular attention to the effects of recent immigrants and concluded that even recent waves of immigration have reduced joblessness. In response to the current debate over immigration, researchers performed an analysis that looked exclusively at the 1980s. They looked at the ten states with the highest unemployment, compared them with the ten states with the lowest unemployment, and found that the immigrant (defined as foreign born) population in the high unemployment states was much lower than in the low unemployment states. Then they looked at the ten states with the largest proportion of immigrants, compared their unemployment rates with the ten states with the smallest immigrant population, and found that the typical unemployment rate in the states with low immigration was nearly one-third higher than in the states with relatively high immigration.<sup>17</sup>

One might wonder, of course, if the causal relationship between high immigration and low unemployment could work in the other direction — namely, whether high unemployment states simply attract fewer immigrants. Other researchers, however, have discounted that relationship, finding that areas of high immigrant concentrations are larger in cities where a low rate of labor participation among unskilled native workers is related to reasons other than immigration.<sup>18</sup>

Although researchers acknowledge anecdotal evidence of individuals who are perceived to have lost jobs due to immigration, they argue that these “occasional adverse employment effects are *completely* (and perhaps even more than completely) offset by the less visible but nonetheless equally real positive employment effects that immigration provides.” Their data refuted the notion that immigration is associated with higher unemployment, suggesting instead that immigrants actually create more jobs than they take, thereby reducing the overall rate of unemployment.<sup>19</sup> These and similar findings have led most observers to conclude that immigration ultimately creates jobs, thereby producing increased employment opportunities for immigrants and native workers alike.<sup>20</sup>

Economist Robert Topel’s research on less-skilled workers in the West provides a better understanding of the effect of less-skilled immigrants on wages.<sup>21</sup> By comparing wages among less-skilled workers in other parts of the country, he concludes that the increase of less-skilled Latino and Asian immigrants in the West has “adversely affected the wages of natives.”<sup>22</sup> But it is important to keep in mind that through immigration, the West has maintained a steady supply of low-wage workers, which helps to explain why wages will not rise as much. In New England, for example, rising schooling levels has reduced the supply of unskilled workers over the past 20 years, which in turn raises wages among unskilled workers. Furthermore, Topel’s conclusion that unskilled immigrants from Asia and Latin America result in wages among unskilled workers that are 10 percent lower than in other parts of the country is distorted. His data was taken from the Current Population Survey, which records broad ethnic categories rather than immigration status. To make his calculations on the impact of immigrants, he excluded all “Hispanics and Asians.”<sup>23</sup> The problem of course is that not all “Hispanics and Asians” are immigrants, so the 10 percent effect is clearly overstated.

Examples of sectoral studies also show the complexity of immigrant impact on the labor market. For example, hiring low-wage immigrant workers has been used as a survival technique in some manufacturing in-

dustries such as the automotive parts industry. Economist Rebecca Morales' study of the use of undocumented workers in that industry in Los Angeles raises this and other questions about the role of immigrant labor.<sup>24</sup> Morales looked at the use of undocumented workers at 21 businesses, focusing principally on 8 automobile parts companies.<sup>25</sup> She found that undocumented workers were used to facilitate structural transitions in reaction to changing economic circumstances.<sup>26</sup>

The context of this study is important. In 1979, automobile manufacturers and parts suppliers employed over a million workers in Los Angeles. As a consequence of the 1979 to 1980 stage of the recession, the automobile industry lost about 5,500 jobs at the same time a sizable influx of low-skilled immigrants (including many undocumented aliens from El Salvador and Guatemala) began to arrive. Major automakers responded to the economic situation by consolidating some operations, shifting some production to foreign affiliates or to the Midwest, automating, and subcontracting some product lines. The 2,000 auto parts suppliers, mostly not unionized, did not have the same capacity to react and were more vulnerable to shifting market forces (*e.g.*, demand for original equipment, product aftermarkets, and local labor markets). Since assembly plants were closing, only suppliers who could shift to the aftermarket could survive.<sup>27</sup>

Survival strategies were influenced by several factors. Those companies that were subsidiaries of larger corporations could tap into the wealth of the parent for finance capital; many independent firms that were less likely to have reliable resources considered merging. Whether workers were unionized was important as a union meant that employers had to bargain over wages, job classifications, benefits, and the like. In order to survive, suppliers needed a more flexible work force, and many turned to undocumented workers as one solution.<sup>28</sup>

Morales has several noteworthy findings. Firms that were facing difficult market conditions turned to undocumented workers out of a need for a cheap labor force that could contract and expand easily. While unionization and the size of the enterprise were not significant indicators of likely employment of undocumented workers, subsidiaries were more likely than independent firms to hire undocumented aliens.<sup>29</sup> In conclusion, Morales states:

During expansionary periods, legal immigrants are absorbed into the economy, but during decline, they become redundant. In this way, undocumented workers are ideal since they are easily replaced. Lacking legal protection, they unwittingly benefit employers seeking union and wage

erosion. Ironically, they may actually be preferable to legalized guestworkers from the point of view of assisting the transition, if guestworkers temper the momentum toward automation. From this perspective, the market found an alternate solution to guestworkers.<sup>30</sup>

Morales' study raises the question whether undocumented workers—whose labor allows some manufacturers to delay automation and remain competitive—do cause some union and wage erosion. They may also make it possible, however, for some industries to survive in the United States, thereby protecting some jobs for natives. Immigration restrictions would not necessarily make it possible for unions to maintain jobs and wages at high levels because the threat of industry relocation to countries with cheaper labor would remain a threat.

