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GEO319 Essay

A New Majority:
The Economic and Demographic Impact of Migrant Labour from Latin America to the USA

Immigration has been a key process in the growth of the United States for hundreds of years, with fluctuating flows originating from Europe, Africa, Asia and Latin America. Until last year the largest ethnic group in the USA was African Americans who currently compose some 12.3% of the population (USCB 2002). Yet in the 2000 census, the Latin American population was larger at 12.5%, an increase widely covered in the US press at the time (Sailer 2003, BBC News 2003). So what are the implications of this increase for the USA, both for the new settlers and existing population? Is it beneficial to destination areas, or does it pose a threat to economic and cultural stability? This essay will introduce the scale of Latin American immigration and then briefly investigate the social, demographic and economic impact of Mexican immigrants. Conclusions will be drawn against the significance of this flow compared to the current institutionalised xenophobia against immigrants to the United Kingdom.

Figure 1 shows the growth in numbers of Mexican settlers in the United States in the last half century, demonstrating an almost exponential rate of growth. There are many possible factors that can explain this trend, especially political policies that have historically encouraged migrant work from Latin America, and the flow of illegal migrants. From 1942 and 1964 a day labourer program encouraged workers to visit the USA for seasonal fieldwork. After the end of this programme migrant settlers decreased, presumably as temporary movements became more difficult. In the 1980's there was an amnesty on illegal settlers in the United States which allowed persons that had been living without papers to gain official status (Klaver 1997). Since this scheme has ended, there have been large numbers of Mexican immigrants entering the country illegally. Recently an initiative called the 'Green Card Lottery' has enabled

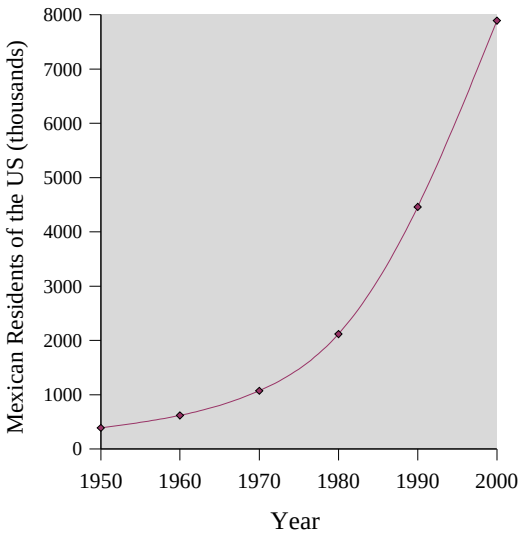

Figure 1 Mexican Residents in the USA (adapted from Canales 2003)

potential migrants from qualifying countries across the world to apply for 50,000 permanent work visas chosen by an annual 'random' draw. Although Mexican immigrants are not eligible for this system, migrants from many other Latin American countries are able to bring their whole family to the states through the scheme (USAGCL 2004).

President Bush has recently called for an overhaul of immigration law to allow more immigrants to obtain legal status, albeit on a temporary basis (BBC News 2004a). The move has been criticised as pandering to the important Hispanic vote, while simultaneously denying permanent residence and securing cheap labour for agriculture and manufacturing. If passed, the proposed legislation could see a return to patterns of cyclic migration for agricultural work, as visas would only be valid for a few years. Mexican labour still accounts for 24.8% of the total agricultural labour force (Canales 2003), and many agri-businesses that rely on this source of cheap labour would welcome political moves to legalise immigrants.

The establishment of the North American Free Trade Agreement in 1994 brought close economic integration to the USA, Canada and Mexico, and with it a change in labour and migration patterns between the three countries. Canales (2001) notes that at the outset of the signing of NAFTA there were two possible scenarios for Mexican migration and labour. The first proposed that migration levels would be reduced as free trade enabled manufacturers in Mexico to modernise and competitively export to the United States, hence job creation would increase economic prosperity and reduce economic incentives to migrate. The second hypothesis is that only low wage employment would be created. mostly in export processing industries, and the removal of protectionist policies for agriculture would put pressure on Mexicans to migrate to obtain higher wages and secure employment.

Unfortunately (although not surprisingly) the latter scenario seems to have predominated, as evident by the increase in migration to the USA and reduced Mexican job security in a competitive market. The effect of this has been a great increase in the number of people entering the US as conditions for the poorest members of society become exacerbated. The year after the signing of the NAFTA, average Mexican wages fell by 37% in terms of US dollar value, while the amount of remittances have increased steadily since 1993 (Canales 2003). Noting this growing pattern of economic immigration from Mexico to the United States, what are the impacts on the migrants and the host nation?

