

California University Institute of Industrial  
Relations (Los Angeles)

# Minorities in the Labor Market



**MINORITIES IN THE LABOR MARKET.**

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**Proceedings of a conference  
held March 31 - April 1, 1977 at  
Los Angeles, California**

*Edited by*  
**PAUL BULLOCK . //**

**Institute of Industrial Relations  
University of California, • (Los Angeles)**

Los Angeles = 1978? =

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- Panel:* "Blacks in the Labor Market"
- Chair:* ROBERT SINGLETON, Director, Education Finance Reform Project.
- Remarks:* DR. ROBERT BROWNE, Director, Black Economic Research Center, New York; founder and editor, *Journal of Black Political Economy*. (Dr. Browne and the panel discussed a paper prepared for the conference by PROFESSOR BERNARD ANDERSON, Wharton School, University of Pennsylvania.)

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PROFESSOR KITANO;  
PROFESSOR WANG.

*Panel:* "Chicanos in the Labor Market"

*Chair:* PROFESSOR DAVID E. LOPEZ, Department of Sociology, UCLA.

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*Panelists:* The HONORABLE RICHARD ALATORRE, California State Assembly;  
PROFESSOR DAVID E. LOPEZ, Department of Sociology, UCLA;  
DR. ROMERO.

*Panel:* "American Indians in the Labor Market"

*Chair:* DAVID DRAPER, American Indian Studies Center, UCLA.

*Remarks:* ERNEST STEVENS, Director, American Indian Policy Review  
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*Conclusion:* "Next Steps in Public Policy"

*Chair:* DR. CHARLES Z. WILSON, Vice Chancellor for Academic Programs, UCLA.

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THE HONORABLE BILL GREENE, California State Senate  
THE HONORABLE AUGUSTUS F. HAWKINS, Chairperson, Subcommittee on Equal Opportunity, House Education and Labor Committee.

## FOREWORD

The papers and discussions in this volume constitute the major proceedings of a public conference on "Minorities in the Labor Market," held in Los Angeles on March 31 and April 1, 1977. This conference, jointly sponsored by the American Indian Studies Center, the Asian American Studies Center, the Center for Afro-American Studies, the Chicano Studies Center, and the Institute of Industrial Relations, all at UCLA, and by the Employment Studies Program of San Francisco State University, focused on problems of unemployment, underemployment, and poverty in those minority communities represented by the four ethnic studies centers. Emphasis was placed on social policy issues and contemporary economic problems, particularly in the western states.

Separate sessions were held to explore the special problems affecting each ethnic group, encompassing a presentation of the findings of papers prepared for the conference and a response panel of specialists. One session also considered the problems and issues associated with the migration of "undocumented workers," with general discussion based on a paper by Dr. Jorge Bustamante. Other sessions included a panel of directors of federal and state civil rights agencies in the West and a closing panel of federal and state lawmakers discussing possible legislative approaches to the problems identified at the conference. Each ethnic studies center hosted a workshop designed to give participants an opportunity to explore these issues in greater depth. The conference was keyed by Fred Routh, director of special projects for the United States Commission on Civil Rights.

One purpose of the conference was to present a "progress report" on the labor-market status of minorities in the United States generally and the West in particular. It is anticipated that similar conferences will be held in the future, at intervals of approximately five years, for the same purpose.

In addition to reproducing the full text of the four papers prepared for the conference, these proceedings offer an Introduction and a Summary of Conference Discussions, both prepared by the General Editor on the basis of tapes of comments made and of materials distributed during the sessions. Invaluable editorial assistance has been provided by Felicitas Hinman, Principal Editor, and by Erin Miller, Writer, of the Institute's Information-Publications Center.

All statements made by the participants in this conference reflect their views as individuals and, of course, do not necessarily represent the opinions of the sponsoring organizations. We gratefully acknowledge the support given to this conference by Region IX of the U.S. Department of Labor.

Paul Bullock  
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June, 1978

## INTRODUCTION

Paul Bullock

This conference on "Minorities in the Labor Market" was intended, in part, to be a progress report on the economic status of American Indians, Asian Americans, Blacks and Chicanos in the American economy (with special emphasis on the West) during the middle years of the 1970s. About thirteen years ago, passage of the basic Civil Rights Act and the Economic Opportunity (anti-poverty) legislation marked the beginning of what many hoped would be a new era of social, political, and economic advancement for minorities in this country. The resulting record, as reflected in the findings of conference papers and of other recent studies, is considerably mixed: gains for some groups in some areas, stagnation or retrogression for others. Even within the same ethnic group, there may be significant variations in economic and occupational experience.

American Indians, Blacks and Chicanos consistently have experienced higher unemployment rates and lower median incomes than have Anglos; in the aggregate, the Asian American community does not appear to be as severely disadvantaged as the other identified minorities, but closer analysis by subgroup and by sex reveals that disparities persist in key occupational areas. In particular, Chinese, Filipino, and Korean Americans continue to suffer from occupational stereotyping and lack of mobility within the labor market and, perhaps to a lesser degree, this also applies to Japanese Americans.

Reliable information on the labor-market status of American Indians is scarce. The 1977 report of the American Indian Policy Review Commission, excerpted in these *Proceedings*, notes that the Bureau of Indian Affairs makes no household surveys to ascertain the number of unemployed on the reservations, nor does it use the Census Bureau's definition of "unemployment." Available unemployment figures thus are uncertain estimates. The situation is no better, and possibly is worse, in the cities to which many of the reservation Indians have migrated. Despite the apparent size of the urban Indian population (nearly half of all Indians reside outside the boundaries of reservations), little is known about the dimensions of Indian unemployment in these communities.

The facts at hand, however partial and approximate they may be, suggest that American Indians constitute a particularly disadvantaged group in the labor market. Citing figures from the Economic Development Administration showing that the median in-

come of Indian families in 1969 was about one-third of the median for white families, Professor Lester Thurow of the Massachusetts Institute of Technology concludes that: "However you look at it, when it comes to economic deprivation, American Indians are in a class by themselves."<sup>1/</sup>

The case of the Asian American community is perhaps more complex, despite a widespread impression that Asian Americans are relatively well-off in the labor market. In reality, the pattern varies among the various subgroups which comprise that community: the largest component--the Japanese--enjoys a comparatively high level of employment, but about 40 percent of employed men in the fastest growing subgroup--the Filipinos--were concentrated in low-paying labor and service jobs in 1970. The second largest subgroup--the Chinese--holds an intermediate position, with a general level of employment below that of the Japanese but with a greater penetration of employed males into managerial and professional occupations than is the case with the Filipinos. Asian American groups tend to have high levels of education (though there are variations according to place of birth, sex, and other variables). In all cases, however, there remain vestiges of occupational discrimination and stereotyping: high proportions of employed Asian Americans, even among those classified as "managerial," still are found in the small service trades or businesses--restaurants, laundries, and retail trade.

According to the 1970 figures, Asian Americans are found mostly in the urban areas, are well-educated as a whole, and have a higher rate of employment than their white counterparts. On the other hand, the pattern that surfaced also shows grave underemployment, a lack of visibility at decision-making levels and in upward mobility in general, and lower salaries than their white counterparts who had equal or less education and were doing the same jobs. For the most part, the high level of employment among Asian Americans can be attributed to the fact that both husbands and wives tend to work because of economic need and to a general refusal to accept public assistance, rather than to the so-called "hard work" ethic ascribed to this group.<sup>2/</sup>

In some quarters, the Asian Americans are regarded as a "model minority," but there is evidence that such "benign" stereotyping has sometimes been harmful to occupational progress. Employers may hire Asians on the assumption that they are more compliant, and therefore more exploitable, than are other minorities. The general failure of Asians to achieve highly visible and pro-

professionally valued positions in certain key industries--such as entertainment--may be attributable, at least in part, to this factor.

Among the ethnic groups included in the conference, Blacks have been the subject of the greatest amount of statistical study and, largely for this reason, the volume of available data is massive in comparison with other groups. Furthermore, the Chicano population has been separately enumerated only in recent censuses and, in this case, there have been (and still are) varying official definitions used in relation to its identification and enumeration (e.g., Spanish surname, Spanish language *or* Spanish surname and Spanish origin), whereas the census definitions of "Blacks" have been more consistent. In both the 1960 and 1970 censuses, however, significant numbers of both Blacks and Chicanos were missed in the enumeration.

Recent studies of Black employment, income, and occupational distribution suggest two generalizations:

(1) There have been advances within the Black community in some areas, but these have not been evenly distributed throughout the community and, indeed, unemployment or underemployment among certain groups and in certain parts of the city (e.g., young Blacks in the inner city) is as bad as, or worse than, it was in the mid 1960s.

(2) The slow economic growth and recessions of the 1970s have adversely affected the labor-market status of Blacks to an aggravated degree, with the result that several of the apparent gains registered in the 1960s have been wiped out or severely curtailed. In a recent report prepared for the National Commission for Manpower Policy, Dr. Andrew Brimmer summarized this finding as it emerges from the statistical evidence: <sup>3/</sup>

The principal factor influencing the employment opportunities for blacks during the last decade and a half has been the behavior of the national economy. Partly because of the strong upsurge in economic activity during the 1960s, blacks improved their situation relative to the country as a whole. However, because of the economic stagnation between 1969 and 1974--which, in turn, was due to two recessions and one of the worst bouts of inflation on record--blacks did worse than the rest of the nation during the last five years.

Two facts, each of critical importance and frightening implication, are emphasized by analysts of Black employment (including both Professors Thurow and Brimmer) over the past decade and a half:

(1) The ratio of Black to White unemployment rates has remained at approximately 2 to 1 over the entire period.

(2) The labor-force participation rate of Blacks continues to decline, with this movement especially noticeable among adult men in the prime working ages. "The participation rates among black youths fluctuated substantially from year to year, but they generally remained below the rates of the 1960s. The participation rates for black teenagers were also significantly less than the rates for white teenagers." <sup>4/</sup>

The relationship between Black and White median family incomes has varied cyclically, with a relative rise in Black incomes during the Vietnam war and then a reversal of that movement in the early and mid-1970s. It appears that recent increases in the spread between the incomes of those two groups are due in large part to the sharply rising proportion of women in White households who are entering the labor market. "The proportion of white families in this category (two or more workers) now exceeds that of blacks, and will probably continue to rise, thus widening the gap between average family incomes of blacks and whites." <sup>5/</sup>

Figures from the 1970 census for the State of California alone generally are consistent with the national trends. <sup>6/</sup> The statistics show substantial upward movement occupationally and educationally for Blacks during the 1960s, but the average Black family income still was only about two-thirds of the average White income in 1969. As in the national data, the labor-force participation rate for Blacks remains below the corresponding rate for Whites, though in 1970 Black *women* were represented in the labor force at a rate significantly above that for White women. If California follows the national experience, the participation rate for White women probably is increasing in the 1970s and the gap in overall participation rates for Blacks and Whites will widen further.

For both white and black males, labor force participation rates varied greatly by age group. They were lowest among teenagers and peaked at ages 35-44, reaching 95 percent for white males and 86 percent for black males. In all age groups, but particularly among teenagers, black rates were lower than white rates.

The difference in the overall participation rates for black and white males is largely accounted for by the greater proportions of black than of white males in three categories excluded from the labor force: the disabled over 65, inmates of institutions, and those enrolled in school without even a part-time job. It also seems likely, although the census provided no information on this point, that proportionately more blacks than whites--especially among teenagers--were discouraged job seekers who had stopped looking, particularly since the census was taken during a period of economic slowdown.

Black males markedly increased their proportionate representation in the professional and technical, managerial, and clerical categories over the 1960s, although in every instance their percentages remained substantially below those of White males. On the other hand, 32 percent of Black males remained in service, labor, or farm jobs in 1970, less than the 42 percent in these categories in 1960 but much above the 1970 figure of 16 percent for White male workers. Black women significantly increased their participation in the labor force during the 1960s, and also improved their occupational status as a whole, but the median earnings of women (among both Blacks and Whites) stayed substantially below the earnings of men--the 1969 earnings for Black men and Black women were, respectively, \$6,626 and \$3,928. In both national and state figures, households headed by Black women fared worst in terms of income and other key indicators of economic status.

The largest minority in the Southwest, of course, is the Spanish surname group, which in California increased its population by about 50 percent during the 1960s.<sup>7/</sup> This rise in population, however, was below the percentage gain of the 1950s and below the 75 percent rate of increase for nonwhites during the 1960s. In 1970, Spanish surname men participated in the labor force to a significantly higher degree than did Black men, but Spanish surname women were less likely to be labor-force participants than either their Black or Anglo counterparts (although they increased their percentage of participation over the decade of the 1960s).

Despite some gains in educational and income status for the Spanish surname population in California during the 1960s, its occupational distribution remained skewed in the direction of lower-level service and blue-collar jobs. By contrast, the percentage of Spanish surname men in the professional, technical, and managerial fields is extremely low, both in absolute terms and by comparison with Anglos.

Spanish surname women have a much lower attachment to the labor force than men, and their occupational patterns appear to reflect a generally low educational attainment. Relatively few are located in professional, technical and managerial categories, despite a proportionately large gain during the 1960s in professional jobs held by Spanish surname women, and as is the case in the Black community, households headed by women experience particularly low median incomes (the proportion of such households within the Spanish surname population, however, is much smaller than it is among the Blacks).

According to national figures developed by Professor Thurow, Hispanic women entered the labor force at a fast pace in the early 1970s and, by 1974, they had reached an approximate participation parity with Black women. Males of Spanish heritage retained their labor-force participation rate at a parity with White males, and fully employed, year-round workers experienced gains in real income between 1969 and 1973. In 1973, the median income of Chicano families in the entire country was exactly two-thirds of the median for White families as a whole. "Falling relative unemployment rates for Hispanic males and rising relative participation rates for Hispanic females have been responsible for these gains." <sup>8/</sup> Despite these gains, income and employment for Chicanos remain below the corresponding levels for Anglos.

The Chicano community is particularly concerned with and affected by the issue of "undocumented immigration" from Mexico, although factors of immigration are also of interest to the Asian American communities. This is, of course, an issue which engenders a great deal of rhetorical heat but relatively little hard data, for obvious reasons. The very fact of its "illegality" makes this type of migration difficult to identify and quantify.

Estimates of the size of the "undocumented worker" (often referred to as "illegal alien") population in the United States vary widely. The U.S. Commissioner of Immigration and Naturalization estimated in 1974 that the number "totals 6 to <sup>8/</sup> million persons and is possibly as great as 10 to 12 million." Many experts consider this estimate excessively high and challenge the methodology and conclusions of the study on which it is based. <sup>10/</sup> Nevertheless, it is widely conceded that the figure is substantial (Professor Fogel guesses that "there are between three and six million illegal aliens in the U.S., with two to four million in the labor market") and that the problem is of sufficient magnitude to justify a broad, though calm and rational, public discussion and analysis.

The historical record suggests that both legal and illegal immigration into the United States, from Mexico and elsewhere, has been viewed in varying--and, often, contradictory--ways in accordance with changes in the levels of domestic employment and unemployment, the labor needs and demands of employers, and the business cycle. Particularly in periods of labor scarcity, American employers have welcomed an influx of immigrant workers; in depression times (and frequently in more prosperous periods as well), intense pressure against further immigration and demands for vigorous enforcement of immigration laws and deportation of "illegal aliens" have been mounted by organized labor and by many other domestic groups. Until passage of the Immigration Act of 1924, immigration into this country was relatively unrestricted, but a combination of ethnic prejudice and labor-market forces had led in 1882 to enactment of the Chinese Exclusion Act. The 1924 legislation greatly curtailed immigration from Eastern and Southern Europe and from the Orient, but legal and illegal immigration from Mexico continued in substantial numbers until countermeasures were applied during the Great Depression of the 1930s.

Agricultural employers historically have benefited from an inflow of both legal and illegal immigrants, and from World War II to late 1964 a special labor contract entered into by the United States and Mexico permitted the immigration of Mexican farmworkers, called *braceros*, under specified conditions. With the termination of this program, illegal immigration appeared to expand again, and there is some evidence of employment of undocumented workers in textiles, garment manufacturing, food and other service trades, and unskilled labor, as well as in agriculture.

There is, of course, strong disagreement over questions such as the impact of illegal immigration on domestic unemployment and labor standards, welfare costs, and crime; the proper methods for identifying and dealing with those who are undocumented, including the extent to which long-time residents might be differentiated from those who are recent or current illegal immigrants; and the role and responsibility of employers who, knowingly or unknowingly, hire undocumented workers. Some argue that the problem has been exaggerated, that most jobs held by undocumented workers are those for which domestic workers are unavailable, that the immigrants generally do not apply for "welfare" but still pay taxes and are productive residents, and that, in any case, an appropriate solution must be one which is acceptable to *both* the United States and Mexico. Others respond that a migration of this proportion must inevitably exacerbate an already severe unemployment problem, that these jobs would be taken by domestic workers in the absence of such immigration and illegal settlement, that the undocumented workers are particularly subject to exploitation by employers and

thus impair labor standards by their willingness to work long hours at extremely low pay, and that the United States cannot be expected to solve Mexico's unemployment problem any more than Mexico can be asked to solve our own.

The Rodino Bill (its California counterpart is the Dixon-Arnett Bill), as proposed in Congress, would penalize employers who hire undocumented workers. Proponents of this legislation argue that it is a responsibility of employers to employ only those workers who are legal residents of the United States, while its opponents suggest that the effect of passage would be further to aggravate discrimination against Chicanos in the labor market, legal and illegal alike. The Carter Administration has endorsed the principle of penalizing employers in this way, but also seeks an amnesty for those "illegals" who have established residence in this country for some time. A key and still-unresolved question is: How can place of birth and citizenship and/or residency status be determined without invading the constitutional and civil rights of Americans?

Most discussions of this issue are in the context of United States policy and interests, but, in this conference, Professor Jorge Bustamante of El Colegio de Mexico examined it in terms of both the Mexican and U.S. economies, thus introducing a fresh perspective. There is, indeed, an increasing opinion that the solution to this highly complex problem must somehow be developed within a transnational economic framework.

## NOTES

1. "The Economic Progress of Minority Groups," *Challenge*, March-April 1976, 24.
2. Kim Lem, "Asian American Employment: From Outright Exclusion to Modern Discrimination," *Civil Rights Digest*, Fall 1976, 18.
3. *The Economic Position of Black Americans: 1976*, Special Report No. 9, 5.
4. Brimmer, *op. cit.*, 10-11.
5. Thurow, *op. cit.*, 22.
6. All figures and findings for California are drawn from *Black Californians*, Fair Employment Practice Commission, State of California, June 1974.
7. Figures for the Spanish surname population in California are drawn from *Californians of Spanish Surname*, Fair Employment Practice Commission, State of California, June 1976.
8. Thurow, *op. cit.*, 23-24.
9. U.S. Department of Justice, 1974 Annual Report: Immigration and Naturalization Service (Washington: U.S. Government Printing Office, (1974), p. iii, cited in Vernon M. Briggs, Jr., "Immigration," Proceedings, 1977 Spring Meeting, Industrial Relations Research Association, 499.
10. See, for example, Walter Fogel, "Illegal Alien Workers in the United States," *Industrial Relations*, Vol. 16, No. 3, October 1977, 243-263, and Dr. Jorge Bustamante's paper in these Proceedings.

## THE IMMIGRANT WORKER: A SOCIAL PROBLEM OR A HUMAN RESOURCE?

Jorge A. Bustamante

### *Introduction*

Too much has been said without empirical foundation about Mexican undocumented immigration. The amount of time and space dedicated by the mass media to this phenomenon reflects the concern over this issue in the United States, but it does not reflect the extent of our knowledge about the volume and impact of Mexican immigration on the U.S. and Mexican economies. The U.S. Domestic Council on Illegal Aliens (DCIA) released a report on January 8, 1977 recognizing this situation: "Although qualitative statements can be made, given our limited information on the size and characteristics of the illegal alien labor force and on the supply and demand responses in the markets for factors of production and for goods and services, it is not possible at this time to quantify these impacts."

What is intriguing is how the DCIA reconciled the humble tone of this conclusion with the apocalyptic vision that officials of the Immigration and Naturalization Service (INS) have given to the American public for the last two years. The candor of this implicit confession of ignorance is glaringly inconsistent with INS references to a "silent invasion" of "8 to 12 million illegal aliens, representing a burden of 13 billion dollars for the American taxpayers." It is even more intriguing how the DCIA reached that conclusion considering that a representative of INS was included among its members.

The problem is not really our limited knowledge of the volume and impact of the Mexican undocumented immigration on the U.S. and Mexican economies. The problem is what we have done with this ignorance.

A complicated atmosphere characterized by sentiments of ethnic chauvinism and resentment has made it difficult to analyze the complexities involved in the whole question of undocumented Mexican immigration with some objectivity, especially the benefits resulting from this for the United States. One way of analyzing this situation is by focusing on the various alleged effects attributed to the presence of the Mexican undocumented immigrant.

*Who are the illegal aliens?*

A recent study conducted by David North and Marion Houstoun (1976) for the U.S. Department of Labor indicated that approximately 60 percent of their sample of undocumented immigrants were of Mexican nationality. However, differences between them and the non-Mexican undocumented immigrants were found to be so significant that a separate analysis of their respective impacts on the U.S. economy and society in general was advisable. In light of the percentage of Mexican citizens among all "illegal aliens" or undocumented immigrants in the United States, the differences between the figures of the North and Houstoun study and those of the INS are worthy of note. Figures on apprehensions by the INS show that 91 percent of the total for the last fiscal year were Mexican citizens. One could argue that the difference between the percentage of Mexican citizens in the actual total of undocumented immigrants and the percentage of Mexicans in the total of apprehensions could be due to a selective enforcement of immigration laws with a clear bias against Mexican nationals. A question could be raised: is this difference a reflection or a cause of a commonly made association between "illegal alien" and Mexican nationals?

Undocumented immigration to the United States, particularly from Mexico, has again gained considerable attention in the U.S. mass media. Throughout the country people hear about this phenomenon in terms such as "an invasion of illegal aliens," a "silent invasion," "a case of national crisis," etc. It is noteworthy that the high visibility of the undocumented immigration from Mexico has repeatedly coincided with times of unemployment in the United States. Abraham Hoffman (1974) in the United States and Mercedes Carreras (1975) in Mexico have documented the anti-Mexican-alien campaigns of the 1930s which preceded massive deportations of Mexican immigrants. Increasing unemployment after the end of the Korean War coincided with headlines such as "Current Year Problems: Mass Invasion by Illegal Aliens" (*New York Times*, 1954). Close to a dozen articles in the *New York Times* alone, plus a documentary by CBS Radio Network (April 4, 1954), spoke in alarming terms of the "Wetback Problem" in the first months of 1954. High visibility given to the Mexican undocumented immigration by the mass media also preceded what was called "Operation Wetback," commanded by General Joseph May Swing (Samora, 1971, pp.51-55). One year after it started, June 17, 1954, more than a million apprehensions and subsequent "voluntary departures" of Mexican undocumented immigrants were recorded by the U.S. Immigration and Naturalization Service.

*Is the illegal alien a cause of U.S. unemployment?*

The American public has been deceived by the use of the Mexican undocumented immigrant as a scapegoat in the outcry against high rates of unemployment. In a recent issue of the *U.S. News and World Report* (February 21, 1977), six U.S. economists with reputations as top authorities on manpower policy presented their views on possible solutions to the current problem of U.S. unemployment. None of them mentioned immigration or the illegal alien as either a cause of unemployment or a target for policies to combat it.

Yet, some public officials have found it more expedient to blame the undocumented immigration--a factor defined as external to the system--for the higher rates of unemployment. Rather than focusing on structural factors of the U.S. economy in search for correcting measures against unemployment, which might affect powerful interests, some public officials have singled out undocumented immigration as the main factor causing unemployment. People have been led to believe that restrictive measures against immigration from underdeveloped countries will be a cure for unemployment.

There is nothing new about this tactic. In the decades of the 1930s and 1950s, people were made to believe that the Mexican immigrant, a factor foreign to the U.S. economic system, was causing unemployment. A hostile public reaction to the presence of Mexicans in the United States was thus aroused. Massive deportations were conducted with the general approval of the American public under the assumption that something had been done to alleviate unemployment. Mexican immigrant workers were not in the position of challenging the claims made against them. The Mexican government was either too constrained by its overwhelming dependency on the United States, or simply was not concerned about the fate of people who did not have a voice in the political decision-making process of Mexico.

People who believe that Mexican undocumented immigrants have taken jobs away from the U.S. unemployed fail to recognize the existence of a demand for cheap labor in the United States. The requirements of this demand have shaped the conditions for a supply of the undocumented immigrant labor force. Numerous industries owe their existence to the availability of low-cost Mexican labor. In the absence of this Mexican labor in the United States, these industries would not fill the jobs with American workers, but would close down and do business elsewhere, such as Taiwan, Korea or the Mexican side of the U.S.-Mexico border.

People hire Mexican undocumented immigrants not necessarily because there is a job that happens to be vacant, but because certain conditions in the U.S. labor market make these immigrant workers more exploitable than the local labor force. This working condition of powerlessness is the essence of the creation of a label of illegality for the immigrant worker.

To illustrate this point with an extreme case, imagine what would happen if all Mexican maids were to disappear suddenly from U.S. homes. Would Mexican maids be replaced by American maids, or would those American homes go maidless? The employment of Mexican undocumented workers has no necessary connection with the employment of U.S. citizens; rather, they are employed in a situation of illegality tailor-made for powerful interest groups in the United States.

A case in point could be the famous Texas proviso introduced by Texas legislators to amend the current immigration law. In defining what should be understood by "concealing, harboring or shielding the entrance of an alien into the United States," the law makes the following exception:

Provided, however, that for the purposes of this section, employment, including the usual and normal practices incident to employment, shall not be deemed to constitute harboring (U.S. Congress 8 U.S.C., section 1324, 1952).

This is not to suggest that penalizing the employer of an undocumented immigrant would be a solution, as has been suggested by the supporters of the Rodino bill. It is only to illustrate some of the structural factors that have shaped the conditions under which the phenomenon of the undocumented immigration takes place.

Consistent with the remarks by the Domestic Council on Illegal Aliens, quoted at the beginning of this paper, other studies have pointed out the lack of empirical evidence in support of the contention that deportations of undocumented immigrants would result in job openings for the U.S. unemployed. This is the conclusion of a recent report on the undocumented immigrants from Mexico, authored by Dr. Wayne Cornelius of M.I.T. (1977). Furthermore, the North and Houston study (1976) shows that the overwhelming majority of the Mexican undocumented workers who find jobs in the United States are employed in the lowest-skilled, lowest-paid occupations. The same study shows that even though some undocumented immigrants are employed in higher paying jobs, the proportion of Mexican nationals in this sector is unquestionably low, comparatively speaking. Nevertheless, Mexicans are singled out through mechanical but unsubstantiated association between Mexican immigration and

U.S. unemployment. The North and Houston study suggests that the image of an undocumented immigrant taking high-paid industrial jobs does not correspond, in general terms, to the Mexican case, despite the disproportionate visibility given to exceptions.

*Is the undocumented immigrant a burden for taxpayers?*

In a sample of 919 Mexican migrants interviewed by the author in nine Mexican border towns, subsequent to their expulsion from the United States by INS authorities, we found the following:

- Out of the total sample (919), 509 interviewees had been able to find a job in the United States before being apprehended by INS.
- Only 7.7 percent (n=509) had been paid in cash. Paid by check were 85.3 percent and 6.3 percent were apprehended before collecting their wages.
- Of the check-paid workers (n=433), 74.4 percent have had tax deductions; 66.7 percent have had social security deductions; 19.9 percent have had no deductions, and 6.2 percent did not answer the question.
- Out of the total sample (n=919) only 0.9 percent answered affirmatively to the question: Have you ever had children registered in U.S. schools? 2.4 percent did not answer the question and 96.6 percent answered negatively.
- On the question: Have you ever been a recipient of welfare benefits in the United States? 3.2 percent (n=919) answered affirmatively; 93.7 percent answered negatively and 1.7 percent did not answer the question.
- On the question: Have you ever received free medical care in the United States? 7.8 percent (n=919) responded affirmatively; 90.7 percent responded negatively and 1.9 percent did not answer the question.

Our findings are consistent with those of the North and Houston study (1976) which led the *Wall Street Journal* on June 18, 1976 to observe that the U.S. government is receiving more from the undocumented immigrants in the form of tax and social security deductions than what the immigrants receive in public services. North and Houston found that 77 percent of the Mexican undocumented immigrants of their sample have paid social security and 73 percent have paid federal income tax. Less than 4 percent had children in U.S. schools, and only half of 1 percent had received welfare benefits.

These findings are also consistent with another study, conducted by Dr. Vic Villalpando in San Diego County. From a review of 9,132 welfare recipient cases in the County, he found that only 10 were undocumented immigrants. Using the same techniques for a review of 14,000 welfare recipient cases in Los Angeles County, he found 56 undocumented immigrants. Out of these cases, 54 were determined to have actually been eligible for welfare assistance according to current regulations (Villalpando 1976).

Despite these findings, INS authorities were quoted by the *U.S. News & World Report* of January 26, 1976 as stating that a "tax burden of 13 billion dollars" was attributable to undocumented immigrants in the United States. That figure came from a study with a Washington-based consultant firm, the Inner City Fund (ICF) funded by the INS. The ICF estimate was not drawn from any field or empirical research. It appears that, instead, ICF made some assumptions which were then applied to the results of a previous study contracted by INS, the Lesko Study.

