

Chapter nine

Current Socioeconomic Status, Politics, Education, and Culture

While renewed immigration has made Asian Americans the fastest growing segment of the U.S. population, other changes have also transformed their communities. Among the most important are improvements in the socioeconomic status of certain groups within the Asian American population, the increasing willingness of Asian Americans to participate in politics, the much-publicized academic achievement of Asian American students, and the emergence of an Asian American artistic sensibility.

The current socioeconomic status of Asian Americans, is a controversial issue. The numerous scholarly studies on this topic can be grouped under two contending schools of thought. One school paints a rosy picture of Asian Americans as a "model minority," while a second argue that the statistics presented by the first are misleading and that many Asian Americans still suffer from considerable discrimination in the labor market as well as in other areas of public life.

The model minority thesis first surfaced in the mid-1960s when journalists began publicizing the high educational attainment levels, high median family incomes, low crime rates, and absence of juvenile delinquency and mental health problems among Asian Americans.¹ This publicity served an important political purpose at the height of the civil rights movement: proponents of the thesis were in fact telling Black and Chicano activists that they should follow the example set by Asian Americans who work hard to pull themselves up by the bootstraps instead of using militant protests to obtain their rights.

Without question, the socioeconomic status of Asian Americans has improved since the early 1940s. Calvin Schmid and Charles Nobbe used 1960 national census data to compare systematically whites (Hispanics were not separated out from the aggregate white figures in this study) with five non-white groups: Chinese, Japanese, Filipinos, Native Americans, and blacks. The authors found that Japanese Americans ranked above whites in educational attainment, as measured by three indicators: the percentage who had completed four years of college, the median years of schooling, and the percentage of high school graduates. Chinese Americans outranked whites with regard to the first, but trailed them in terms of the second and third indicators. However, although relatively more Japanese and Chinese than whites had white-collar occupations, the median income of both groups was lower than that of whites.²

Ten years later the U.S. Census Bureau released data that further undergirded the model minority image. According to these figures, Chinese and Japanese Americans had outpaced whites even in terms of median family income by 1970. Japanese American median family income was almost \$3,000 higher, and Chinese American \$1,000 higher, than the U.S. median family income.³ But the federal government's study failed to place these figures alongside other relevant information, such as the fact that in 60 percent of the Japanese American and Chinese American families (compared to only 51 percent among the U.S. population as a whole), more than one person worked, which helps to account for their higher family income. If per capita income, rather than family income, had been used as the measure, then the public would have learned that Chinese Americans (though not Japanese Americans) were making considerably less than the national average. Moreover, if Hispanic groups, which earned much lower incomes than other whites, had been removed from the aggregate white figures, then Asian Americans would not have outranked whites.

Social scientists who analyzed the 1970 census data reached various conclusions, depending on whether they used statistics for the nation as a whole or for states with particularly high Asian concentrations, whether they separated the American-born from the foreign-born, and whether they distinguished between males and females. Studies based on national data, such as those by Barry Chiswick and by Charles Hirschman and Morrison Wong, invariably showed that American-born Chinese and Japanese men had a higher income than white men, but as Robert Jiobu, Amado Cabezas, and David Moulton have documented, such was not the case in California, where 58 percent and 45 percent, respectively, of the Japanese and Chinese in the contiguous states resided in 1970.⁴ In that state, American-born Chinese and Japanese men indeed had significantly more years of schooling than non-Hispanic whites, but their median

incomes were no higher than that of the latter, because their returns to education—that is, the additional income derived from increased years of schooling—were lower than those for whites. According to Robert Jiobu's 1976 study of American-born men in California in 1970, for each additional year of education, whites earned \$522 more, compared to \$438 for Japanese, \$320 for Chinese, \$340 for Mexican Americans, and \$284 for blacks. Thus, the Asian-white parity in income was made possible mainly by the Asian Americans' higher levels of education.

Other criticisms have been raised against the model minority thesis, mainly by researchers associated with the Asian American community organization, ASIAN, Inc., in San Francisco.⁵ First, more than half of the Asian/Pacific American population in the United States lives in only five metropolitan areas—Honolulu, San Francisco, Los Angeles, Chicago, and New York—and of these, more than nine-tenths are found in urban centers. These cities are not only high-income areas but also high-cost-of-living areas. Thus, while Asian Americans (and others) living there may earn more, they also have to spend more.

Second, in areas with the highest density of Asian Americans, the percentage of Asian American in low-status, low-income occupation—that is, service workers, laborers, farm laborers, and private household workers—is considerably higher than among whites. In 1970, for example, fully 25 percent of all gainfully employed Chinese men in the United States were cooks, waiters, busboys, dishwashers, and janitors. Such a figure gives an impression of Asian American economic well-being that is quite different from one based on consideration of median income alone.

Third, a detailed study of the San Francisco-Oakland Standard Metropolitan Statistical Area (SMSA) showed that Asian Americans were unevenly distributed in the economy. Professionals clustered in accounting, dentistry, nursing, health technology, and engineering and were underrepresented in law, teaching, administration, social services, and the higher levels of the medical professions. Managers were more likely to be self-employed than employees of large firms. Salespersons were retail clerks but seldom brokers or insurance agents. Clerical workers were mostly file clerks, typists, or office machine operators, and not secretaries or receptionists. Few Asian Americans held jobs in the heavy-machine, electrical, paper, chemical, or construction industries. Most female operatives were garment workers. In short Asian Americans were concentrated in occupations that did not pay as well as other jobs in the same industries.

