

States, Markets, and Immigrant Minorities

Second-Generation Turks in Germany and Mexican-Americans in the United States in the 1980s

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The Transition from School to Work

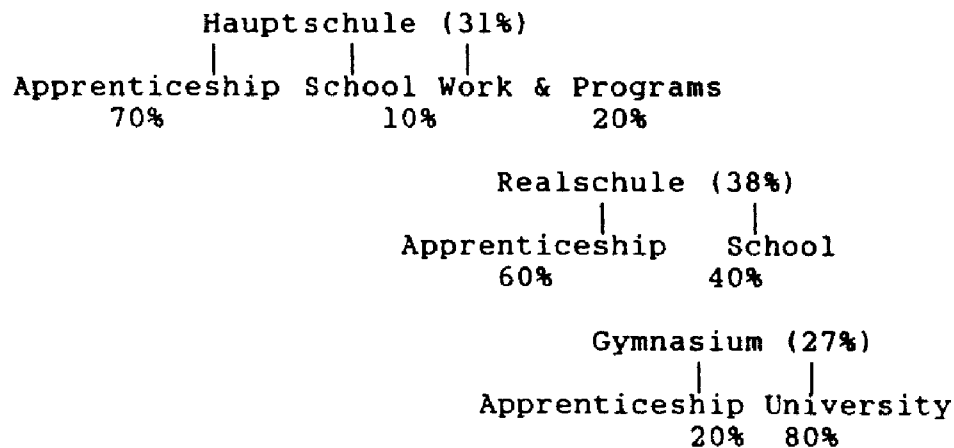
One of the most important questions concerning the future of labor migrants in western democracies is the integration of their descendants into socioeconomic and political life. This article discusses public policies, their effects on processes of insertion of the children of labor migrants into labor markets, and the response of immigrants to the opportunities and constraints they have encountered in entering labor markets. The analysis is thus primarily concerned with the relations between state institutions and public policies, the demand for labor and employers' selection policies, and immigrants' resources in the 'competition for training and jobs. More specifically, it deals with the transition of young immigrants from school to work in the United States and Germany during the 1980s, focusing on second-generation Turks in Germany and Mexican-Americans in the United States. The transition from school to work can result in marginalization, such as long-term unemployment, and relegation to low-wage labor, but also to occupational mobility. Thus, access to training and work hinders or enables participation in social, economic, and political life.

The main difference between public policies in Germany and the United States is that German policies have ensured a higher rate of formal job training for school-leavers than American policies (see Figures 1 and 2). More than two-thirds of secondary school graduates in Germany enter formal postsecondary training, most of them in apprenticeship. By contrast, in the United States those school-leavers who are classified under the categories "work" and "school and work" mostly do not undergo formal job training. Underlying national policies are different concepts of the role of the state and other political actors in labor markets.¹ There are no constitutionally guaranteed rights to employment or to training in either the United States or Germany. However, the German constitution (*Grundgesetz*) guarantees the "free development of personality" (Article 2) and the right to "freely choose vocation/profession (*Beruf*), workplace, and place of education and training" (Article 12). German labor market and training policies have been characterized by an active role of state institutions, unions, and employers' associations in policy formation and implementation, a neocorporatist policy network.² By contrast, American labor market policy has developed in the context of a more tenuous role of state institutions and other actors in the political-economic realm.³ The research reported here develops a framework for analysis that considers public policies as part of the "demand" side of the transition from school to work. In particular, it deals with the differential impact of corporatist and pluralist politics and training policies upon ethnic inequality in the United States and Germany.

Figure 1 From School to Work in Germany: The First Three Years after Graduation (crude estimates)
Germany (mid-1980s)

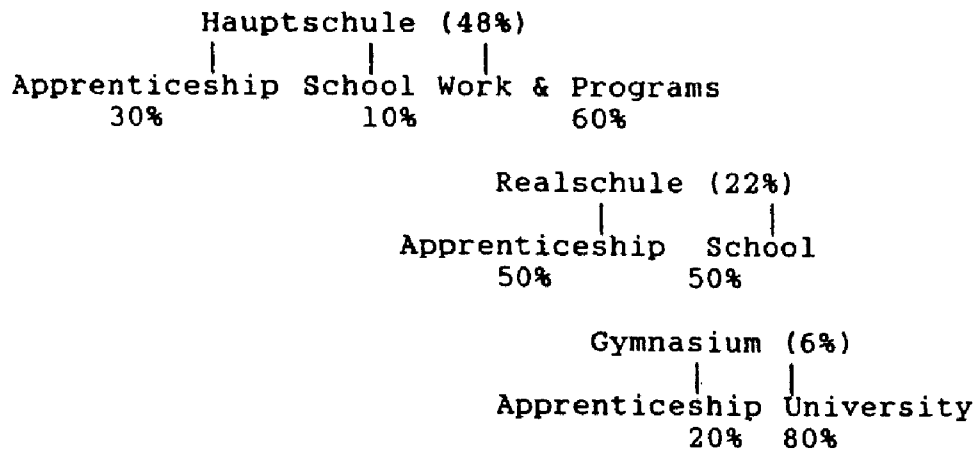
Germans:

No Hauptschule (5%)



Turks:

No Hauptschule (24%)



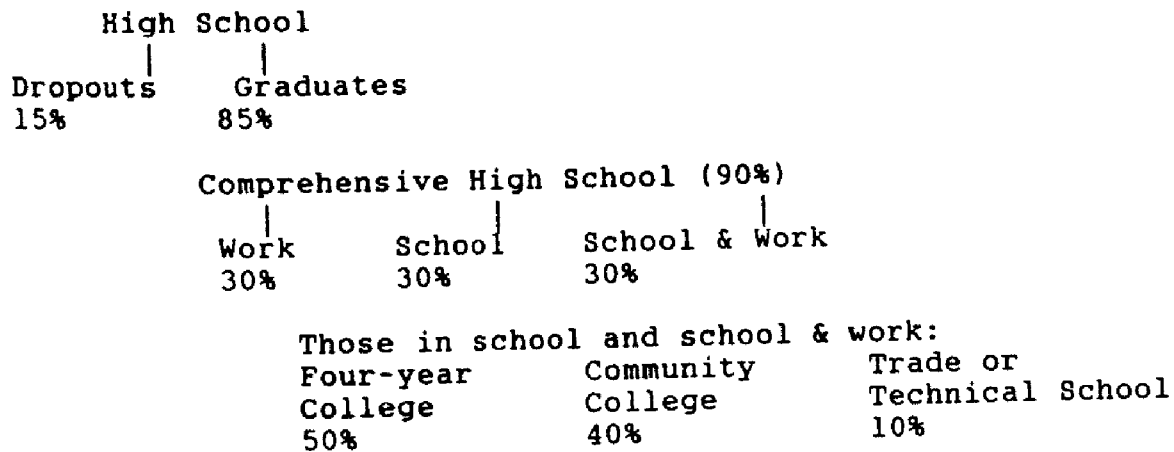
Sources: Estimates based upon BMBW (Bundesministerium für Bildung und Wissenschaft), Berufsbildungsbericht (Bad Honnef: K.H. Bock, 1977-1992).

Note: About eight percent leave secondary school without a Hauptschule certificate, either from schools for handicapped (five percent) or not finishing (three percent). Again, these estimates refer to secondary school graduates only.

