

Discovering Diverse Mechanisms of Migration: The Mexico-US Stream from 1970 to 2000

by Filiz Garip

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Diverse mechanisms lead individuals to migrate to the United States. These mechanisms are captured in various migration theories developed in multiple disciplines. In neoclassical economics, higher wages in destinations propel migration of individuals who expect to earn more there. In new economics of migration, uncertainty in the origin economy leads to migration from households that face risks to domestic earnings. In cumulative causation theory, the growing web of social ties between origin and destination fosters migration of individuals who are connected to prior migrants.

Recent research argues that the various causal configurations, implied by different theories, are not mutually exclusive. Income-maximizing migrants can coexist alongside migrants who seek to diversify risks, or those who join family or friends because of social ties to destination. My work, supported by a Junior Faculty Synergy Semester Grant from the Weatherhead Center, provides a novel empirical strategy to identify the diverse mechanisms underlying migration. This strategy involves cluster analysis, an inductive and data-driven method, to discover the distinct causal configurations that characterize different migrant types.

This approach provides a new perspective to understand the migrant stream between Mexico and the United States. This stream, the largest in the world today, has continuously increased in recent decades, leading to a migrant population of 8.4 million by 2000. During this period, the economic, social, and political conditions in the two countries changed drastically. These changes also shaped the character of the migrant stream, leading to a Mexican population that is diverse in backgrounds and objectives in the United States.

Applying cluster analysis to the Mexican Migration Project (MMP) data, from about 17,000 first-time migrants over a 30-year period from 1970 to 2000, my study identifies *four distinct types of migrants* based on individual, household, and origin community characteristics. These types corresponded to specific theoretical accounts and gained prevalence at specific time periods depending on the economic, social, and political conditions in both countries. Below, I describe the major trends characterizing the Mexico-US migration context and establish their connection to the prevalence of different migrant types in my data.

The Context of Mexico-US Migration and the Prevalence of Migrant Types

Starting in the 1960s, Mexico experienced a prolonged decline in agricultural productivity. This decline led to a shortage of job opportunities and the worsening of liv-

ing standards for low-income families in rural regions. Through the 1970s, the reductions in arable land and declining prices of agricultural products pushed the country into a deep agricultural crisis. The increasing mechanization of agriculture in this period contributed to further displacement of farm workers, most of whom migrated to internal or international destinations. The workers that migrated to the United States filled farm jobs, which, following the Bracero Program, had come to be defined as immigrant jobs and socially unacceptable to US citizens.

In my data, the majority of migrants in the 1970s were male household heads from rural areas with little education and few assets, who sought to increase their earnings by moving to the United States. This group, which I label the *income maximizers*, were particularly strained by the economic conditions in Mexico at the time. In neoclassical economics theory, income maximizers are expected to migrate from a low-wage origin to a high-wage destination to increase their earnings. This proposition implies that the share of income maximizers in the data should respond to changes in Mexican or US wages.

The upper-left panel of Figure 1 displays the percentage of income maximizers alongside the average hourly US wages over time. The values for the former series are shown in the left-hand side y-axis, and the values for the latter (converted to US dollars in year 2000) are shown in the right-hand side. The two trend lines follow a similar path. Income maximizers attained their largest share, comprising 40 percent of the sample, in 1970 when US wages were high, around \$15.00 per hour. The share of income maximizers receded to 30 percent in 1980, when the US wages had declined to \$13.50 per hour, and eventually dropped to 10 percent in 1990 when the US wages obtained their lowest value of \$12.50 per hour.

Along with the decline in agriculture, a number of conditions in the Mexican economy changed in the late 1970s. In 1976, after two decades of stability, the Mexican peso was devalued 45 percent in terms of the dollar. In the early 1980s, oil prices plummeted globally and caused a sharp decline in Mexico's revenues from oil exports. This decline, coinciding with two peso devaluations in 1982, led to a significant drop in wages and a sharp increase in inflation and interest rates. These conditions hit the Mexican middle class particularly hard. The 1982 crisis also caused a shift in Mexico's development model, and led to the state's withdrawal from the agriculture sector and reduction of agricultural subsidies. As a result, middle-income rural families that owned small agricultural units faced serious setbacks.

In my data, the majority of migrants in the 1980s originated from households with substantial assets, land in

