Labor market integration within the NAFTA region: beyond the migration rhetoric

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I. SCOPE AND REASONS FOR THE RESEARCH
1. Free Trade Agreement and Migration debate over the 1990s: the challenges ahead

a) US. Increase unwanted migration.
b) De-industrialization as has happened in Europe, traditional manufacturing cities and regions.
b) Canada increase the "brain drain"
c) Mexico: Mexican Industrial Sectors hit by price-quality competition

Factors to consider affecting migration:

✓ Push-pull factor, the availability of jobs in the US
✓ Labor market government interventions vs lesser faire
EU -Schengen
✓ Trade and Investment,
✓ Economic growth rates, total work force, unemployment,
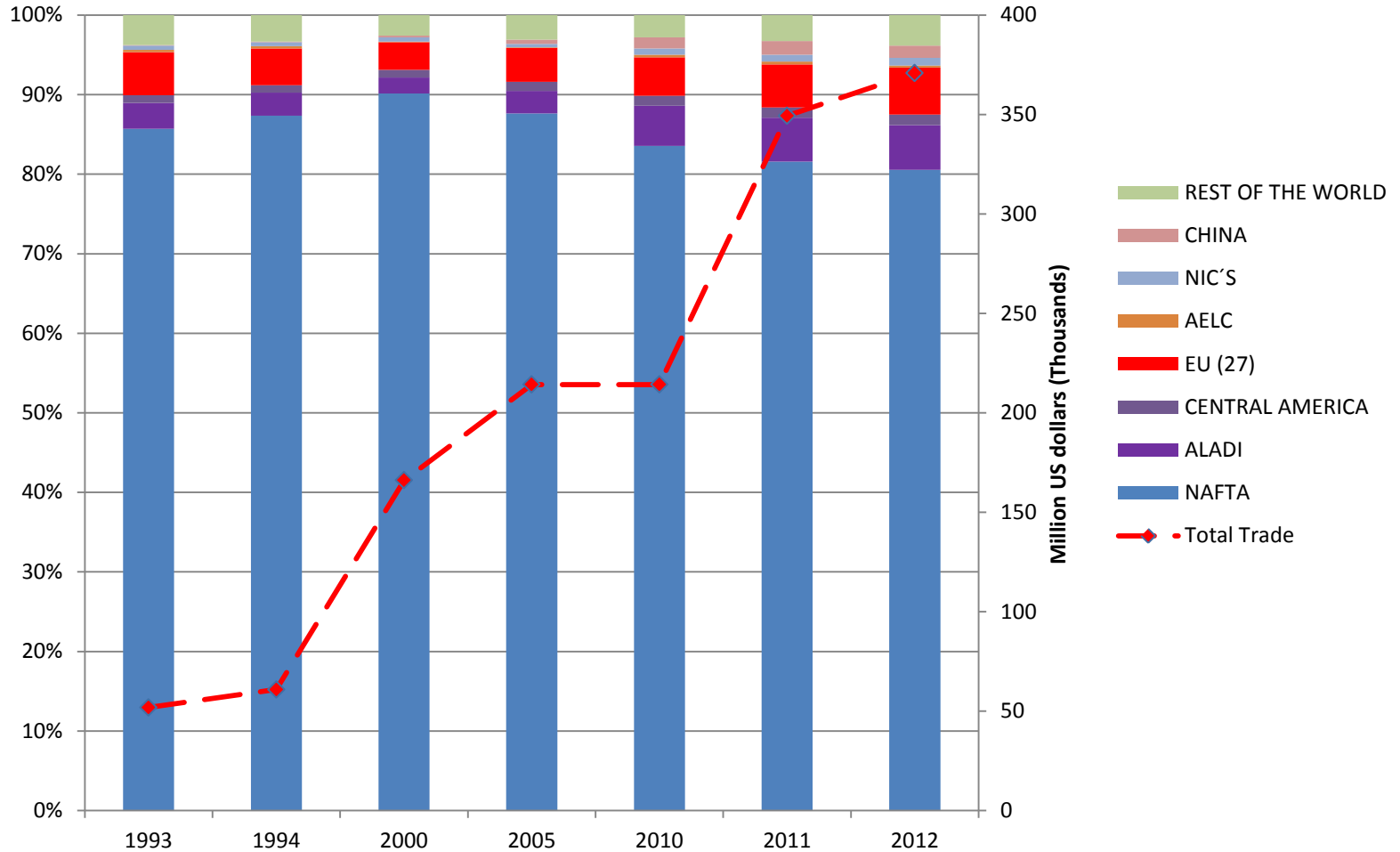✓ Demography.

US-Mexico FDI & Foreign Trade 1980-2012
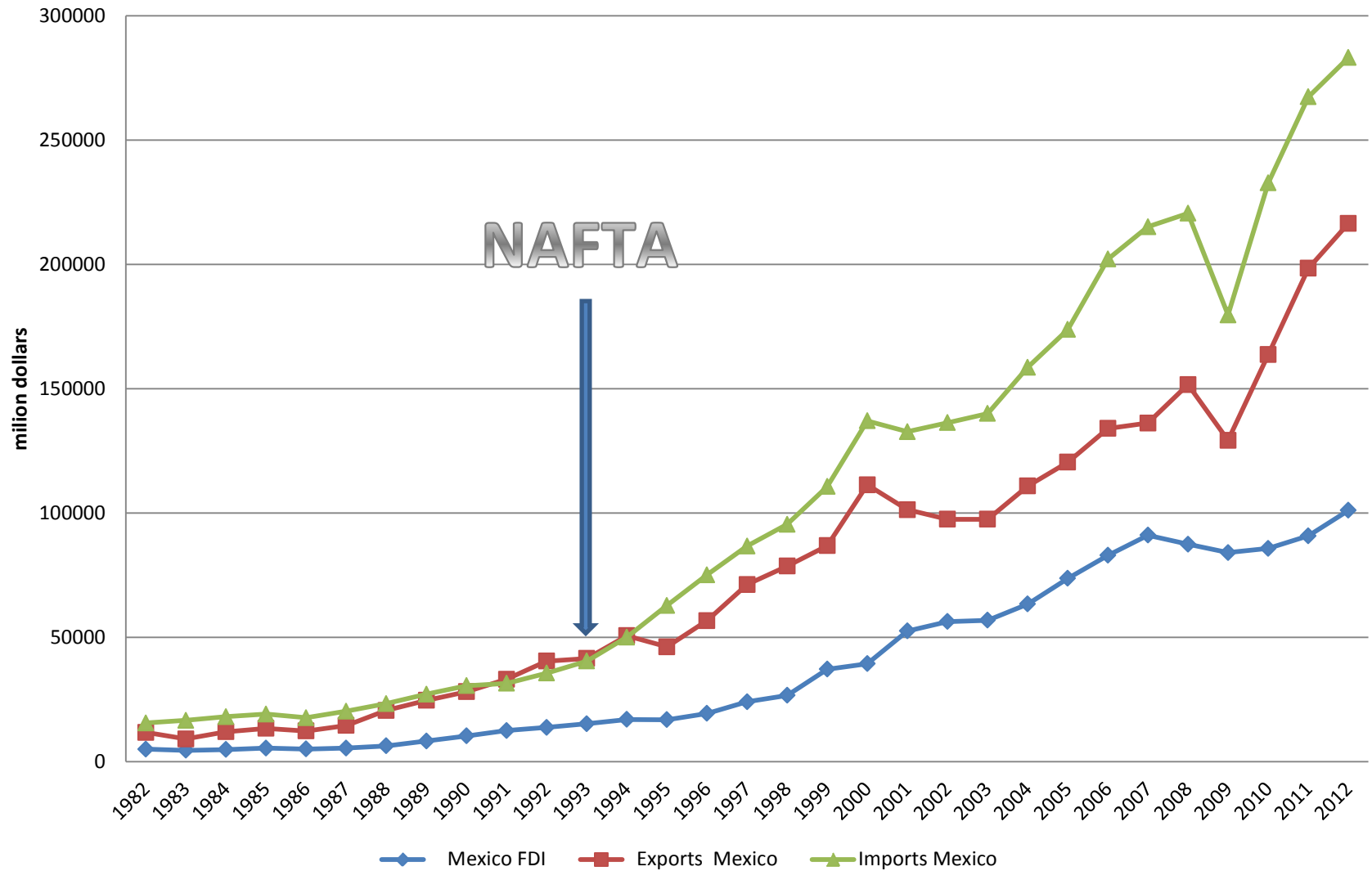
Source: World Trade Organization. Yearbook of World Trade Statistics. Various years

Mexico's exports destinations by region
1993-2012

Legend:
- REST OF THE WORLD
- CHINA
- NIC´S
- AELC
- EU (27)
- CENTRAL AMERICA
- ALADI
- NAFTA
- Total Trade

Left axis: 0% – 100%
Right axis: Million US dollars (Thousands) 0 – 400

Years: 1993, 1994, 2000, 2005, 2010, 2011, 2012

Source: World Trade Organization. Yearbook of World trade Statistics. Various years

Imports from Mexico and Legal Migration 1980-2012

NAFTA

Imports Mexico   T Legal migration
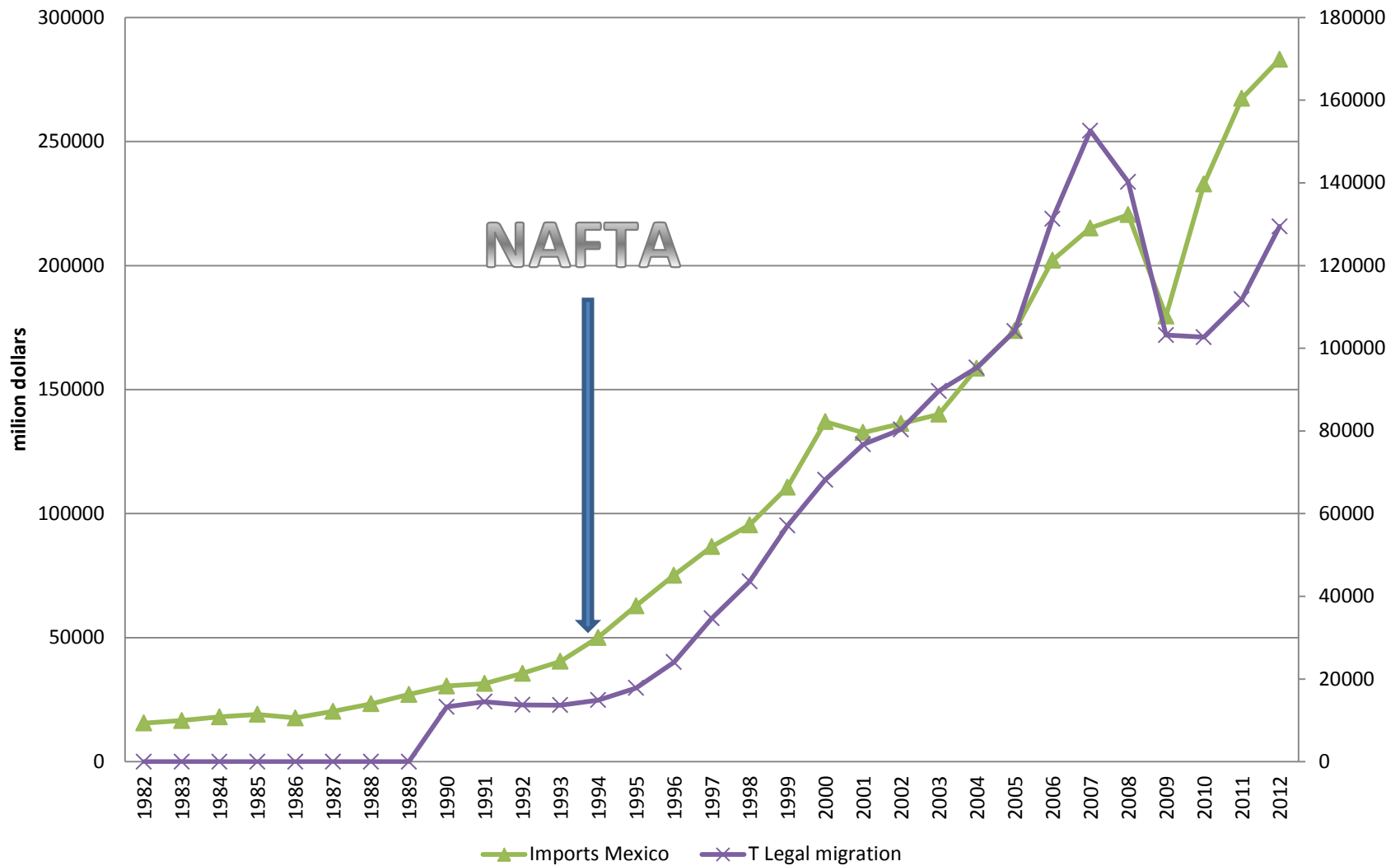
Source: World Trade Organization. Yearbook of World Trade Statistics. Various years and Report of the Visa Office. Bureau of Consular Affairs. United States Department of Sate

US Annual Unemployment Rate & Employment Related Visas Issued
1987-2012
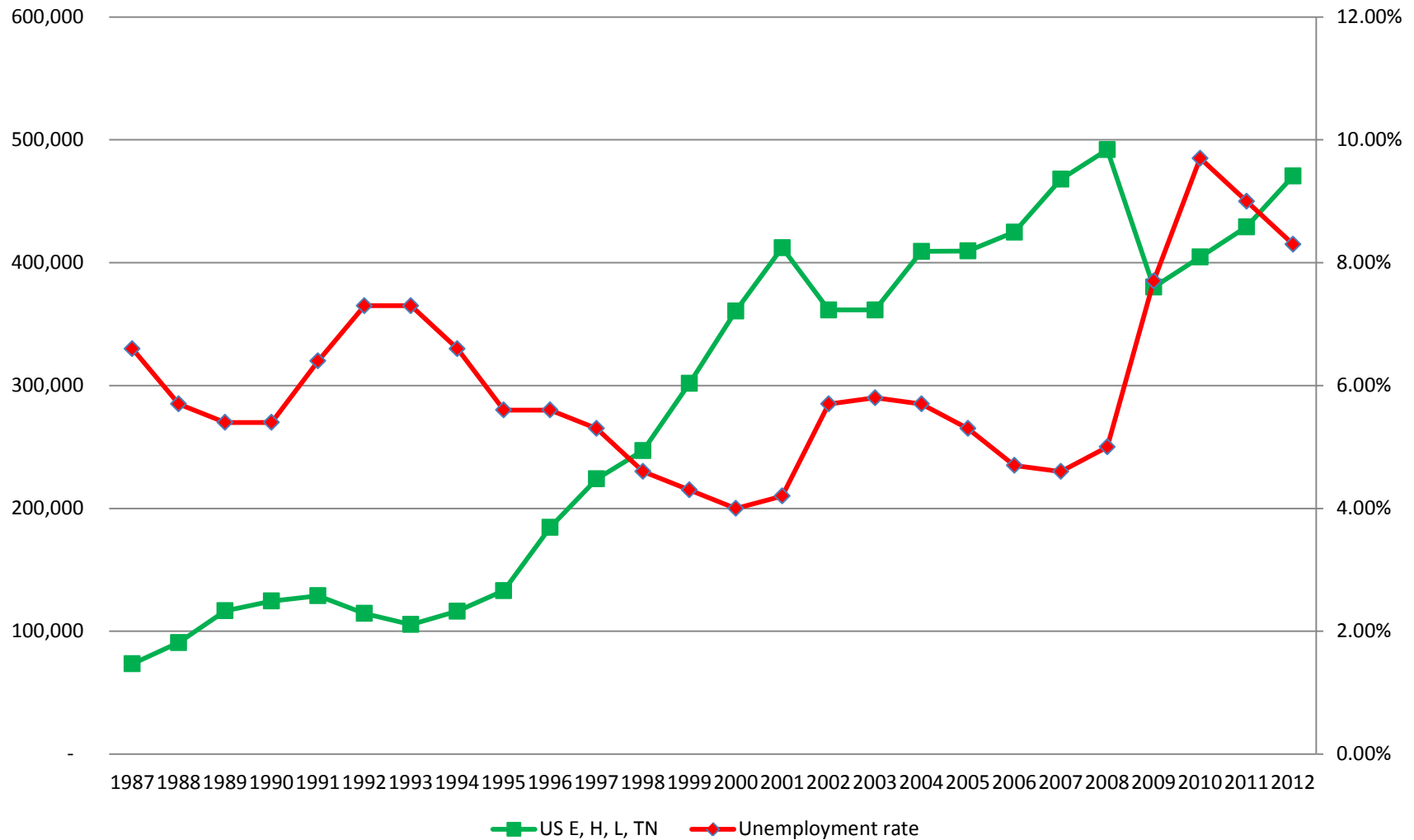
Source: United States Department of Labor. Bureau of Labor Statistics. Labor Force Statistics from the Current Population Survey. Seasonally Adjusted, various years and Report of the Visa Office. Bureau of Consular Affairs. United States Department of Sate. Various years
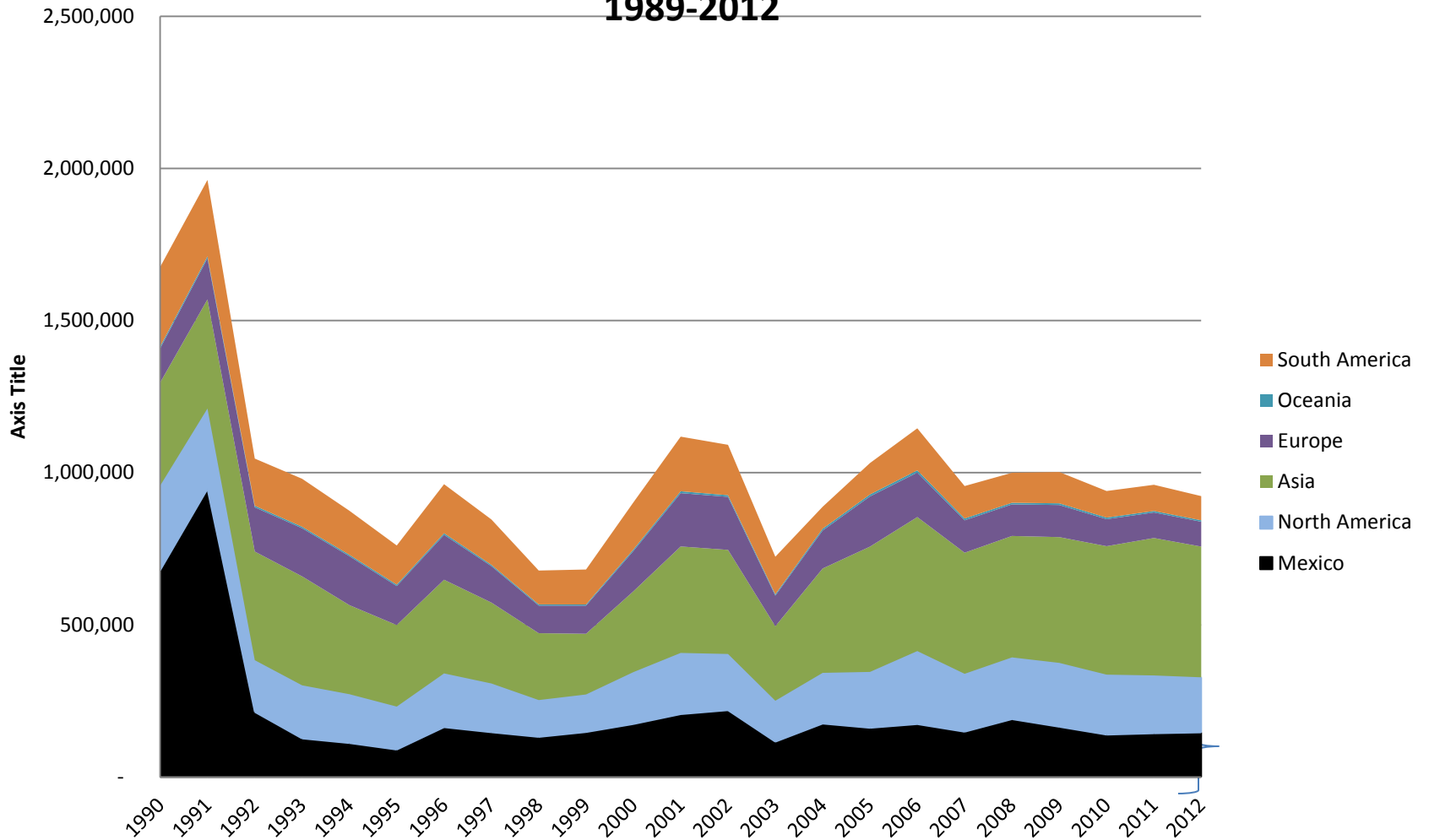
II. Migration

