

**Engaging China Within U.S. Borders: Examining the Economic and Social
Effects of Chinese Immigration and Policy Proposals for the Future**

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by

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Introduction

In 2006, almost 100,000 Chinese entered the United States as migrants. At 7%, Chinese are the second largest immigrant group after Mexicans, who represent about a quarter of all migrants. Moreover, the number of Chinese migrants is growing at a rapid rate and could reach two million within a few years (Jefferys 3).

How should Americans react to this development? Is Chinese immigration a boon or a menace to us in economic, political, or social terms? Some argue that immigration causes wages to drop and jobs to be taken away from native born Americans. Some also argue that immigrants are more likely to engage in criminal activities. However, there are other scholars that believe that highly skilled immigrants have created jobs and wealth in America, and have built transnational business networks that have granted American companies access to foreign labor and markets. Some scholars also note that highly skilled immigrants don't negatively affect wages or increase unemployment in skilled fields.

My research has taken all of these viewpoints into account and has shown that there are both drawbacks and benefits from Chinese immigration, but the impact is mostly positive. This paper will serve to answer how Chinese immigration has affected U.S. economics, politics and culture, and what policy options the U.S. government can pursue to continue reaping benefits while preventing costs of Chinese immigration.

First, I will outline a brief history of immigration to the U.S. from its beginnings, and then I will detail the current immigration policy. Then, I will explain the different aspects of the academic debate on immigration to set up the framework of the paper. After that, using the issues from the academic debate, focusing mostly on economic issues as they are the most contentious, I will use the statistics on Chinese immigrants to analyze their cost or benefit to the

United States in the various issue-areas. Finally, I will discuss policy options that the U.S. government can pursue in the future to get as much as possible out of the immigrant population, and to curb the illegal immigration that still occurs.

Immigration to the U.S.: a Brief History

The earliest immigrants, or rather settlers, came to the United States in the 1500s from Spain, and founded cities in Florida and New Mexico. Then, waves of immigrants from all over Europe began to pour into the country after the settlers from Great Britain arrived in the 1600s. In the 1840s, as the California Gold Rush was happening, Chinese immigrants finally made it to the United States in significant numbers to work in mining. In the 1860s, waves of Chinese immigrants came to the U.S. to work on the Trans-Continental Railroad. This ultimately led to the first legislation restricting Chinese immigration, the Chinese Exclusion Act, which was passed by Congress in 1882.

The Chinese Exclusion Act was passed as a reaction by Americans to the lowering of wages caused by the flow of Chinese immigrants willing to work for less. It severely restricted any immigration from China, as the law stated explicitly that any “unskilled or skilled laborers and Chinese employed in mining” could be excluded from immigrating. It also required that Chinese immigrants get certification to re-enter the U.S. if they left, and they were not allowed to be granted citizenship. The Chinese Exclusion Act was set to last for ten years, but was extended by the Geary Act until the 1920s, when quotas on national origins were set. In 1943, due to a decline in anti-Chinese sentiment, all of the exclusion acts were repealed, but only 105 Chinese immigrants could come to the country. The Immigration Act of 1965 was enacted in 1968 and got rid of quotas based on national origin, but capped immigration from one country to 20,000 citizens and set an overall annual cap at 170,000. Finally, the Immigration and

Nationality Act of 1990 was passed, and it set flexible limits on family-based, employment-based, and diversity immigrant visas, facilitating much greater immigration from around the world, and especially China.

Current Immigration Policy

The limits set by the Immigration and Nationality Act of 1990 allows the most visas, at around 480,000, to be issued to non-immediate family members of naturalized American citizens or legal permanent residents, for the purpose of reunification. Non-immediate family members include unmarried sons and daughters who are adults, spouses or children of legal permanent residents (not citizens), unmarried sons and daughters of legal permanent residents, married sons and daughters of citizens, and siblings of citizens over 21 years of age.

Employment visas are the second largest group with 140,000 visas to be issued, ranging from visas for workers of a specific skill that is in demand, such as cooks, up to aliens of extraordinary ability, meaning anyone with special, internationally recognized talent. Then, diversity visas, which comprise a significantly smaller number of total visas issued, at 55,000, are given to residents of countries whose immigration numbers are low in order to augment diversity within the United States. Immediate family members, including spouses of U.S. citizens, minor children of U.S. citizens, and parents of adult U.S. citizens, are exempt from numerical limits. Refugees and asylees are also exempt from numerical limits and are given visas based on current events and political stability within their home country, such as refugees from Iraq (Wasem 7-8).

Immigrants come to the United States after they are petitioned by a relative or employer, and the Department of Homeland Security approves the petition in the U.S. and the Department of State consulate interviews the applicant and issues his or her visa. However, visitors,

students, and others only intending to stay in the United States for a short time can become legal permanent residents of the U.S. after they have arrived, and these people become immigrants in the same way that they would overseas. The worldwide ceiling for immigration has been set at 700,000 people, and a 7% of total immigration limit has been set so no one country monopolizes the immigrant population of the United States.

This quota has exceptions, though, as there are no limits to the number of immediate relatives of American citizens (spouses and unmarried minor children), and the per-country quota does not pertain to first preference relatives of American citizens (unmarried daughters and sons) and second preference relatives of legal permanent residents (spouses and children or unmarried children) (Wasem 9). The 1990 Immigration and Nationality Act was designed to expand upon the act of the same name from 1965 and further increase immigration to the United States in order to increase diversity, reunite families, help refugees escape atrocities in their home country, and fulfill employment needs.

Chinese Immigration Statistics

Immigration from China has grown steadily over the past three years, increasing not only in aggregate numbers, but in terms of its percentage of total immigration to the U.S. In 2006, China had the second most immigrants to the U.S. in 2006, at 87,345, up from 69,967 in 2005 and 55,494 in 2004. During this period, China's share of the total immigrant population was 5.8 percent in 2004, 6.2 percent in 2005, and 6.9 percent in 2006. China's immigrant population grew by around 20 percent each year, and if this trend continues, over 100,000 Chinese immigrants should come to the United States in the next year (Jefferys 3). The foreign-born population from China reached 1,833,000 in 2005, and is mainly concentrated in urban areas such as San Francisco, Los Angeles, and New York. This population is already significant and is

growing rapidly, and in time increasing numbers of these immigrants will become American citizens, as over 50% of them already are (Camarota). While it is impossible to determine how the trend will form in the long run, if Chinese immigration continues on its current trajectory for even the next five or ten years, the population will grow rapidly into the millions, and their effects on American society and economy will become increasingly formidable. Policy makers will have to focus more on the Chinese immigrant population than the Mexican population that has been drawing all of the debate and controversy to immigration issues.

The Immigration Debate

Introduction

As presidential elections draw nearer, immigration has become an increasingly contentious issue. The debate has been focused primarily on immigrants from Mexico, as there is an enormous illegal immigrant population coming from Mexico every day. This has caused the large immigrant population from China to be ignored, despite the fact that it is second to Mexico, and almost 100,000 people emigrated from China in 2006. The major issues the immigration debate is concerned with relate to the economy, politics, society, crime, illegal immigration and education.

Fiscal Effects

One of the most debated issues of immigration is whether or not immigrants are a drain on social services, or rather whether they are a fiscal cost or benefit. The first thing that must be taken into account is which services are being utilized by immigrants, such as education, welfare benefits, and health care, then how much immigrants are paying in taxes relative to the services they use. According to James Smith and Barry Edmonston, editors of The New Americans: Economic, Demographic, and Fiscal Effects of Immigration, immigration has had a positive

fiscal impact, albeit a small one. Some estimates have shown that the immigration has had a negative fiscal impact, but the estimates are negligible either way, as the cost or benefit fiscally adds up to only hundreds of dollars per household per year. Smith and Edmonston have shown that skilled immigrants have had a substantially positive fiscal impact over their lifetimes, estimated at \$198,000 per immigrant, while there is a slightly negative impact from unskilled immigrants at -\$13,000 per immigrant (US Council of Economic Advisers 644). Due to increased income, and thereby a reduction in the use of welfare benefits and government health benefits, these skilled workers create a positive impact fiscally. The anti-immigration side likes to point to the fiscal costs of illegal immigration. However, it is estimated that two-thirds of illegal immigrants have income taxes withheld from their paychecks, and unskilled immigrants are no more of a burden to the state than unskilled native born workers (Jacoby 2). Therefore, an outright reduction of immigration is not at all a sensible policy to attempt to increase tax revenue and improve social services.