Economic Issues

Economic life is often very difficult for new arrivals to the USA. Klaver's (1997) extensive study on migrants to Los Angeles from the Oaxaca region of Mexico notes that most people do not obtain work on arrival, and those that do predominantly start out doing menial kitchen tasks in restaurants. Wages are poor, and those that manage to find work often do several jobs averaging over 40 hours a week at an average pay of $5.80 an hour. Rent in Los Angeles is high, and despite sharing rooms, a majority of those questioned were paying over $200 a month on accommodation (Klaver 1997).

Census data shows that foreign born Latin American workers (which are predominantly Mexican) work primarily in service industries or as operators, fabricators and labourers (USCB 2002c). However the Census Bureau classifications do not describe Latin American employment very accurately, over 43% of people fall into an category of employment described as 'Other'. 1997 data shows that agriculture is no longer the primary source of employment for the Mexican workforce, instead manufacturing and construction are the biggest employers (Canales 2003). Mexican immigrants tend to be in the less innovative spheres of employment, and work mobility in these areas is low. This is particularly true for Mexican women, who remain unable to close the earnings gap between non-Hispanic white women (Allensworth 1997). For men the picture is a little different, in general they are able to increase their wages with longer duration in the United States, to a level similar to US born Hispanics (Allensworth 1997).

As for the effect that this migration has on the local economy of the United States, research finds differencing conclusions. Reed (2001) finds that migration in the USA has had a significant effect in increasing wage inequality between men, based on calculations using the GINI index. Yet this study does not differentiate between a lowering of native wages before the impact of immigration and the effect of the typically low pay of immigrants bringing down average wages.

Most damning is a report by the anti-immigration research group Centre for Immigration Studies (CIS) that suggests that immigration is responsible for a decrease of 4% in native wages (Borjas 2004). However the report seems to have several key flaws. Firstly the data only studies mens' employment, which in general been in decline since 1950, while female participation has risen (Figart et. al 2002) hence the data is studying an already declining group. This also makes the report numb to recent changes in immigration profiles which show that more women are obtaining paid

work abroad. His conclusions that immigrant children are representing a larger proportion of high school drop-outs is likely to be true, but he fails to acknowledge that this can be largely attributed to the higher number of total immigrants. Lastly Borjas does not consider the impact of wages to regions if manufacturing and service processing were to relocate elsewhere (ie Mexico) as cheaper wages were not available in the States. Yet the report does make two important points: it is the lower skilled native workers who are most adversely effected by immigration, especially native ethnic groups.

Demographic Effects

The United States has an ageing population, a fact clearly recognised in current government policy referring to the increasing cost of Medicaid and social support. The stereotypical view of immigrants suggests that those that cross borders for work are in general young people, who may have large families. Hence the influence of a migrant demographic profile can result in the 'youthing' of the native population. Can immigration reduce the dependency ratio in the United States?

Figure 2 compares the demographic pyramids for Latin American born migrants in the United States and the population of the country as a whole, based on data from the 2000 Census. The Latin American population (orange) shows a very clear peak in the 35-44 age group, which alone accounts for 22.6% of the male population and 21.9% of the female. This contrasts with the traditional view of migrants typically being in their early twenties when they are beginning to enter the work force (Boyle et. al 1998). Yet the 35-44 peak probably has more to do with political reasons than demographic processes. If one considers the 1984 date when illegal immigrants were offered official status by the US government, those that arrived in the 1980's in their twenties and were granted official status would now fall in the 35-44 age category. Hence it can be

