

Migration from Mexico to the US : is return migration the new trend?

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Outline

1. Mexico-US migration: importance of net migration
2. Measurement of stock and flows
3. Explaining net migration
 - a. Apprehensions and deportations
 - b. Job creation in Mexico and the US
 - c. Demographic transition
 - d. Institutional Changes in Mexico and bilateral policy
 - e. US migration policy
4. Conclusions: importance of b), c) and d) on decennial migration growth
5. A note on remittances

Mexico US migration

- Dynamic process: highly heterogeneous (Durand, 2016; Massey et.al. 2012)

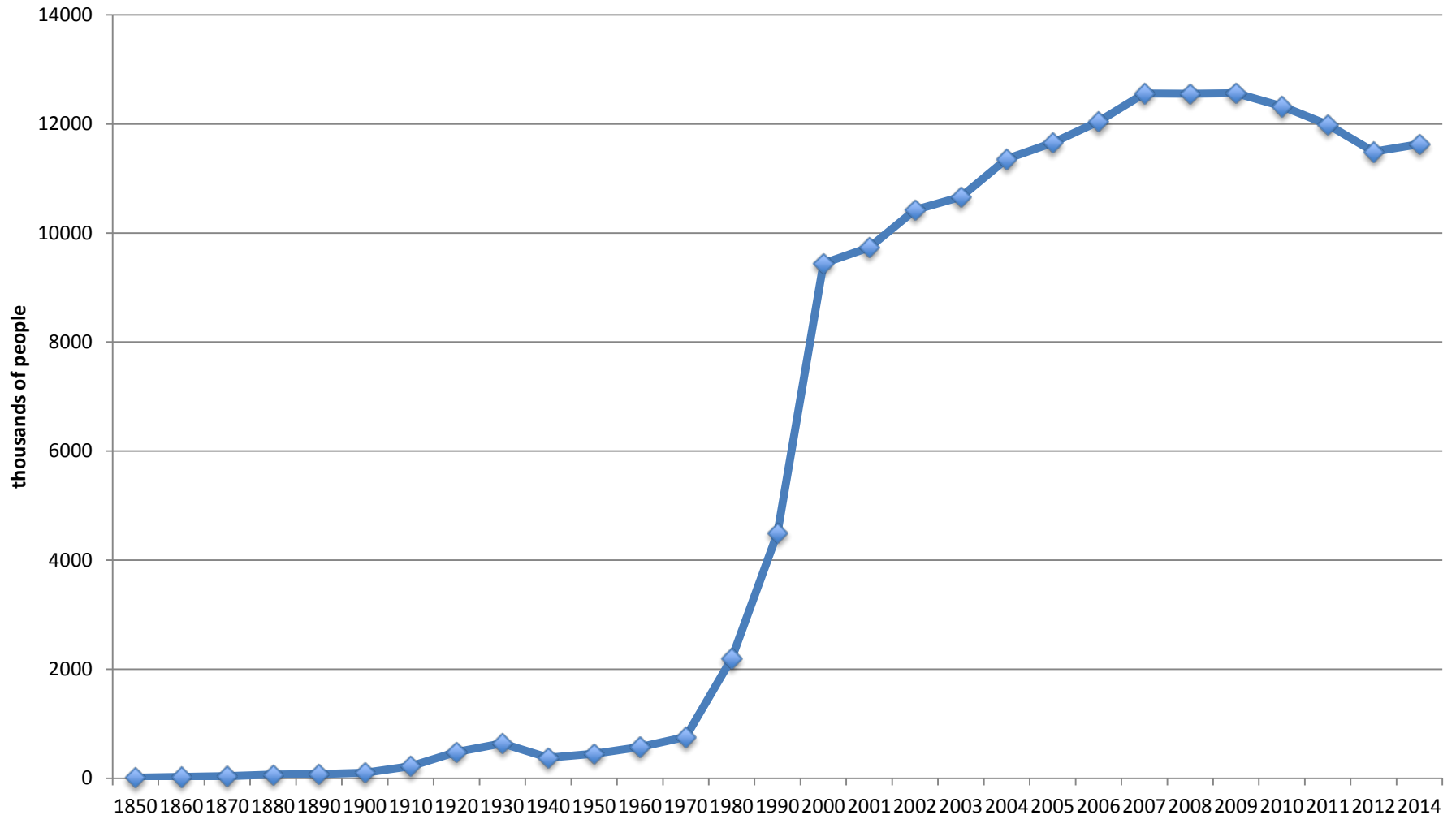
- Circular vs permanent
- Documented vs undocumented
- Voluntary returns vs deportations
- Individual vs family based
- Mexico born vs US born
- Skilled vs unskilled



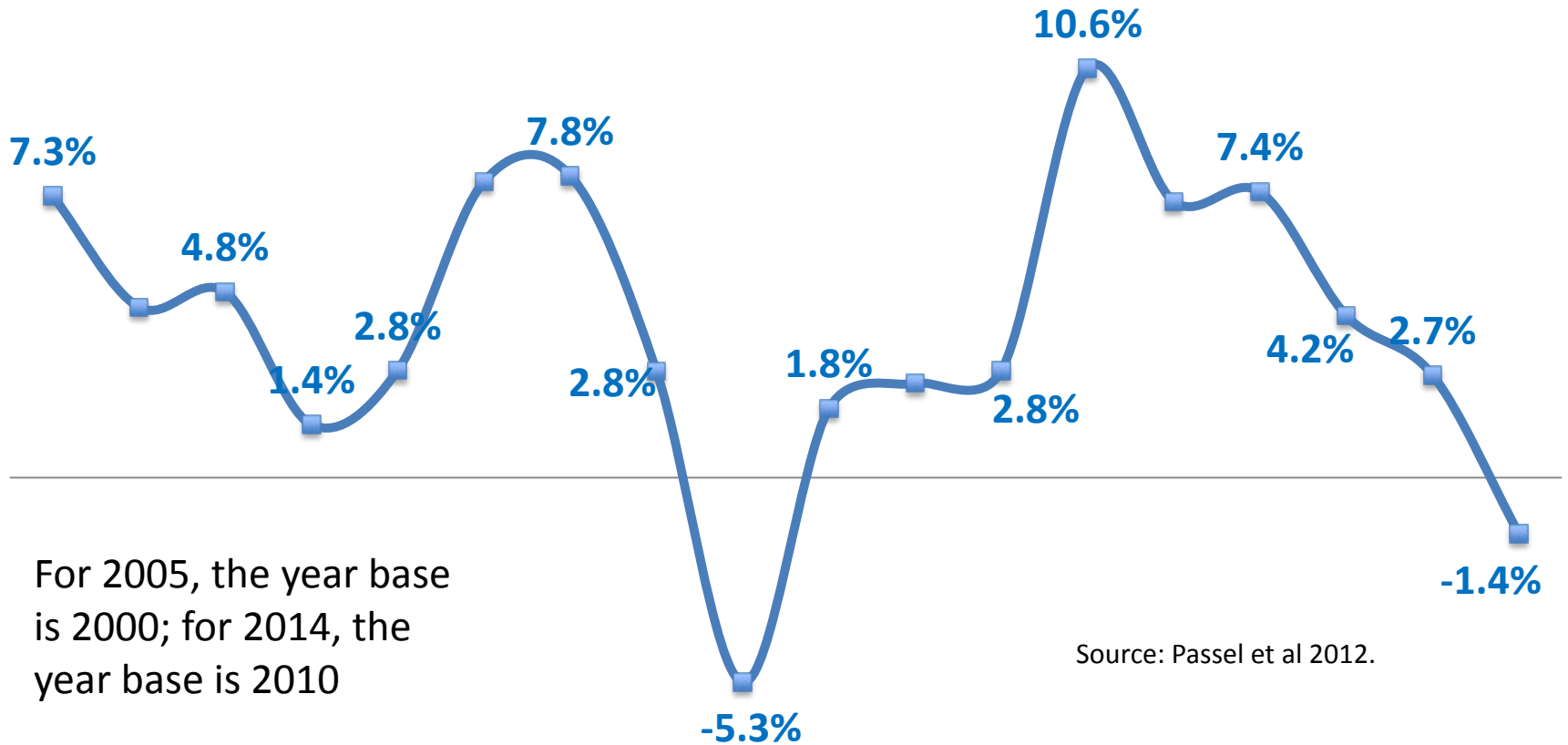
Various implications, one that I will concentrate on is the need to speak of Net migration

