

The Effects Of Mexican Immigrants On the U.S. Agricultural Sector



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Research Methods

Abstract

This study analyzes the effects that migration from Mexico has caused on the United States' labor market, focusing specifically on the agricultural sector. There are specific circumstances analyzed in order to reflect the effects and/ or involvement in the agricultural sector. The circumstances are whether the migrant is legal or illegal, the income they receive, the educational attainment they possess, and the perception issues of U.S. residents that may be involved. Each circumstance presents the degree to which the agrarian sector is affected. Ultimately, the study demonstrates that based on these key issues, there may be a positive or negative effect.

Table of Contents

Introduction		1
Literature Review		3
Conceptual Framework	9	
Results	14	
Legal Status	14	
Wages	15	
Education	16	
Perceptions	17	
Conclusion		19
Future Research		21
References		23

Introduction

Immigration is an issue that has been widely debated since the settling of the Americas. Every immigration movement that has occurred has sparked some type of controversy among Americans whose ancestors arrived previously. This is especially interesting because most Americans today descend from ancestors that were immigrants to the United States. Some Americans take issue with large influxes of immigration claiming that they will increase crime rates and reduce employment opportunities for those that are already established in the United States. The already controversial topic of immigration has had different reasons throughout time to add to the controversy, such as racism and discrimination.

Today, the U.S.-Mexico border has developed into one of the current most controversial regions regarding immigration. Since before the establishment of the Bracero Program, there has been an immense flow of Mexican immigration to the United States. Historically, Mexican immigrants have entered the United States labor market through the agricultural sector. Many of these Mexican migration flows had been temporary, but more recently there has been a positive increase in permanent migration. This immense migration to the United States that continues to grow has without a doubt had an impact on the U.S. economy, and even more specifically, an impact on U.S. agriculture.

Therefore, in this study the effect of Mexican immigrants on the U.S. agricultural sector will be analyzed. The extent to which U.S. agriculture is

affected is based on four variables. These variables are the immigrant's legal status, the wages they receive comparatively, the educational level they possess, and the perceptions of established U.S. residents as to what benefits and hinders the U.S. agricultural sector. This study will discuss the impact that each of these variables has in determining Mexican immigration levels.

Literature Review

In the past hundred years, there have been an increased number of immigrants in the United States. Recently, the Hispanic population in the United States has become the fastest growing minority. Of the Hispanic migrating population, Mexican immigrants account for the largest immigration rates of any given country. Mexican immigrants, both legal and illegal, have therefore affected the United States labor market significantly. Of the labor market, the sector most influenced over time by an influx of Mexican workers has been agriculture. Therefore, in my study, I will analyze the affects Mexican immigrants, both legal and illegal, have had on the U.S. labor market's agricultural sector, especially focusing on the relationship between education levels and wage differentials.

There are no specific analyses of data that focus their entire study on the effects of Mexican migrant workers on the U.S. agricultural sector. Therefore, I began searching for data that would show how Mexican immigrants affect the entire U.S. labor market. More specifically, I focused on elements that could directly affect the agricultural market. I researched Mexican immigrants' earnings relative to the rest of the labor market, the implementation of different migration programs, past immigration characteristics, education levels and its influence, comparisons to other ethnic group to see the relative standings, and the number that actually migrate. These issues provide a good basis for further comparisons and to see under which conditions the effects vary.

Frank D. Bean, B. Lindsay Lowell, and Lowell J. Taylor (1988) conducted a study that demonstrates the effects of Mexican immigrants on other employees in the labor market. This study shows that the statistically significant effects of undocumented Mexican workers' earnings to those of other workers are positive, but with minimal importance. It also shows that legal Mexican immigrants affect the earnings of native whites negatively, but also to a minimal degree. This study could then support the possibility that undocumented Mexican immigrants support and help the jobs of other employees in other groups. Since immigration is such a disputed issue, Philip L. Martin and Michael S. Teitelbaum (2001) discuss the immigration problems that exist and what effects will result if different programs are implemented. They concluded that the economic effects of a guest worker program, especially in agricultural fields, could prove to be detrimental if these workers decide to permanently migrate to the United States. They also discuss the fact that many U.S. fruit and vegetable producers are aware that maybe half of their employees could be unauthorized to work in the U.S. and are pushing production levels in order to take advantage of low wage Mexican workers while they can. This will allow the producers to benefit now, especially if the U.S. economy continues to weaken further. Similarly, David M. Heer (1979) analyzes the amount of Mexican illegal aliens that enter the U.S. in a year. He uses seven different studies to arrive at a number, but all of the studies vary significantly. Although the numbers vary, all studies support the fact that the labor influx from Mexico is composed more of illegal than legal immigrants.