In another paper (Bustamante, 1976), I discussed extensively the method and the lack of validity of the Lesko estimates on the volume of undocumented immigration in the United States. In support of my contentions, references were made to various independent sources which have criticized the Lesko study estimates, including the U.S. Bureau of the Census, the Research Service of the U.S. Library of Congress, and Dr. Charles B. Kelly of Fordham University. Based on criticism raised by these sources, we can safely conclude that the Lesko report became a source of the validation of estimates previously used publicly by INS officials throughout the United States. A study which was made in the name of objectivity became a source of legitimacy for a *fait accompli*, namely, a previously made definition of the size of undocumented immigration to the United States.

Continued use of the Lesko and the ICF findings by the INS, after notification of studies questioning their validity, may be considered a case of what Francis Bacon called "seeking legitimacy by appeal to authority." INS estimates of the size and the impact of the undocumented immigration have defined the existence of a problem and a threat for the American public. The way INS has done this could be analyzed from the perspective of the sociology of knowledge, since it involves a process of the social redefinition of reality from a basis of *power* rather than *facts*.

The alarming remarks we hear these days in reference to Mexican immigration show a recurrent pattern: (1) a causal relationship is implied between high rates of unemployment and the presence of undocumented immigrants, (2) a notion of a threat is attached to this

presence, (3) restrictive legislation on immigration is promoted, and (4) massive deportations are conducted. An additional element could be noted: (5) the problem remains unsolved.

*International dimensions of the phenomenon of Mexican undocumented immigration to the United States*

The phenomenon of the undocumented immigration from Mexico stems basically from two interrelated factors: a demand for cheap labor in the United States, and unemployment, underdevelopment, economic dependency and poverty in Mexico. Without both factors, the phenomenon would not exist. Thus, no solution can be reached by taking unilateral measures. Whatever measures are taken by one country, without taking into account intervening factors on the other side of the border, will not only maintain the problem unsolved but may worsen it. The fact that the problem is binational means that any realistic solution to the problem can come only from a binational approach.

Some solutions have been attempted in the past, like the bracero program. Enough has been written on the history of the bracero program, particularly by Ernesto Galarza (1964), making a discussion of it unnecessary. Based on the studies made by Galarza, we could say that a bracero type of program would not be useful as a solution for the undocumented immigration for at least the following reasons:

- (1) A bracero program would be an inducement for emigration from Mexico. In the past, those who were not able to be included in the bracero quotas, determined by the United States, did not necessarily go home. They came to the United States as undocumented workers anyway.
- (2) A bracero program provokes an oversupply of labor that is conducive to exploitation, exacerbation of ethnic prejudice, and discrimination.
- (3) It results in the institutionalization of an underclass consisting of the not-too-temporary workers' children, born in the United States.

Since a bracero program defined by annual quotas does not preclude but encourage undocumented immigration, it becomes a measure, contrary to its initial objective, of reducing or controlling the undocumented migratory flow.

Restrictive measures such as reinforcing police-type programs and/or launching massive deportations have failed several times in the past. Restrictive or repressive measures against undocumented immigration have a basic weakness due to the fact that undocumented immigration from Mexico is an interaction of factors operating on both sides of the border, namely, U.S. demands for cheap labor and underdevelopment in Mexico. Precisely because of the nature of this interaction of factors, the problems resulting from this phenomenon cannot be solved by unilateral measures.

No attempts have been made to affect the roots of the problem through international policymaking. The opposite seems to be the case. There are clear indications of a preference for isolationist immigration policies with no concern for the effects of internal measures upon the other country involved. This is the case of the Rodino bill and similar legislation. This type of orientation seems to operate under the assumption that the U.S.-Mexico border actually separates two independent realities, which is not only naive, but it could lead to an historic mistake. Measures taken by the United States such as massive deportations only disrupt Mexico's social and economic development, and in the long run backfire on the U.S. for the simple reason that the United States and Mexico share 2,000 miles of common border. Social problems do not begin or end at either side of the border line.

Mexico should not passively accept U.S. internal measures resulting in increasing deportations of Mexican nationals which in turn would result in further increases of Mexico's already high unemployment. There is not too much that a country can do when approximately three-quarters of its total imports come from the same country to which it sells almost three-quarters of its total exports and that other country owns the overwhelming majority of the credits which make up its foreign debt. In the event of changes in U.S. immigration policies, such as P.L. 04-571, signed on October 20, 1976, the Mexican government should explore other strategies beyond the bilateral context of international relations, such as inserting the defense of human rights of the Mexican undocumented immigrant in the context of U.S.-Latin American relations in a vein similar to the Panama Canal agreement; seeking expressions of solidarity from U.S. minority groups, particularly those of Mexican descent, with the plight of the Mexican undocumented immigrant. In terms of efficiency, these strategies might not be more rational than international negotiations between the two governments. They imply the risks of desperate alternatives, but they might be the only kind of alternatives left for a country that, on one hand, faces the increasing deterioration of the social treatment of her nationals in a foreign country and, on the other hand, faces her own inability to offer the conditions of human dignity and self-determination that would keep these people in the land of their ancestors.

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ECONOMIC TRENDS AND ECONOMIC OPPORTUNITY FOR  
THE BLACK COMMUNITY

Bernard E. Anderson

*Introduction*

Much of the struggle for black economic equality has been concentrated in efforts to gain full participation in the labor market. In the past, barriers to economic opportunity severely restricted black participation in the workforce and discouraged many from acquiring the education and training necessary to gain access to stable, well-paying jobs. Over the past decade, slow but measurable progress was made in lowering the barriers to economic security for blacks, but serious disparities among racial groups continue to exist.

The economic progress of the black community, including the success of the emerging black entrepreneurial class, will depend heavily upon the progress blacks achieve in the American labor market. For this reason, a broad overview of labor market trends will clarify where blacks are today, and the directions in which they must move in order to advance further into the mainstream of the economy.

At the outset, we can state three conclusions that capsulize the basic argument presented here.

First, black progress in the labor market has been significant over the past decade. Most of the gains, however, were concentrated among the more educated persons, and those entering the labor market after 1965. Despite the gains, black workers continue to be disproportionately concentrated in the less desirable and marginal occupations and industries, and continue to bear an unreasonable burden of unemployment. Of special importance today is the constantly worsening position of black youths whose unemployment and withdrawal from the labor market carry disturbing implications for the future.

Second, black progress in the American economy is inseparable from that of the nation at large. At no time in the nation's history have blacks made significant gains when all others did not. This means full employment is absolutely essential for continued economic progress for the black community. Slow growth, stand-pat policies will do nothing but retard further economic and social progress for blacks.

Third, black economic progress is heavily dependent upon government policies against discrimination, and public policies on education, job training, and income maintenance. Much has been said about the need to reduce the role of government in American life. As desirable as that objective might be, we should be mindful of the fact that government intervention in the marketplace in the interest of broader economic opportunity has always been necessary for protecting the rights of blacks and other minorities to fulfill their hopes and aspirations for a better life. There is no reason to believe this will not continue to be so in immediate years ahead.

The following review of trends in black employment and income will provide the foundation for these statements.

#### *Labor Force Status*

In late 1976, there were 11.1 million blacks in the labor force. They held 9.6 million jobs, and 1.5 million were unemployed. At the same time, the civilian labor force totaled 96.0 million; total employment was 88.4 million; and 7.5 million workers were unemployed. Thus, last year, blacks comprised 11.6 percent of the civilian labor force, 10.9 percent of employment and 20.0 percent of the unemployed.

Between 1965 and December 1976 the civilian labor force expanded by 21.5 million, and the black component rose by 2.8 million. The number of black men in the labor force increased by 17.4 percent and the number of black women, by 33.7 percent.

Yet, the labor force participation rate--a measure of a group's attachment to the world of work--declined from 64.1 percent to 59.9 percent among blacks, while rising from 59.5 percent to 62.2 percent among white. This trend reflected lower labor force participation for men, and higher participation for women, with black men leaving the labor market at a faster rate than white men, and black women entering at a slower rate than white women. Throughout the period, however, the proportion of black women at work or seeking jobs was consistently higher than the labor force participation rate of white women.

#### *Occupational Trends*

Since the turn of the century, the black workforce has moved slowly toward participation in the mainstream of the American economy. Most blacks were heavily concentrated in Southern agriculture prior to 1910. In the environment of labor shortages and rapid economic growth during

World War I and the 1920s, blacks migrated from the South in large numbers and gained a modest foothold in nonfarm employment, especially in the iron, steel, machinery, and motor vehicle industries.

The employment gains registered by blacks during the first third of the century were virtually wiped out by the depression of the 1930s. Blacks in manufacturing and industries were hit especially hard as rising unemployment took its toll among thousands of semiskilled and unskilled workers. Similar setbacks struck blacks and other workers in the building construction industry.

Black employment progress did not recover until World War II when the expansion of production in defense-related industries such as airplane manufacturing, shipbuilding, and other basic manufacturing industries created numerous employment opportunities. The number of blacks in civilian jobs increased by almost one million between 1940 and 1944, in addition to the 700,000 who entered military service. During the entire decade, blacks in large numbers moved upward into semi-skilled positions. The number in manufacturing rose from 479,000 to 998,000; those in trade rose from 288,000 to 617,000; and those in professional and semi-professional occupations increased from 177,000 to 356,000. These gains were accompanied by a marked decline in the number of black domestic servants.

Much of the progress achieved during the 1940s, however, was reversed between 1954 and 1960 when sluggish economic growth and changing patterns of industrial employment militated against rapid improvement in opportunities for black workers. The unemployment rate among blacks rose from a low of 2.9 percent in 1953 to a peak of 6.8 percent in 1958. At the same time, industries such as durable goods manufacturing and construction, where large numbers of blacks were employed in well-paying jobs, grew at much slower rates than industries such as retail trade and services, where relatively fewer blacks were employed and where wages were generally lower. Also, semi-skilled manufacturing jobs were increasingly located in suburban areas outside the cities, and beyond the reach of large numbers of black workers.

#### *Recent Trends*

Since 1960, blacks have experienced a noticeable degree of occupational upgrading. Through 1975, the number of blacks in professional and technical positions more than doubled while the total increase was only 65 percent. During this same period, the number of black managers, officials, and proprietors rose by 57 percent compared to an expansion of less than half the rate, or 26.5 percent for all workers in the category. While other gains were made, however, the major change in black occupational distribution in white-collar jobs occurred among clerical workers where the proportion of blacks employed rose from 7.3 percent to 14.8 percent.

In the blue-collar fields, blacks showed movement out of the less-skilled, low-paying jobs at a faster rate than did white workers. The proportion of black farm laborers declined from 8.9 percent to 2.1 percent; and the proportion of black private household workers fell sharply from 14.2 percent to 5.6 percent. The occupational adjustments greatly exceeded the flight of whites out of similar fields.

Despite these gains the black worker continues to be concentrated in the lower range of the more desirable occupational fields. For example, while they made significant gains among professional workers, in 1975 black men and women were concentrated among social workers and schoolteachers, and were represented among engineers, accountants, managers, and salesworkers in much smaller proportions than the black participation in the total labor force. Similarly, black women in clerical jobs were seven times more likely to be postal clerks than bookkeepers, and twice as likely to be telephone operators than secretaries.

Among men in craft jobs, blacks continued to be concentrated in the trowel trades, such as masonry and cement finishing, and less well represented among electricians, machinists, and pipefitters. Still, in comparison with their occupational distribution in 1962, blacks have shown movement into the higher paying, more secure jobs and have broadened the scope of their occupational experience.

#### *Industry Structure*

The range of black participation in the labor market may also be seen in the industry distribution of the black workforce. In 1968, about 24.2 percent of black workers were employed in manufacturing, compared to 27.2 percent for all workers. Both black workers and others are more heavily concentrated in the durable goods industries such as automobile, steel, and rubber manufacturing which, on average, pay higher wages than the nondurable industries such as textiles and apparel.

Between 1968 and 1972, the proportion of blacks in manufacturing declined slightly, while their ratio among all workers in the industry increased.

Within manufacturing, blacks tend to be over-represented in the low-wage industries and under-represented in high-wage industries. For example, the black proportion of employment in such low-wage industries as lumber, tobacco, textiles, and apparel was much above their share of all jobs in 1972. Conversely, blacks were not proportionately represented in the relatively high-wage fabricated metals, instruments, paper, printing and publishing industries. Moreover, occupational data show that blacks have a disproportionate share of low-wage jobs in high wage industries.

In 1968, blacks were relatively less represented than all workers in transportation, public utilities, finance, insurance, and real estate. The gap narrowed during the four-year period, however, as blacks increased their numbers in these industries at a faster rate than whites.

The public sector, especially the federal government, is one of the major employers of blacks, and their participation in government has increased over time. In 1972, slightly more than one of every five black workers (22.6 percent) was employed by government, compared to one of every six whites (16.4 percent).

Within the federal government, blacks are most heavily concentrated in the postal service and in the white collar jobs classified under the general schedule. In both areas, however, blacks tend to hold relatively more low-wage jobs than do other workers.

Still, the concentration of blacks in the lower wage federal government jobs has declined markedly over the past decade. For example, the proportion of blacks in GSI-4 declined from 62.2 percent in 1964 to 40.6 percent in 1974. In contrast, black participation in jobs classified at GS12-18 almost tripled from 2.3 percent to 6.7 percent during the ten-year period. No doubt this progress reflects some upgrading of job classifications, but it also reflects substantive improvement in the occupational status of black workers in the federal government.

#### *Black Workers and The Economy*

Black progress in the labor market is heavily dependent upon the state of the general economy. Historical experience shows that when economic conditions are good and demand for labor is high, blacks tend to improve both their absolute and relative position in the job market. On the other hand, when economic conditions worsen, and production and employment decline, blacks bear a disproportionate share of the burden of unemployment and lost income.

Recent evidence confirms the historical record. Since 1969, the nation has experienced two periods of recession, and during both, black workers were disproportionately hurt.

During the 1969-70 recession,<sup>1</sup> for example, total employment decreased by 66,000. During that time, however, there was an increase of 108,000 jobs held by whites, and a loss of 174,000 jobs held by blacks. Thus, between blacks as a group and whites as a group, blacks absorbed the entire recession-induced decline in jobs.

As economic activity improved during 1971 and 1972, blacks started to recover from their job loss. However, even by 1973, two years after recovery began, blacks failed to recoup their losses in comparison with others. For example, between late 1970 and late 1972, unemployment among whites was down 378,000, but among blacks was 109,000 higher. Blacks did not begin to recover from the 1969-70 recession until 1973.

The recession of 1974-75 saw blacks lose ground again in relation to other workers in the labor force. The number of blacks without jobs, but seeking work rose from 875,000 in the fourth quarter of 1973 to 1.4 million in the second quarter of 1974, the low point of the recession. The gap between black and white unemployment grew from 4.3 percentage points in late 1973 to 6.1 percentage points in mid-1975, a change that is consistent with developments in the four previous recessions. In the same period, the gap for adult males grew from 2.6 to 5.1 percentage points; for adult females, from 3.9 to 4.8 percentage points; and for teenagers, from 15.5 to 18 percentage points.

Indeed, persistent unemployment among blacks has long been one of the most serious obstacles to their economic progress. For example, the unemployment rate among black workers has been at or above 7.0 percent in eight of the last ten years. In contrast, the unemployment rate among white workers was below 5.0 percent in each of the same years.

#### *Black Youth*

The problems of young blacks in the labor force have become progressively worse over the past decade during both good times and bad. Black youth made almost no progress toward improving their relative employment position during the decade--a pattern sharply different from that of young whites. In 1965, black youths had 0.6 percent of the total jobs, and in 1974, they held 0.7 percent. White youths expanded their share of total employment from 5.7 percent to 7.8 percent over these years.

The unemployment rate among black youth 16-19 years old, long among the highest of any group in the American labor force, increased from 26.2 percent in 1965 to 37.3 percent last year. At the same time, the unemployment rate among young whites of similar age rose from 13.4 percent to 17.9 percent.

Partly in response to their unsuccessful search for work, young blacks have dropped out of the labor force at an alarming rate. The nonparticipation is especially dramatic among young black males. For example, in 1965, 53.0 percent of black males aged 16-19 were in the labor force, compared to 55.2 percent of white males of similar age. By 1975, however, the labor force participation rate declined to 48.5 percent for young black males, while the rate for young white males increased to 68.5 percent. Because of the extent of nonparticipation of young blacks in the labor market, the conventional measurement of unemployment tends to understate the degree of joblessness among young blacks.

*Blacks in Management*

Black participation in managerial and administrative positions carries broad significance for potential gains in black economic development. In 1959, there were only 163,000 black nonfarm managers in the nation at large, 2.4 percent of all managers. From that time to 1975, the number of black managers more than doubled (133 percent) to 398,000, while the number of whites in the occupational group increased by only one-third (33.3 percent). The gain among managers raised the black proportion of all managers and administrators from 4.0 to 7.1 percent.

The advancement of blacks into managerial positions is at once both promising and disturbing. On the positive side, the gain is favorable in the sense that managerial positions typically pay higher incomes and carry more authority over the allocation of resources than most other positions in the occupational hierarchy. Certainly, the penetration of increasing numbers of blacks into the management of major corporations carries much significance for the eventual exercise of meaningful economic power if black progress continues at a pace comparable to that of other corporate executives. In recent years, increasing numbers of black students have acquired MBA degrees from the most prestigious business schools, and have started the long, torturous journey toward the executive suite. If successful in their quest for top executive positions, some of these pioneers may, in time, substantially increase the economic power of the black community.

The disturbing aspect of the advancement of blacks into management is that a disproportionate number have made their gains in the public and non-profit sectors. For both institutional and political reasons, the federal government and many state and local governments have expanded their reliance on black administrators, especially in educational and social services, while the private sector has made only modest progress. The rapid growth of government-funded social action organizations during the 1960s also created many opportunities for black managers and executives.

These gains may prove to be ephemeral, as increasing fiscal stringency forces state and local government to arrest the growth in public employment and perhaps, as in New York, to cut back sharply. Such measures will undoubtedly harm blacks because many only recently acquired high positions of responsibility and, thus, will not have the necessary seniority to forestall demotion or layoff. Similarly, cutbacks in the funding of social action programs and shifts in the delivery system (such as under CETA) threaten the permanence of gains achieved by black managers in the nonprofit, social service arena.

*Income Trends*

The labor force and employment trends discussed thus far have an important impact on black money earnings and family income. In 1974, total money income before taxes received by families and individuals in the United States amounted to \$922 billion. Of this total, blacks and other racial groups who accounted for 11.9 percent of all families and individuals, received only 8.2 percent of aggregate income.

The median income of American families amounted to \$12,836 in 1974. This meant that half the 55.7 million families in the nation had incomes above this figure and half had incomes below it. The average figure, however, obscures significant differences by race. White families had a median income of \$13,356, while blacks had only \$8,265, or 61.9 percent of white income.

Although the ratio of black income to that of white families is considerably higher than it was a decade ago, it has declined slightly in recent years. Moreover, in absolute terms, families headed by blacks received an average of \$5,091 less than white families in 1974. By comparison, the absolute difference in money income was \$1,543 in 1947, \$2,602 in 1960, and \$3,603 in 1969. Thus, while blacks made proportionate gains in income over the past decade, in dollar terms they have been falling further behind.

*Implications for Economic Growth*

The unsteady position of many blacks in the labor market and their heavy dependence on favorable economic conditions make rapid economic growth a *sine qua non* for further improvements in the black occupational and income status. The pace of economic growth can have a marked effect on the relative position of blacks in the labor market.

For example, moderate economic advancement, consistent with growth rates of the past 25 years, would reduce black unemployment rates only to the neighborhood of 12.0 percent by late 1978.<sup>2</sup> Under the same assumptions, unemployment among whites would be about 6.0 percent. A more rapid economic recovery would reduce black unemployment rates to slightly above 8.0 percent and white unemployment rates to the "full employment" level of 4.0 percent. In either case, economic recovery is expected to benefit teenagers--especially black teenagers--least, and it will not moderate the gradual widening of the unemployment gap for teenagers.

*Economic Policy Constraints*

Economists who often differ widely on matters of public policy almost uniformly agree that the employment and income position of blacks depends heavily upon vigorous economic growth. Although full employment alone will not guarantee the rights of economic citizenship to minorities, major advancement toward economic equality is unlikely to occur in the absence of an effective full employment policy.

If this is so, one might ask why we have not pursued full employment more vigorously in the past. The answer is that our national leaders have been concerned about the so-called trade-off between joblessness and inflation. According to the trade-off hypothesis, full employment is difficult to achieve in our economy because prices begin to rise at an unacceptable rapid rate before the economy reaches its capacity in the utilization of available labor resources. In contrast to the trade-off hypothesis, I do not believe the nation can or should achieve price stability by accepting higher levels of unemployment. Recent economic events characterized by simultaneously rising unemployment and rapid inflation is based on a number of institutional arrangements in labor markets, economic power of economic interest groups including labor and large corporations, and certain levels of investment in human capital. If the nation's primary commitment were to human dignity and economic equality, then traditional relationships among economic interest groups in the economy might be modified in ways that would improve the troublesome trade-off.

Even granting the existence of the trade-off, it is not clear that policies designed to minimize inflation are in the best interest of the black community. To the extent that a higher level of employment might be achieved only with a higher level of inflation, one would have to weigh the benefits and costs of the employment against the benefits and costs of the inflation in order to determine who gains and who loses from the pursuit of no-growth policies. The historical record, buttressed by statistical evidence, shows that blacks and the poor as a group benefit more from full employment and tight labor markets than they lose from higher prices when the two economic aggregates increase simultaneously. Those most hurt by inflation are creditors, persons holding wealth instruments of fixed value, and persons on fixed income. Blacks and the poor will be hurt by the trade-off only if inflation accelerates in pace over time. Otherwise, their employment and income position will improve relative to everyone else.

*Policy Options for Reducing Unemployment*

An economic policy most beneficial to blacks would be one designed both to stimulate job creation and improve the operation of labor markets. The appropriate policy at this time is a mix of both stimulative fiscal and monetary policies, together with targeted labor market instruments, including a significant expansion of employment and training programs.

The answer to the unemployment problem of blacks must be sought in a restructured job market in which those at the bottom of the occupational hierarchy are upgraded, and those seeking employment are better prepared to fill the jobs that exist. At the outset, however, it is necessary to accelerate the rate of real growth in the economy in order to stimulate more job creation.

The appropriate fiscal stimulus is a temporary tax cut and an increase in spending for labor market policies, including public service jobs. The emphasis, however, should be placed on measures to increase labor productivity, and to augment labor skills in order to reduce the bottlenecks in labor skills that will inevitably emerge as the economy moves toward higher levels of capacity utilization. An overemphasis on public service jobs might provide short-term benefits in lower unemployment, but will do little to contribute to a long-term improvement in the job prospects and income gains of the structurally unemployed, especially blacks.

*Blacks and Manpower Programs*

Blacks were well represented in the federal manpower training programs developed during the 1960s to reduce the employment problems of the disadvantaged. Black participation in all the categorical programs exceeded their proportion in the labor force, and in some programs, such as the Job Corps, Apprenticeship Outreach, and the OICs, blacks composed more than a majority of all participants.<sup>3</sup>

The evidence suggests that blacks who acquired marketable skills improved their position in the labor market, both absolutely and in relation to other workers. Although earnings data drawn from many evaluation studies do not provide racial comparisons, evidence for all program participants shows long-term gains of \$400 to \$800 per year among those in skill training programs; \$300 to \$700 per year among those in subsidized public employment programs; \$300 to \$400 per year for participants in pre-employment assistance programs; and about \$300 per year for those in work experience programs. A careful assessment of studies providing racial comparisons indicates that blacks benefitted most (in terms of earnings) from skill training and OJT programs. Thus, the evidence on the impact of manpower training, far from suggesting no positive outcomes (as repeated so often by cutters of social action programs), in fact supports the need for expansion in funding for remedial labor market policies.

*Outlook for Employment and Income*

A look ahead to the kind of economic horizon that might prevail over the next several years provides reason to be cautious about black economic progress. The Wharton Econometric Forecasting Model projects a rate of GNP growth about 5.5 percent from now through early 1979. Inflation, measured by the percentage change in the GNP deflator, is expected to remain in the neighborhood of 5.5 to 6.0 percent, and the unemployment rate is expected to decline slowly to only 6.0 percent by early 1979.

If this projection is correct, there will be only modest improvement in the employment position of blacks. With an overall unemployment rate of 6.0 percent, unemployment rate for blacks might be somewhat above 10.0 percent, equivalent to more than 1.0 million idle black workers. High unemployment will exacerbate income inequality and retard occupational upgrading among blacks into higher paying, more secure jobs.

The unfavorable prospect for improving the relative position of blacks makes it imperative for the nation to pursue a new strategy for achieving full employment. In the past, fiscal and monetary policies were the first line of attack against unemployment. Tax cuts and tax incentives to industry for investment in plant and equipment were the major devices used to stimulate growth. These measures had indifferent success in driving down the black unemployment rate to acceptable levels.

Today, fiscal and monetary tools must be used to reduce the unemployment rate from the current level above 7 percent, but specially targeted measures must also attack structural unemployment in the black community. Among the measures I recommend are special incentives for accelerating housing construction and improvements in public facilities, wage subsidies to the private sector for hiring the structurally unemployed in jobs with a future, and the creation of a National Youth Service to reduce the dreadfully high unemployment rate among young people. These and other targeted employment measures can help the nation achieve full employment without inflation. Importantly, such measures hold much more hope than generalized spending programs for reducing black unemployment and increasing black income.

In his classic study of the Negro in America, published thirty years ago, Gunnar Myrdal, the distinguished Swedish social scientist, observed:

There is a cultural and institutional tradition that white people exploit Negroes... Discrimination against Negroes is thus rooted in this tradition of economic exploitation.

Myrdal's conclusion no longer has the force it did when his study was written, but the status of blacks in the American economy is still far from equal. We now recognize, however, that carefully designed and purposely administered public policies can greatly reduce inequality. First among these necessary policies are economic policies designed to achieve maximum levels of employment. There must be a national determination to achieve full employment in order to insure the economic and social well being of the black community.

## NOTES

1. Fourth quarter 1969 through fourth quarter 1970.
2. Congressional Budget Office, "The Impact of Economic Recovery on Unemployed Nonwhite and White Americans: A Preliminary Assessment," December 5, 1975.
3. Bernard Anderson and Charles Perry, "The Impact of Manpower Programs on Minorities and Women"; hearings before the Joint Economic Committee, Subcommittee on Economic Growth, July 10, 1975.

