

Migration Watch Mexico

Economic Research Department
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This publication was prepared by:

Editor: Adolfo Albo	a.albo@bbva.bancomer.com
Carlos Herrera	carlos.herrera@bbva.bancomer.com
Juan Luis Ordaz	juan.ordaz@bbva.bancomer.com
Eduardo Torres	e.torres@bbva.bancomer.com
Art: Fernando Tamayo	fernando.tamayo@bbva.bancomer.com

Editorial Board:

Adolfo Albo, Carlos Herrera, Gustavo Lara, Juan Luis Ordaz, Mariana Torres, Jorge Sicilia

Cover image design:

Rosalinda Lina Estrada Ramírez

Cover image title: "Migrants Join the World"

Presentation

Mexico has become the main country of migrants in the world, considering the number of Mexicans living abroad. Even though, historically, Mexico has welcomed persons of different origins in recent decades, millions of Mexicans have left their homes to go to other countries, mainly the United States.

Usually, when there are references to migration, people limit themselves to only mention remittances, and they describe their behavior and their enormous amount. However, behind this, there is something much more valuable: the huge effort of millions of persons in search of better living conditions for themselves and their loved ones. The solidarity of migrants with family members and friends is reflected in a solid and extensive social network that assists the new migrants. The prevailing motivation comes from their desire to improve and their tenacity in meeting objectives and goals. Without this, it would be difficult to bear the personal and social costs of migration.

Conscious of the enormous human value of Mexican migrants, BBVA Bancomer has assumed a social commitment with them and their families. As a result of this, it has undertaken several actions intended to improve their situation and to acquire a deeper knowledge of migration and its implications. Since 2006, the **Integration Scholarship Program** was begun for "*Those that are left behind*", by which economic support is provided to outstanding students with migrant families, mainly with the objective of backing them so that they remain and continue studying. We are sure that education is one of the best ways to achieve a better future, as experience and the evaluation of diverse social programs have shown. With better and higher educational levels, greater productivity and better wages are achieved in most cases and, consequently, poverty tends to diminish.

With the aim of creating sensitivity among society with regard to the difficulties that Mexican migrants face, BBVA Bancomer has launched the movie, "*Those Left Behind*", directed by two talented movie directors, Juan Carlos Rulfo and Carlos Hagerman. It deals with the story of different migrant families, who come from various communities of Mexico, making evident their difficulties when crossing the border, their illusions, ardent desires and tragedies. Several publications have also been financed and developed by prestigious international researchers, and seminars have been held that will contribute to the analysis of the migratory phenomenon.

Migration Watch Mexico, the publication you have in your hands, is framed within this endeavor. It appears with the purpose of realizing a serious and profound analysis of migration, mainly from an economic perspective, although it does not depart from other indispensable environmental elements so as to be able to understand it more comprehensively. We wish that a better knowledge of migrants will permit us as a society to understand them better. The objective of the magazine is to create a space where migration can be studied from a theoretical, quantitative and qualitative perspective.

The magazine will be published every six months and will contain several articles with the intention of making new contributions to the migration field of study. There will also be a historic font of statistics. Throughout all its pages, the reader will be able to find an analysis of situational and structural topics.

Migration Watch Mexico is an initiative of the BBVA Bancomer Foundation and of the Economic Studies Service of the Mexico BBVA Group. In addition to its printed version, we offer our readers the possibility of accessing this magazine electronically through our Web Page on the Internet, in both Spanish and English versions.

I hope that this new means of reflection and analysis will be to your liking and that it will be a valuable contribution to knowledgeable society. I also invite you to add your efforts in favor of migrants.

Ignacio Deschamps González
Chairman and Chief Executive Officer
BBVA Bancomer

In this first issue of *Migration Watch Mexico* we seek to achieve a two-fold purpose: to introduce topics that could represent a framework for serving as a guide to begin an analysis of this important social phenomenon, as well as to try to respond to the concerns that society has in relation to immigration issues.

With this in mind, in the first article we undertake a relatively exhaustive review of the arguments that from the standpoint of economic theory explain the factors that drive migrants from their places of origin and attract them to other countries. We emphasize the importance of the social networks as a mechanism that facilitates immigration and that is currently functioning to alleviate the effects of the recession in the United States, facilitating labor flexibility through geographical mobility and movement between sectors. Migration is essentially determined by economic factors, such as unemployment, major wage differentials, poverty and marginalization, and deficient local economic development, among others. We conducted several studies from a regional perspective, analyzed the determining factors behind migration on a municipal level, and offer some hypotheses on the linkage between poverty and emigration, even though we understand that it is a phenomenon in which the demand for labor is important.

We also analyze the main patterns of the migratory process from Mexico to the United States. These include where the migrants come from, what states, what sectors; what are their characteristics, how old they are, how many are men or women, where do they go to, what states are they present in, and in what industries. The relative young age and the greater participation of women stand out in the recent migratory flows, as well as the incorporation of Mexicans into new branches of the economy and regions, in addition to their higher degree of training. All this points to the social progress registered by the immigrants in the United States.

We also attempt to respond to some of the questions that we believe to be most important at the current time and that are present in public opinion: are we seeing a massive return of migrants in response to the recession?, is it feasible that this could occur?, what could the impact be on a state level?, on a household level?

To address the previously mentioned questions we have prepared different indicators that classify the states' degree of dependence on remittances, which measure their degree of exposure (criteria that we also applied at the household level). We also analyze different indicators of the situation of Mexicans in the United States. The effects of the recession in that country have manifested themselves in a moderate reduction in the rhythm of growth in the number of Mexicans in the United States, in a notable increase in unemployment among this population group, in fewer hours worked and in a stagnation of their income. This has led to a situation in which those who receive part of such income in Mexico are also being affected. However, this has occurred in similar fashion in other episodes of recession and it underscores the migrants' labor flexibility. When the economy begins its recovery, it will also be the migrants who will more easily obtain employment.

There are two articles that allow for identifying and providing context to the major concerns raised in relation to the immediate future of the migrants. One is the chart on an international historical overview of migratory flows. This offers an interesting conclusion, namely, **that in times of recession, migratory flows are put on hold, but not reversed**. There are determining factors that discourage migrants from returning to their countries of origin, such as the increased cost or the difficulty of migration due to immigration policies, the result of the deep integration of most Mexicans in the United States, or the support that migrants provide to each other in complex situations through the social networks. We have also included an article on U.S. immigration policy in relation to Mexico, which is important at the current time, given the new presidential administration and the recession in that country.

Throughout this first issue of *Migration Watch Mexico*, we seek to offer a historical overview that facilitates the reading of this journal either sequentially or based on the reader's desire to go directly to the section of his or her interest. The boxed insets contribute a brief but rigorous analysis focused on specific issues. The appendixes represent a modest but important source of the main statistics related to immigration.

We hope you enjoy it....

Determining Factors for Migration

Estimated Number of Migrants at World Level

	Millions
1960	75.5
1965	78.4
1970	81.3
1975	86.8
1980	99.3
1985	111.0
1990	154.9
1995	165.1
2000	176.7
2005	190.6

Source: Population Division of the Department of Economic and Social Affairs of the United Nations

In recent years at a world level, the study on migration¹ has acquired greater relevance both due to its rapid expansion and to the growing economic flows derived from it. Between 1980 and 2005, the latest information available, the number of international migrants rose quickly by more than 90 million persons, practically doubling in that period, reaching a little more than 190 million persons, representing approximately 3% of the world population². In turn, the flows from remittances have become a significant economic boost in many countries, mainly underdeveloped, where at the beginning of the nineties remittances came to a little more than US\$31 billion. By 2000, they had reached US\$84 billion and, in 2008, they had multiplied a little more than three times, totaling US\$305 billion. Latin America is the region perceiving the most revenues from remittances, and in it, Mexico is the country with the highest proportion of these revenues.

One of the most significant changes in migration in recent years has been the greater concentration of migrants in a reduced number of countries, mainly the developed. For example, in the year 2000, 34% of migrants was to be found in only seven countries³, whereas in the previous decade this proportion was 29%. This is the result of the perception by migrants regarding the places where there are opportunities for labor development. These are some of the reasons for which migration has awakened a growing interest by academics, politicians, international organizations, communication media, among others, not only to have a deeper knowledge of this interesting social phenomenon, its determining factors, but also its implications in economic terms and of in public policies.

Given its complexity, currently there is not just one economic theory or of any other social science that could explain all the migration facets. But there do exist various analytic approximations which try to explain its essential characteristics. Within this context, the objective of this article is to offer a view of the main determining factors of migration that are inferred in the most important international theoretical proposals, particularly those of an economic nature. This constitutes a basic and indispensable reference in this first edition of *Migration Watch Mexico*.

Economic factors are the main determinants of migration

From the first studies, it was suggested that the fundamental reason for migration is economic, such as Ravenstein (1889) indicated in his pioneer document: "*The Laws of Migrations*". It was also argued that the majority of migrants are adults who go long distances, who generally go from the country to the large industrial and commercial centers, and that migration is closely correlated with economic development, progress in technology and transportation.

Income from Remittances Billions of dollars

	World	Under-Developed Countries
1990	68.6	31.1
1995	101.6	57.3
2000	131.5	84.2
2005	267.8	194.8
2008	397.0	305.3

Source: World Bank Estimates

- 1 Migration is defined as **emigration** with respect to the place of origin, that is, the place that is being left behind, and is defined as **immigration** with respect to the destination.
- 2 According to the United Nations, in 2005, the world population was 6.515 billion persons.
- 3 According to the International Organization for Migration, 2005, these countries are: Australia, Byelorussia, Canada, Ivory Coast, France, Saudi Arabia, and the United States.

According to Massey (1988), the first phase of migration is from rural to urban, but development is discontinuous in time and space, and when displaced workers cannot find jobs in the cities of their own country, they emigrate abroad. The infrastructure of communication and transportation also serves to support international migration usually toward the economies with which they have developed economic ties.

Among the most formal analytical frameworks to understand the migratory phenomenon there is the classic model of Harris and Todaro (1970); one of their contributions was to explain why even with high unemployment rates, a region can attract migrants. In this model, decisions for migration from one sector to another are analyzed. The main motivation resides in better economic conditions, which are reflected in differentials of expected income between the two sectors. Consequently, it is possible, for example, to explain traditional migration from rural to urban zones, even with high urban unemployment, if the expected income there is higher. As per the results of this model, the elimination of the wage differentials between sectors will tend to reduce migration.

Some extensions of the Harris and Todaro model incorporate a focus on human capital. It is based on the assumption that individuals are by nature different among themselves, both in terms of personal capabilities, such as knowledge, capacity to adapt, education, etc., and, of course, for their physical characteristics, such as age, gender, etc. These different characteristics would lead to different expected income. Therefore, the differences in the returns on the investment in human capital can explain the heterogeneity in the propensities to emigrate. Based on the structure of the labor markets and the population policies, the migrants will be selected based on their specific capabilities (De Haas, 2008).

Other studies indicated that the decision to migrate is also influenced by different conditions, both in the place of origin as in the destination, or is due to a combination of both. Predominating in the areas of origin are the factors of expulsion ("*push factors*") and in the destination areas those of attraction ("*pull factors*"). The push factors determine a state of incapacity of the environment to meet the needs of all the members of the region; the pull factors offer the potential emigrant the possibility of finding, in the destination, a greater degree of satisfaction for his or her unsatisfied needs or aspirations (Arango, 1985).

In addition to the wage differences, other factors such as demographic pressures, political factors, discrimination, environmental degradation, among others, are considered common causes of migration. However, push factors such as bad environmental conditions or high population density could have lower relative weight than the economic. In general, the population moves from zones with low population density to regions with high population density, and with relatively higher environmental degradation, but that offer greater economic and social opportunities in terms of employment, education, health and safety.

Incentives for Migration

	Push factors	Pull Factors
Economic and Demographic	<ul style="list-style-type: none"> • Poverty and marginalization • Unemployment • Low wages • High fertility rates • Lack of education and health 	<ul style="list-style-type: none"> • Improves the potential in quality of life
Political	<ul style="list-style-type: none"> • Insecurity and violence • Government weakness • Corruption • Human rights abuse 	<ul style="list-style-type: none"> • Security • Political Freedom
Social and Cultural	<ul style="list-style-type: none"> • Discrimination 	<ul style="list-style-type: none"> • Family reunification • Freedom from discrimination
Environmental	<ul style="list-style-type: none"> • Limited land • Environmental Degradation 	<ul style="list-style-type: none"> • It improves the potential in ecological quality

Source: BBVA Bancomer based on Mansoor and Quittin (2007)

Therefore, the specific characteristics of individuals can be important determining factors that could motivate some of them to leave their places of origin, without this having an effect on others. Thus, each person will tend to ponder in a different way the push or pull factors and consequently guide their decisions. For example, *Schlottmann and Herzog* (1981) find that education and age are the most important characteristics that determine the initial migration and repetitive migration, and that unemployment could cause the effect of education on migration to magnify.

For *Piore* (1979), migration is generated by a permanent demand for labor, inherent in the economic structure and in the development of nations, which suggests that migration is mainly originated by the pull factors in the receiving regions. In this respect, initial BBVA⁴ estimates find that one of the main determinants for migration from Mexico to the United States since the end of the nineties has been precisely the demand for employment in the latter country, in addition to income differentials.

Notwithstanding their positive qualities and solidity, the push and pull factor models generally do not explain the return of the migrants and the simultaneous occurrence of emigration and immigration in a same area. Also, they do not analyze the impact that migration has or the way in which the places of origin and destination are modified, that is, they are static models, centered on external factors that cause migration (*De Haas*, 2008). This has made it necessary to expand the analytical focus and to seek new explanations for migration.

Development and social networks as migration facilitators

The confrontation between push and pull factors have given rise to the *new migration economy*⁵ which argues that the decision for migrating is not individual but by family, and it is considered to be a part of a strategy by which obstacles to social family mobility are faced, such as the problems of access to credit and the scarcity of insurance means.⁵ As per this focus, the economic development of economies which send migrants do not necessarily reduce pressures from migration. Despite this greater development, incentives for families to participate in activities are maintained, both in the destination and in the place of origin, in view of a rise in the returns in these activities. On the one hand, at the place of destination, greater returns continue to be obtained and help to solve the capital and risk restrictions that were being faced with in the beginning at the place of origin.

Therefore, families can diversify their human resources by keeping some of its members working in the local economy and sending others to external labor markets. Theoreticians of the new migration economy argue that families also send workers abroad so as to reduce their relative loss (understood as inequality of opportunities for development) compared to some reference groups in this sense, *Stark and Taylor* (1989), based on a sample of rural Mexicans, find that relative income is more important than the absolute in decisions to emigrate to another country.

⁴ Review Monitor Hispano, September 2006, of the BBVA Economic Studies Service.

⁵ United Nations Development Program, 2007.

Once the regions of origin and destination are linked through persons, social networks are created, which can be defined as a collection of interpersonal relations that connect migrants, previous migrants and non-migrants in places of origin and destination through affinity, friendship and common cultural characteristics. Social networks are a type of social capital that persons use to have access to employment outside their place of origin.

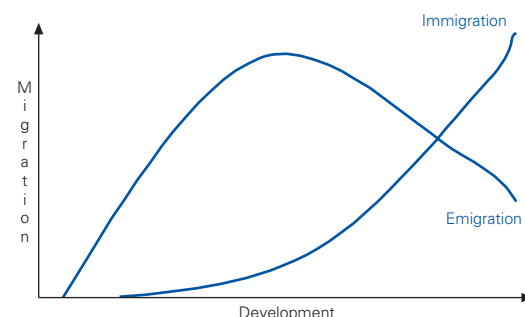
Social networks increase the probability of migration, since they reduce the costs and risks in the movements and can increase the returns expected. Those with migratory experience can inform potential migrants about conditions in the destination, the costs and manner of transfer, available jobs and potential income. Therefore, it is more probable that more persons will emigrate in a community where others have done it and have transmitted their experiences, than in communities where migration is less frequent. To the extent that the social networks expand and greater migratory experience accumulates, migration becomes progressively less selective and is spread from the middle socioeconomic sectors to the lowest (Massey, *et. al.*, 1993).

Some studies show that economic development and decreasing wage differentials in the destinations tend to generate an inverted "U" form effect on emigration (De Haas, 2008). That is, emigration rises in the first phases of development and later shows a decreasing behavior. Thus, in the most advanced stages of economic and social development, regions tend to be transformed from net exporters to net importers of jobs. This is what has happened in European nations such as Spain, Italy, Greece and Portugal, and in Asian countries like Malaysia, Taiwan, and South Korea. Countries like Turkey, Tunis and Mexico are in the transformation process toward this reference model (De Haas, 2005).

The above seems to suggest that it is not the poorest households that can emigrate; a certain economic level is needed to be able to do it. In Mexico's case, according to data by the United Nations Program for Development (2007), a positive correlation can be found between average income and migration probability. However, even though this linkage exists for all income segments, it is higher in the intermediate income strata (between P\$10,000 and P\$15,000 quarterly in 2002), so the poorest and the richest households show less probability of having a migrant.

Migration is nourished from itself, because the first migrants provide a structure through the social networks that facilitate movement and reduce the risk for the migrants who follow and, by this, reduces migration costs. In this way, there can be contradictory results; in the short term, remittances can favor the economic development of communities by stimulating investment and consumption. As opposed to this, if the reduction in the costs of migration is considerable, according to Portes (2007), in the absence of counterbalance forces, severe depopulation in the regions and towns of origin can be generated, which in the long term, would lead to a reduction in remittances and would not generate expansion in demand and, consequently, in the development of the place of origin. It should

Migration and Development



Source: De Haas (2009)

Social Networks in the Migratory Process

Characteristics	How do they influence migration?	Possible effects
They link migrants, previous migrants and non-migrants in places of origin and destination	<ul style="list-style-type: none"> • They increase the probability of migrating • They reduce the costs and risks in the movements • They can increase the expected returns 	<ol style="list-style-type: none"> 1) They can lead to depopulation in the cities of origin 2) They can, through remittances, have an impact on economic development

Source: BBVA Bancomer

be pointed out that, in Mexico, some municipalities are already presenting depopulation in the period between the previous and the last census. One third of the municipalities presented, in varying degrees, loss of population, which could indicate certain evidence that favors this hypothesis.

However, it should be asked which of the two effects could be predominant? The response seems to depend on governmental intervention and on the nature of migration itself. According to Portes (2007), effective government programs, manifest in public works, subsidies and support to productive activities, as well as the launching of firms generators of employment, could motivate adults to remain and work creating the socio-demographic infrastructure necessary for the remittances and investments of migrants to be used productively. If migration takes on a cyclical nature, that is, if it consists of persons who travel abroad and return after accumulating certain savings, it is probable that the previous effects will materialize. On the contrary, if they are whole families who travel and emigrate, the incentives to return and send remittances are reduced, by which the possible effects of remittances in the communities of origin diminish.

Final considerations: migration, a complex reality

Diverse socioeconomic factors, both in the places of origin and of destinations motivate migration and may operate simultaneously, but given the particular characteristics of the individuals and even family members, they can have different effects. Thus, for migration to occur, various elements must come together that will determine the perception on the wellbeing in the place of origin and in the place of destination, in addition to the capacity and the propensity to emigrate, which constitutes a dynamic process. Although communities continue to adapt to changes in the environment, they frequently conduct an evaluation and, because of this, they continue to modify their labor decisions and place of residence..

The economic factors are those that habitually have greater weight among the determining factors for migration. In general, populations that move to improve their living conditions, to this end human, material and social capital are important elements that can facilitate or hold back the process. In the first place migrants tend to move within regions in their own countries, but, once they experience difficulties, they emigrate to other countries.

Migration brings with it costs and risks, which, on occasions is complicated for the poorest to assume, which is why a certain income level is necessary to be able to emigrate. The existence and the use of certain social networks can reduce these costs and increase the expected return.

Development affects migration and, in turn, migration affects development. It is a two-way street. The feedback depends, among other factors, on the following:

- **The size and composition of migration.** If it is whole families that are migrating, the incentives to send remittances diminish, and, consequently, the feedback is restricted. If the migrants

return after accumulating savings, it is probable that there will be an impact on the development of the place of origin.

- **Social networks.** The first migrants can transmit their experience to subsequent migrants and thereby reduce migration costs and risks, which, in turn, could spur greater migration and probably higher economic flows to the places of origin: However, when the cost reduction is such that entire families leave their communities, the possible effects of migration on development tend to disappear.
- **The experiences and preferences of migrants.** When migrants participate in the labor sector of other countries, they accumulate experiences which, to a greater or lesser extent, if they return to their communities of origin, could allow them to have an influence on the development of same.
- **The economic and political circumstances of the places of origin and destination.** A country with adequate economic and political conditions may constitute a pull factor for migrants. In the initial stages of economic development, migration seems to increase and once it achieves certain development, it tends to decrease. Even in more mature stages, a region can constitute a destination for migrants.
- **Actions taken by the governments.** The role of governments can be fundamental in creating the conditions that could increase the power of the impact of migration on development, for example, by proposing public policies that promote, support and complement more efficient and productive use of remittances, which facilitates economic and social development of the communities.

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International Migratory Flows

In recent decades we have seen an intensification of migratory flows. However, migration is not a new phenomenon and historically we have seen waves of people moving from one place to another. Some of these migration waves have been very symbolic and specific; for example, they have represented the main stimulus for the formation of new nations, in other cases, they have been equally important, but on another level, in profoundly enriching and transforming the cultural and social characteristics of the communities that are their destinations. The elements that are common to them correspond to the motivations behind the movement of population groups, and they can be identified in the article entitled *"Determining factors behind migration."* In this sense, this inset is a complement; it describes and classifies in broad general terms the main stages in the migratory flows of modern history, in the process offering a general regional panorama, a brief reference point for intensifying the scope and duration of what has been occurring in Mexico.

The major historical stages in international migration

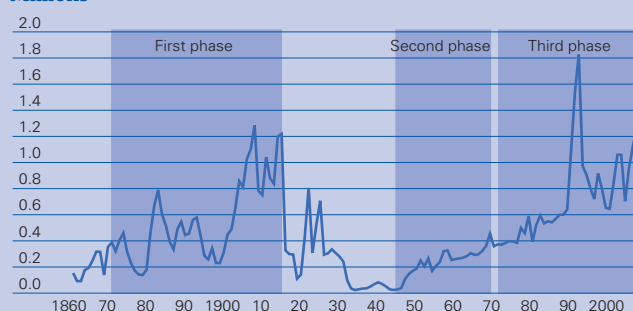
The first stage of massive migration, which is well documented, occurred in the period between 1870 and 1913, and was characterized by a flowering of trade and capital flows, and by free migration within the European countries, and from Europe toward other countries. During these years, about 60 million people left the Old Continent, with its few natural resources and excess labor power, for countries with insufficient manpower and abundant resources, such as the United States, Argentina, Brazil, Australia, Canada, and New Zealand (Solimano, 2003). It is important to mention that in that period, most of these countries had higher per capita income levels than in the European nations.

