



Guatemalan, Salvadoran and Honduran workers in Mexico

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El Colegio de México, May 24th, 2017

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Introduction

- The presence of Guatemalan workers in the Mexican border area is not a new phenomenon. Since Chiapas was annexed to the Mexican territory in 1824, Guatemalan workers have come and go, mainly to the Soconusco region to work in coffee farms.
- In 1997, the Mexican government started to issue the FMVA (migratory form for agricultural visitors) for Guatemalan nationals and to work only in the state of Chiapas. In 2008, the permission was expanded for workers in different economic sectors (FMTF), and for workers from Belize. They allowed workers to work temporarily in the 4 Mexican border states, for one specific employer and for less than one year. In 2012, the name of the permission was changed to TVTF (border visiting worker card).

Introduction

- For border visitors, the Mexican authorities issue the TVR (Regional visitor card), that allow people from Guatemala and Belize to stay in Mexican territory up to 72 hours, without permission to work. This permission is about to be increased.
- According to the 2015 International Migration Border Survey (EMIF), 65% of the Guatemalan workers that return to their source communities after a labor stay in Mexico work in the agricultural sector; 8.4% work as traders; 7.8% work in the service sector and only 0.6% work in the manufacturing industry.
- Honduran and Salvadoran workers started to establish in Mexico only after the 2001 terrorist attacks in the US, when security in the Mexico-US border was reinforced.



Guatemalan border workers in Mexico

EMIF Sur (Southern Border International Migration Survey)

- The socio-demographic and labor characteristics of Guatemalan workers in the Southern Mexican border area are analyzed with data from the Southern Border Mexican Migration Survey (EMIF Sur).
- This survey started in 2004, and is carried out by El Colegio de la Frontera Norte.
- The flux analyzed is the one that returns from Mexico to Guatemala.
- The purpose of the EMIF Sur is to report labor market experiences of migrants crossing the borders.
- The point of “La Mesilla” is especially important for agricultural workers, and this was enabled in 2006.

Guatemalan border workers in Mexico

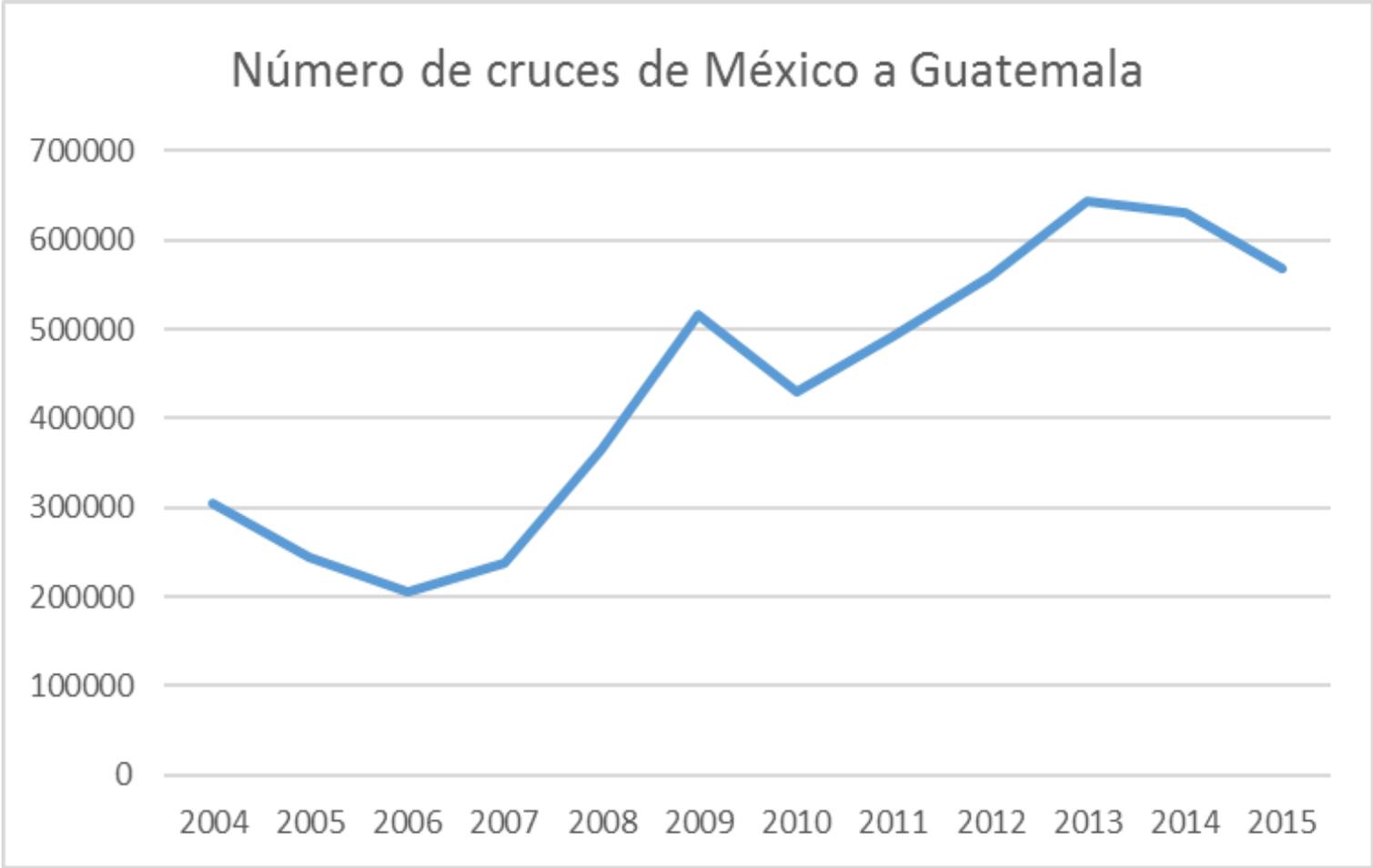
Points where interviews are carried out. EMIF Sur 2015