Another way to see the impact of Mexican immigrants is to see what has occurred in the past. Maria Elena Bickerton (2001) analyzes what occurred in the only bilateral immigration program between the United States and Mexico, known as the Bracero Program. She explains why cooperation between Mexico and the United States was established, why it diminished, and what was accomplished during this period. Her analysis demonstrates that similarities exist in political and economic aspects of the U.S. and Mexico today as compared to that of the 1940s and 1950s. Before the Bracero Program was implemented there had been an agricultural unionization in California from 1927 to 1936. Mark Reisler (1973) analyzes the expansion of irrigated agricultural enterprises in California by Mexican immigrants and the role they played in the profitability of agriculture in California. He demonstrates how the low wage rates of Mexican immigrants contributed to the profitable agriculture in California from 1927 to 1936.

The education level of Mexican immigrants is a key indicator as to why they have played such a vital role in the agricultural sector. Yinon Cohen, Tzippi Zach, and Barry Chiswick (1997) examine the inequality that exists in the education of Mexican immigrants. They demonstrate that Mexican immigrants are at a lower level of education as compared to that of other immigrants. This then helps show why there are an increased number of Mexican immigrants in labor-intensive jobs. Charles Hirschman (2001) analyzes the enrollment of immigrants in education. He shows that the age of migration for Mexican immigrants directly affects the position, field, and/or industry the youth will work

in. Those who migrated before becoming teenagers are less likely to hold labor-intensive jobs, such as agriculture, than those who migrated during their teen years due possibly to educational attainment in the U.S.

Different analyses have shaped the mentality of many Americans to the issue of immigration. Kenneth F. Scheve and Matthew J. Slaughter (2001) analyze the determinants of individual preferences over the immigration policy in the United States. Their empirical results show that less-skilled workers prefer to limit inflows of migrants into the U.S. These results did not change in areas where there was high-immigration.

The issue that Mexican migrant workers are willing to work for lower wages also plays a key role in their effect on the agricultural sector. Julie A. Phillips and Douglas S. Massey (1999) analyze the effect of the Immigration Reform and Control Act (IRCA) on Mexican migrant wages. Wages are compared pre and post IRCA establishment. Their study showed a decrease in wages, especially in illegal Mexican immigrants because IRCA standards discouraged employers from hiring illegal labor. Andrew M. Yuengert (1994) analyzes the relative earnings estimates for immigrants. Even though changes in the quality and assimilation of immigrants are not a measure of earnings, they have supported the growth that has occurred since 1964. They also support an overall decrease in immigrant quality, but an increase in Mexican immigrant quality and earnings potential. Zaida M. Feliciano (2001) also examines the wage differences over time (1910-1990) between Mexican immigrants and native whites. She estimates that economic performance has declined largely due to

the level of knowledge Mexican immigrants possess. She further shows the differences in income and what percentages of Mexican immigrants are in what industry, agriculture playing a major role throughout this period.

Comparisons between native-born Americans and immigrants help a person view the differences in where labor is distributed. Chris Minns (2000) in his analysis shows that there has been a positive progress in the migrant population. His statistics demonstrate the percentage of native-born with native-born parentage as compared to foreign-born adults, children, and second-generation born immigrants' involvement in the labor sector. Agriculture percentage is compared and contrasted to white and blue-collar workers. Results in his study show that with increased assimilation, immigrants move towards and adopt the same percentages as white Americans. Cordelia W. Reimers (1997) also analyzes how Mexican and white, non-Hispanic immigrants have progressed comparatively within the southwest United States. She shows that Mexican workers progress slower than white non-Hispanic immigrants. Location also plays a key role because many Mexican immigrants do migrate to the southwest United States in order to work in low-skilled agricultural jobs. She also discusses the fact that assimilation plays a key role in progress. Therefore, Mexicans who come just for employment may not be looking to assimilate, thus causing a low progress level.

Although none of the above studies directly relate to how Mexican immigrants affect the agricultural sector, they do provide information for variables that do directly affect their involvement in this sector. Many of the variables

provide a cause for the effects Mexican immigrants have on U.S. agriculture.

Using these various variables will allow the study to better reflect their direct impact. They will also help eliminate any biased opinions that may exist in the previous studies. The literature provided would make this study an analysis that entails the components of why and to what extent is the United States' agricultural sector impacted.

