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ABSTRACT

Over the past 20 years, California has experienced a continuous, growing flow of Mexican immigrant laborers. Although Mexican labor was originally linked to agriculture, by 1980 Mexican-born labor was filling a substantial proportion of jobs in all sectors of the California economy, particularly in manufacturing. Because they are concentrated in lower-skilled occupations, Mexican immigrants as a group command lower wages and have higher unemployment rates than other immigrants and the native-born. Mexican immigrants to California originate mostly from the western Pacific region of Mexico. This immigrant flow is characterized by the increasing permanence of migrant stays north of the border, the steady educational gap between Mexican-born labor and the U.S.-born population, and the relatively low economic mobility of Mexican-born immigrants in the United States. California faces difficult policy challenges because of the relatively low level of schooling, low wages, and low economic mobility that characterize an increasingly larger stock of Mexican immigrants (in part due to high fertility rates in Mexico). Although demand for labor in California is expected to remain strong, the supply of immigrants is expected to stabilize or decline due to recent immigration policy and the potential impact of the North American Free Trade Agreement. (KS)

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Mexican Labor in California's Economy

From Rapid Growth to Likely Stability

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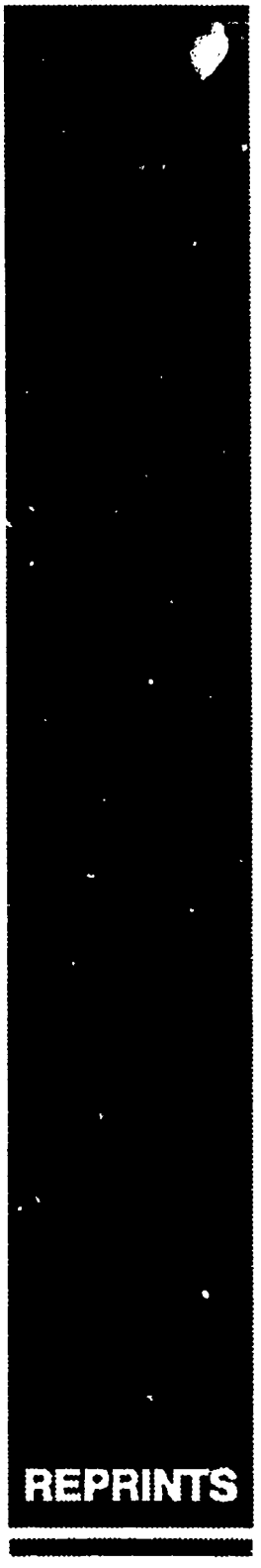

REPRINTS

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The California-Mexico Connection

Mexican Labor in California's Economy

From Rapid Growth to Likely Stability

GEORGES VERNEZ

OVER THE PAST twenty years, California's history has been marked by a continuous, growing flow of Mexican immigrant laborers. As more and more of them have chosen to remain in California indefinitely, their relative importance in the state's and southern California's economy has increased. Further, they have become the cause of additional growth through family reunification (itself encouraged by U.S. immigration policy), the expansion of immigration communities and networks that reduce the cost of migration to successive waves of migrants, and a fertility rate exceeding that of native women and most other immigrant women.

As a result, California is characterized, more than any other state in the Union, by a large, permanent, self-perpetuating Mexican labor presence. Today, at least one of four new entrants into the California labor force is estimated to be Mexican-born, and nearly one in four workers is of Mexican origin. This relatively large participation of Mexican labor in California's economy is a fairly recent phenomenon. However, it already raises some policy challenges for the state that are likely to intensify with the expected continuation of Mexican labor immigration. The purpose of this chapter is to review the importance of Mexican labor to California's labor market, how its volume and characteristics have changed, and the implications of those changes.

The Changing and Increasing Role of Mexican Labor

Increasing International Immigration into California

For California, there is nothing new about rapid economic and population growth. From 1.5 million residents at the turn of the century, the state's population grew to some 30 million by 1990, averaging an annual

TABLE 8.1.
California Population Growth, 1900–1990, with Breakdown by Birth and Immigration

Decade	Percentage of total change			
	Total growth	California-born	Other U.S.-born	Foreign-born
1900–1910	60.1	27.2	48.3	24.7
1910–1920	44.1	34.7	49.1	16.2
1920–1930	65.7	29.7	56.3	14.0
1930–1940	21.7	48.1	63.8	−12.0
1940–1950	53.3	37.2	58.3	4.5
1950–1960	48.5	46.6	48.6	4.8
1960–1970	26.9	55.1	35.0	9.9
1970–1980	18.6	56.6	−5.6	49.0
1980–1990	25.7	NA[a]	NA	NA

SOURCE: Kevin F. McCarthy and R. Burciaga Valdez, "California's Demographic Future," in John J. Kirbin and Donald R. Winkler, eds., *California Policy Choices* (Los Angeles: University of California, 1985), Table 3.1; and 1990 U.S. census.
[a] Not available

rate of growth nearly three times the national average (3.5 percent versus 1.4 percent).[1] Even though the state's rate of growth has slowed considerably since 1960, from an average 49 percent to an average 24 percent per decade (Table 8.1), California's growth rate has continued to exceed that of the United States as a whole. In the 1980s, California's population increased by over 25 percent, compared to less than 10 percent for the nation.

