Latino Immigrant Employment During the Great Recession: A Comparison of the United States and Spain

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Abstract
The Great Recession profoundly impacted labor markets in the United States and Spain, the two most important destinations for Latin American immigrants. Unemployment rates doubled within two years and increased at an even greater rate for Latino immigrants. Using national labor force surveys (Encuesta de Población Activa for Spain and Current Population Survey for the U.S.), this article compares employment trends of natives, immigrants in general, and Latino immigrants in both countries by sectors. We conclude that despite the differences in the Spanish and U.S. economies and the historical distinctions between immigration flows from Latin America to both countries, the crisis’s effects on employment have similar features and show the greater vulnerability of immigrants in general and Latino immigrants in particular.

Key words: immigrants, Latinos, employment, economic crisis, Spain, United States.

Resumen
La gran recesión impactó profundamente los mercados laborales de Estados Unidos y España, los dos destinos más importantes para los inmigrantes latinoamericanos. Las tasas de desempleo se duplicaron en dos años y el desempleo se incrementó aún más en los inmigrantes latinos. A partir de encuestas sobre la fuerza de trabajo nacional (la Encuesta de Población Activa en España y la Current Population Survey de Estados Unidos), este artículo compara las tendencias en el empleo de los nativos, los inmigrantes en general y los inmigrantes latinos en ambos países por sectores. Concluimos que, a pesar de las diferencias en las economías española y estadunidense y las distinciones históricas entre los flujos de inmigración de América Latina hacia ambos países, los efectos de la crisis sobre el empleo tienen características similares y muestran la cada vez mayor vulnerabilidad de los inmigrantes en general y de los inmigrantes latinos en particular.

Palabras clave: inmigrantes, latinos, empleo, crisis económica, España, Estados Unidos.

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This article compares the employment of Latino immigrants in the U.S. and Spain during the Great Recession. These countries have the highest proportion of immigrants from Latin America (Connor and Massey, 2010). The majority of Latino immigrants are economic immigrants who arrived primarily as a result of a high labor demand in labor-intensive sectors, requiring low-skilled workers and offering low wages (Piore, 1979; Martin, 2009a; Cachón, 2009). These sectors, such as construction, have been particularly affected by the Great Recession. The composition of the labor markets in Spain and the United States is different, but both countries have been negatively impacted during the various stages of the Great Recession. The immigration histories, the profile of their Latino immigrant populations, and the immigrant experience during economic downturns in Spain and the United States display relevant distinctions. Immigrants have been present during all U.S. economic crises. Conversely, for Spain, this is its first economic crisis coupled with a high presence of immigrants. Nonetheless, between 2008 and 2011, Latino immigrants living in both countries lost twice as many jobs as the total employed population. This article discusses some of the circumstances that triggered the disproportionally negative effects of the Great Recession on Latino immigrants in the U.S. and Spain, despite features that differentiate their respective migration streams.

The economic crisis that began in 2007 is the deepest since World War II (Elsby, Hobijn and Sahin, 2010). The Great Recession is an economic phenomenon that is mutating; in the words of World Bank President Robert Zoellick, “What started as a financial crisis became an economic crisis [and] is now becoming an unemployment crisis –and to what degree does it becomes a human and social crisis?” (Zoellick, 2009). This crisis differs in important ways from many other recent economic downturns (Castles and Miller, 2010; Tilly, 2011). It is global in scale (Martin, 2009b; Alexander, 2010) because it has affected every country. The Great Recession started in the U.S. and affects the developed world, particularly European countries, but it has effects on less developed countries that had been growing in the last decade. The global character of this crisis is particularly significant for immigration because migrants cannot readily switch from one destination to another. As several commentators have observed, this is also the first time that high international migration has combined with a global downturn. Therefore, comparisons with earlier economic crises must be also tempered by the recognition that twenty-first-century international migration has certain novel characteristics (Rogers, 2009).

Castles and Miller (2010) point out that one factor that makes the effects of the crisis for migration hard to assess has been its constantly changing character, which has influenced immigrant laborers in differently. The initial epicenter of the crisis was on the real estate crisis as a result of the collapse of the U.S. housing market in 2006-2007;
in the course of 2007-2008, this mutated into a general *financial crisis*, with banks in critical situations that have ended in bailouts financed by the state. By late 2008, the real economy started to weaken, and the world was confronted with an *employment crisis*. Despite some signs of recovery, many regions have so far experienced a jobless recovery. As Castles and Miller argue, “States have saved capitalism-as-we-know-it by borrowing against the future, but the resulting *debt-crisis* could make a sustained recovery very difficult to achieve.” This debt crisis is exacerbating the employment crisis, particularly in some European countries, including Spain.

![GDP AND EMPLOYMENT GROWTH RATES FOR SPAIN AND THE UNITED STATES FROM THE FIRST QUARTER OF 2004 TO THE FIRST QUARTER OF 2011](source)


Although the U.S. and Spanish economies and societies are different, they have some traits in common. During the current crisis, these countries had negative mid-level impacts in terms of economic growth (*GDP*), but important declines in employment. The U.S., Spain, and Ireland are the countries in the Organization for Economic Co-operation and Development (*OECD*) where unemployment rates have increased
the most (OECD, 2010b). Figure 1 shows significant differences in the evolution of GDP and employment in the U.S. and Spain. Their employment trajectories in recent years have been similar, although variations have been greatest in Spain, both in the economic expansion phase and in the Great Recession. In the second quarter of 2008, however, both economies experienced net job loss. Economic contraction began first in the U.S. (first quarter 2008) and so did the recovery. From the first half of 2009, the U.S. recorded positive growth rates. In Spain, the economic contraction continued until the first half of 2010. Spain’s registered growth is currently lower than that of the U.S., and its economic prospectus for the immediate future is one of negative growth due to the implementation of European Union recommendations for balanced public deficits. The contraction of the labor market in Spain has been much sharper and the volume of employment continues to decline.

The Great Recession is having important effects on international migration that exceed the scope of this article, such as the effects on the migrant flows in the short, medium, and long run, the effects on remittances and in the immigrants’ countries of origin, as well as the changes that can be expected in immigration policies and the potential radicalization of conservative attitudes toward immigrants. All these topics are of great interest and will continue to play a role on Latin American migration to the U.S. and Spain in the years to come.

**Immigrant Vulnerability and Economic Downturn**

The vulnerability of individuals or social groups has its foundation in the “holy trinity” of inequality (Massey, 2007): class, race, and ethnicity and gender. Frequently, these inequalities combine, creating an additional interactive and multiplicative negative effect. Moreover, the ways in which these inequalities operate change over time. Immigrants and natives both face vulnerabilities caused by them, but immigrants have an additional constraint: the discrimination suffered as a result of their immigrant condition, whereby they crossed a border and entered a state where they are not citizens, making them a more fragile social subject. Immigrants, then, are socially constructed as vulnerable subjects, with an “objective vulnerability” (Portes, 1978) as a powerless agent. This is the origin of what we have denominated the “discriminatory institutional framework” (Cachón, 1995): the state establishing borders and “managing” (recognizing, guaranteeing, or denying) individual rights and distinguishing between the insiders and the outsiders.

In short, the “discriminatory institutional framework” displays a series of institutional constraints that delineate paths, place barriers, and establish preferences for
some groups over others. In addition to these institutional constraints, the market and the host societies offer different opportunities, varying over time, to different groups. Immigrants take into account these constraints and opportunities in developing their strategies, individually and collectively, so that their different forms of “capital” (human, social, etc.) are properly recognized by other agents and taken into consideration (Cachón, 2009).

The vulnerability of a person or group, such as immigrants, is determined by the absolute or relative deprivation of symbolic, social, emotional, or material resources or the impossibility to use them in a specific historical context due to institutional, political, economic, social, or cultural constraints. This effective lack of resources is what makes some groups of immigrants more vulnerable than others. In general, immigrant vulnerability decreases over time as the processes of acculturation and integration progress. However, these processes follow a “segmented assimilation” (Portes and Zhou, 1993; Haller, Portes and Lynch, 2011) that traps immigrants in the lower tiers of society. In summary, the condition of being an immigrant makes them “categorically unequal” citizens (Massey, 2007).

In addition to their immigrant condition, another fundamental feature that defines immigrant vulnerability is its class component, as immigrants are concentrated in the lower segments of the working class. The immigrants’ working condition, although not common to all of them, is a key element for understanding immigration and immigrant vulnerability. Most immigrants are concentrated in lower occupational categories in destination countries. In many cases, this is a consequence of simply having crossed a border, becoming an immigrant. Immigrants experience downward social mobility by working jobs with lower prestige that require lower skills than the employment they had in their countries of origin (Chiswick, 1978).

