The Mexico-United States Migratory System: 
Dilemmas of Regional Integration, Development, 
and Emigration

Raúl Delgado Wise
Executive Secretary of the International Migration and Development Network
E-mail: rdwise@estudiosdeldesarrollo.net

Humberto Márquez Covarrubias
Doctoral candidate in development studies at the Autonomous University of Zacatecas
E-mail: hmarquez@estudiosdeldesarrollo.net.

Development Studies Academic Unit of the Autonomous University of Zacatecas
Bellagio, July 2006, Italy

Working paper. Not to be quoted or cited without permission.
The aim of this paper is to describe the Mexico-United States migratory system, with particular emphasis on the problems and challenges that have arisen from the implementation of NAFTA. In pursuit of that goal, it analyzes four analytical dimensions: (1) the regional economic integration; (2) the transnational labor market; (3) the development model; and (4) the emergence of collective or organized migrants. Our argument underscores the fact that the recent upswing in Mexican migration fulfills a dual function: first of all, it assists the process of productive restructuring ongoing within the U.S. economy by supplying cheap labor and, second, it bolsters the socioeconomic stability of Mexico, a country which rather than promoting a development policy that would integrate its diaspora has deepened its dependence on remittances from abroad. The analytical approach is based on the political economy of development and relies on two guiding theoretical propositions: the labor export-led model, and the remittance-based development model.

INTRODUCTION

The Mexico-United States migratory system has one of the longest histories and highest levels of dynamism of any such system in the world. Although certain factors such as the countries' proximity (their common border, with a length in excess of 3,000 km, is the most frequently crossed on the planet), unidirectional flows (98% of Mexican emigration is to the United States), and the sheer volumes involved (Mexico’s annual exodus is the largest in the world), confer on it a degree of specificity, the basis for Mexican migration has been labor-oriented, in close relationship with the patterns adopted by the regional integration process. The current dynamics of the system obey the production internationalization strategies of large U.S. corporations (Gereffy, 2001) in conjunction with the move towards transnational and precarized labor markets driven by neoliberal structural adjustment policies under the aegis of NAFTA. Far from following a pattern of mutually beneficial “free trade” between the two countries, these policies have triggered new productive relationships that, in turn, have led to new forms of unequal exchange, placing Mexico in the role of a specialized provider of natural resources and, above all, cheap labor.

In light of the above considerations, the goal of this paper is to present, from the perspective of the political economy of development, a comprehensive overview of the Mexico-United States migratory system within the framework of NAFTA. Four analytical dimensions are essential in this approach: (1) geopolitics: the regional economic integration model; (2) the transnational labor market: the role of the Mexican work force in productive restructuring; (3) the development model: neoliberal development policy in Mexico; and (4) social agents: the participation of migratory and nonmigratory social sectors in development processes in migrants’ places of origin.

Our analysis proceeds in accordance with two key concepts:

1. The labor export-led model (Delgado Wise and Márquez, 2005; Delgado Wise and Cypher, 2005), which explains the role of cheap Mexican labor in the U.S. economy’s restructuring process as a central element in the current process of regional economic integration, and

---

* Raúl Delgado Wise. Director of the Development Studies Academic Unit of the Autonomous University of Zacatecas and Executive Secretary of the International Migration and Development Network. E-mail: rdwise@estudiosdeldesarrollo.net.

* Humberto Márquez Covarrubias. Doctoral candidate in development studies at the Autonomous University of Zacatecas. E-mail: hmarquez@estudiosdeldesarrollo.net.
2. The remittance-based development model (Delgado Wise and Márquez, 2006), which explains the critical dependence on remittances as a support for socioeconomic stability and the way in which this distorts the very notion of development in Mexico and, ultimately, becomes unsustainable.

In accordance with those broad premises, the paper is divided into six sections. The first section offers a historical overview of Mexican migration to the United States. The second describes the migratory system within the context of NAFTA. Section three analyzes the economic and social effects of the labor export-led model in the United States and Mexico. The fourth section dissects the remittance-based development model, highlighting its problems and limitations. The fifth explores how the Mexican migrant population is incorporated into U.S. society and the emergence of the collective or organized migrant as a potential agent of development. Section six offers some reflections on a possible alternative model for migration and development in Mexico.

1. HISTORICAL BACKGROUND TO MEXICAN MIGRATION

The colonial past and its peripheral inclusion in the system of trading relations established by Spain determined the underdeveloped nature of the Mexican economy. During that period the country received high numbers of immigrants from Spain, who underwent a process of racial intermingling with the native population. With the arrival of capitalism, the country emerged as a provider of raw materials for the capitalist powers of the time: first, England, and later, the United States. During the turbulent period that lasted from Independence (1810) to the end of the 19th century, there were no major migratory movements. But as capitalism consolidated its presence in Mexico, the economy established ties of subordination and dependence with the United States, and migratory flows toward that country began to emerge. In other words, rather than a matter of colonial heritage, the roots of Mexican migration are neocolonial and imperialist in nature.

The economic, political, social, and cultural relations established by Mexico and the United States are characterized by asymmetry and subordination. The turning point in Mexican migration dates back to the U.S. military invasion of Mexico, a product of its policy of territorial expansionism, which concluded with the 1848 seizure of more than half of Mexico’s territory — a broad strip stretching from the Pacific Ocean to the Gulf of Mexico — as formalized in the Treaties of Guadalupe Hidalgo. Paradoxically, the Mexicans living in that region became de facto immigrants solely due to the movement of national boundaries.

In the wake of that event — and, in concrete terms, since the end of the 19th century — the labor exodus to the United States, with its different intensities and characteristics, began to unfold. Consequently, concepts and policies of different kinds emerged, encouraging, restraining, or even suppressing population movements, according to the economic dynamics of each country and the regional integration model prevailing between the two countries. In each phase, the migrant work force played a specific role. In addition, as the phenomenon progressed, a social fabric emerged from below, its elements ranging from social networks to binational organizations.