Mexicans in the US: 1850-2014

Source: 1850 to 2012 (Passel et al 2012); 2013 (Brown & Patten, 2012); 2014 (Patten, 2016)

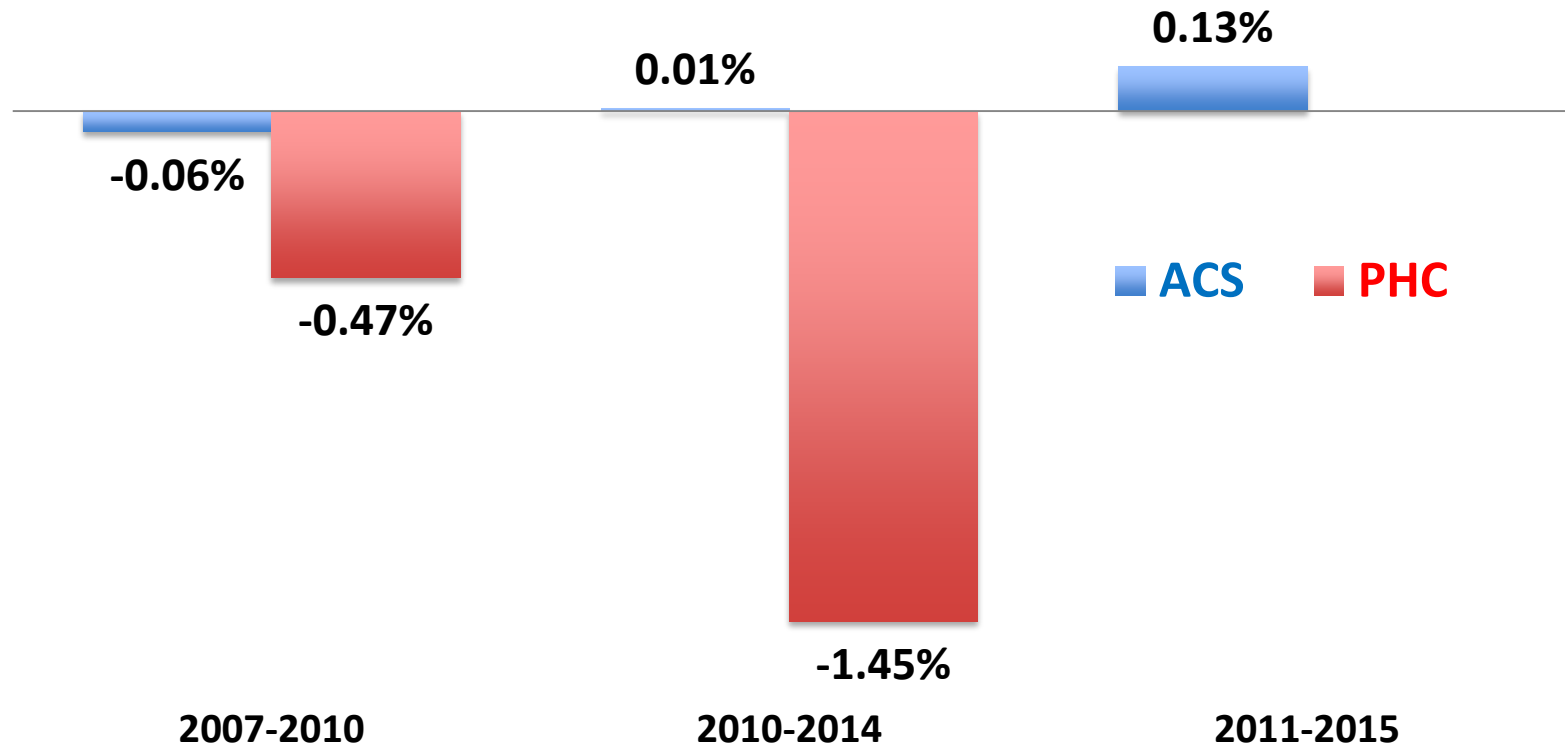


History: annualized decennial growth rates Mexico-US migration*



1860 1870 1880 1890 1900 1910 1920 1930 1940 1950 1960 1970 1980 1990 2000 2005 2010 2014

Mexican Migration trends 2007-2015: American Community Census (ACS) vs Pew Hispanic Center (PHC)



Sources: Own calculations with data from Pew Hispanic Center, PHC: 2010 to 2012 (Passel et al 2012); 2013 (Brown & Patten, 2012); 2014 (Patten, 2016); American Community Survey, ACS: Foreign Born Population in the US by country of origin, various years. The year base for each calculation is the start of the period of reference.

Why are they different?

- Previously numbers from PHC were $>$ ACS
 - During growth period, Census and ACS had undercount. PHC adjusted for it.
 - During decline period, is ACS over counting?
- In any case, both ACS and PHC signal that migration is declining or has negligible growth post 2007

Why is net Mexico-US migration now zero or negative?

- Mainstream argument is that return migration is the new driver of net migration because
 - Weak U.S. recovery after the 2008 financial crisis (high unemployment leads to voluntary return)
 - Surge in deportations even under President Obama
 - Voluntary returns to reunite with family...
 - **BUT, is return migration the key driver?**

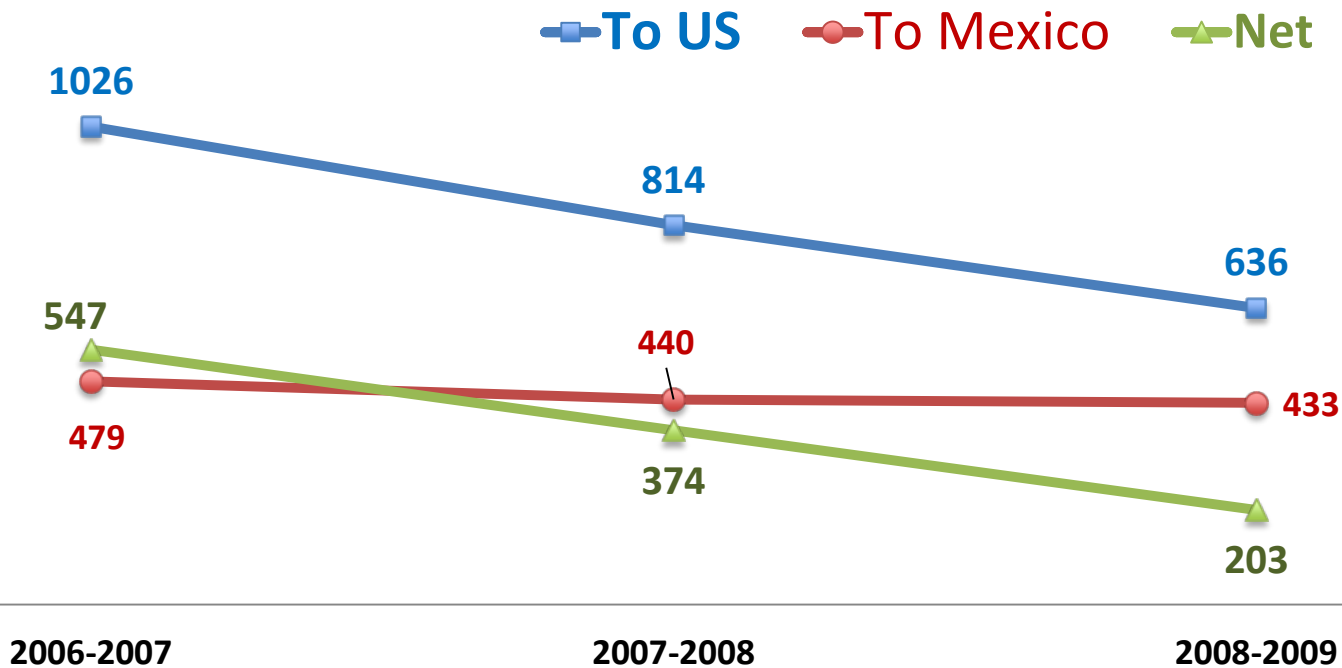
Survey results on opinions found among Mexicans returned to Mexico

