

# The Global Economy and the Latino Populations in the United States: A World Systems Approach

*William I. Robinson*

**ABSTRACT** There are broad, historical-structural linkages among the distinct Latino groups in the United States, on the basis of which a Latino national minority is forming. In analyzing the disproportional effects on Latinos of the global economy, this essay argues that there is a common Latino historic experience vis-à-vis the world system incorporation into the US political economy, with its characteristic pattern of racialized social relations, from the immediate US periphery, the Greater Caribbean Basin, and through colonial conquest. This constitutes the structural underpinning for a Latino national minority. This analysis also provides new components of a theoretical framework for understanding minority group formation.

Much has been written on the origins and evolution of the distinct Latino populations in the United States, and there is a growing debate as to whether these groups constitute a national minority. The notion that such a minority is in formation has been gaining favor in academic and political circles, a notion with which I concur. However, much sociological writing on Latino groups has focused on demographic phenomena, language, culture, and other descriptive or ascriptive traits. Other studies have stressed emerging ethnic consciousness, pan-Latino political action, and other subjective factors as causal explanations in minority group formation.<sup>1</sup> These factors are all significant. However, in my view there are broad, historic *structural linkages* among the distinct groups that

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Research associate at the Centro de Estudios Internacionales of the Central American University, Managua, Nicaragua, and news analyst at the Latin America Data Base, University of New Mexico, Albuquerque. Direct correspondence to Department of Sociology, University of New Mexico, Albuquerque, NM 87106. I am indebted to Felipe Gonzales for the invaluable observations and critical suggestions he made as I progressed through several earlier versions of this essay, as well as for providing personal encouragement. I would also like to thank Richard Sauder for his comments and editorial recommendations on the final draft.

constitute the material basis and provide the underlying causal explanation for Latino minority group formation. In other words, cultural and political determinants are relevant, but *subsidiary*, in that they only become "operationalized" through structural determinants rooted in the U.S. political economy and in an historic process of capital accumulation into which Latinos share a distinct mode of incorporation.

The point of this essay is to expose and analyze such linkages. The overall framework I employ is the world system, and my disciplinary tool is the application of political economy to sociological phenomena. My argument is developed via an analysis of the disproportional effects on Latinos of the emergence of a global economy, which is the fourth major stage in the history of the capitalist world system. I argue that, despite the unique characteristics of each group, the common historic experience vis-à-vis the U.S. political economy and the world system constitutes the cross-group structural underpinnings for a Latino national minority. My analysis may be seen as a broadening of the "mode of incorporation" framework (Portes and Truelove, 1987: 367-368, Portes and Bach, 1985), so that a group's mode of incorporation is placed in the context of the world system and in conjunction with the specific racialized social relations of U.S. capitalism. I argue that the interaction of center and periphery, replicated inside U.S. territorial borders as racialized social relations, establishes the structural conditions for the formation of a national minority that shares an historic location in the world system. *For Latinos, this is the immediate periphery of U.S. capitalism, the Greater Caribbean Basin*.<sup>2</sup>

The Latino populations are made up of four principal groups: Mexican-Americans, Puerto Ricans, Cubans, and Central Americans. Although this study conceives of the Latino populations as an emergent national minority, it is not my intention to negate specific identities, such as Chicano, Puerto Rican, or Salvadoran, which reflect distinctive experiences, regional variations, unique cultural and social attributes. Neither do I argue that different Latino groups necessarily perceive themselves as members of a larger group; this study posits not self-identity but structural linkages as the material underpinning for the formation of a larger national minority group. The characterization as a national minority combines the notion of an ethnic or racial group with a minority group: the first is a group distinguishable in a number of ways from the dominant society because of identifiably common characteristics, the second is a group (with no numerical connotation) that plays a subordinate role in class society as a result of race or ethnicity.<sup>3</sup> Latinos are conceived of here as a socially-constructed racial category, rather than an ethnic group.<sup>4</sup>

The development of my argument involves several dimensions. First, I present a three-tiered construction: (1) The Latino populations (along with African-Americans and other national minorities) in the United

States have historically occupied the lowest rungs of the U S economy, characterized by participation in labor-intensive and manual activities (2) The emergence of the global economy involves the transfer of these particular branches of production from U S territory to other regions of the world (3) As a consequence, the Latino populations have been increasingly dislocated and reconcentrated in employment in the minimum-wage service sector and/or into a situation of structural unemployment Second, this construction can be given an historic explanation in a world systems approach, whose basic tenets, I believe, provide a determinate framework for analyzing the Latino experience The social relations of capitalist production in the United States have always been intimately linked to a broader world system Recent investigations have focused on economic restructuring in the United States and its impact on labor and minorities<sup>5</sup> But it is increasingly impossible to understand social phenomena in a nation by limiting analysis to what takes place within the borders of that nation Since capitalism has developed both within national boundaries and as a world system, the appropriate unit of its analysis is neither exclusively the national nor the world system

The evolution of the capitalist world economy has consistently had a discernible impact upon and consequences for those groups that are now coming to constitute the Latino minority in the United States There are distinct transnational social relations associated with the interface of center and periphery in the world system The Mexican-American, Puerto Rican, and other populations became incorporated into the United States as part of the same process of the formation of a world system The division of labor within the United States, calibrated in turn to the international division of labor, has important racial dimensions Location within the structures of production is often determined, or at least influenced, by race or status as a national minority The same "center-periphery" dichotomies that characterize the world system are also reproduced within national borders, between regions and between social groups, *apart from* the division of society into classes The U S Southwest, Puerto Rico, Cuba, and Central America, at critical moments in the history of the U S political economy, have all formed part of the essential periphery of U S capitalism And Latinos experience structural conditions characteristic of a peripheral population

This paper is divided into three parts The first will analyze the emergence and dynamic of the global economy and the position of the United States therein and conclude with a brief statistical analysis of the specific impact which the global economy has had on Latinos The second will take a retrospective look at the mode of incorporation of Latino populations into U S society and the evolution of their position in the structures of the national political economy over time The conclusion will return to the issue of the relation between structural and subsidiary

determinants in minority group formation, and point to issues which may be further explored on the basis of the ideas raised in this essay

### The World System and the Latino Populations

A thorough discussion of the concepts of the world system and the global economy is beyond the scope of this essay.<sup>6</sup> What concerns us here is the relation of the Latino populations in the United States to the world system. In accordance with the basic framework, the gradual linkage of social formations on a global scale over the past 500 years brought with it an international division of labor around a singular process of capital accumulation and the division of the world into "center" and "peripheral" regions. For the purposes of this essay, we may identify four major stages: primitive accumulation of capital (mercantilism), industrial, competitive, or classical capitalism, monopoly capitalism, and the current global economy characterized by transnationalized capital. The genesis of the Puerto Rican, Mexican-American, Cuban, and other Latino populations dates to the first stage, Spanish colonization and settlement of the Greater Caribbean Basin. During the early industrial phases in Europe and the United States, the populations and economies of the peripheral regions were structured to supply labor and raw materials for industrial development. It was during this second broad historic period that the United States seized the Southwest from Mexico and Puerto Rico from Spain, incorporating both these regions into its own periphery. Puerto Rico became a colony of the United States and the Southwest became a peripheral region within the U.S. nation-state. Cuba and Central America became virtual U.S. protectorates. The period of monopoly capitalism, starting late last century, and continuing into the 1970s, involved the *export of capital* from central to peripheral regions and the increasing international mobility of capital. In this period, Puerto Rico, Cuba and Central America became a major outlet of U.S. investment capital in the Caribbean Basin, and the Southwest became integrated into the U.S. political economy through the large-scale penetration of investment capital in mining and agriculture, and later in industry and services.

The fourth major stage in the world system is the current one: the emergence of a truly global economy. Over the past several decades, the world has been moving from a situation in which nations have been linked via capital flows and exchange within an integrated international market to the *globalization of the process of production itself*. This involves a restructuring of the international division of labor, including the reorganization of productive structures of each national economy in the global system.

In earlier periods, the general international division of labor was one in which manufactured goods were produced in the centers of world capitalism and primary materials were produced in the peripheral areas. In

the United States, an industrial sector producing for both domestic and foreign markets came to predominate. The labor corollary to this economic structure was a huge industrial working class, including millions of workers in the classical industries (textiles, steel, automobiles, machine tools, chemicals, etc.) and in service and adjunct sectors clustered around the basic industrial complex.

