

*U.S. Immigration Policy and the Wages of Undocumented Mexican Immigrants*¹

Peter Bartholomew Brownell

brownell@demog.berkeley.edu

University of California at Berkeley
Department of Sociology

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Undocumented immigrants from Mexico make up an increasingly significant part of the United States' labor force. This significance becomes even more clear in states where such migrants are concentrated, such as California and Texas. Similarly, their importance can be seen in the sectors where they are most concentrated, especially agriculture, but also construction and low-skill services. For example, according to U.S. Department of Labor (DOL) research based on the National Agricultural Worker Survey (NAWS), the percentage of all farmworkers who are Mexican Immigrants increased from 53% in 1990-91 to 77% in 1997-98. Similarly, the percentage without valid work authorization increased from 16% in 1990-91 to 52% in 1997-98² (US DOL 2000, 1997).

The DOL also found that farmworkers real wages have declined. In constant 1998 dollars, farmworkers earned an average of \$6.89 in 1989 and \$6.18 in 1998. The gap between farmworkers' wages and the wages of workers in nonfarm private sector jobs has widened over the same period (US DOL 2000). Such correlations between the increasing undocumented Mexican share of the agricultural work force and the decline (or stagnation) of agricultural wages could lead one to the simplistic conclusion that there is something innately "cheap" about immigrant workers³. Such a conclusion would, however, be a mistake.

It would be a mistake because it would fail to take into account the relative lack of power that immigrants have in the political/legal system, the labor market, and their workplaces. A number of authors have argued that the relatively low wages paid to immigrants are related to this relative powerlessness (Sassen-Koob 1980, 1978; Burawoy 1976; Castells 1975). This lack

² This increase in percentage of farmworkers without valid work authorization is largely due to the departure from agriculture of immigrants legalized in the late 1980s under IRCA's one time General Amnesty and Special Agricultural Worker programs. Newer migrants entering the agricultural workforce have not had similar opportunities to gain legal status. See US DOL 1997, Chapter 4.

³ More specifically, one might simplistically conclude that the *wages* paid to immigrant workers by their employers are innately cheap relative to the wages paid to native-born workers.

of power is hardly an innate characteristic of migrants, but rather derives from policy choices about which rights to grant to immigrants and which rights to deny them.

Much of the research on the relationship between migrants wages and power is part of a larger literature of the benefits (and costs) of immigration to receiving countries (for a review of the sociological and anthropological literature see Wilson 1993). While researchers have addressed an number of ways in which receiving countries benefit from immigration, little distinction has been made between temporary and permanent immigrants. A theory which deals with the differences between the effects of temporary and permanent migration would help inform current U.S. policy debates regarding immigration from Mexico. Current proposals range from an amnesty or legalization program for undocumented migrants currently in the U.S. (i.e., allowing permanent settlement) to an (explicitly temporary) “guestworker” program.

A theory that differentiates between temporary and permanent (or settled) immigrants would also help to understand the effects of current U.S. immigration policy. Authors such as Cornelius (2001) and Johnston (1999) have argued that the Southwest Border Strategy adopted by the Immigration and Naturalization Service (INS) in 1994 has lead to a increase in the settlement of undocumented Mexican immigrants, while I have argued the opposite (Brownell 2001).

Cornelius (2001, 1990) frames arguments that immigration policy has led to increased settlement of undocumented immigrants as evidence of the policy's failure. I believe the implicit theory underlying this view assumes (1) immigration creates competition for US workers and is therefore harmful (to U.S. workers, beneficial to employers), and (2) temporary migration is better than permanent immigration because it limits the duration of the harm (benefit) to US workers (employers). Thus, temporary migration is seen as a compromise between permanent

migration and no migration at all (which would be harmful to employers)⁴. However, in a *system* of "temporary" labor migration, only the individual migrants are temporary. The system itself and the structural demand for low-wage labor that such a system addresses are much longer-lived. So even within a system of temporary labor migration, any competition between immigrants and natives (or earlier immigrants) is permanent. So a system of temporary migration does not provide any protection against the competition that might result from permanent immigration.

On the contrary, theory points to reasons why temporary immigrants may earn less than their settled counterparts, which would likely affect native-born workers in sectors such as agriculture and construction. These lower wages may result directly from the temporary nature of the migration, rather than differences in immigrants' characteristics such as human or social capital.

