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# Latinos in a Changing U.S. Economy

Comparative Perspectives  
on Growing Inequality

**Rebecca Morales  
Frank Bonilla**  
editors

**Sage Series on Race  
and Ethnic Relations**

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compete effectively, to live through the hardships and profit from the opportunities. Hence, economic restructuring extended, and indeed, reinforced the role of Latinos in the Chicago economy as low-wage, dominated workers.

Viewed from another perspective, in Chicago the availability of a large, subordinated, low-wage Latino work force has facilitated the development of the so-called service sector and has kept in business many manufacturing firms with low profit margins. As an employer in the westside of Chicago expressed to us: "I don't need to move to Mexico to get cheap labor. We have plenty of them here. By staying in Chicago I have the best of both worlds." In other words, Latinos have done for economic restructuring what they had previously done for the agribusiness, the railroad, and the manufacturing sectors. Latinos went from bad to worse as they moved from low-wage manufacturing jobs to lower wage, lower promising jobs in the restructuring economy.

This is not to say, however, that Latinos accepted this situation passively. A spirit of struggle is demonstrated in the formation of *mutualistas*, community organizations, active advocacy, projects and demonstrations, and political mobilization. Since the 1960s, with the formation of majority Latino neighborhoods and the enacting of affirmative action legislation, these struggles have been more focused and have led to greater job opportunities, educational progress for Latinos, improved services, and some community development. The growth of the Latino population since the 1960s, more comprehensive citywide efforts, coalitions with other minority groups, and voter registration drives have led to political representation at the local and state levels and are now producing federal representation. Community businesses in Latino neighborhoods have been the basis for some capital formation and the development of some businesses with a citywide market. Community organizations have provided the basis for more sustained struggles and for development of stronger Latino institutions. Indeed, were it not for the segmented and structured role that Latinos have played in the labor force, were it not for the parallel disruption and marginalization of communities that are an integral feature of this role, Latino communities would not be continuing to face the same problems that have plagued them since their arrival to Chicago. Our research indicates that the impact of recent economic restructuring on Latinos in Chicago is primarily a function of structured segmentation and discrimination and must, therefore, be mediated by policies that recognize this historical legacy of grinding inequality.

## 6

## Cubans and the Changing Economy of Miami

Marifeli Pérez-Stable

Miren Uriarte

*In memory of Mauricio Gastón, who forged the way  
in analyzing Cubans in a changing Miami.*

The experience of Cubans in Miami appears to stand apart from the Latino inequalities elsewhere in the U.S. economy. However mythical the "golden exile" (Portes, 1969) might have been, the perception of the successful Cuban is deeply ingrained among Cubans, other Latinos, and the general population. In important ways, the data back up these perceptions. Cubans earn higher incomes, have higher educational levels, and register lower poverty rates than other Latinos. Most Cubans in the United States, moreover, arrived as political exiles after the revolution of 1959. Thus, their migration differed markedly from that of Mexicans and Puerto Ricans.

Nonetheless, the "success story" has been "dysfunctional" for the characterization of Cuban communities, especially for those among them who do not quite live up to the prevailing image.<sup>1</sup> The other side

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of the Cuban story, particularly in South Florida where most Cubans in the United States live, has clearly not received adequate attention. In this chapter we do not dismiss the predominant view of Cubans in U.S. society, but an analysis of their labor market participation in Miami over four decades delineates their profile in ways that allow for more meaningful comparisons with other groups.

The incorporation of Latino groups in the U.S. economy has elicited two sorts of explanations. The first focuses on human capital. Latinos—whether immigrants or long-time residents—are seen as having educational levels and work experience that do not easily fit the labor markets of the urban areas where they live and therefore being at a disadvantage in relation to other groups. Higher educational levels and labor market participation seem to place Cubans in a more advantageous position.

The second explanation emphasizes the centrality of economic structures from several different perspectives. One highlights the tendency of the labor market to segregate workers of different characteristics (i.e., race, ethnicity, and gender) into distinct economic sectors. Drawing upon structural theories of labor market segmentation, Portes and his colleagues have elaborated the primary paradigm for analyzing the Cuban economic experience in South Florida (Portes & Bach, 1985; Portes & Manning, 1986; K. L. Wilson & Portes, 1980). The Cuban enclave in Miami has provided a path of incorporation comparable to the primary sector and more beneficial to Cubans than the secondary labor market.

Other structural arguments underscore the overall transformation of the U.S. economy, marked by a sharp decline in production jobs and the rise of a service economy. Focusing on the role of U.S. cities in the international economy, Sassen (1991) notes the development of "global cities" (New York and Los Angeles) has expanded a segmented service sector where growing numbers of low-wage jobs are available for immigrants and minorities. Kasarda (1989) argues a "skills mismatch" greatly affects minorities, that is, their skills are best suited for the displaced industries and not appropriate for the ascending sectors. Waldinger (1986) contends an "ethnic queue" of minorities and immigrants has formed for the jobs vacated by whites; foreign-born workers are decidedly at the end (Waldinger, 1986). Regardless of their specific focus, these authors agree economic transformation has eliminated many manufacturing jobs, created low-wage employment, reinforced poverty, and resulted in growing income inequalities.

In this chapter we use the 1950, 1970, and 1980 U.S. Census Public Use Micro Data Sample and the 1988 Current Population Survey for the

Miami SMSA to describe the effect of economic transformation on the insertion of Cubans into the economy of Miami.<sup>2</sup> We start, however, by looking at Miami and Havana during the 1950s, with an eye for their emergent, though truncated, complementarity. Our purpose is to establish the structural context into which Cubans brought their human and other capital. The initial "skills match" was an important component of the relative ease with which the Miami economy incorporated the exiles. We next examine the extent of economic transformation in Miami in the light of industrial and occupational changes between 1950 and 1988. We then analyze the differential effect of these changes on the major racial/ethnic groups, paying particular attention to Cubans. Finally, we conclude with some suggestive notes on our findings and their implications for the paradigms used to understand the Cuban experience.

#### MIAMI AND HAVANA: DEVELOPMENT TRENDS BEFORE 1959

An often-ignored aspect of the Cuban experience in Miami is the complementarity in the patterns of development between the sending and receiving economies of the immigrants: those of Havana and Miami during the 1950s. These patterns and their aborted prospects constitute an important structural context for the entrance of Cubans into Miami after 1959. In Miami, Cubans, especially *habaneros*, stepped into familiar terrain. Their human capital and their know-how tapped the potential in the socioeconomic context of Miami, and consequently, their skills found their market match. These links and trends of the 1950s are an important, if so far overlooked, element in analyses of the formation of the Cuban enclave in Miami and the emergence of the region as the gateway to Latin America.

One of the consequences of the social revolution of 1959 was the migration of more than one-half million Cubans during the 1960s. The earliest exiles were especially unrepresentative of the Cuban population during the 1950s. They came from the wealthier, predominantly white, better educated, more urban, higher status occupational sectors of prerevolutionary society. Some arrived with little except a few personal belongings. Many managed to transfer some assets to the United States. A few had investments outside of Cuba well before the revolution. All came with substantial human capital, and just as important, with the

insight that belonging to the Cuban middle class gave them into U.S. culture. During the 1950s, Cuba, particularly Havana, experienced substantial U.S. influence. At the time, no other group of Latin Americans could have entered the United States as prepared to succeed as middle-class Cubans were during the early 1960s. That Miami and Havana had been undergoing transformations that augured complementarity and competition, moreover, allowed the exiles to step into familiar territory.