The following paragraphs offer a brief overview of the main historical phases through which the Mexico-United States migratory system has evolved. The periods established therein, rather than merely obeying the dynamics of the migration phenomenon and the different migration policies designed by the governments of the two countries, are based on the different models of regional integration and development that characterize each phase:

1. Worker hirings (“enganche”) to build railways in the United States (late 19th century to 1929). This period is also associated with an expansion in the economic dynamism of the Western United States and the creation of segments of the U.S. labor market with high levels of demand for Mexi-
can workers (Massey, Durand, and Malone, 2002). This demand was covered by workers primarily from the Central and Western regions of Mexico, where transformations in productive structures had generated a labor surplus that was unable to place itself either locally or in other regions of the country (Delgado Wise and Moctezuma, 1993). Another characteristic of this phase was a negative attitude toward the phenomenon in Mexico, together with a policy that dissuaded emigration (Durand, 2005).

2. Deportations and agrarian redistribution (1929-1941). Recession in the United States and the redistribution of agricultural land in Mexico led to an inversion of the migratory dynamic. During this period the flow of emigrants fell notably because of both mass deportations (Massey, Durand, and Malone, 2002), and the closure of legal channels for emigration, and the creation of job alternatives in the country, mainly in agricultural endeavors (Delgado Wise and Moctezuma, 1993).

3. Bracero Program (1942-1964). As a result of the labor shortfall in the United States caused by the Second World War, the conditions for hiring Mexican labor were recreated. Mexico, in turn, embarked on a period of economic growth based on industrialization through import substitution (the so-called “Mexican Miracle”). In spite of the high rates of growth attained during those years, there was still a certain surplus of labor, primarily rural in origin, that was unable to find employment in the cities and industrial centers. This enabled, for the first time ever, the governments of Mexico and the United States to conduct negotiations regarding the migration process. It is worth noting that this new institutional character favored the strengthening of migratory social networks, with circular migratory patterns predominating. Nevertheless, at the end of the period, bracero visa numbers were reduced and undocumented migration began to increase (Massey, Durand, and Malone, 2002).

4. Undocumented migration (1964-1985). During those years, the substitution-based industrialization on which Mexico had embarked entered into a phase of marked decline and exhaustion (indeed, 1982 saw a drastic realignment of the economic model toward one that favored exports under neoliberally inspired guidelines), while in the United States, the social organization of labor markets created rising levels of demand for migrant workers, as a structural element. Because of the constrained legal channels for entry to the United States, there was a significant increase in undocumented migration, which was shortly thereafter stigmatized by the criminalization of migrants (Delgado Wise, 2004). Those circumstances, rather than putting a stop to the migration process, enabled U.S. employers to continue to hire cheap Mexican labor. During those years the Mexican government’s attitude was one of passivity and complacence vis-à-vis the phenomenon, tacitly adopting what García y Griego (1988) called the “policy of no policy.”

5. Uncontrolled growth in migration and indiscriminate economic liberalization (1986 to date). In 1986 Mexico joined the General Agreement on Tariffs and Trade (GATT, today’s WTO), thus beginning a process of indiscriminate liberalization that was consolidated with the entry into force, in 1994, of the North American Free Trade Agreement (NAFTA), which then became a powerful driving force for Mexican migration. The massive legalization of 2.3 million undocumented Mexicans under the Immigration Reform and Control Act in 1987 was not successful, however, in containing the new migratory dynamic or its sizable undocumented component. In this context, the attempt to negotiate a migration agenda with the United States at the start of the Fox administration was frustrated following the events of 11 September 2001, which led to a more hard-line attitude in U.S. immigration policy (Delgado-Wise, 2004). On the Mexican side, given the visibility and growing strategic importance of the phenomenon, a policy was launched that Durand (2005) has characterized as “damage repair” geared toward a degree of rapprochement with the migrant population. The development model followed during this period is what we characterize as the labor export-led model.
2. THE MIGRATORY SYSTEM WITHIN
THE CONTEXT OF NAFTA

In the late 1970s, the United States began to promote neoliberal policies for structural adjustment in Latin America, also known as “neo-Monroeist” (Saxe-Fernández, 2001), which were enforced by international agencies in conjunction with the dominant sectors of the domestic populations (Veltmeyer, 2000). These provisions caused the economies to realign themselves toward exports, in line with the promotion of new forms of regional integration.

Mexico became Latin America’s leading exporter and the thirteenth largest in the world due to the supposedly successful application of such economic reforms. At first glance, manufactured products account for nearly 90% of its current export platform, of which goods classified as those that “disseminate technological progress” account for 39.4% (ECLAC, 2002). Because of the optical illusion apparently created by this positioning, it is essential to clarify just what the country actually exports.

In providing an accurate answer, it should be noted that neoliberal policies and, most particularly, NAFTA define the current process of integration between the Mexican and U.S. economies. The theoretic grounding for this process was to be found in the concept of the labor export-led model through the operation of the following three complementary mechanisms (Delgado Wise and Márquez, 2005; Delgado Wise and Cypher, 2005):

1. **The maquiladora industry**, conceived of as assembly plants, tied in with internationalized productive processes that have very low levels of integration with the domestic economy.

2. **The disguised maquila sector**, comprising manufacturing plants with relatively more complex productive processes than maquiladoras but that operate under the same system of temporary imports. Maquiladoras and the disguised maquila share two important characteristics: (a) they are practically devoid of productive links, both upstream and downstream, that would tie them in with the rest of the national productive apparatus, and (b) they are subject to intense processes of labor precarization, with wages in maquiladoras standing at around 1/10 those of manufacturing sector wages in the United States, or 1/7 those levels in disguised maquilas.

3. **The escalating of labor migration**, indicating the burgeoning exodus of Mexicans headed abroad. This is the result of the narrowing and increasingly precarious nature of the Mexican job market, in turn caused by neoliberal restructuring. It operates as a labor reserve and as a supply of cheap and highly precarized workers for positions with the U.S. economy.

