

TBI Fact Sheet: Migration & Development

Trans-Border Migration and Development

- Recent studies suggest that the “push” factors that cause trans-border migration have less to do with poverty than economic and political volatility.
- Since 1982, Mexico has suffered numerous fluctuations that have triggered large-scale migration, including several major currency devaluations, significant declines in real wages, and large fluctuations in unemployment.
- Promoting continued development – equitable, sustainable economic growth – and poverty reduction in Mexico presents a critical challenge to address migration in the U.S.-Mexican context.

2006 Mexico Country Data:*

- *Population*: 107 million
- *GDP (PPP)*: \$1.067 trillion
- *GDP/capita (PPP)*: US \$10,000
- *Unemployment*: 3.6%
- *Pop. Growth Rate*: 1.6%
- *Life expectancy*: 75 years
- *Poverty rate*: 40% earn less than \$5/day (about 20% earn below \$1/day)

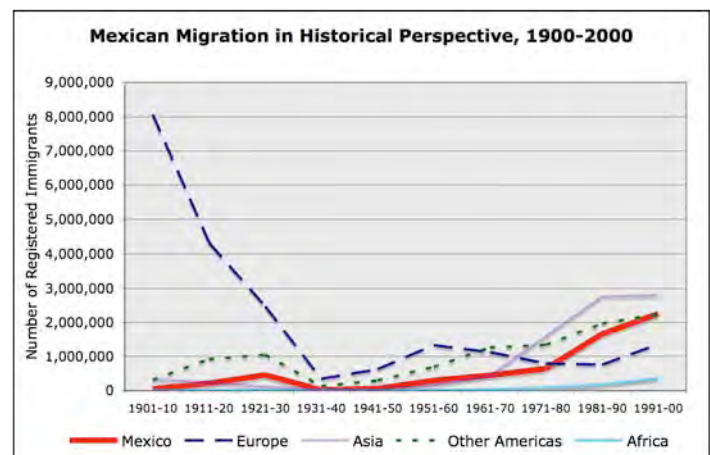
* 2005 and 2006 estimates from CIA World Factbook

Mexican Migration to the United States

- **Largest Source Country:** Mexico is today the largest single source country for both authorized and unauthorized migrants to the United States. 2.3 million Mexicans migrated to the U.S. legally from 1991-2000, while 5 to 6 million Mexican migrants reside in the United States without authorization (out of an estimated 11.1 million unauthorized residents).
- **Key Labor Sectors:** Comprising over 25% of foreign-born workers in the United States, Mexicans are predominantly employed in production, construction, agriculture, and service industries.
- **Changing Migration Patterns:** While predominantly male and historically cyclical, recent security measures have reduced traditionally cyclical migration and increased migration by women and children for family reunification. While Mexico’s traditional migrant sending states have included Guanajuato, Jalisco, and Michoacán, in the last decade migration has increased from southern states like Oaxaca and Yucatán.

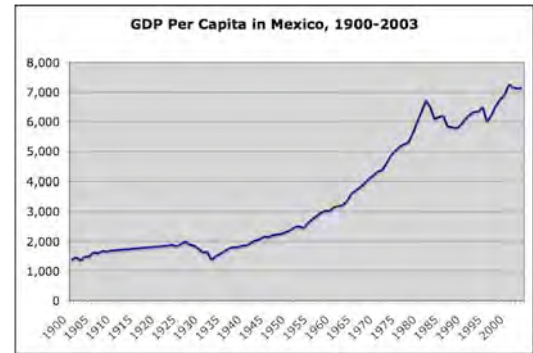
History of Mexican Migration

- From 1942-64, the U.S. government’s Bracero Program brought more than 4 million temporary laborers (mostly Mexican) for employment in industry and agriculture.
- Since 1994, U.S. policies to promote tougher security on the U.S.-Mexican border have increased the risks, costs, and trajectory of migration from Mexico, but have not significantly reduced flows.
- Currently, demand for Mexican migrant labor (and the supply of willing migrants from Mexico) exceeds the quota of 161,445 legal permanent resident immigrant visas that the United States granted to Mexicans in 2005 for employment, family reunification, and other purposes.
- As many as 400,000-500,000 Mexicans are expected to immigrate to the United States per year through 2030, according to Mexico’s national population agency (CONAPO).



