IMMIGRATION AND COLONIA FORMATION IN RURAL CALIFORNIA

By

Refugio I. Rochin, Ph.D.
University of California at Davis

Monica D. Castillo
Bureau of Labor Statistics
Department of Labor

A Publication of the Chicano/Latino Policy Project

2420 Bowditch
Berkeley, CA 94720
(510) 642-6903
IMMIGRATION AND COLONIA FORMATION IN RURAL CALIFORNIA

By

Refugio I. Rochin, Ph.D.
University of California at Davis

Monica D. Castillo
Bureau of Labor Statistics
Department of Labor

April 1995

CLPP Working Paper
Volume 2 • Number 2 • 1995
The Chicano/Latino Policy Project is an affiliated research program of the Institute for the Study of Social Change at the University of California at Berkeley. The Policy Project coordinates and develops research on public policy issues related to Latinos in the United States and serves as a component unit of a multi-campus Latino policy studies program in the University of California system. The Policy Project's current priority research areas are immigration, education, health care, political participation and labor mobility with an emphasis on the impact of urban and working poverty.

The Institute for the Study of Social Change is an organized research unit at the University of California at Berkeley devoted to studies that will increase the understanding of the mechanisms of social change and to the development of techniques and methods to assist the direction of social change for the general improvement of social life. It has a particular mandate to conduct research and to provide research training on matters of social stratification and differentiation, including the condition of both economically and politically depressed minorities as well as the more privileged strata.

The research team was comprised of the following individuals: Dr. Refugio I. Rochin is currently the Director of the Julian Samora Research Institute and Professor of Agricultural Economics and Sociology at Michigan State University. On July 1, 1994, he became Professor Emeritus at the University of California, Davis where he was Professor of Agricultural Economics and Chicana/o Studies.

Monica D. Castillo developed her master thesis on California's rural colonias and completed her M.S. degree in International Agricultural Development from UC Davis. She is currently working for the U.S. Department of Labor, Labor Force Statistics Branch.

This paper was presented at University of California, Berkeley, April 1994, at the Chicano/Latino Policy Project's Distinguished Lecture Series. It has been developed with the research assistance of Dr. Elias S. Lopez at UC Davis. Funding for the research was provided by the Mexican-United States Program (AMEXUS) of the University of California.

The Working Paper Series is supported through a grant from the Latina/Latino Policy Research Program administered through the University of California's Office of the President. The views and opinions expressed in this working paper are those of the author and do not necessarily represent those of the United States Bureau of Labor Statistics, Chicano/Latino Policy Project, the Institute for the Study of Social Change, the Regents of the University of California or those of the funding agency.
CONTENTS

Abstract vii

I. Background 1

II. The Study 2

III. Relevant Literature 3

IV. Theories and Hypotheses 5

V. Procedures and Data 7

VI. Quantitative Methods 8

VII. Findings 9

VIII. Increasing Signs of Deprivation in Colonias 13

IX. Implications 14

Tables and Figures

Figure 1. Continuum of Possible Colonia Conditions 6
Table 13:1 Regression Results of Select Indicators Against the “Percent Latino of a Community” 11

References 17
ABSTRACT

This study goes beyond previous studies of Latino immigration, employment in agriculture and related conditions to examine the transformation of whole communities into "colonias" and the impact of Latino concentration on California's rural areas. Over 140 communities are studied with over 25 facts collected on each community covering Census information on population and socio-economic conditions. The study uses simple regression and cross-sectional analysis to consider whether "colonias" are experiencing possible "underclass" conditions and/or "exploitation" of rural Latinos and farm workers. On the other hand, the study also examines the possibility that Latinos are developing the positive enclave conditions of self-employment and private business activity in places where they are the majority.