A theory of the earnings of temporary migrants

A number of theorists have argued that immigrant-receiving countries benefit from immigration because of the separation of the processes of reproducing the labor force (Meillassoux 1981; Sassen-Koob 1980, 1978; Burawoy 1976, Castells 1975). These authors focus on the cost of reproducing the labor force because, according to Marx (1867), it is the cost of producing labor-power which determines labor's price, that is, wages. While it is not true in the short-term that wages are strictly determined by the costs of reproduction, in the long run wages must be *at least* equal to the costs of reproducing the labor force, or the working

⁴ In fact, just such a "compromise" was made in the Immigration Act of 1917, which barred the entry of immigrants responding to employers' recruiting efforts, but also granted administrative discretion to allow the *temporary* immigration of otherwise inadmissible aliens (see Scruggs 1960).

population will fail to reproduce itself. So we can treat the cost of reproduction as a floor, below which wages cannot drop (for long) if the work force is to continue to exist⁵.

Meillassoux (1981), Sassen-Koob (1980, 1978), Burawoy (1976), and Castells (1975) all divide the costs of reproducing the labor force into those which must be paid where the work is done and those which may be paid in alternative, usually less-developed economy. Clearly, the "maintenance" of the worker, meeting his or her day-to-day needs, must be paid in the receiving country while the immigrant is there. However, the costs of replacing old workers with new ones can be physically, and therefore economically separated⁶.

What none of these authors fully elaborate is that these two sets of reproduction costs can be separated physically because they must be separated chronologically. By the time a worker enters the labor force, previous generations have paid his or her replacement costs through family and state transfers⁷. The worker, in turn, must pay replacement costs, but for those who will enter the labor force in the future. Sassen-Koob (1978, 1980), for example, only addresses the costs previously paid. Thus, she argues that for a country that imports immigrant workers, "the costs associated with producing a share of its labor force are externalized." Such a subsidy to immigrant-receiving country exists regardless of whether the immigrants are temporary or permanent.

My interest is in examining the differences between systems of temporary and permanent immigration. Here the focus must be on the reproduction costs currently paid, rather than the

⁵ Meillassoux (1981) argues that the cost of reproduction is the long-term equilibrium wage.

⁶ Meillassoux (1981) also notes that the cost of maintaining the worker in times of unemployment may be borne by the sending economy.

⁷ The state and family work in conjunction to spread the costs of reproducing the labor force across the current working age population. Within families, those who do not work in the market contribute unpaid labor to child-rearing. The state taxes those who work in the market, whether they have children or not, and spends a portion of those taxes on services for children (e.g. public education). Thus, it is not only those who have children AND work who pay these costs, but also those who either have children OR work.

investments already made. Permanent, or settled, immigrants generally raise their children in the receiving country. This implies that the replacement costs should be (1) the same as those paid by native-born workers of the same socio-economic status; and (2) paid in part by the receiving country's state (i.e., from taxes). On the other hand, temporary migrants' children are generally left with family in the sending country. This means that the replacement costs should be (1) lower than those for either settled migrants or native-born workers; and (2) paid in part by the sending-country's state.

Clearly, the receiving country's state saves money in the case of temporary migration. Not only does such a state gain an adult worker without paying the costs of producing that worker. But the receiving country state also avoids paying any costs associated with raising the migrant worker's children (at the risk, however, that those children may never work in the receiving country as adults). However, the bulk of the costs of raising children are not paid by the state, but rather by the parents themselves. Employers can be said to pay these costs indirectly, because working parents pay these costs from their wages. In the case of temporary migration, where such costs of reproduction are lower, who benefits? How are these savings distributed between workers, who pay these costs directly and employers who pay these costs indirectly, through workers' wages? If temporary immigrant workers are paid exactly the same as settled migrants, then only the temporary migrants benefit from the lower costs of reproduction. If, however, temporary migrants are paid lower wages than settled migrants, then their employers receive some or all of the savings.