The seeds of transformation of this international division of labor date back to the early post-WWII years with the appearance of the multinational corporation (MNC) as the principal agent of international economic activity and two consecutive "waves" in the "scientific and technological revolution" (STR). As we shall see, both "waves" in the STR, by transforming the labor process and social relations of production, had important implications for the Latino populations in the United States. The first began during WWII and was focused on high-energy, raw materials, capital-intensive technologies such as nuclear energy, new automation techniques, synthetics, and the first generation of computers and electronics. This first STR vastly increased productivity and output in the centers of world capitalism. The second STR dates back to the late 1960s and involves low-energy and material saving technologies, including the second generation of computerization, electronics, and synthetics, and new communications technologies. The first constituted a shift from labor-intensive industrial production to capital-intensive production, the second from capital-intensive to technology-intensive. The second wave of the STR is fundamentally transforming the international division of labor and providing for the transition to a truly global economy. Several clusters of completely new industries based on high technology and scientific content are coming to dominate the United States and other developed economies. These include advanced electronics and computerization, telecommunications, administration and transportation, robotics, cybernetics, aerospace science, biotechnology, etc. — the so-called "sunrise" industries.

This has substantial consequences for the restructuring of the world economy and the world market, transforming the very nature of the industrial production process and, along with it, the role of human labor. It has allowed for the decentralization across the globe of complex production processes simultaneous to the centralization of decision making and management of global production, i.e., the complete separation of the site of management from the site of production, and the geographic fragmentation of production and of capital.<sup>7</sup> This new ability to set up what Barnett and Muller (1974) describe as the "global factory" has allowed capital to realize across the globe what, at one time, it had to restrict to national borders: the search for lowest labor costs and for the most favorable business climate (including a non-union environment and repressive states that maintain labor discipline). The relocation of capital to cheaper wage zones within U.S. borders is not new. In the 1950s shoe,

textile and apparel industries, for instance, left New England for the lower-wage, non-unionized South. And in the 1960s and early 1970s, Northeastern capital based the computer and electronic industries in the Southwest "Sunbelt" for the same reasons. With the new *global* capital mobility, relocation is increasingly *outside* U.S. borders. Harrison (1986) notes that between 32 and 38 million jobs were lost during the late 1970s as a result of relocation, and that half these job losses occurred in the Sunbelt states of the South and West.<sup>8</sup>

As a consequence, labor-intensive phases of industrial production are transferred from the United States to developing countries where labor is a fraction of the relative cost. (The average hourly wage in the United States is \$14.74, compared to \$0.44 in Mexico [Latin America Data Base, 1990].) Relative wage differences among nations (and therefore international differences in the rate of profit) have historically driven the export of capital. However, the second STR has made possible the complete mobility of capital and the facile transfer of the labor component of production abroad. "Outdated" and more competitive industries, such as textiles and steel — the so-called "sunset" industries — are therefore being relocated to underdeveloped regions, as are the labor-intensive phases in the production of complex products, such as computers, automobiles, and electronic appliances. In this new international division of labor, what remains within U.S. borders are the managerial process, research and scientific development, and technology-intensive production requiring highly-skilled labor, together with a dual service sector geared to individual consumption and to administrative support (clerical services, sales, fast-food stores, etc.). Among the phrases which have been coined to describe this phenomenon are "run-away industry," "deindustrialization" and "post-modern society" (Bluestone and Harrison, 1982). However, "deindustrialization" is a misnomer because the world economy, taken as a whole, is not producing fewer industrial goods or becoming deindustrialized.<sup>9</sup> U.S. society still has an industrial base, but it is increasingly located outside U.S. territorial borders.

Thus, the core of the capital accumulation process in the United States — which also constitutes the most dynamic center of capital accumulation on a global scale — is no longer traditional industry, or even the post-WWII generation of capital-intensive industry, but these new scientific-technological activities. They require many fewer workers relative to traditional industrial production, and at the same time those human resources they do employ are high-skilled and high-paid (scientists, engineers, highly-trained technicians, specialized managers, etc.). Simultaneously, further automation of assembly production results in an increasingly minute subdivision of those assembly production tasks still required. As a result, skilled and semi-skilled labor becomes unskilled labor and most middle-income jobs become low-income jobs. This has profound implications for the composition of the U.S. labor force. In the

earlier period, the bulk of U S workers was clustered around the traditional industrial complex, with wages that allowed for sustenance and even increasing prosperity in the post-WWII period. The global economy is leading to the displacement of the entire middle sector of the U S labor force, "downward" mobility, and rising structural unemployment.

In this scenario, labor is recomposing into three clusters. First there is that sector "above" traditional industry: those involved in global management, professional services, and high-skill, high-technology production, which comprises an affluent 20 percent of U S society.<sup>10</sup> Then there is the service sector "below" traditional industry: tens of millions of low-wage, dead-end jobs in fast-food restaurants and diverse local services, as well as assembly line operations which have been subdivided by new technologies to the point at which it has become deskilled work. These jobs often do not even amount to subsistence-level employment. Finally, there is an entirely new group completely marginalized from the production process itself: permanent surplus labor, "super-numeraries," or the structurally unemployed. (This is discussed in more detail below.)

Between 1978 and 1982, 900,000 industrial jobs were lost each year because of plant closures. The number of managerial and supervisory positions grew, but "service" jobs paying workers an average of less than \$12,500 a year (usually with minimal or no benefits) showed the most dynamic growth in employment (McDonald's is now a larger employer than U S Steel). Between 1969 and 1982 more than two-thirds of all new jobs were in lower-wage industries.<sup>11</sup> Department of Labor statistics indicate that these trends accelerated in the late 1980s.<sup>12</sup> Thus a steel-worker job paying \$15 an hour is replaced by a computer operator job paying \$5 an hour. At the same time, unemployment, after being nearly eliminated in the post-WWII years in the developed countries, reappeared in the 1970s and is increasingly becoming a structural feature of the global economy. After dropping to 1-2 percent in the late 1960s, unemployment in the OECD countries reached 5 percent in 1974-75, 5.5 percent by 1979, 6 percent in 1980, nearly 9 percent by 1983, and 11 percent by 1985 (Szentes, 1987: 87).

The social consequences of global restructuring are felt as much between as within countries. Simultaneous with the widening of the gap between the rich and the poor countries, there has been a widening gap between rich and poor in the United States and the other developed countries. The share in the world's gross domestic product of the developing countries (Latin America, Africa and Asia), which account for 75 percent of the world's population, dropped from 23 percent in 1980 to 19 percent in 1990 (SELA, 1990). At the same time, income inequality has deepened in the United States.<sup>13</sup>

In sum, the United States is becoming a dual economy, based on technology and services, as industry and raw materials move South. Yet as

transnational capital moves to the South of the world, it does not leave behind a homogeneous working class in the United States, but a racially stratified one. Although the global economy and economic restructuring have had a devastating effect on all working people, bringing about a general polarization, the effects have been disproportional. Latino, black and other minority communities are disproportionately excluded from the strategic sectors of the economy, relegated to a combination of low wage service jobs and structural unemployment — what some sociologists have called a “permanent underclass.”

### **A Socioeconomic “Snapshot” of Latinos in the Global Economy**

Let us now turn to a brief macro-statistical “snapshot” of Latino socioeconomic and occupational indicators in the 1980s. While the following data is very useful, it has some serious limitations. First, unemployment is usually more severe than official statistics reveal, since those who have given up the search for work and therefore do not report their status are not included, and because underemployment is often included in official statistics as employment. In addition, many recent Central American and Mexican immigrants, whose legal situation is unstable, probably do not report their status. Second, employment and occupational statistics in themselves do not reveal the full extent of the social crisis that economic restructuring causes for Latinos, since the new low-wage employment generally provides a less-than-subsistence living (not to mention no health care, job security, or other benefits). Third, there are several limitations from the viewpoint of social scientific inquiry, among them the inevitable difficulties in separating the variety of factors influencing socioeconomic conditions and difficulties in determining causal relations with precision.

Despite these limitations, the statistical data do indeed support the argument that the global economy has had a differentiated effect on Latinos by disproportionately locking them into the minimum wage service sector and into the ranks of the structurally unemployed. The Bureau of the Census reports that in 1990 there were 22.4 million Latinos (“Hispanics”) in the United States, which represented 9 percent of the total population (U.S. Bureau of the Census, 1991). Let us examine three sets of statistics for Latinos: poverty and income levels, unemployment, and the occupational structure.

