Occupational Channels?
New Destination Formation in a
Bi-National Context

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Overview

- Changing geography of Mexican immigration
  - Focus on food-processing in U.S. Midwest
- Occupational channels? A theoretical rationale
  - Migrants and agency (not simply demand)
- Data and method
- Key findings
- Implications and future directions

Background (I)

- Political economy of migration
  - Labor migrations not only based on micro-level actions
  - "Micro-level enactments" of macro processes of economic restructuring in sending and receiving countries (Sassen 2008)
- Migration as form of globalization
  - Diversification of sending and receiving sites (Castles and Miller 2007)
- Relationship between capital and labor flows
  - Across countries, over time
- Next stage: how macro-level, structural dynamics intersect with micro-level migration patterns
  - Focus on work / occupations
- Mexican migration to U.S. as case study

Background (II)

- Mexican migration dispersed spatially in 1990s
  - New (and re-emerging) destinations

- 1990: 86% of Mexican migrants to 5 destination states (Massey 2008)

- 2000: 63% (Expected further decrease in 2010)

- Challenges of immigrant *incorporation*

- Economic restructuring and *place-based demand* for immigrant labor

This Study

- Approach incorporation and new destination formation as related

- Focus on occupations / work sectors

- How availability of work (place-based demand) and skills/training (migrant supply) might explain new geography of Mexican immigration

- Closely related to comments from:
  - Philippe: how space and time interact
  - Ron: how migrants access labor market

Main Argument

- In context of international integration
  - Capital flows, trade integration
  - Established migration system
  - New economic geography of fixed capital investments in Mexico and U.S.
- Occupations in Mexico:
  - paths / "channels" for economic incorporation in U.S.
- Help explain formation of many new destinations in U.S.
  - Changing geography of Mexican immigration

A Bi-National Perspective

- Previous studies: mainly destination country
  - Challenges of incorporation in U.S.
  - Economic restructuring in U.S. (demand-pull)
- What about origin country?
  - Skills, talents, education migrants develop in Mexico
  - Migrants have agency (not just demand-pull)
- Do migrants move between analogous sectors of U.S. and Mexican labor markets?
  - Could help explain changing geography
  - Economic geography leads to shift in migration patterns
- Focus especially on food-processing sector
  - U.S. Midwest region, meat-processing

Food-Processing in U.S.

- Economic restructuring
  - Most prominent explanation of (re-)emerging destinations in Midwest (Stull and Broadway 2004, Kandel and Parrado 2005)
- Meat-processing significant component (nearly 40% of employment)
- High rates of firm consolidation, sales concentration
  - 4 firms process 84% of all beef in U.S. (Hendrickson and Heffernan 2007)
- De-unionization, declining wages, high turnover rates

Chicago's Packing Yard (2010)

NYC Meatpacking District (2009)

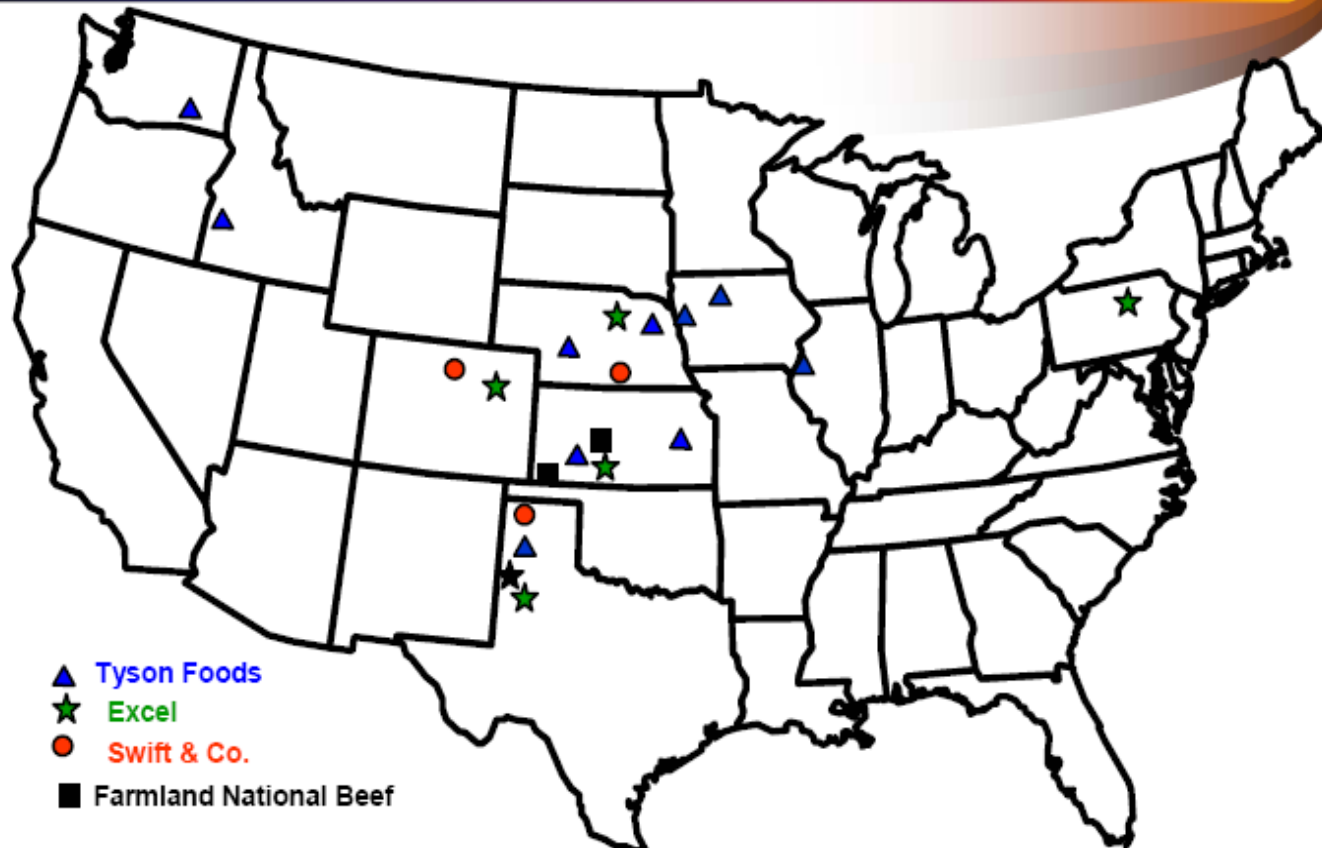Garden City, Kansas (2012)

