The Effects of Human Capital, Social Capital, and the Ethnic Enclave Economy on the Earnings of Immigrants (The Case of the Mariel Cuban Émigrés)

Todd MacEgan West

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THE EFFECTS OF HUMAN CAPITAL, SOCIAL CAPITAL, AND
THE ETHNIC ENCLAVE ECONOMY ON THE EARNINGS OF IMMIGRANTS
(THE CASE OF THE MARIEL CUBAN ÉMIGRÉS)

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THE ETHNIC ENCLAVE ECONOMY ON THE EARNINGS OF IMMIGRANTS
(THE CASE OF THE MARIEL CUBAN ÉMIGRÉS)

A Thesis
Presented to
The College of Graduate Studies of
Georgia Southern University

In Partial Fulfillment
of the Requirements for the Degree of
Master of Arts
In the Department of
Sociology and Anthropology

by
Todd MacEgan West
May 2002
To the Graduate School:

This thesis, entitled "The Effects of Human Capital, Social Capital, and the Ethnic Enclave Economy on the Earnings of Immigrants (the Case of the Mariel Cuban Emigrés)," and written by Todd MacEgan West is presented to the College of Graduate Studies of Georgia Southern University. I recommend that it be accepted in partial fulfillment of the requirements for the Master of Arts degree in Sociology.

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I worked nearly every day for the past two years to complete this thesis. And it was hard. But I did not do it alone. This thesis has involved countless people all of whom have given me guidance, support, and hours of their personal time. In view of that, I offer sincere gratitude and thanks to the following individuals.

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THE EFFECTS OF HUMAN CAPITAL, SOCIAL CAPITAL, AND THE ETHNIC ENCLAVE ECONOMY ON THE EARNINGS OF IMMIGRANTS

(THE CASE OF THE MARIEL CUBAN ÉMIGRÉS)

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This thesis analyzes the extent to which an enclave economy affects the earnings of immigrants compared to that of human and social capital. Ordinal Least Squares (OLS) multiple regressions are used to compare the degree of effects of independent variables on earnings: the first equation is the baseline model for the enclave economy, the second incorporates human capital, and the third incorporates social capital. The dependent variable is monthly earnings. The independent variables include (1) a set of control variables, (2) the primary and enclave labor-markets, and (3) human and social capital characteristics. Findings show that an enclave economy has a far less extensive and significant effect on immigrants' earnings than human and social capital. The analysis also reveals that sex and hours worked per week affect immigrants' earnings to a much greater extent than an enclave economy.
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Chapter I

Introduction

Purpose

In much of the research on immigrant enclaves, one viewpoint is that employment in an enclave economy provides earnings that (1) reflect the true value of past human capital investments and (2) are equivalent to or even higher in amount than that of similar work for nonimmigrants in the general economy. These positions are not totally substantiated (Light & Gold, 2000). Zhou and Logan (1989) for instance, find positive earning-returns to human capital for immigrants both inside and outside the enclave economy. Kim (1999) notes the salience of social capital in the success of immigrant proprietors. It is the thrust of this thesis then to determine (1) whether the effect of human capital on earnings is in fact only relevant in the enclave economy; and (2) whether and to what extent social capital affects the earnings of immigrants.

Literature Review

Segmented labor-market and ethnic solidarity theories are the dominant conceptual explanations of immigrant labor-market participation. Segmented labor-market theory builds on dual-economy theory (c.f., Averitt, 1968; Galbraith, 1971) to explain the socio-structural characteristics of capitalist labor-markets. This model states that advanced capitalist economies contain two segmented labor-markets: (1) a primary labor-market and (2) a secondary labor-market (Edwards, 1975; Gordon, 1972). "The primary labor-market... is characterized by stable work conditions, higher wages, scarce skill specifications and internal labor-markets that provide ladders of success within the firm" (Sanders & Nee, 1987, p. 746). In contrast, "high turnover rates, low-paying, low-skill jobs that lack structured opportunities for promotion within the firm" characterizes the secondary labor-market (Sanders & Nee, 1987, p. 746). According to segmented labor-market theory, the employment structure of laissez-faire economies necessitates the maintenance of surplus pools of unskilled immigrant-laborers to fill the most undesirable sectors of the secondary labor-market (Burawoy, 1976; Piore, 1979; Sassen-Koob,
The theory further states that during economic recessions these immigrant-laborers are the first to be laid off. Accordingly, unskilled immigrants often experience menial work and joblessness in perpetual succession (Bluestone, 1979; Doeringer & Piore, 1971).

A separate but related set of structural theories termed *ethnic-solidarity* theories suggests that in order to surmount the limitations to economic mobility in the secondary labor-market, immigrants rationally construct commercial alliances based on ethnic solidarity in which capital assets, and commercial skills can be shared and invested without outside interference (Cohen, 1969; Cummings, 1980; Kim, 1981; Light, 1972; Olzak & Nagel, 1986; Padilla, 1987; Portes & Bach, 1985). In explaining Chinese (華人) business development in California, Terry E. Boswell (1986, p. 364) points to this interaction between fiscal immobility in the secondary labor-market, ethnic solidarity, and the subsequent formation of economic alliances of immigrants:

Segregated from . . . skilled trades, and crowded into low-wage agricultural or sweatshop work, Chinese immigrants often tried to escape the wage system entirely . . . Where segregation produced sizable Chinese communities, Chinese merchants were at an advantage over outsiders due to location, ethnic loyalty, and access to traditional Chinese products.

The results of Bonacich and Modell’s (1980) research on early Japanese (日本人) settlers in California also indicate interconnections between limitations to economic mobility, ethnic solidarity, and the creation of immigrant commercial-alliances. Some scholars (e.g., Bonacich, 1973; Bonacich & Modell, 1980; Gold, 1988; Light, 1980; Min, 1996; Schermerhorn, 1970; Yoon, 1997) maintain that the migratory patterns of certain itinerant immigrant-cohorts promote reactive-solidarity and economic mobilization related to middlemen-minorities. In the U. S., city ghetto merchants such as the Italians, Jews, Koreans and Cubans, and the Japanese in California, have been identified as models of the middleman roles (Bonacich & Modell, 1980; Cobas, 1984; Kim, 1981). Ethnic-solidarity theorists stress the connection between ethnic solidarity and ethnic resources to clarify why some immigrant groups find financial realization despite the economic limitations of the secondary labor-market.

Expanding on segmented labor-market and ethnic solidarity theories, social scientists, such as Kenneth Wilson and Alejandro Portes, have asserted that immigrant groups can overcome the
economic barriers of the secondary labor-market through the creation of enclave economies. Wilson and Portes (1980, p. 302) formalize this argument in the *enclave economy hypothesis*:

> Immigrant workers are not restricted to the secondary labor market. In particular, those inserted into an immigrant enclave can be empirically distinguished from workers in both the primary and secondary labor markets. Enclave workers will share with those in the primary sector a significant economic return to past human capital investments. Such a return will be absent among those in the "open" secondary labor market.