1. Migration. Legal: US definition according to the US Immigration Law
   a) Illegal Entry with out Inspection (EWI)
      b)Total migration: Legal

Naturalization (Citizen)	
Immigrant (LPR) Visa	Preferences: Family, Asylum Refugees; Work-related
Non-Immigrant Temporary Visa	

US New Legal Permanent Residents (Immigrants)
1989-2012

Legend:
- South America
- Oceania
- Europe
- Asia
- North America
- Mexico

Source: Report of the Visa Office. Bureau of Consular Affairs. United States Department of Sate.

US New Immigrants (all countries) and All Employment – Preferences new Immigrants 1990-2012
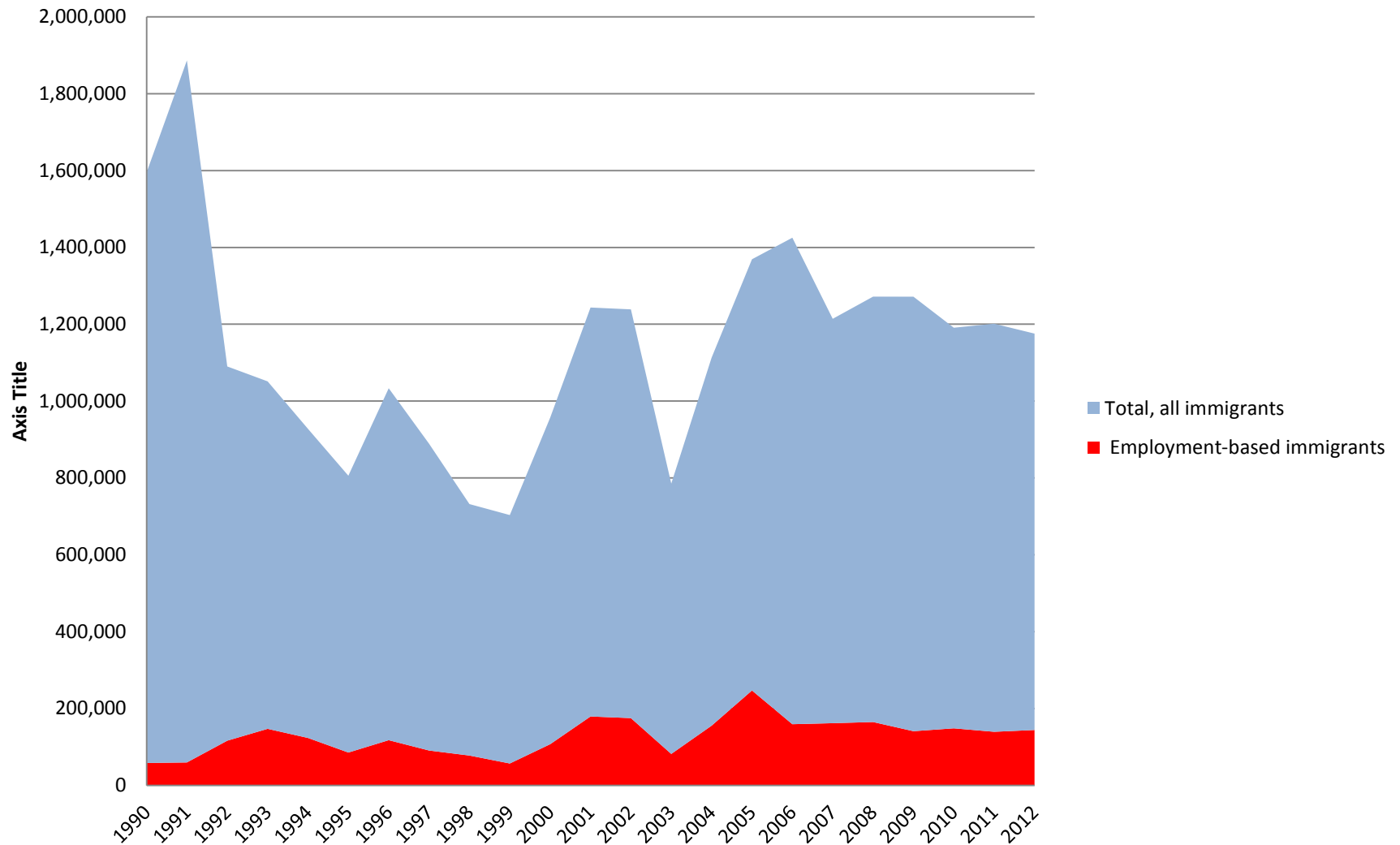
Source: Yearbook of Immigration Statistics. United States Department of Homeland Security

Job related preferences 2012

1	India	21.9%
2	China, People's Republic	12.6%
3	Korea, South	8.1%
4	Canada	6.5%
5	Philippines	6.0%
6	Mexico	5.5%
7	United Kingdom	4.2%
8	Venezuela	1.8%
9	Brazil	1.7%
10	Japan	1.6%

All preferences 2012

1	Mexico	14.1%
2	China, People's Republic	7.6%
3	India	6.1%
4	Philippines	5.4%
5	Dominican Republic	4.0%
6	Cuba	3.2%
7	Vietnam	2.7%
8	Haiti	2.2%
9	Nepal	2.0%
10	Korea, South	2.0%

Job related preferences 1996

1	China, People's Republic	12.9%
2	Canada	9.1%
3	India	8.0%
4	Philippines	7.4%
5	United Kingdom	4.9%
6	Korea	4.7%
7	Taiwan	3.3%
8	Mexico	3.0%
9	Soviet Union, former	3.0%
10	El Salvador	2.3%

All preferences 1996

1	Mexico	17.9%
2	Soviet Union, former	6.8%
3	Philippines	6.0%
4	India	4.7%
5	Vietnam	4.4%
6	Dominican Republic	4.0%
7	China, People's Republic	3.9%
8	Cuba	2.9%
9	Canada	2.4%
10	Jamaica	2.0%

II. Migration

1. Migration. Legal: US definition according to the US Immigration Law

 Total migration: Legal VS Illegal

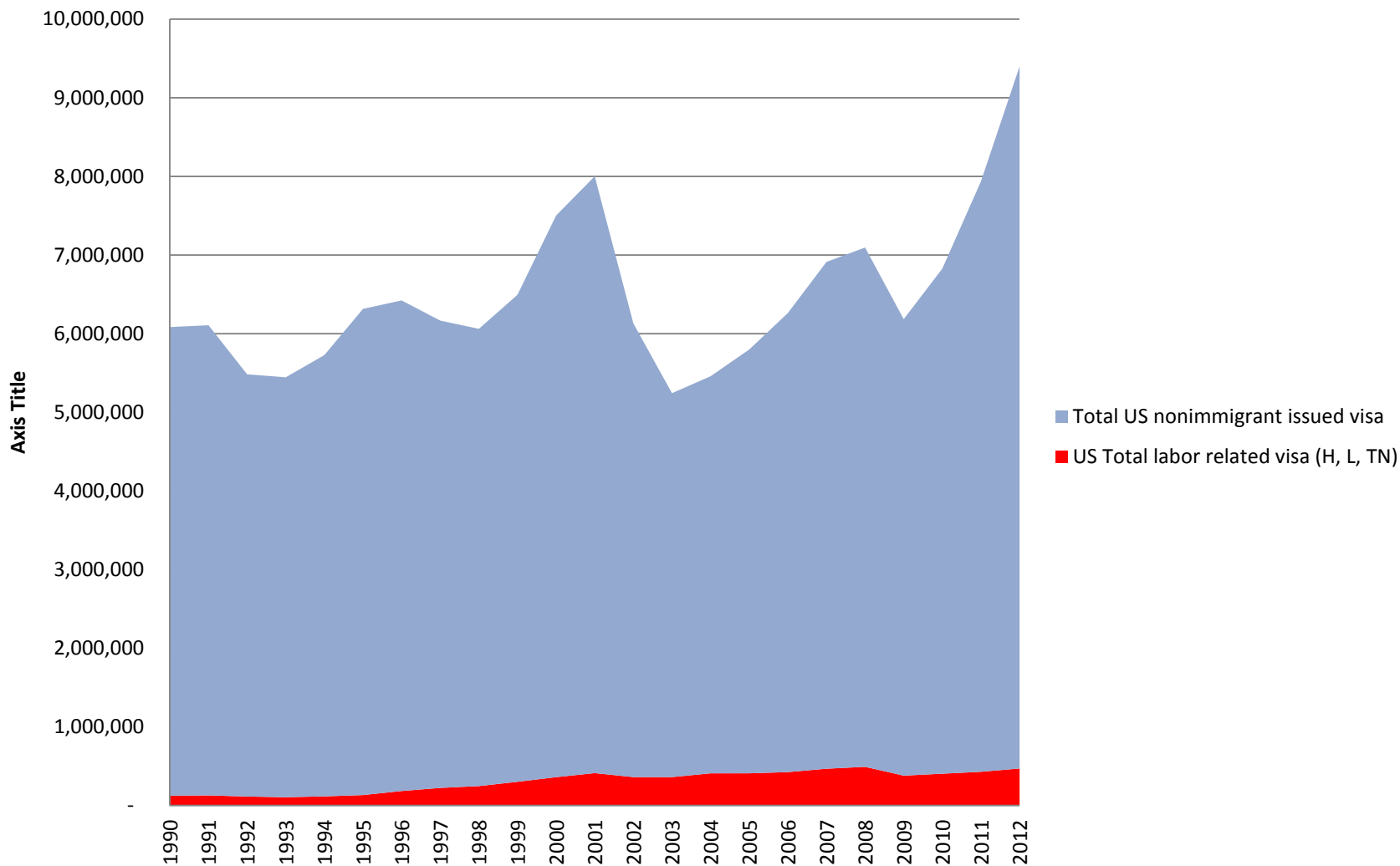Non-Immigrant Visa ➡ Immigrant (LPR) ➡ Naturalization (Citizen)

b) Immigrant Preferences:
   - ✓ Family, Asylum & Refugees Preferences VS Work-related Preferences

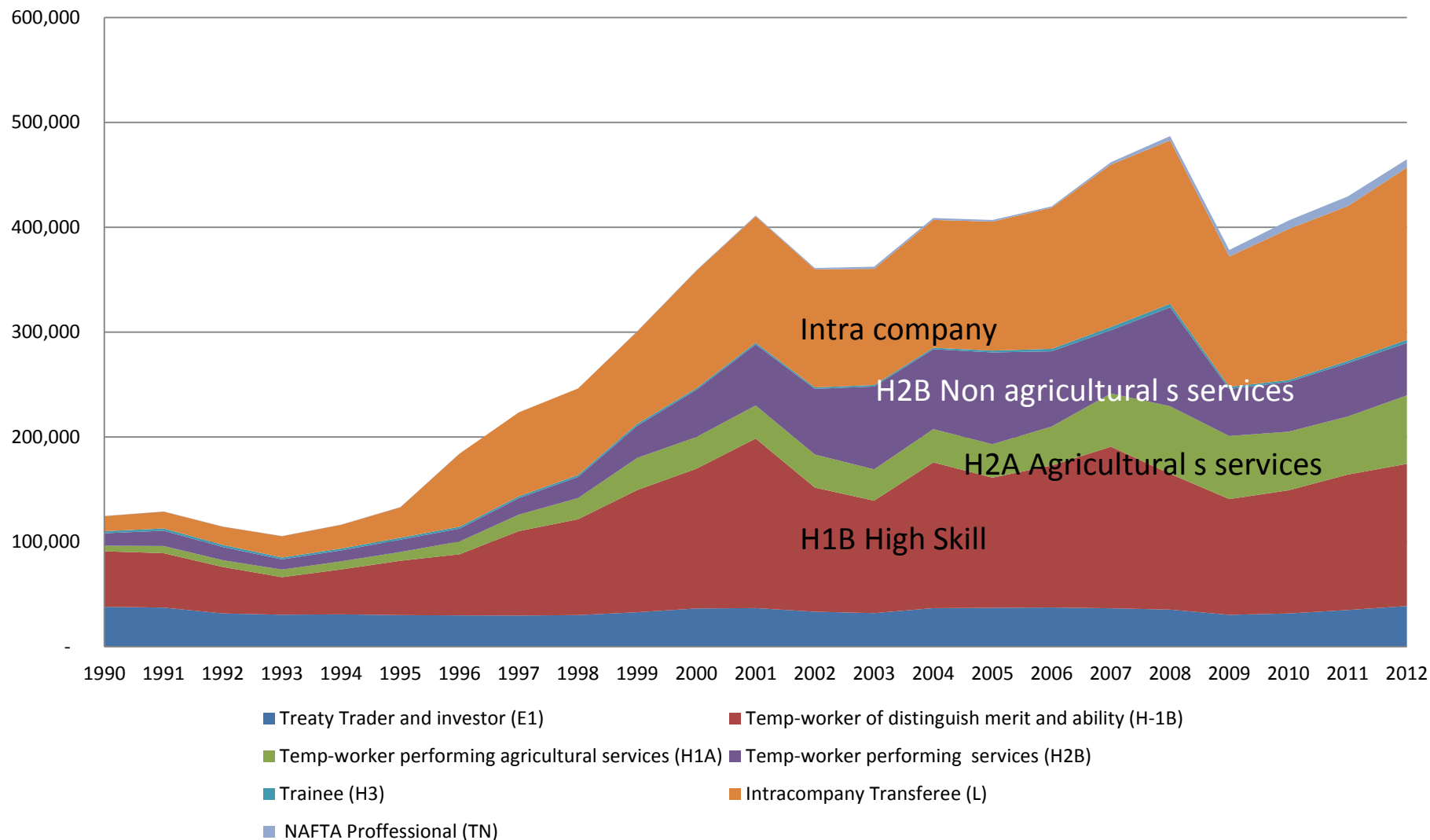c)   Non-Immigrant Visas
   - ✓ Pleasure and Business VS Work related
   - ✓ Work related breakdown Visa Type and Countries (education India)
   - ✓ H1B Visa and India, education