Population 26,000 (2010)

900 miles from Chicago

350 miles from Denver
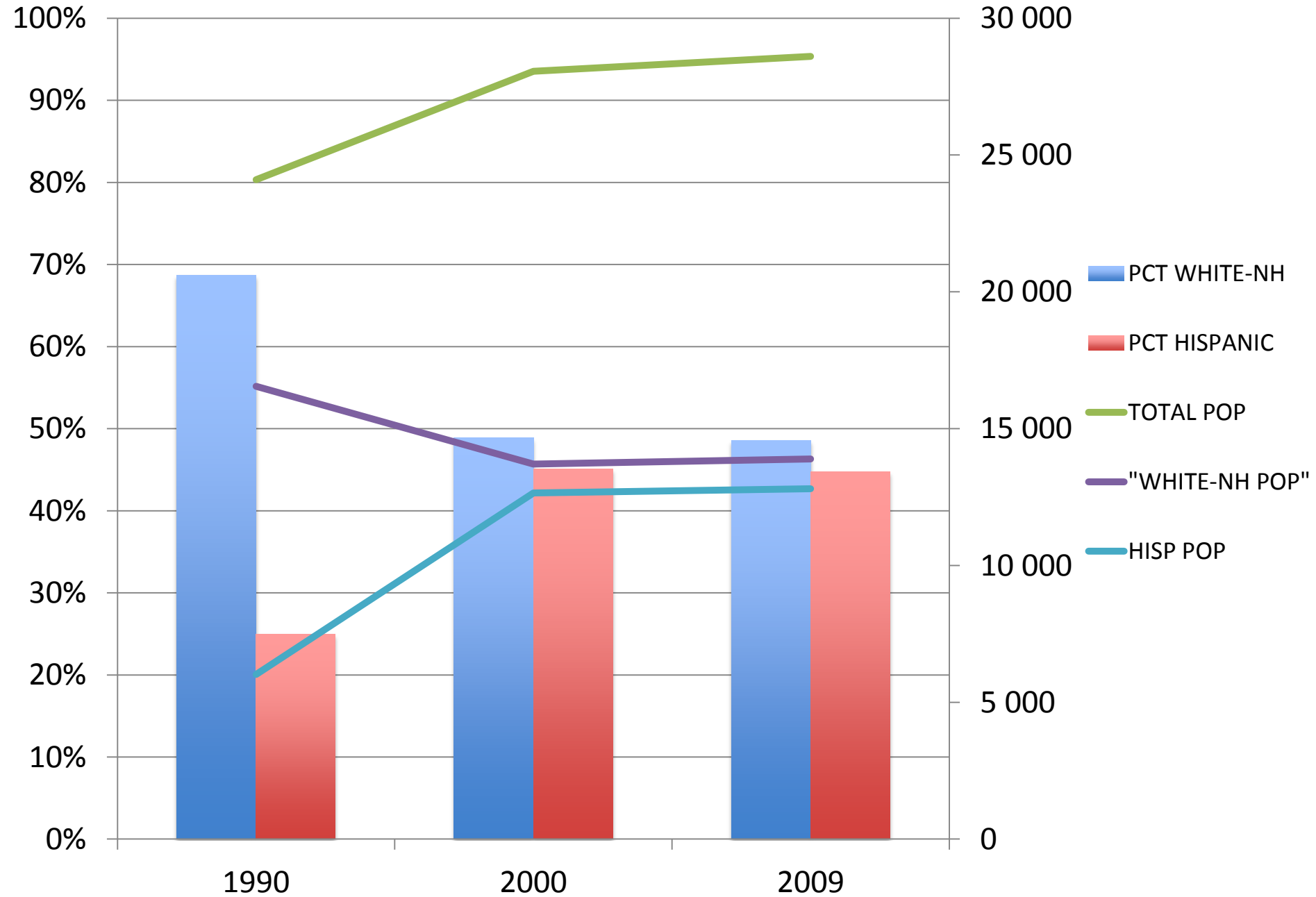
Largest Plants in the Great Plains

