

Deflecting Immigrants From Los Angeles

Any Lessons for Other Communities?

A REVIEW-ESSAY BY DAVID SIMCOX

"*Inevitableism*" is a clumsy neologism, but it best describes a deeply rooted attitude in America's decades-long debate over limiting immigration. The proposition that mass immigration into the world's richer countries is "inevitable" implies that restrictions, enforcement and other deterrents are futile, if not an offense against human rights and free market principles. Immigration can't be halted, it can only be "managed," it is argued by the literati of intergovernmental and international non-profit organization and among those American institutions with vested interests in abundant immigrant workers, immigrant consumers and immigrant clients.

"Management of immigration" implies that the task of immigrant destination countries is limited to checking in the masses of self-chosen migrants, funneling them promptly into the arms of needy employers, and signing them up for the smorgasbord of state social and economic benefits that is part of their "integration."

The push factors, such as poverty and joblessness abroad, and pull factors such as beckoning jobs and aging populations in developed countries, are viewed as irresistible. A corollary is that immigration into the United States is "market driven:" it will persist until the rewards or coming here are balanced out by the advantages of staying home. That is a truly dismal prospect: only when the downward curve of falling American standards intersects with the hoped-for, but still distant rising prosperity

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curve of sending countries, if ever, will mass immigration end.

Veteran immigration researcher and leading *inevitableist* Douglas Massey counsels Americans to get used to the fact of "perpetual immigration as a permanent structural feature of post industrial society of the United States"(Massey, 1995).

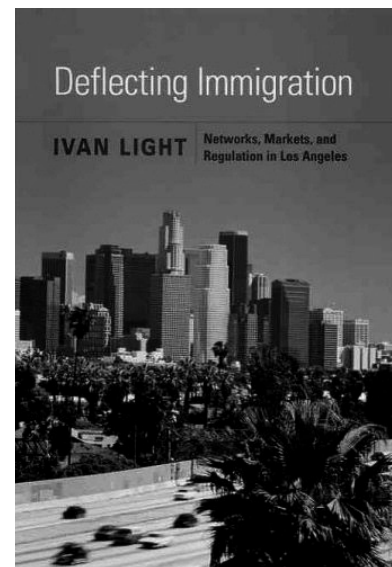
Are there no natural limits, no saturation points

Deflecting Immigration Networks, Markets, and Regulation in Los Angeles



by Ivan Light

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for immigration into a given area? How much immigration will a community tolerate in an environment of elitist moralizing and federal indifference to enforcement of its own laws?

Sociologist Ivan Light of UCLA, who has observed and written on the magnitude and effects of immigration into Southern California for more than two decades, thinks there are limits. Light is a leading expert on underground (informal) urban economies, principally LA's. He finds from the three-decade experience of Los Angeles in receiving a massive inflow of impoverished migrants from Latin America and Asia—75 percent of them from Mexico—that there are effective political limits to the amount of immigration that a target community with tolerate.

He is less certain about economic limits, noting that immigrants kept coming to LA after the formal job market was saturated, housing was out of reach,

and real wages and conditions in the underground immigrant and ethnic economies were abysmal. In LA's process, immigration began as "demand-driven" (responding to the perceived needs of employers). But after demand was satisfied, became "supply-driven" by conditions and needs in the sending countries.

He defines "poverty intolerance" as the trigger point when public and community are aroused against the abuses of excessive immigration. Light gives us both a working definition of "poverty intolerance" that is also a concise symptomatology of the societal stresses of over-immigration:

...localities tolerate poverty when they ignore vast slums and sweatshops, overcrowded housing, child labor, truancy, epidemics, high infant mortality, ubiquitous beggars, bankrupt hospitals, overcrowded schools, teeming informal sectors, degraded ethnic economies, freeloading sweatshop owners, and massive tax evasion. (Light, 163)

Politically Correct Backlash in LA

In the case of greater Los Angeles—although the trigger point for resistance was high indeed—explosive population growth, burdens on services, overwhelmed emergency rooms, collapsing housing and labor standards, and a mushrooming informal economy in the 1980s nurtured "poverty intolerance" among a fed-up citizenry and beleaguered local leaders, in defiance of the preferences of the elites of the local growth machine and the eternal booster, the *Los Angeles Times*.