Fourth, the low unemployment rate of Asian Americans—another measure often used to depict their economic success—merely camouflages high underemployment. Wary of being on welfare, many Asian American workers apparently would rather hold low-paid, part-time, or seasonal jobs than receive public assistance.

Fifth, the high labor force participation rate of Asian American women in both 1970 and 1980—supposedly a sign of their ready acceptance by employers—is in reality a reflection the fact that more Asian American women are compelled to work because the male members of their families earn such low wages. It is true that working Asian American women earn a higher median income than do white working women, but they also have superior educational qualifications and live in localities with higher wages. Furthermore, compared to white women, a larger percentage of them work full time, which helps to drive their median income upward. But despite their high educational level, they receive lower returns to their education than do white women, while the disparity between their returns and those of white men is even greater. In other words, they are not receiving earnings that are commensurate with their years of schooling.

Sixth, with regard to the educational attainment of Asian Americans, the sizable influx of highly educated professionals after 1965 has inflated the average years of schooling completed. Critics of the model minority stereotype point out that the most important consideration should not be educational level, but returns to education, which more clearly reveal the existence of discrimination. For Asian Americans, even in 1980, these returns were still not on a par with those received by white men.

The entry of professionals has had another effect. Since some of them have not been able to find professional jobs, they have bought small businesses, thereby increasing the number of "managers" in the Asian American—particularly the Korean American—population. However, many of them operate only small mom-and-pop stores with no paid employees and very low gross earnings. Unlike journalists who tout Korean entrepreneurship as a sign of success, scholars who have examined the situation argue that the kind of business Korean immigrants engage in is, in fact, a disguised form of cheap labor: owners of small businesses run a high risk of failure and work long hours.⁶ Many of them could not stay afloat were it not for the unpaid labor they extract from their spouses, children, and other relatives. Nonetheless, small business currently is an important channel of upward mobility open to nonwhite immigrants who face obstacles in obtaining well-paying and secure jobs.

Finally, other groups of Asian Americans do not share the improved economic standing achieved by Japanese and Chinese Americans. In 1970 in the San Francisco-Oakland SMSA, according to Amado Cabezas and his associates, Filipinos (lumping together foreign- and American-born) earned only 58 percent of what white men earned, while Filipinas earned only 38 percent. The respective figures in the Los Angeles-Long Beach SMSA were 62 percent and 47 percent. In 1980, in the San Francisco-Oakland SMSA, American-born Filipino men made 64 percent of what American-born white males made, while American-born Filipinas made 45 percent. In the Los Angeles-Long

Beach SMSA, the comparable figures were 72 percent and 48 percent. Foreign-born men fared about the same as their American-born peers, while the foreign-born women did slightly better than their American-born sisters. A larger proportion of American-born Filipinos hold working-class jobs than do Chinese and Japanese Americans. They also seem to receive no discernible returns to schooling.

Studies of Vietnamese refugees likewise paint contradictory pictures. In California, where some 40 percent of the refugees now live, about half of them remain on public assistance. (The percent on public assistance is lower in other states, where the welfare system is more stringent in terms of eligibility.) Even so, some authors still seem bent on extending the model minority image to this group of newcomers, instead of using median family or per-capita income as measures, they focus on the relatively high labor participation rate of certain subgroups of refugees, on the rapid pace at which some refugee families have climbed out of poverty, and on the extraordinary academic performance of their children.⁸

There has been a lack of consensus on the current socioeconomic status Asian Americans because, quite apart from methodological differences, scholars have used different theoretical models to guide their data analysis. The basic dichotomy is between those who use a human capital model and others who follow a variety of structural models. Human capital theorists believe that differences in earnings are the result of specific traits or abilities—such as education, work experience, number of weeks worked during the year—possessed by various *individuals*, whereas structural theorists posit that built-in features of the economy and sociopolitical *institutions* create barriers that prevent certain groups (principally nonwhites and females) from receiving equal rewards for their labor.

Most structuralists argue that the American economy is divided into core and peripheral sectors, while the labor market is divided into a primary and a secondary market. Wages in the primary labor market located in the core sector are higher and working conditions better, while wages in the secondary labor market in the peripheral sector are lower and working conditions worse. According to the structuralists, there is relatively little mobility between the two sectors or the two labor markets. Workers are distributed within these sectors and markets on the basis of race, ethnicity, gender, and nativity, rather than according to education, work experience, or other kinds of human capital. If this were not so, the structuralists argue, Asian Americans would be receiving the same returns to their education as non-Hispanic white males do.

Why do some scholars and journalists so eagerly highlight Asian American success while others keep harping on the continued existence of discrimination? To answer this question, it must be recognized that the debate is not just over economics but also over ideology. Put simply, those who depict Asian Americans as the model minority believe that American society is indeed an egalitarian one, with opportunities for all individuals who make the necessary effort to achieve a measure of material well-being. If someone or a certain group does not "make it," at least part of the fault lies with that person or group. Those who focus on continued inequality, on the other hand, believe the problem lies within the social, economic, and political system. In their view, before subordinated groups can improve their status, some aspect of the system must change. But systemic change can come about only with shifts in the present balance of power between different groups. For that reason, those Asian Americans who perceive reality in this manner advocate greater political activism.