

## High-Tech industries dependent on immigrant labor, according to new study on foreign workers in U.S. & Japan

April 8, 1998

Media Contact: Dolores Davies, (619) 534-5994 or ddavies@ucsd.edu

### HIGH-TECH INDUSTRIES DEPENDENT ON IMMIGRANT LABOR, ACCORDING TO NEW STUDY ON FOREIGN WORKERS IN U.S. & JAPAN

High-tech, knowledge-intensive companies still depend on the labor of poorly educated, low-skilled immigrants, according to a new study completed by a team of 50 researchers in San Diego, California and Hamamatsu, Japan. The study was directed by immigration expert Wayne Cornelius, a political scientist at the University of California, San Diego.

The three-year study, based in UCSD's Center for U.S.-Mexican Studies, was designed to gauge how immigrant labor is being used in the economies of San Diego County, a primary gateway to the U.S. for Mexican and other Third World immigrants, and the city of Hamamatsu, a magnet for Latin American migrants to Japan since the late 1980s. The findings are based on 1,169 personal interviews with employers and immigrant workers from a broad spectrum of businesses in both cities.

According to Cornelius, the study challenges several assumptions that economists and many public officials have made recently about immigrants in the U.S. work force.

"Our findings indicate that foreign workers with less than a high-school education, very limited English language proficiency, and few formal job skills are being readily incorporated into the San Diego economy. This is a key finding, in view of the widespread assumption that the new, information-based technologies require lots of high-skilled, college-trained workers but very few of the less-skilled. The reality, as we discovered in our study, is that production of many types of electronic components invariably has a large, unskilled, menial, high detailed component which immigrant workers are quite capable of performing," he explained.

The researchers found that in Japan, migrant workers from Latin America and the Asia-Pacific region typically have higher educational and occupational skills levels than most Third World migrants to the United States. Nevertheless, the vast majority of foreign workers studied in Hamamatsu were being used to do low-skilled manufacturing, construction, and service jobs, even when they had previously held white-collar jobs in their native country.

The study also found that the demand for immigrant labor was largely unaffected by business cycles. Employers in both San Diego and Hamamatsu continued hiring foreign workers during the recessions of the 1990s. In San Diego, 63 percent of the firms studied did not lay off a single foreign worker. In Hamamatsu, only 28 percent of firms had laid off one or more foreign workers during Japan's protracted recession. Moreover, 36 percent of San Diego firms and 41 percent of Hamamatsu companies actually added foreign workers to their payroll, in spite of poor business conditions.

The study attributes part of the strong demand for immigrant labor in San Diego to the proliferation of immigrant-owned businesses. Among the firms represented in the San Diego sample, more than one-third were

owned by immigrants, with Mexico-born entrepreneurs being the most numerous. Such "ethnic enclave" firms draw even more heavily on the immigrant labor pool than businesses owned by native-born residents.

The study also found that Operation Gatekeeper, the U.S. Government's \$300 million effort to fortify segments of the U.S.-Mexico border, has had little impact on the supply of immigrant labor available to employers in San Diego. Only eight percent of the firms included in the study had noticed any decrease in the number of immigrant job-seekers following the implementation of Operation Gatekeeper, while 23 percent noticed an increase in the availability of such workers during the first 21 months of "Gatekeeper."

The UCSD researchers also found that Mexican workers in San Diego are staying longer and are more inclined to become permanent settlers in the United States than were previous generations of migrants. Of the workers interviewed in San Diego, nearly two-thirds expected to make their future permanent home in the U.S.

"A number of factors on both sides of the border underlie this trend," explained Cornelius. "Recurrent economic crises in Mexico have ravaged the country's employment base and widened the real-wage gap between the U.S. and Mexico. Changes in U.S. immigration law since 1986 have increased migration for family reunification. Also, structural changes in the U.S. economy have increased the demand for nonseasonal, year-round immigrant labor."

According to Cornelius, recent proposals for new guestworker programs in both the U.S. and Japan may be totally out of sync with the current needs of today's immigrant workers as well as immigrant-dependent employers, especially those in non-agricultural industries. Most firms in San Diego reported that they needed only permanent workers, and two-thirds of employers interviewed in Hamamatsu believed that foreign workers should be allowed to stay indefinitely in their country.

"In the U.S., and even more so in Japan, there continues to be an illusion of temporariness in regard to foreign workers, which is encouraged by guestworker-type proposals. In California, this illusion is simply no longer sustainable," said Cornelius.

Fieldwork for the study was carried out simultaneously in both research sites during the first half of 1996. In San Diego, employers and immigrant workers employed in the same firms were selected from 10 sectors of the County's economy: agriculture and horticulture, high-tech manufacturing, low-tech manufacturing, apparel, food processing, construction, hotels and motels, restaurants, landscape and building maintenance, and miscellaneous services (car washes, dry cleaners, and convalescent homes). In Hamamatsu, interviewing was conducted in manufacturing, construction, food processing, hotels, restaurants, and service businesses.

The \$425,000 study was funded almost entirely by grants from private foundations. The San Diego portion was supported by a grant from the James Irvine Foundation. The Hamamatsu portion was sponsored by the Japan Foundation's Center for Global Partnership. The research team consisted of scholars from 16 different Japanese, U.S., and Canadian universities.

(April 8, 1998)