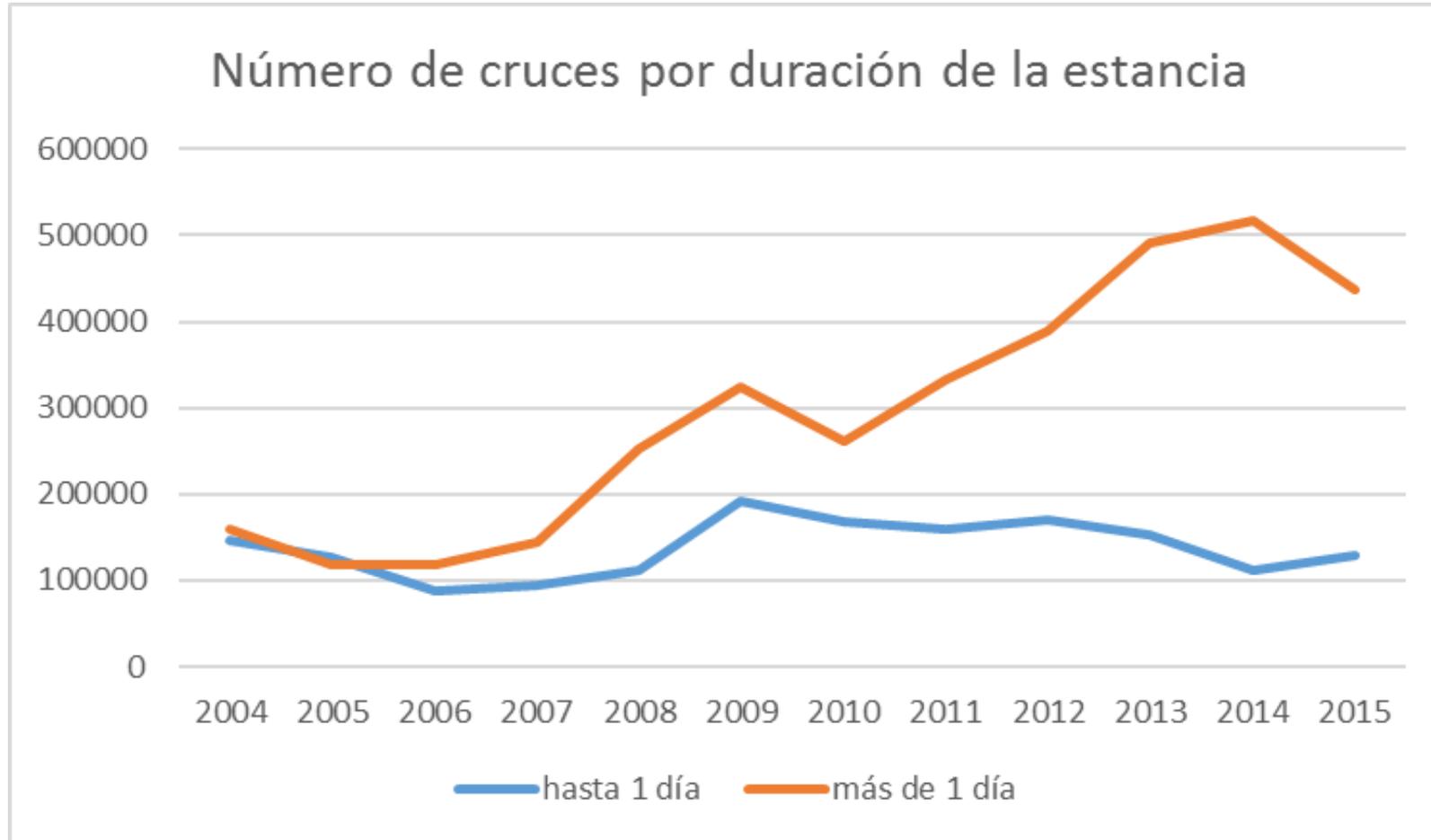
Basic data from EMIF Sur

- According to EMIF Sur, in 2015, a total of 566,979 Guatemalans and Belizeans crossed the border after a labor stay in Mexico.
- The vast majority of the workers from neighbor nations come from Guatemala.
- The migrants interviewed were returning to Guatemala.
- The number refers to crossings and not to people.
- The number of crossings with labor purposes increased permanently since 2006 and until 2013, with a drop during the 2008-2009 economic recession, as the following graph shows.
- In 2014 and 2015, there was a reduction in the number of crossings from Mexico to Guatemala with labor purposes. This suggests that the Mexican border is more secure.
- 22.9% of the crossings captured in 2015 by EMIF Sur lasted less than 24 hours, while those longer than one month but less than one year, represented 40.8% of the total.

Number of crossings from Mexico to Guatemala (EMIF Sur)



Number of crossings by length of stay (EMIF Sur)



Data from the crossings (EMIF Sur)

- 54.3% of the crossings from Mexico to Guatemala in 2015 took place in La Mesilla; 26.7%, in the locality of El Carmen and 19% in Tecún Umán.
- 60% of the crossings from Mexico involved people from rural areas in Guatemala.
- 82.5% of the crossings from Mexico to Guatemala involved people from the border states of the Central American country (San Marcos, Huehuetenango, Quetzaltenango, Retalhuleu and others).
- 86% of the crossings involved people with migratory documents. Out of these, 41.5% (35.7% of the total) held a Regional Visitor Card (they didn't have a permission to work). This means that practically half of the crossings with papers involved people without a permission to work.
- Those with a card of border visiting worker (TVTF) represented a 67.7% of the people who declared having migratory documents. This means that they had a permission to work. This total represented 50.2% of the total crossings.