In order to elucidate the nature of Mexico’s export platform, the precise meaning of what the country exports through maquiladoras and the disguised maquila must first be revealed. Due to the high imported component levels of both activities, ranging from 80% to 90% of their export values, the benefits for the Mexican economy are basically restricted to the wage earnings — in other words, the value of the labor incorporated into the exports. This means that what is actually taking place is the indirect labor exportation or, alternatively, the work force is being exported without requiring the Mexican workers to leave the country (Tello, 1996). Hence, a crucial conceptual element is envisaged that demystifies the purported orientation of Mexican exports toward manufactured goods and reveals a regressive movement in the export platform. If indirect exports of labor are added to the direct exportation of the work force through labor migration, the true content of Mexican exports is revealed. This is the basis for our characterization of the current model of export growth as the cheap labor export-led model.

Under this model, as can be clearly seen in Chart 1, migration from Mexico to the United States has grown exponentially over the past two decades. This growth was accentuated with the implementation of NAFTA, whereby Mexico became the main source of immigrants for the United States.
CHART 1
Population of Mexican Origin in the US

Source: Conapo estimates, based on the Current Population Survey

CHART 2
Principal Mexico-US Migratory Flows, 1997-2002

The dimensions attained by the migration phenomenon are also eloquent: in 2004 the population of Mexican origin resident in the United States was estimated at 26.6 million, including immigrants — both documented and undocumented — born in Mexico (10.2 million) and U.S. citizens of Mexican descent. This is the world’s largest diaspora to have settled in a single country. According to UN estimates (2006), between 1990 and 1995 Mexico was the country with the highest number of people annually establishing their place of residence in a foreign country (400,000, compared to 390,000 for China and 280,000 for India). In line with this dynamic, the country experienced an exponential growth in its receipts of remittances, making it the third largest receiving country in the world (World Bank, 2006). In 2005, total remittances received by Mexico amounted to USD $20 billion (Banco de México, 2006).

Practically the entire Mexican territory reports international migration: in 2000, 96.2% of the country’s municipalities reported some form of association with the phenomenon. This territorial expansion fueled the emergence of new migratory circuits (historic, indigenous-traditional, emerging, etc.) with contrasting dynamics and sets of problems (Zúñiga, 2004). Parallel to this, the population of Mexican origin — although remaining concentrated in a handful of states — has expanded in recent years into most of the USA territory. It should be noted, inter alia, that the migratory circuits are currently expanding into the eastern and north-central states (Zúñiga and Hernández-León, 2005) where some of the most dynamic industrial restructuring centers in the U.S. are located (Champlin and Hake, 2006).

<table>
<thead>
<tr>
<th>Degree of migratory intensity</th>
<th>Number of Municipalities</th>
<th>%</th>
<th>Population</th>
<th>%</th>
<th>Households</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Absolutes</td>
<td>2,443</td>
<td>100</td>
<td>97,483,412</td>
<td>100</td>
<td>22,639,808</td>
<td>100</td>
</tr>
<tr>
<td>Very high</td>
<td>162</td>
<td>6.63</td>
<td>2,201,710</td>
<td>2.26</td>
<td>498,466</td>
<td>2.20</td>
</tr>
<tr>
<td>High</td>
<td>330</td>
<td>13.51</td>
<td>6,331,134</td>
<td>6.49</td>
<td>1,389,695</td>
<td>6.14</td>
</tr>
<tr>
<td>Medium</td>
<td>392</td>
<td>16.05</td>
<td>11,664,651</td>
<td>11.97</td>
<td>2,652,262</td>
<td>11.72</td>
</tr>
<tr>
<td>Low</td>
<td>593</td>
<td>24.27</td>
<td>37,765,096</td>
<td>38.74</td>
<td>8,873,610</td>
<td>39.19</td>
</tr>
<tr>
<td>Very low</td>
<td>873</td>
<td>35.73</td>
<td>38,887,234</td>
<td>39.89</td>
<td>9,098,931</td>
<td>40.19</td>
</tr>
<tr>
<td>Null</td>
<td>93</td>
<td>3.81</td>
<td>633,587</td>
<td>0.65</td>
<td>126,844</td>
<td>0.56</td>
</tr>
</tbody>
</table>

Source: Conapo (2000).

In terms of their schooling, 38.9% of the population aged 15 years and older born in Mexico and residing in the U.S. has a level of education higher than a basic high-school diploma. This figure rises to 52.4% if the full spectrum of the population of Mexican origin in the USA is taken into consideration. In contrast, the average figure for Mexico is 27.8%, which means that, in general terms and in contrast to what is commonly believed more qualified workers are leaving than remaining in the country. In other words, there is a clear selective trend, in line with the underlying rationale behind international migrations. It should also be noted, however, that in comparison to other immigrant groups in the U.S., the Mexican contingent is the one with the lowest average levels of schooling. This circumstance does not attenuate the problem, but rather serves to underscore the serious educational backwardness that still exists in Mexico (OECD, 2005).

One high-profile form of migration that does not fall in with the stereotypes involves Mexican residents in the USA who have university degrees or postgraduate qualifications. This figure totals slightly more than 385,000 individuals born in Mexico. Of these, 86,000 have postgraduate studies, and 10,000 have doctorates (CPS, 2005). This indicates that “brain drain” is beginning to emerge as a major problem.

All of these changes have been accompanied by a transformation within migration patterns: from a pre-
dominantly circular migration pattern, it is evolving into one in which established migrants prevail, including variants such as greater participation by women and entire families (Delgado Wise, Márquez, and Rodríguez, 2004). Although the trend toward settlement is generally the result of the evolution and maturing of migratory flows, it was in this case accompanied by the unilateral closure of the border which, instead of containing the population exodus as was its aim, encourages migrant flows to prolong their stays indefinitely because of the difficulties and risks of returning.

The change in migratory patterns and falling birth rates domestically are leading to a growing and worrisome trend toward depopulation: between 2000 and 2005, of the country’s 2,435 municipalities, 832 (one out of every three) reported a negative rate growth (INEGI, 2006).

