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Italians Then, Mexicans Now: Immigrant Origins and Second-Generation Progress, 1890-2000

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presented at the 2004 conference by leading scholars of workplace safety and health.

The book's title somewhat misleadingly promises research on the composition of workplace injuries and diseases, how they may be prevented, and how workers are compensated for them. In fact, this volume is largely about the operation and impact of the workers' compensation insurance system. Indeed, as Karen Roberts states in the introduction (p. 1), the aim is to provide both a detailed introduction to workers' compensation for novices and fresh insights for the fully initiated. This stated objective is well met by the clearly written papers in the volume.

Except for a few omissions detailed below, the book is quite comprehensive. Two papers extend beyond workers' compensation to discuss the economics of workplace safety and health: a posthumous survey article by Thomason, and a discussion by Seth Seabury, Robert Reville, Hilary Rhodes, and Leslie Boden of how behavioral economics can inform research on workplace injuries. The other papers discuss research on workers' compensation systems, largely those in North America. The topics examined are the adequacy of income benefits (Boden, Reville, and Jeff Biddle), the determination of benefits for permanent partial disabilities (John F. Burton, Jr.), the growth of litigation and appeals in Canada (Douglas Hyatt), performance measurement of workers' compensation systems (H. Allan Hunt), incentives created by the pricing of workers' compensation (Roberts), the delivery of health care (Cameron Mustard and Sandra Sinclair), compensation for black lung (Peter Barth), and reforms of the workers' compensation system in Rhode Island (Matthew Carey).

Beyond the breadth of the topics covered, another strength of the volume is the comprehensive overview of the literature on each topic. The extensive literature reviews provided by most of the papers will benefit those new to the field. At the same time, the reviews and accompanying lists of references, sometimes as long as four pages, can serve as handy reference guides for more seasoned workers' compensation researchers.

The authors contribute much more than just literature reviews, however. Each paper contains valuable insights. Burton, for example, presents a typology for understanding the myriad different ways of compensating permanent partial disability injuries; and Hyatt, reflecting on his service on Canadian workers' compensation commissions, shares his insights on the rise of litigation and the shortcomings of the Canadian appeals process. The presentations are made without rigorous mathematical models or statistical analyses. While

this may lessen the appeal of the book for the seasoned researcher, it makes the material highly accessible to the novice and to a non-technical audience.

Another strength of the volume is that many of the papers pose research questions that remain to be answered. Perhaps the best example of this is the paper by Boden, Reville, and Biddle, which concludes with 19 questions that still need to be addressed regarding the adequacy of benefits. The book establishes a research agenda that could help guide future efforts.

It is important to stress that this book is largely about workers' compensation. With the exception of the survey paper by Thomason and the paper on behavioral economics, the volume does not discuss issues that fall within the economics of workplace safety and health. Thus, there is little discussion about the efficacy of OSHA safety inspections, the role of compensating wage differentials in sorting workers and firms among different levels of job risk, or a variety of other workplace safety and health topics such as the influence of business cycles.

Further, while the treatment of workers' compensation is quite broad, it is not complete. For example, there is a large literature on the impact of workers' compensation on the frequency, composition, and duration of workplace injuries and claims. This literature tends to show that more generous benefits are associated with longer injury duration and more frequent injuries, particularly for types of injuries that are hard to diagnose. Discussion of the moral hazard effects of workers' compensation is largely absent from the book.

Workplace Injuries and Diseases successfully achieves the goal of providing information on workers' compensation systems that can be useful to neophytes and experienced practitioners alike. Any graduate student seeking a dissertation topic on workers' compensation would do well to scour the rich set of research questions raised in the volume.

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Italians Then, Mexicans Now: Immigrant Origins and Second-Generation Progress, 1890–2000. By Joel Perlmann. New York: Russell Sage Found-

dition, 2005. 208 pp. ISBN 0-87154-662-0, \$27.50 (cloth).