Conceptual Framework

The conceptual framework of this topic can have many opposing viewpoints. Many studies have indeed provided conflicting conclusions. It can be argued that an increase in immigration to the United States increases the domestic capital. This is due to an increase in the population, which in turn increases human capital. With an increase in human capital, the wealth of the United States increases due to the supplemental aggregate. The production of other capital usually follows that of human capital. With more people available to work, the production levels of a country increase.

It can also be argued that the immigrants that come to this nation have certain similar characteristics. In order for them to take the giant leap of migrating to the United States, they must possess qualities of bravery and be risk takers. In order for a person to part from their homeland and their customs, they must have a sense of reassurance and a drive to work and be successful. All of these characteristics are present in people who are entrepreneurs.

Foreigners, especially when they first migrate to the United States, begin working in labor-intensive jobs. This could be due to a language barrier or the skills that they possess. Necessary work in the United States is often the less desirable type of work, such as farming, construction, and meatpacking. Many foreigners migrate and quickly take these positions without complaining.

Immigration can also be said to reduce the amount of jobs available to those already residing in the United States. Technology has also been blamed for a reduction in the number of jobs available, which may be due to downsizing.

It has been argued that with a loss of jobs due to technology, jobs have become scarcer and the competition to get these jobs has increased. Many have therefore disputed the fact that what immigrants pay in taxes is equal to the amount given to them in benefits. On the contrary, as mentioned above, many foreigners migrate and begin to work in occupations that are undesirable to those residing in the United States. Therefore, there may be an increase in competition, but among each other for these undesirable jobs. Furthermore, the labor market competes at different levels. It is true that wages may decrease as a result, but mostly amongst competing immigrants. In labor-intensive occupations, such as agriculture, a reduction in wages can be beneficial to the United States because it causes a reduction in the price of products.

I would then argue that immigrants could have a positive impact on the United States economy, which has been evident since the 1800s. Also, I believe that if no immigration were allowed, the U.S. economy would further suffer due to the increase in prices. It has been said that immigrants hold extremely low levels of education, which has definitely not been the case. If we were to analyze the level of education of immigrants 100 years ago to that of today, it would be evident that as time has progressed, immigrants to this nation have more acquired knowledge.

Also the argument that where there is increased immigration, there is increased unemployment is false. I analyzed the states that had the largest number of immigrants as compared to those that have the least immigration. I found that there are not increased unemployment rates in areas that have more

immigration. On the contrary, I found the unemployment rates to be higher in areas of lower immigration. As mentioned numerous times previously, this may be due to the fact that immigrants will take available jobs, even if they're not appealing and occupy them, thus increasing the employment statistic. Also, the majority of immigrants migrate while they are in their prime working age. They have the mentality of coming to the United States and making a living, regardless of what job they may need to take initially. I found that immigrants have a higher labor force participation rate than those that are U.S. born. Of the immigrant's labor force participation, Hispanics are found to be the most involved and actively participating in the labor force. This becomes increasingly interesting, due to the recent influx of Hispanics to the United States.

Now, I will discuss a recent issue that has gained much attention. This issue is illegal immigration to the United States, much of which deals with the U.S.-Mexico border. The movement of Mexican illegals to the United States has a direct correlation with the economic performance of each of these nations. When the Mexican economy begins to recuperate after all the corruption that has existed and all the changes that have occurred, there will be a smaller number of illegal immigrants to the United States. Permitting the U.S. market to behave naturally, has caused many illegal Mexicans migrate to the United States. If the U.S. government decides to become involved in this natural behavior and force a reduction in the number of illegals migrating, this could be harmful and detrimental to further policies regarding migration.

The need for labor was especially evident when the Bracero program was implemented. This program allowed Mexican workers to work in the United States under contracts. Low wages has been a key reason for bringing in Mexican laborers since this time. Today, keeping low wages in the agricultural sector is done using the same method. Now, U.S. farmers hire independent contractors to find the employees needed to farm their lands. These independent contractors have to be competitive in order to find a good number of U.S. farmers willing to hire them. Therefore, in order to offer the lowest price, independent contractors look for the cheapest labor. The cheapest and most abundant labor is that of illegal Mexican immigrants. For instance, if there are around 250,000 agricultural jobs in California, which can be done at half of the minimum wage rate, profits increase and U.S. farmers become more productive. Consequently, since there is a reduction in the production cost, low prices can be maintained at a low cost. If the amount paid in wages doubles, there will be a automatic increase in the price of production, which would cause there to be less profits and the product to increase in price.