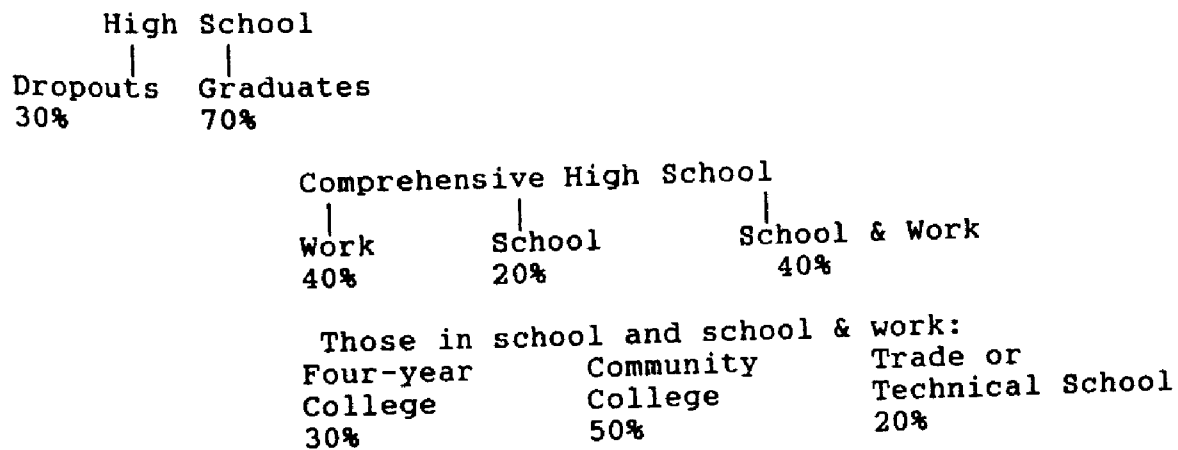
However, despite the more active role played by the German government, unions, and employers' associations in school-work transitions, the issue of immigrant occupational mobility and participation in every sector of the economy still seems to be a common

Figure 2 From School to Work in the United States: The First Year after Graduation (crude estimates)
 United States (mid-1980s)

European-Americans:



Mexican-Americans:



Sources: Estimates based upon "High School and Beyond" (various editions); National Center for Education Statistics, High School and Beyond. A Descriptive Summary of 1980 High School Sophomores: Six Years Later (Washington, D.C.: U.S. Department of Education, Office of Educational Research and Improvement, 1988).

Note: The estimates apply to graduates of public high schools. Many college students work part-time; about three-fourths of all high school seniors also work part-time.

problem for both immigrant groups, Mexican-Americans and Turks. The relative distances between European and Mexican Americans, on the one hand, and Germans and Turks, on the other hand, were very similar during the 1980s when we look at indicators such as ethnic unemployment ratios, access to vocational education and job training, and enrollment in

apprenticeship or postsecondary education. The descendants of both immigrant groups, second-generation Turks and Mexican-Americans, have faced difficulties in access to job training and jobs. In the Federal Republic of Germany Turkish youth have faced higher obstacles to quality training than Yugoslav and Greek youth, for example. In the United States, Mexican-American youths have not been as successful as Chinese or Cuban youths, but certainly more successful than African-Americans. Some analysts have even spoken of underclass formation among Turks and Mexican-Americans.⁴ Thus, we have to look beyond the demand side to explain why Mexican-Americans and Turks have faced major difficulties compared to European American and German youth. Therefore, the research also analyzes the "supply" side of school-work transitions, that is, the resources used by immigrant communities in labor market competition.

First, I argue that the insertion of the descendants of immigrant minorities into the working world crucially depends upon the types of public policies and employer selection procedures concerning school-leavers. While public policies determine the rate of job training, employer selection mechanisms shape processes of unequal access to training and jobs. Institutional factors, such as public policies and the organization of hiring and placement, mediate the outcomes of the transition process from school to work—unemployment among young Turks in the Federal Republic of Germany and income poverty among young Mexican-Americans in the United States. In the discussion of state-market relations, the demand side has to be supplemented by a discussion of the supply side.

Second, I claim that an adequate explanation of school-work transitions among immigrant minorities also has to take into account the resources of the immigrants themselves, such as access to job networks and ability to engage in ethnic entrepreneurship. Disadvantages of immigrant youth in access to training and jobs can result from lower levels of human capital formation in secondary schooling, weak job networks, biased placement policies, and specific problems of immigrant entrepreneurial activity.

The empirical findings reported here are based upon secondary statistical sources and, to a greater extent, upon case studies on school-to-work transition processes in immigrant neighborhoods in Chicago (USA) and Duisburg (Germany). The research focused on neighborhoods with a high concentration of first- and second-generation immigrants, Pilsen/Little-Village in Chicago and Hamborn (Marxloh, Bruckhausen) in Duisburg. All Mexican-Americans and Turks included in the study were either born in the United States and Germany or spent all of their primary and secondary schooling in the countries of settlement.⁵

The article first describes the situation of the reference groups, Mexican-Americans and Turks, compared to the majority groups, European American and German youth. Second, it develops an analytical framework for the transition from school to work in a state-market-immigrant (community) perspective, dealing with both demand and supply side explanations. Third, the analysis discusses the processes and outcomes in regard to politics and policies, human capital formation (secondary schooling), placement (job networks), and immigrant entrepreneurship. Fourth, the analysis connects supply and demand perspectives in an evaluation of long-term prospects for incorporation of labor migrants in the United States and Germany; this discussion centers on the question of underclass formation.

The Groups: Turks and Mexican-Americans

Second-generation Turkish and Mexican-American youth had access to social rights to the same degree as German and European-American youth. Turks in Germany are de facto immigrants; in the 1970s and 1980s the German government did not consider Germany a country of immigration. Mexican-Americans can be seen as immigrants; those who entered "legally" are set on the road to citizenship. Although most Turkish youth were not German citizens during the 1980s, the legal status accorded them has been similar to permanent residency status in the United States. First-generation Turkish immigrants with a status equivalent to permanent residency and their children had social rights comparable to those of German citizens.⁶ Mexican-American second-generation youth were mostly citizens with full political and social rights.⁷

This analysis is concerned with noncollege (United States) and nonuniversity (Germany) bound school-leavers (that is, graduates and dropouts from secondary school who enter labor markets and/or postsecondary institutions). In both countries these groups constitute more than half of all secondary school-leavers. Of all ethnic and racial groups in their respective countries of settlement, second-generation Turks and Mexicans have in common that they participate least in postsecondary education and training. There is no doubt that the risk of unemployment is much higher for youths who have not undergone job training or graduated from college. Second-generation Turks and Mexican-Americans were inserted into labor markets in a period characterized as the end of the "everlasting dream of prosperity," a time of profound restructuring of production and labor markets.⁸

Turks in Germany have constituted about one-third of the immigrant population. Immigrants made up about 6 percent of the total population during the 1980s. Turkish immigrants have represented the largest contingent of Germany's immigrant population, over a third of the immigrant school age population in the 1970s and 1980s. Turkish youth have experienced high rates of exclusion from job training and higher rates of unemployment than German youth during the late 1970s and throughout the 1980s. More than two-thirds of all German youths receive formal job training. But compared to German youth the unemployment rate of Turkish youth was almost twice as high in the early 1980s, and enrollment of school-leavers in job training (in apprenticeship or the dual system of vocational training) was about three times lower than among the former group (see Table 1). Even compared to other immigrant youth in Germany, young Turkish men and women showed somewhat higher rates of unemployment and lower rates of enrollment in apprenticeship.⁹

Unemployment rates among young Turkish men have decreased since the early 1980s, despite increased competition in the youth labor market until the late 1980s. However, the rate of nonparticipation in postsecondary education and the labor market has remained much higher for young Turkish women. Also, the participation of Turkish men in the dual system of vocational training has increased, albeit slowly and at an uneven rate in different sectors of the training market (see Table 1). Nevertheless, there is no sound evidence that the relative disadvantage of Turkish youth vis-à-vis German youth has significantly decreased during the 1980s. While Turkish youths have been moving into the less desired apprenticeships, German youths have moved rapidly into more prestigious apprenticeships, secondary technical colleges (*Fachhochschulen*), and universities. In sum, the participation rate of young Turkish men has improved, while young Turkish women have been left behind.