Capitalism, in all its stages, always requires supplies of vulnerable, disadvantaged workers (Sassen, 1988). Hicks’s argument is clear: “The commodity economy has never been able to do without servants” (Moulier-Boutang, 1998). Consequently, growing segments in the labor market are more flexible and docile as well as cheaper. Massey (2007 and 2009) points out, for example, that in the United States, Mexicans are being socially constructed as a “better underclass.” We could argue something similar regarding any other immigrant receiving country: its government looks for certain characteristics in particular immigrant groups and builds a discourse and implements policies for the construction of a “better underclass.”

Several authors have recognized the segmentation of the immigrant labor market from different perspectives (Piore, 1979; Moulier-Boutang, 1998; Castles and Miller, 2009; Massey, 2007; Cachón, 2009; Portes, 2012). This has produced, in the long run, the marginalization of specific immigrant groups. Although in general there are
no rigid barriers based on race, ethnicity, or nationality, certain groups are overrepresented in disadvantaged positions. In the case of immigrants, their marginalization is not entirely explained by specific factors such as education, length of stay at destination, or labor market experience.

The impact of the Great Recession on immigrants is likely to vary across countries according to economic and political conditions (Papademetriou, Sumption, and Terrazas, 2010). But it is a well-documented fact that foreign workers appear to be relatively more vulnerable than natives to cyclical downturns (OECD, 2009; Orrenius and Zavodny, 2009; Papademetriou and Terrazas, 2009; Reyneri, 2009; Rogers, 2009; Papademetriou, Sumption, and Terrazas, 2010; Tilly, 2011). Certain key elements could explain this increased immigrant employment vulnerability during economic downturns. A key structural factor is the overrepresentation of immigrants in sectors sensitive to economic cycles, such as construction and related industries or the service sector (OECD, 2009). This overrepresentation corresponds to the poor labor conditions in these sectors. For example, the comparisons of labor conditions such as type of job (full or part time), type of contract (permanent or temporary), labor relations, on-the-job accidents, and wages among sectors in Spain indicate that the five groups of activity with the largest concentration of immigrant workers (construction, domestic services, agriculture, tourism, and the retail trade) have the worst labor conditions, and as a result, are among the least desirable activity groups for Spanish workers (Cachón, 1997).

Other labor market factors might produce a significant and differential negative effect on immigrant employment relative to native employment: 1) the overrepresentation of immigrants in temporary employment, since temporary employment falls rapidly in the early stages of economic crises (Holmlund and Storrie, 2002; European Commission, 2011); 2) the overrepresentation of immigrants among workers who have less time at their current job. The “last-hired, first-fired” phenomenon is unfavorable to immigrants (Castles and Kosak, 1973; Papademetriou, Sumption, and Terrazas, 2010). The OECD (2009: 25) recalls how “countries with the highest share of recent immigrants . . . are therefore more likely to witness a strong deterioration of immigrant labor market outcomes”; and the OECD expressly included Spain among these countries; 3) the overrepresentation of immigrants in selective layoffs and discriminatory acts. Evidence of discrimination based on race or ethnic origin is supported by numerous studies. The OECD (2008: 184) summarizes the effects of discrimination stating that “available evidence suggests that gender and racial discrimination in the labor market is still significant in a number of OECD countries.” In the case of the U.S., the racial and ethnic classification system has consequences for Latino immigrants. Those with darker skin tones are more discriminated against in the labor
market, and their annual revenue is, on average, lower than those with lighter skin (Frank, Akresh, and Lu, 2010).

Another important question in the labor market is the overrepresentation of immigrants in the informal economy (OECD, 2009). We note what Reyneri (1998) argues for Italy, “The informal economy has important and strong national roots to the point that it exerts a pull factor on immigrants from less developed countries, when the local labor pool does not accept work in marginal occupations.” This is also applicable to countries like Spain and the U.S. As Castles and Miller point out (2009: 232-342), irregular migration and employment are the result not only of migrant disregard for national laws, but also of the emergence of a “new economy” in which workers are treated differently because of their ethnicity, race, origins, and legal status. They argue that the lack of legal status is one of the sources of irregular employment of immigrants in Spain and the United States. The U.S. is a prime example, with over 12 million irregular residents in 2008. Southern European countries like Spain with fast-growing economies up to 2008 recruited millions of irregular workers as a way of quickly meeting their labor-market demand (Castles and Miller, 2010).

Immigrants are overrepresented in groups with certain socio-demographic characteristics that increase their vulnerability in the job market such as being young, women, persons with little education or low-skilled workers, or those less likely to speak a country’s predominant language. Immigrants in these groups are likely to lose their jobs during economic downturns (Orrenius and Zavodny, 2009; Papademetriou, Sumption, and Terrazas, 2010; European Commission, 2011). Immigrants’ increased vulnerability resulting from the deterioration of the labor market causes them to lose more jobs than natives during the crisis.

Other institutional factors are important sources of vulnerability, particularly the over-institutionalized requirements for immigrants, the additional family demands on them, and some differences in access to social protection. The additional institutional requirements that migrant workers face (visas, work permits, certifications, etc.) motivate disparities in job search strategies between immigrants and natives, with higher pressure on the former because sometimes status as an authorized migrant is linked to continued employment (Cachón, 2009). Immigrants often send part of their income to family members still living in the country of origin who depend on these resources to lead a decent life and to raise their children. In addition, immigrants often pay their trip-related debts and the migration expenses of other family members. They also have lower access to social protection (e.g., unemployment insurance) or health care, and lower levels of union membership and awareness of employment and redundancy rights (TUC, 2008). These sources of vulnerability push them, when unemployed, to accept the first –frequently bad– job they find, exchanging
unemployment for underemployment. As Papademetriou and Terrazas argue (2009: iii), immigrants “may be able to adjust more quickly than native-born workers to changing labor market conditions because they are more amenable to changing jobs and their place of residence for work-related reasons.” These vulnerability features tend to produce worsening working conditions for immigrants relative to natives; however, the negative impact on aggregate immigrant employment would be lower compared to natives.

As a result, during an economic crisis different factors causing immigrant vulnerability have different effects on their employment opportunities compared to natives. Factors such as immigrants’ position in the labor market, the conditions of their jobs, and their personal characteristics generally place them in worse conditions than their native counterparts. On one hand, the economic crisis lowers the number of positions available in the job market for all, but on the other, the immigrants’ flexibility about accepting employment at a lower wage and of lower quality improves their level of employment compared to natives but worsens their working conditions.

In this article, we only focus on the overrepresentation of immigrants in economic sectors sensitive to the economic cycle since this is a fundamental feature that explains the effects of the Great Recession on aggregate employment. We do not examine other adjustment mechanisms to labor demand such as wage freezes, short-term jobs, and renegotiating conditions of labor, which in some cases appeared to be alternatives to redundancy (Rogers, 2009). The effects of the crisis on immigrant employment will depend on the concentration of immigrants working in sectors highly sensitive to the economic cycle, such as construction, and not on less cyclical industries such as elder care, health care, domestic work, and agriculture. The United States and Spain are the two countries with the highest concentration of Latin American immigrants in the world, and in both countries the construction sector, highly sensitive to the economic cycle, has attracted new immigrant workers. Activity in the construction sector has weakened since the initial stage of the crisis, characterized by the housing crisis. It is particularly relevant that International Labor Organization (ILO) summarizes the situation pointing out, “In countries where construction had been the engine of growth in recent years such as Spain and the U.S., migrant workers employed in the sector have paid the highest price in terms of loss of employment” (Awad, 2009: 55). The effects in these countries cannot be generalized to other destination countries where construction has played a key role in economic development.

Our work centers on a comparative analysis. Although comparative studies have a long tradition in the social sciences and particularly in international migration studies, there are few comparative analyses of the current economic crisis on immigrant
employment in destination countries. The exceptions are the articles published by Papademetriou and colleagues (Papademetriou and Terrazas, 2009; Papademetriou, Sumption, and Terrazas, 2010), Awad (2009), Tilly (2011) or the recent book edited by Higley, Nieuwenhuysen, and Neerup (2011) comparing the U.S. and Australia.