Source: González-Barrera (2015)

- **Quality of life:** in 2007, 23% of Mexicans thought life in the US was similar to one possible in Mexico, by 2015, 33% of Mexicans held that opinion
- **Deportation rate:** just 14% of Mexicans returning from the US claim to be deported
- **Family reunification:** 61% of returning Mexicans say they came back to be with their family

Mexican surveys show large reductions in the entry of Mexicans to the US

Net Migration flows Mexico-US (thousands of people)

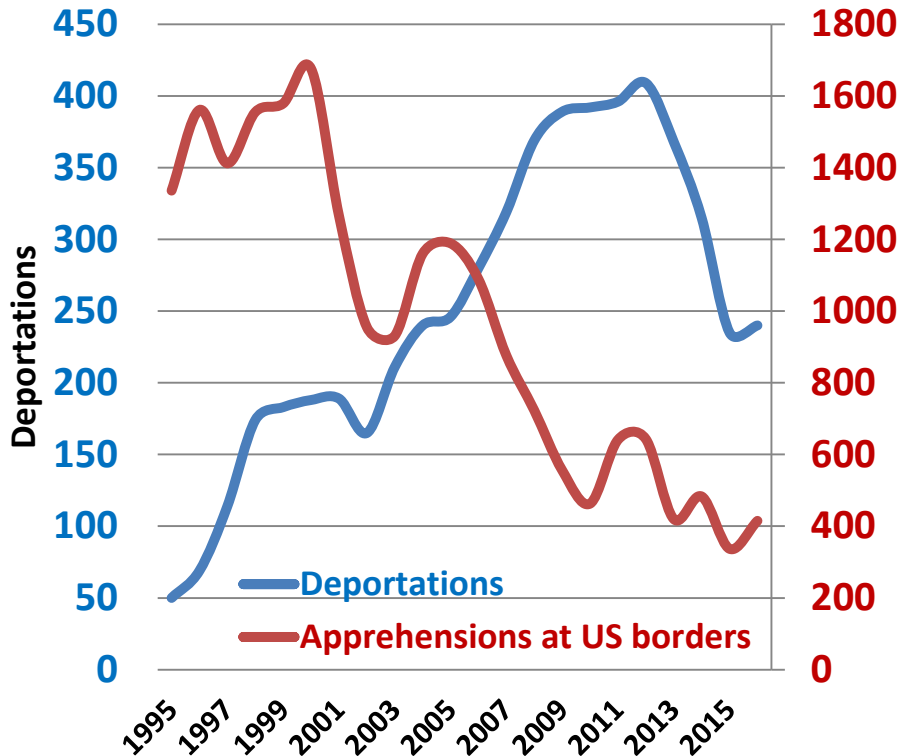


Return migration is stable, while migration flows decline

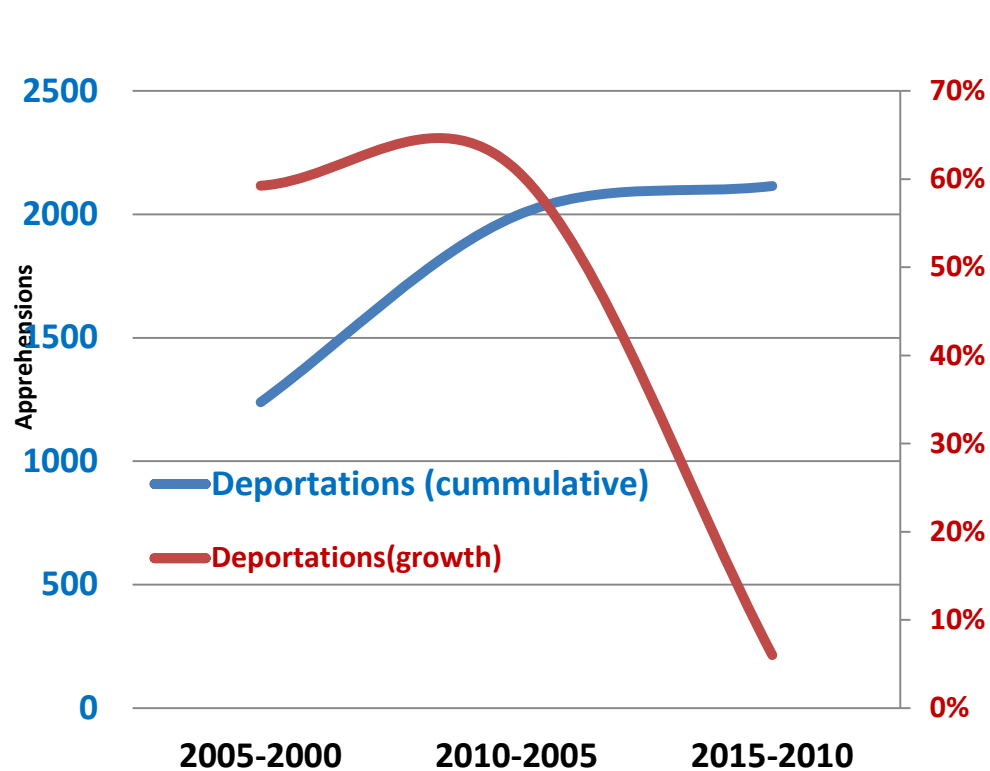
Source: ENOE (2006-2009)

Why is migrant entry falling?

Deportations & Apprehensions
(1000s)



Cumulative Deportations 5 yr average

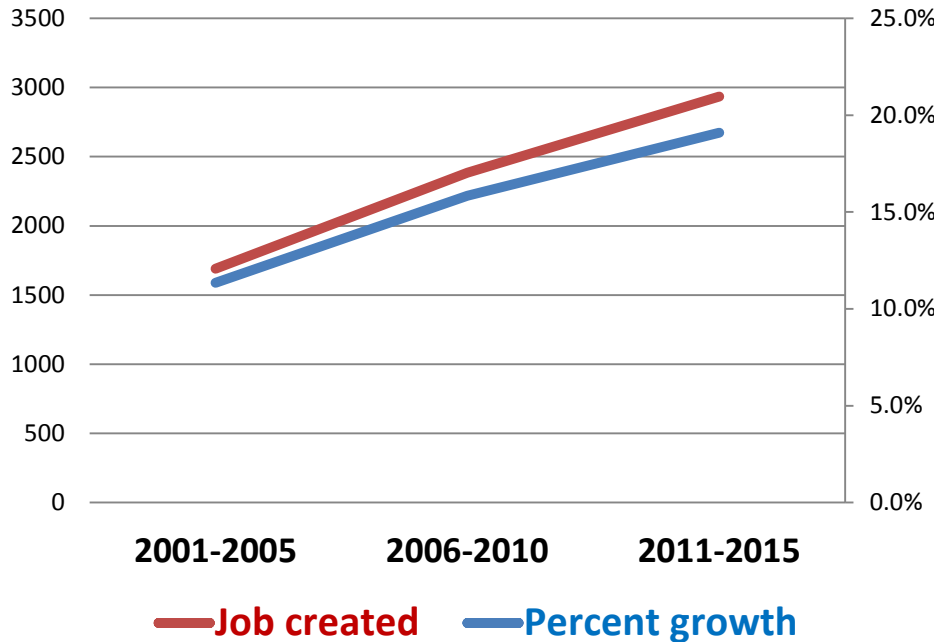


Source: US Department of Homeland Security. Yearbook of Immigration Statistics 2010, 2014

US and Mexico job creation

Post recession US job growth is pulling workers North, but steady job creation in Mexico is now reducing out Migration...