Highlights of the socio-demographic characteristics

- 91.8% of the people that return from Mexico to Guatemala after a labor experience have less than 6 years of formal education, while only 1% have more than high-school.
- Practically 40% of the people in this flux is younger than 29 years of age, and 70% is younger than 39 years of age.
- 89% of the crossings involve males, but when we consider only the people who stay in Mexico less than 24 hours, the proportion of women increases to 28%.
- The profile of the border migrants is very clear: male, young and with a very low level of education, who come from the rural areas in Guatemala and that works in the Mexican agricultural sector.
- Young female Guatemalan workers tend to stay in Mexican territory for small periods, generally of 24 hours.

Highlights of labor characteristics of the Guatemalans returning from Mexico

- 65% of the people interviewed declared they have worked in the agricultural sector. In the group of workers that stay more than 24 hours in Mexico, agricultural workers represent 83% of the total.
- The proportion of agricultural workers in the total that returns from Mexico to Guatemala increased from 35% in 2004 to 65% in 2013. This suggests an increasing demand for agricultural workers of Guatemalan origin, maybe because Mexican workers are moving to other states or to the U.S.
- The Guatemalan workers in the manufacturing sector have decreased as a proportion the total. While they represented 2.3% of the total in 2004, this number decreased to 0.6% in 2015.
- Workers in the construction sector dropped from 14.4% of the flux in 2004, to 6.9% in 2015. This kind of workers increase in the flux that stays in Mexico only for 24 hours or less.

Highlights of labor characteristics of the Guatemalans returning from Mexico

- The number of Guatemalan workers in the transportation section increases from 0.8% in 2004 to 8.0% in 2015 in the flux that stays less than 24 hours in Mexico.
- 77.3% of the crossings in 2015 involved workers that earned less than 2 minimum wages in Mexico; however, this proportion decreases to 37.5% when we refer only to workers who stay in Mexico less than 24 hours. This means that service and construction workers are better paid than agricultural workers.
- In Chiapas, 74% of the workers earn less than 2 minimum wages, which means that Guatemalan workers compare to locals, at least in terms of earnings.

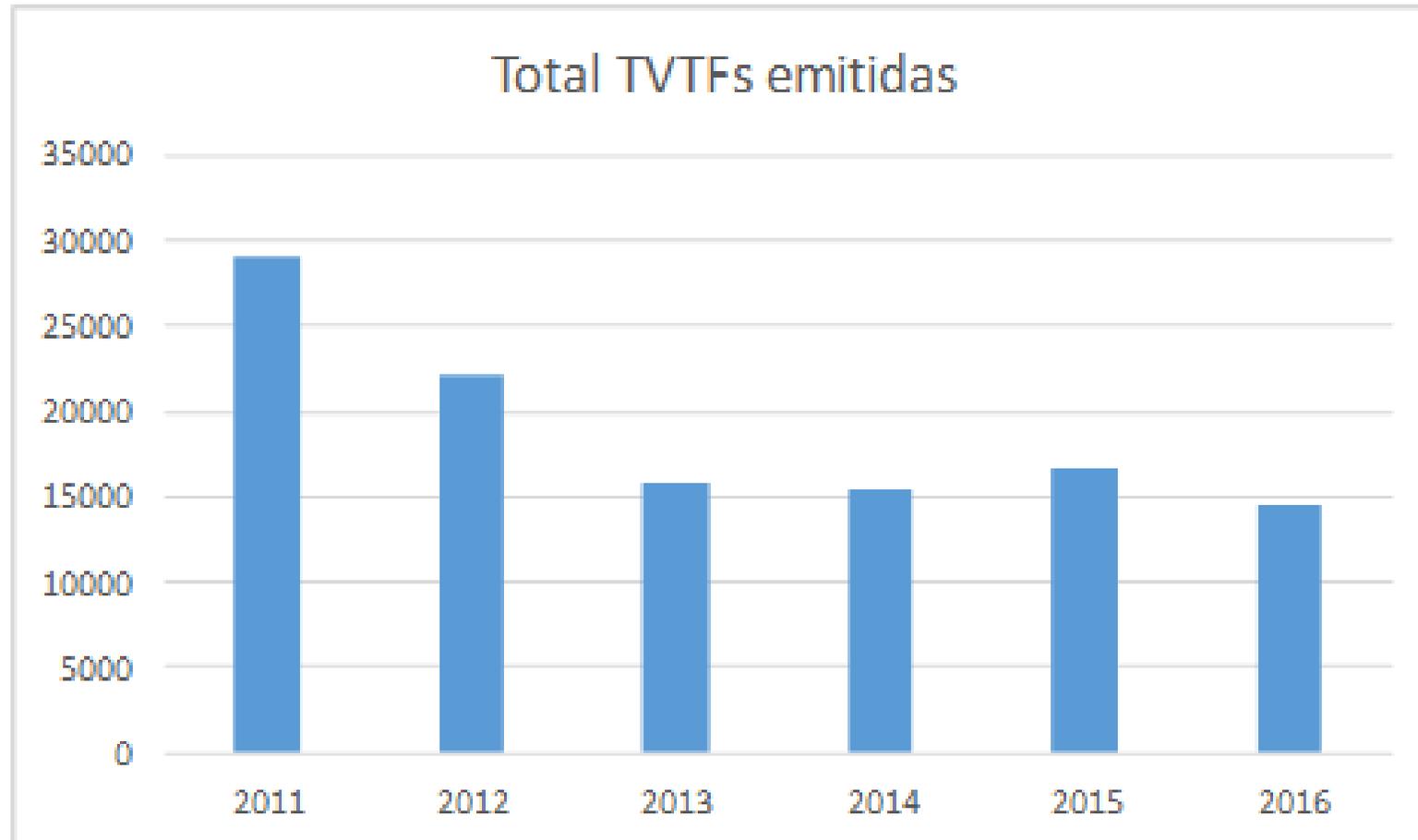


Workers with a border visiting worker card (TVTF)