Portes (1981, p. 291) defines the ethnic enclave as characterized by “immigrant groups which concentrate in a distinct spatial location and organize a variety of enterprises serving their own ethnic market and/or the general population. Their basic characteristic is that a significant proportion of the immigrant work force works in enterprises owned by other immigrants.” Portes and Stepick (1985, p. 499) add that the enclave economy consists of “clusters of immigrant-owned enterprises which tend to hire recent arrivals from the same nationality . . . [and] possess certain characteristics [that] open significant mobility opportunities for immigrant workers.” Zhou (1992, p. 4) defines the ethnic enclave as “a segmented sector of the larger economy, a partially autonomous enclave economic structure constituting a distinct labor-market.” Enclave economies can differ in size and division of labor. Within large and highly stratified enclave economies, “it is possible for a newcomer to live his life entirely within the confines of the community. Work, education, and access to . . . a variety of services can be found without leaving the bounds of the ethnic economy” (Portes & Manning, 1986, p. 330). Further, there are no negative fiscal effects from the insular outlook of the enclave: Enclave workers, unlike workers in the secondary labor-market, receive earnings to human capital commensurate with workers in the primary labor-market.

To account for the advantages of the ethnic enclave, proponents of the enclave economy hypothesis suggest that immigrant entrepreneurs promote and organize ethnic solidarity to create a "unified system of vertical and horizontal integration," so that enclave firms can replicate some of the economies of scale connected with core monopolistic firms (Wilson & Martin, 1982, p. 138). For that reason, "the enclave resembles the center economy and should have many of the advantages which that form of economy enjoys . . . [i.e.,] higher initial profits per unit of demand . . . higher levels of
production in related industries (caused by the initial demand for the first industry's product) . . . higher wages and . . . more jobs (again because of the initial demand)” (Wilson & Martin, 1982, p. 138-139). Ethnic solidarity additionally serves to provide entrepreneurs with low-cost, coethnic labor and legitimizes paternalistic chains of command (Portes, 1981), which gives enclave firms favorable work discipline and decreases the likelihood of unionization. Moreover ethnic networks can be drawn on to generate captive-markets and open avenues for formal and informal capital acquisition, rendering enclave firms particularly self-sufficient and resilient (Waldinger, 1993). These monopolistic features also work to encourage fresh business starts for immigrant entrepreneurs because vertical ethnic-integration based on ethnic solidarity creates an orientation that encourages reciprocal obligations between employers and employees:

If employers can profit from the willing self-exploitation of fellow immigrants, they are also obliged to reserve for them those supervisory positions that open in their firms, to train them in trade skills, and to support their eventual move into self-employment. It is the fact that enclave firms are compelled to rely on ethnic solidarity and that the latter “cuts both ways,” which creates opportunities for mobility unavailable in the outside (Portes & Bach, 1985, p. 343).

Numerous studies (e.g., Bach, 1980; Bach, Bach & Triplett, 1981; Bonacich & Modell, 1980; Portes, 1981, 1982, 1984; Portes & Bach, 1980; Portes, Clark, & Bach, 1977; Portes & Manning, 1986, 1991; Portes, Parker, & Cobas, 1980; Semyonov, 1988; Waldinger, 1985; Wilson & Martin, 1982; Wilson & Portes, 1980) support the premise that employment in an enclave economy facilitates monetary advancement and protection from the secondary labor-market. Writing in *Latin Journey*, which tracks the economic experiences of Cuban immigrants from 1973 to 1979, Portes and Bach (1985) note the singular outcomes of Miami's emergent Cuban enclave economy. Within those six-years, the number of Cubans who managed their own business rose from 8 percent to 21 percent, and the most salient predictor of self-employment in 1979 was employment by another Cuban three years prior. In addition, roughly 37 percent of the Cubans who were wage earners at the close of the study worked for other Cubans, and employment in the enclave economy ensured higher returns to human capital investments than employment in the secondary labor-market:
In the enclave... [human capital investment] contributes to occupational gains very early in the resettlement experience, with the magnitude of that advantage increasing over time... No such benefits are available, however, to refugees who become part of the secondary sector. Instead, this latter group competes with other ethnic minorities in firms that provide few rewards for individual skills and that tend to penalize past... achievement (Portes & Bach, 1985, p. 239).

Results from Yossi Shavit’s (1992, p. 57) study of an Arab ethnic enclave in Israel also indicate that working in an enclave economy produces higher returns to human capital investments. He writes, "although the Arab economy offers a much more limited range of economic activities and occupations when compared to the Jewish economy, Arab workers can attain occupations which are more commensurate with their education in Arab-owned businesses." Nee and Nee’s (1973) study of an American Chinatown chronicles how Chinese-immigrants found monetary success through the development of an enclave economy in San Francisco, California.

Not all social scientists (e.g., Gilbertson, 1995; Li, 1977; Zhou & Logan, 1989) however, accept the idea that ethnic enclaves further the economic interests of immigrants. Maria Villar (1994, p. 267) for instance asserts that differences in class backgrounds, long-term goals, and personal orientations create antagonistic business environments that obstruct the creation of self-enclosed, integrated enclave economies:

At present, there is the assumption that traditional ethnic bonds and reciprocal relationships are sustained after displacement and settlement, but the social organization of immigrant communities hardly mirrors that of home places... In settlement places, old status symbols may be challenged by prosperous individuals sharing “low” class mannerisms and “backward” ideologies. Differences in social mores, values, and attitudes can make business relationships difficult and obstruct collective activities, leading wealthy individuals viewed as “inferior” to reaffirm their affiliation with home communities that recognize their achievements and accord them respect and prestige. In this case, the business sector is not only split by class backgrounds, but also by long-term goals and personal orientations.
Conflict between vying street-gangs, secret societies, and coethnic political organizations can also rouse destabilizing factionalism within the ethnic enclave (Armstrong, 1998; Gans, 1962; Suttles, 1968; Whyte, 1943). The struggle over the Chung Pak housing project in New York City’s Chinatown is a case in point. Here, the effect of intergroup factionalism almost undermined a critically needed housing complex for Chinese senior citizens (cf. Sanders & Nee, 1987, p. 765).

