

less of their education, made about 75 percent of the earning of comparable native whites; for Asians the figure rose to about 80 percent.²⁶

In agreement with past studies, Bean and Stevens found that the gap was particularly large for Mexicans and that it repeated itself across all educational categories. Thus college-educated Mexican immigrants had earnings that were, on average, only 60 percent of similar natives in 1989; for those with a high school education the gap closed marginally to about 69 percent. A more recent study by Telles and Ortiz has documented the persistence of the Mexican income gap across generations. Between 1970 and 2000 Mexican male incomes in the five southwestern states declined in real dollars, while those of non-Hispanic whites and, to a lesser extent, African Americans rose, confining Mexicans to the bottom of the income distribution. These authors conclude: "Our findings show a consistent lack of economic progress across generations. . . . There is no economic assimilation. . . . Indeed, our statistical analysis shows that generation-since-immigration has no significant effect on any of the leading socio-economic indicators, once other variables, especially education, are considered."²⁷

The limited ability of models based on individual predictors to account for economic differences among immigrant groups and between them and the native-born, plus the persistent earnings disadvantage suffered by groups like Mexicans, points once again to the need for a more encompassing explanation. This task must focus on contextual factors that go beyond the individual characteristics that immigrants bring from abroad or their present levels of skill and effort. We turn to this task next.

EXPLAINING THE DIFFERENCES: MODES OF INCORPORATION

There are two ways to "make it" in America, at least legally. The first is the salaried professional or managerial route; the other is entrepreneurship. There is no doubt that what immigrants "bring with them" in terms of motivation, knowledge, and resources is a decisive feature affecting whether they will gain entry into one or another path of economic mobility. The typology of immigration presented in chapter 1 is essentially a qualitative summary of these basic resource endowments. For example, immigration of manual laborers is generally characterized by low levels of education and occupational skills and an absence of prior entrepreneurial experience. This scarcity of human capital, char-

acterizing immigrants of modest origin, makes raw physical power their principal marketable asset on their arrival in America.

Professional immigration is characterized by high levels of education and skill. These resources may not translate immediately into highly paid positions because of language difficulties and lack of job-seeking experience. Over time, however, education and professional training tend to give these immigrants an edge in gaining access to better-paid positions. This is well-exemplified by the occupational and economic trajectory of Russians and other immigrants from the Soviet successor republics in recent years. Similarly, entrepreneurial flows are distinguished, as seen previously, by a substantial number of immigrants with prior business experience. These skills may remain dormant for a while, as new arrivals struggle with language and customs at the receiving end. However, with increasing time and familiarity with the host economy, many are able to reenact past experience by eventually moving into self-employment. The experiences of the Vietnamese and the early waves of Cubans, discussed previously, illustrate this trajectory.

Hence, time is an important variable influencing socioeconomic achievement, but it is so for some groups more than for others. As previously discussed research has shown, earnings tend to increase with number of years since arrival. This process is likely to be more accelerated, however, for those who possess the necessary skills and resources than for those who must rely on their physical energy alone. Among refugee groups, time has a different meaning, at the collective level, because it is often associated with a declining socioeconomic gradient. As we noted in chapter 1, earlier exiles tend to come from the elite and middle classes; later refugee cohorts increasingly resemble the mass of the sending country's population. The fate of these late arrivals depends, to a large extent, on the kind of community created by their conationals and the access to the resources that this community possesses.

An emphasis on the different modes in which immigrants become incorporated into the host society is a way to overcome the limitations of individualistic models of immigrant achievement. The basic idea is simple: individuals with similar skills may be channeled toward very different positions in the labor market and in the stratification system, depending on the type of context in which they become incorporated. This process helps explain differences in occupation, business ownership, and income among immigrants who are statistically "equal" in a series of personal characteristics. It is not sufficient to point to the importance of context, however, just as it is not enough to attribute per-

sistent income differences to an "ethnic group effect." We must move beyond this level of generalization to specify at least what some of these contextual factors are and how they operate.

Contexts of Reception

For immigrants the most relevant contexts of reception are defined by the policies of the receiving government, the character of the host labor market, and the features of their own ethnic communities. The combination of positive and negative experiences encountered at each of these levels determines the distinct mode of newcomers' incorporation. Governments are important because their policies determine whether sizable immigration movements can occur at all and, once under way, the forms that they will take. Regular legal migrant flows can only exist, of course, with the consent of governments. In some cases sustained underground labor flows have also taken place with tacit official consent.²⁸ When this agreement does not exist, clandestine immigration is shaped and constrained, at every step, by the need to bypass the state's enforcement machinery. In every instance governmental policy represents the first stage of the process of incorporation because it affects the probability of successful immigration and the framework of economic opportunities and legal options available to migrants once they arrive.