What is new for California is the origin of that growth. Until 1960, nearly half of California's population growth was due to migration from other states within the United States (Table 8.1). It was primarily an American phenomenon. The 1960s was a transitional decade, but beginning in 1970, California's population growth became an international phenomenon, with nearly 50 percent of growth due to immigration from outside the United States. The extent of this remarkably rapid shift in the origin of immigration to California is underlined by the fact that, during that decade, net immigration from other parts of the United States stopped. Moreover, for the first time, the state became a net exporter of people to other states of the Union. The 1990 census is expected to show that this pattern continued during the 1980s.

In the last two decades, California has attracted an ever growing proportion of the increasing number of immigrants who have been entering the United States, legally or illegally, since passage of the 1965 Immigration and Nationalization Act, which opened immigration to immigrants from Asia and the Western Hemisphere.[2] During the last decade, over 29 percent of the more than 7.3 million legal immigrants who entered the United States initially settled in California, with many additional immigrants

eventually settling in California to be closer to friends and relatives. By 1980, one out of four of the country's 14.1 million foreign-born population were residing in California, compared to only one in six in 1970 (18 percent). Today, an estimated one in five Californians is foreign born, compared to less than one in thirteen twenty years ago.

Among the new immigrants to California, Mexicans constitute the most important group. Mexicans accounted for half of the 1.8 million increase in the number of foreign-born residents in California between 1970 and 1980; Asians accounted for another one-third. Because the fertility rate among the Mexican-born is higher than for the rest of the population, focusing only on the foreign-born population underestimates the growing role that Mexican-origin workers play in the California economy. From 1980 to 1990, the Mexican-origin population contributed 41 percent to the growth of the state's population. Today, it accounts for one of every five new Californians. Higher fertility rates and continued Mexican immigration ensure that the surge of this ethnic population will continue well into the 1990s and the next century—barring a major and sustained recession in California.

What accounts for this phenomenal growth rate in the population of Mexican origin? For one thing, California's economy has been steadily demanding more labor—at nearly three times the national average. California's location is another attraction to immigrants from Mexico and Asia. At the hub of the Pacific Basin and adjacent to Mexico, California is the natural port of entry for the new immigrants. In addition, recent immigrants, like their predecessors from Europe, are drawn to places where their countrymen have settled, and California has a history of immigration from Asia.[3] In addition, for nearly three decades, California was the primary beneficiary of the temporary workers (Bracero) program established in 1942 in response to war-induced labor shortages in the agricultural industry. By the end of the Bracero program in 1964, more than 4.5 million Mexicans had come to work temporarily in the United States (mostly in California), providing the spur and link for the subsequent permanent legal and undocumented Mexican immigration that followed.[4]

Mexican Immigrants in California's Economy

As the number of Mexican immigrants has increased, so has their distribution throughout all sectors of the California economy. The Bracero program of the 1940s did much to foster the image of Mexican labor being primarily linked to agriculture. Although this image persists today, the situation has changed. Certainly, California's agriculture was and continues to be highly dependent on Mexican farmworkers: they constitute 40 percent

of the state's agricultural labor force. However, the proportion of Mexican-born immigrants working in agriculture has been halved from one in three to one in six in 1980 (Table 8.2). By 1980, Mexican-born labor was filling a substantial proportion of jobs in all sectors of the California economy. This is particularly true in manufacturing, where the proportion of Mexican-born workers has doubled, increasing from one in six in 1960 to more than one in three in 1980. Figure 8.1 presents the Mexican-born share of total employment by industry. As it shows, the dependence of manufacturing on Mexican labor is higher in Los Angeles County than in the rest of the state, and immigrants are also important to the construction and the service industries.[5]

The distribution of Mexican labor across all sectors of the economy is, however, not reflected in the distribution of Mexican immigrant labor by occupations. Statewide, approximately one in every two workers is employed in a white-collar job, whereas less than one in six Mexican immigrants is so employed.[6] Mexican immigrants are concentrated in low-skilled jobs in even greater proportions today than in earlier times. One in two Mexican immigrants who entered during the 1970–80 decade was an operative or laborer, compared to one in three for the cohort that entered two decades earlier. In 1980, they were three times more likely than other immigrants and natives to be working in the operatives and laborers category (Table 8.2).