Then came a period marked by a certain stagnation in migratory flows. With the First World War, which started in 1914, a period of economic and political instability began that extended up to 1945 with the end of World War II. The "Great Depression", which began in 1929, also contributed to the rise in unemployment, insecurity, and rigidity in international relations and along with it, countries adopted more restrictive immigration measures. In this stage, the passport began to be a useful instrument in border

controls. As a result, migratory movements in Europe fell drastically, declining from 1.4 million in 1913 to 600,000 in 1927 and to only 100,000 in 1938 (Aragonés, 2000).

A second stage of renewed international migratory flows began in 1945 and ended in the first half of the 1970s with the 1973 economic crisis and the abandonment of the gold standard. The negotiations prior to the end of the Second World War facilitated cooperation agreements to promote commercial and financial exchanges on a world level. With this began a period of reconstruction and economic growth that demanded a larger work force, encouraging massive population movements. In this phase, the migration of workers mainly responded to the factors that would attract such flows, such as reduced levels of growth of the native population, low unemployment levels, and rapid economic growth. Immigration began to flow from the underdeveloped countries to the developed nations. During this period, it is estimated that the number of immigrants in the world was 100 million.

Legal Immigration in the United States



Source: U.S. Department of Homeland Security

The third and last stage that started at the beginning of the 1970s and continues to the present day is characterized by a certain duality: growing migratory flows in certain cases even though immigration controls have been strengthened; in other cases, a certain flexibility has been maintained that has allowed migratory flows to continue (Rystad, 1992). In this stage, the poles of attraction for economic immigration have changed and have been concentrated toward the developed world and in a reduced number of countries. This period can be characterized, from a historical point of view, as being marked by the largest population movements, involving more than 190 million people.

Recent trends as of 1970

In 1970, the number of international immigrants was 81.3 million; 30 years later, in the year 2000, an additional 100 million people had moved from their native countries, bringing the total to about 180 million. Between 1990 and 2000, the average annual growth rate in the number of international immigrants was 1.3%, but rose to 1.5% in the 2000-2005 period. Thus, in 2005, one out of every 33 people in the world was an international immigrant, which contrasts with the 1970 figure of one in 46.

In addition to the geopolitical changes that modified the configuration of some states in the 1990's, such as the disintegration of the former Soviet Union¹, international migration was stimulated by the growing dependence between countries, caused by economic liberalization, continuous income disparities between nations, a greater access to means of transportation and at a lower cost, and a growing demographic gap between the developed and underdeveloped countries (International Organization for Migration, 2005).

As a result, there was a change in the distribution of international immigrants between groups of countries according to their economic development. In 1970, 52.8% of migrants were in underdeveloped countries (43 million), while by 1990 the situation had changed and a greater proportion was concentrated in developed nations, 53.2%, with the percentage rising by 2005 to as much as 60.5% of the total.

North America and Europe are the regions with the greatest growth in migratory flows. The number of

immigrants increased in North America more than three-fold between 1970 and 2005, with its percentage share of the total increasing from 16% to 23.3%. Mexican migrants are included within this region. In Europe, the proportion of total immigrants also rose, increasing from 23.1% to 33.6%, although the greatest growth in the European continent occurred between 1980 and 1990, partly due to the disintegration of the former Soviet Union. The relative percentage share of other regions in total international immigration decreased, especially Asia, Latin America, and the Caribbean.

Migration will continue in the next few decades; it is a solid trend, although it could be detained by the current international situation

Although there are different reasons to cross borders, most immigrants do so in search of better economic opportunities. A report from the ILO (2004) revealed that international labor migration has increased rapidly in the past few decades. Half of international migrants were economically active in 2000, and the other 50% were those who had accompanied the economically active migrants in their move to another country.

The world economic cycles have determined some of the characteristics of the international migratory movements, such as their growth rate and perhaps have also influenced their scope and duration. In moments of economic expansion, large-scale population movements have taken place and in stages of contraction, a stagnation in migratory flows has been registered.

¹ In 1991, when the Soviet Union was divided in 15 independent states, people who were considered internal migrants in the Soviet Republics were viewed as international immigrants with the independence of their countries of birth.

International Migrants

	Number (millions)					% of population		% of total no. of migrants	
	1970	1980	1990	2000	2005	1970	2005	1970	2005
World	81.3	99.3	154.9	176.7	190.6	2.2	3.0	100.0	100.0
Developed countries	38.4	47.5	82.4	105.0	115.4	3.6	9.5	47.2	60.5
Underdeveloped countries	43.0	51.8	72.6	71.7	75.2	1.6	1.4	52.8	39.5
Africa	9.9	14.1	16.4	16.5	17.1	2.7	1.9	12.2	9.0
Asia	27.8	32.1	49.9	50.3	53.3	1.3	1.4	34.2	28.0
Europe	18.8	21.9	49.4	58.2	64.1	4.1	8.8	23.1	33.6
Latin America and the Caribbean	5.7	6.1	7.0	6.3	6.6	2.0	1.2	7.0	3.5
North America	13.0	18.1	27.6	40.4	44.5	5.6	13.5	16.0	23.3
Oceania	3.0	3.8	4.8	5.1	5.0	15.4	15.2	3.7	2.6

Source: BBVA Bancomer with data from the United Nations Population Division, World Migrant Stock: The 2005 Revision Population Database

Due to differences in income levels between developed countries and the rest of the world, the lack of employment opportunities in accordance with the growth in population in many of them; the aging of the population in some developed nations, and new technologies that offer greater information on labor conditions on a world level, it is possible to project that international migration will continue increasing in the next few decades, above all from the developing and underdeveloped countries to other "more developed" nations. The current situation marked by a worldwide economic downturn could represent a transitory brake on these migratory waves, but it seems difficult to think that this long-term trend will disappear. It can thus be affirmed that international migration is one of the new characteristics of today's society.

Juan Luis Ordaz

juan.ordaz@bbva.bancomer.com

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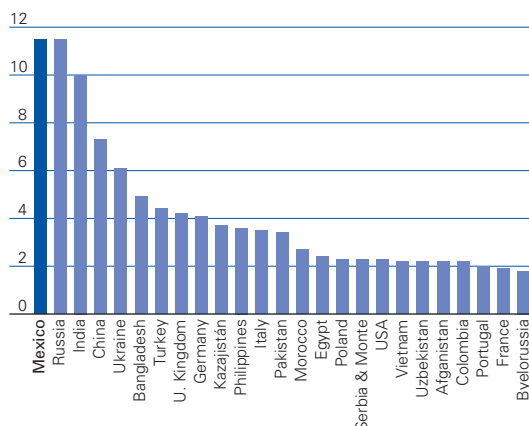
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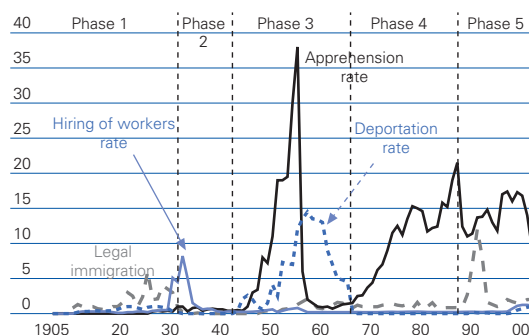
Number of International Migrants by Country of Origin, 2005

Millions of persons, first generation



Source: BBVA Bancomer with World Bank data

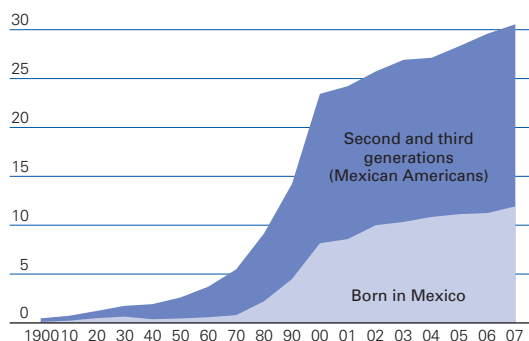
Mexican Migration Rates to the U.S. in Different Categories and Phases



Source: Massey, et. al (2002)

Mexican Population or of Mexican Origin Resident in the United States

Millions



Source: Conapo estimates based on the Bureau of Census Current Population Survey (CPS) March 2000 to 2007

Mexican Migration to the United States: A Brief X-Ray

Mexico is at the same time a country of origin, of transit and of destination for international migrants. Throughout its history, various waves of immigrants have emerged. Some of the most significant correspond to the colonial era, the Spanish civil war, to mass departures of Argentineans and Chileans due to political reasons in the seventies, to the expansion of the border areas in the south of the country of the Maras and other Central American communities and, in recent decades, to other flows once again of Latin Americans belonging to the middle class. However, even though many of these demographic movements have been very symbolic, immigration of a permanent type in Mexico has been historically of little consideration. According to data from the Population and Housing Census, the foreign community residing in the country in 1990 was close to 340,000 and rose to 493,000 in 2000, which corresponds, respectively, to very modest figures compared to the total population of only 0.42% and 0.5%, respectively.

Mexican emigration is of relatively greater importance. The United States has been historically the main destination. The first Mexicans who moved to that country did so in the 19th century, after the end of the U.S. war of intervention and the establishment of the Guadalupe Hidalgo Treaty, by which it is estimated that around 50,000 Mexicans entered. However, for some authors, it is not possible to speak formally of international migration at this time between these countries, because the border was relatively unpopulated, poorly delimited and sporadically watched.

Currently, first generation Mexican migrants residing in the United States total over 11 million persons, equivalent to 11% of the population residing in Mexico and 64% of the Hispanic labor force in the United States. Their contribution to U.S. GDP has doubled in the last 14 years and, by 2006, they represented 3.7% and 57.7% of Mexico's GDP (UAAZ and International Migration and Development Network, 2008). If we take into account the year of 2005, for which there is ample information regarding migratory flows at a world level, Mexico was the country with the highest number of emigrants in the world. This figure acquires greater relevance when second and third generation migrants (U.S. Mexican Americans) are added, who managed to surpass 18 million persons, due to which over 30 million Mexican migrants are estimated to be in the United States of all generations.

In this article, we analyze recent migration patterns between Mexico and the United States. The different phases and motivations of these movements are reviewed, as are their main characteristics: geographic origin, work, socioeconomic conditions. Some trends are indicated that tell of their capacity of social ascent in the U.S. and the increasingly higher importance of remittances for the income of Mexican families. The intention is to present a general overview of this important social movement that constitutes a point of reference to establish certain hypotheses which will be delved into deeply in subsequent editions of *Migration Watch Mexico*.

Phases of Mexican migration to the United States

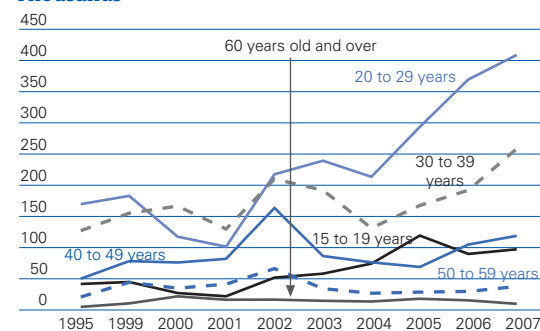
According to Massey, et. al. (2002), it is possible to distinguish five phases in migration from Mexico to the United States. The first, from 1900 to 1929, during this stage, groups of workers were formed based on family relationships, with the intention of achieving economic prosperity, as they made their way to agriculture and the railways. It is estimated that, in this period, around 730,000 Mexicans emigrated to the U.S., with Texas being the main concentration point. A second stage came between 1930 and 1941 characterized by massive deportation and by a limited movement of persons, similar to the first, but during which over half a million Mexicans were repatriated in those years (Durand, 2000).

The third stage emerged in view of the demand for workers in the United States due to the Second World War from 1942 to 1964. In this period, the "Bracero" (Day Laborer) Program was established, a bilateral agreement through which Mexican workers were hired temporarily to carry out agricultural activities. It is estimated that close to 5 million Mexican workers emigrated legally to the USA, which constituted one of the most important historic migratory surges ever registered up to that time. Mexican migrants began to settle in California and to establish social networks that helped them to transfer and expand to other states.

The fourth phase is known as that of "undocumented migration" and lasted from 1965 to 1986. It was generated in view of the decision made by the U.S. government to suspend the "Bracero" Program, which boosted the proliferation of "coyotes" who smuggle migrants across the border and the traffic of illegals. From a slightly higher rate of 1 per 1000 in 1965, the relative number of Mexicans apprehended increased to 21 per 1,000 in 1986. Nevertheless, despite migratory control, efforts, a net increase of Mexicans in the U.S. was registered similar to that observed in the preceding period, approximately 5.7 million arrived, of whom 81 % were undocumented (Massey, et. al., 2002).

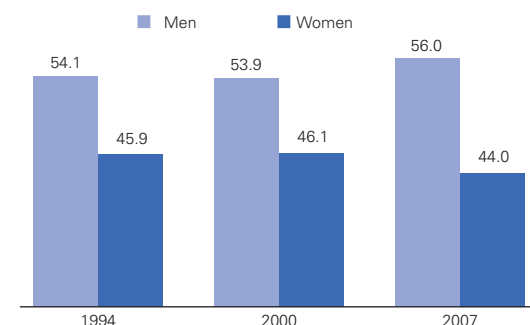
Finally, the fifth phase ranges from the year 1986 to the present date. In that year, Mexico joined the General Trade and Tariff Agreement (GATT) and the Immigration Reform and Control Agreement (IRCA) in the U.S was established. As of then, both economies have had to strengthen their trading and financial Integration and because of this the migratory flows have intensified. During this period, the social networks have been consolidated; feminine emigration has increased; and, migrants are now spread throughout the entire American Union. In this period, migrants have moved in a generalized way to other productive sectors, different from the traditional, entering construction, manufacturing and services. In this phase, a marked proportion of migrants have prolonged their stay in the U.S. and have stopped considering their potential return, by integrating into American society and forming a second generation or subsequent ones. through their migrant families. In 2007, as per Conapo (Spanish initials for the National Population Council) figure, the number of persons of Mexican origin residing in the U.S. rose to 30.3 million, of whom 11.8 million were born in Mexico and the rest in the U.S.

Migratory Flows of Mexicans to the U.S. by Age



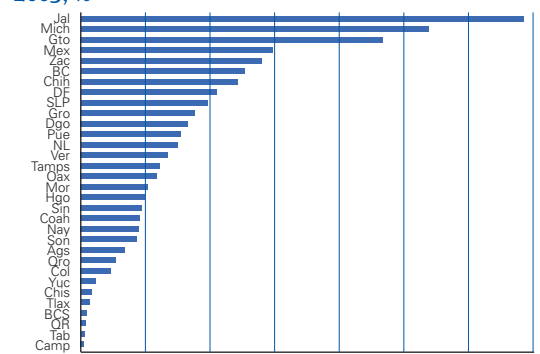
Source: STPS, Conapo, INM, SRE, and Colef. Survey on Migration in the Northern Border of Mexico

Population Born in Mexico Residing in the U.S. by Gender



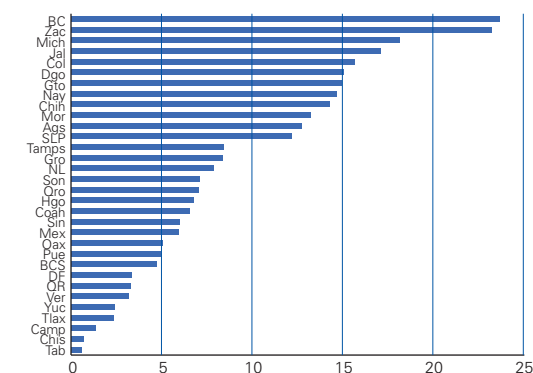
Source: Conapo Estimates based on the Census Bureau Current Population Survey (CPS), March 1994, 2000 and 2007

Distribution of Mexican Emigrants to the U.S. by State



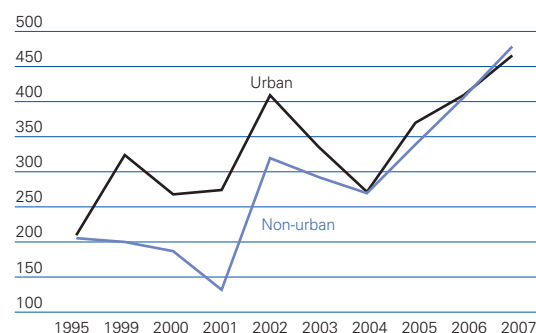
Source: Conapo Estimates based on population projections of the institution.

Population Born in the State of Residence in the U.S. Proportion of the total State population, 2003, %



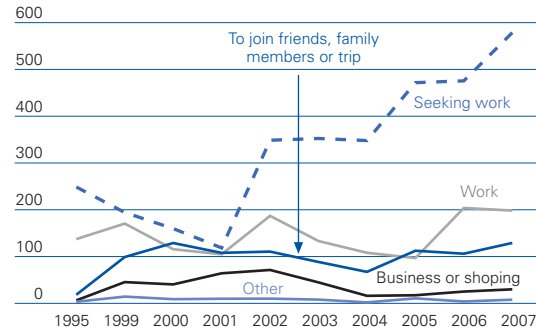
Source: Conapo estimates based on the the institution's population projections

Migrants from Mexico to the U.S. by type of locality Thousands



Source: STPS, Conapo, INM, SRE and Colef. Survey on Migration in the Northern Mexican border

Migrants from Mexico who Cross Over to the United States Thousands



Source: STPS, Conapo, INM, SRE, and Colef, Survey on Migration in the northern Mexican border

Who are these Mexican migrants residing in the U.S. and from what states do they come from?

Persons born in Mexico who reside in the United States are relatively young, their average age being 35. Recently, higher emigration has been observed of young people between 20 and 29 years of age, according to data of the Survey on Migration in Mexico's Northern Border (EMIF for its Spanish initials). Even though the greater proportion of migrants are men, migratory flows of women are now considerable and have maintained a stable share of the total in the last two decades. Currently, around 44% of the total population born in Mexico that resides in the U.S. is female.

The migrants come from all the states of the Mexican Republic, but the highest proportion come from just a few: Jalisco, Michoacan, Guanajuato, State of Mexico and Zacatecas and they account for 45% of total migrants in the U.S. In relation to their population, Baja California and Zacatecas are the states with the highest proportion of migrants in the United States, followed by Michoacan and Jalisco. States that historically have had a greater migratory tradition are Aguascalientes, Colima, Durango, Guanajuato, Jalisco, Michoacan, Nayarit, San Luis Potosi and Zacatecas.

From what sectors do migrants come?

Both the rural and urban sectors of Mexico contribute migrants to the United States in relatively similar amounts. However, relative to the population in each sector, the rural sector participates to a greater extent in relative terms. This situation, together with the traditional migration from rural areas to the city, is the one that is probably causing the Mexican rural population to decrease between 2000 and 2005 by close to 183 thousand persons, and, in other states, such as Sinaloa, Guerrero, Oaxaca and Veracruz, each lost over 50 thousand during the same years.

The pull factors for Mexican migration to the United States are predominantly economic

Mexican migrants cross over to the United States mainly to work or to seek work. According to the more historic figures of the EMIF, 415,015 Mexicans crossed the northern border in 1995, of whom 33% did so to work and 60% to seek work. In 2007, 944,225 Mexicans went to the United States, of whom 21% did it to work and 61% to seek work. That is, the motivations for mobility are economic and they remained in comparable proportions in the years indicated.

Geographic and labor diversification and the social ascent of migrants in the United States

Regional, geographic and labor diversification of Mexicans in the U.S. is one of the characteristics of recent migratory flows. The region defined as the Southwest, to which the "First Phase" was directed, is comprised of California, Texas, Arizona and New Mexico. It is the one that has concentrated the highest number of Mexicans but which has diminished its share relatively in recent decades in favor of other regions. For example, in 1970 this region concentrated 85% of Mexican immigrants, a share that decreased to 66%. In 2005, while the East Coast region (which includes North Carolina,

South Carolina, Connecticut, Delaware, District of Columbia, Florida, Georgia, Maryland, New Jersey, New York, Pennsylvania, Rhode Island and Virginia), rapidly increased its share from 3% to 12% in the same period.

In turn, the Great Lakes region concentrates 9% of Mexican migrants, the Southwest Expansion region 6%, the Great Plains 5% and other regions 3%. Thus, in reality, Mexican migrants are found practically in the entire American Union, although they are predominant in the border areas and along the coastal areas.

In the labor sphere, Mexican migrants in the U.S. have also moved from the agricultural sector where the first migrants arrived, to other sectors. Early in the decade of the nineties, 12% of Mexican migrants worked in the primary sector; although this proportion decreased to just 4% in 2007, at the same time that the share of Mexican migrants in the secondary sectors rose significantly from 36% and 52% to 41% and 55%, respectively, in the same time period.

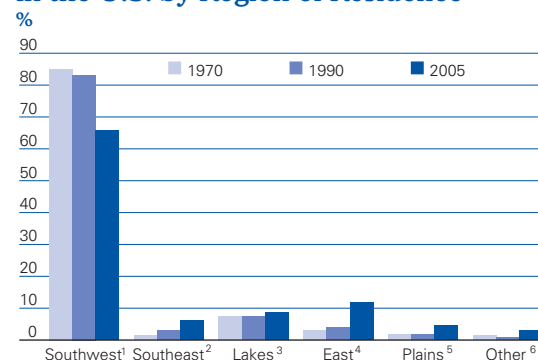
It is possible to confirm a certain social ascent in Mexican migrants in the U.S. The educational levels in general have tended to rise. In 1994, 63% of the migrants had studied no more than 10 school grades, while in 2007, the percentage dropped to 47% of migrants. Meanwhile, the proportion of migrants with 10 to 12 grades of schooling rose from 24% to 38% in the same years. While the proportion of migrants who received at least US\$40,000 per year rose from 4% to 13% between 1994 and 2007, at the same time that the proportion of those receiving less than US\$10,000 a year was reduced from 36% to 11% in the same period (1994 to 2007). In this way, the proportion of Mexican migrants in the United States in poverty status decreased considerably between 1994 and 2007, from 36% to 22%. This can also be an indicator that migrants have improved their labor qualification.