At the heart of the debate over immigration policy is the question of whether immigrants today will be successful in assimilating into American society. The often used bar for successful assimilation is the experience of immigrants who came to the United States at the turn of the 20th century. In *Italians Then, Mexicans Now*, Perlmann uses this measure of success to evaluate the progress of recent immigrants.

Many of the results presented in the book may depend on the reference group used to evaluate the success of recent immigrants. The author purposely limits his reference group to immigrants who came at the turn of the 20th century from either south or central Europe. In addition to those regional restrictions, he limits the analyses in most chapters (all except for Chapter 1) to non-Jews and non-Germans. He claims that these restrictions are needed to form a reference group—predominately composed of low-skilled workers—that is comparable to Mexican immigrants today. Jewish immigrants at the turn of the 20th century, he explains, tended to be highly skilled artisans in their country of origin, which gave them an advantage in assimilating; and German immigrants of that time, unlike immigrants of most other nationalities, could exploit advanced social networks of former countrymen who had immigrated in large numbers prior to the 1890s.

The author's omission of Jewish and German immigrants is questionable. While this choice helps to focus attention on individuals who arrived at the bottom of the socioeconomic ladder, it also introduces selection bias. The engaged reader may wonder how the selection of previous immigrants affects Perlmann's conclusions. George Borjas wrote in 2001 that he was "disconcerted by the . . . approach of systematically excluding those ethnic groups that do not seem to fit a 'normal' assimilation pattern" ("Long Run Convergence of Ethnic Skills Revisited," *Demography*, Vol. 38, No. 3). I tend to agree with Borjas in this regard, but I believe that much of the analysis Perlmann presents in this book has merit despite the possibility of selection bias.

After constructing his reference group, Perlmann estimates the ethnic wage differential between immigrants and natives for each period. The analysis borrows heavily from research conducted by George Borjas and published in this journal in 1994 ("Long-Run Convergence of Ethnic Skill Differentials: The Children and Grandchildren of the Great Migration," *Industrial and Labor Relations Review*, Vol. 47, No. 4). However, Perlmann

makes some notable changes. First, he constructs his own occupational wage scale that accounts for changing wage inequality to estimate immigrants' earnings rather than using the Preston-Haines scale used by Borjas. In addition, the author accounts for possible ethnic differences in wages using information on immigrants' geographic origin and educational attainment. These changes, combined with the change in the reference group, have important effects on the results. Whereas Borjas found that earlier immigrants earned 88% as much as native whites, Perlmann's estimate is 60%. Which of these results we accept will dramatically affect our assessment of the success of today's immigrants: the new results suggest that recent immigrants are faring only slightly worse than previous immigrants; the previous research, that they are faring much worse.

Readers of this book should bear in mind three important caveats concerning Perlmann's calculation of the ethnic wage differential. First, the author chooses to change the occupational wage scale after discussing at length how wage inequality in the United States has changed over the past century. His discussion extensively draws on Claudia Goldin and Robert Margo's 1992 article "The Great Compression: The Wage Structure in the United States at Mid-Century" (*Quarterly Journal of Economics*, Vol. 107, No. 1). The discussion is compelling and provides some justification for changing the occupational wage scale, but the assumptions the author makes to construct a new occupational wage scale are suspect. Second, as remarked above, the book's conclusions may depend on the choice to eliminate Jewish and German immigrants. Finally, data limitations prevent the author from distinguishing legal from illegal Mexican immigrants. A comparison of those two groups might have enhanced the book's relevance to the current debate over immigration policy.

Despite concerns about the author's chosen reference group, he adds significantly to the immigration discussion by providing insight and historical context that is lacking from much of the previous research. Most notably, he clearly separates second-generation immigrants into "native-born of mixed foreign-born parentage" and "native-born of foreign-born parentage." This distinction is unusual in the literature and identifies a source of potential bias in previous studies. By grouping these categories together, previous researchers may have assigned progress to the second generation that was caused by the changing composition of mixed-foreign parentage within the second generation. In addition to clearly defining second-generation immigrants, Perlmann brings some historical perspective to the

progress made by the descendants of immigrants who came after 1890.