Other economists have considered furniture manufacturing. More than two-thirds of furniture production employment continue to be found in Southern states (especially North Carolina), where African Americans comprise much of the workforce. California is home to the other third of the jobs—mostly in Southern California where most of the workers are Mexican. Even in San Francisco, immigrants comprise much of the furniture workforce: one-third are Latino, one-sixth Asian.<sup>31</sup>

In a study of California furniture manufacturers, Richard Mines looked for trends related to immigrant workers and unions. He found that as unionized firms in San Francisco closed and relocated to Southern California, the new firms were clearly anti-union.<sup>32</sup> Most firms in Los Angeles were nonunion, and many consciously turned over the workforce regularly in order to control wages. Mines argues that new immigrants have come to dominate this low-wage, nonunion workforce because they are willing to tolerate these conditions. Even in the unionized workforce with more settled immigrants, however, new immigrants pose a displacement threat to the workers because the industry is so labor intensive and competitive.<sup>33</sup>

Low-wage, low-skilled immigrants have enabled many furniture manufacturers in Southern California to survive. The competition in much of the industry is between U.S. firms, and thus between various regions of the country. Low-wage immigrant workers give Southern California firms an advantage because they are able to keep labor costs down. In the process, though, the firms with settled immigrants get underbid by those using new low-wage workers, and settled immigrants can lose ground.<sup>34</sup>

The immigrant entrepreneur papers in Part III of this LEAP report contribute important new considerations to the labor market analysis. They

highlight employment creation conditions that are directly attributable to immigrants (e.g., in high-tech and other investment-type situations) as well as self-employment situations (smaller capitalized firms such as doughnut and manicure shops). The latter examples also raise the tension that may be created with respect to competition on a different level: head-to-head competition in small business operations as opposed to competition for jobs.

As for the alleged burden that immigrants place on public coffers, one literature survey conducted through 1991 found that national studies that took into account all levels of government reveal that immigrants are not a financial burden on the native population. State studies were mixed, because some states take on more responsibilities than others. Analyses at the local level found that immigrants were a net fiscal burden—but so were native residents.<sup>35</sup>

Economist Donald Huddle's report and his op-ed pieces based on the report have received extensive national attention.<sup>36</sup> With a good deal of fanfare, the report has been touted as the "first comprehensive study of the public sector costs of legal and illegal immigration."<sup>37</sup> His main conclusions are: (1) the poverty rate of immigrants is 42.8 percent higher than for natives; (2) immigrants as a group are 13.5 percent more likely to receive public assistance, and their households receive 44.2 percent more public assistance dollars than do native households; and (3) net immigrant costs in 1992 at the county, state, and national levels were \$42.5 billion for the 19.3 million legal and undocumented immigrants who have settled in the United States since 1970, compared to \$20.20 billion in taxes contributed. The biggest expense was for primary and secondary public education, followed by Medicaid and county social and health services.<sup>38</sup> Concluding that taxes contributed by immigrants were small, he claims that both legal and undocumented immigrants cost Texans more than \$4 billion in 1992 for education, health care, and other services beyond what taxes they paid in Texas.<sup>39</sup>

The Urban Institute has issued a separate report responding to Huddle's findings.<sup>40</sup> In this report, economist Jeffrey Passel (1) uses more widely-accepted numbers of immigrants (e.g., he uses the Immigration and Naturalization Service estimates of the undocumented population), (2) finds that Huddle grossly understates the taxes paid by immigrants, (3) argues that Huddle overstates the government benefits received by immigrants, and (4) disagrees with Huddle's hypothesis that immigrants displace native workers. As a result, Passel finds that immigrants are net *contributors* to public coffers.

Passel points out four major flaws in Huddle's estimates of immigrant tax contributions. First, Huddle relies on faulty data that understated tax collections for immigrants by 30 percent. Huddle further used contributions of 1980-1990 legal immigrants to estimate taxes paid by 1970-1992 immigrants, even though those entering in the 1970s are known to have higher incomes than those entering a decade later.<sup>41</sup>

Second, Huddle estimates national immigrant income by erroneously assuming that since natives in Los Angeles earn more than average natives nationally, immigrants in Los Angeles must do the same.<sup>42</sup>

Third, Huddle tries to adjust for levels of taxation in Los Angeles different than those found in the rest of the country by taking the ratio of national per capita taxes to per capita taxes paid in the county by natives and immigrants combined, but fails to recognize that per capita taxes paid depends on income levels as well as taxation levels, further underestimating taxes paid by immigrants.<sup>43</sup>

Finally, in calculating revenue, Huddle leaves out 5 of the 13 taxes included in other studies—FICA (Social Security and Medicare taxes), unemployment insurance, vehicle license and registration fees, and federal and state gasoline taxes—which account for 44 percent of the revenues from immigrants in other studies. Huddle also omits corporate income tax, local income tax, commercial property tax and utility taxes. Thus, using a corrected version of Huddle's revenue framework, Passel finds that immigrants contribute an additional \$50 billion.<sup>44</sup>

Passel finds that Huddle overstates immigrant costs by relying on overestimates of per capita service costs for recent legal immigrants;<sup>45</sup> using inflated participation rates in such programs as Headstart;<sup>46</sup> applying a school attendance rate based on 5-17 year olds for immigrants aged 5-19;<sup>47</sup> and using the national average for Medicaid payments (usually made to the elderly) as a measure for immigrants who tend to be younger than the average population.<sup>48</sup>

Parts II and III of this LEAP report on immigrant entrepreneurs and education also address many concerns related to the complaint about the cost of immigrants. The collection of papers on immigrant entrepreneurs addresses the problem in reports, such as Huddle's, when they leave out consideration of these important contributions to the economy. And Ong and Wing's education paper give the more complete, long-term view of educational costs as an investment in human capital.