Major Fed Cattle Slaughtering Plants, Four Largest Firms, 2002

▲ Tyson Foods
★ Excel
● Swift & Co.
■ Farmland National Beef

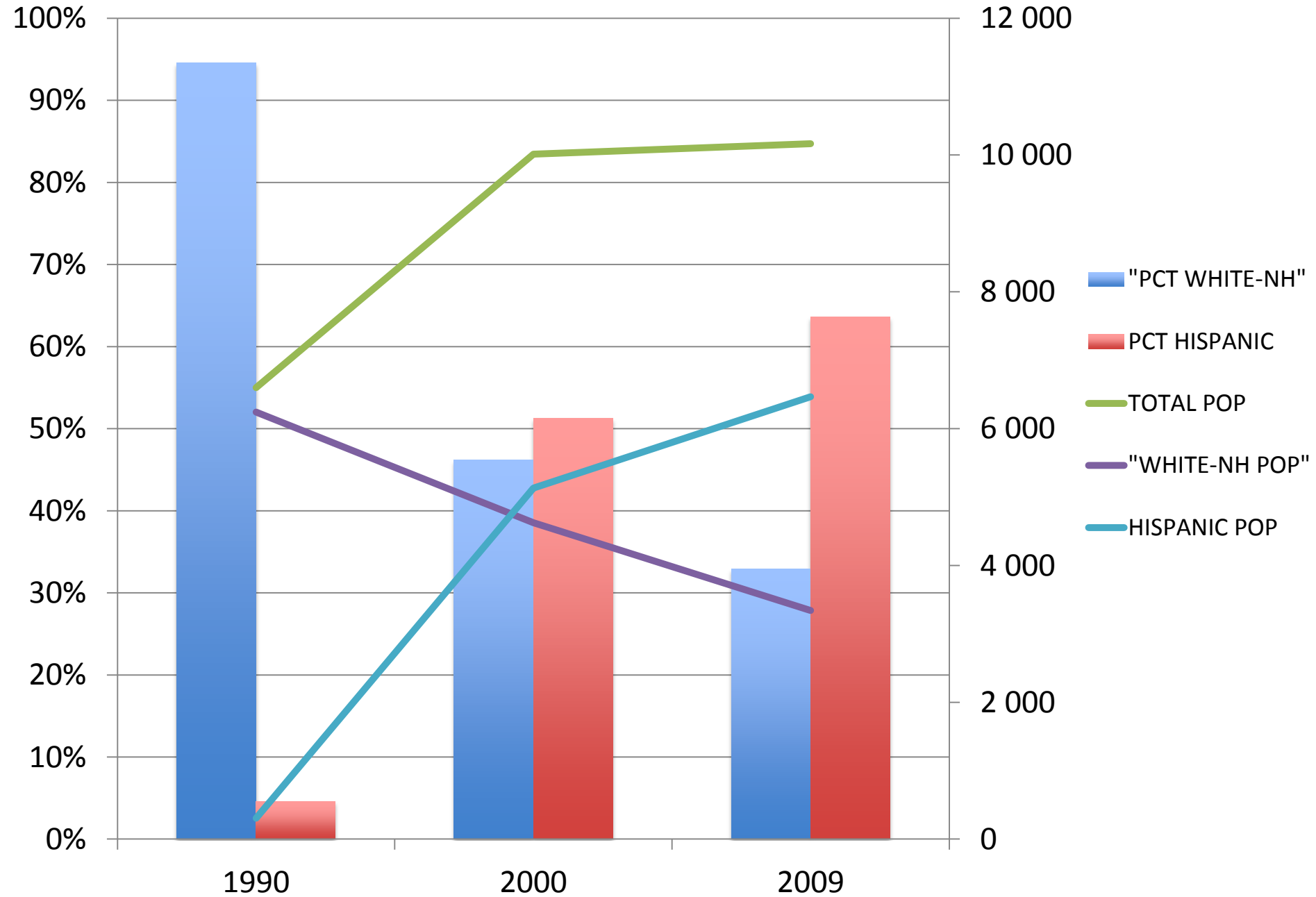Courtesy of Clement Ward, Dept. of Ag. Econ, Oklahoma State University

A Changing Region

- Nearly 60% of food-processing employment is in rural areas (Kandel 2009)

- Restructuring: large shift to Hispanic immigrant labor (Kandel and Parrado 2005)

- Hispanics at least 37% of labor force (Kandel 2009)

- Rather rapidly altered composition of many rural places in U.S.