Although a continuum of possible governmental responses toward foreign groups exists, the basic options are three: exclusion, passive acceptance, or active encouragement. When enforced, exclusion precludes immigration or forces immigrants into a wholly clandestine existence. The second alternative is defined by the act of granting access, explicitly or implicitly, without any additional effort to facilitate or impede the adaptation process. Most economically motivated immigration to the United States in recent years has taken place under this alternative. The third governmental option occurs when authorities take active steps to encourage a particular inflow or to facilitate its resettlement. At various times during the nineteenth and twentieth centuries, the U.S. government was directly or indirectly involved in recruiting laborers or skilled workers deemed to be in short supply domestically. The Bracero Program described in chapter 1 represented one of the most important of these experiences in the twentieth century.²⁹

Since passage of the 1965 Immigration Act, active governmental intervention to stimulate migration or facilitate its resettlement has been restricted to selected refugee inflows. Governmental support is impor-

migrant
workers
scientists

tant because it gives newcomers access to an array of resources that do not exist for other immigrants. However, the interaction of this contextual dimension with individual characteristics can lead to very different outcomes: for refugees with professional or business skills, governmental assistance represents a means to accelerate social integration and economic advancement; for those lacking these skills, it can be a means to achieve family reunification, but it can also perpetuate welfare dependence and economic marginalization.³⁰

Labor markets represent the second dimension of contexts of reception. Clearly, several features affect the economic prospects for immigrants. These features—such as stages in the business cycle, demand for specific kinds of labor, and regional wage differentials—have been discussed at length in the economic literature as potential determinants of individual earnings. However, there is a sociological aspect of labor markets that is perhaps more significant, namely, the way in which particular immigrant groups are typified. Employers as a whole may be indifferent toward a particular group, or they may have a positive or negative view of it. Positive or negative typification of a specific minority can take, in turn, different forms. For example, widespread discrimination may hold that certain groups are able only to perform low-wage menial labor (“Mexican work” or, in an earlier time, “coolie labor”), or it can hold that they are simply too incompetent to be employable at all. In the first instance discrimination contributes to confinement of the group to the low-wage segment of the labor market; in the second it contributes to its exclusion and hence unemployment.³¹

Positive typification, as opposed to mere neutrality, has been less common. Preferential hiring of immigrants as workers tends to occur when employers are of the same ethnicity. Hence, when a segment of the local labor market is composed of an ethnic enclave, recent immigrants of the same origin often gravitate toward it in search of employment opportunities unavailable elsewhere.³² Positive typification can also occur when members of an ethnic group or immigrant nationality are viewed as more motivated to work and more reliable than their potential competitors. This positive image may grant them preferential access to entry-level jobs, although there is no guarantee that they will be able to rise beyond them.³³ Several recent studies have shown that employers of low- and semiskilled labor tend to “think ethnically,” exchanging among themselves information about groups preferable because of their work disposition and reliability and those to be avoided because of their “attitude.”³⁴

These various labor-market situations interact, of course, with indi-

soft-skills

vidual skills and resources, leading to a plurality of outcomes. The main difference lies in the ability of different types of immigrants to neutralize labor-market discrimination. Lack of resources and information makes discrimination most serious for immigrant laborers who are generally trapped in positions believed to be "appropriate" for their group. Even if they receive preferential access to these low-paid menial jobs, these may be dead-end positions that lead nowhere. Professionals and entrepreneurs can escape discrimination by moving to other parts of the country and sometimes by disguising their nationality or ethnicity. In other instances, however, they may emphasize the same traits as a source of solidarity for the construction of ethnically defined employment niches or business enclaves.³⁵

The ethnic community itself represents the third and most immediate component of contexts of reception. A first option is that no such community exists, in which case immigrants must confront the host labor market unaided. If employers do not discriminate against them, the situation approaches the ideal assumed by individualistic human-capital models because, presumably, only the person's education and work abilities will affect his or her earnings. Among contemporary immigrants this situation is most closely approximated by professionals, who frequently accept jobs away from areas of ethnic concentration and who compete primarily on the basis of their own scarce skills.³⁶