In effect, I believe that if the government sees that there is a need to discourage immigrants from coming to the United States, the best way to do this is by helping to improve the economies of their homelands. Getting involved or restricting the inflow of human capital is interfering with the natural behavior of a free market, which will prove to be detrimental. I believe that the U.S. agricultural sector will continue to gain if they keep on producing at low costs. Although, it is not proper to enter a nation illegally, the United States may want to further

consider what effects these low wages have had on the United States' agricultural sector.

Results

My research has found that there is a beneficial effect of Mexican immigrants being involved in the U.S. agricultural sector. This impact or effect is not a new story; it has existed since the large influx of Mexican Immigrants to this country began. Since the Bracero program of the 1940s and 1950s, Mexicans have increased their immigration to the United States to specifically work in the agricultural sector. This program has been the only bilateral program for immigration to exist between the United States and Mexico.

Legal Status

My research concluded that there are specific degrees of difference when comparing whether the immigrant is legal or illegal. This issue of legal status is quite interesting in that I found that a majority of legal immigrants has previously resided in the United States as illegal immigrants. I found that if the immigrants are illegal, they are more likely to be involved in the agricultural sector. Also, illegal Mexican immigrants are less likely to be a threat to others in the U.S. labor market than legal Mexican workers.

The number of illegal Mexican workers is very difficult to measure. Illegal Mexican immigrants are characterized by being more involved in labor-intensive occupations. Illegal Mexican immigrants would be expected to then negatively affect legal Mexican immigrants because many times they hold the same type of positions in the labor market. This is not the case, though. This is due to the fact that once a person is legal in this country; they are required to be paid minimum wage. Most illegal Mexican immigrants are likely to work for less and in less

desirable conditions. Illegal Mexican immigrants also aid in the production of other laborers, thus enhancing total production, while only incurring a small cost. Therefore, many illegal Mexican workers benefit others by doing the necessary and undesirable work for a lower price.

On the contrary, Mexican legal immigrants are less likely to be involved in the agricultural sector. With a legal status, they can legally acquire more skills to improve their potential in order to work in more attractive occupations. Legal Mexican immigrants can therefore become more competitive with other groups. This would cause a negative effect on others in the labor market because they are competing for the same jobs as others in the labor market. Therefore, illegal immigration is increasingly more economically beneficial than legal immigration.

Wages

The amount a Mexican immigrant makes is directly related to how involved they will be in the agricultural sector. Also, if Mexican immigrants are not increasing their wages at the same percentage as other groups, one may conclude that this is because they are willing to work at a lower wage. Since in many of the agricultural jobs, Mexican immigrants are competing with each other, they bring an already low wage down even further. I found that when you compare wage increases among immigrants and others, there is less growth in immigrant's wages. Also, I saw that after different programs were implemented to reduce immigration of Mexican workers, such as the Immigration Reform and Control Act, their wages suffered even more.

Also, the wages of Mexican agricultural workers can be based on many different characteristics. Many Mexican immigrants were paid based on their ability to produce and their level of contribution. As they received more training and improved their levels of productivity, they would get a wage increase accordingly. After the implementation of different programs, the characteristics that determined how much they are paid changed. Wages became more dependent on what they knew and their work experience than on what they are able and willing to do. Also, if they had good recommendations from previous U.S. employers, they were more likely to be hired and given a higher pay. With an increased strain on the employers hiring Mexican immigrants, the market amongst them became more competitive, which has caused it to become more difficult for these immigrants to be hired.

Education

The performance of Mexican immigrants in the labor market can be directly attributed to the education they have. Therefore, Mexican immigrants are more likely to hold labor-intensive jobs because their education is significantly lower than other United States residents. Since there has been a great influx of immigrants who have high education levels, especially in the 1980s, Mexican immigrants have found it increasingly difficult to move out of the agricultural sector. Since the overall level of education in the United States has increased and the level of Mexican immigrants' education has remained constant, they have experienced an overall reduction of employment offers and their relative

wages have decreased. Because of their large migration rates, they have further increased the gap in the inequality of education.

Mexican immigrants are around 25% of the migrating population; this then puts them in a significant position when analyzing the United States level of education. The younger Mexican immigrants are when they migrate to the U.S., the higher probability they have of being better educated. Mexican immigrants, who migrated after already beginning their education in Mexico, have lower levels of education. If Mexican immigrants arrive before they start school, they are more likely to achieve education levels similar to that of those born in the United States. With a constant rate of educational attainment, the Mexican immigrants that will be the most negatively affected are those that migrate as adolescents. These results just further emphasize how important it is and the difference it makes if a person assimilates to the United States' culture.