Table I  
Employed Persons by Major Occupation Group and Color, 1960, 1960, 1974  
(Numbers in thousands)

Occupation	1960			1974			
	Total Number	Black		Total Number	Black		
		Number	Percent Distribution		Number	Percent Distribution	Percent of Total
Total Employed	65,778	6,927	100.0	85,936	8,112	100.0	9.4
White Collar Workers	28,522	1,113	16.1	41,738	2,302	28.4	5.5
Profession & Technical	7,469	331	4.4	12,339	710	8.9	5.8
Managers, Officials & Prop.	7,067	178	2.6	8,941	277	3.4	3.1
Clerical Workers	9,762	503	7.3	15,043	1,202	14.8	8.0
Sales Workers	4,224	101	1.5	5,417	158	1.9	2.9
Blue Collar Workers	24,057	2,780	40.1	29,776	3,411	42.0	11.5
Craftsmen & Foremen	8,554	415	6.0	11,477	769	9.5	6.7
Operative	11,950	1,414	20.4	10,627	1,421	17.5	13.4
Nonfarm Laborers	3,553	951	13.7	4,380	763	9.4	17.4
Service Workers	8,023	2,196	31.7	11,373	2,130	26.3	18.7
Private Household	1,973	982	14.2	1,228	458	5.6	37.3
Other Service Workers	6,050	1,214	17.5	10,145	1,672	20.6	16.5
Farm Workers	5,176	841	12.1	3,048	225	2.8	7.4
Farmers & Farm Managers	2,776	219	3.2	1,643	51	0.6	3.1
Farm Laborers & Foremen	2,400	622	8.9	1,405	174	2.1	12.4

Source: Data for 1960, U.S. Department of Labor, Manpower Report of the President, April, 1971, Tables A-9 and A-10 pp. 171-173  
Data for 1974, U.S. Department of Labor, Bureau of Labor Statistics

Table 2. Occupational participation rates: Black men as a percent of total employed men, 1962-74

Occupational group	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974
Total employed.....	9.1	9.4	9.6	9.7	9.8	9.8	9.8	9.8	9.8	9.6	9.6	9.9	9.9
<b>Professional</b> .....	3.6	4.1	4.5	4.5	4.6	4.6	4.8	4.9	5.5	5.5	5.7	6.0	6.6
Accountants.....	1.4	1.8	2.4	2.4	2.5	3.2	2.5	2.9	3.0	3.5	3.8	4.8	4.4
Engineers.....	1.3	2.3	2.3	2.7	2.4	2.9	3.2	2.5	3.1	3.5	3.5	3.6	4.6
Physicians, including osteopaths.....	1.8	2.2	4.8	4.7	6.3	8.1	5.9	5.9	5.5	7.4	7.1	6.0	9.3
Clergy.....	7.0	8.6	8.7	11.1	10.4	7.4	9.3	7.8	8.6	10.0	12.0	9.6	4.9
Social workers.....	8.5	15.0	21.9	17.5	15.6	15.6	16.0	15.9	15.1	13.9	16.5	18.3	16.4
Teachers, college and university.....	(*)	4.8	4.5	4.6	4.7	3.0	4.3	5.3	5.6	5.2	6.6	7.0	6.7
Elementary schoolteachers.....	12.1	20.0	14.9	9.6	13.1	9.3	10.9	10.2	10.5	10.3	9.1	8.5	10.3
Drafting technicians.....	3.5	2.5	3.5	4.0	4.2	3.4	2.8	4.0	4.8	5.6	5.2	6.3	7.3
<b>Managers</b> .....	2.2	2.4	2.4	2.6	2.5	2.5	2.6	3.0	3.3	3.6	3.5	3.8	3.9
<b>Salesworkers</b> .....	2.4	3.2	2.8	2.9	3.0	2.6	3.0	3.1	3.2	3.2	2.8	3.4	3.2
Insurance agents.....	2.8	2.8	2.8	2.3	2.5	3.9	4.3	4.5	3.1	3.5	2.6	3.6	4.2
<b>Clerical workers</b> .....	7.2	6.9	7.4	8.0	9.1	9.9	9.8	10.5	10.2	10.7	10.4	11.1	11.3
Mail carriers.....	8.5	9.6	9.6	10.2	12.9	12.4	12.5	14.1	11.5	11.8	14.3	12.4	13.0
Postal clerks.....	18.2	20.8	18.5	15.7	18.1	21.3	18.9	18.4	20.7	20.0	16.5	20.5	19.4
Shipping and receiving clerks.....	10.1	12.8	12.1	13.0	16.2	16.0	15.9	15.0	13.8	14.6	13.5	15.1	14.1
Storekeepers and stock clerks.....	10.9	11.6	11.2	13.9	11.1	14.5	12.3	13.5	11.8	11.6	12.9	11.9	11.5
Office machine operators.....	8.3	5.6	5.2	7.2	10.0	11.7	14.4	10.5	10.3	9.2	10.8	12.5	13.7
<b>Craft workers</b> .....	4.7	5.6	5.8	5.6	6.2	6.2	6.5	6.9	6.7	6.4	6.8	7.2	7.4
Masons, brick and stone.....	12.7	10.9	10.8	13.5	14.0	13.6	14.4	15.1	15.6	16.1	14.2	15.8	18.2
Carpenters.....	5.4	6.2	6.2	5.3	5.7	6.1	5.5	5.8	6.7	5.3	5.9	5.5	6.0
Cement finishers.....	27.8	35.7	31.6	41.5	42.0	37.7	34.8	33.8	30.3	30.2	34.6	27.2	30.4
Crane and hoist operators.....	10.0	10.7	11.3	11.6	14.5	16.1	16.3	19.6	19.4	14.6	15.5	15.8	17.9
Electricians.....	2.3	2.1	1.6	1.5	2.5	3.6	3.1	2.8	3.2	4.0	3.2	4.4	4.4
Machinists.....	1.5	3.0	2.7	3.5	5.3	5.5	4.7	5.6	5.3	5.2	5.8	6.2	5.6
Automobile mechanics.....	9.0	9.4	8.7	7.6	8.3	9.6	9.4	9.0	9.1	7.4	8.5	10.6	7.9
Painters, construction and maintenance.....	8.3	9.2	9.3	8.1	9.0	9.8	10.4	10.7	9.9	10.5	10.3	9.7	11.1
Plumbers and pipefitters.....	3.9	5.4	4.9	3.7	4.5	3.2	3.1	4.6	3.9	4.9	6.0	5.6	5.6
<b>Operatives</b> .....	10.6	13.6	11.9	12.4	12.9	13.5	13.7	13.6	14.2	13.9	13.4	13.6	13.8
Checkers and inspectors.....	4.2	5.6	5.1	5.6	5.2	7.1	6.5	8.0	8.4	6.6	7.9	9.6	10.7
Furnace and smelter workers.....	29.4	57.8	23.1	28.1	32.4	31.7	27.6	30.9	26.7	25.8	23.9	23.7	22.7
Gas station attendants.....	12.0	13.7	12.7	12.1	10.4	10.4	11.0	8.8	9.8	10.2	8.6	10.0	10.4
Meatcutters and butchers, except manufacturing.....	6.3	7.7	5.2	7.9	8.3	9.1	9.5	5.6	7.7	5.5	7.2	8.3	5.8
Packers and wrappers, except meat and produce.....	15.0	19.7	17.9	17.4	16.3	19.3	20.4	18.7	19.6	16.5	13.8	16.3	16.5
Sawyers.....	24.4	27.9	15.7	18.7	19.8	20.5	17.9	22.4	22.7	22.3	20.0	20.6	14.8
Welders.....	8.4	9.2	8.1	6.7	7.8	7.5	9.5	9.7	9.8	11.5	10.3	11.4	9.1
Busdrivers.....	10.3	15.3	11.3	11.6	14.1	13.6	16.8	17.2	17.8	21.4	22.3	25.4	27.1
Delivery workers.....	10.1	11.3	10.0	9.3	9.4	8.5	8.5	8.1	9.1	9.1	10.6	9.5	9.0
Taxicab drivers.....	21.2	25.0	22.8	21.7	21.9	21.5	25.2	23.1	22.1	24.3	23.8	24.8	23.2
Truckdrivers.....	13.5	16.8	14.3	14.3	15.0	13.7	14.4	13.8	14.5	15.3	14.4	13.8	14.1
<b>Laborers, except farm</b> .....	26.8	36.2	27.0	25.3	25.7	25.6	24.8	24.0	23.4	22.1	20.7	20.9	19.4
Carpenters helpers.....	26.6	38.5	26.3	27.8	35.4	30.6	30.6	25.7	32.0	25.0	23.6	21.2	19.2
Longshore workers.....	48.4	67.6	38.7	46.8	46.9	45.1	38.8	44.0	42.6	38.0	41.5	46.5	48.0
Lumber workers.....	23.2	46.2	32.7	27.3	36.5	34.0	33.0	27.6	31.7	20.0	18.5	21.2	24.5
<b>Farmers and farm managers</b> .....	7.2	7.2	5.9	5.7	5.8	5.4	5.0	4.4	4.9	3.6	3.2	3.7	4.0
Farmers, owners and tenants.....	7.2	7.2	5.9	5.8	5.8	5.5	5.0	4.4	4.9	3.6	3.2	3.7	3.9
<b>Farm laborers and supervisors</b> .....	24.6	30.0	23.6	24.4	20.7	20.6	21.8	21.5	19.9	18.7	17.8	15.3	14.4
Farm laborers (wage workers).....	27.9	36.9	28.0	29.6	25.3	24.3	26.0	25.3	23.4	22.4	21.2	17.8	16.3
<b>Service workers, except private household</b> .....	21.6	28.5	21.4	21.5	21.3	20.8	20.4	19.5	19.0	18.0	18.5	19.2	18.8
Cooks.....	28.8	45.5	27.9	26.2	25.9	26.2	30.4	28.0	22.8	23.4	22.1	22.8	22.2
Waiters.....	28.7	55.9	35.8	34.5	33.3	25.2	28.1	24.7	26.6	23.7	19.4	23.2	23.7
Nursing aides.....	31.0	39.3	26.8	33.8	32.1	31.0	32.8	34.1	31.2	28.8	23.8	27.0	25.2
Guards and watchmen.....	6.0	7.1	7.5	5.8	6.2	10.7	9.3	11.7	11.7	13.6	15.3	15.4	16.4
Police officers, detectives.....	2.2	3.2	4.5	4.0	4.5	4.9	6.7	6.5	7.7	9.2	7.9	7.9	8.0

<sup>1</sup> Not available.

NOTE: Data for 1962 through 1966 are not strictly comparable with data for later years because 14- and 15-year-olds were included in those years and excluded in 1967

and later years. In addition, data for 1962-71 are not comparable with figures for 1972 and later years because of definitional changes. (See text.)

Source: Monthly Labor Review, Nov. 1975.

**Table 3. Occupational participation rates: Black women as a percent of total employed women, 1962-74**

Occupational group	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974
Total employed.....	12.6	12.5	12.7	12.7	12.5	12.5	12.5	12.4	12.3	12.3	12.1	12.3	12.4
Professional.....	6.7	7.7	7.9	6.2	8.2	8.2	8.5	9.0	9.1	8.9	9.4	10.2	9.7
Accountants.....	2.1	3.8	5.7	1.8	4.1	5.0	4.6	5.1	6.6	4.5	6.5	9.9	9.5
Registered nurses.....	5.2	5.3	4.9	5.1	6.4	6.9	6.7	6.5	6.3	7.3	8.2	9.7	9.8
Social workers.....	14.1	10.0	7.8	16.1	17.2	12.0	17.9	15.3	15.9	19.2	19.5	21.1	21.7
Elementary schoolteachers.....	9.8	11.0	10.6	10.9	11.0	10.6	10.8	11.6	10.8	10.0	10.2	10.1	10.5
Managers.....	3.9	4.1	4.8	4.6	4.2	4.1	4.4	4.4	5.3	5.8	6.1	6.6	6.0
Salesworkers.....	2.9	3.2	3.4	3.4	3.4	3.6	4.0	4.1	4.4	4.6	4.8	4.5	4.9
Clerical workers.....	4.1	4.2	4.6	4.7	5.3	6.2	6.7	7.2	7.4	8.0	8.2	8.8	8.8
Bookkeepers.....	1.5	2.1	2.2	1.9	2.0	2.5	2.7	2.5	2.7	3.1	3.3	3.9	4.2
Cashiers.....	3.3	3.8	5.4	6.1	6.7	6.7	5.4	6.3	6.7	7.7	7.8	7.9	7.8
Office machine operators.....	6.5	8.3	9.0	8.9	6.9	9.2	11.3	11.1	13.2	14.6	13.9	15.7	15.0
Postal clerks.....	13.9	13.6	17.0	26.7	32.1	31.5	31.3	29.8	34.5	36.0	28.0	23.5	28.0
Receptionists.....	3.8	3.1	2.9	2.4	4.1	5.2	6.2	5.6	5.4	5.2	7.3	8.4	7.8
Secretaries.....	2.3	2.1	2.6	2.5	2.9	3.6	3.6	3.6	3.7	4.4	5.2	5.7	5.1
Telephone operators.....	4.1	3.9	4.1	6.3	5.2	8.4	8.5	9.9	10.5	12.3	12.9	12.1	12.6
Typists.....	8.1	6.8	7.3	7.1	8.5	9.7	10.9	13.4	12.0	14.1	12.1	13.6	13.6
Craft workers.....	7.8	6.8	8.5	8.0	8.0	7.4	8.5	9.4	8.7	9.3	9.1	9.3	11.2
Operatives.....	12.0	11.4	11.6	12.2	13.0	14.2	14.5	15.1	14.9	15.4	14.0	15.0	16.5
Checkers and inspectors.....	3.8	5.2	4.6	6.7	5.7	7.5	9.6	9.7	9.7	9.1	9.9	10.3	12.5
Dressmakers.....	9.0	8.3	9.4	10.3	8.8	11.8	9.8	12.0	12.0	10.1	8.6	12.2	13.8
Packers and wrappers, except meat.....	11.5	10.6	9.5	12.2	12.9	10.5	11.8	13.3	14.4	14.5	15.2	13.1	14.9
Laborers, except farm.....	26.6	20.7	19.8	21.3	19.4	23.1	17.5	20.5	19.9	14.9	12.7	15.4	14.1
Farm laborers and supervisors.....	27.0	26.7	25.4	24.7	29.3	18.2	15.6	13.5	12.6	11.7	9.3	11.4	11.2
Farm laborers (wage workers).....	53.4	53.9	55.1	55.5	44.8	43.5	42.0	37.8	36.4	35.8	25.7	28.5	23.6
Service workers, except private household.....	18.4	18.3	19.1	20.1	20.4	19.5	19.8	19.1	19.0	19.0	18.5	17.8	18.1
Chamber cleaners.....	57.5	55.0	56.9	60.8	60.4	59.4	59.4	56.3	54.7	44.6	42.9	38.3	35.1
Cooks.....	22.9	22.9	22.7	26.7	28.9	26.5	24.9	24.0	22.7	23.5	21.0	21.3	20.8
Food counter workers.....	11.8	11.3	13.4	12.6	13.0	15.2	17.6	10.8	13.8	9.4	9.5	8.7	8.4
Waiters.....	6.4	5.3	6.4	6.7	6.7	6.2	6.4	5.8	5.0	5.4	5.7	5.5	6.7
Nursing aides.....	25.9	26.3	26.1	27.6	27.2	25.0	26.7	27.0	27.5	26.7	27.3	25.4	26.3
Practical nurses.....	20.0	21.7	25.4	27.3	25.4	20.4	22.3	23.7	25.5	24.8	25.4	24.6	24.3
Hairdressers.....	14.4	13.7	11.8	11.2	9.6	8.2	8.1	8.5	8.6	7.8	7.3	8.5	8.9
Babysitters.....	8.3	7.3	7.1	8.5	7.1	9.1	8.7	8.4	8.3	8.8	9.8	9.6	14.9
Housekeeper, private households.....	27.4	27.7	29.0	28.0	29.6	31.6	25.2	27.3	27.9	27.4	27.3	32.4	37.8

NOTE: Data for 1962 through 1966 are not strictly comparable with data for later years because 14- and 15-year-olds were included in those years and excluded in 1967

and later years. In addition, data for 1962-71 are not comparable with figures for 1972 and later years because of definitional changes. (See text.)

Source: Monthly Labor Review, Nov. 1975

Table 4. Industry Distribution of Employment, by Race, 1968 and 1972  
(in thousands)

	1968		Black Employment by Industry Per Cent
	Percentage Distribution		
	Total Per Cent	Black Per Cent	
Total Number	75,920	8,169	
Total Per Cent	100.0	100.0	10.8
Agriculture	5.0	5.4	11.6
Mining	0.7	0.2	3.0
Construction	5.3	4.9	10.0
Manufacturing	27.2	24.2	9.6
Durable	16.0	14.0	9.4
Lumber	0.9	1.8	21.9
Furniture	0.6	0.6	10.7
Stone, clay and glass	0.8	0.9	11.3
Primary metals	1.7	2.2	14.0
Fabricated metals	2.2	1.7	8.3
Machinery	2.9	1.2	4.4
Electrical machinery	2.6	1.8	7.7
Transportation equipment	3.1	3.0	10.4
Instruments	0.7	0.3	5.0
Miscellaneous	0.6	0.6	9.4
Nondurable	11.2	10.2	9.8
Food	2.4	2.7	12.2
Tobacco	0.1	0.3	26.3
Textiles	1.4	1.2	9.5
Apparel	1.7	2.1	12.8
Paper	1.0	0.7	7.9
Printing	1.5	0.9	6.2
Chemicals	1.5	1.2	8.1
Petroleum	0.3	0.2	7.4
Rubber	0.7	0.6	8.7
Leather	0.5	0.4	8.6
Transportation & Pub. util.	5.9	4.3	7.9
Trade	18.6	13.4	7.7
Wholesale	3.4	2.4	7.7
Retail	15.2	10.9	7.7
Finance, insur. & real estate	4.7	2.4	5.5
Services	27.4	25.8	16.0
Private Household	2.6	10.2	42.8
Miscellaneous	14.8	15.6	11.4
Government	15.3	19.3	13.6
Federal	3.0	4.3	15.3
Postal	1.0	1.7	18.6
Other Federal	2.0	2.6	13.6

Table 4 (Continued)

	1968		
	<u>Percentage Distribution</u>		<u>Black Employment</u>
	<u>Total</u>	<u>Black</u>	<u>by Industry</u>
	<u>Per Cent</u>	<u>Per Cent</u>	<u>Per Cent</u>
State	0.8	0.6	7.7
Local	1.8	1.8	10.9
Other government (not specified)	9.6	12.6	14.1

Source: Derived from unpublished household data from the Current Population Survey provided by the Bureau of Labor Statistics. Totals may not add due to rounding.

Table 4 (Continued)

	<u>Percentage Distribution</u>		<u>Black Employment</u>
	<u>Total</u> <u>Per Cent</u>	<u>Black</u> <u>Per Cent</u>	<u>by Industry</u> <u>Per Cent</u>
Total Number	81,702	8,628	
Total Per Cent	100.0	100.0	10.6
Agriculture	4.2	3.6	8.9
Mining	0.7	0.3	4.5
Construction	5.7	5.0	9.2
Manufacturing	24.1	22.6	9.9
Durable	14.0	12.8	9.6
Lumber	0.8	1.5	19.4
Furniture	0.6	0.6	10.2
Stone, clay and glass	0.8	0.8	11.0
Primary metals	1.5	2.0	13.9
Fabricated metals	1.7	1.3	8.2
Machinery	2.5	1.3	5.6
Electrical machinery	2.3	1.7	7.7
Transportation equipment	2.4	2.6	11.6
Instruments	0.6	0.3	4.8
Miscellaneous	0.8	0.6	8.4
Nondurable	10.1	9.8	10.3
Food	2.1	2.2	11.2
Tobacco	0.1	0.3	33.8
Textiles	1.2	1.5	13.4
Apparel	1.7	2.1	12.9
Paper	0.8	0.7	8.6
Printing	1.5	0.7	5.0
Chemicals	1.3	1.1	8.8
Petroleum	0.3	0.3	11.1
Rubber	0.7	0.6	9.0
Leather	0.4	0.3	8.3
Transportation & Pub. util.	5.8	5.0	9.1
Trade	20.0	13.8	7.3
Wholesale	3.7	2.3	6.6
Retail	16.3	11.5	7.4
Finance, insur. & real estate	5.2	3.2	6.6
Services	17.9	23.9	14.1
Private household	2.1	7.5	38.4
Miscellaneous	15.8	16.4	11.0
Government	16.4	22.6	14.6
Federal	2.7	4.4	17.1
Postal	0.9	1.7	20.1
Other Federal	1.8	2.7	15.6
State	0.8	0.6	7.8
Local	1.8	1.9	10.9
Other government (not specified)	11.0	15.7	15.1

EVIDENCE FOR THE LOW MOBILITY  
OF ASIAN AMERICANS IN THE LABOR MARKET

Amado Y. Cabezas

*Introduction*

There is not a definitive work today that describes the labor-market status of Asians in the United States. In particular, there certainly is no study that describes their *mobility* within the labor market in recent years. However, we can obtain a "glimpse" of the total picture from some pieces of empirical evidence, from a few studies that are relevant to this topic, and from some of our work at ASIAN, Inc. We also look at present labor-market theories in order to understand the Asian employment patterns observed. Then, we present some policy implications and some recommendations for providing relief to this minority group.

The analysis is based on the following:

1. The latest (1975) employment patterns for Asians and the disparities therein in the San Francisco-Oakland metropolitan area, where Asians comprise the largest population (approximately 250,000) and the highest concentration (7 percent - 8 percent) in the United States, excepting Hawaii. Here in the Los Angeles metropolitan area, there are also about 250,000 Asians, but their concentration is low (about 3 percent). The New York metropolitan area has the only other large population of Asians. Asians in these three areas alone account for nearly one-half of the total Asian population in the U.S.;
2. The time trend in the disparities in Asian employment during the 1970 to 1975 period;
3. The wage rates in the industries in which they are concentrated versus those in which they are not;
4. Their educational attainment level as a key qualification, or "investment" in human capital theory, that they bring to the labor market;
5. An indication of their low occupational mobility, based on:

- a. 1970 to 1975 employment data from the EEOC,
- b. 1965 and 1970 data from the Bureau of the Census,
- c. 1960 and 1970 Census data for a "synthetic" cohort of Asians in the prime labor-market age group which was 25 to 34 years old in 1960 (and 35 to 44 years old in 1970). We explain later the identification of this group as "synthetic" cohorts.

*Disparities in Asian Employment Patterns in the  
San Francisco Metropolitan Area*

Asians, particularly women, proportionately are in the labor force in large numbers and are usually employed. The Asian problem has more to do with the quality of their employment in the industries where they are employed and their occupations within these industries, rather than the problem of not being in the labor force. In the San Francisco-Oakland metropolitan area, for example, their patterns of employment, based on the latest (1975) EEO-1 data, are the following: (See Figure 1).

1. Asian employment is less than one-third of parity in building construction and special trades. Employment parity is based on their proportion in the labor force, which for this group slightly exceeds their proportion of the adult population. (However, this is generally not true for other groups such as blacks and Hispanics).
2. Out of the seventeen major manufacturing industries in the San Francisco Bay Area, Asian employment is less than one-half of the parity in the twelve listed below:

food products  
 lumber  
 furniture  
 paper  
 printing  
 petroleum  
 rubber  
 stone, clay and glass products  
 primary metals  
 fabricated metal products  
 non-electrical machinery  
 miscellaneous manufacturing

Asian employment is also low in the manufacture of chemicals and electrical machinery. In contrast to this, their

Figure 1. Asian Employment Level, by Industry, San Francisco-Oakland SMSA: from 1970 to 1975 EEO-1 data

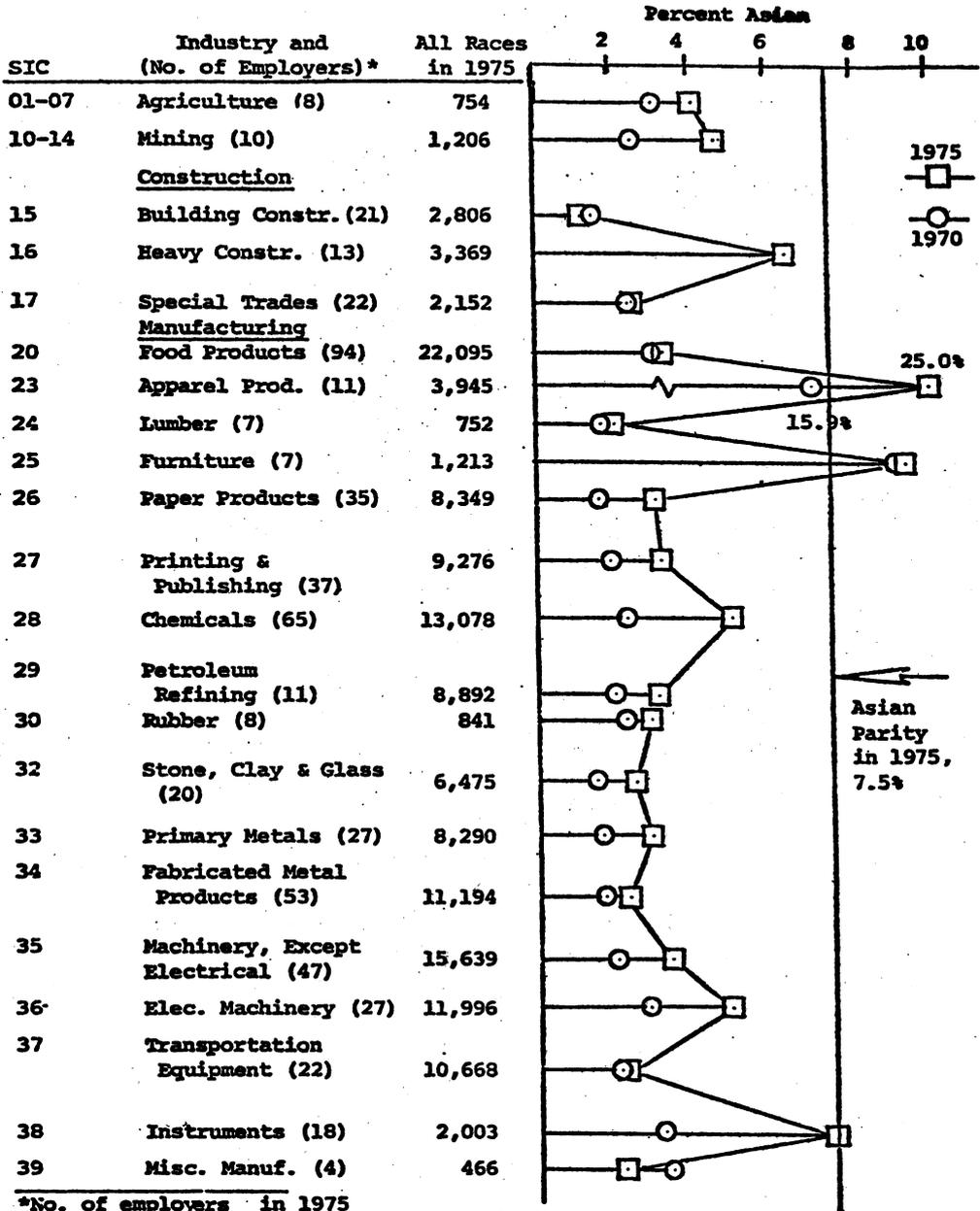
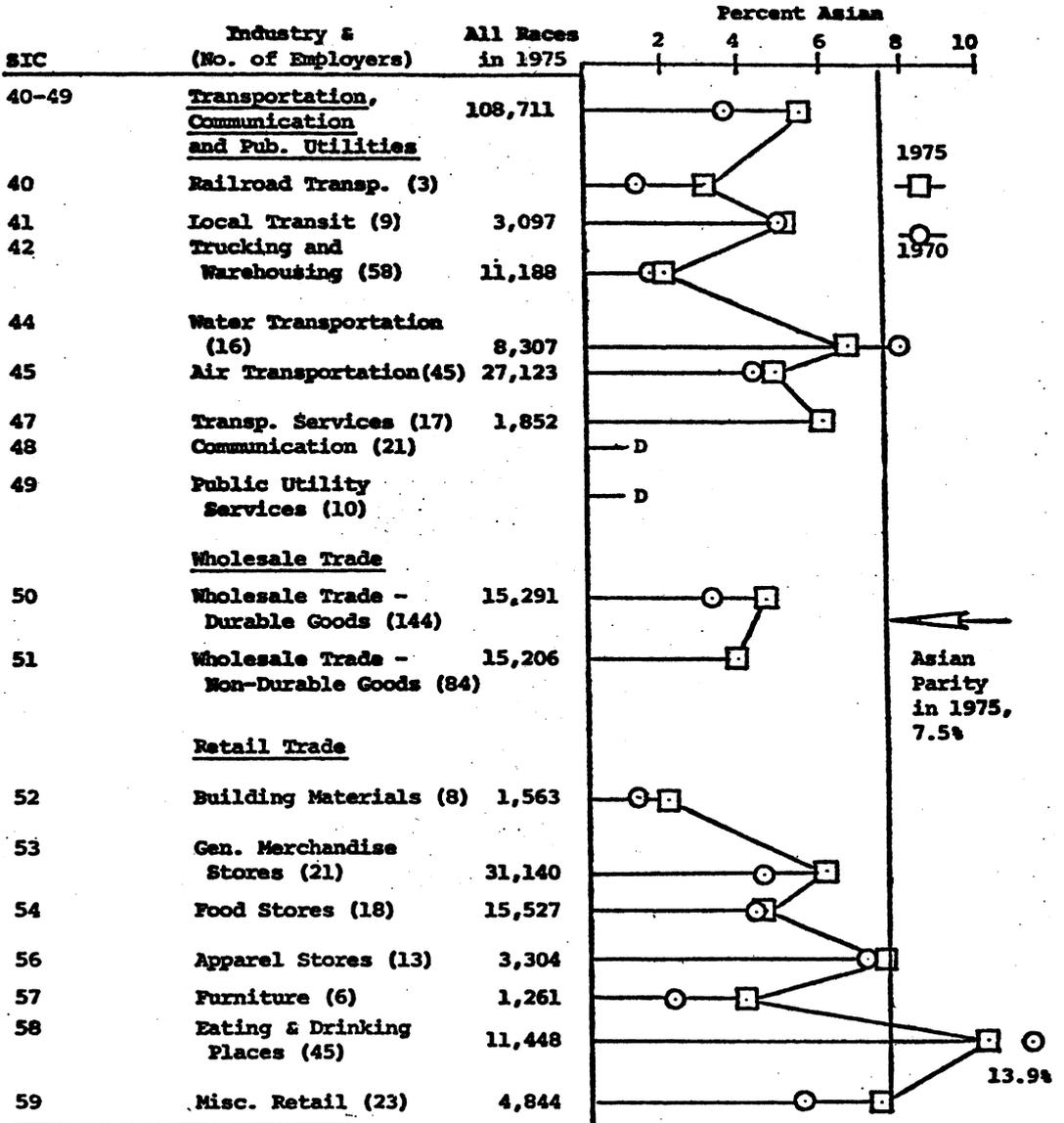
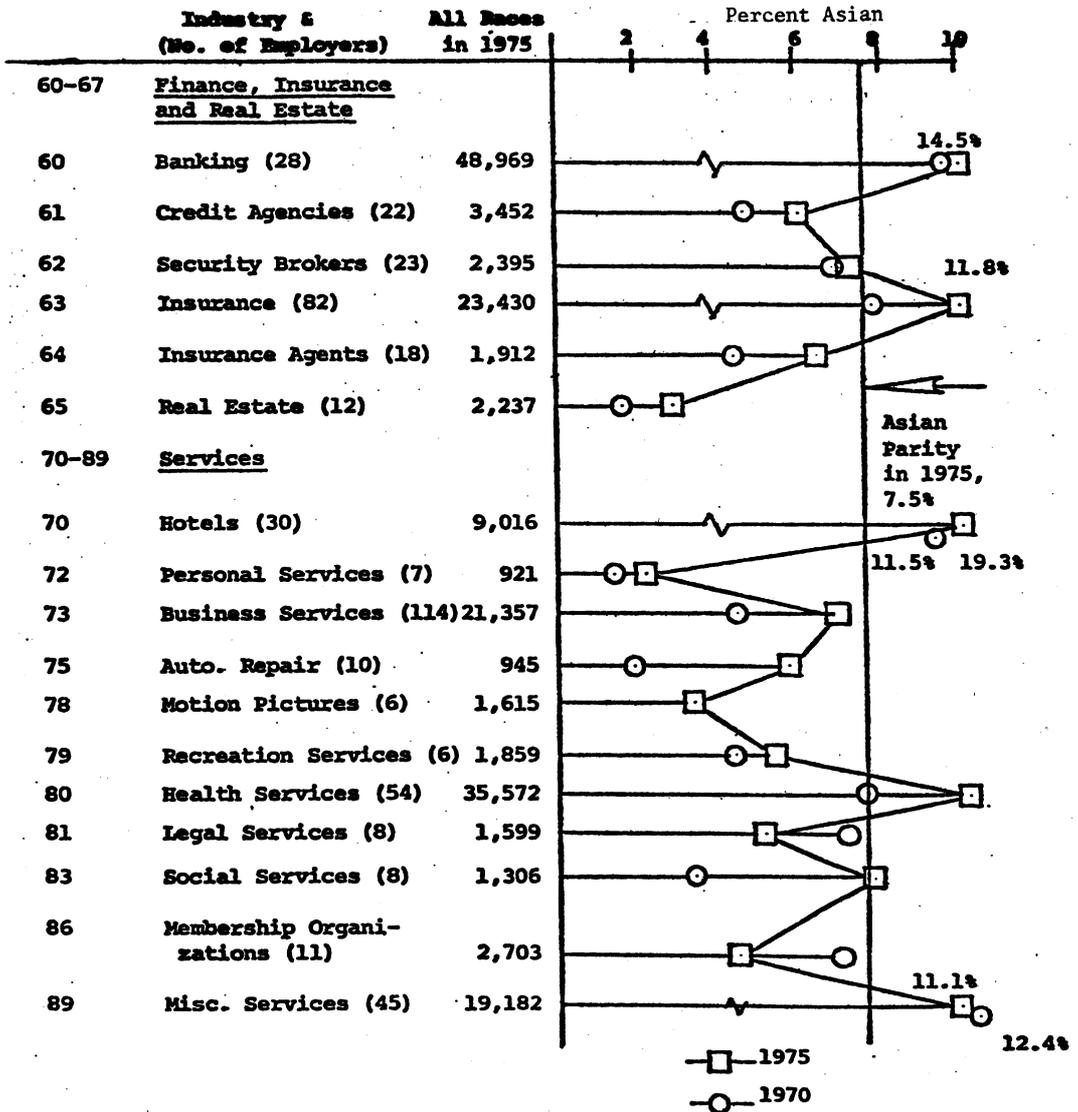