Characteristics of the workers with a border visiting worker card (TVTF)

- The beneficiaries are those Guatemalan and Belizean workers, older than 16 years of age, that hold a labor offer from a Mexican legal employer and do not have a criminal record.
- The card allows the worker to bring spouse and children as economic dependents. It is valid for one year, and the worker has to bear it all the time while in Mexican territory.
- In case of breach, the bearer can receive an administrative sanction and even can be expelled from the country.
- The number of cards have decreased over time, as the following graph shows.

Border visiting worker cards issued, 2011-2016



Some data about the TVTF card holders

- 99.8% of the cards issued in 2014 were in the state of Chiapas, and the rest were issued in Tabasco.
- 95.2% of the cards were issued to the workers, and the rest for the members of their families.
- The average age of the TVTF worker is 29.7 years, and most of them are between 20 and 25 years old.
- 82.4% of the TVTF workers are men, and 90.5% have less than 6 years of formal education.
- 26.3% declare they have no formal education at all.
- 77% of the workers declared they were unemployed in Guatemala.
- 92.9% of the workers perform in the agricultural sector.
- 47.5% work in coffee farms; 26% harvest papaya and 15.8%, banana.

Activity of the worker prior to arrival in Mexico





Guatemalan, Salvadoran and Honduran
resident workers in Mexico

Guatemalan, Salvadoran and Honduran resident workers in Mexico

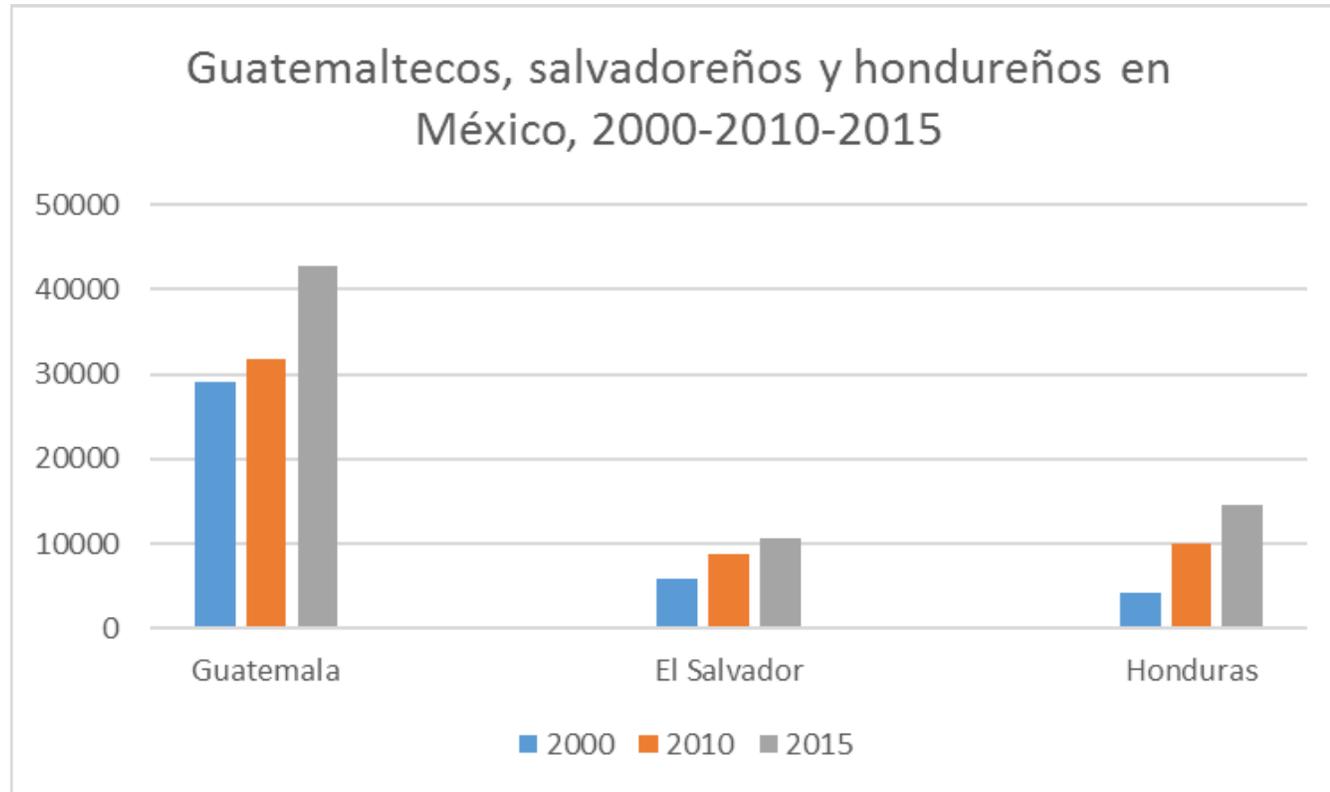
The information in this section comes from the Intercensal Survey of 2015, carried out by INEGI.

Inmigrantes en México provenientes del TNCA
2000-2015

País de origen	2000	2010	2015	Cambio % 2000-2015
Guatemala	29156	31888	42874	47.05
El Salvador	5786	8864	10594	83.09
Honduras	4203	9980	14544	246.03

Fuente: CONAPO con base en los Censos y la EI del INEGI.