From another angle, Djajić's (1989) neo-classical economic model of guest worker (i.e. explicitly temporary) migration decision making implies that temporary migrants might have lower wages. Neo-classical micro-economic models of migration generally assume that an

individual will choose to migrate permanently if she expects to receive a higher real wage in the receiving country than the sending country (Massey, et al. 1993). If, however, the cost of commodities is higher in the receiving country, a temporary migrant might be willing to save some share of his earnings to spend in the cheap sending economy. If so he might choose to migrate if nominal wages were higher in the receiving country, even if real wages were equal or lower. This also implies that a temporary migrant could achieve the same level of (long-term) consumption (for example subsistence) as a native or permanent migrants at a lower nominal wage. Interestingly, Hanson and Spilimbergo (1996) found that the number of U.S. Border Patrol Apprehension (a rough proxy for flows of undocumented migrants) along the Mexico-U.S. border varied with the purchasing power of U.S. wages in Mexico, rather than real wages in either country.

Combining Djajić's model with a household level of analysis suggests that through the separation of maintenance and reproduction, a split household (i.e. family in sending country, migrant in receiving country) could achieve a level of consumption equal to a receiving country household at a lower receiving country nominal wage⁸. That is, the wage at which it would be economically rational to choose to migrate is lower for potential temporary migrants than for those considering permanent migration. To the extent that permanent migrants are making household level decisions with family members still in the sending country, we might expect that those planning to remit to pay for family members' consumption would also decide to migrate at

⁸ This is essentially the argument made by in the late 19th Century by California White Labor in favor of the exclusion of Chinese immigrants (Saxton 1971). However, a similar argument can be (and was) made for relaxing policies which kept Chinese workers in California divided from their families and/or prevented them from forming new families. The anti-prostitution Page Law effectively limited the migration of *all* women and the anti-miscegnation laws prevented Chinese-white intermarriage (Peffer 1999).

lower wages than settled migrants who do not intend to maintain economic ties to the sending country.

Empirically, we would want to know the answers to the following questions: Do temporary migrants accept lower wages than settled migrants? Do migrants who supporting family in Mexico accept lower wages than those who are not? Moreover, we should ask, do any such differences in wages exist even if we control for factors affecting wages such as U.S. experience, education level, and occupation?

Data and Methods

To answer these questions I turn to a unique source of data on Mexican migration, the Survey of Migration to the Northern Border, known by its Spanish acronym, EMIF. This survey is a joint project of CONAPO (the Mexican National Council on Population), COLEF (College of the Northern Border), and Mexico's Secretary of Labor. EMIF draws its sample from the flows of migrants in the northern border region of Mexico. The survey includes 4 sub-samples: one of Northward-bound migrants (with destinations in either Mexican border cities or the U.S.), a second sub-sample of migrants returned to Mexico by the U.S. Border Patrol, the third sub-sample of Southward-bound migrants from Mexican border cities, and lastly a sub-sample of Southward-bound migrants returning from the United States. Because my interest is in U.S. wages of Mexican Immigrants, this paper uses only the sub-sample of migrants returning from the U.S. Within this sub-sample I further limit my analysis to male Mexican nationals who reported working in the U.S. at least one week on their last trip and who reported that they lacked documents authorizing such work.

The EMIF uses a probability sampling method adapted from methods used in the biological sciences for sampling mobile populations. The survey sampled migrants in 8 Mexican

border cities: Tijuana, Mexicali, Nogales, Ciudad Juarez, Piedras Negras, Nuevo Laredo, Reynosa, and Matamoros. Within each city, samples were drawn at "sampling points" within "sampling zones" including bus stations, airports, train stations, international bridges, ports of entry and Mexican customs inspection points. These points, zones, cities, and regions are combined with time measures to create a set of sample weights⁹. These probability weights are designed to make the sample representative of the flow of return migrants across the land border from the U.S. into the Mexican interior. Relative to the stock of Mexican migrants in the U.S., this weighting scheme give too much weight to migrants who cross more frequently and too little to those who cross less frequently. In order to counter this effect, I have multiplied the weights by the duration each migrant spent in the U.S. prior to returning to Mexico. As such, the weighted sample represents the person-months spent in the U.S. by each migrant¹⁰.

Another source of bias is that this sample contains only migrants who return to Mexico, and misses those so thoroughly settled in the U.S. that they *never* return (i.e., they die here). My assumption is that the settled migrants in the sample (who return to Mexico at least occasionally) are more like the temporary migrants than those settled migrants missing from the sample because they never return. Thus, this sample should tend to underestimate any differences between the full populations of settled and temporary immigrants. That is, any findings of differences between the temporary and settled migrants in this sample implies that the real difference between all settled and temporary migrants is as great or greater.

