Return Migration and Employment in Mexico

Laura Myriam Franco Sánchez
Research Professor
Universidad Autónoma del Estado de Hidalgo (UAEH)
Área Académica de Sociología y Demografía
Carr. Pachuca- Actopan Km 4.5
Pachuca Hidalgo, C.P 42080
Mexico

Summary

Return migration had an important impact on the countries of origin, transit and destination. For these countries, the impact is felt on national immigration systems and the integrity of asylum systems. It is clear that the reintegration of returnees requires meticulous planning and greater collaboration between sending and receiving countries. This paper presents an analysis of return migration and employment in Mexico. This information generated by a sample of the Census of Population and Housing 2010, which provides more accurate profiles of returning migrants will be analyzed. The data examined include socio-demographic characteristics of returning migrants, characteristics and tracking their employment and income trends once they return to Mexico.

Keywords: returning migrants, employment, migration

1.1 Introduction

Mexican emigration has been reported to decline to levels not seen for thirty years while at the same time there has been an accompanying massive return of Mexicans at a rate that has been stable since 2006 (Passel & D'Vera, 2009; and Rendall, Kups & Brownell, 2010). Researchers note the statistics provided from the *National Survey of Occupation and Employment (ENOE),* which surveys the rate of immigration to Mexico, indicate a stable level with slight fluctuations of about 3 and 4 people per thousand. In contrast, the rate of migration in recent years has experienced a marked decline, the Net Balance Migration rate falling -5.4 to -1.4 per thousand (see Table 1).
However, the data recorded in Population and Housing Census 2010 indicate that between June 2005 to June 2010 1,112 000 people left Mexico, of which more than 350,000returned, mainly from the U.S. The 2010 Census provides information not only of returnees in the five previous years but also identifies the length of time returnees lived in the US as well as those still living in that country in June 2005. This figure is close to one million people (994,774 people according to census data). This figure is representatively higher than the combined populations of the states of Campeche, Colima, and Baja California Sur. The two databases cited above indicate somewhat different migration and return rates and reflect the reality of migration studies, which employ varying data collection methodologies in Mexico. The ENOE has recorded a massive but gradual return. However, the U.S. economic crisis created an intense spike of migrants returning to Mexico for various reasons, many with the facility and resources to return quickly. Thus, this spike was captured in the 2010 Census but not in ENOE data collection.

Although there have been studies of the social, economic and demographic characteristics of return migration that have been implemented throughout Mexico, we propose to analyze the process of return of these people in Mexico in the context of employment trends of these migrants in the Mexican labor market. Mexican migration is a phenomenon predominantly represented in employment trends (Bustamante, 1996). Migrants who return as quickly as possible seek jobs or if they return with some savings or financial resources sent beforehand, try to invest in income producing activities. Hence, the purpose of this study is to determine the volume and characteristics of migrants who have returned and initiate or participate in productive economic activity. Our hypothesis is: that returning migrants become concentrated in marginal income-producing activities and low quality jobs.

Taking into account that Mexico's economic situation is interdependent with that of the United States, it is not surprising that both declined in 2009. The National Institute of Statistics and Geography (INEGI) estimated that the Mexican economy declined 6.5 percent and that Mexico experienced the greatest negative economic impact than any other Latin American country. This is due largely to the Mexico’s close connection and interaction with the U.S. economy. In 2010, there was a modest recovery of 5.5 percent in Mexico, which emulated parallel improvement and growth in the U.S. economy. However, in spite of economic growth, the Mexican labor market in recent years has been plagued by high rates of unemployment and an unstable labor market (Samaniego, 2010).

1.2 Factors influencing return migration

The main factor associated with the decline in Mexican international migration was recession and the contraction of the U.S. economy, which was part of the global financial crisis of 2008. During this crisis, Mexican immigration patterns were heavily altered. Unemployment rates of immigrants increased significantly after September 2008, when the recession began and became more pronounced and widespread across all U.S. economic activity. The U.S. unemployment rate increased to levels not seen in over 27 years. In early 2009 there was a predicted loss of 2 million jobs in the U.S.; however, later that year, 8.2 million were actually recorded. In early March 2011, 13.7 million people were unemployed, 43.9% of them having been so for four months or more, the long-term unemployed. In February 2009, the U.S. Labor Department reported 104,000 layoffs in the construction industry and 375,000 in services, economic sectors in which many Mexicans immigrants worked. Later Labor Department figures indicate that job losses among Mexican immigrants from July to September 2009 were 808,000 jobs compared to those recorded a year prior.

