Ballad of the Immigrant

Mexico, my homeland,
Where I was born Mexican,
Give me the benediction
Of your powerful hand.

I'm going to the United States
To earn my living;
Good-bye, my beloved country,
I carry you in my heart.

Don't condemn me
For leaving my country,
Poverty and necessity
Are at fault.

Good-bye, pretty Guanajuato
The State in which I was born.
I'm going to the United States
Far away from you.

-Anonymous  

1. MARILYN P. DAVIS, MEXICAN VOICES, AMERICAN DREAMS: AN ORAL HISTORY OF MEXICAN IMMIGRATION TO THE UNITED STATES 8 (1990).
Patterns of Migration: The Revolving Door from Western Mexico to California and Back Again

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I.
INTRODUCTION

If one were to stand on the California border with Mexico over the course of the twentieth century, one would observe Mexican migrants surging across the landscape—from both directions. In Western Central Mexico, Michoacán has been one of the highest sending regions of migrants since the 1920s.2 If popular opinion is correct, we would expect to see the Mexican countryside deserted in these areas. But this has not happened. Instead, we find that many migrants return to Mexico. Why is there return migration considering all the apparent benefits of permanent settlement in California? From the United States' perspective, a 'nation of immigrants,' the incidence of Mexican migration presents a unique case because of the impact of transitory migrants on U.S. labor markets and regional California economies. If this article can clarify the underlying motivations for labor migration, it can also shed light on the degree to which border controls and other immigration policies affect the decision to migrate.

A. Conceptual Framework

The phenomenon of return migration can be conceptualized in various ways. The first view is that individuals initially decide to migrate for a specific period of time, after which they will return to their country of origin. This framework would apply to migrants who have temporary work permits and those who do not have such permits for seasonal work.

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This view suggests that "workers consciously decide to immigrate to the United States... and then return to their home countries after accumulating sufficiently large levels of capital or wealth." An alternative view of this phenomenon is that individuals plan to migrate permanently, but after a period of time choose to return to their country of origin. In this sense, the original migration decision proved to be a miscalculation of the economic conditions in the receiving country. This study shall approach return migration from both perspectives since it seeks to find which motivation for migration is at work. In addition, the terms "temporary migration" and "return migration" shall be used interchangeably to refer to a migrant's temporary stay in the United States. Recurrent migration means that migrants repeat the original pattern of a temporary stay in the United States. The term "migrant" shall refer to a migrant from Mexico to the United States. It is preferable to the term immigrant which implies that the individual intends to settle.

I have developed two hypotheses to explain the phenomenon of return migration: (1) discrimination in the labor market; and (2) economic motives. My first hypothesis correlates social and economic discrimination in the U.S. with return migration. My second hypothesis looks at the cause of return migration from a microeconomic vantage point, as a household economic strategy.

In the following section, I expand and clarify the puzzle I intend to investigate. In the third section, I discuss my central hypotheses and the theoretical bases from which they are born. In addition, I define the relevant variables of my hypotheses in this section. In the fourth section, I shall present my research design and operationalize the relevant variables.

B. The Prevalence of Migration Streams from Western Mexico

Studies of migration from Michoacán, a state in Western Mexico, highlight the prevalence of return migrant streams from the 1960s to the present day. In the 1960s, the region of Huecorio, Michoacán experienced the outmigration of one-third of its male adult population, most of whom traveled North to work as braceros (temporary agricultural workers). In an even more dramatic illustration, in Tzintzuntzan, over half of the adult males (53%) worked as braceros during the 1960s. The following table from a 1978 study measuring the duration of last trips to the U.S. of migrant parties from Guadalupe, Michoacán indicates the

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4. Id.

5. The Bracero Program was established by the United States government and operated between 1940-1964 to provide legal migration permits to Mexican agricultural workers. These workers were allowed temporary residency during the harvest season. When the season ended, these workers would return home.

prevalence of migrants from Michoacán to return to their home state. The majority of migrants stayed in the United States less than one year. Surprisingly, even legal migrants who have the option of living in the United States, nevertheless choose to return to their home state after their work season ends. Undocumented migrants, on the other hand, stay a little longer in the United States because, once they have eluded the authorities, they have a greater incentive to remain.\(^7\) Since most apprehensions occur within 72 hours of crossing the border, undocumented migrant who can find work and remain undetected, is wise to stay as long as possible to earn as much as possible in one trip.

Table 1: Duration of Last Trip to the US of Migrant Parties from Guadalupe, Michoacán, 1978.\(^8\)

<table>
<thead>
<tr>
<th>Number of Months spent in the US</th>
<th>1-12 mo.</th>
<th>13-24 mo.</th>
<th>25-36 mo.</th>
<th>37+ mo.</th>
<th>Total</th>
<th>Avg.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Documented* Families</td>
<td>94.3%</td>
<td>4.1%</td>
<td>.5%</td>
<td>1.0%</td>
<td>100%</td>
<td>9.4</td>
</tr>
<tr>
<td>Undocumented ** Fams.</td>
<td>81.4%</td>
<td>11.0%</td>
<td>5.9%</td>
<td>1.7%</td>
<td>100%</td>
<td>12.4</td>
</tr>
<tr>
<td>Mixed* ** Fams.</td>
<td>91.0%</td>
<td>---</td>
<td>4.5%</td>
<td>4.5%</td>
<td>100%</td>
<td>12.6</td>
</tr>
<tr>
<td>Total Migrating Families</td>
<td>89.5%</td>
<td>6.3%</td>
<td>2.7%</td>
<td>1.5%</td>
<td>100%</td>
<td>10.7</td>
</tr>
</tbody>
</table>

* Send only documented migrants to the US
**Send only undocumented migrants to the US
***Send both undocumented and documented migrants to the US

Moreover, surveys of villages from 1982 in Michoacán, found that almost half of the households surveyed contained currently active migrants.\(^9\) For example, in Chamitlan, a small rural farming community, 25% of working-age young men have migrated to the United States, and in nearby Altamira, a commercial farming center, the figure is a comparable 20%.\(^10\)

\(^7\) According to the study, duration of the time is measured as the length of time spent away from "Guadalupe" not necessarily all of which is spent in the U.S.

\(^8\) MASSEY & REICHERT, Patterns of U.S. Migration, supra note 6, at 103.


\(^10\) Id. at 111.
C. The Spatial Orientation of Migration: Western Mexico to California

Studies have shown an identifiable spatial route from Western Mexico to California. Furthermore, evidence points to Michoacán and the other states of the Western Mesa Central as the primary sending states. Studies indicate that among undocumented immigrants apprehended by the Immigration and Naturalization Service in California, nearly half (48%) of them were from the two states of Jalisco and Michoacán. The primary sending states of the Western Mesa Central show a negligible contribution of migrants to other states; this supports the idea that migration streams are channeled to California. Richard Jones' analysis of prominent sending regions also shows a correlation between those areas in Mexico which have a relatively high proportion of migrants (i.e., migrant density) and destinations in California. His findings confirm the prominent role of Western Mexico as a sending region and of Michoacán as a sending state. The cause, however, of return migration to Western Mexico remains a puzzle.

D. Theoretical Perspectives

In this paper I shall explain some of the theoretical perspectives on migration patterns that I employed to generate my hypotheses and to define the key independent variables. To establish my first hypothesis that migrants return home in response to discrimination in California, I identify the relationship between temporary migration and settlement as a function of socio-economic integration into the host society. The degree of integration in economic, social, and cultural life in the United States determines the migrant's decision to permanently settle. The converse of this is likewise true: isolation of groups through discrimination in terms of biased hiring practices or occupational mobility interferes with assimilation into the larger host community. Undocumented and legal migrants confront these economic obstacles to assimilation—obstacles which reinforce their identification with their Mexican nationality instead of that of their host country. To test whether discrimination causes return migration, I analyze and compare the concentration of migrants in specific occupations, their associated wage rates, and their working

11. Id. at 165.


14. Id.

15. Id.

16. MASSEY ET AL., Return to Aztlan supra note 9, at 148.
conditions to those of native born white and native born minorities.

Neoclassical theories of economics relate most directly to my second hypothesis that immigrants return home to take advantage of a higher standard of living that they can sustain with U.S. wages. From the macroeconomic perspective, an individual weighs the benefits and costs of migration to the United States against the locally available income-generating economic activities. Studies have shown that income remittances from the migrants to their households in Mexico are a standard practice and are critical to those household members remaining in Mexico.\textsuperscript{17} I will incorporate this conceptual basis in my second hypothesis when I analyze the household economy influence on the decision to migrate temporarily.

This paper analyzes return migration from the view of household economic strategy. Mexican migrants plan short-term stays in the United States to improve their standard of living in Mexico. According to Silvano Levi, who studied temporary migration from Michoacán to the midwest, "[after the debt which was acquired to cover the expenses of the trip to the Untied States was paid back, 100\% bought clothes, 93\% bought durable consumer goods, 35\% bought land and 71\% built or repaired their home."\textsuperscript{18} This explanation of return migration is strengthened by statistical portraits of migrants as predominantly young (average age 27.5), male (60\%), unmarried (62\%), not heads of households, and typically not the poorest of the village.\textsuperscript{19} In addition, migrants often possess community contacts in the host country that provide housing and employment.\textsuperscript{20} According to Massey and colleagues:

> Although incentives to migrate are strong, international migration is not undertaken lightly; rather, it is employed strategically at particular points in time for specific reasons. It is part of a tightly circumscribed socioeconomic process rooted in the household and its needs. Household members are embedded within a set of family relationships that determine when, why and where they migrate. To understand why migration occurs, one must understand how it fits within the larger household economy.\textsuperscript{21}


\textsuperscript{18} SILVANA LEVI, RURAL CHANGE AND CIRCULAR MIGRATION TO THE UNITED STATES. A CASE STUDY FROM MICHOACAN, MEXICO 33, 35 (Universidad Nacional Autonoma de Mexico Boletin de Geografia No. 23, 1991).

\textsuperscript{19} Edward J. Taylor, Migration Networks and Risk in Household Labor Decisions: A Study of Migration from Two Mexican Villages 60 (1984) (unpublished Ph.D. dissertation, University of California (Berkeley)).

\textsuperscript{20} Id. at 63.

\textsuperscript{21} MASSEY ET AL., Return to Aztlán, supra note 9, at 173.
These profiles identify international migration as a labor supply decision undertaken by households at specific junctures. The source of temporary migration has been explained as a response to sudden economic demands on households such as unexpected crop failures, debts, and expenses such as weddings or funerals.\textsuperscript{22} Migration patterns have also been shown as following historical migration networks (i.e. social/kinship ties between communities on both sides of the border) rather than being isolated individual movements.

In sum, my hypotheses cover the aspects of migration from two angles: the first hypothesis assesses the process of assimilation and isolation of both return and settled migrants to determine if discrimination in the host country causes return migration. The second hypothesis measures micro and macroeconomic incentives to migrate to determine if economic factors are the primary causes of temporary migration.

