Inclusion and Segregation: The Incorporation of Latin American Immigrants into the U.S. Labor Market

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Abstract: Immigrant Latin American workers are often subject to precarious working conditions and occupational segregation. On the one hand, even if they are as well-educated and as qualified as their U.S. peers, they are often relegated to lower positions. On the other, they systematically receive lower wages than the average U.S. worker in the same occupational fields. This constitutes a clear example of the inclusion of labor coupled with forms of social exclusion.

Keywords: Immigration, labor, social exclusion, globalization

Although international migration is not a new phenomenon in Latin America, the traditional image associated with it has nevertheless undergone a profound transformation in the past few decades. Ceasing to be a region that attracts migrants, Latin America has become a region of emigration contributing to the south-to-north population movement that is a major characteristic of this era of globalization (Pellegrino, 2003). Latin American migration has not only intensified but also expanded in its sources and destinations, its modality, and the social subjects it involves. While until the 1960s Latin American migration was almost exclusively intraregional and fundamentally between neighboring countries, these intraregional movements now extend beyond the region toward the developed world, especially the United States and, most recently, Europe, Japan, and Australia (Pellegrino and Martínez, 2001). Furthermore, the participants in this migratory process now include women, indigenous peoples, and families (especially children and older adults) (Pujadas and Massal, 2005). Finally, the fact that much of this migration is undocumented contributes to the social vulnerability of migrants (Bustamante, 2002).

All of these changes make it necessary to revise and reformulate the framework for analysis, categorization, and understanding of this phenomenon. Using recent statistical data, I hope to contribute to the identification of the nature of Latin American emigration—the subordination and social vulnerability that characterize the Latin American immigrant workers' incorporation into the economy of the developed countries. In particular, my hypothesis is that the incorporation of these immigrants into the labor market of the receiving countries is associated with and conditioned by the contractual deregulation and labor flexibility that reflect the new forms of social differentiation and labor segmentation in the era of globalization (Stalker, 2000). The analysis has two major sections: a synthetic study of the role of international migration in the age of globalization and the presentation of statistical information illustrating the dimensions of the incorporation of Latin American migrants into the U.S. labor market.

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GLOBALIZATION, SOCIAL EXCLUSION, AND MIGRATION

Without entering into the globalization debate, I would like to focus attention on the new patterns of incorporation of immigrant workers into the labor process and their connection with the transformation that globalization has produced in the organizational forms of work and labor relations. By making employment precarious, globalization sets in motion various mechanisms of social inclusion and exclusion that result in new patterns of social polarization and differentiation based on two different and complementary processes. One of these is the configuration of a labor system based on flexibility and deregulation—a system that Beck (2000) characterizes as a system of labor risk—that has replaced the labor system and social institutions associated with the welfare state. The other is the transformation of the occupational system through increasing segmentation and the accompanying social differentiation (Castells, 1998; Sassen, 1998; Pioré, 1979). The polarization of the occupational structure is apparent in the expansion of executive, professional, and highly qualified technical positions based on information processing and a similar increase in the number of jobs requiring very low levels of technical training. Concentrated in the so-called personal service sector, these low-skilled jobs enhance the quality of life for others. The increase in their number is the necessary counterpoint to the expansion of high-level occupations that, with their increased purchasing power, generate a demand for personal services.

In addition to this job polarization there are new flexible working conditions in various branches of industry and in construction. The outsourcing of services and of various phases of production through subcontracting contributes to the precariousness of unskilled work (Sassen, 1998; Zolniski, 1994; Fernández-Kelly, 1991). This degradation of working conditions ends up driving the local labor force out of jobs that are flexible and deregulated, replacing them with migrant workers whose vulnerability makes them willing to accept a situation in which they have no possibility of unionizing, work without contracts, receive low wages, and are subject to very high levels of labor instability (Canales, 2003a; Castles and Miller, 1993). Precarious and undervalued jobs such as janitorial work, gardening, restaurant work, and domestic services are increasingly performed by migrant labor.

This segmentation of the labor market contributes to the division of the population into differentiated and unequal social and cultural strata. While the various occupational strata are configured by the economic logic of the market, the composition of these social and cultural strata results from extraeconomic social differentiation, especially cultural, ethnic, demographic, and gender, and the condition of being migrants (Canales, 2003b). These factors of social differentiation are the origin of the new internal boundaries that have emerged in the course of globalization, contributing to the segmentation of the social structure in modern society.