Table 1 Germany: Percentage of Immigrant Youth in Apprenticeships, 15–18 Year Olds, 1984–1989

	1984	1985	1986	1987	1988	1989	1990
Turks	22.4	21.6	23.1	25.2	29.1	30.9	35.5
Yugoslavs	32.7	33.5	32.2	29.7	33.6	32.6	40.0
Italians	25.2	28.0	30.1	33.5	36.6	38.3	42.8
Greeks	17.9	19.8	22.1	22.4	24.2	23.9	27.2
Spaniards	33.3	38.1	43.2	42.6	45.3	45.2	49.0
Portuguese	26.3	29.2	33.7	37.6	42.5	43.3	43.8
Immig. Total	24.1	24.1	25.4	26.9	30.8	32.4	35.5
Total: Germans and Immigrants	59.0	62.9	66.5	69.3	72.6	75.0	79.4

Source: BMBW, Berufsbildungsbericht (1993), p. 72.

Mexican-Americans represented more than half of the Hispanic population in the United States, about four percent of the total population of the United States in the 1980s. Although Mexican-Americans constituted by no means the fastest growing immigrant group in the United States, they were the largest. The unemployment rate of Mexican-American youth was lower than among African-American youth but higher than among European Americans. During the 1980s the unemployment rate among 20–24 year old workers ranged between 7 and 9 percent among European Americans, 11 and 13 percent among Latinos, and 20 and 25 percent among African-Americans. In general, their unemployment rate has been higher than Cubans' but lower than Puerto Ricans'.¹⁰ Their rate of enrollment in four-year colleges has been lower than European Americans' and African-Americans'. Since the main divide in the United States is between college and noncollege youth, Mexican-Americans are at the "bottom" in regard to participation in postsecondary education and job training (see Table 2).

The relative disadvantage of Mexican-Americans vis-à-vis European Americans in access to postsecondary training did not decrease during the 1980s. Mexican-American high school graduates increased their participation in community colleges and federal manpower programs, while their share in enrollment in four-year colleges has stagnated since the late 1970s.

Supply and Demand Side Approaches

This section discusses demand side explanations—labor market segmentation and public policies—and supply side explanations—human capital theory, network approaches, and immigrant enclave perspectives.

Factors such as the structure of labor markets and the resulting segmentation of the work force along ethnic and racial lines are the primary focus of explanations that emphasize the

Table 2 United States: High School Seniors Enrolled in College, by Type of Institution, February 1982 (in percent)

	Four- Year College	Two- Year College	Voca- tional Insitute	No Postsecondary Education
All Students	35	25	8	32
European-American	37	25	7	31
African-American	33	20	11	36
Hispanic-American	20	28	9	43
-Mexican-American	18	27	8	47
-Cuban	32	27	8	25
-Puerto Rican	24	18	7	51
-Other Hispanics	24	24	11	41

Source: Elaine El-Khawas et al., Community College Factbook (New York: American Association of Community and Junior Colleges; American Council on Education and Macmillan, 1988), p. 54.

demand side. Theories of labor market segmentation, for example, have claimed that discrimination by workers of ethnic majority groups and employers is the main cause of the disadvantages ethnic and racial minorities encounter in labor markets. In general, these explanations hold that the labor market is split or segmented into various, largely impermeable, parts. Labor migrants (cheap labor) can be found in the secondary or lower segments.¹¹ These discussions focus only on migrant and minority group labor employed in the lower rungs of the work force, never on higher priced labor. The merit of these approaches is that they offer plausible accounts of why it may be rational for employers and/or workers of majority groups to discriminate against minorities. For example, employers use ethnic group membership as a proxy for expected productivity. Empirical research shows that employers in the United States prefer Mexican-Americans over Puerto Ricans or African-Americans for manufacturing jobs. However, in service jobs African-Americans are preferred, presumably because of better language skills.¹² Workers, on their part, also use ethnic markers to exclude unwelcome competitors, a strategy that Max Weber aptly called social closure.¹³

In this perspective public policies are also part of the demand side. Policies set a framework in which major actors such as employers and unions move; policies regulate the transition from school to work. For example, immigrant economic activity is crucially dependent upon legal regulations that allow immigrants to establish businesses in the first place and give immigrant entrepreneurs an opportunity to train youth. Also, government itself intervenes directly in labor market and training processes. Examples include financial aid to students and trainees and government-sponsored training centers. While corporatist policies in Germany ensure a high level of job training of school-leavers, American policies encourage postsecondary education and informal on-the-job training.¹⁴

The main weakness of demand side approaches is that immigrants tend to be viewed as objects of the labor market strategies of employers, unions, and states. However, groups such

as the descendants of first-generation immigrants actually have access to resources in competing for training and jobs. These resources include not only school certificates but also such means as contacts to companies through job networks and employment in firms of coethnics.

Accordingly, a second group of explanations emphasizes this supply side perspective. For example, human capital theories hold that educational degrees and years of schooling explain later earnings.¹⁵ Figures 1 and 2 suggest that differences in access to training between Turks and Mexican-Americans, on the one hand, and Germans and European Americans, on the other hand, are related to differences in human capital (formation).

However, the exclusive focus upon the human capital of individuals has neglected the "social embeddedness" of economic action.¹⁶ For example, human capital theory can not explain why differences in hiring, given identical human capital but different ethnic background, have persisted and not waned in the United States or Germany. Among alternative approaches, network theory offers an explanation. To oversimplify, this view contends that what matters most in obtaining jobs are contacts of job seekers to potential employers, mediated by parents, relatives, teachers, and friends.¹⁷ However, since first-generation labor migrants tend to be concentrated in certain sectors of the labor market that are mostly unattractive to their children, this option may not be preferred by second-generation immigrants because it restricts them to "immigrant jobs."

Enclave theories hold that immigrant entrepreneurs tend to employ and thus may also offer opportunities for on-the-job training of immigrants. These theories emphasize that immigrant business persons are crucial "gatekeepers" in personnel recruitment. However, and this is an important caveat, not all immigrant businesses offer training that is desirable for second-generation immigrants. In the United States, in particular, working conditions in immigrant businesses are often characterized by low wages and few opportunities for educational mobility. Nevertheless, it is a well-known fact that most immigrant communities in western Europe and North America host small businesses that address the needs of immigrant communities, for example, travel agencies, grocery shops, and small manufacturing plants. These businesses tend to employ immigrants. Enclave approaches focus upon mutual trust and control as strong determinants of immigrant success in setting up businesses. Those immigrant groups that can draw upon resources such as "interpersonal trust" and "enforcement of norms" are able to set up businesses and offer employment opportunities to coethnics.¹⁸ We would expect those immigrant groups that are most successful in setting up businesses to offer the most opportunities for their children. Examples of successful immigrant entrepreneurship in the United States have included "rotating credit associations" among the Chinese and Korean grocery shops in Los Angeles and New York.¹⁹ Enclave theories are a giant step beyond explanations that insist upon the importance of factors such as the "work ethic,"²⁰ but they do not explore how these normative dispositions are used.

States, Markets, and Immigrants

Politics and Policies: Corporatism versus Pluralism A class-based corporatist system (Germany) and an ethnically segmented pluralist system (United States) present distinct opportunities and constraints for immigrant school-leavers.

From a policy perspective the United States and the Federal Republic of Germany

represent "crucial cases" for the linkages between schooling and work, job training and placement.²¹

In the German case markets and the state are linked through intermediary organizations, such as unions and employers' associations. Social, employment, and above all training policies are made in a (neo)corporatist framework.²² Corporatism involves the participation of unions and employers' associations in designing and carrying out public policies. Indeed, training policies are the strongest case of corporatist politics in Germany. In the German case corporatist politics are class-based because unions and employers are the most important social actors in policy formation. There is a high degree of public responsibility for training of secondary school-leavers, sustained by a political framework in which employers, though dominant and in control of offering apprenticeship slots, cooperate with labor unions and state institutions to deliver apprenticeship training. In the Europe of the 1970s and 1980s, similarly high levels of job training for school-leavers have been matched only by Sweden, Austria, and Switzerland. The German system of training for non-university goers has consistently also resulted in one of the lowest youth-adult unemployment ratios in the European Community, even in periods of high unemployment, for example during the early 1980s. The so-called "dual system" links training in the workplace (apprenticeship) with theoretical instruction in state-run schools (vocational education). An apprenticeship or an equivalent is a necessary requirement for a school-leaver to get a skilled blue or white collar job in the adult labor market.