In general, we find that colonias are becoming impoverished communities of largely Spanish-speaking laborers and that the challenges facing colonos (the residents of "colonias) are dim, offering few prospects for youth. We do not find many signs of "ethnic-economy enclaves," wherein Latinos become more self-employed and develop local businesses, nor do we find positive fiscal conditions in "colonias" as compared to other rural communities where Latinos are in the minority. Colonias are growing in number and in their dependence on rural employment. They are places in need of much more research and analysis in order to address emerging issues for the nineties.
I. BACKGROUND

California's population, which increased by some 8 million in the 1980s, is continuing to grow by a net amount of about 600,000 a year, or 1,650 every 24 hours. Most of this growth is in metropolitan areas, but a large "spill-over" of population is moving to rural communities. Many of the rural-bound are Mexican immigrants and Latinos from other parts of Latin America. A great many end up in the seasonal work force of California agriculture. Since the passage of the Immigration Reform and Control Act (IRCA) of 1986, more Mexicans and Latinos have settled permanently in California's rural communities.

In past decades, Mexican and other Latino immigrants settled temporarily within "barrios" of larger, rural, mostly non-Latino or white communities. During the fifties and sixties, rural Chicanos moved from agriculture to urban areas for other jobs and housing. During the seventies and eighties, however, many Chicanos and Latino immigrants made rural communities their permanent homes. As the number of these immigrants increased, the number of white people in most rural communities decreased in absolute and relative terms.

The residential concentration of Latinos in rural areas can be attributed to several factors: agricultural employment, wages and working conditions, cheaper housing, family and friends, and the social phenomenon of "likes" attracting "likes." Although past studies have predicted a reduced demand for immigrant labor for farms and a greater use of farm machinery in California agriculture, the industry actually added both machinery and farm labor during the seventies and eighties. In particular immigrants from Mexico have entered California by the tens of thousands since the 1960s to harvest and process agriculture's labor-intensive crops, especially fruits and vegetables. In fact, the need for more specialized seasonal farm workers revived agriculture's dependence on labor to the point where
California's farm lobbyists convinced the U.S. Congress to make special farm worker provisions within IRCA. Since the passage of IRCA, over 1.2 million immigrant workers from Mexico have registered under IRCA to work in agriculture as SAWs ("seasonal agricultural workers"); many have also settled down in California with their families in rural communities.

It is not known for sure how IRCA and other population forces have affected rural communities. However, a report of the University of California Task Force on Latinos (SCR 43 Task Force, 1989) noted that at least a half million Latinos were immigrant settlers in rural areas. According to the U.C. report, the vast majority of rural Latinos were clustered in some 100 communities where they could get jobs in agriculture. The SAW provisions of IRCA assured California growers of an adequate labor supply.

II. THE STUDY

This study focuses on rural California communities where Mexicans and Latinos have settled. Unlike other studies which focus on the immigrants themselves, this study provides information on the changes occurring within entire rural communities as Latinos become the majority population. Specifically, this study uses time-series and cross-sectional data on over 140 rural communities where Mexicans and Chicanos have tended to settle. The specific objectives are: (1) to analyze the economic conditions and socio-demographic traits of rural California communities where Latinos have settled in large numbers, (2) to determine the extent to which Latino settlement changes socioeconomic conditions and well-being within rural communities, and (3) to assess the policy implications of these changes in terms of community conditions and needed reforms.

The term colonia has come to be applied to any rural community that has a distinctive Chicano or Latino population. The term is Spanish and literally means
"colony." It encompasses everything from a pleasant community to a community lacking a basic infrastructure such as paved streets, running water or adequate waste water disposal. The term *colonia* also refers to a community in which the settlers, usually Mexican, remit earnings to family and friends in Mexico, using the rural community as a place to generate income and to extract wages and earnings.

Latinos also make up the majority of the population in these *colonias*. We are interested in knowing whether the *colonos* (i.e., the residents of *colonias*) are becoming better or worse off in terms of income, employment and other indicators. We look at whether or not *colonos* (mostly Latinos) are developing advantageous ethnic enclave conditions or worsening rural underclass conditions.