Guatemalan, Salvadoran and Honduran resident workers in Mexico



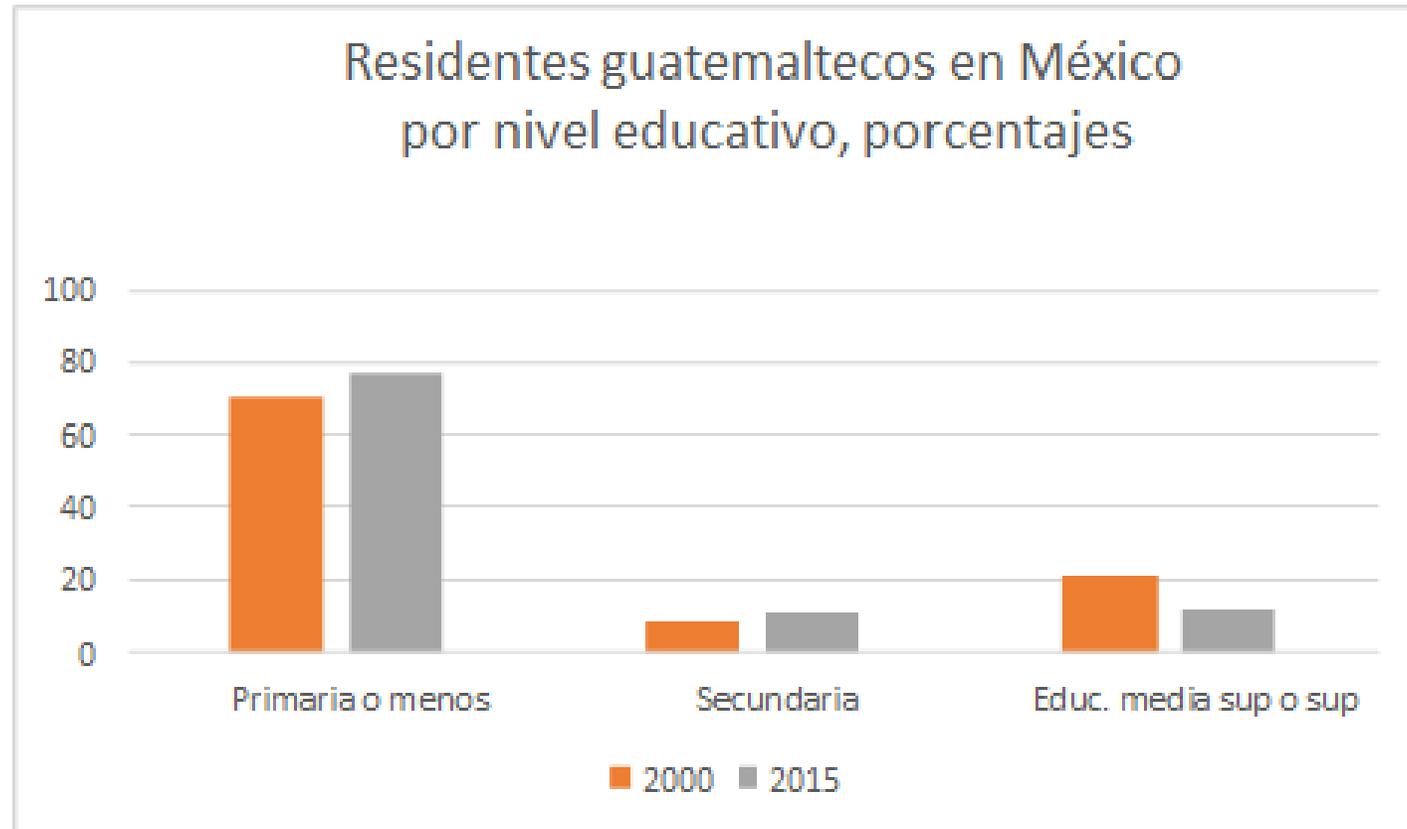
Growth of immigrant population groups

- All Honduran age groups in Mexico (except the older than 65) grow more than 100% between 2000 and 2015, suggesting that Mexico is becoming an important destination country for people from Honduras.
- Male population from Honduras grows almost 300% between 2000 and 2015.
- The population younger than 14 years of age of Salvadoran origin grows 420% between 2000 and 2015, indicating an important family flow from El Salvador.
- It is important to consider that the initial size of the population groups is very small, comparing to the number of immigrants of Centralamerican origin in the U.S.

