

Immigrants in the Construction Industry

by

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Professor of Economics

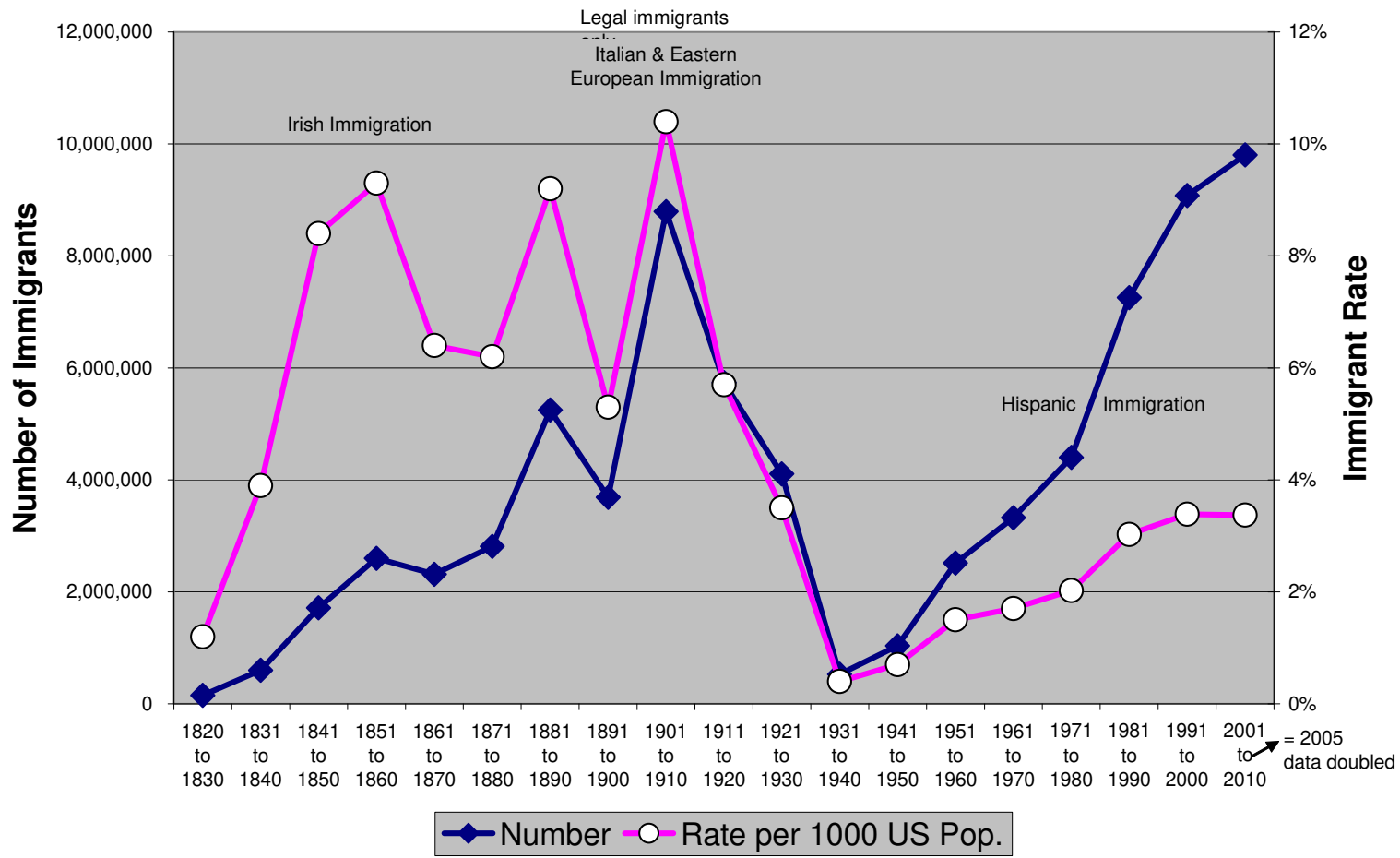
University of Utah

What Have Construction Unions Said About Immigration?

- “[We should] restrict Immigration. My reason is, that when business in our trade is brisk, the crowd of masons that come here to work from England is awful. They work during the summer here, live poorly, bank all they get, fill our positions and take all they earn back to England, to come again next summer.”
 - Edward F. O'Brien, the **Secretary of the Bricklayers and Masons' International Union Local 32**
 - Thirteenth Annual Report of the New York Bureau of Statistics of Labor, **1896** (p. 387)

US Immigration Number & Rate

1820 to 2010 (based on doubling 2005 data)



Union Attitude Is Not Racist



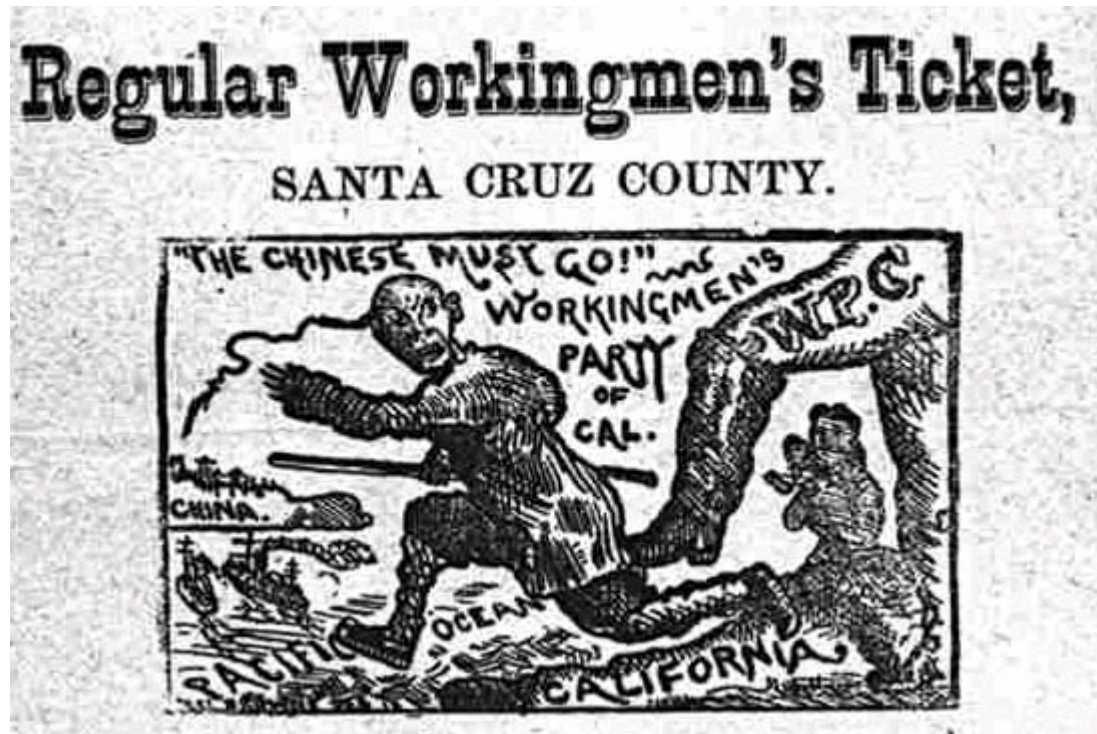
- “We recommend restriction of immigration, for our trade suffers greatly from foreigners coming here and undermining the American citizens by working for whatever they can get. At the present time you will find that most of the carpenters out of work are citizens of the United States; while those employed are foreigners, especially Swedes.”
 - A Brooklyn writer for the **Brotherhood of Carpenters and Joiners** Local 258 said:
 - Thirteenth Annual Report of the New York Bureau of Statistics of Labor, **1896** (pp. 387-88).

It Is Fear of Economic Competition



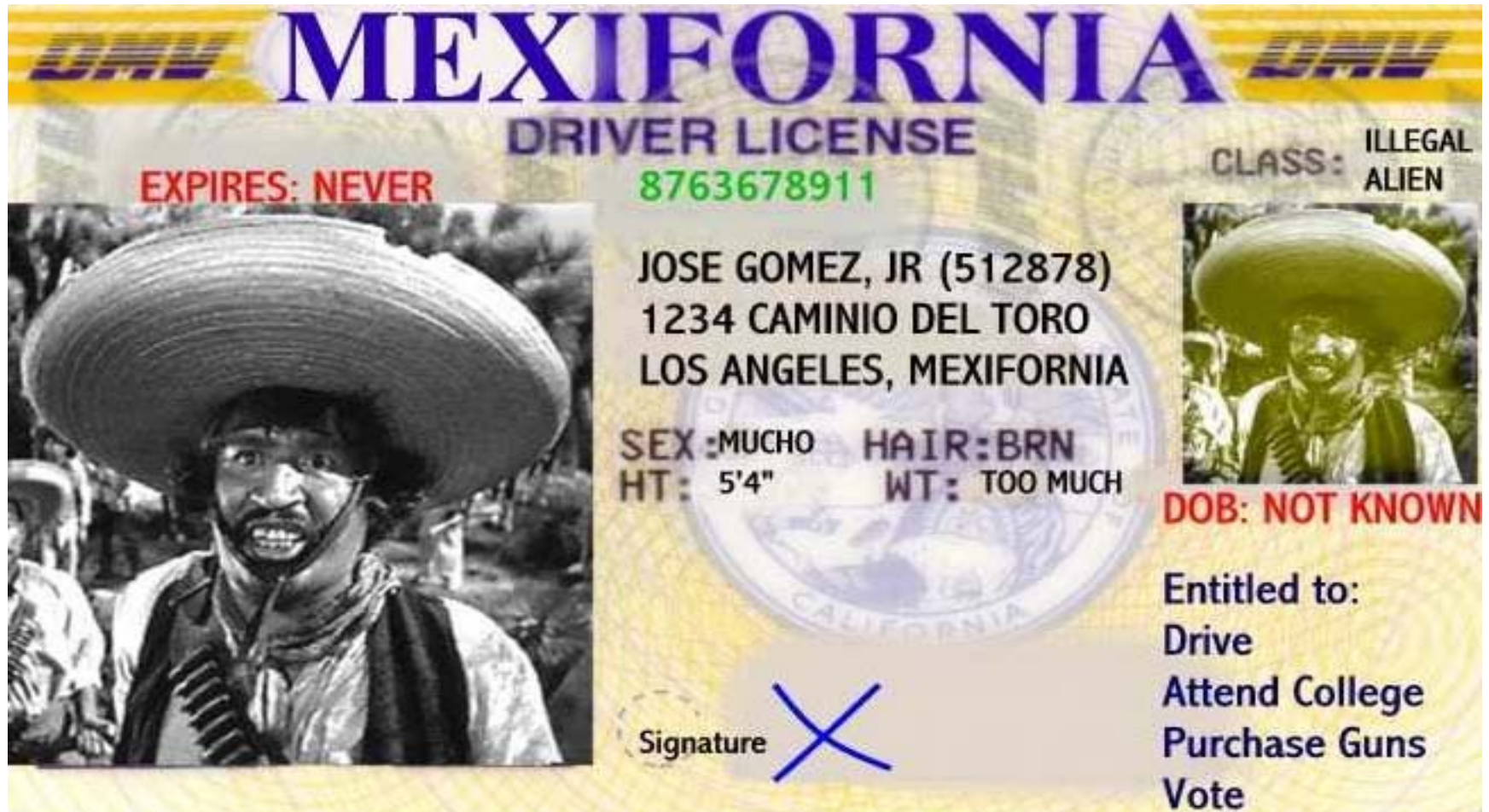
- “Our wages have been brought down to \$2.75 per day and less, by the amount of foreign labor in the market, mostly Swedes and Danes.”
 - A Brooklyn writer for the **Brotherhood of Painters and Decorators** Local 110
 - Thirteenth Annual Report of the New York Bureau of Statistics of Labor, 1896 (p. 388)

But It Can Have Racial Overtones



Chinese Exclusion Act of 1882—First Immigration Law Based on Race

Current Opposition to Immigration Has Some Racial Overtones



What Is Going On In Construction Today?