To compare Latino immigrants in the U.S. and Spain, we used data from two national labor force surveys: the Active Population Survey (Encuesta de Población Activa, EPA) for Spain and the Current Population Survey (CPS) for the U.S. Because both collect demographic information characterizing the different population groups residing in the respective countries, they allow us to know the employment status of those populations at different points in time. Every three months, the EPA collects information on socio-demographic characteristics (like nationality and citizenship) and labor market conditions (except wages and affiliation to social security) of all persons in Spain. It collects data on a representative sample of about 60,000 households (INE, 2011b). The CPS in the United States collects information every month on a representative sample of about 60,000 households. The CPS questionnaire includes socio-demographic variables (e.g., education, race, and ethnicity, etc.) and a long battery of questions on employment characteristics including wages and earnings, country of birth, length of stay, and citizenship status (BLS, 2011).

We must be aware that there are potential sources of bias in the analysis of data on immigrants at their destination: changes in the composition of the immigrant flow over time (Borjas, 1985, 1995), fluctuations in the characteristics of immigrants entering the labor force (Aslund and Rooth, 2007), return or transit migration to a third country (Constant and Massey, 2003), and immigrant naturalizations, which decrease the immigrant stock. As in other studies (Reyneri and Fullin, 2011), we assume that migrants’ unobserved characteristics do not change significantly over time and that return migration is not a selective process.

This article focuses on labor market outcomes; therefore, our universe is the adult civilian population, people 16 and older at the time of the survey. The term “immigrant” is used differently in Spain and in the U.S. For the purpose of this article, an immigrant in Spain is a foreign-born person who does not have Spanish citizenship at the time of the survey. A Latino immigrant is one who is a national of a Latin American country. In the case of the U.S., an immigrant is defined as a person who is not born in the U.S. and is not a U.S. citizen at the time of the survey. A Latino immigrant in the U.S. self-identifies as Hispanic. For the reminder of the article, when we refer to immigrants or Latino immigrants, we are using these analytical and comparable definitions. When we refer to natives, Spanish or U.S. American, we are referring to citizens of Spain or the U.S., respectively, at the time of the survey regardless of their country of birth.
The main focus of this article is immigrant vulnerability, which derives from their immigrant condition given the “discriminatory institutional framework” and their class condition as workers. The “segmented assimilation” produced in their process of integration to the recipient country is reflected in their occupations and positions in the segmented labor markets. These barriers and conditions result in the creation of “categorically unequal” social subjects. Therefore, immigrants appear to be relatively more vulnerable than natives to cyclical downturns. Although there could be other direct causes for their increased labor market vulnerability during economic crisis, their overrepresentation in sectors sensitive to the economic cycle is a key factor. The study of the composition and distribution of the immigrant labor force and particularly of the Latino immigrant labor force before and during the Great Recession in the U.S. and Spain is the objective of this article.

DIFFERENCES BETWEEN LATINO IMMIGRANTS IN SPAIN AND THE UNITED STATES

The U.S. and Spain are the two OECD countries that received the most immigrants from 2004 to 2008: 5.5 and 3.7 million, respectively (OECD, 2010a). Spain leads the European Union in the foreign-born proportion of their population at 12.3 percent in 2010 (Eurostat, 2011) (with the exception of four small countries: Luxembourg, Lithuania, Estonia, and Cyprus). The U.S. and Spain have the highest number of immigrant workers from Latin America and the Caribbean: 11.3 million in the U.S. and 1.7 million in Spain in 2011. In both countries, migrants from Latin America and the Caribbean represent a high proportion of non-citizens: 58 percent of non-citizens in the U.S. and 37 percent in Spain.

There are notable differences in the processes that led to the concentration of Latino immigrants in these countries. We divide those differences into four categories: 1) historical and contemporary Latin American migration flows to the U.S. and Spain; 2) development and implementation of diverse immigration policies; 3) proximity to Latin America and the country of origin; and 4) characteristics of migrant populations such as the male/female ratio, educational level, labor force activity rates, and sector of employment.

Immigrants from Latin America have been a key component of U.S. immigration since the late nineteenth century (Massey, 1995). Latin American immigrants were mainly Mexican workers responding to the changes taking place in the U.S. economy, which demanded large numbers of unskilled workers who could be hired at low wages (Portes and Bach, 1985). They were followed by other groups of Caribbean
migrants (e.g., Puerto Ricans, Cubans, and Dominicans, among others), and later, during the 1970s, by more Mexicans as well as other Latinos (Durand and Massey, 2010; Massey and Pren, 2012). This migration flow, especially among Mexicans, has developed a fundamental characteristic: social capital, which facilitates the migration of members belonging to a social network (Massey and Aysa-Lastra, 2011). In the U.S., there were about 16.4 million immigrants, of whom about 53 percent were Latino in 2001. In 2011 the number of immigrants had risen to 19.5 million, and 11.3 million of whom were Latino. The Latino population grew 31 percent, increasing their relative size to 58 percent of all immigrants in 2011.

By contrast, Latin American immigration to Spain is relatively recent and has occurred mainly in the last decade (Cachón, 2009; Reyneri and Fullin, 2011). The total number of immigrants increased almost fourfold, from 1.1 million in 2001 to 5.3 million in 2011. The proportion of the immigrant population was 2.7 percent and rose to 11.4 percent. Immigrants with Latin American citizenship numbered 344,700 in 2001 and 2,029,200 in 2011, which means that the Latino immigrant population in Spain multiplied almost six times in the first decade of the century. In 2001, 32 percent of immigrants were Latino, and this figure grew to 39 percent in 2011. This is explained by an increased demand for low-skilled workers in the construction sector (mostly men) and in personal care services (mostly women) (Bernardi, Garrido, and Miyar, 2011).

Migration in the U.S. has a long tradition and in Spain it is a recent phenomenon; as a consequence of diverse development of immigration over time in both countries, a relevant difference is the presence of second and third generations of Latino immigrants. This is important because the presence of settled co-ethnic networks in the host country has an impact on new immigrants’ labor market integration (on job search, on segregation in some industries, etc.).

The U.S. and Spain have implemented very different migration policies in the last decade. Until late 2004, Spain did not have a suitable policy device for managing immigrant flows. The result was clear: estimates of illegal immigrants in early 2005 were around 1.2 million people, which accounted for about 40 percent of total immigration in Spain (Cachón, 2009: 143). The Alien Regulation (Reglamento de Extranjería) approved in late 2004 launched a set of mechanisms to manage the flows and marked the beginning of a change in the migration management model (Cachón, 2009: 161-198). This regulation was updated in 2011 (González-Beilfuss, 2011). It was complemented by an extraordinary process that allowed the regularization of the status of more than 565,000 illegal immigrants. As a result, Spain witnessed a substantial change in the traditional model of strong, irregular immigration typical of southern Europe (Laparra and Cachón, 2008). By January 2011, estimates revealed
that there were approximately 250,000 undocumented immigrants, equivalent to 5 percent of all foreigners in Spain. There has been no overall change in immigration policy in the U.S. since 1986 when the Immigration Reform and Control Act \textit{(IRCA)} was passed. IRCA included amnesty for undocumented aliens; this was carried out as an extraordinary regularization process \textit{(CBO, 2006)}. But there were substantial changes in 1990 (Amendments to the Immigration and Nationality Act), 1996 (Anti-terrorism and Effective Death Penalty Act; Illegal Immigrant Reform and Immigrant Responsibility Act; Personal Responsibility and Work Opportunity Act), 1997 (Nicaraguan and Central American Relief Act), 2001 (the Uniting [and] Strengthening America [by] Providing Appropriate Tools Required [to] Intercept [and] Obstruct Terrorism Act, known as the Patriot Act), 2004 (National Intelligence Reform and Terrorism Protection Act), 2005 (Real ID Act), 2006 (Secure Fence Act), and 2010 (Border Security Act), as well as other administrative measures (e.g., deferred action policies). These restrictive regulations, centered on national security, have framed the actions of the federal government regarding immigration. In addition, administrative changes have drastically altered the way the state has shaped the public discourse and the dynamics of the Latin American migrant flow to the United States (Massey and Pren, 2012). Frustration with the current situation of millions of undocumented aliens in the U.S. is remarkable. In 2011, there were 11 million unauthorized immigrants residing permanently in the U.S. (Passel and Cohn, 2011), and most were Latino immigrants.