⁹ More information on the methodology is available in the published volumes of tabulated EMIF results. See Secretaría de Trabajo y Previsión Social 1999. A summary (also in Spanish) is also available in Bustamante et al. 1998.

¹⁰ Ken Wachter agreed that this weighting scheme should more closely match the stocks of migrants in the U.S. He suggested that to be strictly representative, the ratio of duration in the U.S. on a trip to the time spent in Mexico between trips must be constant. I would argue that the assumptions are not so strong. I believe the weighting scheme need only assume that probabilities of immigrating and emigrating remain constant over the long term. It should be possible to determine who is correct using fairly simple simulations.

To date, three phases of this cross-sectional survey have been released as machine-readable microdata. Each phase lasted one full year. The first ran from March 28, 1993 to March 27, 1994; the second from December 14, 1994 to December 13, 1995; the third ran from July 11, 1996 to July 10, 1997. I have merged data from the second two phases into one file. The first phase uses different occupational codes and was excluded to maintain comparability. Cases from the third phase are coded with dummy variable that will allow a "phase fixed effects" to control any differences between the two survey phases used. I have also included an index of time elapsed since phase two began to control for any time trend in wages.

As published, the microdata appear to have a number of coding errors, which are especially noticeable and problematic in the outcome variable, U.S. wages. Much of this error seems to be mis-coding of the unit of time for which the reported wage was paid. Other survey questions, such as last month's earnings (on all phases) and last week's earnings (phase 3 only), allowed for comparison and correction of many such mis-codings. This analysis uses the cleaned data, but analysis (unpublished here) of the original data produced similar results.

The U.S. wage variable in this analysis was constructed from three different questions. Many respondents reported their hourly wages. Others reported daily, weekly and monthly wages. In these cases, I also used questions on the number of hours worked each day and number of days worked per week. This information was used to convert daily, weekly and monthly wages into hourly wages.

The EMIF also has questions of the respondent's country of residence. I treat those reporting a U.S. residence as settlers and those reporting a Mexican residence as temporary migrants (U.S. Commission on Immigration Reform 1998). Using self-reported residence to measure settlement offers an improvement over other measures (usually time in the U.S.- see for

example Alarcón 1995) which do not contain any measure of intention or identification with a U.S. residence. Table 1 lists other variables used to predict migrants' wages. Table 2 shows summary statistics for the whole sample, as well by temporary/settled status. Settled migrants earned an average of \$7.19 per hour, while temporary migrants earned an average of \$5.26. In other words, without controlling for other factors, settled migrants' hourly wages were almost 37% higher than the wages of temporary migrants. But does this difference persist once we control for factors likely to influence migrants wages? To answer this question, I turn to regression analysis.

Table 1: Variables Used to Predict Undocumented Mexican Migrants' Wages

Variables	Definition
Age	Self-reported age
Married	Married or in marriage-like union (<i>union libre</i>) at time of survey
Temporary	Self-reported residence (1=Mexico, 0=United States)
Education	Seven categories for highest level school completed
Duration of U.S. Trip	Months spent in U.S.
Number of U.S. Trips	Reported number of U.S. trips (including present trip) 1-10, 10+
# Trips >10	Dummy for Number of U.S. trips >10 (1= more than 10 trips, 0=1-10 trips)
US Family	Respondent reports at least one family member or friend in the U.S.
US Family Docs	Respondent has at least one family member or friend with valid documents in the U.S.
Job Search Help	Respondent reports receiving assistance finding a job from U.S. family or friends
Length of U.S. Job	Months spent at last job in U.S.
Signed Contract	Respondent reports having signed a contract with his employer
Occupation	Ten categories based on <i>Clasificación Mexicana de Ocupaciones 1990</i> (CMO) <ul style="list-style-type: none"> Services/Retail CMO group 81 and 7111 (reference) Professional/Managerial CMO groups 12-21 and 71 except 7111 Agricultural Workers CMO group 41 Manufacturing CMO group 52 Industrial Operators CMO group 53 Unskilled Manufacturing CMO group 54 Drivers & Heavy Equipment CMO group 55 Clerical CMO group 62 Traveling Sales/Services CMO group 72 Domestic Services CMO group 82
Survey Phase	Two categories for survey phase: 2 (reference) and 3
Survey Time	Elapsed time since phase two of the survey began (in days)