- 1 out of every 5 construction workers is an Hispanic immigrant
- 1 out of 3 newly arrived Hispanic immigrants go into construction
- There are more Hispanic immigrants in construction in Southern and Western states
- But immigrants are spreading out rapidly

To Exclude or to Organize?

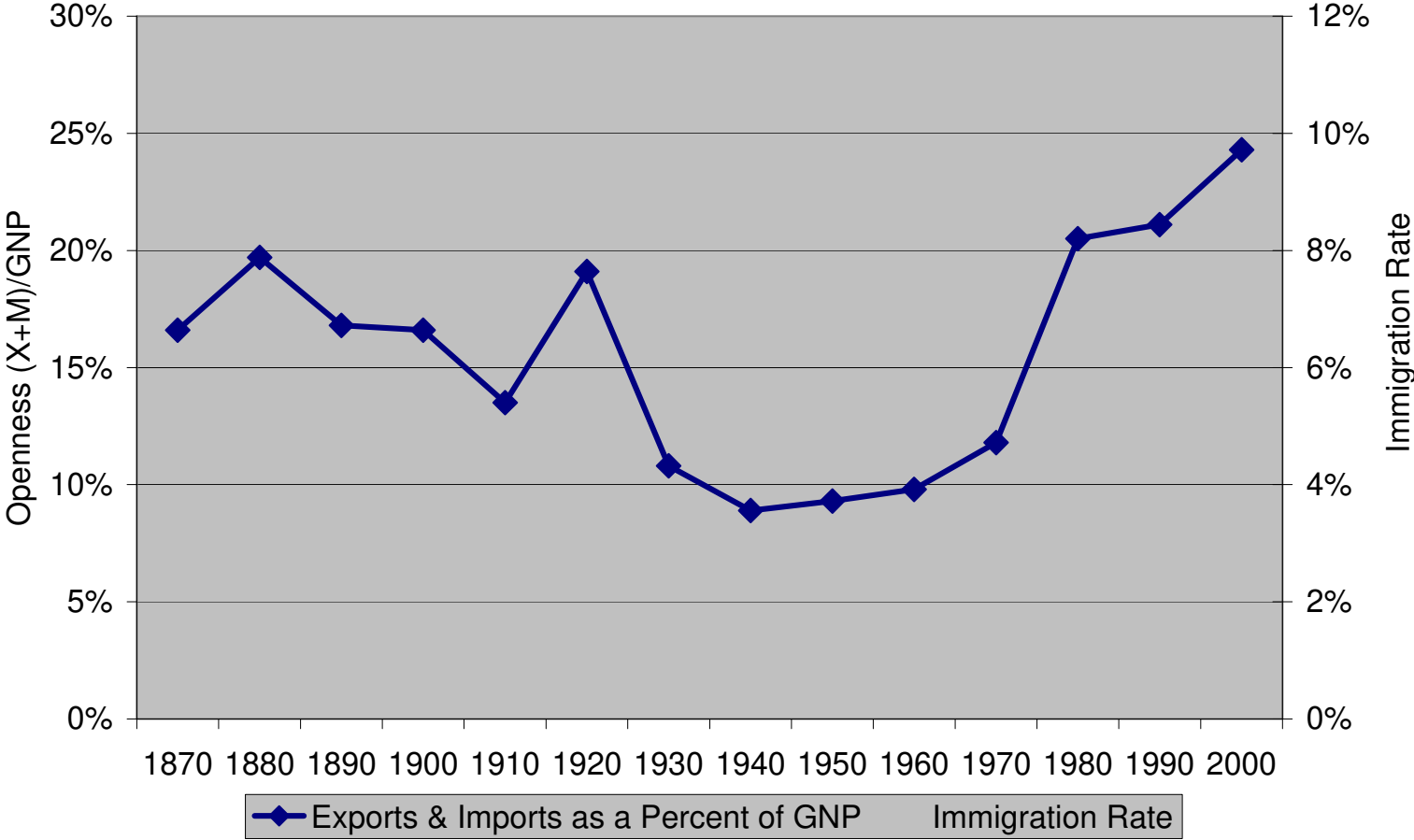


- What does history tell us?
- What is possible in today's world?

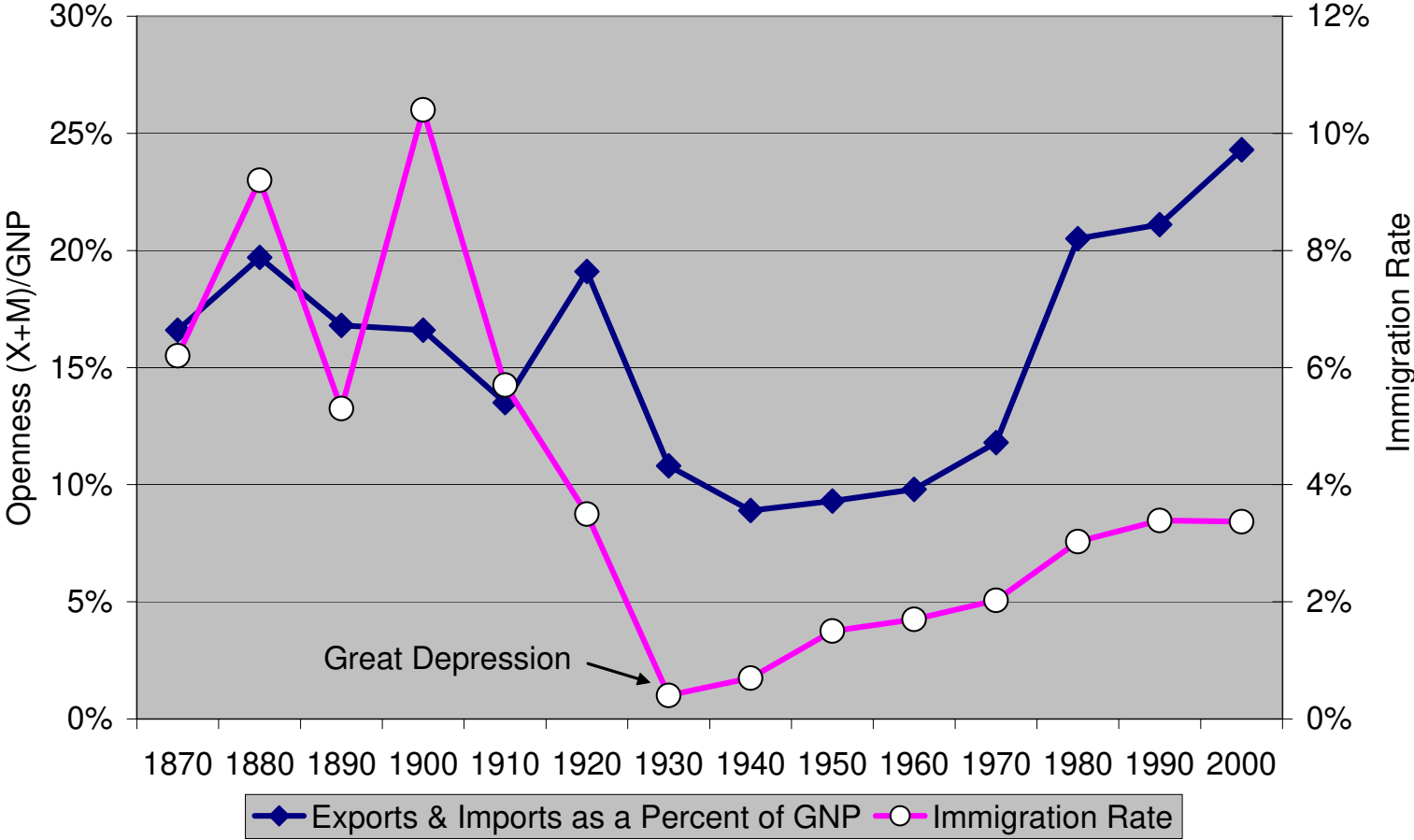
Basic Theme of This Presentation

- When the US has been open to world trade, the US has also been exposed to immigration
- The 1920 to 1970 period of low immigration was a period when the US was also closed to free trade
- Free trade is the underlying cause of increased immigration
- To stop immigration you would have to stop free trade
- The alternative to stopping immigration is to organize immigrants