Economic Development in Mexico

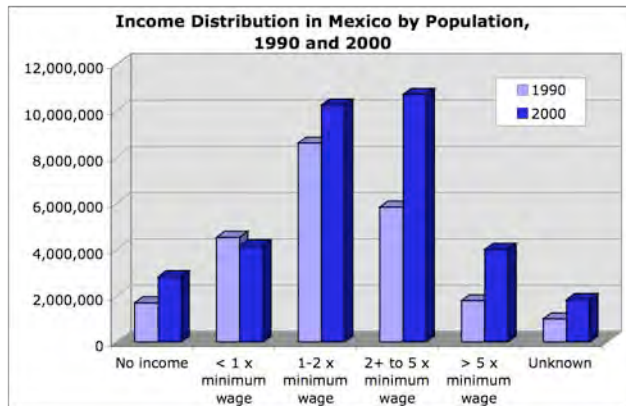
- Beginning in the 1940s, Mexico initiated a strategy of state-led growth and import substitution industrialization (ISI) that produced strong economic growth into the 1970s. A series of major crisis in the 1970s-80s signaled the exhaustion of that economic model.
- Since the 1980s, Mexico has restructured and opened its economy to global trade, eliminating government subsidies and protections for domestic industries and entering multiple trade agreements including the signing of NAFTA in 1994.
- Today, Mexico’s economy is one of the largest and strongest in Latin America, and ranks 13th worldwide. Yet in GDP per capita measured by purchasing power parity, Mexico ranks 87th behind Botswana.



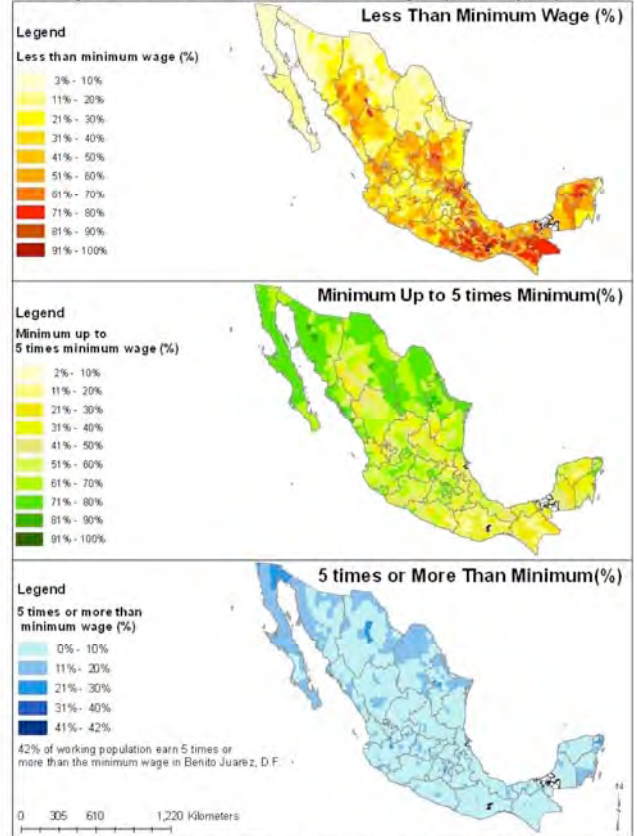
Source: Mexico Watch. <http://www.latinintel.com>.

Reducing Poverty and Income Inequality

- Mexicans made significant gains in middle incomes relative to the minimum wage from 1990-2000.
- However, adjusted for inflation, real income growth has lagged and economic inequality remained high, with Mexico’s Gini index of 54.6 ranking 109th out of 123 countries in 2000.
- In 2002, Mexico’s top ten percent of households earned 35.6% of income, while the bottom ten percent earned only 1.6% of income.
- Mexico’s levels of income are highest in its northern, urban areas, while poverty rates of 60% and above plague its rural areas & heavily indigenous south.



Earnings in Mexico Relative to Minimum Wage by Municipality,* 2000



*Includes all municipalities formed prior to 1996 and some formed during 1996 and 1997. Cross-hatched areas on map correspond to municipalities that were forming in 1996 and 1997.

Sources: Income data from INEGI *Agenda Estadística* 2001. Earnings data from INEGI *XII General Population and Housing Survey* 2000. Maps by TBI Research Asst. Theresa Firestine.

Improving Economic Opportunities in Mexico

- ◆ **Maximizing Benefits of Migrant Remittances:** In 2006, experts anticipate an estimated \$24 billion (about 2% of Mexico’s GDP) in remittances from migrants sending money to their home communities in Mexico.
- ◆ **Promoting Access to Credit:** In recent years, credit availability in Mexico has greatly increased, making it possible for public and private entities and individuals to obtain capital to pursue economic activities.
- ◆ **Increasing Government Revenue:** The Mexican government’s revenues amount to approximately 12.5% of GDP, far below other Latin American Countries (Brazil, Chile, Argentina). Like his predecessor, Vicente Fox, Mexican President-elect Felipe Calderón advocates tax and fiscal reform to strengthen government programs to combat poverty and promote economic development.

References:

INEGI, “Censo de Población y Vivienda 2005,” *Comunicado Núm. 087/06*, Instituto Nacional de Estadística Geográfica e Informática, May 24, 2006.
 CIA, “Mexico,” World Factbook, www.cia.gov.
www.sandiego.edu/tbi
 Note: TBI Migration and Development Fact Sheet compiled by David A. Shirk, Robert Donnelley, Richard Plank, Theresa Firestine, and Emily Ruyle.