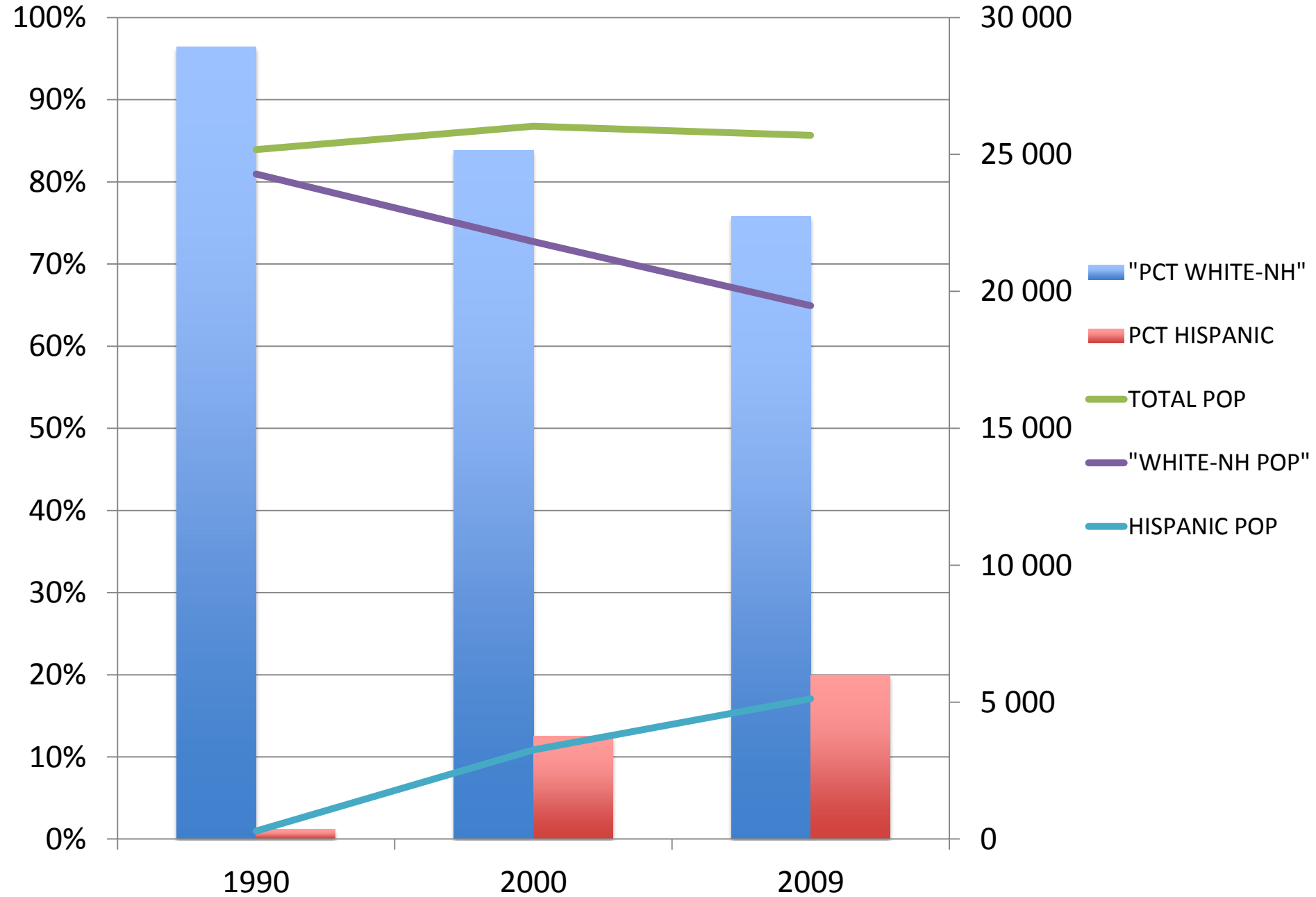Garden City, Kansas: 1990-2009

Lexington, Nebraska: 1990-2009

Legend:
- "PCT WHITE-NH"
- PCT HISPANIC
- TOTAL POP
- "WHITE-NH POP"
- HISPANIC POP

Marshalltown, Iowa: 1990-2009

"PCT WHITE-NH"

PCT HISPANIC

TOTAL POP

"WHITE-NH POP"