The same reporting quarter noted the presence of 12.4 million Mexicans immigrants of which 7.7 were women. Mexican immigrant females suffered the greatest impact in job loss 575 thousand jobs compared to 234 000 jobs lost by Mexican immigrant males. It is also reported that Mexican immigrants held the lowest level paying jobs in comparison to all other minority populations employed in the work force. The U.S. administration’s effort to dissuade Mexican migration—particularly illegal migration—have taken on renewed emphasis in recent years. Since the nineties, actions taken by US border authorities against Mexicans crossing the border without visas have increased ten-fold. A number of new border protection programs have been initiated since, mainly under the rubric of "prevention through deterrence". The first of these, implemented from 1993-1994, consisted of a dramatic strengthening of surveillance along the .US border. In 1993, Operation Blockade (later renamed Operation Hold the Line) was instituted in the area of El Paso. In 1994, “Operation Gatekeeper” was implemented in the San Diego area and later in1995 was extended to southern Arizona and California as “Operation Safeguard.” Finally, in 1997 “Operation Rio Grande” was extended to Texas. In all, these programs carried out mass arrests of undocumented (Cornelius, 2001).

Since the attacks on New York and Washington on September 11, 2001, the House of Representatives of the United States passed a series of strong anti-immigrant measures, which further strengthened border security. These measures also affected entry procedures and security at airports and made it more difficult to obtain visas. In 2006, the U.S. Senate approved HR 6061, which, in addition to greatly expanding the Border Patrol, authorized the construction of a border wall measuring 1,200 kilometers in length along the border with Mexico and the states of California, Arizona, New Mexico and Texas. In addition to the double fencing, the act also authorized a “virtual fence” of cameras, ground sensors, drones and other surveillance technologies.

Anti-immigration policies were also enacted within individual states that affected immigrants who had already crossed the border, irrespective of the time they had been living in the U. S. Since the Arizona border was one of the busiest points of entry for immigrants, border surveillance was more intensified there since (1995-1997), As a result, the State of Arizona decided to augment federal enforcement activity. Arizona Governor Jan Brewer of Arizona introduced Arizona Senate Bill 1070 in April 2010, which unleashed a wave of anti-immigrant measures in Arizona, Among the measures was authorization of local police to enforce immigration laws by questioning the immigration status and detaining suspects. They also imposed penalties on those who employ illegal laborers or transport them in to the State of Arizona. Prior to the enactment of these measures, immigration laws were enforced only by federal immigration authorities. The states of Nebraska, Florida and Georgia have indicated their intent intend to follow the lead of Arizona to implementing similar anti- immigration policies. SB 1070 has been blocked because of protests both at the federal and local levels. And some of the provisions have been successfully challenged by the U. S. Department of Justice as civil rights violations.

Increased surveillance and enforcement by the U. S. Border Patrol has forced some new and more dangerous routes through the deserts and greatly increased the difficulty and risk in reaching urban areas (Cornelius, 2001). Passage across the border has been rendered even more difficult with not only increased surveillance and tougher immigration measures, but also the presence of major criminal activity involving drugs and guns on the Mexican side of the border and self-appointed vigilante groups on the U. S. side. As this has complicated the role of coyotes and smugglers who have a much more difficult time safeguarding their clients, their fees have greatly increased.

1.3 The Economic Environment of Return 2009-2010.

As a result of a particularly adverse international environment, economic activity in Mexico was weakened throughout 2008. During the first three quarters of the year, the economy was slowing mainly in response to the gradual deterioration of external demand, which affected primarily the levels of activity in sectors producing tradable goods. However, in the aftermath, the external shock was extended to the individual household level, which in turn led to negative growth in local economics in the first quarter of 2009. Thus, although during the first three quarters of the year, GDP grew 2.4 percent per year (as compared with a growth rate of 3.3 percent in 2007), in the last quarter of 2008, there was an aggregate decrease of 1.6 per annual percent (Banco de Mexico 2008: 23). In 2009, GDP shrank by 6.5 percent per year, similar in magnitude to that observed during the 1995 crisis. However, it is possible to distinguish two phases in the evolution of economic activity in the country during the period 2009-2010:

1. During the first half, there was a sharp drop in production activity, which resulted from the contraction of external demand. The shock to this domestic market reduction as well as the effects of other temporarily paralyzed production. A contributing key event was the outbreak of influenza A(H1N1) resulting in the temporary closure of auto plants and auto shipping companies, resulting in the initiation of bankruptcy procedures.
2. In contrast, during the second half there was an increase in manufacturing exports, largely due to the gradual improvement in external conditions. This result, combined with the fading of the temporary shocks that had greatly affected the economy in the second quarter, led to increased production activity. However, the recovery of domestic demand from the private sector was less vigorous. This led to continued but moderate financial deficits which persisted as the economy remained slack (Bank ofMexico2009: 35).

Various processes leading to economic recovery began to emerge in the second half of 2009 (see Table 1). This was fed by more dynamic external demand which in turn tended to expand and enable greater levels of domestic expenditure. The growth exhibited by the global economy, particularly the industrial activity in the United States, significantly boosted Mexican exports. In particular, exports of Mexican non-oil products to the United States became stabilized, also representing an increase of exports over imports into the United States. Similarly, exports to non-US market also showed a positive trend, indicating an acceleration of economic activity towards the end of the reporting year.

This increased level of economic activity in the global economy slowed the depreciation of the exchange rate occurring as a result of the greater global economic crisis. The gradual recovery of aggregate demand resulted in a recovery of productive activity. Indeed, in 2010 as a whole, real GDP grew at an annual increase of 5.5 percent. The GDP growth in 2010 was largely due to external demand boost to manufacturing activity and the gradual reflection of this growth in services. In particular, manufacturing production experienced a significant growth rate during the course of the year. The economic environment of recent years has impacted the Mexican labor market, as indicated in Figure 2. Before the crisis, the unemployment rate (TDA) was four percentage points lower than previous years but exacerbated by the crisis. Even with the recovery that occurred in 2010 TDA levels have remained high. The impact of the crisis on unemployment in the country may have led to an increase of over 800 000 people in the last period seeking and finding work (2,482 000 people according to the Urban Employment Survey ENU) with respect to the first quarter of 2008 (in this period the survey reported 1,772 000 unemployed persons).

In summary Mexicans returning home encountered an environment of economic contraction, sluggish recovery and high levels of unemployment. Census figures indicate that high rates of unemployment greatly hampered the ability of returning migrants to return to their villages of origin. This study will examine the factors affecting return migration and the resumption of economic activity. In particular, we will look at economic and employment sectors and earnings.

1.4 The Profile of the Return Migrant

Return migration consists of mainly men in a ratio of 2 to one compared to women. For every woman who returns, there are two men. Those who return do so to rural areas (34.1%) compared to 33.2% to suburban areas and 32.7% to urban locations with over 100 thousand inhabitants. These results are consistent with the pattern of Mexican migration to the United States, as noted by Mendoza (s / f) who has indicated that the flow of Mexicans to the United States in the nineties was characterized by the rural origin of migrants and their primarily male composition. (Mendoza, s / f: 22). He also notes that the characteristics of migrants to the United States have changed little over the past 100 hundred years. What has changed in more recent years is the education level of migrants. The image of the poor and illiterate has faded where, in reality, most migrants have at least basic studies in primary and secondary education, 20% with high school diplomas and a smaller proportion with bachelors and graduate degrees. The age of migrants tends to reflects great diversity; the classic pattern was of younger people fully capable of, and seeking work. However, the return migrant age distribution is indicated at 27.8% under 40 years, 48.2% between the ages of 40 and 59, and 31.5% over 60 years of age.