Other social scientists suggest that ethnic solidarity, which the enclave economy hypothesis predicts to be a critical factor in immigrant economic advancement, serves actually to restrict financial headway. Enclave workers for instance may demand preferential treatment based on ethnic solidarity but exhibit lax work attitudes, rendering enclave firms less profitable. This in turn necessitates the eventual layoff of enclave workers to ease further monetary diminution. However, given that the enclave economy depends on the perpetuation of captive markets to cloister it from the general economy and to continue its increasing returns to scale—increased unemployment and the accompanying loss of buying power can bring intense pressure to bear on the enclave economy’s survivability. In due course, enclave employers may find it more profitable and prudent to steer away from an exclusive, coethnic labor force in favor of a more diverse and impersonal one. Labor shortages can also hurt enclave economies. Shortages of labor often increase the negotiating power of enclave workers to demand for better pay and benefits (Gold, 1994). In this event, as pay differentials decrease and demands for extra privileges escalate, coethnic labor may become an employer’s bête-noire rather than a valuable asset, thereby diminishing the spirit of ethnic solidarity to open up opportunities for economic mobility. A case in point, social scientist Rubén Rumbaut interviewed a successful Vietnamese manufacturer of whose 300 workers—not one was Vietnamese. Rumbaut found that the hiring practice of the manufacturer was due to the manufacturer’s fear of “demands [from] other Vietnamese” (Portes & Sensenbrenner, 1993, p. 1340). The results of Sanders and Nee’s (1987, p. 763-64) study of enclave economies suggest that because ethnic enclave fiscal development depends on the retention of cheap labor, “[enclave] employers typically draw on ethnic solidarity to enforce and maintain sweatshop conditions.” Still more research by Bonacich (1978), Sanders, Nee and Sernau (1994) and Smith (1996) indicates that “the ‘embeddedness’ of economic activity in networks of ethnic relations can trap immigrant-workers in patron-client relationships that bind them, in exchange
for assistance at an early stage, to low-wage jobs" (Sanders & Nee, 1987, p. 764-75). The response to Nee et al.'s (1994, p. 857) survey by a Chinese expatriate illustrates:

My relatives and friends told me[:] try not to work in Chinese circles . . . Once you plunge yourself into it, you cannot free yourself, because you always face Chinese . . . And Chinese people, if they are boss, they are more likely to squeeze all your labor . . . But if you don't know English . . . you have to move only in a Chinese circle.

Employment in an enclave economy may not be economically advantageous to immigrants after all.

Data Analysis

In this thesis, my analytical strategy differs from that of earlier studies in one important respect: I include key indicators of human and social capital1 into the analysis in order to better understand how they affect immigrants' earnings relative to that of the enclave economy. I argue that the idea of enclave economies providing income to human capital that is equivalent to or even greater than that of similar work in the general economy is unsubstantiated as well as limited in scope.

Having stated the deficiency in ethnic enclave research, I use data from Alejandro Portes's (1983-84) survey of Cuban emigres to analyze the extent to which an enclave economy affects the earnings of immigrants compared to that of human and social capital. My structural equations are as follows:

1) monthly earnings (earnings) = B0 + B1 age + B2 sex + B3 prime + B4 enclave + B5 time unemployed + B6 hours worked per week

2) monthly earnings (earnings) = B0 + B1 age + B2 sex + B3 primary labor-market + B4 enclave economy + B5 time unemployed + B6 hours worked per week + B7 years of Cuban education + B8 number of U. S. courses + B9 duration of U. S. courses + B10 knowledge of U. S. + B11 English language fluency + B12 number of U. S. jobs

3) monthly earnings (earnings) = B0 + B1 age + B2 sex + B3 primary labor-market + B4 enclave economy + B5 time unemployed + B6 hours worked per week + B7 years of Cuban education + B8 number of U. S. courses + B9 duration of U. S. courses + B10 knowledge of U. S. + B11 English language fluency + B12 number of U. S. jobs + B13 U. S. relatives + B14 relatives' help + B15 same city kin + B16 accompanying family + B17 interaction with non-Latino whites + B18 church attendance + B19 private or public aid.

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1 Human capital is defined as the capacities, skills, and experience of an individual. Social capital is defined as features of social organization, such as networks, norms and social trust that facilitate cooperation for mutual benefit (Putnam, 1995).
This empirical comparison, like all empirical comparisons, rests on the premise of “other things being equal” (Horan & Hargis, 1991). However, other factors such as time unemployed and hours worked per week as well as demographics like age and sex have an effect on immigrants’ earnings. The four structural equations above integrate all of these points of relevance.
Chapter II

Methods

This thesis analyzes the extent to which an enclave economy affects the earnings of immigrants compared to that of human and social capital. OLS multiple regressions are used to compare the degree of influence of independent variables on earnings: the first equation is the baseline model for the enclave economy, the second incorporates human capital, and the third incorporates social capital. The dependent variable is monthly earnings. The independent variables comprise (1) a set of control variables, (2) the primary and enclave labor-markets, and (3) human and social capital characteristics.

Theoretical Perspective

Segmented labor-market theory assumes that advanced capitalist economies are split into two sectors: the primary and secondary labor-markets. The former is characterized by high-wages and upward economic mobility. Low-wages and economic immobility define the latter. Pursuant to segmented labor-market theory, laissez-faire economies necessitate the continuance of surplus pools of unskilled immigrant-laborers to fill the most undesirable sectors of the secondary labor-market. The theory further states that cyclical unemployment hits these immigrant-laborers first. As a result, unskilled immigrants often confront menial work and unemployment in perpetual succession.

Ethnic solidarity theories suggest that, in order to surmount the economic limitations of the secondary labor-market, immigrant cohorts draw on ethnic solidarity to construct segmented sectors of the larger economy called ethnic enclaves in which commercial activities can go on without outside interference. Ethnic solidarity theories also predict that ethnic solidarity gives rise to an orientation that promotes reciprocal obligations between employers and employees that facilitate economic advancement for enclave workers.
Data and Sampling

Data for this study come from Alejandro Portes’s survey of Cuban immigrants, 1983-84, and was acquired through the Inter-university Consortium for Political and Social Research (ICPSR: Study #9750). The sampling design consisted of stratified multistage area samples; the sampling strata are political divisions within Dade County—the cities of Miami, Miami Beach, Hialeah, and unincorporated Dade County. The universe was defined as households containing at least one Cuban aged 18 to 60 who came to the U. S. in 1980 or after. Samples are not self-weighting as a predetermined number of interviews were allotted to each stratum to assure adequate representation. The weighted sample, adjusting for unequal probabilities of selection, is 300 Cubans. Because these Cubans immigrated to the U. S. and settled in areas of high concentrations of Cuban businesses within a span of just seven months, Portes’s data fits the needs of this study (Portes & Stepick, 1985).

Operationalization of Variables

Dependent Variable

I use monthly earnings as the indicator of immigrant earnings. Respondents were asked the question: "In total, can you tell me your actual income per month?" Answers were tabulated in their substantive form. I recoded "varying income" (9995), "not applicable" (9998), and "no data" (9999) as "missing."

Independent Variables

There are two independent control-variables: age and sex. The former is coded in years: "1" one, "2" two, etc. I calculated the respondents’ ages by subtracting each of their years of birth from 1984 and then recoded "no data" (99) as “missing.” The sampling frame consisted of respondents whose ages ranged from 18 to 60 years. Sex is coded as “1” male, “0” female, and “9” missing.