In regard to the insertion of immigrant minorities there are two important limitations of the corporatist system. First, training policies ensure an overall high rate of job training for school-leavers, but they do not guarantee that all apprentices actually get apprenticeships or skilled jobs in the adult labor market once they have finished training in the dual system. Cooperation of state, corporate, and union actors takes place within industrial sectors, for example, the construction, metal, electrical, and chemical industries. Public policy coordination of training also occurs on this sectoral level because employers' associations and unions are organized along sector lines. The institution regulating vocational training, the Federal Institute of Vocational Education (*Bundesinstitut für Berufsbildung*), mainly functions as a forum where employers' organizations and unions bargain over issues of vocational training. Therefore, it is hard to imagine the design and implementation of more comprehensive strategies to advance equality of opportunity for disadvantaged groups of school-leavers within this framework. One of the main reasons is that the interests of immigrant groups, in this case Turkish immigrants, are not represented in class-based corporatist institutions. In sum, the way in which the class interests of employers and workers have been organized has ensured the training of most German youths, but it has not allowed the development of universal policies guaranteeing access of all school-leavers to quality job training.

Even when employers were prodded by the federal government and unions in the early 1980s to increase the number of apprenticeships, the effects were ambiguous. Since employers increased the number of apprenticeships without considering future needs and employability, a considerable number of apprentices was trained in fields in which they could not find employment after graduation from apprenticeship. Turkish youth tended to be concentrated in those fields where employers trained beyond demand for the adult labor market.

Second, corporatist coordination does not impinge upon the prerogative of private companies to regulate hiring and quotas of apprentices, in particular access to apprenticeship slots through job networks. Existing job networks tend to favor established groups, that is, German apprentices have better chances to enter into prestigious apprenticeship positions than the children of "guestworkers." Nevertheless, one element of corporatism, the representation of workers on works councils, mitigated against the exclusion of Turkish school-leavers from apprenticeships.²³ To the extent that Turkish workers are represented on works councils, they have been able to push for Turkish applicants.

Thus, an intriguing question is raised. How would transition processes look in a pluralist political context in which both class-based and ethnically based interests were represented and intersected? This question has been at the forefront of conflicts surrounding politics and policy formation and implementation in the United States for more than a century.²⁴

In the United States markets and the state are seen as exclusive spheres of domination.²⁵ Labor market and training policies are targeted towards specific groups to be incorporated into the political process. In this sense it is pluralist.²⁶ In general, government programs target specific groups. For example, the GI Bill advanced postsecondary education of former soldiers. The military is a major source of job training for racial and ethnic minorities. There has been a long tradition of selective policies, stretching from welfare delivery to immigrants in the late nineteenth century by urban political machines to "programs for the disadvantaged" that addressed unemployment among inner city minority youth and aimed at incorporating an African-American electorate into the Democratic Party during the 1960s.²⁷ Mexican-American immigrants have also been among the target groups of federal job training programs.

The pluralist political framework has favored the implementation of policies and the development of niches for specific professional groups. In high schools, teachers in vocational education pushed for their professionalization. Community colleges transformed themselves from junior colleges to mostly vocational colleges; the administrations of junior colleges saw a chance to occupy a niche between high schools and four-year (senior) colleges in the field of vocational education.²⁸ These groups have catered job training programs to their clients.

Racial and ethnic minorities can be seen as client groups, for example, for the Democratic Party. In practice, most of the programs for the "economically disadvantaged" are "racially" or ethnically specific. For example, in regard to school-leavers, the programs of the Job Training Partnership Act (JTPA) and its predecessor, the Comprehensive Employment and Training Act (CETA), have above all reached minorities in urban areas. In most big cities these programs can be considered "warehousing." Employers do not consider employment programs as a preparation for "good jobs."²⁹

Affirmative action programs, however, have indeed had an impact upon the hiring practices of employers, increasing the number of minority group members employed. What is important, however, is that mostly graduates from the first segment, four-year colleges, profited from these rules.³⁰ Therefore, immigrant minority youth such as Mexican-American school-leavers, who are underrepresented in four-year colleges, have not made much progress. Moreover, affirmative action programs did not make many inroads into the strongholds of "white" dominance, apprenticeship programs administered by unions.³¹

Segmentation can be seen in a number of areas. There is a definite institutional hierarchy

in vocational education. At least four segments can be distinguished; they offer training and employment opportunities in declining order when seen from the view of employers. First, the market for four-year college graduates; second, one for graduates from community colleges and prestigious high schools; third, one for graduates from nonselective high schools; and finally, the market for participants in programs for the "economically disadvantaged."³² Mexican-American school-leavers cluster in the third and fourth segments (see Table 2).

In stark contrast to the German dual system, American public policies only selectively deal with training of non-college-bound school-leavers. For example, financial aid policies favor college students. Thus, school-leavers in the United States who do not go on to postsecondary education are on their own; there are no comprehensive policies regulating formal job training in the youth labor market. Non-college-bound school-leavers constitute what a recent report called "the forgotten half."³³

The U.S. pattern of transition from school to the adult labor market is much more prolonged and two-way than the German. This pattern is due to a generally longer period of general secondary schooling and a "moratorium" period. In general, high school leavers enter low wage jobs. Employers do not hire them for responsible jobs until they judge them to be mature enough, usually when young adults are in their early to mid twenties.³⁴

Since Mexican-American school-leavers have a comparatively low rate of enrollment in four-year colleges, occupational mobility crucially depends upon participation in community colleges, federal training programs, and jobs in the youth labor market. In regard to the first two channels, the political representation of immigrant communities matters. For example, the political strength of immigrant communities is decisive for community colleges to be built in their neighborhoods. Moreover, the capacity for self-organization in immigrant communities is a crucial factor in establishing organizations that attract resources of the federal state to carry out job training programs.

In sum, politics and policies have enhanced the ethnic segmentation of school-work transition in both countries, albeit for different reasons. Corporatist politics and policymaking in Germany favor a high rate of formal job training among school-leavers. However, since immigrants are excluded from the formal political arena and are effectively disenfranchised except in the democratically elected works councils in the workplace, they do not participate in the formation of training policy. By contrast, many Mexican-Americans in the United States are politically enfranchised. They are part of a pluralist political system and are able to participate in formulating training politics and policies at the local level. Yet the state and major political actors such as unions and employers' associations do not play a strong role in a pluralist system of labor market and training policies.

Human Capital Formation and Secondary Schooling Policies shape human capital formation of school-leavers. In Germany, enrollment in one of the tiers of secondary school (lower secondary school, *Hauptschule*, intermediate secondary school, *Realschule*, academic secondary school, *Gymnasium*) shapes access to apprenticeships. The more prestigious training positions and thus increased employment opportunities accrue to intermediate and academic secondary school graduates. In this case academic credentials serve as a marker and as a selection criterion for (potential) employers. In the United States,

despite a comprehensive school system, there are functional equivalents to the tiered German secondary school system. For example, there is tracking into academic, general, and vocational segments within comprehensive high schools. However, vocational education can not be simply classified as a last resort. How employers view the quality of vocational education in the United States partly depends on the ability of schools to select students. Tracking and selectivity of high schools in connection with the spatial location of the educational institutions, and thus links between school and employers, strongly bias employment opportunities for school-leavers.

As Figure 1 shows, Turkish school-leavers have on average fewer educational credentials than Germans in competing for training positions in the dual system. Similar considerations apply to Mexican-American school-leavers. They are mostly enrolled in nonselective neighborhood schools. Examples of the importance of human capital, mediated by secondary schooling, are manifold. What is particularly striking in the German context is the absence of Turkish (and other immigrant) school-leavers from apprenticeships in the white collar sector (for example, secretarial and clerical occupations and banking). This fact can be explained by employer selection criteria for white collar apprenticeships which heavily emphasize communication and "social" skills.