It should be added that along with this phenomenon, and because of the hemispheric dimension adopted by the regional economic integration policy promoted by the U.S. government, Mexico has also been forced to serve increasingly as a transit country, with all the problems that this entails. Thus, in 2004, the flow of undocumented migrants — chiefly of Central American origin — who crossed Mexico’s southern border totaled slightly more than 400,000 (INM, 2005).

In concluding this section, it should be noted that work-force exports, which are the basis for the Mexico-U.S. migratory system, underscore two symptomatic paradoxes related to the unsustainability of the current economic integration model:

- Economic integration under NAFTA, rather than promoting convergence in the development levels of Mexico and the United States, helps accentuate the asymmetries that exist between the two countries. Whereas in 1994 per capita GDP in the U.S. was 2.6 times that of Mexico, by 2004 the ratio had increased to 2.9. Similarly, average manufacturing wages in dollars per man hour in the U.S. were 5.7 times higher than those reported in Mexico in 1994, and 6.8 higher in 2004. Paradoxically, while the gap between the wages earned in Mexico and the United States is increasing, the same is not true regarding their productivity levels. On the contrary, the difference has been falling and, in some cases, Mexican productivity is higher in certain productive sectors, particularly those that are a part of the labor export-led model.

<table>
<thead>
<tr>
<th>Table 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asymmetries between Mexico and the United States, 1994-2004</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Population (thousands)</td>
<td>88,402</td>
<td>104,000</td>
<td>263,126</td>
<td>293,655</td>
</tr>
<tr>
<td>Rate of population growth (%)</td>
<td>3.2</td>
<td>1.3</td>
<td>1.3</td>
<td>1.0</td>
</tr>
<tr>
<td>Per capita GDP in current dollars</td>
<td>7,332</td>
<td>10,059</td>
<td>19,504</td>
<td>29,673</td>
</tr>
<tr>
<td>Underemployment (% of the EAP)</td>
<td>43.7</td>
<td>37</td>
<td>8.8</td>
<td>7.6</td>
</tr>
<tr>
<td>Research and development spending (% of GDP)</td>
<td>0.29</td>
<td>0.43</td>
<td>2.42</td>
<td>2.68</td>
</tr>
<tr>
<td>Population with university studies (% of the population aged 25 to 64)</td>
<td>11.9</td>
<td>15.4</td>
<td>33.3</td>
<td>38.4</td>
</tr>
<tr>
<td>Manufacturing wages (dollars per man-hour)</td>
<td>2.1</td>
<td>2.5</td>
<td>12</td>
<td>16.2</td>
</tr>
</tbody>
</table>

Sources: OECD, INEGI.

- Instead of creating job opportunities in Mexico, economic integration became the driving force behind the direct exportation of the work force and heightened socioeconomic dependency on remittances. Remittances are the source of foreign exchange with the most consistent rate of growth, which can
be seen even more clearly due to the fall in the relative importance of other forms of external funding, such as foreign direct investment (FDI) and the exports of the maquiladora sector. During the period that neoliberal policies have been in force, official figures indicate that remittance receipts have increased thirty-fold.

### Chart 3
Growth of Remittances in Mexico
(USD millions)

Source: Banxico

3. **Socioeconomic Impact of the Migratory System in the United States and Mexico**

Migration and the regional integration process underlying it have numerous implications for both the USA and Mexico, although the impact is differentiated and asymmetric.

For the receiving country, on the one hand immigrants help increase the size and flexibility of the work force in certain segments of the labor market, bringing down wage costs and increasing the benefits for capital. On the other, and to a relatively minor extent, they help (i) increase the dynamics of the domestic market, (ii) sustain the social security system (Anderson, 2005), and (iii) increase the volume of financial, transportation, and communications operations.

According to estimates by Ruiz-Durán (2004), in 2003 Mexican immigrant workers contributed 8.0% of U.S. GDP, which suggests the potential growth in Mexico that is being lost.

Since the 1980s, the U.S. job market has been involved in a process of restructuring and precarization. In broad terms, Mexican immigrants participate in two segments of the employment market: (1) a vast sector of increasingly precarized jobs against a backdrop of wide-ranging social exclusion as a forerunner to productive restructuring (e.g., agriculture, domestic service, and cleaning), and (2) the emergence of a sizeable precarized occupational segment associated with productive restructuring in different areas: cutting-edge sectors, production of wage goods, and mature industries undergoing rescues (Champlin and Hake, 2006). In most cases, jobs require low qualification levels, pay low wages, offer limited or no fringe benefits, are unstable, and the associated labor relations are unilateral, informal (or authoritarian), risky, and subject to extralegal abuse.
by employers (wages below the legal minimum, arbitrary dismissals, irregularities in overtime payments).

Noteworthy in the occupational distribution of Mexican immigrants is their growing presence in construction, manufacturing, services, and commerce, particularly in degraded sectors, also known as the backyard of those industries undergoing restructuring: sweatshops, subcontracting, domestic work, day labor, etc.

### Chart 4

Main Occupations of Mexican Immigrants in the U.S., 2004

(Percentages)

Source: Own estimates, based on the Current Population Survey.

U.S. Bureau Census

In the manufacturing sector, most are concentrated in the basic metals, metallic products, and machinery and equipment industries (502,000) and in the food and clothing industries (437,000). The first group encompasses mature industries that are using migrant labor as a rescue strategy, while the second group involves wage goods for the generalized cheapening of the work force.

In 2004, 1.2 million Mexicans were employed in manufacturing. Between 1995 and 2005, manufacturing sector employment in the U.S. fell by 17%: from 17.1 to 14.2 million (U.S. Bureau of Labor Statistics, 2005). Here we note a double-movement, U.S. workers are replaced by Mexican emigrants — the logic of this process, often deployed through closing in-plant operations and acquiring subcontractor (outsourcing) is clearly to lower the direct costs of labor while weakening the bargaining capabilities of organized labor.