Current debates over welfare reform have intersected with a concern that immigrants access public assistance at higher-than-average rates. Re-

searchers at the Urban Institute also have looked at public assistance usage among immigrants. They have found that while immigrants use welfare at slightly higher rates than natives, non-native use is concentrated among two groups: elderly immigrants and refugees. The higher rate among refugees is understandable since they are fleeing persecution and have fewer economic or family ties in the United States than other immigrants. There is also substantial overlap between elderly and refugee benefits use, as refugees account for 27 percent of immigrants over 65 who receive public benefits. Welfare use among working-age immigrants (18-64) who did not enter as refugees is about the same as for natives.<sup>49</sup>

When it comes to Asian Pacific immigrants in particular, we are reminded by papers in this volume by Shinagawa, Jiobu, Ong and Nakanishi of the long history of immigration exclusion. Could that history partially explain the high welfare rate of elderly Asian Pacific immigrants? Might vestiges of exclusion laws have prevented them from entering at an age that would have allowed them to earn enough credits to qualify for social security retirement funds today? What other economic contributions can be attributed to their families? Indeed, several of Shinagawa's findings address these questions. For example, although he finds a higher than average welfare rate among elderly Asian Pacific Americans, they have an extremely lower than average rate of social security use.

With this understanding, recent findings by George Borjas of higher-than-average welfare use among immigrants can be placed into context. When his data were broken down by country of origin, those from Vietnam had a high rate, but the rates for immigrants from the Philippines, China, and India were about the same as that for natives. The welfare rate for Korean immigrants was only half that of natives.<sup>50</sup> Furthermore, there may be some concern with his data source: the Survey of Income and Program Participation (SIPP). The SIPP surveys only 50,000 persons in 20,000 households, with an emphasis on program participation. The sample size is relatively small and its Southeast Asian category includes only Vietnamese. In fairness, another data source such as the Current Population Survey (CPS) ought to be reviewed as well. The CPS survey includes Cambodians, Laotians, Thais, and Vietnamese in its Southeast Asian category and contains a question about parent's country of birth, which would allow an examination of the second generation as well. From the Borjas and Urban Institute findings, one can already infer that the second generation Asian Pacific Americans use welfare at a rate much lower than the general population. This suggests that their parents used welfare only as a transition,



and high use among parents might be less of a policy concern since it did not become a way of life for the next generation of citizens.

Of course advocates calling for greater restrictions on immigration in this country do not limit their arguments to economic themes. For some, the millions of newcomers to this country in recent decades represent a challenge to their concept of what America itself is. For these critics, such as Republican presidential candidate Patrick Buchanan and journalist Peter Brimelow, cultural and racial issues may be more important. Senator Alan Simpson, a chief architect of U.S. immigration policy, argues, “[i]mmigration to the United States is out of control.”<sup>51</sup> “[A]ssimilation to fundamental American public values and institutions may be of far more importance to the future of the United States. . . . [A] community with a large number of immigrants who do not assimilate will to some degree seem unfamiliar to longtime residents.”<sup>52</sup> In Simpson’s view, immigrants must accept the “public culture of the country — as opposed to private ethnic culture.”<sup>53</sup>

Similarly, consider the Federation of Americans for Immigration Reform (FAIR). Touted as the nation’s “main restrictionist lobbying group,”<sup>54</sup> one member of FAIR calls for restricted immigration so that Americans may give themselves some “breathing space” to perform the “task of assimilation.”<sup>55</sup> Richard Lamm, former Colorado governor and chair of FAIR’s advisory board, adds, “[America] can accept additional immigrants, but we must make sure they become Americans. We can be a Joseph’s coat of many nations, but we must be unified.”<sup>56</sup> Even some self-described liberals insist that immigrants demonstrate their desire to join other Americans and become “one of us.”<sup>57</sup>

While high naturalization or voting rates may not fully satisfy those with cultural or racial complaints about immigration, the paper by Ong and Nakanishi in Part V of this report responds to some of the assimilationist concerns. For those who want something more from immigrants, however, the basic definition of what an American is seems to be in question.

Study after study demonstrates, however, that the vast majority of immigrants take on cultural traits of the host community. Some traits replace old ones, but most are simply added.<sup>58</sup> For example, immigrants entering the United States today learn English *at the same rate* as other immigrant groups before them. Immigrants want and encourage their children to learn English. First generation immigrants tend to learn English and pass it along to their children, who become bilingual. By the third generation, the original language is often lost.<sup>59</sup> Throughout the United States, the

demand for English as a Second Language (ESL) training far outstrips supply, leading adult newcomers to encounter long lines and waiting lists before gaining access to classes.<sup>60</sup>

Cultural assimilationists frequently accuse the Latino community in particular of not assimilating or learning English. Yet Spanish-speaking immigrants residing in the country for fifteen years regularly speak English. They usually read English fluently within ten years. In addition, about 93 percent of all Mexican immigrants agree that U.S. residents should learn English.<sup>61</sup>

Although complete acculturation of all immigrants is impossible, immigrants and refugees of all ages become acculturated to some extent. Even before coming to the United States, some adult immigrants and refugees have been exposed to American culture due to its persuasiveness in the global media. Upon arriving in the United States, most adult immigrants and refugees work, learn English, and often strive to pick up U.S. cultural habits and customs. Many young Asian and Latino immigrants, in particular, aggressively strive to be “American.” They are eager to learn English, get a job, and work hard; in short, they seek to achieve a part of the American dream. Their aspirations are similar to those of the Jewish, Irish, and southern and eastern European immigrants who came in earlier years. Due to school attendance, peer interaction, and media exposure, the children of immigrants, even those who are foreign born, generally become fully acculturated. These children speak English; and their customs, habits, and values are nearly indistinguishable from those of their native-born peers.