Policies have already been enacted to help combat the negative fiscal impact that immigrants, especially illegal immigrants, can possibly cause. In 1996, the Illegal Immigration Reform and Immigrant Responsibility act was signed into law. The new law drastically cut back on social services that could be received by illegal immigrants, such as health care or education. It increased the strength of the border patrol by adding 1,000 new officers per year to the INS for five years and providing funds for expanding the border fence. The act introduced a telephone verification program which would allow employers to see the status of a new immigrant hire, or social service agencies to determine whether an immigrant qualified for assistance programs. Additionally, the law increased restrictions on welfare programs that legal immigrants could have access to.

To further prevent immigrants from being a drain on the state, the act does not allow immigrants to request tax-payer funded assistance after their arrival, and instead the sponsor of the immigrant would now be required to have a higher income to provide for the immigrant. The bill added six hundred investigators to arrest criminal aliens, employers hiring illegal immigrants, and visitors who overstayed their visas. It also increased the penalties for alien smuggling and document fraud and made it easier to deport illegal immigrants. However, the bill also included a provision to provide reimbursement from the federal government to hospitals that gave emergency care to illegals. In the same year, the Personal Responsibility and Work Opportunity Reconciliation Act was signed into law. It restricts the eligibility of legal and illegal immigrants for federal welfare assistance, and grouped foreigners into three categories for determining their eligibility for welfare programs. The groups were legal immigrants who had worked in the United States for at least ten years, “qualified aliens” which mostly consist of legal immigrants, and “non-qualified aliens” who are illegal. The groups are ordered from being eligible to receive the most to the least welfare benefits (Duignan 19-21).

Economic Effects

Every American worker wants to know whether immigrants are taking jobs away from Americans, and whether native born Americans’ wages are affected by immigration. In a report to the White House by the US Council of Economic Advisers, immigration has been shown to improve the wages of most Americans through production complementarities. The immigrant population has a disproportionately large group of workers without high school educations and with Ph. D. degrees, two groups that are in relatively small numbers among the native born workers and are in demand. Therefore, the demand for unskilled laborers and highly skilled laborers can be fulfilled, increasing productivity, overall output, and thus an increase in the

wages of native workers who are the owners of physical and human capital (US Council of Economic Advisers 642). However, unskilled native born workers, such as high school drop outs, have suffered a decrease in wages due to competition from immigrants who will work for less, but the decrease has been negligible, at about 8 percent over the past two decades (Said 2). Fortunately, this is a very small number of native born Americans, as native born workers continue to become more educated each decade. Tamar Jacoby, senior fellow at the Manhattan Institute, explains that while in the 1960s half of all American men dropped out of high school to find unskilled employment, nowadays only ten percent do so. The Bureau of Labor Statistics estimated that around 28 million jobs will be created between 2002 and 2012 that will require no more than a high school education, which means that there will be a labor shortage if unskilled immigrant workers don't come to fill many of these positions (Jacoby 1-2). The industries that will be hit hardest by this unskilled labor shortage are the restaurant and construction businesses.

Immigration inevitably leads to a larger labor supply and increased consumption as the population is increased, therefore causing the economy to grow. Having a pool of relatively cheap, unskilled labor allows businesses to expand without moving its operations elsewhere. It also drives down the cost of production, which will lead to decreased consumer prices. Furthermore, having an increasing supply of highly skilled workers, such as engineers and other science related professions is helping to fill the demand of the American labor market due to a shortage of these workers in the United States. This has also prevented any outsourcing from taking place to find these highly skilled workers. Over the last decade, out of all of the new jobs created, half were taken by immigrant workers, thereby attributing half of the economic growth in the period to these workers (Jacoby 2).

An increased population and increased productive possibilities expands the amount of consumption that every American can engage in because from an increase in production will come an increase in variety of goods. Increased variety will enable businesses to satisfy the changing tastes of American consumers. Immigrant labor also leads directly to the creation of new businesses and industries, such as the creation and rapid expansion of the landscaping business. The domestic agriculture market has also been expanded thanks to immigrant labor, as it has allowed the farming of products such as strawberries to be profitable in the U.S. in place of importing such products from Central and South America (Jacoby 3). Immigrants have contributed directly to the additional variety of the U.S. consumer market with goods from their home countries such as restaurants that feature immigrants' native cuisine.

Some academics from science and engineering organizations believe that highly skilled permanent or temporary immigrants negatively affect the wages of highly skilled native born workers because of the competition for jobs they create. However, the Bureau of Labor Statistics projects that in the next decade, the demand for skilled labor will expand and this demand won't be fulfilled by native born workers due the education system falling behind. According to Jeanne Batalova, author of Skilled Immigrant and Native Workers in the United States, an increasing number of highly skilled immigrants is not associated with a decline in wages for native born highly skilled workers. She has stated that only native workers who have jobs where greater than 35 percent of the workforce is foreign born will see a decrease in wages, and only five to seven percent of natives work in such jobs (Batalova 6-7). Immigrants bring over talents that are demanded by the U.S. economy, such as entrepreneurial skill and knowledge in the science and engineering fields which leads to innovation. Highly skilled immigrants also bring with them connections to their home countries, either to foreign learning institutions or

sources of direct investment (Batalova 31). Highly skilled immigrants have contributed greatly to the growth of the U.S. economy over the years, and policies need to be pursued to continue attracting highly skilled immigrants to the United States so that labor demands can be met, and innovation can be continued.

Political Effects

Politicians have debated whether or not to grant amnesty to the 12 to 20 million illegal immigrants currently residing in the United States. Many people believe it isn't fair to grant citizenship to illegal immigrants through amnesty, as there are legal channels for them to go through, and immigration is restricted for the purpose of being able to expand infrastructure proportionately with population. However, the limitations placed on immigration by quotas and a lengthy backlog of immigrants waiting to get into the U.S. is preventing these people from getting in as soon as they want to. Another political argument against immigration is that immigrants are taking jobs away from native born Americans, which is not backed up by empirical evidence. Public opinion shows that people believe immigrants are contributing to the U.S. being in a "state of economic and cultural decline" (Batalova 10). This state of economic and cultural decline includes the reduction of native workers' wages and the breakdown of social norms such as common courtesy. However, these beliefs are also not backed up by any data whatsoever.

Social Effects

From the beginning of the formation of the U.S., immigrants from around the world have brought their own cultural customs and norms and helped shape U.S. society. The U.S. government is still influenced mainly by European immigrants, starting with the original settlers who came from England. European religion has been the main influence on value systems in the

United States. However, the societal norms of acceptance and tolerance have come about slowly throughout U.S. history as its ethnic and religious diversity have increased. As the United States continues to globalize, more ideas are being integrated into U.S. culture and more different groups of people are being accepted for who they are.

Unfortunately, another major social issue that comes about from immigration is the reaction of the native population to the immigrants. The history of the United States has been plagued by racism, and it has continued up to this day. From immigrants from Ireland to immigrants from China, the native population of the United States has been notorious for discriminating against certain groups, especially when it is perceived that they are having a detrimental effect on the native population's livelihood. Also, certain catastrophic events have caused racist backlashes by the native population, such as American racism toward Arabs after 9/11 and the American black community's racism against Koreans after the race riots in L.A. in 1992. Hopefully, racism will continue to decline as cultural exchange and integration continue to diversify and add beneficial principles to American culture.

Effects on Crime

Research has shown that immigrant groups have shown that they have contributed less to crime than native born Americans. It has also been shown that illegal immigrants are less likely to commit crimes, due to the chance of being deported. Unfortunately, street gangs associated with certain immigrant groups are prevalent across the country, but almost half of their members are Hispanic. It is noted that gangs have formed along ethnic lines as long as people have immigrated to the U.S., starting with Italian and Irish gangs in the late 1800s into the early 1900s, all the way up until now when Hispanic gangs dominate. This problem arises from the inability of these groups to be appropriately welcomed into American communities, and thus

they do not feel the need to assimilate into U.S. society. Enclaves of certain ethnic groups are often formed in urban areas where these people can meet, and this is usually in low-income areas. These people will only feel secure with one another, and end up joining anti-social gangs which seek to establish themselves as dominant in a particular area, leading to constant conflict with the nonviolent community or other rival ethnic gangs (Carlie). This shows that policy efforts must focus on making assimilation in America smoother to prevent such anti-social gangs from forming.