In both countries, immigrant women are largely excluded from the most prestigious apprenticeships and jobs available for women in the white collar segment of the work force. The participation of young women in postsecondary education does not automatically disadvantage them vis-à-vis their male peers, however. Many of the more attractive jobs for women in both countries depend on postsecondary schooling. Also, the majority of "good" jobs in the service economy requires postsecondary education.³⁵ Yet the high rate of nonparticipation of Turkish women in both postsecondary schooling and apprenticeship points toward their exclusion from future employment opportunities to an even higher degree than among young Mexican-American women.

Major options for female Turkish school-leavers in Germany include the continuation of general education, apprenticeship in "women specific" occupations such as sales, full-time vocational schools in the lowest rungs of such fields as education, health, and homemaking, work at home, and part-time, low-paying menial and service jobs. These choices have been similar to those of many young German women. The difference is that the range of choice for Turkish women has been much narrower. Turkish women, as with their male counterparts, are notably absent from training in clerical or administrative occupations, a field where communication and language skills are essential. German women are well represented in these occupations.

In contrast to Turkish women, Mexican-American women tend to continue in postsecondary institutions to a higher degree than their male peers. This pattern is very similar to European American women. Mexican-American women are more likely to attend community colleges, while their male peers concentrate in trade schools. But Mexican-American women tend to be much less well represented than European American women in jobs that require social and communication skills.

Placement: Job Networks and Industrial Relations The availability of job networks is of prime importance to explain access to jobs. Job networks can be of a more informal kind,

such as employers' hiring through parents, relatives, and friends of applicants. Also, there are institutionalized networks, for example through works councils and placement services of the Federal Employment Office in Germany and craft unions and placement services of schools (and private employment agencies) in the United States.

Informal networks between schools and employers play a crucial role in the United States. There are significant differences between selective and nonselective high schools in the ability to select students. In general, the more selective high schools are perceived by employers to provide better preparation for jobs. In inner city neighborhoods in Chicago, for example, nonselective high schools have few links to employers while more selective schools entertain these relations, for example through instructors in vocational education. Links between schools and employers do not play the same role in Germany because the dual system connects schooling and work.

Industrial relations, regulated by public policies, also shape job networks. Since local unions in the United State constitute job networks for groups in predominantly European American neighborhoods, strong opposition to implementation of affirmative action policies arose in the 1970s and 1980s. Conflicts surrounding access to apprenticeships in the trades and construction have been typical in this respect.³⁶ At a time when white working class ethnic neighborhoods, of which unions were an integral part, experienced a rapid transformation of their economic base, policy intervention in the form of affirmative action demanded and partly resulted in a higher share of apprenticeships and skilled craft jobs for racial and ethnic minorities. One of the responses of craft unions to affirmative action policies in Chicago has been to shift their apprenticeship programs from the core cities to suburban areas. Craft unions thus effectively decreased chances for youths residing in the inner city to get access to quality job training. Thus, Mexican-American immigrant youth, mostly residents of inner cities, still face high barriers in getting access to apprenticeships in the crafts. Nonetheless, in Chicago, unions have enrolled a higher proportion of Mexican-American than African-American apprentices in their programs. Also, federal programs in Mexican-American communities are more successful in placing their trainees than similar programs in African-American neighborhoods. Inner city employers tend to prefer Mexican-American workers over Puerto Ricans and Puerto Ricans over African-Americans for blue collar jobs.³⁷

This employer rank order thus extends beyond the first generation to the second generation of Mexican immigrants. One of the reasons for the better access of Mexican-Americans over Puerto Ricans and African-Americans is related to the spatial location of ethnic groups. Compared to African-Americans, the Mexican-American population in Chicago has been more dispersed and less segregated, allowing greater geographic and social access to jobs traditionally dominated by European Americans. Substantial numbers of Mexican-Americans live in Chicago suburbs, especially on the south and southwest sides of Chicago. Also, large numbers of Mexican-Americans have long lived in predominantly European American working class neighborhoods, particularly in areas dominated by heavy industry (for example, South Chicago, Pullman, Roseland, Blue Island, Riverdale, Calumet City).

In Germany, institutional job networks have enhanced the chances of Turkish youth to get hired. For example, institutions of economic democracy—works councils—have ensured the hiring of Turkish apprentices in mass production industries. Although personnel departments

in large Duisburg companies decide over recruitment of apprentices, personnel officers consider the wishes of works councilors and the ethnic composition of the work force in hiring apprentices. Works councilors informally transmit their preferences to the personnel department. In short, to the extent that Turkish workers are represented on works councils, representation of Turkish youth, young men in particular, in apprenticeship in production occupations has increased during the 1980s. In the secondary sector, young Turkish men are well represented in large-scale engineering-based industries. Firms in these industries typically have a high proportion of first-generation migrant workers (for example, steel and automobile companies).

In the United States important institutional channels of occupational mobility have disappeared due to restructuring. Mexican-American first-generation labor migrants have been heavily concentrated in unskilled and semiskilled jobs in the secondary sector. In contrast to Germany, however, there are few apprenticeships that would enable Mexican-American youth to advance into skilled jobs. Until recently, it was possible for many Mexican-Americans in large-scale, heavy industry to advance to more skilled jobs through seniority. The principle of seniority has traditionally been used in unionized large-scale manufacturing plants in the United States, in place of the apprenticeship programs used in Germany to train workers for more skilled positions. However, with the closing of so many factories in these sectors in the 1970s, advancement by this route has become extremely difficult, if not impossible, and Mexican-American workers have been especially hard hit in cities like Chicago. Advancement to more skilled factory jobs by the route of seniority was primarily important for employed workers in their twenties and thirties, that is, those who had successfully passed through the "moratorium period," rather than for school-leavers. Nowadays, however, access to many skilled jobs, especially outside heavy industry, for example in service jobs, is only possible through community or four-year college education. Therefore, networks between these institutions and employers have increased in importance.

Effectiveness of job placement through public intermediary institutions shows striking differences between the two countries. The large majority of secondary school graduates in Germany, Germans and Turks alike, make use of information and referral services offered by the counseling and placement division of the Federal Employment Service (a semiautonomous, tripartite corporatist institution), called *Berufsberatung*. Placement services can only partially serve as a substitute for those who lack job networks through parents, relatives, and friends. Nevertheless, German *Berufsberatung* offers job leads and enables school-leavers who do not find apprenticeships to enroll in preapprenticeship programs. *Berufsberatung* widens opportunities for Turkish school-leavers through information on training, job leads, and placement. By contrast, very few American high school graduates use the American counterpart, the U.S. Employment Service. Moreover, guidance counselors in high schools mostly deal with those students who plan to go on to (four-year) colleges. Those Mexican-American school-leavers who lack job networks are on their own.

Those youths who lack access to job networks find employment in precarious "moratorium" jobs (United States) and unskilled work or undesirable apprenticeships (Germany). For example, Turkish apprentices are overrepresented in companies that have difficulties in recruiting German apprentices because the work is physically exhausting and unattractive (for example, coal mining). Small craft shops, such as painters and pipe-fitters, overproportionally hire immigrant school-leavers, too. One of the reasons for employer

recruitment problems is that in some craft occupations employers use apprentices as cheap labor to a much higher extent than in big companies. Young Turkish men are definitely overrepresented in the small crafts sector (*Handwerk*) compared to young German men. Employers in the crafts often have not been able to find the preferred German apprentices since the number of school-leavers dropped precipitously in the late 1980s. Thus, school-leavers try to get into more demanding apprenticeships first, usually in bigger companies. These companies expect to reap the returns of their investments after apprenticeship training; many more graduates from apprenticeship in big companies continue to stay on, compared to apprentices in small craft firms.