The economic importance of Mexican migration to the United States

Mexican migrants in the U.S. represent 11% of the population of that country; in Mexico they would be the equivalent of one fourth of the economically active population (EAP) and of the Employed Population. Emigration which, on the one hand, represents losses in human capital, on the other, has as associates, important flows from remittances. Mexico is the third country in the world with the highest income from this concept, only behind India and China.

Revenue from remittances in Mexico has shown notable expansion in this decade, with technological progress in the financial sector facilitating and expanding the available channels for the delivery of resources, especially through electronic means. However, between 2007 and 2008 remittances started to slow down, reaching in 2008 a 3.6% decrease in dollar terms. Despite this, remittances are the second most important source of foreign currency in Mexico, after oil revenues. They represent close to 3% of GDP, 50% of oil exports, 135% of foreign direct investment and 189% of income from international travelers.

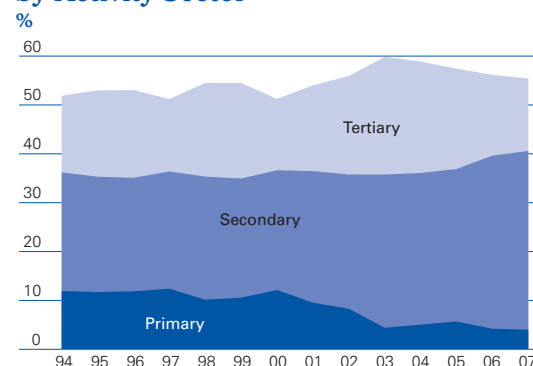
Population Born in Mexico Residing in the U.S. by Region of Residence



Notes: 1) First phase: Arizona, California, New Mexico and Texas
2) Expansion: Idaho, Oregon, Nevada, Utah, and Washington,
3) Great Lakes: Illinois, Indiana, Michigan, and Wisconsin
4) East Coast: North Carolina, South Carolina, Connecticut, Delaware, District of Columbia, Florida, Georgia, Maryland New Jersey, New York, Pennsylvania, Rhode Island and Virginia
5) Great Plains: Colorado, Iowa, Kansas, Missouri, Nebraska, Oklahoma and Wyoming
6) Alabama, Kentucky, Louisiana, Maine, Massachusetts, Minnesota, Mississippi, Montana, New Hampshire, Ohio, Tennessee, Vermont and West Virginia

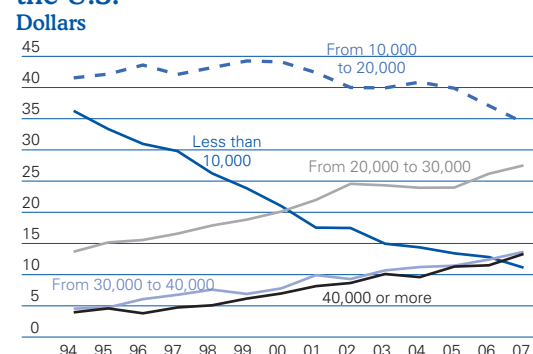
Source: BBVA Bancomer with Conapo data based on the U.S. Census Bureau.

Mexican Migrants in the United States by Activity Sector



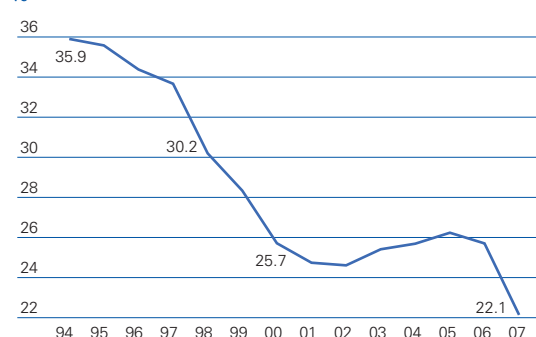
Source: BBVA Bancomer with Conapo data based on the U.S. Census Bureau

Annual Wages of Mexican Migrants in the U.S.



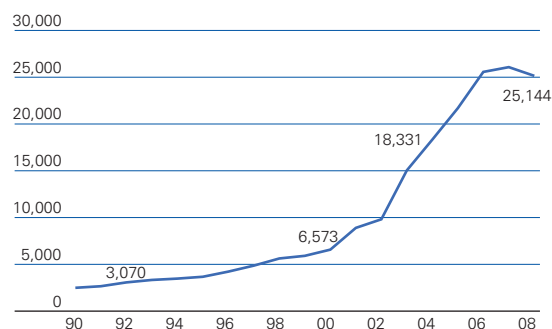
Source: BBVA Bancomer with Conapo estimates based on the Census Bureau, Current Population Survey (CPS)

Mexican Migrants in the U.S. in Poverty Condition



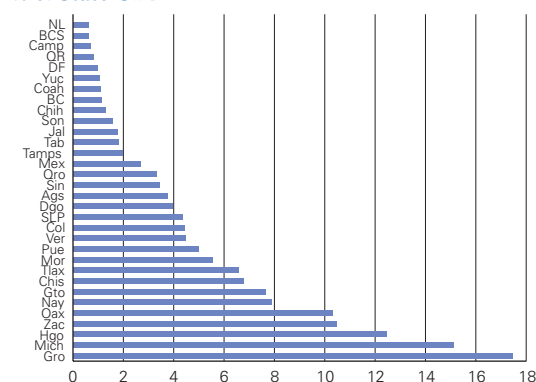
Source: BBVA Bancomer based on Conapo estimates based on the U.S. Census Bureau and the U.S. poverty methodology

Family Remittances in Mexico



Source: BBVA Bancomer with Banco de Mexico data

Remittances by State, 2006



Source: BBVA Bancomer with Banco de Mexico and INEGI data

Also, remittances represent a very important flow of income for some states. In Michoacan, Zacatecas, Oaxaca, Guerrero and Hidalgo, they represent over 10% of the state's Gross Domestic Product.

Remittances are also a very important source of income for those who receive them, with greater intensity in the rural environment, where, in 2005, they came to represent 48% of the total income of households, compared with the urban environment where they represented 36%. Also, in the last two decades, they have increased their relative importance for the income of the households that receive them. As a consequence of the higher recent migratory flows, the proportion of the households that receive remittances rose between 1992 and 2005, the last year for which there is information available, from 6.2% to 13.6% in the rural environment and from 2.9% to 3.8% in the urban sector.

Conclusions

Historically, Mexico has been a country of migrants, where emigration has had the greater weight. The United States has been the main destination for those Mexicans who have gone abroad. Currently, persons born in Mexico who live in that country, represent 11% of the total Mexican population. Migrants are forthcoming both from the urban environment and the rural, and from all the states, although 45% of the total comes from Jalisco, Michoacan, Guanajuato, the State of Mexico and Zacatecas.

Mexican migrants who reside in the United States are relatively young, with their average age being 35. Although the greater proportion of migrants are men, migratory flows of women are also considerable and have maintained a relatively stable share in the total, during the last two decades. Around 44% of the total population born in Mexico that resides in the U.S. is female.

In the United States, a greater occupational and sectorial diversification is present, California and Texas are the states with the highest number of migrants and they have been the historic destinations, although at this time Mexican migrants are present throughout the entire territory of the United States. Mexican migrants have managed an important social ascent in the U.S. Perhaps their better education and labor flexibility to work in non-traditional sectors or regions have helped them mitigate their poverty as a group.

Remittance flows to Mexico are the second entry source of foreign currency and represent close to 50% of the current earnings of rural households receiving these resources. Technological progress and competition in the financial sector have facilitated money deliveries, particularly through electronic transfers, at increasingly lower costs.

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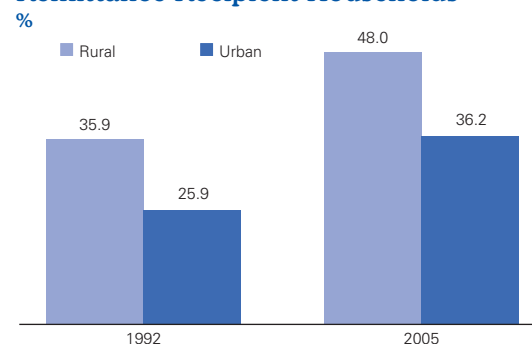
Durand, J. (2000) "*Origen es Destino: Redes Sociales, Desarrollo Histórico y Escenarios Contemporáneos*" pp. 247-62 en Rodolfo Tuirán, ed., *Opciones de Política. Migración*. México-Estados Unidos. Secretaría de Gobernación y Secretaría de Relaciones Exteriores ("*Origin is Destination: Social Networks, Historical Development and Contemporary Scenarios*" pages 247-62 in Rodolfo Tuirán, ed., *Policy Options, Mexico-United States Migration*, Ministry of Internal Affairs and Ministry of Foreign Affairs.)

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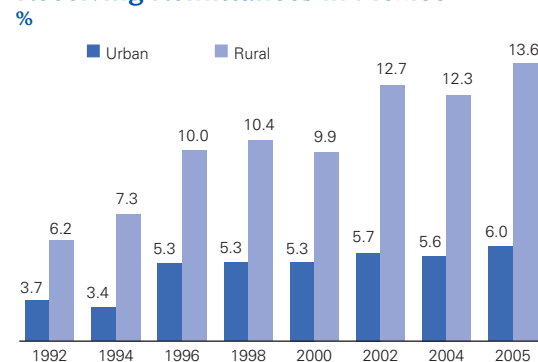
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Proportion of Income from Remittances Relative to Current Income for Remittance Recipient Households



Source: Conapo Estimates based on INEGI, National Survey on Household Income and Expenses (ENIGH), 1992 and 2005

Share of Households Receiving Remittances in Mexico



Source: Conapo estimates based on INEGI, National Survey of Household Income and Expenses (ENIGH)

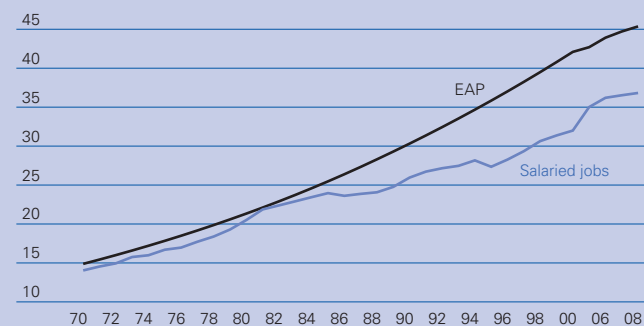
Municipal Factors Spurring Mexican Migration Abroad

Previously, in the article “Determining Factors Behind Migration”, the factors that explain migratory movements were developed from a theoretical standpoint. Based on this reference point, the aim of this article is to provide evidence in the case of Mexico of the existence of such factors on a municipal level. With this in mind, we used data from the 2000 census, when there were 2,443 municipalities in the country, of which 20% presented a high or very high rate of outward migration. These municipalities were mainly concentrated in the states of Chihuahua, Durango, Guanajuato, Guerrero, Hidalgo, Jalisco, Michoacán, Oaxaca, Puebla, San Luis Potosí, and Zacatecas. In addition, to complement the information we used the National Population Council (Conapo) migratory intensity index, which breaks the phenomenon down into three categories, namely, emigrants to the United States, circular migrants, and returning migrants, as well as state and municipal inflows of remittances.

Lack of Employment: an important factor spurring migration

Since the 1980's the Mexican economy has generated jobs at a rate below the growth rate of the country's population. The percentage of the economically active population that receives wages has tended to fall, declining from levels of close to 95% in the 1970's to only 80% in the past decade. Given the lack of jobs, two alternatives arise, underemployment or emigration. The evidence confirms the existence of this important factor spurring emigration. According to the figures from the section on migration from the 2002 National Employment Survey, the main cause of Mexican migration to the U.S. is job-related, in 84% of the cases.

EAP and Salaried Jobs in Mexico

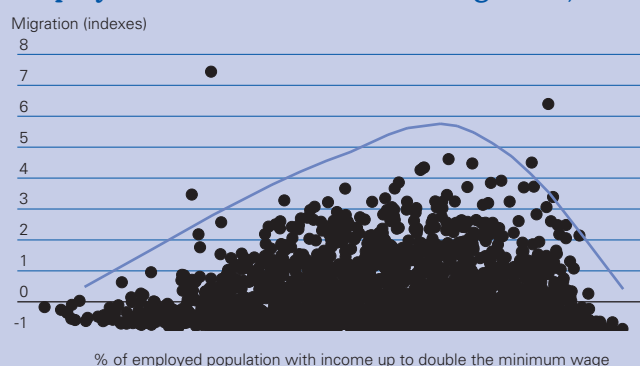


Source: BBVA Bancomer based on data from INEGI, National Employment Survey and Hernández Laos, E: Desarrollo Demográfico y Económico de México 1970-2000-2030 ("Demographic and Economic Development in Mexico, 1970-2000-2030") Conapo, 2004.E.; Desarrollo Demográfico y Económico de México 1970-2000-2030, Conapo, 2004

Comparing the migratory intensity indexes with the percentage of the employed population on a municipal

level earning incomes of up to twice the minimum wage, it should be noted that the highest emigration occurs in municipalities where employment conditions, in terms of income, tend to be medium or low, although in municipalities where close to 100% of the employed population receives less than twice the minimum wage, emigration levels tend to be practically non-existent. A similar situation can be observed when employment conditions seem to be the best.

Employment Situation vis a vis Emigration, 2000



Source: BBVA Bancomer based on Conapo data

Is population density a factor that spurs emigration?

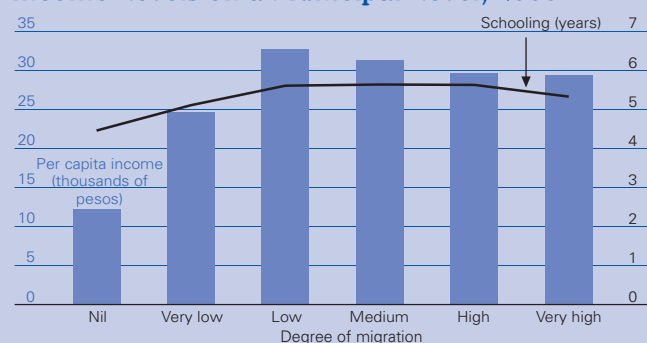
Population density is a factor that on occasions encourages the population to emigrate. However, Mexican emigration, in general, does not appear to be due to demographic considerations. Of the 492 Mexican municipalities with high or very high levels of emigration, 75% have a population below 20,000 inhabitants and 17% have a population between 20,000 and 50,000 inhabitants. In other words, international Mexican emigration comes from urban areas with a low population density and in many cases predominantly rural areas.

Education and income levels appear to affect emigration in the same way

Among the factors spurring emigration, on a theoretical plane it has been argued that a certain income and educational level is necessary in order for the population to have the minimum elements to facilitate its emigration. In general, the evidence points to a positive correlation between the population's income and education levels. The greater the human capital, the greater the possibilities of obtaining a higher income. Both variables, according to different theoretical models, have effects on emigration. When comparing these indicators on a municipal level, we find that emigration is non-

existent when education and per capita income levels are, on average, the lowest. Furthermore, when education and income levels tend to increase, emigration is also higher, until the point at which it tends to stabilize and even fall. Therefore, the evidence on a municipal level in Mexico shows that educational and income levels seem to affect emigration in the same way, probably stimulating it at intermediate levels and discouraging it when education and income are high.

Migration vis a vis Education and Per Capita Income Levels on a Municipal Level, 2000

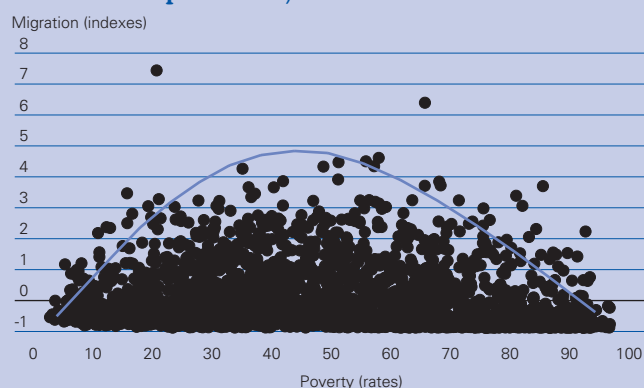


Source: BBVA Bancomer based on Conapo and UNDP data

The highest emigration does not come from the municipalities with the most poverty

To measure poverty in Mexico, three categories are used, namely, food poverty (extreme), capabilities poverty (medium), and patrimonial poverty (moderate). The municipalities that have poverty rates above 50% score 42% in food poverty and 78% in patrimonial poverty. Comparing the poverty rates of the municipalities with their migration levels, it should be noted that emigration does not mainly occur in the poorest municipalities or those with the lowest poverty rates, but in fact, tends to be concentrated in those with medium poverty levels.

Capabilities Poverty vis a vis Migration on a Municipal Level, 2000



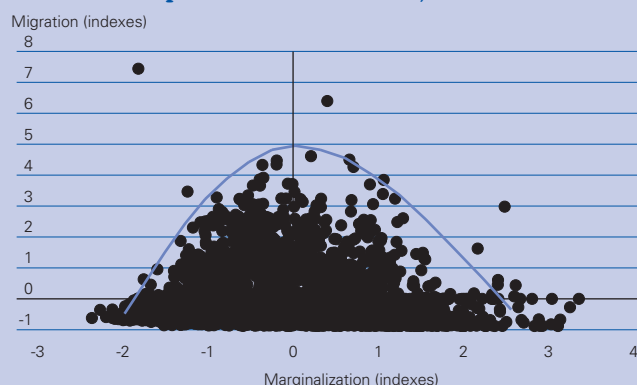
Source: BBVA Bancomer with Conapo and Coneval data

All the municipalities (93) with virtually no emigration are characterized as having very high levels of poverty. Of them, 85% have patrimonial poverty rates above 80%. Therefore, although poverty can be a factor that encourages emigration, its effects appear to be less pronounced in extreme conditions.

Emigration seems to increase with the development of the municipalities up to a certain level

The marginalization index compiled by the Conapo encompasses socioeconomic indicators related to education; housing characteristics, population demographics, and employment. This index shows the degree of economic development of the municipalities. Based on this indicator, 51% of Mexican municipalities have high or very high degrees of marginalization and 28% have low or very low levels. Of the 93 municipalities with close to zero emigration, 91 have high or very high degrees of marginalization, which is consistent with the previously shown results on poverty. Comparing the migratory intensity index and the marginalization index, it can be seen that the greatest levels of emigration are not found in either the most marginalized or the most developed municipalities, but rather tend to be concentrated in those with medium levels. This result appears to provide evidence in favor of the theoretical models that point out that emigration increases in the initial phases of development and subsequently declines.

Marginalization vis a vis Migration on a Municipal Level in Mexico, 2000



Source: BBVA Bancomer based on Conapo data

Conclusions. The factors that spur emigration from Mexican municipalities are mainly economic in nature.

Mexican migration abroad is predominantly rural. The factors that spur such emigration from the emigrants'

places of origin are mainly economic. Among them are the lack of jobs, educational and income levels, marginalization, and poverty. However, the effect of these factors on emigration does not appear to be linear. Mexican municipalities that present non-existent levels of emigration are the poorest, with the lowest educational and per capita income levels, and with the country's highest degrees of marginalization. The highest emigration levels tend to be concentrated in municipalities with medium degrees of development. Thus, the results that we are presenting here seem to suggest that when Mexican municipalities begin to become developed, emigration tends to increase and once they reach a certain level of development, it tends to diminish.

Juan Luis Ordaz

juan.ordaz@bbva.bancomer.com

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Has Poverty Affected Mexican Migration to the United States? A Preliminary Response based on a Regional Analysis

According to information in the article "The determining factors behind migration" it is difficult for the poorest strata of the population to emigrate abroad, since they find it complicated to assume the costs that this entails. At the same time, some studies have provided certain evidence of the influence of some regional factors in Mexican emigration. In order to further delve into and link these two assertions we are presenting a regional analysis of recent migratory flows in order to analyze the influence of poverty as an element behind Mexican migrants' decisions to leave the country.

Mexican states that historically have experienced the greatest migration such as Aguascalientes, Colima, Durango, Guanajuato, Jalisco, Michoacán, Nayarit, San Luis Potosí, and Zacatecas, are not those that register the highest levels of economic development nor are they the country's least developed. Only San Luis Potosí and Michoacán have a high poverty level, while the rest are medium or low on the scale, nor are they the states that are geographically nearest to the United States, although they are close to each other.

Regional Distribution of Emigration in Mexico by Place of Origin

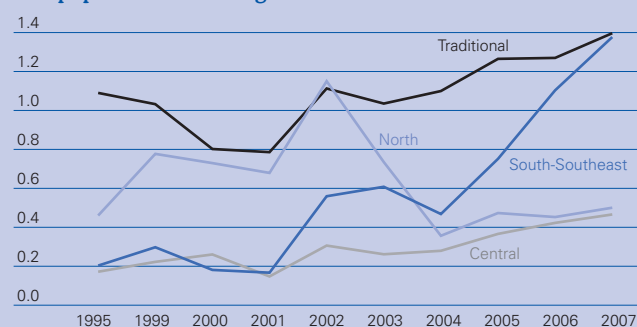


To classify Mexico's states we will use the National Population Council (Conapo) criteria for regions of origin in emigration. The **traditional** region is comprised of the states (as its name indicates) with the greatest migratory tradition. The **northern** region includes Baja California, Baja California South, Coahuila, Chihuahua, Nuevo León, Sinaloa, Sonora, and Tamaulipas. The Federal District, Hidalgo, State of Mexico, Morelos, Puebla, Querétaro, and Tlaxcala correspond to the **central** Mexico region. Finally, the **south-southeast** region is comprised of the states of Campeche, Chiapas, Guerrero, Oaxaca, Quintana Roo, Tabasco, Veracruz, and Yucatan.

The migratory flows have strongly intensified in southeastern Mexico

According to figures from the Survey on Migration along Mexico's Northern Border (EMIF for Encuesta Sobre Migración en la Frontera Norte de México), the traditional region and the central Mexico region have maintained very similar patterns in their migratory flows (as a percentage of their respective population) to the United States in the past two decades. Such flows have been relatively stable in the second half of the 1990's and experienced a slight rise in the current decade. In the northern region, the percentage of migrants with relation to the population as a whole remained at between 0.4% and 0.8%, except for 2002 when it was 1.1%. It is the south-southeast region, which until 2001 had contributed the lowest number of migrants annually to the United States (less than 68,000), and which in terms of its total population also maintained the lowest percentage ratio, which has experienced the greatest increase in migratory flows. In 2007, south-southeast Mexico even had a similar number of migrants to that of the traditional region both in absolute as well as relative terms; that is, this region appears to be experiencing an atypical behavior compared to the others.