Besides complaining that new immigrants fail to adopt our society’s cultural traits, cultural assimilationists also contend that immigrants threaten to dilute our Western cultural heritage. In truth, immigrants do *affect* our culture, perhaps as much as our culture affects them, but to describe this process as a dilution shows an ignorance of how culture in America has developed throughout our history: not as some monolith unmoved by the waves of immigration in the 18th, 19th, and 20th centuries, but as a dynamic understanding of what it means to be American. As immigrants acculturate, U.S. society in general has absorbed their customs, cuisine, interests, and values. Our culture and our definition of what it means to be American is ever-evolving. Immigrants play an integral role in helping to create that definition.

Changes in U.S. culture are, of course, not solely nor even mainly attributable to the influence of immigrants. Improved technologies, social movements, and economic developments are also crucial. A melting pot of

sorts, however, does exist. Immigrants do not displace American culture; they help develop a distinctively new, constantly changing, and expanding U.S. culture.

The qualities of many new immigrants are also likely to help the United States compete in the world marketplace today. Papers by Ghosh, Park, and Erasmus on entrepreneurs in Part III remind us that a multicultural United States provides many advantages in the increasingly interdependent global economy.

Even casual attention to current events of the last decade has taught us that political and economic developments all over the world—in Europe, Latin America, Africa, Asia, and the Middle East—affect the United States economy. The Dow Jones, interest rates, production, the dollar's value, and economic growth all reacted to democracy movements in Asia and Eastern Europe, the Persian Gulf War, South Africa, NAFTA, and economic problems in Brazil and Mexico. Certainly the United States will remain economically linked to Europe, but Europe is only one of many regions that are vital to our economy. The blinders of a Euro-centric view of America limit our vision and viability in the international economic community. There are simply too many cultural differences that have to be considered for the United States to be effective globally. The economy increasingly demands expertise in more than just American or Euro-centric ways and customs.

Since Asia and the industrializing nations of Latin America are new areas of economic power, bicultural and multicultural U.S. residents will prove invaluable as American companies develop private trade agreements and cooperative business ventures with the nations and corporations of these regions. Many businesses, advertising agencies, and law firms already have recognized benefits of taking a multicultural approach in their Latin American and Asian endeavors. Some have established branches abroad, most have invested in culture and language training for employees, and even more have hired bicultural employees. In the age of jet travel, E-mail, tele-conferencing, cell phones, and fax machines, multicultural businesses are engaged in daily transactions in Tokyo, Singapore, Hong Kong, Manila, Beijing, Mexico City, Brasilia, and Caracas, as well as London, Paris, and Frankfurt.

A diverse work force is a domestic advantage as well. As the ethnic makeup and demographics of the country change, smart business managers make changes and innovations in response to needs of the changing population. In short, responding to demographic changes can help in-

crease profits. However, producing commercials with slogans like “se habla español” and advertising in the *Asian Yellow Pages* in order to attract new business must be coupled with the cultivation of a staff that can develop a rapport with the new customers. Thus, more and more employers are coming to view diversity as good business as well as good public relations.

For example, the success of an AT&T service called Language Line, which allows U.S. companies to communicate with their non-English speaking customers and business contacts, illustrates the benefits of a diverse work force. Through a staff of interpreters on conference calls, Language Line allows businesses such as Whirlpool, Lands’ End, Pepsi, and Gerber to communicate with U.S. and foreign customers who do not speak English. As the director of communications for the service explains, “Business is beginning to appreciate there are over 30 million people in this country who prefer to use a language other than English . . . . The U.S. business community is becoming increasingly attuned to the fact that not every customer speaks English.”<sup>62</sup>

Moreover, gains from a diverse work place are also independent of changing demographics. A diverse work place is also a more innovative work place. For example, Burger King has implemented diversity and multicultural training seminars for its employees while increasing the percentage of people of color in its work force from 12 percent in 1986 to 28 percent in 1991. At Burger King and other businesses that have sought diversity, there is “a growing sentiment that diverse employee teams tend to outperform homogeneous teams of any composition . . . . [H]omogeneous groups may reach consensus more quickly, but often they are not as successful in generating new ideas or solving problems, because their collective perspective is narrower.”<sup>63</sup> Thus, the old adage that “two heads are better than one” holds true, except that the more appropriate phrase might be “multiple ethnic perspectives are better than one.”

Cultural pluralists rightly argue that the country continues to benefit from new immigrants. Although some may question the economic benefit of immigrants, new immigrants, like their predecessors, have the drive and willingness to make a better life for themselves and their families. As a class, immigrants and refugees could very well represent the most determined class of people from their countries of origin. Many have had to survive treacherous journeys and overcome severe obstacles. All have had to demonstrate the courage and fortitude needed to follow through on the difficult decision of uprooting themselves and often their families, by winding their way through immigration mazes and facing the logistical facets of

relocation. With our native work force often charged with laziness and lack of drive, we stand to learn and to benefit from the hard work ethic of the immigrants and refugees who continue to enter.

More generally, immigrants represent a potential resource for adding to, rather than diluting, American culture. While the United States continues to be an innovative leader in many business, political, scientific, and social fronts, it is not the sole innovative leader in all these realms. We should be open to new ideas from people of different cultures who may have better ways of approaching the gamut of issues facing us, including business operations, protection of the environment, stress, interpersonal relations, and education.