Immigrant Entrepreneurship and Training Employment opportunities and chances for job training for immigrants and their children partly depend upon the resources of local immigrant communities to establish economic enclaves. The sparse evidence available suggests that immigrant entrepreneurship as a source of training has not been used to a large degree by the two immigrant groups under study, albeit for different reasons.

Because labor markets in the United States are much less regulated than in Germany, it is easier for immigrants to set up their own businesses and to train young workers and employees. Over the past century immigrant businesses in the United States have offered training and employment opportunities to coethnics of the first generation.³⁸ However, since Mexican-Americans have not entered self-employment to a significant extent when compared to other (recent) immigrant groups such as Koreans and Indians,³⁹ immigrant businesses in Mexican-American communities do not contribute much to the training of school-leavers. Also, opportunities for self-employment for Mexican-Americans were few, and often preempted by other ethnic groups. For example, Mexican-Americans in Chicago settled in industries and neighborhoods where the development of self-employment was particularly difficult. A large percentage of Mexican-Americans worked in heavy industry and settled in neighborhoods already dominated by previous European American immigrants, for example on the far south side of Chicago.

In addition, jobs in ethnic businesses do not tend to be very attractive for most second-generation Mexican-American school-leavers. Most neighborhood businesses pay little and do not offer chances for occupational mobility; they tend to be even less attractive than other "moratorium" jobs.

The main problem for job training of Turkish school-leavers in Turkish businesses in Germany is not so much the quality of entry-level jobs and lack of opportunities for economic advancement in immigrant businesses, but rather the inability of first-generation Turkish entrepreneurs to fulfill the necessary professional requirements to train apprentices, such as the masters' qualification (*Meisterbrief* or equivalent in white collar occupations). This problem is an outcome of a corporatist training market that excludes as trainers those who did not go through apprenticeship themselves and have an additional training license.⁴⁰ This form of legal discrimination has been maintained at a time when entrepreneurial activity among Turkish immigrants has sharply increased.

Marginalization of Immigrant Youth

Those immigrant youths who do not take up job training or enroll in postsecondary institutions encounter risks specific to each training system. In Germany's corporatist system

with its high density of regulation and placement of overriding importance on vocational certificates, the risk of unemployment is very high. In the less regulated training and labor markets in the United States, where wages and salaries are not fixed by wage bargaining, income poverty is the most characteristic risk. Both unemployment and income poverty could be signs of incipient underclass formation.

Unemployment and Income Poverty Unemployment among youths and young adults gives a first indication of system-specific differences in exclusion. A comparison of unemployment rates of Mexican and European American youth in Chicago and German and Turkish youth in Duisburg (sixteen to nineteen year olds) shows that there were very few country-specific differences. During the 1980s the unemployment ratio among Turkish and German young men was 1.4 to 1; between Mexican and European American young men it was 1.3 to 1. Among women the ratio was even higher, 1.8 to 1 and 1.6 to 1, respectively. In the twenty to twenty-four year old cohort ethnic inequality was lower than in the younger age group. However, in Duisburg unemployment in this age group was overall higher than in the lower age group. In Chicago, it was exactly opposite. In Germany, the dual system reduces unemployment in the sixteen to nineteen year old group. But—and this is decisive—a vocational certificate does not guarantee access to a job in the adult labor market for the older age cohort.⁴¹ As indicated earlier, Turkish youths are overrepresented in those apprenticeships that offer few employment opportunities in the adult labor markets, and most of them do not enter the dual system. They become unemployed more often and experience longer spells of joblessness than their German peers. Also, those school-leavers who take up unskilled work are among the most exposed to the risk of unemployment. Again, Turkish youths are overrepresented in this category. In the United States, school-leavers go through a “moratorium” period. At the end of this period job prospects for young adults increase. Thus, unemployment among the twenty to twenty-four year olds tends to be lower than among the younger age group. Moreover, since labor markets in the United States are not as highly regulated as in Germany, it is easier to get a job. Such a job, however, may not pay enough for a decent living.

While unemployment is the major form of exclusion of Turkish youth from job opportunities in Germany, income poverty is the major form for Mexican-Americans in the United States. In 1985 one out of fifteen Hispanics who was employed full-time year round had an income below the official poverty line, compared to one out of twenty-two African-Americans and one out of forty European Americans.⁴² A detailed analysis of the 1970 and 1980 census data for Chicago shows that both the first and the second generations of Mexican-Americans were affected by income poverty. In short, full-time year round employment does not guarantee an escape from income poverty.⁴³ The problem of the “working poor” is not as widespread in Germany as it is in the United States. Workers who are employed full-time usually earn incomes above the poverty level.⁴⁴ Most workers in this corporatist system of industrial relations are paid according to wage agreements between employers’ associations and unions. Accordingly, an analysis of federal level data (socioeconomic panel, 1984–89) did not find significant differences between young Germans and immigrants in regard to income.⁴⁵

It is possible that public policies have significantly exacerbated the effects of different

labor market structures in the United States and Germany on the market positions of recent immigrant groups. During the 1980s many more jobs were created in U.S. labor markets than in Germany.⁴⁶ It is thus not surprising that income poverty rather than unemployment has been the main problem for those school-leavers in Chicago who were able to find employment in the growth industries, mostly in the low wage service sector. Yet Mexican-Americans were relatively disadvantaged vis-à-vis European Americans because they were hit harder by the loss of many jobs in large-scale heavy industries.

Towards Underclass Formation? Based on this evidence we can now draw some preliminary conclusions about long-term prospects of incorporation of the two immigrant groups under consideration. In particular, underclass formation is a concern. In its most extreme form of marginalization, the formation of an underclass or a group of ghetto poor, the excluded can not be regarded as citizens fully participating in polity and economy although they formally have political and social citizenship rights (Mexican-Americans) or social citizenship rights (Turks). Underclass formation results in second-class citizenship.

For the United States, William J. Wilson and his collaborators have argued that macroeconomic changes, resulting in industrial restructuring, coupled with the exodus of middle and also working class African-Americans from black neighborhoods, have led to a "social dislocation" of ghetto residents. This exodus has resulted in an increase in female-headed households, violent crime, welfare dependency, and long-term unemployment, that is, permanent exclusion from the labor force.⁴⁷ Manufacturing jobs, once important for inner city residents, have moved from the city. Thus, in particular, the absence among ghetto residents of a "job network system that permeates other neighborhoods," that is, that helps inner city residents find out about and get jobs in other neighborhoods, leaves them without employment opportunities. An important policy implication of this thesis is that vigorous employment policies, as found in Germany and Sweden, could combat long-term unemployment and exclusion from the labor force.⁴⁸

We may tentatively conclude that the descendants of Turkish migrant workers and families have not begun to constitute a group of permanently excluded ghetto poor or an underclass. The dual system and remedial programs ensure that most school-leavers (age group sixteen to nineteen) are in training and/or are employed, although unemployment increases in the age group twenty to twenty-four. Income poverty does not seem to be widespread among Turkish labor force participants in the sixteen to twenty-four year old age group. In addition, general social assistance programs are more generous in Germany than in the United States. Nevertheless, the future prospects for insertion of Turkish immigrants in Germany are uncertain. Although labor market policies that address the problems of adult workers are much more "active" in the Federal Republic of Germany than in the United States—in fields such as job creation, job placement, and employment services—adult Turkish workers are also much more likely to be among the long-term unemployed than adult German workers. It is conceivable that a sizable section of Turkish immigrants will become permanently marginalized in a changing labor market competition. If the high levels of de facto immigration in the late 1980s and early 1990s continue into the future, an abundance of migrant labor may gradually contribute to increasing competition between newly arrived East European labor and second- and third-generation Turkish immigrants. It could be that a youthful labor force from eastern Europe with

a background in manufacturing and the crafts will compete with Turkish youth and young adults for jobs in the adult labor market.⁴⁹

The situation of Mexican-Americans in the United States is much harder to evaluate. Young Mexican-Americans in the American Midwest also have not begun to form an underclass. In general, the socioeconomic situation of the descendants of Mexican-American immigrants does not seem to improve regardless of generation. There even seems to be a deterioration in the socioeconomic standing of third-generation Mexican-Americans compared to first- and second-generation Americans.⁵⁰ We know that Mexican-Americans have been especially hard hit by the restructuring of the manufacturing sector in recent years; their firm grip on blue collar occupations in manufacturing eroded during the 1980s.⁵¹

The United States, along with Great Britain, went furthest in deregulating labor markets during the 1980s. In the United States, almost no industrial and social policy efforts were made to counteract the trends of marginalization of racial and ethnic minorities in the inner cities. Thus, the context set by social and economic policies seems to have been more unfavorable than in Germany.