*Colonias* also connote a different reality from the past idea of "barrios" within "white" rural towns: today many rural communities are almost exclusively Chicano or Latino, with the white population comprising at most a small minority. This demographic transformation raises a number of interesting questions: Are Latinos and Chicanos better off in rural communities where they constitute the majority? Are they being empowered economically and politically within *colonias*? Are the Latino youth of *colonias* better prepared for life and work outside of *colonias* than Latinos of other communities? Are they being prepared for non-farm employment? Are Latino residents becoming self-employed entrepreneurs at a higher rate within *colonias*? What is happening to the non-Latino population of *colonias*? Finally, are *colonias* and *colonos* significantly different from other rural communities and people in California? If so, why?

### III. RELEVANT LITERATURE

As some ethnographic case studies have shown, Latino immigrants maintain steady flows of remittances and other exchanges with relatives and friends in Mexico and, to some degree, in Central America. A few studies have shown that,
throughout the mid-1980s and 1990s, Latino settlement in rural communities has increased. This settlement is partially bi-national, that is, closely tied to seasonal agricultural employment in California and winter migration to Mexico (Chavez, 1991; Garcia, 1992; Palerm, 1991). For example, Palerm (1991) found in four agricultural communities (Arvin, Fillmore, Guadalupe and MacFarland) that some thirteen percent of the Mexican workers maintain homes on both sides of the border. He also identified a heterogeneous settlement of Latinos, some arriving before 1940 ("old immigrants"), some between 1940-1960 ("middle immigrants"), and some since 1960 ("new immigrants"). According to Palerm, each wave of immigrants differs from the others in terms of motives for immigration, place of origin, and family networks in both the U.S. and Mexico. Palerm describes three distinct types of agricultural employment for Mexican workers. At the first level are the more specialized workers, who can command high earnings throughout most of the year as migrants following a particular crop within the state or as sedentary workers enjoying steady employment with a single multiple-crop producer. At another level is a less skilled migrant farm group which is likewise employed nearly year-round following the peak harvest seasons; this group returns to a home community in the U.S. or Mexico. Finally, a group of unskilled migrant farm workers arrives at the height of the harvest season, constituting "the lowest-paid, least secure, and most exploitable form of agricultural employment in California" (Palerm, 1988: 5). More recent settlers, including uncounted numbers of "Seasonal Agricultural Workers" (SAWs), may be in this third level. Other rural Latinos may include large numbers of Latinos who qualified for amnesty under IRCA, and, they may be in the first and second levels of employment.
IV. THEORIES AND HYPOTHESES

Four types of theories were considered with regard to the possible transformation of rural and ethnic communities: (1) the theory of "underclass formation," (2) the barrio exploitation theory, (3) the farm worker exploitation theory, and (4) the theory of ethnic economy enclaves. These theories provided the hypotheses for this study, which are more or less depicted in Figure 1.

On the one hand, we hypothesize that "underclass" and "exploitative" conditions would be evidenced in colonias by such socioeconomic indicators as low educational achievement, high levels of unemployment, segregated occupations with low earnings (primarily in agriculture) and a high incidence of poverty. Figure 1 illustrates the range of theories proposed by others. They range from communities with extreme poverty to relatively prosperous ethnic enclaves. On the other hand, we also hypothesize that ethnic economy "enclave" conditions would be evidenced if colonias showed signs of being relatively prosperous, as measured: in terms of Latino-owned local businesses (wherein colonos enjoyed the effective fruits of local stores), by signs of growth in local jobs and by high levels of service provision (e.g., police protection, education, and health). In addition, in an "enclave," business-oriented colonia, we expect to find that local government public expenditures per capita would be higher than public expenditures in our "control" communities with fewer Latinos. That is, we hypothesize that high concentrations of Latinos would foster favorable enclave conditions encouraging local economic enterprises and high levels of public goods and services.
Figure 1. Continuum of Possible Colonia Conditions