E. \textit{Research Design}

I have chosen the state Michoacán in Western Mexico as the focus of my discussion because it has historically been a sending state to California and also because it depends on agricultural municipios which are scattered throughout the state. Areas such as Michoacán developed a tradition of migration to the U.S. in response to limited opportunities following the Porfirián economic modernization and the Mexican Revolution.\textsuperscript{23} In particular agricultural areas, this trend was facilitated by the Bracero Accords.\textsuperscript{24} When cash crops dominated the 1970s, it became profitable to rent ejido parcels to growers and to migrate to the U.S. for work. "According to the 1980 population census 45,000 people from Michoacán . . . had lived away from the country for six months or more, the majority being return migrants from the United States."\textsuperscript{25} In sum, Michoacán reflects an appropriate case study due to its historical status as a major sending state to California, its regional economy, and its historic trend of return migration.

For each of my hypotheses, I have developed indicators for the independent variables. For my first hypothesis I have divided the concept of discrimination into the dimensions of legal and discretionary forms of discrimination and found indicators for these dimensions. Indicators for legal discrimination would include U.S. laws regarding hiring of undocumented migrants and deportation of undocumented migrants; indicators for discretionary discrimination include the contract labor system of hiring and paying migrants less than minimum wage and the poor working conditions and substandard housing conditions that often accompany seasonal and temporary workplaces.

To establish the causal relationship of my second hypothesis, I have

\textsuperscript{22} \textit{See generally} MERILEE S. GRINDLE, SEARCHING FOR RURAL DEVELOPMENT: LABOR MIGRATION AND EMPLOYMENT IN MEXICO 23-49 (1988).

\textsuperscript{23} MASSEY ET AL., \textit{Return to Aztlan}, \textit{supra} note 9, at 68.

\textsuperscript{24} \textit{Id.} at 77.

\textsuperscript{25} LEVI, \textit{supra} note 18, at 35.
divided the concept of the economic advantage of U.S. earnings into several indicators in order to measure the strength of the independent variable. First, I compare income in Mexico for agricultural day labor to the potential earnings for the same type of work in California. I then identify the correlation between U.S. income and temporary migration by observing the role of remittances in community development—migrant communities with return migrants are able to invest income earned from abroad in public services (e.g., roads and amenities).

The following section elaborates on the historical trend of migration in response to economic, political and social factors. Migration streams become stronger and more responsive to economic conditions as migrant networks mature. These migrant networks are linked to every migration wave and allow for communication and coordination between would-be migrants in Mexico and employed migrants in California. The following historical background describes the major phases of migration.

II. MIGRATION POLICIES IN HISTORICAL PERSPECTIVE

The following section shall divide Mexico-United States migration chronologically according to the three major stages of government policies on both sides of the border. The first period dates from 1880-1930; during which time the U.S. government pursued an open border policy encouraging immigration. The Mexican government, fearful of its own labor shortages and of the potential for further U.S. expansionism, opposed the outmigration. The second period, dating from 1930 to 1964, encompasses not only the episodes of mass deportation of migrants from the United States but also the Bracero Program, the official United States temporary worker program from 1942-1964. During the third period, covering 1965 to 1990, the United States immigration laws became increasingly restrictive, whereas the Mexican government adopted a 'laissez-faire' approach to immigration.

A. The Open Border Years: 1880-1930

In the late nineteenth-century, the southwestern region of the United States experienced tremendous demands for labor, partly in response to ambitious infrastructure building and partly in response to recent laws that restricted Chinese immigration to the United States. As workers


27. Id. at 5.

28. Id. at 3.

29. Id. at 7-11.

30. Id. at 4.
gained more bargaining power because of this shortage of labor, they began to agitate for higher wages and better working conditions. U.S. employers responded to these demands by recruiting Mexican miners to lay down rails for the railroad and as day laborers to harvest crops. The U.S. government, in turn, preferred Mexicans as a cheap source of temporary labor over other immigrant groups. This preference is illustrated by the growth of the Mexican population in the U.S. during this time. Most of these immigrants worked for industrial agriculture.

A series of actions taken during this period facilitated this Mexico-United States migration of laborers. First, the 1917 Immigration Act allowed Mexicans to migrate to the United States without having to pass the normally required literacy test. Second, these migrants were exempted from the National Origins Act of 1921 and 1924 that limited immigration to 3% per year of each nationality present at the time of the United States census of 1910. Moreover, since this act forbade entry to people with more than 50% Indian blood, U.S. officials classified Mexicans as "white." Third, employers actively recruited temporary workers from the border areas, thereby marking the beginning of a labor contract system. Nonetheless, despite this somewhat liberal position, the United States government's policies toward Mexican immigration did fluctuate over the decades in response to business cycles. For example, an economic recession in 1921 promoted a massive repatriation of Mexican migrants. In 1924, the government established the Border Patrol in an effort to control the flow of undocumented migrants into the United States.

On the other side of the border, the conditions in Mexico for the small farmer served as a strong push for immigration to the United States. In the rural economy at the turn of the century, small farmers found it difficult to survive amidst changing land policies. President Porfirio Díaz set out to privatize land that had historically been communally owned. As a consequence, "ejido farmers lost their land to

31. Id.
33. Id. at 30.
34. Id. at 43-44.
35. Alarcon, Labor Migration, supra note 26, at 4.
36. Id.
37. Id. at 21.
38. Guerin-Gonzalez, supra note 32, at 31-33.
39. Alarcon, Labor Migration, supra note 26, at 5.
40. Id.
42. Id.
speculators and creditors and were forced to sell their labor for wages. By
1910, over 97% of all families in the North Central States had no land."
Under the new *hacienda* system, peasants could no longer make enough
money to live and feed their families. As a result, a peasant and his
family became indebted to creditors. "This debt was accumulated from
year to year and generation to generation." Although the work in the
United States was difficult, it offered higher wages to migrating peasants
and relieved them from the interminable debt created by the *hacienda*
system. Moreover, with the connection of the Mexican National Railroad
from Western Central Mexico to the U.S.-Mexico Border, travel to the
United States became easier.

The Diaz government viewed this outmigration as a threat. On the
local level, outmigration troubled *hacienda* owners who found it difficult
to maintain their supply of labor when migrants returned glorifying work
in the U.S. The Mexican government also opposed outmigration
during this period because of nationalism and fear of U.S.
encroachment. According to Alarcon, "this stand reflected a fear of
U.S. expansionism that had existed since Mexico lost half of its territory
as a consequence of the U.S.-Mexico War of 1847." When the Madera
government succeeded the Diaz government, this resistance to U.S.
migration continued. For example, propaganda notices were sent to
towns to warn potential migrants against leaving. These notices
informed the residents of the inhospitable working conditions to be found
in the U.S. and of the risk of deportation. By the time President Carranza
took office, the Mexican government finally realized that efforts to
contain would-be migrants were useless. Instead, they focused their
efforts on protecting Mexican workers in the U.S. by granting incentives
such as free return trip railroad passes so that the migrants would not be
left stranded in the remote areas where they were often working.


The second phase of immigration policies included both xenophobia
and reactionism on the part of the U.S. government as well as an
agreement between the U.S. and Mexican governments for an official
temporary worker program. In response to the Great Depression, the U.S.
government had reversed their open border policy toward Mexican

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43. Id. at 28.
44. MASSEY ET AL., *Return to Aztlán, supra* note 9, at 40.
45. ALARCON, *Labor Migration, supra* note 26, at 5.
46. Id.
47. Id.
48. Id.
49. Id.
50. Id.
migrants. The Great Depression created massive unemployment and desperation. During the Depression, Mexicans migrants fared much worse than any other group because, as temporary foreign workers, they were the most vulnerable. In fact, when immigrants and migrants were laid off from their jobs, they were not permitted the same economic relief granted to U.S. citizens.\textsuperscript{51} When Mexicans were finally expelled from the United States, 85,000 left voluntarily and 415,000 were forcibly repatriated.\textsuperscript{52} Unemployment and nativist sentiments seem the most likely explanation of this policy shift.

Gradually, however, this antipathy towards immigrants softened. One example can be seen in the New Deal legislation that provided education to the children of immigrants thereby making settlement in the U.S. more enticing.\textsuperscript{53} Moreover, when the labor shortages of World War II became apparent, the U.S. government once again encouraged migration.\textsuperscript{54}

During this same period in Mexico, the government of President Lázaro Cárdenas enacted the Reparto Agrario. The Reparto Agrario broke up the hacienda system and established the communal land system also known as the ejido system. Cárdenas responded to the needs of returnees by offering them agricultural incentives. However, the regime that succeeded Cárdenas supported the interests of large, private, export-oriented agriculture. "Through its manipulation of credit markets, irrigation projects and control of agricultural innovation and diffusion, [the Mexican government] encouraged the exploitation of the richest and most productive agricultural areas of the country by large firms."\textsuperscript{55} Consequently, the agricultural industry managed to appropriate much of the ejidatorio's land. Rural landholders were left with low quality land that could not compete in the market. Eventually, the Mexican government reasoned that migrant income actually subsidized agricultural production in the Western Meso Central. Thus, they began to appreciate the benefits of a "safety valve that alleviated the poverty in some Mexican regions."\textsuperscript{56}

Mexico and the U.S. agreed to the Bracero Accord, a temporary agricultural worker program designed to fulfill the increasing labor demand in the U.S. and provide an outlet for the abundant labor supply in rural Mexico.\textsuperscript{57} It reflected a new "pragmatic approach to immigration" from both sides of the border.\textsuperscript{58}

\textsuperscript{51} Id. at 6.
\textsuperscript{52} MASSEY ET AL., Return to Aztlan, supra note 9, at 42.
\textsuperscript{54} ALARCON, Labor Migration, supra note 26, at 6.
\textsuperscript{55} MASSEY ET AL., Return to Aztlan, supra note 9, at 42.
\textsuperscript{56} ALARCON, Labor Migration, supra note 26, at 5.
\textsuperscript{57} Id. at 6-7.
\textsuperscript{58} CAFFERTY ET AL., supra note 53, at 55.
appreciated the benefits and manipulated the Bracero Program to calm social unrest in certain areas. Mexican officials distributed 50% of the Bracero contracts to areas that had strong counterrevolutionary movements, such as the Sinarquista movement. For its part, the U.S. government set the established standards for the wages and working conditions of temporary guest workers.

After legalizing and systematizing a pattern of temporary immigration for over 20 years, in 1964, the Bracero Program finally ended. In total, "4.5 million Mexicans worked as braceros in the United States, and at its height in the late 50s, more than 400,000 migrated each year." These workers came mostly from the states of Jalisco, Michoacán, Guanajuato and Zacatecas. One of the reasons cited for the termination of the program was the mechanization of certain agricultural crops in the U.S. Another reason cited was the activism of Chicanos who had convinced Congress that Mexican contract laborers were admitted to the U.S. in order "to oversupply the labor market to depress wages and to break strikes."

C. Restrictionism versus Laissez-Faire: 1965-present

The end of the Bracero Program in 1964 marks the beginning of a third period of U.S.-Mexico immigration policy. In 1965, the U.S. government acted once again to modify immigration laws. These amendments altered the Immigration and Nationality Act of 1952 by emphasizing family reunification over desirable labor market skills. "These amendments were later modified to eliminate separate hemispheric quotas and establish a worldwide ceiling for visas subject to numerical limitation." Yet despite these modifications, the family members of Mexicans residing in the U.S. continued to be exempt from the National Origins Act country quotas.