Figure 1 (cont'd)



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Figure 1 (cont'd)

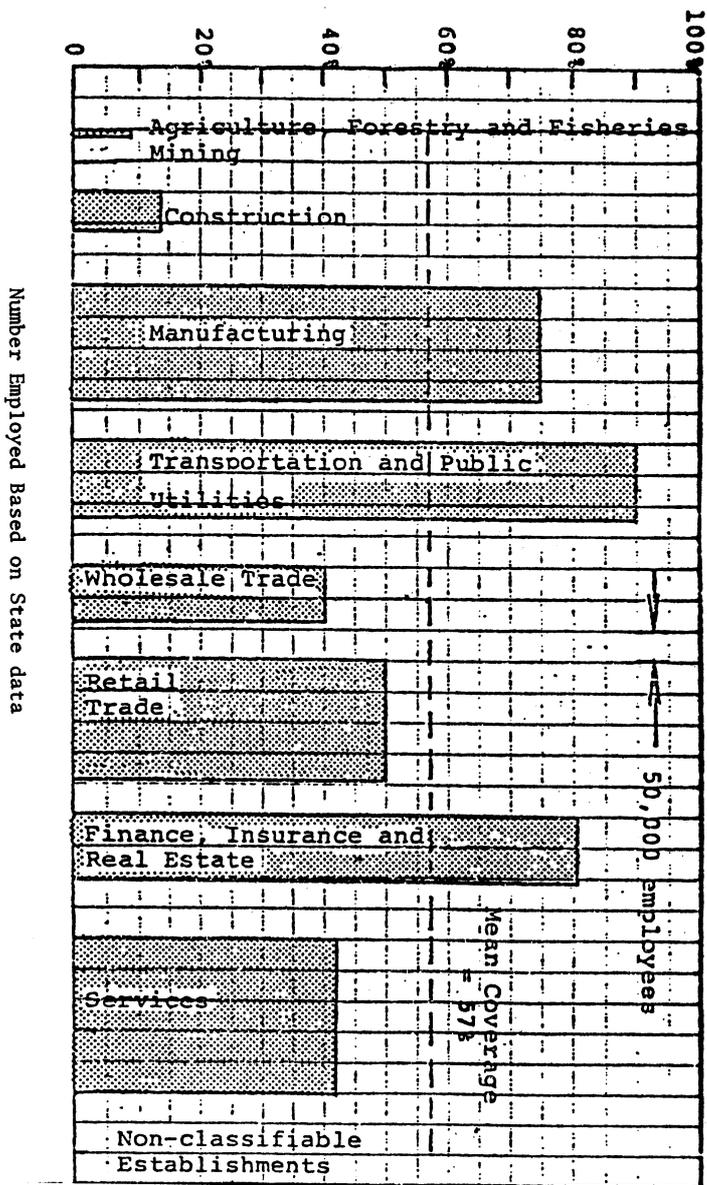


employment in the manufacturing industries is from fair to high only in instruments, furniture, and apparel products (the garment industry).

3. In the transportation, communication and public utility industries, Asian employment is about three-fourths of parity. The main problem faced by Asians in this industry group is in their occupational distribution, rather than in total employment. Asians are mostly clerical workers in these industries.
4. Wholesale trade accounts for more than 30,000 employees in the Bay Area. In this key industry, Asian employment is about one-half of parity with a deficit number of approximately 1,000. The large wholesale trade industries in the Bay Area are in motor vehicles, electrical goods, machinery, drugs, groceries and petroleum.
5. In retail trade, their employment level is low in food stores (mostly the supermarkets) and in furniture and home furnishing stores; but they are at parity in general merchandise stores, apparel stores, and drug stores, and twice parity in eating and drinking places.
6. In finance, insurance and real estate, Asian employment is twice parity in commercial banking and insurance, where they largely are employed as clerical workers.
7. Finally, in the services industry, Asian employment is high in hotels and health services where they are employed primarily as food and cleaning service workers. In hospitals, Asian professionals are mostly nurses rather than physicians.

EEO-1 data from the Equal Employment Opportunity Commission for the 1970 to 1975 period show that the Asian employment patterns have persisted over at least this time period (Figure 1). The disparities in employment level are found to be statistically significant, using the binomial distribution to sort out disparities due to chance. A comparison of 1970 Census data, which is employee based, with 1970 EEO-1 data, which is employer based, shows the same patterns. The coverage of EEO-1 data depends on the industry and is fairly high, having a mean value of 57 percent for private industry in the Bay Area (Figure 2). EEO-1 data accounts for about 75 percent of the total employment in industries such as manufacturing, transportation and finance and 40 percent to 50 percent in wholesale and retail trade and services industries.

Figure 2. EEO-1 Coverage of Private Employment in the San Francisco-Oakland SMSA in 1975.\*



\* Employment from 1975 EEO-1 data as a percentage of employment based on state of California data for the first quarter, 1975.

*The Asian Employment and Wage Pattern*

Employment discrimination readily translates to economic discrimination. Asians face entry problems in industries where the wage rates are high and, conversely, are concentrated in industries where the wage rates are low. This can be seen from the employment pattern based on EEO-1 data and the industry wage rates based on State of California data (Figure 3). In ten out of the twelve manufacturing industries where Asian employment was less than one-half of parity, the average weekly wage (from the latest state data) *exceeded* the mean weekly wage of \$2.50 by 24 percent. By contrast, in the garment industry where Asians are concentrated, the weekly wage was only \$140 or 35 percent less than the mean. In construction, the average wage was \$298 or 39 percent higher than the mean; Asian employment is low in this industry. Asian employment is three-fourths of parity in transportation, communication and public utilities where the wage rate is \$285 or 33 percent higher than the mean. In wholesale trade, where Asian employment is low, the average wage is \$275 or 28 percent higher than the mean. By contrast, Asian employment in retail trade is much higher, but the average wage is only \$150 or 30 percent lower than the mean of \$215. In banking and insurance, where the Asian employment levels are high, the average wages are near the mean. However, for the Asians concentrated in the clerical ranks, the wages of course are lower. A bank teller is paid about \$120 a week. The pattern continues throughout the services industries where Asian employment is fair to high but wages are below the mean except in legal, architectural, accounting and other professional services. In hotel and health services where Asians are concentrated, the average wages are only \$115 and \$184 respectively, compared with the mean of \$215.

*The Asian-to-White Male Earnings Gap*

Thus, despite a high educational attainment level, Asians have incomes significantly lower than those of whites. Based on 1970 Census data, in the San Francisco, Los Angeles and New York metropolitan areas, the Asian educational attainment level based on number of school years completed exceeded that of whites (see Table 1). Only the Chinese in San Francisco and New York had a lower level of education due mainly to the 45 years old and over age group. The young adult and middle-age Asians, especially, surpassed the educational attainment of whites (see, for example, Figures 4 and 5 for Asian men and women in California in 1970). In contrast to this, Asians earned significantly less than white males (Table 2). In the three metropolitan areas, based on 1970 Census data, we find that:

Figure 3. A Comparison of Asian Employment Level and Average Wage, by Industry, in the San Francisco Metropolitan Area, 1975.

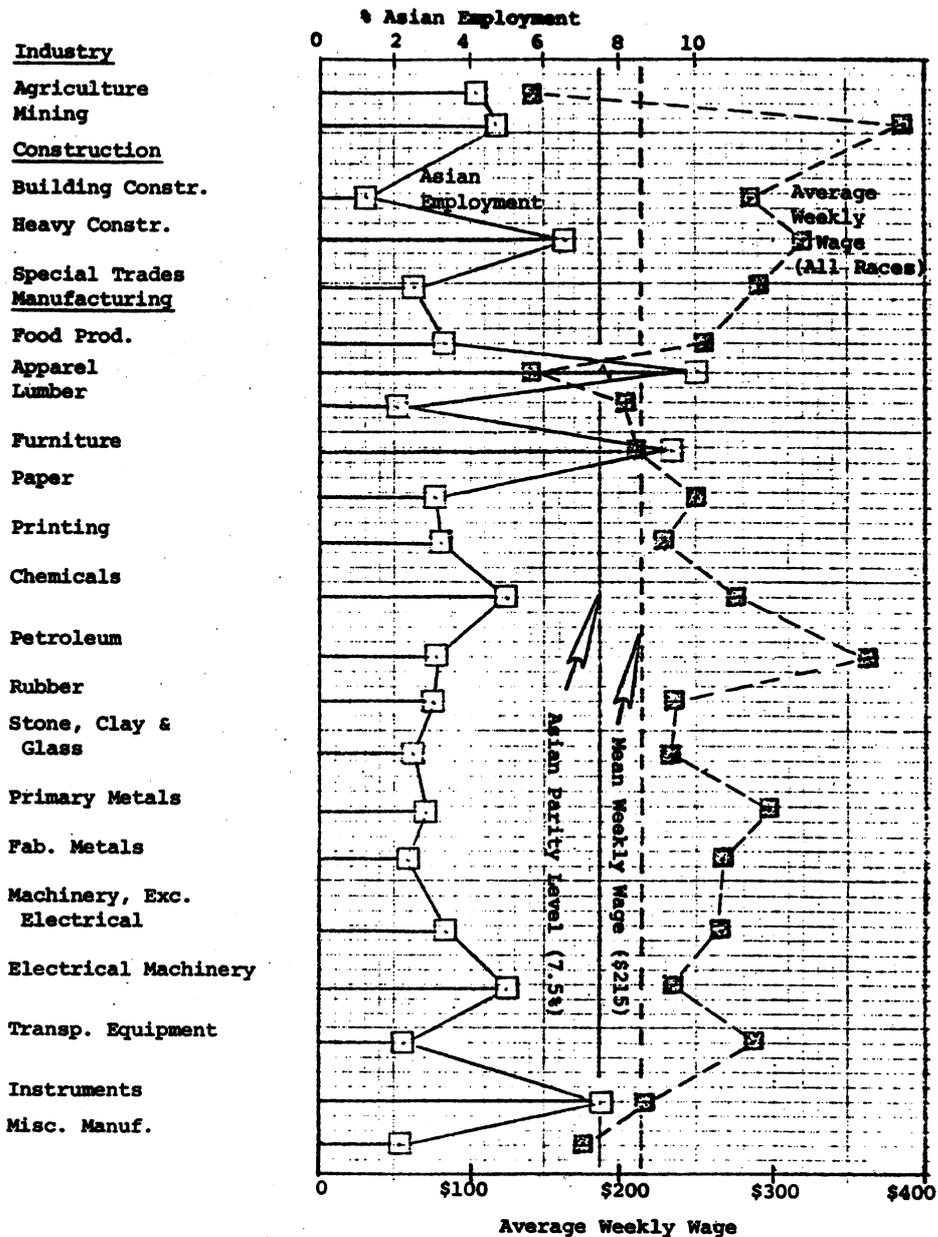


Figure 3 (cont'd)

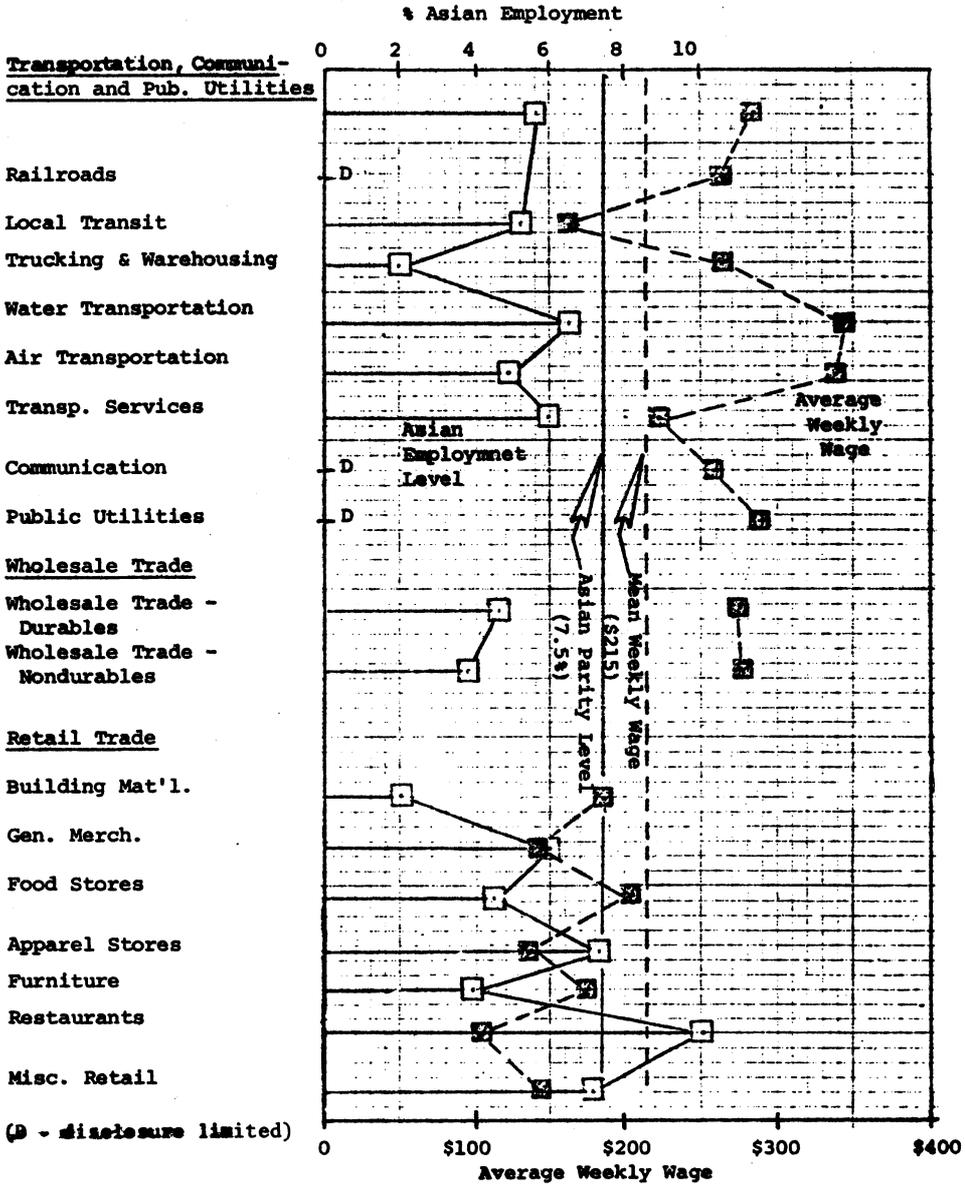
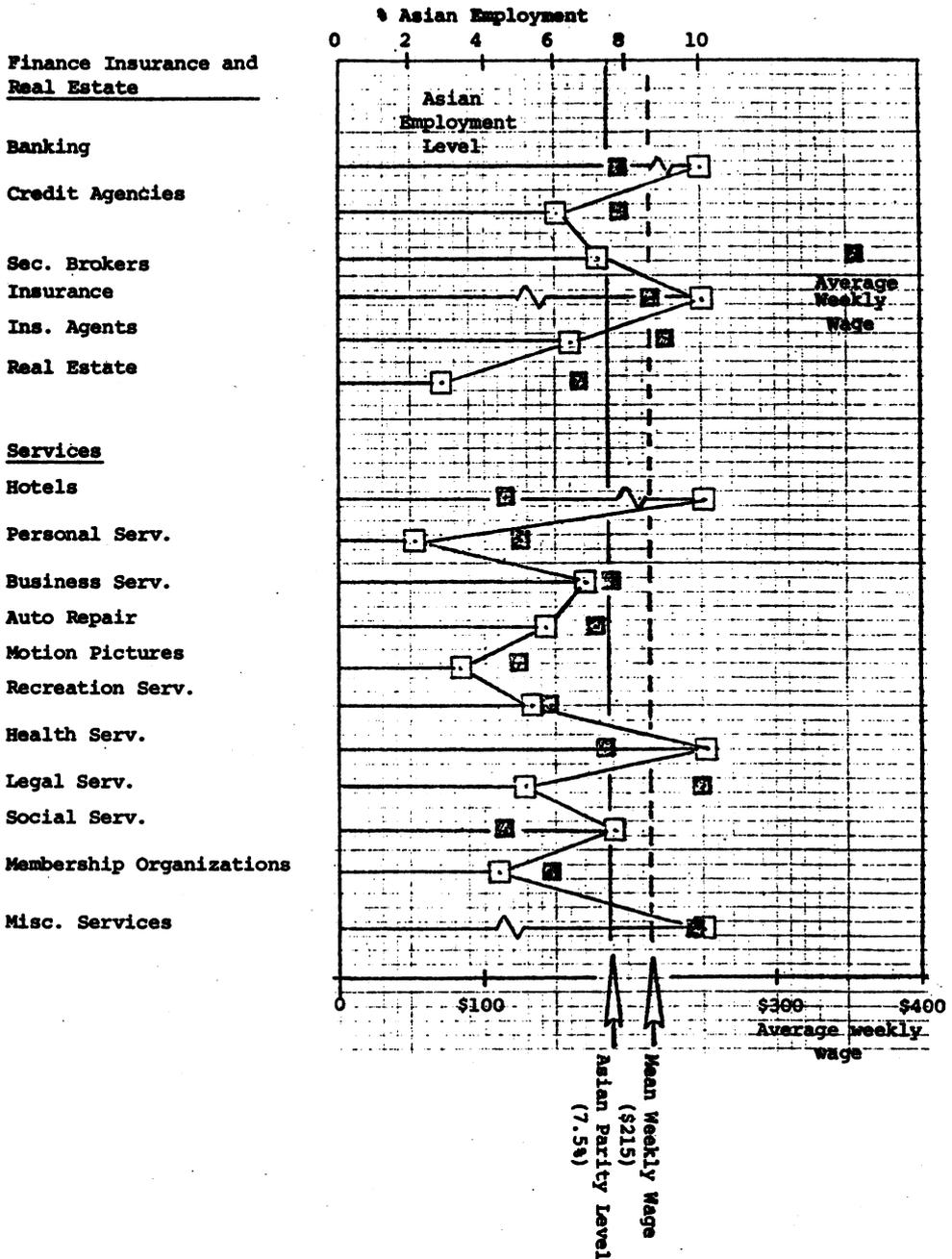


Figure 3 (cont'd)



**Table 1. Median School Years Completed By  
Asians and Whites, By SMSA, 1970**

Race/Ethnicity	SMSA		
	SF	LA	NY
Chinese	12.0 years	12.8 years	9.8 years
Filipino	12.4	12.9	16.1
Japanese	12.7	12.7	13.3
Korean	N	14.3	16.4
White	12.5	12.4	12.1

Source: U.S. Bureau of the Census, Subject Report PC(2)-1G.

N - No data available.

Figure 4. Educational Status by Age Cohorts of Asian Men and White Men in California in 1970.

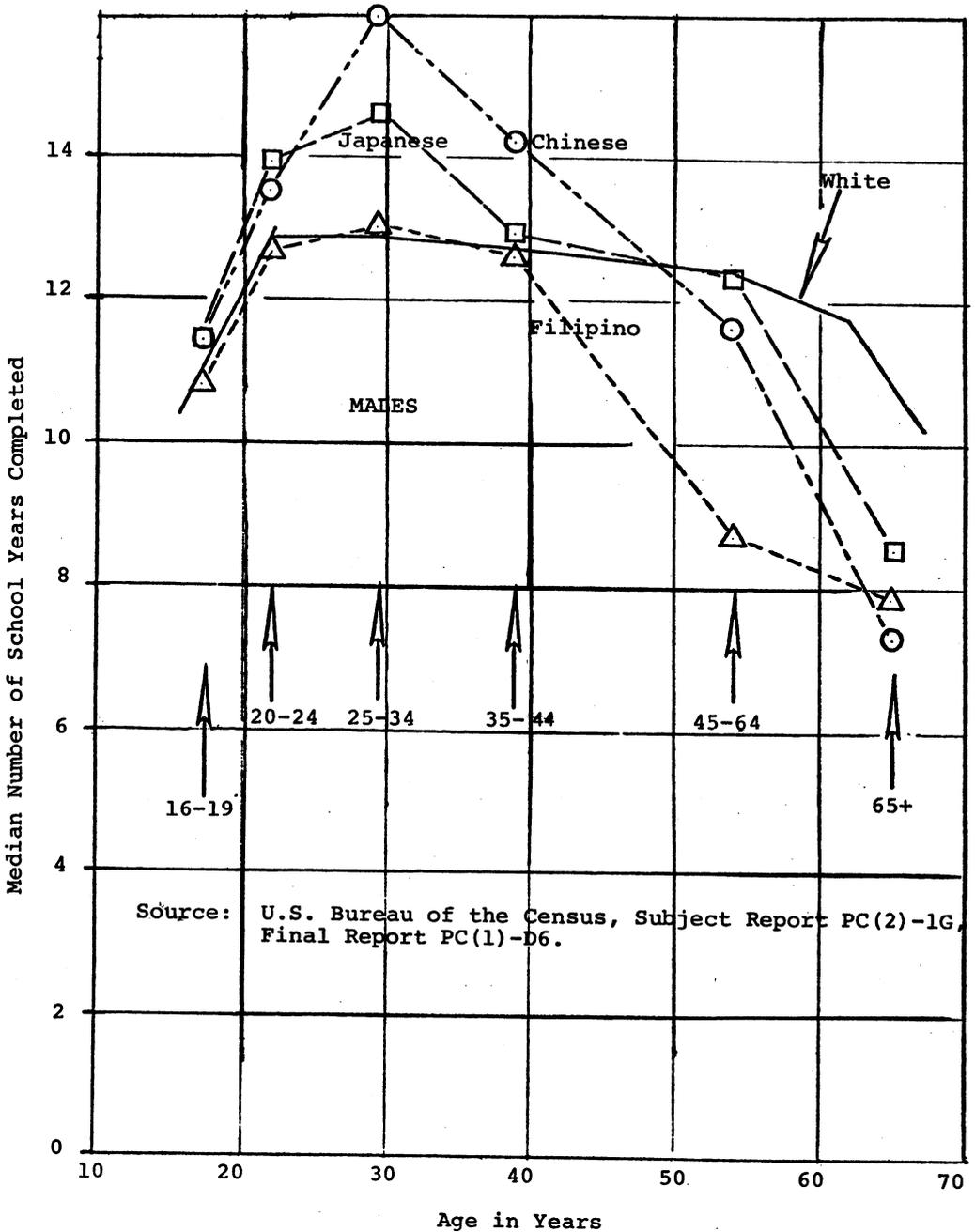


Figure 5. Educational Status by Age Cohorts of Asian Women and White Women in California in 1970.

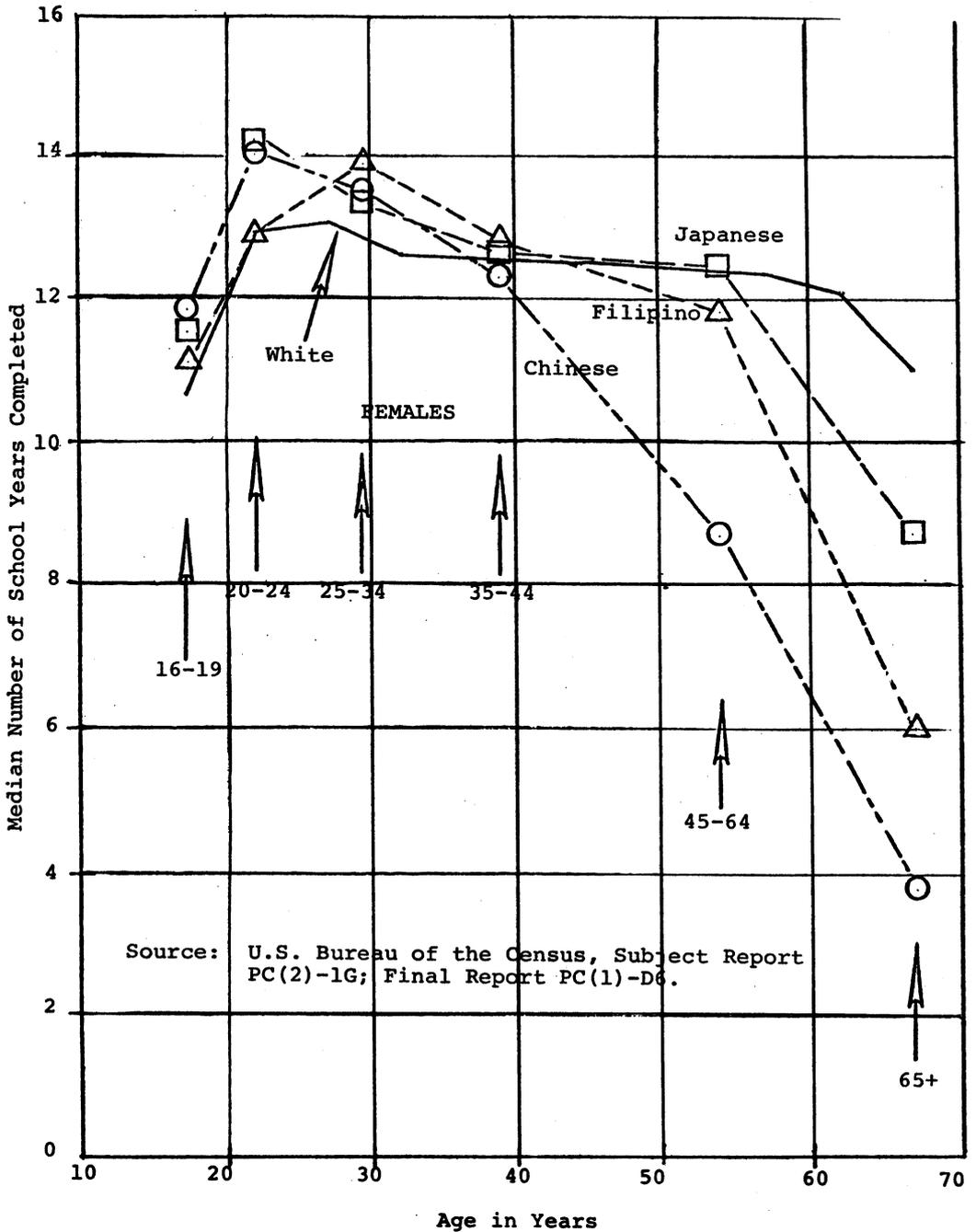


Table 2. Asian to White Male Earnings  
Ratio by SMSA: 1969

Sex & Ethnicity	SMSA		
	San Francisco	Los Angeles	New York
<u>Males</u>			
White*	1.0=\$9,499+	1.0=\$8,799+	1.0=\$8,870+
Chinese	0.55	0.67	0.49
Filipino	0.58	0.62	0.69
Japanese	0.81	0.90	0.94
Korean	N	0.74	0.93
<u>Females</u>			
White*	0.52	0.51	0.55
Chinese	0.27	0.33	0.35
Filipino	0.38	0.47	0.67
Japanese	0.39	0.41	0.45
Korean	N	0.40	0.49

\*White income are biased downwards due to the inclusion of Spanish-origin income. The true white income would be higher than that shown; thus, the earnings ratios between Asians and whites are even lower than the values shown.