There are at least two groups to be distinguished among Mexican-American school-leavers. First, many third- and fourth-generation Mexican-Americans in the Southwest live in communities that were colonized by the United States. Second, there are many communities in the Southwest and Midwest that emerged as a result of labor migrations over the past hundred years. In the first case Mexican-Americans can be seen as a "castelike minority"; there are similarities to African-American communities. We would expect that underclass formation among this group is much more likely than among the second because of the long history of job discrimination. In the second case Mexican-Americans are part of the "new immigrant" groups and are often compared to earlier "old immigrants" from Europe who arrived at the turn of the century. We would expect this second group to be incorporated gradually into the labor market.

Indeed, Mexican-American immigrants in the Chicago area best fit into this second group. The continuous flow of new Mexican immigrants into low wage jobs lessens the sense of underclass faced by African-Americans in the same or similar locations.⁵² For low wage jobs in manufacturing and certain service fields, employers still prefer Mexican immigrant labor over African-American labor. And Mexican-American school-leavers, despite their poverty, still had ready access to job networks and precarious jobs during the 1980s. However, continued large-scale immigration of manual labor from Mexico into the United States has also contributed to the confinement of Mexican-Americans to low wage jobs. This pattern also suggests that Mexican-Americans living in inner cities constitute predominantly a group of "working poor."

If there is a trend towards underclass formation, it should also be reflected in attitudes of immigrant youth. John Ogbu's approach to explaining the failure of "castelike minorities" in schooling can also be used to illuminate the transition from school to work.⁵³ Ogbu argues that castelike minorities such as African-Americans and Mexican-Americans have experienced a "job ceiling." For generations they have been subjugated by discrimination in the labor market. According to Ogbu, parents teach their children that effort in school does not pay because of later job discrimination. The successful transfer of such a learned disposition from minority parents to their children leads to low levels of school effort and performance. The argument also

states that children of labor migrants have different attitudes because they have not experienced discrimination on such a massive scale for a long time period.

As evidence from interviews indicates, neither Turkish youth in Duisburg nor Mexican-American youth in Chicago lacks motivation to do well in high school.⁵⁴ There is no conclusive evidence that school performance among students of the two immigrant groups is low because students expect discrimination in the labor market. Quite to the contrary, the interviews affirm the proposition that aspirations of the first generation are prevalent among the second.

Conclusion

The demand and supply side explanations present an interactive perspective in approaching questions of the relative economic success and failure of immigrant groups in labor markets. This perspective has emphasized the role of policies, state institutions, and labor market structures, on the one hand, and the resources and behavior of the affected groups, on the other hand. The findings have far-reaching implications for public policies.

This study allows us to evaluate policy recommendations that have suggested the introduction of a modified form of the German apprenticeship system in the United States. One of the arguments in favor of a German-style apprenticeship program has been that it could help to reduce the high unemployment rate among minority youth.⁵⁵ This policy proposal is important and is especially urgent in light of the trends of marginalization among groups such as African-American, Puerto Rican, and Mexican-American youth in the United States. Questions arise, however. Would a German-style apprenticeship program work in the United States? What would its effects be?

The preceding analysis has suggested that apprenticeship programs in Germany and various public policies in the United States discriminate against certain immigrant groups in their own peculiar ways, through the high risk of unemployment in Germany and of income poverty in the United States. Therefore, it is doubtful whether the introduction of a modified form of apprenticeship program would decrease the relative level of inequality between Mexican-American and European American youth. However, it could be that the *absolute* level of job training would increase for both groups.

Those political actors advocating the introduction of an apprenticeship system in the United States would need to consider not only the political opportunities but also the necessary political institutions to implement such a system. It is essential to consider the political processes that constitute policy regimes, such as class-based corporatism in Germany and ethnically segmented pluralism in the United States. These regimes have shaped the level of inclusiveness and selectivity of public policies. It is conceivable that in the present political structure the introduction of a German-style system of vocational training in the United States would quickly turn into one more job training program that caters to specific constituencies, such as racial and ethnic minorities.

NOTES

1. Gøsta Esping-Andersen, *The Three Worlds of Welfare Capitalism* (Princeton: Princeton University Press, 1990).
2. Wolfgang Streeck et al., *The Role of the Social Partners in Vocational Training and Further Training in the Federal Republic of Germany* (Berlin: European Centre for the Development of Vocational Training [CEDEFOP], 1987).

3. Thomas Janoski, *The Political Economy of Unemployment: Active Labor Market Policies in the United States and West Germany* (Berkeley: University of California Press, 1990).
4. Barbara Schmitter Heisler, "A Comparative Perspective on the Underclass: Questions of Urban Poverty, Race, and Citizenship," *Theory and Society*, 20 (1991), 455-483.
5. Therefore, continuing Mexican immigration into the United States versus little net Turkish immigration in Germany during the 1980s has not jeopardized the research design because the Chicago case study focused on school-leavers who grew up in the United States. Also, since the analysis focuses on second-generation immigrants, "undocumented" migrants are not part of the discussion. Thomas Faist, "Social Citizenship and the Transition from School to Work" (Ph.D. Diss., New School for Social Research, 1992), ch. 5.
6. Fritz Franz, "Rechtsgutachten: Benachteiligung der ausländischen Wohnbevölkerung in der Bundesrepublik Deutschland und im Land Berlin, dargestellt am Sozialrecht, Entschädigungs- und Staatshaftungsrecht" (unpublished ms., Berlin, 1989).
7. The article does not explicitly compare Mexican-Americans with African and European Americans. It could be argued that the situation of Mexican-Americans has similarities with both African-Americans and European Americans. For a comparison of Mexican-Americans with both groups, see Faist, ch. 7.
8. Burkhardt Lutz, *Der kurze Traum immerwährender Prosperität: Eine Neuinterpretation der industriell-kapitalistischen Entwicklung im Europa des 20. Jahrhunderts* (Frankfurt a.M.: Campus, 1984).
9. Ursula Mehrländer, *Türkische Jugendliche—keine beruflichen Chancen in Deutschland?* (Bonn: Verlag Neue Gesellschaft, 1983); Thomas Faist, "Public Policy and Underclass Formation among Young Turks in Germany During the 1980s," *International Migration Review*, 27 (1993).
10. Charles Hirschman, "Minorities in the Labor Market: Cyclical Patterns and Secular Trends in Joblessness," in Gary D. Sandefur and Martha Tienda, eds., *Divided Opportunities* (New York: Plenum, 1988), pp. 63-85.
11. Michael Piore, *Birds of Passage: Migrant Labor and Industrial Society* (New York: Cambridge University Press, 1979); Michael Reich, *Racial Inequality: A Politico-Economic Analysis* (Princeton: Princeton University Press, 1981).
12. Joleen Kirschenman and Kathryn Neckerman, "Hiring Strategies, Racial Bias, and Inner-City Workers," *Social Problems*, 38 (November 1991), 433-447.
13. "One frequent economic determinant is the competition for a livelihood. . . . When the number of competitors increases in relation to the profit span, the participants become interested in curbing competition. Usually one group of competitors takes some externally identifiable characteristic of another group of (actual or potential) competitors—race, language, religion, local or social origin, descent, residence, etc.—as a pretext for attempting their exclusion. It does not matter which characteristic is chosen in the individual case: whatever suggests itself most easily is seized upon." Max Weber, *Economy and Society* (New York: Bedminster Press, 1968), pp. 341-2.
14. It has been argued that the United States has enrolled the highest percentage of youth and young adults in postsecondary education: more than 50 percent in four-year colleges, community colleges, and other specialized institutions. However, if we count the German apprenticeship system, about 90 percent of all German school-leavers are enrolled in postsecondary education. Cf. OECD, *Education and Training after Basic Schooling* (Paris: OECD, 1985), ch. 3.
15. Jacob Mincer, *Schooling, Experience, and Earnings* (New York: National Bureau of Economic Research, distributed by Columbia University Press, 1974); Barry R. Chiswick, "The Economic Process of Immigrants: Some Apparently Universal Patterns," in Barry R. Chiswick, ed., *The Gateway: U.S. Immigration Issues and Policies* (Washington, D.C.: American Enterprise Institute for Public Policy Research, 1982), pp. 119-158.
16. Cf. Mark Granovetter, "Economic Action and Social Structure: The Problem of Embeddedness," *American Journal of Sociology*, 91, 481-510.
17. Hans-Willy Hohn, "Soziale Netzwerke und Kooperation im Betrieb: Funktionen informeller Rekrutierung im dualen System der industriellen Arbeitsbeziehungen," in Axel Deeke et al., eds. *Arbeitsmarktbewegung als sozialer Prozeß* (Universität Paderborn, SAMF); Mark Granovetter and Charles Tilly, "Inequality and Labor Processes," in Neil J. Smelser, ed., *Handbook of Sociology* (Beverly Hills: SAGE, 1988), pp. 175-221.
18. Alejandro Portes and Min Zhiou, "Gaining the Upper Hand: Economic Mobility among Immigrant and Domestic Minorities," *Ethnic and Racial Studies*, 15, 491-522.
19. Edna Bonacich and John Modell, *The Economic Basis of Ethnic Solidarity* (Berkeley: University of California Press, 1985).
20. Thomas Sowell, *Markets and Minorities* (New York: Basic Books, 1981).
21. Harry Eckstein, "The Case Study Method in Comparative Politics," in Fred I. Greenstein and Nelson W. Polsby, eds., *Handbook of Political Science*, vol. 7 (Reading: Addison-Wesley, 1969), pp. 196-285.