In the 1970s, various groups began to pressure the U.S. government to restrict immigration. One of the most influential of these groups was the Federation for American Immigration Reform (FAIR). The

59. ALARCON, Labor Migration, supra note 26, at 6.
60. Id.
61. CAFFERTY ET AL., supra note 53, at 55.
62. MASSEY ET AL., Return to Aztlan, supra note 9, at 43.
63. Id.
64. ALARCON, Labor Migration, supra note 26, at 7.
65. Id.
66. Id.
67. CAFFERTY ET AL., supra note 53, at 62.
68. Id.
69. ALARCON, Labor Migration, supra note 26, at 8.
pressure finally resulted in the compromise legislation of the 1986 Immigration Reform and Control Act (IRCA). This act stressed a three-pronged approach to combating illegal immigration: 1) Granting amnesty to undocumented migrants; 2) Prohibiting the hiring of subsequent undocumented migrants; and 3) Increasing border enforcement. However, IRCA has proved difficult to enforce, particularly against employers who benefit from undocumented migrant labor. As a way to avoid fines, employers simply began to rely on farm labor contractors who could recruit Mexican workers and who would vouch for the documented status of their recruits. It made no difference to the U.S. employers if the workers were documented since the contractors would bear the burden of any fines.

During this same period, the Green Revolution penetrated the Mexican agricultural sector. The Green Revolution modernized agriculture by introducing new seed varieties and chemical fertilizers. Small landholders shifted away from subsistence crops to cash crops while, at the same time, incorporating the new technology and mechanization. As a consequence, agricultural productivity rose while demand for day laborers decreased. Fortunately for the unemployed, migrant networks were well established in both countries by that point, thereby increasing the accessibility of jobs in the U.S. In total, from 1965 to 1985, approximately 1.5 million persons arrived in the U.S. from Mexico and of that number only 300,000 were undocumented.

Simultaneously, the Mexican government initiated the Border Industrialization Program to develop industry on the border and substitute for the lost bracero employment. The government established special trade zones that could liberally import and export without tariffs. As a result, "maquiladora" factories began appearing to manufacture and assemble products for an international market. However, since maquiladora employers preferred to hire young women, maquiladora employment has never served as a substitute for the bracero program.

In the 1980s, an economic crisis in Mexico created an additional economic force that would propel migrants northward. The crisis followed the rapid growth that had been generated by the Mexican government borrowing large amounts of foreign capital. When oil prices fell, Mexico was heavily indebted. In 1982, the gross domestic product fell by 4.7%, unemployment rates rose to 8% in three major cities, and wages fell 25% between 1981 and the summer of 1983. To make

70. Id.
71. Id. at 6.
72. Id.
74. See id.
75. Id.
76. Id. at 37-38.
matters worse, the inflation rate reached 480%. As a consequence of these dire circumstances, documented migration grew 29% while undocumented migration increased by 82% from 1982-1987.

For all of these reasons, Mexico depended heavily on U.S. migration as a safety valve. As a consequence, the Mexican government did not want to risk a closed border with the United States. The Mexican government eased their earlier vigilant pressure on the U.S. government to protect migrants. They feared that any pressure would prompt an increase in restrictions rather than facilitate their goal of increasing migrant worker safeguards. In fact, the Mexican government excused itself entirely from the debate concerning the 1986 passage of IRCA. Overall, this reluctance to criticize U.S. policy toward Mexican migrants marked the beginning of the Mexican government's "laissez-faire approach" to Mexico-U.S. migration.

During this period, the Mexican government supported migration because Mexican officials recognized the economic benefit of migrant income sent home to Mexico. It had proved an invaluable supplement to rural income during periods of growth and change. Moreover, income remittances to the home communities helped pay for infrastructure development and increased the standard of living for families who had sent a member abroad. In 1990, "the money migrant workers sent to Mexico (including Social Security payments) represented 1.5% of Mexico's gross domestic product for that year and exceeded the value of agricultural and livestock exports and foreign investment the same year." It was suggested that one of the ways that NAFTA would ameliorate the problem of undocumented immigration was through economic development. Consequently, the Commission backed financial aid to Mexico that would develop small businesses and employment opportunities in sending regions in order to relieve the pressure for migration. However, the Immigration Reform Act of 1990 reflects the re-emphasis on U.S. labor demand by granting preferences to migrants with particular labor skills. In order to facilitate the anticipated economic development gains from the free trade agreement, the Mexican government has complied with new U.S. restrictions on immigration. Both sides expect that NAFTA will succeed in reducing unauthorized U.S.-Mexico immigration.

77. Id.
78. Id.
79. See ALARCON, Labor Migration, supra note 26, at 11.
80. Id.
81. Id. at 9.
82. Id. at 7.
Clearly, political and economic factors impact migration decisions. However, the historical political economy, while important, can only present a partial understanding of the development of temporary migration patterns. This article focuses on labor markets to clarify how social and economic forces influence return migration, in an attempt to articulate a broader understanding.

III.

FIRST HYPOTHESIS: DISCRIMINATION IN THE LABOR MARKET IS THE CAUSE OF RETURN MIGRATION

Discrimination "restricts access to valued social resources that determine subsequent achievements (notably education and training) and perpetuates unequal reward structures according to ascribed criteria."84

If migrants do not make significant gains in terms of income and occupational mobility, would this cause them to return home? This question derives from the research on return migration of Borjas and Bratsberg. Simply stated, migrants cannot know beforehand exactly how much they can earn abroad. They may decide to return home if they have miscalculated their potential income. In other words, "after arrival in the US, the immigrant . . . reconsiders the profitability of his original decision."85 Massey and colleagues have observed that settlement is a function of year-round employment.86 For that reason, this section addresses migrants' ability to move into more secure occupations and make relative income gains over time. If there exists something that inhibits these economic gains for the Mexican origin population87 but not for other groups, then economic discrimination can be presumed.

This section analyzes discrimination in labor markets based on longitudinal research and on case studies. First, multiple theories of economic discrimination, including theories that identify the individual as the unit of analysis, such as the human capital theory and the labor market discrimination theory are covered. This is followed by a discussion of the theories that identify structural conditions of the labor market as the unit of analysis; these theories include the dual labor market, the labor market segmentation model, and the ethnic queuing model. To evaluate these theories, evidence from studies of the Mexican origin population in labor markets in California is investigated. In addition, special attention is given to the situation faced by the most vulnerable class of migrants: the rural farm workers.

83. Id. at 11.
86. See generally, MASSEY ET AL., Return to Aztlan, supra note 9, at 178-79.
87. "Mexican origin population" refers to both native and foreign-born.
A. Productivity and Rewards: Human Capital Theory

Human capital theory is the idea that as one's education or job experience increases, productivity increases which in turn, leads to higher wages. The more experience or education a worker possesses, the greater his investment in human capital, the greater his productivity and the higher his income. This theory postulates that an earnings inequality between whites and non-whites or between the native born and the foreign born Mexican origin population exists because of different levels of education and job experience.

This theory assumes that employers and workers make rational, profit-maximizing decisions and that productivity determines returns. As a consequence, if a worker has greater productivity increases, that worker will find a job with a corresponding income because employers hire the most skilled workers to maximize profit.

Conservatives argue that the market mechanism works in the manner just described; liberals argue that workers do not receive equal returns for identical investments in education and training. The conservatives stress that employers would be irrational if they refused to hire certain groups of workers. If employers overlook competitive workers, they will subsequently fail in the market. In other words, the market punishes those who discriminate against certain groups in hiring. In response, liberals assert that employers' biases, such as subjective evaluation of potential employees, commonly interfere with non-discriminatory hiring. Moreover, since workers alone do not determine firm success or firm failure, the market mechanism may not punish the discriminatory employers.

Marta Tienda analyzes the economic position of Mexican migrants according to their investment in human capital. First, she explains relative human capital investments among Mexican migrants. She initially hypothesizes that since Mexican migrants are economic migrants, in contrast to political migrants fleeing an oppressive regime, they would be more likely to return to their homeland. Given this expectation, they would not be inclined to invest in U.S. specific human capital. In contrast, non-economic immigrants from Cuba have no opportunity to return to their homeland, so they would feel more pressure to invest in U.S. specific human capital and to assimilate as quickly as possible to the

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90. See generally, id. at 39-48.
92. Id.
93. The use of the term "immigrants" instead of migrants refers to the fact that these individuals will settle in the U.S. permanently. Cuban migration to the U.S. is by necessity a one-way migration.
labor market. True to her hypothesis, Tienda finds a significant discrepancy in investments in education between Mexican migrants and Cuban immigrants after they arrive in the United States. The net result of this investment was that Mexican migrants fared significantly worse than their Cuban counterparts, all else constant. These findings seem to support human capital theory.

However, Tienda also finds some weaknesses in the theory. For instance, Mexicans born in the U.S. earn more for comparable investments in human capital. Specifically, she observes "native born Mexican workers receive a higher internal rate of return to schooling--7.7% compared with their foreign born counterparts who only receive a 2.8% return to education." Furthermore, the length of stay of foreign born individuals does not improve their earnings. Mexican migrants do not experience significant economic gains even 15-20 years after migrating. She attributes this both to their lower incentive to adapt and assimilate to the U.S. labor market and to the general concentration of their labor in low-wage areas. Moreover, the migrant's lower return for education may be attributed to a bias against his/her place of birth as much as it may be attributed to the market allocation in determining earnings. She also recognizes that the relegation of immigrants to a peripheral labor market "exerts a uniformly negative and significant influence on earnings." This has important implications for the migrants' decision to settle permanently. Although they enjoy an earnings advantage compared to what they would earn in Mexico, the high cost of living in the U.S. makes the wages less valuable here. Moreover, one would expect that if migrants realize that they do not gain from education or work experience, they would invest less in them and that their consequent stagnation in earnings constitutes a disincentive to settlement.

**B. Critique of the 'Declining Cohort Quality' Argument**

In response to changes in U.S. laws that emphasize family reunification over occupational specialization, the migrant stream has become increasingly heterogeneous. Currently, most migrants are admitted to the U.S. through the family reunification provision of the

94. Tienda, *Hispanic Origin Workers*, supra note 91, at 204.
95. *Id.* at 209.
97. *Id.* at 182.
98. *Id.*
99. *Id.*
100. *Id.* at 180.
101. *Id.* at 190.
102. *Id.*
PATTERNS OF MIGRATION

1990 Immigration Act. In 1985, 87% of numerical-quota visas were designated for family reunification, while the remaining 13% were admitted according to occupational specialization. Thus, the composition of the migrant stream has diversified, particularly in terms of the number of women and children from what it had previously been.

Additional evidence confounds the clear-cut "return to investment" suggested by the human capital theory. Human capital theory explains that the offspring of skilled parents acquire above-average skills through the transmission of skills from their parents and through formal education, whether or not ethnicity is considered. However, this does not explain "the sluggish rate at which the mean skills of ethnic groups converge over time." An analysis of the 1970 U.S. Census and the National Longitudinal Surveys of Youth points to "ethnic externalities" underlying returns for investments in education and skills in the "human capital accumulation process." According to Borjas,

The empirical analysis indicated that the rate of mean convergence in the skills of ethnic groups was significantly reduced after controlling for neighborhood fixed effects. This finding indicates that much of the ethnic capital effect works through the fact that low-income ethnic groups cluster in low-income neighborhoods, and these neighborhood effects influence intergenerational mobility.