Because they are concentrated in lower-skilled occupations, Mexican immigrants as a group command lower wages and have higher unemployment rates than other immigrants and the native-born. In 1980, Mexican-born male immigrants were nearly twice as likely to be unemployed than native and other immigrant males, and their average hourly wages were 70 percent of the average wages of their native counterparts. This has changed very little since 1960, when their wages were 72 percent of their native counterparts' (Table 8.2).

The relative stagnation of the earning power of Mexican immigrants is further documented by James P. Smith.[7] Analyzing changes in male wages from 1940 to 1980, Smith shows that the wage gap for the Mexican-born has deteriorated since 1960, relative both to Anglo men and to U.S.-born men of Mexican origin. Overall for the nation, Mexican-male wages declined from 67 percent of Anglo-male wages in 1960 to 60 percent in 1980. This trend is consistent with the consensus of several studies that increased immigration has its primary effects on the wages of the immigrants themselves.[8] During the same period, wages of U.S.-born Mexican males increased from 71 to 73 percent of Anglo males' wages. These patterns contrast sharply with the trends for black males, who have narrowed

TABLE 8.2.

Comparison of Labor-Force Characteristics of U.S.-Born Workers, Mexican-Born Immigrants, and Other Immigrants, 1960 and 1980

Characteristics	Native		Non-Mexican immigrants	All Mexican-born		Mexican-born cohorts[a]	
	1960	1980	1980	1960	1980	1950–1960	1970–1980
Male	49.1	48.6	45.6	52.5	52.4	49.6	54.2
Age 17–24	10.6	15.1	10.9	10.3	20.4	11.3	27.4
Industry (%)							
Male							
Agriculture	7.7	3.5	1.7	31.1	14.8	20.7	13.0
Manufacturing	30.4	27.2	29.0	13.9	35.3	23.8	37.0
Services		36.8	28.2				
Female							
Agriculture	2.0	1.2	.7	6.7	7.9	5.0	7.6
Manufacturing	22.2	17.6	25.1	30.0	40.1	25.9	50.4
Services	43.7	38.9	41.0	49.6	32.4	46.2	30.7
Occupation (%)							
Male							
White collar	21.6	26.1	29.3	5.9	5.7	6.6	3.8
Operatives/laborers	26.1	21.6	18.8	37.0	41.0	41.5	43.9
Female							
White collar	17.4	24.3	20.3	6.0	6.0	4.3	2.7
Operatives/laborers	17.7	12.2	19.4	35.7	40.0	35.5	51.5
Hourly wages ($)							
Male	2.77	9.45	9.26	1.97	6.75	2.12	5.83
Female	2.50	7.48	7.60	1.95	6.43	1.94	6.02
Employment (%)							
Male	92.6	88.3	88.7	91.9	91.7	92.4	93.0
Female	41.6	58.7	58.7	28.3	47.9	31.1	47.3
Underemployed (%)							
Male	3.8	4.2	4.0	5.6	7.0	6.2	7.4
Female	3.3	3.0	3.7	3.5	5.8	4.2	6.7

SOURCE: Georges Vernez and David Ronfeldt, "The Current Situation in Mexican Immigration," *Science* 251 (8 Mar. 1991): 1191; and author's tabulations from the 1960 and 1980 public use sample of the U.S. Bureau of the Census.

NOTE: Refers to populations aged 25 to 64, unless otherwise noted.

[a]Cohort refers to decade in which these workers entered the United States.

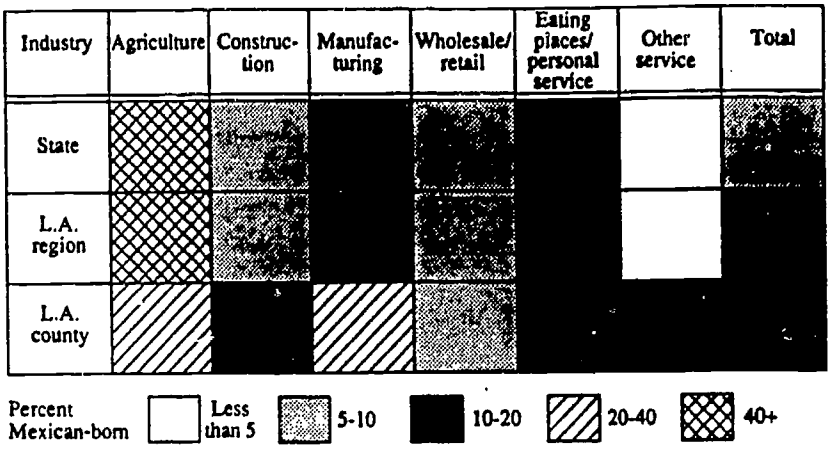

Figure 8.1. Mexican-born share of total employment, by industry. From Kevin McCarthy and R. Burciaga Valdez, *Current and Future Effects of Mexican Immigration in California* (Santa Monica, Calif.: RAND, 1986), Fig. 5.2.