Pathology of Poverty

Characteristics:
1. Labor is 'exported' primarily to the private wages and salary sector where exploitation and wealth accumulation within a neo-colonial capitalist system prevails.
2. Perfect substitutability of less educated workers within low wage, segregated employment areas.
3. No representation of minority owned/managed firms.
4. Physical isolation and segregation of the ethnic community highly prevalent.
5. Ethnic community is politically weak. Few public services.
6. Tend to be newer immigrant communities, i.e., have relatively recent concentration of Latinos.a

Picture of Prosperity

Characteristics:
1. Labor is supplied to local private and public enterprises for the benefit of the minority enclave economy.
2. High differentiation of workers as unskilled, semi-skilled and highly skilled managers and professionals.
3. High representation of minority owned/managed firms.
4. High degree of physical integration within the larger community.
5. Ethnic community is politically empowered and active.
6. Tend to be older immigrant communities, i.e., have fewer Latino settlers.a

a This condition is not necessarily characteristic of the models illustrated but rather reflects a condition specifically hypothesized among rural colonias.
V. PROCEDURES AND DATA

The procedures used for studying rural communities (and *colonias* in particular) involved a number of steps: a review of the pertinent theories on community formation (discussed below); the use of Census data to identify rural communities and socio-demographic changes of the fifties, sixties, seventies, and eighties; and statistical analysis of communities.

Most of the data are from the 1980 Census of Population. The Census provided initial data on 148 rural communities (including small cities, towns and "places"). These communities were selected from an initial list of 200 "places" with 20,000 or fewer persons in 1980. They fit a set of criteria that were used for identifying "rural" communities (Rochin and Castillo, 1993). When the study began in 1989, there was no better, more comprehensive data on communities. More recently, data from the 1990 Census of Population have been released, but they lack the detail of the 1980 data. It is interesting to note that the number of *colonias* studied has increased from 49 in 1980 to over 65 in 1990 (see appendix).

Demographic information was also obtained for each community from the Population Censuses for 1950, 1960 and 1970. This earlier data provided clues regarding the importance of immigration and Latino settlement over previous years. The Census Bureau did not, however, provide a consistent set of data over time with regard to the factors in this paper and the specific communities considered. For example, for community x there may have been information on self-employment, whereas for community y there was no such data. The findings are thus sometimes based on different sample sizes, as noted in the text.

Our primary attention focused on rural communities which were over 50 percent Latino in 1980. The "control" communities of the study had fewer Latinos than *colonias*. Their populations ranged from 15 to 50 percent of the population. Since over 140 communities were studied with varying proportions of Latinos, the
communities were analyzed on a continuum from a low to high percent Latino. Thus, our arbitrary definition of a *colonia* was relaxed to some degree in the regression analysis (discussed below). With over 25 bits of general information on each community, we made comparisons of several indicators to see if *colonias* are relatively promising or disadvantaged communities vis-a-vis other small rural communities where Latinos are a relative minority.

VI. QUANTITATIVE METHODS

U. S. Census data provided most of the variables for this study. Using 1980 data, which was the most recent we had for this study, we compared and contrasted the mean values of several socio-demographic factors to determine whether *colonias* were significantly different from other rural communities. In a few comparisons, we used other data from the State of California, such as data on the revenues and expenditures of rural communities.