1.5 Migrant Return and Employment Prospects

The first aspect to consider about returning migrants is their activity status upon return. Table 2 indicates that 62.1% of migrants resume economic active population (EAP), while 37.9% remain economically inactive. These figures vary greatly from the general population where, only 39.7% of people are considered economically active and 62.1% inactive. This figure infers that returning migrants require an immediate source of income to enable their family responsibilities as 57.8% of returning migrants are responsible for the maintenance or support of families as heads of households. Thus, the majority of returning migrants either resumes economic activity or seeks immediate employment in order to meet their familial responsibility. Out of the economically active recent returnees, 7.6% were looking for but had not found employment by the 2010 census date, compared to4.6% of the economically active general population. The incidence of unemployment is higher among returning migrants than in the rest of the population. This fact reveals how difficult it is for returning migrants to find a place in the Mexican economy and the pressure and obstacles they experience when trying to find jobs. Another aspect of this high unemployment rate is the fact that many returning migrants reside in rural communities where, historically, few jobs are actually available.

As indicated in Table 3, returning migrants are concentrated vocationally in the agricultural and construction sectors in contrast to the general working population, more than one in three returnees work in these sectors compared to the general population where the proportion is one in five. The concentration of returning migrants employed in these sectors must be taken into account the high levels of job insecurity and low wages that typify employment in these sectors. Similarly, the high number of people working in the agricultural sector is consistent with the number of migrants who reported having returned to reside in rural communities. The variation in percentages of employment among returning migrants and non-migrant workers (Table 4) is due largely to the return of migrants to rural localities where they can obtain employment as laborers. Although self-employed workers represent more than a quarter of the population employed, the majority of this population works for wages as employees. In general, returning migrants show predominance in positions of very small cap occupations.

Another characteristic of returning migrants compared to the general population is their concentration of employment in occupations requiring only low levels of education. Thus, more than half work in such low-skilled areas as agriculture work or operators compared 38% of the general population. Although non-migrants were proportionally much higher in terms of percentage of representation on employment requiring high levels of skills, only 12.1% of returning migrants were able to enter the labor market requiring higher skills. In Mexico the working conditions are federally regulated on a daily and weekly basis, Forty-three percent of returning migrants work longer than permitted by Federal Labor Law. The prolonged working day increases, as mentioned previously, affects the physical and mental health of workers and the quality of personal life and their families. In turn, 27.8% of returning migrants work*less* than 40 hours per week, underscoring the underemployment of this population. They work fewer hours than legally permitted, usually in poor quality and often dangerous jobs. Although in Mexico there are a number of standards (labor laws and labor contracts) that serve to regulate labor activity - especially wages, hours of work, overtime pay, vacations, holidays, maternity leave, etc. (Martinez et al, 2006). These terms and enforcement provisions represented in these standards are very weak, especially in the labor sectors where migrants tend to be concentrated.

The benefits that returning migrants should have access to include healthcare (whether in public institutions IMSS, ISSTTE, PEMEX National Defense or a private institution) and the right to receive bonuses; however only one in four migrants actually enjoy these services. Although, in the non-migrant population percentages of persons with access to these services are observed to be higher for all benefits, they are still low, as these percentages are far from representative of the majority of the employed population. Upon further analysis for each of the benefit services and indicators, we found that 73.8% of returning migrants work without receiving any social benefit compared to57.7% of the general population working under the same conditions. Therefore, although the data confirm that the majority of the Mexican population works in unregulated jobs, job insecurity levels of returning migrants is exceptionally high. Only 10% of the jobs that migrants return to jobs that conform to the standards of Mexican labor law.

These data reflect the precarious nature of the Mexican labor market, which owed its instability to several factors. The first and perhaps most significant of these from our point of view is the high number of people who are self-employed, estimated at one in four mostly in small family businesses. The second significant factor is the increasing numbers of companies who are reducing their labor costs to compete in local or global markets, as well as the inability of Mexican labor institutions to create more effective laws and to enforce existing rules and regulations existing in Mexican law. Despite the large differences found in terms of working conditions of returning migrants compared to the general population, there were no differences found in the distribution of minimum wage income between these two populations. Both populations obtained low labor perceptions. The proportion of workers earn a monthly income far below the poverty line, those earnings are insufficient to purchase a basic food in Mexico. Although it should be noted that the identification of income levels used to measure poverty is based on the undifferentiated income of all household members. However, paid employment is the main source of income most Mexican households. Accordingly, these data indicate that returning migrants like other members of the general population are willing to take jobs regardless of social benefits, seeking rather any employment that will enable them to survive.