# Total US (all countries) Non-immigrant Visa & Work related Visa 1990-2012

Legend:
- Total US nonimmigrant issued visa
- US Total labor related visa (H, L, TN)

Y-axis label: Axis Title

All Countries Issuance by Work Related Visa Type 1990-2012

Intra company

H2B Non agricultural s services

H2A Agricultural s services

H1B High Skill

- ■ Treaty Trader and investor (E1)
- ■ Temp-worker of distinguish merit and ability (H-1B)
- ■ Temp-worker performing agricultural services (H1A)
- ■ Temp-worker performing services (H2B)
- ■ Trainee (H3)
- ■ Intracompany Transferee (L)
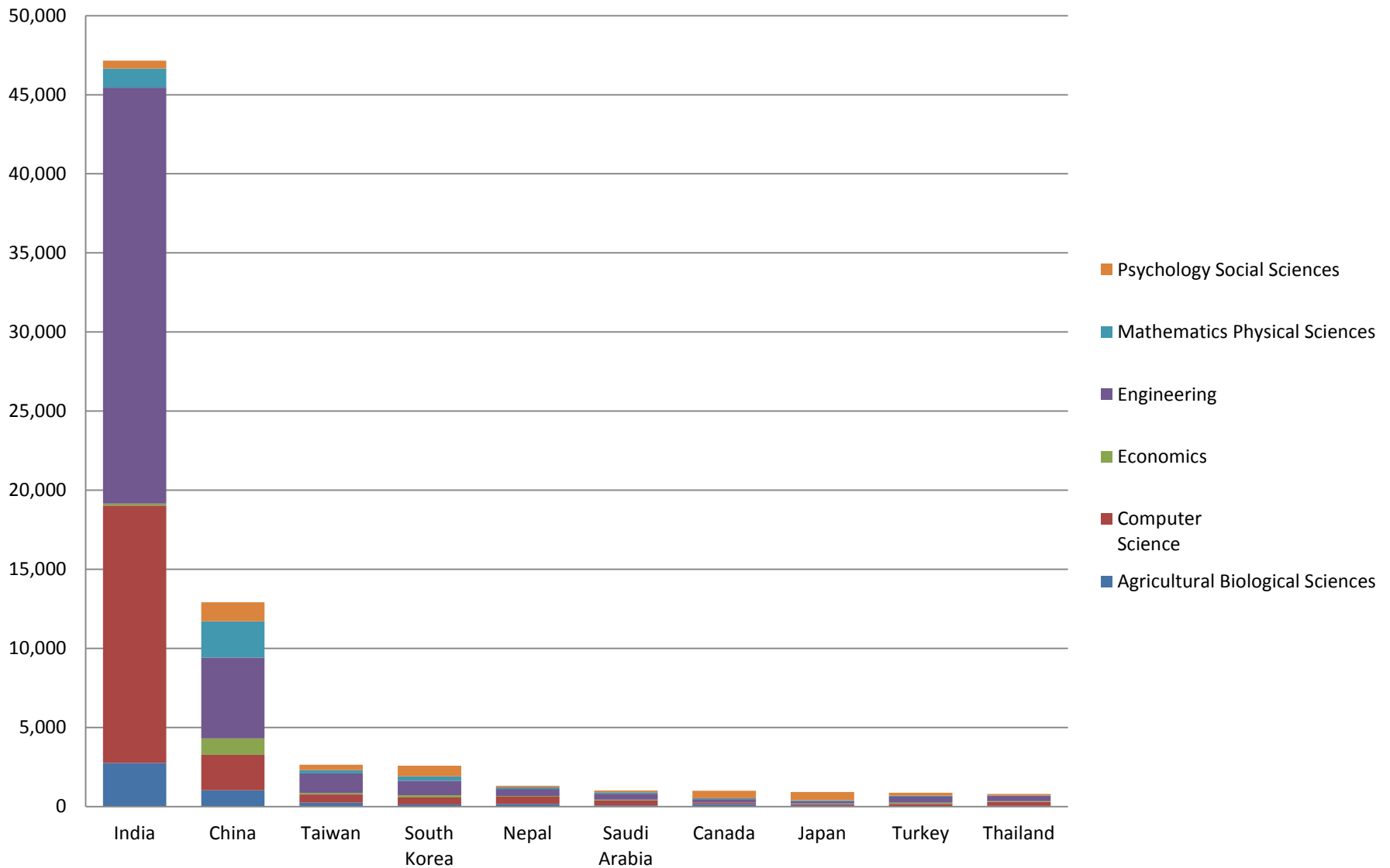- ■ NAFTA Proffesional (TN)

Source: Report of the Visa Office. Bureau of Consular Affairs. United States Department of Sate.

Work Related Visas (E, H, L, & TN) Top Countries
1990-2010
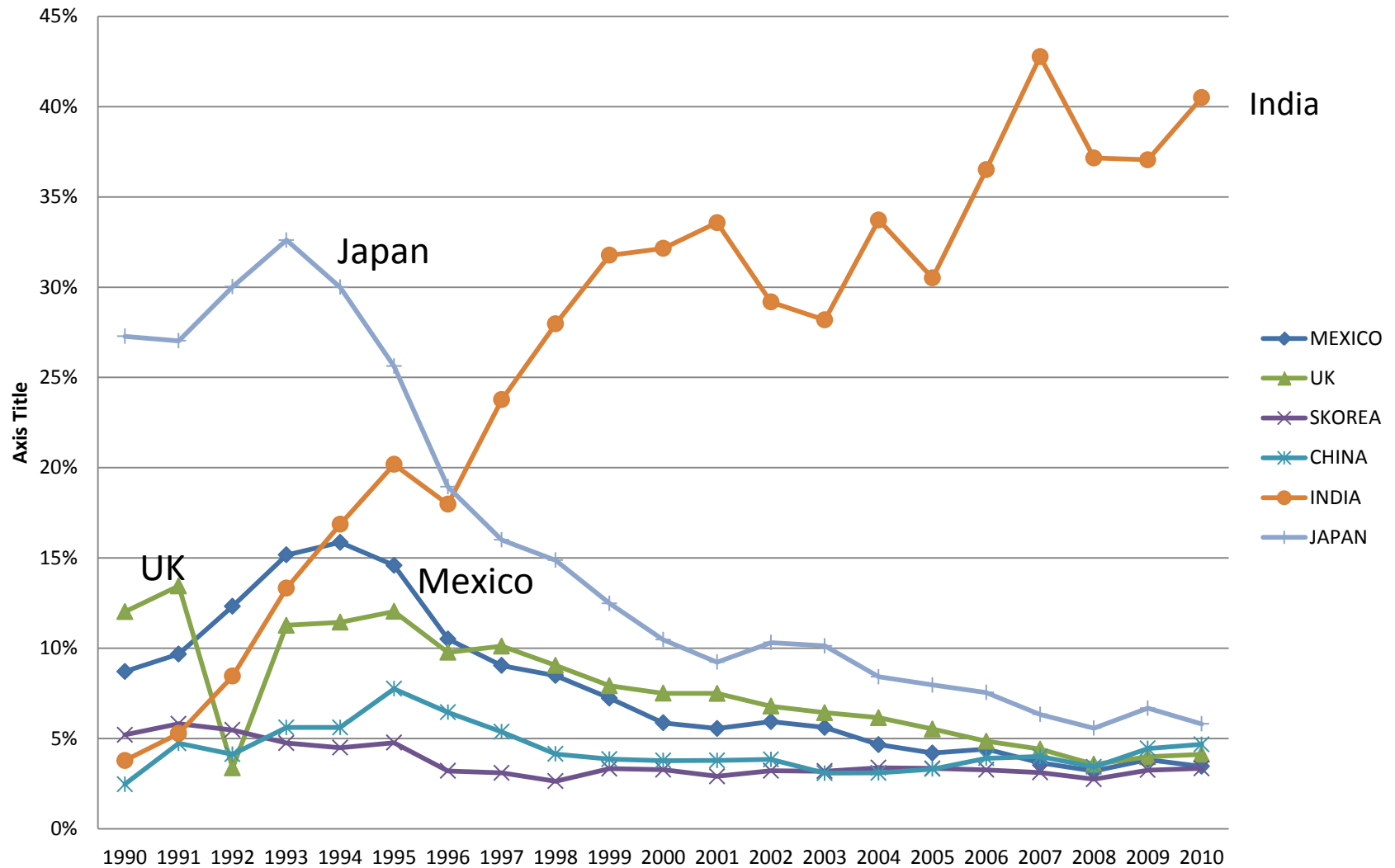
Source: Report of the Visa Office. Bureau of Consular Affairs. United States Department of Sate.

Master's Degrees in STEM Fields Awarded to Foreign Nationals 2010

Legend:
- Psychology Social Sciences
- Mathematics Physical Sciences
- Engineering
- Economics
- Computer Science
- Agricultural Biological Sciences

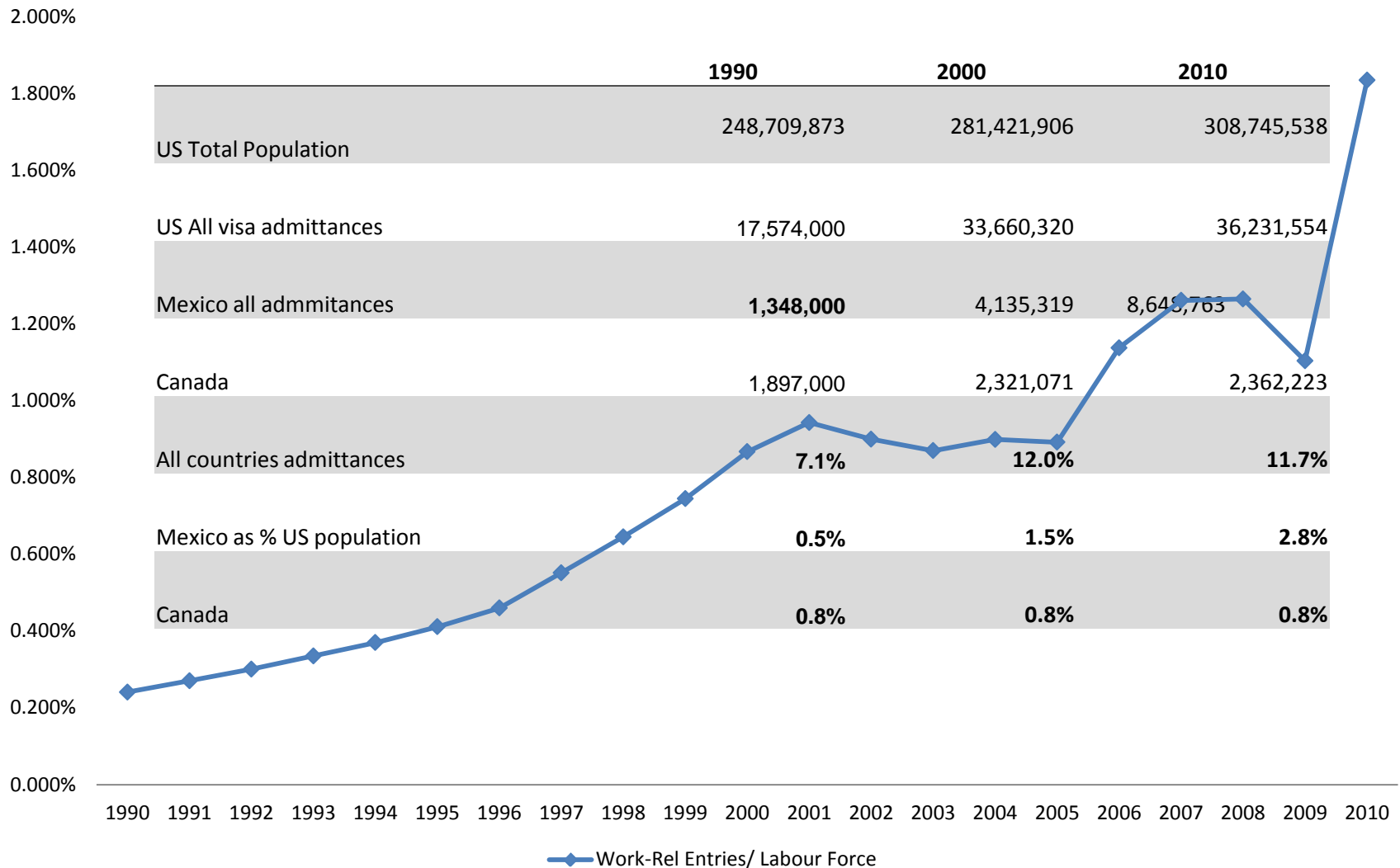Countries (x-axis): India, China, Taiwan, South Korea, Nepal, Saudi Arabia, Canada, Japan, Turkey, Thailand

Source: Immigration of Foreign Nationals with Science, Technology, Engineering, and Mathematics (STEM) Degrees Ruth Ellen Wasem. Congressional Research Service, Library of Congress. Ruth Ellen Wasem. 2012.

II. Migration

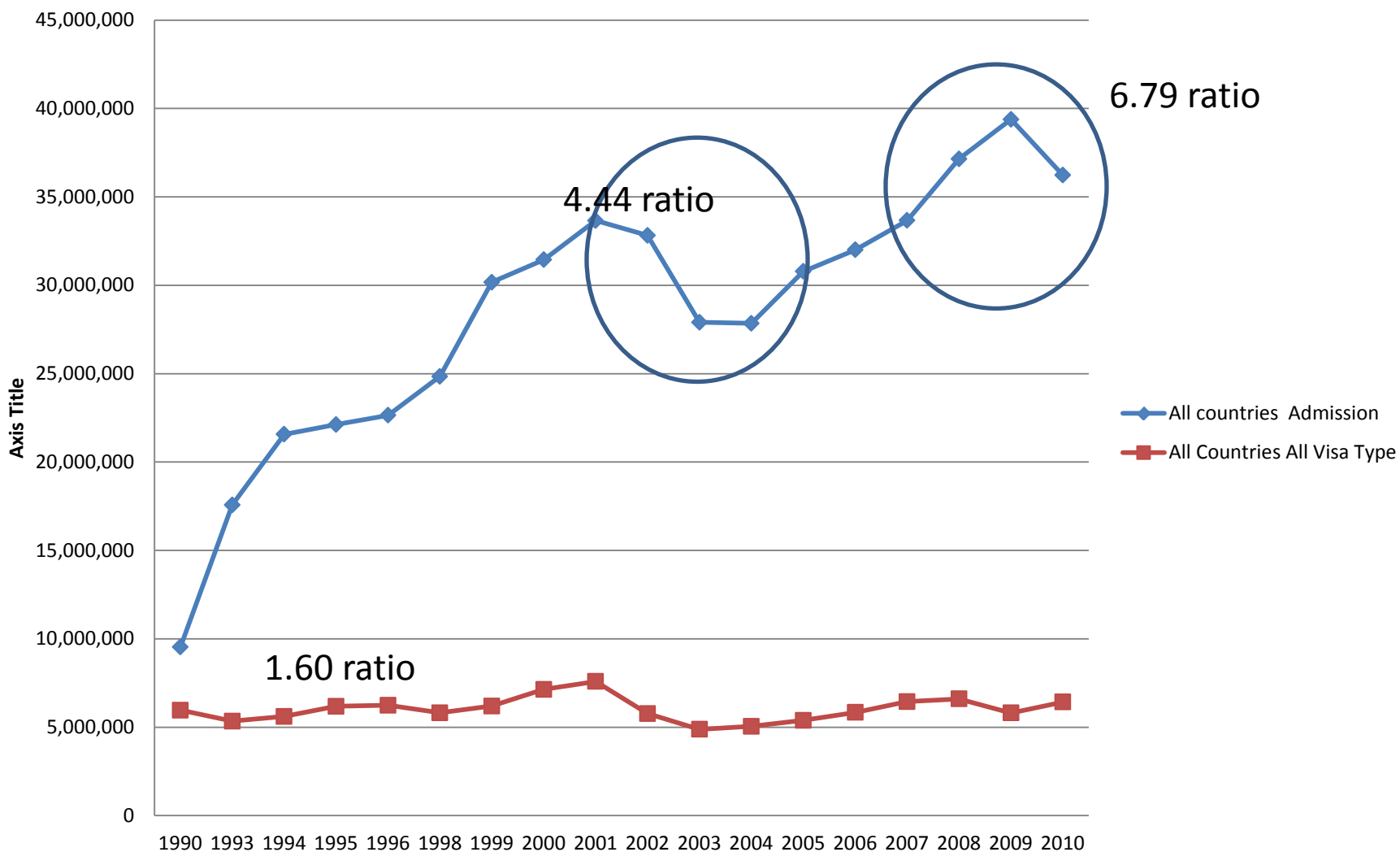1. Migration. Legal: US definition according to the US Immigration Law

a)   Total migration: Legal VS Illegal
b)   Naturalization (Citizen)
c)   Immigrant (LPR) Visa –VS Non-Immigrant Temporary Visa
d)   Immigrant Preferences:
   ✓ Family, Asylum & Refugees Preferences VS Work-related Preferences
e)   Non-Immigrant Visas
   ✓   Pleasure and Business VS Work related
   ✓   Work related breakdown Visa Type and Countries
   ✓   Total legal migration and job related share
f) Actual Migration

All countries Non-immigrant E, H, L, & TN Visas holders Admitted as share of Total US-Employment 1990-2010

	1990	2000	2010
US Total Population	248,709,873	281,421,906	308,745,538
US All visa admittances	17,574,000	33,660,320	36,231,554
Mexico all admmitances	**1,348,000**	4,135,319	8,648,763
Canada	1,897,000	2,321,071	2,362,223
All countries admittances	**7.1%**	**12.0%**	**11.7%**
Mexico as % US population	**0.5%**	**1.5%**	**2.8%**
Canada	**0.8%**	**0.8%**	**0.8%**

Legend: Work-Rel Entries/ Labour Force

Source: Yearbook of Immigration Statistics. United States Department of Homeland Security and Bureau of Consular Affairs. United States Department of Sate

All Countries Non-Immigrant Admission & All VisaTypes
1990-2010

Legend:
- All countries Admission
- All Countries All Visa Type

Annotations on chart: 6.79 ratio, 4.44 ratio, 1.60 ratio

Source: Yearbook of Immigration Statistics. United States Department of Homeland Security and Report of the Visa Office. Bureau of Consular Affairs. United States Department of Sate.