This study also employed simple linear regression analysis where the variable "percent Latino" (% LATINO) was regressed against data on each community's average household income, education, employment status, fiscal status, etc. The regressions proved useful in two ways. First, they suggested the degree to which communities might differ in "high school completion rates," for example, with increasing proportions of Latinos in a community. Second, the regressions indicated if "underclass" or "exploitation" traits or "economic enclave" conditions were relatively significant in a community as the proportion of Latinos increased. In short, this analysis provided a way to determine whether Latino concentration, which increased in recent years, gave rise to unique patterns of change in California's rural communities.
VII. FINDINGS

Demographically, the Census data revealed that none of the study's rural communities had more than 23 percent Latinos in 1950. The highest concentrations of Latinos thirty and forty years ago were in places like Calexico, along the U.S. Mexican border. Back then, most rural communities were largely populated by white persons. But beginning in 1970, and certainly during the 1980s, the white/Latino relationship changed in all rural communities. Whereas the Latino presence was always a small presence in rural communities in 1950 (i.e., ranging from 0.1 percent to 22.6 percent of the community's population), the proportion of Latinos ranged from 15.1 percent to 98.2 percent by 1980. Moreover, whereas the highest concentrations were found along the border during the fifties and sixties, the highest concentrations of Latinos shifted to rural communities in the Central Valley of California, in particular in Kern, Fresno and Tulare counties, among the richest agricultural counties in the United States.

From 1980 to 1990, all but 4 of the 148 rural communities in our study had significant and dramatic growth in Latino settlers. The four places that lost Latinos were small to begin with and shrank marginally in overall population. For instance, Piru in Ventura County saw its population decline from 1,284 in 1980 to 1,157 in 1990. Still, Piru's percentage of Latinos stayed at 75 percent. What was particularly noticeable during the eighties was that most rural communities grew in population while the relative and absolute number of non-Latinos declined significantly. Conversely, the Latino population increased by large amounts in most rural areas (See Rochin and Castillo, 1993).

These demographic changes not only indicate that in-migration and Latino settlement changed the ethnic composition of California's rural communities, they also suggest that these communities have changed in several other ways. Indeed,
this study found several disturbing socio-economic conditions within colonias, especially with regard to the well-being of colonos.

In most cases, the mean values for indicators such as educational attainment, poverty, employment, business activity, and local revenues and expenditures on public services all pointed to worsening conditions in colonias vis-a-vis other rural places. For example, in terms of educational attainment, the rates of high school completion and college attendance were relatively lower for colonos who were 25 years of age and older compared to residents of other rural communities. Rates of unemployment were significantly higher for colonos, as were their average poverty rates.

Regression analysis revealed important correlations between the percentage of Latinos in a community and several indicators for each community. These are shown in Table 13.1. In examining the Table, it is important to look at the columns for the value of the R-squared and the size of the coefficient. A positive coefficient suggests that, as the proportion of Latinos increases in a community, there is a proportionate increase in the value of the indicator. A negative coefficient (in parenthesis) shows an inverse relationship. As the coefficient approaches zero, so too does the correlation between the "percent Latino of a community" and the value of the community's indicator. The value of the intercept term is suggestive of the community's average conditions when the coefficient approaches zero. Generally, the intercept is the value of the indicator from which a regression line would either rise or fall.

Interpreting the regression analysis should be done line by line. For example, line 1 shows that communities with low percentages of Latinos (beginning at 15 percent) average about 2.5 persons per household. But as the percent Latino increases in a community (up to 98 percent), the number of persons per household increases by 1.7 percent. The value of the R-squared suggests a positive and
significant correlation between average household size and percent Latino in a community. Consider also the values for the indicator Community Revenues/Capita (#10). The coefficient's value in 1980 was nearly 0 (Table 13.1). That is, in 1980, all communities had the same revenues/capita, regardless of percent Latinos. According to the value of the intercept, community revenues were about $325 per capita. But in 1988, the coefficient was negative and the $R^2$ much higher than the $R^2$ for 1980. Although the value of the intercept term was $906 per capita in 1988, the regression line would indicate that the revenue per capita declined at 5 percent for each percentage increase in the community's Latinos. This indicates that places with higher proportions of Latinos had lower revenues/capita in 1988 than the other communities.