Migratory Flows to the United States by Region % of population in the region



Given the previous results, some interesting questions arise: what has led to this tremendous growth in migratory flows in the south-southeast region?, why were its migratory flows relatively low before 2001?, what characteristics do migrants from this region have?, will emigration continue growing in this region? We will be dealing with these and other questions in upcoming issues of *Migration Watch Mexico*. However, with the aim of offering a preliminary hypothesis, we will review some of the relevant indicators in this article.

It should be pointed out that one of the most interesting discoveries in reviewing the data on migratory flows

on a regional level indicates that the poorest areas that moreover have experienced the greatest reductions in poverty are also those that have posted the largest increases in migratory flows. This situation allows us to formulate different hypothesis that identify the degree to which these factors (and potentially others) influence such migratory flows. In this sense, a basic and initial premise would be that as poverty declines it reaches a certain level that facilitates migration, "ceteris paribus"¹.

2005 Food Poverty and Variations in Poverty Levels 2000-2005

Region	State	Pop.*	Variation**		
			Food poverty	Capabilities poverty	Patrimonial poverty
Traditional	S.Luis Potosí	25.7	-8.8	-8.5	-5.8
	Durango	24.4	3.8	6.3	11.0
	Michoacán	23.3	-8.3	-9.0	-7.1
	Zacatecas	20.9	-8.0	-7.0	-2.7
	Guanajuato	18.9	-7.8	-7.8	-4.5
	Nayarit	17.2	-6.2	-7.5	-9.0
	Aguascal.	14.9	3.8	6.8	13.2
	Jalisco	10.9	-2.9	-2.8	0.2
North	Colima	8.9	-9.3	-10.5	-9.3
	Sinaloa	13.7	-3.6	-3.2	-0.4
	Tamaulipas	10.3	-1.8	-0.6	4.8
	Sonora	9.6	-3.4	-3.1	0.9
	Coahuila	8.6	-0.6	0.3	4.8
	Chihuahua	8.6	-1.0	-0.3	4.0
	B. Calif. Sur	4.7	-3.6	-5.1	-8.4
	Nuevo León	3.6	-2.3	-2.7	-0.5
Central	B. California	1.3	-3.7	-6.0	-14.5
	Puebla	26.7	-13.6	-13.2	-9.0
	Hidalgo	25.7	-8.9	-9.3	-7.8
	Tlaxcala	17.9	-9.5	-9.2	-4.8
	México	14.3	-3.4	-2.4	2.2
	Querétaro	12.5	-10.9	-12.2	-12.7
	Morelos	10.7	-13.4	-14.6	-11.7
	D. Federal	5.4	-0.3	0.4	3.8
South-southeast	Chiapas	47.0	-6.3	-5.7	-3.4
	Guerrero	42.0	-8.8	-8.3	-5.5
	Oaxaca	38.1	-14.6	-13.1	-8.1
	Tabasco	28.5	-7.0	-7.4	-5.7
	Veracruz	28.0	-9.8	-9.4	-6.4
	Campeche	20.0	-17.7	-18.4	-15.4
	Yucatán	18.1	-17.0	-16.5	-10.8
	Quintana R.	11.0	-12.3	-14.4	-15.8
National		18.2	-1.8	-2.2	-3.0

* Population in food poverty, %, 2005

** 2000-2005 variation in poverty levels (percentage points)

Source: BBVA Bancomer with Coneval data

The south-southeast region is characterized for having the country's highest levels of marginalization and poverty. In 2005, the year for which the latest information

is available, only Quintana Roo registered poverty rates below the national average. Between 2000 and 2005, this region was the only one in which all the states reduced their poverty rates in the three categories officially tabulated in Mexico: food, capabilities, and patrimonial poverty². Furthermore, in all the cases, the reduction in food poverty was higher than the national average, particularly in Campeche, Oaxaca, Quintana Roo, and Yucatan where the declines were more than 12 percentage points. Thus, the greater migratory flows from this region could be associated with reductions in poverty, since some poor people once they improved their economic situation probably decided to emigrate to the United States given the prevailing economic deficiencies in their region.

What could have caused the recent growth in migratory flows in the poor regions?

As of 2004 migratory flows from the south-southeast region seem to have accelerated. A possible explanation is that as of that year, poverty-stricken rural communities, which served as a control group in the evaluations undertaken by the Opportunities Program, began to enter the program, which resulted in more residents increasing their incomes and possibly reaching the minimum conditions to be able to emigrate. The greater number of beneficiaries of this program, in fact, was concentrated in the south-southeast region. So, if the Program began in 1997, why was growth not posted since that moment in migratory flows from the south-southeast region? To this regard Parker and Scott (2001) found that the percentages of emigration among beneficiaries of the Progreso Program (before 2000) were lower than in similar households that were not enrolled in it. Meanwhile, Rubalcaba and Teruel (2005) found an increase in the emigration rates of beneficiaries of the Opportunities Program.

It could be argued that the Opportunities Program, which is the most important of its kind for fighting poverty in Mexico, at its beginning acted to hold back emigration abroad through the formation of human capital, improving conditions of marginalization but at

1 That is, with the rest of influencing factors remaining constant.

2 Food poverty occurs in households whose monthly per capita income is below what is necessary to cover basic nutritional necessities. Capabilities poverty encompasses households where the per capita income is less than what is necessary to cover the basic consumption model for food, health and education. Households are defined as being in patrimonial poverty if their per capita income is below what is necessary to cover basic consumer spending for food, health, education, clothing, footwear, housing and public transportation. For an explanation see Coneval (2006)

the same time, by reducing poverty, it enabled migration rates to recover in the region. This does not imply that the Opportunities Program is generating negative economic effects on the population that it serves. On the contrary, it is very important to recognize the positive effects of the application of this program in reducing the conditions of poverty and marginalization, both on a national level as well as with more differentiated effects on a regional level. If people emigrate it is surely to improve their economic well-being; if this were not the case, they would not embark on the journey.

Will emigration continue from the marginalized regions as poverty declines?

The most marginalized regions, especially southeastern Mexico, given that they offer the least economic opportunities in the country, will probably continue to be areas characterized by migratory outflows, since they do not offer those who live there certain conditions to satisfy their economic needs, while the poorest strata of the population in these areas manage to pass the "threshold" to assume the costs of emigrating.

Juan Luis Ordaz

juan.ordaz@bbva.bancomer.com

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Immigration Policy of the United States: a Historic Retrospective

Since the founding of the United States as an independent nation, migration has been a central topic in its political, economic and social life. This country also recognizes itself as a nation of immigrants, and, to this regard, it should also be recalled that prior to the secession of the original 13 British colonies in 1776, these were already displaying a broad cultural diversity due to the settlement of English, Irish, German, French, Swedish and Dutch immigrants, among many other groups.

As to what specifically refers to the immigration policy of the United States, a retrospective look at the actions taken by the State in that country throughout its history shows that, through the end of the 19th Century, to a great extent this policy was determined by the objective of consolidating the recently formed nation's independence and, consequently facilitate the creation of a specific identity of the U.S. citizen, but also by the practical need to help territorial expansion and to solve different economic and social problems that allowed it to support that expansion and independence.

In the 20th Century, once the United States had specific institutions to attend to immigrants, immigration procedures were formalized, and immigration policy entered a second phase that was directed increasingly toward putting in order the migratory flows under the principles of achieving family union, granting opportunities for qualified work and maintaining cultural diversity. Nevertheless, these principles have also been altered in terms of the economic situation, facilitating migration in some moments and curbing it in others. Within this context, this article is a review of the Immigration Policy of the United States from a historic standpoint, so as to present a reference of the way that country acts regarding immigration topics. This is particularly important at the present time due to the entry of a new administration in the United States and the economic recession facing the country.

First phase of the consolidation of U.S. independence and identity

Following the promulgation of the Constitution in 1778 and the official establishment of the United States of America as an independent nation, with the Naturalization Act of 1790 Congress defined the legal framework that allowed foreigners to become U.S. citizens. This Act established a uniform naturalization rule for ethnic groups denominated "free whites" of "good moral character", which consisted in providing proof of a two-year residence in the country and swearing allegiance to the Constitution. Under this rule, the children of naturalized minors under 21 years of age were also considered to be citizens, and the same occurred with the children of U.S. citizens born abroad.

Throughout the history of the United States, the Naturalization Act has been reformed on different occasions and has also been complemented with other legal instruments to encourage or restrict migratory flows to the country.

Thus, in the initial stages of a new nation, the interest of internal and immigration policy was to consolidate the independence of the country and also to generate an identity of the U.S. citizen. Because of the above, the Naturalization Act has been reformed on several occasions in terms of the requirements for citizenship. For example, in 1795, the residence requirement was expanded to five years and it was requested that immigrants renounce their loyalty to their former nations. In 1798, the residence requirement rose to 14 years and it was legislated to include a deportation clause for foreigners considered to be dangerous. In 1802, residence requirements were reset at five years, and it was officially prohibited to import slaves.

Internal policy also had a marked influence on immigration policy, converting it into a useful instrument for achieving political stability. For example, in 1848, after the War with Mexico and the signing of the Guadalupe-Hidalgo Treaty; U.S. citizenship was granted to Mexicans in the southwest of the country, Texas and California, and in 1870, after the Civil War and with the interest of unifying the nation, the Naturalization Act was reformed once again in order to extend U.S. citizenship to African-Americans.

In addition to the above mentioned objectives, the immigration policy also helped to find a practical solution to various social and economic matters. For example, in 1849 with the "gold rush" and the need for labor in California and other southern states, state governments encouraged Chinese immigration as part of a labor policy. However, the Chinese migration would be the object of an important illegal trade going forward of workers known as "coolies". It was then that the "Anti-Coolie" Act sought to restrict Chinese immigration and instituted special taxes for employers who hired those workers.

Chinese immigration continued and, in 1882, the Chinese Exclusion Act was passed in response to the protests of the inhabitants of the West Coast in view of economic conditions that derived in high unemployment and low wages. The Act prohibited Chinese immigration for ten years. A short time later, in 1885 with the Labor Law, it was more broadly forbidden for employers to introduce foreigners under labor contracts. The only exceptions were for immigrants that would provide domestic services and those qualified for the new industries.

In 1892, the Geary Act extended the exclusion of Chinese immigrants for ten more years and, in 1902, the act was renewed once again, but with no defined date of conclusion. It was not until the Immigration Act of 1965 that immigration from China was permitted again.

At the same time, the interest of internal policy to promote greater employment in the Western U.S. also had an impact on the migratory flows into the country. In 1849, Congress passed the Homestead Act, which offered free land lots to persons who accepted to live on them for at least five years. This step resulted in a significant European immigration.

It should be noted that the immigration policy of the United States was shared by the federation and the states through 1875, but the Supreme Court of Justice declared that, in that year, the migratory regulation should, from then on, come under the exclusive jurisdiction of the federal government. It is thus that the Immigration Act came into being, which represents the first federal law seeking to qualitatively limit immigration to the United States forbidding, for example, the admission of criminals and prostitutes. This Act was reformed in 1882 to have greater control over migratory flows by defining several categories of immigrants who would not be eligible to obtain citizenship, including people who could potentially become "a burden for the public treasury".

Second phase: establishing a proper order in migratory flows

Migratory policy acquired a more defined character when Congress established the Immigration Service in 1891. Thus, as of 1906, the naturalization procedures were standardized and greater control was established for granting citizenship with a new Naturalization Act, which, for the first time, set the requirement of knowing English. In 1907, the opportunities for obtaining citizenship were delimited even more by the Expatriation Act, which established that an American woman married to a foreign national would lose her citizenship. Later, literacy was included as a requirement, and the Immigration Act of 1917 restricted immigration coming from Asia, except for that of Japan and the Philippines, while the Jones-Shafroth Act granted U.S. citizenship to Puerto Ricans who enlisted in the U.S. army.

After the First World War, an immigration policy based on quantitative restrictions was adopted. Congress established a National Quota System based on the Quota Law of 1921, later reformed in 1924. Under this system, each nationality was assigned a quota for admitting its immigrants. The quota was determined in terms of the representability of United States nationality, according to the last population census. In cases where the immigrants were family members of U.S. citizens, the quantitative restrictions did not apply and preferential treatment was granted.

During the period of the Second World War, the immigration policy sought to solve the problems of labor scarcity in the country as a result of the war. Thus, in 1942, Congress approved a program of guest workers denominated the "Bracero Program". The program sought to ease labor scarcity during the war, but also to control and eventually legalize a growing flow of Mexican workers toward agricultural activities in the western part of the United States. Even though the Program was ended by Congress in 1964, it should be pointed out that when the war ended, both legal and illegal migratory flows took place. The illegal ones grew and it was in 1954 that the border patrol first perceived this as a serious problem, the same year in which the "operation wetbacks" was begun, which would result in a little more than one million undocumented persons being deported to Mexico.

The *National Quota System* was replaced by a System of Preference Categories in 1965. Although this new system did not eliminate all the quantitative restrictions, the system granted immigration

preference to the family members of U.S. citizens, to legal permanent residents and to qualified immigrants. The established policies under this system still prevail to a great extent even though with some modifications. For example, in 1990, the Immigration Act added an admission category under the principle of diversity and increased the number of visas for immigrants from all over the world.

Today, the legal route for obtaining U.S. naturalization and citizenship considers a complex mechanism of procedures and requirements that must be met, which includes quite synthetically: a continuous period of residence and physical presence in the country, in particular, residence in a district with offices of the Citizenship and Immigration Service before realizing the transaction, the ability to read, write and speak English, knowledge and understanding of United States history and government, adherence to the principles of the Constitution, and also requirements a little more subjective like having "good moral character" and having a favorable disposition toward the United States.

To summarize, during this second stage of immigration policy, it has been observed that said policy gathers different objectives that have been present throughout history: 1. unifying families; 2. admitting workers with qualifications that cannot be covered with the internal labor supply; 3. offering refuge to persons under political, racial or religious risks in their countries of origin; and, 4. ensuring cultural diversity by offering admission to persons from countries with low immigration rates of historic immigration to the United States. In terms of these objectives, there currently exist various legal temporary (non immigrant) and permanent (immigrant) admission categories.

Illegal immigration

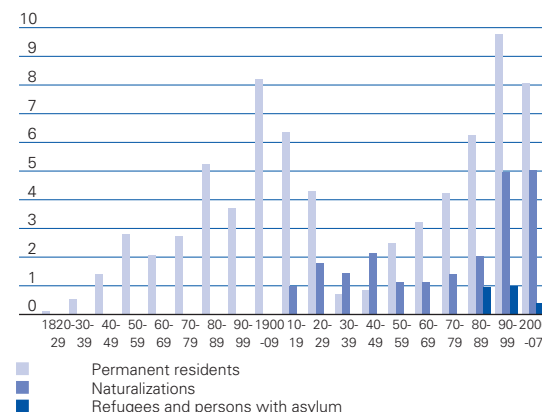
Relative to illegal immigration, the topic was first attended to with the Migratory Reform and Control Act of 1986. The aim of this Act was to reinforce the application of the law and to create new opportunities for legal immigration. Because of the above, sanctions were established for employers that hire unauthorized foreigners knowing of the act they are incurring in and an amnesty program was provided for non-authorized foreigners, also, a new visa classification for seasonal agricultural workers. The Amnesty Program for Seasonal Agricultural Workers allowed people who had worked in agricultural activities for 90 days in the country, to request permanent resident status. The program benefited 2.8 million illegal persons who were in the country since 1982.

In 1996, the Immigrant Responsibility Act and the illegal immigration reform sought greater compliance with the Law at the border: the number of border agents was increased, new control measures were introduced, available public benefits were reduced for immigrants and a pilot program was launched to verify legal eligibility for immigrants seeking work or public benefits.

Nevertheless, it should also be noted that after the amnesty program of 1986, other amnesty acts and temporary opportunities for the regularization of illegal immigrants were introduced. In particular, under Section 245 (i) of the Immigration and Naturalization Act, it has

Legal Immigration into the U.S.

Millions of persons



Amnesty Acts and Opportunities for Regularization of Illegal Immigrants

Year	Legal Mechanism	Number of Beneficiaries
1986	Immigration Reform Control Act (IRCA)	2.8 million
1994	Section 245 (i) Immigration Act	578 thousand
1997	Section 245 (i) Immigration Act	nd
1997	Amnesty Act and help for Nicaragua and Central America	1 million
1998	Amnesty Act and justice for Haitian refugees	125 million
2000	Section 245 (i) Immigration Act	400 million
2000	Section 245 (i) Immigration Act	900 million

Source: BBVA Bancomer with Immigration and Naturalization Service Information

been permitted that, during limited time periods, foreigners with an illegal physical presence in United States territory can regularize their migratory situation and comply with the law by paying a fine. It should be pointed out that these temporary opportunities for regularization also require complying with strict requirements: for example: a) to have a close family member with U.S. citizenship or permanent legal residence (parents, wife and children) or an employee that is willing to sponsor the illegal immigrant and make the request for regularization in his name; b) to wait for a visa to be available to regularize his/her migratory status and pay the respective duties for the transaction and a fine (US\$1,000 through April 30, 2001).

However, following the terrorist attacks of September 11, 2001, National Security concerns have had a greater bearing on the immigration policy of the United States. With the Homeland Security Act of 2002, the Homeland Security Department was created and the Immigration and Naturalization Service was restructured. Migratory and naturalization matters are now the responsibility of the Citizenship and Immigration Services Office, while the functions of watching the border are attended by the Customs and Border Protection Office and by the Immigration and Customs Enforcement Office. Also, a more intensive use has been made of technology, with more formal requirements and digitization of persons' basic data (identity, passport, photo, fingerprints, signature, etc.)

Currently, foreigners that violate migratory laws are expelled from the country through formal deportation procedures, which can include punishments such as fines, prison time or the prohibition of future (legal) entry, or, the opportunity of a voluntary return to the country of origin may be offered, which does not invalidate the possibility of future (legal) entry.

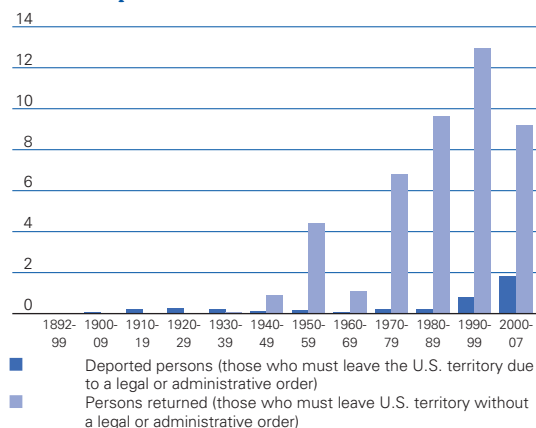
According to Massey et al. (2009), migratory policies have not been successful in stopping illegal migration, even after the Immigration Reform and Control Act of 1986; on the contrary, the Mexican case has stimulated additional migration to the United States, since, according to its analysis, the policies have contributed to transforming a revolving flow of workers by an definitive establishment of persons that increasingly includes a higher number of dependents than of productive workers, which indicates a more permanent establishment of families and not just of individuals. However, other researchers such as Briggs (2007) have indicated that the lack of success in the policies is due in reality to their deficient application.

Migratory policy in view of recent electoral processes

Immigration has been a topic for ample debate in the political-electoral terrain of the United States and, in general, it divides the main political parties and the electorate between those who prefer fewer migratory flows to the country and those who, after recognizing the practical difficulty of reducing illegal migration, would opt for establishing controls that would permit it to remain left at levels that can be considered as manageable. In 2006, the migratory issue took on a central position in the electoral debate because of the significant number of illegal immigrants (estimated at least at 10 million at the beginning of 2004) and of the related costs with their presence increasingly visible in terms of their use of public services

Control Actions along the Borders

Millions of persons



Source: BBVA Bancomer with Homeland Security Department data

in face of the more abstract benefits in terms of productivity and/or competitiveness for industries making use of their labor, or their contribution in the payment of taxes and purchase of goods and services in the U.S..

However, with the change in the economic conditions as of 2007, reflected in a lower expansion of the construction and housing sectors—important employers of illegal immigrants—the growth of migratory flows has been decreasing, although there is still no evidence that immigrants in the U.S. are massively returning to their respective countries. Due to the above, during the past presidential campaigns of 2008, no special emphasis was made on migratory subjects, although, at the proper moment, the main presidential candidates spoke of the need to make new adjustments in immigration policy.

Positioning of President Obama's Administration with regard to the migration issue

The immigration policy that Barack Obama's administration seeks to support is currently synthesized by comment by the President in the White House Web Page. "The time to fix our broken immigration system is now...We need stronger enforcement on the border and at the workplace...But for reform to work, we also must respond to what pulls people to America...Where we can reunite families, we should. Where we can bring in more foreign-born workers with the skills our economy needs, we should."

The important lines of action of the federal government to support this new policy are five:

1. **To create safe borders.** More personnel, infrastructure and the use of technology on the border and ports of entry are planned.
2. **To improve the immigration systems.** The intention is to increase the number of legal immigrants in order to reunite families and serve the demand for labor that employers have not been able to meet.
3. **To eliminate incentives for illegal entry.** The intention is to increase sanctions for employers who hire undocumented workers.
4. **To get people out of the shadows.** The intention is to develop a system that will allow undocumented immigrants to pay a fine, learn English and become integrated in the legal process in order to have the opportunity to become U.S. citizens.
5. **To work with Mexico.** It is believed that promoting economic development in Mexico will reduce illegal immigration.

Undoubtedly, in the coming months, as the new government advances in its own diagnosis of the complex situation that involves the borders and migration issues, the positioning of the new administration will be acquiring greater definitions and specific proposals.

For example, at the April meeting of the heads of Foreign Relations of Mexico and of Homeland Security of the U.S. it was decided to establish a High Level Group on Migration in order to analyze and formulate public policies on topics such as the facilitation of documented migration, the protection of migrant rights, and repatriation procedures, among others. Also negotiated recently were 30 Local Repatriation Arrangements, signed by U.S. and Mexican

authorities, with the objective of allowing the orderly and humanitarian repatriation of Mexicans to our country from the United States.