Since the 1920s, tourism, real estate, construction, trade, and financial services had brought considerable expansion to Miami. The trade sectors were the most important employer, accounting for 31% of total employment in 1950. Services, especially the unskilled type supportive of tourism, were the second leading source of employment. Construction and transportation each accounted for about 7%-10% of Miami earners (Ballinger, 1936; Muir, 1953). Although manufacturing represented less than 10% of total employment, the city nonetheless had one of the fastest rates of industrial growth in the United States during the 1940s and 1950s.<sup>3</sup> Largely because of tourism, links to the Caribbean were growing. Miami was often the first stop before traveling farther south. But these expanding ties were also rooted in the developing importance of Miami as a financial center for foreign trade, particularly to Latin America. New Orleans, however, still retained preeminence as the U.S. gateway to the south. Some observers underscored the (then) 20 million potential customers in the Caribbean Basin as an incentive for South Florida manufacturing (Wolff, 1945, p. 66). The recession of the late 1950s hit Miami earlier, harder, and lasted longer than in the rest of the country (Center for Advanced International Studies, 1967). Thus, the profile of Miami when the Cuban exiles first arrived has been somewhat distorted. On the surface, Miami might have seemed not much more than a hard-pressed resort town. Underneath, however, longer term trends pointed to emerging transformations that the early influx of mostly upper- and middle-class Cubans undoubtedly encouraged.

During the 1950s, Havana was more decisively experiencing rapid changes. The capital was the motor behind the incipient transformation of dependent Cuban capitalism. With about 25% of the total population, Havana had nearly 31% of the economically active population. More disproportionate was its share of the more educated sectors of the labor force: 54% of all professionals, 40% of all managers, nearly 60% of all office workers, about 40% of all skilled workers, and 54% of all service workers (Oficina Nacional de los Censos Demográfico y Electoral,

1955, pp. 1, 183, 196). Havana was the principal site for the expanding industrialization then taking place in Cuba. Eight of the 14 industrial enterprises employing 500 or more workers were in its vicinity (U.S. Department of Commerce, 1955, pp. 73-74). Construction and tourism were also flourishing. During the 1950s, total wages in Havana province increased about 22%, even as those of all other provinces, especially Camagüey and Oriente, declined (R. C. Bonilla, 1983, pp. 416-417; Banco Nacional de Cuba, 1960, pp. 151-153).<sup>4</sup> Consumer culture was rapidly making inroads in the capital. Imports of consumer durables were growing significantly and most were destined for the *habanero* public (Banco Nacional de Cuba, 1960, p. 190). Moreover, *habaneros* were increasingly using credit to maintain their life-style.

In 1958, Havana certainly overshadowed Miami. Manufacturing, banking, construction, and tourism (as well as gambling and other underworld operations) were proliferating. All of these endeavors had actual or potential counterparts in Miami. During the 1960s, U.S. investments in Latin America increased rapidly and significantly contributed to the internationalization of the larger economies in the region (Cardoso & Faletto, 1979). We will never know how Cuba might have developed without the revolution. Given the special relationship with the United States, Cuba—and especially Havana—might have occupied a central space in the internationalization process of the 1960s and 1970s. The geographic proximity between Havana and Miami might also have meant that South Florida might have become the U.S. gateway to Latin America. Without the revolution, Havana and Miami would have likely shared that portal. Thus, even without the exiles, the days of Miami as just a tourist town might well have been numbered.

#### THE MIAMI ECONOMY, 1950-1988

Between 1950 and 1988, Miami underwent profound economic and demographic transformations. The restructuring process in the Miami SMSA entailed prodigious growth in the service sector, particularly in the high-end services, and the stagnation of the small manufacturing sector. In an industrial taxonomy of 94 metropolitan areas in the United States, Bluestone, Stevenson, and Tilly (1992) categorized them according to changes in aggregate employment levels and industrial structure. Between 1973 and 1987, Miami experienced trends similar to those of Boston and Los Angeles: significant expansion in nonagricultural sectors

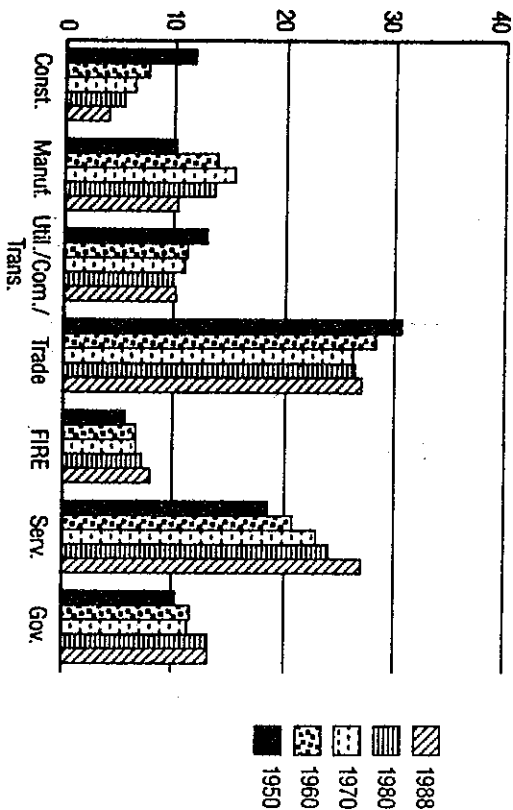


Figure 6.1. Industrial Distribution of Employment, Miami Metropolitan Area, 1950-1988 (in percent)  
SOURCE: Florida Department of Labor and Employment Security.

and much smaller changes in total manufacturing employment. Until the 1970s, these trends, however, were not well established.

Between 1950 and 1988, total employment increased from just over 150,000 to more than 850,000. Miami experienced expansion and then decline in manufacturing, a steady decline in construction, and the rapid growth of the service sector (Figure 6.1). Manufacturing increased its share of workers through the 1950s and 1960s and started to decline during the 1970s. By 1988, the share of workers in manufacturing appears to have returned to 1950 levels. In contrast, construction has undergone sharp and steady declines over the four decades. By 1988 the share of earners in this sector was 40% of what it had been in 1950.