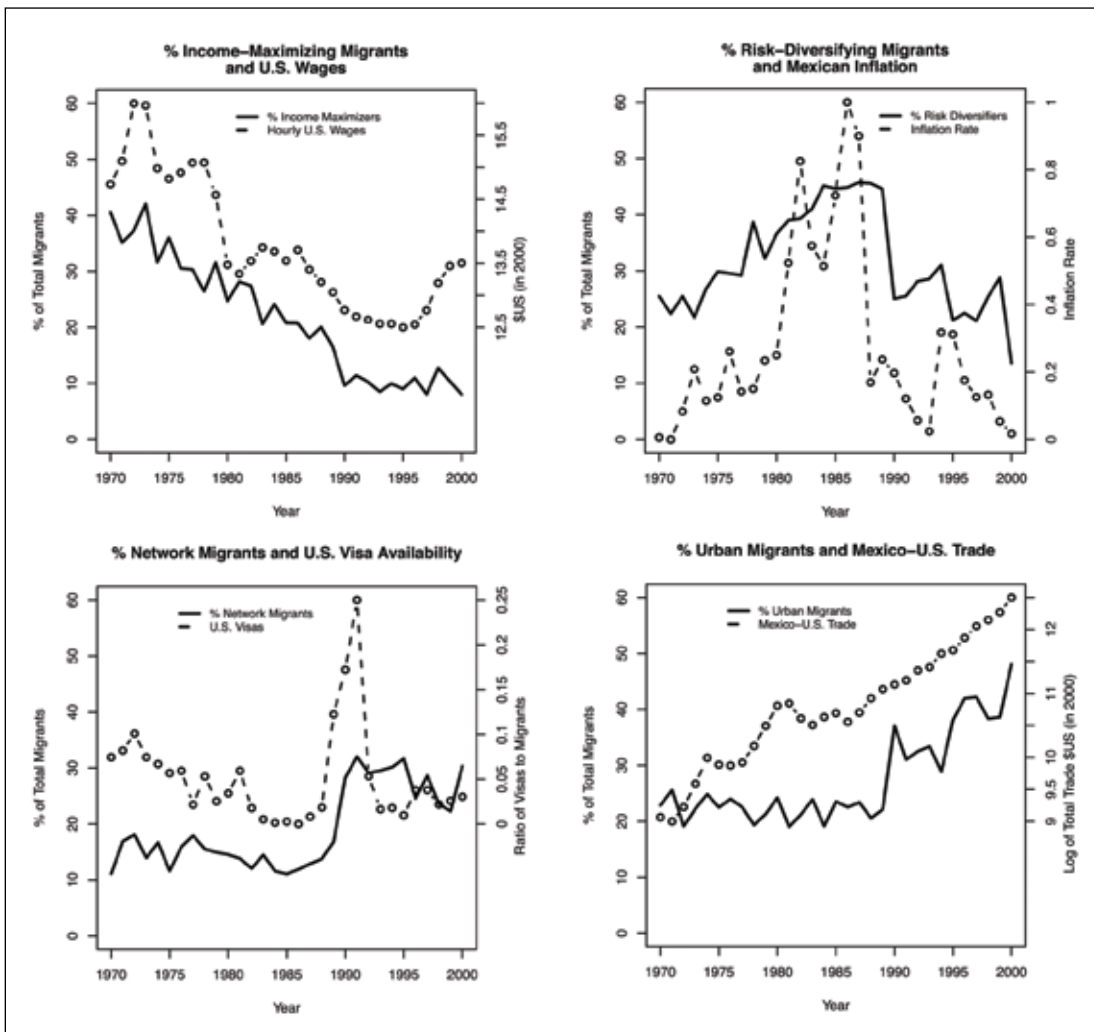


Figure 1. Trends in the Context of Mexico-US Migration and the Prevalence of Migrant Types.

particular, in rural communities. These migrants, which I call the *risk diversifiers*, experienced the pronounced effect of the economic downturn, and, as predicted by the new economics of migration theory, moved to the United States to diversify the risks to their subsistence.

The upper-right panel of Figure 1 juxtaposes the trends in the percentage of risk diversifiers and the Mexican inflation rate, a proxy for the economic uncertainty in the country. The two trend lines closely follow one another. Risk diversifiers attained their largest share, making up about half of the sample, in 1985 when the Mexican inflation rate was at its highest value of 60 percent. As the inflation rate dropped to 10 percent in 1990, the share of risk diversifiers plunged to 25 percent.

In addition to signaling the start of the economic recession in Mexico, the early 1980s marked a period of political backlash against undocumented migration in the United States, which culminated in the passage of the Immigration Reform and Control Act (IRCA) in 1986. IRCA, on the one hand, increased border enforcement and sanctions on employers hiring undocumented migrants. On the other hand, it legalized 2.3 million Mexican migrants in the United States. While the employer

sanctions discouraged the migration of men for work, the legalizations increased migration by women and dependent children for family reunification.

In my data, a large share of migrants in the post-IRCA period contained women with family or community ties to prior US migrants. This group, which I call *network migrants*, exemplifies a prediction of cumulative causation theory: past migration creates social ties to destination, which facilitates more migration.

The lower-left panel of Figure 1 shows side by side the percentage of network migrants and the ratio of available visas to Mexican migrants. The two lines spike in the same period immediately following IRCA. Although the ratio of visas dropped after 1990, the network migrants retain their level owing to higher incentives for the relatives of the newly legalized Mexicans to migrate as well, albeit without documents.

The passage of IRCA in 1986 coincided, ironically, with Mexico's admission into the Generalized Agreement on Tariffs and Trade (GATT), which accelerated the trade flows between Mexico and the United States at an unprecedented rate. The implementation of the North American Free Trade Agreement (NAFTA) in 1994 further

Continued on page 16