Between 1979 and 1989, the percentage of Latinos living below the poverty level rose from 19.7 to 23.4 percent of the total Latino population, compared with a rise from 6.8 to 7.8 percent for whites, and a rise from 9.1 percent to 10.3 percent for all races (U.S. Bureau of the Census, 1990). In other words, Latino poverty levels were over twice that of the national average and approximately three times as great as whites during the 1980s. Also, Latino poverty increased at a rate faster than the general



increase It is noteworthy that over half of all those Latinos living below the poverty line in 1989 were employed during that year (U S Bureau of the Census, 1990) This underscores the importance of looking at the nature of employment itself, not just employment versus unemployment

According to the census data, between 1979 and 1989, median Latino family income actually dropped (from \$24,200 to \$23,446, in constant dollars), at the same time as the median family income for all families increased (from \$33,454 to \$34,213) (U S Bureau of the Census, 1990) In other words, the income gap between the Latino national minority and the general population widened This took place as income distribution as a whole became more unequal in the United States According to the U S Census Bureau (1990), the top 20 percent of the population increased its share of national income, while that of the remaining 80 percent uniformly declined The biggest drop was in the second and third fifth, which points to the "downward" mobility of middle sectors analyzed above

Let us turn to unemployment According to the U S Bureau of Labor Statistics (1990), although unemployment decreased between 1980-1990, Latino unemployment remained significantly higher than the average, dropping from 10.1 percent to 8 percent In this same period, white unemployment dropped from 6.3 percent to 4.7 percent However, it is worth reiterating that, because of the unique problem millions of Latinos face as undocumented and often persecuted immigrants, and because those not reporting their employment status are not included in official statistics, it is reasonable to assume that unemployment figures are significantly higher than those given here On the basis of special censuses, Barrera (1979:153) has estimated that the unemployment rate often doubles among Latinos when corrections are made for these factors

The most revealing statistics, however, are those on the occupational structure The data make clear that Latinos have not benefited from the creation of high-skilled, high-tech jobs, and that there has been a general shift in Latino employment into the bottom-rung sectors of the "fast food" economy Latinos are dramatically underrepresented in the Department of Labor's "managerial and professional specialty" occupational category, which corresponds to that privileged 20 percent of the population that is advancing under the global economy Although they represent 9 percent of the population, Latinos occupied in 1989 only 3.7 percent of all jobs in this category However, even this is a misleading figure The jobs in this category include the prestigious and higher paid positions such as managers, industrial engineers and natural scientists, lawyers, editors and reporters, as well as middle-level professional positions, such as social workers, teachers, nurses and dieticians A careful analysis of Latino participation in the many job categories under the general heading of "managerial and professional occupations" reveals

that Latinos are concentrated in the lower and middle-level positions. For instance, only 2.2 percent of all managers are Latino, as are only 1.2 percent of aerospace engineers, 2.7 percent of natural scientists, 2.4 percent of university professors, 0.4 percent of authors and 1.3 percent of editors and reporters. On the other hand, 4.8 percent of all social workers are Latinos, as are 6.2 percent of all educational or vocational counselors, 5.3 percent of pre-school and kindergarten teachers, 6.2 percent of physicians assistants and 6.1 percent of physical therapists (U.S. Bureau of Labor Statistics, 1983, 1989a). In other words, Latinos are not only underrepresented in the high-skill, high-tech, professional occupations, but are segregated within this same general category into its lower rungs.<sup>14</sup>

The statistics also show a very significant and revealing increase in Latino participation in the "operators, fabricators, and laborers" occupational category. Latino participation went up from 8.3 to 11.4 percent of all workers in these jobs, with disproportionately large numbers working as assemblers and machine operators (13.6 percent in 1989), textile, apparel and furnishing machine operators (18.6 percent), pressing machine operators (21.7 percent), and textile sewing machine operators (21.7 percent) (U.S. Bureau of Labor Statistics, 1983, 1989a). Let us recall our earlier analysis that, parallel to a gradual relocation of industry abroad, jobs in this category have also been moving from skilled and semi-skilled to low and unskilled as a result of technological changes and automation that have sub-divided and menialized production and assembly line tasks. The data therefore suggest that as middle-pay jobs become low-pay jobs, Latinos have been pushed by the labor market into these positions.

However, the most dramatic data are in the category of "service occupations." The disproportional reconcentration of Latinos in the most menial and marginal employment categories is striking. Overall Latino participation went from 6.8 percent in 1983 to 10.8 percent in 1989. In 1989, 23 percent of all "waiters' and waitresses' assistants" in the United States were Latino, 17.2 percent of all "maids and housemen", 19.5 percent of all "cleaners and servants", 15.8 percent of all "private household servants", 10.2 percent of all "child care workers", 15.7 percent of all "janitors and cleaners." These are unskilled, dead-end, low wage jobs. Particularly disturbing is the rapid *increase* in this disproportionality in the years under study (1983-1989). For example, in just six years, as a percentage of "cleaners and servants," Latinos went from 11.8 to 19.5 percent of the total, and in "food preparation and (food) service occupations" they went from 6.8 to 12 percent of the total (U.S. Bureau of Labor Statistics, 1983, 1989a). Moreover, studies have found the dramatic "Latinization" of farm labor in the Midwest, Northeast, and Southeast during the 1980s, on the basis of the substitution of Mexican and Central

American labor for traditional white and black farm labor in those regions<sup>15</sup>

The statistics reviewed above are a "snapshot" of Latino socioeconomic conditions in the 1980s. The following section will show that this "snapshot" is the continuation of very broad historic patterns now evolving under the new conditions of the global economy.

### **The Latino Populations and the U S Political Economy**

Racial inequality has been an immanent feature of the development of the modern world system. There was nothing inevitable about the genesis of capitalism in Europe and racism by dominant white groups. It is the nature of capitalist production that compels it to outward expansion, not any inherent anthropological or racial features of a given group.<sup>16</sup> The economic, political, and ideological motives that have structured capitalist relations of production in the modern world cannot be separated. To study the development of capitalism is thus the best basis on which to study race inequality, for to do so places socioeconomic relations at the heart of the problem and shows how the socioeconomic system and racial inequalities developed together.

The role of Latino (and other minority group) labor in the United States is not an isolated phenomenon but an expression of a structural feature of the world system. Latino labor has played the same historic role in the U S political economy as labor drawn from other peripheral regions has played in other core countries of the world system. European countries have increasingly made use of the masses of former agricultural laborers in its colonies and neocolonies, including African, Indian, Pakistani, Turkish, Greek, and West Indian laborers. And Japan has made similar use of labor from neighboring Asian states that form its immediate periphery. In all these cases, labor from the periphery occupies the lowest rungs of the socioeconomic structure.<sup>17</sup>

Critical to understanding the dynamics of race and class in capital accumulation in the United States is an analysis of how non-economic coercion and economic pressures have been consistently combined in reproducing a national minority status among oppressed racial groups. For our purposes, coercion corresponds to ethnic or racial oppression in the process of capital accumulation (whether this be outright violence or subordinate status and discrimination in the social and political systems). Economic pressure means those conditions of capitalist production itself that compel "free" labor to be deprived of its product and result in the exploitation of all workers independent of ethnic or racial identity. Seen in a broad historic perspective, the Latino national minority has been incorporated into the U S political economy *from its immediate periphery and through colonial and imperial conquest*.

Capitalist production involves the economic exploitation of workers (or class exploitation) by the owners of capital, in which social relations of production are formed in a myriad of ways, depending on particular national conditions and historic circumstances. As a result of the United States' particular history of slavery and the conquest and exploitation within U S borders of other racial groups by the dominant racial group,<sup>18</sup> U S capitalism has tended to combine racial stratification with class exploitation, an arrangement that produces a racial segmentation of the labor force as a structural feature of capitalist production. Changes in the structure of the U S economy therefore inevitably have racial ramifications, i e., differentiated consequences for distinct racial groups.

In *Race and Class in the Southwest*, Barrera (1979 101) develops the concept of "class segments" in a racially stratified class society. These are ascriptive divisions within classes based on the characteristics of the workers themselves (or the members of the particular class under study). He identifies two major ascriptive subdivisions within classes — those based on race and/or ethnicity, and those based on sex. In this study, the specific subdivision is racial, and the racial identity for the group under study is *Latino*.