HISPANIC POP

Siler City, North Carolina: 1990-2009

Legend:
- "PCT WHITE-NH"
- PCT HISPANIC
- TOTAL POP
- "WHITE-NH POP"
- HISPANIC POP

Years: 1990, 2000, 2009
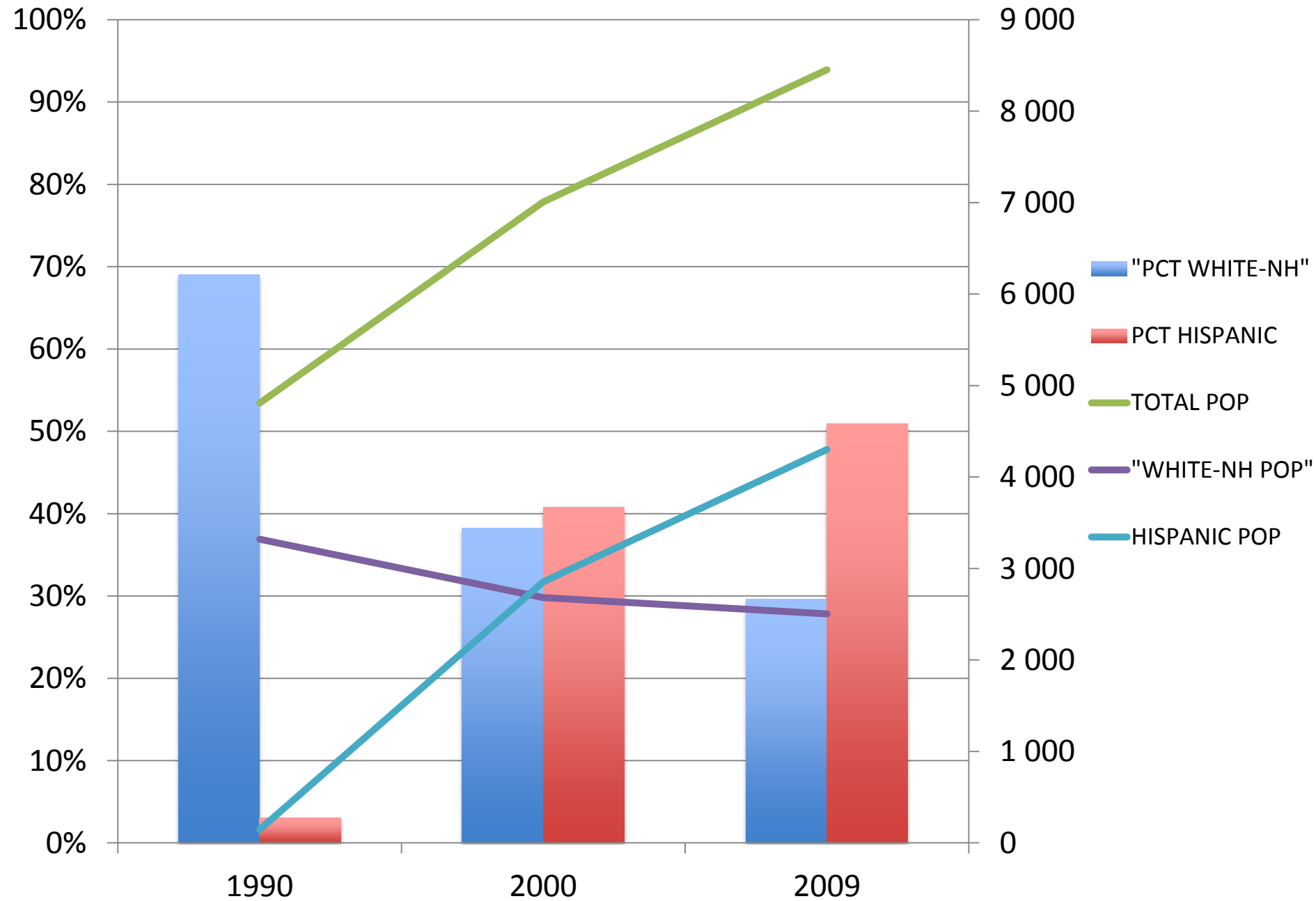
Hyrum, Utah: 1990-2009
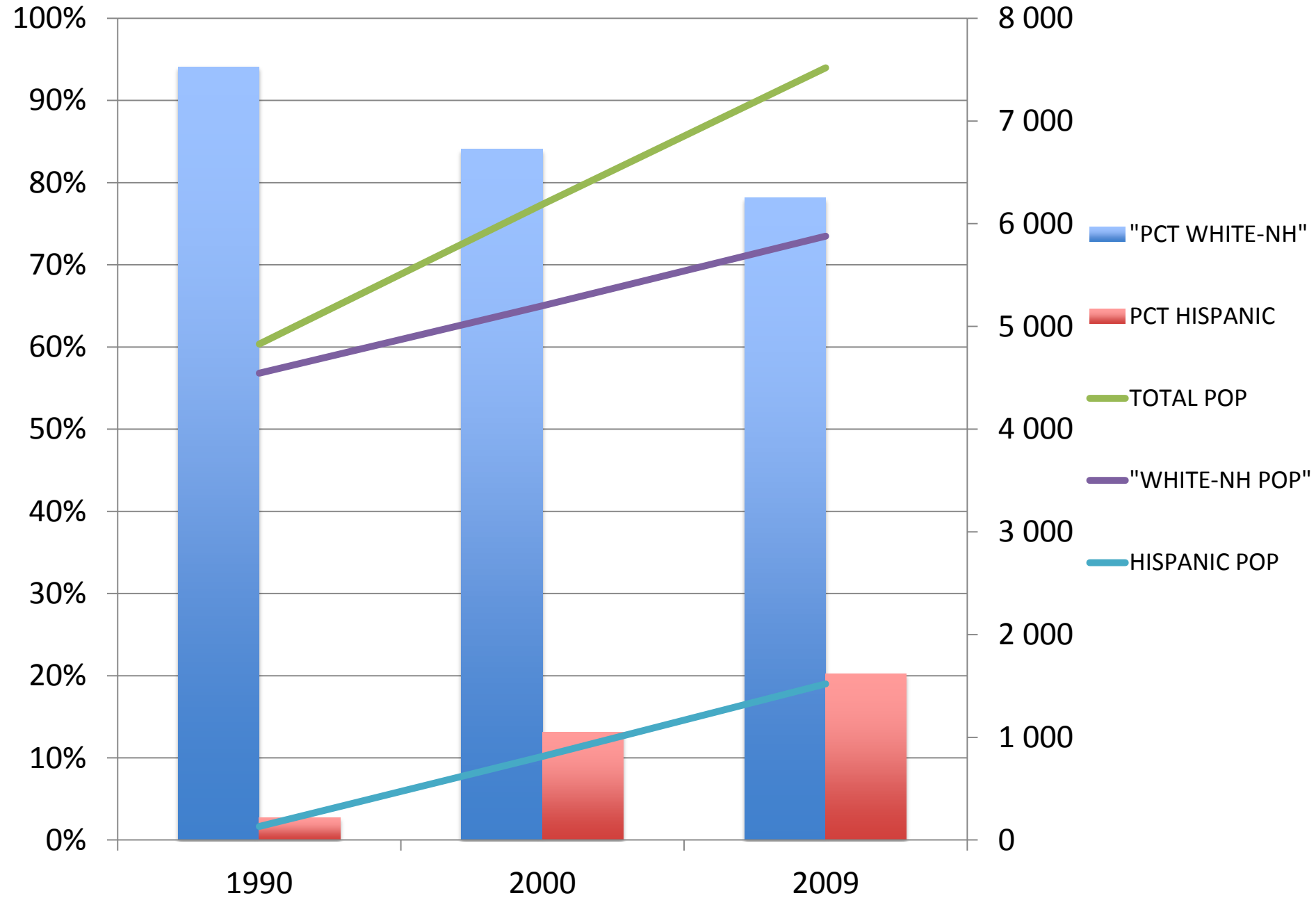
Restructuring and Demand