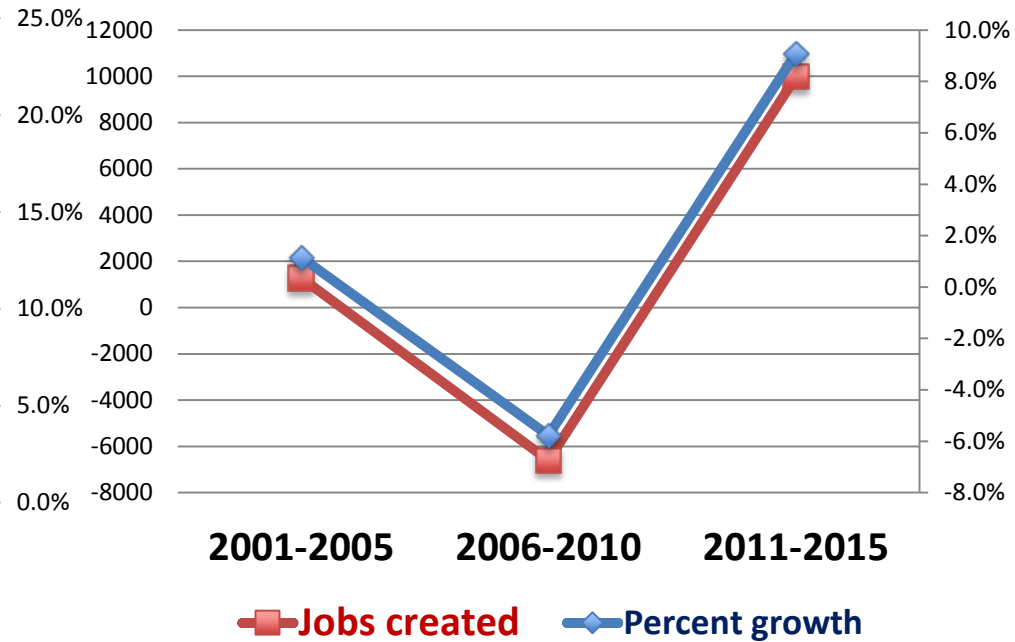
Job creation in Mexico, formal registered employees at IMSS (thousands)



Source: INEGI, 2016

May 12, 2017

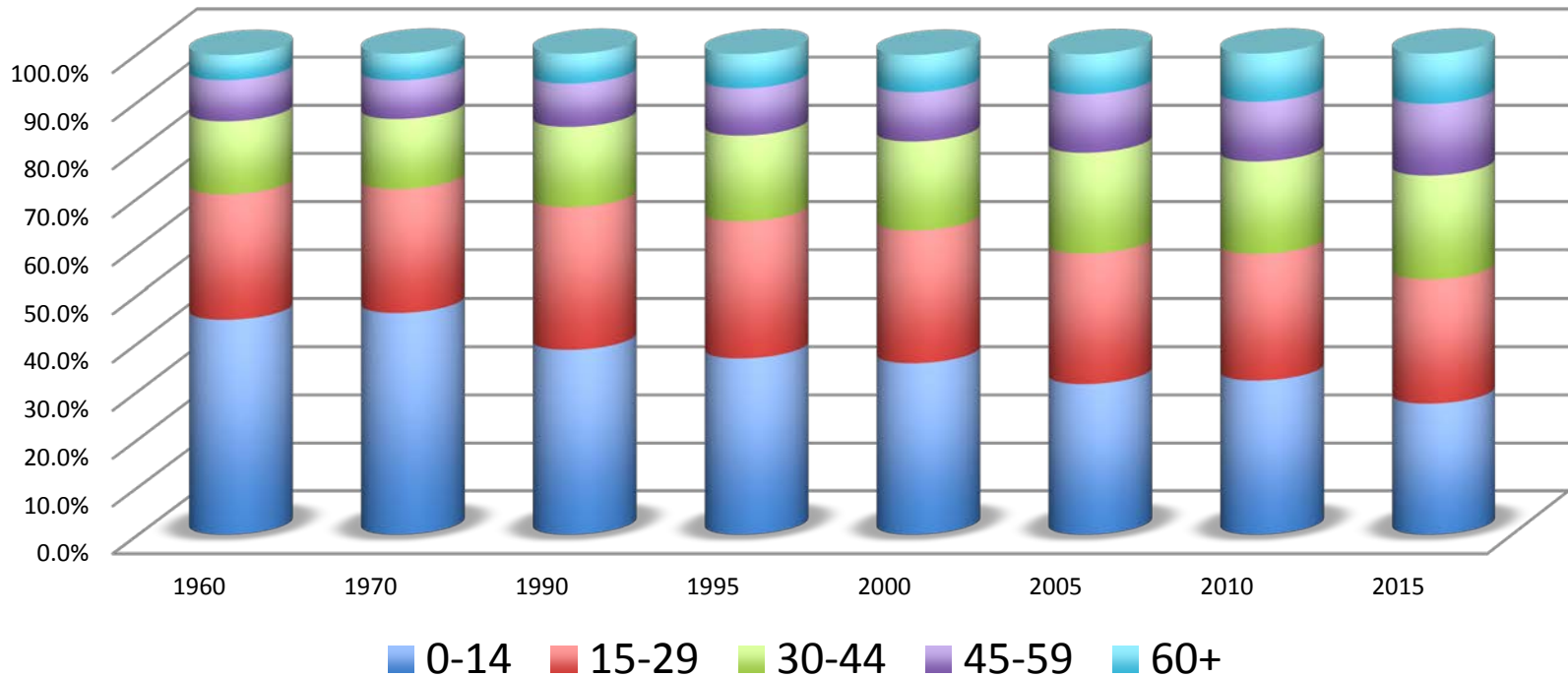
Job creation in the US, total private employment (thousands)