N - No data available.

1. Chinese males have about one-half and Chinese females about one-third the earnings of white males except in Los Angeles where the Chinese male earnings ratio is higher at 0.67;
2. Filipino males have about two-thirds and Filipino females about one-half the earnings of white males;
3. Japanese males have about 90 percent and Japanese females about 40 percent of the earnings of white males;
4. Korean males have 74 percent to 93 percent and Korean females 40 percent to 49 percent of white male earnings.

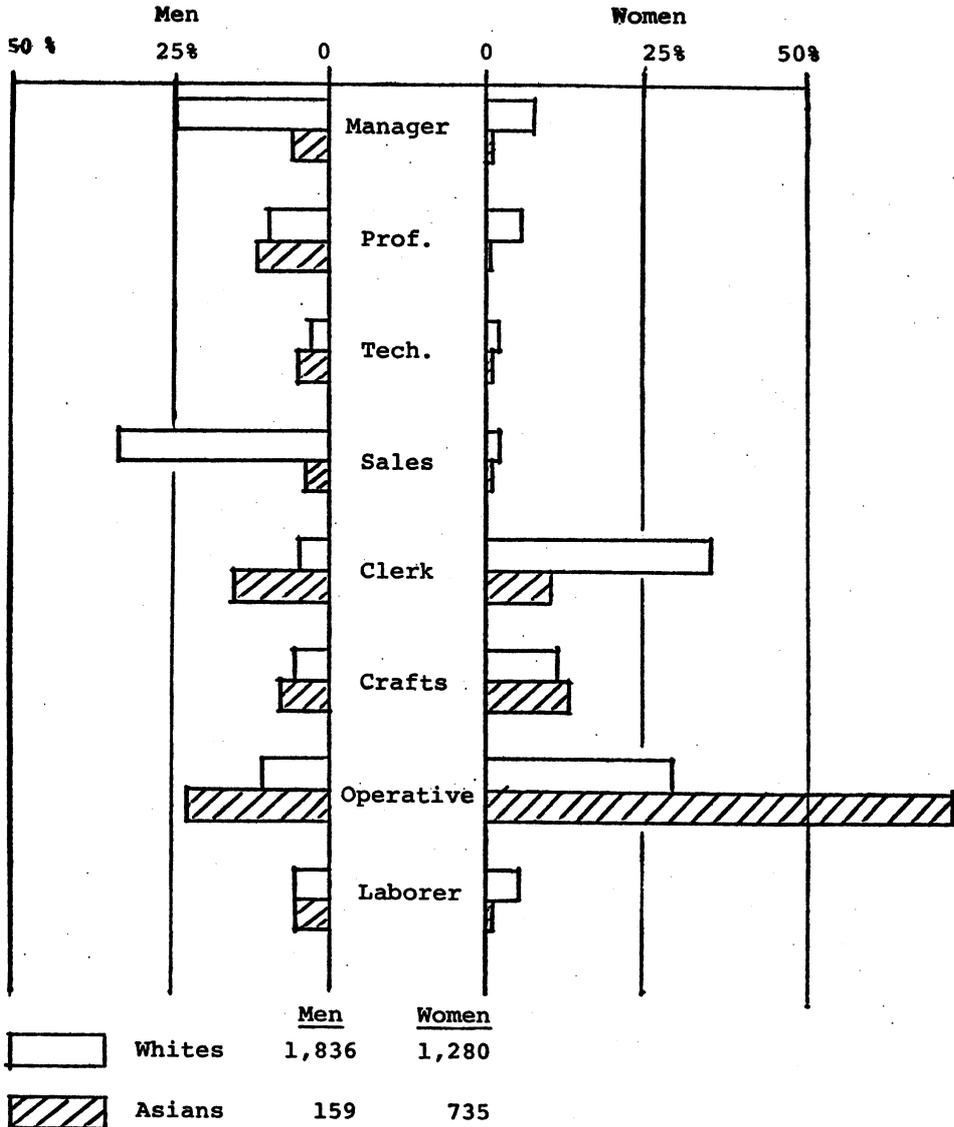
In a study by Harold Wong (of the University of California, Berkeley) of the earnings of Japanese, Chinese, black and white males in California as a function of variables such as educational attainment level, vocational training, disability, citizenship, labor-market experience and number of years in the United States (the so-called "productivity" variables in his model), he concludes that it is the difference in the earnings function between Asians and whites rather than productivity differences that is primarily responsible for their lower earnings. Employment discrimination can cause different earnings functions.

#### *Low Occupational Mobility of Asians*

If we now look at the occupational patterns within the industries, we find that the patterns have been essentially unchanged from at least 1970 to 1975. For example, Asians continue to be concentrated in the low-level occupations of operatives in the garment industry, clerical workers in banking and insurance, and service workers (mostly cooks and waiters) in hotels and restaurants (see Figures 6 to 9). Another indication of the low occupational mobility of Asians is based on the 1970 Census question on occupation and industry five years ago (1965). The Wilber results at the University of Kentucky (Table 3), while without comparison data for whites, show the following. In the three metropolitan areas from 1965 to 1970:

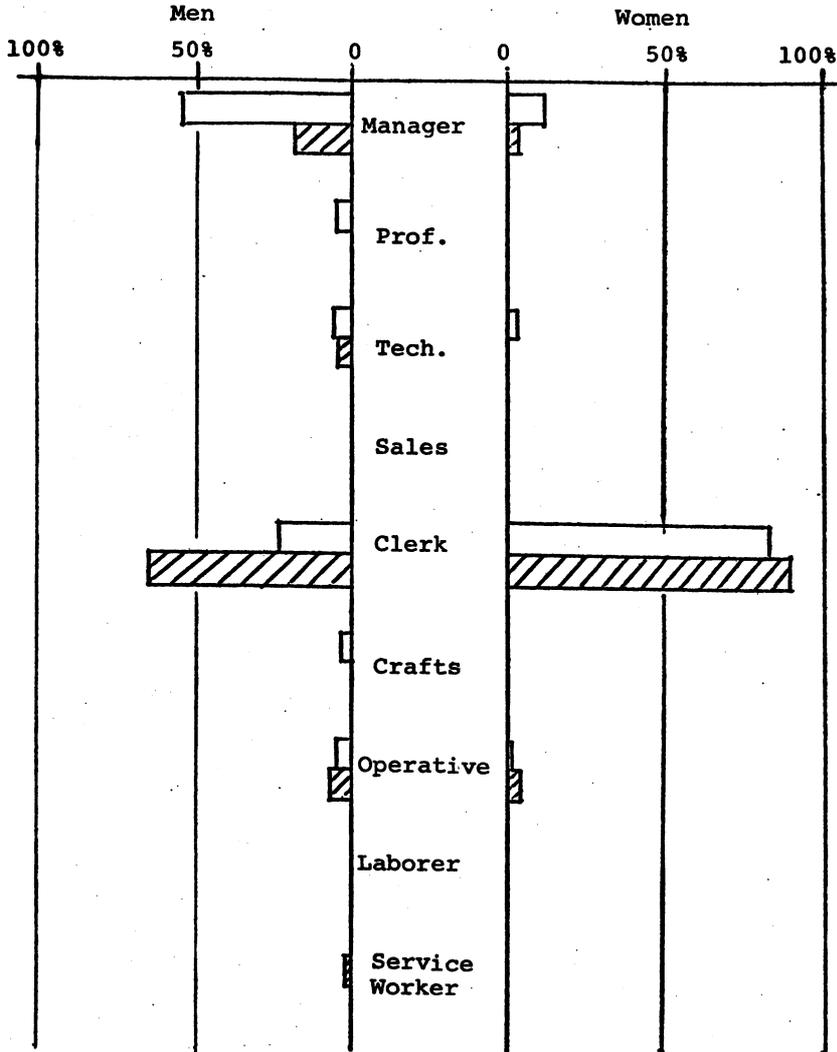
1. Less than one-third of the Chinese males and about one-fourth of the females changed occupations, and of those mobile, only about two-fifths were upwardly mobile;

Figure 6. Occupational Distribution of Asians and Whites by Sex, in Apparel and other Textile Products (SIC 23) in the San Francisco-Oakland SMSA, based on 1973 EEO-1 data.



Sources for Figures 6 to 9: U.S. Equal Employment Opportunity Commission, Equal Employment Opportunity Report - 1973, U.S. GPO, Washington, D.C., 1975.

Figure 7. Occupational Distribution of Asians and Whites, by Sex, in Banking (SIC 60) in the San Francisco Oakland SMSA, based on 1973 EEO-1 data.



	<u>Men</u>	<u>Women</u>
 Whites	9,972	13,341
 Asians	1,815	3,259

Figure 8. Occupational Distribution of Asians and Whites, by Sex, in Insurance (SIC 63, 64) in the San Francisco-Oakland SMSA, based on 1973 EEO-1 data.

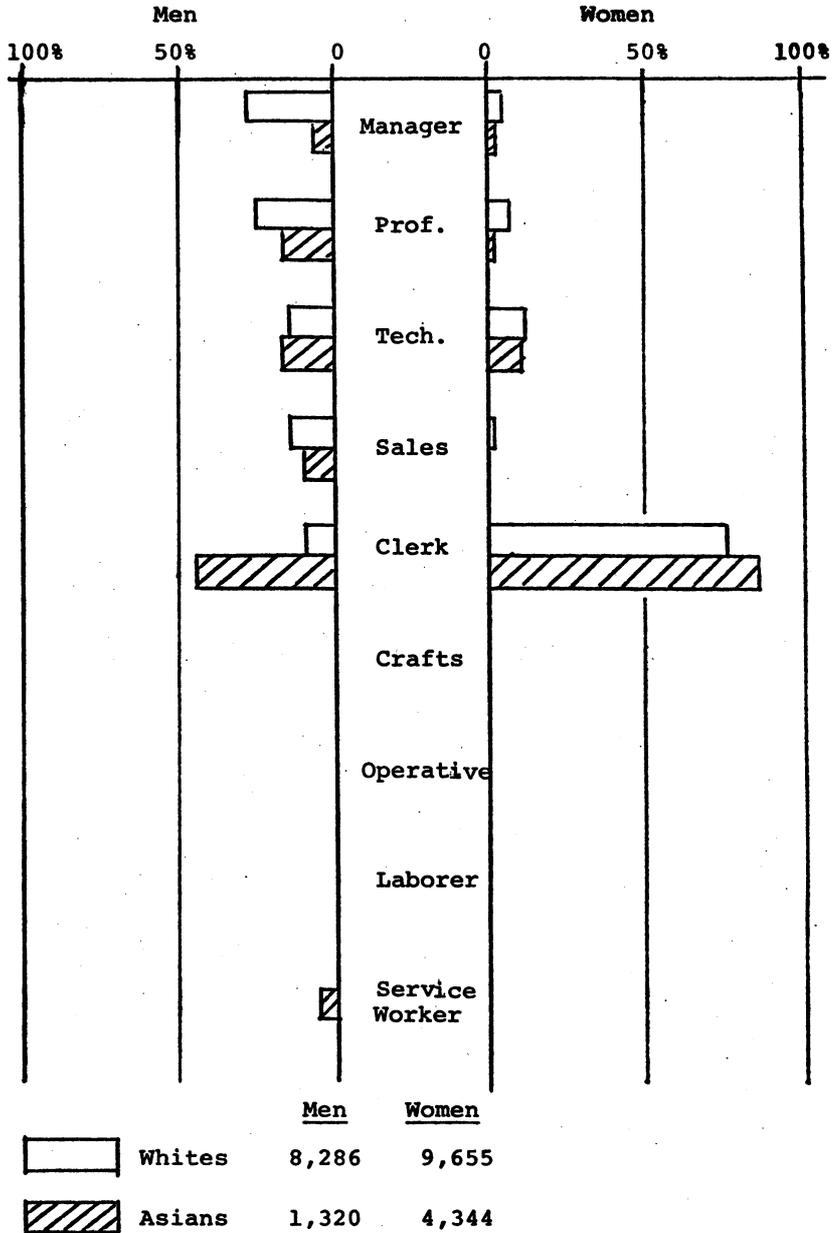


Figure 9. Occupational Distribution of Asians and Whites, by Sex, in Hotels and other Lodging Places (SIC 70) in the San Francisco-Oakland SMSA, based on 1973 EEO-1 data.

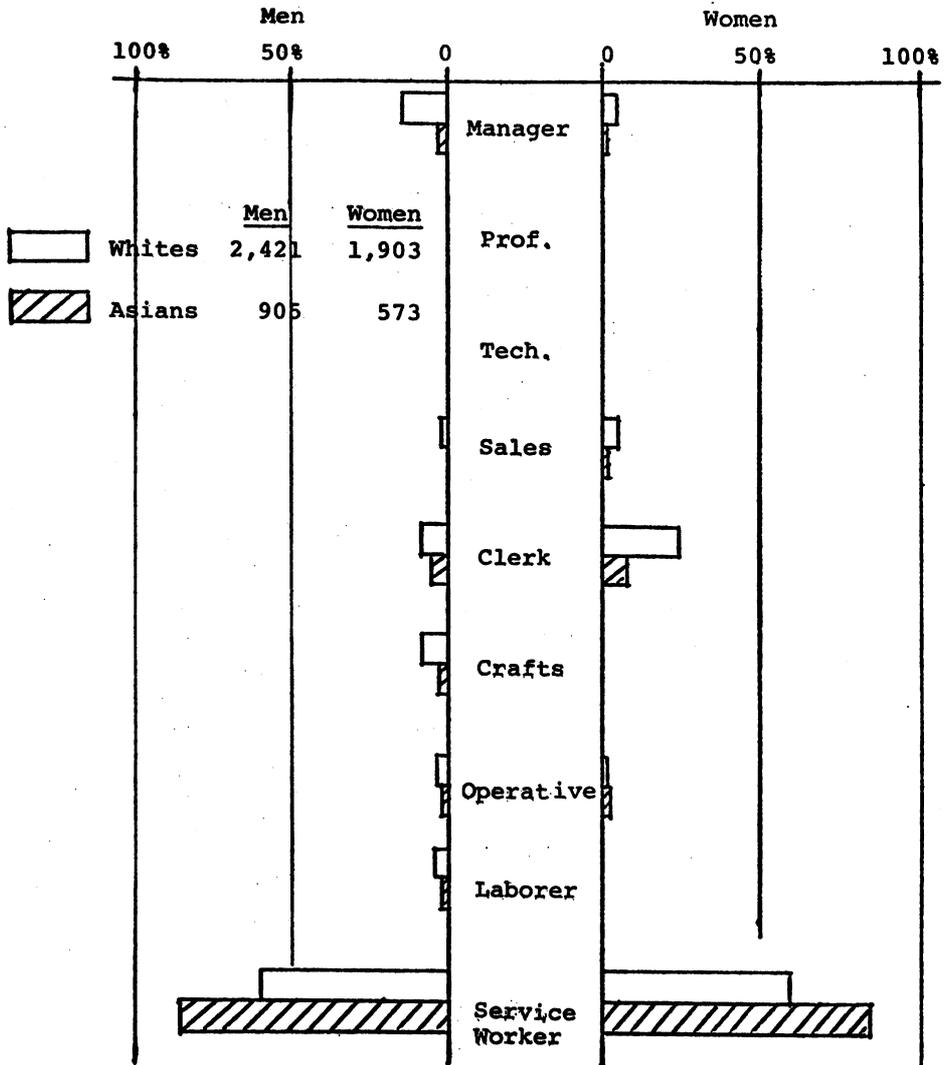


Table 3. Occupational Mobility of Asians  
from 1965 to 1970 Based on  
1970 Census Data.

Race/Ethnicity	Proportion Mobile		Proportion of Movers Upwardly Mobile	
	Male	Female	Male	Female
<u>San Francisco SMSA</u>				
Chinese	.36	.21	-	-
Filipino	.48	.39	-	-
Japanese	.29	.30	-	-
White	?	?	?	?
<u>Los Angeles SMSA</u>				
Chinese	.30	.26	.43	.40
Filipino	.55	.49	-	-
Japanese	.32	.28	.43	.40
White	?	?	?	?
<u>New York SMSA</u>				
Chinese	.24	.26	-	-
Filipino	.21	-	-	-
Japanese	-	-	-	-
White	?	?	?	?

- Data not reliable due to small sampling.

? Data not available (not calculated by Wilber and Hagan).

Source: G.L. Wilber and R.J. Hagan, Metropolitan and Regional Inequalities Among Minorities in the Labor Market, Springfield, Va.: NTIS, 1976

2. About one-half of the Filipinos were mobile but the proportion upwardly mobile is unknown;
3. Less than one-third of the Japanese were mobile.

Thus, from the sparse data available, perhaps only one-third of the Asians were upwardly mobile from 1965 to 1970.

For recent immigrant Asians, an indication of their downward mobility is seen from a Trans Century survey of about 4,000 immigrants from all countries in 1970. Their occupations two years later (1972) were determined from Alien Address Report data. Asians comprised one-fifth of the sample. While there is no breakdown by race of immigrant, the occupational changes from entry to two years later in the U.S. were as follows:<sup>1</sup>

1. 20 percent fewer professionals,
2. 5 percent more managers and proprietors,
3. 52 percent more salesworkers,
4. 60 percent more clerical workers,
5. 22 percent fewer craftspersons,
6. 136 percent more operatives,
7. 83 percent more laborers and service workers,
8. 31 percent fewer females calling themselves housewives in 1970.

It is apparent that two years later, there were significantly fewer in the high paying occupations of professional and crafts-person while there were more in the low status ranks of clerical workers, operatives, laborers and service workers. Also note the large decrease in the number of housewives, pointing to their entry into the labor market.

With respect to upward mobility of Asians and movement to the suburbs, the only data available for the Bay Area is the population survey conducted in 1975 by Contra Costa County which has a large section regarded as suburban. A comparison with 1970 Census data shows that the Asian population changes from 1970 to 1975 for the county were small:

From 0.6 percent to 0.8 percent for Chinese,  
 Unchanged from 0.7 percent for Japanese,  
 From 0.5 percent to 0.7 percent for Filipinos.

In absolute numbers the increase was about 3,000 Asians. By comparison, the Asian population of San Francisco increased from 14 percent to 17 percent, or about 20,000 in absolute number. Also,

the school enrollment in the San Francisco public schools is now about one-third Asian. No data are available for Marin and San Mateo counties which also have large suburban areas. It would seem that there has not been a strong movement of Asians to the Bay Area suburbs.

Finally we gauge the occupational mobility of Asians by looking at the occupational distribution of the 25- to 34-year old cohorts in 1960 and comparing this with the distribution of a "synthetic" cohort composed of the 35- to 44-year old group in 1970. Also compared are their educational attainment levels. This prime age group, traditionally having a high labor force participation rate is a good choice for this mobility query. Such data are available for Chinese, Filipinos and Japanese for the state as a whole. These cohorts are regarded as "synthetic" since not all in the 1970 group were from the 1960 group due to the large number of immigrants, especially from the Philippines and China from 1965 on. Nevertheless, this comparison provides an indication of Asian mobility in California during the 1960s. The data for this prime age group (Tables 4 and 5) show that:

1. While the proportion of college graduates increased from 25 percent to 32 percent among the Chinese males from 1960 to 1970, their occupational distribution was essentially unchanged except for a small increase in professionals (from 29 percent to 32 percent) and also an increase in service workers (from 13 percent to 18 percent). The Chinese females maintained the same educational attainment level and the only changes were a decrease in clerical workers and large increases in operatives and service workers (from 27 percent to 43 percent).
2. There was a doubling in the proportion of college graduates among both the Filipino males and females. Among the males, there were more professionals but also more clerical workers and service workers although there were fewer operatives and farm laborers. Among the females, there were more professionals but also more operatives and service workers.
3. The educational attainment of the Japanese males was higher but was unchanged for the females. There were more professionals, managers and nonfarm laborers and fewer operatives, farmers and farm laborers.

4. Among the Japanese females, there were fewer professionals and clerical workers and more operatives and service workers.

We note that the linkages between education and occupational attainment and earnings are unclear for most of the majority white population; this is perhaps even more so for a minority group such as the Asian Americans.<sup>2</sup> From this data for this prime age group of Asians, perhaps we can say that their mobility was:

- downward for Chinese males, Filipino males and Filipino females despite an increase in educational attainment level;
- downward for Chinese females and Japanese females whose educational attainment level was unchanged, and
- perhaps upward for the Japanese males.

The mobility in the other age groups is likely to be as poor.

#### *Policy Implications and Recommendations*

The severity and persistence of the disparities in the Asian employment patterns when reviewed in the light of the various labor market and economic discrimination theories suggest the following:

1. Contrary to orthodox or neoclassical theory (see for example, G.S. Becker<sup>3</sup>), most segments of the labor market are sufficiently non-competitive that competition alone cannot be expected to eventually drive out discriminatory employers. Also, we have shown that the disparities are worse in the manufacturing industries where discrimination by consumers, for example, according to orthodox theory should have only a small effect because of their minimal contact with workers. Thus a laissez faire policy is ineffective. Moreover, the low level of employment in the construction industry and other industries, such as most manufacturing industries where organized labor controls the flow of labor, continues to pose entry problems for Asians. California has a history of exclusionary policies directed against Asians dating

back to its early history in the 1880s. Contrary to orthodox theory, such monopoly-like markets indeed have a significant effect on the labor market participation of Asians.

2. The empirical evidence lends support to the existence of split or dual labor markets (see Doeringer and Piore<sup>4</sup>) consisting of a primary sector comprised of the high status and high paying jobs essentially inaccessible and a secondary sector comprised of the low-paying and low-status jobs. Asians in the garment industry, restaurants and hotels, as well as those heavily employed as clerical workers in banks and insurance companies, are secondary sector workers. Hiring procedures that cluster Asians in selected occupations versus others should be looked at. The low occupational mobility and the income gaps between Asians and whites require a close look at transfer and promotion procedures used by employers.
3. We do not see a convincing argument for segmented or radical labor market theory (see Baran and Sweezy, for example<sup>5</sup>) that suggests that the disparities are due fundamentally to an ongoing exploitation by capitalist employers of workers of all races, not only racial minorities. Rather, there is more agreement with the recent "industrial relations" or "bargaining" model of Ray Marshall,<sup>6</sup> who suggests that we identify all of the so-called economic agents or actors involved, understand their power relationships and motives and work from there. Such economic agents are the employers, the workers, consumers, the government agencies charged with enforcing the equal opportunity laws, the civil rights organizations and the minority communities themselves.

While this model perhaps features a very pragmatic approach, the implications with respect to relatively powerless minority workers and communities are not too promising. However, it does call for the accountability of all agents, especially employers and the governmental agencies, in solving the problem, and it also points out the important role that minority workers and their communities must assume in order to help solve the problem.

4. Asians themselves, and especially parents, relatives, and friends must more carefully scrutinize the limited options that they convey to their children, usually leading to their choice of stereotypic careers and jobs. The influence of teachers and counselors and the career "tracking" that they impose on our youth must also be scrutinized.

Finally, we look at the upcoming Supreme Court hearing of the Bakke decision with a great deal of concern. If the Supreme Court upholds the ruling that Bakke was a victim of reverse discrimination, it can undo almost a decade of numerous earlier court rulings that support special admissions programs, affirmative action employment programs, goals and quotas as necessary remedial action where disparities have been proven. The right of our minority populations to equal employment opportunity will continue to be severely compromised.

## NOTES

1. U.S. Department of Labor, *Immigrants and the American Labor Market*, Springfield, Va.; NTIS 1974, p. 73.
2. Amado Y. Cabezas, "A View of Poor Linkages between Education and Occupation and Earnings for Asian Americans," paper presented at the Third National Forum on Education and Work, sponsored by the National Institute of Education, February 2-4, 1977, San Francisco, California.
3. Gary S. Becker, *The Economics of Discrimination*, Chicago; University of Chicago Press 1957.
4. Peter B. Doeringer and Michael J. Piore, *Internal Labor Markets and Manpower Analysis*, Lexington, Mass.; Heath 1971.
5. Paul A. Baran and Paul M. Sweezy, *Monopoly Capital*, New York; Monthly Review Press 1966.

## CHICANOS AND OCCUPATIONAL MOBILITY

Fred E. Romero

### *Introduction*

The occupation patterns of Chicanos in the Southwest are very different from those of the majority population. They have always been different. Since the latter part of the nineteenth century, when Chicanos already living in the Southwest and Mexican nationals who could be enticed to travel north became a valuable source of cheap labor, Chicanos have occupied an inferior position in the occupational spectrum. From the emerging industries in the 1800s which required large quantities of cheap, unskilled labor--especially mining, agriculture, and railroads--to the sophisticated durable goods manufacturing industries of the 1970s, Chicanos have been *exploited* workers. This source of labor has always been underdeveloped and underutilized.

Statistics on the foreign-born population of Texas, New Mexico, and Arizona show that in 1900 about half of all foreign-born Mexican workers were employed in agriculture. They also comprised the majority in railroads and mining. Up to 70 percent of the section crews on the large Western railroads between 1880 and 1930 were Mexicans.<sup>1</sup> The manual laborers in these crews were relied upon for general construction and maintenance of railroads, in particular, building roadbeds and laying tracks.

Mexican immigrants were also employed in other low-skill occupations in the early 1900s. Ten to 25 percent of the domestic service workforce were Mexican immigrants employed as waiters and waitresses, carpentry, laundresses, and retail trade employees.<sup>2</sup> The tradition of hard physical work was established by these early immigrants as laborers in irrigation development, canning and food packing, and construction.<sup>3</sup>

In the 1920s Mexican-American workers were recruited for a number of northern manufacturing industries. They appeared in significant numbers in Chicago (steel and meat packing), Detroit (automobiles), Kansas City (meat packing), and Ohio and Pennsylvania (steel).<sup>4</sup>

The depression in the early 1930s found Chicano males still employed predominantly as laborers--35 percent on farms and 28 percent in non-farm work.<sup>5</sup> Only 7 percent were employed in white-collar jobs in 1930. After the Great Depression and World War II, Chicanos have made some progress in shifting from unskilled occupations to

semiskilled jobs and, during the 1960s, into white-collar positions. Up to and including the present, they continue to have difficulty penetrating the high-skill, high-wage occupations.

The slow pace in occupational movement can be explained by a combination of the following: (1) the high concentration of untrained and unskilled Chicanos in South Texas where jobs are at a premium; (2) the influx of undocumented migrants from Mexico; (3) low schooling and technical skills; (4) lack of facility with the English language and familiarity with labor markets; and (5) employer and union discrimination. Overcoming these obstacles has proven difficult for Chicanos. Increased attention to education and geographic relocation has not achieved desired results. Even when they migrate to areas of high employment, Chicanos are disproportionately excluded from high-skill, high-wage occupations.

The impact of the factors listed above on the human resources allocation process is discussed in the last section of this paper. Particular attention is given to research in this area, including the evidence from the 1970 *Census* which shows that new migration patterns are developing for Chicanos within the United States.

This brief sketch of Chicano labor market history would not be complete without the following statement about the current situation: the specific circumstances that constrain Chicano occupational mobility in the Southwest include special language barriers and the country's highest proportion of "foreign stock." This cultural separateness is a reality. There is mobility but there is also a greater "turning-in" within this community that is also one of its sources of strength and cohesiveness. Nevertheless, as will be explained in some detail later, it is the view of this paper that the special circumstances of the Chicano in the Southwest are sufficiently different from those of other minorities that they require a separate line of analysis and explanation.

### *Employment Representation*

Chicanos can improve their economic status by improving their position in the labor market either by moving up the occupational hierarchy (e.g., from laborer to craftsman) or by advancing to more remunerative jobs within particular occupational categories (e.g., salesclerk to car salesman). We look at occupational distributions to determine the representation of a group among occupations, and occupational position indexes to fix the position of a group relative to another group within a given occupation. Distributions are determined by (1) comparing a group's number in a given occupation to its total number in the labor force, and (2) comparing a group's representation in a given occupation relative to another group in the same occupation. Position indexes, on the other hand, are obtained by weighting the percentages of a group employed in a particular occupation with the median annual earnings of all persons in that occupation.

Table 1 gives the 1970 occupational distributions for Chicanos, Anglos, and Negroes in the Southwest. Chicano males relative to their Anglo counterparts are overrepresented as farm and nonfarm laborers, service workers and semiskilled workers (operatives). They are underrepresented as professionals, managers and salesworkers and are employed about as frequently as Anglos in clerical and craft jobs. The Chicano and Negro distributions are rather similar, although the former are more likely to be employed as craftsmen and less likely to be employed as service workers and laborers. Also, few blacks in the Southwest hold farm jobs while 8 percent of Chicano male employment is still in farm work.

Chicanas relative to their Anglo counterparts are overrepresented as private household domestics, service workers and semiskilled workers (operatives). As with males, Mexican American and Negro female distributions are similar.