The ultimate benefit from interaction with those of different cultures does not necessarily flow from learning about new innovations, however. Rather, by learning about other cultures through social interaction with people of other cultures, we begin to learn more about other people. We begin to understand their customs, attitudes, and values, as well as to share information about our own cultures. In that process, we begin to develop tolerance and respect for other cultures and backgrounds. This type of education provides the foundation for a peaceful, productive pluralism that must be fostered throughout the world.

## **Toward the Future**

The research papers presented in this project provide us with context and information regarding the current state of research on the immigration controversy. They also remind us, though, that we should gather more information about how our society and the economy work before we can evaluate the actual effects—positive or negative—of immigrants on our lives.

For example, in California where much of the anti-immigrant sentiment has been fomented, shouldn't we be interested in knowing whether the taxpayer revolt of the 1970s has had a more fundamental impact on public services and schools than immigrants? Should we be troubled that because of Proposition 13, county property tax and general purpose revenues were lower in fiscal year 1988-89 than in fiscal year 1977-78, after adjusting for inflation, even though the state's population rose 27 percent during that period. The growth of sales tax revenue has lagged significantly behind the growth in personal income; during the 1980s, personal income in the state grew at 8.6 percent per year, but sales tax revenue grew

only 7.4 percent per year—a full percentage point behind personal income growth. This is a significant gap and is explained largely because the sales tax applies only to a narrow—and declining—segment of total consumption, namely, tangible goods, and excludes most services (this is important because of the state's evolution from a production to a service economy). California, which was once one of the five highest states in spending per pupil, with high student performance, now ranks fortieth in spending per pupil, and student performance has dropped. California taxpayers pay only half the amount that New York and New Jersey pays per pupil.<sup>64</sup>

What about jobs? For whatever reason—global competition, mechanization, specialization, consumer attitudes, marketing techniques, military spending, or inventive management styles—the United States work force has undergone substantial change even in the last two decades. Although the economy is growing and American companies are prospering, job cuts are more numerous than ever. In sum, “[i]t is not that foreigners are stealing our jobs, it is that we are facing one another's competition, and we are doing so in a panic.” Many American companies have become as efficient and modern as those in Japan and Germany, but several forces have emerged that continue to push corporations to shed workers. Advances in technology enable companies to produce much more with fewer employees. Price increases are hard to secure, and corporate America increasingly maintains profits by slicing labor costs. Finally, work force reduction has become fashionable—the mark of a good manager.<sup>65</sup> A typical headline reads, “Sara Lee to trim work force by 6%,” in a story highlighting the layoffs of some 8,000 to 9,000 employees in the corporation's worldwide work force. The layoffs for this food and personal products conglomerate occurred despite “record annual sales and earnings.” The Wall Street response? Sara Lee's stock was up.<sup>66</sup>

At the same time, more jobs are actually being added; recent headlines even cheer the increase in jobs.<sup>67</sup> Until about 1950, the migration was from the farms to the new “job multiplier” industries: railroads, automobiles, highway construction, aircraft manufacturing, and airlines. Now, the migration is to the service sector — retailing, health care, restaurants, finance, security, and other similar jobs. These are the job-multiplier industries in late twentieth-century America and they have, in fact, created enough jobs during the last decade or so to more than offset job cutbacks. In 1993, despite the cutbacks, two million people were added to the nation's total work force. So to some, layoffs and downsizing are not job cutbacks, but job “dislocation”—the dislocation being the time it takes a worker laid off from AT&T, for example, to find a new job, quite likely at lower pay.<sup>68</sup>

The increases in job opportunities are deceiving, however. Despite lower unemployment, the dramatic restructuring of U.S. business has made for major changes in the job market. Work is more specialized, information is harder to come by, employers are smaller and exceedingly cautious about hiring. It remains true that in most places outside California, home builders cannot find carpenters, trucking lines scramble for drivers, mortgage bankers scrape to hire loan processors. This, though, is misleading. Although total employment has been seen to increase by more than 200,000 in a single month, many of these new jobs are temporary; moreover, 8 million people are out of work, and many more can expect pink slips in the near future. Specialized training requirements and hard-to-find occupational niches complicate the job search. For example, three-quarters of new jobs in the late 1980s were at plants with fewer than 500 workers. New service jobs are widely dispersed as well. Those midsize employers are more likely to occupy obscure suburban business parks than to blaze their names atop skyscrapers. Divining exactly what niche a company fills means watching trade magazines, reading the business section of the local paper and, most of all, asking around.<sup>69</sup>

In sum, the nation's economy is producing two million new jobs a year, but they come with wages typically below \$8 an hour, or about \$16,000 a year, and offer no health benefits, no opportunity for promotion, and few promises that the jobs will last.<sup>70</sup>

We should also consider whether global competition and trade policies have implications for the movement of peoples across borders and to other jobs far beyond the control of immigration policy. For example, the completion of the Uruguay round of the General Agreement on Tariffs and Trade (GATT) in December 1993 extended free trade principles to services, meaning more access to foreign markets for U.S. banks and telecommunications countries.<sup>71</sup> Those changes, though, may come at a price. Just as NAFTA is likely to chip away at low-paying U.S. manufacturing jobs, so, too, GATT is expected to hurt industries like apparel, where U.S. goods will be forced to compete with a growing flood of cheap imports. Thus, the AFL-CIO has concerns about GATT that are quite similar to its concerns about NAFTA.<sup>72</sup> This may mean, however, that jobs in the exporting countries may expand and fewer emigrants may be driven to migrate.

The go-go 1980s once masked unease over America's changed economic position, but now, in a time of massive layoffs that threaten to continue even as the overall economy improves, trade has become the focus of a debate on whether the United States is turning into a society of economic

haves and have-nots,<sup>73</sup> which translates into concern about immigration policy.