- New economic geography
- Place-based demand for immigrant labor
  - formation of many new destinations in rural U.S.
- But somewhat limited / one-sided account
- Presumably, demand is necessary but not sufficient
- More complete explanation includes work profiles in origin country / supply

Occupations as Paths

- Mexican immigration occurs in broader social context constructed over long history of political-economic integration
- Bi-national market for Mexican labor
- Within this context, occupations serve as paths / channels for migration
- Facilitate migration to specific occupations / places
- Previous research implies two mechanisms:
- Occupation-based social networks
- Migrant strategy of occupational continuity

1. Occupation-based networks

- At work, access social networks that facilitate ability to move
  - and direct to specific jobs / places
- Place-based labor market niches
- Poros (2001): Indian immigrant labor in London and New York
- Labor recruitment firms matching supply with demand
- Networks of information develop

Mexican Immigration in U.S.

- Well-developed labor markets in U.S.:
  - Primary: agriculture
  - Secondary: construction, manufacturing, transportation
  - Tertiary: service
- Demand for immigrant labor often supplied through employer recruitment networks
- Networks well-documented in U.S. food-processing sector

2. Occupational Continuity

- Not as widely recognized / acknowledged
- Job skills, training from work in origin country
  - Gain access to U.S. labor market
  - Achieve some upward economic mobility in U.S.
- Hagan, et al. 2011 – Mexican immigrant construction workers
- "Pathways to economic mobility in the U.S. labor market began in immigrants' home communities…" (p. 161)

Economic Incorporation

- Economic incorporation conforms to "U- shaped" pattern across a range of labor market outcomes (Akresh 2008; Borjas 1989; Chiswick et al. 2005)

- Occupational downgrading, integration, upward mobility

- Why?

- Much focus on acquisition of U.S.-specific human capital:
  - English proficiency
  - Education

Origin Country Skills?

