

## Poverty Amid Prosperity

by

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Recently, about 40 people participated in a seminar at the Urban Institute in Washington, D.C. to discuss the policy implications of “Poverty Amid Prosperity.” This seminar was a synthesis of a series of workshops held between 1995-97 that examined how immigration is affecting agricultural areas in California and the U.S. The three major findings of the study follow:

1. Seasonal farm jobs are the major magnet drawing foreign workers into rural and agricultural jobs. Most foreign workers remain in entry-level jobs for less than ten years, so that the seasonal farm labor market is best thought of as a revolving door that attracts 200,000 to 400,000 new foreigners each year.
2. Changes in rural Mexico and rural America are encouraging settlement in rural America, which makes the migrants “us” and leads to issues associated with providing public and private services to migrants and their children.
3. Possible policy responses can be framed by the extremes of stopping the immigration at one end of the spectrum, to focusing on the integration of immigrants and their children at the other. In between solutions involve both more controls and continued integration assistance and proposals to require employers whose hiring decisions attract immigrants to absorb some of the integration costs.

The theme running through the discussion was that the U.S. risks the creation of a new rural poverty, transferring poor Mexicans to U.S. agricultural areas where they have little prospect of upward mobility. In many respects, current policies tend to reinforce *vicious* rather than *virtuous* circles in the agricultural areas of the U.S.

First, the data available suggest that immigration into the nation’s major agricultural area, the San Joaquin Valley, is producing a vicious circle of more farm jobs, more immigration, and more poverty rather than the virtuous circle that would result if the creation of more farm jobs reduced poverty. During the 1980s, for example, an analysis using the Urban Institute Underclass Database found that 100 additional farm jobs were associated with 136 more immigrants, 139 more poor residents, and 79 more welfare recipients.

The newly arrived immigrants did not get welfare, but their presence helped to hold down wages. Farmers often prefer newly arrived immigrants, and local residents eligible for welfare prefer benefits to seasonal

work. In the San Joaquin Valley, about 50% of the immigrants who arrived between 1980 and 1990 were from Mexico (another 25% were from southeast Asia). A combination of low earnings from seasonal employment in agriculture and large households gave Mexican immigrants who entered the U.S. incomes of \$3,700 per person in 1990, which was about the per capita income of Mexico. In other words, migration into the San Joaquin Valley might simply transfer rural Mexico poverty into rural America.

Second, federal and state policies are reinforcing the path toward the worst rather than the best outcomes. For example, U.S. border control operations have clearly raised the cost of entering the U.S. illegally, but so far they have not significantly reduced unauthorized entries. Instead of deterring entries, higher smuggling costs seem to have encouraged more unauthorized migrants to settle in the U.S. As they form or unify families in the U.S., migrants find it difficult to obtain legal status because of three and ten year bars due to illegal status, or because their incomes are too low to sponsor their families. The result is an increase in “mixed families” in which members have legal status ranging from U.S. citizen to unauthorized resident barred from legally re-entering the U.S.

It will be increasingly difficult to provide public services to such mixed families, which may limit the upward mobility of immigrants and their children. The net effect of continuing unauthorized immigration despite tougher border controls, ineffective interior enforcement and mixed families are likely to be a new rural poverty that will be costly and difficult to extirpate in the 21st century. Furthermore, many of the commodities and industries that today “need” a flexible migrant labor force will most likely be restructured as a result of changing trade, consumer taste and technology patterns.

The Clinton administration strongly opposes the solution offered by farmers: an easy-entry guest worker program that would prevent settlement in the U.S. by withholding 25 percent of each worker’s wages. Workers would be encouraged to return, the argument goes, in order to claim these wages in person in their country of origin. Instead, the Clinton administration would like to see a serious debate over labor alternatives for the 21st century. There is a sharp contrast between the significant federal resources—\$50 million—being offered to deal with the “shortage” of high-tech workers and the lack of new federal

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resources to deal with “shortages” of farm workers. Instead of debating alternatives, the farm guest worker debate risks becoming another in the century-long series of tests of political muscle between growers and farm worker advocates.

Easy-entry guest workers would leave the revolving-door farm labor market intact and past experience suggests that at least some of the guest workers will settle in the U.S. The other extreme is to worry less about the number and characteristics of new arrivals and to worry more about their upward mobility in the U.S. It is important to remember that the industries attracting rural Mexican immigrants are often the core industries of their communities. Thus, there is local reluctance to accept drastic labor policy changes that might threaten the economic viability of agriculture.

A new vision and new immigration and immigrant policies are needed in rural America—not only to acknowledge the importance of agriculture and food processing to local economies but also to recognize that immigrants filling jobs in these local core industries will likely to settle and that they and their children will expect to climb the U.S. job ladder. It has proven very difficult to develop policies that lead to gradual changes in the farm labor market. Immigration and integration in the agricultural areas of the U.S. typically goes through four phases.

- Phase one is the entry of solo males for seasonal farm jobs, with workers living 10 or 12 to an apartment or mobile home for three to six months, aiming to maximize remittances, and returning frequently to their homes abroad.
- Phase two is the shift from seasonal to year-round and usually nonfarm work in food processing, construction and services.
- Phase three is the settlement of spouses and children. This is the phase in which the communities

notice the migration, in the sense that community concerns shift to bilingual education and public services, and there is discussion of the responsibility of the local employer for coping with the demographic changes in the community that result from recruitment and hiring strategies.

- Phase four is integration and political activism by the settled immigrants. In California’s San Joaquin Valley, this phase was marked by the election of Hispanics to school boards, disputes about district versus at-large voting for city councils, and the shift in emphasis as Hispanics gain political power from, e.g., lowering taxes on farm land to economic development that creates good jobs.

The Commission on Immigration Reform in 1997 laid out the case for federal assistance for rural communities that experience rapid demographic changes due to immigration. This included urging the creation of systems that would, for example, warn school systems that they were about to get large numbers of non-English speaking children and tying reimbursement for educational services to outcomes, not methods of instruction. The CIR also emphasized that U.S. businesses, the primary beneficiaries of immigration, need to shoulder more of the cost and responsibility for integrating immigrants and their children.

Many cities and towns levy impact fees on newly built housing to raise funds for the cost of the additional school children and infrastructure that will be needed by new residents. And U.S. farmers pay fees to trust funds to do research on improving production and to promote their commodity in the U.S. and abroad. If the businesses attracting migrants into rural America do not voluntarily take more responsibility for integrating their migrant workers, a similar impact fee-assessment system could be developed to provide some of the needed integration funds.

*Reference:* Taylor, J. Edward, Philip Martin, and Michael Fix. 1997. *Poverty Amid Prosperity: Immigration and the Changing Face of Rural California*. Washington, DC. Urban Institute Press.

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