22. Josef Hilbert, Hajo Sudmersen, and Herbert Weber, *Berufsbildungspolitik* (Opladen: Leske and Budrich, 1990).
23. Works councils are the prime example of corporatist industrial relations on the firm level. A works council has to be established under the German Law on Labor Relations at the Workplace in all undertakings employing more than five adult workers. The employer and the works council have to agree on new operational plans and industrial relations questions at the plant level. The members of the works council are elected by the whole work force, and the works council's duties are specified by law. The works council hears grievances, ensures that the employer is complying with all labor laws and collective bargaining agreements, and bargains with the employer over personnel and social matters, including decisions on hiring, transfer, dismissal, vacations, hours of work, and plant rules.
24. Ira Katznelson, *City Trenches: Urban Politics and the Patterning of Class in the United States* (Chicago: University of Chicago Press, 1982).
25. Margaret Weir and Theda Skocpol, "State Structures and the Possibilities for 'Keynesian' Responses to the Great Depression in Sweden, Britain, and the United States," in Peter B. Evans, Dietrich Rueschemeyer, and Theda Skocpol, eds., *Bringing the State Back In* (New York: Cambridge University Press, 1985) pp. 121-154.
26. Grant McConnell, *Private Power and American Democracy* (New York: Alfred A. Knopf, 1967).
27. Margaret Weir, *Politics and Jobs: The Boundaries of Employment Policy in the United States* (Princeton: Princeton University Press, 1992).
28. Steven Brint and Jerome Karabel, *The Diverted Dream: Community Colleges and the Promise of Educational Opportunity in America, 1900-1985* (New York: Oxford University Press, 1989).
29. Tom Bailey, "Market Forces and Private Sector Processes in Government Policy: The Job Training Partnership Act," *Journal of Policy Analysis and Management*, 15 (1988), 300-315.
30. William J. Wilson, *The Declining Significance of Race: Blacks and Changing American Institutions* (Chicago: University of Chicago Press, 1978).
31. Roger Waldinger and Tom Bailey, "The Continuing Significance of Race: Racial Conflict and Racial Discrimination in Construction," *Politics and Society*, 19 (1991), 291-323.
32. Paul E. Peterson and Barry C. Rabe, "Urban Vocational Education and Managing the Transition from School to Work," in Ray C. Rist, ed., *Finding Work: Cross-National Perspectives on Employment and Training* (New York: The Falmer Press), pp. 55-86.
33. William T. Grant Foundation, *The Forgotten Half: Non-College Youth in America and The Forgotten Half: Pathways to Success for America's Youth and Young Families* (Washington, D.C.: William T. Grant Foundation Commission on Work, Family and Citizenship, 1988).
34. Paul Osterman, *Getting Started: The Youth Labor Market* (Cambridge, Mass.: MIT Press, 1980). Nonetheless, it could be argued that higher youth than adult unemployment rates in the United States are temporary and passing phenomena, reflecting a selection process by employers in the absence of a formal German-style apprenticeship system. This is indeed the case when we look at overall rates of unemployment: they decrease significantly after the "moratorium" period. Yet the experience of Mexican-Americans differs from European American school-leavers in that a substantial minority among the former group faces major obstacles to a much higher degree than the latter group. Thus, minority youth, such as Mexican-American school-leavers, tends to be less able than European American youth to obtain work for longer periods in the youth labor market, and thus becomes less attractive and even "tainted" to potential employers. Therefore, the possibility that they will be relegated to long-term joblessness or low-skilled, poorly paid labor niches increases.
35. Hans-Peter Blossfeld, "Entry into the Labor Market and Occupational Careers in the Federal Republic of Germany: A Comparison with American Studies," *International Journal of Sociology*, 17 (1990), 86-115.
36. U.S. Commission on Civil Rights, *Nonreferral Unions and Equal Employment Opportunity* (Washington, D.C.: Government Printing Office, 1982).
37. Kathryn Neckerman and Joleen Kirschenman, "'We'd Love to Hire Them, but . . .': The Meaning of Race to Employers," in Paul Peterson and Christopher Jencks, eds., *The Urban Underclass* (Washington, D.C.: The Brookings Institution), pp. 24-56.
38. Roger Waldinger et al., eds., *Immigrant Entrepreneurs* (Beverly Hills: SAGE, 1988).
39. Alejandro Portes and Rubén A. Rumbaut, *Immigrant America: A Portrait* (Berkeley: University of California Press, 1990).
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47. Loïc J. D. Wacquant and William J. Wilson, "The Cost of Racial and Class Exclusion in the Inner City," *Annals: American Academy of Political and Social Science*, 501 (January 1989), 1-27.
48. William J. Wilson, *The Truly Disadvantaged: The Inner City, the Underclass, and Public Policy* (Chicago: University of Chicago Press, 1987).
49. Hans-Peter Klös, "Integration der Einwanderer aus Ost- und Südosteuropa in den deutschen Arbeitsmarkt," *Sozialer Fortschritt*, 41 (1992), 261-270.
50. David L. Featherman and Richard L. Hauser, *Opportunity and Change* (New York: Academic Press, 1978), pp. 461-478; cf. Herbert J. Gans, "Second-Generation Decline: Scenarios for the Economic and Ethnic Futures of the Post-1965 American Immigrants," *Ethnic and Racial Studies*, 15 (1992), 173-192.
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54. Faist, "Social Citizenship," ch. 9; Martha Van Haitsma, "Attitudes, Social Context and Labor Force Attachment: Blacks and Immigrant Mexicans in Chicago Poverty Areas," paper presented at the Urban Poverty Workshop series, Northwestern University.
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