Migration is more than a complex problem, both for the United States and for Mexico. It is a reality that shows an excess supply of work without employment opportunities in people's place of residence, and a structural demand from our neighbor to the north to have labor, but also, in many cases, increasingly better qualified labor that will contribute not only through the production of goods and services but also in the payment of taxes and public services.

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The Recession in the United States and its Effects on Mexicans who Live in that Country

In December 2007, the United States officially entered into a recession, according to the National Bureau of Economic Research (NBER)¹; a deep recession is expected, without precedent since the Great Depression of the 1930s. The first sector where this crisis in easy credit appeared with special virulence was in the real estate industry, in which a large number of Mexican migrants are employed². Furthermore, the recession has been expanding toward other sectors, where there is also a significant presence of migrants. Therefore, there is considerable interest in knowing what the effects of the recession in the United States have been and will be for Mexican migrants.

At the center of the discussion is the question of the possibility of a massive and permanent return of Mexican migrants, both legal as well as undocumented. Some national and foreign institutions have made calculations as to the number of Mexicans who would return, with the National Confederation of Farmworkers (Confederación Nacional Campesina) placing the figure at 350,000, the Labor Ministry at 200,000 in a 12 month period, and the Economic Commission on Latin America and the Caribbean (ECLAC or CEPAL for its Spanish initials) at between two and three million (Alarcón, et al. 2009).

In this article we analyze the effects that the current recession is having and could have on Mexicans who live in the United States. Evidence will be presented on how the migratory flows from Mexico are behaving in the United States and we will verify whether thus far there has been a massive return of migrants to Mexico. In addition, we will offer some reflections on the possibility that this latter phenomenon could occur and what the outlook for the future might be.

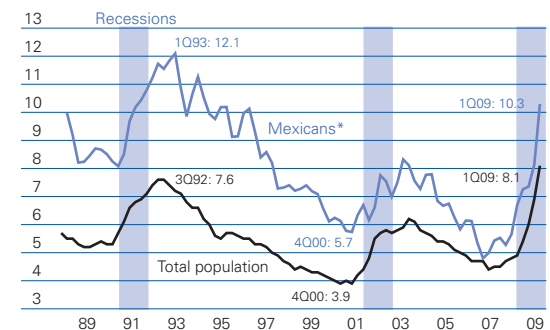
In recessions, Mexicans are more affected than the average

Although all recessions have specific characteristics, what occurred in the last two (1990 and 2001) can provide us with some elements of comparison in relation to the current situation.

In terms of employment, Mexicans and more particularly migrants are one of the most affected groups in recessions and those that are more favored once the U.S. economy recovers. Although in the past two decades the unemployment rate of Mexicans has been higher than that of the general population, the difference between them grows when recessions occur and is even greater when they come to an end. This is what is currently taking place. In the first quarter of 2009, the unemployment rate of Mexicans in the United States was higher than the average rate by more than 2 percentage points, whereas before the beginning of the recession it was only close to half a percentage point higher. It is likely that in the next few months this gap will continue to widen, even after the recession is over, as occurred in the two previous economic contractions.

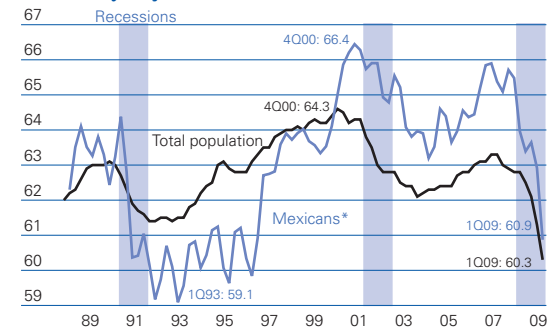
Historically, the employment rates for Mexican migrants in the United States have been more volatile than the national average for the

United States: Quarterly Unemployment Rate, General Population and Mexicans Seasonally adjusted data



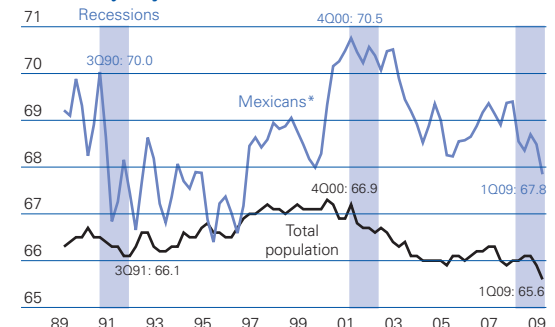
* 2 quarter moving average
Source: BBVA Bancomer with Current Population Survey data

United States: Quarterly Employment Rate, General Population and Mexicans Seasonally adjusted data



* 2 quarter moving average
Source: BBVA Bancomer with Current Population Survey data

U.S.: Quarterly Labor Participation Rate, General Population and Mexicans Seasonally adjusted data

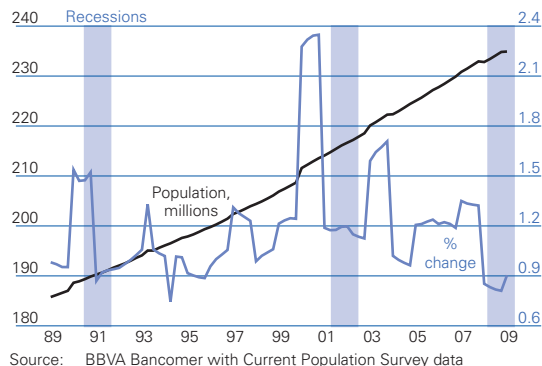


* 2 quarter moving average
Source: BBVA Bancomer with Current Population Survey data

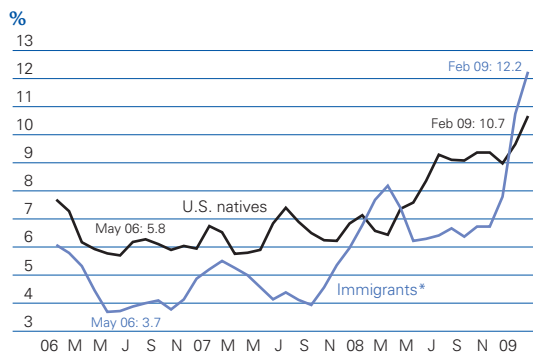
1 The National Bureau of Economic Research is the agency in the United States in charge of defining the economic cycles, identifying the beginning of recessions.

2 It is estimated that in 2007, at the beginning the crisis, 15% of the economically active Mexican migrants in the United States worked in the construction sector, according to figures from the Current Population Survey.

Population 16 Years of Age and Older of Mexican Origin in the U.S. and its Annual Variation

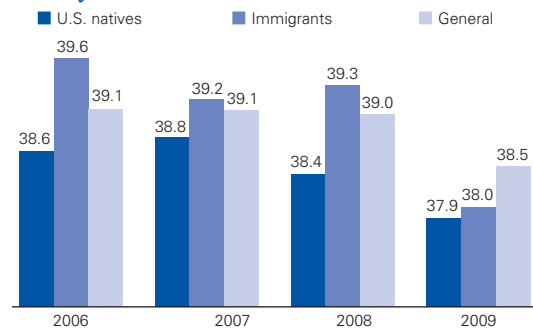


Unemployment Rate among Mexicans 16 Years and Older who are Residents in the U.S.



* 2 month moving average
Source: BBVA Bancomer with Current Population Survey data

Average Number of Hours Worked per Week by Mexicans in the U.S. January - March



Source: BBVA Bancomer with Current Population Survey data

entire population. Between 1995 and 2000, it increased more than proportionally in relation to the general employment rate, and it ended up higher as of the first quarter of 2000. With the 2001 recession, it declined more than proportionally and with the recovery beginning in 2003 the employment rate again posted a greater increase. On this occasion, something similar is occurring. Through the first quarter of 2009, the difference in the employment rate for Mexican migrants and the general population had decreased from 2.8 percentage points, at the beginning of the recession, to 0.6 percent, and it is likely that the difference will continue narrowing in the following months.

In its growth, the Mexican labor participation rate also experienced a more than proportional increase in relation to the general rate and in recessions a more than proportional decrease. This greater volatility in the behavior of Mexican migrant employment in the United States should be interpreted as a symptom of labor flexibility, which in relative terms is higher than the national average.

Among Mexicans residing in the United States, immigrants are being the most affected in the labor market

Before the beginning of the recession, it was easier for Mexican migrants to obtain employment than for Mexicans born in the United States (Mexican-Americans). However, the crisis seems to be having greater negative effects on the Mexican migrants, whose unemployment rate rose from 3.7% in May 2006—according to our estimates based on the Current Population Survey (CPS)—to 12.2% in February 2009. U.S. born citizens of Mexican origin, meanwhile, saw their unemployment rate rise from 5.8% to 10.7% in the same months. This implies that in the period in question, the number of unemployed migrants increased by around 480,000 to reach approximately 800,000, while in the case of Mexican-Americans, around 290,000 joined the ranks of the unemployed, bringing their total number to around 630,000 in January 2009.

In comparison with second and third generation Mexican-Americans, immigrants tend to dedicate more time to labor activities. With the economic crisis, the two groups have reduced the number of hours that they work each week. This is particularly the case with the immigrants, who worked on average 39 hours a week in the first quarter of 2008, while for the same period of 2009 the average figure had dropped to 38 hours. In relation to the rest of the population, the immigrants have also been strongly affected.

At the same time, immigrants on average receive less income, but both for immigrants as well as second and third generation Mexican-Americans, their income levels have stagnated, to a large extent as a result of the decrease in economic activity in sectors where Mexicans work.

In what sectors have jobs been lost? In what sectors have jobs increased?

It is in the construction sector, where most of the Mexican immigrant workforce is concentrated, that the greatest number of jobs have been lost, 242,000 annually through the first quarter of 2008 and 344,000 through the same period of 2009. This has been reflected

in a reduction in the relative importance of this sector in terms of the number of jobs held, which declined from 24.7% in the first quarter of 2007 to 17.5% in the same period of 2009. In the manufacturing sector, which is third in importance in terms of the number of immigrants employed, the number of jobs held by Mexican immigrants fell by 43,000 (25,000 in 2007 and 18,000 in 2008) between the first quarter of 2007 and the first quarter of 2009. In the professional and business services sector, 57,000 jobs were lost in the first quarter of 2009 in comparison with same period of 2008. In these three sectors taken together, in which the percentage of Mexican immigrants has decreased from 49% to 44% between 2007 and 2009, some 419,000 jobs had been lost in the first quarter of 2009.

The three most important sectors where immigrants have managed to obtain new jobs correspond to tourism and recreational activities (the second largest industry in terms of concentrating the largest number of immigrants), retail; and education and health services. In these sectors, an additional 83,000, 21,000, and 52,000 Mexicans were employed, respectively, between the first quarter of 2008 and the first three months of 2009. These three sectors together accounted for 33% of Mexican immigrant labor in 2007, and in 2009 the figure had increased to 38%. Thus, the recent changes in Mexican immigrant employment are also indicative of relative labor flexibility.

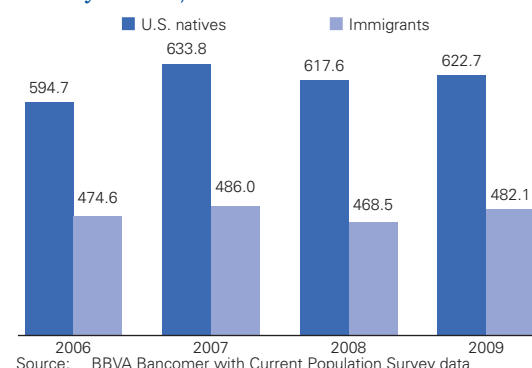
Meanwhile, second and third generation Mexican-Americans tend to be concentrated to a greater extent in the health and education and retail sectors and to a lesser extent in manufacturing, tourism and recreation, and construction. Most jobs were lost in the past year in the professional and business services sector, manufacturing, and tourism and recreation, in which employment fell by 65,000, 41,000, and 7,000 jobs respectively between the first quarter of 2008 and the first three months of 2009. In contrast, in the same months, the most jobs were gained in the health and education services, retail, and construction sectors, in which 159,000, 38,000 and 24,000 workers, respectively, found new employment.

The flow of Mexican migrants to the United States has decreased recently

The most recent figures released by Mexico's National Statistics Institute (INEGI) indicate that since 2006, international Mexican emigration had experienced a slight downward trend. Between May and August 2006, around 266,000 people left Mexico to live abroad. In the same months of 2007, it was calculated that the number of international emigrants was 234,000, while for 2008 the figure declined to 155,000. Meanwhile, data from the Pew Hispanic Center show that the rhythm of growth in undocumented migrants in the United States has decreased, although the extent of the decline is not clear.

Our calculations, based on the CPS, also confirm a reduction in the rhythm of growth of the number of Mexican migrants in the United States, with the trend intensifying as of the end of 2008, even pointing to a slight absolute decline in 2009³. At the same time, the

Average Weekly Income of Mexicans in the U.S. January - March, 2006 dollars



Jobs Lost by Mexicans in the U.S. in the Three Main Sectors Jan. - March, thousands

	Workers		Perc. Share*		Var.**	
	2008	2009	2008	2009	08-07	09-08
Immigrants						
Construction	1,493	1,148	21.4	17.5	-242	-344
Manufacturing	1,046	1,028	15.0	15.7	-25	-18
Prof & bus. serv.	761	704	10.9	10.7	133	-57
Subtotal	3,299	2,880	47.2	43.8	-134	-419
Natives						
Manufacturing	582	541	10.2	9.1	78	-41
Tour. & recreat.	529	522	9.3	8.8	20	-7
Prof & bus. serv.	542	477	9.5	8.1	90	-65
Subtotal	1,653	1,540	29.0	26.0	188	-113

Note: Figures not seasonally adjusted

* Employees respect to the total, %

** Variation in jobs

Source: BBVA Bancomer with Current Population Survey data

Jobs Gained by Mexicans in the U.S. in the Three Main Sectors Jan. - March, thousands

	Workers		Perc. Share*		Var.**	
	2008	2009	2008	2009	08-07	09-08
Immigrants						
Tour. & Recreat.	1,011	1,094	14.5	16.7	-71	83
Retail	760	781	10.9	11.9	28	21
Educ. & Heal. Serv.	541	594	7.8	9.0	38	52
Subtotal	2,313	2,469	33.1	37.6	-6	157
Natives						
Educ. & Heal. Serv.	1,143	1,302	20.0	22.0	51	159
Retail	1,006	1,043	17.6	17.6	4	38
Construction	470	494	8.2	8.3	-10	24
Subtotal	2,618	2,839	45.9	47.9	45	221

Note: Figures not seasonally adjusted

* Employees respect to the total, %

** Variation in jobs

Source: BBVA Bancomer with Current Population Survey data

3 It is important to point out that the variations are not very significant statistically speaking and in a certain sense could respond to the very mobility of Mexicans or of them not declaring their nationality, given the strengthening of immigration policies. Therefore, for the time being this only allows for confirming a lower rhythm of growth in the number of Mexican immigrants residing in the United States.

Estimates of the Undocumented Mexican Population in the U.S.

Millions

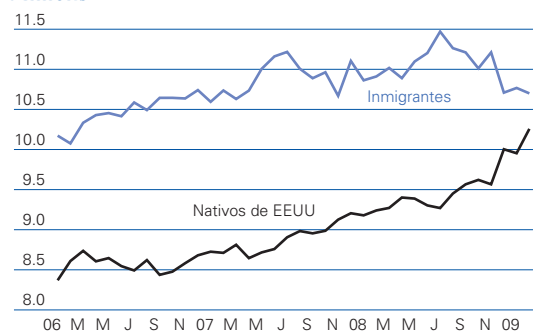
	Estimated	Low	High
2008	7.0	6.7	7.3
2007	7.1	6.8	7.4
2006	6.6	6.3	6.9
2005	6.3	6.0	6.6
2004	6.0	5.7	6.3
2003	5.5	5.2	5.7
2002	5.3	5.0	5.6
2001	4.9	4.6	5.1
2000	4.8	4.6	5.0

Note: The estimates are based on the residual methodology. The high and low values represent 90% of the range in estimates. The figures in bold indicate that the change with regard to the previous year is statistically significant.

Source: Estimates by the Pew Hispanic Center, 2008, based on the March supplement to the Current Population Survey (CPS)

Mexicans 16 Years and Older who are Residents in the U.S.

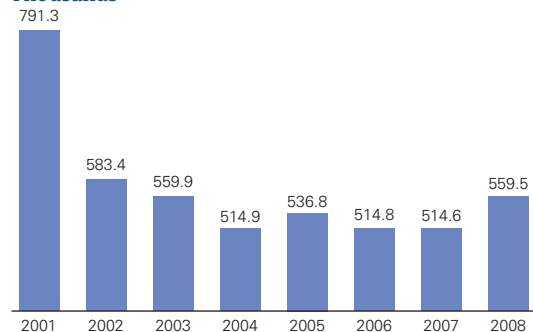
Millions



Source: BBVA Bancomer with Current Population Survey data

Mexicans Deported from the U.S.

Thousands



Source: INAMI, 2009

figures indicate that a massive return of Mexicans is not occurring. If Mexicans were, in fact, returning, the numbers involved would be very low, and could be attributed to the scope and duration of unemployment and to the toughening of immigration policies in the United States. Meanwhile, the number of people of Mexican origin born in the United States continues to maintain its growth rate, with the figure in February 2009 being lower than the growth rate of immigrants by around 500,000, whereas at the beginning of 2006 it was lower by 1.5 million.

A contributing factor behind the slight decrease in Mexican immigrants occurring in the United States in the past few months, as we previously indicated, could be the recent toughening of U.S. immigration policies. In 2001 and 2002, following the September 11 attacks and the 2001 economic crises, security was strengthened and measures taken against immigrants and as a result, the number of Mexicans deported was high, 791,000 in the first year and 583,000 in the second. In the present recession, border controls have also been reinforced and as a result, the number of Mexicans deported has increased, exceeding the figure for each of the years between 2003 and 2007. Based on these figures it can be affirmed that with the 2001 attacks and the recession, the stage was set in which the number of Mexicans deported was higher than in other periods.

Why is a massive return of Mexicans not occurring? Some possible explanations

As has been previously explained, despite the major negative effects that the recession in the United States has had on employment and will probably continue to have on Mexicans living in that country, the number of second and third generation Mexican-Americans keeps increasing. Thus, the statistics indicate that the rhythm of growth in the number of Mexicans in the United States has decreased and that 17 months after the beginning of the recession, there is no evidence of any massive return. If in fact, moderate numbers of Mexicans were returning, if this were to continue, it could lead to stagnation in the migratory flow, but not to a strong fall. In this sense, some possible explanations can be explored as to why Mexicans have not massively left the United States.

Most of the Mexicans residing in the United States have considerable roots in that country. According to figures from the CPS, around 5% of Mexican immigrants, that is, approximately 510,000 people, live alone. The rest (more than 10 million) live with their families or with friends, and many of them have children in the United States who attend school and have, to some extent, established roots in that country, and for these people to go live in Mexico would imply a change of customs and habits, and as a result, the decision to return becomes complicated.

Surveillance at the border has discouraged return migration. According to Wayne Cornelius (2009), border security does not prevent Mexicans from clandestinely entering the United States, it only makes the endeavor more costly. The results of his surveys, carried out in different years and in different communities of Mexico, show that more than 90% of the undocumented migrants who attempt to cross the border are eventually able to do so. However,

in recent years, the use of “coyotes” and their cost have increased considerably; for example, Cornelius (2009) shows that at 2009 prices, migrants from the Yucatan paid 861 dollars on average for the use of a “coyote”, a figure that rose more than three-fold to 2,858 dollars in 2009. This has led to a lower number of Mexicans deciding not to return to their country and to remain for a longer period of time in the United States. Massey et al. reach the same conclusion (2009). Thus, Mexican migrants, when considering whether to return to Mexico, would take into account the costs that they assumed when leaving the country and that if they try to return to the United States the price could be higher.

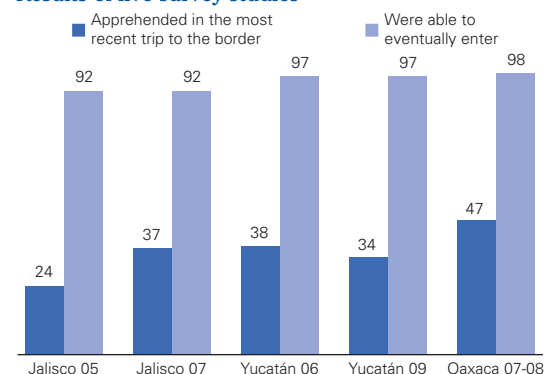
For some immigrants the search for employment has been relatively recent and they have shown patience in finding jobs. As a result of a larger number of unemployed, the time involved in obtaining a job has increased, both for second and third generation Mexican-Americans as well as for immigrants. In the case of the former, the number of unemployed who have been looking for work for at least half a year increased from 19% to 26% between the first quarter of 2009 and the first three months of 2007, which represents an increase of more than 230,000 people. Meanwhile, among immigrants, the percentage of unemployed workers with at least half a year looking for a job rose from 18% to 24% in the same months, which implies an increase of 120,000 people. These results confirm that for many immigrants, unemployment in the United States has been relatively recent. Although some of them (slightly more than 70,000) have spent more than a year looking for a job, it should be noted that nevertheless they remain in the United States.

The employment situation of Mexicans in the United States is relatively flexible. The figures contained in the article “Mexican Migration to the United States. Recent patterns” in this edition of *Migration Watch Mexico* show that Mexicans who work in the United States have gradually moved from traditional sectors toward others, both geographical as well as in terms of activity, which suggests that the employment situation that Mexicans face in that country is relatively flexible. The figures that we previously mentioned reinforce this argument, by showing that although in some sectors there have been job losses, in others employment has increased. Thus, some Mexicans who live in the United States seem to be moving to new sectors where they are finding employment opportunities.

The economic situation of Mexicans living in the United States would probably not be better if they returned to Mexico. A recent study by Papadementriou and Terrazas (2009) provides evidence, based on different studies, that return migratory flows seem to correlate with economic, social, and political conditions in the places of origin and with how easy it is to move, more than with the economic conditions in the destinations where the immigrants now live, in this case, the United States. Therefore, if Mexico were not experiencing a difficult economic situation it is likely that many migrants would have already returned home, but in point of fact, Mexico is also having economic problems. Thus, in returning to Mexico, the migrants would face a situation not very different from the one that they experienced in the United States. In addition, many immigrants hope that the new presidential administration will adopt a more favorable immigration reform.