Conclusions

Return migration is stimulated and affected through a number of causes, but the greatest stimulant is economic hardship in the United States. The data show that there has been no sudden mass return of Mexicans, but a gradual and steady increase that began before the crisis and stagnation in the U.S. economy. The census data indicated that returning migrants stay longer before returning to the US as they are waiting until the conditions of the host country improves. This group of people migrated to the United States primarily for work and most of them are the breadwinner of their homes, so it should not seem strange that on their return to Mexico the vast majority of them are now working. As they remain the economic support of their families, returning migrants seek economic activities immediately after their return to Mexico. Apparently the vast majority have not found it difficult to find employment in their communities or regions, especially where the economic activity is related to agriculture and construction, sectors characterized by both a high degree of both flexibility and dangerous working precarious conditions. This fact is disturbing because some of these people are young and these jobs prevent them from considering or preparing for a better future. Probably the poorly educated (60% have basic education) weigh heavily on the Mexican labor market and contribute to the extent of job insecurity and fluctuating labor markets.

Table and Figures

Table 1. United Mexican States. Quarterly Rate of International Migration 2006-2010

Period	Emigration	Inmigration	Net Balance Immigration
The second quarter 2006 to first quarter of 2007	10.1	4.7	-5.4
The second quarter 2007 to first quarter of 2008	8	4.3	-3.7
The second quarter 2008 to first quarter of 2009	6.2	4.2	-2
The second quarter 2009 to first quarter of 2010	4.9	3.5	-1.4

Source: Taken from INEGI Press Release December 21, 2010.

Table 2: Population by condition of activity.

Activity Status	Returning migrants	%	No Migrants	%
Economically Active Population	757 330	62.1	44 036 392	39.7
Economically inactive Population	462 585	37.9	66 703 832	60.3
Total	1 219 915	100.0	110 740 224	100.0

Authors' calculations based on micro data from the Census of Population and Housing, 2010.

Table 3: Jobs by Sector

Sector of economicactivity	Non- Migrants		Returning migrants	
Agricultural	5539457	13.2	169586	22.4
Construction	3472101	8.3	106208	14.0
Manufacturing	6353550	15.1	90387	11.9
Wholesalebusiness	961091	2.3	14652	1.9
Retailtrade	7133231	17.0	97441	12.9
Services	17594460	41.9	266266	35.2
Others[a]	414408	1.0	6766	0.9
Notspecified	558320	1.3	6024	0.8
	42026618	100.0	757330	100.0

Authors' calculations based on micro data from the Census of Population and Housing, 2010.
[a] Includes mining, electricity, water and gas supply.

Table 5: Employed Population by Migration Status According to Principal Occupations.

Employments	No Migrants	%	Returningmigrants	%
Highprivate and publicadministrativemanagement	1593160	3.8	16791	2.4
Professionals, scientists and academics	3378591	8.0	23554	3.4
Mid-levelspecialistsand technicians	3972156	9.5	43999	6.3
Executives and office workers	2529520	6.0	21944	3.1
Employeestrade	6118672	14.6	84240	12.1
PersonalServiceWorkers	2321380	5.5	37649	5.4
Surveillance Occupations	1092281	2.6	16694	2.4
Jobsin agricultura	4377920	10.4	133065	19.1
Laborersand Operators	11775039	28.0	268007	38.4
UnskilledLabor	4363133	10.4	46369	6.6
Other	412732	1.0	5214	0.7

Authors' calculations based on micro data from the Census of Population and Housing, 2010.