Table 13.1: Regression Results of Select Indicators Against the “Percent Latino of a Community” (in 1980)

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Value of Intercept</th>
<th>Sign of Coef</th>
<th>Value of $R^2$</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Number of Persons/Household</td>
<td>2.5</td>
<td>1.779</td>
<td>0.669</td>
</tr>
<tr>
<td>2. Rates of Fertility</td>
<td>3.1</td>
<td>2.170</td>
<td>0.349</td>
</tr>
<tr>
<td>3. Percent of Population Under 18</td>
<td>27</td>
<td>0.157</td>
<td>0.442</td>
</tr>
<tr>
<td>4. Median Age of Families</td>
<td>32</td>
<td>(0.125)</td>
<td>0.256</td>
</tr>
<tr>
<td>5. Percent in Poverty</td>
<td>9%</td>
<td>0.176</td>
<td>0.388</td>
</tr>
<tr>
<td>6. Percent Under 18 in Poverty</td>
<td>33%</td>
<td>0.236</td>
<td>0.316</td>
</tr>
<tr>
<td>7. Percent of Adults With High School Degree</td>
<td>70%</td>
<td>(0.541)</td>
<td>0.614</td>
</tr>
<tr>
<td>8. Percent of Adults With Some College</td>
<td>11%</td>
<td>(9.687)</td>
<td>0.178</td>
</tr>
<tr>
<td>9. Percent of Labor Force in Agriculture</td>
<td>-5.6%</td>
<td>0.511</td>
<td>0.513</td>
</tr>
<tr>
<td>Adult Males</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adult Females</td>
<td>-1.8%</td>
<td>0.367</td>
<td>0.551</td>
</tr>
<tr>
<td>10. Community Revenues/Capita</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>In 1980</td>
<td>$325</td>
<td>(1.098)</td>
<td>0.020</td>
</tr>
<tr>
<td>In 1988</td>
<td>$906</td>
<td>(5.969)</td>
<td>0.163</td>
</tr>
<tr>
<td>11. Community Expenditures/Capita</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>In 1980</td>
<td>$303</td>
<td>(0.872)</td>
<td>0.013</td>
</tr>
<tr>
<td>In 1988</td>
<td>$693</td>
<td>(4.817)</td>
<td>0.191</td>
</tr>
</tbody>
</table>

Not shown in the Table are several other findings that are reported in Rochin and Castillo (1993). Namely, inhabitants of colonias were at highest risk of being unemployed. Regression analysis indicated that both male and female colonos were three times as likely to be unemployed as Californians' statewide. Moreover,
colonos were half as likely to be self-employed as their counterparts in communities with fewer Latinos (Rochin and Castillo, 1993). The unemployment problem appeared to be related to the occupations held by colonos. In 1980, six times as many colonia inhabitants were employed in farming, forestry and fishing as were residents of the control communities with smaller concentrations of Latinos.

Results from the employment and occupational analysis also indicated that colonia residents face relatively lower earnings than other rural people. Moreover, there were exceptionally higher incidences of poverty observed in colonias. Poverty appeared to be associated with employment in agriculture generally, but it might also be explained by the poorer educational attainment of colonos (Table 13.1). Similarly, we found relatively low representation of colonos among the ranks of the self-employed. This result may be a function of the acute poverty and unemployment of colonos (which limits their access to investment capital) as well as of a lack of entrepreneurial opportunities (owing to a lack of business skills training). In sum, the 49 colonias of this study do not have favorable ethnic enclave conditions. Both capital and business know-how appeared to be seriously lacking among the colonos of this study.

The analysis included a closer look at the types of local business enterprises in rural areas. Although the data were more difficult to find on each community, it was apparent that colonias do not have many local businesses covering such consumer needs as legal services, pharmaceuticals, medical services, recreational activities and the like. However, our detailed analysis of the retail trade sector (again with limited data) revealed that clothing and general merchandise retailers are more likely to be found in colonias than any other types of local business. In general, colonos can shop locally for most groceries, some clothing and basic goods, but if they need other services such as medical attention, colonos have to travel to
another place, necessitating transportation to other towns for most goods and services.