Detention Rates and Eventual Success Rate for Crossing the Border among Undocumented Mexican Migrants

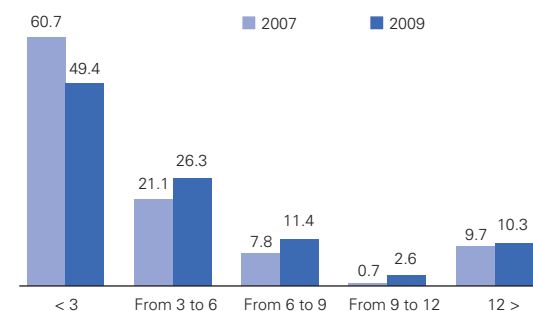
Results of five survey studies



Source: Wayne Cornelius (2009)

U.S.: Breakdown of Unemployed Mexican Immigrants

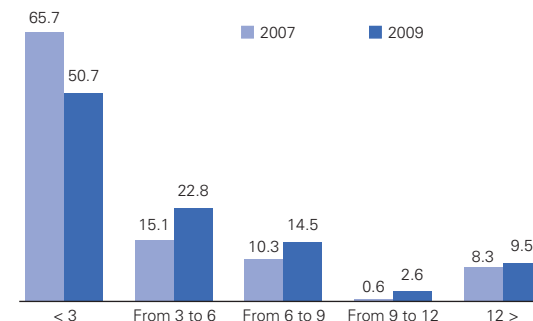
According to length of time of unemployment, Jan -Mar



Source: BBVA Bancomer with Current Population Survey data

U.S. Breakdown of Second and Third Generation Unemployed Mexican-Americans

According to length of time of unemployment, Jan-Mar



Source: BBVA Bancomer with Current Population Survey data

Is a massive return of Mexicans possible?

According to the previously mentioned arguments, a massive return of Mexicans appears difficult, but not impossible. It will depend, to a large extent, on the depth and extension of the recession, and how much Mexicans who live in the United States can continue putting up with the complicated situation that they are experiencing, which has led them to have, in general, higher unemployment, to work fewer hours, while their wages remain stagnant. Up until now, there is no evidence of a massive return, but rather of a decrease in the growth rate for the number of migrants in the United States and probably isolated returns of some families to Mexico.

As has been shown in the box on "International Migratory Flows" in this edition of Migration Watch Mexico, the international historical evidence shows that in a recession, migratory flows tend to stabilize and a massive return does not occur. Indeed, everything seems to indicate based on the information currently available, that perhaps this time around the same processes observed in previous recessions will occur once again.

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What is the Impact on a State Level of the Downturn in Remittances?

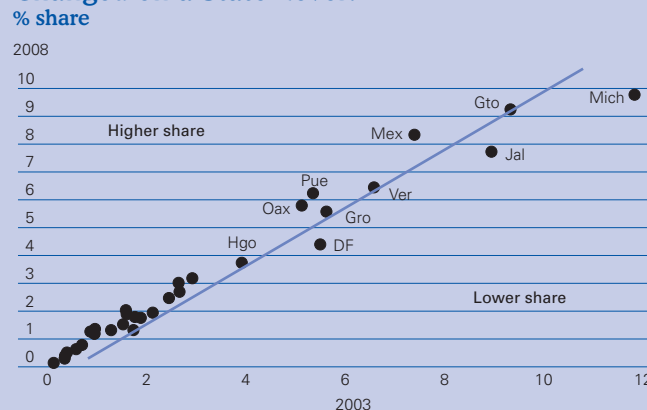
In the past few months we have seen a gradual downturn in remittances from Mexican emigrants who reside abroad. All scenarios indicate that this trend will continue, but doubts are centered on its scope and duration. In this context, given the high concentration of remittances in a few states and where in some of them their specific weight in the income received by the state is very important, it is appropriate to raise some questions: what will the impact of this downturn in remittances be on a state level?, have some regions in the country been identified as expected to be more affected?, could the recent depreciation of the peso mitigate these effects? To try to respond to these questions, in this box we provide a classification of the states based on their degree of dependence on remittances and we will simulate the impact on state GDP of a continued downturn in these flows under different scenarios.

For the first time in 26 years, in 2008 remittances posted an annual fall, of 3.6% measured in dollars. The trend had been of a rise in such remittances in Mexico since they began to be registered in 1980 until the end of 2007. In the recent behavior marked by a tapering off of such remittances, the trend appears to be influenced by the recession in the United States -which has led to a greater weakness in some sectors or regions that register a high presence of workers of Mexican origin, such as, for example, the construction industry and the recent reduction in migratory flows from Mexico to the United States.

The distribution of remittances on a state level is uneven, but relatively stable

From 2003 to date, the percentage share of Mexican states in the annual flow of the remittances has remained relatively stable, although some relative changes have been seen among the main recipients of such resources. Thus, eight states (Michoacán, Guanajuato, State of Mexico, Jalisco, Veracruz, Puebla, Oaxaca and Guerrero) account for about 60% of the total. If seven more states are added to this list (Federal District, Hidalgo, Chiapas, San Luis Potosí, Zacatecas, Morelos, and Tamaulipas) the figure reaches 80%. The 17 remaining states account for an additional 20% of total remittances.

How has the Percentage Share of Remittances Changed on a State Level?



Source: BBVA Bancomer with Banco de México data

What has been the impact of remittances on the state economies?

Although for the economy as a whole, remittances have relatively low weight, accounting for around 3% of national GDP, for some states their importance is significantly higher. Therefore, the vulnerability of these states' economies to sudden changes in these flows is greater. For example in the cases of Michoacán, Zacatecas, Oaxaca, Guerrero, and Hidalgo the percentage share of GDP represented by remittances is high, on a level between 10% and 16%. In this sense, in order to be able to more appropriately measure what the drop in remittances in the states could represent, the latter were classified based on the specific weight of remittances in state GDP. The states were thus classified in five categories according to their degree of dependence on remittances: very high, high, medium, low or very low, in which the cutoff points were established based on standard deviations from the sample. Based on this classification, the variations in the percentage share of state GDP¹ represented by remittances was estimated and some scenarios simulated.

This classification indicates that among the states most dependent on remittances are those with an important migratory tradition as well as those located in southeastern Mexico, which recently have seen their migratory flows increase, such as Chiapas, Oaxaca, and Guerrero. At the same time, the states that have a very low degree of dependence are those that have the highest per capita GDP levels and their migratory flows are relatively among the lowest. This is the case, for example, with Nuevo León and the Federal District.

1 In the Economic Studies Service we did an estimate of the evolution of states' GDP for 2007-2009

Dependence on Remittances and Impact on GDP

	Indicator*	Degree**	Change (percentage points)	
			2007-2006	2008-2007
Michoacán	15.7	Very high	-1.6	-0.6
Zacatecas	11.9	Very high	0.9	-2.4
Oaxaca	11.6	Very high	0.2	-0.8
Guerrero	11.5	Very high	-0.3	-1.2
Hidalgo	9.8	Very high	0.8	-2.0
Guanajuato	8.9	High	-0.4	-0.4
Nayarit	8.4	High	-0.2	-0.4
Chiapas	7.7	High	-0.7	-1.2
Tlaxcala	6.8	High	0.2	-0.2
Morelos	5.9	Medium	-0.1	-0.2
Veracruz	5.2	Medium	-0.2	-0.6
Puebla	5.2	Medium	0.1	-0.2
San Luis Potosí	5.0	Medium	-0.1	-0.4
Colima	4.6	Medium	-0.1	-0.2
Durango	4.5	Medium	-0.2	-0.3
Jalisco	4.3	Medium	-0.3	-0.2
Agascalientes	4.0	Medium	-0.6	-0.3
Querétaro	3.6	Medium	-0.4	-0.3
Sinaloa	3.6	Medium	-0.2	-0.3
México	2.9	Low	-0.1	-0.2
Tamaulipas	2.1	Low	-0.1	-0.1
Tabasco	2.0	Low	-0.2	-0.3
Sonora	1.6	Low	-0.1	-0.1
Chihuahua	1.4	Low	-0.1	0.0
Baja California	1.1	Low	0.0	0.0
Coahuila	1.1	Low	0.0	0.0
Yucatán	1.1	Low	0.0	-0.1
Distrito Federal	0.9	Very Low	-0.1	-0.2
Campeche	0.9	Very Low	-0.1	-0.1
Quintana Roo	0.9	Very Low	-0.1	0.0
Baja California Sur	0.6	Very Low	0.0	0.0
Nuevo León	0.6	Very Low	0.0	-0.1
National	2.7		-0.1	-0.2

* Indicator of dependence on remittances, 2006, remittances/GDP * 100

** Degree of dependence on remittances

Source: BBVA Bancomer with data from INEGI and the Banco de México

According to our results, remittances have reduced their percentage share of state GDP to a greater extent in the states with high or very high degrees of dependence on such resources. This situation, although it intensified in 2008, has been present since 2007. Of particular importance in this regard are Zacatecas, Hidalgo, Guerrero and Chiapas, where the reductions in the percentage share of state GDP represented by remittances in 2008 were higher than 1 percentage point. They are followed by Oaxaca, Michoacán, and Veracruz, of which only the latter state has a medium degree of dependence on remittances. The states that in 2008 were less affected by a reduction in the percentage share held by remittances in their economies were Baja California South, Quintana Roo, Coahuila, Baja California North, and Chihuahua, which have a low or very low degree of dependence on such resources.

What could diminish the drop in remittances?

In the first quarter of 2009, remittances fell 5% in relation to the same period of the previous year. It is likely that in the next few months this downward trend will not only continue, but even intensify. However, the depreciation of the peso could partially compensate this possible decline. In 2009, our central scenario contemplates that the average depreciation of the peso will be much greater than in 2008 and, in addition, inflation this year will be much higher. Thus, with such results, even though nominal declines might be registered in the amounts of the remittances in dollars that are received by the states, in real terms the decrease could be lesser in scope, once the amounts are changed into pesos. For example, based on an average annual drop of 15% in remittances, a depreciation of the peso in relation to the dollar of around 25% (which would imply an average exchange rate in 2009 of close to 13.8 pesos to the dollar) and an average inflation of 5%, the result would be a 1.2% increase in real terms. We feel that this scenario is highly probable.

Remittances in Mexico in Different Scenarios, 2009

Remittances (% change, nom)		-10.0	-15.0	-20.0	-30.0
		% Change, real			
Depreciation	20	2.9	-2.9	-8.6	-20.0
Annual average (%)	30	11.4	5.2	-1.0	-13.3

Note: 5% annual average inflation

Source: BBVA Bancomer

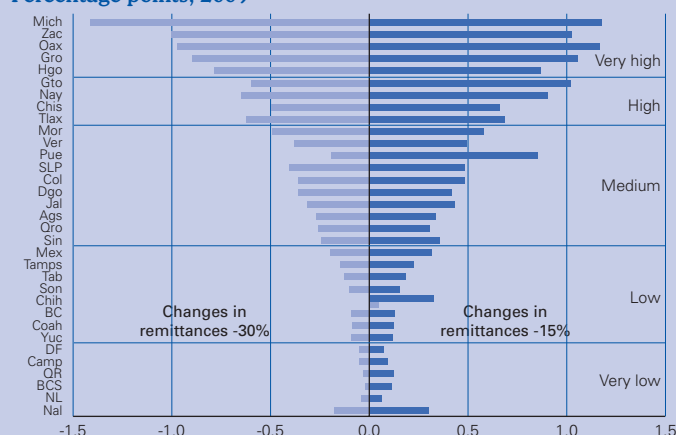
What could the effects be in 2009?

In terms of the effects for 2009, we conducted two simulation exercises. The first involved an across-the-board reduction in remittances in dollar terms of 15%, a figure that has already been considered by several financial authorities, as the level that might be seen during the year and a second exercise, with the corresponding figure being above 30%, which is only used as a reference point. We also considered a 25% depreciation of the peso, which would be the equivalent of having an average annual exchange rate of 13.8 pesos per dollar, and average annual inflation of 5%, added to our estimates of states' GDP². The intention is to present a range of potential effects on states' GDP, as a simulation exercise that would illustrate this impact, and not present a specific projection. It should be pointed out that this scenario would be based on an isolated effect and does not consider other elements that could mitigate the impact, such as greater public spending, higher budgetary transfers, etc., factors that are not considered in these exercises.

² In our central scenario we factored in an average inflation of 5.19% and an exchange rate of 13.71 pesos to the dollar, but we have rounded out the figures for this exercise.

Our results suggest that with declines of 15% in the remittances received by the states, their variation in the percentage share they represent in local GDP would be positive in all the cases, based on the estimates for inflation and the exchange rate, on average, 0.3 percentage points, but with major differences between them depending on the degree of state GDP exposure to remittances. The most favored states would be those that are most dependent on remittances and the opposite would occur with those that are less dependent. However, with a 30% decline in remittances flowing into the states, the effect, on average, would be a negative 0.2 percentage points, mainly in those states that depend to a larger extent on such resources. Therefore, from these simulation exercises we can conclude that the states where the variations in remittances as a percentage of GDP will be greater are those that are the most dependent on them and the change will be positive as long as the depreciation of the peso is able to offset the drop in such remittances.

Impact on State GDP based on Scenarios of a Reduction in Remittances and a Depreciation of the Peso Percentage points, 2009



Assumptions: Average annual inflation of 5%, average annual exchange rate of 13.8 ppd
 Note: The very low to very high classifications refer to BBA Bancomer's indicator on dependence on remittances
 Source: BBVA Bancomer with INEGI and Banco de México data

Conclusions

Many of the states have been affected by the reduction in remittance flows, mainly those with high rates of dependence on these resources. These states are mainly located in the regions of traditional migration (concentrated in areas of central Mexico) and in the southeast. The states that in 2008 were, on average, least affected were those where the economy has a very low degree of dependence of these remittance flows.

In 2009 it appears difficult for a recovery to take place in the amount of remittances sent in dollars although the depreciation of the peso will partially help compensate the decline. As long as the depreciation compensates the decline in remittances, the states that are the most dependent on these resources will be the most favored, and on the opposite end, they will be most negatively affected when remittances decline in real terms. It should be pointed out that some states that are more exposed to or more dependent on the behavior of remittances will receive resources from the federal government, which could compensate these effects. However, the impact of less income from remittances and their localized regional effect will be present throughout the period of adjustment of the U.S. economy.

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Eduardo Torres
 Juan Luis Ordaz

e.torres@bbva.bancomer.com
juan.ordaz@bbva.bancomer.com

What will be the Impact of Lower Remittances for Households?

In this section we try to offer an analysis on how the amount of remittances that on average are received by households in each state could be affected, according to the latter's degree of dependence on such remittances.

With this in mind, the first step was to consider the number of households on a state level that in 2000 received remittances, according to the latest Population Census. Then an estimate was made of the number of households that receive remittances based on the 2000-2006 National Survey of Household Income-Expenditures (ENIGH for Encuesta Nacional de Ingresos Gasto de los Hogares). The variation in the number of households that receive remittances was compared with the number of people who entered the United States, according to the Survey on Migration along the Northern Border (EMIF for Encuesta Sobre Migración en la Frontera Norte) and the Current Population Survey (CPS). In these surveys, it was found that on average for every 100 Mexicans who emigrate to the United States, about 16 more households receive remittances in Mexico. This figure was used to update, based on emigration flows by state provided by the EMIF, the data on the breakdown of households receiving remittances. These statistics were updated through 2006, which is the last year for which data from the ENIGH is available. Based on the figures from this survey and the state by state distribution of remittances compiled by Banxico (the Banco de México), an estimate was made of the average amount of remittances that each household in each group receives. In calculating the variation in remittances per household. It was assumed that the number of households that receive remittances between 2006 and 2009 remained constant.

Remittances received by households could be associated with migratory patterns

Our calculations indicate that on average, Mexican households receive slightly more than US\$3,000 annually in remittances. Those that receive the highest amounts, around US\$4,000 a year¹ are located in states that are in categories on the opposite ends of our classification, as explained in the box on the impact of the decrease in remittances on a state level in this edition of Migration Watch Mexico, according to their degree of dependence, ranging from very high to very low. Meanwhile, those that receive the lowest amounts are concentrated in the high to low categories. That is, there appears to exist a behavioral curve in the form of a "U" for the amounts that are sent home based on the degree of dependence

of their regions of origin on such remittances. These results are interesting and could explain why migration patterns are different among the states. In this regard, we present the following hypothesis.

It is likely that in the households that receive relatively large amounts of remittances in the states with very high degrees of dependence on remittances, this can be attributed to the greater demand for such monetary resources in the communities that receive them and to the better organization of the social networks. In these states, the remittances are perhaps viewed as a means to overcome the limited capital available in the communities of origin². Meanwhile, the states with a very low degree of dependence on remittances are those that have the highest per capita GDP levels in the country, and as a result, their migrants could have greater educational and training levels than those from the other states. Therefore, they obtain higher incomes, which enable the amounts of remittances being sent home to be relatively greater. In the states with a medium dependence on remittances, per capita income levels tend to be in the medium range as well, but the social networks and the demands for these resources in the communities of origin could be on a lower scale than in the states that have a greater degree of dependence on such funds and probably as a result, lower amounts are received than in the other two cases. This hypothesis opens a line of investigation that will be studied in upcoming editions of *Migration Watch Mexico*.

Variations in Remittances per Household, according to the Degree of Dependence on Remittances by State Dollars

Degree*	Annual average remittances			Variation	
	2006	2007	2008	2007-2006	2008-2007
Very high	4,004	4,094	3,969	90	-125
High	2,854	2,954	2,900	100	-54
Medium	2,663	2,813	2,763	150	-51
Low	2,583	2,585	2,463	2	-123
Very Low	4,132	4,108	4,148	-24	40
National	3,101	3,162	3,049	62	-113

* Degree of dependence on remittances

Source: BBVA Bancomer with data from Banxico, 2006 Population and Housing Census, ENIGH, EMIF, and CPS

The reduction in household remittances apparently is generalized

In 2008, households receiving remittances experienced, in general, a decrease in the amounts, except for those located in states with a very low degree of dependence on remittances. Thus, in these states the reduction seems to be generalized and there does not appear to be

¹ According to Banxico (Banco de México) figures, the average remittance in Mexico is around US\$345. Thus, if a household received such resources on average between seven and 12 times a year, it would obtain between US\$2,400 and US\$4,100 annually, which is in the range of our estimates.

² In the article "The determining factors behind migration", this edition of Migration Watch Mexico provides further details on this matter.

a clear difference based on the degree of dependence on remittances. Although the reductions that we are seeing (between US\$50 and US\$125 a year per household) could seem to have a slight impact, this is not the case if we consider that remittances represent close to 40% of the total average income of the families that receive them, according to figures from the ENIGH.

What can we expect for 2009?, What will the impact be for the households?

In order to know possible downside trends in the amounts of remittances to be received by households in 2009, in Mexican peso terms, we conducted two simulation exercises considering similar assumptions as in the previous inset or box³: a 25% depreciation of the peso, which implies an average annual exchange rate of 13.8 pesos per dollar, annual average inflation of 5%, and two scenarios based on declines in the remittances received by households, of 15% and 30%. It is important to point out that in these simulation exercises, some factors were not considered that could alter the results within each household, such as, for example, a variation in the number of sources sending remittances, changes in job situations, etc., and therefore we do not intend to provide precise projections but instead indicate ranges of potential effects, which would be of an illustrative nature.

The simulation exercises show that households in which the variations would be higher in real terms are those that receive the highest amounts in remittances and that are located in states with a very high or very low degree of dependence on such resources. That is, they are on the extreme ends of our classification. For example, a nominal drop of 10% in remittances per household would imply that families would still receive greater income from remittances in the year when translated into pesos; around 2,500 pesos on average; and slightly more than 3,000 pesos in the groups that receive the most remittances. Nevertheless, a drop of 30% leads to households receiving, on average, close to 5,500 pesos less in a year; and approximately 7,000 pesos less annually in households that receive the highest amounts. It is also important to mention that in many states with an important presence of migrants there will be greater budgetary transfers from the public sector and spending on public works projects, which could mitigate these effects.

³ In our central scenario we based our projections on an average inflation of 5.19% and an exchange rate of 13.71 pesos per dollar, but we have rounded out the figures for this exercise.

Simulation Exercise for the Real Variation in Remittances per Household, according to the Degree of Dependence on Remittances by State

Annual pesos

Degree*	Remittances			
	-10	-15	-20	-30
Very high	3,288.4	680.4	-1,927.7	-7,143.8
High	2,402.8	497.1	-1,408.5	-5,219.9
Medium	2,289.0	473.6	-1,341.9	-4,972.7
Low	2,040.6	422.2	-1,196.2	-4,432.9
Very Low	3,436.7	711.0	-2,014.6	-7,465.9
National	2,526.7	522.8	-1,481.1	-5,488.9

* Degree of dependence on remittances

Note: Average annual exchange rate of 13.8 pesos per dollar. Average annual inflation of 5%.

Source: BBVA Bancomer with data from Banxico, 2006 Population and Housing Census, ENIGH, EMIF, and CPS

That is, if situations such as were simulated in the exercises were to occur, household revenues for families that receive remittances could be affected. The effect would be favorable if the depreciation of the peso is able to compensate the decline in remittances, and very negative when the decline in remittances received is considerable, for example greater than 20%. Once again, we would like to reiterate that these simulations should be considered hypothetical exercises, and do not represent precise projections, only a quantitative reference point on this issue.