I draw on the work of Portes and Stepick (1985) to define the primary, secondary, and enclave labor-markets. Size of firm is employed as the main stratifying variable. The primary labor-market is defined as being composed of public sector employees and employees in companies whose

\[\text{Portes and Stepick's (1985) study includes a fourth economic sector. I incorporate this fourth sector into my definition of the ethnic enclave for the reason that an enclave economy in part serves to protect illegal aliens from INS searches as well as the costs of incorporation into the secondary labor market.}\]

\[\text{The codebook lists only respondents' birthdates. Interviews ran from 1983 to 84. Thus some data of the variable age do not match actual interview dates. This fact will not negate statistical tests of significance.}\]
owners are non-Cuban and which employ 100 workers or more. "Around 1980, the [approximate] 32,000 companies with paid employees in Dade County (Miami SMSA) averaged 14 workers per firm . . . Relative to this average, firms with over 100 employees can be considered quite large and hence more likely to reproduce the characteristics associated with primary markets" (Portes & Stepick, 1985, p. 499). Companies whose owners are non-Cuban, and which employ fewer than 100 workers constitute and define the secondary labor-market. The enclave economy is defined as consisting of Cuban-owned firms, regardless of size, and all self-employed Cubans because "the principal of ethnic solidarity requires . . . that employers promote their workers as new positions become open within their firms or support their eventual move into self-employment" (Portes & Stepick, 1985, p. 499).

Time unemployed is coded in months of unemployment: "0" never, "1" one month or less, "60" over five years. I recoded "not applicable" (98) and "not determined" (99) as "missing." The number of hours worked per week is often associated with higher earnings. In this analysis, hours worked per week will serve to protract the true effect of the respective labor-markets on earnings. Hours worked per week is coded as "1" one, "40" forty, "70" seventy or more. I recoded "various hours" (95) and "no data" (99) as "missing."

Years of Cuban education is coded as follows: "0" no school, "1" one, "2" two, "20" twenty. I recoded "no data" (99) as "missing." Number of U. S. courses is coded as the sum total of school courses completed: "0" no courses, "1" one, "2" two, "20" twenty. I recoded "no data" (99) as "missing." Duration of U. S. courses is coded as the total number of months of completed school courses: "0" no months completed, "1" one, "2" two, "60" sixty. I recoded "not determined" (99) as "missing." I consider education to be a logical measure of human capital; in the ethnic enclave, theoretically "education contributes to occupational gains very early in the resettlement experience, with the magnitude of that advantage increasing over time" (Portes & Bach, 1985, p. 239).

The U. S. information index, or knowledge of U. S., is an 8-point scale of information about U. S. society constructed by the sum of correct responses to twelve factual questions. Items range from knowledge of political processes to various tax and credit concerns. The standardized alpha reliability score (internal consistency) of the index, as measured by Cronbach's $\alpha$, is .73 which indicates a clear unidimensional structure and high reliability. The U. S. information index contributes to the analysis
because it represents an important source of human capital needed by immigrants going to work in a new country (Wilson & Portes, 1980).

The test of fluency in the English language, or English language fluency, is an 8-point scale developed for use with immigrant samples that requests respondents to translate English words or sentences into Spanish. The test is designed to measure English language comprehension at elementary and junior-high school levels, and contains sentences such as "She is playing with her dolls," and words like "Glance," and "Strife." The standardized alpha reliability score (internal consistency) of the index, as measured by Cronbach's $\alpha$, is .94 indicating a clear unidimensional structure and high reliability. English language fluency is a key human capital resource: it has been linked with the ability to advance in the increasingly service-oriented U. S. economy (Chiswick, 1992).

Number of U. S. jobs is coded as "1" one, "2" two, "8" eight or more. I recoded "no data" (9) as "missing." Number of U. S. jobs is used as an indicator for work experience. I chose work experience as an indicator of human capital because more experience on the job increases the needed knowledge and skills with which an immigrant can secure lucrative employment (Portes & Bach, 1985).

I use seven variables to measure social capital, four of which involve direct family ties. The first variable, called U. S. relatives, shows the number of relatives whom the respondent had in the U. S. on his/her arrival: "0" no relatives, "1" one, "8" eight or more. I recoded "not determined" (9) as "missing." The second variable, called relatives' help, shows the extent to which respondents' relatives helped the respondents to settle into U. S. society: "1" no help, "2" little help, "3" fair amount, and "4" a great deal. I recoded "not determined" (5) and "not applicable" (8) as "missing." The third variable, called same city kin, concerns the number of relatives who live in the same city as respondents: "0" no relatives, "1" one, "20" twenty. I recoded "not applicable" (98) and "not determined" (99) as "missing." The fourth variable, called accompanying relatives, shows the number of relatives who emigrated with the respondents to the U. S.: "0" alone, "1" one relative, "2" two, "8" eight or more. I recoded "not determined" (9) as "missing."

The fifth measure of social capital relates to respondents' opportunities to interact with non-Latino whites: "1" few to none, "2" few, "3" fair amount, and "4" many opportunities. I recoded "no
data” (9) as “missing.” Church attendance has been associated with the formation of primary groups in which relationships have emotional depth and endurance (Robertson, 1987); the extent to which respondents attend church forms the sixth measure of social capital: “1” almost never attend church, “2” once per year, “3” once per month, and “4” once per week. I recoded “not determined” (9) as “missing.” As many people benefit from government programs and receive transfer income, such as social security and Medicaid, the seventh variable measures time spent on public or private financial aid: “0” no aid, “1” one month or less, “60” sixty months. I recoded “not determined” (99) as “missing.”

Summary of Statistics

The response totals (N), minimum and maximums, means, medians, and standard deviations for dependent and independent variables are shown in Table 1. Monthly earnings of respondents range from $100 to $2870, with a mean of $799.53 (s.d.=370.448) and a median of $716. Ages of respondents range from 18 to 60; the mean age is 38.86 (s.d.=9.673) and the median, 39. The sample contains a total of 300 respondents of whom 74.7 percent are male and 25.3 percent are female.

Of the 300 respondents, 51 work in the primary labor-market, 133 work in the ethnic enclave, and 116 work in the secondary labor-market. Over a third of the respondents (39.1%) had never been unemployed since arriving in the U.S.; the mean number of unemployed months is 5.76 (s.d.=8.520) and the median, 2. Hours worked per week range from 9 hours to 70 hours, with a mean of 42.19 (s.d.=10.065) and a median of 40.