Table 2: Descriptive Statistics for Variables Used to Predict Mexican Immigrants' Wages

Variable	All Immigrants				Settled Immigrants				Temporary Immigrants			
	Mean	SD	Min	Max	Mean	SD	Min	Max	Mean	SD	Min	Max
Hourly Wage	5.64	4.08	0.247	200	7.19	2.913	1.75	31.25	5.26	4.23	0.25	200
Age	27.56	8.2	15	74	28.28	7.99	15	70	27.38	8.23	15	74
Married	57.6%		0	1	73.2%		0	1	53.8%		0	1
U.S. Duration (months)	15.85	18.98	0.033	90	32.59	31.25	0.083	90	11.80	11.3	0.03	68
Number of U.S. trips	3.05	3.08	1	11	3.58	3.65	1	11	2.93	2.92	1	11
# U.S. trip >10 (dummy)	9.0%		0	1	15.9%		0	1	7.3%		0	1
U.S. family or friends	73.8%		0	1	61.8%		0	1	76.7%		0	1
Documented family/friends	64.0%		0	1	48.6%		0	1	67.7%		0	1
Job search help	35.6%		0	1	15.0%		0	1	40.6%		0	1
Length of U.S. job (months)	12.55	23.25	0.231	324	31.90	45.24	0.263	324	7.88	8.03	0.23	84
Education												
No school (ref)	4.7%		0	1	1.5%		0	1	5.5%		0	1
Some Primary	23.7%		0	1	10.4%		0	1	26.9%		0	1
Completed Primary	31.2%		0	1	43.2%		0	1	28.3%		0	1
Some Secondary	5.6%		0	1	4.7%		0	1	5.9%		0	1
Completed Secondary	22.8%		0	1	22.0%		0	1	23.0%		0	1
Some High School	4.5%		0	1	2.8%		0	1	4.9%		0	1
Completed High	4.5%		0	1	10.2%		0	1	3.2%		0	1
Higher Education	3.0%		0	1	5.2%		0	1	2.4%		0	1
Signed Contract	12.3%		0	1	15.6%		0	1	11.5%		0	1
Occupation												
Services/Retail (ref)	16.4%		0	1	5.9%		0	1	18.9%		0	1
Professional/Managerial	1.3%		0	1	3.9%		0	1	0.6%		0	1
Agricultural Workers	25.4%		0	1	7.4%		0	1	29.8%		0	1
Manufacturing	28.5%		0	1	63.1%		0	1	20.2%		0	1
Industrial Operators	2.9%		0	1	2.6%		0	1	3.0%		0	1
Unskilled Manufacturing	13.4%		0	1	4.4%		0	1	15.6%		0	1
Drivers/Heavy Equipment	3.3%		0	1	1.6%		0	1	3.7%		0	1
Clerical	1.1%		0	1	3.1%		0	1	0.6%		0	1
Traveling Sales/Services	1.1%		0	1	0.9%		0	1	1.2%		0	1
Domestic Services	6.5%		0	1	7.3%		0	1	6.3%		0	1
Survey Phase 2 (ref)	34.9%		0	1	42.9%		0	1	33.2%		0	1
Survey Phase 3	65.1%		0	1	57.9%		0	1	66.8%		0	1
Survey Time (days)	525.266	271.1	0	938	437.893	257	4	938	546.372	270.2	0	938

Analysis

Although it is common to analyze wage or income data using ordinary least squares regression (OLS) with a logged dependent variable (also called a semi-logarithmic specification),

Petersen (2002) argues that the interpretations often offered for results from such analyses are not quite correct in that this model predicts the geometric mean rather than the arithmetic mean. He suggests using a generalized linear model with a logarithmic link function. The coefficients of this regression model can be correctly interpreted as the logarithm of the factor by which the predicted mean wage differs for each unit change in the dependent variable. I have analyzed the data using both specifications. Although I will limit my interpretation to the results of the GLM specifications, the semi-logarithmic results are reported as well.