Illegal Immigration

Illegal immigration is a very hot issue as well, as policy makers have been debating how to reduce and prevent it in the future, and what to do with illegal immigrants in the country. There is the option now being discussed to grant amnesty to illegal immigrants, as mentioned above, and as far as preventing further illegal immigration, the real problems have been seen in enforcement. Enforcement agencies, such as the Department of Homeland Security, are greatly understaffed and underfunded in the U.S. and abroad to deal with the illegal immigration problem. The vast majority of illegal immigrants come in from Mexico, as they share a border and have much to gain from leaving their home country. The U.S. does not have the border security, in terms of personnel or defensive structures, to combat all of the illegal immigrants from coming into the country. Illegal immigrants have also made it into the U.S. from places as far away as East Asia by being smuggled on freight boats. This is a problem that needs to be dealt with on both sides of the border, as smuggling rings who operate from the host country and have contacts within the U.S. are becoming increasingly prevalent.

Effects on Education

Education is influenced greatly by immigration, as it creates a need for programs for English as a second language and resource programs to ensure the acclimation of immigrants into their new communities and schools. Of course this means that public education costs have risen as a result of immigration, but immigrant children are also adding to cultural awareness and worldliness of native born Americans by the exposure to fellow students from around the world. The language barrier is incredibly difficult for immigrant teenagers to deal with and has led to their isolation within schools. It has been noted that difficulties in acquiring a second language in a country where it is needed has affected the development of personality, morality, and emotion within children (Roucek 225). The education system in the U.S. has made great progress in ensuring a smooth assimilation of immigrant students into U.S. schools, but is still a long way from where it could be.

Immigrants also have an immense effect on tertiary level education in the U.S., as some of the most talented people from around the world come to American schools to study, allowing these schools to retain their status as world class learning institutions. From the 1960s, the total number of foreign students has risen from 82,000 to 500,000 and the percent of the total student population taken by foreign students has increased from 1.5 to 4.3 percent (Batalova 29). While the United States currently holds the lead for the largest share of foreign students globally at 28 percent, this share has been dropping in recent years due to competition from other developed nations. Other countries have been becoming more attractive as they have upped incentives for students to come by giving students an easier path to permanent immigration upon graduation or subsidizing foreign students' tuition. These other developed countries have also stepped up recruitment in foreign countries. Meanwhile, the United States is falling behind because of increased restrictions on immigration as a result of the September 11, 2001 terrorist attacks,

especially on students from the Middle East (Batalova 30). If the United States wants to keep its dominant position in higher education globally, it needs to cut back on restrictions that make studying in the U.S. less attractive, as well as improve educational institutions and increase recruitment efforts to compete with other countries.

Assessment of Effects

Fiscal Effects

As was mentioned before, immigrants have had a generally negligible overall effect on social services in the United States. However, when we look at who is contributing and who is taking away from these programs, we see that skilled workers are providing a significantly positive fiscal benefit, estimated at about \$198,000 per immigrant in a lifetime, while low skilled workers are creating a much smaller cost than the benefit of these highly skilled workers at only -\$13,000 per immigrant in a lifetime. In the case of Chinese immigrants, a higher percentage have tertiary education and above, and a higher percentage are in highly skilled, high-paying jobs than the national averages. According to Census 2000 statistics, 42.7% of Chinese immigrants 25 years or older had a bachelor's degree or higher, compared with only 25.6% among the native-born U.S. population who are 25 years or older.

The statistic that is the most striking is that 22.9% of these Chinese immigrants have a graduate or professional degree, compared with only 8.4% of the native born U.S. population in this demographic. However, 86.6% of the native born U.S. population 25 years or older is a high school graduate, whereas 70.8% of the Chinese immigrant population has graduated from high school (Table: Educational Attainment; Table: People Born in China). This makes sense because some Chinese students who came to the United States in their teens would have had trouble graduating from high school due to the language barrier. According to educational attainment,

Chinese immigrants have significantly higher skills than the native born population, thus their fiscal impact is substantially positive. But, we must also look at the occupations that this highly educated population of Chinese immigrants works in to further determine whether they do in fact benefit the U.S. fiscally.

The largest occupation group for Chinese immigrants is management, professional, and related occupations, which consists of 49.3% of the Chinese immigrant working population (Table: People Born in China). This is substantially greater than the national population numbers, in which 33.6% of the U.S. working population is in these occupations. This is also much larger than any of the other occupation groups for Chinese immigrants, with 17.2% in service occupations, 18% in sales and office occupations, 0.1% in fishing, farming, and forestry occupations, 2.6% in construction, extraction, and maintenance occupations, and 12.8% in production, transportation, and materials moving occupations. This particular occupational group is so important because it is the highest earning group of occupations in the United States. Median income for these professions is \$43,000, whereas it is \$21,000 for service jobs, \$27,700 for sales and office jobs, \$20,000 for farming, fishing, and forestry, \$32,000 for construction, extraction, and maintenance, and \$28,800 for production, transportation, and material moving jobs. Therefore, as a group, Chinese immigrants are more highly skilled not only in the education they have attained, but also in terms of the occupations they are in. This leads to Chinese immigrants earning more than the average for all Americans. Median family income for Chinese immigrants was \$52,579 in 2000, compared with \$50,046 among the entire population. Also, median household income for Chinese immigrants was \$46,432, compared to \$41,994 (Table: People Born in China; Clark 50).

The above data show that Chinese immigrants are having a substantially positive fiscal impact on the United States. Many Chinese immigrants are highly skilled, and these workers earn more than average Americans, and thus pay more taxes than them. However, according to a study done by George J. Borjas, immigrants in general are more likely to receive welfare assistance than natives, a trend that has only changed since the 1990s. Chinese immigrants have followed this trend, as 10.4% of them were on welfare in 1990, as compared to 7.4% of native-born Americans. However, this is substantially better than some other groups of Asian immigrants, such as Cambodians, at 48.8% welfare participation, Laos, at 46.3%, and Vietnam, at 25.8%. Also, 11.1% of pre-1980 Chinese immigrants were on welfare, so the trend is showing a decrease in welfare participation among Chinese immigrants (Borjas 126). This trend will probably continue on its trajectory as more skilled immigrants continue to come from China each year.

Economic Effects

As was shown in the section on the fiscal effects of Chinese immigration, the pool of labor coming from China has more highly skilled workers and earns more than the average American. However, people who are against immigration will point to the fact that these skilled workers must inevitably be stealing jobs from Americans. This is not so according to Stuart Anderson, the former director of trade and immigration studies at the Cato Institute. Anderson points out that the immigration naysayers believe that immigrant scientists and engineers are willing to work for significantly less than those who are native-born, thereby reducing the wages of native-born scientists and engineers. They also believe that colleges and universities are willing to pay foreign-born faculty significantly less to decrease the wages of American-born

faculty. Anderson shows that clearly neither of these phenomenon are actually occurring (Anderson 224-225).

According to data from the National Science Foundation, Anderson has concluded that immigrant scientists and engineers actually earn more on average than native scientists and engineers. Anderson has also found that the unemployment of Ph.D.s has no correlation to the relative amount of immigrants in a particular field of study. In fact, Anderson has discovered the opposite, in the fields that have the most immigrants, Ph.D.s show the lowest unemployment rates. Anderson argues that there is no reason why employers would favor immigrant scientists and engineers, because there are significant costs involved in bringing them in from overseas. Therefore, the only reason that immigrants are being paid more is because they bring with them exceptional talents and are extremely productive, as wages are determined by productivity. The data from the National Science Foundation show median salaries of foreign born and native born recipients of master's degrees in science and engineering in different time increments after receiving the degree. The foreign born recipients fared better in every time increment other than twenty one years or more after receiving the degree, but this is likely due to the fact that there is a significantly older group of science and engineering masters' recipients in the native population.

Another data table is set up in the same fashion for recipients of Ph.D.s, but in this table foreign born Ph.D. recipients received higher median salaries no matter how much time passed since receiving their degree. This same trend of higher pay for immigrants holds for median salaries of full, associate, and assistant professors at American universities across all fields of study other than engineering, where native born professors make more (Anderson 226-228). In terms of keeping college faculty, both native born and immigrant, employed, Anderson points

out that it would not be a wise policy to restrict highly skilled immigration, because the children of highly skilled immigrant parents are more likely to go to college than native-born children, thus keeping the supply of college students high, which will require increasing numbers of faculty (Anderson 231).

