Labor Market and Emigration from Mexico during the world economic recession

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Migration and Development:
Comparing Mexico-US and Turkey-Europe
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Speculations about the effects of the crisis on the dynamics of Mexican migration
- Predicted massive migrant return
- Growth rate of the immigrant population flow from Mexico has declined

Recession impact on Mexican -US migration
During the last three decades, there has been increased pressure on the Mexican labor Market.

- growing numbers of youngsters
- women entering the labor market
- displaced workers
On average from 1994 to 2009 the Mexican economy grew 2.3 percent.
Mexican population 15-64
In 1994 = 53.1 million
In 2010 = 71.5 million (34.7% increase)

In 1980 32% of the population in 15-64
In 2000 61%
In 2010 64%

Growth in working age population
Growing Female Participation Decreasing Male Participation
Mexico’s labor legislation has not experienced change since the 1970’s

High labor cost in private and public sector

Regime of informality in Medium and small businesses in order to have flexibility but leaves workers with low levels of job security.

A dual labor market has emerged from this situation generating negative outcomes in terms of:
  ◦ productivity,
  ◦ competitiveness
  ◦ and social security

A labor reform promoting flexibility in formal employment is being discussed in Congress.
Low Unemployment
High Informality

Rates

Source: ENOE (National Occupation and Employment Survey)
Source: Instituto Mexicano del Seguro Social

Workers affiliated to IMSS
Migration Flows

Source: Passel and D'Cohn, based on CPS
Mexican-born population in the U.S.

Source: Passel and D'Cohn, 2009 (Based on CPS)
Mexican international emigrants and return migrants, five-year estimates (thousands)

One fifth of Mexican working-age males live in the U.S.
% Mexican-Born Adults in US by Educational Level (2009-2010)

Source: Lowell and Pederzini, 2011
Age Group

Source: Lowell and Pederzini, 2011
Informality and emigration flows are in part due to the inability of the Mexican labor Market to accommodate a larger work force. A greater return rate and a decreasing flow of workers to the US impose a major challenge to the Mexican Labor Market.

Concluding Remarks