From the end of World War II until the early 1970s, the U S economy underwent a boom that saw the attainment of near full employment and a rise in general living standards. Although the benefits of post-WWII growth were unevenly distributed among social groups and races, Latino and other racial groups were, in fact, incorporated into a process of expanding capitalist production. African-Americans relocated in significant numbers from agriculture in the South to industrial employment in the North. The massive emigration of Puerto Ricans to the mainland also began, and hundreds of thousands of Puerto Ricans became workers in the Northeastern industrial complex. Mexican-Americans, concentrated in the Southwest, experienced an unprecedented urbanization, and by the 1960s constituted a proletarian workforce engaged in industry and services.

It is crucial to stress that, as part of this incorporation into the post-WWII boom, Latinos became *integrated into* the process of capital accumulation. This is what Barrera refers to as the "integrated sector" of the Mexican-American labor force in the Southwest. However, the specific pattern of integration, which gave continuity to the historic patterns of subordinate incorporation, would have major consequences on the subsequent pattern of dislocation resulting from the global economy. Latinos, along with blacks, were substantially underrepresented in the better paid, high-status occupations. The most common occupation for Latinos in the post-WWII years was semiskilled work in factories as operators, fabricators, and laborers (Moore and Pachon, 1985 72). National minorities had earlier made the greatest gains in precisely those manufacturing sectors now being deskilled and/or relocating abroad.

**Mexican-Americans<sup>19</sup> and the U.S. Political Economy**

The Mexican-American population was originally incorporated into the US political economy through classical colonial conquest.<sup>20</sup> Mexico was the principal barrier to US capitalist expansionism in the first half of the 19th century, the northern provinces stood in the way of transcontinental consolidation. The expansion into the Southwest must be understood as part of the process of capitalist development in the United States at a particular moment in world history. Nascent industrial and imperial powers — the core countries in the world system — were consolidating their territorial boundaries and domestic markets and undertaking a process of concentric capital accumulation in the aftermath of a whole era in world history, that of primitive accumulation and mercantilism, and on the eve of the next era, industrialization.

As part of the development and expansion of the United States as a core country in the world system, the United States incorporated peripheral regions into its growing empire. As early as 1812, the young leaders of the US republic had drawn up plans for the conquest and incorporation of the Southwest and the Caribbean Basin as part of the territorial expansion of what was a nascent imperial power (Lopez y Rivas, 1979 22-23). The conquest of adjacent regions by core capitalist states was a standard feature of the formation of the world system. Czarist Russia conquered and incorporated its outlying areas, England extended its domination to Scotland, Wales and Northern Ireland, France incorporated national groups in Catalonia, Brittany and other outlying areas, etc. And, although the conquest and incorporation of adjacent national groups does not necessarily involve the act of one racial group against another, in the United States it *did*.

The conquest of the Southwest followed a period in which the main lines of mercantile linkage between the Southwest and the outside world had been shifting from Mexico to the United States (Lopez y Rivas, 1979 40-41, Barrera, 1979 7-34). In the decades following the seizure of Texas and the annexation of one-half of Mexican territory by the United States in the Mexican-American war of 1846-1848, coercion remained the dominant (although not exclusive) form in which the US state imposed its authority over the annexed territories.

The experience of the US Southwest in the 19th and early 20th century most closely approximates a situation of "internal colonialism," such as in South Africa, in which the classical colonial relations between racial groups is constructed within the boundaries of a single nation-state.<sup>21</sup> Barrera applies such a model for the US Southwest corresponding to the period from conquest (1848) to the 1930s. Here, we can see the operation of what development economics has referred to as "dualism" — a dichotomous structure in which, side by side with the international division of countries into center and periphery, social groups

within a single nation are divided into center and peripheral populations. The latter are subordinated to the former and fulfill certain functions for them, losing in the process their original character and autonomy. Where the Southwest is concerned, conquest was followed by land dispossession, the loss of control over productive and commercial activity, an Anglo near-monopoly over the juridical and administration apparatus, and the emergence of structural social and economic inequalities. Starting with the arrival of the railroads in the latter decades of the 19th century, the Southwest experienced the rapid penetration of East Coast capital and the establishment of capitalist production relations. Owing to the peculiar racial structure of US capitalism, both the owners of capital and those bringing in and/or managing capital belonged to white racial groups ("Anglos"), thus denoting a process in which race and class become a singular dynamic in the Southwest. Let us recall that one feature of center-peripheral relations is an outward-oriented drain of idle surplus capital via foreign investments and a drain of surplus labor via emigration; the Southwest provided an outlet for surplus East Coast capital and an outlet for surplus labor and middle classes that were, by circumstances, from an outside (white) racial group.

The Mexican-American population, including the original settlers of the annexed provinces of Mexico and successive waves of new Mexican immigrants, became a proletarianized pool of cheap labor for capitalist production. Barrera refers to this process as the establishment of a "colonial labor system." Such a system exists "where the labor force is segmented along ethnic and/or racial lines, and one or more of the segments is systematically maintained in a subordinate position."<sup>22</sup>

The use of natural resources, markets, and labor of the less developed or peripheral regions of the world economy in the process of generating and appropriating wealth has its exact counterpart within the US national framework in the use of peripheral regions and racial minorities for this purpose. The Southwest economy last century and into this century was dominated by mining, agriculture, and ranching activity that fed the industrialization of the Northeast and Midwest — the specific primary production role reserved for peripheral regions in the world economy. And, just as the colonization and "peripheralization" of other regions of the world resulted in the underdevelopment of their local populations, so, too, colonization of the Southwest resulted in the underdevelopment of these populations *relative to* the general US population.

Local labor in the Southwest was mostly needed for manual work in mines, plantations, and accompanying services. It tended to be frozen into cheap, unskilled or semi-skilled categories. The quality of labor had little chance to improve since most managerial and high-skilled employment went to whites emigrating into the Southwest. Social service systems, such as public education and health care, failed to develop appropriately since these were a function of the subordinated role of the

Mexican-American population in the Southwest (The same can be said for social service systems catering to Puerto Ricans in the Northeast )

In the first three decades of the 20th century, raw materials production (the "colonial economy") predominated in the Southwest even as industrialization intensified in the rest of the country. As Barrera (1979 80-95) shows, the industrialization that did take place early this century rested on the segmentation of the industrial workforce along racial lines. This set the basis for the industrial labor segmentation in the post-WWII boom and in the development of new high-tech "sunbelt" industries in the 1960s and 1970s. In analyzing the period from the 1940s to the 1970s, Barrera shows how the Southwest went from a "colonial labor system" to a system of class segmentation. He provides data showing that Mexican-Americans in the Southwest moved into the post-WWII economy on the bottom rungs of all sectors of economic activity, with disproportionately high representation in "blue-collar" employment, unskilled and semi-skilled occupations, and disproportionately lower representation in the professional, technical, and managerial categories.<sup>23</sup>

Statistics provided by Barrera from the 1930s through the 1970s show that Mexican-Americans made the most advances from 1960 to 1970 by moving in significant proportions into mid-paying, skilled industrial occupations. This whole category, as analyzed earlier, is becoming subdivided and relocated as a result of the globalization of the economy. In other words, there was a general occupational upgrading over the broad period from the end of the Great Depression into the 1970s and a concomitant improvement in the general social standing and living conditions of Mexican-Americans. This contrasts with the deterioration of their standing in the period from 1970-1990, attributable to the impact of the globalization of the economy on a still structurally segmented labor force in the Southwest.