Anderson has also found that immigrants are not taking jobs away from native-born Americans with Ph.D.s. He has found that, in fact, the trend is the opposite of what it would be if immigrants were in fact taking jobs away from native-born Americans: in the fields with the highest concentration of immigrants with Ph.D.s, the unemployment rates are the lowest. In the field of computer science, 39 percent of Ph.D. holders are immigrants, yet the unemployment rate for Ph.D.s is only one percent. In engineering, the immigrant Ph.D.s comprised 40.3 percent of the field, and the unemployment rate was only 1.7 percent. In every other field, where the presence of immigrant Ph.D. holders was much lower, the unemployment rate was higher. For example, in geosciences, which had less than half as many immigrant Ph.D. holders in the field as in engineering, the unemployment rate was 2.8 percent, nearly twice that of engineering. This evidence shows that there is no way immigrant Ph.D. holders are taking jobs away from native-born Ph.D. holders. In fact, according to the National Academy of Sciences, unemployment among Ph.D.s in general has been study for the past decade (Anderson 231-232).

Americans also want to know if immigrants are driving down the wages of native-born workers. Most of the effect is among unskilled workers, especially high school dropouts, because unskilled immigrants are willing to work for less. However, people also wonder if immigrants are driving down the wages of highly skilled immigrants. Batalova has actually found that in skilled jobs, as the proportion of immigrants in these jobs goes up, the pay of native-born workers actually increases. However, after the proportion of immigrants reaches 35

percent, the wages of native-born workers begin to decrease, but only 5 to 7 percent of native born Americans work in these jobs (Batalova 6). Thus, concerns about highly skilled immigration are ill-founded because there is actually a mostly positive correlation between the proportion of immigrants in a highly skilled job and the wages of native-born workers with these jobs. The only wage differences seen are between newly arrived immigrants, meaning those who came after 1990, and the native born population and early immigrants who arrived before 1990. This trend points more to the fact that new immigrants lack the skills of native born workers and earlier immigrants, rather than companies seeking highly skilled immigrants because they will accept lower wages. It also points to newer immigrants being underemployed because of experience-skill mismatches (Batalova 93-94). Anderson and Batalova show that highly skilled immigrants are neither driving down wages, nor driving up unemployment and thus there need not be any additional restrictions put on skilled immigrants.

Chinese immigrants reside mostly in areas in New York and California, and these places have shown a significant economic impact from these immigrants. AnnaLee Saxenian, a member of the Public Policy Institute of California, wrote a report about the tremendous impact immigrants have had on the technology industry in California's Silicon Valley. She focuses on Chinese and Indian immigrants because they are the largest immigrant groups in the region working in the technology sector. Chinese immigrants comprise more than half of all Asian workers in the technology sector, and two thirds of all immigrant workers in that sector are Asian.

The debate over highly skilled immigrants coming to America tended to focus on there being a "brain drain" from these immigrants' home countries, as well as these immigrants taking jobs away from highly skilled native born workers. Saxenian shows, however, that in Silicon

Valley these immigrants are creating jobs by starting companies of their own, and these companies have had a great impact on the region and California's economy as a whole. Also, many of these immigrants have either returned to their home countries or used connections to their home countries to create transnational business relationships and access to markets overseas. Within California, immigrant groups have created business associations to help new immigrants assimilate into the community and have upward mobility within the technology center. Some scholars argue that there are "glass ceilings" or barriers to upward mobility for immigrants due to discrimination from native-born managers, and the business associations have helped deal with this problem (Saxenian 1-8). Saxenian shows that highly skilled Chinese immigrants have helped to globalize California's economy and at the same time create jobs and wealth in the United States.

Chinese immigrants began coming to California as early as the mid nineteenth century for the construction of the railroad to accommodate American prospectors coming to the state in search of gold. However, after the turn of the nineteenth century, the waves of Chinese immigrants died down significantly as immigration controls were implemented which set a quota on immigrants from particular countries. Then, the Immigration Act of 1965 was enacted which abolished the per-country quotas, allowing Chinese immigrants to flow into the country, and especially into California, once again. California was a hot spot for Chinese immigrants due to the large Chinese community that was established in California long before 1965. The increase in immigration to California coincided with the rise of the technology industry in Silicon Valley in the 1970s and 80s, and the increasing demand for engineers was able to be met by immigrants. Then, in 1990, the Immigration and Nationality Act was enacted, a law which drastically

increased the number of employment-based visas from 54,000 to 140,000, which led to more highly skilled immigration from China (Saxenian 10).

Another source of highly skilled labor to Silicon Valley provided by Chinese immigration came from immigrants doing their graduate studies at American universities. Saxenian shows that between 1990 and 1996, the number of doctorates awarded each year to Chinese students more than tripled, from 477 to 1,680 (15). Silicon Valley's Chinese population is also significantly more educated than the predominant native-born white population, with 23 percent of Chinese workers in Silicon Valley having a graduate degree compared to 11 percent for whites. This disparity is even greater within the technology industry as 40 percent of the Chinese workers within the industry held graduate degrees, compared to only 18 percent for whites (Saxenian 16). The Chinese immigrant population's significantly higher educational attainment is not completely matched by their occupational status. The group does have a higher proportion of people employed in management or professional occupations than its white counterpart, at 60 percent compared to 53 percent, however white native-born workers have a higher proportion on the management side, at 26 percent compared to Chinese workers at 16 percent (Saxenian 17).

This indicates that there may be a "glass ceiling" preventing Chinese workers from becoming managers. However, Saxenian argues that it may just be due to the language barrier or that Chinese immigrants tend to focus more on technical education while a higher proportion of white workers have a business education that may be more appropriate for management (18). According to a survey taken in Silicon Valley in 1991, immigrants believed that there were barriers to upward mobility, but attributed it not to racism or prejudice but to a tradition among

old companies of having native-born white managers (Saxenian 20). To combat any barriers to upward mobility, many Chinese workers have quit their jobs and become entrepreneurs.

Saxenian did a search for technology companies with Chinese CEOs started since 1980 with the Dun and Bradstreet technology firm database, and found that in 1998 seventeen percent of all technology firms in Silicon Valley were run by Chinese executives. These companies accounted for over \$13 billion in sales, and created over 41,000 jobs in the area. However, according to interviews done by Saxenian with immigrant entrepreneurs, even these estimates may not be accurate, as many companies that are founded by foreigners seeking venture capital have been required to have native-born CEOs (23). Saxenian also found that Chinese immigrant entrepreneurship has been picking up as time has gone on. Only 9 percent of technology firms started between 1980 and 1984 were started by Chinese entrepreneurs, whereas 20 percent of technology firms started between 1995 and 1998 were started by Chinese entrepreneurs. Saxenian shows that this growth in immigrant entrepreneurship has been fostered by ethnic support networks, such as business associations, role model entrepreneurs, and by connections to investment capital and markets in their home countries (24).

As the number of Chinese-run firms has increased over the years in Silicon Valley, so too have Chinese professional associations. These associations are designed to help new immigrants or immigrant graduates find work, match investors to entrepreneurs, provide information to entrepreneurs and workers about the labor market, and educate new entrepreneurs on how to start a business. The associations hold banquets, conferences, and other forums to provide workers and prospective entrepreneurs with information ranging from introductory business topics to stress management. It is their goal to ensure that Chinese immigrants have the same types of opportunities the natives have.

These professional associations are highly exclusive and only have Chinese members, but that does not mean that they encourage businesses to be self-contained within the ethnic community. These associations promote businesses' integration into the mainstream of the technology industry in order to grow, and help members be able to work with their native-born counterparts (Saxenian 27-33). These organizations also allowed Chinese and Taiwanese engineers to meet with their counterparts back in their home countries, creating professional ties that led to flows of investment capital into California. The original professional organization in the Silicon Valley area was the Chinese Institute of Engineers, an association that was created by Taiwanese engineers in 1979, and later incorporated members from mainland China as their presence in Silicon Valley increased throughout the 80s and 90s. The Chinese Institute of Engineers had a parallel organization back in Taiwan, and later one was created in mainland China, to grant Silicon Valley companies access to Chinese and Taiwanese markets and cheap labor (Saxenian 34-37). These social and professional networks allowed California's economy to diversify by strengthening the fast-growing technology sector. They also helped California be at the forefront of America's globalized economy, something that will need to be embraced if the United States wants to remain an economic superpower.

