

Causes, processes, policies:

Mexican migration in an age of uncertainty.

Agustín Escobar.

Dealing with the causes.

Migration analysts have insisted since the 80's that development is the comprehensive goal, and that migration should be approached from a development perspective. But exactly how to go about development, and how to place migration in a development perspective is another matter.

There is no agreement on the general strategy, although remittances, returns, the acquisition of new competences, investment and social capital generated through migration can all contribute to development.

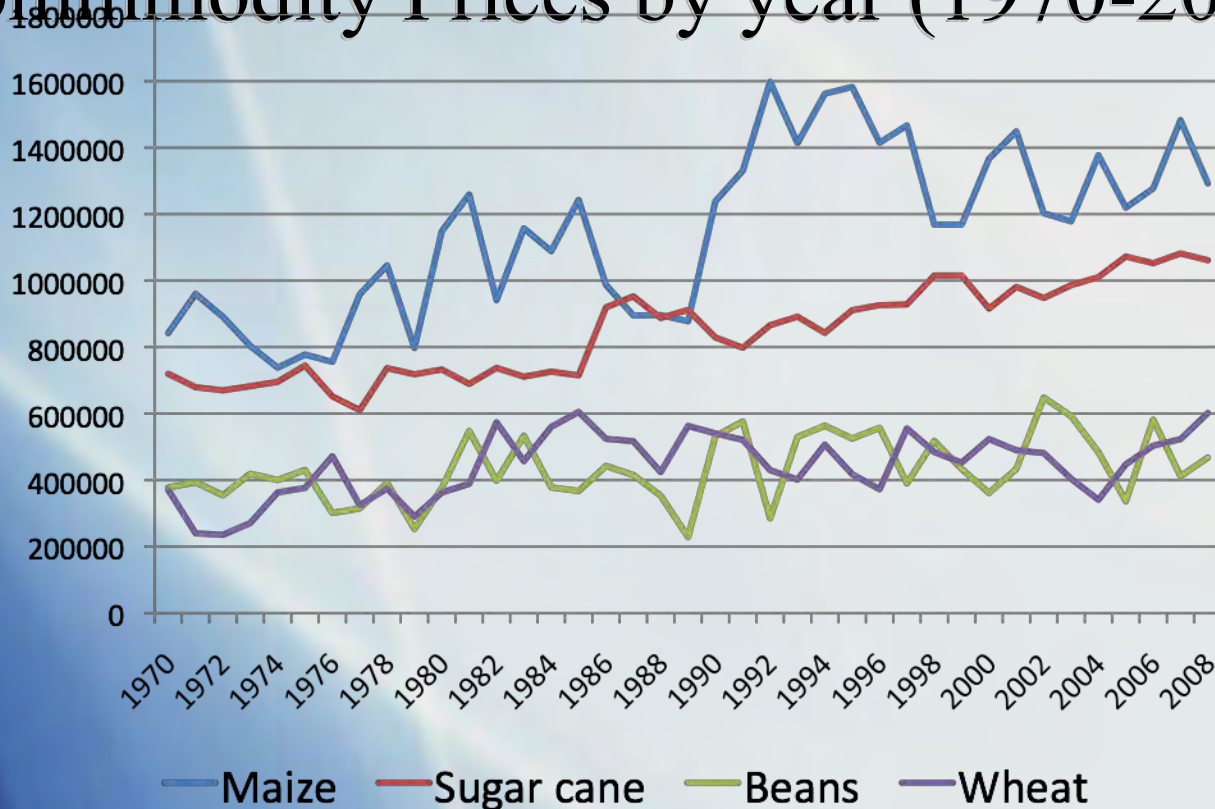
Causes: obvious or not so?

- Also, there is disagreement about underlying causes.
- It seems obvious: GDP, jobs, wages and productivity growth have been low and erratic.
- But what causes low growth is controversial.
- In my view, increasing emigration was mostly the outcome of a mismanaged political crisis in 1968 - 72, and an increasingly ineffective state.