Access to citizenship through naturalization processes is different in Spain and the United States. In Spain, the overall policy requires 10 years of continuous legal residency in the country to apply for citizenship. However, there is a special regime for Latin Americans and immigrants from countries or groups to which Spain has had relations in the past (e.g., the Philippines, Equatorial Guinea, etc.). Latin American immigrants can apply for Spanish citizenship after two years of continuous legal residency in Spain (Alvarez, 2011). Between 2007 and 2011, 473,897 naturalizations were granted based on continuous legal residency, which is equivalent to 10 percent of the average annual number of immigrants for the period. Eighty-two percent of the naturalizations were granted to Latin American immigrants. The United States has different regimes according to the nature of immigration (labor, family reunification, military, etc.). The overall regime specifies that immigrants (green card holders) can apply for citizenship after five years of continuous legal residency in the United States, and for those in family reunification programs, after three years. In 2010 about 40 million foreign-born persons were living in the United States. Of those, 21.2 million were from Latin America, and of those, 6.8 million (or 32.1 percent) were naturalized citizens. Between 2007 and 2011, 3,764,837 naturalizations and 5,395,024
legal permanent residencies were granted in the U.S. About 40 percent of naturalizations and legal permanent residencies were granted to Latin American immigrants.

Another difference is the proximity of Latin American countries to the U.S. and Spain. The U.S. has both a geographical and historical proximity to Latino immigrants. For example, Mexico shares a border with the U.S. as well as a long history dating back centuries. As with the U.S., Latino immigrants to Spain have historical proximity, but most importantly, cultural proximity, as the Spanish language helps facilitate the integration of Latino immigrants there. In the U.S., English poses a barrier, rather than a facilitator, to their economic and social integration (Connor and Massey, 2010).

Latino immigrants to Spain and the U.S. differ by their national origin, male/female ratio, and educational levels. Most Latino immigrants in the United States were born in Mexico (57 percent), followed by other Central American (17 percent) or Caribbean (14 percent) countries. In contrast, most Latin Americans residing in Spain are from South American countries; those from Ecuador, Colombia, Bolivia, Peru, and Argentina account for two-thirds of them (see Table 1). Differences in the sex composition of Latino immigrant populations in both countries for 2011 are striking. In Spain, 54.8 percent are females vs. 31.5 percent in the U.S. Moreover, due to the rapid increase of immigration to Spain, the growth rate of female Latina migrants from 2001 to 2011 was 560.3 percent (vs. 481 percent for the males). Over the same 10-year period in the U.S., the female population grew by 20.8 percent, vs. 35.5 percent for the males. Our estimates using EPA and CPSN data indicate that the educational level of economically active Latino immigrants in Spain is somewhat higher than in the U.S. In Spain, they have an average of 11.3 years of schooling, compared to 12.5 years among the native Spanish population; Latino immigrants in the U.S. have an average of 10.9 years of schooling, compared with 14.3 years among U.S. Americans.

Another relevant difference is the growth rate of the Latino immigrant flow in both countries. Over the last decade (2001-2011), the volume of Latino immigrants in the population in general and in the labor market in particular has grown in both countries, but at different speeds. The Latino immigrant labor force in Spain has increased fivefold, and in 2011 amounted to 6.7 percent of the total workforce. In the U.S., their numbers grew about 30 percent, and in 2011 they accounted for 5.2 percent of the total workforce.
Table 1
DISTRIBUTION OF LATIN AMERICAN IMMIGRANTS IN SPAIN AND THE UNITED STATES BY COUNTRY OF ORIGIN (2011)

<table>
<thead>
<tr>
<th>Country of Origin</th>
<th>Spain</th>
<th>United States</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>% of Latin Americans</td>
<td>Growth Rate in the Last Decade 2001-2011</td>
</tr>
<tr>
<td>Total Number of Latin Americans</td>
<td>1 650 243</td>
<td>289.6%</td>
</tr>
<tr>
<td>Ecuador</td>
<td>21.8</td>
<td>158.3</td>
</tr>
<tr>
<td>Colombia</td>
<td>16.5</td>
<td>211.6</td>
</tr>
<tr>
<td>Bolivia</td>
<td>12.0</td>
<td>2 889.8</td>
</tr>
<tr>
<td>Peru</td>
<td>8.0</td>
<td>277.1</td>
</tr>
<tr>
<td>Argentina</td>
<td>7.3</td>
<td>270.1</td>
</tr>
<tr>
<td>Brazil</td>
<td>6.5</td>
<td>526.0</td>
</tr>
<tr>
<td>Dominican Republic</td>
<td>5.5</td>
<td>190.9</td>
</tr>
<tr>
<td>Paraguay</td>
<td>5.3</td>
<td>N.A.</td>
</tr>
<tr>
<td>Venezuela</td>
<td>3.6</td>
<td>259.3</td>
</tr>
<tr>
<td>Cuba</td>
<td>3.3</td>
<td>121.8</td>
</tr>
<tr>
<td>Uruguay</td>
<td>2.6</td>
<td>523.6</td>
</tr>
<tr>
<td>Chile</td>
<td>2.5</td>
<td>257.3</td>
</tr>
<tr>
<td>Honduras</td>
<td>1.9</td>
<td>N.A.</td>
</tr>
<tr>
<td>Mexico</td>
<td>1.5</td>
<td>236.7</td>
</tr>
</tbody>
</table>

Source: Spain: INE, 2011a; Grieco and Trevelyan, 2010; authors’ estimates.

The labor force activity rates of native and Latino immigrant populations differ between the two countries as well. In 2011, 57.4 percent of Spaniards participated in the labor force, while 63.7 percent of U.S. Americans were active. It is important to note, however, that U.S. Americans’ activity rate dropped 2.9 points in the last decade, while the Spanish rate increased by 5.3 points. This increase in Spain is due to the growing incorporation of Spanish women into the labor market and to higher activity among immigrants. Latino immigrants have higher activity rates than the native populations in both countries but with notable differences. In the U.S., their labor force activity rate is 70.5 percent (and remained stable over the last decade), while in Spain, it is 83.3 percent (and increased 5 points in this period). The higher activity rate of Latino immigrants in Spain is due to the very different behavior of Latino immigrant women, as immigrant men have similar rates in both countries (approximately 86-87 percent): while Latina immigrants in the U.S. have a participation rate of 50
percent (lower than U.S. American women), in Spain, they rate reached 81 percent (30 points higher than Spanish women) (see Table 2). This high activity rate of Latinas in Spain shows that they migrated with their own labor migration projects and that they have found opportunities in sectors traditionally been occupied by women, such as services, specifically domestic service. Moreover, in Spain, the majority of women who migrate for family reunification can obtain a work permit. Latina immigrants’ lower participation in the labor market in the U.S. compared to Spain may be explained by their characterization as tied migrants (most coming for family reunification) and having young children in the household, among other obstacles (Granberry and Marcelli, 2011). Despite these differences in both destination countries, the crisis has had rather similar effects on the employment of recent Latino immigrants.

### Table 2

**LATIN AMERICAN IMMIGRANT ECONOMICALLY ACTIVE POPULATION IN SPAIN AND THE UNITED STATES (2001 AND 2011)**

<table>
<thead>
<tr>
<th></th>
<th>Spain Absolute Numbers</th>
<th>Spain Relative Variation 2001-2011</th>
<th>United States Absolute Numbers</th>
<th>United States Relative Variation 2001-2011</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Absolute Numbers</strong></td>
<td>1,542,400</td>
<td>1,294,400</td>
<td>7,971,118</td>
<td>1,862,925</td>
</tr>
<tr>
<td><strong>Distribution by Gender (%)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>100.0</td>
<td>521.9</td>
<td>100.0</td>
<td>30.5</td>
</tr>
<tr>
<td>Males</td>
<td>45.2</td>
<td>481.0</td>
<td>68.5</td>
<td>35.5</td>
</tr>
<tr>
<td>Females</td>
<td>54.8</td>
<td>560.3</td>
<td>31.5</td>
<td>20.8</td>
</tr>
<tr>
<td><strong>Distribution by Educational Level (%)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Elementary and Lower</td>
<td>18.7</td>
<td>411.9</td>
<td>24.0</td>
<td>-1.7</td>
</tr>
<tr>
<td>Middle School</td>
<td>23.9</td>
<td>754.2</td>
<td>16.8</td>
<td>52.0</td>
</tr>
<tr>
<td>High School</td>
<td>38.4</td>
<td>560.4</td>
<td>41.2</td>
<td>40.2</td>
</tr>
<tr>
<td>College and Higher</td>
<td>19.0</td>
<td>399.1</td>
<td>17.9</td>
<td>53.1</td>
</tr>
<tr>
<td><strong>Activity Rates by Gender (%)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>83.3</td>
<td>6.7</td>
<td>70.5</td>
<td>-0.3</td>
</tr>
<tr>
<td>Males</td>
<td>86.1</td>
<td>-5.0</td>
<td>87.3</td>
<td>-0.4</td>
</tr>
<tr>
<td>Females</td>
<td>81.2</td>
<td>17.5</td>
<td>49.7</td>
<td>-3.3</td>
</tr>
<tr>
<td><strong>Activity Rates by Educational Level (%)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Elementary and Less</td>
<td>76.3</td>
<td>-1.1</td>
<td>64.4</td>
<td>-5.3</td>
</tr>
<tr>
<td>Middle School</td>
<td>79.6</td>
<td>9.8</td>
<td>67.7</td>
<td>4.7</td>
</tr>
<tr>
<td>High School</td>
<td>87.3</td>
<td>7.7</td>
<td>74.2</td>
<td>-0.1</td>
</tr>
<tr>
<td>College and Higher</td>
<td>88.5</td>
<td>12.2</td>
<td>74.2</td>
<td>-0.3</td>
</tr>
</tbody>
</table>