### *Employment Within Occupations*

Inter-occupational movement of Chicanos into high skill, high pay jobs have not been matched by similar intra-occupational advances. Table 2 shows the representation of employed Spanish surname males by major occupational class in 1960 and 1970 in California and Texas. The data clearly show a general improvement in the relative number of Spanish surname males employed as professionals, managers, sales workers, clerical workers, craftsmen and operatives. However, the data also show a slight increase in the relative number of Chicanos employed as laborers, and a larger increase of service workers. The following discussion provides

TABLE 1

Spanish Surname, Anglo and Negro Employment by Occupation  
for the Southwest, 1970 (Percent of Employment)

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Male

<u>Occupation</u>	<u>Spanish Surname</u>	<u>Anglo</u>	<u>Negro</u>
Professional	6.4	18.7	6.9
Managers	5.2	14.0	3.5
Sales	3.9	9.1	2.5
Clerical	6.6	7.2	8.7
Crafts	20.8	21.1	15.7
Operative	25.4	14.4	26.2
Service	10.5	7.1	17.6
Laborer	12.1	4.7	15.9
Farmers	0.9	2.1	0.4
Farm Labor	8.1	1.4	2.4
	<u>100.0</u>	<u>99.9</u>	<u>99.8</u>

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Female

<u>Occupation</u>	<u>Spanish Surname</u>	<u>Anglo</u>	<u>Negro</u>
Professional	7.6	18.4	11.9
Managers	2.4	5.1	1.7
Sales	6.1	8.8	2.9
Clerical	27.9	40.3	21.7
Operative	23.3	7.6	12.2
Private Household	5.4	1.9	17.4
Service	20.6	14.7	28.0
Other	6.7	3.2	4.2
	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>

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Source: Census of Population: 1970, PC(1); PC(2)-1D

TABLE 2

Percentage Representation<sup>a</sup> of Employed Spanish Surname Males  
in the Major Occupational Categories, 1960<sup>b</sup> and 1970<sup>c</sup>

Occupation	California		Texas	
	1960	1970	1960	1970
Professional	2.9	7.0	3.9	7.8
Managerial	3.1	7.1	4.7	8.1
Sales	3.6	8.0	6.7	9.8
Clerical	5.8	12.6	9.1	14.5
Craft	7.0	14.5	10.6	15.3
Operative <sup>d</sup>	12.7	22.0	15.1	19.0
Laborer	18.2	22.9	25.6	26.4
Farm Laborer		47.9		43.3
Farm Manager		11.5		5.3
Service	8.7	16.27	15.9	20.47
Private Household		13.4		19.5

- a. Figures express Spanish surname employment in an occupation as a percentage of the total employment in that occupation.
- b. The 1960 figures are obtained from: Walter Fogel, Mexican American in Southwest Labor Markets, p. 157.
- c. Source: U.S. Census of Population, 1970.
- d. The operative category includes transport workers.

additional insight on how Chicano workers are distributed within the occupational groups.

Professions: Although Spanish surname male employment in the professions increased between 1960 and 1970, they were still poorly represented in this category in 1970. In both 1960 and 1970, Chicano employment in the professions was concentrated in those jobs with the least education and training requirements.<sup>6</sup> Chicanos are better represented among draftsmen than among architects, among technicians than engineers, among social workers than physicians and lawyers.

Managers: Chicanos are particularly underrepresented in jobs in the managerial occupations. They are better represented among self-employed than among salaried persons. Many of the self-employed Chicanos are owners of small business firms catering to other Chicanos. In 1960, "Mexican-American fractions of employment in almost all jobs in this category are only about one-third as large as the fraction this ethnic group comprises of the total labor force in the Southwest."<sup>7</sup> In 1970, the Spanish surname percentage of employment in most jobs in this group had improved to nearly one-half, a figure well under parity. Spanish surname males were equitably represented as managers of eating and drinking establishments in 1960. The same was true in 1970.

Sales: Of those Spanish surname males employed in the retail industry in 1970, 43 percent in California and 50 percent in Texas were in sales. Chicanos were more heavily concentrated, relative to Anglos, in the low-pay sales jobs (salesclerks). In California 42 percent of the Spanish surname, compared to 31 percent of the Anglos employed in sales jobs, were employed in these low-pay jobs. Comparable percentages existed in Texas--47 percent of the Chicanos compared to 31 percent of the Anglos were so employed.

Crafts: As craftsmen "Mexican Americans had their best representation as bakers, masons and painters and plasterers" in 1960.<sup>8</sup> In 1970, Chicanos were still overrepresented as bakers, plasterers, masons, upholsterers and cabinetmakers, all of which are relatively low-pay craft jobs.

Operatives: Chicano representation in this category improved between 1960 and 1970. In 1960 "there were especially large numbers of Mexican-American laundry workers, taxi and truck drivers, packers and wrappers."<sup>9</sup> By 1970 only 9 percent of the Spanish surname male operatives in California were employed as garage workers, laundry workers, packers and wrappers, textile operatives, and taxi drivers--the lowest paying jobs in this group.

Thirty-four percent of the Spanish surname operatives in California

were employed as checkers, meat cutters, mine operators, precision machinists, stationary firemen, welders, bus drivers and truck drivers.

The Chicano distribution pattern in Texas in the operative occupational group in 1970 was essentially the same as in California. The figures show a slight overrepresentation in the low-pay operative jobs and a small underrepresentation in the high skill, high-pay jobs.

Laborer: Chicanos appear to have been evenly distributed within the laborer category in 1970. The favorable intra-occupational distribution of Chicanos and blacks in this group is inevitable inasmuch as they are greatly overrepresented overall in this category.

Farm Labor: The number of farmworkers and variety of jobs in this occupation decreased between 1960 and 1970. Chicano farmworkers who left this occupation during this period more likely had better skills; others simply dropped from the labor force. Overall, 94 percent were hired hands and they represented 44 percent of the paid farm laborers in California and 48 percent in Texas.

Service: Chicanos were well represented in service jobs except in protection (security) service jobs in both 1960 and 1970. In 1970 the Spanish surname accounted for 16 percent of all service jobs; yet, they made up only 9 percent of the protection service workers (in Texas, 21 percent and 11 percent, respectively). Not surprisingly, the median earnings of protection service workers are nearly twice the median earnings of other service workers.

#### *Occupational Position*

The preceding discussion presented brief descriptions of the distribution of Chicano workers among jobs within major occupations. It is possible to construct an index that indicates the overall distribution of Chicanos (and blacks) relative to that of Anglos among the jobs within a particular major occupation. Indexes of this nature are shown for Spanish surname and black males in Table 3, using 1960 and 1970 data. These indexes were prepared from 150 jobs in 1960 and 143 jobs in 1970.<sup>10</sup> An exact match was not possible because certain job titles used in the 1960 study were not available in 1970. The adjustments made to accommodate that situation, however, do not influence the comparative value of the 1970 indexes.<sup>11</sup> These relative occupational indexes vary according to the distribution of the groups among the different jobs within a particular occupation. The Chicano or black indexes will equal one if the distribution of Chicanos or blacks employed in that occupation is identical to the job distribution of Anglos employed in that occupation; the indexes will differ from one as the job distributions of the groups within a particular occupation differ. An index that is greater than one indicates that

TABLE 3

Job Position: Indexes of Spanish Surname and Black Employed  
Males as Proportions of Anglo Indexes, 1960<sup>a</sup> and 1970<sup>b</sup>

Occupation	Spanish Surname				Black			
	California		Texas		California		Texas	
	1960	1970	1960	1970	1960	1970	1960	1970
Professional	.95	.90	.91	.92	.89	.86	.79	.80
Managerial	.97	.85	.93	.95	.95	.87	.90	.92
Sales	.94	.96	.87	.94	.86	.92	.85	.83
Clerical		.92		.90		.96		.91
Craftsmen	.98	.96	.91	.88	.95	.95	.88	.87
Operatives	.99	1.03	.88	1.02	.97	1.02	.87	1.03
Laborers	1.03	1.01	.99	1.01	1.07	1.04	1.06	1.02
Farm Laborers		1.02		1.03		1.02		1.03
Service	.87	.83			.83	.86		

a. Figures for 1960 are obtained from: Walter Fogel, Mexican Americans in Southwest Labor Markets, p. 122.

b. U.S. Census of Population, 1970.

Chicanos or blacks employed in that occupation are more concentrated than Anglos in the higher paying jobs of that occupation; less than one implies the opposite.<sup>12</sup>

The relative job position of Spanish surname and black males within most occupations improved between 1960 and 1970 in Texas. It is puzzling, however, to find that Chicanos and blacks in California did not fare as well as in Texas in moving up the job ladders of most white-collar occupations.

The following statements summarize the occupational standing of Chicanos and blacks, by state and occupation:

- (1) The most notable change between 1960 and 1970 in the relative job positions of blacks, Chicanos, and Anglos occurred in California in the professional and managerial categories. Both Chicanos and blacks lost ground in these two occupational groups. While both Spanish surname and black males showed improvement in educational attainment between 1960 and 1970, only Texas showed a slight improvement in their occupational standing in these categories.
- (2) Although the data shown previously for Spanish surname males indicate they were underrepresented in high pay sales jobs in 1970, there was some improvement in their relative position. Two related factors are probably responsible: first, equal opportunity pressures, and second, the high visibility of sales jobs. Both factors combine to create pressure for firms to hire minority groups to avoid antagonizing federal compliance officers and the vast market represented by these groups.
- (3) The occupational position for Spanish surname and black craftsmen in both California and Texas deteriorated between 1960 and 1970. This may be due to the large increase in their representation in the crafts and questionable hiring hall practices of referral crafts unions. The question is: How can an increase in the representation in a major occupational influence negatively the distribution of Chicanos among the jobs in that occupation?

Taking the crafts as a case in point, the data show that the fraction of Spanish surname employment in this occupational group nearly doubled between 1960 and 1970. This means that there was some upgrading of Spanish surname males during that period from the laborer and operative occupations. The heavy influx of laborers and operatives was more likely into the low-wage craft jobs--causing the occupational standing ratio for Chicanos to lower. As time goes on, discrimination

notwithstanding, the disequilibrium corrects itself and the ratio approaches unity which signifies that Chicanos are equitably distributed among the jobs. This process could be facilitated by Anglos vacating the occupation as they have in the laborer and operative categories or when their rate of entry into the occupation declines.

- (4) The increase in the relative indexes for Spanish surname and black operatives is not surprising. The large flow of laborers and others from other lower skill occupations into this one, and upgrading of Chicanos from within, created the pressure to equalize their position in this category.
- (5) The job position of Spanish surname and black males in the laborer category remained unchanged; Chicanos remained disproportionately represented in this occupation in 1970 despite the occupational upgrading previously noted.
- (6) Both Chicano and black males are favorably distributed among farm labor jobs. Only a small proportion of either group are classified as unpaid farm labor (8.2 percent in California and 15 percent in Texas).
- (7) Chicanos and blacks are concentrated in the unskilled, low-pay service jobs in California. Chicano representation in this occupation increased between 1960 and 1970 while black representation in that occupation declined. At the same time, Table 3 shows that the relative job index of blacks increased during that period while the job index of Chicano service workers decreased. It appears that Chicanos have succeeded in gaining access to those low pay service jobs from which black males escaped.

In sum, by weighting the percentages of a group employed in the occupations shown in Table 1 with the median annual earnings of all persons for each occupation, we can obtain an index which summarizes the occupational position of a group. When this was done for males in California and Texas (1970), the following results were obtained:

Ratios of Occupational Indexes: Spanish Surname to Anglo and Negro

	<u>SS/A</u>	<u>SS/N</u>
California	.85	.98
Texas	.81	1.07

Chicanos have an occupational position which is inferior to that of Anglos, but is better than that of blacks in Texas at least.

*Occupational Earnings*

Table 4 compares the earnings of Chicanos in various occupations with the earnings of Anglos and blacks. Data availability required the use of the Spanish language-Spanish surname population.

Chicano-Anglo earnings difference is much larger for the all occupation total than for any of the component occupations. This demonstrates the effects that the heavy concentration of Chicanos in the lower paid occupations has on the earnings of the total group when they are compared to Anglo earnings. But even if Chicanos were somehow to match the Anglo occupational distribution, the ratios in Table 4 indicate that their earnings would still be well below those of Anglos unless improvements within each of the occupational categories also occurred.

Chicano males earn less than Anglo males in all occupations except that of laborer. In contrast, Chicano earnings are better than those of blacks in almost all occupations--substantially better in the white-collar categories.

Among females, the most interesting fact is that in California Chicanas earn less than blacks in all major occupations. This does not result from especially low earnings by the former--their earnings relative to Anglo women are similar to the relative earnings of Mexican American males--but, rather, occurs because of the high earnings of black females in California. Black females in that state now earn nearly as much as Anglo women in some occupations.

The earnings differences reflected in Table 4 can be divided into two parts: (1) those differences by the fact of Chicanos holding the lower paying jobs within each of the broad occupational categories, and (2) those due to the lower pay received by Chicanos when they are employed in the same job classification (but not in the same firm) as Anglos. The second factor is the much more important contributor to the low occupational earnings of this group.

The occupational earnings of Chicanos compared to Anglos are much better in California than in Texas. The major factors involved in these interstate differences are the concentration of Texas Chicanos in South Texas, where wages are generally low; better labor market qualifications of Chicanos in California (especially relative educational attainments); and greater occupational discrimination in Texas. However, the occupational distribution (relative to Anglos) of Chicanos in California and Texas are approximately the same over the broad categories given in Table 4. Therefore, if occupational discrimination is greater in Texas, it must occur in hiring for detailed occupations, i.e., in the distribution of Chicanos among the different craft, clerical, professional, etc. jobs.

TABLE 4

Ratios of Median Earnings by Occupation:  
Spanish Language-Spanish Surname to Anglo and Negro, 1969

	Male			
	California		Texas	
	SLSS/A	SLSS/N	SLSS/A	SLSS/N
Professional & technical	.86	1.20	.75	1.12
Managers	.85	1.25	.70	1.22
Sales	.86	1.31	.66	1.17
Clerical	.92	1.03	.75	.96
Craftsmen	.88	1.11	.70	1.06
Operatives	.88	1.00	.69	.95
Service	.91	.96	.72	.96
Laborers	1.08	.94	.95	.86
Farmers	.88	1.82	.70	2.08
Farm Laborers	.88	1.38	.85	1.27
All Occupations	.74	1.06	.59	1.02

	Female			
	SLSS/A	SLSS/N	SLSS/A	SLSS/N
Professional & technical	.82	.87	.82	.83
Managers	.88	.89	.82	1.29
Sales	.91	.92	.93	1.08
Clerical	.89	.95	.80	1.10
Operatives	.87	.92	.80	.89
Service	1.02	.79	.92	.87
All Occupations	.80	.90	.69	1.15

Source: Census of Population: 1970, PC(1)

*Explanation for the Occupation Patterns of Chicanos*

No doubt a web of complex factors are responsible for the observed employment distributions of Chicanos among and within occupations. Some of the more notable factors are: low educational attainment; discrimination by employers and referral unions; and lack of facility with the English language and familiarity with labor markets. What is the impact of these factors on the process by which Chicanos come to hold inferior jobs? A response to this question provides an explanation for the occupational patterns of Chicano workers.

Theoretically, employers who pay high wages can usually choose from an ample supply of applicants. The employer's selection problem for such jobs then becomes one of reducing the number of applicants to a manageable size. The most efficient (i.e., cheapest) way of doing this for many employers has come to be the use of schooling credentials. These employers exclude from hiring consideration all workers in the queue who lack the specified amount or kind of schooling. Other workers will not be chosen for high wage jobs because they lack the requisite skills or attributes and still others may be excluded on the basis of their sex, race, religion, etc. Those workers not chosen for high wage jobs must then join the queues for the less desirable ones.<sup>13</sup>

This queuing process distributes workers both among employers and among the various occupations. In most cases, workers first join the queues for the occupations they are interested in and qualified for, moving from high-wage firms to low-wage ones until they obtain employment in the occupation. If they are unable to find a job in their preferred occupation, they will line up for other, less desirable occupations. Some workers, particularly those who are not highly skilled, will quickly give up searching for employment in their preferred occupation in order to obtain any job with a high-wage firm. In such cases, the job security, advancement prospects, and other inducements offered by the high-wage firm are chosen over employment in the preferred occupation in a low-wage firm.<sup>14</sup>

Chicanos are at a disadvantage in the queuing process for the reasons given previously. The result of these disadvantages, together with the queuing allocation process, is the allocation of Chicanos in numbers out of proportion to their population and qualifications, first, to low-wage employers and, second, to the less desirable occupations in high-wage firms.<sup>15</sup>

There is some research to support this resource allocation theory. Fogel found a negative relationship between the average earnings of Anglos in an industry and the proportion of the work

force which is Chicano.<sup>16</sup> In another study, the negative relationship between Chicano employment and wage rates was clearly established across the various jobs (detailed occupations) encompassed by broad occupational categories.<sup>17</sup> The relationship appears to be strongest in the craft group (among manual occupations) and is nonexistent among laborers, confirming the findings of Fogel's industry analysis. When job-schooling requirements as well as occupational wage rates were used for the craft regression, the former had no explanatory power. This suggests that "it is not high educational requirements of manual jobs, by themselves, which produce the least desirable jobs for Chicanos, but rather the queuing process which permits employers to hire workers for high wage jobs on the basis of educational qualifications and ethnicity."<sup>18</sup>

Schmidt's study of 1967 Equal Employment Opportunity Commission data tends to support the queuing theory.<sup>19</sup> He found that Chicanos were less frequently employed in firms with "prime" government contracts than in other firms, despite the existence of Executive Order 11246 (prohibiting discrimination in all federal government contracts) and the efforts of the Office of Federal Contract Compliance to enforce it. Most of these "prime" contractors are also high-wage firms which can be selective in employee hiring. Their selectivity has tended to exclude Chicanos, either discriminatorily or on a qualification basis.<sup>20</sup>

Additional evidence that the low earnings of Chicanos are largely associated with labor market processes which allocate members of this group to areas, industries, and establishments which pay low wages is provided in Table 5. The job index ratios in Table 5 show that in California and Texas (particularly in Texas) Chicanos and Anglos have a more nearly equal distribution among the major occupational categories than was previously the case. The trend is clear and discernible. Yet, while Chicanos have some representation in the so-called "good" occupations, they still are overly concentrated in the "poor" or less well-paid jobs in each occupational group.

The earnings of Chicanos, particularly in Texas, are well below the earnings of Anglos (see earning ratios on left side of Table 5) in each occupational group except services, laborers, and farm labor. California also shows an earnings difference between Chicanos and Anglos in the same categories as Texas, although not to the same extent.

Census data reveal that the Spanish surname group includes a large proportion of immigrants and persons who had immigrant parents. In 1970, immigrants were 16 percent of the Spanish surname population in the Southwest (the existence of undocumented migrants suggests that the true proportion is much larger) and persons born of immigrant

TABLE 5

Ratios of Average Earnings and Job Indexes by Occupation,  
Spanish Surname to Anglo (Males) 1969

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<u>Occupation</u>	<u>Earnings Ratios</u>		<u>Job Index Ratios<sup>a</sup></u>	
	<u>Calif.</u>	<u>Texas</u>	<u>Calif.</u>	<u>Texas</u>
Professional	.83	.70	.90	.92
Managers	.90	.64	.85	.95
Clerical	.87	.66	.92	.90
Sales	.93	.55	.96	.99
Crafts	.90	.68	.96	.88
Operative	.93	.72	1.03	1.02
Services	1.12	1.05	.83	.92
Laborers	2.20	1.72	1.01	1.01
Farm Labor	1.57	1.36	1.02	1.03

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- a. Indexes computed from median earnings for each detailed occupations within the major occupations, weighted by the proportions of the group (Chicano or Anglo) in the detailed occupations.

parents were 29 percent, together comprising a "foreign stock" which was 45 percent of the total Spanish surname population.<sup>21</sup> This is much larger than the 17 percent foreign stock proportion which prevailed for the total United States population in 1970.

There are obvious implications here for earning income. Lack of information about market institutions, as well as the handicaps of noncitizenship and language problems, adversely affect the labor market experience of immigrants. In addition, most Mexican immigrants have been poorly schooled, and are unskilled workers who have had to accept low-skilled, low-wage employment.

One result of this sizeable foreign born component of the Chicano population has been to reduce, directly, average incomes for the group as a whole through the low incomes of the immigrants themselves and, indirectly, through the effect of their competition on the incomes of native-born Mexican-Americans.<sup>22</sup>

In sum, the findings discussed in this paper indicate that the occupational patterns of Chicanos in the job market are created by labor market processes which allocate members of this group differently than other workers. Moreover, the findings indicate that the low earnings of Chicanos within each broad occupation are due to the allocation of these workers to low-wage establishments--doing similar work for less pay than Anglos who, more often, are employed in better paying firms.

#### *Geographic Mobility*

Migration has historically served as a major mechanism in bringing Chicanos into contact with new job opportunities. It is uncertain to what extent their movement creates problems of assimilation; however, it is clear that the objective of all Chicano "movers" is to find employment in order to survive.

The population estimates produced by the Bureau of the Census in 1970 revealed some important Chicano population shifts within and among states in the Southwest. Chicanos continue migrating into urban areas as they seek better social and economic opportunities. From the heavy rural concentrations of the 1930s and early 1940s, Chicanos are now a significant part of the metropolitan population in the Southwest; nearly 84 percent are urban dwellers.

Part of the migratory shifting of Chicanos from place to place has apparently come about as part of the movement of people from rural to urban areas. It seems reasonable to speculate that the major factors accounting for the relatively high degree of urbanization of Chicanos lie in a very limited amount of farm ownership or tenancy,

the declining work opportunities in agriculture, and their strong desire to upgrade their economic status.<sup>23</sup> Generally, their destination in the city is the *barrio*--an enclave where most Chicanos will spend the rest of their lives. Some, however, find their way later from the *barrio* to the suburbs to enjoy their affluence as members of the middle class or in pursuit of better job opportunities. Data from Current Population Reports for 1973 and 1976 show some families of Mexican origin moving from the *barrio* (i.e., central city) to the suburbs, but these families are being replaced at approximately the same rate. Compared to blacks, Chicanos seem to be more dispersed residentially in places like Chicago, Denver, and San Diego. This probably does improve their employment experiences.

The 1970 *Census* data show 483,000 Spanish surname male movers in the Southwest in 1970 compared to 275,000 in 1960--a 76 percent increase. This increase is in absolute terms and does not take into account the relative population growth in the Southwest between 1960 and 1970. When population growth is taken into account, the mover rate remained the same--8 percent--while a decrease is noted for nonwhite males and total population males, respectively.

Although California and Texas appear to have been the preferred places of residence for immigrants from Mexico in recent years, there is clear indication that a growing number are moving, along with other Spanish origin persons, to other states.

## NOTES

1. Carey McWilliams, *North from Mexico*, Lippincott Co., 1949, p.168.
2. Roden Fuller, "Occupations of the Mexican-Born Population in Texas, New Mexico and Arizona 1900-1920." *Journal of the American Statistical Association*, Vol. 23, No. 161 (March 1928), pp. 64-67.
3. Fred H. Schmidt, *Spanish Surnamed Employment in the Southwest*, Washington, U.S.G.P.O., undated, p. 8.
4. Joan Moore, *Mexican Americans*, Prentice-Hall, 1970, p. 22.
5. Walter Fogel, "Job Gains of Mexican-American Men," *Monthly Labor Review*, October, 1968, p. 23.
6. These estimates were calculated using 1960 and 1970 Census data and the estimates of the training and educational requirements of different jobs produced by James Scoville, "Education and Training Requirements for Occupations," *Review of Economics and Statistics*, November 1966, pp. 387-394.
7. Walter Fogel, *Mexican Americans in Southwest Labor Markets*, Mexican American Study Project, University of California, Los Angeles, 1967, p. 118.
8. *Ibid.*, p. 119.
9. *Ibid.*, p. 119.
10. *Ibid.*, p. 120.
11. The indices are computed in the form  $I_j^c/I_j^a$ , where
 
$$I_j^c = \frac{\sum x_{ij} y_{ij}}{\sum x_{ij}}$$
 ,  $x_{ij}$  refers to the number of Mexican American males employed in the  $i^{\text{th}}$  major occupational category, and  $y_{ij}$  refers to the corresponding median 1959 (1969) annual earnings of all males in the labor force (Walter Fogel, *Mexican Americans in Southwest Labor Markets*, Mexican American Study Project, University of California, Los Angeles, 1967, p. 120).
12. The figures for 1970 merit a second comment concerning their comparability with the 1960 study. The Chicano and black indexes ( $I_j^c$ ,  $I_j^b$ ) are based on data for males ages 16 and over; the Anglo indexes ( $I_j^a$ ) computed from data for males ages 14 and over. To the extent that males 14 and 15 are likely to be found in jobs with low earnings in each occupational category, the Anglo indexes are biased downward relative to the black and Chicano indexes.

The figures for 1970 may, therefore, be biased upward slightly and overestimate the job positions of blacks and Chicanos relative to Anglos within particular occupations. The upward bias is likely to be most significant in the indexes for the laborer, farm labor and service occupations, where those ages 14 and 15 are most likely to be employed.

13. V. Briggs, W. Fogel, and F. Schmidt, The Chicano Worker, University of Texas Press, Austin, Texas.
14. Ibid.
15. Ibid.
16. Fogel, Mexican Americans in Southwest Labor Markets, op. cit., pp. 130-136.
17. Ibid., pp. 128-130.
18. V. Briggs, et. al., The Chicano Worker, op. cit.
19. Schmidt, op. cit., p. 32
20. Ibid.
21. L. Grebler, J. Moore, and R. Guzman, The Mexican-American People, New York: The Free Press, 1970, p. 107.
22. Briggs, et. al., The Chicano Worker, op. cit.
23. Briggs, et. al., The Chicano Worker, op. cit.

## AMERICAN INDIANS IN THE LABOR MARKET

According to Ernest Stevens, director of the American Indian Policy Review Commission, a great many artificial categories have been created among Indians, a division sometimes fostered by the white "establishment," but Indians are basically one group and need unity. Indians still live in a largely closed world, separated from other issues and communities, and fratricidal feuding has been a problem at times.

Under the law, tribal lands have their own sovereignty, but this principle has frequently been ignored or violated in practice. Indians, however, are developing a new awareness of their legal rights, filing a massive claim for land in the State of Maine. The Maine Indians, he said, were willing to reduce the size of their claim to about 5 1/2 million acres, a claim which still leaves Maine very nervous. Similar negotiations are now proceeding in New Mexico, where the State has finally agreed to negotiate with Indians; Stevens commented, "In past times they simply ripped us off; now they rip us off but then return half to us."

A key question is whether the Indians are to be permitted to retain their culture, instead of being pressured to "integrate" into the Anglo cultural mainstream. Indians legally have a separate government, and there is no need, in law or in policy, to integrate in this sense. Economics is the central issue: what Indians do need is *money*. There should be an Indian "Marshall Plan," with the tribes preparing and submitting their own economic developmental plans.

Some people become irritated, Stevens added, because they claim they do not know what the Indians want. In answer to a question once posed by a United States Senator, Stevens explained "We just want equal access to sin." For the first time in recent history, the Indians themselves have had a chance to express their own views and define their own needs, through the American Indian Policy Review Commission established by the U.S. Congress to investigate relations between the federal government and the Indians. Chaired by South Dakota's Senator James Abourezk, with direct representation of Indian tribes as well as the usual House-Senate membership, the Commission recently completed a two-year inquiry into every aspect of Indian conditions--the first such investigation in almost fifty years. Studies and recommendations focused both on "reservation" and "urban" Indians, although the major part of the final report (issued in May of 1977) centers upon the problems existing on the reservations and among the tribes.

Stevens expressed his hope that American Indians and their non-Indian allies would actively support the recommendations of the Commission, which assert the political sovereignty of Indian tribes and call for Federal recognition of this independence.

The findings of the Commission in relation to Indian employment, unemployment, and other labor market or general economic issues are contained in Chapters 7 ("The economics of Indian country") and 9 ("Off-reservation Indians") of its final report.\* These findings are reproduced *verbatim* below; it should be understood, of course, that they represent only the views of the American Indian Policy Review Commission.

#### HUMAN RESOURCES

Discussions of human resources on Indian reservations invariably center around such issues as idleness, unemployment, and welfare. Depending on whose figures are accepted, 30-70% of Indian adults are described as unemployed. And implicit in these descriptions is both a moral judgement and a fatalistic acceptance.

But of course, the human resource question can be approached from the opposite standpoint. The large number of people unemployed can be viewed as a positive factor. They can be described as a large labor pool. They can be viewed as a potential resource for development, just as minerals and timber are potential resources for development.

Already alluded to is the fact that the size of this Indian labor pool is unknown. BIA statistics with respect to the number of unemployed on Indian reservations are based on, at best, arbitrary criteria; at worst, impressionistic judgments by local agency personnel. Examination of BIA unemployment data for 1967-1975 did not reveal any consistent pattern. Of the 28 reservations with comparative data, unemployment rates for 17 were actually lower in 1967 than in 1975. In the remaining 11 cases, unemployment had declined in 1975. The pattern of increase and decrease is so erratic that no attempt was made to correlate them with successive increases in investment. A further deterrent to correlation was due to unreliability of the data base. The BIA Labor Force statistics are compiled on an annual basis by the agency or area office. The agency does not take a household survey to establish these figures but merely adjusts the previous year's figures to reflect any changes it thinks may have occurred. The Bureau's justification for lack of accurate statistics is twofold. (1) It claims lack of personnel. (2) Its response through its representative is sufficient, "What good are accurate statistics?"

\* Pages 347-354 and 436-442 of the Final Report of the Commission, May 17, 1977, U.S. Government Printing Office.

It is disheartening that there is no determination on the part of BIA officials to accurately document the situation. If accurate unemployment figures are not collected from year to year, how can one judge the effect of Government programs, particularly manpower programs? Good statistics are not ends in themselves but invaluable to evaluation of Federal programs and policy. Indian income and employment statistics are used by the Department of Labor to determine Indian fund allocation under the Comprehensive Training and Employment Assistance Act. The officials administering this program know the U.S. Census Bureau figures and BIA figures are unreliable. Nevertheless, they are unable to collect their own data and so rely on Census and BIA. There is no excuse for basing Federal program planning and funding on an unreliable data base.

