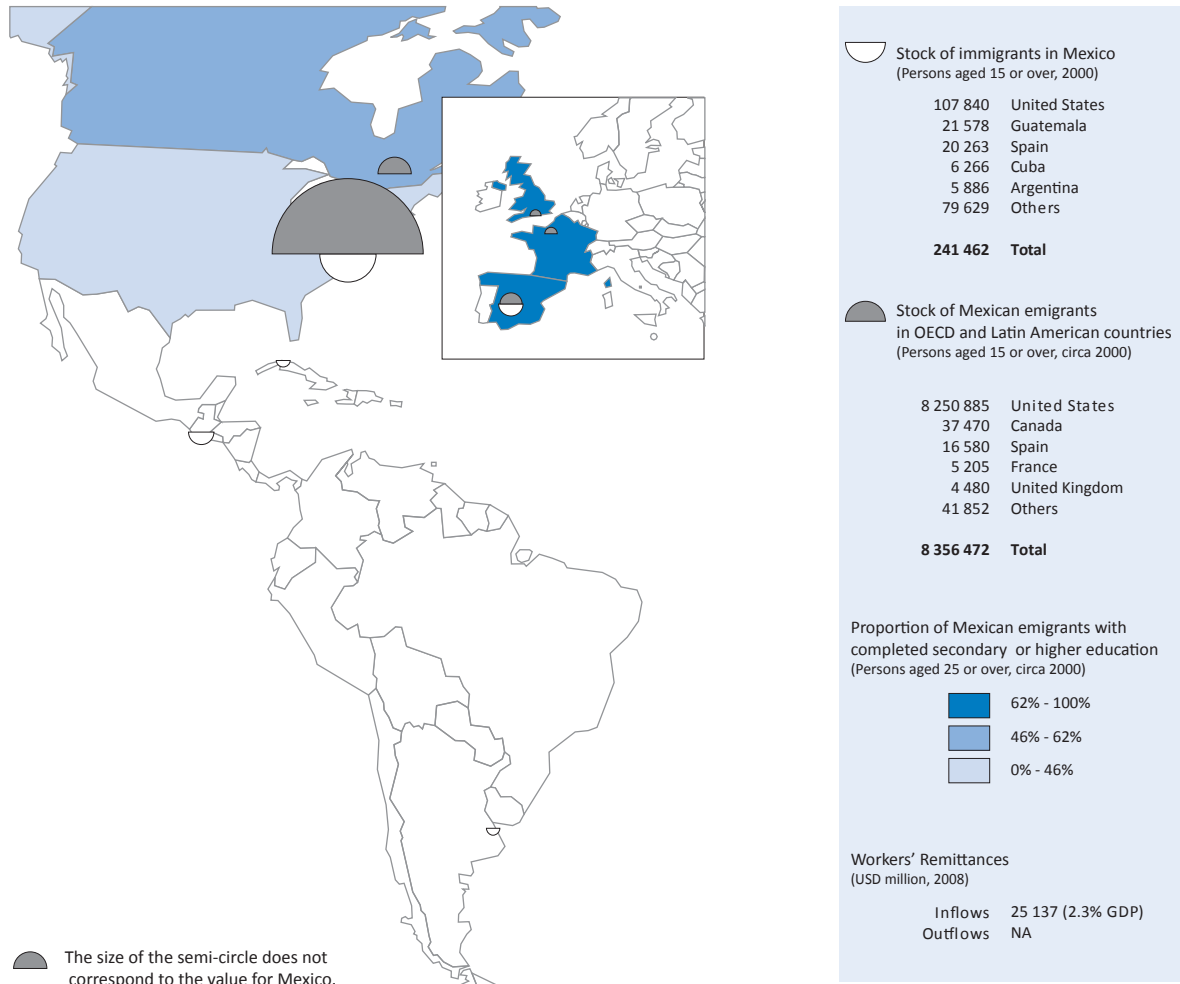


MEXICO

Mexico

Although Mexico has historically welcomed people of different origins, more recently millions of Mexicans have left their homes to go to other nations, primarily the United States.

Figure 1. Stock of Migrants and Level of Education of Mexican Emigrants to OECD and Latin American Countries



Note: This Figure reports the stock of migrants recorded in national censuses and workers' remittances in balance-of-payments data. It will therefore not reflect unrecorded formal or informal flows, which may be material.

Source: For details on definitions and sources, please refer to the Statistical Annex.