The activity rate by educational level reflects two behavioral patterns. First, in both countries, Latinos’ activity rates have a positive relationship to education: the higher the educational level, the higher their activity rates. In addition, in the case of Spain, Latinos’ activity rates are higher at all educational levels (see Table 2). The difference in the overall activity rates for Latino immigrants in the U.S. and Spain is partially explained by two factors. First, the higher educational level of Latino immigrants in Spain vs. Latino immigrants in the United States; and second, the higher levels of female participation among Latino immigrants in the Spanish labor market.

The sectoral and occupational distribution of Latino immigrants in the two countries is quite different; but in both, they are concentrated in low-skilled jobs. Before the 2008 crisis in the U.S., Latino men were concentrated in construction (26 percent), services (27 percent), production (12 percent), and transportation (11 percent) jobs, while Latino women were employed in services (48 percent) and production (15 percent). Both sexes also worked in agriculture (around 5 percent). The arrival of Latinos to nontraditional settlement areas in the U.S. has diversified their presence in the different sectors (Parrado and Kandel, 2008). In Spain, Latino men were concentrated in the construction (27 percent), services (56 percent), and industrial (10 percent) sectors, while Latina women were employed almost exclusively in the service sector (93 percent). Moreover, due to the important Latino immigrant growth in the last decade, their presence is increasing in a growing number of groups of activities (Cachón, 2009).

Our estimations indicate that the timing of the effects of the Great Recession in both countries also differs. Latino immigrants to the U.S. are more sensitive to the economic cycle, as their participation in the labor market has declined since the first year of the crisis (2008). From 2008 to 2011, the number of active Latino migrants fell by 1.1 million. By contrast, the flow of Latinos entering the labor market in Spain continued to rise during the first year of the crisis and only began to decline in 2009 and did so to a lesser extent than in the U.S.

The U.S. and Spain will continue to be countries of immigration and the most important destinations for Latin American migrants. If we look beyond the current crisis, we must point out that both countries will continue to need more immigrants, and immigrants’ sensitivity to labor market conditions should be considered a factor in framing immigration policies that facilitate their return and/or embrace their integration.

**ECONOMIC DOWNTURN AND LATINO IMMIGRANT EMPLOYMENT**

The third quarter of 2008 marked the starting point for the decline in employment in the United States and Spain. It lasted nine quarters in the U.S. –because in the fourth
quarter of 2010 employment grew again, although marginally; five quarters later, the GDP began its recovery. In Spain, it has lasted at least 13 quarters—because in third quarter 2011, employment continued to decline—and although the GDP began a mild recovery in the second quarter of 2010, the economic forecast for 2012 again projects negative growth and further declines in employment (see Figure 1).

The last decade can be divided into two distinct periods: expansion until 2007 and crisis starting in 2008 (overlooking the brief 2002 crisis, more important in the U.S. than in Spain). In the expansion period, between 2000 and 2008, the U.S. employed population grew at an average annual rate of 0.8 percent (or 1.1 million people each year); in Spain, it grew at an annual average of 4.4 percent (or 0.7 million people each year) (see Table 3). Employment among Latino immigrants, in particular, in the U.S. grew on average 3.9 percent annually (a high figure for a country with an initial high level of immigration). In Spain, the volume of Latino immigrants employed grew at an average annual rate of 145 percent, the highest recorded in Spanish history. The case of Spain is unique and exceptional among developed countries in this decade due to the remarkable increase in immigration, from low to high, both in absolute and relative terms. This growth responds to an expansive phase of the economic cycle and is closely linked to the important expansion of the construction and other sectors such as domestic service and tourism. These sectors demand abundant unskilled laborers. The native Spanish workforce has higher educational levels and skills but the Spanish labor market demanded unskilled workers (Cachón, 2002). The Spanish labor market demand and the native labor supply were mismatched. Moreover, this period coincides with political and economic crisis in some of the migrant-origin countries (e.g., Colombia, Ecuador, and Rumania).

In the three years of crisis (2008-2011), employment in Spain has fallen more sharply than in the U.S.: 3.7 percent on average annually (an average loss of 750,000 jobs per year) compared to 1.4 percent in the U.S. Despite this difference, both countries display a consistent pattern: the largest decline in employment occurred among immigrants, particularly Latino immigrants. The average annual decline for both all immigrants and Latino migrants in the U.S. is 2.6 percent. In Spain, this figure rises dramatically to 5.8 percent among all immigrants and 6.7 percent among Latino immigrants (see Table 3).

Immigrant employment in Spain started to drop one year after native employment began to decrease (contrary to the U.S. experience). After the first year of the crisis, in 2009, immigrant employment decreased rapidly in absolute and relative terms compared to natives. There are factors that explain why immigrant employment was more resilient during the first year of the crisis and then subsequently rapidly decreased. Vulnerable workers, like the immigrants and Latino immigrants in Spain, are often employed in labor-intensive work. Their lower “social bargaining power”
María aysa-Lastra and Lorenzo Cachón

(2002) make it difficult for them to resist employers’ pressure to increase hours and otherwise intensify work, and for this reason they are preferred in certain sectors. However, this ability to resist is correspondingly lower during periods of rising unemployment (Rogers, 2009). Another factor that may explain this delayed response in Spain is the mismatch between qualifications and jobs held by immigrants. This mismatch facilitates their occupational mobility and search for jobs different from those they held before the crisis. A third factor is the increased willingness to migrate to other towns and cities, especially during the early years of their stay. Their flexibility and mobility enables them to search widely for employment opportunities in different sectors. Nonetheless, these search strategies have limits, including the lack of employment opportunities when the labor market is in a deep crisis, as has been the case in Spain since 2009.

<table>
<thead>
<tr>
<th>Year</th>
<th>Spain</th>
<th></th>
<th></th>
<th>United States</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>Immigrant</td>
<td>Latino Immigrant</td>
<td>Total</td>
<td>Immigrant</td>
<td>Latino Immigrant</td>
</tr>
<tr>
<td>2000</td>
<td>15 119.3</td>
<td>379.4</td>
<td>110.2</td>
<td>136 053.8</td>
<td>10 613.7</td>
<td>5 830.8</td>
</tr>
<tr>
<td>2008</td>
<td>20 402.3</td>
<td>2 941.1</td>
<td>1 387.8</td>
<td>145 108.3</td>
<td>12 884.3</td>
<td>7 667.4</td>
</tr>
<tr>
<td>2011</td>
<td>18 151.7</td>
<td>2 430.0</td>
<td>1 110.7</td>
<td>138 962.2</td>
<td>11 863.6</td>
<td>7 060.8</td>
</tr>
</tbody>
</table>


Together, the three years of crisis have resulted in an employment drop of 11 percent in Spain and 7 percent in the U.S. They have produced a decline in immigrant employment of 17 percent and 10 percent, respectively, in the two countries in
the same period, a drop that rises to 20 percent among Latino immigrants in Spain and
9 percent in the U.S. The figures for the U.S. were lowest in 2010, but since then the
country has begun a process of slow employment recovery (see Table 4). The em-
ployment of immigrants in general and of Latino immigrants in particular is more
sensitive to economic cycles in both countries: it grows faster during economic ex-
pansion and declines faster during periods of economic contraction (Orrenius and
Zavodny, 2009). One key feature to explain the increased vulnerability of immi-
grants during the Great Recession is their concentration in sectors sensitive to the
economic cycle.