These structural conditions, the changing nature of employment, the changing composition of the migrant stream, and the impact of residential segregation on human capital achievements, all cast doubt on the predictive power of the declining cohort quality argument to explain economic stagnation in earnings. If the human capital theory were correct, nativity and ethnic origin would not determine sectoral allocation. The evidence presented thus far suggests exactly the opposite. This is because the human capital theory explains rewards solely on the basis of the worker's investments in formal education or training, while ignoring the structural factors that determine access to educational investments.

103. Tienda, Looking to the 1990's, supra note 84, at 119.
104. Id.
106. Id.
107. Id.
108. Id. at 37.
109. Tienda, Looking to the 1990's, supra note 84, at 130.
110. Id.
C. Labor Market Discrimination Theory

The labor market discrimination theory introduced by Gary Becker identifies the willingness of an individual to pay higher than market wages for access to one group in lieu of another group (assuming these groups are perfectly substitutable). For example, an employer may be willing to pay a higher wage for white employees than for Mexican origin employees because of a white racial bias. Essentially, money is used as a "measuring rod" to gauge how much employers would sacrifice in order to be associated with one group instead of another. This expense is the employers' measure of discrimination or "taste for discrimination." (Hereafter referred to as the "taste for discrimination theory"). This theory explains inequality in earnings as the result of the biases of employers. A minority group may experience higher rates of unemployment either because they are concentrated in jobs that are especially prone to unemployment (e.g. seasonal or temporary work) or because they are underrepresented in an occupation. "Discrimination would be responsible for their high unemployment to the extent that it was responsible for either their distribution by activity or for their greater unemployment within each activity." Becker describes two societies, one white (W) and one black (B); W has an abundance of capital and B has an abundance of labor; so "B exports labor and W exports capital until the marginal product of each factor is the same in both societies." Becker specifically refers to whites and blacks in his analysis but the Mexican origin population can be substituted for blacks as B without compromising his basic argument. Michael Reich pulls apart the weak seams that hold together Becker's rational explanation of labor market discrimination by widening the scope of examination. First, the idea of a "taste for discrimination" makes the discrimination an exogenous variable rather than trying to explain it. As Reich notes, "Becker's conceptual framework was not so much wrong as it was empty; tastes for discrimination are not an explanation of behavior but merely a ghost that gets blamed for observed events." Second, Reich points out that Becker's model assumes that whites simply dislike working with blacks, but proximity between the two groups in the workplace confounds that interpretation for certain types of employment, such as domestic labor. Clearly, whites do not avoid hiring black workers altogether; instead, they avoid hiring them for jobs where social status for the two groups would be equal.

111. BECKER, supra note 89, at 14-17.
112. Id.
113. Id. at 3.
115. Id.
117. Id.
Moreover, Reich notes that Becker's model assumes that whites and blacks have relatively equal positions in one grand labor market. According to Becker's analysis, whites who employ black workers must be compensated because they do not have a "taste for discrimination." As a result, the model predicts lower returns to those discriminatory employers because discrimination reduces the amount of capital exported from the white society. An underlying assumption to this analysis is that blacks and whites inhabit an even playing field. But, in the real world, whites have monopolized the factors of production. Thus, the concept of voluntary exchange is inherently flawed. According to Thurow, "much of the impact of discrimination comes from the monopoly powers of the discriminator rather than from his ability to distort perfect competition with trade barriers." This criticism of whites' hierarchical position over blacks or, in this case, over the Mexican origin population, again points out that structural factors, such as monopoly over the factors of production, perpetuate inequality.

D. **Structural Features of Industrial Economies: A Divided Labor Market**

"[Migrants] seem . . . to be concentrated in certain types of firms and completely excluded in other types of firms, industries and occupations." "The concentration of minority workers in the secondary labor market is seen as one reason for their high unemployment rates and other conditions of disadvantage." Structural theories of discrimination address the persistence of economic inequality by analyzing the position of minority groups in the dominant society as a whole. 'Structure' here refers to the regular patterns of human interaction in the society. Structures can be formal, in which case they would be considered institutions, such as schools, government, or corporations. Structures can also be informal, as in the class structure. This section discusses the following theories: internal colonialism; dual labor market; labor market segmentation; and ethnic queuing. This section also identifies the mechanism that relegates migrants to the marginal labor force and how that handicapped context of reception influences their term of stay.

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118. Id. at 84.
119. Id. (quoting LESTER THUROW, POVERTY AND DISCRIMINATION 117 (1969)).
120. MICHAEL J. PIORE, BIRDS OF PASSAGE: MIGRANT LABOR AND INDUSTRIAL SOCIETIES 17 (1969)).
121. MARIO BERRERA, RACE AND CLASS IN THE SOUTHWEST: A THEORY OF RACIAL INEQUALITY 209 (1979)).
122. Id. at 184.
123. Id.
124. Alejandro Portez & Józsel Böröcz, Contemporary Immigration: Theoretical Perspectives on
1. **Internal Colonialism**

Since the 1960s and 1970s, a new perspective on rational inequality has emerged, one that incorporates both the historic colonial experiences of Third World peoples and the experiences of ethnic groups in America. This perspective has been termed "internal colonialism" because it refers to the characteristic of colonial-type relationships within a single society.\(^{125}\)

A race or ethnic group is relegated to an internal colony (i.e. an inferior economic and social niche) by both the interest of the dominant class and the racial ideology that fuels prejudice against the migrant class in order to protect the interests of that dominant class. In the United States, the dominant group is the white population who pursues its interests through structures of society—"education, political institutions and all forms of social structures."\(^{126}\)

Prejudicial belief systems define groups according to superior and inferior rankings based on ethnic and/or racial criteria to justify structural discrimination. These theories then become part of the "social heritage," those who inherit these ideologies may advocate them without the awareness of the original economic motivation but with the similar ambition of exploiting the targeted group. Prejudice also arises from tension created by job competition. Employers divide the labor force in order to undercut the wages of white workers; these workers then vent their frustration on the marginal labor force instead of on the manipulative employers. In both the internal colonialism theory and the dual labor market theory, employers divide the labor force to realize greater profit for themselves.

In the case of migrants, prejudice can apply to race, ethnicity or legal status. The changes in U.S. immigration laws had the effect of criminalizing a portion of the migrant stream. Immigration status has been manipulated by U.S. employers to exploit undocumented workers since their precarious status makes them less likely to undertake collective action. According to Sassen-Koob, the extraction of labor at the lowest cost also may be facilitated "by assigning criminal status to a segment of the working class--the illegal immigrants."\(^{127}\) The incorporation of the term "alien" itself reinforces the negative stereotypes about migrants. This label and the criminalization of migration obscures the fact that the U.S. economy generates a large number of jobs which the native population refuses to accept, thereby creating an opening for migrants as the unenviable marginal labor force.

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\(^{125}\) BARRERA, supra note 121, at 194-02.

\(^{126}\) Id. at 197.

\(^{127}\) ALEXANDER MONTO, THE ROOTS OF MEXICAN LABOR MIGRATION 6 (1994) (quoting Sassen-Koob [internal citation omitted]).
2. **The Dual Labor Market**

Industrial capitalist economies create jobs based on aggregate demand for goods and services. Employment in industries with variable demand follows seasonal or business cycles of product demand. These industries include construction, agriculture, and various declining industries such as shoemaking, leather tanning and dyeing.

In addition, the particular economic tradeoff between fixed and flexible factors of production encourages owners of capital to rely on labor for the portion of unstable demand and on machinery for the portion of consistent demand. Owners of capital fulfill the stable side of demand with their capital intensive production process because they must pay for the capital, a fixed factor of production, whether or not it is in use. On the other hand, owners of capital hire labor to fulfill the unstable portion of demand because they can lay off workers when demand declines. In this sense, the laborer bears the burden of unstable demand. This occurs because owners of capital organize and control the production process.

3. **The Marginal Labor Force**

This secondary labor market employs a "marginal labor force" with some defining features. Although members of the native born labor force may participate as members of the marginal labor force, migrants are preferred by employers because of the following characteristics: 1) migrants are adaptable to the labor market (i.e. geographic mobility); 2) migrants are "durable" as a source because they work solely for the income rather than the prestige of a job; 3) migrants are easily manipulated and controlled by the dominant class, particularly given increasing numbers of undocumented migrants.

The Labor Market Segmentation Model comes from the basic assumptions of the dual labor market outlined by Piore and others. This model identifies segmentation as a response by U.S. employers to the change in the labor force brought on by nineteenth century factory production. These factory jobs began to unite the labor force as a single class; the growing solidarity of the labor class threatened the employers' interests because workers could then agitate for common goals. So employers conceived of ways to divide the workforce according to job categories and job rankings.

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128. PIORE, supra note 120, at 36.
129. Id. at 36-37.
130. PIORE, supra note 120, at 90.
Associated with this process was the creation of a segmented labor market, in which various segments or submarkets emerged, each with its own set of rules, working conditions, wages, and opportunities.\textsuperscript{131}

4. Research Findings

Tienda compares the labor market attainment of Puerto Ricans, Cubans, Mexicans and other Latin Americans in a 1981 study to determine if there is indeed an allocation to the marginal labor force.\textsuperscript{132} For the purpose of this paper, the relatively weak economic position of Mexicans compared to other groups serves to clarify the unique experience of the Mexican origin population.

The first question Tienda resolves is whether place of birth, an ascriptive characteristic, determines sectoral allocation. She observes that nativity influences the sector to which workers are relegated. Dividing the sectors according to a core sector and a periphery, the non-native workers were predominantly allocated to the periphery based on their place of birth.\textsuperscript{133} Once relegated to the periphery, these workers "earn less than otherwise comparable core sector counterparts."\textsuperscript{134} Tienda posits that a structural process relegates these minority workers to marginal and generally "low-skilled" jobs.\textsuperscript{135}

In California, many industries rely almost exclusively on unskilled labor, supplied predominately by Mexican and Asian migrants. These industries include agriculture, construction, high-tech electronics, building/landscape maintenance, and hotels and restaurants.\textsuperscript{136} Wayne Cornelius asserts that "urban employers are considerably more important as sources of jobs for Mexicans and other immigrants in California today than are agricultural firms."\textsuperscript{137} He estimates that it is unlikely that more than 15% of undocumented Mexicans in California work in agriculture although clearly the concentration of migrants in agricultural firms remain "highly dependent on Mexican labor."\textsuperscript{138}

Cornelius' recent study of California firms offers evidence for Piore's assertions about the secondary sector. First, Cornelius finds that migrant

\begin{itemize}
\item \textsuperscript{131} BARRERA, \textit{supra} note 121, at 210.
\item \textsuperscript{132} \textit{Cf.} Tienda, \textit{Hispanic Origin Workers, supra} note 91, at 173, 175, 178-79 (national comparison of Hispanic males ages 18-64, adjusted for regional differences in income).
\item \textsuperscript{133} \textit{Id.} at 189.
\item \textsuperscript{134} \textit{Id.}
\item \textsuperscript{135} \textit{Id.} at 189-90.
\item \textsuperscript{136} \textit{Cf.} Wayne A. Cornelius, \textit{The U.S. Demand for Mexican Labor, in MEXICAN MIGRATION TO THE UNITED STATES: ORIGINS, CONSEQUENCES, AND POLICY OPTIONS} 26, 29 (Wayne A. Cornelius & Jorge A. Bustamante eds., 1989).
\item \textsuperscript{137} \textit{Id.}
\item \textsuperscript{138} \textit{Id.} at 31-32.
\end{itemize}
dependent firms generally recruit by means of employee referrals.\textsuperscript{139} Second, the firms tends to be medium-sized, averaging between 85-103 employees.\textsuperscript{140} Third, as many as 42\% of the firms experienced "seasonal or business cycle fluctuations in demand for a product or service."\textsuperscript{141} Fourth, 15\% of the firms are subcontracting in fiercely competitive arenas with dramatic fluctuations in product demand.\textsuperscript{142} Fifth, 20\% of employers are immigrants and their workforce is composed of immigrants and their own extended family.\textsuperscript{143} Finally, Spanish-speaking intermediaries (i.e. supervisors, managers, contractors) allow the firm to employ a high proportion of monolingual Spanish-speaking workers.\textsuperscript{144} Table 2 summarizes significant firm characteristics.