- May not completely capture experience of incorporation
  - especially for low-skill immigrants (Akresh 2006, 2008; Hagan et al. 2011; Hernandez-Leon 2004; Semyonov and Gorodzeisky 2004)
- Neglects role of employment skills derived from origin country (Hagan, et al. 2011)
- Skills and training may provide access to labor market
- In some cases path to upward mobility
- Especially in context of established markets for immigrant labor

Not just 'low-skilled'

- Established markets for Mexican immigrant labor
- Not only in agriculture, 'low-skilled' jobs
- But 'skilled' jobs
- Hernandez-Leon 2004, 2008
  - skilled jobs in U.S. oil industry
- Skilled migration from Monterrey, Mexico to Houston, Texas
- Occupational skills in Mexico's industrial sectors allowed access to U.S. oil industry

Work in Mexico

- Migrant networks and labor demand both important

- But migrants' occupations in Mexico were crucial to emergence and direction of flows:

- "Ultimately…what made (niche occupational incorporation) possible was the fact that Monterrey-origin migrants possess the industrial background and skills that allow them to take on jobs as machinists, precision welders, and industrial maintenance mechanics" (Hernandez-Leon 2004: 446).

Not Only Access to Labor Market

- Also used to achieve degree of upward economic mobility
  - particularly for migrants with lower levels of human capital
- Hagan, et al. (2011): strategy of *brincando* (i.e., job-jumping)
- Use skills and training acquired in Mexico to secure better jobs
- "…As a number of immigrants told us when we asked where they acquired their skills, "yo traje la técnica" (I brought the method with me)" (Hagan, et al. 2011: 161)

Occupational Continuity and Mobility

- Again…"Pathways to economic mobility in the U.S. labor market began in immigrants' home communities…" (Hagan, et al. 2011: 161)

- Promotes migration along occupational/sectoral lines

Hypothesis

- Demand for immigrant labor is not sufficient
- Occupational channeling important mechanism
  - Through which demand is met with supply
- Promoted by employment networks
- Encouraged by the prospects for occupational continuity, upward mobility

- Test whether occupational sector in which a migrant is employed in Mexico predicts occupational sector that a migrant enters in the U.S.

Data

- Difficult because of data limitations

- Requires data on occupations in **both** origin and destination

- Data: Mexican Migration Project (MMP 124)

Analytic Sample

- Non-U.S. citizen
- Male household heads (MIG file)
  - Not PERS file, compare migrants with migrants
  - Too few females in food-processing
- Aged 16 or older
- Made last trip to U.S. after 1965
  - Approximately 40% made 1 trip, 60% made <2
- Employed in the U.S. during the migration
- Interviewed in U.S. or Mexico (85% in Mexico)
- Data available for 3,269 persons from 124 communities with complete information on each of the variables

Dependent Variable

- Categorical variable: *occupational sector in which a migrant worked in the U.S.*
  - food-processing sector
  - agricultural sector (primary)
  - manufacturing, transportation, and construction sector (secondary)
  - services sector (tertiary)
- Food-processing:
  - skilled and unskilled production workers employed as supervisors, equipment operators, or line workers in the food, beverage, and tobacco industry (INEGI occupational codes 510, 520, 530, and 540)
- Food, beverage, and tobacco industry includes
  - processing of meat, fish and derivatives, dairy products, grains, fruits and vegetables, sugar and chocolate, tobacco, and non-alcoholic drinks

Key Independent Variable

- Binary variable: *whether a Mexican migrant worked in the Mexican food-processing sector as a primary occupation*

Multinomial Logistic Regression

- Three simultaneous comparisons:
  - (1) food-processing and agricultural sectors
  - (2) food-processing and manufacturing sectors
  - (3) food-processing and service sectors
- Wald tests and likelihood ratio tests confirm that pairings of the dependent variable independent from others
  - Independence of Irrelevant Alternatives assumption not violated
- Robust standard errors
  - correct for the clustering of respondents in communities

Controls

- **Human capital**
  - Education, English proficiency, Migration status on last trip
- **Migratory social capital:**
  - Individual: number previous trips
  - Family: mother/father ever immigrated, sibling ever migrated, learned of work through relative
  - Community: pct. of community migrated, number friends migrated
- **Place (distinguish from occupation effects)**
  - Destination type in US: large traditional urban, small traditional urban, non-traditional urban, rural (McConnell 2008)
  - Origin type in Mexico: urban (metro or smaller urban) or rural (town or ranchero)
- **Policy context, major policy eras**
  - Post-Bracero era (1965-1979); Immigration Reform and Control Act (IRCA) era (pre-IRCA, 1980-1986; post-IRCA, 1987-1990); and the Illegal Immigration Reform and Immigrant Responsibility Act (IIRIRA) era (pre-IIRIRA, 1991-1996; post-IIRIRA, 1997-2008)

Key Descriptive Finding

- Evidence of occupational channeling
- 61% from the Mexican food-processing sector migrated for work in the U.S. food-processing sector
- Beyond food-processing sector
  - occupational channels linking all three major sectors of the U.S. and Mexican economies

Occupational Channeling

	Occupation in Mexico			
	Food-Processing N = 93	Agriculture N = 1,807	MCT[1] N = 1,959	Services N = 1,159
Occupation in the U.S.				
Food-processing sector	61.3%	2.8%	2.6%	3.8%
Agricultural sector	8.6%	54.6%	17.8%	19.0%
M/C/T sector[1]	12.9%	26.0%	63.6%	27.9%
Service sector	12.9%	14.0%	13.8%	45.0%

Key Multivariate Finding

- Primary occupation in the Mexican food-processing sector strongly predicts occupational sector in U.S.

