Ethnic Economies and Education among Asian Immigrants and their Children

Introduction

Since the Immigration Act of 1965, the flow of immigrants to the United States has shifted away from European countries and is now primarily from Asian and Latin American countries. During this time, economic restructuring has made it more difficult for low-skilled and less-educated workers to find employment in stable, high-quality jobs. This has particularly impacted more recent immigrants. In terms of human capital and work skills they bring to the United States, recent immigrants are more diverse than ever. Today's immigrants have either very high or very low levels of education. While it should be noted that many skilled immigrants are employed in the primary sector of the economy, just as many immigrant workers are employed in the secondary sector of the labor market (Rodriguez 2004).

Some immigrants have responded to the economic context in the United States through participation in ethnic economies, which provide job opportunities that are not available to them in the mainstream economy. Foreign-born in all ethnic groups have higher rates of self-employment than their native-born counterparts (Le 2005). Koreans have the highest self-employment rates in the country, and Taiwanese and Japanese immigrants have higher self-employment rates than any other ethnic group in the country. There is debate, however, about the relative advantages of employment in an ethnic economy.

While there has been substantial research on occupational outcomes for participants in an ethnic economy, there have been few studies about the intergenerational impact on the educational attainments of children of immigrants. Research has shown that ethnic economies can create opportunities for immigrants that are not available in the mainstream economy. Studies of the immigrant second generation has suggested that the same is true for their children. Early research suggests that ethnic economies can act as a springboard for the second generation—encouraging youth to go on to higher education in order to escape the ethnic economy. Other research has suggested that the ethnic economy can act as a safety net, giving youth possibilities of employment without obtaining a college degree.

In this paper, I investigate the intergenerational effects of Asian immigrants' ethnic economy participation. Specifically, I ask: What is the impact of immigrant fathers' employment in an ethnic economy their children's school dropout?

Prior Research on the Educational Achievement of Children of Immigrants

Given the poor working conditions and low occupational prestige of many of the jobs in the ethnic economy, standard models of the process of educational attainment (e.g. Blau and Duncan 1967) would suggest that Asian immigrant children should fare less well academically than their native-born peers. From the status attainment perspective, racial differences arise primarily from differences in socioeconomic status. Research in this area showed that one of the most powerful predictors of educational attainment is family socioeconomic status. Blau and Duncan (1967) found that father's education and occupational prestige have strong positive effects on son's education. Sewell, Haller and Portes (1969) extended this basic model of status attainment by including educational aspirations, significant others' (parents, peers, and teachers) influences, academic performance, and mental ability, which mediate the effect of father's education and occupation on children's education. They found that significant others' influence is affected by socioeconomic status and academic performance,

and these influences have large effects on youth's own aspirations, which in turn affect later attainments. Later research showed that the large effects of family background are resilient across school contexts (Raudenbush and Bryk 1989).

Recent research suggests that standard models of the process of educational attainment do not adequately account for immigrant group differences in educational outcomes. Socio-cultural perspectives on educational attainment instead suggest that for some immigrant groups with low levels of *human* capital, *social* capital may play an even greater role in children's success. While most research on educational outcomes among children of immigrants focuses on processes that occur within the family or school, I investigate the labor market as a domain in which immigrant adults and their children can overcome deficits in *human* capital by increasing their *social* capital.

Portes and Rumbaut (1996) suggest that rather than there being a uniform process of assimilation, there are different types of assimilation: consonant acculturation, dissonant acculturation, and selective acculturation. Consonant acculturation is most similar to the standard assimilation model, and occurs when both immigrant children and parents learn and adapt to American ways and abandon their home language and culture at the same pace. This is most common when immigrants possess high levels of human capital, and parents have resources to monitor their children's cultural evolution. This type of acculturation usually leads to upward mobility because often the children and parents assimilate into middle-class American culture.