Consider international copyright agreements. In return for agreeing to tough copyright protection and a more open climate for services, Asian countries have successfully pushed for concessions in another agreement, the multi-fiber agreement, which restricts U.S. imports of textiles and clothing from developing countries. Labor believes that the phaseout of these restrictions is also likely to cost American jobs.<sup>74</sup>

Beyond the economic context, we need to realize that immigration reminds us that we may need a new way of looking at America. We need to look at the impact of immigrants on our lives, but, as the case studies by Erasmus, Lee, and Huynh suggest, we ought to also consider the impact that immigration has on the immigrants and refugees themselves. We all share to varying extents the blame for a culture that gives rise to protests epitomized by the uprising in South Central Los Angeles. Every time we engage in even subtle racism or the fostering of stereotypes, we perpetuate that culture. As much as each of us shares the blame, each of us also has the opportunity to be part of the solution. Every time we reach out to others whom we have been conditioned to distrust, fear, or subordinate because of race or class, we begin to chip away at the wicked culture that gives rise to irrational hatred, animosity, and violence.

Make no mistake. Immigrants *do* acculturate. Assimilation is a fluid and evolving process rather than a static one. Furthermore, immigrants' presence also influences the ongoing evolution of American culture. As a result, the definition of what an American is must be expanded. The concept must be one of addition rather than omission. It must embrace differences rather than attack them. It must respect diversity rather than disregard it. It must appeal to a sense of unity that incorporates multiculturalism rather than the illusion of Euro-centric unity, which often serves as a pretext or mask for ostracizing other cultures.<sup>75</sup>

Our task for the future is a difficult but not impossible one. We need a commitment to race relations and multiculturalism. We must reach a new level of consciousness, strive to develop a new, inclusive vocabulary, explore new ways of being American, and recognize the variety of racial and ethnic issues that face our society. We must urge one another to judge people by the content of their character rather than by skin color.<sup>76</sup> Our consideration of immigration policy reminds us that we must strive for a more inclusive sense of America for the entire community.



We also have learned much about how to regard certain institutions from the research presented. Consider the effectiveness of student loans and grants used by Vietnamese manicure students described by Huynh and the generally high educational, occupational, and income achievements highlighted by Shinagawa, Jiobu, Erasmus, Chang, Ong and Wing. The programs and education available to Asian Pacific Americans have been put to good use. Viewed as transitional programs or investments in human capital, these institutions have accomplished their purposes of getting new Americans and their children on the road to becoming productive members of society. We would do better as a nation if we focused on what makes these institutions work.

Even more noteworthy is that these accomplishments have been attained within the framework of the current immigration and refugee system.<sup>77</sup> Current proposals to severely reduce family immigration categories strike at the heart of Asian Pacific America. Until 1965, immigration from the Asia Pacific was stifled by exclusionary rules and quotas. Throughout this period, a sense of family stood out. For all their hardships Asian Pacific Americans demonstrated a remarkable resourcefulness, perhaps best revealed through an extraordinary drive to reunite their families. Early on, Chinese women were kept out, so to have a conventional family, Chinese and other Asian men had to reunite with relatives from abroad because of anti-miscegenation and expatriation laws. They were forced to imagine their past family as their future family. When the 1965 amendments favored reunification, Asians gradually expanded their communities. Koreans and Asian Indians expanded first through investor and employment categories, then by taking full advantage of the family categories. Asians' drive to reunify was important to their growth and their progress toward gender balance. Since the mid-1970s, the vast majority of Asian Pacific immigrants have entered in the family reunification categories.<sup>78</sup>

Certainly this volume leaves us with many remaining questions about immigrants and immigration, as well as about ourselves. Hopefully, however, the research that we offer provides important information and added context to the debate.

## Notes

- 1 U.S. Department of Commerce, "Bureau of the Census Statistical Brief: The Nation's Asian and Pacific Islander Population—1994, November 1995.
- 2 Robert J. Lopez, "Group Battles for Latino Businessmen," *Los Angeles Times*, 13 June 1993, part B, p. 1; Bob Baker, "Latinos Shortchanged in Riot Aid, Group Says," *Los Angeles Times*, 14 September 1992, part B, p. 3.