Working mostly through state and local governments, slow growth movements and community civic and homeowner groups starting in the 1980s, Angelenos demanded and won—at least for a time—stronger enforcement of wage and hour, work safety, tax, zoning and housing occupancy rules.

It was not too soon, and possibly too late. Los Angeles in the 1990s had become a Dickensian vision of urban poverty and dysfunction. Between 1970 and 2000 the foreign born population of Los

Angeles County more than tripled; in the city of Los Angeles it quadrupled. After 1980 the declining welfare of the immigrant population became increasingly hard to ignore. Poverty rates rose in California even while dropping nationally. By 2000 immigrants were 61 percent of the poverty popula-



tion of southern California. And poverty's chief cause was not joblessness but "poverty among working Latinos," who as a group had high rates of labor force participation. (Light, 62)

Real wages of Latino workers declined markedly between 1970 and 1990. Even some academic and ethnic boosters of high Latin immigration conceded that "... a large supply of less-skilled workers has depressed wages and created more competition at the bottom end of the labor market . . . disproportionately composed of minorities, immigrants and second generation workers." (Light, 64)

LA's Nether World: The Informal Economy

An accompanying pathology was LA's mushrooming informal economy. Latino workers became a majority in the informal sector—once considerably smaller and heavily African-American—in the 1990s. The percentage of informal sector workers earning poverty level wages rose by a third in the same period. Nearly all street vending, domestic service, gardening, and building maintenance jobs were "informal." More than of 20,000 day laborers each competed boisterously on LA street corners for casual work. The city's sizable garment sector became informalized and fully manned by immigrants.

The proliferation of street vendors and day laborers was among the most visible and provocative display to Angelenos, as it has now become in other target US cities, of spreading economic desperation

and contempt for basic community and work place rules. Median estimate of informal employment share of Los Angeles County's total employment in the 1990s was 15 percent, with unpaid taxes of \$1.2 billion estimated for 2001. Light characterizes LA's burgeoning informal economy as an "employers crime wave." Data show immigrants also proliferating in the informal economy elsewhere across the state.

In 1980 and 1981 only 16 percent of undocumented workers in California were receiving wages in cash, and next to none of the legal immigrants were doing so. Twelve years later, 45 percent of undocumented immigrants and 25 percent of legal immigrants in California were receiving cash wages (Light, 50)

The Return of the Tenement Culture

Rising housing costs further aggravated the income stagnation wrought by the glut of immigrants.

Housing costs in Los Angeles, already 60 percent higher than the US average in 1970 when heavy immigration gained momentum, spiraled to twice as high as the US metropolitan average by 2000. Overpaying, made bearable by crowding, was the survival tactic of low income immigrants. Between 1980 and 2000 the percentage of LA households overpaying (i.e., spending more than thirty percent of household income on housing and utilities) increased by 25 percent, and the percentage of overcrowded housing units (i.e. more than 1.0 persons per room) doubled to 26 percent.

Absent vigorous government enforcement, landlords of crumbling tenements continued to collect high rents from their impoverished immigrant tenants while often ceasing to maintain their prop-

erties. Apartment houses became slums. Garages lacking plumbing, heating, ventilation, or even windows became a popular alternative to conventional housing. Some entrepreneurial landlords placed modular metal tool sheds on their property and rented them as residences. Often immigrants themselves, as primary renters or owners of homes, joined in the frenzy of subletting and gouging.

Single family homes were increasingly occupied by multi-family renters in hopelessly crowded arrangements. Heavy over-occupation of single-family homes in many neighborhoods overloaded sewers, water, and other services originally planned for much smaller numbers.

Justifying their weak enforcement of codes, local officials had long argued that strong action would make the situation worse by increasing homelessness. They had a point. Many landlords responded to heightened enforcement by simply forfeiting or abandoning their no-longer-profitable tenements, further raising rents generally and taking more affordable housing off the rolls.

Following a 1996 report of a blue ribbon housing commission, which found one-fifth of all LA rental units "substandard," Mayor Richard Riordan led a well-funded "systematic code enforcement program."