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Juan Luis Ordaz

juan.ordaz@bbva.bancomer.com

Statistical Appendix

Number of International Immigrants, (Millions)

	1960	1965	1970	1975	1980	1985	1990	1995	2000	2005
World	75.5	78.4	81.3	86.8	99.3	111.0	154.9	165.1	176.7	190.6
Developed Countries	32.3	35.4	38.4	42.5	47.5	53.6	82.4	94.9	105.0	115.4
Developing Countries	43.1	43.0	43.0	44.3	51.8	57.4	72.6	70.2	71.7	75.2
Northern America	14.2	16.7	18.8	20.2	21.9	23.5	49.4	55.3	58.2	64.1
Asia	28.5	28.2	27.8	28.0	32.1	37.2	49.9	47.2	50.3	53.3
Latin America and the Caribbean	12.5	12.7	13.0	15.3	18.1	22.1	27.6	33.6	40.4	44.5
Europe	9.1	9.4	9.9	11.0	14.1	14.4	16.4	17.9	16.5	17.1
Africa	6.0	5.9	5.7	5.7	6.1	6.3	7.0	6.1	6.3	6.6
Oceania	2.1	2.6	3.0	3.4	3.8	4.2	4.8	5.1	5.1	5.0

Annual remittances, inflows, (US\$ billion)

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008e
World	119.5	121.2	126.6	131.5	146.8	169.5	207.3	234.9	267.8	306.6	370.8	397.0
Developed Countries	48.2	47.9	49.4	47.3	51.6	54.0	63.0	70.5	73.1	77.9	90.1	91.8
Developing Countries	71.4	73.3	77.2	84.2	95.2	115.5	144.3	164.4	194.8	228.7	280.7	305.3
East Asia and Pacific	15.2	12.9	15.7	16.7	20.1	29.5	35.4	39.2	46.7	52.9	65.2	69.9
South Asia	14.6	13.4	15.1	17.2	19.2	24.1	30.4	28.7	33.1	39.6	52.1	66.0
Latin America and Caribbean	14.4	15.8	17.6	20.0	24.2	27.9	36.6	43.3	50.1	59.2	63.1	63.3
Europe and Central Asia	10.0	13.8	11.6	12.8	12.4	13.7	15.5	22.2	31.2	38.3	50.4	53.1
Middle-East and North Africa	12.8	13.1	12.8	12.9	14.7	15.2	20.4	23.0	24.3	25.7	31.3	33.7
Sub-Saharan Africa	4.4	4.3	4.4	4.6	4.7	5.0	6.0	8.0	9.4	12.9	18.6	19.8

U.S. Immigration, Millions of people

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Total population	264.3	266.8	269.1	271.7	276.8	279.5	282.1	285.9	288.3	288.4	299.4	301.6
Immigrants	24.6	25.8	26.3	26.4	30.0	31.8	32.5	33.5	34.2	35.8	37.5	38.0
Gender												
Male	12.0	12.9	13.1	13.1	15.1	16.1	16.4	16.8	17.2	17.9	18.9	19.2
Female	12.5	12.8	13.2	13.3	14.8	15.7	16.1	16.7	17.0	17.8	18.6	18.9
Age												
Less than 15	2.0	1.9	1.8	1.6	2.1	2.2	2.1	2.1	2.2	2.2	2.2	2.1
15 to 64	19.8	21.1	21.6	21.8	24.7	26.4	27.0	27.7	28.4	29.6	31.0	31.5
More than 64	2.8	2.8	2.9	3.0	3.2	3.3	3.3	3.7	3.7	3.9	4.3	4.5
Region of Birth												
Europe	4.1	4.3	4.3	4.2	4.4	4.5	4.5	4.6	4.7	5.1	5.2	5.3
Asia	6.6	6.8	7.0	7.2	7.9	8.5	8.5	8.4	8.7	9.3	9.8	9.9
Latin America	12.2	13.1	13.4	13.4	15.3	16.0	16.0	17.8	18.3	19.1	20.1	20.1
All other	1.7	1.6	1.6	1.6	2.4	2.8	2.8	2.7	2.6	2.2	2.4	2.8

Source: BBVA Bancomer tabulations of United Nations, World Bank, U.S. Census Bureau and Pew Hispanic Center data

Mexican immigrants in the U.S.

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Mexicans in the U.S. (Millions)	na	na	na	23.2	24.0	25.5	26.7	26.9	28.1	29.3	30.3
Foreign Born	7.3	7.4	7.4	8.1	8.5	9.9	10.2	10.7	11.0	11.1	11.8
U.S. Born	na	na	na	14.4	14.9	16.0	16.8	16.6	17.5	18.2	18.5
Demographic Characteristics of Mexican Emigrants											
Gender	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Male	55.9	54.6	54.4	53.9	54.1	55.4	55.1	55.2	55.4	55.2	56.0
Female	44.1	45.4	45.6	46.1	45.9	44.6	44.9	44.8	44.6	44.8	44.0
Age groups	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
0 to 14	10.3	9.7	8.0	9.4	9.3	9.1	8.6	8.6	8.6	7.7	7.3
15 to 29	35.1	33.2	33.2	32.6	31.4	33.1	31.9	32.3	31.3	30.2	28.6
30 to 44	33.9	35.8	36.2	36.1	35.6	36.9	37.5	37.4	37.0	37.3	38.1
45 to 64	16.4	16.6	17.4	17.3	18.8	16.8	17.4	17.3	18.6	20.1	20.8
65 and older	4.3	4.7	5.3	4.6	4.9	4.1	4.6	4.4	4.5	4.7	5.1
Average age (in years)	33.1	33.8	34.5	33.9	34.4	33.6	34.3	34.2	34.5	35.2	35.2
By State	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
California	46.8	46.3	46.2	47.8	44.5	42.5	39.3	38.3	42.2	39.5	39.5
Texas	21.1	21.5	21.4	19.0	21.0	20.3	23.0	21.4	20.3	19.4	19.2
All other	11.5	11.6	11.3	12.1	14.0	14.9	15.1	18.3	17.0	18.7	18.8
Arizona	6.8	6.7	6.4	5.3	4.7	5.6	6.0	6.2	5.6	6.4	5.7
Illinois	5.8	6.5	6.3	5.8	5.5	4.9	6.5	5.5	5.4	4.7	5.3
Florida	1.5	1.4	2.1	2.4	3.0	3.5	2.2	2.0	2.3	2.8	3.3
North Carolina	0.9	0.8	1.1	1.4	1.5	1.6	1.6	2.6	2.0	2.5	2.2
New York	2.2	2.9	2.4	1.8	2.1	2.3	1.8	1.7	1.2	1.9	2.0
Colorado	2.1	1.2	1.2	2.3	1.9	2.5	2.5	2.3	2.2	2.4	2.0
Nevada	1.3	1.1	1.5	2.0	1.7	1.8	1.8	1.6	1.9	1.8	1.9
Period of arrival	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Before 1975	20.4	19.6	19.9	17.3	15.5	13.5	13.5	12.3	11.8	10.6	10.3
1975 to 1985	29.6	28.4	28.1	24.4	22.6	20.9	20.9	19.0	16.6	17.0	15.9
1986 to 1995	49.9	44.3	39.8	39.2	36.9	35.8	35.8	30.2	29.7	28.9	28.3
1996 to 2007	—	7.7	12.2	19.1	25.0	29.9	29.9	38.5	41.9	43.6	45.5
Mobility status in the last year	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Non- immigrants	91.8	94.5	92.0	91.6	91.9	91.2	92.3	93.2	89.7	93.1	94.9
Internal migrants ¹	4.6	3.3	4.2	4.9	4.7	4.9	5.0	4.4	5.3	4.5	3.4
International migrants ²	3.6	2.2	3.8	3.5	3.5	3.9	2.7	2.4	5.0	2.5	1.8

¹ Refers to the population that resided, the previous year to the interview, in a different county to the current one.

² Refers to the population that resided, the previous year to the interview, in Mexico.

na not available

Source: Source: BBVA Bancomer tabulations of Conapo data, based on U.S. Census Bureau, Current Population Survey (CPS) data, March 1994-2007

Mexican migrants in the U.S.

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Social characteristics on Mexican emigrants											
Educational Attainment ¹	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Less than 10th grade	58.7	58.6	56.3	56.2	56.7	54.7	54.1	52.7	52.6	51.0	47.0
From 10th to 12th grade	26.9	28.0	30.3	29.9	28.7	30.6	31.4	32.9	32.9	34.3	38.0
Some college	9.6	8.8	8.8	9.6	9.1	9.3	9.0	9.1	9.2	9.3	9.9
College graduate or advanced degree	4.8	4.6	4.6	4.3	5.5	5.4	5.5	5.3	5.3	5.4	5.0
Citizenship	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
American citizen	18.2	21.1	22.7	22.6	22.6	21.4	21.8	21.3	20.4	21.3	21.5
Not American citizen	81.8	78.9	77.3	77.4	77.4	78.6	78.2	78.7	79.6	78.7	78.5
Poverty status ²	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Poor	33.7	30.2	28.3	25.7	24.7	24.6	25.4	25.7	26.2	25.7	22.1
Non-poor	66.3	69.8	71.7	74.3	75.3	75.4	74.6	74.3	73.8	74.3	77.9
Health Insurance Coverage type	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Public	13.5	12.5	12.9	12.7	12.3	11.7	12.9	12.9	14.1	14.1	12.7
Private	31.7	31.2	31.4	33.2	33.1	33.6	32.3	30.3	29.8	29.6	28.3
Both	2.0	2.4	2.1	2.0	1.9	1.7	2.2	1.8	2.7	2.3	2.6
None	52.8	53.8	53.6	52.1	52.7	53.0	52.6	55.0	53.4	54.1	56.4
Employment situation of Mexican emigrants											
16 years and over	6.5	6.7	6.8	7.3	7.7	9.0	9.3	9.8	10.1	10.3	10.9
Labor force	4.4	4.6	4.6	5.0	5.3	6.3	6.5	6.7	6.9	7.2	7.7
Employed	4.0	4.2	4.3	4.6	4.9	5.8	5.8	6.2	6.5	6.8	7.2
Unemployed	0.4	0.3	0.3	0.4	0.4	0.6	0.6	0.5	0.4	0.4	0.4
Not in labor force	2.1	2.1	2.2	2.3	2.4	2.6	2.9	3.1	3.1	3.1	3.3
Median weekly hours of work	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Up to 34	12.5	13.0	10.6	9.3	9.7	11.6	11.1	10.3	11.0	9.5	10.5
35 to 44	69.8	70.3	73.7	76.8	75.3	75.2	75.1	76.1	75.2	76.1	75.1
45 or more	17.7	16.7	15.7	13.9	14.9	13.2	13.8	13.6	13.8	14.4	14.4
Annual earnings (in U.S. dollars)	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Less than 10,000	29.8	26.2	23.8	21.0	17.5	17.5	15.0	14.4	13.4	12.8	11.1
10,000 to 19,999	42.1	43.2	44.3	44.1	42.4	40.0	39.9	40.9	39.9	37.1	34.4
20,000 to 29,999	16.6	17.9	18.8	20.1	22.0	24.6	24.3	23.9	24.0	26.2	27.5
30,000 to 39,999	6.8	7.6	6.9	7.8	9.9	9.3	10.7	11.2	11.4	12.4	13.7
40,000 or more	4.7	5.1	6.2	7.0	8.2	8.7	10.1	9.6	11.3	11.5	13.3
Economic sector	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Primary	12.4	10.2	10.6	12.1	9.5	8.3	4.4	5.0	5.7	4.2	4.0
Secondary	36.4	35.3	34.9	36.6	36.5	35.8	35.8	36.1	36.9	39.6	40.6
Tertiary	51.2	54.5	54.5	51.2	54.0	55.9	59.8	58.9	57.4	56.2	55.4
Occupation	na	na	na	na	na	na	100.0	100.0	100.0	100.0	100.0
Professional and related	na	na	na	na	na	na	7.4	7.8	6.7	7.5	7.3
Sales and management ³	na	na	na	na	na	na	15.4	15.9	15.0	15.0	14.9
Building clean., mainten. and food preparat. ⁴	na	na	na	na	na	na	25.6	24.6	25.6	25.3	23.3
Farming, fishing, and forestry	na	na	na	na	na	na	4.3	4.4	5.4	3.9	3.9
Construction, maintenance, and repair ⁵	na	na	na	na	na	na	19.5	22.6	23.2	25.3	27.8
Transportation and Production ⁶	na	na	na	na	na	na	27.9	24.6	24.0	22.8	22.6
Extraction	na	na	na	na	na	na	0.1	0.1	0.2	0.2	0.2

¹ People 25 and older

² U.S. poverty methodology. Families and unrelated individuals are classified as being above or below the poverty level using a poverty index adopted by a Federal Interagency Committee in 1969 and slightly modified in 1981.

³ Includes: health care services, protection occupation as detectives, inspectors, police officers, supervisors, managers of correctional institutions, etc., personal care occupations as child care workers, barbers, and funeral and recreation services.

⁴ Includes: doorman, building cleaners, and domestic servants.

⁵ Includes: operators and supervisors of production, assemblers of electrical and electromechanical, metallic structure-makers, computer programmers and operators.

⁶ Transportations and mobile occupations, system assemblers, electricians, electromechanical, machinery assemblers, manufacturers and fitters of metallic structures, workers of the plastic, cleaners of vehicles and equipment, workers in recycling and shipper.

Source: BBVA Bancomer tabulations of Conapo estimates from U.S. Census Bureau, Current Population Survey (CPS) data, March 1994-2007

Information by state of the Mexico-United States Migration

	Migrants in U.S			Migrants in U.S/population*				Migrants in U.S, Percent Distribution %			
	1990	2000	2003	1990	2000	2003	Rank'03	1990	2000	2003	Rank'03
Total	5,413,082	8,780,482	9,866,755	6.0	8.1	8.7		100.00	100.00	100.00	
Baja California	486,173	501,014	498,132	32.8	26.46	23.65	1	8.98	5.71	5.05	6
Zacatecas	360,276	513,810	550,856	16.7	21.93	23.21	2	6.66	5.85	5.58	5
Michoacan	571,002	950,661	1,059,366	11.7	16.72	18.10	3	10.55	10.83	10.74	2
Jalisco	912,093	1,252,615	1,349,238	14.2	16.31	17.06	4	16.85	14.27	13.67	1
Colima	57,170	85,258	92,732	12.8	15.32	15.64	5	1.06	0.97	0.94	25
Durango	204,871	301,832	327,306	10.8	14.33	15.05	6	3.78	3.44	3.32	11
Guanajuato	400,033	800,680	921,477	8.0	13.46	14.92	7	7.39	9.12	9.34	3
Nayarit	99,315	162,600	177,917	9.9	13.81	14.64	8	1.83	1.85	1.80	21
Chihuahua	338,780	457,037	478,760	12.6	14.32	14.24	9	6.26	5.21	4.85	7
Morelos	72,656	168,609	204,851	6.6	11.74	13.20	10	1.34	1.92	2.08	17
Aguascalientes	71,038	119,777	134,738	8.9	11.67	12.70	11	1.31	1.36	1.37	23
San Luis Potosi	200,941	339,314	386,100	7.5	10.82	12.15	12	3.71	3.86	3.91	9
Tamaulipas	137,839	221,284	241,961	6.1	8.09	8.40	13	2.55	2.52	2.45	15
Guerrero	107,405	284,851	347,528	3.3	7.13	8.37	14	1.98	3.24	3.52	10
Nuevo Leon	197,012	279,349	294,178	6.8	7.71	7.85	15	3.64	3.18	2.98	13
Sonora	139,996	165,299	170,604	7.3	7.14	7.08	16	2.59	1.88	1.73	22
Queretaro	47,384	90,036	106,145	4.2	6.28	7.04	17	0.88	1.03	1.08	24
Hidalgo	32,977	141,440	194,075	1.4	5.05	6.76	18	0.61	1.61	1.97	18
Coahuila	133,986	170,195	180,291	5.9	6.37	6.54	19	2.48	1.94	1.83	20
Sinaloa	83,135	161,370	186,534	3.4	5.40	6.01	20	1.54	1.84	1.89	19
Mexico	206,566	485,442	586,196	2.9	5.42	5.95	21	3.82	5.53	5.94	4
Oaxaca	69,574	181,683	231,968	1.8	4.08	5.03	22	1.29	2.07	2.35	16
Puebla	85,369	246,361	305,442	1.8	4.18	4.92	23	1.58	2.81	3.10	12
Baja California Sur	13,637	16,546	17,213	5.1	4.83	4.73	24	0.25	0.19	0.17	29
Distrito Federal	270,978	367,202	413,395	2.7	3.05	3.36	25	5.01	4.18	4.19	8
Quintana Roo	12,790	15,431	16,413	5.2	3.51	3.30	26	0.24	0.18	0.17	30
Veracruz	46,614	197,495	266,256	0.7	2.41	3.16	27	0.86	2.25	2.70	14
Yucatan	33,824	43,313	47,081	2.1	2.23	2.38	28	0.62	0.49	0.48	26
Tlaxcala	4,238	18,836	25,856	0.5	1.76	2.34	29	0.08	0.21	0.26	28
Campeche	4,777	7,505	9,341	1.0	1.15	1.36	30	0.09	0.09	0.09	32
Chiapas	6,318	24,100	32,622	0.2	0.57	0.71	31	0.12	0.27	0.33	27
Tabasco	4,315	9,537	12,183	0.3	0.47	0.58	32	0.08	0.11	0.12	31

** Migrant in the US as proportion of the population in the state
Source: BBVA Bancomer tabulations of Conapo data

Figures of Remittances inflows to State Level

	Households in 2000					Ratio ⁵	Level ⁶
	Number	Remittances ¹	Emigrants ²	Circular ³	Return ⁴		
Total	22,639,808	4.4	4.1	0.9	0.8	2.70	
Michoacan	893,671	11.4	10.4	2.8	2.3	15.72	Very high-level
Zacatecas	306,882	13.0	12.2	3.3	2.5	11.94	Very high-level
Oaxaca	762,517	4.1	4.8	0.6	0.7	11.57	Very high-level
Guerrero	677,731	7.9	6.8	0.8	1.1	11.48	Very high-level
Hidalgo	507,225	5.1	7.1	1.6	0.9	9.76	Very high-level
Guanajuato	990,602	9.2	9.6	2.2	1.6	8.93	High level
Nayarit	222,714	9.6	6.8	2.0	2.0	8.44	High level
Chiapas	832,111	0.8	0.8	0.1	0.1	7.74	High level
Tlaxcala	203,259	2.2	2.7	0.5	0.4	6.75	High level
Morelos	376,140	6.4	7.5	1.3	1.1	5.85	Middle level
Veracruz	1,649,332	2.7	3.2	0.5	0.2	5.23	Middle level
Puebla	1,098,409	3.3	4.0	0.5	0.7	5.16	Middle level
San Luis Potosi	509,582	8.2	7.4	1.3	1.2	4.98	Middle level
Colima	136,926	7.3	5.6	1.4	2.1	4.63	Middle level
Durango	331,242	9.7	7.3	1.8	1.6	4.49	Middle level
Jalisco	1,457,326	7.7	6.5	1.8	1.7	4.31	Middle level
Aguascalientes	207,327	6.7	6.7	2.7	1.5	4.00	Middle level
Queretaro	311,896	3.7	4.8	1.4	0.7	3.59	Middle level
Sinaloa	586,245	4.6	3.6	0.9	0.6	3.57	Middle level
Mexico	2,978,023	2.1	2.6	0.6	0.3	2.90	Low level
Tamaulipas	690,067	3.6	3.0	0.6	0.7	2.10	Low level
Tabasco	426,653	0.6	0.6	0.2	0.0	2.02	Low level
Sonora	539,528	3.2	1.6	0.3	0.9	1.56	Low level
Chihuahua	767,679	4.3	3.7	1.0	1.3	1.42	Low level
Baja California	613,602	4.0	2.4	0.4	2.3	1.14	Low level
Coahuila	555,793	3.4	2.2	0.8	0.7	1.14	Low level
Yucatan	387,434	1.4	1.0	0.2	0.2	1.12	Low level
Distrito Federal	2,203,741	1.7	1.6	0.4	0.3	0.94	Very low-level
Campeche	163,451	1.0	0.9	0.2	0.1	0.91	Very low-level
Quintana Roo	219,671	1.0	0.7	0.2	0.2	0.86	Very low-level
Baja California Sur	107,536	1.1	1.0	0.6	0.6	0.63	Very low-level
Nuevo Leon	925,493	2.5	1.9	0.7	0.6	0.62	Very low-level

1 Households receiving remittances (%)

3 Households with circular emigrants in the U.S in the 5 years preceding (%)

5 Remittances dependency ratio (Remittances /GDP*100)

Source: BBVA Bancomer tabulations of Conapo estimates

2 Households with emigrants in the U.S in the 5 years preceding (%)

4 Households with return emigrants in the U.S in the 5 years preceding (%)

6 Level of dependence on remittances. Classification made by BBVA Bancomer. Rankings are based on standards deviation of the sample.