Source: BLS, 2016

Demographic change

Population trends, Mexico, 1960-2015, various shares of population

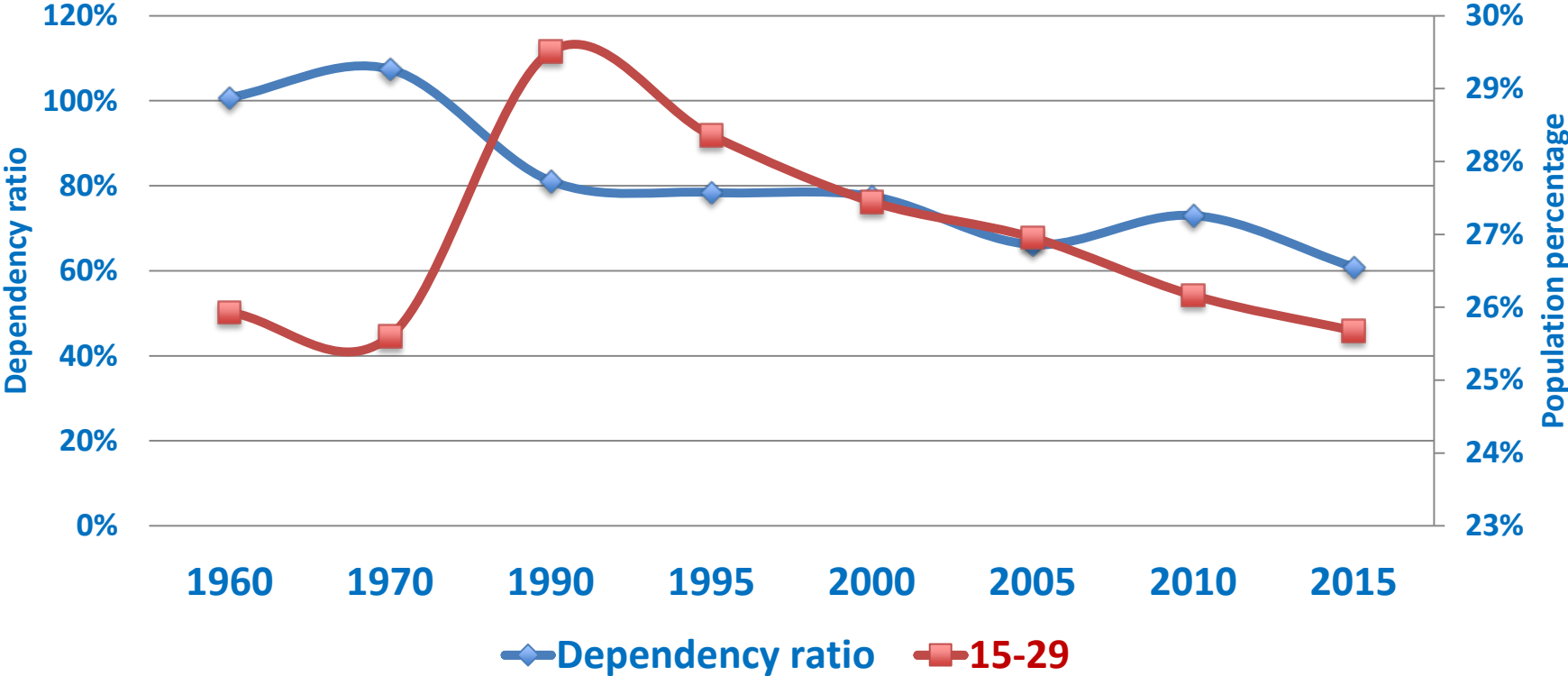


Source: Mexico's census data obtained through integrated data bases by IPUMS

Mexico's demographic transition: share of children 0 to 14 peaked in 1970 now share steadily declining

Smaller pool of potential migrants w/ dependents

Dependency ratio and youth 15-19 share

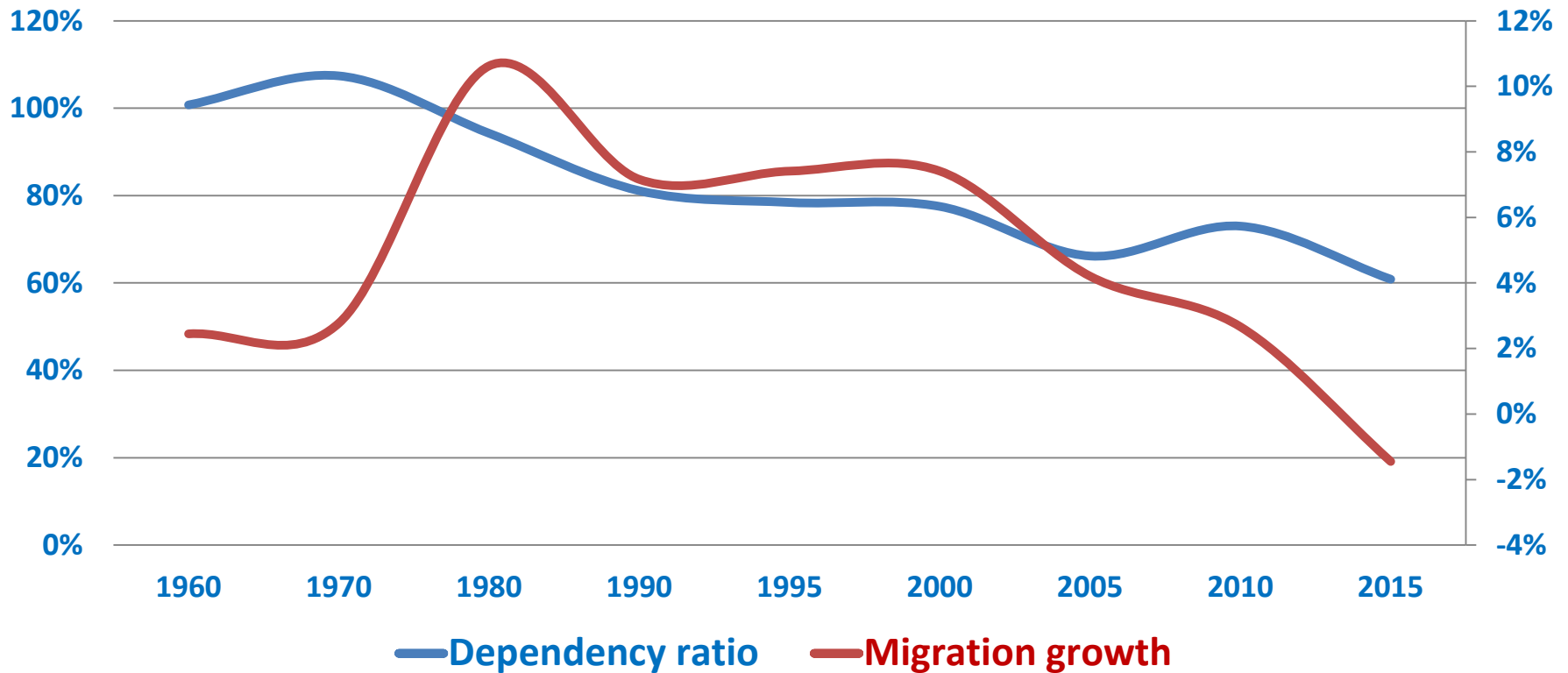


Dependency ratio: (less than 12 and 65+)/((13 to 64 years old) reached also a maximum in 1970. Since then it has declined steadily.

15 to 29, the group with the highest risk of migration reached a maximum in 1990. Since then, it has steadily declined.