VIII. INCREASING SIGNS OF DEPRIVATION IN COLONIAS

Given the poverty, employment and business patterns outlined above, it is evident that colonos, by necessity, are selling their labor for primarily agricultural jobs. While their annual earnings are low, colonos still must travel to buy imported food and basic necessities; the terms of trade are thus against the colonia economies. The relative poverty of colonos, compounded by dollars drained by shoppers going to other towns, leaves a situation of low capital formation and limited local investment. The low business cycle is perpetuated in colonias, as few new jobs are created locally by the private sector to benefit the community. Furthermore, continual in-migration of Latinos results in stiffer competition in the agricultural labor market for colonos looking to find and keep employment.

Juxtaposed to these findings, the regression analysis revealed that local government revenues and expenditures per capita are significantly lower today in colonias than in other rural places. Colonias have become fiscally poorer over the 1980s. As indicated above in Table 13.1, colonias and other rural communities were not significantly different in local government expenditures in fiscal year 1980. Between 1980 and 1988, a significant gap evidently developed between average government revenues and expenditures of colonias and those in the other rural communities.

The findings support the conclusion that colonias have become increasingly disadvantaged in terms of public expenditures for public safety, transportation, community development, health, cultural events, leisure and public utilities. Perhaps a combination of factors is responsible for declining public expenditures in colonias, including the passage of Proposition 13 in 1978, the eroding tax base of
colonias (due to high unemployment and low personal incomes) and the economic recession of the early 1980s. Colonias do not, for the most part, have the same living conditions today as rural communities with fewer Latinos. Colonos are also relatively more vulnerable to economic hardship than they were in 1980.

In general, California's colonias are far from becoming ethnic economy enclaves. There is little evidence to suggest that the in-migration and settlement of Latinos is being complemented by increasing local economic opportunities. There are also very few signs of greater self-employment among colonos. Colonos thus, appear more and more to be cases of classic “immiseration,” a concept first coined by Jagdish Bhagwati (1958) to explain how third world economies become worse-off over time with the growing demand for their most abundant resource, which in the case of colonias, is a redundant supply of fairly homogeneous labor. To increase economic welfare in colonias, therefore, one must control and monitor the abundant supply of its resource, i.e. labor.

IX. IMPLICATIONS

As the population expands in a colonia and its human resources become more concentrated in occupations such as farm work, the terms of trade turn against them. Because local demand for goods and services is not met by local business, colonos must shop in other places, thereby importing their goods and services at higher cost. At the same time, the increase in labor supply (i.e., through more migrant settlement) in a colonia depresses local wages and earnings, resulting in more poverty. Instead of becoming better-off, population growth in colonias is making everyone worse-off. With the continuing in-flow of Latinos and settlement into rural communities, there does not appear to be much relief in sight. Given the initial findings from a study of several more colonias in 1990, the signs of immiseration should not be ignored. Rural Latinos are living under
disadvantageous conditions as a consequence of a multiplicity of factors related to the demand for and supply of their labor and a declining revenue base.

Obviously, such conditions do not bode well for today's youth and future generations. The indicated problems will be difficult to reverse. In general, measures are urgently needed within California's rural communities to build the economic base of employment, education and local business in the colonias. State and federal measures must address the critical conditions of poverty. The local governments of colonias must also find ways to enhance the provision of goods and services. Finally, it appears that local deprivation is not only the consequence of economic structure and exploitation, but also of the lack of power on the part of colonos to set the terms and conditions under which they sell their labor and develop their youth. Colonos will need community empowerment to guide the course of their futures.
REFERENCES


Castillo, Monica Dianne. “California's Rural Colonias: A Study of Disadvantaged Communities with High Concentrations of Latinos.” M.S. degree thesis,


*Taxable Sales in California (Sales & Use Tax) 1989 First Quarter*, State Board of Equalization, Research and Statistics Division, Sacramento, California.