Most common, however, is the arrival of immigrants into places where an ethnic community already exists. As we saw in chapter 2, a common sociological observation is that such communities cushion the impact of cultural change and protect immigrants against outside prejudice and initial economic difficulties. Of equal importance is the fact that the process of socioeconomic attainment in this context is largely network-driven. Ethnic networks provide sources of information about outside employment, sources of jobs inside the community, and sources of credit and support for entrepreneurial ventures. Because isolating themselves from the influence of kin and friends is quite difficult for newcomers in the early stages of adaptation, the characteristics of the ethnic community acquire decisive importance in molding their entry into the labor market and, hence, their prospects for future occupational mobility.

Ethnic communities vary widely in a number of dimensions, but from the perspective of socioeconomic advancement, the central difference is whether they are composed primarily of manual laborers or contain a significant professional or business element. Typically, ethnic groups seek to protect and promote their own, but how they do so varies signif-

icantly across these situations. For newcomers in working-class communities the natural path is to follow the course traced by earlier arrivals. The assistance that ethnic networks can provide for securing employment in this situation tends to be constrained by the kind of jobs already held by established members of the community. In addition, there is often a collective expectation that new arrivals should not try to surpass, at least initially, the status achieved by older migrants.³⁷

In this fashion individuals of above-average ability and motivation may find themselves restricted to low-status jobs and limited in their chances for future mobility. Ethnic network assistance comes at the cost of pressures for conformity, and the latter often reinforce employers' expectations about the "proper" position of the minority in the labor market. These dynamics help explain the self-perpetuating character of poor ethnic communities and the frequent tendency among their members to receive lower-than-average rewards for their human capital. The case of Mexican immigrants and Mexican Americans, described in chapter 1 and in previous sections of this chapter, provide arguably the most important illustration of these dynamics.

The dominant feature of the opposite situation—where a substantial number of community members hold high-status occupations—is that the support of ethnic networks is not contingent on acceptance of a working-class lifestyle or outlook. Hence, newcomers, dependent as always on the assistance of kin and friends, may be steered from the start to the whole range of opportunities available in the host labor market. Within this general pattern entrepreneurial communities have the additional advantage of being not only sources of information about outside jobs but also sources of employment themselves. Immigrant firms tend to hire and promote their own, and, as we have seen, they often represent the only segment of the labor market in which newcomers can find preferential employment.³⁸

In the past there was a common belief, especially among economists, that jobs in coethnic firms were equivalent to those in the lower tier or "secondary" labor market, insofar as both constrained future mobility opportunities. Recent studies indicate, however, that this is not the case because employment within an ethnic enclave is often the best route for promotion into managerial positions and for business ownership. These studies have found that education brought from the home country can have a greater economic payoff, at least initially, in coethnic firms and that a key factor promoting business ownership is prior employment in firms owned by persons of the same nationality. In this manner ethnic

enclaves can function as "training systems" for the acquisition of the requisite business skills by newcomers.³⁹

This complex set of factors can be illustrated with data on the differential performance of immigrant groups in the American labor market. Economic models of employment and earnings have focused primarily on individual characteristics such as education and work experience as predictors. As we have seen in this chapter, such variables are important but yield imperfect results that do not fully account for between-group differences. Table 22 further illustrates these conclusions with data from a sample of more than two thousand immigrant parents surveyed as part of the Children of Immigrants Longitudinal Study (CILS, 1992–2002). Results from that project will be discussed in greater detail in chapter 7. For the moment our interest is on the incomes of adult immigrant parents and their determinants.⁴⁰

The CILS parental survey contains a sizable number of immigrants and refugees who may be considered "emblematic" of the different modes of incorporation described above. Among them, pre-1980 Cubans, Vietnamese, Cambodians, and Laotians—all refugee groups from communist regimes—were recipients of generous governmental resettlement assistance and of a generally positive public reception as escapees from governments hostile to the United States. Governmental support for family reunification allowed each of these groups to rebuild families and form cohesive communities that became, with the exception noted above (see note 38), a key source of assistance for later arrivals. Such positive context may be expected to have a significant effect on the economic mobility of these minorities.⁴¹