Table 4 shows the distribution of employed immigrants and employed Latino
immigrants in the years 2008 and 2011 by sector and the percentage change in their
participation from 2008 to 2011. Columns two to four in Table 4 show percentage
change of the total, immigrant, and Latino immigrant employed population by sec-
tor between 2008 and 2011. We observe some common features. The first and most
important is the remarkable decline in employment in the construction sector, which
quadruples the overall drop in employment in both countries. In Spain, employ-
ment plummeted 44 percent for this sector’s population; it declined by 24 percent in
the U.S., and the figure was even higher, 29 percent, between 2007 and 2010. For Latino
immigrants, the decline in employment in construction has been 58 percent in Spain
and 42 percent in the U.S. The burst of the housing bubble is responsible for the
employment collapse in the construction sector. This collapse has been widespread
in Spain, and particularly in Andalucía, Murcia, Valencia, and Canarias, where the
housing bubble was linked to tourism. In the U.S., its most severe impact was in
the initial stages of the crisis, and its main effects on the housing market have been
concentrated in certain states such as Florida, California, and Nevada. Despite mas-
usive lay-offs, many employers are trying to keep core workers (Rogers 2009); immi-
grants, however, are concentrated in peripheral segments within the construction
sector. Due to the slim prospect of a significant recovery in this sector, construction
companies have not applied internal measures (e.g., reduced hours for all workers)
alternative to lay-offs. Moreover, due to the multiplier effect in related sectors, the true
impact of the burst of the housing bubble is larger than what these figures reflect. In
addition to job losses in the construction sector, we must consider collapses in branches
of industry and services related to building, such as suppliers and vendors. The fall of
employment in construction and related industries has had negative effects on the
employment of male immigrants in Spain (Domingo, Gil, and Galizia, 2010) and the U.S.
(Engemann and Wall, 2010).
### Table 4
PERCENTAGE CHANGE OF THE EMPLOYED POPULATION AND THEIR PARTICIPATION BY SECTOR, IMMIGRANT EXPERIENCE, AND REGION OF ORIGIN FOR SPAIN AND THE UNITED STATES (2008 TO 2011)

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>Immigrants</th>
<th>Latino Immigrants</th>
<th>Immigrant Weight*</th>
<th>Latino Immigrant Weight*</th>
<th>Immigrant Weight*</th>
<th>Latino Immigrant Weight*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relative Change (%)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Spain</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>-11.0</td>
<td>-17.4</td>
<td>-20.0</td>
<td>14.4</td>
<td>6.8</td>
<td>13.4</td>
<td>6.1</td>
</tr>
<tr>
<td>Agriculture</td>
<td>-9.3</td>
<td>6.4</td>
<td>3.6</td>
<td>18.3</td>
<td>5.5</td>
<td>21.5</td>
<td>6.2</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>-23.3</td>
<td>-37.9</td>
<td>-53.2</td>
<td>10.5</td>
<td>4.3</td>
<td>8.5</td>
<td>2.6</td>
</tr>
<tr>
<td>Construction</td>
<td>-44.1</td>
<td>-56.4</td>
<td>-58.1</td>
<td>25.3</td>
<td>11.4</td>
<td>19.7</td>
<td>8.6</td>
</tr>
<tr>
<td>Services</td>
<td>-1.6</td>
<td>-0.5</td>
<td>-2.8</td>
<td>13.0</td>
<td>6.6</td>
<td>13.1</td>
<td>6.5</td>
</tr>
<tr>
<td>United States</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>-7.0</td>
<td>-9.8</td>
<td>-9.1</td>
<td>8.9</td>
<td>5.3</td>
<td>8.6</td>
<td>5.2</td>
</tr>
<tr>
<td>Agriculture</td>
<td>-1.3</td>
<td>-6.8</td>
<td>-6.3</td>
<td>16.9</td>
<td>16.2</td>
<td>16.0</td>
<td>15.4</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>-14.1</td>
<td>-15.7</td>
<td>-15.8</td>
<td>10.7</td>
<td>6.5</td>
<td>10.5</td>
<td>6.4</td>
</tr>
<tr>
<td>Construction</td>
<td>-22.4</td>
<td>-24.6</td>
<td>-27.4</td>
<td>18.9</td>
<td>16.0</td>
<td>18.3</td>
<td>15.0</td>
</tr>
<tr>
<td>Services</td>
<td>-4.7</td>
<td>-5.4</td>
<td>0.7</td>
<td>7.6</td>
<td>3.9</td>
<td>7.5</td>
<td>4.1</td>
</tr>
</tbody>
</table>

* Relative weight of immigrants and Latino immigrants vis-à-vis the total population


Manufacturing employment dropped by 23 percent in Spain (due to the decline in manufacturing) and 14 percent in the U.S. between 2008 and 2011. The erosion of employment is noteworthy among Latino immigrants: in Spain, they lost 53 percent of industrial jobs (double the average decline) and 16 percent in the U.S., and the figure was even higher, 27 percent, between 2007 and 2010.

The overall decline in services is 1.6 percent and 4.7 percent for Spain and the U.S., respectively. These figures reflect both job losses in some service sectors and creation in others. For example, Spain lost jobs in sectors such as trade, tourism, transportation, and services linked to real estate, and it gained employment in branches like health care and social services. Nonetheless, the decline in the service sector for Latino immigrants is 2.8 percent in Spain. During the most recent stage of the Great Recession, linked to the debt crisis and to restrictions in government expenditures, employment in public administration, health care, and social services has also decreased. In the U.S., the declines are greater for immigrants than for the total population, but Latino immigrants actually made marginal gains (0.7 percent) during the period.
In other words, Latino immigrants have been affected by job losses in the service sectors between 2008 and 2011 in Spain, but in the U.S. this decrease has affected non-Latino immigrants.

Immigrant employment in agriculture in the U.S. and Spain is a special case, to say the least, for three reasons. One, the U.S. and Spain are among the developed countries where immigrants are overrepresented in this sector. Two, it is the only sector where the contraction is different: in Spain, it contracted by 9.3 percent between 2008 and 2011, while in the U.S. it remained almost constant, with a marginal decline of 1 percent. Three, while there is an overall decline in Spain, we observe an increase in the employment of immigrants and Latino immigrants (about 4 percent for the latter); this contrasts with what happened in the U.S., where employment in agriculture remains stable, but the number of immigrants and Latino immigrants employed decreased in this sector (by about 6 percent for Latinos). Agriculture might be considered a “shelter sector” for immigrants in Spain. The same happened in the United States between 2007 and 2010. In this period, immigrant employment in agriculture grew 3 percent and the employment of Latino immigrants grew 4 percent.

The comparison of employment among the entire workforce, immigrants, and Latino immigrants explains the change in the proportion that Latino immigrant employment has by sector. The proportion of Latino immigrant employment increased in agriculture in Spain and registered a marginal decrease in the U.S. It remained constant in the service sector in both countries. It decreased in manufacturing in Spain and was stable in the U.S. And above all, it registered a large decline in the construction sector in Spain and a mild decline in the U.S. (after the recovery of the sector in 2011, because until 2010 the decline in immigrant and Latino immigrant employment was substantial).

In 2011, immigrants accounted for 13.4 percent of total employment in Spain and 8.6 percent in the U.S.; in agriculture, 22 percent in Spain and 16 percent in the U.S.; and in construction, 20 percent in Spain and 18 percent in the U.S. Immigrants have less weight in manufacturing and services. However, these sectors have groups of activities in which the presence of immigrants vary (e.g., it is limited in the automobile industry but abundant in the domestic sector).

In 2011, the weight of Latino immigrants by sector differed considerably in the two countries. In Spain, they accounted for 6 percent of total employment, 9 percent of construction, 7 percent of services, 6 percent of agriculture, and only 3 percent of manufacturing. However, in the U.S., Latino immigrants represented 5 percent of total employment, 15 percent of the agricultural sector, 15 percent of construction, 6 percent of manufacturing, and only 4 percent of the service sector (see Table 4). The high concentration of Latino immigrants in the U.S. in construction and agriculture is re-
lated to the sex composition of the immigrant flow and the differences in the activity rates of Latino male and female immigrants.

Figure 2 shows trends over time in the proportion of employed immigrants and Latino immigrants compared to the total employed population. For the U.S., it shows the profile of an immigration country that is “mature” compared to Spain. Spain started the decade with a low level of immigration and received a large influx particularly from Latin America. Before the crisis, the weight of immigrants in the U.S. grew moderately and steadily from 7.8 percent in 2000 to 9.2 percent in 2007. In contrast, Spain has experienced remarkable growth, from 2.5 percent in 2000 to 14.4 percent in 2008. Until 2005, immigrants accounted for a greater weight of the population in the U.S.; since then, the weight of immigration in overall employment is higher in Spain. The outstanding expansion of employed immigrants in Spain did not happen at the expense of Spanish workers; annual employment increased at an average rate of 2.4 percent between 2000 and 2007. It can even be said that Spanish employment grew more than ever and continuously during this period of rapid immigrant labor migration and immigrant employment growth.