The role of Mexican labor in U.S. manufacturing, however, is actually much higher than the above figures would suggest. If we include under the heading of U.S. manufacturing not only that which is physically based in the U.S., but also that based in Mexico either in the disguised maquila sector, or in the maquiladora industry we find a total of 1.2 million in the U.S., an estimated 0.5 million in the disguised maquila sector and 1.2 million in the maquiladora industry as of August 2005. Adding these Mexican-based workers into the base number of manufacturing workers (14.2 + 1.7 million) generates a total of 15.9 million manufacturing workers in the amplified U.S. Production system, of which an estimated 18% are derived from the labor export-led model.

With the replacement of the better paid, more experienced, and unionized work force (generally native), Mexican workers serve the purpose of reducing operating costs in order to increase global competitiveness. This is because Mexican workers earn lower wages compared to the native population and other immigrants.
In spite of the relatively lower importance of agriculture in the job spectrum of Mexican immigrants, the participation of Mexican workers in this sector is overwhelming: three of every four workers in U.S. agriculture is Mexican born. Most are undocumented (53%), with the participation of indigenous people and women accounting in a large proportion. Differentiated social insertion patterns among immigrants are also reported, in line with migratory circuits: from transnational vulnerability and exclusion (Besserer, 2002), particularly among immigrants of indigenous descent, to a certain level of rising assimilation, found in the historic circuit.

Labor transnationalization obeys the following structural factors that encourage mass migration: (1) productive internationalization, which breaks down and complements intra- and inter-industrial productive chains; and (2) complementary demographic structures: higher relative aging in the U.S., and Mexico’s late “demographic transition.” Consequently, the productive restructuring process is assisted by changes in demographic patterns.

Another impact of migration is found in what is known as the migration industry, referred to as the series of economic activities associated, both directly and indirectly, with international migrations between Mexico and the United States. In addition to its impact on families, migration fuels a series of related activities that affect local and regional economies. At the macro level, a range of companies benefit from the demand for goods and services catalyzed by remittances: sending and receiving those remittances, telecommunications, transportation, tourism, and the “paisano market.” Given the scant entrepreneurial development of migrants, the migration industry is mostly run by large multinational companies, particularly in the destination countries such as Western Union, Money Gramm, AT&T, City Bank, Continental, American Airlines, Wal-Mart, etc., and, to a lesser extent, in the sending countries: Telmex, Mexicana and Cemex, among others. In addition, small and medium-sized businesses have emerged, such as travel agencies and currency exchange bureaux. At the places of origin, remittances reorient consumption patterns toward the purchase of U.S. products and, at the destination point, they encourage the domestic market through the growing purchasing power of the Mexican immigrants (in 2003, their incomes totaled USD $272 billion), which is still a part of the machinery whereby the asymmetries are reproduced and the international status quo is maintained (Guarnizo, 2003). In sum, there is a broad range of economic activities at the points of both origin and destination that are caught up in the logic of neoliberal globalization but that nevertheless mostly benefit the receiving country — in this case, the United States.
For Mexico, the impact can be summarized in four broad areas:

1. *The unleashing of deaccumulation processes within the Mexican economy.* Exports from maquiladoras and disguised maquilas imply *net transfers of earnings* to the U.S. economy. This reveals a new form of dependence that is more severe than those foreseen by the ECLAC’s structuralist theory and the theory of dependence.

2. *The transfer of the production costs of the exported labor.* For Mexico, labor migration means a growing loss of human resources that leads to the abandonment of productive activities, the squandering of the money spent training and reproducing those workers, and, to a certain extent, the displacement of qualified labor in relative terms.

3. *The dismantling of a large proportion of Mexico’s productive apparatus.* The collateral costs derived from the institutional policies intended to promote and maintain the current export model have led to an extensive dismantling of production intended for the domestic market. At least 40 productive chains in the Mexican small and medium-sized business sector have been destroyed following the reorientation of the economy toward overseas markets (Cadena, 2005).

4. *The critical dependence on remittances for the socioeconomic stability of Mexico.* Within Mexican macroeconomics, remittances are the most dynamic source of foreign exchange and the mainstay of the balance of trade, together with oil and the maquiladora sector, although the dynamism of the oil industry is unlikely to be maintained and the maquiladora business has stagnated. At the same time, remittances represent a source of family subsistence. Conapo (2004b) estimates there are 1.6 million households that receive remittances (8% of the country’s total), for 47% of which they are the main source of income. Family remittances are primarily channeled into satisfying basic needs, including health and education, and a surplus of not more than 10% for saving or small-scale investment in housing, land, livestock, and commercial undertakings. One of the main functions of family remittances has been to act as a palliative against the problems of poverty (Rodríguez, 2005). This does not mean, however, that they can be seen as substitutes for public policies promoting socioeconomic development.

**CHART 6**

Mexico: Importance of Remittances to the Balance of Trade

Source: Banxico
4. THE REMITTANCE-BASED DEVELOPMENT MODEL IN MEXICO

Most of the labor-led export countries do not have a national development project and, instead, make certain development expectations, particularly at the local and regional levels, depending on the contributions made by migrants through remittances. These same resources, at the macro level, serve as (i) a source of external income to help swell national accounts, and (ii) a support for social stability, in that they mitigate poverty and marginalization while offering an escape valve from the constraints of local, regional, and national labor markets (International Migration and Development Network, 2005). This model — found in such countries as Mexico, El Salvador, Philippines, and Morocco — is in reality a perversion of the idea of development that offers no prospects for the future.

In connection with the remittance-based development model, international agencies (United Nations, World Bank, Inter-American Development Bank, Economic Commission for Latin America and the Caribbean, International Organization for Migration, International Labour Organization) have designed an agenda of policies for migration and development that places the role of remittances at the forefront in the development of the countries of origin. In most cases, however, the predominant outlook on immigration involves security, human rights, and managing migration. In the developing nations migration is primarily viewed as a means to moderate pervasive poverty. Thus, by emphasizing security and remittances over international cooperation, the policies address only the manifestations of migration and not its root causes, thereby further intensifying the phenomenon.