	(2.1) Agriculture vs. FP[1]		(2.2) MCT[2] vs. FP		(2.3) Service vs. FP	
	Log-odds/Z	RRR	Log-odds/Z	RRR	Log-odds/Z	RRR
Occupation in Mexico (Agriculture is the reference category)						
Food Processing	-3.40*** (-4.01)	0.03	-4.32*** (-5.49)	0.01	-4.41*** (-6.13)	0.01

Beyond the Food-Processing Sectors

- Work in any major sector of Mexican economy predicts work in analogous sector of U.S. economy

	(2.1) Agriculture vs. FP[1]		(2.2) MCT[2] vs. FP		(2.3) Service vs. FP	
	Log-odds/Z	RRR	Log-odds/Z	RRR	Log-odds/Z	RRR
Occupation in Mexico (Agriculture is the reference category)						
Food Processing	-3.40*** (-4.01)	0.03	-4.32*** (-5.49)	0.01	-4.41*** (-6.13)	0.01
MCT[2]	-1.19** (-3.08)	0.30	1.03** (2.90)	2.81	0.07 (0.20)	1.07
Service	-1.34*** (-3.35)	0.26	-0.05 (-0.13)	0.95	1.18*** (3.50)	3.26

Reprise: Occupations as Channels

- Mexican immigration occurs in broader social context constructed over a long history of political and economic integration between the two countries

- Bi-national market for Mexican labor

- Within this context, occupations serve as paths / channels for migration

- Facilitate migration into specific occupations in specific places

Reprise: Value of Bi-National Perspective

- Demand for immigrant labor not entirely sufficient
- Migrants bring skills, talents, training into U.S.
- Occupational channeling a mechanism
  - Through which demand is met with supply in specific places (forming some new destinations)
- Reminder that migrants have agency
  - Migration as strategy for economic mobility
  - Crossing national boundary
  - Within the U.S. labor market

Future Directions (I)

- Labor market trajectories? 'Job-jumping'?
- Do immigrants who are 'channeled' fare any better, over time?
- Mexican migrants face significant obstacles regardless of destination context
- New destinations may be especially formidable
  - Relatively limited employment opportunities
  - Lack established communities of co-ethnics

Future Directions (II,III,IV)

- Role of gender?
  - Is channeling sensitive to gender?

- Compare first and last trips (for those with more than one trip)?
  - Is channeling a first step into labor market or cumulative process?

- Beyond Mexican migration?
  - Specific to Mexican immigration in U.S.? MAFE?

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OTHER SLIDES

Other Findings

(2) Role of FP in new destination formation
- 56% of Mexican FP went to large urban area
- But higher proportion 16% went to NTU (16%) or rural (14%) than Mex secondary or tertiary sector workers (but not Mex ag—14% also went to rural)

(3) Mexican FP workers more likely to migrate after 1990

(4) Slightly less-well embedded in migratory networks and to have obtained job through relative

Why New Destinations?

One explanation…

- IRCA (1986)
  - Imposed sanctions on employers knowingly hiring undocumented workers (eliminate job attraction)
  - Allocated new resources for border patrol (deter entrance)
  - Amnesty for migrants proving continual residence since 1982
- Massive wave of legalization
  - Provided residence documents to 3 million (2.3 million Mexicans)
- Result:
  - Sudden increase in labor supply in CA (higher unemployment for migrants)
  - Increased mobility to look for work (legally)

A second explanation

- Prop 187 (1994)
  - CA faced cuts to military spending after end of Cold War (home to many defense contractors)
  - Gov. Pete Wilson blamed immigrants on bad economy
- Led to referendum that passed in CA (proposition 187)
  - Prohibit undocumented immigrants from using public services (schools)
  - Required state and local agencies to report suspected undocumented to CA Atty. General
  - Made manufacture, distribution, sale, use of false documents a felony
- ACLU challenged. Declared unconstitutional by a federal court, never went into effect
- But sent a strong signal to immigrants in CA to look for other places

Another explanation…

- Selective hardening of the border (1993-94)
- "Prevention through Deterrence"
- Operation Blockade (1993 El Paso)
  - Immigrant traffic through El Paso dramatically
- Led to Operation Gatekeeper in (1994 San Diego)
  - Immigrant traffic declined
- But volume of immigration did not decrease
  - Just the geography changed
- New crossing points in deserts of AZ
  - "deflected" migration to new destinations

One last explanation…

- Changing geography of labor **demand**
- Employment growth for immigrant labor grew faster in new destinations (compared to CA and IL)

Which one?

- Not mutually exclusive
  - Prop 187 and IRCA legalizations made CA less attractive
  - Increased labor demand in non-traditional areas made them more attractive
- But, U.S. border policy is probably key
  - Because of just how large the shift was, and how quickly it happened
  - And because it was so marked for Mexicans
- Immigration now less a "regional" issue
  - More of a "national issue"