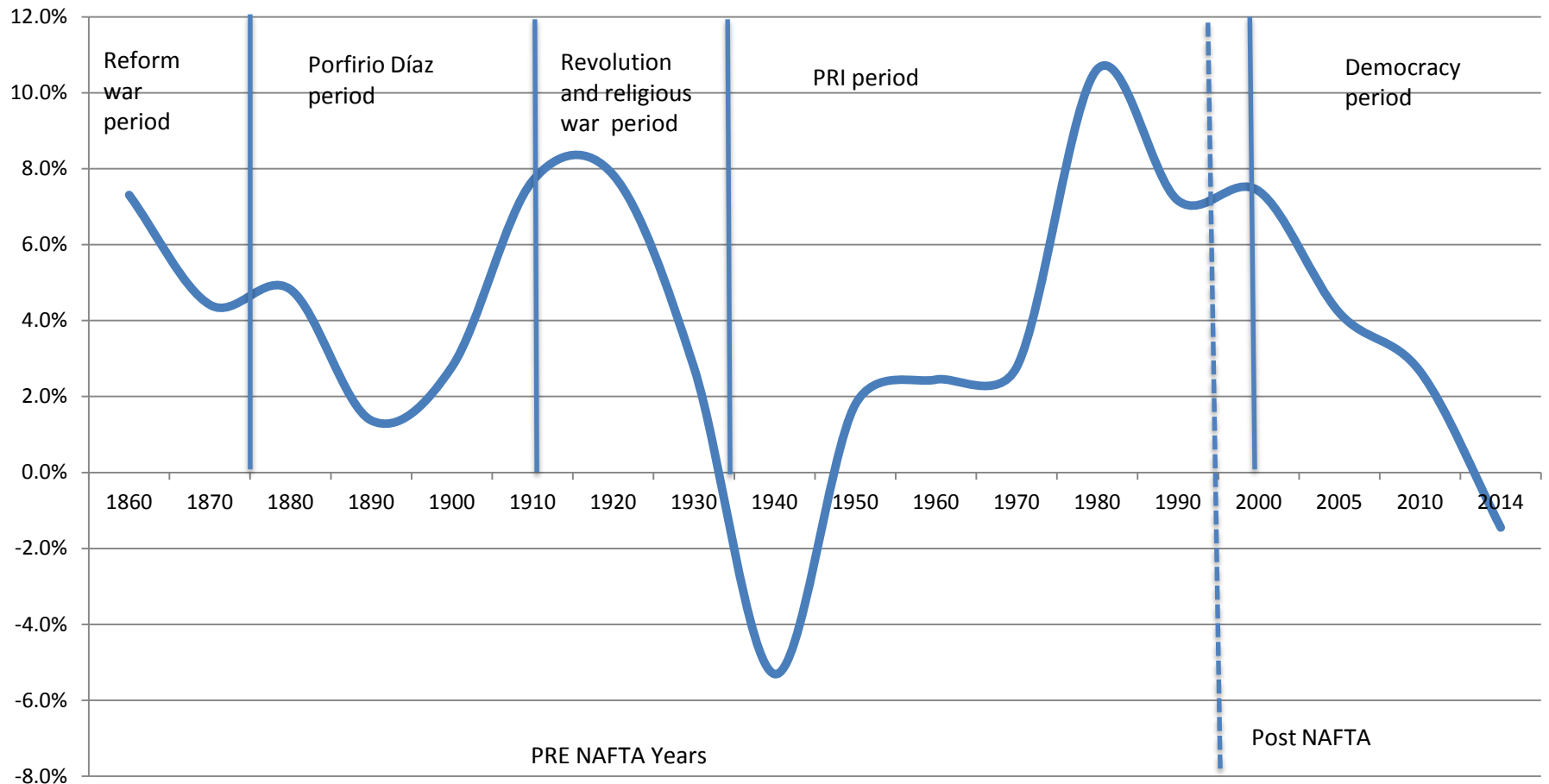
Demographic forces linked to migration growth

Migration growth and dependency ratio

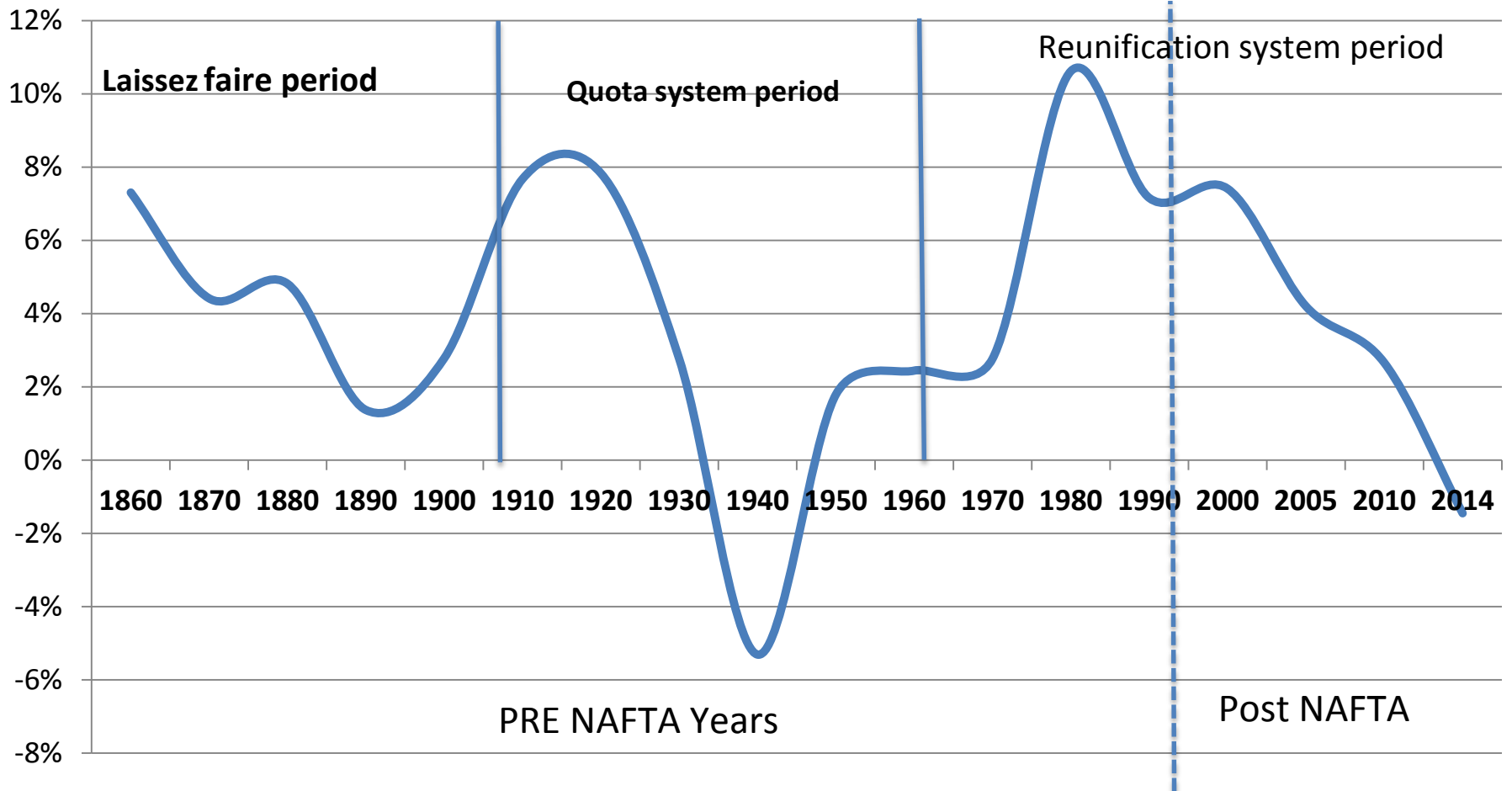


The peak in dependency ratio predicts the peak in migration growth ten years later. After 2005 the acceleration in the decline of migration seems to be associated to other factors.

