Mexico–United States migration, 1980s–2010
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The Mexico–US migration dynamic underwent a new boost upon the shift to exports in Mexican economy in the neoliberal era, particularly after the North American Free Trade Agreement (NAFTA) was signed and enforced in 1994. Although the long history of Mexican migration to the United States began at the end of the 19th century, it was not until the 1980s to 2010 that it became particularly high, increasing almost six-fold, from 2.1 million (3.1 percent of Mexico’s population) to 11.9 (10.8 percent of Mexico’s population). By 2010, the growth was so dramatic and extensive that the Mexico–US migration corridor was the largest in the world, and Mexico became the world’s top emigration and transit country.

Root causes of Mexico–US migration

In the 1980s, and more intensely since NAFTA, Mexico underwent a progressive dismantling of its national economic apparatus dating from the end of the Industrial Substitution period, which brought about expansion and escalation forms of extreme labor pauperization. In such a context, the economy was reoriented towards a peculiar form of export-based production utilizing cheap labor. This model, which is crucial to the US economic restructuring process, comprises three interrelated mechanisms that, taken together, indicate the asymmetrical and subordinated integration of Mexico’s economy with that of the United States (Cypher & Delgado Wise 2010):

1. The maquiladora industry, made up of assembly plants and involving a strategy of productive relocation led by large US corporations in order to take advantage of low labor costs in Mexico. The result is that Mexico experiences a very low level of integration with the US economy and, in addition, is subject to a further dismantling of its industrial apparatus.

2. Disguised maquila, or manufacturing plants with productive processes that are more complex than maquila assembly operations, but operate under the same temporary import regime as maquiladoras (e.g. the automobile and electronics sectors). It should be noted that maquila and disguised maquila share two characteristics: (a) they have few links to the rest of the national production apparatus that would advance new technological innovation and provide continuous employment, and (b) employment is not guaranteed for the long term, but is instead precarious and short-term. Maquilas pay wages that are around one-tenth of those in the United States, while wages in disguised maquila are one-seventh of those in the United States. Due to their high levels of imported components (between 80 and 90 percent of the total export value), their contribution to the Mexican economy is basically restricted to wage earnings. This means that the country is engaged in the indirect or disembodied exportation of labor. This is a crucial conceptual element that demystifies the purported success of Mexican manufacture exports and reveals a regressive movement in exports.

3. Labor migration, which involves the mass exodus of Mexicans to the United States as a result of the constrained size and precariousness of the Mexican formal labor market and the process of neoliberal regional integration.

The migration dynamic

The Mexico–US migration system is exceptional, being one of the oldest, most complex,
and most active in the world. Although its profile is shaped by factors such as its mature nature, its massive flows, and its neighbor situation (Durand & Massey 2009), there is no doubt that the spinal column of the current migration flow is driven by underemployed and unemployed Mexican workers.

Mexican migration has today reached record proportions. Over the last 30 years the native Mexican population residing in the United States has grown six-fold, from 2.2 million in 1980 to 11.9 million in 2010. As a result, Mexico has become the top exporter of migrants in the world. Concurrently, the United States has the highest immigration levels in the world (absorbing 20 percent of the world’s total), of which Mexicans constitute a majority (27.6 percent).

The extent of this trend is expressive: in 2009 the estimated number of native Mexicans residing in the US exceeded 30 million. In line with the above, Mexico underwent a process of exponential growth in terms of migrant remittances, climbing to third place in the world after India and China. In 2010, total money transfers from Mexican workers in the United States to their families back home in Mexico totaled US$22.6 billion.

The following major qualitative changes are evident over and above those features that account for the quantitative growth of migration:

- There has been international migration from all over the Mexican territory, involving 96.2 percent of municipalities. This spread of migratory participation entailed both new departure and destination zones of migration flows. The number of Mexican natives residing in the United States has expanded across the country in the last few years. Among other places, immigration flows are expanding into the Eastern and North/Central United States; precisely where some of the most active industrial restructuring centers are located (Durand & Massey 2009).
- Education-wise, 39.3 percent of the population aged 24 or older born in Mexico and residing in the United States in 2008 had high school or further education. In contrast, the mean figure for Mexico in 2005 (the last available date) was 30.7 percent. This means that, contrary to common belief, more skilled labor is leaving rather than staying in Mexico.
- There is also evidence of a barely visible type of displacement that does not fall under any labor migration stereotype regarding Mexicans. In 2008, there were more than 533,000 Mexicans residing in the United States with a BA and/or a graduate degree, who had all been born in Mexico, including 9,550 with PhD degrees. If the number of Mexicans living in the United States is considerable (10.8 percent), the highly skilled population is much higher in relative terms (30.7 percent) (Zúñiga & Molina 2008).
- All these changes have been accompanied by a significant transformation of the migration pattern: from a predominantly circular pattern, it has now shifted to a predominance of migrant settlers (Massey et al. 2002).
- Finally, the shift in migration patterns and the fall in domestic birth rates has produced a worrying depopulation trend in Mexico between 2000 and 2005: Out of 2,435 municipalities in the country, half had a negative population growth rate. Preliminary data from the 2010 Census indicates that this trend is continuing.

US demand for Mexican labor

Occupational data show the strategic function of migrants in the US labor market (Giorgoli et al. 2007). The country generated approximately 23.2 million jobs between 1994 and 2008, 46.2 percent of which were taken by the immigrant population. Mexicans are the largest immigrant group in the US workforce, and took 3.8 million jobs between 1994 and 2008, which is one-third of the immigrant population’s total labor supply and 16 percent of all US-generated employment – that is, one in every six employment positions.