Riordan was supported by a coalition of civic, ethnic, church and even immigrants' rights organizations. This campaign slowed for a time

the growth of slums and restored the city's housing code enforcement, but decreased rather than increased the amount of affordable housing, raising the rent pressure on immigrants. The coalition of left-of-center, usually immigrant-friendly forces in the campaign had in effect supported a policy that help deflect some prospective Latino immigrants away from LA.

A similar crackdown on street vendors required



individual licensing and restricted areas of operation and markedly reduced the permissible number of licensed vendors.

These same immigrant-friendly interest groups backed the combined campaigns of federal, state and local enforcement to end wage, safety, child labor and tax abuses in LA's sizable garment sector. They faced considerable political inertia. For years the state and city had tolerated abuse and lawlessness in the textile and garment industries because of resistance among ethnic organizations, who represented both entrepreneurs and exploited co-ethnics in the industry, and because of the growth machine's commitment to more jobs and more population growth as ends in themselves.



The reform campaign succeeded, strengthened by an increase in the State minimum wage and tighter enforcement. A major public opinion catalyst came in 1995 when a raid by labor inspectors in the LA suburb of El Monte, uncovered a slave labor clothing factory operated by Thai immigrants using imprisoned Thai workers. (Light, 106)

A refreshing sign of change was that LA's business and government officials backed a crackdown even knowing that much of LA's vast, informal garment industry would not survive international competition if held to the mainstream economy's wages and working conditions.

The number of immigrant job opportunities declined. At its peak in 1996 the LA textile and

garment industry had 150,000 workers, not counting the sizable cohorts in the informal sector. By 2003, the work force had shrunk to 68,000 known workers.

With the backing of liberal interest groups, these reform measures over time eliminated a portion of the poverty-level jobs that drew new immigrants to the area and allowed many others to remain. The effective campaign was a rare instance in an American city of non-economic community interests trumping powerful, well connected special economic interests backed by the growth machine.

Word of the increasingly high housing costs and the declining job and earning prospects in the region for unskilled workers was transmitted by migrant networks back to intending immigrants at home. The crack-down slowed the growth of new settlement in the region among Mexican and Central American immigrants, while improving modestly the income and conditions of those who remained. As much as a million prospective immigrants had been deterred or re-routed. Census data shows that the growth of the foreign born population, which had increased by nearly 100 percent from 1970 to 1980 and 66 percent in the 1980s to reach 38 percent of LA, grew by only 170,000 between 1990 and 2005. Growth of the foreign born population of greater Los Angeles, estimated at 35 percent in 2005, showed a similar deceleration between 1990 and 2005.

Absorption and Deflection: America's de facto Immigrant Policy?

Did LA's policy of deflection show immigration into the US in general? Not at all, according to the author. Deflection from Los Angeles, the prime gateway of immigrants since 1970, did not signal intending immigrants to stay at home, but to consider alternative regions of settlement in the U.S. where earnings were as good, where new networks beckoned, and where the critical income-rent ratio was more favorable than in overcrowded LA.

Los Angeles had gone through an extensive period of absorption of immigrants that witnessed increasing hardships for the immigrants themselves

and a deteriorating quality of life in the host community that ultimately became the basis for “political limits” on further immigration.

Light calls this dialectic “absorption and deflection.” As alternative immigrant-receiving regions in turn absorb immigrants to the point of “poverty intolerance” they too gravitate toward policies of “deflection.” The author labels this process “sequential absorption and deflection,”



Latino activists protest the latest Immigration and Customs Enforcement (ICE) crackdown on employers who hire illegal aliens.

which he calls the *de facto* “immigrant” policy of the United States.

Where did the deflected immigrants go? The book has summary data and exhibits showing the rapid rise of the shares of the foreign born population in non-gateway states and cities in the 1990s—and continuing into the 2000s. The main states of Mexican settlement, California, Texas and Illinois, received 83 percent of all Mexican immigrants before 1980, with the remaining 17 percent dispersed among the other 47 states. But by the 1990s, the big three states’ share was down to 61 percent. Nearly four in ten Mexican immigrants were choosing settlement in the non-traditional target states.