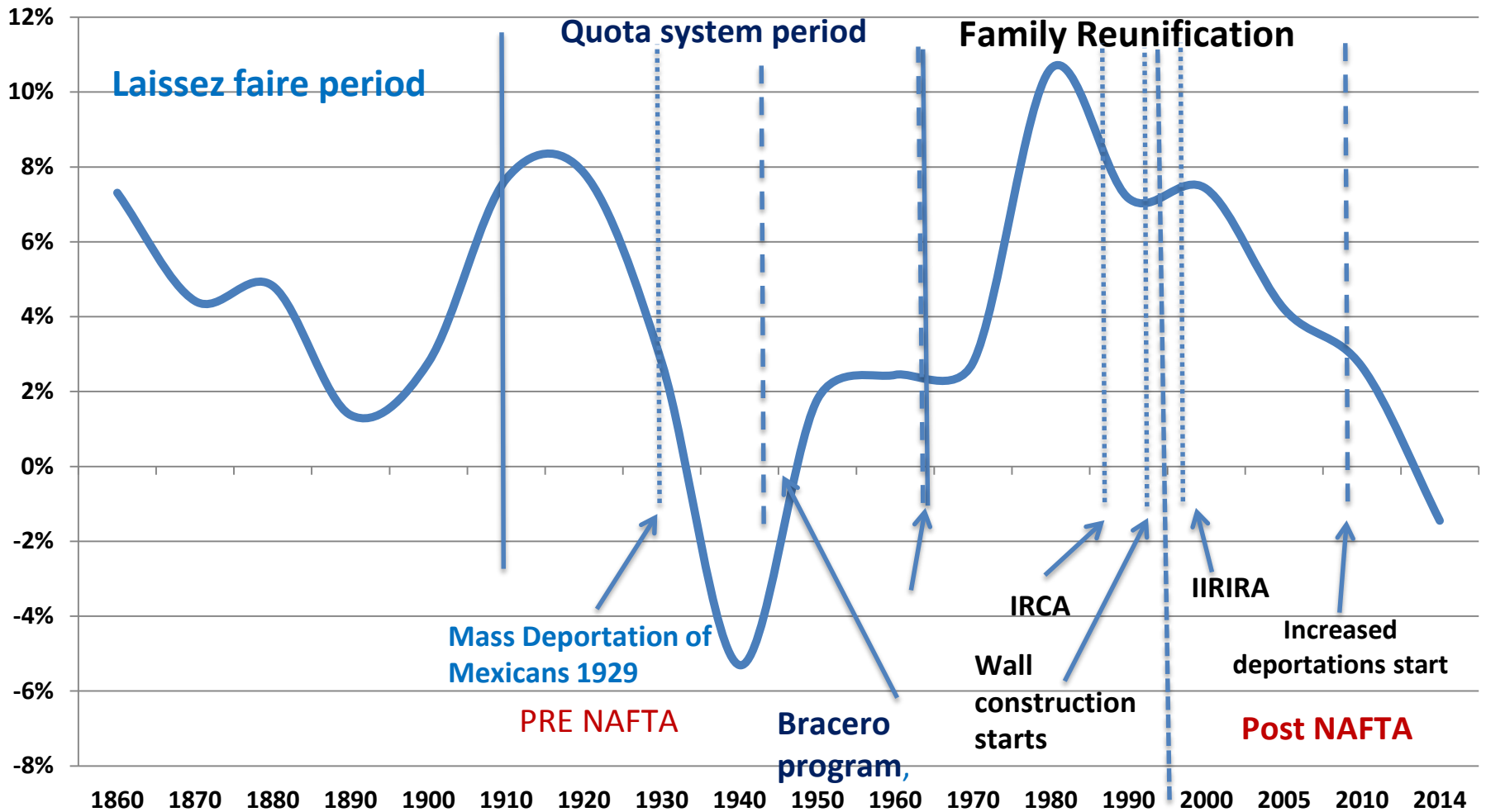
Migration rate growth and institutional changes in Mexico



Migration rate, and changes in general US migration policy



Migration and changes in US-Mexico migration policy



Final remarks

- Net Mexico to U.S. migration now negative and policies, demographic trends will reduce it further
- Falling net migration is explained mainly a reduction in the flow of new immigrants North
- Deportations peaked in 2012, and are falling every year (until this) yet the
- large decline in net migration seems to be a medium run trend driven by jobs & demographics

Final remarks (2)

- Mainly positive developments behind this trend:
 - Economic growth and job creation in Mexico, associated to NAFTA
 - Demographic changes that reducing the supply of young Mexican workers with dependents
 - Socio political change contributing to a more stable Mexico (falling inequality, rising middle class, transfers)

Final remarks (3)

- US migration policy specific to Mexico seems to have limited effect on net migration:
 - Decennial (inter census) migration
 - Five year period migration
- Best policy for deter migration seems to be NAFTA and socio-economic/political change in Mexico
 - Years of not-democratic governance it led to explosive migration
 - During years of democratic government it is related to the reduction of growth in migration and its decline

Final remarks (4)

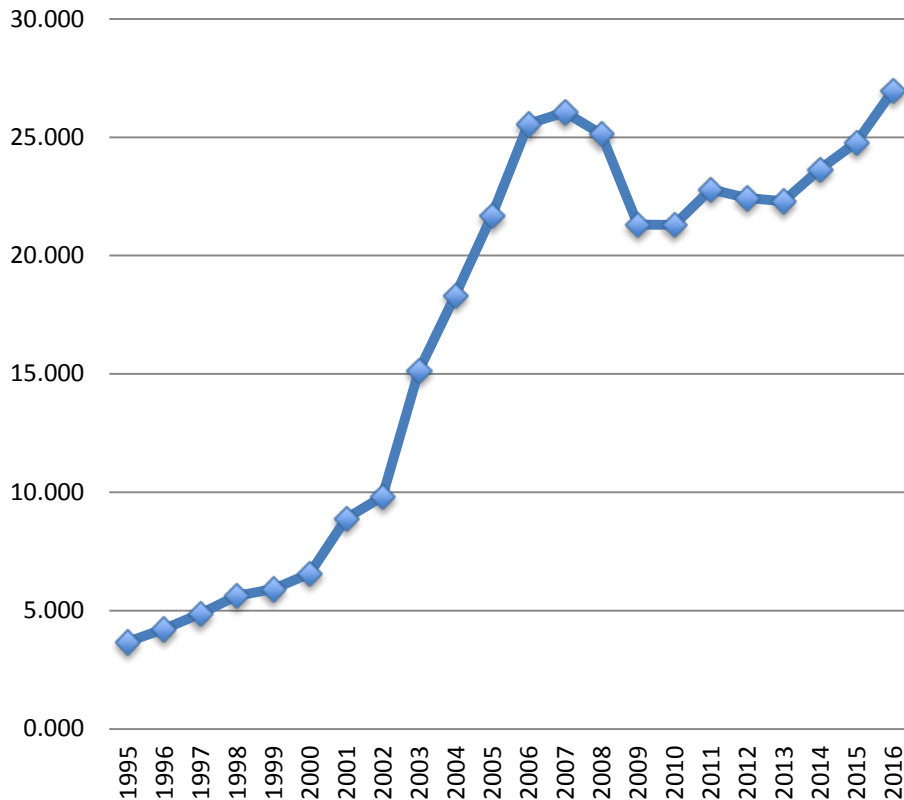
- 2016 is proving to be an atypical year
 - In 2015, ACS shows a decline in the total stock of migrants from Mexico
 - Yet, deportations and apprehensions increased in 2016
 - NAFTA itself is being renegotiated as we speak
 - The wall is said to be reinforced together with ICE operations
 - Is this the signal of a regime change?

Notes on Remittance flows

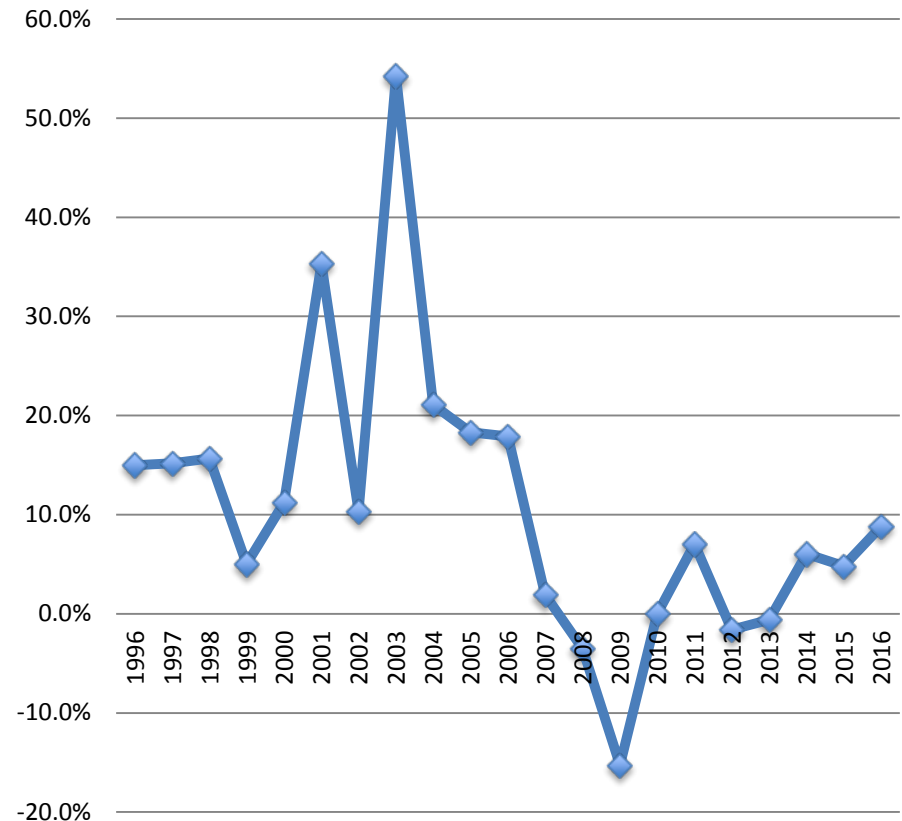
- World Remittance flows \$429 in 2016
- Remittances from the US to rest of the world reach 61 billion dollars in 2015
- Remittances from the US to Mexico reach almost 27 billion dollars in 2016
 - The end of 2016 there was an increase in remittances, this growth is unlikely to be a medium term trend (weak peso?)
 - Cumulative remittances are a function of total migration
 - Annual remittance flows related to US employment rates