Evidence from U.S. Census data shows that a high proportion of children of immigrants live within the central cities of urban areas (Portes 1995). This is in large part due to the disadvantaged socioeconomic status of many recent immigrants. For these immigrant groups that do not already possess high levels of human and/or financial capital upon arrival, two types of alternative assimilation processes can occur. Dissonant acculturation occurs when children of immigrants assimilate into the American culture faster than their parents do. This is characterized by full English proficiency accompanied by the loss of their native language and immigrant culture. This loss can outstrip their parents' authority and can lead to a "role reversal" among parents and children. This often results in downward mobility among the second generation. Portes (1995) argues that the consequence of their enrollment in inner-city schools is to bring children of immigrants "into close contact with downtrodden domestic minorities," (p. 252). Thus, rapid assimilation is not into the American middle class, but rather with lower-class groups who, because of discrimination and blocked opportunities in the labor market, developed an adversarial view of white mainstream culture. These groups exert an influence on children of recent immigrants through their contact with them in the public schools. In addition, the children themselves recognize the structural barriers and discrimination that ethnic minorities face in the United States, and as a result, they may start to devalue authority, teachers, and the formal education system. Because they have rejected schooling and have lower expectations, immigrants who completely assimilate to this "inner-city culture" do not do well academically and further hurt their chances of upward mobility.

Not all groups who reside in or near impoverished areas, however, will go through dissonant acculturation. Selective acculturation is the process of maintaining an immigrant culture and strong ties to ethnic communities, and assimilating to only a part of American culture. Selective acculturation is the most beneficial type of assimilation for recent immigrants, especially for those who have lower levels of human capital or come from modest socioeconomic backgrounds. Portes (1995) finds that among second generation youth, grades are higher among those groups who live in economic enclaves and have tight-

knit ethnic communities. In addition, he finds that students with more co-ethnic friends also do better in school. Zhou and Bangston's (1998) study of the Vietnamese community in New Orleans highlights the socioeconomic disadvantages that Vietnamese refugees and their children face in the United States. Many Vietnamese students are doing very well in school despite their lower socioeconomic status. They find that this is in large part due to the tight ethnic communities (and ethnic businesses) that have formed in the past few decades. Adolescents are very involved with their community and maintain strong ethnic ties, which Zhou and Bangston found to be positively associated with grades. Within the community they studied, there is the Vietnamese Educational Association, which offers an after-school program and an annual awards ceremony. These programs are valuable resources, not just because they promote academics, but because they create and strengthen ties within the community and increase social capital.

These studies show that a strong ethnic identity and ties to community reinforce family values and respect for parents. Therefore, it is not surprising that parents' high academic aspirations and expectations for their children are taken seriously and internalized within the immigrant second generation. Participation in an ethnic economy can also be seen as a way of "selective acculturation." Membership in networks that arise from the ethnic economy provides both parents and children with the social capital to prevent downward acculturation. Because these networks have high levels of closure, parents can call on other members of their co-ethnic networks to reinforce their norms and values, as well as help monitor their children's behavior. The youth themselves also benefit from the social capital that is provided in an ethnic economy. These ethnic communities are in a sense, a type of "functional community" with high levels of intergenerational closure that Coleman attributes to encouraging academic success.

Data and Measures

In my analyses I will use data from the 2000 U.S. Census 5% Public Use Microdata Series (PUMS) and the 2003 American Community Survey to examine patterns of entrepreneurship and participation in the ethnic economy among Asian immigrant fathers and their children in the United States. I utilize the Minnesota Population Center's Integrated Public-use Microdata Series (IPUMS) files that include uniform variables for both the U.S. 5% PUMS files and the American Community Surveys. My sample consists of children under the age of 19 who still live at home and who have at least one parent that was born outside of United States. IPUMS data provide variables which can be used to link children to their parents. By doing so, I will be able to determine birthplace as well as employment, industry, and occupation of immigrant parents. I select those individuals who live in Metropolitan areas where the proportion of Asians is greater than 1.5 times the proportion of Asians in the United States as a whole. According to the 2000 Census, these are (in order): San Francisco-Oakland, Stockton-Lodi, Los Angeles-Riverside-Orange County, Yuba City, Sacramento, San Diego, Seattle-Tacoma-Bremerton, Fresno, Merced, New York-New Jersey-Long Island, Champagne-Urbana, and Salinas.

Outcome Variable--School Dropout

To determine whether or not a child has dropped out of school, I use a variable that measures whether the person attended or was enrolled in any nursery school, kindergarten, elementary school, and any schooling leading toward a high school diploma or college degree since February of the census year. If he or she had not, that individual is considered

to have dropped out of school. This measure, however, does not allow me to determine if those currently enrolled in school ever dropped out and returned.