The relation between the dominant U.S. society and Mexican-Americans inside the United States cannot be separated from U.S.-Mexican relations, which are essentially dependent relations between a developed core country and a "semiperipheral" country in the world economy.<sup>24</sup> Following the 1846-48 war, U.S. capital began a massive penetration of Mexico and the two economies became intimately linked. Notwithstanding the Mexican Revolution of 1910, U.S. capital continued to play a major role in Mexico and, in fact, underwent enormous expansion in the post-WWII years. The expansion of capitalist production in Mexico displaced millions of Mexican peasants and created a proletarian labor force available not only for Mexico but also for the United States. Between 1900 and 1928 alone, more than one-tenth of Mexico's population had moved to the United States (Barrera, 1979 65).<sup>25</sup> Massive emigration of Mexicans into the United States in the 20th century is a response to both economic dislocations and depressed conditions, apart from specific moments of political turmoil, inside Mexico (push factors),

and to the need for cheap, controllable labor in the United States, particularly the Southwest (pull factors) It is difficult to separate these "push" and "pull" factors the two are dialectically integrated into a singular process of uneven capital accumulation (Barkin, 1990; Castells and Laserna, 1989)

The integration of capital accumulation in Mexico and the United States has accelerated rapidly with the global economy in which Mexico and its *maquiladora* export platforms play an increasingly important role in the North American economy Moreover, much of the capitalist agricultural production in California's Imperial Valley and Texas' Rio Grande Valley and Winter Garden — long important outposts of the Southwestern economy — is expected to relocate to Mexico's fertile northwestern farmlands (Castells and Laserna, 1989) In turn, this will dislocate both farmworkers in the Southwest and peasant producers in Mexico In the era of the global economy, this singular process is crystallizing around the North American Free Trade Agreement (NAFTA) and is graphically illustrated in the so-called "border economy" The economic development of the Mexican-US border region is playing a pivotal role in capital formation and accumulation in both the United States and Mexico, and Mexico is now key to the future of the entire US economy

While space constraints limit a fuller discussion of the NAFTA, we can note that it is expected to hasten both the transfer of labor-intensive industrial phases from the United States to Mexico and deepen the process of transnationalization and economic restructuring analyzed in the first part of this essay<sup>26</sup> By accelerating the shift within US borders to a service, management, and scientific-technological sub-unit of a global economy, it will reinforce the pattern of labor recomposition into three clusters (a high-skilled, high-paid minority and a huge majority of deskilled, low-wage earners side by side with the structurally unemployed) The NAFTA will therefore contribute to the process of downward mobility and the segmented structure of the US labor force in general, including its racialized dimensions and disproportional impact on Latino and other minority groups

Moreover, despite claims to the contrary, the NAFTA is not expected to decrease Mexican immigration This is because the "push factor" of the displacement of the Mexican peasantry via intensified capitalist agricultural transformation in the Mexican countryside, and the "pull-factor" of cross-border wage differentials and demand in the United States for unskilled labor will actually accelerate under free trade The argument that the displaced Mexican peasantry will be absorbed by new employment opportunities created inside Mexico by transnational capital (and thus stem the tide of emigration) is fallacious It has been shown that the most intensive emigration to the United States over the past 30 years has come precisely from those peripheral regions experiencing a significant



influx of foreign capital. This underscores that the disruptive effects of transnational capital on local peasant production and national industry far offsets the creation of new employment in labor-intensive industrial enclaves linked to the global market.<sup>27</sup> The general dynamic resulting in the formation of transnational spaces for economic activity is a deeper integration of international labor markets, increased migratory flows, and intensified segmentation and instability of labor in the capitalist production process. In short, annexation of the underpaid Mexican work force by transnational capital will reinforce the distinction between Latino and non-Latino labor, not just in the border region but throughout the United States.

To return to the issue of the Mexican-American population, I agree with both Lopez y Rivas and with Barrera that the millions of Mexicans who have emigrated to the United States have been inserted into a system of relationships that germinated in the period of conquest of the original Mexican population in the Southwest. However, the key point here is that there are also relevant transnational dimensions, namely the relations between Mexico and the United States, which are an important factor in shaping the experience of Mexican-Americans. My argument is that these same original social relations established by conquest of the Southwest were part and parcel of transnational processes that were replicated throughout the Greater Caribbean Basin. These processes established social structures beyond the Southwest into which all Latinos in the United States find themselves inserted. It is on the basis of these relations that a Latino national minority is emerging.

### **Puerto Ricans and the U.S. Political Economy**

The same patterns of conquest and subordinate incorporation of the Southwest have been replicated in the case of Puerto Rico. Puerto Rico's social and economic structures were shaped first by Spanish, then U.S. colonialism, which, in turn, frames the mass emigration of Puerto Ricans to the U.S. mainland and their mode of integration into the U.S. political economy.<sup>28</sup> Puerto Rico had been a prosperous agro-export economy (as well as a key military outpost for the Spanish crown), playing the classical peripheral role in the world economy as a supplier of raw materials, particularly sugar and livestock. However, this process was dramatically accelerated in the late 19th and early 20th century as a result of the large-scale penetration of U.S. capital, both before and after the U.S. invasion and annexation of the island in 1898. From the late 19th century to the early 20th, Puerto Rico went from a diversified "hacienda economy" with four basic export products (sugar, cattle, tobacco, and coffee) and a significant subsistence farming sector to a monocrop sugar "plantation economy," with 60 percent of sugar production controlled by U.S. companies (Rodríguez, 1986: 11). The spread of sugar plantations owned

by U S companies displaced tens of thousands of Puerto Rican peasants from what remained of a small farming sector under Spanish rule. The shift from labor to capital intensive agriculture on the island further displaced the rural population, leading to urban migration and unemployment. This not only locked Puerto Rico into the process of U S capital accumulation but also created a proletarian labor pool in the same way as land usurpation and concentration in the Southwest created a Mexican-American labor pool. The displacement of the Puerto Rican peasantry and rural labor force, owing to the structures of economic dependence and domination by U S capital, is the original factor leading to the mass emigration of Puerto Ricans to the U S mainland in the post-WWII period.

Alongside the U S agricultural concerns, U S industrial capital poured into Puerto Rico under Operation Bootstrap in the post- WWII years, taking advantage of the special colonial status<sup>29</sup> to secure the same cheap labor available elsewhere in the developing world without tariff barriers or the regulations and restrictions imposed by a foreign (sovereign) state.<sup>30</sup> In many ways, Operation Bootstrap was a precursor for what would take place throughout the Third World in the 1970s and 1980s: the establishment by transnational corporations of tax-free "export platforms" and *maquiladora* "zona francas," paying low wages under colonial or neo-colonial relations. While some have portrayed Operation Bootstrap as a beneficent development project, it was, in fact, a program for colonial exploitation of Puerto Rico, resulting not only in the disruption of existing socioeconomic structures but also in a net drainage of wealth out of the country. Maldonado-Denis (1980: 14-15) has pointed out that during the 1970s, the U S federal government made some \$4 billion in annual transfers to the island in the form of public assistance, yet transnational corporations withdrew an annual average of \$12 billion in *tax-free* profits. This enormous annual net drainage of wealth out of Puerto Rico and into the coffers of transnational capital is often overlooked by those who claim Puerto Rico is an economic "liability" to the United States.<sup>31</sup>

Given the capital-intensive nature of this investment, industrialization under Operation Bootstrap was insufficient to absorb the surplus labor force. Up to 50 percent of Puerto Rico's labor force became unemployed in the 1960s and 1970s (Maldonado-Denis, 1980: 13). Displaced and surplus labor thus became the "push factor" for migration, the "pull factor" was the need in the greater New York area and the Northeast for low-wage agricultural and industrial workers.<sup>32</sup> By 1980, nearly 40 percent of the island's population had emigrated to the United States (Rodriguez, 1986: 8). This mass emigration has few parallels in modern history. Although the decision to emigrate is made by individuals on a "voluntary" basis, this exodus may be seen, owing to the economic

compulsions of a colonial-capitalist economy, in the words of Maldonado-Denis, as "involuntary exile" (Maldonado-Denis, 1980 19)

Most immigrants during the first period of emigration, from 1900 to 1945, were brought to the United States as contracted farmworkers, playing the same role in the Northeast and Midwest as Mexican-American farmworkers played in the Southwest.<sup>33</sup> Puerto Rican farmworkers on the mainland continued to play an important role, and agricultural immigration persisted into the 1970s. However, Puerto Rican labor on the mainland was reoriented in the mass migration that took place from 1945 through the 1960s. Puerto Rican emigration quadrupled between 1940 and 1950 and then tripled again in the following decade (Maldonado-Denis, 1980 131). Most Puerto Ricans in this wave relocated to New York and other northeastern urban areas and quickly became an industrial and service proletariat. Rodríguez (1986) shows how Puerto Ricans who migrated in the post-WWII period became concentrated in those sectors most vulnerable to the changes caused by the globalization of the economy — the garment and durable goods sectors of the greater New York economy. A glance at the statistics reveals the same pattern of labor segmentation analyzed by Barrera for the Southwest: disproportionately high concentration in blue collar semi-skilled and unskilled occupations, and disproportionately low representation in high-skill and managerial/professional jobs (Rodríguez, 1986 86-91). In 1980, for instance, 28 percent of all Puerto Ricans in New York City were located in the durable and nondurable manufacturing sector, compared to 16 percent for whites, while 60 percent of all Puerto Ricans in the labor force were considered blue collar workers (Rodríguez, 1986 87).