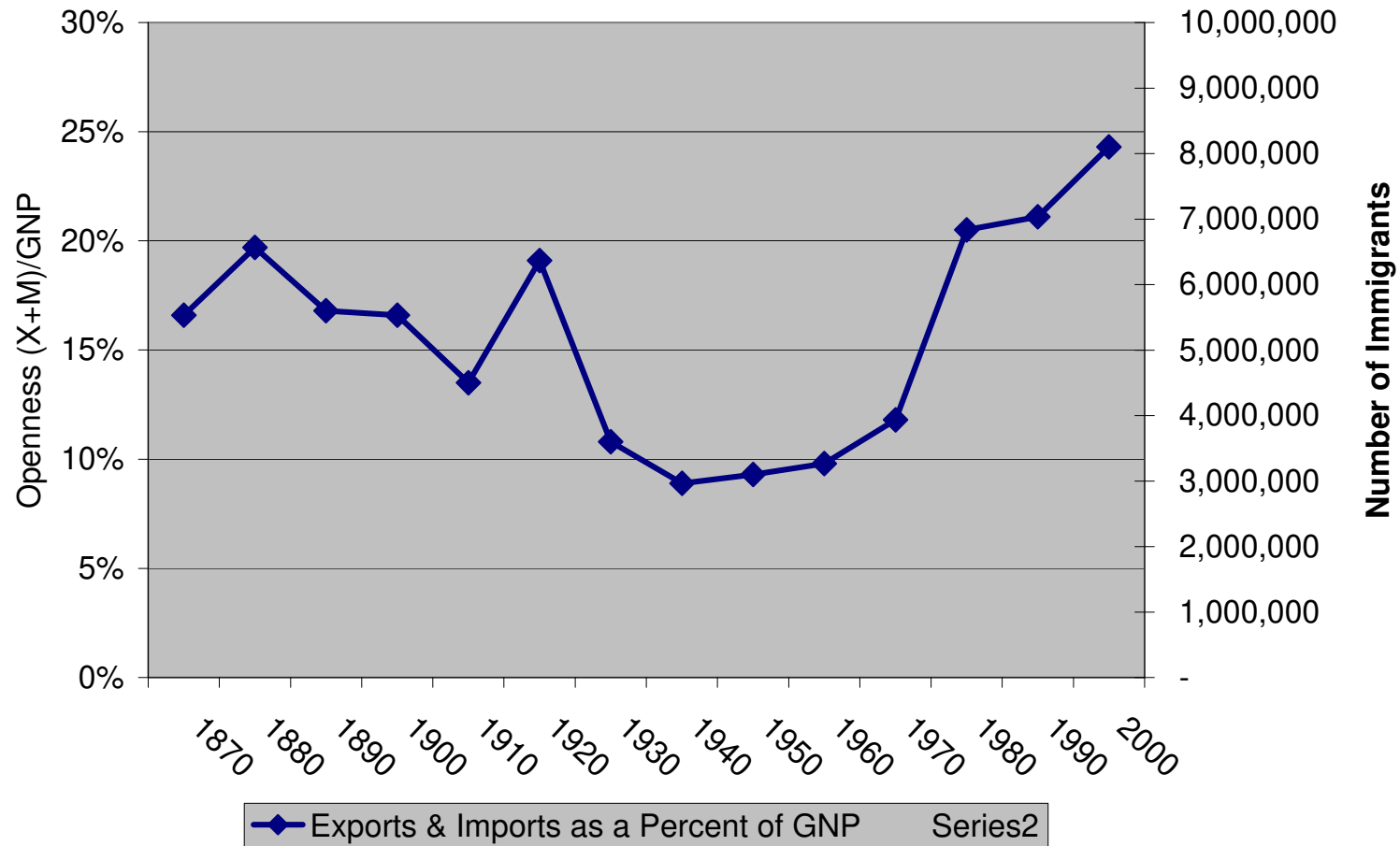
Immigration and Openness 1



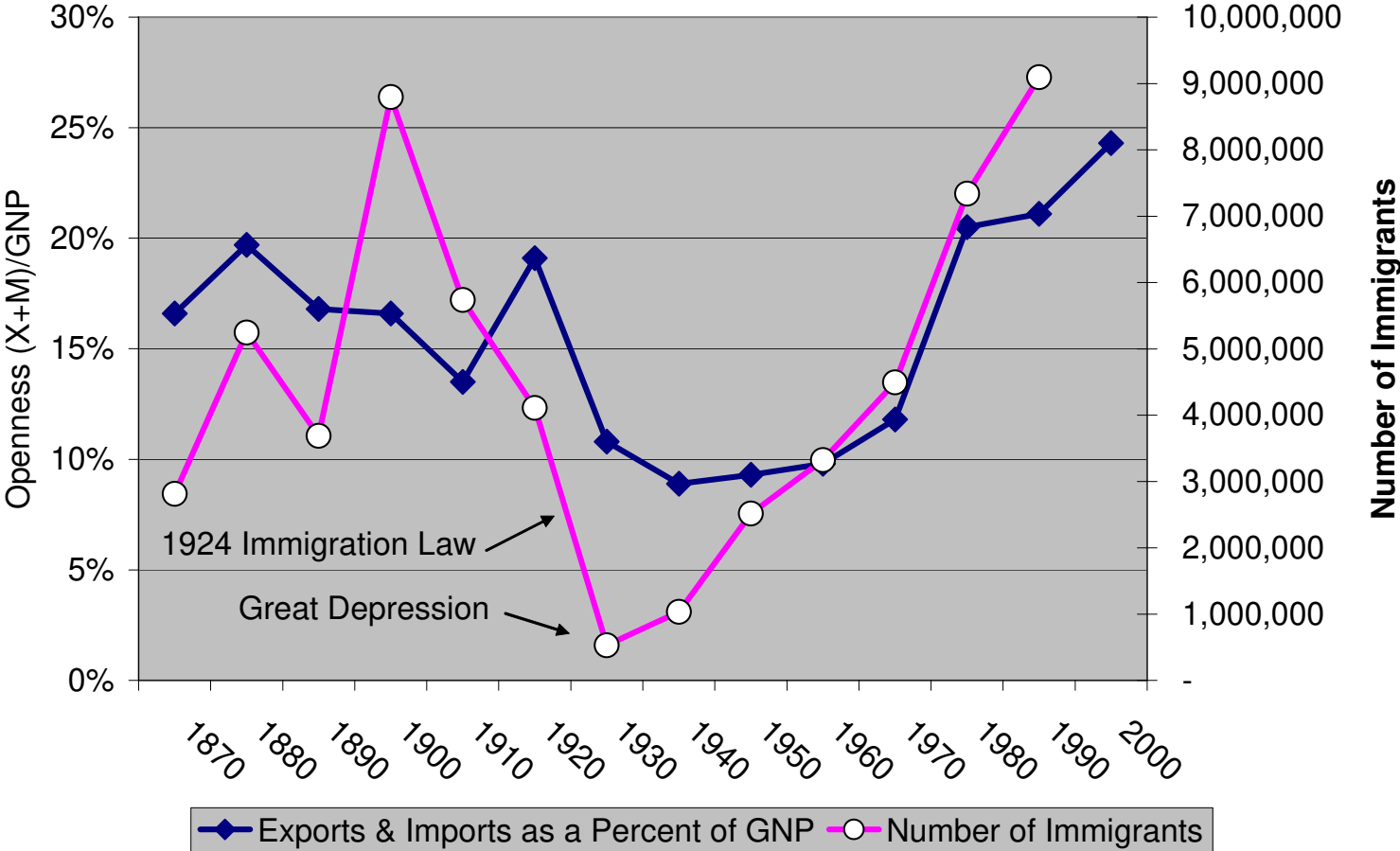
Immigration and Openness 1



Immigration and Openness 2



Immigration and Openness 2



The Closed Economy: A Deal between Capital & Labor



- “The **protective tariff** ...saves the American market for the products of the American workmen. [**Restrictive immigration law**] ...saves the American job for the American workmen.”
– Calvin Coolidge 1924

Republican President Calvin Coolidge (1924-28)

Context of Grand Bargain

- World War I Cut Off Immigration from Europe
- Isolationism Strong Response to WWI
- US Was a Closed Economy
- US Was a Growing Economy
- US Capital Wanted to Keep Out Foreign Competition Through High Tariffs
 - That is how labor got this “deal” in the 1920s from a conservative Republican President and Congress when unions were weak

Can We Turn Back the Clock?

- US Is an Open Economy
 - NAFTA 1995
 - World Trade Organization
 - World-Wide Increase in Trade
 - Immigrants Now from Next Door
 - No ocean barrier
- US Capital Has No Incentive to Make This Deal Today
- World-Wide Increase in Immigration
 - Moroccans in Spain; Turks in Germany; Peruvians in Japan; Burmese in Thailand

What You Will Learn in This Video

- Background on US Immigration
 - History of Immigration
 - History of US Immigration Laws
- Construction Immigration History
 - History of Immigrants in US Construction
 - Concerns About Immigrants' Effect on Natives
 - Calvin Coolidge and Protected Borders
 - Borders Fall After 1965
- Current Construction Trends and Views

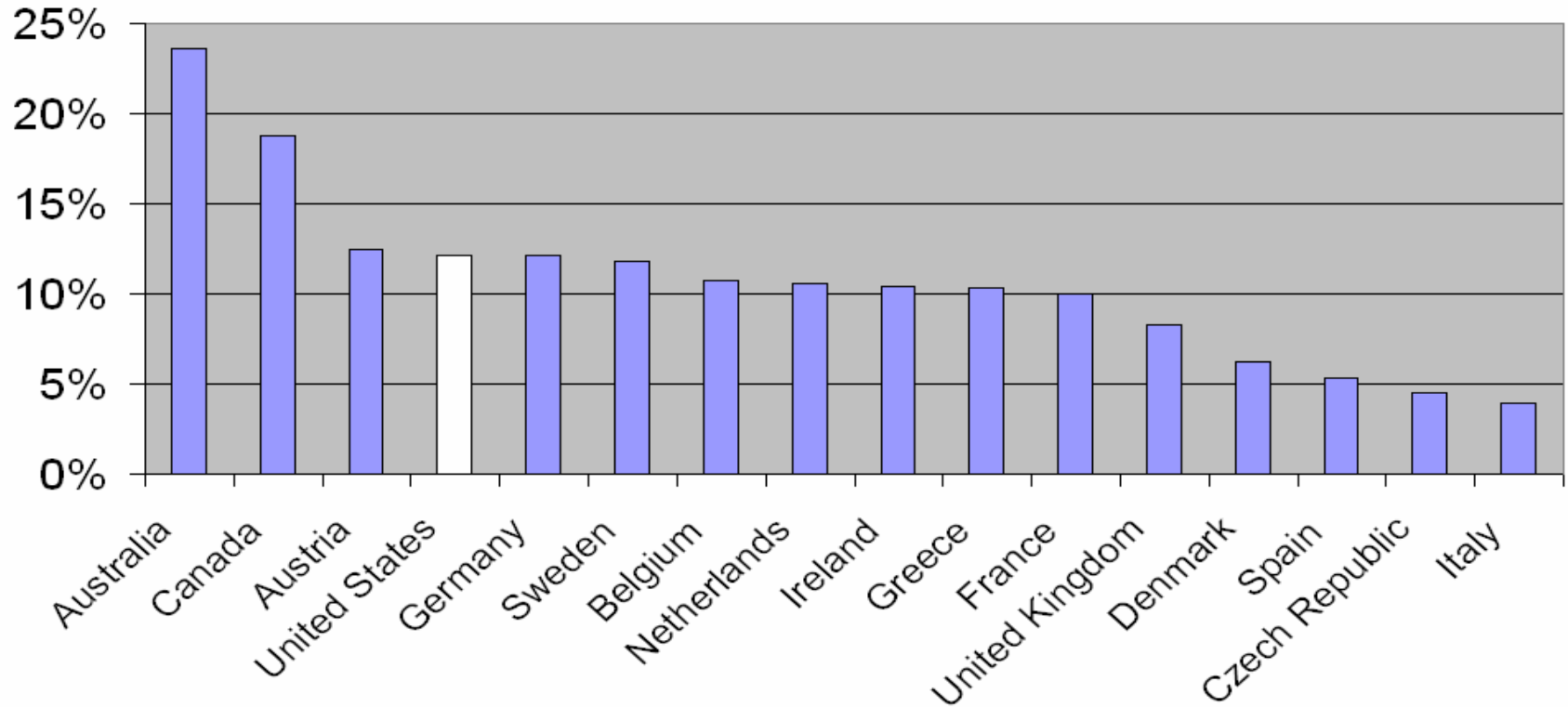


History of US Immigration Law

- The **Chinese Exclusion Act of 1882** was the first (and only) explicitly race-based immigration act.
- World War I—1914 to 1918
- The **Immigration Act of 1924** aimed at freezing the current ethnic distribution in response to rising immigration from Southern and Eastern Europe, as well as Asia. Total annual immigration was capped at 150,000. Asians were excluded but residents of nations in the Americas were not restricted.
- **Bracero Program (1942-64)** imports Mexicans to work in agriculture.
- The **Immigration Act of 1965** discontinued quotas based on national origin, while preference given to those who have U.S. relatives. For the first time Mexican immigration was restricted.
- The **Immigration Reform and Control Act of 1986** granted amnesty to illegal immigrants who had been in the United States before 1982 but made it a crime to hire an illegal immigrant.
- The **Real ID Act of 2005** created more restrictions on political asylum, severely curtailed habeas corpus relief for immigrants, increased immigration enforcement mechanisms, altered judicial review, and imposed federal restrictions on the issuance of state driver's licenses to immigrants and others.

US Similar to Most Developed Countries

Percent of Labor Force 2001



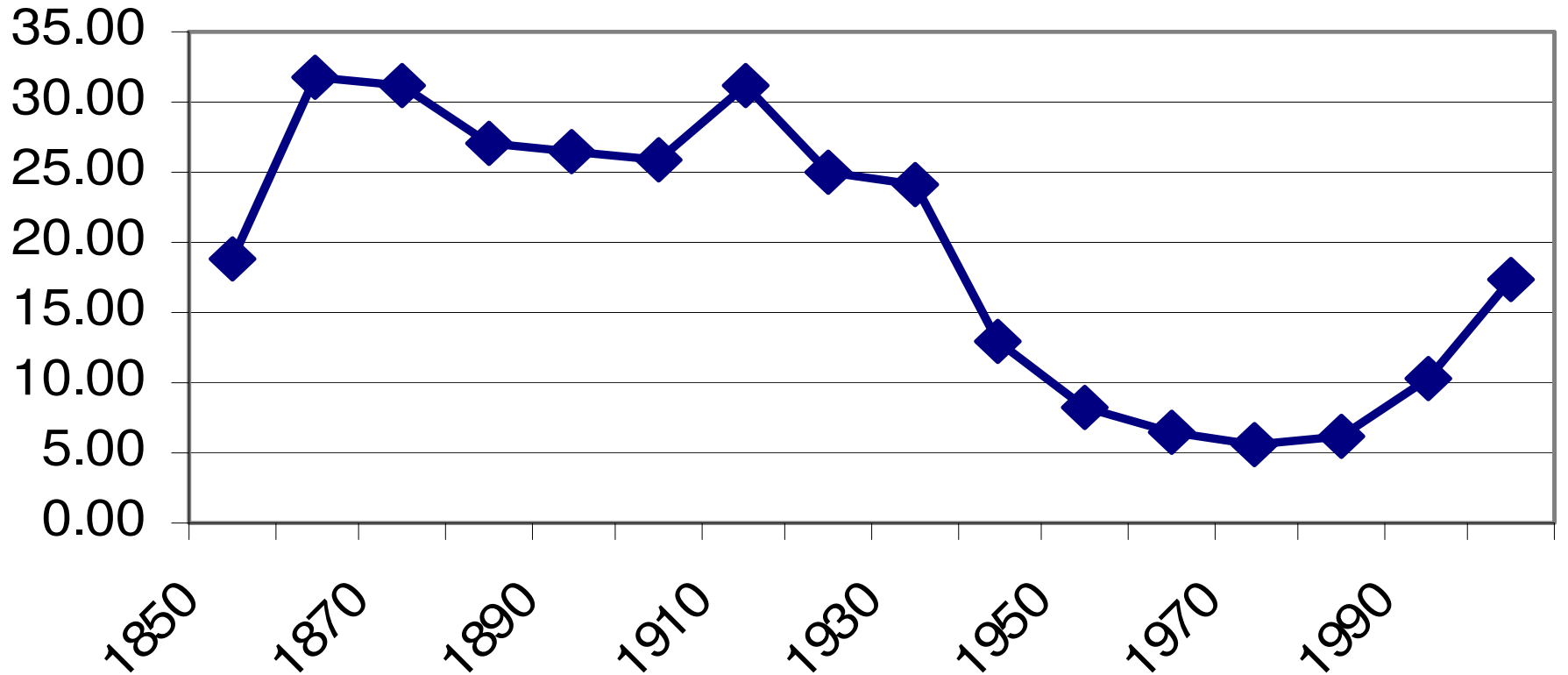
History of Immigrants in Construction



- How much of the construction labor force were (are) immigrants?
- Who were these immigrants?
- How skilled were they?
- How did they affect construction?