Trade and services have always been significant in the Miami economy, accounting for about half of all Miami workers through the four decades. During the 1960s, important changes in composition first became apparent. By 1970, the high-end services overtook the low-skilled jobs in personal services and the tourist industry. The restructuring process continued in favor of financial and other professional

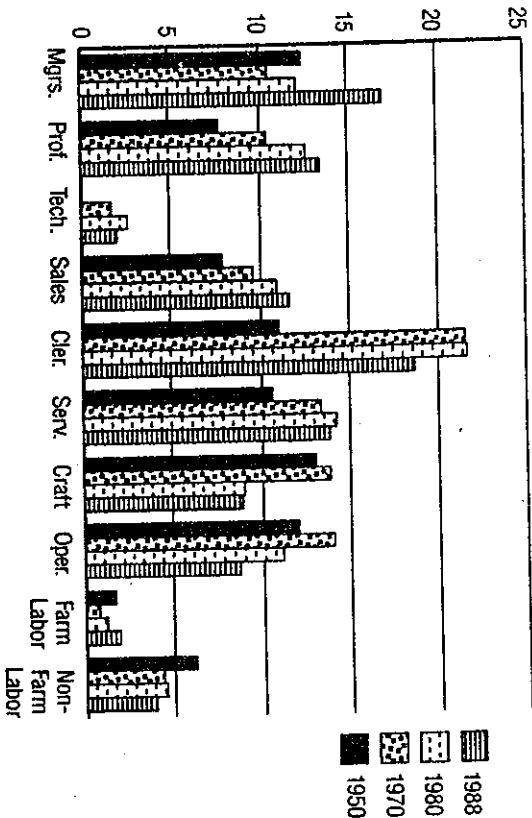


Figure 6.2. Occupational Distribution of Earners, Miami Metropolitan Area, 1950-1988 (in percent)  
SOURCE: U.S. Census PUMS 1950-1980; CPS 1988.

services until 1988, when there appears to have been a slight reversal in the relationship between the two service sectors. Just as significant, high-end services displaced retail trade as the major employment sector. Although retail trade had recovered slightly from the decline occurring between 1970 and 1980, it remained well below the levels of 1950. During the 1980s, as Miami consolidated its place in the structure of international finance, the high-end service sector employed somewhat under a third of earners. The days of the tourist town were long gone.

Two major trends mark the changes in the occupational structure of Miami during these four decades (Figure 6.2). First, there has been a marked increase in the managerial and professional occupations at the expense of those occupations requiring lesser skills. Miami's share of workers in more highly skilled occupations has increased steadily from 20% in 1950 to 31% in 1988. By comparison, the share of earners in clerical and other low-end services appears to have stabilized after rising sharply during the 1960s. Craft, operative, and laborer occupations

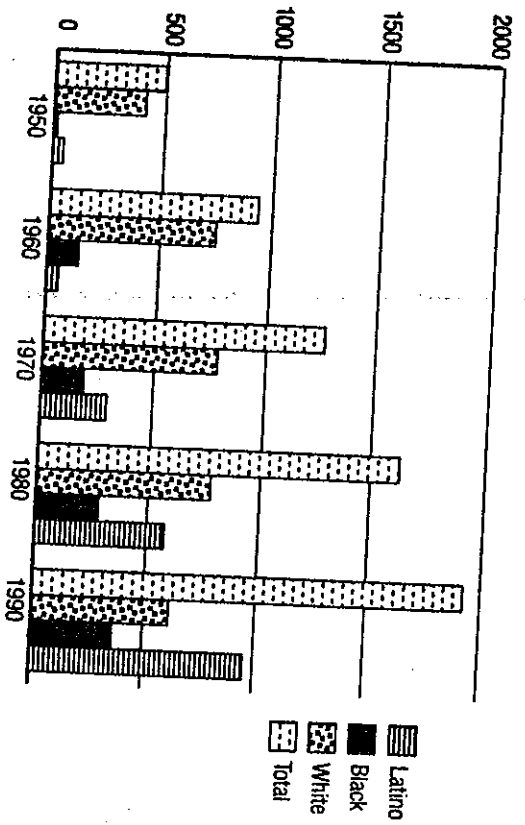


Figure 6.3. Population of Dade County, Florida, 1950-1990 (in thousands)  
SOURCE: Research Division, Metropolitan Dade County Planning Department.

have undergone a significant relative decline. Second, the occupational opportunities for low-skilled workers have narrowed. By 1988, the Miami profile appears to have consolidated: Clerical occupations still and professionals/technical personnel representing one third of earners in Dade County. Crafters, operatives, and laborers continued to decline. Demographic changes, especially in racial/ethnic makeup, are even more significant (Figure 6.3). Between 1950 and 1990, the population of Miami nearly quadrupled from 495,084 to 1,937,094. In 1950, 83% By 1970, blacks and Latinos had increased their share of total population, respectively, 15% and 23%. In contrast, the share of non-Hispanic whites had decreased by 21 percentage points. After 1970, non-Hispanic whites continued to decline, representing only 32% of the Miami SMSA population in 1990, while blacks increased their share to 19%. By 1990, Latinos had become the largest group, accounting for 49% of the population. During the late 1980s, Latinos were 40% of the working-age population. Cubans represented about 20% of Miami's workers. Diversification of the Latino population also characterizes the period

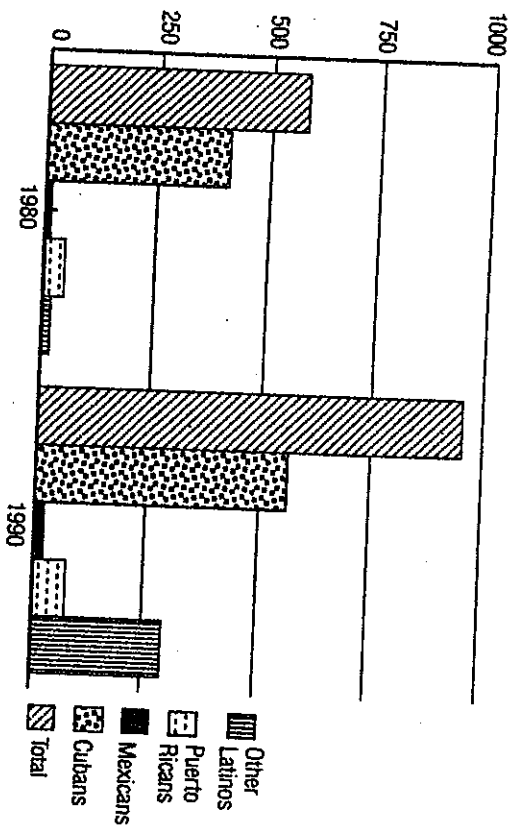


Figure 6.4. Latino Population of Dade County, Florida, 1980-1990 (in thousands)  
SOURCE: U.S. Census.

(Figure 6.4). During the 1960s and 1970s, Cubans constituted about 70% of the Latino population. The remaining 30% were Central/South Americans and Dominicans (20%), Puerto Ricans (8%), and others (2%). By 1990, however, the Cuban share of the Latino population had decreased to 59% and that of Central/South Americans and Dominicans had increased to 31%. Puerto Ricans remained at 8%.

With the change in population came a transformation in the region's labor force. As the Latinization of Miami went forward, the proportion of non-Hispanic white earners across industrial sectors and occupations declined dramatically, while that of Latinos increased. Latino gains were particularly salient in manufacturing and high- and low-end services, all ascending sectors of the economy during the 1970s, and excepting manufacturing, during the 1980s as well. The black share of earners across sectors has largely remained constant. The composition of the labor force in different occupations adds another dimension to growing diversity. A clear racial/ethnic order emerged where non-Hispanic whites dominated the higher salaried and more prestigious occupations with Latinos beginning to make modest inroads. But both Latinos and blacks were more likely to be employed in occupations of

lower socioeconomic status. During the 1970s and 1980s, these trends consolidated. By 1988, non-Hispanic whites were solidly ensconced in the expanding high-level management and professional/technical occupations. Blacks and Latinos, although increasing their share of earners in these sectors, continued to be underrepresented.