In fact, Puerto Ricans arrived in the greater New York area at a time when that region had just reached its zenith as an industrial center. This region preceded the overall transition in the country away from traditional manufacturing, as reflected in its transformation from the 1950s to the 1970s as "the garment capital of the world" to the "finance capital of the world."<sup>34</sup> Puerto Ricans have therefore become deeply enmeshed in the transition to a global economy at the precise moment in which they transferred from the island to the mainland, and have thus been impacted, proportionally, even more harshly than Mexican-Americans. They have been categorized as "the poorest of American groups."<sup>35</sup>

### **Cuban-Americans**

In one sense, the specific mode of incorporation of the Cuban-American population into US society relative to other Latino groups is unique: entrance under a privileged political status as refugees from a revolutionary regime that has been the systematic target of destabilization and enmity by the United States. However, the argument can be

made that the same world system perspective that frames this study also explains the formation of the Cuban-American Latino group

Cuba's pre-revolutionary history is very similar to that of Puerto Rico. Whereas Puerto Rico became an outright colony, Cuba became a US protectorate after the 1898 Spanish-American War. Similarly, US capital massively penetrated the Caribbean island, coming to dominate not only the monocultural sugar economy, but tourism, industry, and even services and infrastructure (utilities, transportation, etc.) For all practical purposes, Cuba was a colony of the United States. The conditions for the Cuban Revolution were generated by the denial of all but the most minimal trappings of national independence over a period of many decades (1898-1959) in the wake of what had already been a militant nationalist movement under Spanish rule, combined with the extreme economic exploitation and political repression associated with US domination and a corrupt local ruling group (the Batista clique).

In contrast to Mexican-Americans, Puerto Ricans, and other Latin Americans, the nucleus for the Cuban-American population was the wholesale transfer of the Cuban bourgeoisie to Miami between 1959-61. This original nucleus not only had capital, but also a very favorable political-economic environment (involving large-scale federal assistance, automatic legal migratory status, and facile entrance into the political system, including a secure position in the Republican Party) by virtue of its alliance with the US government in hostility to the Cuban Revolution. This allowed the original Cuban-American nucleus of about a quarter million to establish itself in the structures of US society on terms very different from the other groups (Moore and Pachon, 1985 44-46, 75-76).

The relatively high social and economic standing of the original Cuban refugee population must be seen as a "deviant" case, explained by the distinct class origin of the original immigrant nucleus — the bourgeoisie from a peripheral country. This is in stark contrast to other subpopulations, whose emigration is generated by the workings of capital accumulation in an international setting and who come from the ranks of the working class and displaced peasantries. Moreover, studies have demonstrated that the underlying dynamic that has shaped emigration from Cuba to the United States over the past 35 years is not the activity of transnational capital, but political cycles in US government hostility towards Cuba. Thus, in this "deviant" case, political variables bound up with US "national security" policies and the manipulation of immigration assume a key role (Hernandez, 1984).

There have been two subsequent waves of immigration, including another one-quarter of a million Cubans, many of professional and middle class backgrounds, airlifted to Miami from 1966 to 1973, and then at least 118,000 poor and working class people of the "Mariel generation" of 1980. These groups have experienced increasingly difficult condi-

tions<sup>36</sup> The situation of those who have remained in the greater Miami area has been mitigated by the infrastructure established by the original nucleus — what some have called an “enclave economy” and others have referred to as a “fully-developed class system” internal to the Cuban-American community (Moore and Pachon, 1985 45, Portes and Bach, 1985 200-239) In this “enclave economy,” nearly a third of all businesses are Cuban-owned and operated, mostly by the first wave of wealthy arrivals These businesses are not limited to family-owned and small-scale establishments, they include multi-million dollar industrial, construction, real estate, insurance and financial concerns A high portion of Cuban-Americans from subsequent waves of immigration are employed in these Cuban establishments, such that social relations are reproduced *within* the Cuban enclave and thus, in a sense, insulated from the racialized social relations of the broader U S political economy (Moore and Pachon, 1985 45, Portes and Bach, 1985 200-239)

But this is an anomaly peculiar to a circumscribed “enclave economy” As Cuban-Americans, particularly the later immigrant waves, break away from the “enclave economy” and disperse through demographic changes — a phenomenon likely to heighten, given the saturation of Miami’s economy and the increasing intensity of labor flows within U S borders — it is reasonable to assume that they will interface with the structures of the U S political economy under conditions similar to other Latinos Not surprisingly, one study found that those Cuban-Americans venturing outside the Miami area tend to share the same qualitative position of subordination in employment and inferior social conditions as other Latinos in the United States and suggested a similar segmented position in the occupational structure as other Latinos (Jaffe, 1980)

### **Central Americans**

Central Americans are the newest Latino population to become established in the United States in significant numbers Seen from the narrow perspective of conscious decisions taken by individuals at the moment of emigration, Central Americans have not followed the pattern of incorporation by force However, seen from the broader perspective of asymmetric international relations and transnational processes of capital accumulation in the context of the world system, the entrance of Central Americans into the United States was very much the product of the same historic patterns of U S capitalist expansion and colonial or neocolonial domination Central America forms an integral part of the Greater Caribbean Basin, which is the most immediate peripheral region of the United States Seen from the perspective described above by Maldonado-Denis (1980), Central American emigration to the United States has been on the basis of economic and political compulsion tied up with U S capital accumulation and state policy, and Central Americans in the U S

share much historically with Mexican-Americans, Puerto Ricans, and Cubans

The same motivations that led the United States to conquer and annex the Southwest led it at the same time to begin to exercise hegemony in Central America. Initially, the United States wanted to use the region as an inter-oceanic passage between the East and West coasts. This led to several filibuster expeditions in the 1850s and growing interference in the region throughout the second half of last century. Following the Spanish-American War, the United States engaged in numerous military and political interventions, including the annexation of a portion of Panama and the construction of the Panama Canal. In addition to transforming the region into a virtual political protectorate, the large-scale penetration by U.S. capital in the first seven decades of this century (and especially in the 1960s and 1970s) firmly tied the economies of Central America into the U.S. economy as dependent appendages and led to massive displacement of the Central American peasantry and artisanal producers. The combination of repressive political systems predicated on military-civilian dictatorships sustained with U.S. support and extreme socioeconomic inequalities produced by agro-export economies servicing the need for raw materials in the United States led to the civil strife and revolutionary upheavals of the 1980s. Political turmoil and economic crisis in Central America constitute the "foreground" to the emigration of Central Americans in the 1980s, the historic relation as semi-protectorates and economic appendages of the United States constitutes the "background"<sup>37</sup>. Massive direct U.S. intervention in the region, starting in 1979, triggered the exodus.

Conservative figures place the number of Central Americans who emigrated to the United States in the 1980s at some 3 million people, mainly from El Salvador, Guatemala, and Nicaragua, out of a total isthmian population of 20 million (ECLAC, 1992). However, given the status of most as undocumented aliens, as well as fears of visibility among political refugees, the real figure is probably much higher than the reported figure. A small portion of these emigrants came from the ranks of the traditional Nicaraguan and Salvadoran oligarchies fearful of revolutionary transformations, they are in a situation comparable to the Cuban bourgeoisie who transferred to Miami.<sup>38</sup> The vast majority are poor people who, as in the case of Puerto Rico, have become surplus labor and who are, in addition, subject to conditions of generalized violence in their home countries. Although empirical data is scarce, it seems clear that the vast majority of the Central American emigrants have moved into the lowest of all rungs in the service sector, often involved in the "informal sector," outside the tax system where wages are sub-minimal and working conditions completely unregulated (Rodriguez, 1986-97). Recent studies have found that Central American immigrants have formed clusters in the formal and informal service sectors in areas

where, in the process of downward mobility analyzed earlier, they have replaced "white ethnics," such as in suburban Long Island, in Silicon Valley and in the northern and eastern suburbs of the San Francisco Bay Area (Mahler, 1992, Chavez, 1992)