Annual figures on Remittances Nationwide

	2003	2004	2005	2006	2007	2008
Millions of U.S. dollars						
Total	15,040.7	18,331.3	21,688.7	25,566.8	26,075.9	25,144.5
Money Orders	1,665.3	1,869.7	1,747.9	1,359.7	859.7	598.2
Personal checks	6.4	0.0	0.0	0.0	0.0	0.0
Wire transfers	13,114.4	16,228.0	19,667.7	23,854.0	24,821.7	24,113.0
Cash and Kind	254.6	233.6	273.2	353.2	394.5	433.4
Thousands of transactions						
Total	47,651.3	57,011.3	64,923.3	74,183.6	75,711.3	72,636.7
Money Orders	4,498.1	4,602.8	4,066.9	2,844.6	1,585.9	1,352.7
Personal checks	6.9	0.0	0.0	0.0	0.0	0.0
Wire transfers	42,798.1	52,085.8	60,511.0	70,696.7	73,343.7	70,487.4
Cash and Kind	348.3	322.7	345.4	642.3	781.7	796.6
Average remittance (in U.S. dollars)	315.6	321.5	334.1	344.6	344.4	346.2

Source: BBVA Bancomer tabulations of Banco de Mexico data

Annual Remittances by State, Millions of U.S. dollars

	2003	2004	2005	2006	2007	2008
Total	15,040.4	18,331.8	21,688.8	25,566.5	26,075.8	25,144.6
Michoacan	1,778.9	2,298.9	2,461.8	2,520.4	2,392.6	2,457.9
Guanajuato	1,403.2	1,734.1	1,904.8	2,319.4	2,354.2	2,325.2
Estado de Mexico	1,112.1	1,466.1	1,791.6	2,110.8	2,172.0	2,096.2
Jalisco	1,345.4	1,485.7	1,723.1	2,009.0	2,009.3	1,943.0
Veracruz	989.6	1,162.6	1,364.4	1,672.4	1,736.7	1,620.8
Puebla	804.9	963.0	1,133.3	1,425.9	1,555.9	1,568.1
Oaxaca	770.8	929.6	1,053.6	1,321.0	1,420.7	1,456.9
Guerrero	845.5	982.7	1,117.3	1,378.0	1,418.7	1,401.9
Distrito Federal	826.8	928.8	1,333.9	1,524.6	1,375.2	1,105.6
Hidalgo	589.1	698.1	782.1	945.5	1,085.9	939.8
Chiapas	439.3	595.6	772.1	943.6	906.6	800.1
San Luis Potosi	397.7	465.3	557.5	710.0	760.8	758.5
Zacatecas	400.5	485.3	541.0	670.0	757.7	677.9
Morelos	368.5	429.8	504.9	588.7	615.1	621.3
Tamaulipas	238.1	290.9	435.6	508.0	521.3	511.5
Sinaloa	319.4	377.4	455.4	507.3	516.5	489.3
Chihuahua	240.5	286.0	398.7	485.3	472.0	475.4
Durango	265.3	336.2	392.5	437.2	450.7	450.5
Queretaro	283.2	357.7	412.4	492.4	474.8	442.4
Nayarit	229.6	267.2	308.3	355.0	377.0	383.7
Baja California	144.4	168.8	263.2	309.6	336.2	342.2
Aguascalientes	260.9	318.6	324.8	382.0	355.6	331.9
Nuevo Leon	193.3	303.0	291.4	351.5	358.7	331.2
Sonora	130.5	174.6	302.5	334.4	335.8	318.3
Coahuila	142.2	184.3	247.0	282.3	294.3	299.7
Tlaxcala	143.1	181.3	218.0	268.0	293.6	299.3
Colima	105.2	137.6	169.1	187.5	196.4	197.9
Tabasco	87.3	107.8	160.3	192.5	185.2	159.4
Yucatan	59.5	73.0	88.8	119.0	133.4	129.1
Quintana Roo	53.7	68.9	86.9	102.0	99.4	99.6
Campeche	52.5	54.6	67.4	84.0	81.1	74.5
Baja California Sur	19.4	18.3	25.1	29.2	32.4	35.5

Source: BBVA Bancomer tabulations of Banco de Mexico data

Annual figures on Remittances Nationwide, percent distribution %

	2003	2004	2005	2006	2007	2008
Millions of U.S. dollars						
Total	100.0	100.0	100.0	100.0	100.0	100.0
Money Orders	11.1	10.2	8.1	5.3	3.3	2.4
Personal checks	0.0	0.0	0.0	0.0	0.0	0.0
Wire transfers	87.2	88.5	90.7	93.3	95.2	95.9
Cash and Kind	1.7	1.3	1.3	1.4	1.5	1.7
Thousands of transactions						
Total	100.0	100.0	100.0	100.0	100.0	100.0
Money Orders	9.4	8.1	6.3	3.8	2.1	1.9
Personal checks	0.0	0.0	0.0	0.0	0.0	0.0
Wire transfers	89.8	91.4	93.2	95.3	96.9	97.0
Cash and Kind	0.7	0.6	0.5	0.9	1.0	1.1

Source: BBVA Bancomer tabulations of Banco de Mexico data

Annual Remittances by State, percent distribution %

	2003	2004	2005	2006	2007	2008
Total	100.0	100.0	100.0	100.0	100.0	100.0
Michoacan	11.8	12.5	11.4	9.9	9.2	9.8
Guanajuato	9.3	9.5	8.8	9.1	9.0	9.2
Estado de Mexico	7.4	8.0	8.3	8.3	8.3	8.3
Jalisco	8.9	8.1	7.9	7.9	7.7	7.7
Veracruz	6.6	6.3	6.3	6.5	6.7	6.4
Puebla	5.4	5.3	5.2	5.6	6.0	6.2
Oaxaca	5.1	5.1	4.9	5.2	5.4	5.8
Guerrero	5.6	5.4	5.2	5.4	5.4	5.6
Distrito Federal	5.5	5.1	6.2	6.0	5.3	4.4
Hidalgo	3.9	3.8	3.6	3.7	4.2	3.7
Chiapas	2.9	3.2	3.6	3.7	3.5	3.2
San Luis Potosi	2.6	2.5	2.6	2.8	2.9	3.0
Zacatecas	2.7	2.6	2.5	2.6	2.9	2.7
Morelos	2.5	2.3	2.3	2.3	2.4	2.5
Tamaulipas	1.6	1.6	2.0	2.0	2.0	2.0
Sinaloa	2.1	2.1	2.1	2.0	2.0	1.9
Chihuahua	1.6	1.6	1.8	1.9	1.8	1.9
Durango	1.8	1.8	1.8	1.7	1.7	1.8
Queretaro	1.9	2.0	1.9	1.9	1.8	1.8
Nayarit	1.5	1.5	1.4	1.4	1.4	1.5
Baja California	1.0	0.9	1.2	1.2	1.3	1.4
Aguascalientes	1.7	1.7	1.5	1.5	1.4	1.3
Nuevo Leon	1.3	1.7	1.3	1.4	1.4	1.3
Sonora	0.9	1.0	1.4	1.3	1.3	1.3
Coahuila	0.9	1.0	1.1	1.1	1.1	1.2
Tlaxcala	1.0	1.0	1.0	1.0	1.1	1.2
Colima	0.7	0.8	0.8	0.7	0.8	0.8
Tabasco	0.6	0.6	0.7	0.8	0.7	0.6
Yucatan	0.4	0.4	0.4	0.5	0.5	0.5
Quintana Roo	0.4	0.4	0.4	0.4	0.4	0.4
Campeche	0.3	0.3	0.3	0.3	0.3	0.3
Baja California Sur	0.1	0.1	0.1	0.1	0.1	0.1

Source: BBVA Bancomer tabulations of Banco de Mexico data

Employment status of the Hispanic and Mexican population in the U.S. (Numbers in thousands)

	I 06	II 06	III 06	IV 06	I 07	II 07	III 07	IV 07	I 08	II 08	III 08	IV 08
Total population*												
Population (16 years and over)	227,764	228,433	229,166	229,896	230,839	231,482	232,210	232,937	232,807	233,410	234,110	234,825
Labor force	150,514	151,141	151,619	152,376	152,965	152,789	153,127	153,625	153,738	154,281	154,650	154,648
Employed	143,422	144,071	144,566	145,622	146,081	145,873	145,969	146,275	146,138	145,990	145,299	144,046
Unemployed	7,092	7,070	7,053	6,754	6,884	6,915	7,157	7,349	7,599	8,291	9,351	10,602
Labor force participation rate	66.1	66.2	66.2	66.3	66.3	66.0	65.9	66.0	66.0	66.1	66.1	65.9
Unemployment rate	4.7	4.7	4.7	4.4	4.5	4.5	4.7	4.8	4.9	5.4	6.0	6.9
Total population												
Population (16 years and over)	227,764	228,433	229,166	229,896	230,839	231,482	232,210	232,937	232,807	233,410	234,110	234,825
Labor force	149,601	151,154	152,436	152,519	152,013	152,810	153,921	153,752	152,822	154,264	155,399	154,662
Employed	142,082	144,221	145,332	146,073	144,692	146,040	146,723	146,732	144,755	146,166	146,029	144,501
Unemployed	7,518	6,933	7,104	6,446	7,321	6,771	7,199	7,020	8,067	8,099	9,370	10,161
Labor force participation rate	65.7	66.2	66.5	66.3	65.9	66.0	66.3	66.0	65.6	66.1	66.4	65.9
Unemployment rate	5.0	4.6	4.7	4.2	4.8	4.4	4.7	4.6	5.3	5.2	6.0	6.6
Hispanic*												
Population (16 years and over)	29,707	29,966	30,232	30,507	30,966	31,238	31,520	31,809	31,732	31,999	32,274	32,557
Labor force	20,468	20,634	20,667	20,993	21,387	21,447	21,747	21,829	21,760	22,048	22,174	22,132
Employed	19,343	19,568	19,562	19,971	20,235	20,236	20,501	20,555	20,333	20,449	20,435	20,165
Unemployed	1,125	1,065	1,105	1,022	1,151	1,211	1,246	1,274	1,428	1,599	1,738	1,966
Labor force participation rate	68.9	68.9	68.4	68.8	69.1	68.7	69.0	68.6	68.6	68.9	68.7	68.0
Unemployment rate	5.5	5.2	5.3	4.9	5.4	5.6	5.7	5.8	6.6	7.3	7.8	8.9
Hispanic												
Population (16 years and over)	29,707	29,966	30,232	30,507	30,966	31,238	31,520	31,809	31,732	31,999	32,274	32,557
Labor force	20,343	20,680	20,697	21,054	21,254	21,482	21,781	21,891	21,646	22,063	22,205	22,183
Employed	19,125	19,673	19,608	20,045	20,008	20,341	20,549	20,630	20,106	20,552	20,486	20,239
Unemployed	1,218	1,006	1,090	1,009	1,245	1,141	1,232	1,260	1,540	1,511	1,719	1,943
Labor force participation rate	68.5	69.0	68.5	69.0	68.6	68.8	69.1	68.8	68.2	68.9	68.8	68.1
Unemployment rate	6.0	4.9	5.3	4.8	5.9	5.3	5.7	5.8	7.1	6.9	7.7	8.8
Mexican												
Population (16 years and over)	18,766	19,032	19,091	19,254	19,403	19,674	19,985	20,018	20,161	20,427	20,744	20,707
Labor force	12,871	13,164	13,205	13,392	13,334	13,592	13,921	13,841	13,700	14,045	14,238	14,144
Employed	12,091	12,547	12,555	12,714	12,559	12,878	13,183	13,011	12,687	13,044	13,158	12,960
Unemployed	780	616	650	678	774	714	738	830	1,012	1,001	1,080	1,184
Labor force participation rate	68.6	69.2	69.2	69.6	68.7	69.1	69.7	69.1	68.0	68.8	68.6	68.3
Unemployment rate	6.1	4.7	4.9	5.1	5.8	5.3	5.3	6.0	7.4	7.1	7.6	8.4
Native-born Mexican												
Population (16 years and over)	8,572	8,599	8,517	8,580	8,750	8,707	8,948	9,106	9,230	9,364	9,429	9,730
Labor force	5,712	5,683	5,640	5,743	5,927	5,822	5,954	6,105	6,111	6,274	6,247	6,419
Employed	5,331	5,346	5,296	5,401	5,548	5,451	5,548	5,708	5,702	5,762	5,676	6,024
Unemployed	381	337	345	343	379	371	406	397	409	512	570	588
Labor force participation rate	66.6	66.1	66.2	66.9	67.7	66.9	66.5	67.0	66.2	67.0	66.2	66.0
Unemployment rate	6.7	5.9	6.1	6.0	6.4	6.4	6.8	6.5	6.7	8.2	9.1	9.2
Foreign-born Mexican												
Population (16 years and over)	10,194	10,433	10,574	10,674	10,654	10,967	11,037	10,912	10,930	11,063	11,315	10,977
Labor force	7,159	7,481	7,565	7,649	7,406	7,770	7,968	7,736	7,589	7,771	7,991	7,725
Employed	6,760	7,201	7,259	7,313	7,011	7,427	7,635	7,304	6,985	7,282	7,482	7,129
Unemployed	399	280	306	336	395	343	332	432	603	489	510	596
Labor force participation rate	70.2	71.7	71.5	71.7	69.5	70.8	72.2	70.9	69.4	70.2	70.6	70.4
Unemployment rate	5.6	3.7	4.0	4.4	5.3	4.4	4.2	5.6	8.0	6.3	6.4	7.7

* Seasonally adjusted
Source: BBVA Bancomer tabulations of Bureau of Census, Current Population Survey data, 2006-2008

Monthly income for Remittances in Mexico, million dollars

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Jan	313.5	338.7	382.5	399.6	456.3	655.0	711.0	1,017.3	1,081.9	1,367.6	1,758.3	1,872.9	1,781.1	1,568.2
Feb	281.9	331.6	366.4	388.9	447.2	637.7	718.9	962.9	1,171.8	1,428.4	1,823.2	1,856.7	1,859.4	1,803.4
Mar	337.3	381.9	427.2	464.9	494.5	718.1	744.5	1,099.1	1,480.2	1,691.6	2,152.8	2,186.3	2,115.9	
Apr	393.4	425.5	440.0	469.2	498.8	734.8	805.9	1,202.5	1,513.5	1,753.3	2,072.7	2,166.1	2,188.4	
May	413.5	486.7	520.4	571.6	590.8	798.2	912.2	1,343.8	1,770.4	2,057.3	2,534.6	2,431.9	2,371.2	
Jun	365.3	453.6	503.5	521.9	541.6	747.8	860.0	1,351.2	1,684.3	1,923.3	2,340.3	2,300.4	2,264.1	
Jul	373.7	441.7	494.3	506.7	557.6	796.6	843.1	1,361.4	1,654.4	1,840.3	2,191.7	2,369.2	2,186.7	
Aug	386.1	428.9	486.6	532.1	608.1	789.3	849.1	1,401.3	1,786.8	2,059.2	2,334.3	2,411.9	2,097.5	
Sep	339.3	431.5	476.3	490.5	568.6	772.1	860.6	1,365.5	1,586.8	1,886.4	2,141.0	2,186.0	2,113.4	
Oct	348.9	421.7	454.7	474.5	559.5	792.8	848.3	1,391.0	1,530.0	1,862.3	2,316.5	2,367.4	2,636.6	
Nov	315.6	343.4	460.7	502.0	583.1	693.8	741.4	1,203.7	1,506.2	1,887.0	1,962.8	1,957.8	1,747.3	
Dec	355.3	379.8	614.3	587.7	666.9	759.0	919.4	1,341.1	1,565.1	1,932.1	1,938.7	1,962.2	1,775.8	
Total	4,223.7	4,864.9	5,626.8	5,909.6	6,572.8	8,895.3	9,814.5	15,040.7	18,331.3	21,688.7	25,566.8	26,068.7	25,137.4	3,371.6

Monthly income for Remittances in Mexico, variation % per year

Jan	23.2	8.0	13.0	4.5	14.2	43.6	8.6	43.1	6.3	26.4	28.6	6.5	-4.9	-12.0
Feb	13.7	17.6	10.5	6.1	15.0	42.6	12.7	34.0	21.7	21.9	27.6	1.8	0.1	-3.0
Mar	17.4	13.2	11.9	8.8	6.4	45.2	3.7	47.6	34.7	14.3	27.3	1.6	-3.2	
Apr	31.6	8.2	3.4	6.6	6.3	47.3	9.7	49.2	25.9	15.8	18.2	4.5	1.0	
May	15.6	17.7	6.9	9.8	3.4	35.1	14.3	47.3	31.7	16.2	23.2	-4.1	-2.5	
Jun	3.7	24.2	11.0	3.7	3.8	38.1	15.0	57.1	24.7	14.2	21.7	-1.7	-1.6	
Jul	9.0	18.2	11.9	2.5	10.1	42.9	5.8	61.5	21.5	11.2	19.1	8.1	-7.7	
Aug	6.6	11.1	13.5	9.3	14.3	29.8	7.6	65.0	27.5	15.2	13.4	3.3	-13.0	
Sep	8.0	27.2	10.4	3.0	15.9	35.8	11.5	58.7	16.2	18.9	13.5	2.1	-3.3	
Oct	7.5	20.9	7.8	4.4	17.9	41.7	7.0	64.0	10.0	21.7	24.4	2.2	11.4	
Nov	23.5	8.8	34.1	9.0	16.2	19.0	6.9	62.3	25.1	25.3	4.0	-0.3	-10.8	
Dec	29.5	6.9	61.8	-4.3	13.5	13.8	21.1	45.9	16.7	23.5	0.3	1.2	-9.5	
Total	15.0	15.2	15.7	5.0	11.2	35.3	10.3	53.3	21.9	18.3	17.9	2.0	-3.6	

Flow 12 Months of Remittances in Mexico, million dollars

Jan	3,732	4,249	4,909	5,644	5,966	6,771	8,951	10,121	15,105	18,617	22,079	25,681	25,977	24,925
Feb	3,766	4,298	4,944	5,666	6,025	6,962	9,033	10,365	15,314	18,874	22,474	25,715	25,980	24,868
Mar	3,815	4,343	4,989	5,704	6,054	7,186	9,059	10,719	15,695	19,085	22,936	25,748	25,909	
Apr	3,910	4,375	5,003	5,733	6,084	7,422	9,130	11,116	16,006	19,325	23,255	25,842	25,931	
May	3,966	4,448	5,037	5,784	6,103	7,629	9,244	11,548	16,433	19,612	23,732	25,739	25,871	
Jun	3,979	4,537	5,087	5,803	6,123	7,835	9,356	12,039	16,766	19,851	24,149	25,699	25,835	
Jul	4,009	4,605	5,140	5,815	6,173	8,074	9,403	12,557	17,059	20,037	24,501	25,877	25,652	
Aug	4,033	4,648	5,197	5,861	6,249	8,256	9,462	13,109	17,445	20,309	24,776	25,954	25,338	
Sep	4,058	4,740	5,242	5,875	6,328	8,459	9,551	13,614	17,666	20,609	25,030	25,999	25,265	
Oct	4,083	4,813	5,275	5,895	6,413	8,692	9,606	14,157	17,805	20,941	25,484	26,050	25,534	
Nov	4,143	4,840	5,392	5,936	6,494	8,803	9,654	14,619	18,107	21,322	25,560	26,045	25,324	
Dec	4,224	4,865	5,627	5,910	6,573	8,895	9,814	15,041	18,331	21,689	25,567	26,069	25,137	

Flow 12 Months of Remittances in Mexico, variation % per year

Jan	13.9	15.5	15.0	5.7	13.5	32.2	13.1	49.3	23.2	18.6	16.3	1.2	-4.1	
Feb	14.2	15.0	14.6	6.3	15.6	29.7	14.7	47.8	23.2	19.1	14.4	1.0	-4.3	
Mar	13.8	14.9	14.3	6.1	18.7	26.1	18.3	46.4	21.6	20.2	12.3	0.6		
Apr	11.9	14.4	14.6	6.1	22.0	23.0	21.8	44.0	20.7	20.3	11.1	0.3		
May	12.2	13.2	14.8	5.5	25.0	21.2	24.9	42.3	19.3	21.0	8.5	0.5		
Jun	14.0	12.1	14.1	5.5	28.0	19.4	28.7	39.3	18.4	21.7	6.4	0.5		
Jul	14.8	11.6	13.1	6.2	30.8	16.5	33.5	35.9	17.5	22.3	5.6	-0.9		
Aug	15.2	11.8	12.8	6.6	32.1	14.6	38.5	33.1	16.4	22.0	4.8	-2.4		
Sep	16.8	10.6	12.1	7.7	33.7	12.9	42.5	29.8	16.7	21.5	3.9	-2.8		
Oct	17.9	9.6	11.7	8.8	35.6	10.5	47.4	25.8	17.6	21.7	2.2	-2.0		
Nov	16.8	11.4	10.1	9.4	35.6	9.7	51.4	23.9	17.8	19.9	1.9	-2.8		
Dec	15.2	15.7	5.0	11.2	35.3	10.3	53.3	21.9	18.3	17.9	2.0	-3.6		

Source: BBVA Bancomer tabulations of Banco de Mexico data

For further information please contact:

Economic Research Department Av. Universidad 1200 Col. Xoco 03339 México D.F. Tel. (52) (55) 5621 5994 Fax (52) (55) 5621 3297 www.bancomer.com

Economic Research Department BBVA Group

Chief Economist

José Luis Escrivá

Unit Heads

North America: Jorge Sicilia

Mexico: Adolfo Albo

Macroeconomic Analysis Mexico: Julián Cubero

United States: Nathaniel Karp

Spain and Europe: Rafael Domenech

Europe: Miguel Jiménez

Spain: Miguel Cardoso

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Emerging Markets Analysis: Sonsoles Castillo

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Cuantitative Analysis: Giovanni di Placido

Global Trends: David Tuesta

Financial Scenarios: Daniel Navia

Sector Analysis: Ana Rubio

North America Economic Research Dept.

Jorge Sicilia

j.sicilia@bbva.bancomer.com

Mexico

Adolfo Albo

Javier Amador

David Aylett

Leonardo González

Carlos Herrera

Alma Martínez

Fco. Javier Morales

Juan Luis Ordaz

Eduardo Torres

a.albo@bbva.bancomer.com

javier.amador@bbva.bancomer.com

david.aylett@bbva.bancomer.com

leonardo.gonzalez@bbva.bancomer.com

carlos.herrera@bbva.bancomer.com

alma.martinez@bbva.bancomer.com

francisco.morales@bbva.bancomer.com

juan.ordaz@bbva.bancomer.com

e.torres@bbva.bancomer.com

Macroeconomic Analysis Mexico

Julián Cubero

Liliana Castilleja

Fernando González

Octavio Gutiérrez

Ociel Hernández

Cecilia Posadas

Pedro Uriz

juan.cubero@bbva.bancomer.com

liliana.castilleja@bbva.bancomer.com

f.gonzalez8@bbva.bancomer.com

o.gutierrez3@bbva.bancomer.com

o.hernandez@bbva.bancomer.com

c.posadas@bbva.bancomer.com

pedro.uriz2@bbva.bancomer.com

United States

Nathaniel Karp

Hakan Danis

Jeff Herzog

Kristin Lomicka

Marcial Nava

Ignacio San Martín

nathaniel.karp@bbvacompass.com

hakan.danis@bbvacompass.com

jeff.herzog@bbvacompass.com

kristin.lomicka@bbvacompass.com

marcial.nava@bbvacompass.com

ignacio.sanmartin@bbvacompass.com

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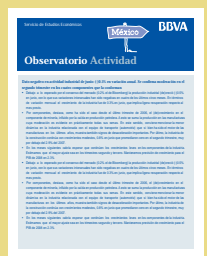
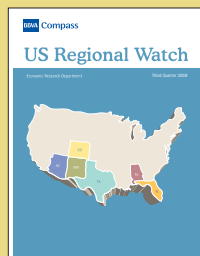
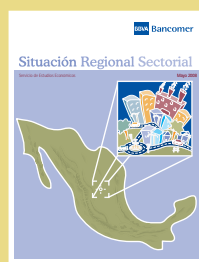
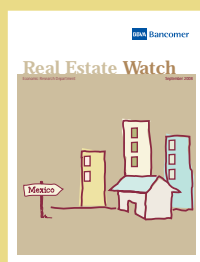
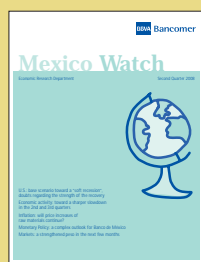
Elisa Sánchez

Fernando Tamayo

elisa.sanchez@bbva.bancomer.com

fernando.tamayo@bbva.bancomer.com

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