We have focused on skilled immigration up this point, but Chinese immigrants provide labor complementarities on both sides of the labor market, as there are a significant number of low-skilled immigrants that come from China. The majority of these immigrants come from Fujian Province, which is on the southeastern seaboard of China, and mostly come to New York. Some of these low-skilled immigrants will travel around the country looking for work, usually via the Chinatown Express which was created by Fujianese immigrants. Most, however, will

work in New York City for businesses that have been established by other Chinese immigrants, such as in restaurants, garment factories, or other service industries.

Unfortunately, many Chinese immigrants working in the garment industry are paid under minimum wage, mainly because a substantial number are illegal immigrants and their options are limited (Liang, Ye 253). However, having a pool of such mobile and cheap labor is allowing businesses to keep costs low, and thereby keep prices down. With such labor, the garment industry is able to keep factories and jobs here in the United States instead of moving abroad, which is another beneficial feature of immigration. It is easy to argue that these Chinese immigrants are stealing jobs from low-skilled American workers, but without the Chinese immigrants some industries would have to be entirely moved overseas, thereby creating a much greater loss in jobs. Otherwise, if the jobs were kept here and given to native-born Americans for higher pay, it would be at the expense of the consumer, who would have to pay higher prices, a cost which would likely not be acceptable to most American consumers.

In assessing Chinese immigrants' impact on the American economy, it is useful to look at how they are faring in China, and what may be motivating them to migrate to the United States. In the past summer I worked as an intern for the State Department at the U.S. Consulate in Guangzhou, the consulate in China that handles all immigrant visas. While I was there, I conducted a survey about the socioeconomic status of 100 Chinese immigrants. The sample size was rather small, but the findings were interesting nonetheless, and shed some light on who is immigrating to the United States from China and why. The survey was used to determine successful visa applicants' yearly income, age, province of residence, education level, occupation, how many kids he or she had and how old each one was, and how long they were married. The survey also included questions on what the applicants' plans were for work and

education in the United States. The data analysis will help to explain why Chinese people are immigrating to the U.S., and what their potential effect will be on American society and the economy.

Out of non-retired applicants, 86% plan to work in the United States, with 71% of these applicants planning to work at a specific job, or at least a specific field of work. Immigrant labor has generally been focused on unskilled and semi-skilled occupations, and is seen historically in the U.S. as well as today, with 79.3% of working Mexican immigrants in such occupations. However, 51% of Chinese immigrants work in highly-skilled professional, management and related occupations, compared with Mexican immigrants' 8%. Moreover, the unemployment rate among Chinese immigrants is only 2.6%, significantly lower than the national unemployment rate of 4.6% (Table: People Born in China; Table: People Born in Mexico; Bureau of Labor Statistics).

The median income for Chinese applicants is 24,000 Yuan, the equivalent of \$3,184 US. This is significantly lower than the median per capita income of Chinese immigrants in the United States, which is \$25,038 US, demonstrating the financial appeal for moving to the United States. However, a few non-retired applicants made 200,000 RMB (\$26,560 US) or more, meaning they were considerably well off in China. Despite the fact that only about one in ten high school graduates in China will go on to college, 42% of the successful visa applicants had gone to college and 10% of these applicants have a graduate degree or higher. This could be related underemployment in China, as I have learned there are not enough jobs are available that require college-educated workers. Along with high levels of education have come lofty employment goals from the successful applicants, as 45% plan to work in management, professional and related occupations. Others plan on continuing their education in the United

States, such as one applicant who wants to study for her MBA. Out of all of the successful applicants, 42% wish to learn or improve their English while in the U.S. Many of the applicants appear to be embracing the move, and want to integrate themselves into U.S. society.

The Chinese immigrants that have come to the United States have provided highly skilled technical labor, and low-skilled mobile labor to create and keep industries within the United States. Immigrant engineers in California became entrepreneurs that helped develop America's technology sector, creating jobs and wealth for the American economy. These entrepreneurs have also helped globalize the American economy by attracting investment from Taiwan and China, and having access to markets in those countries. Highly skilled Chinese immigrants are not "stealing" jobs from Americans, and they are not negatively affecting wages. Furthermore, thanks to Chinese immigrants establishing professional associations, it is now easier for new immigrants to assimilate into U.S. society and the labor market. Also, barriers to upward mobility have been removed due to the connections made through these professional associations. Chinese immigrants are innovative, hard-working, and bring entrepreneurial talent to the American economy that has helped it grow, diversify, and globalize. The United States needs to continue to attract bright Chinese students and workers to continue to benefit from their hard work and connections to China.

Illegal Immigration

Chinese immigrants may be very productive in the American economy, and be a valuable asset to the American education system, but unfortunately they have a history of extensive illegal immigration to the United States. After the mid-nineteenth century, Chinese immigration did not pick up significantly until 1979, when China opened up its immigration policy to receive most-favored nation status from the United States (Chin 3). However, U.S. immigration policy still

placed yearly limits on immigration that prevented some Chinese people from coming to the United States when they wanted to. This led to the expansion of human smuggling out of China in the late 1980s.

Smuggling organizations flourished from that time until the present because they can collect enormous profits, usually charging around \$30,000 per illegal immigrant transported. Also, it has been reported that some criminal organizations have given up trafficking narcotics and opted for the human trade instead because it is more lucrative and the penalties are significantly less severe. Trafficking of Chinese immigrants is highly efficient and successful due to transnational smuggling networks and long routes of travel in various modes of transportation to avoid detection. Smuggling involves paying off government officials, forging documents, and enduring difficult journeys that sometimes involve surviving inhumane conditions. However, it is still worth it to Chinese people to make the life-threatening trip for many different reasons.

The most obvious reason for Chinese immigrants to be smuggled into the United States is for economic benefit. Despite China's economic success, the wealth earned is held in a small part of the country, mostly in the south, and by a small number of wealthy elites. Ko-Lin Chin, the author of Smuggled Chinese: Clandestine Immigration to the United States, surveyed 300 illegal immigrants to find out how human smuggling from China works. Chin's research found that 61 percent of the subjects said they came to the United States to make money (14). Some people were poor and wanted to live better, some wanted to send money back to help their families, and some simply wanted to live lavish, comfortable lives in America.

Fujian province is where a majority of illegal Chinese immigrants come from, and one main reason for this is many of them feel like they do not have any employment opportunities

there (Chin 16). When Deng Xiaoping was the leader of the Chinese Communist Party after Mao Zedong's death in 1979, he implemented sweeping economic reforms in the 1980s. He opened up "special economic zones" in China that were located on the southeastern seaboard where capitalist economies developed, and international trade and investment was allowed. One of these areas was Fujian province, a place that up to that point had been dominated by farmers and fishermen, but quickly became industrialized. The farmers and fishermen didn't know where to turn, and sure enough began coming to the United States in large numbers. Due to difficulties obtaining a visa either because of a lack of family members in the United States, a lack of skills, or simply a lengthy wait-time to get a visa, these Fujianese immigrants turned to human smuggling.

Political asylum is another major reason Chinese people are trying to flee China illegally, as the United States government made it much easier for Chinese people to claim political asylum and remain in the United States after the Tiananmen Incident in 1989 (Chin 18). Chinese people quickly caught on to this when they heard back from their relatives, so getting smuggled into the U.S. became increasingly attractive and easy to do after 1989. As more people from Fujian immigrated to the United States, they would contact their friends and relatives back in Fujian to tell them about their successful entry and how much better life is in America. The fact that people from Fujian either knew people in the United States somehow or merely that there was a large network of Fujianese people there lured them to immigrate illegally. These ethnic networks took the fear of uncertainty out of making the decision to immigrate. As human smuggling continued its success, the smuggling networks grew as well, and the process became more efficient and successful which drew more people to illegal migration (Chin 21).

Another significant factor that led to Chinese people wanting to leave China was official corruption. There have been many stories about local Chinese officials extorting people and overtaxing them, taking anything they can from people to better themselves. Along this same line is political persecution, such as people who lived through times like the Great Leap Forward, during which a famine killed millions, or the Cultural Revolution, in which people were beaten and detained because they were labeled capitalist or “counterrevolutionary.” Chin also says that some of the respondents simply had an extraordinary image of what the United States would be like due to stories they had heard, and this drew them to illegal immigration (25).