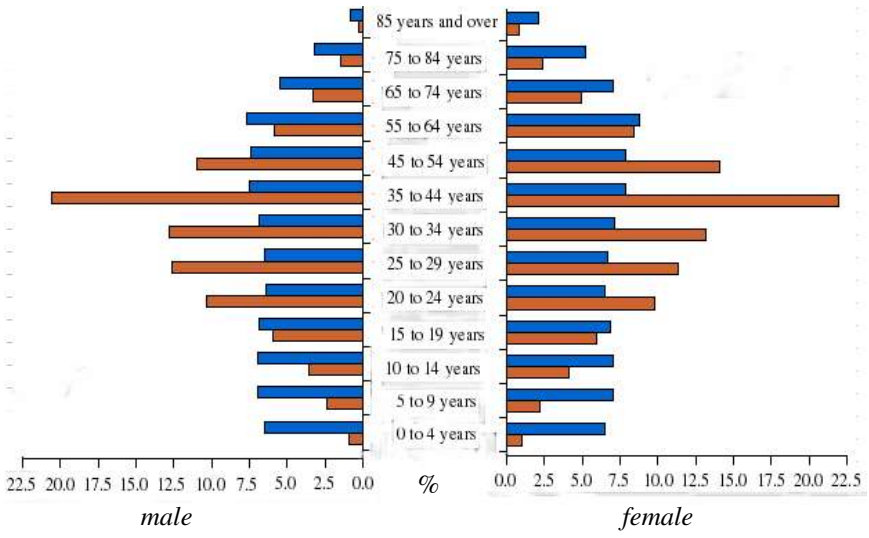

Figure 2 Demographic profile of Latin American born residents (orange) and US residents (blue)

Source: (USCB 2002a) and (USCB 2002b)

concluded that more people entered the US or at least have remained as a result of the 1984 immigrant policy.

Theoretically the data should include numbers of illegal immigrants as well, as it is a US Census Bureau policy to collect information on all residents, regardless of status. In practice many illegal immigrants are not counted, as they are sceptical that government workers will report and deport them. Most do not realise that census staff must treat all locational data on individuals as confidential, even from the US government.

The bell shaped distribution of the Latin American born migrants contrasts sharply with the even spread of the US population as a whole. However some caution should be used when interpreting this graph, as the Latin American data does not show Hispanic persons born in the United States – hence there are very few young people in the distribution. Indeed the pyramid for Latin American migrants is very different from the native Mexican population, where there are still high birth rates leading to a traditional pyramid that declines sharply with age (Klaver 1997).

A CIS report has estimated that children born to immigrant families in the United States currently represents some 750,000 annual births (Camarota 2002) which represents roughly 28% of present population growth. Hispanic groups represent the biggest gainers in the US demographic profile; US Census Bureau projections suggest that by 2050 24% of the US population will be Hispanic, while the white non-Hispanic group will decline from 69% today to 50% (USCB 2004). Obviously not all of this growth is attributable to immigrants, or children born to migrant families, but the influence on the ethnic make-up of the United States is significant. The cultural impacts of this will be discussed in the next section.

Many studies have shown that over time migrants adapt to new local cultures, and learn behaviours and cultural norms indicative of the native population. Fertility is one example of this, although Latin America has a high birth rate, the longer migrants are settled in the United States, the lower their fertility rate (Ford 1990). However Ford also notes that families often have higher rates of fertility when initially settled, perhaps because parents have postponed having children until after they have moved. This pattern is historically less strong for migrants from Latin America, who have long periods of low fertility due to the cyclic nature of Mexican migration (Massey and Mullen 1984).

This pattern may have changed in recent years due to the increasing number of migrants who find work in manufacturing rather than seasonal agricultural work, and the previously mentioned changes in immigration policy. Stephen and Bean (1992) seem to support this idea; their cohort study suggests that fertility is 'disrupted' by moving, but births peak a decade after migration. This could be early evidence of the shift to permanent migration over cyclic work with the changes in immigration policy.

In conclusion, it does seem to be the case that Latin American immigration is reducing the average age of the US population, largely through increased numbers of immigrants, but also by new births. As migrants are predominantly of healthy working age, there is little extra provision needed for schools or hospitals, and although some migrants do claim welfare (Hao and Kawano 2001) most bring net benefits to the economy. The next section will consider the cultural issues caused by these transnational migrants, and the social impact of migrant populations for the traditional non-Hispanic population.

Culture and Society

In recent years demographic and migratory research has begun to focus more on the human aspect of migration, and thanks to influence from feminist studies of economics and the post-modern cultural turn, there is some excellent micro-level qualitative research on migration. It is this kind of analysis that gives insights into the differences in culture that create strong differences in the attitudes towards migrants in different countries.

Moving to a new country can be an intimidating experience, and on arrival many people can feel disempowered. Usually migrants have no awareness of the local landscape or cultural norms, they may find it difficult to communicate in the local language, and often have little money. Their clothing, ethnicity and dialect differentiate them from the native population, so migrants from one region tend to cluster together in the host country. Klaver (1997) notes that within Los Angeles there are clear groupings of people from the same countries or ethnicities, and people from particular districts tend to live close together. This may be due to family ties, knowledge of friends and acquaintances that have already migrated, or word of mouth about good jobs or housing.