Years of education in Cuba range from no years to 23 years of education, but most of the respondents (78.3%) have no college education from Cuba. The number of educational courses taken in the U.S. range from no classes to 12 classes with 60 percent of the respondents having taken no classes; the mean number of courses taken is less than one (s.d.=1.031) and the median number is 0. Of the respondents, 59.7 percent indicate having had less than a month’s worth of classroom instruction in U.S. schools. Some 54 percent of the respondents have moderate to perfect knowledge of the U.S.; the mean score on the U.S. information index is 3.87 (s.d.=2.093) and the median score is 4. Over half (55%) of the respondents have no ability in the English language while only 4.3 percent have perfect fluency; the mean score on the test of knowledge of the English language is 2.16 (s.d.=2.847), and the
mean is 2.16. The preponderance of respondents (59.2%) has had between one and two jobs since arriving in the U. S.; the mean number of U. S. jobs is 2.61 (s.d.=1.736) and the median is 2.

Table I

Descriptive Statistics

<table>
<thead>
<tr>
<th>Name</th>
<th>N</th>
<th>Valid</th>
<th>Missing</th>
<th>Mean</th>
<th>Median</th>
<th>Std. Dev.</th>
<th>Min</th>
<th>Max</th>
</tr>
</thead>
<tbody>
<tr>
<td>Earnings</td>
<td>289</td>
<td>11</td>
<td></td>
<td>799.53</td>
<td>716.00</td>
<td>370.448</td>
<td>100</td>
<td>2870</td>
</tr>
<tr>
<td>Age</td>
<td>299</td>
<td>1</td>
<td></td>
<td>38.86</td>
<td>39.00</td>
<td>9.673</td>
<td>18</td>
<td>60</td>
</tr>
<tr>
<td>Sex</td>
<td>300</td>
<td>0</td>
<td></td>
<td>.75</td>
<td>1.00</td>
<td>.436</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Primary market</td>
<td>300</td>
<td>0</td>
<td></td>
<td>.17</td>
<td>.00</td>
<td>.376</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Enclave economy</td>
<td>300</td>
<td>0</td>
<td></td>
<td>.44</td>
<td>.00</td>
<td>.498</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Time unemployed</td>
<td>294</td>
<td>6</td>
<td></td>
<td>5.76</td>
<td>2.00</td>
<td>8.520</td>
<td>0</td>
<td>42</td>
</tr>
<tr>
<td>Hours worked per week</td>
<td>280</td>
<td>20</td>
<td></td>
<td>42.19</td>
<td>40.00</td>
<td>10.065</td>
<td>9</td>
<td>70</td>
</tr>
<tr>
<td>Years of Cuban education</td>
<td>295</td>
<td>5</td>
<td></td>
<td>9.31</td>
<td>9.00</td>
<td>3.980</td>
<td>0</td>
<td>23</td>
</tr>
<tr>
<td>Number of U. S. courses</td>
<td>300</td>
<td>0</td>
<td></td>
<td>.57</td>
<td>.00</td>
<td>1.031</td>
<td>0</td>
<td>12</td>
</tr>
<tr>
<td>Duration of U. S. courses</td>
<td>300</td>
<td>0</td>
<td></td>
<td>4.16</td>
<td>.00</td>
<td>8.266</td>
<td>0</td>
<td>54</td>
</tr>
<tr>
<td>Knowledge of U. S.</td>
<td>300</td>
<td>0</td>
<td></td>
<td>3.87</td>
<td>4.00</td>
<td>2.093</td>
<td>0</td>
<td>8</td>
</tr>
<tr>
<td>English language fluency</td>
<td>300</td>
<td>0</td>
<td></td>
<td>2.16</td>
<td>.00</td>
<td>2.847</td>
<td>0</td>
<td>8</td>
</tr>
<tr>
<td>Number of U. S. jobs</td>
<td>296</td>
<td>4</td>
<td></td>
<td>2.61</td>
<td>2.00</td>
<td>1.736</td>
<td>1</td>
<td>8</td>
</tr>
<tr>
<td>U. S. relatives</td>
<td>300</td>
<td>0</td>
<td></td>
<td>3.34</td>
<td>3.00</td>
<td>2.756</td>
<td>0</td>
<td>8</td>
</tr>
<tr>
<td>Relatives' help</td>
<td>244</td>
<td>56</td>
<td></td>
<td>2.83</td>
<td>3.00</td>
<td>.998</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>Same city kin</td>
<td>300</td>
<td>0</td>
<td></td>
<td>4.93</td>
<td>2.00</td>
<td>6.875</td>
<td>0</td>
<td>40</td>
</tr>
<tr>
<td>Accompanying family</td>
<td>300</td>
<td>0</td>
<td></td>
<td>1.90</td>
<td>1.00</td>
<td>2.097</td>
<td>0</td>
<td>8</td>
</tr>
<tr>
<td>Interaction with non-Latino whites</td>
<td>299</td>
<td>1</td>
<td></td>
<td>2.76</td>
<td>3.00</td>
<td>1.014</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>Church attendance</td>
<td>276</td>
<td>24</td>
<td></td>
<td>2.19</td>
<td>2.00</td>
<td>1.158</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>Private or public aid</td>
<td>294</td>
<td>6</td>
<td></td>
<td>3.66</td>
<td>.00</td>
<td>7.666</td>
<td>0</td>
<td>60</td>
</tr>
</tbody>
</table>
The mean number of relatives at arrival is 3.34 (s.d.=2.756), and the median number is 3.

Exactly 81.3 percent of the respondents had at least one relative in the U. S. prior to arrival. Of the respondents, 70 indicate that their relatives helped them a “great deal,” 97 indicate a “fair amount,” 43 indicate a “little,” and 34 indicate “no” help was given. Relatives residing in the same city range from no relatives (26.3%) to 40 relatives (1%), with a mean of 4.93 relatives (s.d.=6.875) and a median of 2.

Most of the respondents (81.7%) had fewer than 4 relatives who came to the U. S. with them. Only a minority of respondents (37.1%) has few to no opportunities to interact with non-Latino whites, while 35.1 percent indicate a “fair amount” of opportunities and 27.8 percent, indicate “many.” Of the respondents, 109 indicate that they attend church “almost never,” 59 indicate “once per year,” 54 say “once per month,” and 54 more state “once per week.” Just over half (54.1%) of the respondents have had no public or private financial aid; 21 respondents have had 3 months of public or private aid, 17 respondents received 6 months, and 15 respondents, 12 months of public or private aid.
Chapter III

Findings

This section presents findings obtained from the three multiple regression equations comparing the economic effects between an enclave economy and social/human capital. Given the limited sample size, the interpretation focuses on coefficients that are statistically significant at a .1 level or lower. The statistical software package SPSS 10.1 was used to analyze the data.

Equation One

Linear multiple regression estimates are presented in Table II. The beta coefficients (standardized) stand for the expected change in the dependent variable (monthly income) given a one-unit standard deviation increase in the independent variable net of all other variables. Equation one contains two control variables: age and sex.

The adjusted coefficient of determination (adjusted $r^2$) reflects the percentage of explained variation in the dependent variable via the variation in the independent variables. The control variables in the first equation explain about 18.1 percent of the total variance in monthly earnings. The net effect of the two control variables and labor market indicators is moderately weak.