Key Independent Variable--Ethnic Economy Participation of Parents

An important part of studying the effects of an ethnic economy is to make sure that the definition of an ethnic economy is clearly specified. Much of the inconsistency in results in prior research is due to the inconsistency in how one measures an ethnic economy. Some studies focus only on the workers and their over-representation in specific industries while others focus solely on entrepreneurs. Some research uses a residential definition of an ethnic economy, without regarding individuals' employment contexts. Others yet use a place of work definition, studying those individuals who work in metropolitan areas with high concentrations of co-ethnics. On their own, each of these is not an adequate conceptualization of an ethnic economy.

Logan, Alba, and McNulty (1994) specify three components of an enclave economy. The first is that there is co-ethnicity of owners and workers, meaning that employers and employees are of the same ethnicity. The second is that there is spatial concentration, meaning that there is a concentration of ethnic-owned firms in a physical space which employ workers from the same minority. The last component is sector specialization, meaning that there is a concentration of one ethnic group among owners in a few industrial sectors.

I will conceptualize an ethnic economy in each of these three ways specified by Logan et al (1994) separetly, which will allow the assessment of how results might change depending on how one thinks of an ethnic economy:

1. *Sectoral Specialization* An individual will be considered to be employed in the ethnic economy if they work in an industry in which there is an over-representation of self-employed co-ethnics;
2. *Co-ethnicity* An individual is an ethnic economy if he works in an industry in which there is an over-representation of co-ethnics (workers and owners);
3. *Enclave* An individual is considered to be employed in an ethnic economy if he works in an industry in which there is an over-representation of co-ethnics (both owners and workers) and work within 10 minutes of where they live.

To determine which immigrant parents work in an ethnic economy, I will use a number of measures provided in the 2000 Census. *Employment status* is asked of all persons aged 16 years or older. This variable indicates whether or not a person was a part of the labor force—working or seeking work—and, if so, whether he/she was currently unemployed. The *industry* in which an individual works is constructed from a series of questions asking about the organization he or she works for. Two hundred sixty five categories were constructed by the census. In order to avoid having sparsely populated cells, I collapse these fully-detailed three-digit-code categories into 95 categories classified by their two-digit industry codes. *Self-employment* can be determined from the general variable that measures class of worker. There are more detailed categories to the question, but for the purposes of my analyses, I will recode the variable into a dichotomous variable indicating whether or not the person is self-employed. This indicates whether a respondent worked for his or her own enterprise or for someone else as an employee. Workers with multiple sources of employment were classified according to the work relationship in which they spent the most time during the reference day or week.

Covariates

I will also include a number of covariates in the model to control for both assimilation and parents' human capital, which can impact both ethnic economy participation and high school dropout. These are: child's immigrant generation (first, second, third or higher); length of time in the United States; English proficiency; family income; father's education; and father's occupational SEI.

Analysis Strategy

In my analyses, I will assess the impact of father's ethnic economy participation on whether or not their child is enrolled in school. In addition, these analyses also allow me to assess the relative importance of selective acculturation (in the form of ethnic economy participation), assimilation, and human capital in determining whether or not a child of an Asian immigrant will drop out of school.

Because my dependent variable is dichotomous, I will utilize logistic regression to model the impact of ethnic economy participation on school dropout. I will estimate a series of models, starting with a baseline model that just includes a dummy variable indicating whether the respondent's father is employed in an ethnic economy (as defined in the various ways discussed above). Model 2 includes human capital measures (father's education and occupation, family income) and Model 3 includes measures of assimilation (generation, English proficiency, and years in the U.S). Model 4 will be a full model in which all variables are included, in order to assess which have the greatest relative importance to school dropout.

It is plausible that the advantages or disadvantages of ethnic economy participation might vary by socioeconomic status. According to the segmented assimilation perspective, selective acculturation would matter for immigrants with lower levels of human capital. In addition, the effects of parents' education and occupation on child's education might differ in each economic context. To test this, I analyze a final model that includes interactions between these variables and ethnic economy in order to assess differential effects.

Conclusion

My research will contribute to existing research on immigrant adaptation in different ways. First, research among the adults is important for stratification research, especially as the United States becomes more diverse, and more immigrants are incorporated into the labor market. Studying the adaptation of immigrants to the U.S. is important in addressing racial and ethnic inequalities in educational and occupational outcomes. Second, my research on the children of immigrants is important because they are the fastest-growing school age population, and success of new immigrants in the United States rests on their shoulders, so it is increasingly important to study the determinants of their educational success.