Perception

The United States economy is definitely affected by an increase in Mexican immigrants to this country. Whether one views the effects as negative or positive, depends greatly on the type of employment one possesses and more specifically in this study, if the native born Americans are involved in the agricultural sector. Therefore, perception plays a key role in determining to what extent an individual is affected.

Also, and probably most importantly, it is vital to analyze how views regarding immigration policies change with the skill level a person possesses. We must also take into consideration a person's political mentality, ethnic

background, and race. I believe that those persons that will oppose an increase in immigration are those with fewer skills. Similarly, native-born Americans that are already working in the agricultural sector would want more measures taken to reduce the migration of Mexican immigrants. They take the view that since Mexican immigrants are willing to work at a relatively lower wage, they are a threat to them maintaining their position in the labor market.

Legal status, wages, education, and perception all are significant variables when analyzing the effects of Mexican immigrants on the United States' agricultural sector. The impact on agriculture's labor market fluctuates along with changes in each of these variables. Lower education, an illegal status, and the acceptance of lower wages make the probabilities higher that the individual will be a component of the agricultural sector. Also, those mostly affected in the U.S. labor market are those that hold jobs in this sector. Overall, it is vital to compare these characteristics to know the extent to which the United States agricultural sector will be affected.

Conclusion

Do Mexican immigrants affect the U.S. agricultural sector? Mexican immigrants definitely have an impact on United States' farming. In my research, the variables I used demonstrated what characteristics are more prevalent in the Mexican immigrants that work in U.S. agriculture.

Explaining the extent to which Mexican immigrants are involved in agriculture is a direct result of their legal status, education, and wage demand. Mexican immigrants that were illegal were much more likely to be involved in agriculture than legal Mexican immigrants. Also, immigrants that migrated at a young age and began their education in the United States are less likely than those who began their education in Mexico to be involved in the U.S. agricultural system. Finally, immigrants that do not demand a certain wage and are willing to work below the minimum wage rate are very much more likely to work in agriculture in the United States.

With the hiring of illegal workers being the most profitable, I believe it will be interesting to see if any new programs are implemented. Guest worker programs had become a major topic of discussion between President George Bush and President Vicente Fox prior to September 11, 2001. They had discussed these programs and believed that it would be a win-win situation for both countries. U.S. farmers would then be able to take advantage of a legal program that provides labor at a lower wage. Likewise, Mexican workers would benefit by having more income than they would in Mexico.

Mexican immigrants, accounting for more than a quarter of all immigrants, are an immense group of people that have been known to be involved in the agricultural sector. Since they began to migrate to the United States, they have primarily settled in areas where agriculture is the main occupation, such as the southwestern United States. In the future, with possible changes in the Mexican economy, it will be interesting to see how the migration levels fluctuate and what effects those changes will have on the U.S. agricultural sector.

Further Research

This analysis, while answering the effects of Mexican immigrants on U.S. agriculture, opens many doors for future subjects to be researched. Before any other analyses are performed, it would be beneficial to devise a better way to measure both legal and illegal Mexican immigration. These numbers would provide actual percentages that could be used to further compare Mexican immigration to that of other nations as opposed to speculation. These numbers would also allow us to visualize how each demographic group has affected U.S. agriculture over time.

A study that could provide good comparisons is one that analyzes how Mexican immigration has affected the entire United States' labor market and how these numbers have fluctuated over time. Looking at any drastic changes in this data from one sector to another could reflect how the economy is responding to an increase or decrease in the number of Mexicans migrating.

Also, better immigration numbers would allow us to see the quantitative effects of the Bracero program and how it has impacted migration levels. It could help identify whether or not the Bracero program became an incentive for increased migration. This would, in turn, help conclude if a similar program should be adopted today. It can then be further analyzed if the implementation of a similar program would be economically feasible.

An analysis of the economic reasons behind migration from Mexico could also be an interesting topic to study. The economic stability of Mexico and the United States can be compared to see if immigration rates responded and

demonstrated an impact. Also the relative earnings of staying in Mexico as compared to migrating to the United States can provide further explanation as to why immigration rates may fluctuate.

Many of these studies could help formulate the answer for the ultimate controversial topic of migration. The need for a reduction or expansion of migration, when specifically dealing with U.S.-Mexico relations, could be more adequately answered if all these analyses were conducted. They would facilitate in the measuring of pros and cons associated with migration and answer the question of what Mexican immigration is truly bringing the United States.

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