Mexico, following the remittances-based model of development, does not have a comprehensive, sustainable policy for migration and development. The three main programs that supposedly deal with the causes of migration — Contigo, NAFTA, and the Partnership for Prosperity (CONAPO, 2004a) — are oriented in a direction opposite from development and do not tackle the root causes of rising migration. Indeed, Contigo is nothing more than a collection of assistance programs focusing on extreme poverty. Meanwhile, NAFTA, which came into effect in 1994, has become the institutional framework for the asymmetric integration/subordination of the Mexican economy with the US. In terms of the Partnership for Prosperity, signed in 2001, the underlying premise advanced by the Mexican Government was that the economic chasm separating Mexico and the US could be reduced through bilateral cooperation and a series of public-private alliances. Subsequently this program became known as the “Alliance for Security and Prosperity of North America, now putting in the center of the agenda geopolitical issues of security as defined by US interests.

Mexico’s migration policies obey a logic of adaptation through unconnected programs geared toward addressing partial effects related to those of migration. The government’s basic aim has been to ensure that migration passively fulfills its functions vis-à-vis macroeconomic balance and social stability. The current programs can be classified into six categories:

1. **Human rights.** Protective measures aimed at covering certain aspects of migrants’ human rights, such as the Beta Groups, the Paisano Program, consular registration documents (MCAS), and expanding the network of consulates itself.

2. **Transnational ties.** Identity-strengthening around the concept of Mexican communities abroad. This has led to the creation of the Institute of Mexicans Abroad (IME), whose efforts partially cover the areas of strengthening ties, education, and health.

---

1 This program is based in the office of the Secretaría de Desarrollo Social (SEDESOL). In the sexenio of Carlos Salinas (1988-1994) the program was created under the title: “Programa Nacional de Solidaridad (PRONASOL)”. Subsequently in the following presidential term the program became: “Programa de Educación, Salud y Alimentación (PROGRESA)”.

---
iii. Political rights. The promotion of citizens’ rights at the binational level, based on the 1996 reforms regarding the non-surrender of Mexican nationality and the approval of extremely limited voting rights for Mexicans abroad in 2005.

iv. Social development with collective remittances. The Three-for-One Program is an example of negotiation involving a “bottom up” transnationalism for the pursuit of socially beneficial projects. In addition, while not a stated goal of the program, it promotes binational organization. Because of its origins, this program illustrates the clash between two views of: a neoliberal one (pursued by the government) and a community-based one (promoted by migrants).

v. Remittance receipts. Reduced transfer costs and the financial use of remittances, through competition and the recent initiative to incorporate additional users into the formal banking system, particularly through the National Savings and Financial Services Bank (BANSEFI) and the People’s Network.

vi. Investment of remittances. The productive use of remittances, leading to a small series of individualistic and disperse productive projects, difficult to conceive of as a form of local or regional development. This is the case of the Invest in Mexico program of the Inter-American Development Bank (IDB) and Nacional Financiera (NaFin).

Table 3 presents an additional detailed description of the main government programs directed towards the Mexican migrant population:

**TABLE 3**

Principal Programs Directed Towards the Mexican Migrant Population

<table>
<thead>
<tr>
<th>Investment of Remittances</th>
</tr>
</thead>
<tbody>
<tr>
<td>Programa Tres por Uno (Three-for-One Program): The background for this program can be traced to a similar program created in Zacatecas in 1992, then known as “el Programa Dos por Uno” (two for one), establecido en el estado de Zacatecas en 1992. In 1999 with the emergence of “el Programa Tres por Uno” as a national program migrant remittances were matched by equal commitments at the municipal, state and federal levels. SEDESOL was charged with the task of coordinating this program. The combined funds are directed to public works projects: 1. Highways, roads and streets, 2. Drinking Water, 3. Sewage, and 4. Electrification. In 2004 more than 50 million US dollars were committed — 3.24 percent of all remittances received by Mexico.</td>
</tr>
</tbody>
</table>

| Programa Invierte en México (Invest in Mexico): In 2001 the central states of Guanajuato, Hidalgo, Jalisco, Michoacán and Zacatecas, at the initiative of the Inter-American Development Bank and Nacional Financiera (Mexico’s prime development bank), created a program to encourage and support successful Mexicans abroad to invest in Mexico. This micro-finance program involves technical support and loans when migrants commit to invest in projects/small businesses such pharmacies, small grocery stores, restaurants and gas stations, etc. The program presently has a small annual budget of 2.2 million US dollars. |

<table>
<thead>
<tr>
<th>Migrant Protection</th>
</tr>
</thead>
<tbody>
<tr>
<td>Programa Paisano. Initiated in 1989, the program aspires to alleviate the abusive treatment, extortion, robbery or other forms of corruption committed by public authorities when Mexican migrants return to their nation. The program encompasses 15 Secretariats and two federal government entities along with 3 judicial agencies under the direction of second most powerful authority in Mexico — la Secretaría de Gobernación (SEGOB). The program is administrated through a board of directors, a national coordinating mechanism and two Mexican representatives in the US, supported by 29 committees at the State level.</td>
</tr>
</tbody>
</table>

| Grupo Beta. The Beta Groups arose in 1990 in Tijuana for the purpose of reducing the level of criminal activities directed towards Mexican migrants. Their objective is to offer protection for migrants in Mexico’s territory regardless of their nationality or migratory status. This program is also coordinated by SEGOB. The Beta Groups are evolved in rescue operations with police authorities on both sides of the border. Their focus is on the reduction of rights violations or violent acts committed against migrants, providing counseling on the rights and risks involved in attempting to cross the border. They also undertake patrolling activities in areas of high risk both along the US/Mexican border and along the southern frontier with Guatemala and Belize. |

| Diplomatic Registration: Matricula Consular. The Mexican Government, through its Secretariat of Foreign Relations, issued a decree whereby its consulates would register all Mexicans living abroad. In recent years a considerable effort has been made to advertise this initiative through the 48 existing consulates in the US: Between 2000 and May of 2005, 4.7 million registrations were completed. This process has been completed in 337 cities, 163 counties, 178 financial institutions, and at 1,180 police departments spread throughout the US. |
The largest minority of the U.S. population is that segment called “Hispanic” or “Latino,” which accounts for 40.4 million people (14% of the total population). People of Mexican origin account for 66% of this group; and 40% of them were born in Mexico, with the remainder being first- or second-generation immigrants or more distantly descended. Although historically the Mexican immigrant population was concentrated in a handful of states in the USA, the diversification of destinations has expanded notably in recent years, to the extent that in the year 2000, Mexicans were the largest immigrant group in 30 states. All together, Mexico’s diaspora is the largest in the world concentrated in a single foreign country.