Remittances: Levels and growth

Remittances from US to Mexico (thousand dollars)

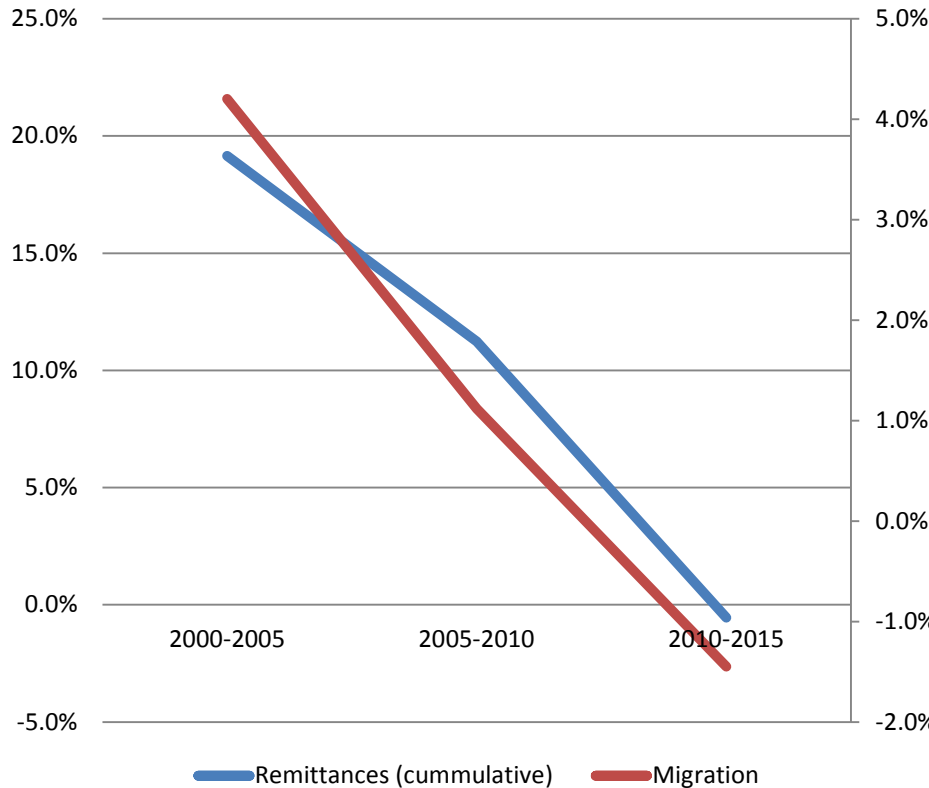


Rate of growth of remittances from US to Mexico

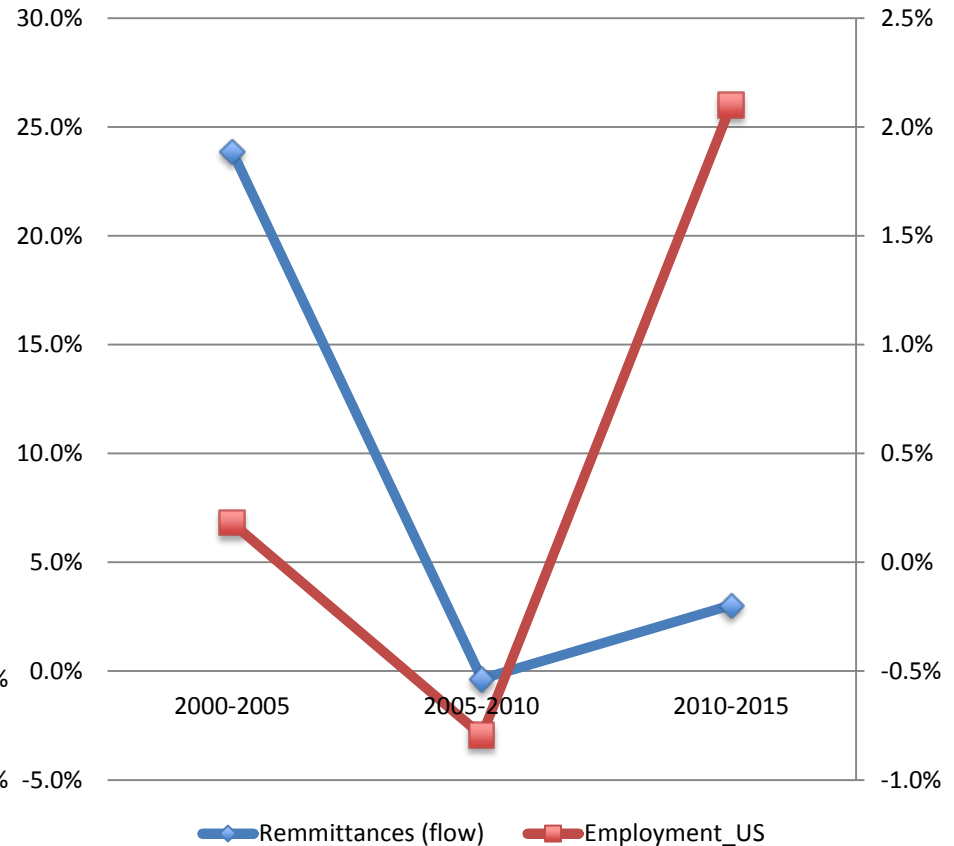


Trends: Stocks and flows

Rate of growth for cummulative remittances and total number of migrants



Rate of growth for annual flow of remittances and US employment



Effects of remittances in Mexico and other parts of the world

- Reduce poverty (Adams & Page, 2005; Acosta et. al., 2008; Esquivel & Huerta-Pineda, 2007)
- Increase education of children (Cox-Edwards & Ureta, 2003; Yang & Choi, 2007; Adams & Cuecuecha, 2010, 2013, 2016)
- Increase investment in houses (Osili, 2004; Adams & Cuecuecha, 2010, 2013, 2016)
- Increase investment in microbusiness (Lucas, 1987, Woodruff & Zenteno, 2007)
- Increase jobs (Orreniuos et. al., 2012)

Their medium to long term impact

- Hypothesis: To the extent that they reduce poverty, fertility and generate better economic conditions they could reduce future migration
- BUT, limits in financial inclusion, weakness in rule of law, and other factors can deter their positive effects
- Research still ongoing to determine the validity of this hypothesis
- These medium term impacts could be very different if economic conditions worsen in Mexico due to a NAFTA elimination

- Prediction of trends are at this moment uncertain
 - Potential of implementation of taxes or measures to control remittance flows
 - Uncertainty about risks of new ICE measures and its impact on remittance behavior
- Thanks!