All Countries. Job Related Immigrants Admitted as Temporary workers

2011	Total temporary workers and families [1,2]	
	3,210,846	100%
Canada	1,186,743	37.0%
Mexico	665,106	20.7%
India	315,836	9.8%
Japan	178,600	5.6%
United Kingdom	114,868	3.6%
Korea, South	81,333	2.5%
Germany	70,391	2.2%
France	63,688	2.0%
China	45,987	1.4%
Australia	34,713	1.1%
Top 10		85.9%
All other	453,581	15.1%

1996	Total temporary workers and	
All countries	335,886	100%
United Kingdom	43,365	12.9%
Canada	39,888	11.9%
Japan	32,622	9.7%
India	31,523	9.4%
Mexico	**24,598**	**7.3%**
Germany	16,515	4.9%
France	14,213	4.2%
China	13,094	3.9%
Brazil	7,561	2.3%
Australia	7,337	2.2%
Top 10		68.7%
All other	105,168	31.3%

Source: Year book of Immigration Statistics. United States Department of Homeland Security.

HB1 Visa Holders (Workers in Specialty Occupations) Admitted into the US. Top 10 Countries 1996-2011
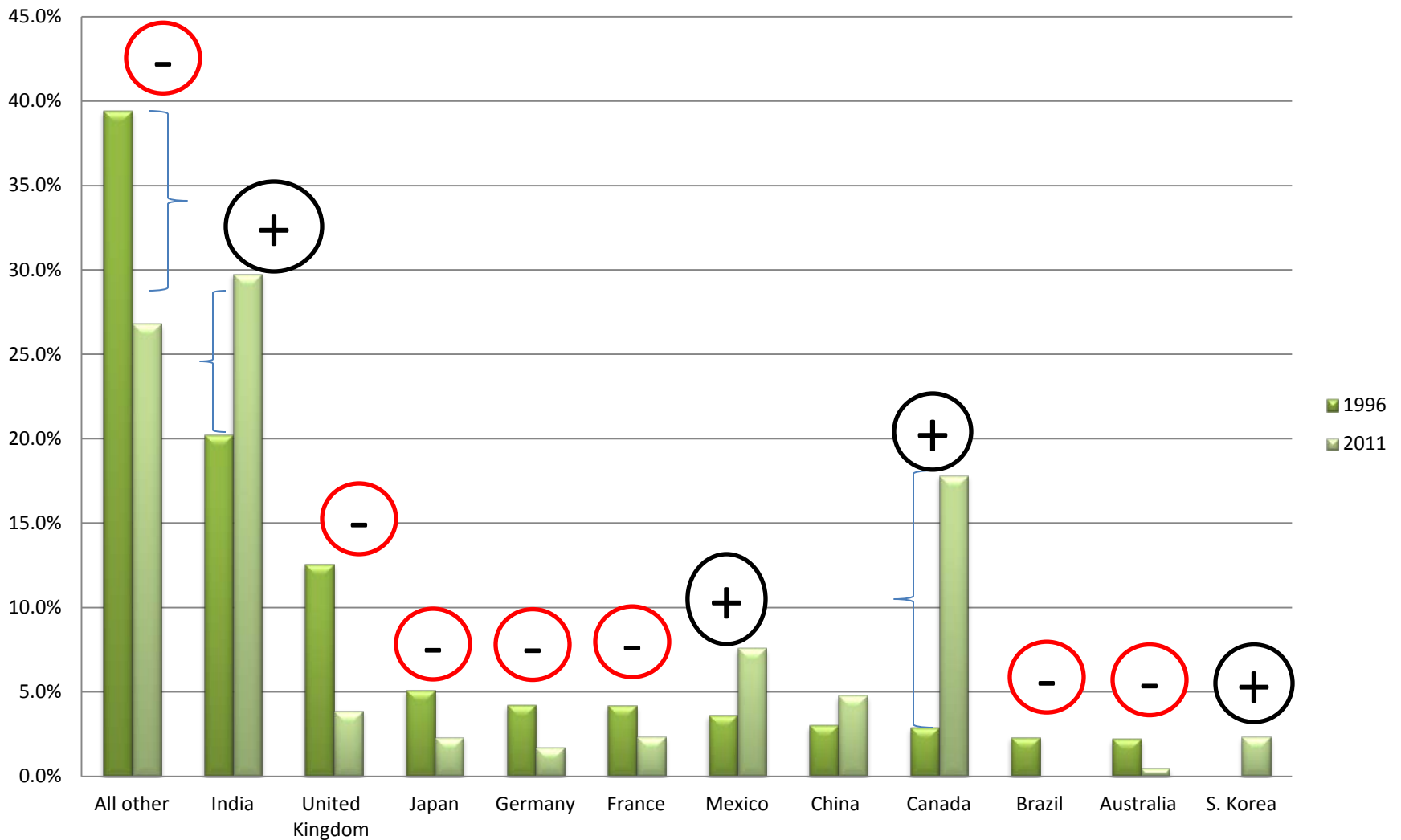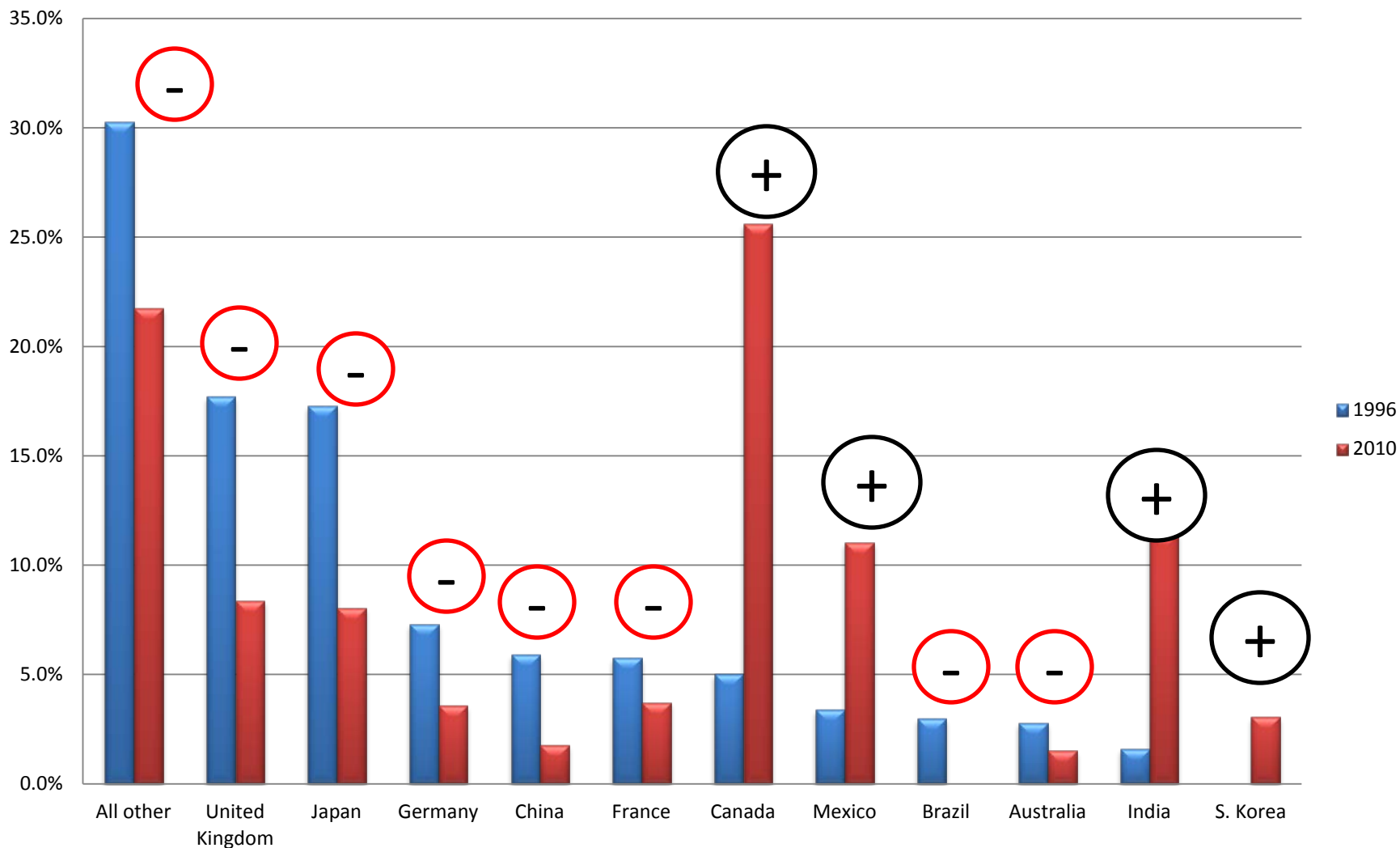

Source: Yearbook of Immigration Statistics. United States Department of Homeland Security

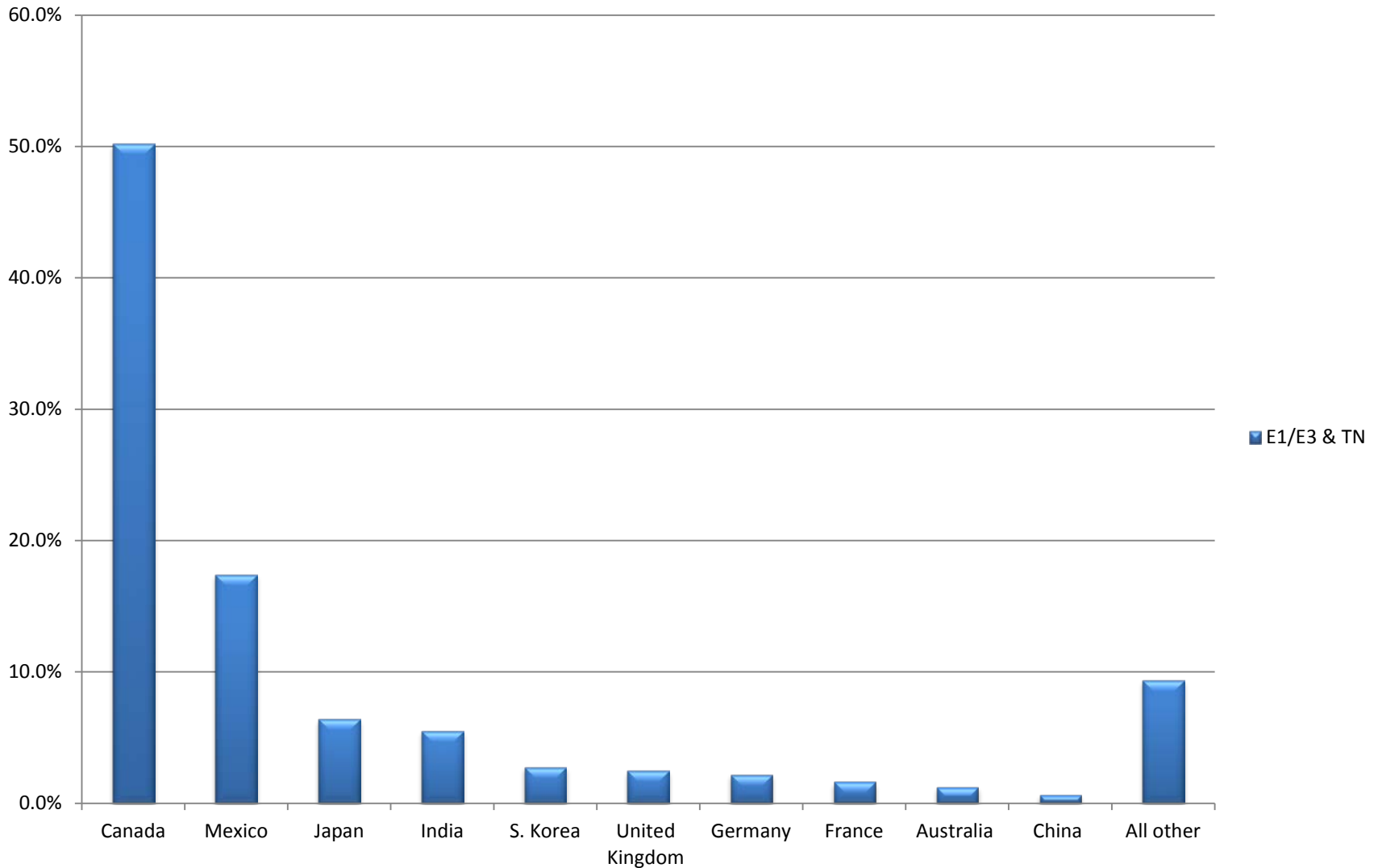**H2B Visa Holders (NON-Agricultrural Seasonal Workers) Admitted into the US. Top 10 Countries 1996-2011**
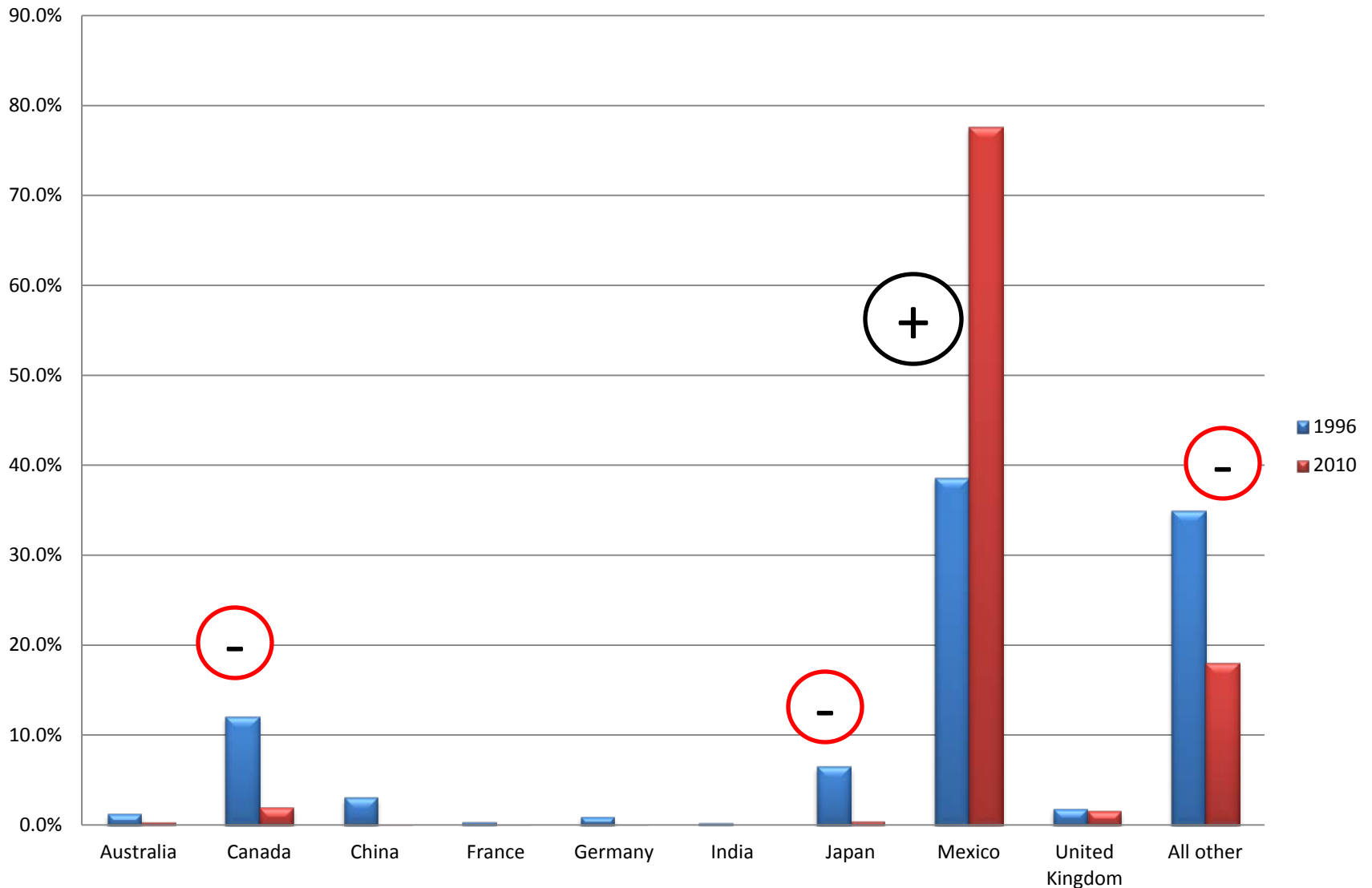
Source: Yearbook of Immigration Statistics. United States Department of Homeland Security

L Visa Holders (Intra-company Transferees) Admitted into the US. Top 10 Countries 1996-2011

*Source: Yearbook of Immigration Statistics. United States Department of Homeland Security.*

E1/E3 & TN Visa Holders (Treaty Trader & Investors + NAFTA) Admitted into the US. Top 10 Countries 2011

Legend: E1/E3 & TN

X-axis categories: Canada, Mexico, Japan, India, S. Korea, United Kingdom, Germany, France, Australia, China, All other

Source: Yearbook of Immigration Statistics. United States Department of Homeland Security.