\textsuperscript{139} Id. at 34.

\textsuperscript{140} Id. at 32 (median size of 1983-84 sample is 85 employees; median of 1987-88 Southern California sample is 103 employees).

\textsuperscript{141} Id. at 33.

\textsuperscript{142} Id. at 32.

\textsuperscript{143} Id.

\textsuperscript{144} Id. at 33.
Table 2: Characteristics of Immigrant-Dependent Firms in California

<table>
<thead>
<tr>
<th>Firm Characteristic</th>
<th>All Firms</th>
<th>Ag/ Hort.</th>
<th>Construct.</th>
<th>Food Processing</th>
<th>Gar, Hi. Processing</th>
<th>Mfg.</th>
<th>Other Mfrs.</th>
<th>Body Builders</th>
<th>Other Services</th>
<th>Building</th>
<th>Other Hotels</th>
<th>Restau rants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Experience</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Seasonal Demand</td>
<td>42</td>
<td>50</td>
<td>86</td>
<td>37</td>
<td>50</td>
<td>17</td>
<td>25</td>
<td>19</td>
<td>35</td>
<td>64</td>
<td>56</td>
<td></td>
</tr>
<tr>
<td>Does subcontracted work</td>
<td>15</td>
<td>0</td>
<td>50</td>
<td>5</td>
<td>31</td>
<td>25</td>
<td>9</td>
<td>19</td>
<td>6</td>
<td>7</td>
<td>11</td>
<td></td>
</tr>
<tr>
<td>Prefer hiring employee referrals</td>
<td>69</td>
<td>82</td>
<td>69</td>
<td>73</td>
<td>87</td>
<td>58</td>
<td>71</td>
<td>81</td>
<td>60</td>
<td>36</td>
<td>69</td>
<td></td>
</tr>
<tr>
<td>Could not survive removal of undocumented workers</td>
<td>31</td>
<td>50</td>
<td>14</td>
<td>20</td>
<td>69</td>
<td>17</td>
<td>27</td>
<td>50</td>
<td>24</td>
<td>0</td>
<td>44</td>
<td></td>
</tr>
<tr>
<td>% Unskilled wkr.</td>
<td>33</td>
<td>40</td>
<td>34</td>
<td>50</td>
<td>20</td>
<td>5</td>
<td>38</td>
<td>58</td>
<td>37</td>
<td>42</td>
<td>18</td>
<td></td>
</tr>
<tr>
<td>Annual turnover of Unskilled wkr.</td>
<td>20</td>
<td>25</td>
<td>11</td>
<td>10</td>
<td>14</td>
<td>10</td>
<td>10</td>
<td>20</td>
<td>5</td>
<td>45</td>
<td>25</td>
<td></td>
</tr>
<tr>
<td>% Mono-lingual Spanish speakers</td>
<td>31</td>
<td>50</td>
<td>14</td>
<td>20</td>
<td>69</td>
<td>17</td>
<td>27</td>
<td>50</td>
<td>24</td>
<td>0</td>
<td>44</td>
<td></td>
</tr>
</tbody>
</table>

E. The Ethnic Queue

The Queue Theory explains sectoral allocation as the result of socioeconomic characteristics of the workers and the dual labor market. It suggests the image of a ladder with the high level jobs at the top and the low level jobs below. Minorities occupy the "lower rungs of the nation's economy." In this model, job opportunity is correlated with socioeconomic status. An individual's access to a particular job is seen as a function of his favorable social and economic background. In contrast to human capital theory where education is rationalized as increasing one's productivity, this model conceptualizes education as a filtering device that assigns those with favorable status to favorable positions in the

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145. Id.
"labor queue." At the same time, this model suggests that if the upper rungs of the labor queue were vacated, minorities would naturally ascend to higher level jobs. Tienda supports this structural cause for mobility of the Mexican origin population. She writes, "most of the intra and intergenerational occupational mobility resulted from structural mobility... that is improvements in social position were due mostly to the elimination of low status positions rather than to substantial gains in social standing relative to Anglos." 

Refugio Rochin's article on the continuing neglect of the Mexican origin population in the 1970s presents a dismal prediction for the Mexican origin population: "Among other factors, the poor education of rural Chicanos prevents them from getting better, higher-paying occupations in the cities." Employers guard the structural inequalities to maintain a surplus of pliable, cheap labor. Another reason for dim prospects for the Mexican origin population is the fact that agriculture does not entail any cross-over training that could be applied to another job. Moreover, evidence shows that employers in the manual trades use education as a screening measure of applicants even when the level of schooling has not been correlated to job performance.

Rochin concludes that the consequence of employer discrimination is the channelization of the Mexican origin population into one of three work situations: 1) work in highly competitive industries; 2) nonunion employment; and 3) work in small firms. These conditions are characteristic of the peripheral labor market. From these observations, it seems that structural processes of limiting access to education relegates the Mexican origin population to the secondary/peripheral labor market.

A second study tests whether minorities eventually manage to ascend the ethnic queue. Roger Waldinger's study of ethnic succession in New York between 1970 and 1980 clarifies the process by which native and foreign born minorities (Blacks, Hispanics and Asians) gain upper level jobs when they are vacated by whites. He underlines a structural process by which immigrants gain white-collar jobs. Waldinger proposes two causal forces at work: the shift in the economy away from manufacturing to services and the changing composition of the workforce from white to minority. He observes that the change in the economy led to an increasing concentration of jobs in the areas of law, finance, consulting, as well as, in the service sector. This shift precipitated an overall gain in the number of white-collar jobs. During this period, the

147. Sakamoto, supra note 88, at 89.

148. Tienda, Looking to the 1990's, supra note 84, at 125.


150. Id.

151. Id. at 96.

152. Waldinger, supra note 146, at 369-01.

153. Id.
white workforce steadily migrated out of New York City for the suburbs or other states. Thus, the native white labor force declined. As a consequence, "native blacks, foreign Asians, foreign Hispanics made very substantial gains in every white-collar category, with the exception of sales jobs for native blacks." They also made gains in the blue-collar employment field formerly dominated by whites.

However, groups still cluster in particular sectors of the economy despite "the replacement demand arising from the disproportionate white declines." Waldinger cites the example of the growth of new immigrants in the garment industry. These immigrants, while replacing white predecessors, actually inherited a declining sector. As late as the 1970s, when whites occupied most of the jobs in the garment industry, the demand was consistently regular, wages and employment were stable, and the conditions of work safer. According to Waldinger,

In the following decade, the bottom of the market fell out; those firms that hung on did so at the price of workers wages—which fell relative to wages in the rest of New York’s already depressed manufacturing sector—and deteriorating working conditions. Seasonality became even more pronounced, producing diminishing weekly wages. Consequently, whites dropped out of the industry’s effective labor society.

This snapshot of the garment industry effectively describes the decline of any industry; rather than allowing the immigrants to step into the better jobs vacated by whites, the industry moved down the rungs of the ethnic queue to cut-off any advancement, thereby keeping the immigrants in their current position.

Waldinger also concedes that shifts to service sector jobs may not imply higher level jobs for the majority of minorities. Waldinger interprets this to mean that various groups occupy distinct economic niches where groups "monopolize particular jobs through a process of occupational closure." This process is reinforced by the standard recruiting practice of employee referrals that is generally limited to the employee's own ethnic group. Waldinger’s study indicates that while minorities, particularly immigrants, made job gains, these gains were most pronounced in declining sectors. His final analysis that jobs become

154. Id. at 383.
155. Id. at 386.
156. Id.
157. Id. at 389.
158. Id.
159. Id. at 383.
160. Id. at 389.
161. Id. at 390.
closed to all but immigrants offers insight into the self-perpetuating dynamic of the dual labor market. However, his use of the term "monopolize" in regard to immigrants' predominance in an ethnically determined economic niche belies the overriding structural features that at once preserve jobs for members of particular groups while at the same time block their entry into alternate occupations.

The following section analyzes experiences of the rural labor force in the context of the preceding discussions of human capital returns and the structural divide between labor markets.

F. The Rural Labor Force and Rural Labor Markets

A recent study of farm workers describes the concentration of Mexican migrants in U.S. farm labor. Out of this recent sample, 42% of the laborers lived more than seventy-five miles from their worksite. Furthermore, five out of six of these farm workers shuttle between Mexico and the United States for farm work, with 83% having permanent residences in Mexico. Thus, Mexico serves as the "base state" for the majority of these workers. These numbers indicate that the majority of migrant farm workers return to their home in Mexico at the end of their work season.

The rural labor market can be categorized by a surplus of low-skilled labor, poor labor market information, and few employment opportunities. In California, data indicates that agricultural workers are also largely of Mexican origin. A 1979 study based on interviews of the rural Mexican origin population in two agricultural towns in the Sacramento Valley of California furnishes insight into their labor market characteristics and perceptions.

The Mexican origin farm laborers in the Sacramento Valley provide a first-hand perspective on occupational mobility. Their perspective, however, on the causes for the low status of the Mexican origin population reflect the false stereotype often used to portray Mexicans. Regarding the issue of investment in human capital, 35% of the respondents felt there was little opportunity for further training from their present job, although 15% had taken advantage of available job training opportunities.