The sample for this thesis consists of 18 to 60 year old respondents. These ages represent the years in which adults are most likely to work. While past empirical studies have found significant correlations between additional years of age and increased earnings, the beta coefficient of age shows a negative correlation between years of age and earnings. This finding however, is not significant. Age may not be as important as other variables in determining the origins of immigrant earnings.

It is common knowledge as well as substantiated fact that on average men earn more money than women (England, 1992). Factors such as occupational segregation by sex; discrimination; women’s multiple roles as workers, mothers, and wives; and lack of access to information networks

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4 To account for the effect of sex on earnings, I ran two additional analyses—one with only men and the other with only women. Because the parameter estimates (statistical results) of these additional analyses are so similar to the parameter estimates of the original model, I do not report them here.
and capital, together contribute to this subordinate status (Loo & Ong, 1987). As expected, the significance level reveals a strong correlation between sex and earnings with men earning more than women.

The primary and ethnic enclave labor-markets' beta coefficients are in the hypothesized direction: employment in either labor-market generates more earnings than employment in the secondary labor-market—but both statistics are insignificant. Time unemployed and hours worked per week have strong significance levels, particularly hours worked per week (p < .0001). Time unemployed has a negative effect on earnings; hours worked per week has a positive effect. It seems that employment in one or another labor-market is less effective than labor-market characteristics on generating earnings.

Table II

Equation One

<table>
<thead>
<tr>
<th>Equation 1</th>
<th>B</th>
<th>Std. Error</th>
<th>Beta</th>
<th>T</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted R² (181)</td>
<td>297.682</td>
<td>130.329</td>
<td>- .018</td>
<td>-2.284</td>
<td>.023</td>
</tr>
<tr>
<td>Age</td>
<td>-.684</td>
<td>2.117</td>
<td>- .018</td>
<td>-3.323</td>
<td>.747</td>
</tr>
<tr>
<td>Sex</td>
<td>176.764</td>
<td>47.946</td>
<td>.212</td>
<td>3.687</td>
<td>.000</td>
</tr>
<tr>
<td>Primary market</td>
<td>53.456</td>
<td>57.550</td>
<td>.057</td>
<td>.929</td>
<td>.354</td>
</tr>
<tr>
<td>Enclave economy</td>
<td>18.968</td>
<td>45.090</td>
<td>.024</td>
<td>.401</td>
<td>.689</td>
</tr>
<tr>
<td>Time unemployed</td>
<td>-6.772</td>
<td>2.462</td>
<td>- .316</td>
<td>-2.751</td>
<td>.006</td>
</tr>
<tr>
<td>Hours worked per week</td>
<td>9.969</td>
<td>2.141</td>
<td>.267</td>
<td>4.657</td>
<td>.000</td>
</tr>
</tbody>
</table>

a Dependent Variable: earnings

Equation Two

Linear multiple regression estimates are presented in Table III. Equation two contains all the variables of equation one plus six human capital variables: years of Cuban education, number of U. S. courses, duration of U. S. courses, knowledge of U. S., English language fluency, and number of U. S. jobs.
The control and independent variables in the second equation explain about 24.5 percent of the total variance in monthly earnings. The net effect of the two control variables, labor-market indicators, and human capital variables is moderate.

In this equation, regression analysis reveals that sex is strongly related to greater earnings for men. Conversely, the beta coefficient for age shows that each year of age has a positive effect on earnings, a complete turnaround from the first equation. One possible explanation for this may be that the indirect effects of unspecified independent variables in the first equation affected the accuracy of its parameter estimates.

The primary and enclave labor-markets’ beta coefficients show greater earnings compared to the secondary labor-market, but their significant levels are weak. Time unemployed is negatively and significantly associated with earnings. The effect of hours worked per week on earnings is positive and significant.

Years of Cuban education has a positive effect on earnings, but this statistic is not significant. In many cases, U. S. employers may not recognize a foreign education. As a result, even educated immigrants must often reinvest in a U. S. education before ascending to their previous economic positions. The low significance level of years of Cuban education may be the result of the general disregard of foreign education by U.S. employers.

Number of U. S. courses has a positive effect on earnings, while duration of U. S. courses has a negative effect. Neither variable is significant. The positive effect of number of U. S. courses is expected; the negative effect of duration of U. S. courses is not. Perhaps duration of U. S. courses has a negative effect because those immigrants who commit the least amount of time to acquiring the maximum amount of human capital can be the first to reenter the labor-market and start earning money (instead of spending it on classes).

Knowledge of U. S. and English language fluency are both positive, but only knowledge of U. S. is significant. To check for multicollinearity, I dropped knowledge of U. S. from the regression analysis to see whether it was a reflection of English language fluency. It was not a reflection: parameter estimates remained constant for all variables. Perhaps the weak significance level of English
language fluency can be explained by the fact that 44.3 percent of the immigrant sample works inside the enclave economy.

Number of U.S. jobs is hypothesized to have a positive and significant effect on earnings—but parameter estimates show the reverse. The secondary labor-market is divided into a two-tier wage system in which entry-level positions rarely pay more than minimum wage. To the extent that frictional unemployment steers some immigrants through continuous series of entry-level positions, their incomes never rise above that of other more established immigrant workers.

Table III

**Equation Two**

<table>
<thead>
<tr>
<th>Equation 2</th>
<th>B</th>
<th>Std. Error</th>
<th>Beta</th>
<th>T</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted R²</td>
<td>-57.390</td>
<td>156.851</td>
<td>-0.366</td>
<td>.715</td>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Age</td>
<td>1.974</td>
<td>2.223</td>
<td>0.051</td>
<td>0.888</td>
<td>0.375</td>
</tr>
<tr>
<td>Sex</td>
<td>160.578</td>
<td>48.658</td>
<td>0.193</td>
<td>3.300</td>
<td>0.001</td>
</tr>
<tr>
<td>Primary market</td>
<td>48.267</td>
<td>55.922</td>
<td>0.052</td>
<td>0.863</td>
<td>0.389</td>
</tr>
<tr>
<td>Enclave economy</td>
<td>16.649</td>
<td>44.150</td>
<td>0.023</td>
<td>0.377</td>
<td>0.706</td>
</tr>
<tr>
<td>Time unemployed</td>
<td>-4.319</td>
<td>2.514</td>
<td>-0.101</td>
<td>-1.718</td>
<td>0.087</td>
</tr>
<tr>
<td>Hours worked per week</td>
<td>11.037</td>
<td>2.155</td>
<td>0.297</td>
<td>5.121</td>
<td>0.000</td>
</tr>
<tr>
<td>Years of Cuban education</td>
<td>7.676</td>
<td>6.672</td>
<td>0.083</td>
<td>1.150</td>
<td>0.251</td>
</tr>
<tr>
<td>Number of U.S. courses</td>
<td>13.242</td>
<td>24.413</td>
<td>0.039</td>
<td>0.542</td>
<td>0.588</td>
</tr>
<tr>
<td>Duration of U.S. courses</td>
<td>-1.605</td>
<td>3.331</td>
<td>-0.038</td>
<td>-0.482</td>
<td>0.630</td>
</tr>
<tr>
<td>Knowledge of U.S.</td>
<td>37.452</td>
<td>11.517</td>
<td>0.216</td>
<td>3.252</td>
<td>0.001</td>
</tr>
<tr>
<td>English language fluency</td>
<td>4.875</td>
<td>10.296</td>
<td>0.038</td>
<td>0.473</td>
<td>0.636</td>
</tr>
<tr>
<td>Number of U.S. jobs</td>
<td>-9.965</td>
<td>12.358</td>
<td>-0.046</td>
<td>-0.806</td>
<td>0.421</td>
</tr>
</tbody>
</table>