III. Mexico

1. Total Migration

2. Legal-Illegal estimations

Annual immigration from Mexico to the US (Thousands)
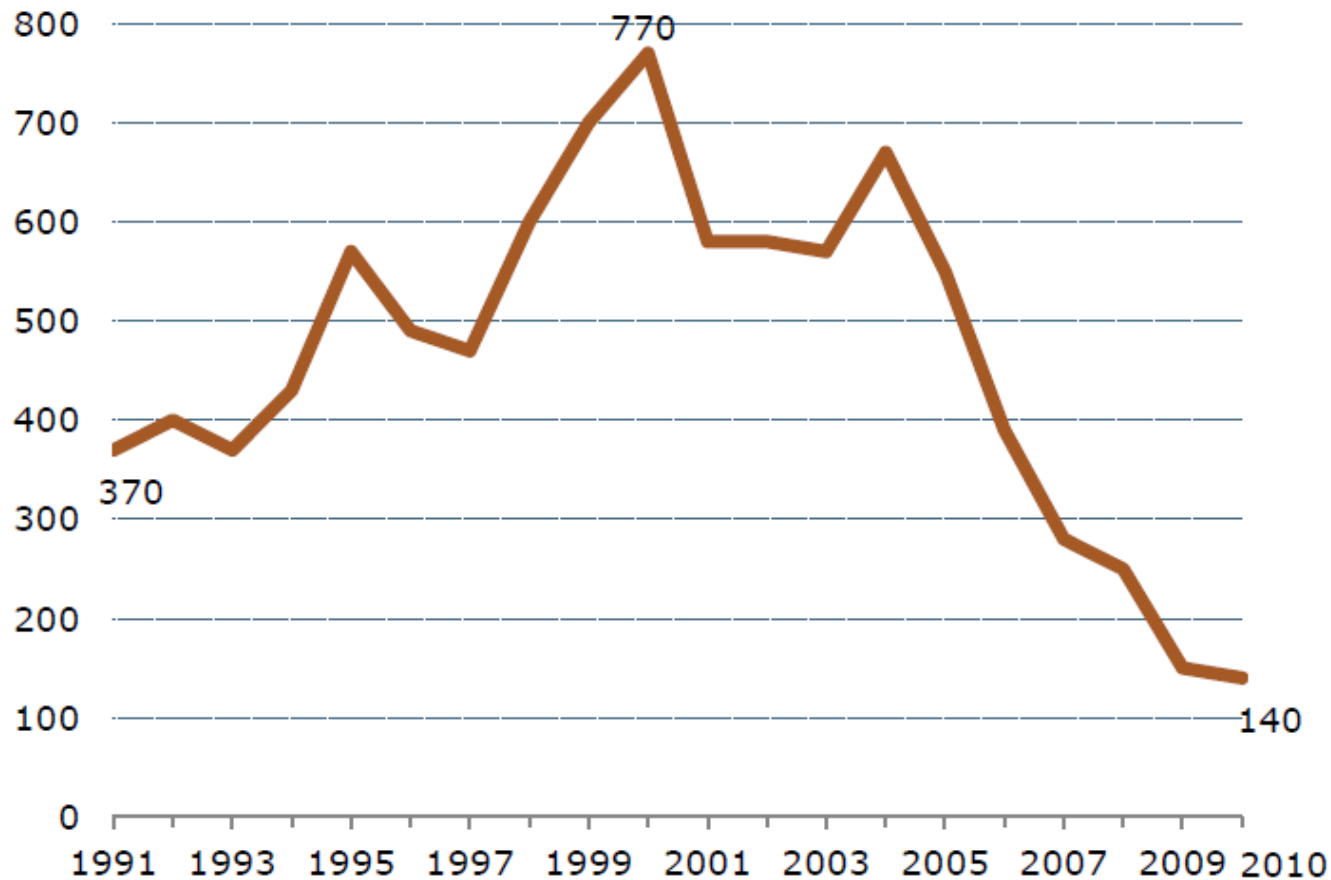
Source: Pew Hispanic Center estimates compiled from various sources; US and Mexico Census estimations
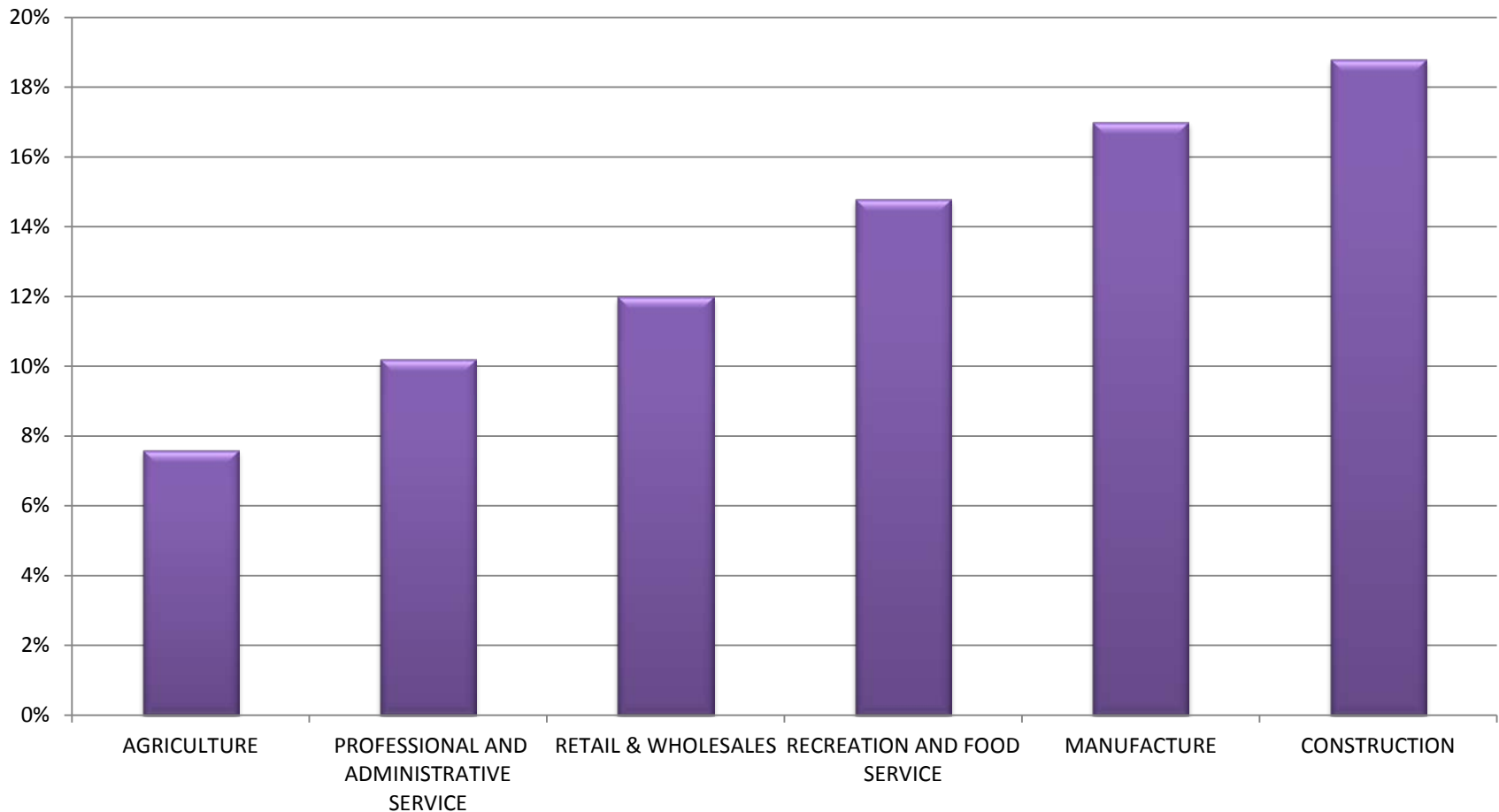
Five-Year Migration Flows Between the U.S. and Mexico, 1995-2000 and (Thousands) 2005-2010

1995 to 2000

2,940

670

2005 to 2010

1,390   1,370
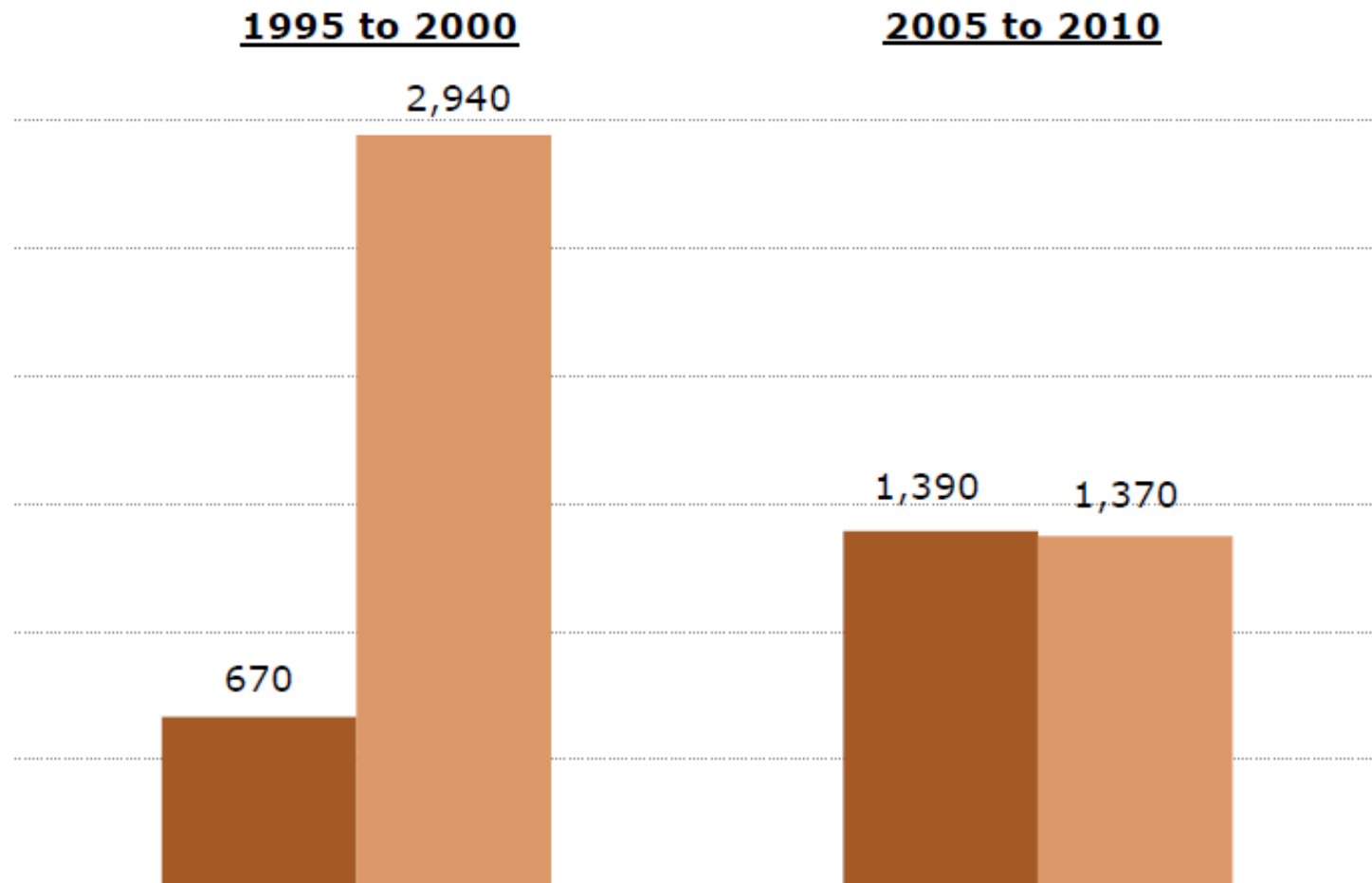
Source: Pew Hispanic Center estimates from population, household and migrant micro-data samples of Mexican censuses of 2000 and 2010; Mexico to U.S.

# Main occupation of Mexican immigrants in the US. Percentages (foreign born)

Source: Based on the Current Population Survey. U.S. Bureau of the Census 2010.

MEXICO-US LEGAL IMMIGRATION
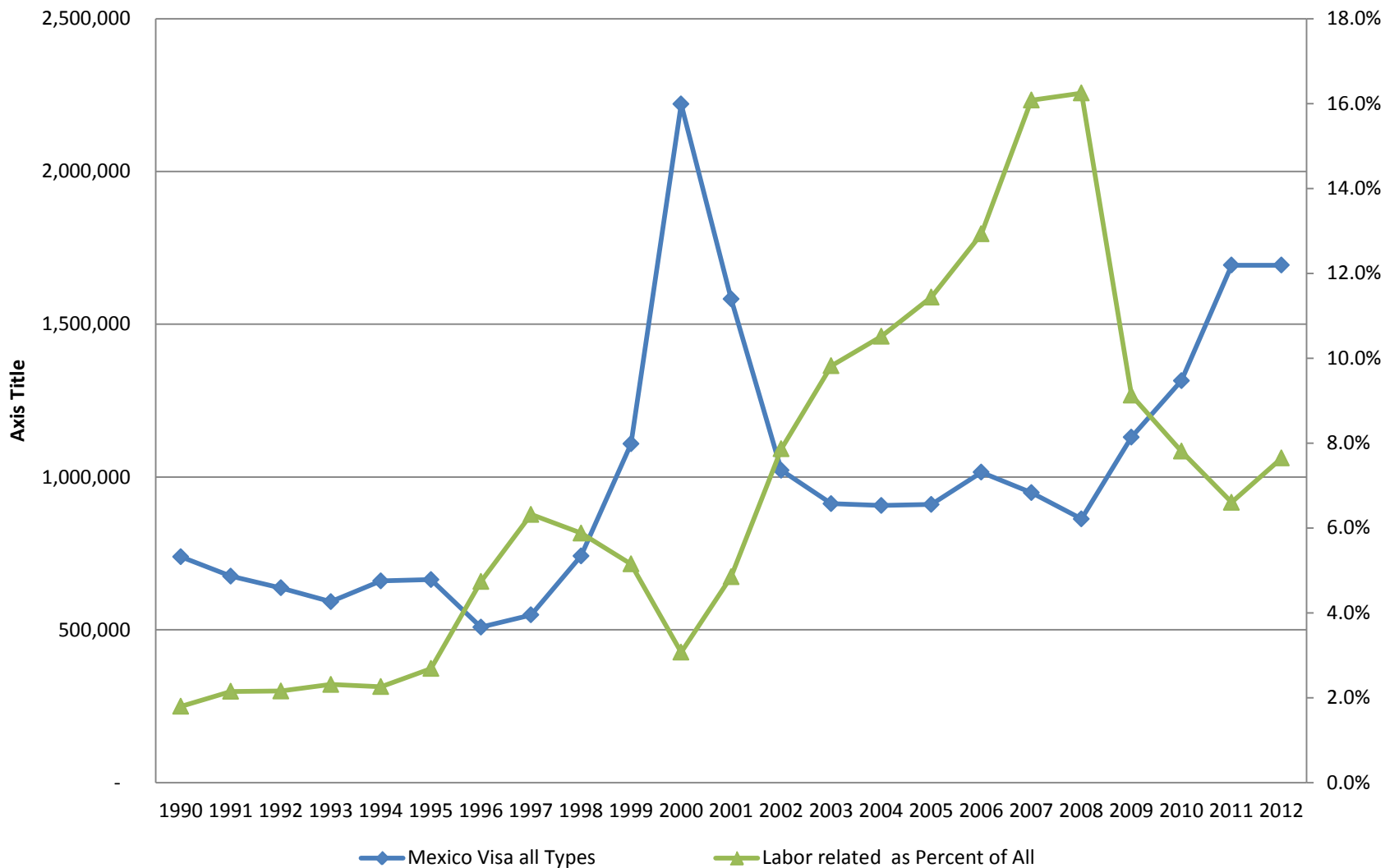
IV. Mexico Total Legal Migration. Key Findings