These social networks are crucial in the initial stages of migration, especially in the processes of settling in and acclimatising to a foreign country. Often a friend or relative has very valuable

experience of immigration, especially for illegal immigrants who must find and pay a 'coyote' to smuggle them across the border (Klaver 1997). Once in the States, new arrivals often stay with their local contact until they can secure their own housing and employment; another area where the local knowledge of a friend or relative is invaluable. For this reason, there tends to be a snowball effect in migration. As soon as a few people have moved to an area, there exist transnational ties which can facilitate more people to emigrate to the same area. The social networks that are created between countries explain a great deal of the clustering that occurs between migrants of a particular ethnic origin.

Migrants from Latin America tend to either move to southern states of Texas and California were there is much agricultural work and similar cultures, or big cities like New York and Los Angeles where there are diverse communities, and good prospects for employment. Washington DC has a particularly high clustering of Hispanic migrants, especially female. Here there are good opportunities for domestic work as nannys for upper class households, or cleaners in down-town government offices. Many live in inner city areas to the South West and North East of the city that are some of the most impoverished and crime ridden areas in America, although increasingly people are moving to the suburbs to find lower rents and better accommodation.

Exploitation of Hispanic workers is common; workers are frequently underpaid or not paid at all and often face stigma and discrimination (CASA 2004). The CASA of Maryland organisation is a community group that aims to represent the needs of the Hispanic community, and raise awareness of the issues that face migrant workers. They offer courses in English, provide legal support, and directly lobby on Hispanic issues. The Hispanic vote is becoming increasingly important in the USA, and thus the needs of migrants are slowly becoming better represented in government (BBC News 2004b).

Yet some studies have shown that it is not community organisations or government bills that provide the best support for Mexican immigrants. Close links with church groups provide moral, spiritual and cultural links with the homeland, and play a critical in the upbringing of children. Reese (2001) has demonstrated that despite immigrants hopes for economic success in the USA, Latin American parents are very concerned about the different culture that their children grow up in that places less influence on family life. A common comment was that American life gives 'too much freedom' to children, and many parents were afraid their offspring would take part in gangs.

Menjívar (2002) writing about Guatemalan families in the United States found that church events and trips to visit family back in Guatemala were used to show children traditional behaviour and strengthen a sense of their native culture. However, many children commented that they felt alienated at home, and often were unable to communicate in their mother tongue.

As for effects on native residents of the USA, there has yet to materialise the huge pervasive influx of Hispanic culture some commentators had predicted (Sailer 2003). In part this can be attributed to the strong clustering of migrants, so that although some areas may become predominantly Spanish speaking with Latino restaurants and supermarkets, the effect is not noticeable to the majority of the non-Hispanic natives who live in other neighbourhoods (Karnow 2004). Yet the influence of Mexican culture is becoming more and more apparent. The physical landscape of many cities is now almost bilingual, with signs in hospitals, public transport and government buildings written in Spanish and English. 'TexMex' food is especially popular, even McDonald's now owns a chain of Mexican restaurants.

Conclusions

To sum up a very brief exploration of a complex issue, immigration is having a considerable effect on the social and demographic fabric of America, providing large numbers of working age citizens who bring with them strong cultural ideas from their homeland. The process probably provides increased competition for jobs at the low end of the scale, but it is difficult to judge the benefits of this in lower prices to consumers, or the prevention of outsourcing to other countries. While strong stereotypes about Latin American workers remain, reinforced by some prejudice and exploitation, it is important to realise that Latin Americans have lower poverty levels than African Americas (Bernstein and Chapman 2003).

Immigration to the USA is much higher than in the United Kingdom, yet it is a much more prominent feature in the UK media. Even on a per capita basis, the UK has a much lower immigration rate; last year there were 0.002 migrants granted permanent residency per capita. In comparison, even if the largest figure of 1.5 million annual immigrants to the United States is used, the flow still represents 0.005 migrants per person. Even if all applications for asylum were granted, the burden of immigration to the UK would only amount to 0.003 migrants per person (National Statistics Online 2004a and 2004b). Immigration policy is one area where the UK should be following the US lead, and creating an economically strong and culturally diverse society.

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