States with fewer Mexicans or Central Americans, such as Georgia, North Carolina, Virginia, Nebraska and Iowa, saw sudden growth of those populations in the 1990s, accompanied

by the virtually overnight eruption of pockets of rural poverty and linguistic isolation in scattered small town and rural outposts hosting low-wage industries, such as poultry and meatpacking in the Midwest and south, from Garden City, Kansas to Georgetown, Delaware.

While deploring the discrimination implicit in “poverty intolerance,” the author concludes that its results were on balance beneficial—both for the deflecting communities and the deflected immigrants themselves. Deflection lowered pressures on affordable housing and wages of those immigrants who remained, while lowering the housing costs—if not necessarily increasing the wages—of those who went elsewhere. Higher labor standards in Los Angeles cost some marginal workers their jobs, but improved the lot of those remaining. Deflection, Light concludes, distributes the burdens and benefits of immigration more evenly around the country.

The Significance of “Deflection” for LA and the Nation

There are ironies aplenty in the author’s analysis of the political forces aroused by “poverty intolerance.” Those varied coalitions included both liberals and conservatives, the well-intentioned and high-minded as well as the presumably bigoted and exclusionist. His analysis is useful for those seeking formulas for effective immigration reduction. Light also sheds much needed new light on the obstructive power of the urban growth machine and its tunnel vision toward abusive immigration and efforts to regulate it.

Much of the impetus for curbing the “immiseration” of LA’s foreign born came from humanitarian groups appalled by the spread of slums and sweatshops, deteriorating neighborhoods and falling wages. The Catholic Church, rarely averse to over-immigration, was in the forefront of those demanding reforms, such as a higher and better-enforced minimum wage and effective labor and safety standards.

Some employer interests, weary of unfair competition, supported curbs on the informal economy. (Other hard-pressed employers, however, opted to join it.) LA’s growth machine fought

a rear-guard action against tighter regulations, with familiar arguments: enforcement of housing occupancy rules, wage and hour and tax laws will just cause more homelessness, unemployment and more concealed informal employment; the informal economy in an important source of vigorous entrepreneurialism and economic growth, providing jobs of last resort for new, under skilled immigrants to begin working their way up the income ladder. Unfettered economic growth is the best way to pull immigrants out of poverty, while population growth increases property values, and so on.

If the housing market had responded to the swelling flow of immigrants to Los Angeles beginning in the 1970s as textbook economic theory holds, it would have produced sufficient new multifamily affordable housing in Los Angeles and suburbs for the region's new work force. In the author's words, Los Angeles could have dealt with the immigrant crush by becoming a west coast version of Queens, NY, with a high population density accommodated in myriad multifamily structures served by ample and reliable public transit. LA, where the fully detached family home on a yard is king, did not cotton to emulating Queens. Nor do most other U.S. cities seem willing to tailor the land use and life styles to the needs of masses of penurious immigrants.

The obstacles to creation of affordable housing in the U.S. are not just neighborhood resistance. A critical factor in a costly city such as a LA with skyrocketing house prices and stagnant or falling worker earnings is the difficulty—without extensive subsidies—of producing at a profit “affordable” housing to rent or sell at a price even many middle class workers can afford. Poor immigrants in Los Angeles and other major gateway cities, with their strategy of “crowding and overpaying” often compete for affordable housing with domestic middle class victims of wage stagnation.

Even when subsidized and pushed by state and local governments, affordable housing remains a tough sell in established neighborhoods. For this the author blames LA's Nimbys (“not in my backyarders”)—the local activist homeowner, preservationists and environmental groups as major

players in keeping housing for poor immigrants confined to the central city and to the barrios of LA's satellite towns.

The Nimbys' “ring of iron” resistance in LA city and many suburban governments thus help perpetuate the scarcity, poor quality, and high prices of downtown housing that helped deflect immigrants away from the LA area and into to new immigrant growth areas with cheaper housing.

The traditional middle class preference for communities with low density, open space, and well spaced single family homes, for Light and



many others, took the form of “exclusionary zoning,” which even federal fair housing laws and state mandates in California and elsewhere have been unable to completely overcome.