The smuggling process begins when recruiters, known as “little snakeheads” in China go to villages, mostly in Fujian Province, and find customers who want to go to America. They will tell fanciful stories of America, speak of the ease and success of being transported illegally, and will use appeals to customers families to get them to buy into the plan. These little snakeheads work for big snakeheads who are the people with the money and the international connections to successfully smuggle people around the world. The big snakeheads often never came into contact with the customers, but would deal with little snake heads and debt collectors in the U.S. If someone became a customer, they would have to make a down payment to the little snake head either just before or after their departure, and they payment, usually amounting around \$1,000, would have to be made before they left China (Chin 31-35).

The first leg of the trip is usually done by bus to a bigger city, such as Shenzhen or Hong Kong, from where the immigrants will either get on a boat or a plane. On boat trips, over a hundred customers will have to be recruited in a short amount of time, so little snakeheads will enlist the support of their friends and relatives to recruit more customers, and these customers will have very little time to prepare for the trip. It is reported that many immigrants have

suffered rape or physical abuse while on the lengthy boat trips, yet it is still worth it to them to endure the pain.

On plane trips, there will be small groups of people being transported together, usually four or five at a time. The planning for air travel is done well ahead of time because it is significantly more difficult than traveling by boat, as fake passports and visas need to be procured, and the right officials need to be paid off (Chin 49-53). Regardless of the route they take, when illegal immigrants begin their journey to America, they take routes that involve at least two stops, and usually more, and can take over a year to complete. Routes go through Asia, the Caribbean, Africa, and Europe, and usually combine different modes of transport between transit points. Often the trips do not go as they were planned in the beginning, so people must wait for months at a time at transit points until they get to their next, or final, destination. At the end of the journey, some immigrants will fly directly into the United States, while others get into Mexico and Canada, and are then smuggled by land (Smith 5-8).

Smuggling rings are believed by many law enforcement and immigration officials in the United States to be run largely by Chinese triads, or secret criminal organizations, tongs, which are community associations of Chinese people in America, or street gangs. According to testimonies given in criminal trials, triads spanning from Hong Kong to California have been implicated in human smuggling activities (Chin 38). One very prominent example is of the *Golden Venture* incident, in which the ship with that name ran aground and many illegal Chinese immigrants jumped ship to make it to New York and claim political asylum. The incident was linked to the Fuk Ching gang, as authorities charged that the boat was purchased by the gang and was involved in the recruitment of customers in China (Chin 39).

Of course, these gangs could not be so successful at smuggling humans without enlisting the help of law enforcement and immigration authorities at every point in the journey. Smugglers are able to get their hands on passports, visas, or other travel documents to allow their customers relatively safe passage to the United States. They also pay authorities directly to turn the other way or even help illegal immigrants get through document checks. In China there are even government subsidized labor export companies whose practices are largely unknown, but sometimes appear wholly illegal.

Chin tells of one respondent who got a real passport and visa to Singapore from such a company, then upon arrival in Singapore the respondent received a legitimate Singapore passport from another person, and swapped his own picture into the passport so he could travel to Europe then the United States (43). Once in the United States, many immigrants reported that it is easy to stay, because it is more expensive to deport or detain these illegal immigrants than to simply let them go (Chin 60). The combination of vast international networks of criminals and smugglers, combined with the cooperation of government authorities makes preventing illegal immigration incredibly difficult.

When the immigrants reach the United States at their port of entry, and have made it past authorities or any legal trouble, they will be transported either to their family who has paid their way, as is most often the case, or they will be held in “safe houses.” According to Chin’s study, the immigrants will not be held in the safe houses for more than two weeks while the remaining debt, typically around \$30,000, is paid off. Unfortunately, some of the immigrants endured sexual or physical abuse while being detained at these safe houses (Chin 98-101). After their debt is paid off, the immigrants will then work to pay off their debt to family members, friends, or loan sharks who paid for their trip to the United States.

Almost all illegal immigrants work in construction, the garment industry, or at a Chinese restaurant, and according to Chin they are not paid below minimum wage like some scholars have asserted. Very few of these immigrants will turn to crime to pay off their debts, as they are indebted to loan sharks or criminal organizations, but this is rarely the case. Most of these immigrants work long hours, usually over 60 hours per week, and will pay off their debts within two years (117-120). While these immigrants who Chin interviewed made it to the United States by a complex combination of boat, plane, and land routes to be smuggled in, a new way for immigrants to illegally enter the country has emerged.

In my time as an intern working for the U.S. Consulate in Guangzhou, I worked mainly on writing visa revocations, or letters describing to prospective immigrants why they have been denied a visa to come to the United States. From my experiences, I learned that snakeheads have turned to fraudulent marriages and family relationships to get Chinese people into America. As enforcement efforts were upped in the later 1990s and into the 2000s, especially after September 11, 2001, it became more difficult to smuggle people into the United States. Snakeheads had to figure out a way around this, and they already had a well established international network to do so. They realized that the shortest wait-times for people legally getting a visa were for immediate family members of an American citizen, meaning his or her spouse or children. Thus, snakeheads began to recruit American suitors, usually Chinese American, for Chinese men or women, and they would get their marriage legally registered in China, set up a fake wedding banquet, with pictures and all, and would usually have the couple take a honeymoon trip together, once again with pictures to prove it. The worst part was that there were so-called “visa consultants” that prospective immigrants could go to, who would guarantee them a visa to the United States, that would engage in these practices, and some of their offices were located

directly under the U.S. Consulate in Guangzhou! Yet, there was nothing that U.S. authorities could do, and these offices had to be dealt with by the Chinese government.

In order to receive an immigrant visa to go the United States, the last step is for the prospective immigrant to be interviewed by a Foreign Service officer from the U.S. Department of State, and this is after sending in all kinds of documentation to prove kinship between the sponsor in the United States and the visa applicant in China. I was able to sit in on a great number of these interviews while I conducted my own research, and I saw that the questions the officers asked focused on particular information about the sponsor and the applicant, and about the history of their relationship. Officers had informed me that people would memorize their answers ahead of time, and could even have documents such as phone records to prove their relationship to a spouse in the United States.

As I was writing revocations, I was taught what indicators to look for that showed that the relationship was fraudulent. Of course, one of the most common indicators was that the sponsor would be from New York, and their spouse would be from Fujian. There were different patterns that emerged over time as the snakeheads realized the authorities were catching on and people were being turned down more often for visas. But, as I saw over the summer, this method of illegal immigration still persists, as a revocation did not completely deny a person from coming to the United States because they could appeal the revocation, and come back in for another interview. Illegal immigration has been a major driving force in bolstering anti-immigrant sentiment among the American populace (Smith 15).

The illegal migration of Chinese people became an increasingly contentious issue among the broader masses of American society when the *Golden Venture* ran aground in 1993 just off of Manhattan Island. It was symbolic because they were coming to the original transit point of the

waves of immigrants from Europe that came throughout American history in the nineteenth and twentieth centuries, yet these immigrants weren't coming in legally and being registered as part of American society. Instead they were coming in under the radar, and would be cheating the governmental system. To many people, it showed how America's immigration policy had failed to curb illegal immigration from places such as China where large numbers of people wanted to leave (Smith 3). Regardless of whether these illegal immigrants use social services like welfare, health care, or public education, they are still using public goods that are paid for by taxes, and aren't paying the government for these goods. Illegal immigrants, therefore, are a drain on the state no matter what, and it's something that needs to be handled more effectively in order to prevent further illegal immigration so that the country can account for its citizens and tax them appropriately.

Crime

As has been the case with immigrant groups in the United States throughout its history, they tend to cluster together in urban areas when the first come to America. Unfortunately, many of these groups have not been welcomed by the Americans already present, and have had trouble assimilating into American society due to racism, prejudice, and the language barrier. Thus, ethnic enclaves have formed in cities across the United States for centuries, from German villages to Chinatowns that have proliferated since the 1800s. As there were few economic opportunities for these immigrants, some turned to crime, and some were members of criminal organizations back home and brought their gangs into America. Chinese gangs trace their roots back 130 years in the United States as triads, or traditional Chinese criminal organizations that existed in China hundreds of years prior to their arrival in the United States, began to proliferate in Chinese communities (Mahlman, 3).