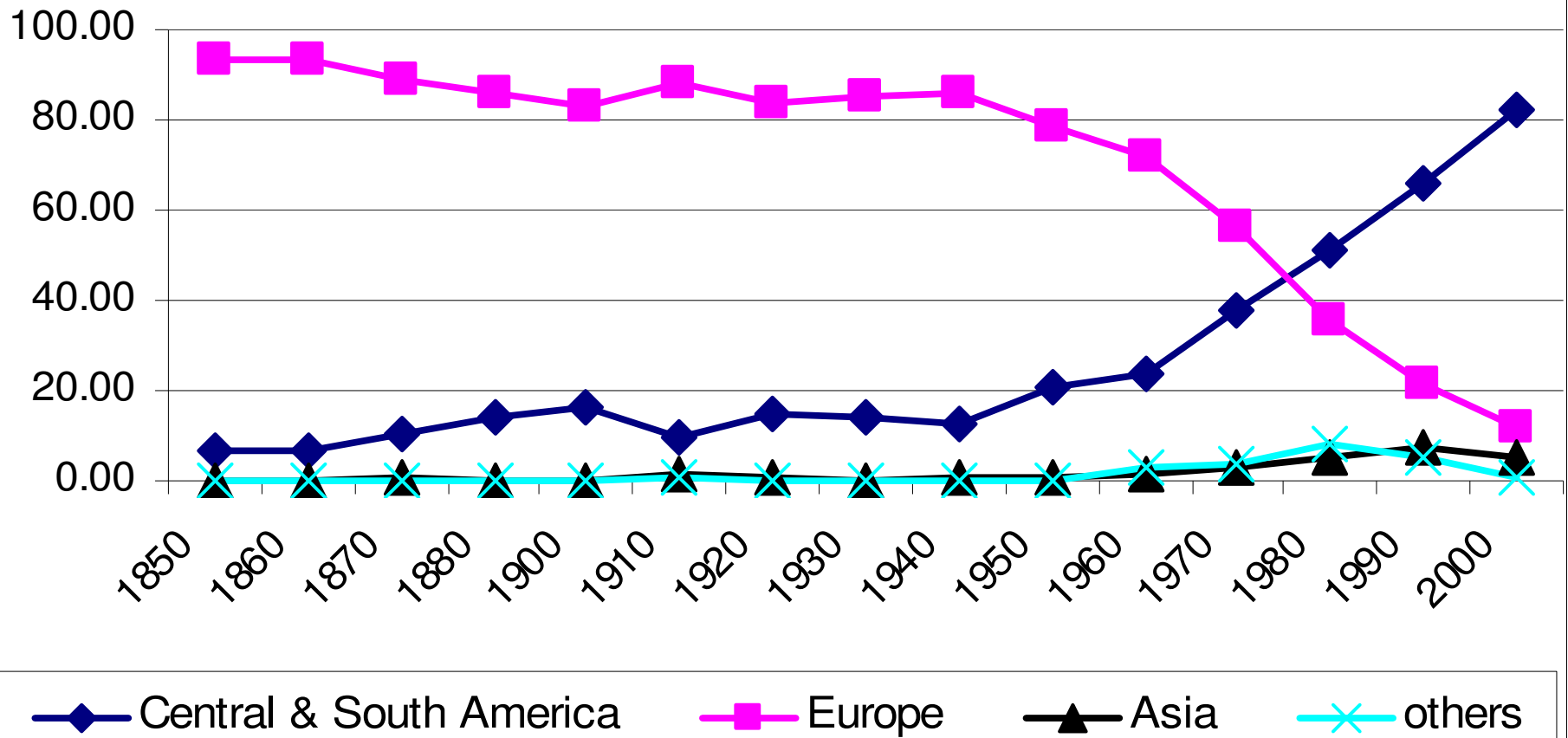
Soon FB Construction Workers Will Be One-Third of Labor Force

Percentage of foreign born workers
in construction industry



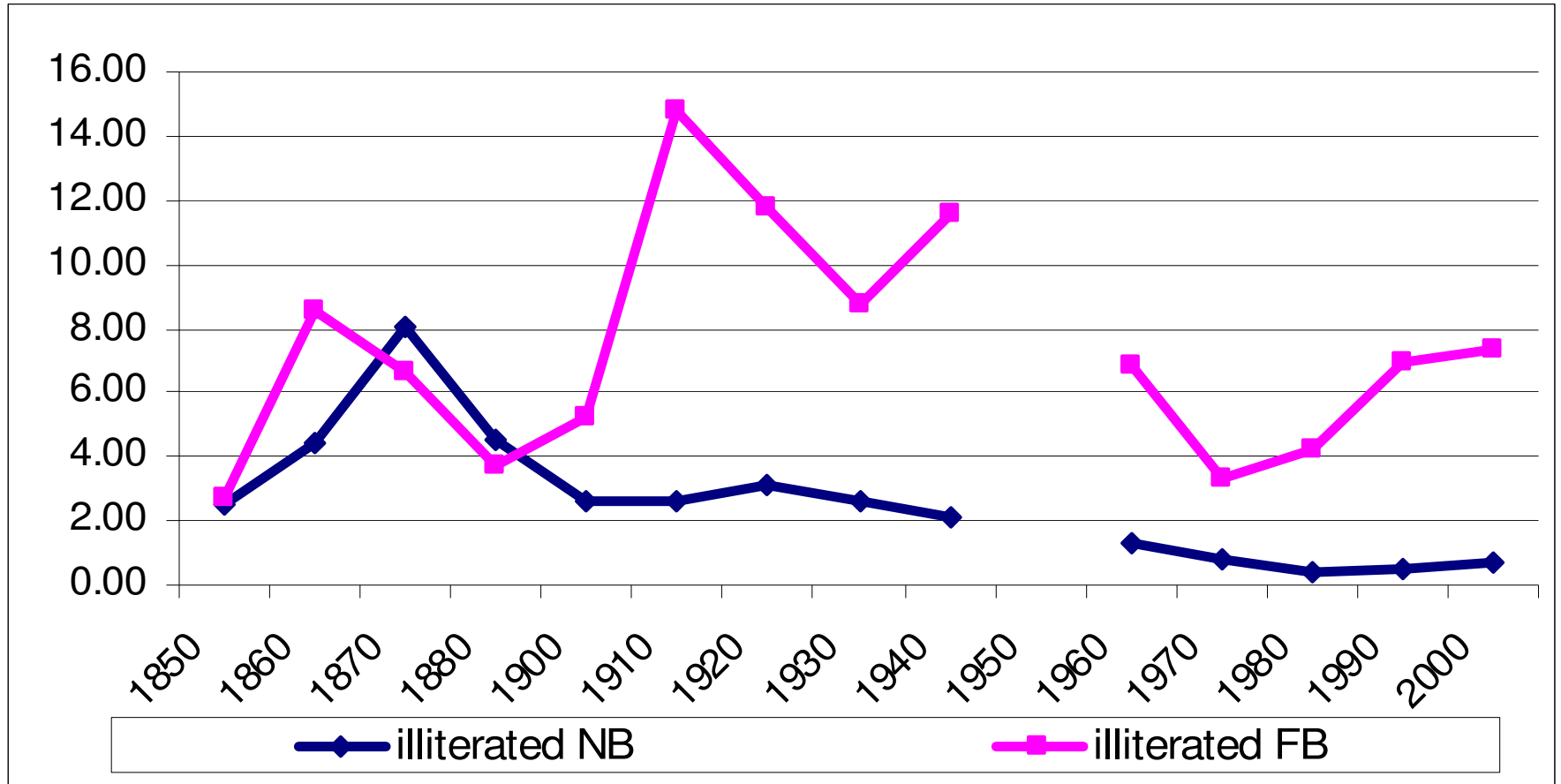
These FB Workers Will Be Hispanic

The percentages of foreign-born construction workers by their birthplaces 1850-2000.



The percentage of illiterate workers among foreign-born construction worker and the percentage of illiterate workers among native-born construction workers

Lack of immigrant skills today similar to Italian & Eastern European immigrants of the last great wave of immigrants.



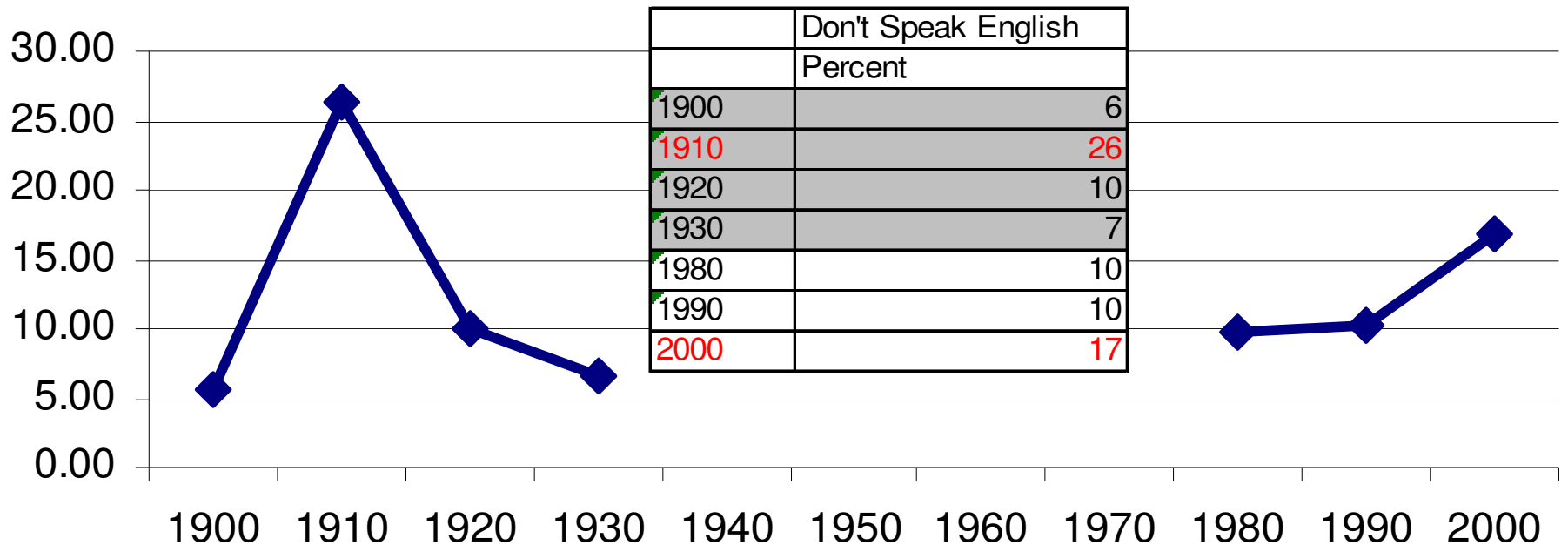
all native born construction workers = 100%
& all foreign born construction workers = 100%

Today 17%+ of construction immigrants do not speak English.