162. Id. at 391.
163. Id. at 390.
164. Id. at 389.
166. Id.
167. Id.
169. Id. at 4.
170. Id. at 5.
and English-language classes.\textsuperscript{171} In addition, 33% of the respondents reported that they did not foresee any chance of receiving a promotion, and only about 50% currently received any job-related benefits, such as health insurance, life insurance, paid vacation, or sick leave.\textsuperscript{172} In reference to job security, 66% of the respondents reported experiencing unemployment since joining the work force.\textsuperscript{173} Nearly half (47%) of the respondents blamed the individual, rather than the system, for that individual's position in the labor market.\textsuperscript{174} Parroting the prejudice of the dominant culture, the most common criticism was that Mexicans just "don't try hard enough," although it was clear from the study that the respondents themselves possessed a strong work ethic and availed themselves of opportunities with little success.\textsuperscript{175} A smaller number (19%) identified discrimination as the reason for the generally low status of the Mexican origin population.\textsuperscript{176} Looking at the issue of job advancement, a significant proportion (41%) reported difficulty finding jobs similar to those currently held, although more than 33% said they were actively searching. Most attributed their lack of success to "lack of experience and bad luck."\textsuperscript{177} In contrast, when asked about their personal experience of job promotion, 30% said they had not been able to advance because of discrimination.\textsuperscript{178} Clearly, there is a discrepancy between perceived discrimination against the rural labor force in general, and the discrimination actually experienced by these self-same workers.\textsuperscript{179}

An analysis of rural labor markets would not be complete without a discussion of the labor contractor system that is the primary means of hiring farm workers. The labor contract system has been in existence for over one hundred years and was first used to employ Mexican workers to build the railroads in the Southwestern United States. Today, farm labor contractors are used predominantly by large farms in California.\textsuperscript{180} Since

\begin{footnotesize}
\begin{itemize}
    \item \textsuperscript{171} \textit{Id}.
    \item \textsuperscript{172} \textit{Id}.
    \item \textsuperscript{173} \textit{Id}.
    \item \textsuperscript{174} \textit{Id}.
    \item \textsuperscript{175} \textit{Id}.
    \item \textsuperscript{176} \textit{Id}.
    \item \textsuperscript{177} \textit{Id}.
    \item \textsuperscript{178} \textit{Id}.
    \item \textsuperscript{179} \textit{Id}.
    \item \textsuperscript{180} See generally Philip L. Martin and Suzanne Vaupel, \textit{Activity and Regulation of Farm Labor Contractors}, in GIANNINI INFORMATION SERIES No. 86-3 (Giannini Foundation of Agriculture Economics 1986).
\end{itemize}
\end{footnotesize}
the beginning of this recruiting system, stories of abuses by contractors have abounded. These abuses include, but are not limited to, the following:

overcharging workers for transportation advances or collecting transportation expenses from both employers and workers; abandoning a crew without means of transportation; failing to return workers to their homes; short-counting or short-weighing units produced or requiring workers to overfill standard units paid by piece rate . . . and keeping bonus or other money due workers.  

The long list of abuses attests that contractors have used many methods to take advantage of this vulnerable work force. In response, the U.S. Congress has attempted to protect farm workers through a series of laws including the Farm Labor Contractor Registration Act (FLCRA) of 1963, and the more thorough, Migrant and Seasonal Workers Protection Act (MSPA) of 1983. Some of the more recent provisions enacted include specific protections for migrants such as pre-notification to migrants of the place of employment, earnings, type of agriculture, length of employment, and all benefits and charges. Much of the protection serves to specify the labor and housing conditions the worker can expect and provides the worker recourse in the courts if these pre-arranged conditions are not met. However, these efforts have been hampered by extremely sporadic enforcement of the laws. In fact, noncompliance with FLCRA and MSPA is estimated at over 50%. In California many farm labor contractors are stationary and operate fairly large year-round businesses employing several hundred to a thousand workers. To some of these, a MSPA fine is considered a cost of doing business. Clearly, agricultural workers still experience hardship and discrimination as they earn their precarious income against the much more powerful forces of the labor allocation system.

By way of contrast, a recent study of Mexican rural migrants identifies an improving socioeconomic situation facing migrants, specifically the Chamitlecos who hold farm worker jobs in Madera County. First, it is useful to assess their investments in human capital to

181. Id. at 5 (quoting DEPT OF LABOR, A SUMMARY OF FARM LABOR CREW PRACTICES (1962)).

182. Id. at 4-6.

183. Id. at 9-10.

184. Id. at 10. All housing and labor conditions must comply with federal and state standards. There are no housing requirements for seasonal, agricultural workers.

185. Id. at 12.

186. Id.

187. Chamitlecos refer to inhabitants from the town of Chamitlan which is located in Michoacan, Mexico.

188. RAFAEL ALARCON, CALIFORNIA INSTITUTE FOR RURAL STUDIES, Immigrants or
ground the study in the preceding theoretical arguments. It is clear that agricultural workers do not have high investment in human capital. In terms of the first generation of migrants, 92% of those over twenty-five years of age have not completed high school. More specifically, those from rural Chamitlan averaged four to nine years of schooling. Indeed the majority of Mexican migrants, (over 57% of the Migrant population in California) were permanent residents, but only 1% began naturalized citizens. Before the 1970s, these migrants could only access the seasonal and temporary employment in Madera County. These jobs offered low salaries, very poor working conditions, and no benefits. Gradually, the Chamlitecos replaced their white counterparts in the traditionally year-round jobs of irrigators or tractor drivers. In other words, they succeeded into the jobs of their white counterparts. This year-round work corresponded to the settlement of Chamlitecos in Madera County. Thus, it appears that settlement is a function of access to full-time, year-round work. In other words, settlement increases as migrants are increasingly integrated into the labor market. After a period of time, the settled community of Chamlitecos could offer jobs to their townsmen when they migrated to the United States. For the less-appealing temporary jobs, owners utilized labor contractors to hire other workers. As a consequence, the Mixtec migrants from Oaxaca are becoming the next generation of temporary migrants.

However, this impression of a progressive, gradual settlement process can be deceptive. Alarcon found a perfect example of a migrant who would seem the ideal model of a settler. He was a thirty-year old male migrant who had gained permanent residency under the Immigration Reform and Control Act (IRCA) in 1986. This individual had full-time year-round farm work and had brought his wife and children from Mexico to live with him. His brief interview occurred as he was packing to head back to Chamitlan. His explanation as to why he was leaving was that he had lived as a slave since arriving in California.

G. Conclusion

This hypothesis has examined the incidence of temporary/return

Transnational Workers? The Settlement Process Among Mexicans in Rural California 13-14 [hereinafter ALARCON, Immigrants or Transnational Workers?].

189. Id. at 26.

190. Id.

191. Id. at 27. A permanent resident is a migrant who has been granted a permit to work and live permanently in the U.S. They are free to enter and leave without restrictions. Citizens are persons who were either born in the U.S. or who were naturalized. To be naturalized, a person must possess a command of the English language and have some basic knowledge of the political system. Unlike a permanent resident, a citizen can participate politically and has access to government jobs.

192. Id. at 34-35.

193. Id. at 31.

194. ALARCON, Immigrants or Transnational Workers, supra note 188, at 23.

195. Id. at 25.
migration in response to discrimination in labor markets. To orient the reader to the "economics of discrimination" posed by Becker, this paper has discussed the two major themes of labor market discrimination: the human capital theory and the structural models of discrimination. Subsequently, comparative and specific case studies of the Mexican origin population in labor markets have been reviewed.

The studies show different levels of human capital investment among migrants and confirm lower returns for migrants' investments in human capital. On one hand, Tienda posits that employer discrimination causes unequal returns for comparable human capital investments. On the other hand, Buckley shows that Mexican migrants in California's Sacramento Valley invest as much as possible in their training and education, but that they are unable to break through to higher level jobs. These findings indicate weaknesses in the human capital theory; it ignores the fact that employers exclude minorities from jobs and it ignores structural conditions, such as a divided labor market, that permanently relegate migrants to a secondary labor market.

Alarcon's study of Cham十足cos in Madera County does not present quite so bleak a picture. His study identifies rural migrant workers who have advanced from insecure temporary farm work to more secure, year round positions. This process took nearly a generation but eventually provided migrants enough security to become settlers rather than sojourners. A necessary condition for settlement is the establishment of social connections in the host country. These connections include friendship ties, relationships with public institutions, participation in social clubs, and stable employment. According to Massey, each time migrants return to the U.S. the probability of a subsequent trip rises and the more they accumulate experience in the U.S. the more likely they are to settle there. However, this community does not catapult migrants over the structural barriers between the primary and secondary labor markets in California. These settled migrants have not been able to move beyond agricultural work or overcome their placement in the secondary (peripheral) labor market.

Economic arguments do not convey the complexity of the migrant experience. In his analysis of self-perpetuating migration, Alarcon concedes that despite migrants' awareness of certain advantages to living and working in the U.S., many reject the idea of integrating permanently into U.S. society. This resistance may reflect the fact that most migrants' experiences in the U.S. are limited to the most degrading and

196. See generally Tienda, Looking to the 1990s, supra note 84.

197. BUCKLEY & ROCHIN, supra note 168.

198. ALARCON, Immigrants or Transnational Workers?, supra note 188.


200. Id. at 682.

arduous labor.202

What are the implications for return migration? The preceding evidence supports the theory of a dual labor market where migrants are stuck in a lower economic sphere and separated from the primary labor market because of structural barriers. According to Tienda and others, one defining characteristic of industries that depend on migrant labor is cyclical or seasonal fluctuations in the demand for their goods or services. These fluctuations force migrants to return home when demand slackens. But this analysis does not explain why migrants would come back season after season. A rival interpretation of the influence of the secondary labor market on migration decisions proposes that the secondary labor market serves quite a different purpose: it preserves a sector of the U.S. economy for migrants who have an economic incentive to come for temporary periods of employment. In other words, instead of sending migrants back to Mexico, the fact migrants can count on employment in certain industries stimulates the temporary migration in the first place. The role of an economic incentive for temporary/return migration is the focus of the second hypothesis.

IV.
SECOND HYPOTHESIS: ECONOMIC MOTIVE IS THE PRIMARY REASON FOR RETURN MIGRATION TO MEXICO

Women used to cry when their husbands would go to the United States. Now they cry when they don't.

-- Old Man from Chamitlan203

This hypothesis asks the following questions: First, how have historical-structural (macroeconomic) factors influenced household decisions to migrate? Secondly, what has been the social and economic impact of U.S. dollars on household decisions to migrate? An appreciation of these structural factors is essential to understand household decision-making which adapts to the structural economic constraints.204 The next section analyzes the alternative income-generating activities for households in rural Michoacán with migration being but one strategy employed among many.205

202. Id.

203. MASSEY ET AL., Return to Aztlán, supra note 9, at 172.


A. The Regional Economy of Rural Mexico: Historical Development

The goal of agricultural reform conceived of by President Lázaro Cárdenas was to redistribute land from the wealthy landholders to the landless laborers. This system, begun in the 1930s, was called the ejido system. Lands were communally or, in some cases, individually owned. Unfortunately, the new owners, peons, did not receive any of the tools of modern agriculture (credit for seed and fertilizer, irrigation or technical assistance) to accompany their plots. The ejido plot also quickly became too small for commercial agriculture as peasants divided their plots among their offspring.206 As Taylor notes, "population pressures combined with low productivity on peasant lands force ejidatarios and small private farmers to supplement their farm production with wage work...either in Mexico or in the U.S."207 Compared to 1950, when "85% of the ejidatarios earned over half their income from farming, today less than 40% do so."208 Indeed, most farms cannot provide enough food for their own subsistence. A contributing factor in this inability to live off the land is the fact that most of the ejido land owned by "desperate small landholders...is arid, high risk and of low productivity and more than 90% of ejidos are noncollective units composed of minuscule individual holdings."209 As a result, most peasants must supplement their income with seasonal labor.210 Moreover, the Green Revolution has emphasized new seed varieties that require investments in irrigation, machinery, and fertilizer, further imperiling the position of the small landholder who cannot afford these inputs.211

Nor do Landholding peasants have much income security: 85% of these small landholders qualify as impoverished.212 They cannot produce enough to feed their families because the credit institutions and larger capital-intensive agriculture have monopolies on credit and inputs and have an interest in maintaining the rural dependence on temporary and

206. Taylor, Migration Networks, supra note 19, at 8.
207. Taylor, U.S. Immigration Policy, supra note 17, at 9-10. Mexico experienced the Green Revolution at this time and productivity for capital intensive agriculture increased dramatically with the aid of fertilizers, new seed varieties and a reliable water supply. According to Taylor, these advances "bypassed the majority of Mexican farmers, however...[The new seed variety] was limited to relatively flat, large, irrigated farms."
208. Id.
209. Id.
212. COCKROFT, supra note 210, at 196.
seasonal wage-labor. At the same time, large-scale agriculture has "virtually ceased to absorb increments to the labor force productively." Indeed, census data for 1970 indicates that the agricultural labor force declined by almost 900,000 persons after 1960, despite a substantial increase in the rural population.