The role played by Mexican migrants in the US job market is even more evident when
approached in relative terms: Mexican immigrant employment has grown at its fastest rate – 7.6 percent – during the NAFTA era.

Mexican migration to the United States is molded by regional integration policy but has very different effects in each country. The receiving country benefits from an increased labor supply in certain sectors of the labor market, which reduces labor costs and increases capital benefits. This process is not simply regulated by the free play of workforce supply and demand. In many ways, it is also managed via deliberate corporate strategies that seek to reduce labor costs through large-scale replacement of native workers in certain sectors of the US economy. The behavior of the manufacturing industry is paradigmatic in this regard: between 1994 and 2008, the native workforce in the sector decreased by 4.28 million, while migrant employees increased by about 812,000 – of which some 300,000 (40 percent) were Mexican. This trend is associated with a significant wage differential (nearly 50 percent) between Mexican immigrants and those born in the United States. These data clearly indicate that the US economy is undergoing a period of labor precariousness within a broader context of fierce international competition and national deindustrialization/transnational restructuring (Delgado Wise & Márquez 2007).

The contribution of Mexican immigrants to US production and consumption

The vast number of Mexican migrants working and residing in the United States strengthens national production and consumption. Their contribution to the US GDP has doubled in the last 14 years, from 2.3 percent to 3.8 percent; which, in 2008, amounted to $531.6 billion. The US economy grew by $4.148 trillion in real terms between 1994 and 2008 (at 2008 prices); Mexican immigrants contributed $312 billion, or 7.5 percent of this increase. And, in spite of their having the lowest income levels, their consumption also played a significant role in energizing internal demand in the United States. In fact, they contributed $400 billion in 2008 (Delgado Wise et al. 2009).

Moreover, between 1994 and 2008, US consumption grew by $3,228 billion USD in real terms; Mexican immigrants contributed 241 billion, or 7.4 percent of the total. By 2008, Mexican immigrants comprised nearly 5 percent of the employed population in the United States and their annual wage spillover was approximately 217 billion, 2.9 percent of the US total. Around 12 percent of this income was sent to Mexico in the form of remittances.

In spite of their substantial contributions to the accumulation process in the United States, immigrants, and particularly Mexican immigrants, are often exploited at work, and many live in poverty.

The contribution of Mexican immigrants to the US fiscal and social security systems

The reigning discourse on migration and development tends to portray migrants as a fiscal and social burden for receiving nations. This, however, is unfounded if one considers the contributions made by socially and legally marginalized groups to the receiving nation’s public coffers and social security system. In the case of Mexican immigrants in the United States, empirical evidence shows that, in 2008, this group contributed $52,800 million via income and consumption taxes (Delgado Wise et al. 2009). This is slightly more than twice the amount of remittances sent to Mexico. Paradoxically, this significant contribution is made in a context of acute economic and social vulnerability, since most of the contributors are low-income and undocumented migrants who do not have access to the wide range of public services available to the rest of the population. According to Passel (2007), 46.5 percent of Mexican immigrants were undocumented in 1990; this number rose to 52.2 percent in 2000 and 56.4 percent in 2005.

Based on 2009 data, 2.9 million Mexican immigrants in the United States, or one forth, are poor; and 74.7 percent lack health insurance coverage. Also, despite the increasingly selective character of the migration process, Mexican immigrants are on average less educated than those of other nationalities or the US-born Mexican-Americans – six in every ten
have less than twelve years of schooling. As a corollary, the average salaries of Mexican immigrants are lower than those of the rest of the Latin American, Caribbean, and Asian immigrant groups as well as US natives. This does not imply that the US labor market “rewards” perfectly match with education. On the contrary, considering the difference between salaries received and the amount that they should have received according to their productivity and contributions to GDP, Latin American workers receive, in average, 23.5 percent less, whereas US white non-Latin Americas earn 5 percent more. This illustrates the wage discrimination against Latin American, and particularly Mexican, migrant workers (Puentes et al. 2010).

Surplus transfers from Mexico to the United States implied in the migratory process

Migrants’ labor insertion into the US labor market entails transference of resources derived from the educational and social reproduction costs of the workforce. These were covered by the sending country through educational, social subsistence, and welfare programs. Seen from another angle, labor migration saves the receiving country a considerable amount of money, particularly because the age profile of the migrant population is inordinately correlated with years of maximum labor force participation (the population in their prime working age between the ages of 20 and 65).

By taking into account the educational level of Mexican migrants upon their arrival in the United States, and the costs this represents for the Mexican public education system, between 1994 and 2008 Mexico transferred $83 billion (at 2008 prices) to its northern neighbor. In addition, migration involves a transfer of resources in terms of social reproduction – that is, the upkeep costs of the individual before emigration. These costs, estimated for the same period, amounted to $257 billion (at 2008 prices). Considering educational and social reproduction costs, in the NAFTA era Mexico transferred to the United States $340 billion, which represents 1.8 times the full amount of remittances sent to Mexico. This implies that Mexican society currently subsidizes the US economy via labor migration (Delgado Wise et al. 2009). Most literature on remittances by the World Bank and the International development Bank, including leading scholars in the field such as Donald Terry and Dilip Ratha, ignore this analytical dimension.

SEE ALSO: Bilateral labor agreements; Day laborers in the US; Labor migration, poverty, and inequality; Mexican migration to the United States, 1880s to present; Mexico–United States labor migration, 1980s to present

References and further reading