* Dependent Variable: earnings

**Equation Three**

Linear multiple regression estimates are presented in Table IV. Equation three contains all the variables of equation two plus seven social capital variables: U.S. relatives, relatives’ help, same city...
kin, accompanying family, interaction with non-Latino whites, church attendance, and public or private aid.

The control and independent variables in the third equation explain about 28.9 percent of the total variance in monthly earnings. The net effect of the two control variables, labor-market indicators, human capital variables, and social capital variables is moderate.

Of the variables in equation two, only time unemployed and number of U. S. courses changed significantly. While the beta coefficient of time unemployed remains negative, it is no longer significant. Immigrants’ social ties appear to affect earnings more than do either labor-markets or time unemployed. Number of U. S. courses changed as well. Its beta coefficient shows a negative correlation with earnings. Social capital again seems to be the strongest factor leading to lucrative employment.

Of the four social capital variables of direct family ties, only accompanying family is significant and positive. To test for multicollinearity, I dropped accompanying family from the regression equation to test whether it was related to same city kin. There was no relationship. To explain these findings, consider that relatives who have lived in the U. S. for a long time may have grown accustomed to U. S. society to the extent that they have more in common with mainstream Americans than with their own relatives. As a result, initial interaction between new immigrants and their more established relatives may be awkward and difficult. Also, consider that every person has a need for emotional support, and the nuclear family is the primary social context in which this need can be fulfilled (Robertson, 1987). The nuclear family then may be more economically valuable than extended kin due to its emotional role in the life of the immigrant.

Results indicate a positive and significant relationship between interaction with non-Latino whites and earnings. Many immigrants to the U. S. on arrival are unfamiliar with U. S. economic institutions and laws. One way to offset this informational deficit is through interaction with non-Latino whites. Most non-Latino whites in the U. S. are native-born citizens and for that reason have an exhaustive knowledge of the U. S. economy. Immigrants who interact with non-Latino whites are therefore in a position to learn first-hand the needed facts for economic success in the U. S.
Church attendance has a positive but insignificant effect on earnings. This finding is curious; at an institution such as the Church, it would seem that immigrants would find extensive support networks. It may be that Church contacts are just too weak and far-removed from the realities, pressures, and volatility of the job market to have a significant effect on the economic opportunities of immigrants.

Public or private aid is negative and not significant. This indicates that there is no substitute for being employed. Private or public aid may be useful for those immigrants who need it (e.g. the handicapped), but if financial attainment is what an immigrant wants, that immigrant should not rely solely on public or private aid to get it.
<table>
<thead>
<tr>
<th>Equation 3</th>
<th>B</th>
<th>Std. Error</th>
<th>Beta</th>
<th>T</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted R²</td>
<td>-448.396</td>
<td>224.924</td>
<td>-1.994</td>
<td>.048</td>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Age</td>
<td>2.479</td>
<td>2.787</td>
<td>.060</td>
<td>8.89</td>
<td>.375</td>
</tr>
<tr>
<td>Sex</td>
<td>209.779</td>
<td>66.365</td>
<td>2.43</td>
<td>3.161</td>
<td>.002</td>
</tr>
<tr>
<td>Primary market</td>
<td>2.385</td>
<td>71.221</td>
<td>.002</td>
<td>.033</td>
<td>.973</td>
</tr>
<tr>
<td>Enclave economy</td>
<td>15.691</td>
<td>55.253</td>
<td>.020</td>
<td>2.84</td>
<td>.777</td>
</tr>
<tr>
<td>Time unemployed</td>
<td>-4.566</td>
<td>3.021</td>
<td>-1.02</td>
<td>-1.511</td>
<td>.132</td>
</tr>
<tr>
<td>Hours worked per week</td>
<td>12.652</td>
<td>2.795</td>
<td>.310</td>
<td>4.527</td>
<td>.000</td>
</tr>
<tr>
<td>Years of Cuban education</td>
<td>8.065</td>
<td>8.248</td>
<td>.084</td>
<td>.978</td>
<td>.330</td>
</tr>
<tr>
<td>Number of U. S. courses</td>
<td>-0.510</td>
<td>26.274</td>
<td>-0.02</td>
<td>-0.019</td>
<td>.985</td>
</tr>
<tr>
<td>Duration of U. S. courses</td>
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<td>3.687</td>
<td>-0.089</td>
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a Dependent Variable: earnings
Chapter IV

Summary and Conclusions

Summary

This thesis analyzed the extent to which an enclave economy affected the earnings of immigrants compared to that of human and social capital. The core of the study was a survey of 300 Cuban immigrants (1983-84), and the data were acquired through the Inter-university Consortium for Political and Social Research (ICPSR: Study#9750). The sampling design consisted of stratified multistage area samples; the sampling strata are political divisions within Dade County—the cities of Miami, Miami Beach, Hialeah, and unincorporated Dade Country. The main findings of the study show that the effect of working in a Cuban-owned firm and being self-employed has a less extensive and significant effect on earnings than that of human and social capital. The analysis also shows that (1) immigrant men earn on average more money than immigrant women, and (2) more hours worked per week positively affect earnings to a greater extent than that of public sector work, and employment in a large-scale, small-scale, or Cuban-owned firm. The results of this analysis do not support the view that ethnic enclaves are special sectors of the economy in which immigrants can find superior earnings.

Conclusions

Hours Worked Per Week

While both the availability and size of economic rewards are important to the preservation of economic mobility, the availability of economic rewards is more important than the size of those rewards (Sawhill & McMurrer, 1996). Consider for instance a job in which all employees work the same number of hours at the same hourly-wage over a lifetime: in this case the actual distribution of wealth from month to month is irrelevant—even when working-hours are not evenly divided per week. On the other hand, at a job based on laissez-faire competition in which the number of hours worked per week determines each laborer’s total monthly earnings, the availability of working hours takes on a
whole new importance: laborers, who work more hours per week, also receive more money. This straightforward economic paradigm should not be ignored in studies of enclave economies.