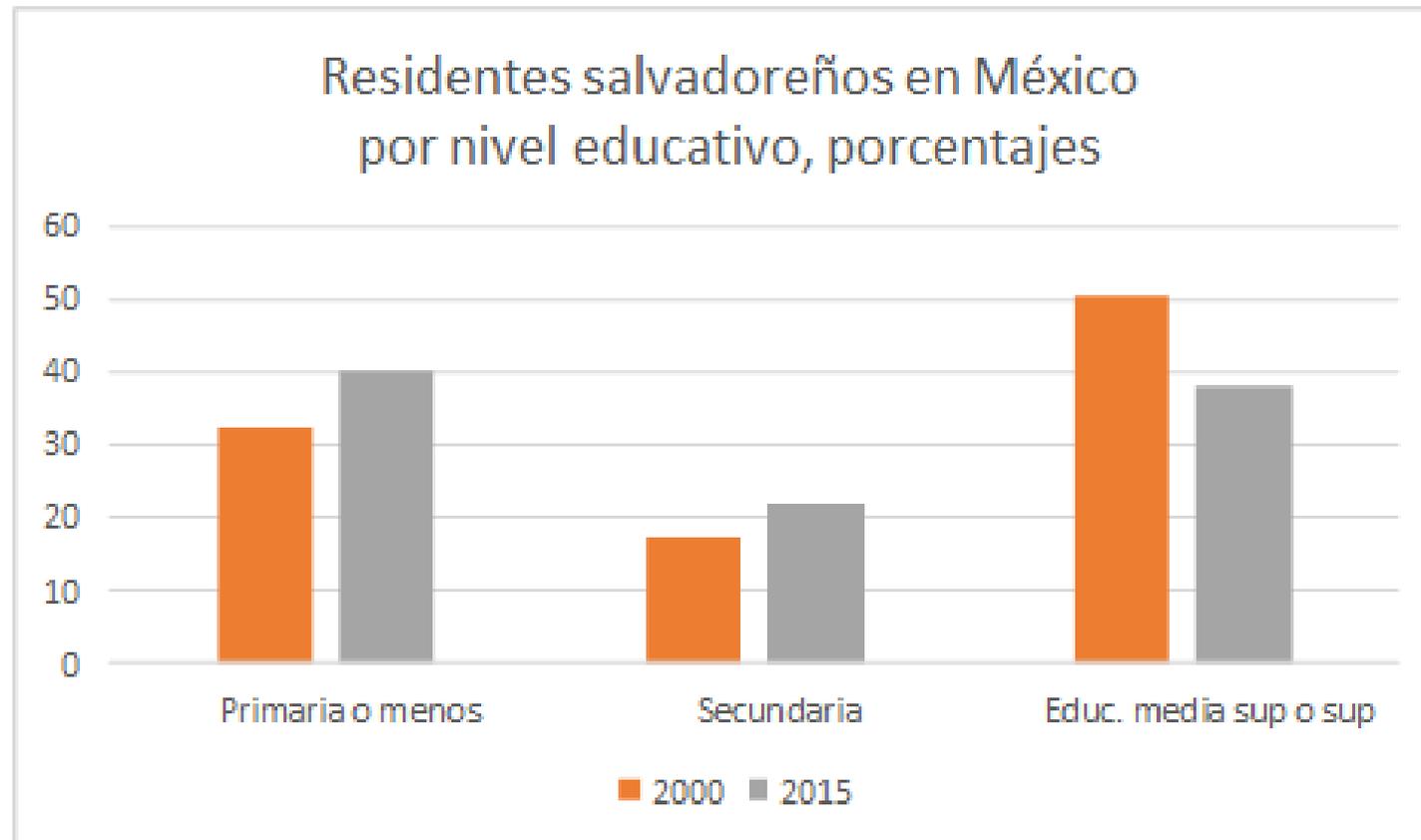
Socio-demographic characteristics of Guatemalan, Salvadoran and Honduran immigrants in Mexico

- Regarding the age of the immigrants in 2015, 39% of Salvadorans were younger than 34 years of age. For Guatemalans, this percentage increases to 54%, and for Hondurans, this percentage grows to 62%.
- The numbers above suggest that Salvadoran population in Mexico is older than their counterparts from Honduras and Guatemala.
- 40% of Salvadoran population in Mexico is older than 45 years of age, while this percentage decreases to 24% in the case of Guatemalans and to 14% in the case of Hondurans.
- Regarding education, it is worth mentioning that between 2000 and 2015, the proportion of immigrants from Guatemala, El Salvador and Honduras with primary education or less increases, while the proportion with high-school or college education decreases.

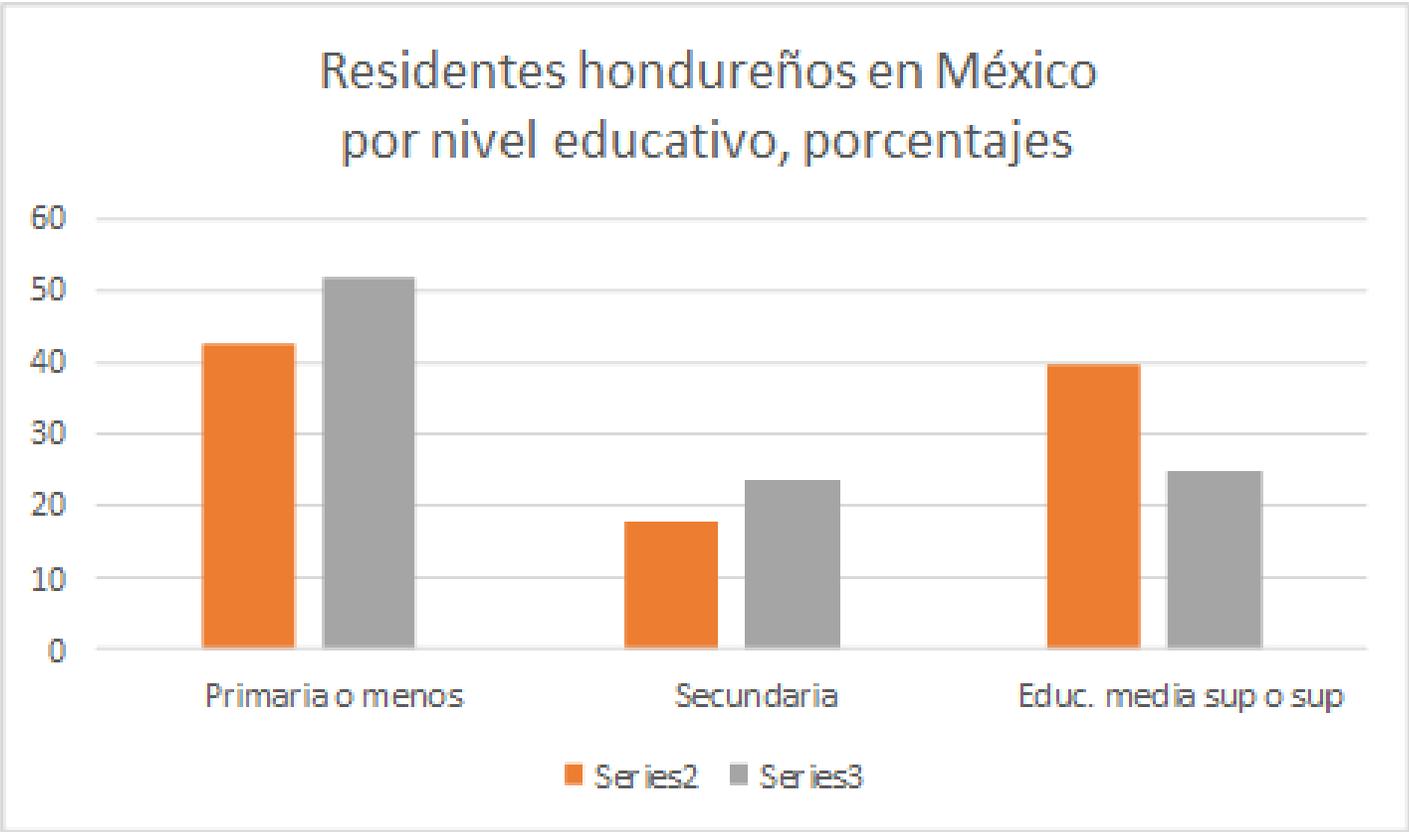
Guatemalan residents by education level, percentages.



