

Prospects for Mexico-U.S. Migration

by Philip Martin and J. Edward Taylor

The Binational Study of Migration was released by the U.S. Government in August 1997. We contributed to the study, reviewing the factors that cause people to cross the Mexican-U.S. border to work temporarily or settle in the U.S. An assessment of the factors that sustain such migration over time was an integral contribution to the study.

In absolute terms the United States is the world's major country of immigration and Mexico is the world's major country of emigration. The best estimates suggest that there were 7 to 7.3 million Mexican-born residents in the U.S. in 1996, including 4.7 to 4.9 million Mexican-born residents authorized to be in the U.S., and 2.3 to 2.4 million unauthorized Mexican-born residents. The number of legal and unauthorized Mexican-born residents in the U.S. is increasing by 277,000 to 340,000 per year. In a typical year some four to five million Mexican nationals, the equivalent of one-eighth of Mexico's labor force and one third of those employed in formal sector jobs in Mexico, are employed in the U.S.; Mexican-born workers are about four percent of the total U.S. labor force.

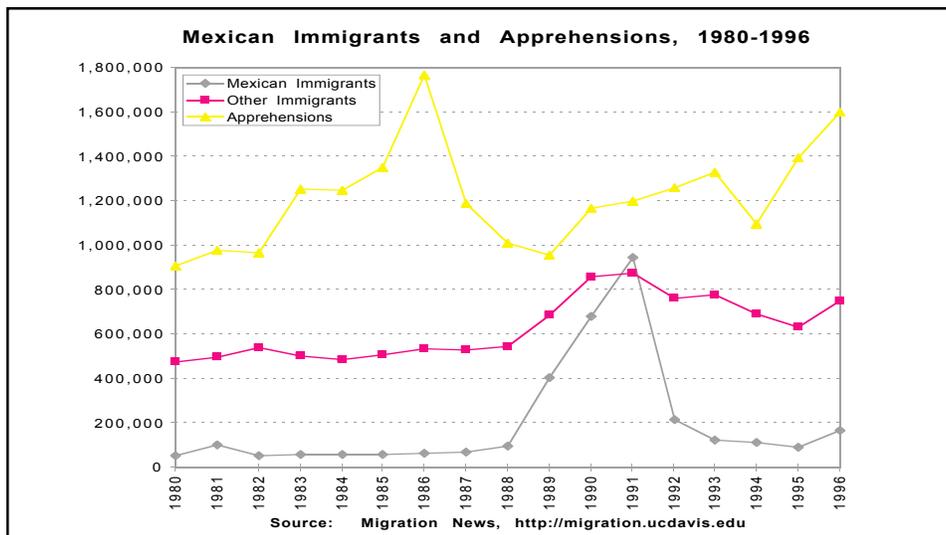
Mexico to the United States migration has a long history and has become one of the most important linkages between the two most populous countries in North America, affecting employment patterns, demographic trends, regional dynamics, and politics in both countries. "Go north for opportunity" is an idea deeply embedded in Mexican youth, especially in the rural areas of west central Mexico. Closer economic integra-

tion, including more trade and investment, is interacting with and affecting migration patterns in significant ways.

Three Key Findings

The factors that sustain Mexico-U.S. migration are grouped into three broad categories: Demand-pull factors in the U.S., supply-push factors in Mexico, and network factors that bridge the border. The analysis leads to a simple conclusion: The migration of persons from Mexico to the U.S. is a dynamic process; what began largely as the U.S.-approved or U.S.-tolerated recruitment of Mexican workers for mining, railroad, and seasonal U.S. farm jobs has become a far more complex migration relationship that is moving rural, and more recently urban, Mexicans into traditional and nontraditional industries, occupations, and areas of the U.S. The report is based on three key findings:

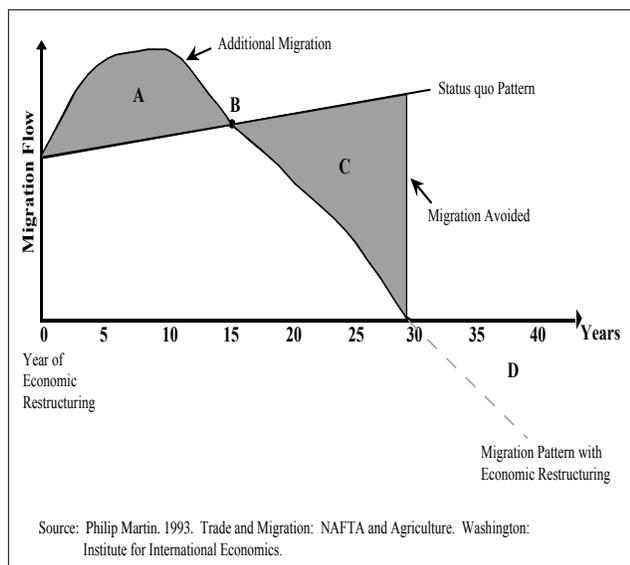
1. The origins of Mexico-U.S. migration lie largely inside the United States. Mexican workers were recruited earlier in the twentieth century for U.S. farm jobs, creating linkages between jobs in U.S. agriculture and workers in particular Mexican communities. Now the labor markets in which Mexican migrants are finding U.S. jobs are changing and may change even more. Already most Mexican-born workers (an estimated eighty percent) hold nonfarm U.S. jobs.
2. The factors that initiate migration flows are not necessarily the only ones that sustain Mexico-U.S. migration. There is still a demand-pull for Mexican workers in the U.S.; most recently-arrived legal and unauthorized Mexican migrants can find work in high turnover farm, manufacturing, and service jobs, in areas where Mexican-born work-