Table 3 shows the results of two regression models. Model 1 includes the variable "Temporary," as well as age, age-squared, marital status and variables relating to migrants' human and social capital. Controlling for age, marital status, and migration-related human and social capital, settled migrants predicted wages are 17.6% higher than temporary migrants according to the GLM specification. It is important to emphasize that this difference exists even when controlling for an number of variables that might be expected to affect migrants' wages.

Model 2 adds controls for whether a migrant had a contract (more likely in formal and/or union workplaces) and for occupation. In the GLM specification of this model, the "Temporary" coefficient rises toward zero, now implying a predicted difference in wage by a factor only about 6.2%, but this result is only significant different from zero at the 0.18 level. This would imply that the difference in temporary and settled migrants wages works largely through migrants' self-selection into different occupations within a split labor market. This finding is, however, still consistent with the theoretical prediction that temporary migrants would be willing to migrate at a lower U.S. wage. It may mean that the temporary migrants are deciding to migrate, despite the fact that they know their job opportunities will be limited to low wage occupations.

Table 3: Effects of Selected Variables on Hourly Wages Earned By Unauthorized Mexican Migrants (1995-1997)

Independent Variables	Model 1				Model 2			
	GLM		Semi-logarithmic		GLM		Semi-logarithmic	
	β	SE	β	SE	β	SE	β	SE
Temporary	-0.1617*	0.0603	-0.1619*	0.0486	-0.0637	0.0478	-0.0886*	0.0437
Age	0.0290*	0.0123	0.0250*	0.0094	0.0246*	0.0086	0.0236*	0.0086
Age Squared	-0.0004*	0.0002	-0.0003*	0.0001	-0.0003*	0.0001	-0.0003*	0.0001
Married	0.0198	0.0423	0.0434	0.0337	0.0067	0.0340	0.0229	0.0337
Education (ref= none)								
Some Primary	0.0170	0.0660	0.0247	0.0643	-0.0158	0.0568	-0.0018	0.0594
Completed Primary	0.1427†	0.0737	0.1201†	0.0663	0.0818	0.0597	0.0917	0.0619
Some Secondary	0.0499	0.0680	0.0936	0.0660	0.0028	0.0627	0.0412	0.0647
Completed Secondary	0.0564	0.0668	0.0747	0.0656	-0.0074	0.0583	0.0200	0.0611
Some High School	0.0505	0.0830	0.1009	0.0907	-0.0562	0.0933	-0.0020	0.0989
Completed high School	0.1340†	0.0730	0.1776*	0.0709	0.0874	0.0680	0.1334*	0.0706
Higher Education	0.3814*	0.1531	0.3005*	0.1354	0.1400	0.1201	0.1690	0.1243
U.S. Social & Human Capital								
Duration of U.S. trip (months)	0.0057*	0.0014	0.0070*	0.0014	0.0063*	0.0013	0.0070	0.0014
Number of U.S. trips	0.0011	0.0112	-0.0018	0.0113	-0.0021	0.0097	-0.0032	0.0112
Number of U.S. trips = 10+	0.1310	0.1203	0.1454	0.1155	0.1549	0.0953	0.1492	0.1072
Family or friends in U.S.	-0.0190	0.0716	-0.0418	0.0732	-0.0512	0.0615	-0.0516	0.0661
Documented Family or friends	0.0528	0.0492	0.0525	0.0527	0.0407	0.0419	0.0377	0.0466
Job Search help from family or friends	0.0433	0.0607	0.0680	0.0596	0.0694	0.0567	0.0874	0.0567
Length of U.S. job (months)	-0.0034	0.0021	-0.0038†	0.0021	-0.0049*	0.0020	-0.0049*	0.0021
Length of U.S. job squared	2.0E-05*	8.2E-06	2.2E-05*	8.4E-06	2.7E-05*	8.0E-06	2.7E-05*	8.5E-06
Workplace Characteristics								
Signed Contract					0.0887*	0.0493	0.0923*	0.0496
Occupation (ref= services/retail)								
Professional/Managerial					1.0501*	0.3332	0.6225*	0.2006
Agricultural Workers					-0.0972*	0.0512	-0.0901†	0.0509
Manufacturing					0.1083*	0.0489	0.1053*	0.0484
Industrial Operators					-0.0850	0.0879	-0.0777	0.0862
Unskilled Manufacturing					0.0006	0.0496	0.0027	0.0521
Drivers and Heavy Equipment Operators					-0.0245	0.0729	0.0025	0.0741
Clerical					0.3070	0.1992	0.2674	0.1910
Traveling Sales/Services					0.0228	0.1575	-0.0544	0.1680
Domestic Services					-0.0023	0.0525	0.0077	0.0506
Survey Time (days)	4.1E-05	1.9E-04	4.7E-05	1.5E-04	3.7E-05	1.5E-04	5.9E-05	1.4E-04
Survey Phase 3 (ref= phase 2)	-0.1007	0.1062	-0.0815	0.0892	-0.0664	0.0896	-0.0816	0.0854
Constant	1.2064*	0.2016	1.1699*	0.1758	1.2379*	0.1656	1.1783*	0.1704