Sex

Ethnic employment is an important part of the economic adaptation of many immigrant women and men but most studies of enclave economies pass over comparisons of economic rewards between them (Gilbertson, 1995). Indeed, I could find only three studies on ethnic enclaves relative to this subject (cf. Gilbertson, 1995; Portes & Jenson, 1989; Zhou and Logan, 1989). There is much evidence in support of the premise that women for various reasons receive less earnings than men notwithstanding labor-market sectors: “Discrimination, occupational segregation, and work/family conflicts result in lower wages and fewer opportunities for women, regardless of labor-market sector” (Gilbertson, 1995, p. 658). It is a significant oversight in a discussion of enclave economies, and on immigrant economic adaptation in general, to ignore a comparison of economic rewards between women and men.

Accompanying Family

In *Economy and Society*, Max Weber (1978) explains that the family unit is the primary social context in which personal bonds generate group solidarity in dealing with the outside society, sharing of property, and consumption of everyday goods. “Due to this quality, the family unit comprises a strategic resource in immigrant adaptation” (Sanders & Nee, 1987, p. 765). That is, the quality of family solidarity serves as a valuable form of social capital in managing the uncertainties and difficulties of adaptation to an alien society. Family solidarity may also work to motivate collective action for economic advancement. A good example of this is the frequent strategy of immigrant parents to utilize their children as sources of unpaid labor. Studies of enclave economies need to consider the effects of family solidarity on the economic achievements of immigrants.

Knowledge of U. S.

In any given society there exists a class of elites who direct and control the major financial and governmental institutions (Dye, 1983; Mills, 1956). These elites create laws and regulations as well as promote norms and customs that serve to maintain a status quo that favors their own interests. All immigrants at some time come into contact with these social, political, and economic constraints of
the elite. Thus, those who want to have economic success in their new country must first familiarize themselves with the sociopolitical and economic methods of the ruling order (Light & Gold, 2000). Mayor John F. Street’s proposal to build a baseball stadium in Philadelphia’s Chinatown is a case in point. Here the proposed $200 million ballpark to be built on parts of Chinatown set off an explosion of public protest. Hundreds of Chinatown workers and shop-owners staged business shutdowns, held demonstrations, attended city council meetings, sought signatures for petitions, and even gave away “Save Chinatown” t-shirts. The Chinatown business community prevailed in the end, and Mayor Street agreed to change the proposed site of the stadium to a location outside of Chinatown (c.f. Schmidt, 2000).

Interaction with Non-Latino Whites

In the early 19th century, social scientists looked to recognize and label consistent patterns in the processes through which waves of various immigrant cohorts assimilated into U. S. society (e.g. Wittke, 1952). These men viewed the four-part immigrant-adaptation/race-relations sequence of “contacts, competition, accommodation, and eventual assimilation” to be a natural history of immigrant/native interactions (Park, 1926, p. 196). The assumption that segregation has an inverse effect on financial attainment comes from this perspective.

While I did not test assimilation theory as such, one of my findings conforms to its principles: Cubans who interacted most with non-Latino whites received higher earnings. It is that finding plus the fact that neither the primary nor enclave labor-markets show a significant effect on earnings that suggests an interconnection between assimilation and economic advancement.
Chapter V
Discussion and Future Research

Discussion

Enclave economies continue to thrive and to emerge as distinct entities despite their economic limitations. Why? For what other reason than economic gain would an immigrant group rationally choose to set up a community of their own? The subsequent interpretation reflects what I believe may be at least a part of the answer to this question.

Every society has a culture, and every culture is unique. Culture influences such important facets of society as what and how foods are eaten, what specific languages are spoken, the types of clothes people wear, and which holidays are celebrated. Culture also creates permanent bonds between the various persons within its sphere of influence. Sometimes differences between two or more cultures can trigger cultural clashes; what is acceptable in one culture may not be acceptable in another. Also, the types of activities and sources of entertainment may drastically differ from one culture to the next.

When immigrants leave their home countries to live abroad, they carry their native cultures with them. To the extent that these immigrants find their traditional cultural values and norms to be different from or at odds with that of their new society, they may come to wish for the comforts and familiarities of their native culture as they had experienced them in their homeland. It is at this point that immigrants come together to construct enclave economies to facilitate access to at least some of the amenities of their former life.

Implications for Future Research

Future researchers may want to replicate this study through the Mexican community located in Gainesville, Georgia. In Gainesville, this area is known as Little Mexico, and covers several square miles in the southern end of the city. Surveys of Mexicans living in Gainesville could be conducted by

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5 See Lavender and Gill, 2001
means of a stratified multistage area sample with the sampling stratum being the Gainesville/Hall
census tract #11 (the respective district of Little Mexico) bounded by Browns Bridge Road, Mountain
View Road, and Southern Railroad lines. Within that stratum, areas with high concentrations of
Mexicans could be delimited and blocks within them selected as primary sampling units. Within each
delimited area, the researcher could select specific blocks through a predetermined simple random-
sample procedure. The universe would be determined pursuant to the needs of the researcher. Within
each selected unit, an eligible Mexican would be interviewed and asked to provide background
information about him- or herself and about other members of the household.
REFERENCES


APPENDIX A

Institutional Review Board Letter

To: Todd MacEgan West  
   Sociology and Anthropology

Cc: Dr. William Smith, Faculty Advisor  
   Sociology and Anthropology

From: Mr. Neil Garretson, Coordinator  
   Research Oversight Committees (IACUC/IBC/IRB)

Date: December 20, 2001

Subject: Status of Application for Approval to Utilize Human Subjects in Research

On behalf of the Institutional Review Board (IRB), I am writing to inform you that we have completed the review of your application for approval to utilize human subjects in your proposed research, “Enclave Economies: Pecuniary Benefits of Ethnic Solidarity for Cuban Emigres in South Florida.” It is the determination of the Chair, on behalf of the Institutional Review Board, that your proposed research adequately protects the rights of human subjects. Your research is approved in accordance with the Federal Policy for the Protection of Human Subjects (45 CFR §46101(b)(4)), which states:

(4) Research involving the collection or study of existing data, documents, records, pathological specimens, or diagnostic specimens, if these sources are publicly available or if the information is recorded in by the investigator in such a manner that subjects cannot be identified, directly or through identifiers linked to the subjects.

This IRB approval is in effect for one year from the date of this letter. If at the end of that time, there have been no changes to the exempted research protocol, you may request an extension of the approval period for an additional year. In the interim, please provide the IRB with any information concerning any significant adverse event, whether or not it is believed to be related to the study, within five working days of the event. In addition, if a change or modification of the approved methodology becomes necessary, you must notify the IRB Coordinator prior to initiating any such changes or modifications. At that time, an amended application for IRB approval may be submitted. Upon completion of your data collection, please notify the IRB Coordinator so that your file may be closed.

Oversight Coordinator
Research Oversight Committees
Georgia Southern University
PO Box 8005
Statesboro, GA 30460

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