On the basis of these factors of social differentiation and unequal incorporation into the labor market, particular population groups experience different levels of social vulnerability, a situation that is aggravated by a structural context in which the mechanisms of social and political negotiation that emerged in industrial society and achieved their highest form in the welfare state have ceased to exist for the most vulnerable groups

TABLE 1
U.S. Total Population and Immigrants by Region of Origin

	1960	1970	1980	1990	2002
Total population	180,671,158	203,235,298	226,545,805	248,709,873	282,081,971
Native-born	ND	193,615,996	212,465,705	228,942,557	249,017,141
Immigrant	ND	9,619,302	14,080,100	19,767,316	34,443,112
Latin America	792,884	1,636,159	3,942,354	7,694,541	17,359,799
Other Countries	ND	7,983,143	10,137,746	12,072,775	17,083,312

Sources: 1960, Pellegrino (2003); 1970-1990, CELADE (n.d.); 2002, CPS (2002).

(Beck, 2000). This is the mechanism by which social and cultural minorities are created and re-created in global society. The socially constructed vulnerability of immigrants is transferred to the labor market in the form of a devaluation of the labor force, its life circumstances, and its social reproduction. In this context, the poverty and precarious existence of these workers are not the result of exclusion from the labor market but the way in which they are incorporated into it. In the context of economic deregulation and labor flexibility, modernization generates and reproduces its own forms of poverty and precariousness. Individuals' social vulnerability as members of social, demographic, and cultural minorities based on gender, ethnicity, and migration ceases to be a factor that exposes them to possible economic exclusion and becomes a prerequisite for their inclusion.

LATIN AMERICAN MIGRATION TO THE UNITED STATES

Latin American migration to the United States has greatly increased in absolute and relative terms. In 1970 there were fewer than 1.7 million Latin American immigrants in the United States, representing only 18 percent of the total number of immigrants in the country and less than 0.8 percent of the total U.S. population. Since then Latin American immigration has grown at a dizzying rate, and today there are 17.4 million Latin American immigrants. In fact, in the 1990s, two out of three immigrants came from some Latin American country. While in the 1960s Latin American immigration accounted for less than 4 percent of overall demographic growth, in the 1990s it was responsible for almost 30 percent (Table 1). This huge increase is reflected in the ethnic composition of the population of the United States. By 2002 Latin Americans represented more than 6 percent of the total population, to which we have to add another 4.3 percent representing persons born in the United States with a Latin American parent. Therefore, of every 10 people in the United States 1 is of Latin American origin, which makes Latin Americans one of the two principal ethnic minorities (the other being African-Americans).

Not all of the countries of the region have the same level of emigration to the United States. Three categories of nations can be identified (Fig. 1). Mexico, El Salvador, Cuba, the Dominican Republic, and Haiti have a high level of emigration, more than 6 percent. Of these the extreme case is El Salvador, 13 percent of whose population resides in the United States. For Mexico the figure is almost 9.6 percent. A second category includes the other Central American countries, along with Ecuador, Colombia, and Uruguay. Not all of these countries demonstrate an increase in emigration, but in all of them except Ecuador, Colombia, and Uruguay the rate is 2.5 percent or higher. In the rest of the South

Figure 1. Rates of Immigration to the United States by Country of Origin.

Sources: 1960, Pellegrino (2003); 1970–1990, CELADE (2005); 2002, CPS (2002).

TABLE 2
Estimated Number of Undocumented Workers by Region of Origin

	1990	2000
Total	3,765,897	8,705,421
Latin American immigrants	1,983,196	5,607,017
Mexico	1,008,372	3,871,912
Caribbean	197,227	282,242
Central America	499,504	828,444
South America	278,093	624,419
Rest of world	1,782,701	3,098,404

Source: Costanzo et al. (2002).

American countries, the rate is much less. The cases of Bolivia and Peru, with rates of emigration of nearly 1 percent, are exceptional. In the other nations, emigration involves less than 0.4 percent of their population (Pellegrino, 2003; CELADE, 2002; CPS, 2002).