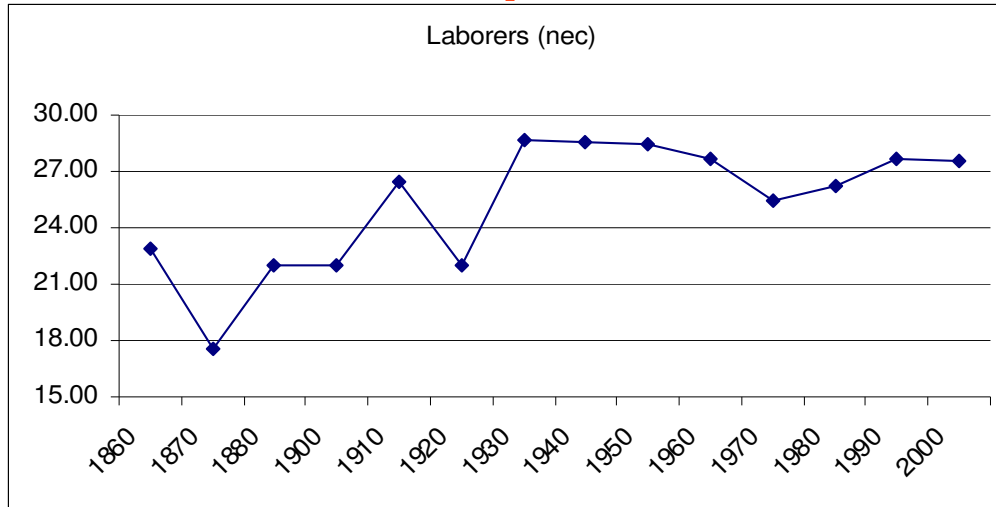
Similar to 1910 when 26% of construction immigrants did not speak English.

Percentage of construction workers who do not speak English among foreign-born construction workers

Percent of Immigrant Construction Workers Who Do Not Speak English

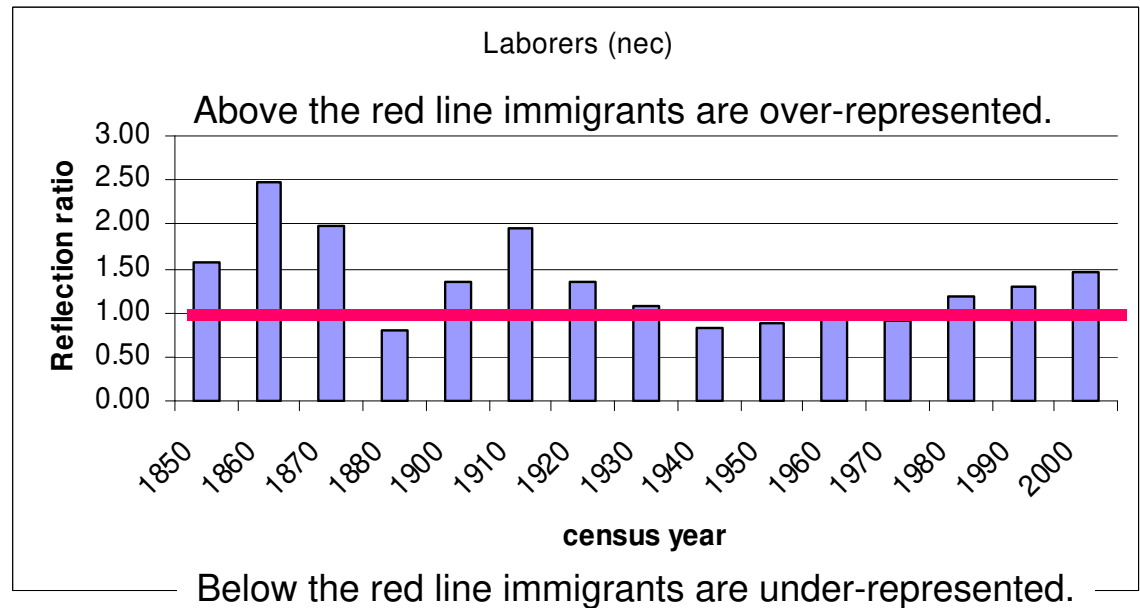


Construction Laborers: Changing Skill Composition in Construction

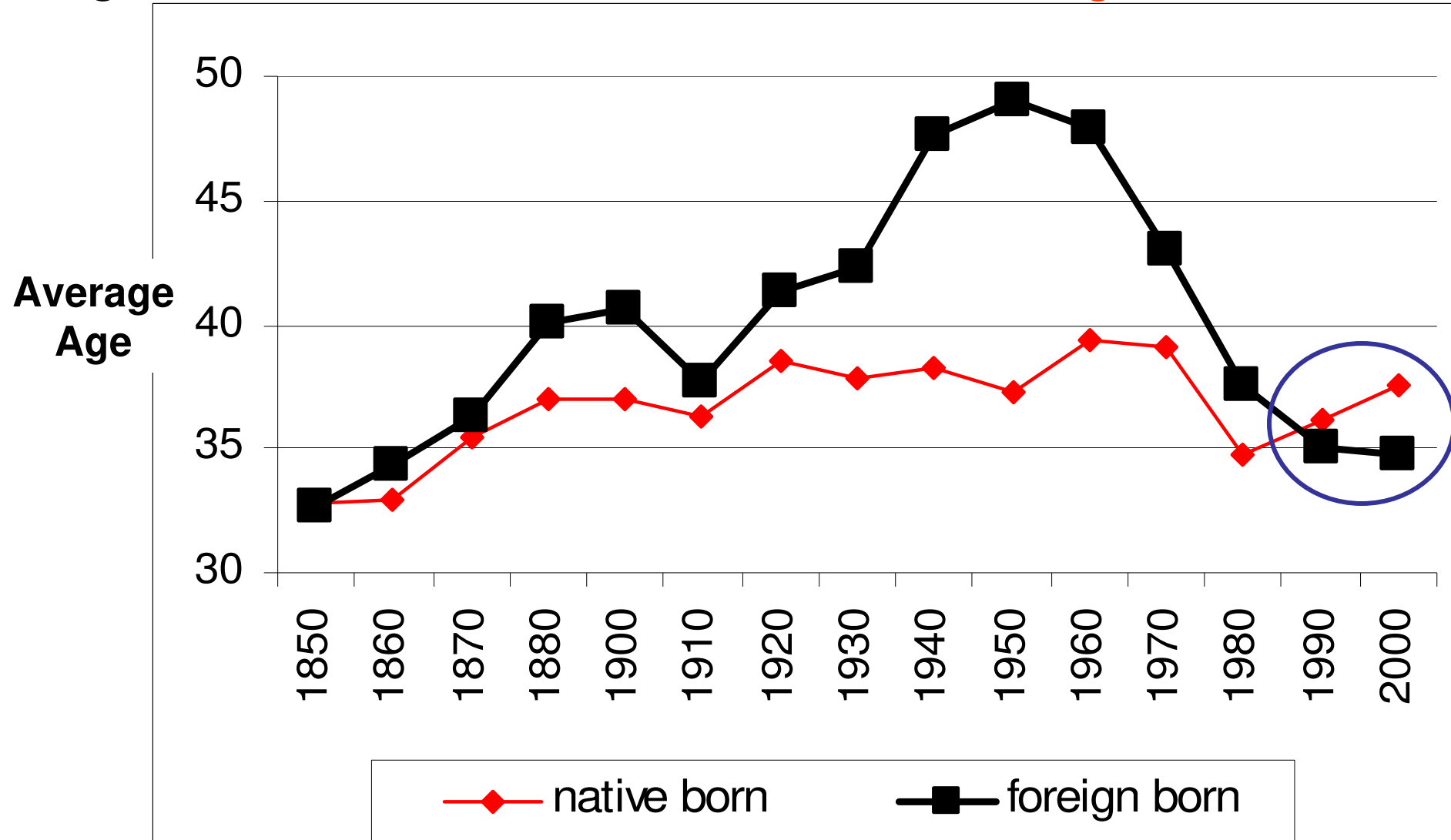


- Laborers as a percent of all construction workers rises until immigration is shut off and then gradually falls until immigration takes off again.

Foreign born workers were over-represented among laborers during both the early and the current wave of immigration.



For the first time, immigrants in construction are now the younger labor force. Natives are the older generation. **Tomorrow's workforce = immigrants**

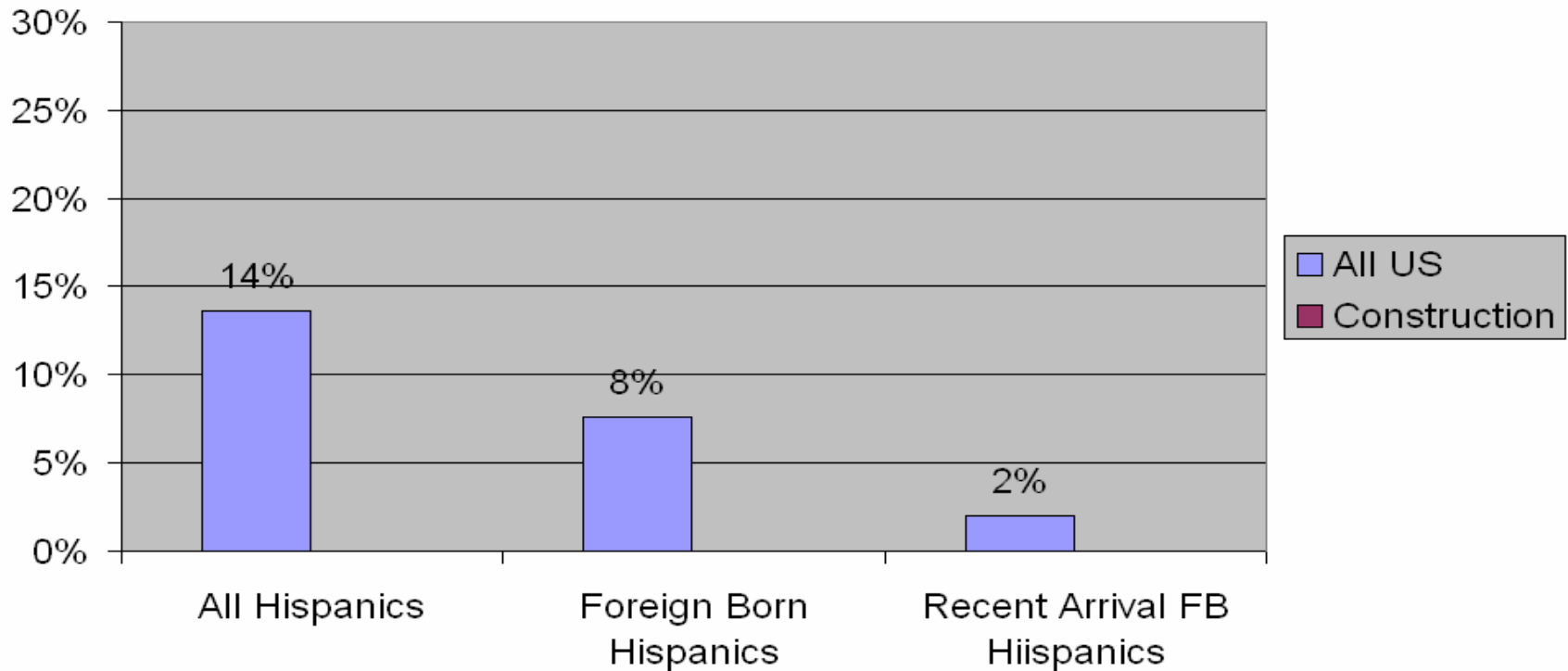


Current Immigration Trends in Construction

- Immigrants are concentrated in construction compared to other industries
- Most Hispanic immigrants go into construction
 - 1 out of 3 recent Hispanic immigrants is a construction worker
- One fifth of all construction workers is a Hispanic immigrant
 - 1 out of 5 construction workers is a Hispanic immigrant