#### THE DIFFERENTIAL EFFECT OF ECONOMIC TRANSFORMATION: NON-HISPANIC WHITES, BLACKS, AND CUBANS IN MIAMI

How the three main racial/ethnic groups have fared in the restructuring of the regional economy is an important aspect of the recent history of Miami. According to industrial and occupational distributions by racial/ethnic groups as well as data on income and poverty, non-Hispanic white earners have fared the best. Between 1950 and 1980, they steadily increased their participation in the ascending economic sectors and in the highest status occupations in the new industries of South Florida (Tables 6.1 and 6.2). Non-Hispanic white workers have successfully made the occupational shifts concomitant to the new economic conditions. By 1988, 41% were employed as managers, technicians, and professionals; 43% labored as low-status white-collar workers in service, sales, and clerical occupations. Only 6% were still employed as operatives and laborers.

Rising incomes and declining poverty rates among non-Hispanic whites have resulted from the increase of their participation in the higher status occupations and the expanding sectors of the economy. Between 1950 and 1980, non-Hispanic whites experienced steady growth in their mean total income, although the rise was particularly dramatic among the men (Figure 6.5). During the 1980s, non-Hispanic white male income stagnated although that of females continued to rise. Non-Hispanic white poverty rates—low to begin with—declined slightly (Table 6.3). Poverty rates among non-Hispanic white earners, however, rose from 4.5% in 1970 to 5.3% in 1988, a local manifestation of national trends of growing numbers of working poor.

In contrast, blacks have fared much worse. Although increasing numbers of blacks have penetrated the ascending sectors of the economy, they have done so primarily in the lower status occupations. Black earners have particularly suffered because sectors where they were once strong and occupations they once dominated have declined. Construction,

Table 6.1 Selected Industries of White, Black, and Cuban Earners, Miami Metro Area, 1950-1988

	1950			1970			1980			1988		
	W	B	C	W	B	C	W	B	C	W	B	C
Agri	2.8	4.1	*	1.0	5.7	0.8	1.2	3.5	1.2	1.4	—	2.0
Constr	7.7	21.0	*	6.9	10.0	5.3	6.2	6.2	6.7	8.0	8.8	6.8
Trad Mfg	7.7	1.4	*	10.1	6.7	32.9	8.2	7.4	24.0	7.6	7.3	13.7
Trans	8.7	7.4	*	7.9	5.9	4.1	7.5	7.3	5.6	4.1	5.8	9.9
Commun	1.3	0.1	*	2.1	1.3	0.8	2.2	1.8	1.3	2.2	*	3.1
Wh Trade	6.9	6.3	*	5.5	4.1	4.7	5.2	3.7	6.9	4.9	*	5.8
Re Trade	21.2	14.4	*	19.5	13.3	17.8	19.8	15.8	16.9	20.0	14.6	16.4
Hi Serv	10.2	4.9	*	22.3	19.3	13.1	31.2	28.3	22.0	27.2	27.0	23.6
Lo Serv	11.9	20.7	*	16.4	27.6	16.8	10.0	15.3	10.2	9.8	18.2	13.0
Pub Adm	4.6	*	*	4.4	2.6	0.8	4.8	6.3	2.5	3.3	3.6	*
Hi Mfg	—	—	—	0.7	*	1.7	1.0	0.9	1.6	1.4	*	1.4
Utilities	1.5	3.3	*	1.0	0.5	*	1.3	2.4	0.6	1.0	*	1.4

SOURCE: U.S. Bureau of the Census, PUMS (1950, 1970, 1980), CPS (1988).

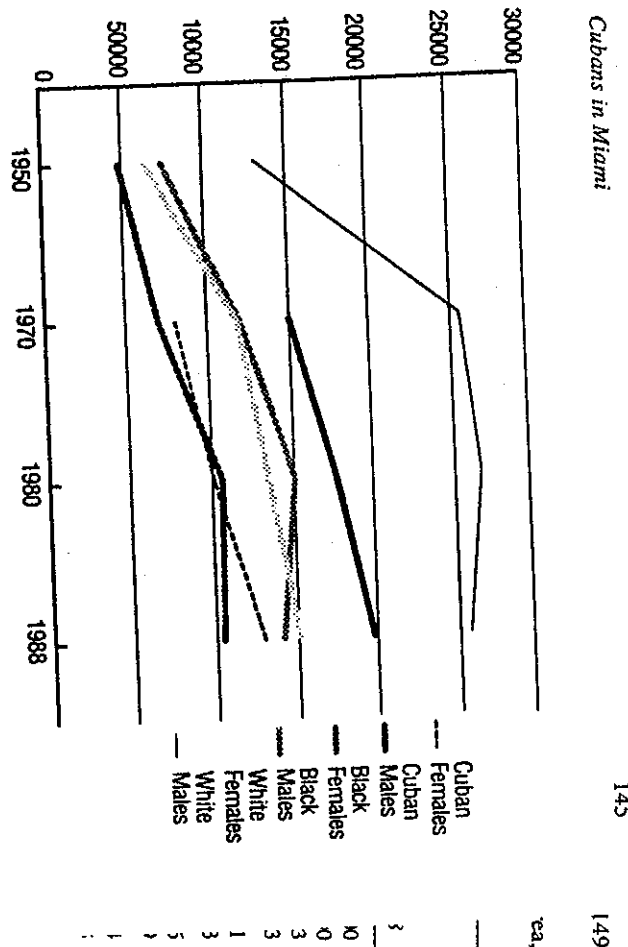
NOTE: (\*) cell count too small; (—) data not available. Columns do not add up to 100% because of missing or not available data and because we did not include Mining and Defense. Moreover, the PUMS column totals are well below 100%.

**Table 6.2 Selected Occupations of White, Black, and Cuban Earners, Miami Metro Area, 1950-1988**

	1950			1970			1980			1988		
	W	B	C	W	B	C	W	B	C	W	B	C
Managers	13.3	3.0	*	13.0	1.5	6.1	15.4	5.3	9.9	22.4	6.9	17.5
Profession	8.9	1.4	*	12.4	5.8	5.2	15.3	9.2	8.3	16.4	12.2	11.6
Technician	—	—	—	1.6	*	2.6	3.1	2.3	2.1	2.5	2.3	2.1
Sales	9.7	1.4	*	11.6	2.7	6.5	12.8	5.9	9.6	12.3	6.1	11.6
Clerical	12.5	1.9	*	24.0	13.9	17.3	23.7	19.2	22.2	20.2	14.5	19.9
Service	8.3	16.3	*	10.5	32.4	10.3	11.9	26.6	11.4	11.2	23.7	9.6
Crafts	15.5	1.4	*	14.7	7.5	15.1	8.0	6.9	10.8	8.3	9.9	8.9
Operatives	11.5	12.5	*	9.0	18.7	32.7	5.8	13.0	19.3	3.8	11.5	14.4
Farm Labor	1.3	4.1	*	0.3	3.9	*	0.7	3.1	0.9	*	5.3	*
N-farm Labor	1.2	31.6	*	2.9	13.1	4.0	3.2	8.6	5.5	2.2	7.6	3.8

SOURCE: U.S. Bureau of the Census, PUMS (1950, 1970, 1980), CPS (1988).

NOTE: 1950 U.S. Census aggregated professionals and technicians; (\*) cell count too small; (—) data not available. Columns do not add up to 100% because of missing or not available data and because we did not include Mining and Defense. Moreover, the 1950 PUMS column totals are well below 100%.