In a context such as the prevailing in the United States, where inequalities in income distribution have been increasing and the productive restructuring strategy leads to increasingly precarious labor conditions, the process of integrating Mexican immigrants into U.S. society can be seen in terms of labor insertion and access to public services such as health and education. And that is without taking into consideration the fact that most Mexican citizens live in overcrowded conditions, confined to marginalized barrios that keep them separate from the rest of the U.S. population and that Mexican children are among the most segregated in public schools (Levine, 2005). Thus:

1. Most of the Mexican immigrants are wage-earners who occupy the lowest rung on the U.S. income ladder and, consequently, report the highest levels of poverty.

2. Mexican immigrants’ access to health services is limited. In spite of the contribution they make to the U.S. economy, public policies tend to restrict or completely exclude their access to such services. In 2003, more than half of those Mexicans were reported as having no medical coverage (52.6%), a higher proportion than that found among immigrant groups from Latin America and the Caribbean as a whole (36.7%), and much higher than the ratio immigrants from other parts of the world (Conapo, 2004b).

3. Mexican emigrants have very low levels of schooling, if compared to migrants of other nationalities.
and with U.S.-born Mexican-Americans: 2.2% of Mexican migrants don’t have a formal education whatsoever; 60% have 12 years or less; while 5.5% have university degrees or postgraduate studies.

The persistent socioeconomic deterioration of first-, second-, and later-generation Mexican migrants in the United States has served to cut off access to social mobility. The serious implications of this process must not be underestimated. It should also be noted that Mexicans report relatively high levels of prison incarceration and social lumpenization, which affect U.S. society in general. To worsen matters worse, their levels of participation in political affairs and elections is the lowest of any group of immigrants.

TABLE 4

<table>
<thead>
<tr>
<th>Social characteristics</th>
<th>Total</th>
<th>2003</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>University and postgraduate</td>
<td>6.5</td>
<td>4.6</td>
</tr>
<tr>
<td>U.S. citizen</td>
<td>68.9</td>
<td>21.8</td>
</tr>
<tr>
<td>Poor</td>
<td>23.0</td>
<td>25.4</td>
</tr>
<tr>
<td>No health coverage</td>
<td>34.9</td>
<td>52.6</td>
</tr>
</tbody>
</table>

In reaction or response to their declining levels of social integration, residents of Mexican origin are strengthening their social networks and, more recently, have developed many and various forms of organization. The spectrum of these organizations ranges from hometown associations and federations to trade unions and media outlets. As noted by Fox (2005), these organizations can be classified by three organizational criteria: (i) integration into U.S. society — trade unions, media, religious organizations, etc.; (ii) ties with places of origin and promotion of development there: hometown associations and federations; and (iii) binational relationships that combine the two previous types: pan-ethnic organizations. Together, these organizations work to bring political, social, economic, and cultural influence to bear on the areas in which they work.

At present, the most dynamic and representative organizational types are the hometown associations and federations. According to the Institute of Mexicans Abroad, 623 hometown associations currently exist (Vega, 2004), covering 9% of the total emigrant population (Orozco, 2002). Collective remittances are funds made available by hometown associations for social projects and other work in their places of origin. Between 2003 and 2005, the Three-for-One Program (Tres por Uno), which combines public resources with collective remittances, spent an annual average of USD $15m on projects ranging from surfacing streets and refitting churches to laying down roads and building dams. Since the program’s investments are subject to governmental budgetary constraints, some migrants’ projects and initiatives are carried out without government participation.

It can be claimed that the expansion and evolution of these organizations is leading to the emergence of a new social subject: the collective or organized migrant (Moctezuma, 2005). To date, the contribution of collective migrants to development processes in their places of origin has essentially been restricted to their involvement in the Three-for-One Program. To a lesser extent, there have been other incursions by migrants into the promotion of development through productive investments, microfinancing, and crossborder business partnerships.

The arrival of migrant organizations and their progressive institutionalization and expansion are leading to a crossborder arena that is opening up certain possibilities for development in the binational context.
Their resources and capabilities are useful here: job skills, business culture, paisano market, productive, commercial, and service infrastructure, capacities for finance and savings. A dilemma emerges at this point: (a) using these resources and skills as one of the elements for keeping the remittance-based development model afloat, or (b) considering migrant participation as part of an alternative strategy for local and regional development that is promoted by the state and involves other stakeholders — local agents, social organizations, universities and research centers, nongovernmental organizations, international agencies, foundations, public institutions, and government agencies.

At a time when union power has been significantly diminished, the largest and most sustained acts of labor protest ever occurring in the US were initiated by Mexican immigrants, along with immigrants from Asia, Europe and throughout the rest of Latin America, and with some support from the African-American population. In protests occurring on the 25th of March, the 1st of April and the 1st of May, 2006, approximately 5 million immigrants participated in marches and demonstrations in 156 cities spread through 43 states. The detonator of this surprising movement arose from the hostile and repressive Congressional proposals under consideration at the time in the US Congress (such as HR 4437, known as the Sensenbrenner bill) although the movement was also a reflection of the degree of racism and exploitation experienced by many if not most immigrants, along with the high degree of harassment experienced through failure to pay wages, imprisonment and deportation.