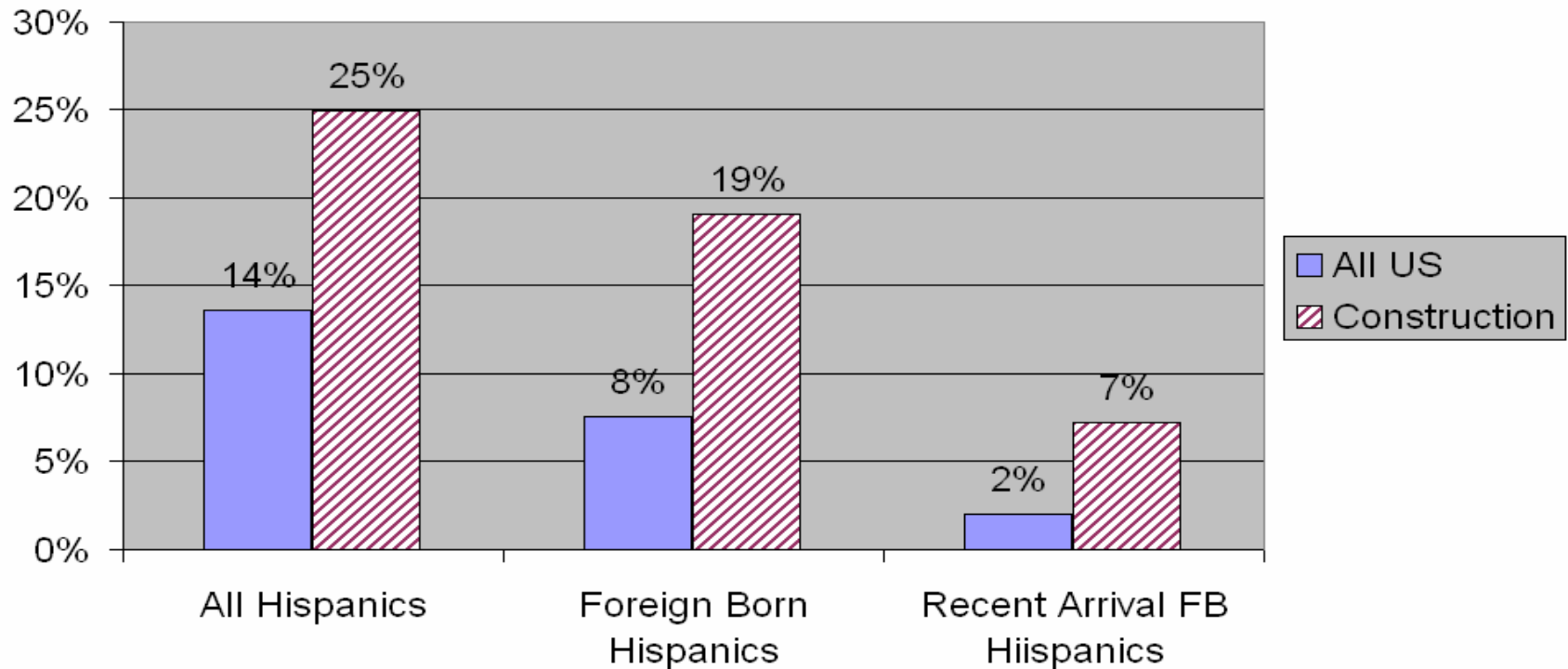
Hispanics Are 14% of US Labor Market--Foreign Born=8%

Hispanic Share of Labor Market
2006



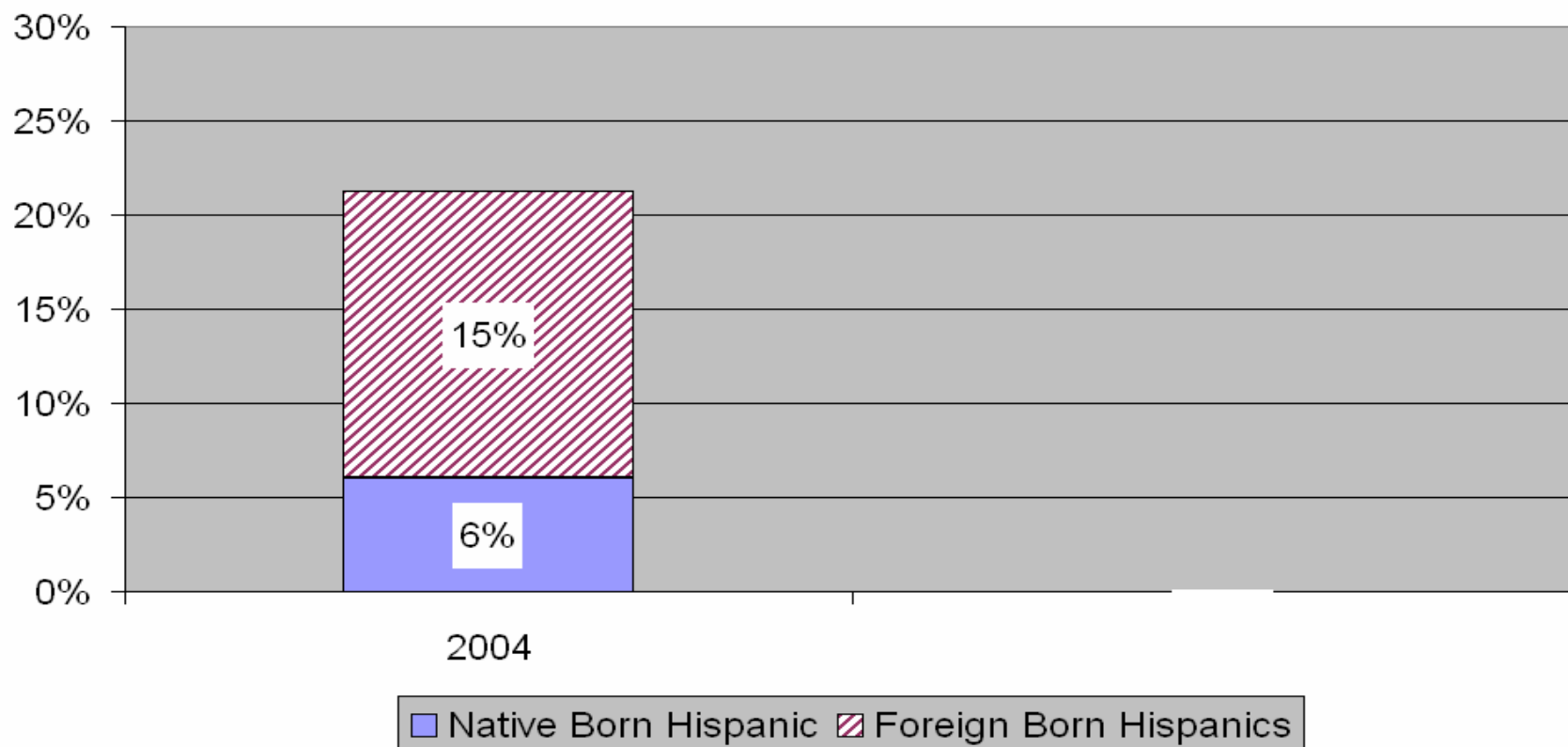
All Hispanics = 25% of Construction
Foreign Born Hisp. = 19% of Construction
Recent Arrival Hisp. = 7% of Construction
Native Born Hispanics = 6% of Construction

Hispanic Share of Labor Market
2006



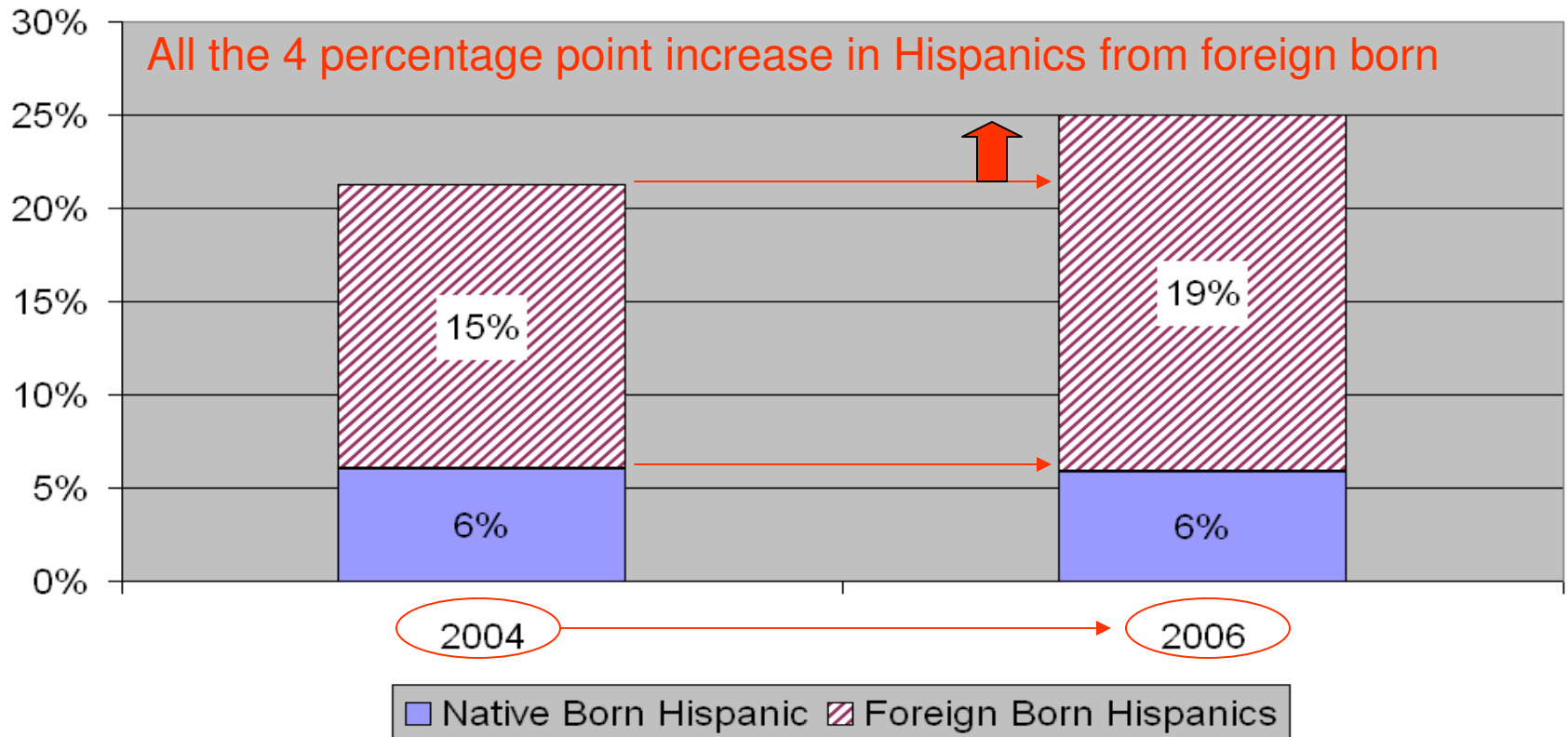
In 2004 Hispanics Were 21% of Construction Labor Market