- 3 "Transpacific 100 Great Asian American Entrepreneurs," *Transpacific*, December 1994. This *Transpacific* survey was confined to entrepreneurs of Chinese, Korean, Japanese, Vietnamese, and Filipino descent. The vast majority were foreign-born.
- 4 Roger Waldinger, *Through the Eye of the Needle: Immigrants and Enterprise in New York's Garment Trades*, (New York: New York University Press, 1986); Edna Bonacich and Ivan Light, *Immigrant Entrepreneurs: Koreans in Los Angeles*, (Berkeley: University of California Press, 1988).
- 5 A central provision of the California initiative passed by voters in 1994 would bar undocumented children and the children of undocumented parents from attending public schools. Other sections of Proposition 187 rendered undocumented aliens ineligible for all, but emergency, medical care. The law is currently blocked while federal courts are deciding its constitutionality.
- 6 Bill Ong Hing, *Making and Remaking Asian America Through Immigration Policy 1850-1990* (Stanford: Stanford University Press, 1993), 140-53.
- 7 Harry Pachon and Louis DeSipio, *New Americans By Choice* (Boulder, Colo.: Westview Press, 1994), 89-90.
- 8 Julian Simon, *The Economic Consequences of Immigration* (Cambridge: Cato Institute, 1989), 214-218; George Borjas, *Friends or Strangers* (New York: Basic Books, 1990), 82; Thomas Muller, *Immigrants and the American City* (New York: NYU Press, 1993), 10.
- 9 Simon, *Economic Consequences of Immigration*, 225.
- 10 Michael J. Piore, *Birds of Passage* (New York: Cambridge University Press, 1979), ch. 2. According to Piore, the division into two sectors results from two economic facts: some sectors are more capital intensive than others, and some sectors have a greater variation in demand.
- 11 Piore, *Birds of Passage*, ch. 4.
- 12 Borjas, *Friends or Strangers*, 82, 84-85.
- 13 Simon, *Economic Consequences of Immigration*, 249, 347-48.
- 14 *Ibid.*, 255.
- 15 Richard Vedder, Lowell Gallaway, and Stephen Moore, *Immigration and Unemployment: New Evidence* (Alexis de Tocqueville Institution 1994). To test for the relationship between immigrant presence and unemployment, the researchers incorporated into their model a variable measuring the estimated percent of the total U.S. resident population that was foreign born for each year. Then using an ordinary regression procedure, they ascertained the relationship between immigration (and other control variables) and unemployment. After running regressions from several perspectives, they could not find "any statistically meaningful positive relationship between immigration and unemployment." *Ibid.*, 14.  
Details of their basic labor market model are contained in Richard K. Vedder and Lowell E. Gallaway, *Out of Work: Unemployment and Government in Twentieth-Century America* (1993), ch. 3.
- 16 Vedder, *et al*, *Immigration and Unemployment*, 7-10.
- 17 The ten states with the highest unemployment were West Virginia, Michigan, Louisiana, Alabama, Mississippi, Alaska, Kentucky, Ohio, Arkansas, and Illinois. The ten states with the lowest unemployment were New Hampshire, Nebraska, South Dakota, Hawaii, Connecticut, Kansas, Vermont, Virginia, North Dakota, and Massachusetts.

The ten states with the largest proportion of immigrants were California, Florida, New Jersey, New York, Hawaii, Massachusetts, Rhode Island, Connecticut, District of Columbia, and Illinois. The ten states with the lowest proportion of immigrants were Mississippi, Kentucky, West Virginia, Alabama, Arkansas, Tennessee, South Dakota, South Carolina, Iowa, and Missouri. *Ibid.*, 11-13.

- 18 See Joseph G. Altonji and David Card, "The Effects of Immigration on the Labor Market Outcomes of Less-skilled Natives," in John M. Aboud and Richard B. Freeman, eds., *Immigration, Trade, and the Labor Market* (1991); Robert J. LaLonde and Robert H. Topel, "Economic Impact of International Migration and the Economic Performance of Migrants," (Aug. 1994), p. 53 (Center for the Study of the Economy and the State, Univ. of Chicago, Working Paper No. 96).
- 19 Vedder, *et al.*, "Immigration and Unemployment," 15.
- 20 Thomas Muller describes the situation like this:  
Some of the jobs that immigrants help to create—notably in retail trade and personal services—are taken by other immigrants. But in many other areas—utilities, banking, finance, real estate, and communications—new jobs tend to be filled by natives. Similarly, added economic activity creates new demand for non-technical professionals—lawyers, accountants, and bankers—primarily natives because language and licensing requirements make it difficult for immigrants to enter these fields (Muller, *Immigrants and the American City*, 142).
- 21 See Robert H. Topel, "Regional Labor Markets and the Determinants of Wage Inequality," *American Econ. Rev.* 84 (1994): 17.
- 22 *Ibid.*, 17.
- 23 Topel, "Regional Labor Markets," 21.
- 24 Rebecca Morales, "Transitional Labor: Undocumented Workers in the Los Angeles Automobile Industry," *International Migration Rev.* 17 (1983): 570. While the study was completed more than a decade ago, its findings appear quite relevant to the way businesses and industries are currently evolving in a more global environment.
- 25 *Ibid.*, 586. Morales conducted case studies on the auto parts companies in order to observe hiring practices. She then looked at additional companies in the Los Angeles area to complement the data in order to perform a statistical analysis of the practice of hiring undocumented workers and differentiating various workers in terms of wages. *Ibid.*, 571.
- 26 *Ibid.*, 571.
- 27 *Ibid.*, 572-75.
- 28 *Ibid.*, 575, 579-81.
- 29 *Ibid.*, 587-88.
- 30 *Ibid.*, 593-94?
- 31 U.S. Department of Labor, *The Effects of Immigration on the U.S. Economy and Labor Market*, (GAO, 1989), 107-108.
- 32 *Ibid.*, 108. Some managers even attended training seminars on how to circumvent unionization.
- 33 *Ibid.*
- 34 *Ibid.*, 109.