Finally, a very important aspect of international migration is the magnitude of undocumented migration. According to estimates from the U.S. Census Bureau, in 1990 there were 3.8 million undocumented immigrants, of which half came from Latin America. By 2000 this number had more than doubled, reaching 8.7 million of whom close to two-thirds came from Latin America (Table 2). This fact is relevant because there is no doubt that the nature of undocumented immigration contributes to the vulnerability of migrants and is reflected in various forms of discrimination, segregation, and social exclusion. At the same time, these figures reveal undocumented migration as a social phenomenon with serious repercussions that cannot be confronted by reducing it to a strictly legal problem. On the contrary, it has structural causes and consequences. It is no accident that undocumented migrants tend to be segregated in the niches of the labor market in which vulnerability, precariousness, and labor instability are the worst.

THE LATIN AMERICAN IMMIGRANT

Although wide diversity exists, especially in terms of educational level, age, and gender, in general Latin American immigrants confront similar vulnerability and

Figure 2. Latin American Immigrants by Country of Origin, Showing Occupational Skill Levels.
Source: Author's calculations based on CPS (2002).

social exclusion. The proportion of immigrants employed in unskilled jobs exceeds the average for the United States except for Panamanians (Fig. 2). The extreme case is that of Mexicans, more than half of whom are employed in precarious unskilled jobs. Salvadorians, Hondurans, Guatemalans, and Ecuadorian immigrants face a similar situation, with more than 45 percent being unskilled laborers. Only in the cases of Chilean, Argentinean, and Panamanian immigrants is the proportion in highly skilled (professional and executive) positions above the U.S. average. The Mexican case, once more, is paradigmatic: less than 6 percent of Mexican immigrants are in professional or executive positions, about a sixth of the figure for the native-born (CPS, 2002).

In short, Latin American immigrants tend to be employed in the unskilled occupations that are the most precarious, deregulated, and unstable. Whereas this occupational segregation might be considered a result of their low level of professional preparation and training, the facts refute this hypothesis. When the occupational structure of Latin American immigrants is compared with that of the U.S.-born population, the tendency is for the former, regardless of educational level, to be predominantly employed in low-skilled jobs (CPS, 2002).

In the case of those with a low educational level (less than a high-school education), in almost all cases the proportion of Latin American immigrants employed in unskilled jobs is significantly higher than that of the native-born of similar educational levels (Fig. 3). In the case of the highly educated population (a Bachelor's degree or higher), the opposite prevails; the proportion of Latin American immigrants employed in positions in accord with their educational levels is significantly lower than the U.S. average.

This occupational segregation is demonstrated, among other things, in the wages that Latin Americans receive (Fig. 4). In 2002 the average annual salary of a Latin

Figure 3. Latin American Immigrants by Country of Origin, Showing Educational Attainment and Occupational Level.

Source: Author's calculations based on CPS (2002).

Figure 4. Annual Average Income of Latin American Immigrants by Country of Origin.

Source: Author's estimates based on CPS (2002).

American immigrant was \$21,300, 35 percent less than the average for the native-born. Only Panamanian and Nicaraguan immigrants received salaries above the U.S.-born average. Honduran, Dominican, Guatemalan, Mexican, Salvadorian, and Cuban immigrants received salaries 40 percent less and Costa Rican, Haitian, Ecuadorian, Peruvian, Uruguayan, and Bolivian immigrants salaries 20–25 percent less than the U.S.-born average (CPS, 2002). It might be argued that this precarious wage situation is due to the fact that Latin American immigrants have the most vulnerable jobs. This is, however, a much more complex phenomenon that involves a double process of labor segregation. In the first place, Latin American immigrants tend to be excluded from high-salaried occupations even when they have the required qualifications. In the

Figure 5. Average Annual Income of Latin American Immigrants as a Percentage of U.S. Average Annual Income, by Occupation and Country of Origin.

Source: Author's calculations based on CPS (2002).