Hispanic Share of Construction Labor Market



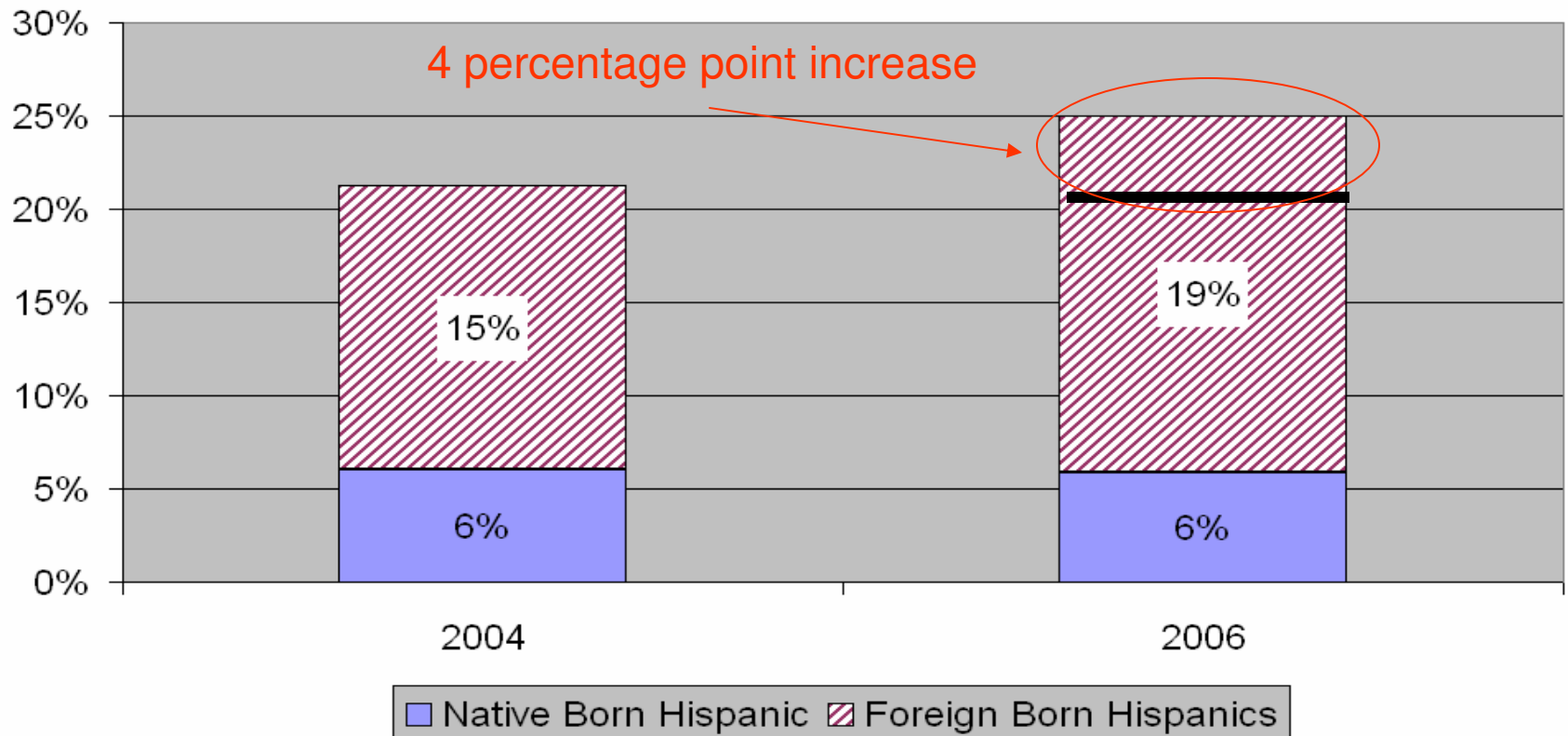
In 2006 Hispanics Were 25% of Construction Labor Market

Hispanic Share of Construction Labor Market



Are the New Workers Old or Recent Immigrants?

Hispanic Share of Construction Labor Market



The New Hispanic Construction Workers Are Recent Immigrants

New Hispanic Construction Workers

Foreign Born
Long Time
Residents
5%

Of the 4 percentage point increase
in Hispanic share of construction
almost all, 95% are new arrivals

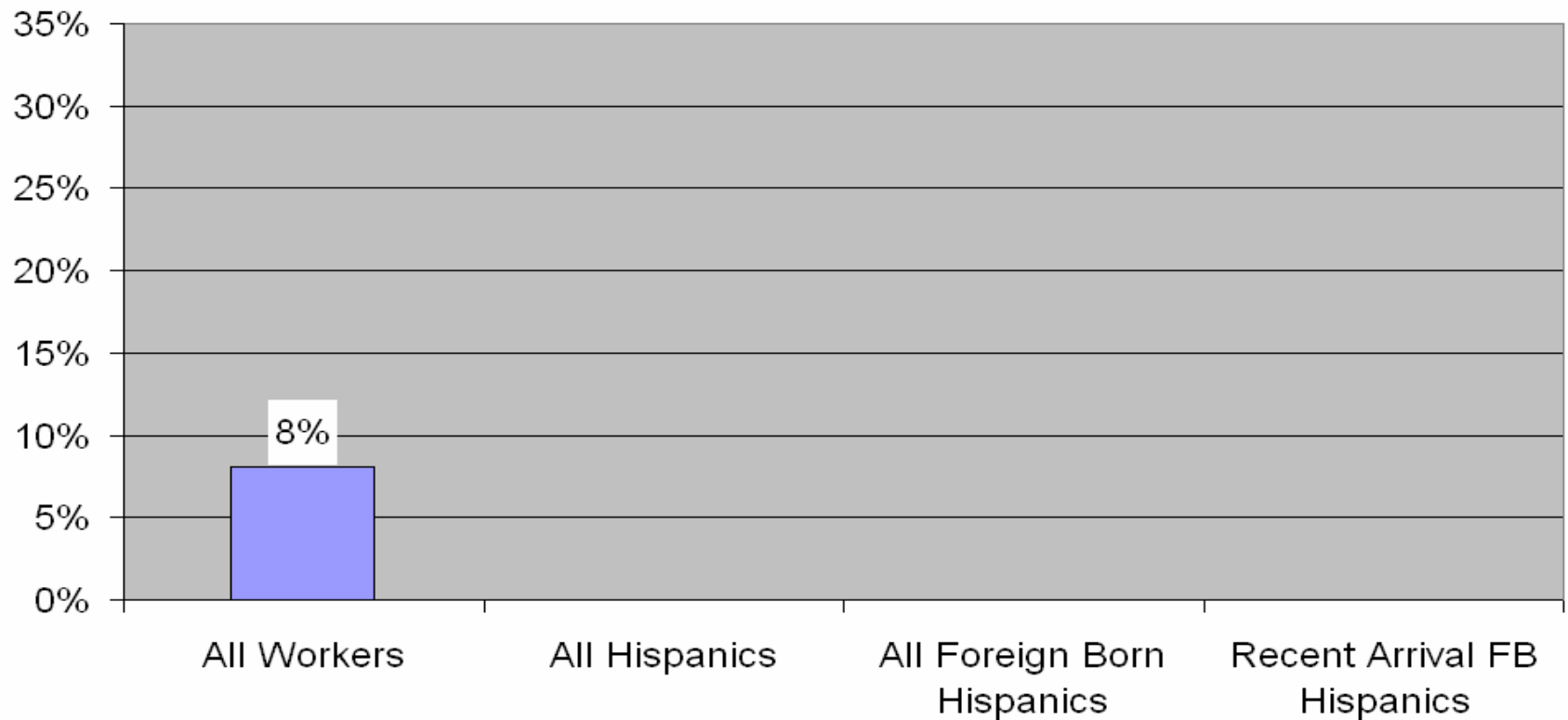


Recent Hispanic
Arrivals
95%

Native Hispanic Construction
Workers Have Not Increased
Their Share of the Construction
Labor Market

How Important Is Construction to Each Group?

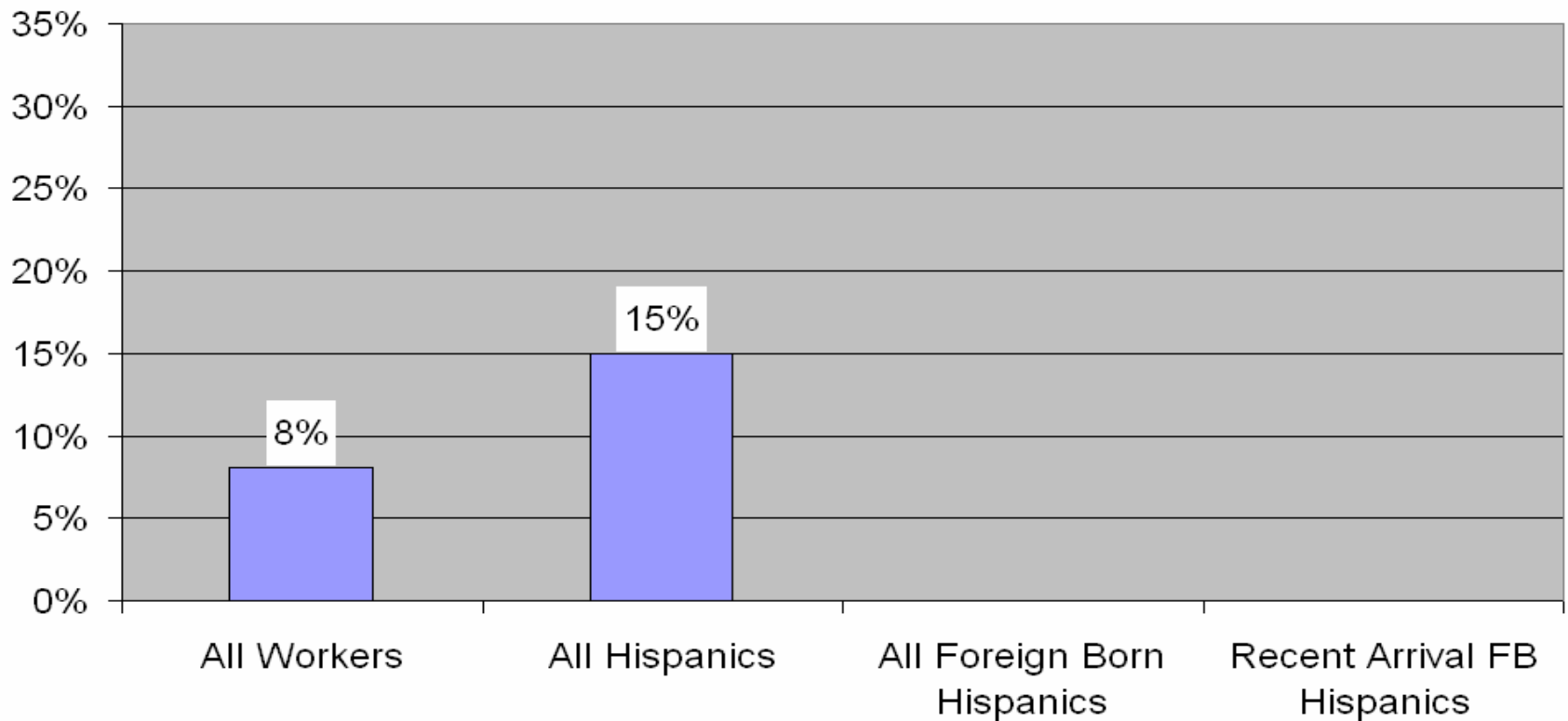
Percent of Each Group Who Are Construction Workers



1 out of 12 U.S.
workers is a
construction worker

How Important Is Construction to Each Group?