Triads from China are often headed by somewhat legitimate, and certainly powerful, businessmen who have international connections and have invested illicit profits around the world. The triads are thus able to engage in international criminal activities such as piracy of intellectual property, human smuggling, drug trafficking, identity theft, money laundering, money counterfeiting, automobile theft and technology theft. The triads are considered the “traditional” criminal organizations because they trace their roots back hundreds of years to China, while the “non-traditional” criminal organizations are those organizations which are independent of the triads from China and operate on their own in the United States. The non-traditional criminal organizations can come in the form of criminally involved tongs, which are community organizations in ethnic Chinese enclaves, or street gangs. These non-traditional elements can still have connections to the triads, but do not operate under the triads’ direction. Street gangs and tongs are usually involved in more locally based criminal activity, such as racketeering, gambling, drug dealing, prostitution, robbery, and extortion. Chinese criminal organizations had the highest caseload by far of any Asian crime organizations, comprising 45 percent (Mahlman 7).

Unfortunately, due to their widespread connections and great numbers within the United States, these Chinese criminal organizations are some of the hardest to handle for American authorities. First of all, the Chinese criminals in America have connections back to China to family members, friends, business partners, and even government officials who can help them engage in illicit activities. The criminal organizations are also highly fluid, as they are typically fairly small cells that organize with other crime groups to conduct criminal business, and once they are done the crime groups will disappear back into obscurity. Chinese criminal groups exhibit a high degree of sophistication, as their operations have required careful planning,

organization, and coordination. Their operations also required a high degree of business and technical knowledge.

The Chinese criminal organizations have also taken full advantage of increasingly open borders and greater opportunities and lower costs to travel. Whenever a situation looks bad for a Chinese criminal group, they can simply pick up their operation and move it overseas. This also speaks to their flexibility, as Chinese criminal groups have been able to adapt to how authorities deal with their presence. A shining example of this is how snakeheads have changed their practices of human smuggling to take advantage of U.S. immigration law. Chinese criminal organizations also have an advantage against law enforcement around the world in that they are bilingual, so they can use Chinese while in the United States and English while overseas to keep their activities discreet. The last, and probably most important reason it is difficult for U.S. law enforcement to deal with Chinese crime groups is due to the financial wealth they have amassed over the years. They have been working in the United States, the world's largest market economy, for decades now, and have expanded their operations to China, where they are taking advantage of opportunities in a more recently booming economy (Mahlman 8-11).

Chinese immigration has unfortunately brought with it criminal organizations that have spread across the country, and engage in crime from the local to the international level. These criminal organizations can only be stopped if efforts can be coordinated by countries around the world to stop them, because that is how far reaching their operations are. Criminal activities ranging from theft to human smuggling are nothing but a blight to American society, as they victimize innocent people, spread illegal products such as narcotics and pirated goods across the country, and lead to more anti-immigrant sentiment.

Chinese immigrants will engage in crime as long as these endeavors are lucrative and continue to succeed. Unfortunately, this means that even a coordinated effort of law enforcement around the world will need to be persistent in order to reduce the power of Chinese crime organizations and prevent their activities from going on. The crime groups originally formed because immigrants were disenfranchised and discriminated against, thus leaving them few opportunities to make it in America. To prevent new immigrants and youth from turning to crime, efforts need to be made to help these people assimilate into the American society and economy smoother. Furthermore, illegal immigration needs to be a central focus of U.S. and international law enforcement because it is a lucrative industry that has increased the power and wealth of Chinese criminal organizations, and has increased their membership.

Educational and Social Effects

Chinese immigration has had a vast impact on the American education system, both through the children of immigrants excelling in school and due to students migrating from China in great numbers. Vivian S. Louie's book Compelled to Excel: Immigration, Education, and Opportunity Among Chinese Americans attempts to explain why 1.5 and second generation Chinese American students work so hard and excel in school. It is a fact that Asian American students as a group outperform all other races significantly in GPA and SAT Math scores. They are also much likelier to go to college and complete their bachelor's degree (Louie xxvii). Louie asserts that what has driven Chinese students comes from a combination of ethnic culture and opportunity structure. As far as ethnic culture is concerned, traditional Chinese culture comes from a long history of Confucianism in China, a belief system that stresses family obligations, hierarchy, and an emphasis on putting forth effort to succeed, instead of doing so on one's natural ability. This has led to first generation immigrants and native born Chinese Americans

stressing the value of hard work and education to their children, who are pushed hard but also set high goals for themselves. Chinese Americans, both immigrants and native born, have a relatively high proportion of bachelor's degrees, at over 50 percent and over 60 percent, respectively. But, they also have a high proportion of people with only a high school education or less, with 45 percent for immigrants and 25 percent for native-born (Louie xxviii). However, the data still show that there is improvement in generations after the original immigrant one.

The opportunity structure for Chinese immigrant students comes from socioeconomic status, race, and immigrant status. In Louie's study, she has surveyed working class families from urban enclaves and middle and upper class families from the suburbs. Within the ethnic enclaves, the parents stress education in order to enhance the opportunities for their children that they did not have. The students also take this same approach, as they view their education as a way out of a poor neighborhood and on to a better life. The parents from the suburbs are role models to their children, and in the children's experience their parents push them harder than their non-Asian counterparts. From this perspective, the children are shown what there is to gain from having a good education, and the parents push them to achieve this. The Chinese American parents and students agree that there is still racism and discrimination against them for being immigrants, and it can be highly divisive. Therefore, parents stress education because they believe it is a way for their children to be insulated from such discrimination (Louie xxix – xxxi). The combination of cultural and structural factors have led to a generation of highly successful Chinese American students that continues to excel.

Since 2000, students from China have come to study at American universities in increasing numbers, and have always been in the top four countries to send students to the United States. In 2000, India, South Korea, and Japan had larger numbers of students come to

American universities. But, by 2007, China had the second largest number of students come to the United States, behind only South Korea. In 2000, 26,326 F visas, or full-time college educational visas, were granted to Chinese students. By 2007, that number had jumped to 42,248, a steep increase in only seven years (Tables: Nonimmigrant Visas 2000-2007).

Immigration from China in general has continued to increase at a faster pace, as well, so this pool of talented Chinese students should continue to increase. According to the Bureau of Labor Statistics, the demand for highly skilled labor will only increase in the coming decade, so it is a good thing that we see increasing numbers of foreign students and skilled workers coming from around the world, and now especially China (Batalova 6). Highly skilled immigrants, which include a large number of students who study in the United States and stay, are helping to keep America's economy the most powerful in the world by creating jobs and wealth and getting access to foreign capital and markets.

Policy Proposals

Educational Immigration

According to Batalova, the United States' share of foreign students has been dropping in recent years due to competition from countries like Canada and Australia, where recruitment efforts have been stepped up and incentives for students to come have increased. Such countries offer easier paths to permanent residence or citizenship status upon graduation, or even subsidize foreign students' tuition (Batalova 30). In order to maintain the lead in these foreign students, the U.S. should consider revising its immigration policy to include such measures that have been so successful in other parts of the world. It is clear that having the international edge in attracting students has helped the United States remain the most powerful economy in the world, because these students will usually stay in the United States and help fill labor market demands,

innovate ideas for the future, and have the entrepreneurial ability to create wealth and jobs in the United States. These students also have the benefit of being bilingual or multilingual and can integrate more easily than many American students into the increasingly globalized American economy. Thus, the United States should focus on making itself the most attractive destination for foreign students, not just with its prestigious universities, but by giving these students a better opportunity to become American citizens and receive an American college education.

Skills-Based Immigration

The immigrant workforce in America has continually declined in terms of educational attainment and occupation level because of the focus on family-based visas, which has caused the vast majority of immigrants to be from Mexico, and most of them are high school drop outs as they enter the United States. The family-based visa category allows for spouses, immediate children, adult children, and parents of foreign-born American citizens to be petitioned for a visa. If this system was cut down to just the immediate family, meaning the spouse and children of an American citizen, the family based visas would be cut in half (Malanga 5). Then, the U.S. could still keep the immigration flow steady by focusing its immigration policy toward skilled workers, and not just highly skilled college-educated workers. Steven Malanga, writer for the Manhattan Institute's City Journal, has proposed that the United States look to Australia's immigration policy that was revised in the 1980s to cope with a stagnating economy. The Australian plan includes the Australian Migration Occupations in Demand List, which details all occupations that are in demand, and will automatically give priority to immigrants who have the skills necessary for these jobs. Not only do immigrants need the skills required for the in-demand occupations, but they must also speak English at a proficient level to be able to come to Australia. Furthermore, if immigrants are over 45, they aren't able to get permanent residence

status because they won't have enough of a positive effect on the Australian economy (Malanga 7-8). This is the type of strategy the United States should adopt because it can cover short-term labor demand issues, and will bring in an increasingly skilled labor force, instead of flooding the labor market with unskilled labor as the current immigration policy does. The U.S. will be able to tap into more of the skilled Chinese labor force that are highly educated, as well as skilled workers who don't have advanced degrees, but are in demand in American industries. This type of immigration strategy has been proven to boost productivity and increase economic growth, as is the case in Australia.

