

How Wage Law Enforcement Deters Hiring of Low-Wage Undocumented Immigrants and Disperses them to other Low-Wage States —the Los Angeles Case Study

Ivan Lighty, a UCLA Professor of Sociology highlighted the effects of wage enforcement on immigration in his 2006 book, *Deflecting Immigration: Networks, Markets, and Regulation in Los Angeles*, a book that emphasized that cracking down on wage law violators made hiring undocumented immigrants less attractive to employers and led to a dispersion of new immigrants away from southern California into states like Arizona and then other states with weaker wage law enforcement.

<http://www.russellsage.org/publications/books/060110.834679>

Ivan Lighty wrote this update to his research in fall 2007:

<http://www.migrationinformation.org/Feature/display.cfm?id=645>

Political Causes of Mexican Dispersion

Slums and sweatshops had long been illegal in Los Angeles, but the enforcement of anti-slum and anti-sweatshop ordinances, as well as the enforcement of minimum wage laws, had been lax. It is important to note that, between 1980 and 2000, California consistently raised the state's minimum wage above the federal level. By 2000, California's minimum wage was 12 percent higher than the federal level. In 1998, only eight states had set their minimum wage above the federal level.

To combat immigrant poverty, high-profile law enforcement of these ordinances sharply increased beginning in the late 1980s and continued through the 1990s. Although enforcement of ordinances and wage laws did not eliminate sweatshops and slums, enforcement did slow their growth below the rate of immigrant influx...

In effect, the enforcement of anti-slum and anti-sweatshop laws helped push, or deflect, Mexican immigrants from Los Angeles to other parts of the United States. At the same time, enforcement succeeded in upgrading the living standards of the 63.3 percent of Mexican immigrants who were not deflected. If the bottom third of any income distribution is removed by deflection, the average income of those remaining will increase...

Using census data, we can calculate that the Los Angeles metropolitan area deflected a million immigrants to other metropolitan areas in the United States between 1980 and 2000.

The research was prominently cited in places like this *LA Times* article by Lighty (abstract):
<http://pqasb.pqarchiver.com/latimes/access/1021507701.html?dids=1021507701:1021507701&FT=ABS&FMTS=ABS:FT&type=current&date=Apr+16%2C+2006&author=Ivan+Light&pub=Los+Angeles+Times&edition=&startpage=M.3&desc=How+L.A.+kept+out+a+million+migrants>

Text of *LA Times* article

How L.A. kept out a million migrants Los Angeles Times April 16, 2006 Sunday

Los Angeles Times
April 16, 2006 Sunday

BYLINE: Ivan Light, IVAN LIGHT, a sociology professor at UCLA, is the author of "Deflecting Immigration: Networks, Markets, and Regulation in Los Angeles."

BODY:

CONVENTIONAL wisdom holds that cities and metropolitan areas are powerless to deter immigrants from moving in. Evidence suggests otherwise. Between 1980 and 2000, the Los Angeles metropolitan area deflected nearly 1 million Mexican immigrants, legal and illegal, to other U.S. cities.

During that 20-year interval, the immigrant population in the United States increased from 14 million to 31 million, but the percentage of those immigrants living in the city of Los Angeles declined from 6.8% to 4.9%, according to U.S. census data. That translates into 600,000 fewer immigrants in 2000 than would have resided here without the decrease. The same relative decline was evident in the five-county L.A. metropolitan area. The region's share of the U.S. Mexican immigrant population in 1980 was 32%; 20 years later, it was only 17% -- about 961,000 fewer Mexican immigrants living in L.A., Ventura, Orange, San Bernardino and Riverside counties than otherwise would have.

Why did a million Mexican immigrants bypass the L.A. region and settle elsewhere? Three factors were important: migration networks, market economics and tougher local regulation of slums and sweatshops.

New immigrants like to settle with friends and family members who came earlier, so they tend to cluster in a few localities. Potential migrants back home remain in contact with those who have migrated, and when they decide to leave, follow them. That is why the L.A. region was home to 31% of the nation's Mexican immigrants in 1980 but to only 5% of the U.S. population.

But this kind of network-driven migration eventually caused economic hardship among Latino immigrants in L.A. As migration networks routed ever more immigrant workers here, competition for low-wage jobs and affordable housing intensified. Wages fell, available jobs became scarce and rents rose, forcing some workers to leave the city. More important, many potential immigrants still living in Mexico or Central America decided not to come when the bad economic news reached them. These market dynamics cut the percentage of Latino immigrants living in the L.A. region by about half between 1980 and 2000.

Public policy heightened the effects of these market forces. With wages falling, immigrant poverty increased, and officials sought to alleviate the situation. The unintended consequence of the resulting policy shifts made the L.A. region a less desirable destination for newly arrived immigrant workers.

From 1980 to 2000, for instance, California's minimum wage steadily rose and was 122% higher than its federal counterpart in 2000. The higher wage drove some employers out of California -- and many took their largely immigrant workforces with them.

During the 1990s, L.A. began to enforce existing industrial laws more strictly than other major cities. The political catalyst for the crackdown was the 1995 discovery in El Monte of a garment factory in which dozens of Thai immigrant workers were exploited as virtual slaves. Working conditions in the local garment industry, a major employer of immigrants, came under scrutiny, and many garment firms either shut down or relocated to escape penalties. When these scofflaw firms shut down or left L.A., the jobs vanished, and many of their low-wage employees went elsewhere -- and potential ones, once news of the crackdown reached Mexico or Central America, probably avoided L.A. altogether.

In addition, the combination of rising numbers of Latino immigrants and low wages created more and more slums

across L.A. in the late 1980s. Mayors Tom Bradley and Richard Riordan each appointed a commission to investigate the problem. Authorities stepped up enforcement of existing anti-slum laws. Some tenements were shut down; others were forced to upgrade. The resulting decrease in supply of the cheapest housing stripped many low-wage immigrants of affordable shelter.

Finally, "NIMBY movements" successfully blocked the construction of affordable housing in many of L.A.'s suburbs, which, in turn, drove up immigrants' rents in the central city.

These public policies were neither consciously anti-immigrant nor coordinated by officials, but taken together, they deflected about 1 million Mexican immigrants away from the L.A. region.

This story is more than just a curious episode in local history. It also offers some lessons for cities seeking to control levels of immigration. What L.A. accomplished unintentionally, other metropolitan areas can do by design.

If more cities and states raised their minimum wages above the federal level and strictly enforced industrial safety laws and housing standards, this not only would improve conditions for resident workers but would also deflect new immigrants elsewhere. The overall number of immigrants entering the U.S. would not decline. But new immigrants would head for destinations where employers don't fear labor-law enforcement, where slums are tolerated and where the minimum wage is lower.

This dispersion would tend to equalize the burden of absorbing immigrants across the U.S., creating political interest in controlling immigration where there previously was none.

L.A.'s experience may even have implications for U.S. immigration policy. Surely, an approach to immigration control that simply tolerated fewer sweatshops and slums and hiked the federal minimum wage would be cheaper -- and more neighborly -- than building a 2,000-mile security fence, militarizing the border or issuing a national identity card.

Short of federal intervention, the L.A. example shows that states and cities have the policy tools to deflect low-wage immigrants heading their way.