Mexico has a complex migration dynamic, including origin, transit, and destination flows; nevertheless, Mexican outflows now dominate. According to the latest census round, there were more than 8.3 million Mexicans living abroad, of whom 99% were in the United States.

Although current immigration levels in Mexico are relatively low and the foreign-born represent only 0.4% of the country's population, the southern border with Guatemala has become a key crossing point for Central American migrants, most of them in transit towards the United States.

The Mexican population in the United States shows a low educational profile: around 70% of Mexicans in the country have not completed secondary education.

Migration History and Policy Developments

Mexico embodies several dimensions of the migration process, being at once a country of origin, transit and destination. Yet, these flows are now dominated by the emigration of Mexicans to the United States. In the latest census round it was estimated that around 13% of Mexicans lived abroad, of whom around 8.3 million were in the United States. A more recent estimate (20087) in the American Community Survey put this figure at more than 11.4 million.

Current migratory patterns have their origins in the first half of the 20th century. During this period, Mexican workers migrated to meet labour shortages in the United States. This need became particularly acute during World War II, with much of the native workforce away on duty. In 1942 the Mexican Farm Labor Program (informally known as the Bracero programme) was created to formalise the temporary employment of workers from Mexico in the United States, mainly in the agriculture sector and railway construction. Over the 22-year period of its life, the programme saw the entry of some 4.5 million workers from Mexico on temporary contracts.

The official end of the Bracero programme in 1964 did not bring a stop to Mexican emigration to the United States. On the contrary, there was a gradual increase in flows, but with two important changes. First many more migrants were now undocumented and, second, flows tended to be more permanent. To respond to this new reality, the US Immigration Reform and Control Act (IRCA) of 1986 attempted to restrict unauthorised migration. It granted amnesty to certain immigrants already in the country, but established sanctions for employers that knowingly recruited undocumented workers.

The pattern of emigration to the United States responds to a combination of structural factors, such as wage and economic disparities, the complementary nature of labour markets and demographics, and a context of increasing economic integration and interdependence between the two countries. Despite currently more restrictive migratory policies, migration continues to be a major focus of political concern. The Mexican government has implemented a series of programmes and institutional reforms to strengthen governance and promote the integration of Mexicans into the host society. These include the creation of the National Council for Mexican Communities Abroad (CNCME) and the Institute of Mexicans Abroad (IME).

In recent decades Mexico has become an important migration transit country: migrants coming from Central America to the United States (mainly from Guatemala) approach by land through Mexico. The Mexican government's response has concentrated on administrative strengthening of its migration control structures and streamlining and reinforcing return procedures for irregular migrants. Bi-national commissions have been established with Central American countries and agreements for orderly return have been signed with Guatemala, Honduras and El Salvador. At the same time, Mexico also plays a leading role in most regional initiatives on migration, particularly the Regional Conference on Migration.

Labour Market

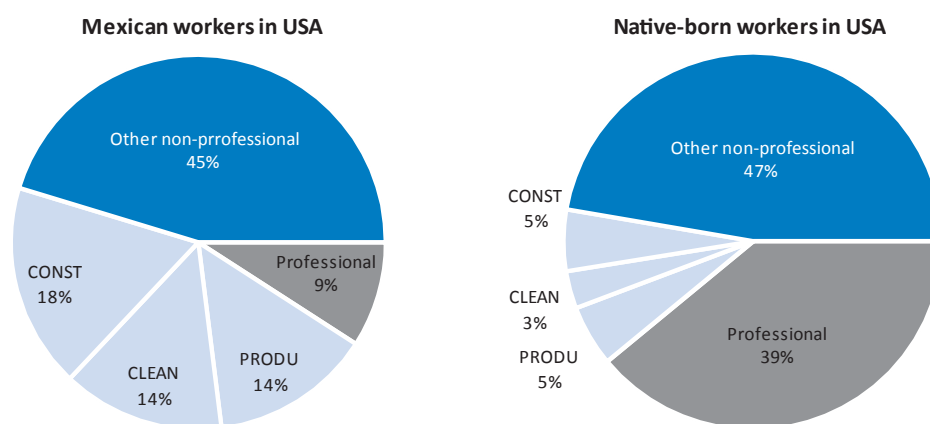
The 2008 American Community Survey confirms the importance of the Mexican labour force in the United States. On its figures there are around 7.1 million Mexicans working in the country, equivalent to 4.5% of the total US labour force.