their wage gap relative to Anglo males from 57 percent in 1960 to 73 percent in 1980.[9] In 1980, the earnings of blacks were, on average, similar to those of U.S.-born Mexican workers, whereas only twenty years ago wages of black males lagged behind those of Mexican-origin males by 20 percent.

Mexican-Born Female Labor in the California Economy

Although females have always accounted for nearly one in two immigrants from Mexico, relatively few used to join the labor force; in 1960, less than one in three Mexican-born females were employed (Table 8.2). Over the subsequent two decades the labor-force participation rate of females increased rapidly to over 50 percent. This feminization of the Mexican labor force mirrors the rapid feminization of the U.S. labor force in general, but for Mexican females it has taken place at an even faster rate. Between 1960 and 1980, the labor-force participation rate of Mexican-born women increased by 69 percent, compared to 40 percent for native-born females. The trend towards higher participation rates of Mexican females in the labor force most likely continued into the 1980s.

The sectoral and occupational distribution of female Mexican labor more or less mirrors that of their male counterparts: they are equally concentrated in the manufacturing sector but are somewhat more likely to be working in the service sector than in construction and agriculture. Occupationally, they are concentrated in low-skilled occupations, like their male counterparts (Table 8.2). However, the wage gap between female immi-

grants and their native counterparts was about half that of males (86 percent versus 70 percent) in 1980. And, whereas the gap has remained relatively constant for men, it has narrowed slightly for women, from 76 percent in 1960 to 86 percent in 1980.

Characteristics of Mexican-Born Labor

Just as Mexican-born labor residing in the United States is highly concentrated in California, it has originated mostly from one region in Mexico, the western Pacific region. This immigrant flow is characterized by the increasing permanence of migrant stays north of the border, the steady educational gap between Mexican-born labor and the U.S.-born population, and the relatively low economic mobility of Mexican-born immigrants in the United States.

Regional Concentration of Origin in Mexico

"The concentration of Mexican migrants in a small proportion of the Mexican national population and in certain Mexican states . . . is the most remarkable but least examined characteristic of Mexican migration."[10] As shown in Table 8.3, three out of four immigrants have come from just 10 of the 32 Mexican states. These states account for one-third of Mexico's

TABLE 8.3.
Undocumented Mexican Immigrants Intercepted at the Border, by Mexican State of Origin, 1984

Main state of origin	Percent of those intercepted at border	State's percent of total population
Baja California	10.2	2.1
Sonora	5.2	2.3
Chihuahua	15.7	3.0
Durango	3.5	1.8
Zacatecas	4.4	1.7
Guanajuato	7.7	4.5
Jalisco	10.0	6.5
Michoacán	11.1	4.3
Guerrero	4.4	3.2
Oaxaca	3.9	3.5
SUBTOTAL	76.1	32.9
Rest of country	23.9	67.1
TOTAL	100.0	100.0

SOURCE: "Encuesta en la frontera norte a trabajadores indocumentados devueltos por las autoritadades de los Estados Unidos de América," Consejo Nacional de Población, México D.F., Dec. 1984, Cuadro . ", p. 33; and "Estadística demográfica y económica," Consejo Nacional de Población, México D.F., May 1989, Cuadro 8.

TABLE 8.4.
Distribution of Mexican-Born Population by State of Destination in the United States, 1980

State of residence	Percent of U.S. Mexican-born population	Percent of U.S. total population
California	58.1	10.4
Arizona	3.2	1.2
New Mexico	1.1	0.6
Texas	22.6	6.3
SUBTOTAL	85.0	18.5
Rest of country	15.0	81.5
TOTAL (PERCENT)	100.0	100.0
Number (million)	2.2	226.0

SOURCE: 1980 U.S. census, public use sample file.

population. This concentration on the Mexican side is the mirror image of the concentration of Mexican labor in the United States, where five out of six immigrants reside in the four states along the Mexican border (California, Arizona, New Mexico, Texas); these states accounted for some 20 percent of the U.S. population in the 1980 census (Table 8.4).