Table 6. Percentage of working population with benefits

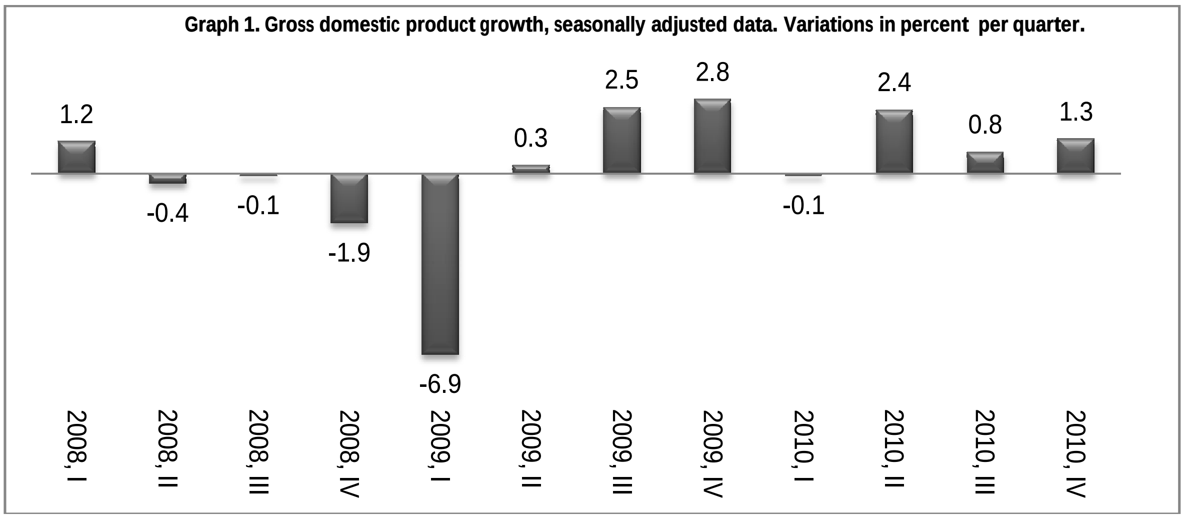
Benefit	No migrants	Returning Migrants
IMSS, ISSTEE	36.5	20.9
Holidaybonus	37.8	20.5
Utilities	33.7	17.7
Afore, Sar	29.1	14.6
Vacationpaybonus	24.6	12.8
Otherprovisions	12.6	6.9

Authors' calculations based on micro data from the *Census of Population and Housing, 2010.*

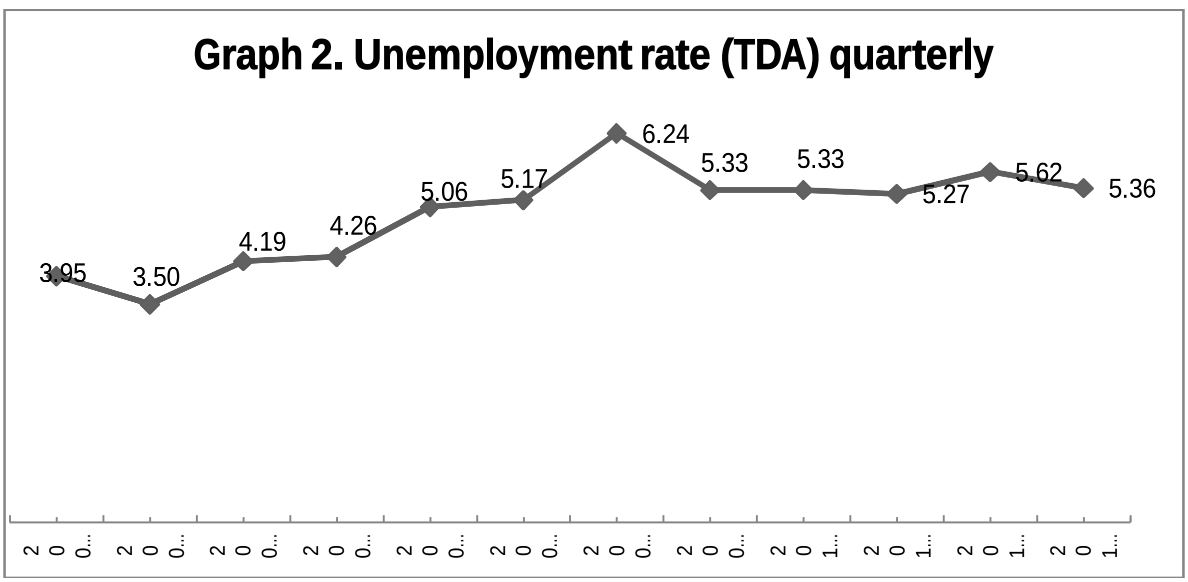
Table 7. Distribution of employed by immigration status, as perceived minimum wages.