Governance as cause of emigration

- Largest relative upsurge in migration flows occurred in the 1970's.
- After student unrest in 1968 - 71 and rural guerrillas, president Echeverría froze crop prices, tripled credit to farmers, lowered government ability to buy and store grain, while keeping prices to consumers low.
- Corn production fell and imports rose. Government expenditure rose through higher subsidies to consumers, higher imports, and more credit.
- This is not a right - and - left dilemma: it's political control at a high price.
- Economic “models” matter, but there are successful instances of various models in LA. The reason why Mexico is not has less to do with the model than with effective decision-making and implementation.

Commodities Production in International Commodity Prices by year (1970-2008)



Source: FAOStat, <http://faostat.fao.org>, retrieved on November 2010

Governance today

- Political change and institutional reforms made the government weaker, and thus less able to carry out reforms successfully.
- This is made harder by decentralization. States went from controlling 16% of the budget to approximately 44% today. Federal - State coordination is difficult.
- Today, change has to come gradually, and consensus is more difficult to achieve and enforce.
- Progress is being made, but slowly:
 - accountability of “Branch 33” of the budget (48 Bn Dollars).
 - Evaluation of social programs is increasingly effective.

Structural and personal

- Also, while analysts agree on the role of poverty, jobs, and wages, this does not translate directly into flows.
- The unemployed and the poor do not migrate to a greater extent than others.
- These links exist but they are complex: take the case of poverty

Poverty, migration, remittances

- The frequency of remittances among Mexico's 20% poorest household is high.
- In that group, 8% of the households receive remittances, and these account for 51% of total household income in 2000.
- But remittances to Mexico's 20% highest income group are higher.
- And remittances to Mexico's 5% poorest are extremely low.

From cause to process to policy

- As migration unfolds, it ceases to respond to original causes, and responds to new conditions.
- These new conditions (or processes) can be addressed through policy.
- I address only two kinds of migration, responding to specific conditions: “basic needs” and “risk and asset” migration.

Two reform scenarios

- Reforms are difficult. They can be mistaken, they always harm someone, they cost and they need to be reformed.
- It makes sense to phase them in, and to think of them as gradual processes.
- One “mini” reform scenario, one “moderate” reform scenario.

“Mini” reform for “basic needs”

- One kind of person migrates because she needs higher income to meet basic needs.
- For this kind of migration, the current push to “Social Protection Systems” is an answer.
- These systems are spreading through L.A. And other higher-income developing countries.
- They include a Cash Transfer Program, improved health care, and non-contributive pensions. Sometimes unemployment benefits.
- Together with reasonable income opportunities, they can both retain population and attract it back: “catastrophic” emigration is significantly diminished.
- (And poorer migrants are much less successful today).

“Mini” reform: PROCAMPO

- Rural areas are still the main source of international emigration.
- Created in 1993, to offset the loss of pre-NAFTA subsidies.
- But its coverage of poor producers is quite low and falling.
- Implementation needs substantial improvement.
- Improving PROCAMPO will retain both “basic needs” and “risk and asset” migrants.
- (An altogether new program would be much better).

Employment promotion

- “First job” program created in 2007 did not work, was superceded by emergency subsidy for technical stoppages during the recession (2008-9).
- But needs to be revived and made to work.
- Congress announced another program just like the first. Wait and see.

“Mini” reform: Change the attitude and the rhetoric

- Some argue the Constitution bars exit inspections.
- At which point does a parent taking his child into the Arizona desert become an unfit parent? At 1/1000 death rate, at 1/10?
- Paternalism is not a dirty word: mandatory education...
- Freedom of transit must have a limit when a government's duty to protect lives and to respond to intergovernment relations are at stake.
- Migrants have rights, but laws should be enforced.

From “mini” to “modest”

1. Matching funds for microenterprise, small farms (not microfinance). Mainly aimed at “risk and asset”, or target, migrants.
2. Effective energy reform.
3. Globalized manufacturing with significant Mexican inputs.
4. Services.
5. Small farmers to market.
6. Health, security and housing away from the employment nexus and into general taxes.
7. Formalize.
8. True, these are general reforms. But their impact on emigration should be positive and substantial.



Thank you.