**Figure 2**

PERCENT OF THE TOTAL EMPLOYED POPULATION REPRESENTED BY EMPLOYED IMMIGRANTS AND EMPLOYED LATINO IMMIGRANTS IN SPAIN AND THE UNITED STATES, 2000 TO 2011

<table>
<thead>
<tr>
<th>Year</th>
<th>Spain Immigrant/Tot</th>
<th>Spain Latino/Tot</th>
<th>United States Immigrant/Tot</th>
<th>United States Latino/Tot</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>0.8</td>
<td>0.5</td>
<td>7.8</td>
<td>4.5</td>
</tr>
<tr>
<td>2001</td>
<td>0.9</td>
<td>0.6</td>
<td>8.0</td>
<td>4.8</td>
</tr>
<tr>
<td>2002</td>
<td>1.0</td>
<td>0.7</td>
<td>8.2</td>
<td>5.1</td>
</tr>
<tr>
<td>2003</td>
<td>1.1</td>
<td>0.8</td>
<td>8.4</td>
<td>5.4</td>
</tr>
<tr>
<td>2004</td>
<td>1.2</td>
<td>0.9</td>
<td>8.6</td>
<td>5.7</td>
</tr>
<tr>
<td>2005</td>
<td>1.3</td>
<td>1.0</td>
<td>8.8</td>
<td>6.0</td>
</tr>
<tr>
<td>2006</td>
<td>1.4</td>
<td>1.1</td>
<td>9.0</td>
<td>6.3</td>
</tr>
<tr>
<td>2007</td>
<td>1.5</td>
<td>1.2</td>
<td>9.2</td>
<td>6.6</td>
</tr>
<tr>
<td>2008</td>
<td>1.6</td>
<td>1.3</td>
<td>9.4</td>
<td>6.9</td>
</tr>
<tr>
<td>2009</td>
<td>1.7</td>
<td>1.4</td>
<td>9.6</td>
<td>7.2</td>
</tr>
<tr>
<td>2010</td>
<td>1.8</td>
<td>1.5</td>
<td>9.8</td>
<td>7.5</td>
</tr>
<tr>
<td>2011</td>
<td>1.9</td>
<td>1.6</td>
<td>10.0</td>
<td>7.8</td>
</tr>
</tbody>
</table>

The evolution of Latino employment is similar to that of overall immigrant employment in the U.S. Its weight grew from 4.3 percent of the population in 2000 to 5.6 percent in 2007, while in Spain it went from 0.7 percent in 2000 to 6.8 percent in 2008. Since 2006, Latinos have gained greater relative importance among those employed in Spain than in the U.S. The weight of immigrants in general and Latino immigrants among workers began to decline at the onset of the crisis in 2007 in the U.S. and in 2008 in Spain. This decline is explained by the greater sensitivity of immigrant employment to economic cycles. The growing distances between the weight of immigrant and Latino immigrants in the Spanish labor market after 2003-2004 is not due to a decline in the number of Latino immigrants, but to an increase in the number of arrivals of other immigrants. Rumanian immigrants began arriving in Spain in 2003, and currently they are the country’s largest immigrant group. At the end of 2011, 913 000 Rumanians were living in Spain. This increase is linked to Rumania’s entry into the European Union in 2007 and the free circulation of Rumanian citizens, their settlement, and the construction of social networks in Spain.

As we have shown, despite the differences between the Spanish and U.S. economies, the historical differences in immigration from Latin America to both countries, the diverse types of proximity between Latin America and the U.S. and Spain, and marked differences in the demographic characteristics of Latino immigrants (e.g., country of origin, sex composition, and education), the effects of the Great Recession on immigrant Latino employment have similar features and reflect employment vulnerability during the current economic downturn. The employment vulnerability of Latino immigrants is linked to their presence in sectors more sensitive to economic cycles, particularly in construction and in some activity groups of the manufacturing and service sectors. On the contrary, agriculture has been a shelter for immigrant employment in both countries, at least in one stage of the current crisis. This large impact of the Great Recession on Latino employment in both countries is also reflected in increasing unemployment among immigrants and Latino immigrants.

**Latino Immigrant Unemployment**

In 2007, Spain’s unemployment rate was 8.5 percent, the lowest it had been in the last 30 years. At the time, it was similar to the German unemployment rate and only 1.4 points above the average of the European Union’s 27 member countries. Spain was experiencing, for the first time since the crisis of the 1970s, a labor market with close to full employment, and Spain’s rate of unemployment almost matched the non-accelerating wage rate of unemployment (NAWRU) (European Commission, 2008).
Only the young, women, and immigrants had unemployment rates above 10 percent. This quasi-ideal condition in the labor market was produced for the first time in Spain’s modern history in the midst of high volume immigration. However, the European—particularly the Spanish—unemployment rates were higher than that of the U.S., which was 4.5 percent, very close to its lowest rate in the last 30 years (which was 4 percent in 2000). But the economic blackout produced by the crisis has dramatically increased unemployment figures.

Before the 2007 crisis, the situation of Latino immigrants was different in both countries. In the U.S., their unemployment rate was only 0.9 points higher than the national average, while in Spain it was 11.6 percent (3.1 points higher than the average). That is, Latino immigrants in Spain entered the crisis with unemployment rates significantly higher than those of the natives.

Before the crisis, in most developed countries immigrants’ unemployment rates were higher than those of natives. The gap between immigrant and native employment has increased despite the arguments pointed out by some researchers (Tilly, 2011). For example, data from Eurostat (2012) show that only Belgium and Greece had unemployment rates among natives that were higher than those of foreigners before the crisis (fourth trimester of 2007). For the EU-27, foreigners had an unemployment rate 4.8 points higher than that of natives (and 0.5 in the U.S.). These data also show that the unemployment gap between immigrant workers and natives has increased between 2007 and 2011 in 14 of the 18 countries for which data is available—the exceptions are Germany, Luxemburg, the United Kingdom, and the Czech Republic. For the EU-27 zone, the unemployment gap has increased by 2.7 points, vs. 0.7 points in the U.S. In some European countries the gap increase has been moderate, but in others such as Sweden or Spain the unemployment gap between immigrants and natives has doubled; in other countries (Greece, Denmark, or the Netherlands), it has increased by more than 50 percent. In almost all other countries the gap has increased over 15 percent, which is the increase in the United States. Although figures vary by countries of origin and destination, the general trend clearly shows increased immigrant vulnerability in terms of the unemployment rate during the crisis. Reyneri (2009) has pointed out that the unemployment gap is a phenomenon that affects male immigrants. The widening of the unemployment gap in Spain corresponds to this dominant pattern and shows increased immigrant vulnerability during the crisis and how it has increased since 2007 as result of the Great Recession and immigrant job loss. However, immigrant unemployment is linked to the loss of jobs and to immigrants’ entries and exits from the host country’s labor market.

Between 2007 and 2011, the Spanish unemployment rate increased 2.5 times, and the U.S. rate doubled, raising unemployment rates to 21.3 percent and 10.2 per-
cent, respectively. The rates for Latino immigrants have increased 2.4 times in Spain and 2.7 times in the U.S., meaning that, for Latino immigrants, they increased to 28 percent in Spain (2011) and 14.4 percent in the U.S. (2010). In summary, the crisis had very similar effects in both countries on the unemployment of Latino immigrants, though their rates began at different levels and the increase in the jobless gap is higher in Spain. Moreover, in 2011, the overall unemployment rate in the U.S. declined one point and three points for recent Latino immigrants, confirming the higher sensitivity of immigrant employment to the economic cycles (see Table 5).