The concentration of emigrants from ten Mexican states is all the more remarkable in that it has changed very little over time. Indeed, it increased from 64 percent in 1924 and 1957 to 67 percent in 1977, 76 percent in 1984, and 75 percent in 1987–88.[11] No one has sought to explain why outmigration in Mexico is so concentrated in a few states. Although there are variations in wage disparities and employment opportunities across states and regions of Mexico, they are not in themselves enough to explain this regional pattern.

Three of the ten states, Baja California, Sonora, and Chihuahua, share a border with California, Arizona, New Mexico, or Texas. The other seven are more rural in character and dependent on agriculture. In 1970, 60 percent of their population was classified as rural, compared to 50 percent for the rest of the country. By 1980, that population had been reduced to 50 percent, compared to 40 percent for the rest of the country.[12]

When U.S. agriculture faced a labor shortage at the beginning of World War II, temporary agricultural workers (*braceros*) were recruited in these states. When the Bracero program ended in 1964 and the demand for labor elsewhere in the U.S. and California economy continued to increase, this temporary labor was replaced by an increasingly large flow of illegal immigrants.[13] Over time, self-reinforcing migrant networks were developed between these places of origin in Mexico and their destinations

in the United States.[14] This pattern has been maintained until today and has shown no sign of changing significantly.

Increasing Number of Permanent Stays in the United States

Shaped by experience with the Bracero temporary labor program, the popular image of the Mexican immigrant in the United States remains that of a young male who stays in the United States temporarily, works for a few months to a few years, leaves his family behind, and eventually returns home. This view of Mexican immigration was reaffirmed as recently as 1989 by the Bilateral Commission on the Future of United States–Mexican Relations:

> Leading experts are in agreement that, historically at least, the vast majority of Mexican migrants have been "sojourners," people who spend six to eighteen months in the U.S., and then return to Mexico. Some make the trip more than once. . . . The important point is this: *Their ultimate destination usually lies at the point of origin in Mexico, not somewhere in the United States.*[15]

Although longitudinal information on the mobility of individual migrants is not available, many aggregate indicators contradict this view and support the notion that more and more Mexicans are choosing to remain in the United States indefinitely. Working with 1980 census data, McCarthy and Valdez estimated that of the 1,265,000 Mexican-born immigrants counted in California, 25 percent were "short-term" or "cyclical" immigrants, and 75 percent were permanent immigrants.[16] More than 60 percent of the permanent immigrants were married and resided here with their spouse; three out of four had been in the country for five years or more.

This permanency of Mexican immigration to the United States is further evidenced by the some 2.3 million previously undocumented Mexican immigrants (60 percent of whom reside in California) who applied in 1987 and 1988 for amnesty under the provisions of the Immigration Reform and Control Act of 1986 (IRCA), which required illegal immigrants to have resided permanently in the U.S. since 1982 to be eligible. They constituted 70 percent of all applications for amnesty under that program. This share is 30 percent larger than was originally projected by census and Immigration and Naturalization Service estimates.[17] It confounded experts who expected that the five-year continuous residency requirement would make the bulk of Mexican undocumented "cyclical" labor ineligible for the program. A survey of the legalized population in California indicates that nearly three out of four applicants for legalization (including the Special Agricultural Workers [SAW] program) had been in California for ten or

more years; one out of two had at least one family member who already was an American citizen; and four out of five indicated that they intended to apply for citizenship.[18]

Increasing Educational Gap

Level of schooling is a prime determinant of occupational mobility and wages commanded in today's labor marketplace.[19] Given that, one might expect today's Mexican immigrants to be doing much better economically than their predecessors.

Today's Mexican immigrants are better educated than their counterparts of previous years. According to the 1980 census, 63 percent of Mexican immigrants had eight years of schooling or less, compared to 82 percent in 1960; in 1980, 8 percent had two years of college or more, compared to 3 percent in 1960.[20] The average years of schooling of successive cohorts of Mexican immigrants increased by two full years, from 5.5 in 1960 to 7.5 years in 1980. This reflects the increasing access to and upgrading of education in Mexico over the last three decades.

In spite of this steady increase in years of schooling, Mexican immigrants are still behind most other immigrant groups (including Cubans and Central Americans) and native-born Anglos, blacks, and people of Mexican origin.[21] For instance, in 1980, the education deficit between male Mexican immigrants and other male Latino immigrants amounted to 3.5 years; this deficit was even larger relative to blacks and Anglos (4.2 and 5.5 years, respectively).