1. Total. All-Visa types

2. Total work-related visas
   - ✓ Breakdown by Class and Share of Total

Mexico Total Legal Migration
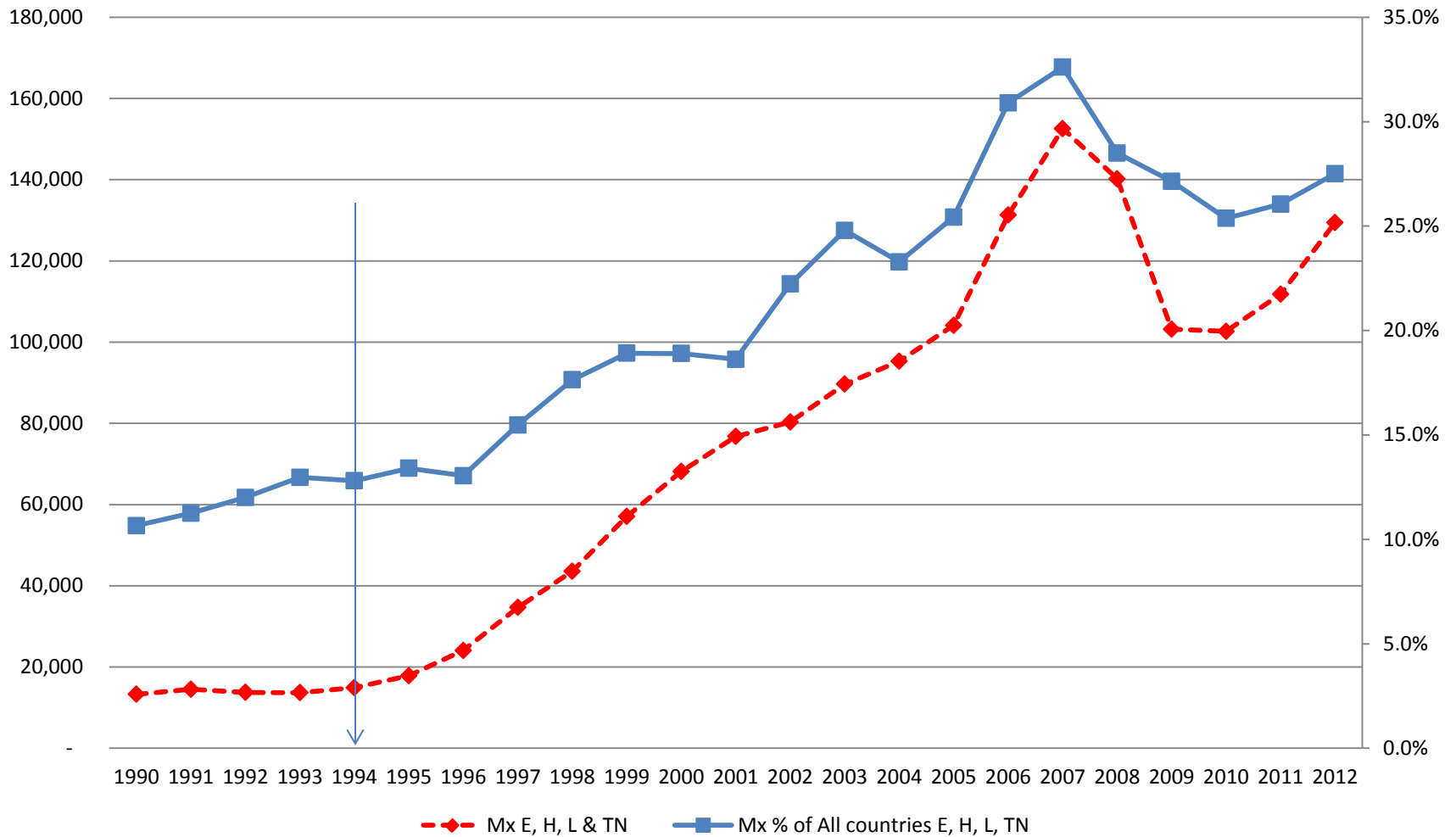## Work related shares
1987-2012
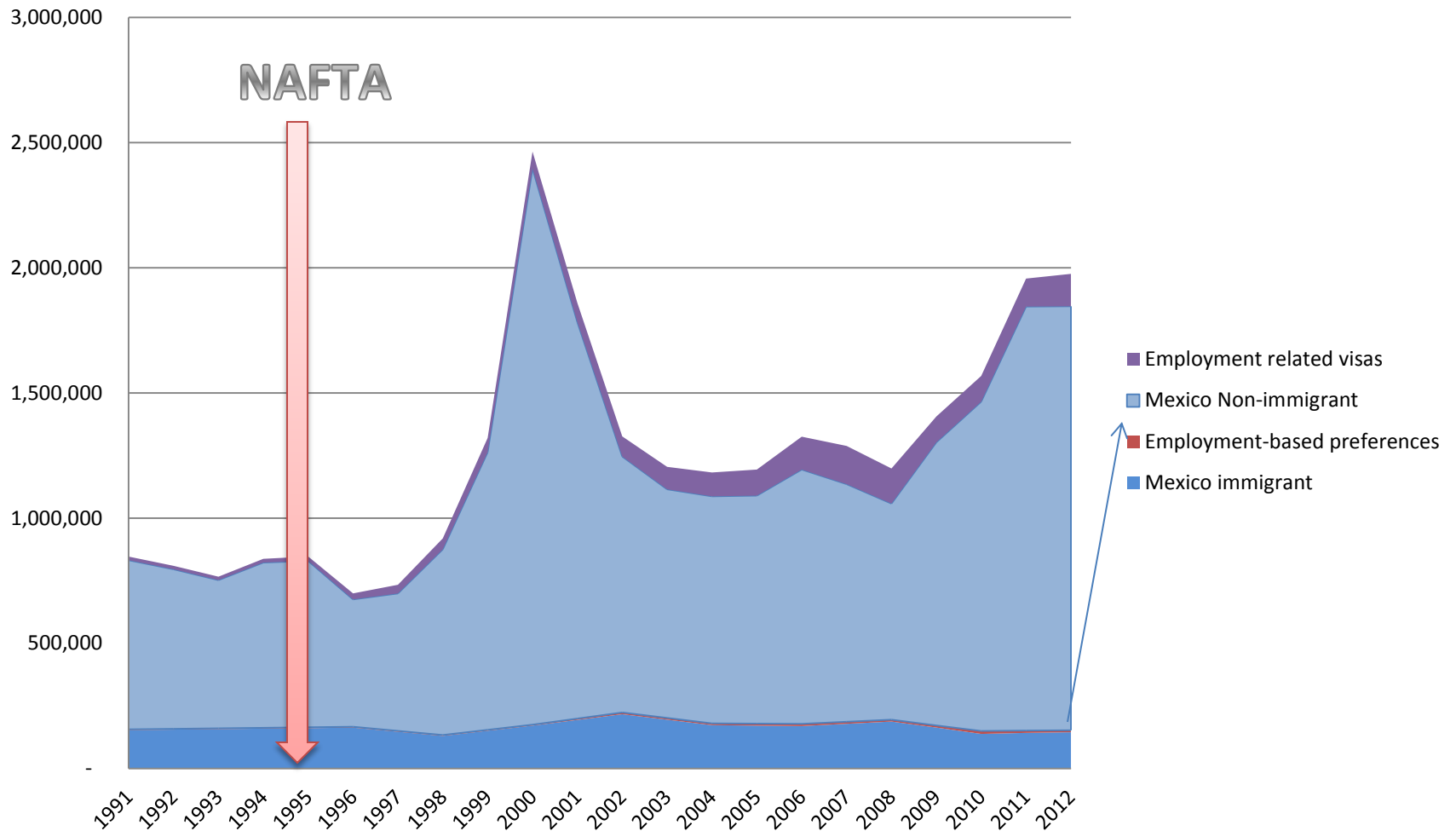
Source: Report of the Visa Office. Bureau of Consular Affairs. United States Department of Sate.

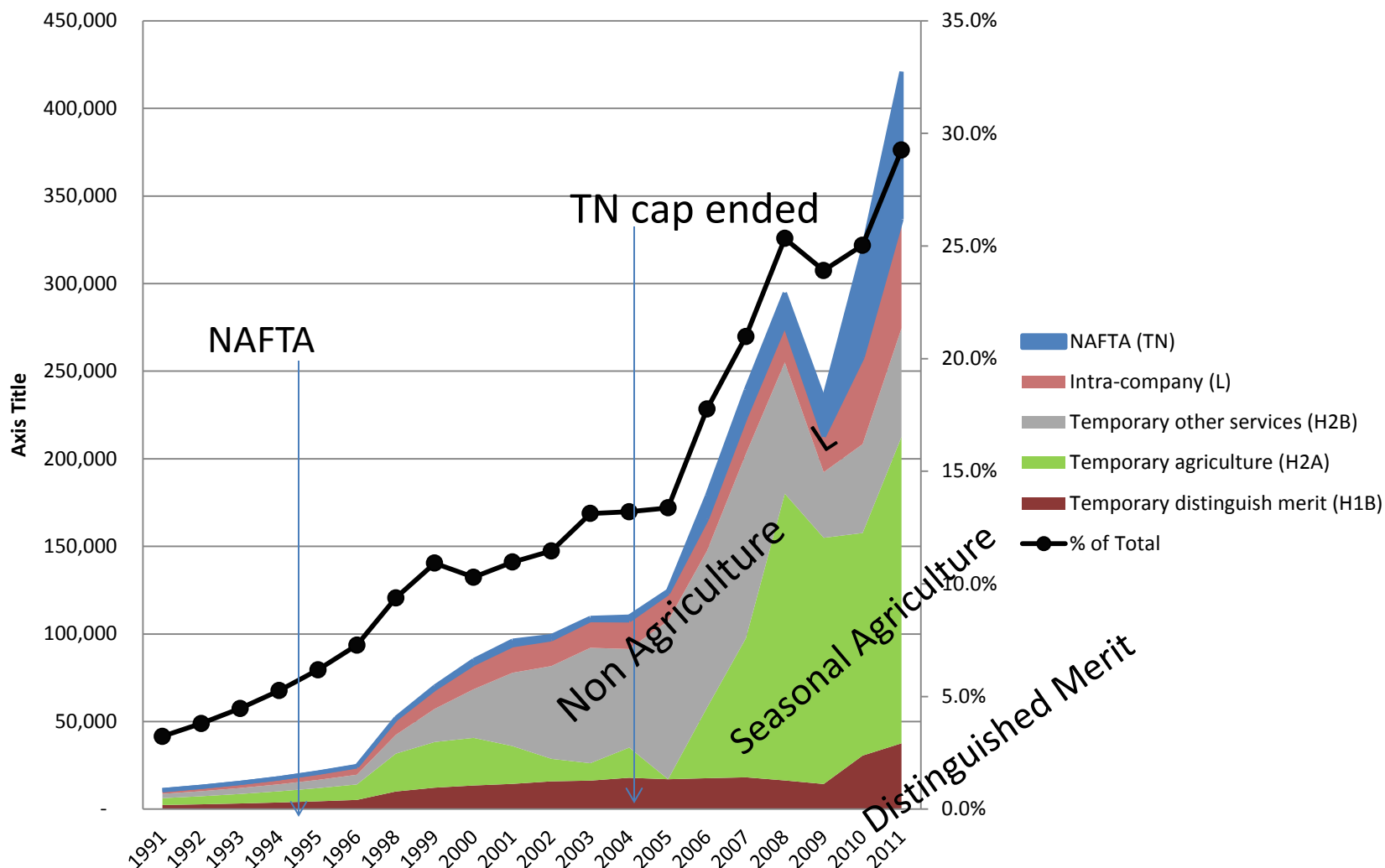# Mexico. All Visa Type and Work-Related Visa as percent of Total 1990-2012

Mexico Visa all Types ◆ — Labor related as Percent of All ▲

Mexico. Work-related NON-Immigrant Visas
Share of All Countries W-R Visas
1990-2012

Legend: Mx E, H, L & TN • Mx % of All countries E, H, L, TN

Source: Report of the Visa Office. Bureau of Consular Affairs. United States Department of Sate.

Mexico's Breakdown Temporary Work-related Visas
1991-2012

Axis Title (left axis): 450,000 · 400,000 · 350,000 · 300,000 · 250,000 · 200,000 · 150,000 · 100,000 · 50,000 · -

(right axis): 35.0% · 30.0% · 25.0% · 20.0% · 15.0% · 10.0% · 5.0% · 0.0%

NAFTA

TN cap ended

L

Non Agriculture

Seasonal Agriculture

Distinguished Merit

Legend:
- NAFTA (TN)
- Intra-company (L)
- Temporary other services (H2B)
- Temporary agriculture (H2A)
- Temporary distinguish merit (H1B)
- % of Total

X-axis years: 1991, 1992, 1993, 1994, 1995, 1996, 1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011
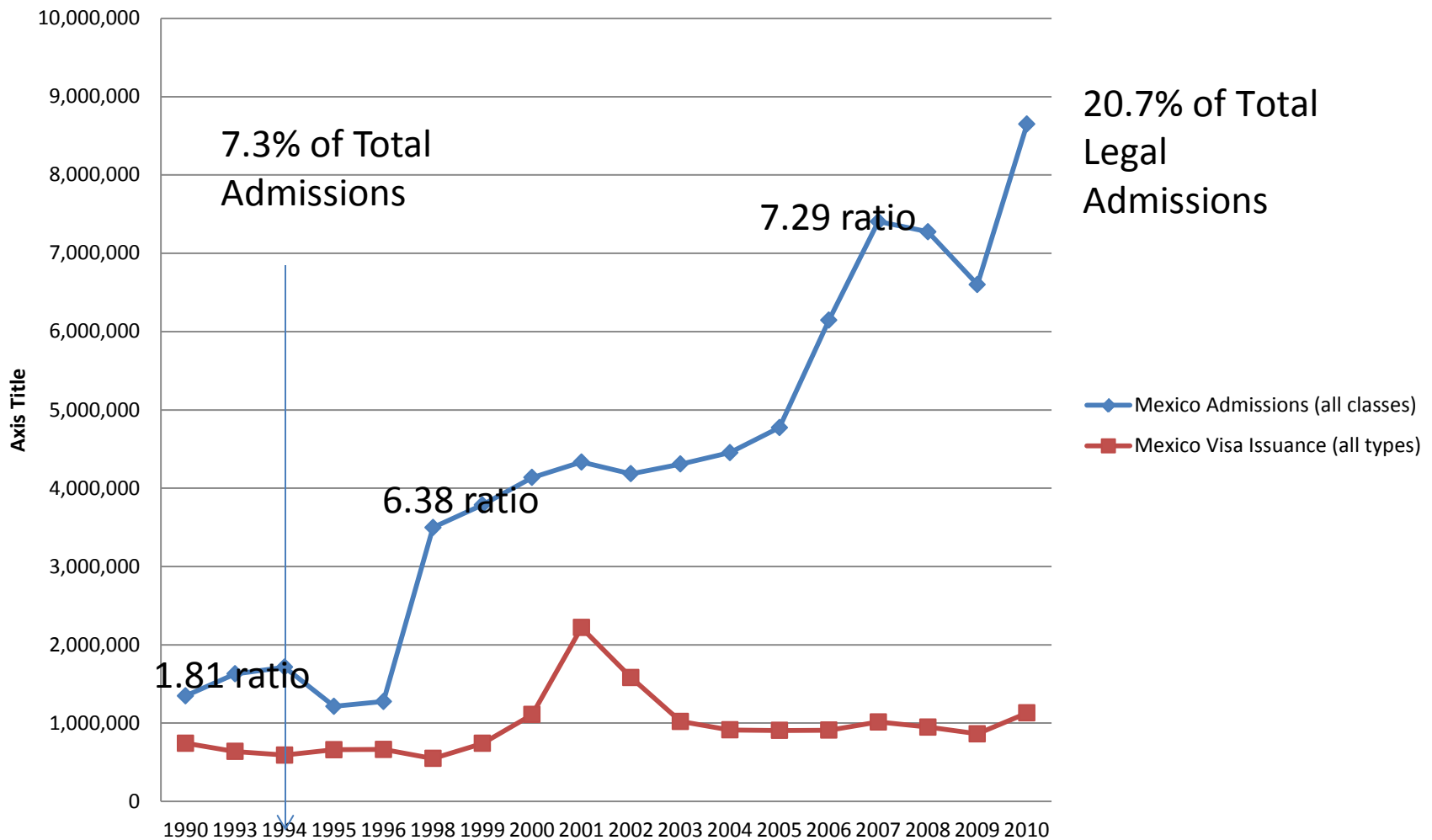
Source: Report of the Visa Office. Bureau of Consular Affairs. United States Department of Sate.