Light is not happy with the Nimbys' parochial turf defenses, and their prejudices toward renters in general, high density housing, and loss of open space. Here he ignores a deeper dimension of the LA Nimbys' opposition, the perception that illegal immigrants are usurpers, whose claims to accommodation in their neighborhoods accordingly have little legitimacy.

The Lessons for Immigration Reformers?

We can now see that the process Light observed in Los Angeles presaged—as California trends often do—the galloping spread of a more vehement ‘poverty intolerance’ toward illegal aliens across the land in the last five years. LA's

lesson for the newly “poverty intolerant” states and localities would justify another, more ample paper. But a few observations are in order.

For LA, “poverty intolerance” came too late. It may have deflected as many as one million, but that was not enough to ease the city’s, LA County’s or the state’s worst wounds of over-immigration. In the 2000s LA is still beset by white and black flight; a heavily dropout, limited-English labor force; Latino gang violence resembling “ethnic cleansing (Southern Poverty Law);” distressed or non-existent housing, widening income inequality, and a crowded, non performing LA Unified School District.

Immigrants and their children have ballooned LA Unified’s enrollment, pushing it from 593 thousand in 1988 to 741 thousand in 2005 in spite of significant white out migration.

White enrollment in 2003 was down to 9.4 percent, with Latinos at 72 percent. The dropout rate for students entering high school in 2006 was 45 percent. (Economist)

LA’s informal economy has continued to grow and spread, and some city economic leaders now express concern that it will displace much of the formal economy. One indicator is the reblossoming of free-lancing street vendors. While there was a police crackdown on illegal vendors in 2006, the LA County Director of Environmental Health said in spring of 2007 that the country had 7500 licensed vendors and “two to three times” that many unlicensed, noting that there were “absolutely no safeguards in terms of sanitation.” (LA Times, April 1, 2007.) A 2005 study found that LA city’s off-the-books workers increased by nearly five percent between 2000 and 2004—to 304,000. (LA Economic Roundtable). For the five-county greater LA region,

1.2 million persons were estimated to be working off the books in mid-2003, up 20 percent from 2002. According to California’s Franchise Tax Board, underground workers cost the state at least \$3 billion annually in income taxes—one third of that in LA alone. (Los Angeles Business Journal)

Immigration-fed overpopulation has not eased as a concern of many Californians. While a smaller share of the national total, California’s immigrant population continued feverish growth in absolute numbers between 1995 and 2005, rising by two million to just under ten million. No other state has even half as many.

Census data suggest that a sizable number of those immigrants deflected from LA did not go far, settling in the booming neighboring counties of Riverside and San Bernardino to such traditionally immigrant saturated

communities as Santa Ana, California (53.3 percent foreign born, 50 percent of housing units crowded, and a 20 percent poverty rate in 2000), which now seem as unlikely to be poverty intolerant as are Guadalajara or San Salvador. Phoenix and Las Vegas, metro areas of apocalyptic growth, have attracted masses of immigrants once bound for LA. Their growth-at-all-cost civic culture makes them prone to replicate the LA experience.

The policy of deflection is probably a one-time event for LA, unlikely to happen again because of the Latino’s capture the LA mayoralty and growing clout in the state legislature. Mayor since 2005, Antonio Villaraigosa seems more accommodating to immigration. In 2007 he pushed a city referendum on a \$1 billion bond issue (Measure H), to be repaid with a tax on homeowners, to increase affordable housing. The referendum failed, but only because it fell just short of the required two-thirds



California Gov. Arnold Schwarzenegger is increasingly accomodating toward immigrant interests.

majority. It will probably be back.

California Governor Arnold Schwarzenegger is also increasingly accommodating toward immigrants. He pushed through a state-wide \$2.9 Billion bond issue (Proposition 1C) for affordable housing and now plans to offer state-financed universal health care to illegal immigrant children. Deflection is unlikely to have a high priority in LA and California for the time being. The California legislature now seems more intent on barring state agencies and local communities from penalizing illegal immigrants. A recent California Assembly bill (AB967) would bar cities and counties from requiring landlords to check the immigration status of tenants.