TABLE 3
Average Annual Income (US\$) by Immigration Status and Occupation

Occupation	Latin American		
	Native-born	Immigrant	Difference (%)
Executive	63,291	46,617	-26.3
Professional	55,022	52,629	-4.4
Technician	39,773	43,370	9.0
Supervisor and salesperson	41,385	25,017	-39.6
Skilled construction officer	35,688	26,235	-26.5
Security worker	37,970	25,598	-32.6
Administrative aid	27,341	24,432	-10.6
Skilled manual laborer	36,466	24,196	-33.6
Truck driver	32,973	26,696	-19.0
Personal service worker	19,348	16,309	-15.7
Food preparation worker	13,093	16,282	24.4
Unskilled manual laborer	28,033	20,485	-26.9
Unskilled assistant	20,088	18,593	-7.4
Agricultural day laborer	20,627	16,053	-22.2

Source: Author's calculations based on CPS (2002).

second place, a second type of segregation is created at each occupational level and category that tends to place the Latin American immigrant in a job category that pays less than the national average (Fig. 5). Only those employed as technicians and in food preparation earn average salaries above that of the U.S.-born population. The greatest degree of segregation is found among those employed in supervisory work and sales

Figure 6. Latin American Immigrants by Income Level (All Wage-Earners 15 Years and Older).
Source: Author's calculations based on CPS (2002).

and among skilled manual laborers, where average salaries are 39.6 percent and 33.6 percent, respectively, less than those of the U.S.-born population employed in the same occupations (Table 3). It is also important to recall that 20 percent of Latin American immigrants work in these occupations. Mexican and Central American immigrants are not only exposed to segregation in almost all jobs but also receive the lowest salaries (CPS, 2002).

In the case of South American immigrants, the situation is more diverse and heterogeneous. For Colombian immigrants and, to a lesser extent, Ecuadorians, for example, there is hardly any salary differential relative to the U.S. average in all occupations. Chilean immigrants find themselves in the opposite situation, receiving lower salaries than the U.S.-born average in all occupations. Immigrants from the other countries receive lower salaries than the U.S. average in some but not all occupations. This labor segregation is directly reflected in an extreme form in the standard of living of the Latin American population in the United States, the incidence of poverty among these immigrants being twice that among the U.S.-born (Fig. 6). Among Latin Americans the wages of 15 percent are below the poverty line and those of another 16 percent 1.5 times the poverty line, while in the U.S.-born population only 7.6 percent and 7.4 percent, respectively, fall into those wage categories. This situation, with some minor variations, is reproduced among all Latin American immigrants. Although there are fewer Bolivian and Costa Rican immigrants falling below the poverty line, in both cases the number at 1.5 times the poverty line is significantly above the U.S.-born average. A similar situation exists for Nicaraguan, Chilean, Peruvian, Ecuadorian, Venezuelan, and Haitian immigrants, for whom the proportion falling below the poverty line is equal to or a little above the U.S. average but the proportion at 1.5 times

the poverty line greatly exceeds it. Finally, more than 15 percent of Cuban, Honduran, Mexican, and Dominican immigrants fall below the poverty line and more than 15 percent at 1 to 1.5 times the poverty line (CPS, 2002).

CONCLUSIONS

International migration illustrates the structural inequalities that globalization has created. These inequalities are manifested in labor segregation, social vulnerability, and precariousness of the immigrant's standard of living. I have documented this trend with recent statistical information, and I argue that the incorporation of these immigrants into the U.S. economy is directly conditioned by the contractual deregulation and labor flexibility of the job market, giving rise to new forms of differentiation and labor segregation (Stalker, 2000). Concretely, the statistical data indicate that, with some exceptions, Latin Americans tend to be exposed to various degrees of labor precariousness and occupation segregation. The data that I have presented allow me to document the situation of labor segregation from two perspectives. On the one hand, Latin American immigrants, even when they are trained and educated as are U.S. workers, tend to be relegated to jobs that require fewer skills and are more precarious, unstable, and vulnerable. On the other hand, Latin American immigrants systematically receive less remuneration than the average U.S. worker even when they are employed in the same occupations. In this way, Latin American immigrants are segregated into various low-salaried occupations. Mexican agricultural workers make up 25 percent of agricultural labor, a figure that increases to more than 50 percent in some states such as California. These are some of the most precarious jobs with the lowest salaries in the United States, and they contain the largest number of undocumented workers. Finally, even though the number of Latin American immigrants with higher levels of education being hired in skilled occupations is increasing, they also experience labor segregation and social vulnerability in that they tend to experience the most precarious working conditions and receive lower wages than U.S.-born workers in similar occupations.

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