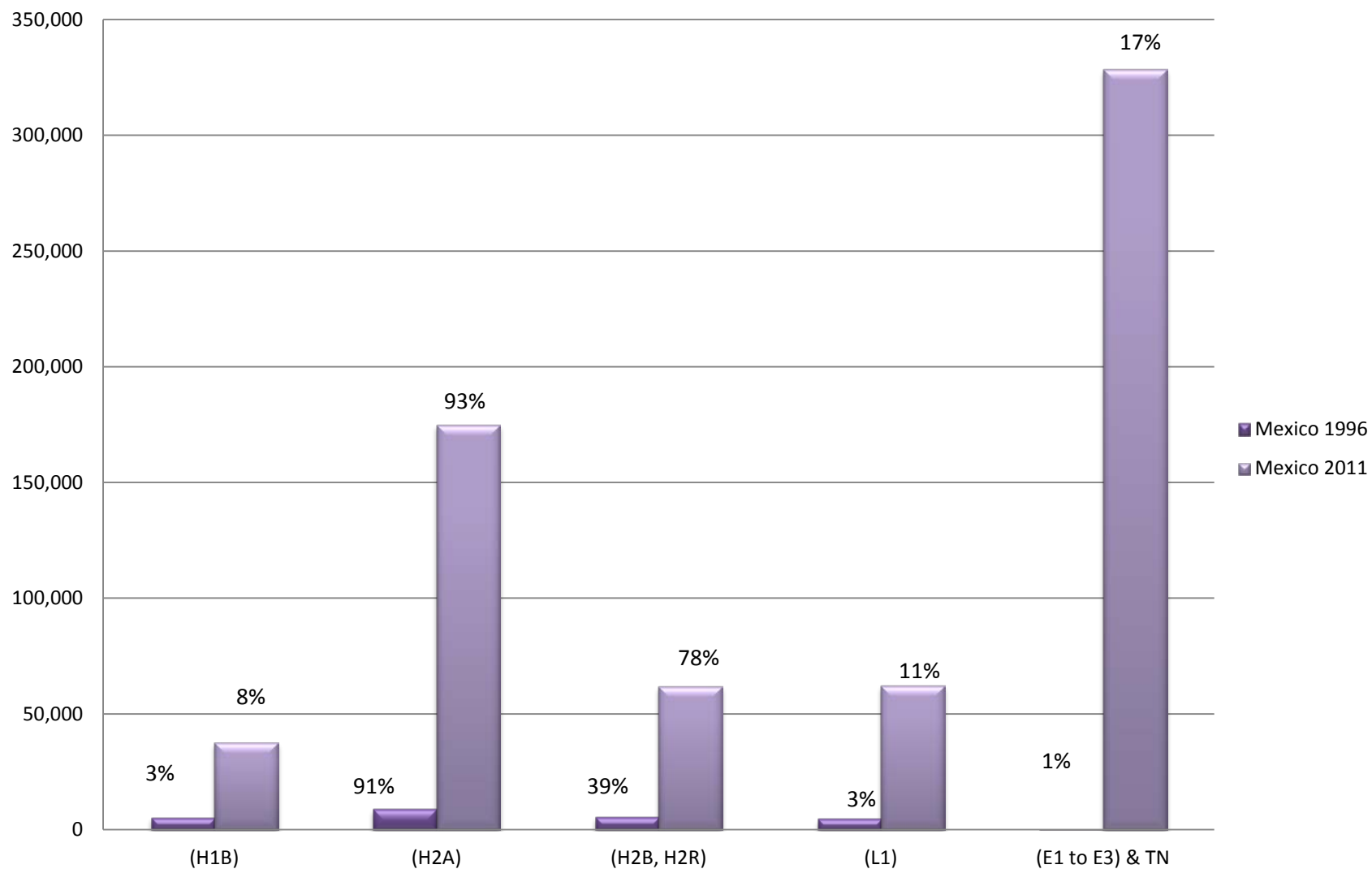IV. Mexico Total Legal Migration
1. Total. All-Visa types
2. Total work-related visas
3. Total Admittances and Visa Ratios
   - ✓ Labor-related Visas by Type and share by Class
   - ✓ Skill VS Non-skilled
4. Share of Total Employment Canada and Mexico

Non Immigrant Admissions (All Classes) & Visa (All Types) 1990-2010

7.3% of Total Admissions

20.7% of Total Legal Admissions

7.29 ratio

6.38 ratio

1.81 ratio

Axis Title

- Mexico Admissions (all classes)
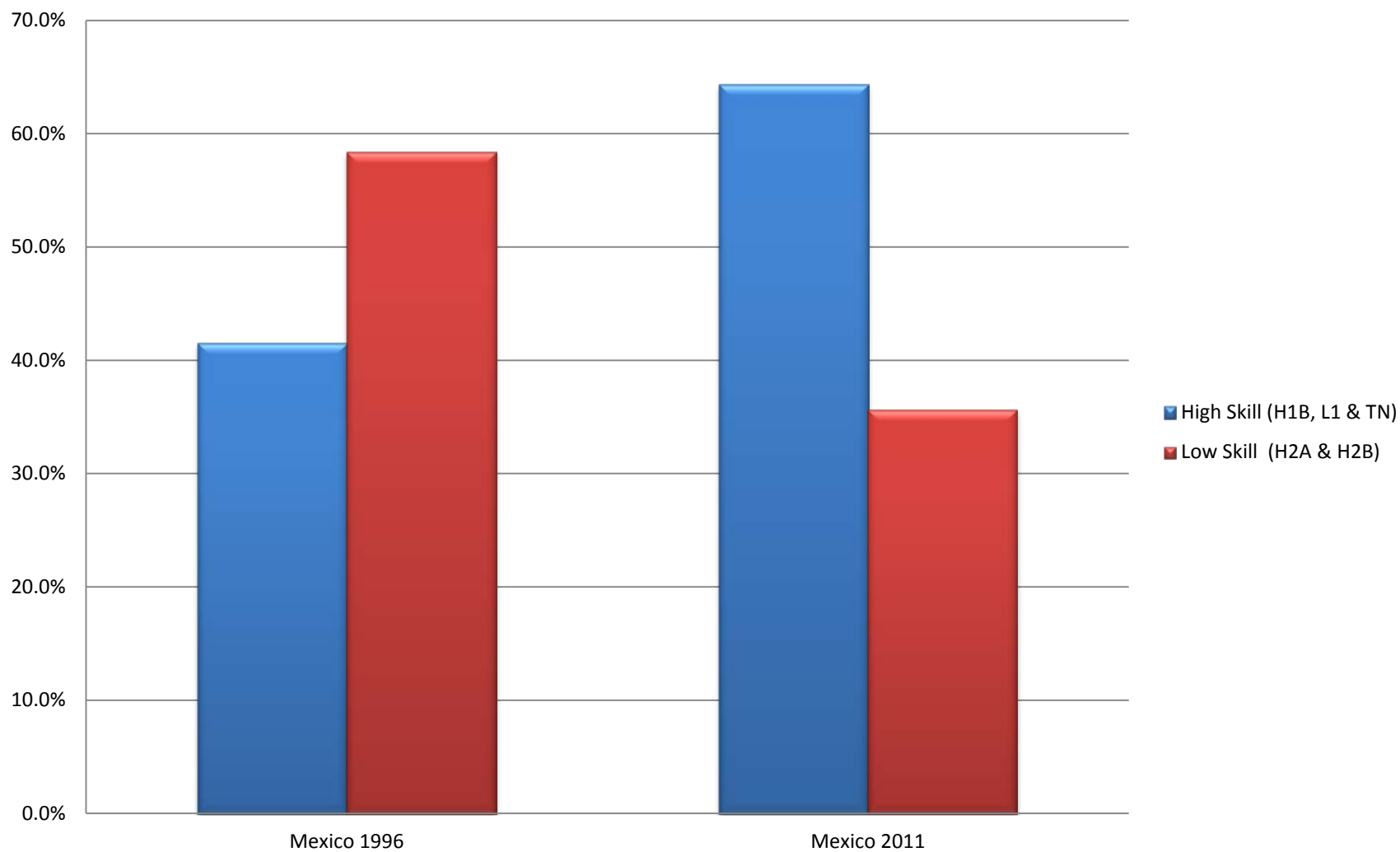- Mexico Visa Issuance (all types)

Source: Yearbook of Immigration Statistics. United States Department of Homeland Security and Source: Report of the Visa Office. Bureau of Consular Affairs. United States Department of Sate.

# Mexico. Work related Non-immigrant Visa Holders Admitted. 1996-2011

* % of Total Visa Type

Mexico: High Skill VS Low Skills Admitances in the US 1996 and 2011

Legend:
- High Skill (H1B, L1 & TN) — blue
- Low Skill (H2A & H2B) — red

Source: Yearbook of Immigration Statistics. United States Department of Homeland Security and

Mexico and Canada Shares All countries Non-immigrant E, H, L, & TN Visas holders Admitted (Adjusted to size of labor market) 1990-2010
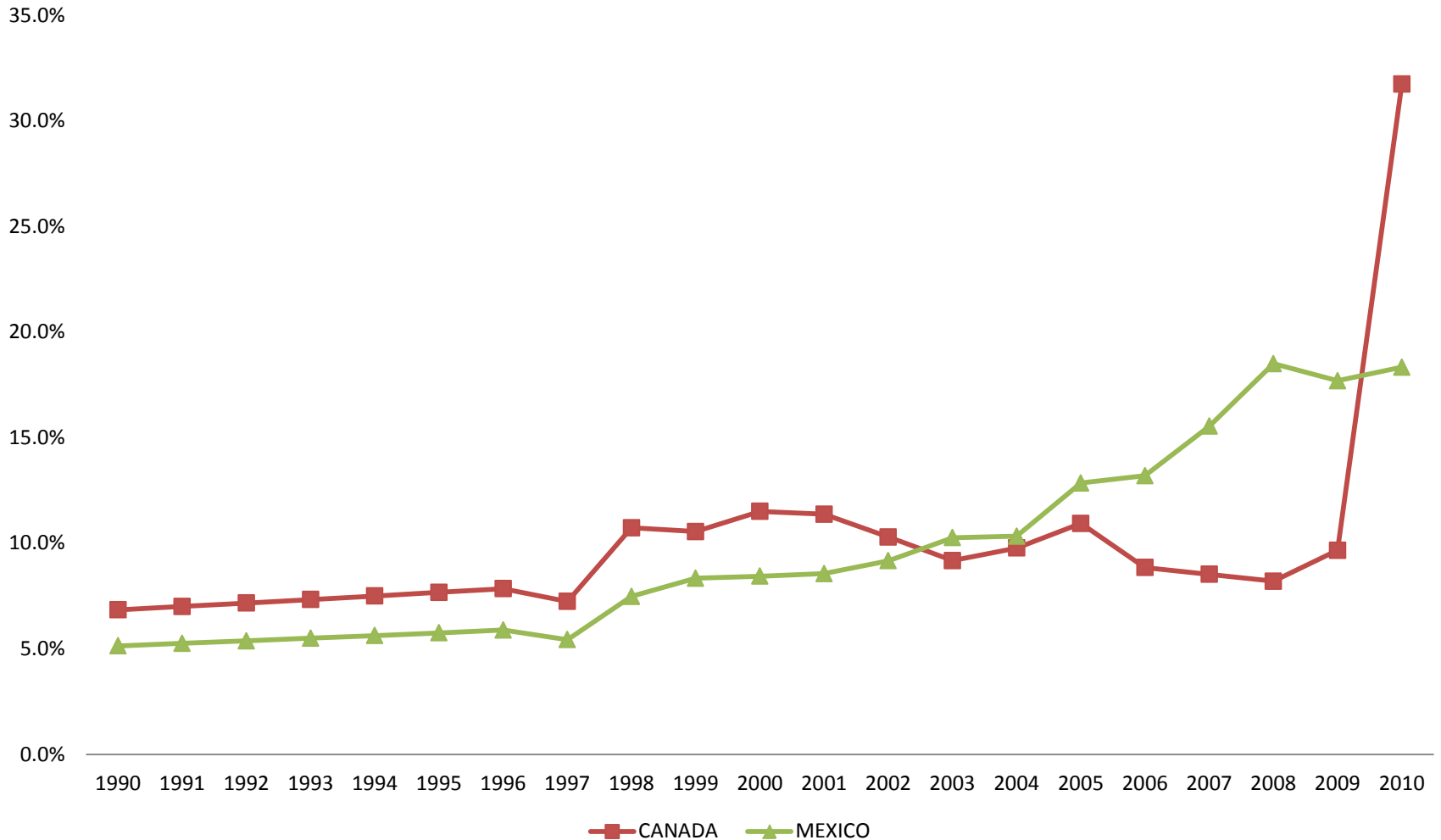
IV. Mexico Total Legal Migration
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4. Share of Total Employment Canada and Mexico
5. PERMANENT CERTIFICATON. Immigration by Class, Sectors of the Economy, Work Type, Cities

Sector of the Economy & H Visa Type (PERM 2005-2012)

US Sector	H-1B	H-2A	H-2B	Total	Cumulative
EDUCATIONAL SERVICES	28.0%	-	-	25.6%	25.6%
ADVANCED MFG	20.0%	-	4.8%	18.7%	44.2%
OTHER ECONOMIC SECTOR	12.7%	10.3%	36.4%	16.7%	60.9%
IT	13.4%	-	-	12.3%	73.2%
FINANCE	6.8%	-	-	6.2%	79.4%
CONSTRUCTION	2.0%	-	24.6%	3.7%	83.1%
AEROSPACE	6.5%	-	-	3.6%	86.7%
AGRIBUSINESS	1.0%	84.6%	12.3%	2.8%	89.5%
HOSPITALITY	0.8%	5.1%	19.3%	2.1%	91.6%
HEALTH CARE	2.3%	-	-	2.1%	93.7%
AUTOMOTIVE	1.9%	-	1.1%	1.8%	95.5%
RETAIL	1.5%	-	-	1.4%	96.9%
TRANSPORTATION	1.3%	-	1.6%	1.3%	98.2%
ENERGY	1.2%	-	-	1.1%	99.3%
BIOTECHNOLOGY	0.5%	-	-	0.5%	99.8%
GEOSPATIAL	0.1%	-	-	0.1%	99.9%
HOMELAND SECURITY	0.04%	-	-	0.04%	99.96%
UNCLASSIFIED	0.04%	-	-	0.038%	100%
Column	100%	100%	100%	100%	N=2654
Row	91.5%	1.5%	7.0%	100%	

Source. United States Department of Labor Employment & Training Administration. Historical Case Disclosure Data on Permanent Labor Certifications.

Main occupation of Mexican Non-immigrants in the US Percentages 2005-2012
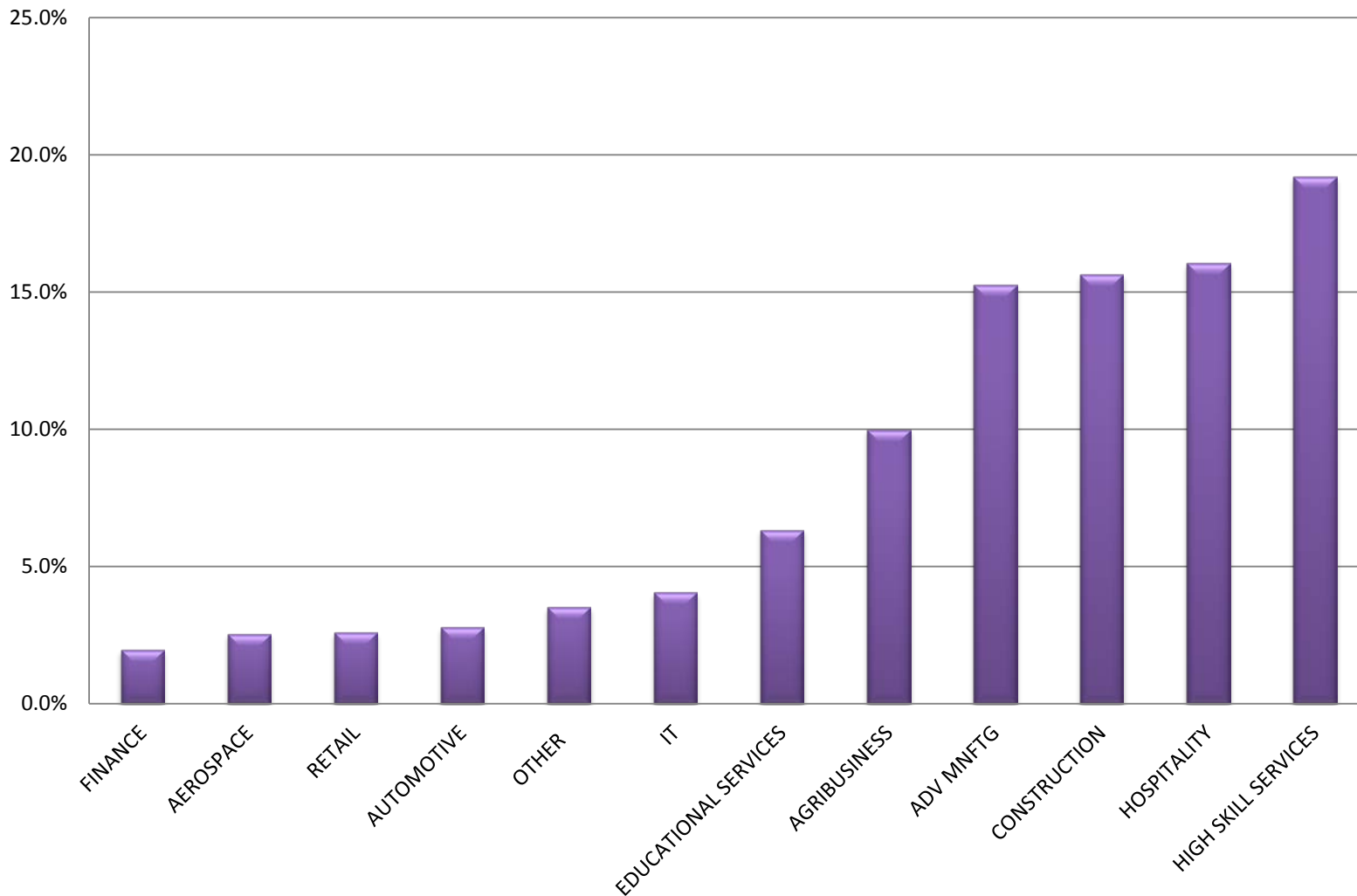
Source. United States Department of Labor Employment & Training Administration. 2005-2010 Case Disclosure Data on Permanent Labor Certifications.

