Backlash: Effects of 9/11 on Immigrants, Muslims and Arabs Living in the U.S.

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Neeraj Kaushal
(Columbia University)

Robert Kaestner
(University of Illinois at Chicago and NBER)

Cordelia Reimers
(Hunter College, City University of New York)

Abstract

Since the September 11 terrorists' attacks, a growing number of Arabs and Muslims living in the United States have become victims of hate crimes and ethnic and religious profiling. The objective of this study is to measure the economic repercussions of this backlash on the lives of immigrants, especially Arabs and Muslims. In particular, we study the effect of the September 11 attacks and its ongoing aftermath on the labor market outcomes – employment and wages -- and location choices of these groups and try answer the following questions: Has discrimination against immigrants resulting from September 11 affected their employment and wages? How did immigrants, in particular Arabs and Muslims, react to the incidents of hate crime? Have they moved out of cities where they were targets or potential targets of hate crime?

I. INTRODUCTION

The September 11 terrorists' attacks on the World Trade Center and Pentagon shocked almost everyone, whether immigrant or U.S.-born. The on-going aftermath of the attacks continues to affect the lives of immigrants, in particular those of Arab or Muslim descent. Since the September 11 terrorists' attacks, a growing number of Arabs and Muslims living in the United States have become victims of hate crimes and ethnic and religious profiling. The 2001 FBI annual hate crimes report and state and local agency data show a manifold increase in violence against these groups and those perceived to be like them such as South Asians, in particular Sikhs.[1] After the attacks, the government issued a "special registration" order, which required non-immigrant men aged 16 years or above from 24 countries with predominantly Muslim or Arab populations to register with the Bureau of Citizenship and Immigration Services, where they were fingerprinted, photographed and interviewed, and several were deported back to their home countries.[2]

In the aftermath of September 11, immigrants, in particular those of Arab and Muslim descent, are also facing greater discrimination at work. In the first eight months after the attacks, the U.S. Equal Employment Opportunity Commission (EEOC) received 488 complaints of September 11-related employment discrimination, of which 301

[1] According to the 2001 FBI hate crimes report, the number of anti-Muslim hate crimes rose from twenty-eight in 2000 to 481 in 2001. A Human Rights Watch report (November 2002) cites data from local and state agencies that indicates growing hate crime against Muslims. In Chicago, for instance, the police department reported 51 anti-Muslim hate crimes during September-November 2001, as compared with only four such cases during the entire year 2000. In Los Angeles County, there were only 12 hate crime cases against people of Middle-Eastern descent in 2000, as compared with 188 in 2001 (Human Rights Watch Report 2002).

[2] According to newspaper reports, over 130,000 male visitors, students, tourists, businessmen, or those on other temporary visas (predominantly Muslims) were interviewed between December 2002 and April 25, 2003, the last deadline for such registration. Of these, 10 percent, mostly undocumented immigrants, have been given orders for deportation. Newspaper reports also indicate large scale fleeing of undocumented immigrants to Canada (Swarns and Drew, New York Times, April 25, 2003; Swarns, New York Times, June 9, 2003).

involved persons who were fired from jobs. Polls conducted by various advocacy groups find that between 20 to 60 percent of American Muslims and Arabs say that they personally experienced discrimination since September 11 (Human Rights Watch, 2002). The New York City Social Indicators Survey conducted six to nine months after the attacks found that immigrants and Muslims were the most vulnerable groups (Garfinkel et al. 2003).

RESEARCH OBJECTIVES

While there is some research on the economic as well as psychological effects of September 11 on New Yorkers, there is none that looks at the plight of immigrants nationally, and among them Arabs and Muslims, a highly vulnerable group that has become an object of public anger and suspicion in the aftermath of September 11.[3] The objective of this study is to measure the economic repercussions of this backlash on the lives of immigrants, especially Arabs and Muslims. In particular, we will study the effect of the September 11 attacks on the labor market outcomes – employment and wages -- and location choices of these groups and try to answer the following questions: Has discrimination against immigrants resulting from September 11 affected their employment and wages? Or, after a few initial incidents of discrimination, has rationality prevailed over the paranoia and prejudices created by the attacks? How did immigrants, in particular Arabs and Muslims, react to the incidents of hate crime? Have they moved out of cities where they were targets or potential targets of hate crime? Or have state efforts to prevent hate crimes strengthened their confidence in the country? Answers to

[3] See Bram et al. (2002), Bram et al. (2002), Gaela et al. (2002), Citizen's Committee for Children (2002) for the effects of the 9/11 attacks on New Yorkers.

these questions will highlight whether September 11 alienated immigrants, as evidence cited above would suggest. This is important not only to determine the well being of immigrants after September 11, but also to assess the future security concerns of this country.

METHODOLOGY

A crucial issue in investigating the effects of September 11 is how to purge the effect of other time-varying factors such as the recession from the effects of September 11. To accomplish that, we will adopt a comparison group approach, also called "difference-in-differences" methodology. This methodology involves selecting a target group, which is most vulnerable in the aftermath of the attacks, and a comparison group, which is less likely to be affected by the events of the aftermath – in this case, employer discrimination or religious and ethnic profiling after the September 11 attacks. The underlying assumption in using this methodology is that the target and the comparison groups are similarly affected by time-varying factors other than September 11, but the comparison group is not affected by discrimination and profiling in the aftermath of September 11. Thus, it captures the effect of the other factors. To purge the effect of the other factors from the effects of September 11, we will subtract the pre- vs. post-September 11 change in the employment (or wage or location choice) of the comparison group from the pre- vs. post-September 11 change in the employment (or wage or location choice) of the target group.