Most Mexican emigration to the United States is motivated by economics. According to the 2006 Mexican National Survey of Population Dynamics, 76% of migrants were primarily seeking improved employment opportunities. This is reflected in the high activity rates of Mexicans, which are at levels similar to the native-born population.

Their employment pattern, however, differs from the native-born, despite the increasing diversity of the Mexican population in the United States. More than 90% of Mexican migrants occupy low-skilled positions compared with 61% for native-born workers (Figure 2). In particular, Mexicans show a significant concentration in cleaning, construction and production. Among other factors, differences in educational levels and lack of documentation may go some way towards explaining the reduced access of Mexicans to high-skilled jobs in the US market.

This is not to say that highly qualified Mexicans do not go to the United States. On the contrary, they are there in increasing numbers. The 2008 American Community Survey estimated that close to 470 000 Mexicans with bachelor or professional degrees were present in the country.

Figure 2. Distribution of Workers by Occupational Categories
(Percentage, 2009)



Note: The professional category comprises professionals and technicians, items from 001 to 395 of the Census Occupation Code (COC). Other abbreviations used are CLEAN: Building and grounds cleaning and maintenance; CONST: Construction and extraction; and PRODU: Production

Source: OECD Development Centre calculations, based on the US Current Population Survey.

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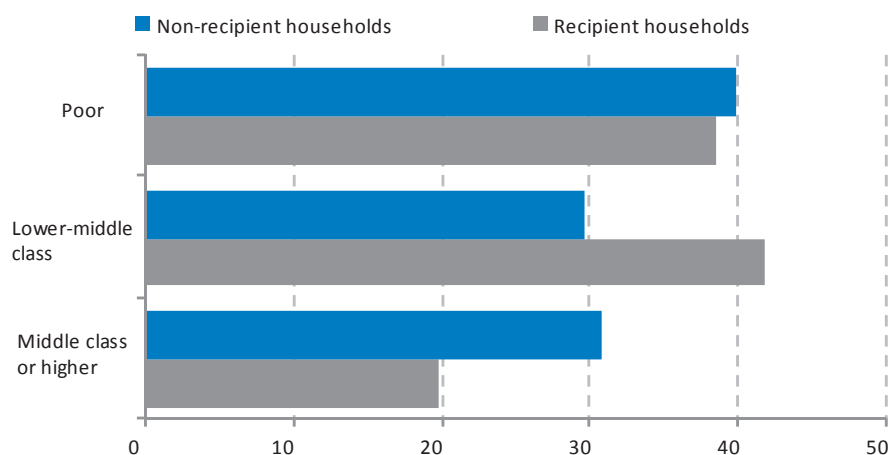
Relationship with the Country of Origin and Integration in the Host Country

From the 1990s onwards Mexico registered significant growth in remittance inflows, mainly from the United States. According to data from the Bank of Mexico, remittances increased from USD 3.7 billion in 1995 to USD 25.1 billion in 2008 (representing 1.3 and 2.3% of Mexican GDP, respectively).

Remittances are a significant currency flow for the Mexican economy, figuring as one of the main items in the balance of payments. In 2008 these transfers were 15% higher than Foreign Direct Investment. However, since 2006 growth in remittances flows has been slowing gradually. The economic crisis has seen them decline in 2008 and the first quarter of 2009.

Transfers of remittances play an important role too in supporting recipient families. The 2006 National Survey of Household Income and Expenditure (ENIGH) found that the monthly average transfer was USD 258 and made up 34% of family income. Around 1.8 million households, 7% of the total, received some form of international monetary transfers.

Figure 3. Distribution of Households by Socio-Economic Group and Receipt of Remittances (Percentage of remittance class, 2005)



Source: Secretaría General del Consejo Nacional de Población (2008).

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Although remittances improve quality of life for recipient households, they do not contribute as much as they might in reducing poverty levels. As shown in Figure 3, the group that benefits most from remittances is the lower-middle class group, which accounts for 42% of recipient households but only 30% of non-recipients. In contrast, the proportion of households below the poverty line receiving remittances, at close to 40%, is similar to those not receiving them.

An interesting policy initiative that has spread in recent years is the “3-for-1” programme. With the aim of encouraging remittance-senders to invest in socially useful and productive projects, this Mexican government initiative sees the federal, state and municipal governments match the funding that communities abroad invest in social projects in vulnerable areas in Mexico. Additional programmes such as *Quién es quién en el envío de dinero* (1998), *Directo a México* (2004) and *Calculadora de Remesas* (2006) have helped channel remittances through the formal financial system and reduce their cost.