Salvadoran residents by education level, percentages



Honduran residents by education level, percentages



Regional dispersion of immigrants from the Northern Triangle of Central America.

- With respect to the place of residence, Salvadorans are dispersed throughout the whole Mexican territory, while Guatemalans concentrate in the state of Chiapas.
- The percentage of Salvadorans in Chiapas is 22.4%, while 73.3% live outside the border region. Mexico City concentrates an important part of Salvadorans in Mexico.
- 65.8% of Guatemalans live in Chiapas, while 34.6% of Hondurans live in this state.

Labor characteristics of immigrants from the NTCA.

- **Participation rate**: Women from Guatemala participate a lot less than their Honduran and Salvadoran counterparts in the Mexican labor market. Among Salvadoran men, the labor participation rate is much lower than their Honduran and Guatemalan counterparts. This is explained by the lower education level of Guatemalan women and by the older age of Salvadoran men.
- **Wages**: Salvadoran immigrants earn more than their counterparts from the other countries, either male or female. This is the result of their higher levels of education. Centralamerican women earn less than their male counterparts. This is especially true for Guatemalans, because 62.4% of women earn less than 2 minimum wages.

Labor characteristics of immigrants from the NTCA.

- **Position in the job:** In 2015, 54.5% of Salvadorans declared to be employees, while 24% were self-employed. The proportion of Salvadorans that define themselves as employer is much larger than the percentage of Guatemalans and Hondurans that do it (8.7% for Salvadorans, 2% for Guatemalans and 2.1% for Hondurans). 36.5% of Salvadoran women define themselves as self-employed, as only 23% of men do it. 22.2% of Guatemalans are peasants, although a lot of agricultural workers define themselves as employees. 27.5% of Hondurans are considered self-employed and 53.9%, employees. 8.7% of Honduran male are registered as helpers, while this percentage is much lower in the case of Salvadorans and Guatemalans.

Labor characteristics of immigrants from the NTCA.

- **Productive sectors:** Most Salvadorans, either men or women, work in the service sector (38.5% of men and 61% of women), while most of the Guatemalan men work in the agricultural sector (42.4%). Most Guatemalan women also work in the service sector (64.8%), mostly as domestic workers. Honduran male workers are more dispersed among sectors, and they are found in construction, services, manufacture and retail trade. Honduran women are concentrated in services.
- **Access to health services:** Most workers from the NTCA region have access to health services through the Seguro Popular and through private services. This means that most workers don't have social security in a broader sense (health services, pensions and other fringe benefits). Only 18.9% of Salvadorans have access to public health services. This number drops to 10.6% in the case of Guatemalans and to 14.2% in the case of Hondurans. The group with the lowest percentage with access to public health services is Guatemalan men. Only 9.8% of them are registered at the IMSS or ISSSTE.

Labor characteristics of immigrants from the NTCA.

Occupations:

- 20.3% of the male Salvadoran occupied population were artisan workers in 2015. 25.1% classified themselves as professional or technical workers, due to their higher levels of education. 20.3% were performing elemental and supportive activities, and 1.9% were managers or directive personnel.
- 23.2% of Salvadoran women in 2015 were retail traders; 28.4% were occupied in elemental and supportive activities, while 21.3% were in surveillance and personal services.
- Most Salvadoran women, despite their higher levels of education, were performing activities where human capital was not required. This suggests that this population faces obstacles to get employed in better quality jobs.
- 37.4% of male workers from Guatemala declared, in 2015, to be an agricultural worker, or employed in livestock, fishing, hunting or forestry activities. Another 23.3% were employed in elemental and supportive activities, while 12.4% were performing artisan jobs.
- Most Honduran women were performing artisan jobs. A noticeable fact is that, in 2015, 12.1% of Honduran female workers declared to be a professional or technical worker, while this proportion is 6.1% in the case of Guatemalan women and 8.9% in the case of Salvadoran female workers. This does not match with the levels of education of Honduran women, so it deserves further investigation.