We will investigate the effect of September 11 on three target groups. Our first target group is foreign-born persons living in the U.S. The comparison group for this

analysis is the native-born. We will first do the analysis for all foreign-born persons in the age group 18-60 years, with all native-born persons in the same age group as the comparison. To see if foreign-born men have been targeted more than foreign-born women, we will repeat the analysis by gender. And finally, to see if more educated immigrants have been differently affected by the aftermath of September 11, we will also stratify our target and comparison groups by their educational attainment.

Among the foreign-born, news accounts suggest that Muslims and Arabs have been subject to much greater discrimination. Therefore our second target group is people from countries with dominant Islamic faith. More specifically, we will select people born in the 24 countries that were listed for "special registration" by the Department of Justice. These countries are: Bangladesh, Egypt, Indonesia, Jordan, Kuwait, Afghanistan, Algeria, Bahrain, Eritrea, Lebanon, Morocco, Oman, Qatar, Somalia, Tunisia, United Arab Emirates, Yemen, Iran, Iraq, Libya, Sudan and Syria, Pakistan and Saudi Arabia.[4] As the basis for discrimination is not just their citizenship status, but also their ethnicity, we will also include the second-generation immigrants from these countries in the target group.

Although Indians have been excluded from "special registration," India has the second largest population of Muslims in the world, and Muslims from India are as likely to be the objects of discrimination as other Muslims. There have also been incidents in which Sikhs have been objects of hate crimes after September 11. The "special registration" list also excludes Turkey and Malaysia, countries with large Muslim

[4] The Current Population Surveys, the data we will use, allow us to identify people from all these countries individually or by region (e.g. North Africa, Middle East), except for Somalia and Eritrea. These two countries will be excluded from the target group.

populations. Therefore, we will also do the analysis with a third target group, which includes first- and second-generation Indian, Turkish and Malaysian persons living in the U.S. in addition to those from Islamic countries in our second target group.

We will use two comparison groups in the analysis involving our second and third target groups. Our first comparison group is all U.S.-born persons with U.S.-born parents. Our second comparison group is the first- and second-generation immigrant population from countries other than those included in the target group. Again, we will do the analysis for all persons in the target and comparison groups, and then stratify the samples by gender and education.

We will use FBI hate crime reports and reports from local and state agencies to identify the MSAs that reported high rates of hate crime against immigrants after September 11, and study whether the level of discrimination is greater in these MSAs than elsewhere. More specifically, we will construct a dummy that indicates high hate crime area and interact this dummy with a variable that is equal to 1 if an observation is from the post-September 11 period and belongs to the target group, otherwise 0. This would allow us to measure whether the effects of September 11 differ if a person lives in an area with high reported hate crimes.

We will also use an alternate strategy in which the analysis would be restricted to MSAs with sufficiently large immigrant populations. Most immigrants live in geographic clusters in a few MSAs. Limiting the analysis to the MSAs where most immigrants live would enable us to introduce narrower geographic and labor market controls, without compromising the sample size. We will also study whether immigrants have moved out of these areas to areas with less crime against immigrants.

We will use research designs that will permit us to control for observable characteristics of individuals such as their age, race, gender, education, number of years in the US, marital status, citizenship status, family composition, occupation type and state of residence. We will also control for time-varying state effects such as unemployment rate – current and with a lag. Initially, all the controls will be allowed to differ for the target and comparison groups, which is the least restrictive specification of the difference-in-differences model, but we will also conduct tests to see whether we can use a more parsimonious specification that will improve the precision of the estimates.

DATA

To conduct the analysis we will use two datasets. Our first dataset is the monthly basic series of the Current Population Surveys (CPS) for 1999-2002. We select this dataset for its large sample size and repeated observations on the same individuals. It follows the members of each household in the sample for four successive months, then again for four successive months a year later. The dataset provides information on respondents' and their parents' nativity, which will be used to select the target and comparison groups. The CPS individually identifies 12 of the 24 countries listed for "special registration," and 10 others are classified into two regions: rest of North Africa and rest of Middle East, leaving out the two countries in East Africa: Somalia and Eritrea. The CPS identifies people born in Somalia and Eritrea as "other Africans." Since many countries classified by the CPS as "other Africa" are not included in the "special registration" list, we will exclude persons from Somalia and Eritrea from our second and third target groups. We therefore define our three target groups as:

Group 1: All immigrants

Group 2: First- and second-generation persons living in the U.S. from countries listed for "special registration," excluding Somalia and Eritrea.

Group 3: First- and second-generation persons from India, Turkey, and Malaysia living in the U.S., plus our second target group.

The CPS also provides information on employment and location of residence, which are essential to conduct the analysis of the effect of September 11 on employment and location choices.

Our second dataset is the CPS merged outgoing rotation groups files for 1999-2002. We select this dataset because it provides information on the wages of respondents in addition to the variables in the CPS monthly basic series. The outgoing rotation groups files have all the positive features of the latter series, except that they include only one observation per person per year. We will use this dataset to investigate whether immigrants, in particular those from Islamic countries, have been receiving differentially lower wages after September 11, compared with non-immigrants.

To assure ourselves that the CPS sample is large enough to study the effect of September 11 on our three target groups, we tabulated the sample sizes in the CPS merged outgoing rotation groups file for the three groups, which are presented in the Table below.

Table

CPS Outgoing Rotation Files: 1999-2002

Target Groups[1]	1999-2002
Group 1	97,140
Group 2	6,259
Group 3	10,535

[1] A detailed description of the target groups is on page 7.

There are four times as many observations in the monthly basic series as reported in the above Table, which will be used to analyze employment and location. We think these sample sizes are adequate to conduct the analysis.

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