But a growing number of states and cities outside California are opting for deflection and have the political will to push deterrent measures that LA never attempted. The experience of LA and other overrun southern California towns highlights the importance community protection of housing and occupancy standards. A federal court ruling in July, 2007, blocked Hazleton, Pennsylvania's unprecedented ordinance to bar landlords from renting to illegal aliens from housing. Other jurisdictions have prepared or are considering similar measures. If ultimately cleared on appeal, the Hazleton ordinance could be a critical weapon in deterring illegal immigrant settlement. If it is never approved, much could still be accomplished by tighter general occupancy restrictions and unwavering enforcement against abuses by landlords and tenants alike.

Some of the deterrents spurned by LA that state and local governments are adopting are federal immigration enforcement training for local police, denial of business licenses and other sanctions for employers of illegal aliens, and denial of public assistance and services. Others regulate or forbid street day labor markets or bar the use of foreign

documents or IRS individual taxpayer identification numbers as ID in public transactions.

While promising, most of these measures will risk rejection by courts (see: *Lozano, et al. v. City of Hazelton, Pa.*) and opposition from local growth machines, ACLU, ethnic organizations and their church patrons. These opponents will be able to deploy a profuse array of civil rights, fair housing and equal opportunity regulations that were not



Recent measures by Hazelton, Pennsylvania's officials to prohibit public assistance and city services to illegal aliens would serve the long-range interests of Hazelton's residents. The future of not only Hazelton's taxpaying, native population—such as the parents of this girl in Hazelton's Thomas Elementary School—but the fate of similar communities across America hangs in the balance as federal courts block local ordinances that seek to deter illegal alien settlements.

originally intended to protect illegal immigration.

Another obstacle will be the limited resources of State and local governments for enforcing their restrictions. Regional and local governments, in the absence of federal leadership or even interest, would work for multi-jurisdiction compacts in enforcing similar immigration restrictions. This would extend the reach of their resources and keep successful enforcement in one jurisdiction from simply expanding the illegal presence in neighboring places.

What states and localities must do, however, and what will be most “counter-cultural” for them, is to examine their array of economic development incentives and subsidies to businesses, ostensibly to promote job growth and expand the tax base. These functions, often carried out in “partnership” with the

non-government growth machines, use low-interest loans, grants and tax breaks to stimulate creation of low-wage, low skill jobs which lack appeal for the local labor force. Even localities most aggressive in resisting illegal immigrant settlement—Cobb County, Georgia, and Loudoun, Fauquier, Culpeper and Prince William Counties in Virginia—still mount active job growth incentive programs.

Beleaguered local governments should instead emphasize local programs to match unemployed teen-agers, seniors, African-Americans and the disabled with jobs in such immigrant-magnet sectors as hospitality, business maintenance, home care and landscaping.



States and localities often use public funds, or Federal pass-through grants, to support immigrant and refugee aid, which then extend their services to illegals. State and local programs promoting affordable housing,

legal aid and public health clinics should have clear restrictions on their use by illegal aliens.

Light is certain that LA's deflection strategy did not reduce immigration nationally, since the deflected simply changed their destinations. This argument is already being used to claim that state and local pressures will just shift immigration to less resistant areas.

Light's argument is questionable. A reasonable assumption is that the increased inconvenience and economic costs to prospective migrants of settling in the number one U.S. gateway led some of the least motivated or most faint-hearted to forego migrating altogether. Sustained pressures by state and local governments and increases in the number of localities adopting them (see, Migration News) may well become factors in the cost-benefit calculations future intending immigrants, winnowing out the less determined and shifting the flow of those illegal immigrants who do come to the unconditionally welcoming metropolises and asylum cities will encourage the eventual rise of "poverty intolerance" in those places.

Finally, a key lesson for states and local communities in the LA government's experience is attracting liberal and pro-immigrant support in the interest of maintaining higher standards for the lawful immigrants themselves as well as the community. Most worthy of emphasis is that the community acting against illegal immigration is not intolerant of poverty, but of the exploitation, greed and lawlessness that have aggravated the poverty of U.S. born and legal immigrant alike and diminishes the quality of life of all. ■

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