An attempt was made to compare the Indian rates of unemployment with U.S. Census Bureau rates for the Nation. While this comparison is often made by respected scholars, it is fallacious comparison. The BIA uses a different definition of employment from the U.S. Census Bureau.

The Census Bureau defines an unemployed person as one who has been seeking work within the 4 week period previous to the interview. The BIA definition includes those seeking work as well as those not seeking work but who are employable. This gives the BIA a larger labor force figure and inflated rates of unemployment. For example, the BIA Labor Force Report, April 1975, reported the labor force of Standing Rock as 1,229 of which 737 were employed, and 492 were not employed. Of the 492 unemployed, 320 were seeking work. The BIA rate of unemployment was  $(429/1,229)$  40%. If we use the U.S. Census Bureau definition and subtract out those not seeking work (172) from the labor force and from those unemployed, we obtain a lower rate of unemployment  $(320/1,055)$  30%.

The BIA is aware that it defines unemployment differently but it justifies the difference by saying that the nature of job search is different on the reservation and so the U.S. Census Bureau definition has little relevance. On the reservation there is almost perfect job information. Everyone knows when there is a job opening and therefore does not have to search continuously. Therefore, if a census taker asked an Indian, "Have you looked for a job in the past 4 weeks?" he might reply, "No," because there had been no job openings and being rational he wouldn't seek what didn't exist. If BIA is correct, then the U.S. Census figures for American Indians are underestimates, while BIA figures are overestimates. The truth is somewhere in between. Possibly for the 1980 U.S. Census

the question should be modified for American Indians. They should be asked, "When job opportunities occur, do you seek them?" In this way the U.S. Census Bureau might be able to more accurately determine who is to be included among the unemployed. As for the BIA, its data base will remain inaccurate and useless for any comparative purpose of determination in the allocation of Federal grant money and for program evaluation until it is actually based on household surveys, and uses the same definition as the U.S. Census Bureau.<sup>90</sup>

There is an urgent need to develop a uniform, consistent, and accurate data base now, so that the effects of Government programs and all expenditures on development can be measured.

Be that as it may, even though the numbers are not known, there is clearly a large pool of unemployed people on the reservation. Thus, we have the second of the three classic ingredients--natural resources, capital, and human resources--economic development.

But this large labor pool is still only potentially useful from the standpoint of reservation economic development. Part of it is untrained. Part has been provided with training not applicable to reservation development. Finally, certain types of professional training have never been emphasized.

The great majority of training programs directed at Indian people have involved teaching blue-collar occupations. Even where professional training has been delivered, the focus has been on training teachers, the social sciences and to a lesser extent, law and health. Few people have been trained, or have sought training, in the hard sciences, such as engineering, business, and administration.

Why? With respect to the blue-collar occupations, the inadequacies of secondary education on the reservation are a potent force pushing the young Indian person toward trade schools; furthermore, this structural force is generally supported by the school counselors. With respect to higher education, the situation is somewhat more complex. Two forces seem to be responsible for the fact that the great majority of Indian students who go on for higher education opt for such disciplines as teaching and social sciences. One reason for this is that the only Indian role models young Indian students have encountered are usually in either teaching or social services. Another is that school counselors seem to be not aware that professionally trained Indian administrators or technical experts are needed on the reservations.

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<sup>90</sup>Task Force No. 7, final report, AIPRC, July 1976, p. 84.

So what needs to be done? Education and training must be intermeshed with reservation development. Skilled workers are required in many areas. Technical experts--e.g., engineers--are required. And finally, people with training in administration and management are required.

The specific types of requirements vary from one reservation to another. But the principle remains constant. Indian education and training must support reservation development. People must be produced with relevant skills. Education and training programs for the sake of education must be replaced by education and training directed toward Indian self-sufficiency through resource development. Teachers, social service personnel are needed--and training should continue in these areas. But on every reservation, there are potential engineers, scientists, and administrators. And these potential engineers and scientists and administrators must be found and encouraged. To do this, a far better program of career counseling must be available on the reservation at the high-school level and beyond. And of course, to be a better program, this career counseling must take account of the unique developmental opportunities in the Indian communities.

What can this lead to? It can lead to realizing the view described in our first paragraph. It can lead to recognizing that the large pool of unemployed Indian people on reservations is a positive asset, an asset which, when combined with Indian control of their natural resources and capital, can lead to the development of self-sufficient economies on Indian reservations.

Significant changes resulting from gradual implementation of the Indian Self-Determination Act (Public Law 93-638) will have a major impact on planning for Indian youth. Education programs for the sake of education must be replaced by education directed toward Indian self-sufficiency through resource development.

Indian education at the college level and beyond must support reservation resource development, and produce the needed, not the needy. Development of the diverse and extensive natural resources has been carried out by non-Indians with Indians generally participating at lower levels.

The development of these assets offers the opportunity to stabilize reservation economics and provide appropriately educated Indians a way to grow into higher levels of management and responsibility.

The following is a brief analysis of manpower programs administered by the Federal Government.

MANPOWER TRAINING: THE BUREAU OF INDIAN AFFAIRS

More Federal money goes to education, vocational skills, training, employment assistance and subsidization than for any other program area. Such funds are requested in order to alleviate the high rate of Indian unemployment which the BIA estimates to be over 39 percent.<sup>91</sup> Little or no consideration is given to the need to impart meaningful skills to the Indian labor force so that they may remain on the reservation and participate in natural resource development.

The first BIA manpower program, direct relocation, 1950 (now called direct employment) moved large numbers of skilled or employable Indians from reservations to urban centers where they joined the urban unemployed.

Recognizing that many Indians prefer to remain on the reservation, the BIA began, in 1956, to contract with private industry to provide subsidized on-the-job training (OJT) on the reservation. Because most Indian people are employed as unskilled workers, the BIA also instituted, in 1956, a number of vocational training courses (AVT) located both in urban centers and near reservations.<sup>92</sup> The Department of Interior recently did an audit of the direct employment program and the adult vocational training and discovered that neither was being run according to the regulations.<sup>93</sup> Performance figures for both programs were inaccurate and misleading since both programs were being utilized in ways quite different from intended. For example, OJT money was going to students enrolled in college studies which were not vocationally oriented. The following table contains outlays for these programs.

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<sup>91</sup>BIA statistics are suspect because of unorthodox methods of data collection, notably the use of "windshield estimates." The BIA does not use the standard labor force definition of "unemployed" and so their unemployment figures should not be compared with national figures. There is an urgent need to develop a uniform, consistent, and accurate data base so that Federal manpower funds can be properly allocated and the effects of such findings evaluated.

<sup>92</sup>Sorkin, A., American Indians and Federal Aid, Washington, D.C., Brookings Institution, 1971, pp. 107-109.

<sup>93</sup>Review of Adult Vocational Training and Direct Employment Assistance Programs, Bureau of Indian Affairs, Office of Audit and Investigation, U.S. Dept. of Interior, May 1976.

TABLE 1. FUNDING FOR BUREAU OF INDIAN AFFAIRS EMPLOYMENT ASSISTANCE, FISCAL YEARS 1966- 7

(In millions of dollars)

	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975
Adult vocational training--	11,421	13,259	13,830	15,700	25,000	24,273	24,716	22,408.5	19,035.4	19,684
Direct employment (re- location and O/N placements)-----	3,007	3,864	7,267	8,477	12,761	14,935	15,133	15,700.5	13,336.8	14,107
On the job training (under AVT until 1974) <sup>1</sup> -----								(3,400.0)	(2,600.0)	(2,400)
Indian action-----							(?)	5,283.1	8,916.2	10,460
Total-----	14,428	17,123	21,097	24,177	37,761	39,208	39,849	43,392.1	41,288.4	44,251

<sup>1</sup>Non-add to total.

Source: Data provided by the Division of Job Placement and Training, BIA, 1976.

## INDIAN ACTION TEAM

Indian Action Teams were begun under the Division of Job Placement and Training in the BIA in 1972. The program is a broadly oriented effort.

Indian action team program is a reservation-base program benefiting Indian people with skills training; strengthening of tribal government; projects completed as a result of the on-the-job training; development of management capability leading to increased capability to contract for Bureau of Indian Affairs services in accordance with the Indian self-determination concept; attracting additional funds from other agencies; development of tribal enterprises, whether they be commercial or limited to revenue-producing activities on reservations. This type of program directly benefits individuals and the tribe in general.<sup>94</sup>

Indian Action Teams are organized on reservations by residents and operate under contracts from the Indian Technical Assistance Center in Colorado. They are supposed to provide training in a skill while carrying out activities useful to the reservation. The program has concentrated on construction skills, but has begun to train in other skill and vocational areas. With a budget of \$800,000 in fiscal year 1972, the program consisted of three action teams. In 1976, it had a budget of \$23.5 million and consisted of 86 action teams under contract.<sup>95</sup> For fiscal year 1977, the BIA requested \$14 million for the program, a reduction of \$1 million from the fiscal year 1976 funding.

The Indian Technical Assistance Center has argued strongly for a \$28 million budget for 1977. This level of funding is based on the total of 200 tribes ITAC claims wish to contract for action teams and the strong support the program has received. This has been eloquently shown by the support the programs have received in appropriations hearings from national Indian organizations and many tribal governments.<sup>96</sup>

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<sup>94</sup> Commissioner Morris Thompson, BIA, Senate Interior Appropriations hearings fiscal year 1976, pt. 3, p. 902.

<sup>95</sup> Funding came from two sources, \$14.8 million from appropriations to BIA and \$8.5 million from title X funds under the Public Works and Economic Development Act of 1965, as amended by the Emergency Jobs and Unemployment Act of 1974.

<sup>96</sup> Letters and documents received by Task Force No. 7.

The Indian action program possesses the unique feature of mobilizing local support to provide community services and facilities. Thus, it can have a long-run impact on the reservation.

Despite the last 25 years of effort, the greatest barrier to increased employment on reservations is quite simply lack of jobs. In the period from 1966 to 1973 the BIA reported a figure for participants in Direct Employment and AVT that equaled 60 percent of those enrolled in the Indian labor force. If other training programs are considered, such as Indian Action Teams and CETA, it is not unreasonable to assume that every member of the Indian labor force has participated in a training program at some time. The continued high rate of unemployment of that labor force could be attributed to lack of appropriate training and lack of jobs. It is probably both.

MANPOWER TRAINING: DEPARTMENT OF LABOR<sup>97</sup>

The Department of Labor's (DOL) Indian manpower programs were authorized by the Comprehensive Employment and Training Act of 1973 (CETA). DOL's program like the Indian Action Team, is only partially oriented toward training while promoting local management, and transitional and temporary employment. Training under CETA has, according to many prime sponsors, been hampered by the lack of technical assistance provided by DOL and by limitations on the consulting services which may be contracted for by prime sponsors. Part of the overall concept of CETA is the decentralization of training and employment activities. This assumes that there will be experienced local personnel to run these programs. This is not yet true for many reservations. Table 2 presents DOL funds expended under CETA.

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<sup>97</sup>CETA information submitted to the Commission, 1976 CETA budget justification.

TABLE 2. FUNDING UNDER CETA TO INDIAN ORGANIZATIONS OR FOR THE BENEFIT OF INDIANS

	Title III					Total
	Title I	Title II	Sec. 302	Sec. 304	Title VI	
Fiscal year 1975-----	(1)	2,706,309	\$49,279,000	\$7,400,000	\$5,987,590	\$69,729,684
Fiscal year 1976 (estimate)---	(1)	1,800,235	451,841,000	8,884,940	8,139,597	70,665,772
Transition quarter-----		450,055	12,640,000	4NA	56,018,915	19,103,970
Fiscal year 1977 (estimate)-----		2,000,000	50,560,000	NA	(6)	52,560,000
Total-----	(?)	11,313,384	164,320,000	16,284,940	20,146,102	212,059,426

<sup>1</sup>Estimated Indian participation in title I programs not calculated.

<sup>2</sup>This figure includes "carryover" funds from fiscal year 1974.

<sup>3</sup>These figures are for the summers at the end of the respective fiscal years.

<sup>4</sup>Includes \$17,000 of unobligated 1975 carryover and \$1,264,000 compensating adjustment for a like sum utilized in financing Job Corps contracts in fiscal year 1975.

<sup>5</sup>This represents part of a supplemental appropriation under title II to support title VI programs through December 1976 and their phaseout by the end of fiscal year 1977.

Sources: CETA Information submitted to the Commission, 1976 CETA budget justification, various numbers of the Federal Register.

American Indians have not been eligible for CETA funds under title I because DOL refuses to recognize tribal governments as "local" governments. This is a prime example of failing to understand the unique status of American Indians. Labor officials dismiss this problem by pointing out that Indian people may participate under title III. In fact, in 1975, there were 133 prime sponsors for title III Indian programs receiving an average of \$98,558 per program participation, including administrative costs. This average expenditure is not accurate since 20,800 participants left the programs during the year, with 6,100 of these reported to have entered employment. Table 3 shows the activity of CETA participants. What is important is the stress shown by these figures is on employment and subsidization rather than formal training.

TABLE 3. EXPERIENCE OF CETA PARTICIPANTS

Activity	Participants	Percent
Classroom training	7,300	14.6
On job training	3,600	7.2
Public service employment	2,500	5.0
Work experience	25,000	50.0
Other	12,200	24.4
Total	50,600	

This brief and rapid summary of manpower training has made it apparent that it is difficult to gauge the effects of these programs because of the lack of reliable data on the participants and on the Indian labor force in general. It appears that the general thrust of these programs is employment, particularly temporary employment, and little formal training is taking place. However, it is unfair to criticize these programs if Indian communities do not have an inventory of what skills are most needed. In addition, it is futile to train workers when there is no possibility of obtaining employment. To achieve maximum effectiveness, manpower training programs must be linked with specific programs to develop Indian resources.

The recommendations that follow include those made by the General Accounting Office in two previous reports to Congress.<sup>98</sup>

#### RECOMMENDATIONS

*The Commission recommends that:*

The United States Bureau of Labor Statistics collect accurate, uniform, and consistent statistics on an annual basis on the Indian labor force on every Federal and State reservation. The Bureau also collect statistics on jobs available on each reservation, by type of economic activity, and should indicate if the job is held by an Indian or non-Indian.

The executive branch require the Bureau of Indian Affairs and the Department of Labor to keep accurate and detailed statistics on every participant in federally funded manpower programs. Participant's subsequent job status should be monitored for at least 5 years.

The executive branch require that the Bureau of Indian Affairs and the Department of Labor coordinate their manpower programs with Tribal Development Programs and Economic Development Administration. EDA specify for the BIA and DOL the manpower requirements for their projects including the setting up as well as the operation. BIA and DOL institute the necessary training programs in advance of the EDA projects.

Education of Indians be relevant to the needs of the communities and that emphasis be placed on education and training in hard sciences, business, and administrative management disciplines.

The Office of Management and Budget take the necessary action to insure that:

An approach is developed which will coordinate Federal efforts at the reservation level;

Continuous evaluations are conducted of the effect that Federal programs have on the standard of living at Indian reservations including developing information systems to support such evaluations; and

Annual reports are submitted to the Congress on progress made in improving the standard of living of reservation Indians and on any needed changes in legislation to improve the effectiveness of Federal programs.

If early action is not taken, we recommend that the Congress enact appropriate legislation.

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<sup>98</sup>U.S. Comptroller General Report to the Congress, Improving Federally Assisted Business Development on Indian Reservations. GAO, June 27, 1975; Better Overall Planning Needed to Improve the Standard of Living of White Mountain Apaches of Arizona, Aug. 12, 1975.

## THE URBAN ENVIRONMENT AND URBAN SOLUTION

Between the intentions of the lawmakers and the reality of regulatory actions lies the service gap that confronts the urban Indian. The result is untold desperation and waste of human resources.

Most Indians who migrate to the cities say they would have preferred not to do so at all. Still, the census figures for the years 1960-1970 show a rate increase of from 30 to 45 percent, and an HEW report published in 1970 sheds some light on the reasons.<sup>27</sup> The report showed that the most apparent shift from reservation to city was among those of prime employment age, between 20 and 40. It also showed that older Indians--those beyond the age of peak employment--moved back to their reservation. The report concluded that the lack of job opportunities in rural and reservation areas lent impetus to the migration.

The survey and results of the hearings by Task Force Eight affirmed that most Indians move to urban areas with hopes for jobs or for finding better jobs than on the reservation and rural areas.<sup>28</sup>

Regrettably, this expectation has often remained for the most part unfulfilled. The HEW report suggests that low employment may be due to inadequate vocational training,<sup>29</sup> a conclusion supported by the Commission's finding in two areas. One is that educational facilities on reservations are limited in standard, and the reservation is where most Indians receive their education. The other is that Indians who are educated in programs initiated outside the BIA often find that the skills they learn are not salable, and that job placement activities are limited. To date, employment assistance has been geared toward placing Indians in low-paying, entry-level jobs, rather than orientation and training for positions that could lead to upward mobility.

It has only been in the last 5 years that the BIA has ostensibly changed their former "relocation" policies. The new thrust, announced by Commissioner Louis R. Bruce in 1972, was a policy advocating for the end of termination era programs. Some of the more imaginative uses of employment assistance funds has followed emphasizing on-reservation training for tribal economic programs. Unfortunately, this emphasis is too late for those Indians who have employment and social problems in the cities.

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<sup>27</sup>"A study of Selected Socio-Economic Characteristics of Ethnic Minorities Based on the 1970 Census: vol. III, American Indians." Office of Special Concerns, Office of the Assistant Secretary for Planning and Evaluation, Dept. of HEW, 1974.

<sup>28</sup>Response from 62 organizational questionnaires regarding the needs of urban Indian communities showed employment needs for the most frequently mentioned and respondents characteristically mentioned this before any other.

<sup>29</sup>*Ibid.* HEW report, p. 51.

The lack of employment opportunities leads to a downward spiral that reduces the urban Indian's life to a struggle for subsistence. For example, the private practice system of health care is certainly beyond the financial reach of most newly arrived urban Indian families. They must depend on public services. Yet here, the service gap reveals itself again. Ineligible for Indian Health Service assistance because he is off the reservation, the urban Indian finds that other means of finding medical attention are closed off as well.

Non-Indian health hospitals are often reluctant to admit Indian patients for fear they will not pay. Local welfare agencies and charitable organizations often have the same fear, compounded by a belief that all Indians are the responsibility of the Federal Government. These agencies already juggle funds and personnel to serve as many needs as possible and often deny Indians treatment entirely or serve them in a superficial way.

Yet, the urban Indian often has special problems requiring treatment that is costly, prolonged and, to be successful, must be based on understanding of complex sociological factors. Two examples are the high incidence of both alcoholism and drug abuse. Both leave the urban Indian not only in wretched physical condition, but also in danger of social repercussions, jail, and repeated fines.

Few alternatives exist in the areas of housing. Urban Indians, unschooled in rents, mortgages, or leases because of their lives on the reservation, are often targets for unscrupulous and dishonest landlords. Lacking preparation, orientation, and money, the Indian often finds himself in overpriced, substandard housing located in marginal neighborhoods.

If he tries to ease the financial and emotional burdens by sharing living quarters with another family, the results are often unsatisfactory. Overcrowding and unhealthy living conditions are two immediate results, and harassment from landlords is almost certain to follow. Families in particular often become discouraged at this point and return to the reservation, remaining only until resources are exhausted to try the cities once again.

This back-and-forth migration works to the Indian's disadvantage. The task of gathering information that will document the problem is difficult and programs that could be funded by grants are hard to justify. It also limits the experience of social welfare agencies with unique Indian problems. Thus it becomes hard for these agencies to become conversant with the specific problems and to assist Indians accordingly, even if funds and staff were available.

One solution has been proposed and tried, with some success. Until recently, the Snyder Act provided for equity grants to be used in making downpayments on homes. These grants were available to relocatees who remained in the same city for 3 to 5 years. The programs were recently cut back, a casualty of economic pressures that have reduced funding for social service programs. Reinstating it would be highly effective, particularly if it were extended to all Indians.

#### THE URBAN CENTERS

In this bleak picture, the only real source of help for city Indians has been the urban centers that grew spontaneously out of informal Indian community get-togethers. Indians who moved to cities found that they shared many of the attitudes and the problems of other urban Indians. Across tribal differences, they immediately established friendly ties with Indians who were already established in the cities and sought to help Indian newcomers as they moved into the cities. Eventually, this feeling of comradeship inspired the idea that Indians could help each other out if they organized Indian Community Centers. These centers called "urban centers" present a number of options for Indians facing the urban world. Unfortunately, the Federal Government has failed to recognize the significance and utility of these centers for administering, or assisting in, the implementation of Federal programs for urban Indians.

For newly arrived urban Indians, the center's first function is to provide emergency care. This care may range from provision of food and clothing to finding housing by tracking down relatives or keeping up with available apartment and home listings. After dealing with these emergencies, services run the gamut from education to health care to psychological assistance.

It should be emphasized that urban Indians have done much to add to the cultural diversity and richness of many of the communities in which they live. Many cities have become justifiably proud of the Native American population. As a matter of fact, cities like Los Angeles have set the pace with support of Mayor Tom Bradley and other city officials in advocating for their Indian residents. Since this is particularly a discussion of the rule rather than the exception, we must say that the city of Los Angeles is one of the rare exceptions.

The reader should not suppose that each urban area is serviced by a highly integrated and consolidated agency called an "Indian Center." In many locations, this is a recent effort. In others, Indian centers have existed and worked with many other Indian organizations for a number of years. As Thomas Greenwood, acting president

of the Indian Health Service, Inc., of Chicago, Ill., stated in his comments on the American Policy Review Commission's tentative final report:

In Chicago and probably in many other cities as well, a network of more than twenty Indian organizations services the total population. Several are very general and inclusive in the programs that they offer; others concentrate on specific issues\* \* \*. The reasons for the multiplicity of organizations are complex--relating to administrative convenience, tribal divergence, certain peculiarities in traditional modes of organization and attitudes toward power, circumstances in funding, and accidents of history. It is not clear whether a single comprehensive agency handling Indian programs in a given city is feasible--or desirable. To designate "Indian Centers" as the recipient of funds without considering the question is simply to invite problems.

Suffice it to say, however, that the model center providing multiple services seems to be the most efficient and practical method of delivering assistance whether run by one Indian center board of directors or by a board of several participating organizations.

Centers in many cities have set up educational programs, organized job banks and given moral support to those seeking employment. However, efforts are impeded because there is no mechanism for coordination of BIA vocational training programs. Though urban centers keep up-to-date lists of job opportunities, this knowledge is not used as the basis for the BIA vocational training program. Thus the BIA may train welders in cities offering opportunities for computer programmers. Indians themselves have organized more innovative approaches to finding jobs in the city.

The Bureau of Indian Affairs continues to support Employment Assistance Offices in most cities with large Indian populations. Yet, these offices do not work with "unofficial" urban centers which are the point of contact for most Indians seeking work. BIA Employment Assistance is one of the most needed services for urban Indians, but ironically most urban Indians do not meet eligibility requirements. It is extremely unfortunate in that Federal programs neglect to use grassroots solutions to this problem.

The most difficult off-reservation service is health care. Physical requirements for facilities and fiscal requirements for personnel make it difficult for the urban center to attempt primary care, let alone the specialized therapeutic services that Indians need. Though Public Law 94-437, title V indicated

the Government's recognition of the problem, it set up criteria for assistance that are difficult to fulfill.

The law states that an urban center must "determine the Indian population which are or could be recipients of health referral or care services..." and "identify gaps between unmet health needs of urban Indians and the resources available to meet such needs." The problem, of course, is the migratory pattern of urban Indians who, defeated by the lack of opportunities available to them in either reservations or cities, often move back and forth from reservation to urban centers. Because population determinations are the basis upon which aid is provided, urban Indians are once again short changed.

#### NEW COMMUNITIES AND CONTINUING SERVICES IN NEW ENVIRONMENTS

Perhaps the most important contribution of the urban centers to the Indian living in cities has been a psychological one. Having left the tribal community, and often, their families, Indians feel isolation and loneliness. They developed these centers as places where such needs are partly satisfied and where they can join together in social gatherings that substitute for the personal security of the reservation. Some of the centers have evolved from very small groups organized for recreational purposes into multifaceted operations capable of sustaining programs in education and vocational training, defense of tenant rights against unscrupulous landlords, counseling, various kinds of entertainment and the provision of emergency relief. There can be no doubt that these Indian service and cultural organizations are a firmly based and creative response to Indian problems.

The Indian service centers present an ambitious range of services and objectives.

Unfortunately, they must rely on donations and volunteer work. Moreover, leaders who operate these centers are often volunteers and usually overworked. They serve out of a feeling of responsibility to the Indian community. While this is one of the dynamic and inspiring aspects of the development of urban centers, it has an unfortunate long-term effect in that there are necessarily frequent changes in leadership. While individual centers may expand or collapse, it is important to realize that the majority of urban centers have provided, and are continuing to provide, valuable services to people who are inadequately assisted through other channels. Moreover, they provide these services without usurping the relationship of the individual Indian to his tribe. The centers strengthen

the urban Indian's ties to his cultural heritage by providing necessary facilities and services within an Indian setting. These organizations reinforce, rather than destroy, Indians' identification with their tribes and their heritage.

Because of the broad-based, highly sensitive services these urban centers provide, the Commission believes that their role in assisting Indians should be strengthened with trained staff and money. The Federal Government should realize that urban centers, created separately and directed by Indians themselves, are an effective instrument for reaching the Government's goals of assisting urban Indians.

Indian centers suffer from a lack of management information and procedural standards. Like their reservation-based counterparts, tribal governments, they are often expected to know the rules when they do not have them and to live up to unexplained standards. Provision of data on ways to effectively organize and manage the delivery of human services would be of great assistance in enriching the role for urban centers.

Fiscal and management assistance is necessary if these centers are to provide the kind of service that will enable their people to live productive lives. This assistance should be administered in several ways.

In employment, the most expedient way to provide assistance is to build on the philosophy of Indians operating Indian programs. This would entail turning over BIA Employment Assistance Offices and their programs to urban centers.

Furthermore, it would provide an administrative base necessary for an urban assistance program. Administration could be carried out by existing urban Indian centers in close cooperation with tribal governments.

The Commission devoted a great deal of time to studying this alternative. Part of the study involved contacting urban center directors. While many directors felt the centers could administer funds the best, they acknowledged that tribal governments should also play an important role. As these governments stabilize politically and economically, they could be practical mechanisms for managing funds for their own membership.

Many programs now directly administered by Federal, State, or local governments are often contracted out to private or public organizations. These are contract awards for urban services which would not be otherwise allocated to Indian tribes. Urban Indian organizations, however, are frequently discriminated against in these kinds of situations, and private non-Indian contractors benefit from contract opportunities which should properly be delegated to Indian professional people. Indian service centers, once given

the opportunity and clear identification of the obligations that go with it, are very capable in hiring professionally qualified personnel.

#### RECOMMENDATIONS

*The Commission recommends that:*

1. The executive branch of the Federal Government conduct a detailed examination of assistance programs and need areas that would be most expeditiously administered by tribal governments.
2. The executive branch provide for the delivery of services to off-reservation Indians consistent with the Federal obligation to all Indians. Accordingly, Congress recommend that the executive branch deliver appropriate services when feasible through urban Indian centers.

#### URBAN CENTERS

3. The executive branch provide financial support for Indian centers in urban areas. This could be expedited by turning over BIA Employment Assistance Offices and other Federal contracting opportunities to urban service centers; and delegating Federal domestic assistance dollars directly to urban centers on a fair per capita share basis.
4. The executive branch consider the placement of Federal funds targeted for urban Indians under an Urban Indian Office as a part of their considerations for the Consolidated Independent Indian Agency.
5. The Federal agency funding such urban center or centers determine the actual representation of such center or centers according to a process of membership certified to the agency.

#### EDUCATION

6. The executive branch mandate that urban centers receive:
  - Specific consideration for the receipt of Johnson-O'Malley funds;
  - Technical assistance and orientation in programing, budgeting, regulations, and funding programs;
  - Specific roles in program and policy formation in curriculum development for teaching and administrative staff hiring for schools with Indian children;
  - Funding for administrative and program costs.

## HOUSING

8. The executive branch mandate that urban Indian centers be supported to provide:<sup>30</sup>

A real estate clearinghouse to provide information on available living quarters;

Consumer education programs in the areas of credit procedures, lease information, and general advice on moving from the reservation to an urban area;

Grants for initial moving costs, immediate support, rent supplements, housing improvements; and

The Bureau of Indian Affairs reestablish the program formerly funded providing equity grants for down-payments to urban Indians who have lived in the city for more than 2 years.

## HEALTH

9. The executive branch mandate that appropriate action be taken to provide urban Indians with health care facilities by providing the urban Indian center with funds to:

Administer Indian health care programs;

Provide information for health care;

Contract for Indian health care;

Establish health educational programs;

Establish health care programs on its premises; and

Act as a monitor for funds designated for urban Indian health care.

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<sup>30</sup> These funds are presently provided to the Bureau of Indian Affairs for the same purpose.

## SUMMARY OF CONFERENCE DISCUSSIONS

Paul Bullock

Conference discussions covered a wide range of issues and problems: national employment policy, affirmative action, minority and majority cultural patterns, occupational distributions, fiscal and monetary policies, and undocumented immigration; but the dominant theme of many comments was that all of these variables are inextricably interrelated. Affirmative action measures, for example, presumably will be more effective and acceptable in the context of a full-employment policy through which there are "jobs for all," although minorities might remain concentrated in lower-level jobs, even within this context, unless strong anti-discrimination actions are implemented.