Welfare Reform

One major incentive for immigrants to come to the United States is that they don't have to worry too much about their financial situation, as they can get welfare benefits. In this regard, the U.S. should look to examples from Canada and Ireland, in which they do not allow immigrants access to welfare for a number of years, and require immigrants to come in with a minimum amount of money (Malanga 10). The United States requires that visa sponsors have a certain amount of money, but do not require them to actually take care of the immigrants to prevent them from being a burden to the state. By not allowing immigrants access to welfare benefits at all or for an amount of time, the U.S. would be taking away a major incentive for not only low skilled or unskilled legal immigrants, but also illegal immigrants, who are usually unskilled themselves. Therefore, reforming welfare to address immigration would have a huge impact on the types of immigrants that try to come to the United States, and would do a lot to curb illegal immigration.

Illegal Immigration

No doubt one of the biggest challenges to be tackled in immigration policy is illegal immigration. It is not only the enforcement and prevention of illegal immigration that is a contentious issue, but what to do with illegal immigrants already in the country. Under the Immigration Reform and Control Act in 1986, amnesty was granted to illegal immigrants who were in the country. However, illegal immigration only escalated after that point, as it looked like there would be a chance to have amnesty granted once in the United States. Unfortunately, the policy alternative to amnesty would be to try to deport all illegal immigrants, estimated between 12 and 20 million within the United States, which would be impossible to do. Thus, these immigrants should have some path to take to become legal, such as living in the United States and working at a legitimate job while paying taxes for a certain period of time. This might encourage the assimilation of illegal immigrants into American society, and cut down on illegal labor practices that undercut the wages of unskilled native-born Americans.

The main way to deal with illegal immigration, though, is to remove the incentives to immigrate illegally, such as with the welfare reform I have proposed. Malanga mentions that a program was proposed by a congressional commission to have a national database of social security data that employers would be required to use for all of their employees to ensure that they are legal (Malanga 11). Businesses could then be penalized for any violations and would no longer find it economically beneficial to hire illegal immigrants, thus cutting off another incentive for people to immigrate illegally. Another problem with U.S. policy that promotes illegal immigration is the policy that children born in America automatically become American citizens. This, however, allows the children of illegal immigrants to apply for their parents to have legal status in the U.S., and is just one more way for illegal immigrants to cheat the system. In Ireland, a parent must live in the country three out of four years before having a child in order

for that child to become a citizen, and this is a policy the United States should seriously consider (Malanga 6).

Of course one of the main issues with illegal immigration is not only the incentives in terms of economic benefit from employment or welfare, but incentives in terms of how easy it is to get into the country. First of all, if illegal Chinese immigrants make it into the country, they are rarely deported. The U.S. would send a grave message back to China if large numbers of illegal immigrants were turned back as quickly as possible. This would mean upping the manpower at border patrols and within air and seaports. The United States also must reform its asylum policy, and have cases reviewed to determine if asylum claimants are in fact legitimate, and if not they should be deported. Chin suggests deporting convicted human smugglers even if they are citizens or legal residents of the United States, which would really send a strong message back to China that the U.S. authorities are seriously combating illegal immigration (163). The effort has to be taken just as seriously on the Chinese side, too, and efforts have to be coordinated internationally in order to prevent human smuggling and illegal immigration.

In China, they have begun to implement systems of punishment against local officials who allow illegal immigration to go on in their town or village, such as firing them or docking their pay depending on how many people have illegally emigrated. But, China is a long way from eliminating government corruption, and more has to be done on this front. Big snakeheads have been executed in China, an incredibly serious show of force by the Chinese government. However, if China began to develop more evenly throughout the country, instead of focusing on coastal provinces, this might curb illegal immigration as the incentives immigrate illegally would go down as economic welfare went up. There also need to be more ways to emigrate legally for Chinese people, as right now it is the only well-connected, educated, or wealthy people who are

able to emigrate legally. Furthermore, labor export companies need to be monitored and shut down if they are engaging in illegal immigration activities.

Chinese authorities also need to work with American authorities to combat illegal immigration. The snakeheads began to use faked relationships, such as marriages or parental relationships, to get people into the United States instead of sending them on long, circuitous journeys. As I worked in Guangzhou over the summer, officers told me that we did not have the necessary manpower to battle these snakeheads and “visa consultants” that offered these services, therefore this form of illegal immigration would continue to succeed to some degree as long as the snakeheads kept up with authorities and changed their tactics. Thus, American authorities need to communicate with Chinese authorities about immigration patterns and try to figure out together who is engaging in these practices so that they can be stopped. It will be a constant struggle between the authorities and the smugglers, but it is one where the authorities can have the upper hand.

Many measures have to be taken in order to curb illegal immigration, such as upping enforcement globally and taking away the incentives to immigrate illegally. However, there are difficulties in doing this, such as how monitoring businesses in America for illegal Chinese immigrants is difficult because they hire family members who come over illegally and don't need to present documents in order to work (Chin 155). Also, as discussed in the above section on crime, international networks are at work that have to be tracked and attacked around the world in order to successfully stop immigration. The best way would likely be with reducing the incentives, such as changing welfare policy so that immigrants could not leech off of the state. Also, if enforcement was upped at home for the Department of Homeland Security, which incorporates the former Immigration and Naturalization Services, and the Labor Department,

businesses could be raided more often and illegal immigrants could be deported more efficiently. These stories would travel back to China, and hopefully discourage people from continuing to immigrate illegally. If more snakeheads could be rooted out in China on a consistent basis, the entire process would become riskier and fewer people would opt to do it. Hopefully, these recommendations will be taken to heart and will help curb illegal immigration from China in the future.

Conclusion

Fiscally, Chinese immigrants have shown their balance to be positive, as almost half of them are highly skilled, and make more than enough money to provide for themselves, as well as pay taxes that provide for the services they and the rest of American society use. Economically, Chinese immigrants, and immigrants in general, are not stealing jobs away from Americans, and only the lowest rung of the economic ladder has seen any significant loss in wages. There has been a slight loss in wages for native-born workers in highly skilled industries that employ a percentage of immigrants exceeding 35 percent, but this is a very small percentage of the native-born work force.

Immigrant scientists and engineers, many of whom come from China, have also shown no effect on the wages of native-born scientists and engineers, and the same goes for university faculty. They also have not been raising the unemployment of the native-born workers.

Chinese immigrant engineers in Silicon Valley have created tens of thousands of jobs and generated wealth for the economy of California, and are a model to be looked up to across the rest of the country. They have also created professional associations to help new Chinese immigrants assimilate economically and socially, as well as provide forums to match foreign investors with promising entrepreneurs. The Chinese engineer entrepreneurs have linked the

economy of the United States back to Taiwan and China by receiving investment from these places, and getting access to these markets. Chinese students come to the United States in increasing numbers each year, and continue their tradition of excellence at American colleges and universities. Chinese children who have grown up in America are steeped in traditional value systems as well as opportunity structures that drive them to excel in school and be more likely complete college than students of other races. Despite all of these benefits, there are some setbacks to the United States from Chinese immigration.

Unfortunately, illegal immigration looks to darken the image of Chinese immigrants everywhere. Its proliferation is hard to stop, as international criminal organizations and smuggling rings have many ways to get around U.S. authorities. Immigration has to be stopped with measures at home and abroad, by limiting incentives to come to America and increasing risks to leave China. These same criminal organizations that are in the human smuggling business are also involved in all kinds of domestic and international crime, another nasty effect of Chinese immigration on American society. However, if illegal immigration can be curbed, then Chinese criminal groups will lose a significant amount of wealth and power, as it is one of the most lucrative criminal businesses around.

Overall, it appears though Chinese immigration is doing more to help the economy of the United States and its education system than what it has done criminally to hurt the fabric of American society. Skilled immigration from China is a must for the future of the United States if it intends to remain a superpower. More jobs will be created, more wealth will be generated, and more goods will be innovated if the United States continues to import the best and the brightest minds from China. As the rest of the world ups its efforts to get a hold of talented immigrants

around the world, the United States needs to keep pace in order to ensure that its place in the future is similar to its place right now, on top of the world's economies.

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