Classification wages Monthly	No Migrants	%	Returning migrants	%
Lessthan Minimum Wage	3624213	10.2	48022	8.4
From 1 to 2minimum wage	9022630	25.4	140817	24.8
2 to 3 minimum wages	9211939	26.0	160101	28.2
3 to4 minimum wages	5402364	15.2	101151	17.8
From4 to 5minimum wages	2043334	5.8	23508	4.1
More than 5minimum wages	6188001	17.4	94764	16.7
Total	35492481	100.0	568363	100.0

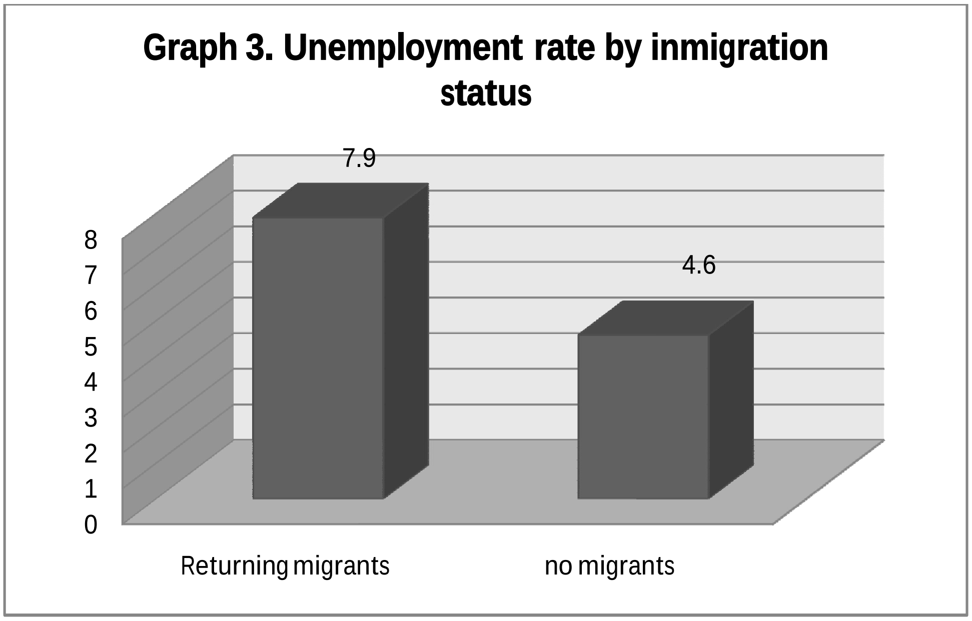
Authors' calculations based on micro data from the Census of Population and Housing, 2010.
[a] Includes not unspecified.



Source: Derived from Annual Reports of the Bank of Mexico, 2008, 2009 and 2010.



Source: Authors' calculations based on data from the Urban Employment Survey, INEGI.



Authors' calculations based on micro data from the Census of Population and Housing, 2010.

References

Cornelius, Wayne (2001). “Migración y muerte”, en *Este País*, número 119, febrero 2001, México.

Banco de México (2008). *Informe Anual* 2008. Distrito Federal, México.

Banco de México (2009). *Informe Anual* 2009. Distrito Federal, México.

Banco de México (2010). *Informe Anual* 2010. Distrito Federal, México.

Bustamante, Jorge (1996). Cruzar la línea. Fondo de Cultura Económica. México. DF.

Hualde, Alfredo and Serrano Arcelia (2005). La calidad del empleo de asalariados con educación superior en Tijuana y Monterrey. Un análisis cuantitativo *Revista Mexicana de Investigación Educativa*, abril-junio, año/vol. 10, número 025 COMIE. Distrito Federal, México pp. 345-374

Instituto Nacional de Estadística y Geografía (2010). *Micro datos del Censo de Población y Vivienda*, INEGI, México

Mendoza, Cristóbal (2005). Patrones de migración México-Estados Unidos en los noventa: Datos de cuatro encuestas mexicanas. Dpto. de Sociología. Universidad Autónoma Metropolitana-Iztapalapa. Ciudad de México

Passel Jeffrey S. and D'Vera Cohn (2009)Mexican Immigrants: How Many Come?How Many Leave? Pew Hispanic Center.

Rendall Michael S., Brownell Peter y Kups Sarah (2010). Declining Return Migration from the United States to Mexico in the late-2000s Recession.Labor and Populación.

Samaniego Norma (2010). El empleo y la crisis. Precarización y nuevas “válvulas de escape”. http://www.economia.unam.mx/publicaciones/nueva/econunam/pdfs/20/03normasamaniego.pdf