Fred Routh, in his keynote address to the conference, emphasized these relationships, citing the "trilogy of civil rights"--employment, education, and housing--as described by Father Theodore Hesburgh, former chairperson of the United States Commission on Civil Rights. A good job is unlikely with a poor education, and a good home is improbable without a good job. In each area of public policy, the nation has lagged behind:

- (1) New housing starts meet only about 10 percent of actual need, in the light of population growth and deteriorating housing. Many lower- and middle-income Americans cannot afford to own a home now. For minorities the problem is especially acute because, in most cases, they cannot follow those jobs relocated from the central city to the segregated suburbs.
- (2) Educational desegregation and improvement are endangered by the emergence of a false issue: "forced busing." Approximately half of all American schoolchildren are already bused to school, but only about 3 1/2 percent for purposes of desegregation. The phrase "*forced busing*" is emotionally charged; it would make equal sense to refer to "*forced*" taxation or "*forced*" traffic regulations. Commission studies show that, with a few exceptions, school desegregation has worked and that "white flight" to the suburbs has primarily been associated with factors unrelated to integration.
- (3) In the spring of 1977, unemployment nationally was at 7.5 percent, and has hovered around 7 percent throughout the rest of the year. When "discouraged workers" and the underemployed are added, the *real* unemployment rate probably is closer to 10 percent. Worse still, in the age bracket of 16-24 years,

the rate is about 15 percent, and for young blacks and Hispanics it ranges from 30 to 45 percent. In inner-city ghettos, the rate perhaps is 50 to 55 percent.

According to Routh, both strong full-employment and affirmative-action policies are essential. The current efficacy of affirmative action, however, is limited by fragmentation and duplication among antidiscrimination programs at the federal level. The Commission on Civil Rights has advocated a merger of the existing Equal Employment Opportunity Commission and the Office of Federal Contract Compliance into a new board: The National Employment Rights Board. This Board should have broad administrative and litigative power to enforce one statute protecting the employment rights of everyone, with emphasis on group or class action rather than on the handling of individual complaints. The Board would have authority to issue cease-and-desist orders against violators, reviewable in the courts.

Routh, along with other civil-rights agency representatives appearing at the conference, is concerned about the huge backlogs of unprocessed cases accumulated by the EEOC and by most state agencies, and urges the adoption of new procedures for expediting the process: e.g., the setting of a definite time limit for either pushing a complaint case ahead on the docket or washing it out completely (probably after an informal hearing), and the greater use of administrative judges, arbitrators, or mediators in handling grievances under state statutes.

In the panel of directors of civil rights agencies, similar views were expressed. The directors agreed that discrimination is most effectively fought through pattern investigations and class-action suits, rather than through the cumbersome, but still necessary, individual complaint procedures, and that both enforcement powers and penalties for violations must be stronger. The district director of the EEOC, Lorenzo Traylor, suggested that the only severe penalties in federal law are applicable to EEOC staff: one year in prison and/or a \$5,000 fine for openly discussing a case in process.

Panel members also were in accord that "reverse discrimination" is another false issue, since Anglo males continue to receive preferred treatment in the labor market. The Bakke decision, if upheld, would be a disastrous blow to affirmative action, in the unanimous opinion of panelists. Even today, whole communities remain virtually unaware of affirmative action requirements.

There was general agreement that "fair employment practice" agencies need more staff and more support from the executive and legislative branches and from the general community. These agencies are given progressively more responsibility without corresponding increases in budget, staff, and power. The acting director of the California FEPC, Charles E. Wilson, pointed out that in 1970 the jurisdiction of his agency was expanded to encompass sex discrimination, and in 1973 discrimination on the basis of physical handicap, marital status and medical condition was added. Yet the agency, with

available staff and power, was still unable to enforce the *original* law adequately. Wilson knows of no civil rights agency that can deal effectively with *both* individual complaints *and* practice and pattern discrimination.

Arthur Garcia and Jesse Scott, of the Arizona and Nevada civil rights agencies, respectively, agree that law enforcement must be strong and visible. The rare application of meaningful penalties, such as government contract cancellations or heavy fines, means that violators are unimpressed by the law as it is now enforced.

Garcia distinguishes between preventive and corrective actions, placing "affirmative action" in the first category. The difficulty with preventive measures, he thinks, is that they sometimes lead to conflicts among the "protected classes" themselves; he cites the example of an Arizona school board which is being sued by some minorities on the grounds that *other* minorities have been hired excessively and disproportionately. Obviously, as the number of "protected classes" rises, this problem can become more acute.

Other conference sessions included panels and workshops devoted to the particular problems and issues confronting each of the ethnic groups represented: American Indian, Asian American, black, and Chicano, and a concluding panel of policymakers focusing on questions of legislative policy relative to discrimination and minority employment. In addition, one entire panel session was dedicated to a discussion of the impact of undocumented workers (often referred to as "illegal aliens") in the American labor market, an issue which especially affects the Chicano and Asian American groups. The following summaries focus on each of these sessions separately.

#### *Undocumented Workers*

Despite differences of opinion or emphasis in relation to other aspects of the question, discussants of this issue generally agreed that an excessive amount of emotion now surrounds the public's discussion of it. One prerequisite to its solution, they felt, is the adoption of a more rational and less hysterical approach.

Dr. Arnold Muñoz, in discussing the impact of newspaper headlines which suggest that a "crisis" confronts the American people, noted that the governor of Arizona, who is a Chicano, had been questioned by INS (Immigration and Naturalization Service) officers in his own front yard. He argued that, at best, we do not really know the extent of "illegal" immigration, but that recent studies indicate only a very small percentage of "illegals" on the welfare rolls. Unless the prevailing hysteria is countered, Chicanos will suffer even greater unemployment and discrimination in the labor market than they do today.

Professor Ling-Chi Wang found similarities between the Asian and Mexican experiences. An outcry against "aliens" and "immigrants," whether legal or illegal, has characterized every period of major economic crisis in the United States. Focusing on American policy toward Asian immigration, he identified three important dates: 1882, 1924, and 1935, each one a year marked by unemployment.

The Chinese Exclusion Act was passed in 1882, after a decade of severe recession and intense anti-Chinese agitation. The surplus of cheap labor in the south of China had first been tapped by American shipping entrepreneurs in the middle of the nineteenth century, and between 1850 and 1882 about a quarter-million Chinese were brought to North America, and an equal number to Central and South America, to replace blacks after the slave trade had ended. In California, the Gold Rush initially had created a demand for cheap labor, but by 1853 technology had made individual mining obsolete and the displaced white miners resented the presence of Chinese imported by mining companies at fixed wages. California agriculture developed at a rapid pace between 1860 and 1890, with the Chinese providing much of the labor; again, there were charges that they were taking jobs away from deserving whites, and the Chinese Exclusion Act resulted from such agitation. The Act completely excluded all Chinese immigrants, along with prostitutes, morons and lepers.

The Japanese began to arrive on the West Coast in the 1890s after the transition in Japan from a peasant to a capitalistic economy had created a labor surplus. Between 1890 and 1924, several hundred thousand Japanese came to California as contract laborers. In the first two decades of the twentieth century, anti-alien propaganda centered on the Japanese and agitation was intensified in the immediate post-World War I period when economic difficulties again struck. The "Quota Act of 1924" effectively excluded the Japanese, by basing the new immigration quotas on the 1890 census when there were few Japanese in the country.

With the Japanese no longer available to meet demands for cheap labor, new sources were developed in Puerto Rico and the Philippines--both of them American colonies at that time. In a period of eight or nine years, about 150,000 Filipinos were brought into the United States, until the Philippines were granted independence in 1934. Then, in 1935, the Filipino exclusion law was enacted.

Professor Wang argues that "aliens"--in these cases, the Asians--have traditionally been used as scapegoats whenever domestic problems such as unemployment arise. Despite counterarguments, he interprets the historical record as showing that, partly due to job segregation, the immigrants never have been in competition with white workers. Racism thus has been a handy political device to explain away the nation's failure to solve its own problems.

In discussion, Professor Wang remarked that the thrust of U.S. immigration policy has changed; as a result of the 1965 immigration law and other

factors, skilled professionals, technicians, and craftsmen now are given preference. For this reason, many doctors, nurses, and medical specialists are imported from the Philippines.

In his own comments, Dr. Jorge Bustamante reiterated the point emphasized in his paper that problems connected with migration between Mexico and the United States must be viewed in a binational context, with solutions developed which are acceptable to both countries. One urgent need, he suggested, is the equal protection of workers, on both sides of the border, from exploitation and low wages. Unionization of all workers, according to his view, would give them independent power and reduce their dependence on government.

Dr. Bustamante outlined what he regards as one possible solution to the problem of undocumented immigration: the Mexican government, with financial help from international institutions, might be able to establish labor-intensive units of production in those areas of Mexico from which the major flow of illegal immigration comes. These units could specialize in the production of food needed throughout the world, with the United States channeling much of it into its foreign-aid programs. This would be a five-year program, designed to relieve unemployment in Mexico and reduce the pressure to move northward. Dr. Bustamante does not consider it a total solution, but, in company with an amnesty for Mexican nationals already working in the United States, it might allow the two governments to regulate the flow of migration more effectively. In line with this general thinking, Dr. Muffoz also believes that creation of some form of economic "common market" between the U.S. and Mexico might be helpful.

#### *American Indians in the Labor Market*

American Indian panelists agreed that important cultural differences exist between the Indian and Anglo communities, that, for example, Indians place much less value upon personal economic gain and much more upon individual moral and ethical worth. Indian lands and enterprises are held in common on the reservations, in contrast to the materialistic capitalism practiced by the dominant American majority. On the other hand, Indians are increasingly aware of the meaning of money, income, and economic power, and are fully prepared to accept the various benefits due them provided they are not required to abandon their own culture in the process.

Existing programs, supposedly designed to assist Indians in the labor market, are impeded by the absence of an integrated Indian economy. Indian communities need better housing, transportation, roads, and the other facilities and resources of a full and complete infrastructure.

A number of panelists and workshop participants endorsed the concept of a special "Marshall Plan" for American Indians, with Indian communities receiving aid from the federal government on the basis of comprehensive

developmental plans prepared by themselves. CETA programs, although an improvement in many respects over the federally controlled BIA (Bureau of Indian Affairs) programs, still have failed to make an adequate dent in Indian unemployment rates, which are in the range of 40 to 60 percent.

The economic and employment problems of American Indians are aggravated by inadequate and defective education and by the insufficiency of vocational training programs. One panelist, David Lester, also suggested that Indians are now *too* dependent on government, and that what is needed is a vast expansion of Indian participation in the private economic sector. It is also necessary that Indians be represented more heavily in middle-management positions within industry. Greater political representation of and by Indians is needed if their problems are to receive informed and sympathetic attention at the legislative and executive levels. One sign of progress in this area has been the election of an Indian as a state senator in Arizona (Senator Arthur Hubbard Sr. was a participant in the conference).

Lester pointed out that Indians are poorly represented in affirmative action programs, even those pursued by government contractors, because they are a statistically small group. But they are small in number, he added, precisely as a consequence of the past policies of the United States Government. American Indians would now constitute a numerically more significant segment of the population if they had not been systematically exterminated.

#### *Asian Americans in the Labor Market*

Discussants in this panel noted that longitudinal and other studies of Asian Americans in the labor market are rare, largely because many Americans are incorrectly convinced that workers of Asian descent confront no special problems and enjoy an economic status roughly comparable to that of Anglos. In truth, Asian Americans still lack the same degree of occupational mobility and are underrepresented in certain key job classifications. Both Dr. Amado Cabezas and Professor Wang emphasized that Asian participation in the labor market is selective. Asians are stereotyped as being good bookkeepers and accountants, but there are relatively few Asian certified public accountants. In like manner, they are often viewed as being good engineers, and many Asians are to be found in engineering jobs in San Francisco's public works agencies. However, Asian professionals typically are more often classified as employees than as independent, self-employed businessmen.

Professor Wang argues that some discrimination has persisted in the labor market; for years, many educated Asians have had two options: (1) to work in laundry or family food service occupations or other traditional ones in this country, or (2) to return to the Orient where the younger Asians, having been subjected to assimilation pressures here, have found themselves just as alienated as the whites.

Professor Harry Kitano commented that Japanese Americans are largely a "middleman minority," with the more powerful and glamorous positions still restricted. Although their average family incomes may be comparable to those of whites, income figures do not necessarily show the degree of wealth and power and are not directly indicative of decisionmaking capacity. In this connection, he also noted that minority behavior is often interpreted in terms of cultural factors, but that, in reality, it may simply be an adaptive reaction to powerlessness (which is characteristic of minorities). In Hawaii, where Asians exercise genuine power, their behavior in public office is not noticeably different from that of Anglos.

Dr. Cabezas added that power and mobility in the labor market often are influenced by the transfer of knowledge and information within families directly and through education, family contacts, and other channels. The most crucial knowledge to be communicated relates to the ways in which individuals and groups deal with the major institutions of a society, both public and private.

The report on workshop discussions stressed that many Asian Americans continue to be underemployed, or exploited as "cheap labor." There are sweatshops, high levels of unemployment, and gang activities (recently publicized in San Francisco's Chinatown); and newer groups of Asian immigrants--the Koreans and Vietnamese, among others--face exploitation and severe labor-market problems. Established job prerequisites, such as an ability to speak fluent English, may screen out otherwise well-qualified Asians.

The Asian American workshop discussed the possibility that some federal programs now encourage competition among minorities, and that there must be an increase in the size of the "pie to be shared" through a strong economic-growth and full-employment policy. The participants agreed that more data are needed on questions such as underemployment, and that Asians should closely analyze pending legislation to determine its impact on this group.

#### *Blacks in the Labor Market*

In discussing Professor Bernard Anderson's paper, Dr. Robert S. Browne commented that while he agrees that full employment is highly desirable, he doubts that a sufficiently high growth rate in the American economy is realistic in the future. Dr. Browne thinks that the United States has already seen its "golden age" of economics, and that the relatively higher economic growth characteristic of much of the post-World War II period is not likely to recur. There were special reasons, he feels, for this past growth:

- (1) For years, the dollar was accepted as a stable key currency, but two devaluations in 1971 destroyed this.

- (2) Exploitation of other countries is no longer as easy as it once was, and ever since OPEC nations (among others) began to exert independent power, needed raw materials have been and will remain higher in price; energy costs must also rise.
- (3) The population then was younger, with heavy concentrations in the prime working ages, but the age level is rising and an older population will be more costly to maintain.

In addition, Browne perceives an increasing sensitivity to environmental concerns, which can become a further restraint on economic growth. Thus, the "pie" is not likely to get much larger, and the resulting fight for limited shares may impede the progress of blacks.

Browne also stressed that politically powerful interests oppose the concept and implementation of full employment, citing the question posed by Senator Russell Long, "Who will launder my shirts?" in a full-employment economy. The existing system does not favor sustained full employment, preferring to maintain a reserve of unemployed, and therefore we face the difficult task of restructuring the whole economy.

Professor Benjamin Bobo discussed the possible impact of tax rebates on black unemployment, noting that typically they are insufficient in size to be significant and that often they are used by recipients to pay off existing debts rather than to purchase new durable goods. He suggested an alternative as a basis for discussion: the use of those monies by government to subsidize those industries which demonstrably hire large percentages of blacks. In his view, policies of economic stimulus should be directed to the middle-income groups as well as to the "hard core" and the "well-to-do."

Clarence Broussard was concerned that Professor Anderson's paper emphasized *governmental* measures, with little attention to the private sector and the potentials of black entrepreneurship. He believes that there is excessive reliance on government now, and that such approaches as expanded on-the-job training in private industry must be considered.

In analyzing the impact of CETA upon black employment, Broussard suggested that, with the continuing addition of other groups (labeled "significant segments" in the parlance of the legislation) to the list of those aided, blacks are getting a smaller proportion of the available funding. About 38 percent of local CETA funds now go into the white community, through programs directed to senior citizens, the handicapped, women, other minority groups, and so forth. He explained that, in the past, some minorities have had little experience in dealing with local officials, rather than the federal government, and thus have lacked the political expertise needed. However, it is anomalous, he added, that federal regulations should be so strict that local decisionmaking under CETA remains severely limited.

The panelists generally agreed that full employment and affirmative action are complementary policies, each designed to reinforce the other. The workshop discussed tax cuts, public service employment, and vocational training as three major approaches to a reduction in black unemployment, and added a fourth not covered in Professor Anderson's paper: income maintenance. Some doubts were expressed about the fourth approach, due to its concentration on governmental "largesse," and the point was made that it should be pursued only in conjunction with other programs.

Workshop discussions also stressed that upgrading of blacks in the labor market, as well as the provision of entry-level jobs for the unskilled, must be a part of the stimulus and affirmative action packages. Discussants noted a decline in the strength of affirmative action programs recently, with a marked decrease in the proportion of blacks in the UCLA Graduate School of Management and in other graduate institutions. Black professionals and college graduates must be better served by employment programs.

#### *Chicanos in the Labor Market*

In summarizing his paper, Dr. Fred Romero noted what he considers to be a significant trend between 1960 and 1970: a vast increase in the number of Chicanas who head households and are in the labor market. Chicanas with older children now participate in the labor force in about the same proportion as other groups. On the other hand, high proportions of both Chicano and Chicana workers are employed less than a full year. Although Chicanos as a group are younger than Anglos, on the average they enter the labor market at an older age. In comparison with blacks and certain other groups, Chicanos are mobile geographically although many of them still spend their lives in inner-city barrios.

Dr. Romero questioned the quality of much of the training received by Chicanos, suggesting that the most severely disadvantaged often are not included in the programs. He added that monolinguals are hardly touched by the existing programs.

In relation to the issue of undocumented workers, Dr. Romero argues that there is, in fact, competition between legally resident Chicanos and the aliens for agricultural jobs in some areas, citing the findings of his own study in the Pacific Northwest. Based on interviews with more than 1,000 workers in Idaho and Washington, his survey had concluded that the undocumented immigrants did take farm work which otherwise would have been performed by Chicanos. In further discussion, he noted that the U.S. Department of Labor already certifies some alien workers for domestic work under certain conditions: Americans are not available for such work, there must be no adverse effect on prevailing wages, etc. About 14,000 workers are thus certified annually, many for jobs in Eastern states.

Dr. Romero was concerned that much rhetoric but little in the nature of reliable data has emerged in relation to the undocumented workers issue. We urgently need a clear and responsible public policy which addresses the problem.

Professor David Lopez thinks there are grounds for moderate optimism about the labor-market status of Chicanos, suggesting that the degree of employment discrimination affecting them is not as severe as it is in the case of blacks. Racism directed against Chicanos, however, still is serious in some areas, such as south Texas. In the Los Angeles area, about 90 percent of blacks are segregated into ghettos, while the corresponding figure for Chicanos is about 50 percent. Intermarriage between blacks and Anglos remains rare, but marriages between Chicanos and Anglos are rising in percentage. A substantial proportion of Chicanos are moving up the occupational and income ladders.

Professor Lopez believes that continuing immigration into the domestic labor market does create problems at the lower levels. Mexico, he notes, economically is a part of the United States, which is responsible for about two-thirds of all of Mexico's foreign trade. Even in some of the skilled trades, such as the construction crafts, Mexican workers can improve their income by moving to the United States where construction wages are high both in absolute terms and in relation to Mexico's construction wage structure. Monolingualism remains a critical problem for many Chicanos, but the Chicano community does maintain a highly efficient network for the transmission of employment information.

Assemblyman Richard Alatorre argued that all ethnic minorities are disadvantaged in the labor market, in varying degrees, and that it is important not to get involved in a competition pitting one group against another. FEP agencies have little effective power, and employers and others react mainly to monetary pressures and penalties, threats of contract withdrawals, and similar measures. He stated that endless conferences and hearings are held on these problems, but relatively little action results from them.

He agreed with other discussants that excessive hysteria now prevails in connection with undocumented workers. At the federal level, the pending legislation has been prepared by Easterners and Southerners, with Mississippi's Senator Eastland favoring the continuation of exploitation and New Jersey's Congressman Rodino advocating the penalizing of employers. There is never an excuse for exploitation by employers, Assemblyman Alatorre stated, but the danger is that the Rodino or Dixon-Arnett (California) bills will simply cause more discrimination against Chicanos in general, not merely against "illegal aliens." If identification cards are to be issued, he added, they should be carried by everyone, not just by Chicanos or Asians or other identifiable minorities.

National policy, he suggested, should emphasize human rights at home as well as abroad. Minorities demand complete and genuine equality of opportunity, not "reverse discrimination"; this latter issue, he thinks, is

without substance. There still is no equity nor equality in the labor market for ethnic minorities.

In workshop discussions, discussants again stressed that the status of the undocumented worker is part of a larger transnational problem, and cannot be dealt with unilaterally. This is the result not only of historical factors, but of the degree of economic investment determined in the United States and located in Mexico. The two economies are closely interrelated.

Some discussants endorsed a form of "Marshall Plan" for Mexico, accompanied by full-employment and human-rights policies in both countries. Encouragement of unionization and effectively enforced minimum wages might prevent the kind of exploitation characteristic of some employers. There was criticism, however, of many trade union practices and attitudes, with the opinion expressed that American unions should be more progressive and less anti-immigration and anti-Mexican. The Carter Administration also was criticized by some workshop participants, on the grounds that it had not yet made enough appointments of Chicanos to policymaking positions and that federal agencies fail to provide needed services to Chicano communities.

#### *Issues of Legislative Policy*

In this final panel of the conference, the focus was on practical public policy affecting the labor-market status of minorities. A general theme of this discussion was that the quantity and quality of employment available to such minorities depend upon the degree to which the nation pursues a full-employment goal. Professor Anderson, for example, argues that "full employment is the *sine qua non* for genuine economic equality in the United States." With "full employment" defined as a 4 percent rate of unemployment, blacks have not been fully employed for thirty years and, indeed, have suffered from recession in most of the years since World War II.

Full employment, he stated, means a situation in which everyone able to do so has a chance to work and to share in the wealth of the nation. Letting things alone brings no solution: since World War II the aggregate unemployment rate has been drifting upward, with each recession experiencing more unemployment and each "recovery" reducing the unemployment rate less than before, so that the secular trend of unemployment is up. Some economists argue that there is no real reason to worry, that higher unemployment merely reflects a structural change in composition of the labor force, with more women and more young people. But even with an adjustment for changes in labor-force composition, the unemployment rate continues to drift upward.

Fear of inflation is a major reason why the nation has not yet adopted a full-employment policy, but the fear is exaggerated. The so-called "Phillips Curve" trade-off between unemployment and inflation is not an immutable economic law, but merely an historical relationship initially computed by a foreign economist and translated into American terms by Paul

Samuelson and Robert Solow, and there is wide debate over the stability of this "relationship." The recent evidence is that there is no stable, continuous relationship between the rates of unemployment and inflation. Indeed, the Nixon Administration settled this issue by turning the "Phillips Curve" on its head and giving us *both* high unemployment and high inflation at the same time. The key relationships actually are decisionmaking ones related to prices and wages and how they interact with each other, all subject to the control of economic policy.

Even assuming some "trade-off" though, the question is: who benefits and who loses? The evidence is that minorities and the poor are better off with full employment even if it means a slightly increased rate of inflation. Obviously, however, there are some powerful groups in the economy who are hurt more by inflation, e.g., creditors, whose repaid loans would be worth less in purchasing power, and this explains why (former) Federal Reserve Chairman Arthur Burns and the bankers he represents always talk about the dangers of inflation.

As for the issue of "tax cuts" vs. "job creation," Professor Anderson asserts the superiority of the second approach. Tax cuts, he said, cannot be targeted to help the poor, but it is possible to create work especially for those most in need. Tax cuts should be temporary at best, because otherwise they cut the revenues needed for social programs. Even with full employment, of course, other measures, such as a strong antidiscrimination policy by the federal government, will remain necessary.

He defines the issue as, "what kind of nation do we want?" The goal, he thinks, should be to diminish the wide gaps among and within groups; some blacks are indeed better off than before, but a great many are worse off. He denies it is a liberal vs. conservative issue: what is conserved, he asks, by keeping millions of American unemployed and in poverty? What is conserved by failing to improve health care and standards? What is conserved by policies that dehumanize our elderly? What is conserved by failing to improve the lot of our most precious national resource--young people? To the contrary, we thereby waste our human and physical resources, and that is why full employment is so necessary. With public pressure in sufficient measure, he argued that the Carter Administration will live up to its commitment to full employment.

State Senator Bill Greene also stressed the need for job creation, especially in California where, as a result of the baby boom of the 1950s, young people have been pouring into the labor force of the 70s in a veritable tidal wave. With a rising number of women also entering the market, we must anticipate an average growth in the labor force of about 200,000 a year over the next five years. Thus, we need almost that number (182,000) of new jobs per year if the unemployment rate in California is to be held down to the 1976 average of 9.2 percent. In order to reduce unemployment to 6 percent, we would need 17 percent more economic growth than we have had in California in the past six years. Reducing the rate to 3 percent means at least 35 percent more growth.

Real growth, though, in California, he reported, recently has been close to zero, and zero economic growth means zero employment growth, at best, which would mean that by 1981 unemployment would total one million more than in 1976, more than doubling the amount of unemployment in that period. In 1981 the California unemployment rate would be 17.6 percent.

Senator Greene described this as a potential disaster: those who would suffer the most again would be minorities, women, and the young. In addition to job creation, he advocated a further exploration of the implications of the U.S. Supreme Court decision in the case of *Griggs vs. Duke Power*, in which the High Court mandated employers to validate their job requirements against nondiscriminatory norms and eliminate all those which are not demonstrably related to quality of performance.

Congressman Augustus Hawkins identified what he considers as key problems in the field of national employment policy:

- (1) High teenage unemployment is one of the great tragedies of our time. A generation of youth suffers the disabilities of unemployment, poor education, broken homes, and inadequate opportunity to move ahead in our society.
- (2) An insufficient rate of national economic growth exists, comparable to the California situation depicted by Senator Greene. Zero economic growth would again be disastrous, especially for non-whites outside the prime working age group of 25-45 years and unemployed. The recent historical growth rate of about 4.4 percent annually produced five recessions and the highest inflation ever experienced.
- (3) The so-called inflation-unemployment trade-off is a destructive myth. Congressman Hawkins argues that the correlation between the unemployment rates and admissions to federal prisons (as outlined in a recent study by Dr. M. Harvey Brenner) is much higher than the "Phillips Curve" relationship.
- (4) The varying definitions of "full employment" are a major problem. He noted that even Arthur Burns favors full employment, but through cutting wages. He asserted that it is a misconception that unemployment affects only minorities and women, that in fact it affects everyone. Tax cuts and unemployment insurance have been our major reliances in fighting recessions, but these, he said, are only stop-gaps to prevent agitation for more fundamental measures. President Truman believed in full employment, but more recent presidents have accepted varying rates of unemployment as constituting "full employment." Full employment, Hawkins argued, should be defined qualitatively as well as quantitatively, in terms of the nature of the jobs created.

Congressman Hawkins added that for decades he has fought for anti-discrimination legislation, but that when there are not enough jobs to go around, there is inescapable conflict because the job one person gets may be at the expense of someone else. All national policies should be integrated with one another, instead of our seeking to handle these problems on a piecemeal basis.

He also called for accountability, with both the executive and the legislative branches properly mandated to achieve a specific reduction in unemployment. Now, he said, we have two or three institutions, e.g., the President, Congress, and the Federal Reserve Board, possibly going in different directions at the same time, like three drivers in one car: one driver steering, another braking, and a third accelerating.

Youth employment should have a top priority. The new Carter Administration package is a step forward, he said, but it remains inadequate and greatly underfunded. Presidents often must be pressured into progressive action; he cited the cases of Franklin Roosevelt on social security and John Kennedy on civil rights. He concluded that President Carter, who is friendly to the concept, can be convinced that full employment is a basic part of human rights.

Assemblyman Art Torres emphasized that we must be concerned both about employing the unemployed and keeping the already employed in their jobs. Also, we must carefully consider the implications of the Bakke decision, as it affects the employment of Chicanos and other minorities in the professions: law, medicine, teaching, etc.

The plight of women in the labor market should receive immediate attention. Working women suffer from discrimination and placement into low-wage clerical jobs, and need quality child-care facilities made available without an exorbitant cost to them.

A major problem, he said, is the balancing of environmental and employment needs and values. Whenever the legislature enacts bills affecting production, it must systematically balance the health and environmental against the employment impacts. We should know, for instance, the relationship between employment and business regulations, e.g., auto pollution standards. Under a bill coauthored by Assemblyman Torres and Senator Greene, the Air Resources Board in California is now required to determine the economic and social impact of its regulations. Another Greene-Torres bill requires an impact report on farm mechanization, particularly where it results from research in state-supported land grant colleges. Torres advocates legislation to impose a tax on machines that have such a displacement effect, to cover retraining and other costs for five years.

In another context, Assemblyman Torres argued for consideration of such factors as insurance premium rates, which frequently are higher in low-income minority areas. These problems, he said, impede development and employment.

He commented that we must view the undocumented workers issue in a fuller context, realizing that as a group they may have contributed more than their share to federal and state tax revenues, and may thus have assisted the survival of the urban communities where minorities live. Lastly, he concluded, we must reinforce affirmative action, and make sure that the equal rights of all Americans are protected under the Constitution.