How context matters

The survey also contained a sizable number of immigrants who find themselves in the opposite situation. Mexicans, in particular, not only do not receive any governmental aid, but they have been subjected to much official persecution as potential illegal aliens. This is coupled with widespread discrimination and hostility among the native population, which has frequently regarded Mexicans as the core of a "silent invasion" undermining the linguistic and cultural integrity of the nation. The modest educational qualifications of most Mexicans, combined with a negative official and public reception, have resulted, in turn, in weak and transient communities lacking the material and social resources to effectively support their members. The studies by Bean and Stevens and, in particular, Telles and Ortiz, reviewed above, lend strong support to this conclusion. Haitians find themselves in a parallel situation where a federal policy designed to prevent their entry and discourage their

TABLE 2.2 DETERMINANTS OF ADULT IMMIGRANT ECONOMIC OUTCOMES^a

Predictor	Family monthly earnings ^b		Individual yearly incomes ^b	
	I	II	I ^c	II ^c
Sex (male)	562***	429***		
Age	6 n.s.	-1 n.s.	2,365***	
Years of U. S. residence	10*	16**	-30 n.s.	1,795*
Post-high school education			135**	-60 n.s.
College graduate	327**	407**		165**
Postgraduate education	851***	866***	5,425***	5,120***
Knowledge of English	1,565***	1,679***	8,680***	7,265***
Occupational status			8,305***	8,450***
Self-employment	233***	275***	2,485***	
Nationality	511***	540***	3,605**	2,330***
Colombian	-49 n.s.	56 n.s.	580 n.s.	3,930***
Cuban		-454*		1,015 n.s.
Filipino		-192 n.s.		-865 n.s.
Haitian		91 n.s.		1,500 n.s.
Laotian/ Cambodian		-697*		4,305**
Mexican		901***		-5,930**
Nicaraguan		-401*		4,960**
Vietnamese		-583**		-1,910*
West Indian		324*		-475 n.s.
		-441*		1,220 n.s.
R ²	.248	.313	.311	-1,015 n.s.
N	2,010		2,010	.354

SOURCE: Portes and Rumbaut, *Legacies*, table 4.3 based on the Children of Immigrants Longitudinal Study (CILS), parental survey.

^aOrdinary least squares regressions with unlogged dollar figures as dependent variables.

^bUnstandardized regression coefficients.

^cDecimals (cents) suppressed. Coefficients evaluated at the mean of each income interval.

*Moderate effect (coefficient exceeds 2.5 times its standard error).

**Strong effect (coefficient exceeds four times its standard error).

***Very strong effect (coefficient exceeds six times its standard error).

n.s. = Nonsignificant effect.

stay is combined with widespread public discrimination because of their condition as a black minority. As with Mexicans, this hostile environment, coupled with the modest education and economic resources of most Haitians, has given rise to an impoverished ethnic community that functions more as a trap than as a platform for upward mobility.⁴²

The case of Nicaraguan immigrants is also quite telling. This is mostly a population of would-be asylees who came to America fleeing the Sandinista regime in their country. They expected a favorable official reception comparable to that received by the early Cuban exile waves but were promptly disabused of that hope. By the time of their arrival, U.S. policy had shifted, seeking to bottle up discontent inside Nicaragua in support of the contra insurgency rather than hosting and promoting a new refugee community in South Florida. Accordingly, most Nicaraguans were denied asylum, and those who stayed were initially classified as illegal aliens. Though subsequently granted temporary protected status (TPS), they never benefited from the set of resettlement assistance resources granted to Cubans and were thus unable to translate human-capital resources brought from the home country into occupational and economic ascent.⁴³

Columns I and III of table 22 show the powerful effects of education, knowledge of English, length of U.S. residence, and gender in the economic attainment of first-generation immigrants.⁴⁴ A college degree, for example, yielded a net \$850 gain per month in earnings and almost \$8,700 in annual incomes. A postgraduate degree produced even larger monthly earnings. Each additional level in the four-point scale of knowledge of English used in these models yielded almost \$2,500 extra in annual incomes, and each additional year of U.S. residence added \$135. The human-capital equation succeeds in explaining one-fourth of the variance in monthly earnings in this sample. But even with all these variables controlled, between-group differences persist, as indicated by the corresponding nationality coefficients in column II. The direction of these coefficients corresponds to our theoretical expectations based on the known modes of incorporation of different immigrant groups.

