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

Source: ENOE (National Occupation and Employment Survey)
Workers affiliated to IMSS

Source: Instituto Mexicano del Seguro Social
Migration Flows

Source: Passel and D'Cohn, based on CPS
Mexican-born population in the U.S.
Mexican international emigrants and return migrants, five-year estimates (thousands)

One fifth of Mexican working-age males live in the U.S.

Source: Lowell and Pederzini,, 2011
% Mexican-Born Adults in US by Educational Level (2009-2010)

Source: Lowell and Pederzini, 2011
Age Group

25-34

35-44

45-54

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**