There is an important "flip-side" to Latino labor in the United States of Central American origin with significant political and economic dimensions the emergence of a singular yet highly stratified and unequal labor, capital, and consumer market spanning the entire North American subcontinent, of which the NAFTA is but one aspect This is seen in the surprising data on monetary remissions by Central American workers in the United States to extended families who remain in their home countries According to the United Nation's Economic Commission for Latin America and the Caribbean (ECLAC, 1992), Central American workers in the United States remitted more than \$1 billion to their home countries in 1989, representing a 279 percent increase over the level of remittances in 1980 This was during a period in which export earnings from the region as a whole fell by \$1.3 billion For instance, estimates of the value of remittances in 1989 for El Salvador range from a low of \$433 million per year to a high of \$1.4 billion<sup>39</sup> Even the lowest estimate makes remittances from the United States the lifeblood of the Salvadoran economy and the country's principal source of foreign exchange — surpassing the total of foreign exchange earnings for all other export products combined A similar situation is reported in Guatemala and, to a lesser extent, in Nicaragua and Honduras (Stanley, forthcoming) Moreover, remittances from Mexican workers appear to play an increasingly important role in that country as both a source of foreign exchange and a key subsistence strategy for millions of Mexican families displaced from traditional economic activities by the transnationalization process (Barkin, 1991),

This extraordinary phenomena has a dual significance First, it highlights the emergence of a single, integrated (but segmented) labor market incorporating the entire North American subcontinent In this scenario, Latino labor in the United States becomes, via remittances, a transnationalized economic activity linking the U.S., Central American, and Mexican economies Latino labor from Central America and Mexico meets labor demands in the deskilled and service sectors of the U.S. economy and simultaneously offsets critical balance-of-payments deficits and, in some cases, averts economic collapse in the peripheral regions of U.S. capitalism At the same time, remittances expand and integrate regional markets, allowing millions of Central American and Mexican families to survive by purchasing goods either imported from the United States or produced locally or in other regions by transnational capital This is a peculiar arrangement whereby the site of labor power and its reproduction have been dispersed throughout the subcontinent Second, it has been shown that remittances serve the U.S. political objective of

pacification in Central America Emigration to the United States has dissipated social tensions and undermined labor and political opposition to existing regimes and institutions, thereby shoring up U S hegemony as a political condition for an environment congenial to transnational capital (Stanley, forthcoming)

Although space constraints prevent a more detailed discussion, these dimensions are of much relevance to the theme of this essay the point is that conceptualization of a Latino national minority in the United States is only possible in the framework of a larger world system and that such a minority is being shaped in accordance with the contours of the emerging global economy

### Conclusions

Mexican-Americans, Puerto Ricans, Central Americans, and, despite their unique status, Cuban-Americans, share structural linkages under broad historic patterns of the formation of a world system, which underpin the emergence of a distinct Latino national minority in the United States This has involved colonial or neo-colonial conquest in the region that forms the immediate periphery of U S capital accumulation — the Greater Caribbean Basin — and segmented integration into the U S political economy

Latinos and other national minorities originated from crucial peripheral regions in the world system and were involuntarily inserted into a system of racialized social relations in the United States on the basis of conquest and coercive incorporation In the age of the global economy, transnational capital has become sufficiently disruptive and intrusive to facilitate the emergence of a Latino national minority This, and not subsidiary factors (such as culture, language, or other descriptive or ascriptive traits), or subjective factors (such as self-identity), forms the material basis that sets these groups apart as a national minority in formation

However, what I have characterized as subsidiary factors, which prevail among sociological explanations for Latino minority group formation, are also important Moore and Pachon (1985 2) have identified four such factors First, regardless of distinctive characteristics, the “life situations” of all Latinos are converging Second, Latino populations are increasingly being treated by the dominant society as a group with common characteristics and problems Third, the distinct Latino subpopulations are dispersing outside their traditional (geographic) areas Fourth, accompanying this dispersal is a very large increase in the total number of Latinos In addition, scholars have emphasized increasing group self-identity and political action, pointing to such political experiences over the past decade as city and state-wide electoral struggles for Latino



candidates, the pan-Latino movement for bilingual education, and the formation of an "Hispanic caucus" in the U S Congress, among others

These factors are all relevant to minority group formation In my view, they point to the development of *organic* or *direct* linkages among Latino groups that should be conceptualized on the basis of the shared structural linkages I am arguing that an increasing web of Latino minority group relations flows out of the "macro-structural-historical" framework I have presented here, whereby structural determinants operationalize such "organic" connections as pan-Latino political struggles The convergence of Latino "life situations" and treatment by the dominant society as a common group rest upon these structural determinants It is transnational capital, with the concomitant total mobility of capital and labor, that is breaking down regional barriers and hastening the dispersion of Latino groups within the United States In turn, this dispersion of the different subgroups outside their traditional areas is a factor that functions to accelerate minority group formation This is crucial because in the past regional economic differentiation and geographic distinctions have been stressed as factors mitigating against the formation of a Latino national minority And incipient pan-Latino self-identity does not explain, but instead reflects, minority group status, just as consciousness does not determine, but is determined by, the actual material conditions and social relations in which people find themselves

Cultural and other ascriptive or descriptive traits are relevant insofar as they function within the dominant society to "assign" Latinos to minority group status, and insofar as they also become factors which consolidate group self-identity But such cultural determinants are only operationalized in conjunction with historic, structural determinants rooted in the political economy of a social formation<sup>40</sup> The theoretical relationship I suggest is that structural linkages provide the underlying conditions for cross-group Latino communication channels, cultural and political convergence, and pan-Latino self-identity Such shared traits as language, cultural affinities, and common treatment by the dominant society should facilitate the formation, and define the contours, of an emergent Latino national minority In this construct, subsidiary determinants are framed within, but are not mere offshoots of, structural determinants In other words, they are *subsidiary but necessary* for minority group formation

Capital has historically appropriated for its purposes the given set of social relations and/or ascriptive or cultural attributes that distinguish labor, whether it be ethnic differences between Irish and English workers in 19th century England, patriarchal family structures in early 20th century Russia, or racial and cultural distinctions among workers in the United States The interface of center and peripheral populations within a nation's borders in the age of the global economy has become just such a central set of social relations In contrast to Latinos, populations from

Eastern and Southern Europe were not drawn from the periphery, but from regions on the margins of the core. Original differences between "white ethnics" were exploited in the formative years of U.S. capitalism but did not prove durable. Racialized social relations became the dominant feature in labor stratification and segmentation. As Barrera (1979) notes in his study, stratification and labor segmentation in the U.S. Southwest have been along racial lines: on the subordinate side are Native Americans, Asians, blacks, and Latinos, on the other side are white groups, whose ethnic diversity has been quite pronounced but relatively inconsequential with regard to the segmented labor market.

The themes raised in this essay, such as the interplay between structural and subsidiary determinants in minority group formation, require further exploration.<sup>41</sup> So too does the theoretical framework put forward here. For instance, Asian American communities have a more complex experience that reflects, in part, special political and security relations between Asian countries and the U.S. state (not unlike the Cuban case) and, in part, the shifting role of Asia in the world system. Studies on the different Asian groups in the United States may benefit from applying a world system and "modified mode of incorporation" framework and may also shed further light on arguments advanced here. This essay has hopefully provided theoretical inputs for an ongoing research agenda.

Meanwhile, the effects of the global economy on the Latino national minority are resulting in what Marx (1967:641-643) analyzed as the "pauperization" of these groups, particularly those who have become the "supernumeraries," outside the formal process of production. Marx analyzed three types of "relative surplus population": the "floating form," the "latent form," and the "stagnant form." The first two were seen as those who weave in and out of the production process in accordance with the cycles of capital accumulation and the particular division of labor in the given social formation (in our case, this particular division is along Barrera's racial-segmentation model analyzed above). The third category is the most disconcerting, since it is a group that has been pushed structurally outside the production process, i.e., which is of no *direct* use to capital over entire historic epochs.

Is the new "underclass" of supernumeraries, disproportionately represented by Latinos and other national minorities, a permanent, structural phenomenon of the global economy, or a transitory dislocation of segmented labor that will be absorbed to the extent that the old structures of national economies are replaced by consolidated global structures of the world economy? The answer is not clear. Meanwhile, economic restructuring and the global economy are inextricably related to the social crisis facing Latino (and other minority) communities in many direct and indirect ways. The crises of crime, drugs, school dropout rates, family disintegration, etc., must be understood as the consequence, and not the cause, of a disadvantaged, segmented location in the U.S.

political economy at a time when the world system is entering its fourth major historic stage

Space limitations have necessarily mandated in this essay a simplification of highly complex national and international processes. What I have put forward here is not a deterministic analysis that would reduce multi-dimensional sociological phenomena to the mechanical determination of structures or the unfolding of history. Rather, I have attempted to provide elements of a "macro-structural-historical" framework that place such phenomena in their proper context.

