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Majority of Migrants who return to Mexico Rely on Informal Economy for Work

by Carlos Navarro

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Eight of every 10 emigrants who are deported to Mexico from the US or who return voluntarily end up in the informal economy, in part because the formal economy is not able to generate sufficient jobs to accommodate the expatriates. The trend, contained in a report by Fundación BBVA Bancomer, revealed that 82% of the returning migrants take informal jobs that pay the equivalent of 1,000 pesos (US\$61.40) weekly, compared with the average pay of about 4,000 pesos (US\$245) that they received in the US.

While a number of the migrants were returned to Mexico via deportation, a percentage came back because they could not find a job in the US, said the Fundación BBVA Bancomer report.

The report said the inability to find jobs in the formal economy is linked directly to low education levels, as 80% of the returning migrants only completed the equivalent of primary or secondary school. "The great majority of those returning have very low education levels, which prevent them from finding employment in the formal economy, where their earnings would be higher," said economist Carlos Serrano, one of the authors of the report.

As a result, they have to accept informal jobs in agriculture or construction, which pay the equivalent of three minimum wages. The probability of finding a job in the formal economy increases by 12 percentage points for every additional year of schooling, the study concluded.

The BBVA Bancomer study said the number of Mexicans returning to the country either voluntarily or through deportation declined in 2014 to about 400,000. That compares with a total of 4.6 million between 2007 and 2013, which comes out to an average of 600,000 annually during that period.

The report said the tighter security measures implemented by US authorities along the border might have deterred some migrants from returning to Mexico and discouraged new migrants from attempting to cross the border.

BBVA Bancomer also noted that a slow but gradual recovery in the US economy, following the economic crisis of 2009, has increased employment opportunities north of the border, particularly for Latinos and other migrants. Despite the recovery, the major increases in migration come from Asia and Central America rather than Mexico. "There was the expectation that the flow of migrants from Mexico to the northern neighbor would resume in a significant way, but these expectations have not become a reality," said the report.

Remittances on the increase

Despite a generally stagnant migration pattern, the report projected an increase in the remittances sent by expatriates back to Mexico during 2015. Fundación BBVA Bancomer said remittances are expected to surpass US\$24.3 billion in 2015, an increase of almost 3% relative to 2014. For 2016, the foundation is projecting remittances to surpass US\$25.5 billion, partly because of projections that

the US economy will continue to grow next year, further increasing employment opportunities for migrants. Those totals are near the record levels for remittances attained in 2006 ([SourceMex, Jan. 17, 2007](#)). A slowdown in the US economy caused remittances to remain flat or decline in subsequent years ([SourceMex, Feb. 6, 2008](#), [June 3, 2009](#), and [April 14, 2010](#)).

"The estimates for both the growth rate and the amount of remittances projected for 2015 and 2016 are based on the forecasts for the economy and employment levels in the US for the next few years," said the Fundación BBVA Bancomer report entitled "Situación Migración México."

The report said three states are expected to receive the largest amount of remittances in 2015: Michoacán (US\$2.3 billion), Guerrero (US\$2.2 billion), and México state (US\$2 billion). Three northern states—Baja California, Coahuila, and Sonora—are expected to see an increase of between 8% and 12% in the amount of money sent by expatriates in 2015.

Donald Trump brings immigration issue to presidential campaign

The issue of immigration reform has become a centerpiece of the campaigns of candidates who have declared their intention to seek their party's nomination in the 2016 US presidential election, particularly Republicans. Controversial entrepreneur Donald Trump made illegal immigration a key topic in the speech announcing his candidacy in New York City in mid-June. His comments put down Mexican immigrants, which created an uproar in the US and in Mexico.

"When Mexico sends its people, they're not sending their best. They're not sending you. They're not sending you. They're sending people that have lots of problems, and they're bringing those problems with us. They're bringing drugs. They're bringing crime. They're rapists. And some, I assume, are good people," said the presidential candidate.

Later, in a radio interview, Trump referred to Mexico as a "corrupt" place, and suggested that the US should boycott the country. He made the comments shortly after notorious drug trafficker Joaquin "El Chapo" Guzmán escaped from a federal prison in México. The drug capo made his exit from El Altiplano prison with plenty of inside help ([SourceMex, July 15, 2015](#)).

"It's unbelievable that he got out, and it sort of just goes to what I'm saying, about the whole thing on the border, and the whole thing about crime, and all of the things I've said," said Trump.

The candidate also took the opportunity to endorse an expansion of the wall that divides Mexico and the US. "We have to close up our border," said Trump. "We have to build a wall. I can do the wall better than anybody and that's the story."

Trump is clearly appealing to a right-wing constituency, but his comments have made other Republican candidates nervous, worried about the potential loss of the Latino vote in the 2016 presidential election and other state and federal races.

Trump's comments affected his business ventures, including the Miss USA and Miss Universe Pageant, which was dropped by the US-based Spanish-language television network Univisión. NBC Universal later followed suit, forcing Trump to find a cable network to carry the pageant.

Ora TV, a television production studio owned by Mexican billionaire Carlos Slim, also dropped a scheduled venture with a Trump-owned company. "We can confirm that we were working on a television project with Trump that has been dropped," a spokesperson for Ora TV told CNNMoney.

The presidential candidate's remarks also elicited strong comments from current and former Mexican officials. Foreign Relations Secretary José Antonio Meade Kuribreña said Trump's comments "reflect prejudices that are not consistent with reality" and do not do justice to value of Mexican migrants to the US economy. "[Trump] is a politician who is ignorant of the forum and the context in which he is participating, and because of that, he does not have good prospects [in the presidential election]," said Meade Kuribreña.

"México should not pay him much attention because he is not going to go far [in the election]," said Arturo Sarukhán, who served as Mexican ambassador to Washington under ex-President Felipe Calderón.

Calderón also had strong words for the US entrepreneur, although he had the opposite reaction as Meade and Sarukhán regarding Trump's intentions on the campaign trail. "All this man is seeking through his aggressive and controversial comments is to use our country to gain votes," the ex-president said in a television interview.

Others agreed with this assessment. "The racist sectors of the far right in the US will support Trump's tirade," columnist José Cárdenas wrote in the daily newspaper *Excélsior*. "However, his discourse is pure poison for his goal of governing the most powerful country in the world."

Despite the setbacks, Trump refused to retract his comments about Mexican immigrants. "I can never apologize for the truth. I don't mind apologizing for things. But I can't apologize for the truth," he said. "I said tremendous crime is coming across. Everybody knows that's true. And it's happening all the time. So, why, when I mention, all of a sudden I'm a racist. I'm not a racist. I don't have a racist bone in my body." [Peso-dollar conversions in this article are based on the Interbank rate in effect on July 29, 2015, reported at 16.29 pesos per US\$1.00.]

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