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ers have traditionally played important roles as in southwestern agriculture, and in new industries in the Midwest, the Southeast, and East Coast including construction, meatpacking, and services. However, supply-push factors in Mexico have become more important in recent years as a result of recurring Mexican economic crises and policies aimed at economic modernization such as the privatization of government-owned industries and the restructuring of rural Mexico. New U.S. border enforcement strategies begun in 1994-95 have encouraged most (seventy percent) of Mexicans attempting unauthorized entry into the U.S. to hire *polleros* or “coyotes” to help them cross the border which reduces apprehensions despite stepped-up U.S. border controls. Also smuggling has increasingly become a business, with migrants offered various options to pay for the cost of getting into the U.S. illegally, including working in a “coyote”-provided or “coyote”-arranged job in the U.S.

3. There is currently a hump or peak in the volume of Mexico-U.S. migration that is likely to persist until at least 2000. One long-term supply-push factor explaining the mid-1990s migration hump is the fact that the number of job seekers in Mexico exceeds the number of jobs being created for new labor force entrants.



The report identifies demographic and economic indicators suggesting that, starting in five to fifteen years, population supply-side pressure for Mexico-U.S. migration should decline from current levels. Factors leading to this decline include reduced population

growth in Mexico and the recent trend toward growth and stabilization of the Mexican economy, which should increase job availability and wages.

Dynamics of Migration

Mexico-U.S. migration is a complex and dynamic process:

1. If the underlying demand-pull, supply-push, and network factors change in strength and relative importance, policies designed to deal with just one factor at one level of migration may lose their effectiveness over time.
2. Both the U.S. and Mexico took steps over the past decade that reinforced the network and supply-push factors that encourage Mexicans to go north for opportunity:
 - The U.S. legalized two million Mexicans in 1987-88 including almost one million unauthorized Mexican farm workers. Legalized Mexican Special Agricultural Workers (SAW), amounting to one-sixth of the adult men in rural Mexico, gained the right to settle in the U.S. and petition to bring their families to the U.S.
 - Mexico in the early 1990s undertook measures which resulted in a shrinking of employment in agriculture, including the elimination of most input subsidies and price guarantees, switching to direct payments to farmers and easing trade restrictions.
 - Extensive networks of private agents have developed to assist Mexicans wishing to migrate legally and illegally to the U.S., including a variety of advisors, smugglers, and transportation agents.
3. It should be kept in mind that some of the factors that today are producing high levels of Mexico-U.S. migration today should abate over the next five to fifteen years.
 - Mexico’s population growth has slowed, which promises fewer new labor force entrants in the years ahead.
 - Workers can be displaced from agriculture only once. Thus after the Mexican farm labor force has been reduced from twenty-five percent of all workers in the mid-1990s to twelve to fifteen percent by 2015, supply-push emigration pressures from the areas that have some of the best network connections to the U.S. should diminish.
 - The destabilizing impacts of Mexican institu

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ARE Faculty Profile

Professor Richard J. Sexton joined the Department of Agricultural and Resource Economics in 1984 after receiving his Ph.D. from the University of Minnesota. He has served as the department chair since 1994. In addition to his administrative responsibilities, Rich is actively involved in teaching and research duties.

His research focuses primarily on the analysis of agricultural markets with special emphasis on the fruit, vegetable, and nut industries in California. A particular focus is the role that imperfect competition plays in agricultural markets. He explains that although these markets are sometimes offered as textbook examples of competitive markets, the reality is quite different. Agricultural markets often exhibit high levels of concentration at multiple points in the market chain from the farm gate to the consumer.

In particular, California markets often exhibit institutions and organizations of grower power, such as marketing cooperatives, bargaining associations, and marketing orders. These forces interact to influence market behavior in ways that may not be well captured by a basic competitive markets model.

Examples of Dr. Sexton's recent studies include: The effects of imperfect competition on the size and distribution of benefits from agricultural research; price determination for fresh produce with application to California lettuce; spatial competition and pricing in the California processing tomato industry; the role of buyer coalitions and exclusive contracts as a



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force to countervail market power; measurement of departures from perfect competition in multiproduct food industries; market integration and imperfect competition with application to U.S. celery; and behavior and decision making in water/irrigation districts.

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tional and market reforms should soon run their course. With rapid growth, both in the rural sector and in the new export-oriented activities in Mexican urban areas, jobs and upward pressure on wages should encourage many potential migrants to remain in Mexico.

- The U.S. labor market is expected to absorb a large number of unskilled workers over the next few years, as the normal complement of new job seekers are joined by persons removed from welfare rolls. This increased supply of U.S. workers, as well as even more border and interior enforcement, may reduce the availability of jobs for newly-arrived Mexican workers.

ARE Professor Philip Martin has interests in farm labor, immigration, and agricultural policy. Professor J. Edward Taylor specializes in economic development, population and resources, technology adoption, and applied econometrics.

Their report, including policy recommendations, is included in the final report of the Binational Study of Migration, which is available on the following websites: <http://migration.ucdavis.edu> or <http://www.utexas.edu/lbj/uscir/>. Or contact the authors directly at: martin@primal.ucdavis.edu (916-752-1530) or taylor@primal.ucdavis.edu (916-752-0213).