## Notes

1 For summaries of this literature, see Portes and Truelove (1987), Moore and Pachon (1985), Bean and Tienda (1987)

2 The Greater Caribbean Basin refers here to Mexico, Central America, the Caribbean and the northern rim of South America

3 For a good summary discussion on these issues of identity, ethnicity, race and nationality, see Lopez and Rivas (1979 1-5)

4 See Barrera, (1979 49-50) for his distinction between race and ethnicity, a distinction with which I concur. Barrera notes that Latinos have experienced similar social relations despite sub-ethnic distinctions among them and despite ethnic distinctions among white groups, so that the main dividing line is one of a racial minority. In my view, what we have, in the case of Latinos, is the imposition of a socially-constructed racial identity on distinct ethnic identities.

5 See Moore and Rivera (forthcoming), for a good summary discussion and specific essays on the impact of economic restructuring on distinct Latino communities

6 The author assumes readers are familiar with the basic world-system literature of Immanuel Wallerstein et al. For works specific to the global economy, which I define here as the fourth major stage in the capitalist world system, see among others, Gondolf, Marcus, and Dougherty (1986), MacEwan and Tabb (1989), Stiles and Akaha (1991), Szentes (1988)

7 The auto industry is a textbook case. As a result of revolutionary changes in transportation and the new mobility of capital, an automobile corporation such as Ford or GM now produces automobiles, from scratch to finish, from parts manufactured and assembled abroad, before being exported back to the United States or elsewhere. A centralized computer terminal linked up with a global telecommunications network makes it possible to coordinate and manage this far flung process from a single Dearborn or Detroit headquarters. Any production unit in any part of the world need only link up to the central computer terminal and, for all practical purposes, workers, production lines and management are under the same roof. For a good description of the auto industry and the global economy, see Russo (1986 125). Russo points out that Ford now conducts nearly 50 percent of its production outside the United States, and GM spent \$40 billion between 1981 and 1985 on its Brazilian and Mexican operations, at a time when hundreds of thousands of U.S. auto workers lost their jobs.

8 For these statistics and further discussion, see Harrison (1986 101)

9 Harrison (1986 99) points out that U.S. based multinational corporations are *not* divesting, but merely transferring investments. In the early 1980s U.S. Steel paid \$6 million to acquire Marathon Oil of Ohio at the same time as it eliminated two-thirds of its U.S.-based workforce. General Electric expanded its overseas payroll by 30,000 workers and reduced its U.S. payroll by 25,000. RCA Corporation cut its U.S. employment by 14,000 and increased its foreign work force by 19,000.

10 Reich (1992) coins the term "symbolic analyst" for this affluent 20 percent of the population in the era of the global economy.

11 These statistics are taken from Barnett (1986 47)

12. See, for instance, U S Bureau of Labor Statistics (1983, 1989a) Moreover, another Department of Labor report projects the most rapidly declining occupations between 1988 and 2000 are assembly line workers, including electronic assemblers and machine operators (U.S Bureau of Labor Statistics, 1989b)

13 For an analysis of the growth of income inequality in the United States and the world, see Braun (1991)

14 It should be noted that even though they are underrepresented, Latinos made significant advances in almost *all* jobs included in this category This underscores the rise of a small Latino middle and professional class in the 1980s

15 See, for instance, Mines, Boccalandro, Gabbard (1992)

16 For instance, if Africa had been the birthplace of capitalism, African societies would have radiated out in conquest and imperialism, colonizing Europe and other regions, and undoubtedly, black racism would have become a structural feature of a world system in which Africa constituted the core countries and Europe and other regions the periphery As well as being a social relation, modern racism is an ideology functional for a given set of production relations

17 For one analysis of international labor flows between center and periphery, see Braverman (1974 384-385)

18 This is in distinction to other colonial and imperialist powers, such as England or France, where the exploitation by dominant classes of one racial/ethnic group of other racial/ethnic groups took place outside of the formal metropolitan territory In other words, imperial Great Britain amassed fortunes on the basis of black slave labor in the Caribbean, but two ethnic groups (Anglos inside the British nation and blacks on Caribbean islands) were separated

19 Mexican-American here refers to both the Chicano group, which Lopez y Rivas (1979:7) has referred to as an indigenous national minority, and the broader Mexican-American community, which includes millions of people who have migrated from Mexico in more recent generations

20 For detailed analysis, see Lopez y Rivas (1979), Barrera (1979), and Acuña (1981)

21 For a brilliant analysis of "internal colonialism" in South Africa, defined by the conjunction of race and class, see Magubane (1979) The parallels between South Africa and the U S Southwest are remarkable The only difference is in the juridical relations between races inequality and subordination are juridically reinforced in South Africa, whereas they are de facto reproduced in the 20th century Southwest as part of the specific dynamics of capitalism in the United States

22 See Barrera (1979 39-49), who identifies five ways in which the Mexican-American population was treated unequally in this "colonial labor system" labor repression (this is non-economic coercion referred to above), a dual wage system, occupational stratification, Mexican-Americans as a reserve labor force, and minorities as buffers

23 See Barrera (1979 130-155) for statistical data and for an analysis of this data

24 For the classic work on dependency in Latin America, see Cardoso and Faletto (1979) See chapters 3-5 for detailed mention of Mexico For a summary study on the Mexican political economy, see Barkin (1990)

25 For more details, see Barkin (1990) and Samora (1971)

26 For a summary of the NAFTA and its probable effects on labor on both sides of the border, see *NACLA Report on the Americas* (1991), Barry (1992 283-341), and Barkin (1990)

27 For a detailed study of this phenomenon, see Sassen (1988)

28 See Lewis (1963) for a detailed account of Puerto Rican history, society, and political economy See Maldonado Denis (1980) for an analysis of U S Puerto Rican relations from a perspective in world systems and international political economy, with a special focus on the emigration phenomenon See Rodríguez (1986) for an overall profile of Puerto Ricans in the United States See also Mills, Senior, and Goldsen (1950)

29 Puerto Rico is one of the last remaining items on the agenda of the United Nations Special Committee on Decolonization Since the mid-1970s, the UN General Assembly has passed annual resolutions, despite United States opposition, recognizing the right of the Puerto Rican people to self-determination and condemning the repression of the independence movement in Puerto Rico

30 For a detailed analysis of Operation Bootstrap, see Lewis (1963 ch 9)

31 Just such a "liability" argument is made, for example, by Gann and Dugnan (1986)

32. Several studies have demonstrated how U S firms in the Northeast "greatly valued" Puerto Rican labor because of their citizenship status and the low wages for which they would work (Rodríguez, 1986 7)

33 For a detailed discussion on agricultural emigrants, see Maldonado-Denis (1980: ch 5)

34 Between 1960 and 1980, manufacturing jobs in New York City decreased by 441,000, while jobs in the financial and business service sectors accounted for three-quarters of all new employment (Rodríguez, 1986 86-87)

35 See Rodríguez (1986.xiii) One report shows that Puerto Ricans were the *only* group in the United States to experience a real drop in net family income between 1960 and 1980 (Rodríguez, 1986 47) The report cited is by Tienda and Jensen (1986)

36 See Gallagher (1980), cited in Moore and Pachon (1985 36) See also Portes and Truelove (1987 370-371)

37 For a readable summary of U S -Central American relations in their historic context, see LaFeber (1984) For an analysis rooted in political economy, see Thomas (1987)

38 Another significant group is political refugees fearful of right-wing repression in their countries

39 The \$433 million figure is provided by ECLAC (1992) The \$1.4 billion figure is from Stanley (forthcoming) and was based on a household level survey conducted in El Salvador

40 An analogy might be instructive African-American minority group status is tied up with black cultural or ascriptive traits and a host of subjective factors But such status is incomprehensible without identifying its material base in forced incorporation from Africa into U S slavery, followed by caste subordination, and later institutionalized racial segmentation in the U S economy

41 In this research program, it would be particularly useful to study cross-group Latino relations in such urban centers as Los Angeles or Houston, where members from all four Latino subpopulations have concentrated in the past decade If my theoretical premises are accurate, we should see increasing political and cultural convergence and the gradual crystallization of Latino self-identity

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