Perlmann finds that the current gap in educational attainment is significantly greater for second-generation Mexicans than it was for his historical reference group, children of low-skilled immigrants who came to the United States after 1890. In addition to comparing immigrants to native whites, the author compares the experience of second-generation Mexicans with that of *native blacks* in terms of educational attainment, teenage pregnancy, and incarceration. He finds that most forms of risky behavior, such as teenage pregnancy and crimes leading to incarceration, occur at higher rates among native blacks than among second-generation Mexicans. However, the most notable exception to this pattern, a high school dropout rate higher among second-generation Mexicans than among blacks and most other groups, could portend serious problems. Perlmann believes that current immigrants from Mexico may take longer to assimilate than did previous immigrants at the turn of the 20th century because the relatively poor educational performance of their youth coincides with a time of large increasing returns to education in the United States. In fact, he speculates that because of this educational gap, four or five generations may pass before immigrants from Mexico successfully assimilate into the American mainstream.

This book contributes some notable refinements to the immigration literature, and I would recommend it to anyone interested in studying how recent immigrants compare to past immigrants. The author's discussion of immigration past and present not only makes interesting reading, but also brings some clarifying historical insights to the immigration debate.

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The Economics of Child Labour. By Alessandro Cigno and Furio Camillo Rosati. Oxford: Oxford University Press, 2005. 264 pp. ISBN 0-19-926445-7, \$85.00 (cloth); 978-0-19-926445-2, \$68.00 (paper).

The Economics of Child Labour is a valuable effort to understand, both theoretically and empirically, the causes and consequences of child labor, and to address some policy issues. It is a general overview and collection of the authors' previous

contributions to the theoretical and empirical literature. In the theoretical part of the book, Cigno and Rosati's refinements to some of the existing models are shown to yield more nuanced results than previous economic studies. The volume's empirical part is an attempt not to estimate the parameters of the model directly, but instead to evaluate some predictions of the model. Along the way, the authors discuss policy implications.

For readers seeking a general overview of the economics literature on issues surrounding child labor, this book is not the best starting point. Such readers would do better to consult the overviews offered by articles in some specialized journals, such as Kaushik Basu and Zafiris Tzannatos' "The Global Child Labor Problem: What Do We Know and What Can We Do?" (*World Bank Economic Review*, 17:2, 2003) and Eric Edmonds and Nina Pavnick's "Child Labor in the Global Economy" (*Journal of Economic Perspectives*, 19:1, 2005).

The authors argue that poverty is an important cause of child labor and that working at a young age can have lasting deleterious effects. However, as in any detailed investigation, the findings are full of nuances, exceptions, and qualifications. Poverty, for example, can itself result from any of a myriad underlying causes, and the vectors that are responsible in each specific case—from the parents' access to credit to the cost of schooling and the availability of water and electricity—must be taken into consideration when fashioning policies to enhance children's welfare. The consequences of child labor vary as a function of many factors, including gender, age, place, and type of work. There is no silver-bullet policy to curb child labor, and the correct mix of policies depends on the particular context. As the authors rightly conclude, much can be done to alleviate the evils of child labor beyond just sitting and waiting for economic growth, but a careful understanding of the particular context is fundamental.

In the theoretical discussion presented in the first three chapters, the authors develop a sequential-decision family model that considers the parts played by the decisions on fertility, human capital investment, child labor, and intergenerational transfers. In line with the theoretical literature on child labor, it is assumed that economic decisions are made on children's behalf by altruistic parents, and that all families strive to achieve a subsistence level of consumption before making other purchases and investments. One argument the authors make that is interesting, and perhaps novel in the child labor literature, is that this model is consistent with a family "constitution" sustained as a Nash Equilibrium, comprising two social rules: parents transfer at least the subsistence