Percent of Each Group Who Are Construction Workers

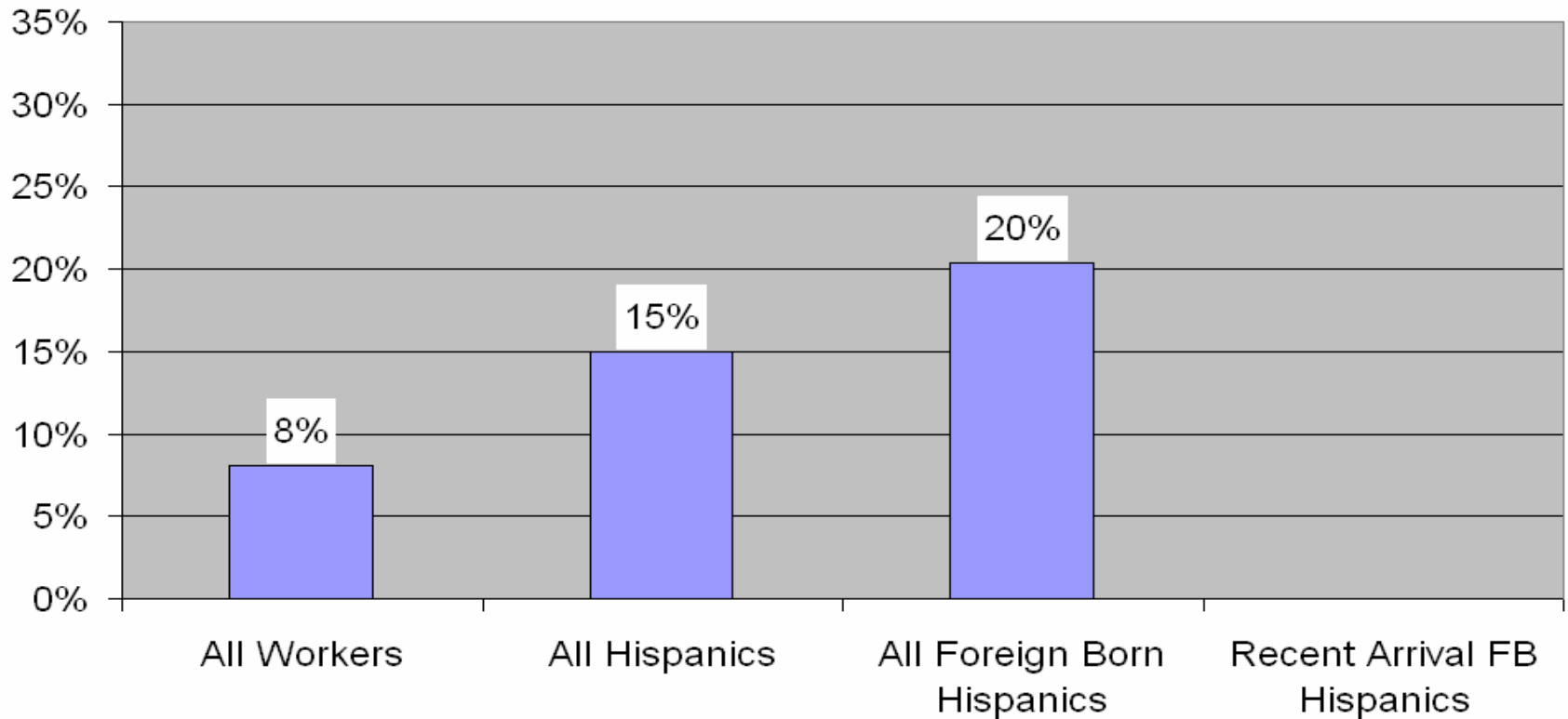


1 out of 12 U.S. workers is a construction worker

1 out of 6.6 Hispanics is a construction worker

How Important Is Construction to Each Group?

Percent of Each Group Who Are Construction Workers



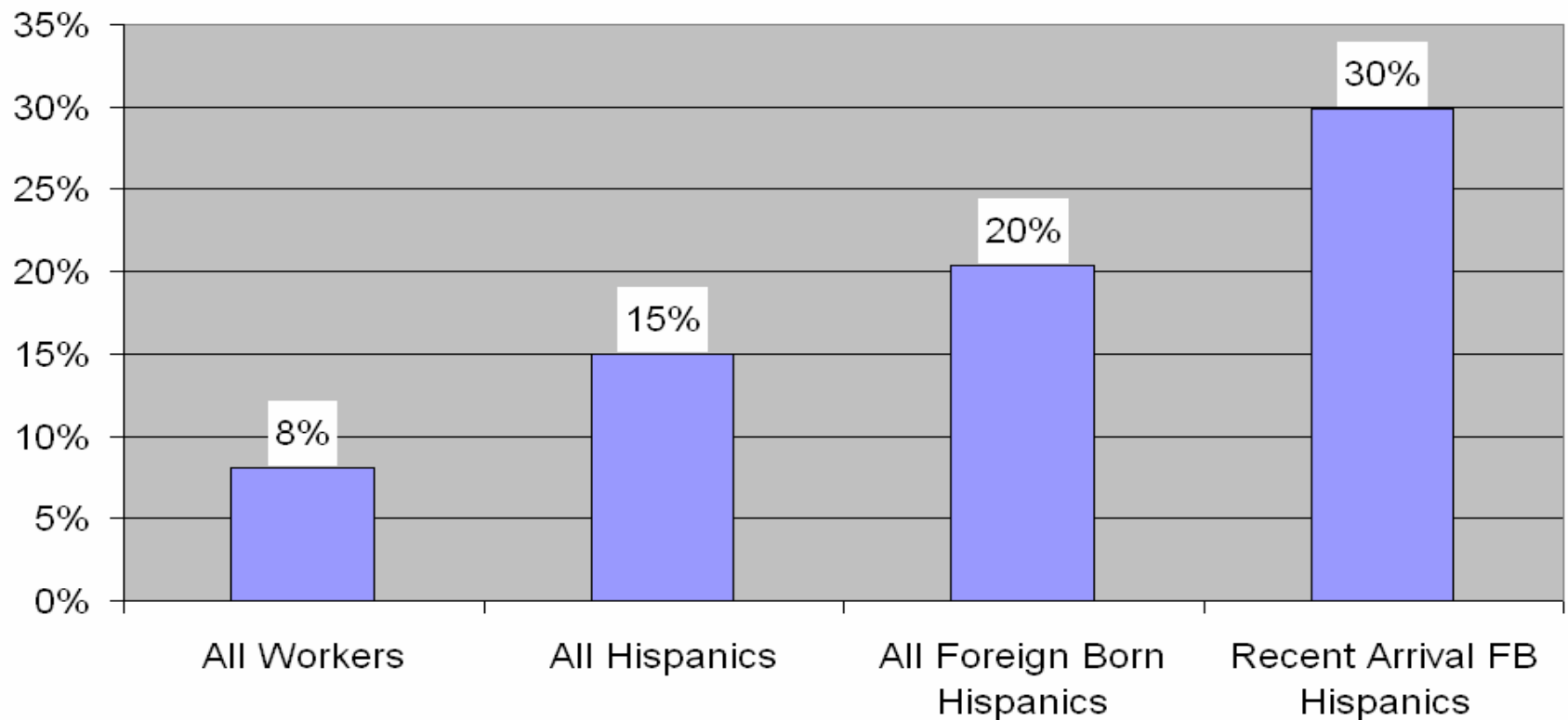
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1 out of 6.6 Hispanics is a construction worker

1 out of 5 foreign born Hispanics is a construction worker

How Important Is Construction to Each Group?

Percent of Each Group Who Are Construction Workers



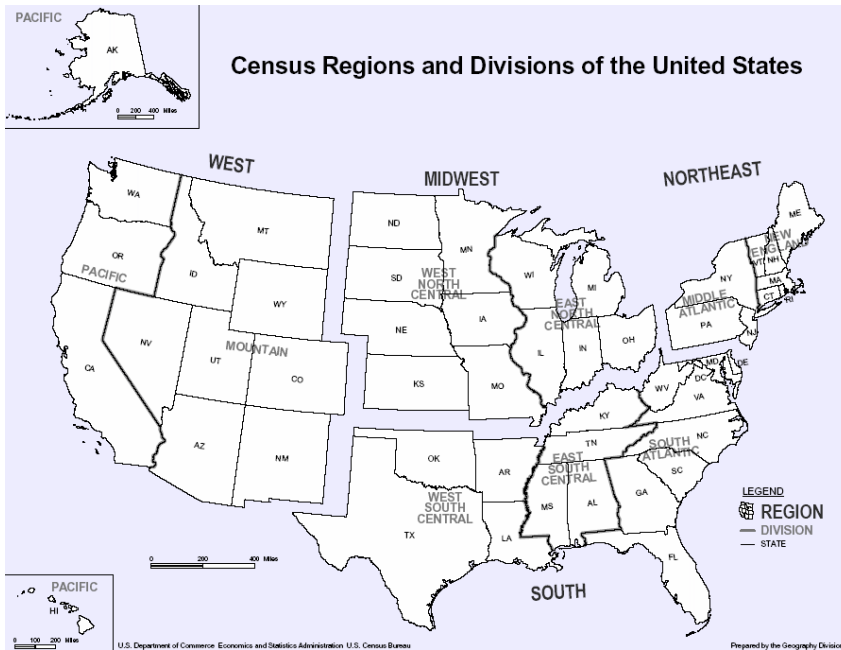
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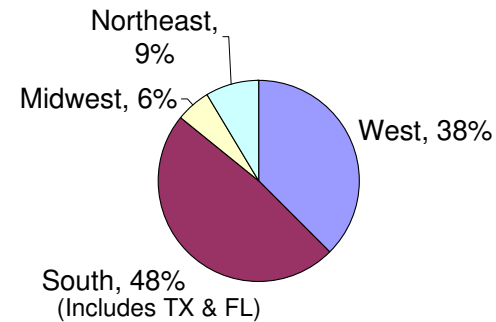
1 out of 5 foreign born Hispanics is a construction worker

1 out of 3 recently arrived Hispanics is a construction worker

How Are Hispanics Spread Out? 2006



Distribution of All Hispanics Across Regions



Nonunion areas of the South seem attractive

Hispanic Construction Workers Are Super Exploited

- Mexican workers are four times more likely to die on-the-job compared to native workers
- Mexicans are twice as likely to die compared to other immigrants
- Hispanic injuries are less likely to be reported
- Hispanic immigrants are more likely to be bogus independent contractors

Immigrants & Construction Safety

- Eighteen-year-old Carlos Huertawas told to stand in a trash container, which a forklift raised 10 feet so he could wash a brick wall. But the improvised platform wasn't secured to the forklift's prongs, and it soon toppled.
- ...16-year-old Antonio Garcia Reyes was framing the roof of a new college dormitory in Alabama when he plunged three stories. He had no harness or other protection against a fall, accident investigators found.
- ...in South Carolina, brothers Rigouerto and Moses Xaca Sandoval died building a suburban high school that, at 15 and 16, they might have attended. They were buried in a trench when the walls of sandy soil collapsed....
- Accidents like these suggest that employers tell Mexicans to do the most glaringly perilous tasks, says Susan Feldmann, who fields calls from Spanish-speaking workers for an institute within the federal Centers for Disease Control. "They're considered disposable," she says
 - Justin Pritchard, "AP Investigation: Mexican worker deaths rise sharply even as overall U.S. job safety improves," The Associated Press State & Local Wire, March 12, 2004.

Immigrants and Contractor Exploitation

- OMAHA (AP) -- Miguel is paid by the hour. He is told when to start and finish his workday, when to take breaks and what to do on his shift. He didn't bid for the job of hanging drywall, and he doesn't risk profit or loss. He wears a red hard hat bearing the "E & K" insignia of an Omaha contractor, Eliason & Knuth Drywall Co. He cashes a paycheck cut by a second company, an Atlanta-based labor broker called Eagle Managed Subcontractors. By all appearances, Miguel is somebody's employee. Yet before he could work on the new Omaha convention center, Miguel, as we're calling him, had to sign a contract declaring himself an independent subcontractor.

Steve Jordon, Cindy Gonzalez, "When a worker is not an employee When illegal immigrants are classified as subcontractors, taxes tend to disappear. Who's the boss?" *Omaha World Herald* (Nebraska), April 27, 2003 NEWS; p. 1A.

To Exclude or to Organize?



- What does history tell us?
- Yesterday's immigrant becomes today's union leader
 - English, German, Irish, Scottish, Greek, Russian and Italian names are common among union leaders today
 - Will Asian and Hispanic names be next?

To Exclude or to Organize?



- What is possible in today's world?
- Cannot roll back free trade
 - And with trade will come immigrants
 - What will happen to unions if immigrants are not organized?

Conclusion

- The closed period of the American economy (1920s to 1960s) is an historical exception
- Rolling back free trade and globalization is unlikely
- If trade continues, immigrants will come
- What will happen to construction if these immigrants are not organized?