* $p \leq .05$; † $p < .10$; Standard Errors are robust Huber/White/Sandwich. Cases are weighted by survey (flow) weights times U.S. Duration to better approximate stocks.

Models 1 and 2 essentially use Mexican (rather than U.S.) residence (the "temporary" variable) as a proxy for whether the migrant intends to save or remit some share of his earnings to Mexico. It would be better to include information about the household a migrant may be supporting. In theory we would expect temporary migrants with families in Mexico be more likely to remit or otherwise transfer money to Mexico.

An analysis of remitting behavior (not reported here) finds that being married is positively related to the odds of remitting¹¹. Models 1 and 2 show a small positive and not significant relationship between wages and marital status. However, these models impose the assumption that the relationship between marital status and wages is the same for both temporary and settled migrants.

Table 4 shows results from models similar to those in Table 3, but with the addition of terms for the interaction between "temporary" and "married," allowing the different relationships between marital status and wages for temporary and settled migrants. The GLM results from model 3, with the temporary*married interaction term and human and social capital controls imply an 18.9% difference in predicted wages between married temporary and settled immigrants, but are not significant at the 0.10 level. Interestingly, Model 4, which adds the occupation and contract variables, does produce a significant difference between the wages of temporary and settled married immigrants. The average difference in married migrants' wages, controlling for all the variables in the GLM Model 4 is 11.6%. The predicted difference between the wages of single migrants is only 4.5%. and not statistically significant at any reasonable level

¹¹ Remitting behavior was not used as an independent variable in these models because of issues of reverse causation. Those with wages near or below a certain subsistence threshold may not have remitted, although they may have initially planned to do so. This tends to create a positive relationship between remitting *behavior* and wages even if there may be a negative relationship between *intending* to remit and wages.

Table 4: Effects of Selected Variables on Hourly Wages Earned By Unauthorized Mexican Migrants (1995-1997) with Temporary*Married Interaction