**Figure 6.5. Mean Total Income of Earners, by Race and Ethnicity, Miami Metropolitan Area, 1950-1988 (in 1982-1984 dollars)**

NOTE: \* All figures refer to income in year prior to survey.

SOURCE: U.S. Census PUMS 1950-1980; CPS 1988.

for example, employed 21% of black workers in 1950 and only 6.2% in 1980. Similarly, 32% of black workers were laborers in 1950 and only 8.6% in 1980. The percentage of black workers in the low- and high-end services has increased rather sharply. In fact, the highest percentage increase among black earners has come among those in the high-end service sector. In 1950, 5% of black earners were employed in high-end services; by 1980 28% were so employed.

The changing economy of Miami has brought significant changes for black occupational opportunities. Black managers, technicians, and professionals increased sharply: More than one out of five black earners was employed in these occupations in 1988. Changes in occupational structures have, however, limited the jobs available to low-skilled workers, where blacks are disproportionately represented, and may thus have led significant numbers to abandon the labor force. Between 1950 and 1980, black operatives and laborers declined from 50% to 24%, and those in clerical, sales, and service jobs increased from 20% to 52%.

**Table 6.3** Rates of Poverty in the Working-Age Population and Among Earners, Miami Metro Area, 1970-1988

	1970	1980	1988
White Population	10.7	8.9	8.7
Black Population	29.4	25.7	27.6
Cuban Population	13.4	15.2	17.2
White Earners	4.5	4.6	5.3
Black Earners	20.1	15.3	16.1
Cuban Earners	8.2	5.8	6.6

NOTE: 100% Federal Poverty Standard.  
SOURCE: U.S. Bureau of the Census, PUMS (1970, 1980), CPS (1988).

This reversal may partially explain the decline of 15 percentage points in the labor force participation of black males and the rise by 21 percentage points in that of black women.

Black gains in the high-status occupations have not translated into a higher mean income relative to non-Hispanic white and Cuban males. Rising steadily between 1950 and 1980, mean income for black men has consistently remained below that of their counterparts in the other two main groups. In 1988, moreover, mean black male income was lower than that of non-Hispanic white females. Black female income also rose steadily throughout the period. Interestingly, the mean income of black women was lower than that of non-Hispanic white females and higher than that of Cuban females. During the 1980s, black women appear to have suffered significant losses in mean income, and by 1988, Cuban women surpassed them (Figure 6.5).

Not surprising, between 1970 and 1980, poverty rates for working-age blacks remained high. Although declining slightly during the 1970s, poverty rates were rising again during the 1980s. In 1988, black women had the highest poverty rates for working-age blacks: Nearly three quarters of all black poor were women and one third of all black women were poor. Poverty was also concentrated among the younger and oldest age cohorts: In 1988, 36% of blacks 16-24 and 46% over 60 were poor compared to 21% of those 25-59. The relative absence of jobs available to young blacks and the availability of low-paying jobs for black women seem to be contributing factors to the profile of black poverty in Miami. Black poverty rates have been about three times those of non-Hispanic

whites. In contrast to non-Hispanic whites, however, poverty among black earners decreased from 20% in 1970 to 16% in 1988. This relative decrease notwithstanding, black earners suffer poverty rates three to four times greater than those of non-Hispanic whites.

The Cuban experience lies somewhere between that of blacks and non-Hispanic whites. Cubans have generally been successful in entering the ascending sectors of the economy, particularly during the 1980s. During the 1960s, as manufacturing rose in importance in the Miami economy, it employed one third of all Cubans. During the 1970s, as the sector declined, so did the percentage of Cubans. By 1988, 14% of Cuban earners worked in manufacturing. During the 1970s, Cubans rapidly entered the high-end service sectors. By 1988, high-end services employed more Cubans than any other sector, 23.6%. In many ways, the sectoral experience of Cubans resembles that of non-Hispanic whites. Occupationally, however, Cubans have had a different experience. Although Cubans have made substantial inroads in the high-status occupations, a large percentage of Cubans are still in the lower paying jobs. Between 1970 and 1988, Cuban earners in the high SES occupations registered the largest relative gains among the three groups: 14% to 31.2%. Nevertheless, a large percentage of Cubans still work in the lower paying occupations. In 1970, 71% of Cuban workers worked in sales or as clerks, service workers, operatives, and laborers. By 1988, 59% continued to do so, whereas 49% of non-Hispanic whites and 62% of blacks did.

In many ways, Cubans have also had to make occupational shifts similar to those of blacks: from operatives and laborers to white- and pink-collar employment. In 1970, Cuban earners were about equally employed in low-paying white-collar and service sectors (33.6%) as in operative and laborer occupations (36.7%). By 1988, only 18% remained in the declining operative and laborer occupations whereas 41% now had jobs in the low-paying service occupations. The shift is more rapid than that experienced by blacks and cushioned by a significant representation in the ascending occupational sectors. The labor force participation of Cuban men declined during the 1970s and subsequently stabilized; that of Cuban women remained stable and high throughout the period.

A closer look at the distribution of Cuban earners across the industries and occupations where they are most prevalent provides an illustration of their sectoral and occupational shifts (Table 6.4).<sup>8</sup> First, those indus-

tries and occupations historically representing the bulk of Cuban earners (80% in 1980) accounted for about 70% in 1988. Cubans appear to be moving into new sectors, primarily communications and transportation. Second, Cuban earners in 1988 manifest a sharp decline in the percent employed in manufacturing across all occupations. The trends in other sectors point to increases among the higher status occupations and declines among the lower paying ones. The only exception were the low-end services where Cuban earners increased their share among both high- and low-paying occupations. Third, distribution within each sector reveals a similar pattern of transition from the lower to the higher paying occupations. Manufacturing is the only exception where the remaining Cuban earners are concentrated in the lowest status occupations.

Finally, the distribution shows that only about 20% of Cubans conformed to the profile of success: managers and professionals in manufacturing, construction, the high-end services, and wholesale and retail trade. Most Cuban earners had a rather different experience: They worked as operatives and laborers in manufacturing and as office clerks, service workers, and salespeople in the service sectors and wholesale and retail trade. Although varying by sector, the difference in earnings between the high- and low-paying occupations is substantial. The 1988 Current Population Survey data appear to underscore widening income differentials between these two types of occupation.

Income and poverty trends support the indications of growing polarization. Between 1970 and 1988, earnings for Cuban workers as well as the rate of poverty among the working-age population and among earners increased. While incomes of non-Hispanic whites stagnated and those of blacks declined, those of Cuban males rose sharply. The mean income of Cuban females similarly rose, surpassing that of black women in 1988 but remaining well below that of non-Hispanic white females. Paralleling rising incomes were increases in poverty among the working-age population. In 1970, 13% lived in a poor household; by 1988, that rate was 17%. As among blacks, poverty among Cuban earners decreased during the 1970s and increased during the 1980s. Poverty among working-age Cubans appears to be concentrated among women and those over 60. Sixty-eight percent of all Cuban poor were women and 52% elderly. Women constituted 58% of low-wage earners: They made up 70% in the service and clerical occupations in the low- and high-end services and 54% of the operatives in manufacturing.