This movement is notable for its degree of decentralization, wherein decisions are taken at the local level, although it is also possible to identify structured organizations that serve as mediums of communication capable of orchestrating programs of protest, including boycotts, labor stoppages, demonstrations and other similar actions. In addition this movement is distinguished for its separation from traditional unions and the defining divisions between the two major political parties. Nevertheless, within the mass base of the migrant population it is possible to identify a large number of organization that participated in the mobilization: The March 25th Coalition, the national leadership of the SEIU, UNITE/HERE, Pioneros y Campesinos del Noroeste, Asociación Nacional de Comunidades Latinas y Caribeñas, Centro por el Cambio Comunitario, Latino Movement USA, Coalición Internacional 1 de Mayo, and the Movimiento Estudiantil Chicano de Aztlán, among others. It is important to note also that the Latin Media played an important role in inducing the synergistic energy that drove these protests: This Latin Media includes 300 Latin radio stations, 700 daily or weekly newspapers, 160 local televisión stations, 60 cable companies and two national television chains (Contreas 2006).

The immediate objective of this movement was to confront the legislative initiative to criminalize immigrant workers and to promote a shift toward massive legalization of these workers and their families. For the short term the migrant organizations seek greater participation in the political process, hoping to influence the nature of political decisions governing the status of the migrants. At the same time, there is an effort to form a national organization of migrants and to create a union of migrant workers. This could, potentially, lead to the migrants having a considerable voice within the labor organizations of the US.

Faced with the mood of confrontation fed by racist and xenophobic theses such as those put forward by Huntington (2004), it is important, first, to acknowledge the contribution to U.S. society made by migrants and, second, to open up appropriate channels for the social mobility of the Latino population, in order to avoid heightened social conflict and polarization. After all, available data shows how increasing integration with the receiving society, channeled through migrant organizations, in no way conflicts with maintaining ties of solidarity with their places of origin (Portes, 2005).

6. TOWARD AN ALTERNATIVE MODEL
OF MIGRATION AND DEVELOPMENT FOR MEXICO

The political debate about Mexican immigration in the United States cannot ignore the growing presence of
migrants in social, economic, political, and cultural life. The same can be said of the Mexican government and Congress. The following paragraphs, as a conclusion, offer a series of ideas and guidelines for responding to some of the most urgent challenges posed at present by the Mexico-United States migratory system.

One essential condition for redirecting the present migration debate and incorporating development considerations is the full recognition of the contributions made by Mexican migrants to the economies and societies of both the U.S. and Mexico. In connection with this, the following principles are fundamental:

- **Cooperation for development.** In the context of regional economic integration, there is a need for a form of bilateral cooperation that addresses the root causes of migration — namely, increasing socioeconomic asymmetries — and that replaces security concerns as the central focus of the two countries’ political agenda.
- **Full respect for the labor and human rights of workers.** In light of the forms of precarization and social exclusion prevailing in the binational arena, there is a need to create legal and political instruments to defend the living and working conditions of workers and to contain the prevailing climate of social exclusion and conflict.
- **Alternative development model for Mexico.** The immorality and clear economic, social, and political unsustainability of the cheap labor export-lead model imposes the need for a radical change in the current national development policy (which, in practical terms, is a regressive model for the country and promotes anti-development).
- **Incorporate the Mexican diaspora into the country’s development process.** Considering that Mexico has a sizeable population in the United States that maintains its original national identity and keeps strong ties to its places of origin, the participation of this important segment of the Mexican population in an alternative development model for Mexico must be encouraged.

Under these broad premises, and assuming that in the short term there is practically no possibility for a bilateral negotiation, it is mandatory for the Mexican government to assume a proactive activity vis-à-vis the U.S. government and Congress in at least two areas:

- Promoting the increased integration of the Mexican population into U.S. society. This presupposes respect for the human and labor rights of migrant workers, be they documented or not, and the social mobility of the first and second generations (Portes, 2004).
- Promoting new circular patterns for migrants. Programs for seasonal workers can adopt a position favoring return with advantageous working and training conditions that will later contribute to development in Mexico. In this regard, better trained workers can make major positive contributions to Mexico. Migrant circularity cannot be seen as a self-regulating process (Massay, Durand, and Malone, 2002); instead, it needs to be seen within the framework of cooperative public policies involving the societies of origin and destination alike (Agunias, 2006).

Since Mexico’s migration policy is framed by the remittance-based development model, there is a need for a drastic change in migration and development policies by means of a State Policy that addresses, at the very least, the following concerns:

- Guaranteeing the full political rights of migrants so that they are conceived as binational citizens with an active involvement in decision-making about the country’s future.
- Promoting the defense of the human and labor rights of migrants through all possible channels.
- Working for closer crossborder ties between the migrant community and their regions of origin, within the framework of a development policy.
• Encouraging the autonomous institutional strengthening of migrant organizations within the binational arena, favoring upward integration of migrants into the receiving society while at the same time strengthening their identity ties and stimulating their contributions to the development of their home towns.
• Designing public policies to work in parallel with the migrants’ initiatives, in harmony with local society and aware of the differences that exist between migratory circuits.
• Establishing an institutional framework commensurate with the strategic importance of Mexican migration.
• Setting out guidelines that address Mexico’s problems as a transit country, using an approach based on international cooperation.

In Mexico, the underlying process is the nigh-dogmatic enforcement of neoliberal policies which — in addition to promoting privatization, deregulation, and economic liberalization — ultimately have a grave impact on the working class, their working and living conditions, and their trade-union organization through the increased flexibility and precarization of industrial relations. This has been called “privatizing the benefits and socializing the costs.”

Finally, it is important to recognize that migration policies posses a regionalistic stance dominated by the perspective of the migrant-receiving countries. This view is prevalent in the ideas and policies of international agencies. Only to a very small extent have the experiences of the labor-exporting countries been discussed and studied from a comparative analytical perspective, taking into account the variety of contexts of regional integration and development that exist. Without fueling confrontation, the possibility exists for working toward the construction of a new international agenda on the topics of migration and development, wherein the views and initiatives of both sending and receiving countries could converge. Ultimately, the successful management of migration is of no use unless it seeks out mechanisms for reverting the root causes of the problem: growing asymmetries between countries (Castles, 2004).

BIBLIOGRAPHY