<u>Independent Variables</u>	Model 3				Model 4			
	GLM		Semi-logarithmic		GLM		Semi-logarithmic	
	β	SE	β	SE	β	SE	β	SE
Temporary*Married interaction	-0.1310	0.0969	-0.0756	0.0824	-0.1669†	0.0873	-0.1583*	0.0794
Temporary	-0.0787	0.0826	-0.1149†	0.0695	0.0440	0.0836	0.0124	0.0710
Age	0.0298*	0.0124	0.0255*	0.0094	0.0258*	0.0086	0.0247*	0.0086
Age Squared	-0.0004*	0.0002	-0.0003*	0.0001	-0.0004*	0.0001	-0.0003*	0.0001
Married	0.1293	0.0891	0.1063	0.0790	0.1451†	0.0824	0.1540*	0.0767
Education (ref= none)								
Some Primary	0.0212	0.0648	0.0274	0.0637	-0.0137	0.0557	0.0003	0.0585
Completed Primary	0.1418†	0.0730	0.1197†	0.0662	0.0798	0.0590	0.0881	0.0613
Some Secondary	0.0570	0.0672	0.0975	0.0658	0.0072	0.0625	0.0445	0.0647
Completed Secondary	0.0604	0.0658	0.0764	0.0651	-0.0057	0.0573	0.0201	0.0602
Some High School	0.0568	0.0811	0.1047	0.0899	-0.0577	0.0906	-0.0006	0.0964
Completed High School	0.1325†	0.0719	0.1770*	0.0703	0.0839	0.0647	0.1304†	0.0678
Higher Education	0.3684*	0.1497	0.2941*	0.1332	0.1221	0.1179	0.1449	0.1229
U.S. Social & Human Capital								
Duration of U.S. trip (months)	0.0053*	0.0015	0.0068*	0.0014	0.0059*	0.0014	0.0065*	0.0014
Number of U.S. trips	0.0008	0.0111	-0.0020	0.0113	-0.0022	0.0097	-0.0035	0.0112
Number of U.S. trips = 10+	0.1406	0.1192	0.1508	0.1156	0.1616†	0.0965	0.1580	0.1079
Family or friends in U.S.	-0.0232	0.0714	-0.0447	0.0731	-0.0561	0.0612	-0.0573	0.0658
Documented Family or friends	0.0626	0.0505	0.0585	0.0534	0.0530	0.0419	0.0499	0.0467
Job Search help from family or friends	0.0445	0.0609	0.0686	0.0599	0.0715	0.0568	0.0889	0.0569
Length of U.S. job (months)	-0.0032	0.0022	-0.0038†	0.0022	-0.0046*	0.0021	-0.0048*	0.0022
Length of U.S. job squared	1.9E-05*	8.5E-06	2.2E-05*	8.5E-06	2.5E-05*	8.2E-06	2.5E-05*	8.6E-06
Workplace Characteristics								
Signed Contract					0.0965†	0.0497	0.0991*	0.0495
Occupation (ref= services/retail)								
Professional/Managerial					1.0419*	0.3234	0.6413*	0.1858
Agricultural Workers					-0.1028*	0.0517	-0.0945†	0.0514
Manufacturing					0.1131*	0.0495	0.1094*	0.0491
Industrial Operators					-0.0797	0.0834	-0.0662	0.0818
Unskilled Manufacturing					-0.0006	0.0498	0.0040	0.0522
Drivers and Heavy Equipment Operators					-0.0348	0.0734	-0.0056	0.0742
Clerical					0.2892	0.1914	0.2591	0.1836
Traveling Sales/Services					0.0209	0.1574	-0.0565	0.1679
Domestic Services					-0.0131	0.0522	-0.0006	0.0499
Survey time (days)	4.9E-05	1.8E-04	5.6E-05	1.5E-04	5.0E-05	1.5E-04	7.4E-05	1.4E-04
Survey Phase 3 (ref= 2)	-0.1065	0.1055	-0.0872	0.0896	-0.0768	0.0898	-0.0920	0.0857
Constant	1.1161*	0.2194	1.1193*	0.1794	1.1231*	0.1819	1.0727*	0.1813

* p \leq .05; † p \leq .10; Standard Errors are robust Huber/White/Sandwich. Cases are weighted by survey (flow) weights times U.S. Duration to better approximate stocks.

of significance. This finding lends strong support to the theory that migrants supporting family in Mexico are willing to work for lower wages than migrants supporting families in the United States¹².

Conclusions

In conclusion, among Mexican undocumented workers in the United States, temporary migrants earn significantly less than their settled counterparts. This difference is significant even controlling for education level, U.S. duration, job length, number of U.S. trips and occupation. This finding supports the theoretical conclusion that a migrant intending to spend at least part of his foreign earnings in his home country might be motivated to migrate to a country like the U.S. at a nominal wage lower than the wage which would be required to make permanent migration an economically rational thing to do.

More broadly, this analysis supports the theoretical assertion that temporary migration is not a middle-ground between permanent migration and no migration at all. At least with regard to migrants' wages temporary migration is clearly different from settled migration. Although U.S. (and European) workers may find the concept of temporary migration somehow more palatable, there is little evidence that it affords any real protection from competition with migrants in general or from any deflation of wages in increasingly immigrant-concentrated sectors. On the contrary, this analysis finds that the employers of temporary migrants are the beneficiaries of a system such as a system. U.S. workers can expect to benefit from programs which settle and integrate immigrants, rather than those which keep circulating between the U.S. and Mexico.

¹² Generally the wives of temporary migrants are in Mexico and the wives of settled migrants are in the United States (Massey and Espinosa 1997).

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