**Table 6.4** Cuban Incomes by Industry and Occupation, Miami Metro Area, 1980 and 1988 (actual dollars)

Industry	Occupation	Distribution of Earners		% Sector's Earners		Mean Income	
		1980	1988	1980	1988	1980	1988
Manufacturing	Man/Prof/Tech	2.0	0.7	8.5	5	15,398	33,000
	Sal/Cler/Serv	4.4	2.1	18.2	15	9,395	15,900
	Oper/Lab	17.6	9.9	62.9	72.5	6,820	8,833
HI Services	Craft	2.5	1	10.2	7.5	8,861	18,333
	Man/Prof/Tech	8.4	11	38.3	46.3	15,925	33,811
Retail Trade	Sal/Cler/Serv	13	11.6	57.2	49.2	8,377	12,163
	Man/Prof/Tech	2.8	4.1	16.7	25	14,057	28,226
Lo Services	Sal/Cler/Serv	10.2	9.3	60.3	56.6	6,688	8,199
	Man/Prof/Tech	1.6	3.1	15.4	23.7	13,007	16,504
WH Trade	Sal/Cler/Serv	6.4	6.9	59.6	52.6	6,750	10,598
	Man/Prof/Tech	1.5	2.1	21.2	35.3	18,469	23,416
Construction	Sal/Cler/Serv	4.4	2.4	49.7	41.1	10,585	14,642
	Man/Prof/Tech	1.2	2.1	17.9	30	17,340	40,308
	Oper/Lab	1.7	1	25.6	15	9,597	11,793
	Craft	3.2	3.1	46.9	45	11,207	14,957

SOURCE: U.S. Census PUMS 1980, CPS 1988.

### EXPLAINING THE EXPERIENCE OF CUBANS IN MIAMI

The incorporation of Cubans into the Miami economy has been generally successful. Rising poverty levels and growing earnings polarization notwithstanding, the economic experience of Cubans differs radically from that of other Latinos in their cities of major concentration as well as from that of other minorities in Miami itself. Cubans have entered the ascending sectors of the regional economy at both higher and lower levels. Although there is a continued concentration of substantial numbers in the manufacturing sector and in low-level occupations, there is also evidence Cuban earners are making a steady transition to higher paying occupations throughout the economy.

**Table 6.5** Educational Attainment of Earners by Race, Miami Metro Area, 1970 to 1988

	White		Black		Cuban				
	1970	1988	1970	1988	1970	1988			
6 yrs or less	4.5	2.4	*	17.6	8.4	*	20.2	16.2	11.1
7 yrs to H.S.	27.1	16.3	11.3	44.2	31.4	26.3	33.6	24.3	22.0
H.S. Graduate	35.1	33.4	38.4	25.0	32.4	36.5	23.7	27.6	28.9
Some College	19.2	24.3	24.1	7.2	18.6	17.5	12.5	17.8	20.6
College Graduate	14.1	23.6	25.8	2.7	8.6	13.9	9.7	13.4	17.4

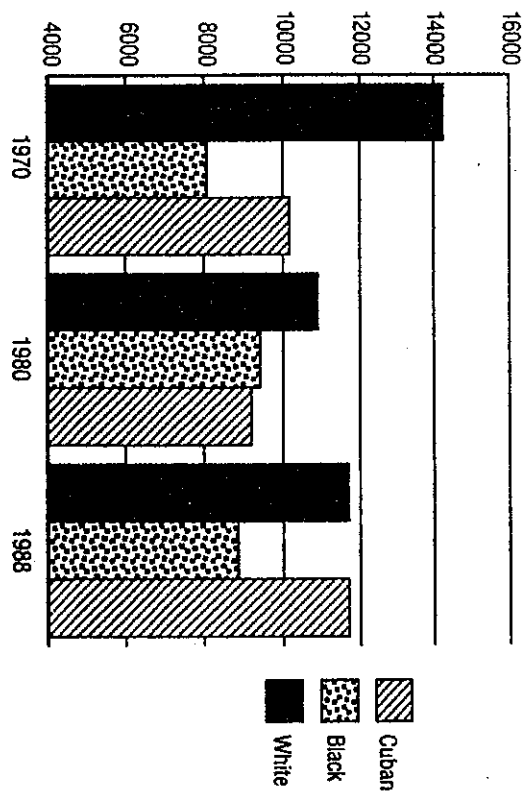
SOURCE: U.S. Census, PUMS 1970 and 1980, CPS 1988.

NOTE: (\*) Cell Count too small.

Human capital explanations are the most prevalent. Educational attainment—higher for Cubans that for other Latinos—is often mentioned to explain their labor market success. However, in the context of Miami, the higher education levels do not appear to be as important as the earnings Cubans obtain at different levels of education in comparison with others in Miami. Between 1970 and 1988, the levels of educational attainment of Cuban earners have been closer to those of blacks than those of non-Hispanic whites (Table 6.5). In 1988, an equal percentage (67%) of black and Cuban earners had at least a high school degree; the rate for non-Hispanic whites was 88%. Cubans have a slightly higher percentage of college graduates (17%) than blacks (14%). The rate for non-Hispanic whites is 26%.

But, without doubt, Cuban earners are able to maximize the income potential of their educational attainment relative to other minorities. Across different educational levels, Cuban earnings are closer to those of non-Hispanic whites. For example, among earners with less than a high school education, Cuban earnings were more likely to approximate those of non-Hispanic whites whereas those of blacks tended to lag considerably (Figure 6.6). The gains are even more marked for those with a college education. In 1988, Cuban college graduates earned incomes slightly below non-Hispanic whites and substantially higher than black college graduates (Figure 6.7).

Human capital explanations also focus on the "business know-how" of Cubans as a factor in their higher rates of self-employment. Cubans



**Figure 6.6.** Earnings of Persons With Some High School Education in Wage and Self-Employment, Miami Metropolitan Area, 1970-1988 (in 1982-1984 dollars)

SOURCE: U.S. Census PUMS 1970, 1980; CPS 1988.

have, in fact, higher rates of self-employment than other groups in Miami (Figure 6.8). In 1988, rates of self-employment among Cubans (8.5%) surpassed those of non-Hispanic whites (7.4%) and were well above those of blacks (2.9%) in 1988.<sup>9</sup> Similarly, the mean self-employment earnings of Cubans relative to non-Hispanic whites has increased steadily. More important, among Cubans and non-Hispanic whites mean earnings from self-employment are higher than income from wage and salaries, whereas for blacks the reverse is the case.