<table>
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<td>UNEMPLOYMENT RATES AND PERCENTAGE OF TOTAL UNEMPLOYMENT BY IMMIGRANT EXPERIENCE AND REGION OF ORIGIN FOR SPAIN AND THE UNITED STATES (2007-2011)</td>
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<tr>
<td>Unemployment Rate</td>
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There are three significant differences in the evolution of Latino immigrant unemployment in both countries. The first is the timing of how their employment responded during the first year of the crisis. In the U.S., it has declined since the
beginning of the crisis. However, in Spain, the decline was delayed until the third quarter of 2008, one year after it began dropping overall for the Spanish population. The opposite occurred in the U.S.: the first to lose their jobs were Latino immigrants, who in 2008 recorded greater increases in the jobless rate than the total population. A large proportion of Latinos worked in construction, and this sector showed the first signs of a weakening economy—as in 2006—before the crisis. The second variation is the different weight of immigrant unemployment in overall unemployment: 23.3 percent in Spain vs. 9.8 percent in the U.S. However, the weight of Latino joblessness vis-à-vis total unemployment in both countries is lower and similar: 8.8 percent for Spain and 6.5 percent for the U.S. in 2011 (see Table 3). A third factor distinguishing the two countries is the fact that a significant flow of new immigrant workers continued to arrive to Spain despite the sharp fall in employment since 2008. The growth of the Latino immigrant population participating in the labor market between 2007 and 2009 explains about 64 percent of their unemployment in 2009.

To understand the continued arrival of economic migrants to Spain after the onset of the crisis, it is important to remember that, as with other social phenomena, migrations will continue for a period of time even if the main and original attraction factors (e.g., employment opportunities) that motivate them have disappeared. Immigration is structurally extremely difficult to reduce (Massey, Durand, and Malone, 2002). Immigration’s inertia is related to the following factors, among others: 1) the mechanisms behind the cumulative causation of migration take a long time to cease; 2) the push factors in origin (at least in comparative terms) last; and 3) immigrant agency and the immigration industries develop over time and further facilitate immigration (Castles, 2004). Furthermore, immigration has been enhanced by a remarkable increase in the number of family reunifications. This is relevant economically because once in Spain, immigrants’ family members can apply for work permits and enter the labor market. Family reunification processes and the facilitation of immigrants’ entry into the labor market explain in part the continuing inflow of immigrants to Spain during the first year of the crisis, and only in the second year did the immigrant growth rate drop significantly.

Tilly (2011) points out that comparisons of native and immigrant unemployment during the recession show little added migrant marginalization in terms of the unemployment rate. However, data from the U.S. and most European Union countries—above all Spain—show that for immigrants and particularly Latino immigrants, their position in the labor market has significantly worsened as a consequence of the Great Recession in terms of job loss, increased prevalence of unemployment among this group, and a growing unemployment gap vis-à-vis natives. This last explanation is consistent with what other authors and the OECD have summarized (2009).
CONCLUSIONS

There is an academic debate about whether economic crises affect immigrant or native employment more. The data reviewed in this article for Latino immigrants in the U.S. and Spain during the Great Recession show that immigrant employment in general, and employment for immigrant Latinos in particular, is becoming more vulnerable during the crisis than native employment. Despite the differences in immigration flows and policies in the U.S. and Spain, the impact of the crisis on immigrants and Latino immigrants is quite similar in both countries.

Increased immigrant vulnerability derives from their condition as immigrants given the “discriminatory institutional framework” and their working class status. The segmented assimilation that arises from their unequal integration into the host society is mirrored in their occupations and positions in the segmented labor markets, which ultimately results in immigrants being “categorically unequal.” This condition is produced by a diversity of factors and in this text we have specifically analyzed one of them: immigrant and Latino immigrant overrepresentation in sectors most vulnerable in the event of economic recession, such as construction. However, other factors also exacerbate their vulnerability in the labor market such as their overrepresentation in temporary jobs; non-tenure jobs; selective and discriminatory layoffs; participation in the informal economy; overrepresentation among the young population and those with lower educational levels; institutional factors, including the additional requirements from the “institutional discriminatory framework”; additional demands from their families in countries of origin; and some differences in access to social protection.

The U.S. and Spain are the two most important destination countries for Latin American migrants. The most significant differences between these two countries involve historical developments, as well the composition and timing of their immigration flows, immigration policies and the different types of proximity to Latin America. Some differences exist regarding their labor markets as well, such as sensitivity to economic cycles, the sectoral distribution of Latinos, their educational assets, and the Latina women’s high labor market participation in Spain.

Despite these differences, the Great Recession has had similar effects on Latino immigrant employment in both countries. Our work shows its sensitivity to economic cycles. The collapse of the construction industry has been a key factor in both countries. Relative loss of jobs in this sector is four times higher than job loss in the labor market in general, acutely affecting Latino immigrant employment, which fell in this sector by 58 percent in Spain and 42 percent in the U.S. during the crisis. Moreover, due to the multiplier effect in the construction-related activities groups,
the total impact of the housing bubble’s burst is greater than these figures reflect. The loss of industrial employment is also important for Latino immigrants in both countries, but especially in Spain. Conversely, agriculture served as a “shelter sector” for Latino immigrants in both countries in one stage of the crisis. The largest negative impact on employment in both countries has been on Latino immigrant males, because they have a higher presence in the activities and the sectors most affected by the Great Recession in both the U.S. and in Spain.

Immigrants’ vulnerability, and particularly that of Latino immigrants, is reflected in their unemployment rates. Both countries began the recession with very different levels of unemployment but Latino rates were higher than those of natives, with a small gap in the U.S. but a larger one in Spain. Between 2007 and 2010, unemployment rates more than doubled both in Spain and the U.S. Moreover, the differences in unemployment rates between Latino immigrants and natives have increased significantly as a result of the crisis. The rate for Latino immigrants reached 28 percent in Spain (2011) and 14.4 percent in the U.S. (2010). The weight of Latino immigrant unemployment in total unemployment is quite similar in both countries: for every 100 people without jobs, in Spain, nine are Latino immigrants and in the U.S., seven are.

The two countries display two particularly significant differences: first, the dissimilar behavior of Latino immigrant employment during the first year of the crisis. In the U.S., Latino immigrant employment declined more than native employment, showing a higher sensitivity to the economic crisis. In Spain, although we observe drops in native employment, immigrant and Latino immigrant employment continue to increase during the first year of the crisis, but starting in the second year, the decline in immigrant and Latino immigrant employment is larger than that of the native population. Second, between 2006 and 2007 in the U.S., the growth of the foreign-born population slowed and between 2007 and 2008 it was negative, indicating return migration for that year. However, the flow of economic immigrants to Spain persisted, although the numbers of new immigrants declined relative to the years of economic expansion. Since the new arrivals were not finding jobs, the unemployment rate among this group rose. The growth in unemployment (approximately 64 percent) among immigrants in Spain is primarily due to swelling numbers of Latino immigrants arriving there after the start of the Great Recession. In this article we have analyzed some facts that can explain these trends.

This analysis has identified areas for future research that would advance our knowledge on the effects of economic downturns on immigrant employment. The analyses of changing employment conditions and job quality are critical, and variables such as wages, working hours, and overtime for immigrants should be compared to those for natives in the U.S. and Spain (Rogers, 2009). The statistical sources used in
this article and others include variables that allow the evaluation of qualitative effects on immigrant Latino employment based on the vulnerability framework we have previously delineated and taking into consideration their reduced social bargaining power.

Another related topic of utmost importance is the crisis’s effect on Latino immigrant flows in the U.S. and Spain and their return to their countries of origin and/or emigration to third countries. Currently, there is little evidence of return migration as a result of the financial crisis in the U.S. and Europe. It seems that the experience of previous recessions is being repeated: most migrants are not willing to return in large numbers to poorer countries of origin, due to the low incomes and the lack of work prospects there. They prefer to sit out the crisis in the destination country. The only migrants likely to return may well be those that the destination country would prefer to retain: those with skills and prospects elsewhere and whose secure legal status would allow them to come back again once job markets improve (Castles and Miller, 2010). It seems likely that one of the keys to return migration for Latinos is the possibility to re-enter their destination country once the crisis has abated (Papademetriou, Sumtion, and Terrazas, 2010). Immigrants will use all strategies at their disposal before abandoning the possibility of obtaining the documents that ensure the legal status that will allow them to circulate legally between countries. For example, an important share of the Latino returning migration from Spain is composed of immigrants who have obtained Spanish citizenship and therefore can return to Spain when they wish. Moreover, it has been observed that “legal immigration can often show less correlation with economic conditions in the country of destination than illegal immigration, because it is more likely to included family reunification, students, workers directly recruited by employers, or those waiting for their application to be processed” (Rogers, 2009: 38; Papademetriou and Terrazas, 2009). This future analysis of migration flows should also include the short-term and long-term effects of the crisis and the effect a potential extended period of economic recovery will have on Latino immigrant stocks in the U.S. and Spain, considering both the authorized and unauthorized immigrant populations.
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