B. Responses Leading to Alternative Labor Allocation

The first major difference between the various communities within Michoacán is found in their response to agricultural constraints and in their decisions regarding land-use. In Huecorio, the community has not been composed of subsistence peasants because the land-use in that community has been flexible. Land owners could choose either to work the land, rent it or leave it fallow; such flexibility helps promote migration. Members of the Huecorio community shifted to alfalfa crops because those crops required less maintenance and could also be used as pasture for animals. Some members (mostly wives) use the ejido to grow and sell fruits and vegetables to meet the marketplace demand. Migrants also rent their ejido land to a tenant who would have to provide all the inputs. In the Ihuatzio community, land has remained an "important source of subsistence." Furthermore, its large number of landless peasants would not dare take the risk of gambling all the money that it would take to migrate to the United States because they could lose everything. A land owning migrant relies on land just in case his trip should fail and he must return home empty-handed. In that case, he would at least be able to feed himself and his family. Ihuatzenos continue to grow maize although they also have the option of renting their land. Instead of migrating to the U.S., household members produce crafts for a domestic and an international market as a way to supplement their income.

The second significant difference between the communities is the level of wealth in the community. Huecorio has significantly higher household incomes as well as greater overall community wealth than that found in Ihuatzio. It appears that the lower the community wealth

213. Id.
214. Evans & James, supra note 137, at 8.
215. Id.
217. Id. at 44.
218. Id. at 51.
219. Id.
220. Id. at 45.
221. Id. at 45-46.
222. Id. at 48.
level, as in Ihuatzio, the less the community can share expenses. In addition, since Ihuatzenos have lower income levels, they are less able to afford all the expenses associated with migration: transportation costs; payment for a coyote (smuggler); cost of a failed crossing attempt; and the lost income incurred from the absence of a productive member of the household. Thus, their precarious economic situation makes them much more averse to the risks of migration.

The third difference that factors into migration is the various means of household organization; whether members live in large extended families or are separated into nuclear households. For example, Huecorianos have tended to maintain extended families which eases the financial burden of migration since households can rely on several incomes at once. Additionally, the larger family can more easily fulfill the tasks that would have been performed by its absent member. In contrast, families in Ihuatzio have much smaller households due to budgetary stress. As Dinnerman observes:

The nucleation of households seems to place in complementary relationship the needs of the parental generation, which is unable to support and house nonproductive young grandchildren, and those of their children, who are unable to support unproductive older parents. As a consequence, migration becomes less likely, because it further fragments the already small adult labor force of each household.

This economic justification for smaller households may explain this phenomenon. It can also be argued that households are organized along nuclear lines because the passing on of the craft tradition that would necessitate a large investment of training from one generation to the next. Nonetheless, whatever the actual reason, the end effect is the same: smaller families result in fewer members to absorb the workload of the migrant. Consequently, this type of household organization reduces the likelihood of migration.

C. The Household Economy

The following section adopts the view that households are too complex and flexible to be regarded as merely a simple aggregation of microeconomic actors. According to Massey and colleagues,

Household resources can be combined productively in an endless variety of ways to meet the requirements of family maintenance and economic improvement. The behavior

223. Id. at 48-49.
224. Id. at 51.
225. Id. at 49.
of household members in meeting these needs can be conceptualized as a series of dynamic, flexible survival strategies that shift in complex ways as needs and economic conditions change.226

Each type of migration serves as a particular survival strategy chosen at a key point in the household's life cycle.227 A study of Altamira, Chamitlan, Santiago, and San Marcos found that migration as a household strategy corresponded in frequency and duration to economic pressures during different stages of this life-cycle.228 "Household members are embedded within a set of family relationships that determine when, why, and where they migrate."229 Massey's sample of non-retired, male migrants, 18 years and older in Mexico and California classifies migrants according to stage of family development.230 In rural areas, they found that among unmarried migrants, 37.1% were temporary/recurrent migrants as compared to 62.7% who were either new or settled migrants.231 Among those newly married, the percentages were evenly divided between temporary/recurrent migrants and new or settled migrants.232 Among those with young children, 71.4% were temporary/recurrent migrants versus 28.5% that were new or settled migrants.233 Of those with only teenagers in the household, 86.7% were temporary/recurrent migrants, while 3.3% were new or settled migrants.234

When household members migrate, they do so to realize the high returns in the host country's economy and to survive in a village economy dependent on outside income sources. The low wages and limited opportunities at home serve as a strong incentive to migrate to California. In general, during the 1970s, local employment for non-migrant families in rural Michoacán was limited to day labor in agriculture. A 1978 study shows that the daily income for rural agriculture was approximately 80 pesos ($3.60) per day.235 In contrast, a migrant agricultural worker in California earned an average income of $30 per day (or more depending

226. MASSEY ET AL., Return to Aztlan, supra note 9, at 175.
227. Id.
228. Id. at 174-75.
229. Id. at 173.
230. Id. at 175.
231. Id. at 209.
232. Id.
233. Id.
234. Id. at 209. I have combined the separate categories of temporary and recurrent migration and likewise for new and settled migrants for this data to simplify the numbers.
Thus, a migrant from Mexico earned approximately nine times as much as his nonmigrating or internally migrating counterpart for work in agriculture. Similarly, in 1982 agricultural work in Mexico paid 200 pesos per day with a maximum income of 52,000 pesos a year. That same job in the U.S., however, would pay between 281,000 to 352,000 pesos annually (approximately $5,200 and $8,400 in U.S. dollars). Factoring in Mexico's hyperinflation for that year, this income surged upwards and ranged from 620,000 to 775,000 pesos due to the higher exchange rate for the dollar.

A second critical point regarding locally available income sources for that period was the fact that agricultural employment in Mexico occurs only a few months a year. Thus, non-migrants would be unemployed the rest of the time, relying on subsistence farming and household production. While such a livelihood would provide only the most spartan standard of living for an individual, it would in no way fulfill the needs of a family. Consequently, many non-migrants would become indebted by buying grain and other foods on credit in order to make it through the long period of unemployment. This scarcity of year-round employment in rural areas also creates a strong incentive for Mexico-U.S. migration. Massey and colleagues found that U.S. migrants from Altamira and Chamitlan grossed an estimated annual income of $5,218 and $5,597 respectively, which resulted in $3,951 and $4,297 net income. In sum, the wage differential, coupled with the shortage of viable work opportunities in rural Mexico, function simultaneously to propel temporary migration.

D. Remittances: The Flow of U.S. Dollars Back to Mexico

1. Background

Remittances refer to the income earned in the U.S. that has been sent through formal channels, such as wiring services; informal channels, such as friends; or carried by the returning migrant as "pocket transfers" to the community of origin. Fernando Ascenio compares several studies of remittances (but excluding pocket transfers) dating from the mid 1970s.

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236. Id. at 57.
237. MASSEY ET AL., Return to Aztlan, supra note 9, at 173.
238. Id.
239. Id.
243. MASSEY ET AL, Return to Aztlan, supra note 9, at 173.
His study illustrates how common the practice of remitting income is among temporary migrants. For example, the proportion of temporary migrants remitting money to Mexico for six years between 1976 and 1989 averaged 69%. To give some point of reference for the estimates of the amount of on remittances sent to Mexican states, Ascencio looks at each state and compares the remittances made to the amount of the Mexican federal government's public investments. In 1990, remittances to Michoacán totaled $361 million. In contrast, public investment totaled $309 million. Remittances clearly are an integral part of the Mexican economy. The following section discusses the spending patterns of many of the recipient migrant households.

2. **Migrant Income Transforming the Local Economy**

This section is based on a case study of Guadalupe, a typical sending community in Western Mexico. It illustrates how important migrant income has become in the village economy. Migrants from Guadalupe often use their income to start small businesses, such as retail stores or bars which can be maintained by other family members in their absence. Non-migrants, on the other hand, cannot compete in these types of businesses because they are unable to acquire the necessary loans with which to start the business. Moreover, the small-scale, migrant-owned businesses generally do not have any job-creating effects for the local population and may even serve as a barrier to non-migrant businesses.

Migrants also undermine the opportunities available to the non-migrant segment of the community by purchasing most of the valuable capital resources. For example, since migrants can afford to pay top prices for land, land prices become inflated. In fact, "[o]ver half of all the land owned by townspeople was purchased with money earned in the U.S." Moreover, nearly all the productive resources of the town were

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244. FERNANDO L. ASCENCIO, BRING IT BACK HOME: REMITTANCES TO MEXICO FROM MIGRANT WORKERS IN THE U.S. 17 (Center for U.S.-Mexican Studies, University of California, San Diego Monograph Series No. 37 1993). Ascencio also noted that there were considerable differences in the size of remittances from Mexican undocumented migrants, depending on their sector of activity. "According to the ETIDEU survey, the undocumented workers with the lowest monthly remittances are those in the agricultural sector, manufacturing, and construction." Nonetheless, the average monthly remittances (in U.S. dollars) for the abovementioned sectors were $220, $225, and $262 respectively.

245. Id. at 50. To clarify, for this estimate, the average was 69, standard deviation equaled 8, the upper limit equaled 77, the lower limit 61.

246. Id. at 67.

247. Id.


249. Id.

250. Id.

251. Id.

252. Reichert, A Town Divided, supra note 241, at 414.
owned by migrants, thereby enabling migrants to increase their income as store owners, property owners, cattle farmers, etc.  "Hence, those with the greatest earning ability were able to command a disproportionate access to capital resources capable of generating further wealth, thereby sharpening the degree of economic stratification between legal migrants and other residents, including illegals." In addition, since migrants spent most of their time abroad and returned to Mexico to vacation and spend money, they did not occupy themselves with cultivation of the land; instead they chose one of two practices: either they increased their investment in modern inputs (e.g. fertilizer, new seed varieties, machinery) in order to improve the productivity of the land, or they rented their land to sharecroppers. Some migrant landowners avoided agriculture altogether, preferring instead to leave their land idle while they waited to resell it at a higher price.