The enclave economy appears to have enhanced the effect of education and work experience for Cubans in the Miami labor market. Although the data used in this paper do not allow the measurement of the effect of ethnic-owned enterprises on the incorporation of Cubans into the Miami economy, they do suggest the strength of the enclave. The occupational shifts that all Miamians have undergone appear to

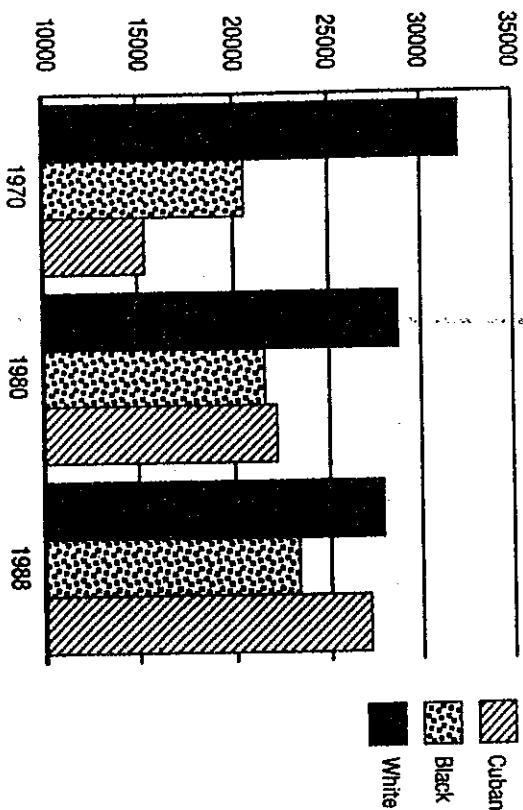


Figure 6.7. Earnings of College Graduates in Wages and Self-Employment, Miami Metropolitan Area, 1970-1988 (in 1982-1984 dollars)  
SOURCE: U.S. Census PUMS 1970, 1980; CPS 1988.

have been buffered for Cubans as a result of the opportunities available to them, but not to others within the enclave. Although enclave earnings are lower than in the mainstream economy, the class diversity of the enclave has allowed Cubans across the occupational spectrum to exercise their human capital in a more protected environment. The enclave has thus facilitated the transition of Cubans into the mainstream sectors. During the 1980s, this transition appears to have accelerated and most likely explains the sustained increases in Cuban earnings.

Perhaps the most critical value of the enclave is the opportunity it affords for a mode of insertion that does not subject newcomers to the same degree of exploitation and discrimination as the primary and secondary labor markets. Enclave participation, even if exploitative, furnishes the immigrants with the opportunity to connect into a myriad of social networks, and consequently, gain more rapid social mobility. The high rates of self-employment for Cubans who left the island during

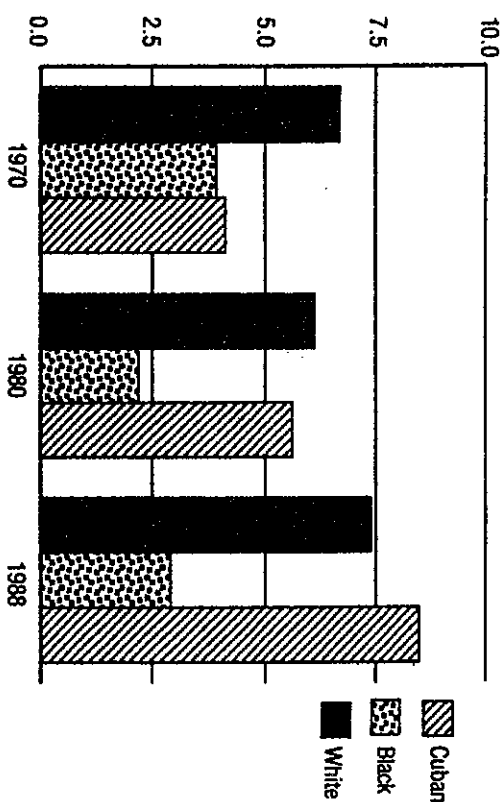


Figure 6.8. Self-Employment Rates, by Race and Ethnicity of Earners, Miami Metropolitan Area, 1970-1988  
SOURCE: U.S. Census PUMS 1970, 1980; CPS 1988.

the 1970s and the Mariel boat lift in 1980 point to the preeminence of structural factors. Although largely lacking the endowed human capital of earlier immigrants, the more recent entrants have nonetheless had better economic outcomes than Latino immigrants with comparable qualifications in other areas of the country (Portes & Bach, 1985, pp. 205-216; Portes & Jensen, 1989).

Although the Portes paradigm is quite powerful, one of its relative weaknesses lies in the explanation for the origins of the enclave. This is no small matter. Understanding how Cuban exiles founded the businesses and established the networks that produced the enclave is a central question. Answering it allows the model to transcend the notion of "Cuban exceptionalism." Where the original capital that formed the enclave came from is perhaps its most crucial starting point. Portes gives us several answers. First, and perhaps most evident, the Cuban migration included many persons who already had investments and

savings in the United States or brought substantial capital that allowed them to become renters or start new endeavors. Moreover, many Cuban exiles, because of their pre-1959 dealings with U.S. companies, had useful business connections that served them well when applying for credit and establishing new enterprises. Next, Portes mentions a South American bank in Miami that, when the first exiles arrived, employed Cuban bankers. These bankers proceeded to issue loans to their conationals on the basis of prior knowledge about the applicants' record and experience in Cuba. In the same vein, Portes points to wealthy South Americans who invested their capital in Miami because of political upheavals in their native countries. Primarily in commerce and construction, this venture capital allowed small Cuban distributors and contractors the opportunity to grow beyond the enclave. Its extent and weight are understandably difficult to determine, but drug-related capital accumulation is mentioned. Finally, he underscores the role of individual savings in the smaller, more ethnic-oriented enterprises characteristic of the later entrants who lacked previous business experience and capital from Cuba (Portes, 1987).

These are all eminently convincing components of a structural explanation for the origins of the enclave. Nonetheless, a more complete framework needs to include at least two additional factors. In the first place, as outlined above, the patterns of Cuban development—particularly those of Havana—are crucial aspects of the context in which the initial migration occurred after 1959. Portes and Bach (1985) are quite right to insist on the “relational dynamics” within the international economy as the foundation for migrations. Following their lead, we are arguing for the importance of the specific regional context in establishing the structural framework for the development of the Cuban enclave in Miami after 1960.

The complementary development of Havana and Miami during the 1940s and 1950s allowed Cubans, especially the *haceneros*, to step into familiar territory. Manufacturing firms—not unlike the ones they had left behind in the industrial belt around Havana—came quickly to be controlled by Cubans at the top, and at the same time, offered a safe place for lower skilled Cubans to enter the labor market. The enclave also developed a service sector in which experienced entrepreneurs transplanted their business acumen from Havana to *la calle ocho* and provided entry level jobs for their compatriots.

The second set of considerations is the host of political and ideological factors that, although not exclusively determinant in the origins of the enclave, should be included in the analysis. Silvia Pedraza-Bailey (1985) rightfully focused on the role of the federal government. The United States invested nearly \$1 billion in assisting the Cubans because they were fleeing communism. In many ways, it was a multifaceted community development strategy. In its 12 years of existence, federal assistance to Cuban refugees encompassed direct cash assistance, food subsidies, and guaranteed health care for needy individuals as well as college loans for Cuban students, training and retooling programs for professionals, and English-language instruction and financial assistance for those establishing small businesses. State intervention reinforced the advantages of the Cubans, and in turn, enhanced the ability of the exiles to contribute to the transformation of the South Florida economy. No other Latino group or community has had the benefit of similar levels of targeted investment and state intervention sustained over a significant period of time.