Not only have disparities in years of schooling between Mexican immigrants and other groups of workers continued to be large, they also have been increasing steadily over time because educational opportunities in the United States have increased even more rapidly than in Mexico. This unfavorable trend is most apparent when examining the schooling deficit of male Mexican immigrant cohorts who entered the country within the last five years preceding the decennial censuses. The ratio of Mexican immigrant cohorts having completed eight years of schooling or less to other immigrants and to the U.S.-born has increased from 1.5 to 3.2, and from 2.5 to 5.1, respectively, between 1960 and 1980 (Table 8.5).

The secular pattern for U.S.-born male labor of Mexican origin contrasts sharply with that of their Mexican-born counterparts. Relative to other groups, the U.S.-born have made steady progress over the past twenty years in average years of schooling. Between 1960 and 1980, their average years of schooling increased from 8.2 to 10.8 years, and their deficit relative to Anglo males decreased by 0.7 years, a 25-percent reduction.[22] Although U.S.-born of Mexican origin have experienced a steady growth

TABLE 8.5

Schooling of U.S. Natives, Mexican-Born Immigrants, and Other Immigrants Aged Eighteen or Older, 1960 and 1980, by Percent of Total Population

	1950–60 cohorts			1970–80 cohorts		
Schooling	Native 1960	Mexican-born	Other immigrants	Native 1980	Mexican-born	Other immigrants
8 years or less	31.7	79.8	52.1	13.0	66.5	20.5
2 years college or more	14.8	3.7	12.9	28.0	7.0	39.5

SOURCE: Author's tabulations from the 1960 and 1980 public use sample of the U.S. Bureau of the Census.

in years of schooling completed, other indicators in educational attainment suggest that they may be falling behind other groups (Anglos and blacks). For Latinos in the United States (62 percent of whom are of Mexican origin), dropout rates continue to be as high today as they were in the late 1960s (about 36 percent), while dropout rates for blacks and Anglos have declined over this period by nearly 50 percent and 25 percent, respectively.[23] This trend may in part be due to the fact that immigrants are included in the figures for Latinos.

Perhaps even more significant, college enrollment rates of Latino high school graduates in the 18–24 age group have declined over the past decade and a half. In the mid-1970s, the estimated enrollment rate of Latinos was higher (at about 34 percent) than that of blacks and Anglos. By the late 1980s, it had fallen to about 29 percent, which is essentially identical to the rate for black high school graduates. In the meantime, enrollment of Anglo high school graduates has increased steadily to over 35 percent.[24]

In addition, Latinos going to college enroll disproportionately in two-year colleges, a tendency that has increased over time. In 1976, 34 percent of Anglos in college were enrolled in two-year colleges, compared to 50 percent of Latinos. By 1986, there had been no change for Anglos, but the percent for Latinos had increased to 55 percent.[25]

Economic Mobility

When Mexican immigrants enter the country they are not only lagging in schooling and thus concentrated in low-skilled and low-wage occupations, they are also young. The population has been getting younger over time. In 1980, one out of four Mexican immigrants who entered in the previous decade was between 17 and 24 years old, an increase from one out of ten for those who entered during the 1950–60 decade (see Table 8.2).

Already at a relative educational and labor market "disadvantage"

when they come in, how do Mexican immigrants fare during their working career in the United States? Do their earnings increase relative to other groups; do they decline or stay the same? James P. Smith examined the entry level earnings of successive waves of male Mexican immigrants (between 1955 and 1980) and followed their economic progress over time. His main findings can be summarized in four conclusions.[26]

First, the wage differential between Anglo males and male Mexican immigrants, at time of entry, increased between 1960 and 1980 by nearly 40 percent. Because education is highly correlated with wages, this is consistent with the schooling gap noted above.

Second, the beginning wage differential remains largely constant over the Mexican immigrants' working lives. In other words, they experience little if any relative economic mobility. This pattern appears to hold over successive waves of immigrants.

Third, the longer a male immigrant worked in Mexico before coming to the United States (and, hence, the older he is), the lower his initial U.S. wages are. Again, this relative pattern appears to have held over time.

Finally, the wage differential was significantly smaller for those immigrants who came in as young boys or adolescents to this country, and hence did some or all of their schooling in the United States. Indeed, there is little wage differential with immigrants who had all, or nearly all, of their schooling in the United States. Mexican immigrants who are children or adolescents when they enter the country do better when they enter the labor market than their parents did, although they do not fully close the wage differential. These findings are generally consistent with previous studies that suggest that the economic mobility of immigrants operates primarily intergenerationally.[27] They also confirm the critical role U.S. education plays in the economic mobility of immigrants' children.