Migration has not only reduced the opportunities for non-migrants to own land, it has also reduced their ability to compete with the expensive methods of production that the migrant's family can afford. In Guadalupe, the village's dependence on migrants' income is strikingly illustrated by the fact that most families (72%) relied on U.S. income for support. In this respect, migration has undermined the self-sufficiency of the town's economy because residents can only achieve upward mobility by joining the migrant circuit. Similarly, the prosperity of the town depends heavily on the constant infusion of U.S. earned income. Although studies have long show that migrants do invest in their local communities and make productive investments, these improvements do not help create a self-sustaining regional economy. In general, migrants spend their money in order to increase the prestige of their family and to make improvements that will make their place of origin more attractive. Moreover, 70% of migrants reported spending their savings on personal or family consumption. Thus, the regional economy simply becomes more dependent on the fortunes of migrants to California.

253. Id. at 415.
254. Id.
257. Id.
258. Id. at 57.
259. Reichert, A Town Divided, supra note 241, at 412.
261. LEVI, supra note 18, at 34.
262. MASSEY ET AL., Return to Aztlan, supra note 9, at 250.
3. **Standard of Living and Social Relations of Migrants in Mexico**

Clearly, migrants are the most well-off in their community of origin. While their neighbors live in the traditional adobe, dirt floor homes, migrants can afford modern homes made from brick and concrete with gas stoves, electrical appliances and indoor plumbing.\(^{263}\) Migrants own the only homes with cars outside.\(^{264}\) Migrants can also afford better medical care and have the time and money for recreation.\(^{265}\) Moreover, they make no effort to conceal their wealth and readily demonstrate their financial superiority.\(^{266}\) Indeed, Reichert refers to those with Green Cards as the "elite segment of the town population."\(^{267}\) The consumerism of return migrants suggests a potential social demonstration effect will be discussed later in this section.

Given these benefits, it is evident that migrants, especially those with work permits, have a strong economic and social incentive to return to their community of origin. In the U.S., there would be many barriers to any attempt designed to improve their standard of living. However, when migrants return to Mexico, they can vastly improve their standard of living and raise their social status, "thereby providing both a sense of achievement and self-importance not readily obtainable in the United States."\(^{268}\)

The mobility of migrants is closely related to their immigration status. Migrants who have work permits have greater mobility in the U.S. to look for better jobs and to move with employment opportunities.\(^{269}\) These migrants can also acquire the proper papers to allow additional family members to join them, thereby increasing the earning potential for the household in Mexico.\(^{270}\) Moreover, they can migrate as often as they wish. Over time, these advantages accrue to make the households with work permits for the U.S. the wealthiest of the rural community.

This earnings advantage has transformed social relations by increasing the importance of wealth in social activities. For example, prior to the large scale migration, the traditional rural community of Guadalupe could be considered a "climate of egalitarian poverty" in which socializing did not involve spending money.\(^{271}\) Men would socialize by planting and harvesting together, fishing or hunting, or

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\(^{264}\) Id. at 60.

\(^{265}\) Id.

\(^{266}\) Id.

\(^{267}\) Id. at 61.

\(^{268}\) Id. at 57.

\(^{269}\) Id. at 58.

\(^{270}\) Id.

\(^{271}\) Reichert, *A Town Divided*, supra note 241, at 417 (quoting ERIC WOLF, SONS OF THE SHAKING EARTH (1959)).
simply gathering for informal evening conversations.\textsuperscript{272} After migration became more common, migrants could return to Mexico with relatively large amounts of savings, giving them the freedom to gamble and drink.\textsuperscript{273} As a consequence, those who could not afford to migrate were slowly alienated from socializing with their migrant counterparts.\textsuperscript{274} Reichert explains,

In Guadalupe, men were expected to reciprocate in kind when treated to a drink by a friend . . . as a result, most of the [poorer] individuals tried to avoid situations in which they might be expected to buy a round of drinks for fear of being humiliated by their inability to do so.\textsuperscript{275}

The rising migrant class distinguished itself in additional ways. For example, class status began to determine marriage choice. As migrant status became synonymous with wealth, a man with a "Green Card" attracted more admirers than the man without a work permit: the non-migrant and the undocumented migrant.\textsuperscript{276} Formerly, when the rural community was a closed society economically, members had little ability to alter their economic status.\textsuperscript{277} Economic status was believed to be as insurmountable as fate.\textsuperscript{278} Migration completely altered this understanding by introducing an outside income source for economic mobility. Consequently, those who remained poor were viewed with condescension by the rising migrant class: "Failure [to improve one's lot in life] was regarded as an individual shortcoming."\textsuperscript{279} Obviously, this view served to justify social stratification and further alienate undocumented migrants and non-migrants from the inner circle that was occupied by migrants with work permits. At the same time, social stratification inherently accentuates feelings of deprivation among other community members.\textsuperscript{280}

Thus far, it has been shown that migration serves as the most efficient path to upward mobility. A relevant question is: How much does intra-group comparison stimulate migration?\textsuperscript{281} Is there a social demonstration

\textsuperscript{272} Id.
\textsuperscript{273} Id.
\textsuperscript{274} Id. at 417-18.
\textsuperscript{275} Id. at 418.
\textsuperscript{276} Id. at 419-20.
\textsuperscript{277} Id. at 419.
\textsuperscript{278} Id.
\textsuperscript{279} Id. at 419-20.
\textsuperscript{280} Id. at 416-20.
\textsuperscript{281} Oded J. Stark & Edward Taylor, \textit{Relative Deprivation and International Migration}, 26 DEMOGRAPHY, Feb. 1989, at 1, 2. Stark and Taylor explain the process by which migrants who are motivated to leave their village because of perceived relative deprivation maintain their home village as their primary reference group identification, even while they work in a host economy. It would seem that the host economy could heighten the migrant's sensitivity to deprivation, but this is not the case.
effect from migrants' wealth? Oded Stark and Edward Taylor explain the "Theory of Relative Deprivation" from a 1983 study of two villages in the Patzcuaro Lake Region.\textsuperscript{282} Migration was found to be more a result of perceived relative deprivation than absolute initial income levels.\textsuperscript{283} The "greater the household initial relative deprivation, the higher the probability that the household member's labor time will be allocated to Mexico-to-U.S. migration."\textsuperscript{284} The only deviation from this model was found at the lowest income levels where migration would be too great a risk or too prohibitively expensive for the household preoccupied with basic survival.\textsuperscript{285}

4. Conclusion

This chapter has shown the dynamic processes of structural constraints on the regional and household level of the economy in rural Western Mexico. Rural Michoacanos had a strong incentive to migrate temporarily during the 1970s and 1980s since migration was the only way to improve their standard of living. Moreover, this migration did not solely depend on need or a demonstration effect since it was not an option available to all community members. Nor do income incentives operate in a vacuum. Several additional conditions influence the household decision to migrate: if the household is in a migrant community, the community has a higher wealth level to serve as a social safety net and the family is large enough and has enough income to compensate for the absent member. The type and frequency of migration also depend on the household's life-cycle stage. The evidence strongly supports the hypothesis that temporary migration is an economic response to a disarticulated village economy.

V. FINAL ANALYSIS: THE BETTER HYPOTHESIS

The first hypothesis provides compelling evidence of discrimination as a cause of return migration from California to Western Mexico. In essence, structural economic conditions foster inequality between minorities and the dominant white society in the US. As a result, the work force is segmented: migrants are channeled into a secondary labor market while whites and native born workers compete for jobs in the primary labor market. The secondary labor market is composed of firms with

\"Whereas migration within a country (particularly a culturally and socially homogenous group substitution, international migration to an entirely different cultural and social milieu can carry with it built-in protection against such a substitution process and ensure that the original reference group continues to be the relevant reference-group.\"\textsuperscript{282}

\textsuperscript{282} ld. at 1-14.

\textsuperscript{283} ld. at 11.

\textsuperscript{284} ld. at 10-11.

\textsuperscript{285} ld.
extremely variable product or service demand. Consequently, firms hire migrants for seasonal or cyclical periods of employment that correspond to the demand for their product. Migrants return home because they face unemployment and cannot cross over to the primary labor market. This structural explanation of discrimination accounts for the concentration of migrant in industries with highly variable demand.

However, upon closer consideration, the discrimination hypothesis has several fatal weaknesses. First, if discrimination, as it has been operationalized, sends migrants home, why is temporary migration a recurrent practice among migrants? This hypothesis posits that the migrants misjudge the labor market when they plan their original (permanent) move to the U.S. and are forced to return home. Obviously, these returnees, wiser from experience, would not make the same mistake twice.

The second flaw to this hypothesis concerns the assumption that migrants could not find other secondary sector jobs when their initial job ends. Clearly all the firms in these various industries (agriculture, construction, manufacturing, hotels and restaurants) do not have corresponding demands for their goods and services. Migrants could conceivably move to another sector of the secondary labor market when demand declines rather than go home and give up on the labor market altogether. In response, it could be argued that migrants cannot change industries because most employers only hire migrants who have been referred by other workers. Since migrants have been concentrated in the secondary labor market, they have been unable to form the necessary contacts with workers in the primary labor market, thereby isolating them from the very workers with whom they can gain such contacts.

The third flaw to the hypothesis of discrimination is that the role of the secondary labor market could be interpreted quite differently. Instead of sending migrants home, it may actually encourage those migrants who seek a target income by reserving jobs for them. Even during a recession in the U.S., the demand for migrant labor from these firms persists because native-born workers do not seek these jobs. Therefore, it seems the dual-economy fits the needs of temporary, economically-motivated migrants. From this perspective, it supports the second hypothesis of economic motive better than it supports the first hypothesis of discrimination.

The second hypothesis predicts that migrants initially plan a temporary stay in the U.S. to achieve a target income. This U.S. income serves to improve their standard of living in Mexico. The studies of migrant remittances and savings support this hypothesis; migrants save money and remit income to their families in Mexico consistently. Moreover, the fact that this income provides an astronomically higher standard of living in Mexico than in the U.S., makes the hypothesis of economic incentive the more compelling one.

In addition, theories of migration based on the experiences of different groups of immigrants have been mistakenly applied to explain late twentieth century migration of Mexicans to the U.S. Consequently, the process of settlement has been imbued with the notion of success; this notion is based on the experiences of white immigrants to America during
the nineteenth-century and at the turn of that century.286 These immigrants were able to attain economic mobility, acceptance, and integration into the host society over time. In contrast, the history of the Mexican origin population and that of other non-white immigrants to the U.S. testifies to the existence of structural barriers that prevent occupational mobility. The proximity of Mexico also makes return migration a more available option, adding another contrast to the experiences of nineteenth-century immigrants.

Finally, the discrimination hypothesis is mistaken in its assumption that Mexican migrants measure success as economic and social integration in the U.S and inaccurately attributes return migration to failure. In fact, it has been shown that migrants from Michoacán plan temporary migration to earn income levels that would be otherwise unattainable in Mexico. Understandably, when these migrants succeed at reaching their income goal, they follow their original intention: to return home.

286. PIORE, supra note 120, at 60.