More recently, Carlos Forment (1989) has argued for the role of ideology within a political and structural context in the emergence of the enclave during the 1960s. The geopolitics of the Caribbean after the Cuban revolution and the interplay of the U.S. state and exile counter-revolutionary movements articulated a political discourse that significantly contributed to the development of a Cuban collective identity. Forment contends political convictions and activities are as important in community formation as the market forces and state intervention that Portes et al. and Pedraza-Bailey, respectively, emphasize. The role of the Central Intelligence Agency in providing some exiles with capital and business experience through the establishment of proprietary fronts should, for example, be mentioned, even if the full range of evidence is difficult to obtain (Argüelles, 1987; Forment, 1989). The downfall of Eastern European socialism, the disintegration of the Soviet Union, and current uncertainties about the future of Cuba itself, moreover, have reinforced the weight of ideological concerns in Cuban ethnic identity.

Two important questions in relationship to the future of the Cuban enclave are, first, the role of second-generation Cubans in the enclave economy, and second, the effect on the enclave on the growing diversity of the Latino population in Miami. There are indications from the data analyzed here that the retail enterprises in the enclave may serve as an entry point into the labor market for younger Cubans, particularly the

retail trade sector. The question of whether they will fuel a second generation of the Cuban enclave, or as in other ethnic groups, the younger generation will immediately transcend it has not yet been answered. Similarly, there is evidence that "Other Hispanics" have very quickly attained even higher levels of self-employment than Cubans. Just a cursory observation of the main establishments of the enclave reveals that Central Americans are easily penetrating it both as owners and as workers. Nicaraguans are the main national group involved, which underscores the weight of the political and ideological factors framing the development and maintenance of the enclave.

## CONCLUSIONS

In this chapter we bring out new facets of the images of Cubans in Miami. Although still impressive, the Cuban experience is considerably more complex than the success story would indicate. Miami developed very differently from the pattern anticipated during the 1930s and 1940s. As the U.S. gateway to Latin America was emerging, revolution convulsed Havana—Miami's Latin American counterpart. Consequently, many of the Cubans who were fueling the transformation of Havana during the 1950s made their way to Miami. Their presence in turn provided an added impetus to the development of Miami. During the 1960s, Miami and the exiles became an almost perfect match. Cubans thus look less like superachievers and more like a group intelligently transferring their skills to a propitious environment.

Our perspective allows underscoring some general lessons. First, the Cuban experience exemplifies successful state and private sector strategies on the adjustment and incorporation of immigrants. Encouraging the development of the enclave allowed Cubans the resources to control their own community. Far from the "social welfare" approach so characteristic of public and private sector policies toward other Latinos that so diminish and disempower individuals and communities, Cubans had the opportunity to exercise control over their community. Community development and community control, important pillars in the struggles of most Latino communities, have been critical factors in the attainments of Cubans in Miami. The fear of permanent separation from the mainstream that the independent development of Latino and immigrant communities often raises, as well as the concern that strong ethnic

identity retards economic advancement, did not materialize in the Cuban case.

A second important lesson is the breadth of the Cuban Refugee Program and other federal initiatives to support the adaptation of Cubans. The range of programs offered are the top items in any Latino community's wish list: educational opportunities; retraining programs; English-language instruction; small business loans; college loans independent of need; and nonstigmatized direct cash benefits, health care, and food for those in need. Although these programs are not solely responsible for the Cuban success, they did provide a buffer against the initial, often traumatic experience of immigrants. No other Latino group has enjoyed similar favors. In this sense, the Cuban experience is indeed unique and needs to be underscored when comparing Cubans to other Latinos.

A growing concern is the state of race relations in Miami and our study likewise points to some insights. Three concurrent economic processes underlie relations among the three main groups. The first is the overwhelming success of non-Hispanic white workers who, after all, constitute the most important success story. Far from the sense of loss embodied in the slogan—"Will the last American to leave Miami, please bring the flag?"—non-Hispanic whites have been the principal beneficiaries of the economic transformations of the past four decades. Nevertheless, the Latinization of Miami has not been welcomed, the success of English-only legislation being but one example of non-Hispanic white dissatisfaction. Cuban attainments in Miami have undoubtedly most closely challenged the hegemony of non-Hispanic whites. Moreover, the ever-closer economic ties between Miami and Latin America underscore the importance of the Cuban success beyond the enclave. The prospects of continued Cuban advancement amid non-Hispanic white relative stagnation frame a most important backdrop to ethnic relations in Miami.

The second economic process underlying race relations is the marginalization of the black community. Blacks have not fared well in the processes of economic change in Miami. That change, set in motion well before the Cubans first arrived in the city, never took blacks' best interests into consideration. The advantages that some blacks have derived from their insertion in the ascending sectors of the economy are dwarfed by the severe disadvantages endured by the bulk of the black community. Although Cubans seem all-powerful from the perspective

of blacks, Cubans are in fact less privileged than blacks think them to be. Up to the 1980s, the socioeconomic profiles of the two groups were more alike than different, especially when compared to non-Hispanic whites. However, as Cuban economic outcomes improved and those of blacks declined, and particularly as Cubans have attained more political power, the social separation and distrust between the two groups have become exacerbated.

The third process in understanding race relations in Miami is the changes within the Latino community itself. During the 1980s, the increase in the Latino population has been quite significant. Other Latinos, the principal contributors to that growth, appear to be taking advantage of the enclave. Not all, however, are doing so. Tensions between Cubans and Puerto Ricans may stem from the latter's lesser access to the protection of the enclave. For Cubans, now in titular control of the political structures, managing the demographic transition taking place in Miami is proving to be a more difficult task than achieving economic success. The future of group relations, indeed, depends on the economic and social development of the black and other Latino communities in Miami. Policies need to favor community-based economic development and employment and educational opportunities—policies similar to those that supported the successful incorporation of Cubans into the Miami economy.

## NOTES

1. Prohías and Casal (1973) first pointed out the "dysfunctional" consequences of the "success story."
2. The 1950 PUMS is a 1/100 composite sample for Miami State Economic Area, Code 70 (sample size: 3,894). The 1970 PUMS is a 1% sample for the Miami SMSA, Code 3302 (Sample size: 9,347). The 1980 PUMS is a 5% 'A' sample of the Miami Metro Area (Dade County) Code 043-052 (sample size: 58,884). The PUMS data sets used in this study used the Miami Metropolitan Area defined in the 1980 PUMS for the extraction of the samples for 1950 and 1970. The 1988 March CPS is for the Miami SMSA (sample size: 1698). The 1960 PUMS is not used because data were reported statewide. The 1960 data reported were drawn from the sources noted.
3. *Psychosocial Dynamics in Miami* (Coral Gables, FL: University of Miami, January 1969, p. xxxvii). The report notes Miami led the United States in rates of increase in new manufacturing plants, new manufacturing payrolls, and new manufacturing value added.
4. The total wage bill excluded the salaries of sugar agricultural workers and only partially included other agricultural wages. See Pérez-Stable (1993) for a fuller analysis of Cuban development during the 1950s.

5. In 1950, there was no Latino identifier in the U.S. Census. The identification of Latino ethnicity in the 1950 PUMS was based on surname of the respondent or on Hispanic country of birth for respondent. Cubans are not identifiable as a distinct group in the 1950 PUMS.
6. The 1970 PUMS identifies Latinos by the birthplace of the parents.
7. Beginning in 1980, the U.S. Census contained a Latino identifier which asked respondents to identify their Latino background as well as the specific national group.
8. Because of the reduced cases in the cells, the figures for 1988 only provide an indication of trends and should be cautiously read.
9. Self-employment among Central Americans in Miami (8.7%) surpasses the high rates of Cubans.