- 35 Eric S. Rothman and Thomas J. Espenshade, "Fiscal Impacts of Immigration to the United States," *Population Index*, 58 (1992).
- 36 For example, his data is even cited authoritatively and he is labeled an "immigration expert at Rice University" in a children's book I came across in the public library by Meish Goldish, *Immigration: How Should it be Controlled?* (New York: Twenty-First Century Books, A division of Henry Holt and Co., 1994).
- 37 Donald Huddle, *The Cost of Immigration* (Carrying Capacity, July 1993), 1.
- 38 Huddle calculated that public education (K-12) was 25.9 percent of all outlays on immigrants. Medicaid consumed 16.8 percent; while county social and health services, including medical care, accounted for 15.3 percent of costs. These three programs, together with AFDC, unemployment compensation, public higher education, and bilingual and English-deficient instruction comprised over 80 percent of total public outlays for immigrants. *Ibid.*, 9.
- 39 Richard L. Berke, "Politicians Discovering an Issue: Immigration," *New York Times*, 6 March 1994, sec. A, p. 14.
- 40 Jeffrey S. Passel, "Immigrants and Taxes: A Reappraisal of Huddle's 'The Cost of Immigrants'," Program for Research on Immigration Policy, The Urban Institute, January 1994.
- 41 *Ibid.*, 4. Legal immigrants to L.A. County entering between 1980-90 have a per capita income of about \$9,700 according to the assumptions underlying the figures used by Huddle. But the Urban Institute's estimates show that legal immigrants to the U.S. entering between 1970-90 have an average per capita income exceeding \$14,000.
- 42 The average income of immigrants nationally is 45 percent greater than Huddle's assumption of 10 percent less. *Ibid.*, 4-5.
- 43 *Ibid.*, 5.
- 44 *Ibid.*, 6.
- 45 Huddle's costs are overstated by \$2.5 billion.
- 46 Huddle's costs for programs such as Headstart is thus overstated by \$1 billion.
- 47 *Ibid.*, 7. Huddle's estimate for schooling costs is thus wrong by over \$2 billion.
- 48 Huddle's estimated costs are off by \$5 billion.
- 49 Michael Fix, Jeffrey S. Passel, and Wendy Zimmermann, "The Use of SSI and Other Welfare Programs by Immigrants," Testimony before the U.S. Senate Subcommittee on Immigration, 6 February 1996, pp. 2-3.
- 50 Jonathan Marshall, "Study Backs Fears About Immigrants, Report Shows Higher Welfare Dependence," *San Francisco Chronicle*, 26 February 1996, sec. D, p. 1.
- 51 Alan K. Simpson, "Forward," *San Diego Law Rev.* 20 (1982): 1.
- 52 Select Commission Immigration & Refugee Policy, *U.S. Immigration Policy and the National Interest*, (1981) (statement of Commissioner Alan K. Simpson, United States Senator), 412-13
- 53 Steven A. Chin, "Asian American Power Tested," *San Francisco Examiner*, 26 May 1992, sec. A, p. 6 (quoting Dick Day, Simpson's chief counsel on the Senate Judiciary Committee).
- 54 Morton M. Kondracke, "Borderline Cases," *New Republic*, 18 April 1989, p. 8, 9. FAIR describes itself as a "centrist" organization with a membership that includes environmentalists and people with a wide range of political philosophies, including Eugene

- McCarthy. Telephone Interview with Anna Weinroth, lobbyist for FAIR, 4 November 1991,
- 55 Hearings Before the Subcomm. on Economic Resources, Competitiveness, and Security Economics of the Joint Economic Comm., 99th Cong., 2d Sess. 397 (1986) (statement of Otis L. Graham, Jr., Professor, Center for Advanced Studies, Stanford University) .
- 56 *Ibid.*, 359 (statement of Governor Richard D. Lamm).
- 57 Leon F. Bouvier, *Peaceful Invasions: Immigration and Changing America*, (New York: University Press of America, 1992), 184-86. In his acknowledgments, Bouvier states, "It has been a rewarding and challenging experience, and in one sense, troublesome as well. Here I am, a self-proclaimed and proud Liberal advocating reduced levels of immigration!" *Ibid.*, iii.
- 58 See, e.g., Won Moo Hurh and Kwang Chung Kim, "Adhesive Sociocultural Adaptation of Korean Immigrants in the U.S.: An Alternative Strategy of Minority Adaptation," *International Migration Rev.* 18 (1984): 188, 205; Eric Rosenthal, "Acculturation Without Assimilation? The Jewish Community of Chicago, Illinois," *American Journal of Sociology* 66 (1960): 275, 282-88; Paul J. Strand and Woodrow Jones, Jr., *Indochinese Refugees in America: Problems of Adaptation and Assimilation* (1985).
- 59 Frank Sharry, "Why Immigrants are good for America," *Orlando Sentinel*, 22 September, 1991, sec. G, pp. 1, 5; Lawrence Kutner, "Parent & Child," *New York Times*, 19 November 1992, sec. C, p. 12.
- 60 Ashley Dunn, "Immigrants Protest English Class Cuts," *Los Angeles Times*, 19 June 1991, sec. B, p. 3.
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- 68 Uchitelle, "Job Losses."
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- jobs." Jane Gross, "California Shows Signs of Recovery as Jobs Increase," *New York Times*, 11 April 1994, sec. A, p. 1, 12.
- 71 Karen Rothmyer, "Everyone's Talking About It . . . But Why? From NAFTA to GATT, free trade becomes a dinner-table issue," *Newsday*, 12 December 1993, 96.
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- 73 *Ibid.*
- 74 Ravi Batra, a professor at Southern Methodist University and author of *The Myth of Free Trade* puts it this way: "If the U.S. had a 50 percent tariff on manufacturing imports, all foreign companies would have to produce here using American labor." Rothmyer, "Everyone's Talking About It."
- 75 The demographic data presented by Shinagawa on the increasing rate of intermarriage among Asian Pacific Americans raises new considerations of the evolution of what an American is.
- 76 This phrase comes from Martin Luther King's famous "I have a Dream" speech: "I have a dream my four little children will one day live in a nation where they will not be judged by the color of their skin but by content of their character. I have a dream today!" Martin Luther King, Jr., *A Testament of Hope: The Essential Writings and Speeches of Martin Luther King, Jr.* (James M. Washington ed., 1986): 219.
- 77 A recent study by Empower America, an organization co-directed by Jack Kemp and William J. Bennett, recognizes that key employees and even founders of high-tech companies enter the country as refugees and family-sponsored immigrants, as well as employment-based immigrants. See "Study Disputes Arguments for Caps on Employment-based Immigration," *Daily Labor Report*, 29 February 1996.
- 78 Hing, *Making and Remaking Asian American Through Immigration Policy*, 15, 79-105, 186.