Looking Ahead

As Mexican immigration has increased and successive waves of Mexican immigrants are staying here indefinitely, the number of Mexican-born immigrants in the country has increased rapidly, as has the number of native Mexican Americans. The growth of the latter is fueled by a fertility rate among Mexican immigrants 40 percent higher than that of Anglo women.[28] The Mexican-born population in the United States has more than quintupled in the space of two decades, from .8 million to some 4.5 million, and the Mexican-origin population has tripled from 4.5 to some 13 million.[29] Assuming that further concentration of Mexican-born

TABLE 8.6
Mexican-Born and Mexican-Origin Population in California, 1970–1990 (millions)

Year	Total population	Mexican-origin	Mexican-born
1970	20.1	2.0[a]	0.4
1980	23.7	3.7	1.3
1990	29.8	6.1	2.9[b]

SOURCE: U.S. census, 1970, 1980, and 1990.
NOTE: Includes all who answered the question on origin or descent in the 1970, 1980, and 1990 censuses.
[a] Owing to a classification error, this figure may be underestimated by about 200,000.
[b] Extrapolated from the 1988 figure of 4.1 million Mexican-born immigrants estimated from the 1988 Current Population Survey User Tape and assuming that 64 percent of the nation's Mexican-born population now resides in California.

immigrants in California continued throughout the 1980s, we estimate that both the Mexican-born and the Mexican-origin populations in California have doubled in the last decade alone (Table 8.6).

In sum California, and particularly southern California, where nearly four out of five of the state's Mexican immigrants reside, is headed toward a labor market that is increasingly dependent on Mexican-born laborers and their offspring born in the United States.

The Challenge Raised by Immigration of Mexican Labor

California faces difficult policy challenges because of the relatively low level of schooling, low wages, and low economic mobility that characterize an increasingly larger stock of Mexican immigrants (including the 1.3 million previously undocumented Mexican immigrants who are legalizing their status under IRCA). Traditionally, federal and state policies have been to let the first generation of immigrants fend for itself and to leave those immigrants who desire to upgrade their education and/or training to pay their own way. As a result, economic mobility of immigrants in the past has occurred primarily across generations.

There are reasons to believe that this policy may not be a sustainable and/or desirable public policy in the future. First, IRCA's short-term federal support for English-language and civic education has revealed a large latent demand and desire by immigrants to upgrade their English and other skills.[30] Second, their growing number and increased political activism will exercise a growing pressure to attend to this demand. And third, and perhaps most important, how this generation of immigrants fares may affect the speed and the nature of the educational and eventual economic

mobility of their children. Since the children of these immigrants will constitute an increasing proportion of the growth in California's labor force, California has much at stake in their future.

To date, the available data indicate that the children of California's (and the nation's) Mexican immigrants are doing better than their parents, although they continue to lag behind native-born Anglos. Still, there are reasons to be concerned that future generations may not make the (relatively) rapid progress that previous, smaller waves of immigrants did. First, as successive waves of immigrants command relatively lower wages at entry, the incidence of poverty among Mexican-born and U.S.-born Latinos of Mexican descent might increase. Second, the schools are finding it difficult to respond to growing educational needs and to language and cultural diversity.[31] Third, federal and state governments are feeling serious budgetary constraints at the same time that intergenerational competition is increasing for public resources to support health care and other social needs. These issues will arise whether or not there is continuing Mexican immigration into California; however, continuing immigration may intensify them.

Declining Mexican Immigration?

Will immigration from Mexico increase, stabilize, or decline over the next decade or two? The answer depends on one's assessment of the trends that are expected to affect the demand for and the supply of Mexican labor, and the potential effects of policy changes.

On the demand side, the demand for labor by the California economy is expected to remain strong. California is well situated on the Pacific Rim to take advantage of growing trade with Asian countries. It also has a tolerant and generally supportive culture concerning immigration and immigrants. Although the California economy (like the national economy) is demanding an increasing proportion of higher skilled and trained labor, demand for low-skill, low-wage occupations is expected to continue to grow, albeit at a lower rate than in the past.

For the near future, Mexican immigrants will not only continue to be attracted by California's continuing demand for labor, but will be drawn by family reunification, particularly the 1.3 million previously undocumented Mexican immigrants who applied for amnesty, most of whom became eligible for naturalization by 1992. Once naturalized, their immediate relatives will qualify for entry into the country outside of specific "aggregate" and "country" quotas.

The only constraining factor that might decrease demand in California for Mexican immigrant labor is the increasing competition with immi-

grants from other countries, including Asians (their number in the 1980s grew even more rapidly than that of Mexicans) and Central Americans.