The effect of Guatemalan immigration
in the wages and hours worked in
Chiapas

Theoretical prediction and objective

- Economic theory predicts that the arrival of immigrant workers into a competitive labor market will reduce wages and employment levels of those native workers that compete with them, and increase the wages and employment levels of the workers that complement the immigrant labor.
- According to Borjas (1999), the native population of a migrant-receiving community benefits from immigration, provided that immigrants and natives possess different productive qualities; that the benefits are greater as long as the differences in these qualities are greater, and that the benefits are not evenly distributed, since natives with characteristics similar to those of immigrants generally lose with immigration, while natives with different characteristics generally win with it.
- This part of the research tries to prove this theoretical assertion through an empirical exercise, taking into account the econometrical problems that we can face trying to capture the effects of immigrant workers in a local labor market.

Econometric problems

- The empirical analysis of the effect of immigration in a labor market can face an endogeneity problem, if immigrants insert themselves more easily in sectors and occupations that offer either higher or lower wages.
- If the localities where immigrants arrive are more prosperous, we can attribute to immigration the higher wages and employment levels.
- If native workers react to immigration by leaving these labor markets and employing themselves in places that have not experienced supply shocks, it is highly probable that the effect of immigration in these labor markets will be close to zero.

Advantages and disadvantages of analyzing the Chiapaneco labor market

- This exercise tries to find the effects of Guatemalan labor immigration in the Chiapas' labor market, because Guatemalan workers concentrate in this Mexican state. An analysis at a national level would dilute the effect of Guatemalan immigration, because the number of immigrants is too low.
- As immigrants from Guatemala concentrate in certain regions and localities in Chiapas, it is very likely that the labor market at the state level is being affected.
- Chiapas expells more population than it receives. This means that most of the effect of immigration from Guatemala will be diluted due to the departure of the local population.
- If some effect is revealed in this exercise, these will be already considering the departure of the local population in response to immigration.
- Analyses of the effect of immigration on national labor markets are generally performed in places where immigrant population represents an important proportion of the total population. This is generally true in developed nations.
- There are just a few studies about South-South migration, and this analysis is added to this literature.

First studies

- Studies of the effect of immigration on labor markets in destination countries emerged in the 1980s on the basis of unrealistic assumptions: labor markets are closed and native workers do not respond to the changes they face as a result of the entry of immigrants in the local labor market.
- Studies like Grossman (1982), Borjas (1983), Card (1990), Altonji and Card (1991), LaLonde and Topel (1991), Jaeger (1996) and Card (1997), used data from well defined local labor markets and analyzed changes in wages and employment levels of the native population due to the entrance of immigrants in these labor markets.
- According to Borjas (1999), two problems emerge in this kind of studies:
 - The first one is that immigrants do not distribute themselves in a random way in different labor markets. They tend to concentrate in localities with stronger migrant networks or where there is a clear migratory tradition.
 - The second one is that native workers respond to the presence of immigrants by moving to markets that have not received a supply shock.

A new kind of studies

- Subsequent literature on the effect of immigration on labor markets shifted away from the study of defined metropolitan regions or areas and focused on analyzing national labor markets in countries where immigration represents an important proportion of the total population.
- Examples of these studies are those of Carrasco, Jimeno and Ortega (2008), for the case of Spain; Jaeger (2007), for the case of the United States, and Manacorda, Wadsworth and Manning (2012) for the case of the Great Britain.
- Another vein surged in the literature, in which the immigrant and native populations were defined by qualification groups. This new literature uses the idea that workers can not easily change qualifications, at least in the short run (Borjas, 2003).
- Afterwards, other authors classified immigrants and native worker groups by occupation and industry.
- These new studies have found some effects of immigrants on labor markets, but the effects in general are too small.

Data

- To perform the analysis, data from the National Employment and Occupation Survey (ENOE) for the 2005-2015 period, along with data from the 2010 Census, were used.
- The dependent variables in the regressions were the natural logarithm of the monthly wages and the weekly hours worked.

Results from the wage equations

Cuadro 2

Coeficientes de la variable: proporción de guatemaltecos , en las regresiones de salarios

Modelo	Fuente	coeficiente	sig.
Trabajadores agrupados por educación y edad	ENOE	0.0434	
Trabajadores varones agrupados por ocupación	ENOE	-10.517	
Trabajadoras agrupadas por ocupación	ENOE	27.960	*
Trabajadores agrupados por industria	ENOE	1.500	
Estimación con variable instrumental	ENOE	1.937	
Trabajadores agrupados por educación y edad	Censo 2010	1.146	

Fuente: Estimación propia con datos de la ENOE y el Censo 2010.

*/ significativo al 95% de confianza

**/ significativo al 99% de confianza

Results from the hours worked equations

Cuadro 3
Coeficientes de la variable: proporción de
guatemaltecos en las regresiones de horas trabajadas

Modelo	Fuente	coeficiente sig.
Trabajadores agrupados por educación y edad	ENOE	3.355
Trabajadores varones agrupados por ocupación	ENOE	-154.245
Trabajadoras agrupadas por ocupación	ENOE	44.191
Trabajadores agrupados por industria	ENOE	-54.710
Estimación con variable instrumental	ENOE	59.789
Trabajadores agrupados por educación y edad	Censo 2010	-497.266

Fuente: Estimación propia con datos de la ENOE y el Censo 2010.

*/ significativo al 95% de confianza

**/ significativo al 99% de confianza

Concluding remarks

- The econometric analysis shows that the presence of Guatemalan resident workers in Chiapas has not modified the labor conditions for the native workers.
- There is no evidence to say that wages or hours worked have been modified due to the entrance of Guatemalan workers, except for the case of immigrant women, when they are classified by occupation.
- In this case, it is observed that the salaries of the native workers have increased along with the number of Guatemalan female workers.
- It is likely that the domestic work performed by the Guatemalan female workers is allowing Chiapaneco women to get inserted in jobs that offer better wages.

Thank you!!

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