Mexican, Haitian, and Nicaraguan immigrants experienced a significant loss in monthly earnings after controlling for their education, knowledge of English, and occupation. The same is generally true for yearly incomes. For example, Mexicans who are statistically "equal" to the rest of the sample in individual characteristics pay a penalty of almost \$2,000 per year; the figure increases to a remarkable \$6,000 for Haitians. Since education and other relevant individual traits are

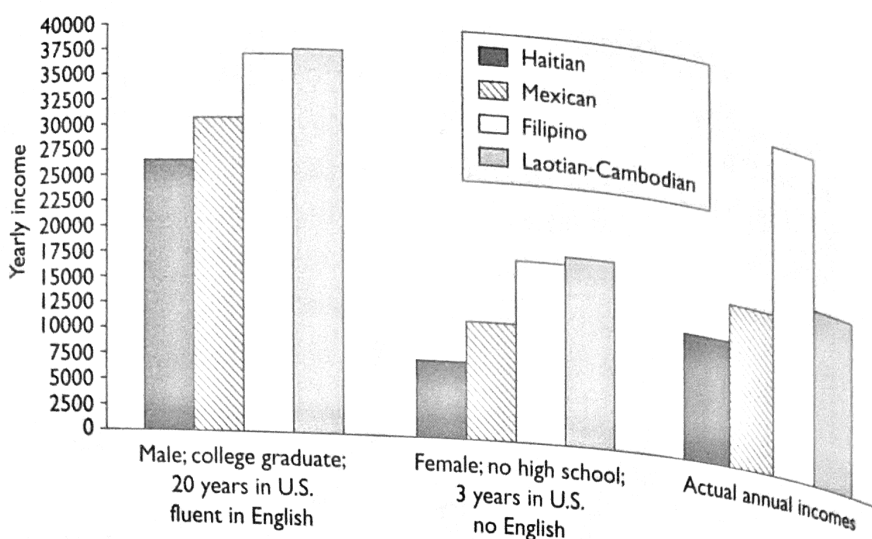


FIGURE 8. Annual incomes in U.S. dollars by nationality and different human capital and gender profiles. *Source:* Portes and Rumbaut, *Legacies*, 81, based on Children of Immigrants Longitudinal Study (CILS), parental survey.

controlled, this penalty is directly attributable to the negative modes of incorporation experienced by these groups. Results are in line with those reported by Reimers and other earlier studies.

Statistically insignificant nationality effects indicate that initial group differences are fully accounted for by individual human capital, as well as by subsequent work experience in the United States. Thus, for Cubans, an older refugee group with many years of U.S. experience, the advantages of an early favorable mode of incorporation had largely dissipated by the time the survey was conducted. This result also reflects the difference between the favorable mode of incorporation experienced by early Cuban exiles and the increasingly negative reception of Cuban refugees arriving during and after the Mariel exodus of 1980. About 40 percent of Cuban immigrant parents in the sample belong to that second category.⁴⁵

By contrast, Southeast Asian refugees have benefited from a consistently positive mode of incorporation corresponding to their more recent arrival and continuous governmental assistance. As seen in table 22, these groups enjoy a positive and generally significant net advantage in monthly earnings and yearly incomes, despite their low initial levels of human capital. This is especially true for Laotians and Cambodians, refugee groups of very modest education who nevertheless had a net advantage in yearly incomes of almost \$5,000. This remarkable result is directly attributable to governmental assistance, given the low human capital, low labor-market participation, and low levels of entrepreneurship of these Southeast Asian minorities.⁴⁶