On the supply side, conditions that encourage Mexicans to stay in Mexico may be getting somewhat more favorable. The Mexican economy is slowly recovering and enjoying good developmental prospects. Also, the rate of population growth peaked in 1970 at 3.4 percent, declined to 3.2 percent by 1980, and reached an estimated 2.3 percent by 1985.[32] However, the differential in wages and job opportunities between Mexico and the United States will remain large for the foreseeable future, and these long-term favorable trends in Mexico are unlikely to visibly affect propensities to emigrate in the short run (say, five to ten years). Hence, the key to emigration rates may lie less in economic factors (short of a major economic depression in Mexico and/or the United States or other major disruptive events) than in factors particular to the Mexican western region, which traditionally has provided emigrants to the United States; and the rest of Mexico, which to date has not been heavily linked with the emigration network. With respect to the first region, it can be argued that the high rate of outmigration from those states suggests that most of those who wanted to migrate have done or are doing so. Manuel García y Griego has estimated that, for the western region, one out of three new entrants in the labor force went to the United States, and in some states one in two have gone to the United States.[33]

With respect to the rest of Mexico, it can similarly be argued that not having been heavily linked to the migration network throughout the post–World War II history of Mexican immigration, there is no apparent reason for immigration to begin now or in the future. At the very least, it would require a policy-driven or other major economic or political event for that potential to be unleashed, as the Bracero program eventually unleashed the permanent legal and undocumented emigration from the western region of Mexico.

Hence, on the supply side, the conditions seem to be moving in the direction of a stabilization, arguably even a decline, of emigration flows, as the demand for Mexican labor in California can be expected to do the same.

Ultimately, however, the size and composition of Mexican immigration to California will be primarily influenced by policies that have been or are being set at the federal levels: (1) immigration policy as reflected in the Immigration Act of 1990; (2) the zeal with which the United States will enforce IRCA's employer sanctions and other means designed to limit undocumented immigration from Mexico and other parts of the world; and (3) the eventual signing of a North American Free Trade Agreement (NAFTA).

Beginning with 1992, the Immigration Act of 1990 allows for a sizable increase in legal immigration from Mexico through thre provisions: an increase of nearly 40 percent (from the current 500,000) in the aggregate number of immigrants who can be admitted annually; an increase in the country ceiling from 20,000 to 26,000; and a set-aside of 55,000 visas for three years, beginning with 1992, for the immediate relatives of the IRCA-legalized population. In addition, the 1990 Immigration Act grants work authorization and relief from deportation to the spouses and unmarried children of aliens who were legalized under IRCA and/or who were residing in the United States legally as of May 1988.

Overall, these provisions will allow for a sizable increase in the number of legal immigrants from Mexico in the early 1990s, with a subsequent decline as the provision for set-aside of visas for the legalized population expires in 1995. Because this increase in legal immigration from Mexico is primarily linked to family reunification and to the legalized population, it is expected to take place at the expense of undocumented immigration instead of leading to an increase in aggregate Mexican immigration. Also, the increase in employment-based admissions (from 58,000 to 140,000 yearly) primarily for professionals and skilled labor (only 10,000 are available for unskilled labor) will encourage more outmigration of skilled labor from Mexico, a process that will begin slowly but may accelerate over time.

To date, efforts to reduce undocumented immigration through increased border interdiction and enforcement of IRCA's employer-sanctions provisions have had only a modest effect, and that effect has been eroding over time.[34] Some of the reasons for the modest effect of employer sanctions include the inadequate allocation of resources for enforcement and the use of widely available and affordable counterfeit documents.[35] Hence, enforcement is not only difficult, it has been at a low level itself. It can be expected that federal budget constraints and pressures to reduce the budget deficit may well continue to put enforcement low on the scale of the nation's priorities.[36]

Finally, much hope is being placed on the prospect that the signing of a NAFTA involving the U.S., Mexico, and Canada would foster more rapid growth of the Mexican economy and eventually lead to a decrease in Mexican immigration, particularly undocumented, to the United States. Critics, however, suggest that the reverse might be true, particularly in the short run, because free trade might disrupt the structure of the economy, "displacing" workers particularly from the agricultural sector. What actually happens will depend greatly on the kind of and speed with which trade barriers are reduced, and on how the jobs eventually created in Mexico by free trade will be distributed among regions and sectors of the economy.

This level of specificity may have to await not only a signed agreement, but also its implementation. Until then, the most that can be said is that the potential for a NAFTA to increase or to reduce immigration in the short and medium run is small.

In conclusion, and on balance, California can expect that aggregate immigration of labor, legal and undocumented, from Mexico will stabilize, if not decline, and that more legal immigration will replace undocumented immigration.