The changing nature of return migration to Mexico, 1990-2010: Implications for labor market incorporation and development

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Abstract
In this paper we investigate changes in the labor market incorporation (i.e., labor force status, class of worker, and earnings) of return migrants from the United States to Mexico between 1990 and 2010. We argue that changing period conditions, particularly the 2007 economic recession and enhanced immigration enforcement policies, have altered both the volume and nature of return flows affecting the migration-development connection. Using data from the 1990, 2000, and 2010 Mexican Censuses, we compare the labor market position of return migrants to non-migrants and internal migrants in Mexico. We show that the less-voluntary nature of return migration in the early 21st century has resulted in higher employment propensities, lower entrepreneurial activities, and deteriorated wages among return migrants. However, it is important to consider the growing heterogeneity of the return migrant flow; the negative labor market outcomes are largely confined to wage earners, while the smaller flow of entrepreneurial returnees continues to experience positive employment and earnings profiles. We derive implications for employment conditions in Mexico and for the literature connecting migration to development in sending areas.