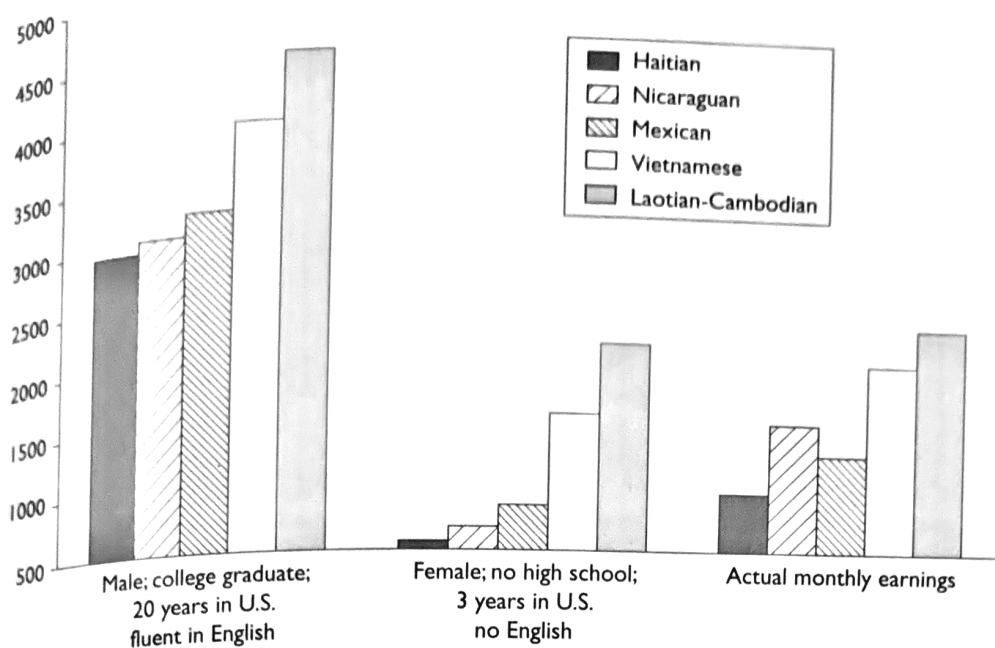


FIGURE 9. Monthly earnings in U.S. dollars by nationality and different human capital and gender profiles. *Source:* Portes and Rumbaut, *Legacies*, 82, based on Children of Immigrants Longitudinal Study (CILS), parental survey.

Figures 8 and 9 illustrate these results by presenting income and earnings data for immigrants of different nationalities possessing two hypothetical individual profiles. The first is a college-educated male who is fluent in English and has lived in the United States for twenty years; the second is a recently arrived female with no English and an education less than high school. The difference in projected earnings based on our models is stark. Yet in each case major differences persist across immigrant nationalities. Hence, monthly earnings of our hypothetical male in 1995 dollars would range from \$2,950 if he were Haitian to about \$4,000 if he were a Southeast Asian refugee. At the opposite end, an uneducated Haitian woman could expect to earn no more than \$560 per month, but a Laotian woman in the same situation would receive more than \$2,100.

Actual earnings of each immigrant nationality, presented in the third panel of the figure, show that they come closer to the low human-capital profile above. Yet in all instances but one they exceed these figures by a considerable margin, indicating higher levels of average education, knowledge of English, and work experience than our hypothetical bottom example. The exception is the Laotian/Cambodian group, for whom actual earnings come close to those projected on the basis of minimum human capital. This result corresponds to the low human capi-

tal and entrepreneurial skills of these refugee groups and their almost exclusive reliance on a favorable governmental reception.

Similar results were found when the effects of education, length of U.S. residence, and other earnings predictors were compared across strategic nationalities. Groups advantaged by an early favorable mode of incorporation, such as pre-1980 Cubans and Vietnamese, enjoyed a sizable payoff for their high school or college education and for each year of additional residence in the United States. By contrast, Mexican immigrants and Nicaraguan would-be asylees experienced no gain for additional time in the country or for achieving a college degree. Only among the very few who had managed to achieve a postgraduate degree did education pay off significantly.

As we have seen in this chapter, making it in America is a complex process, dependent only partially on the motivation and abilities that immigrants bring with them. How they use these personal resources often depends on international political factors—over which individuals have no control—and on the history of earlier arrivals and the types of communities they have created—about which newcomers also have little say. These complex structural forces confront immigrants as a fait accompli that channels them in widely different directions. A Haitian or Mexican professional may do worse in the American labor market than an Indian or Vietnamese worker through no personal fault because of these external circumstances. Later on, apologists of successful groups will make necessities out of contingencies and uncover those “unique” value traits underlying their achievements; detractors of impoverished minorities will similarly describe those cultural “shortcomings” or even genetic limitations accounting for their failure. Both are likely to affirm that, in the end, “where there is a will, there is a way.”

The reality is different. Knowledge of the contexts that immigrants confront negates culturalist or genetic explanations because it demonstrates the importance of the modes in which they are incorporated and the resulting material and moral resources made available by governments, the labor market, and their own coethnic communities. The most hardworking individuals may end up in poor jobs simply because they perceive no alternatives or are offered none; others may rise to the top by riding in the wake of a lucky set of external circumstances. Social context renders individualistic models insufficient because it can alter, in decisive ways, the link between personal skills and motivations and their eventual occupational and economic payoff.