Rank/6000	PERM 2000-2005	Frequency	Percent	Cumulative Percent
1	Software Developers, Applications	6882	10.8	10.8
2	Computer Software Engineers, Applications	6186	9.7	20.5
3	Computer Software Engineer	4048	6.3	26.8
4	Computer Systems Analyst	1815	2.8	29.7
5	Software Developers, Systems Software	1654	2.6	32.3
6	Electronics Engineers, Except Computer	1583	2.5	34.7
7	Computer Software Engineers, Systems Software	1323	2.1	36.8
8	Computer and Information Systems Managers	1009	1.6	38.4
9	Mechanical Engineers	772	1.2	39.6
10	Medical, General	760	1.2	40.8
11	Network and Computer Systems Administrators	713	1.1	41.9
12	Financial Analysts	641	1.0	42.9
13	Accountants and Auditors	594	.9	43.9
14	Database Administrators	572	.9	44.8
15	Marketing Managers	558	.9	45.6
16	Operations Research Analysts	526	.8	46.5
17	Industrial Engineers	488	.8	47.2
18	Computer Software Engineer, Applications	477	.7	48.0
19	Management Analysts	473	.7	48.7
20	Electrical Engineers	435	.7	49.4

Educational Services
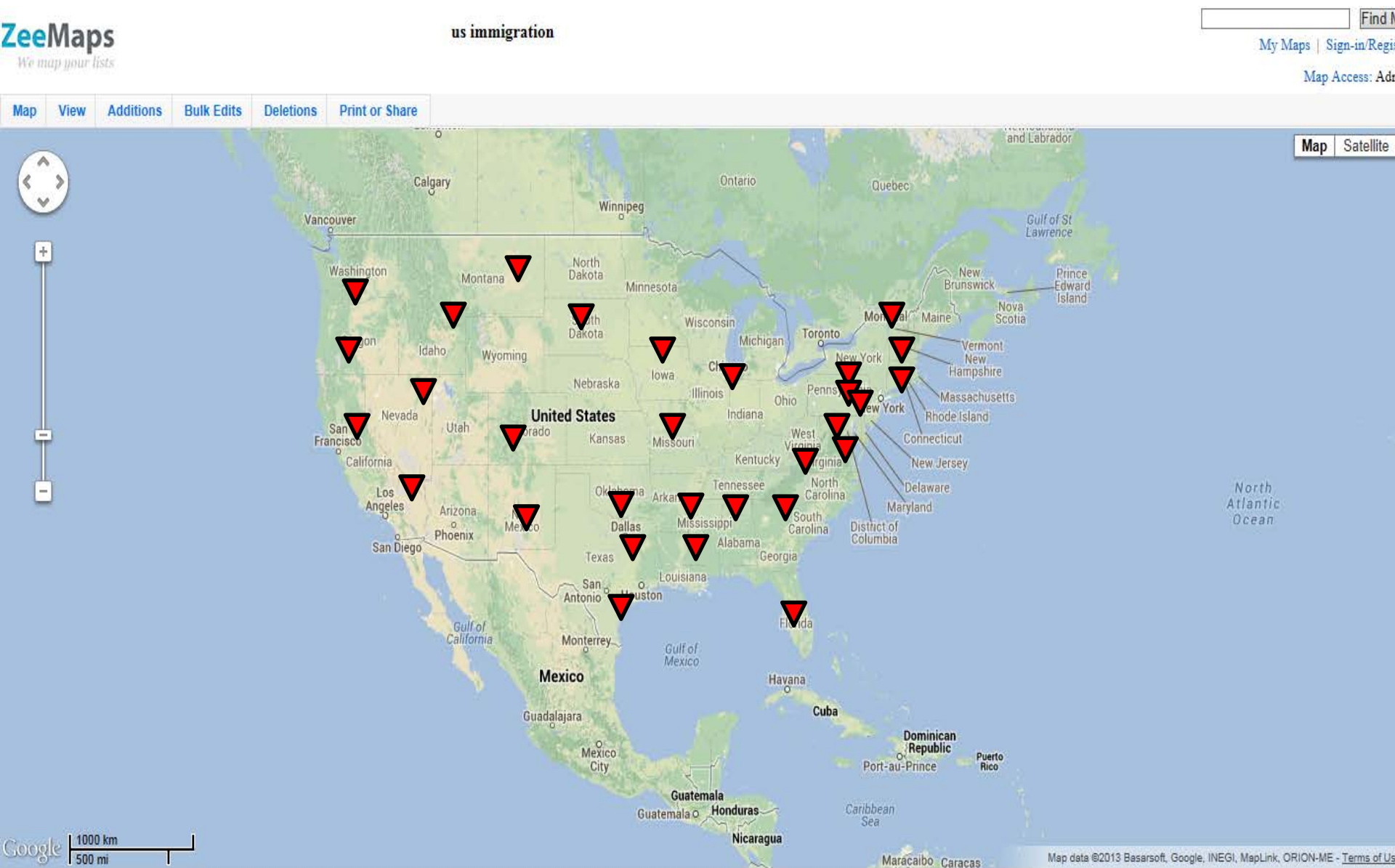
Financial Sector H, L, TN
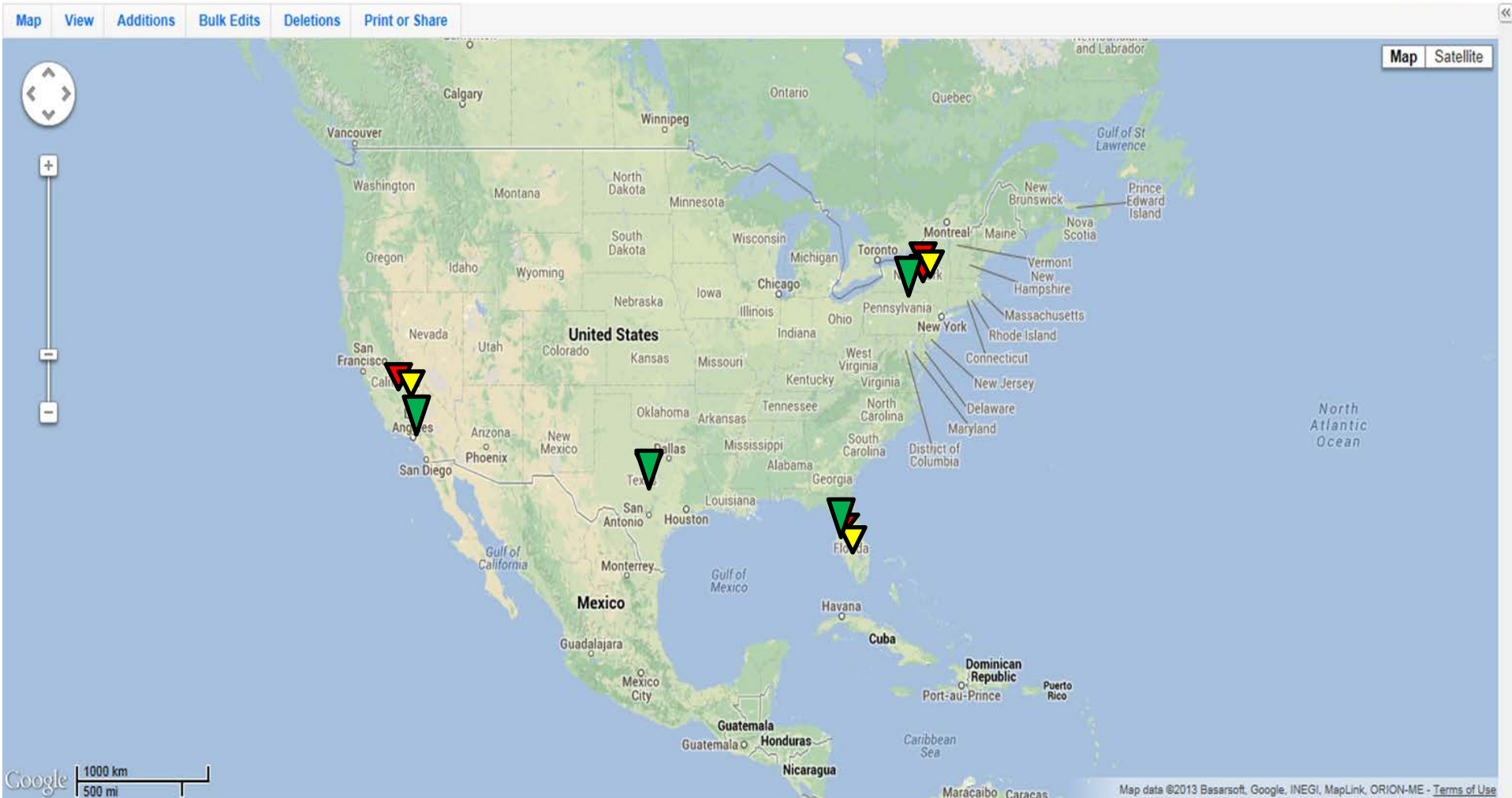
Advance Manufacturing
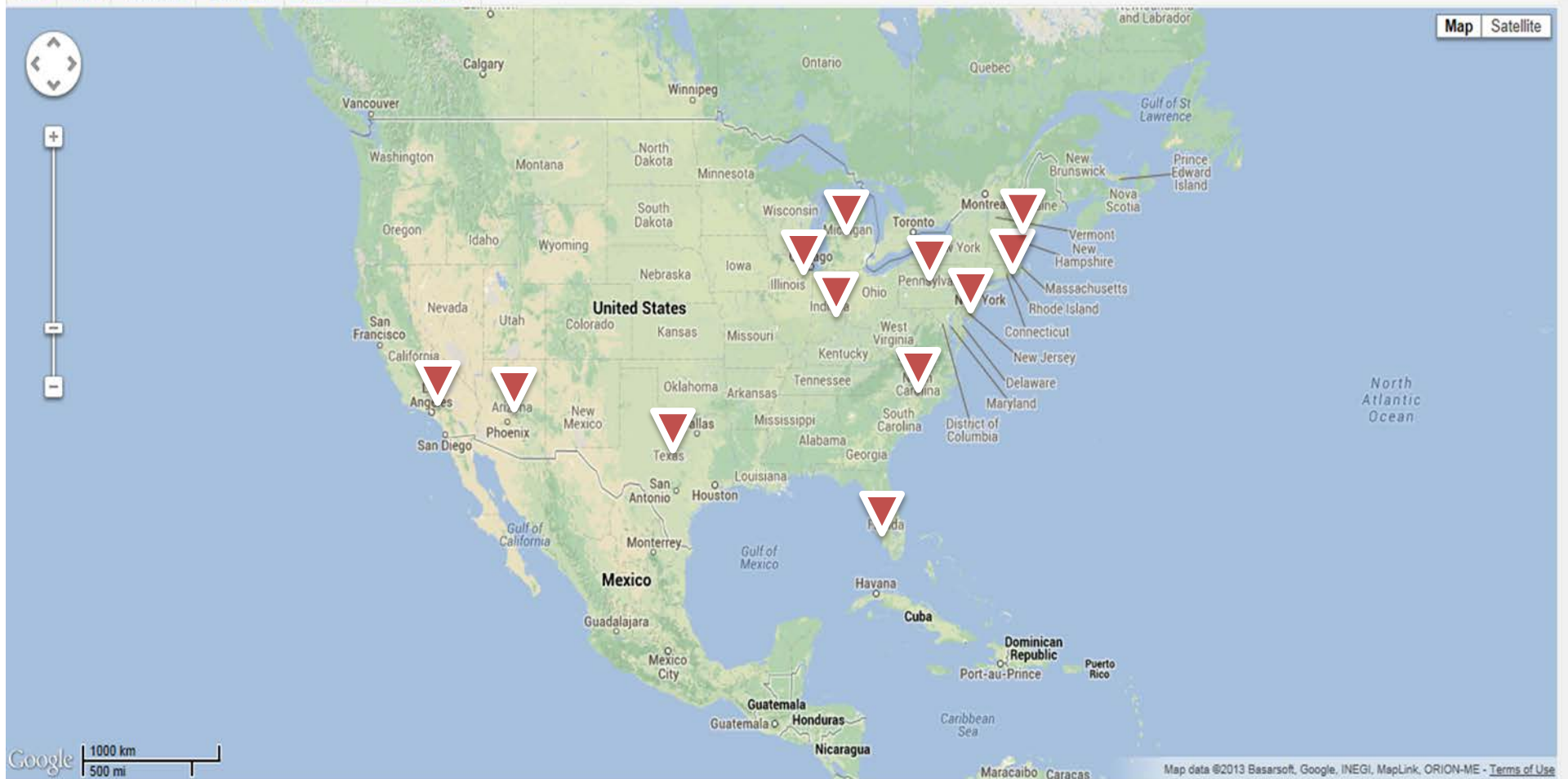
Information Technology and Computer Systems
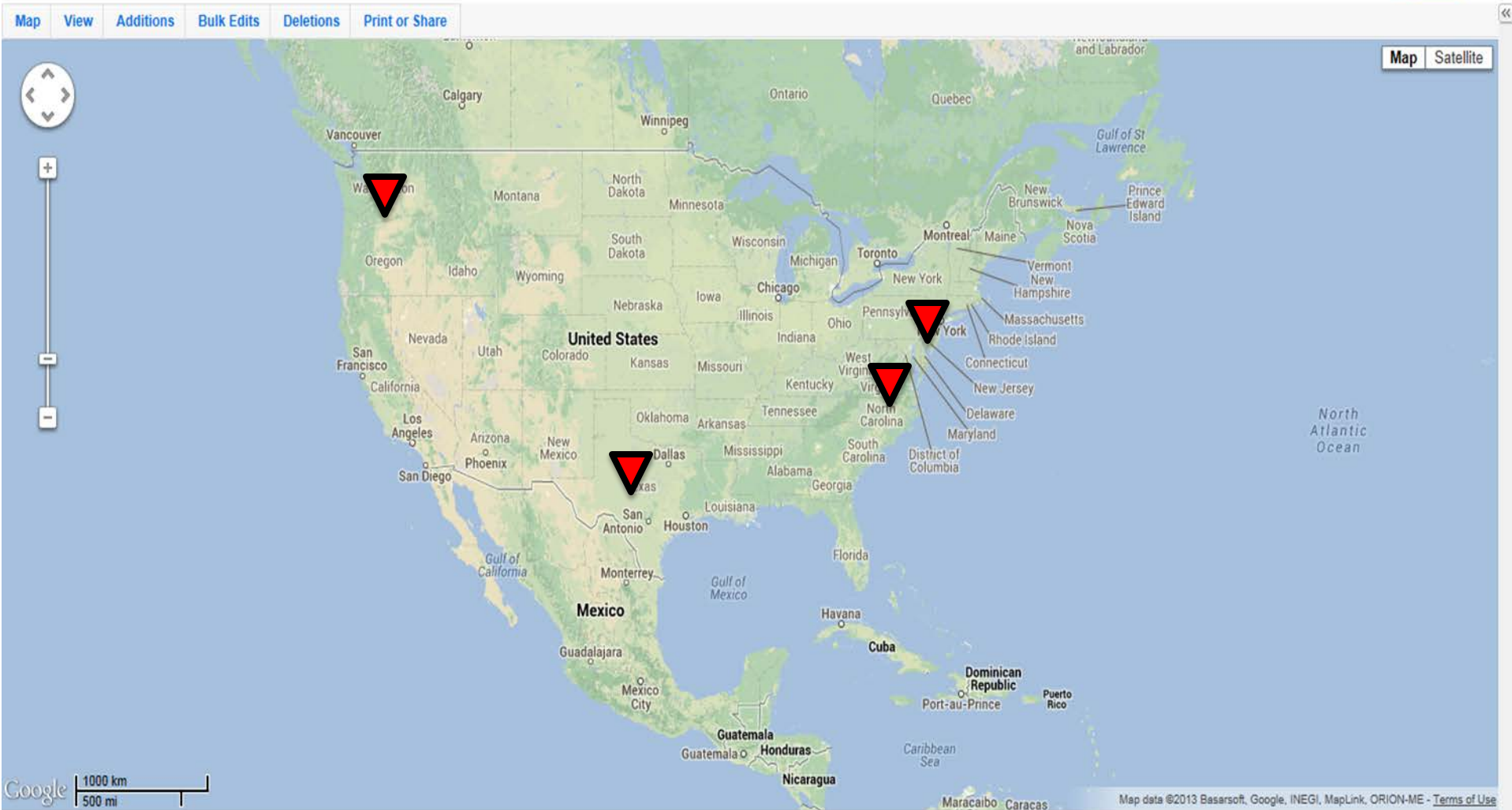
Aerospace and Geospatial
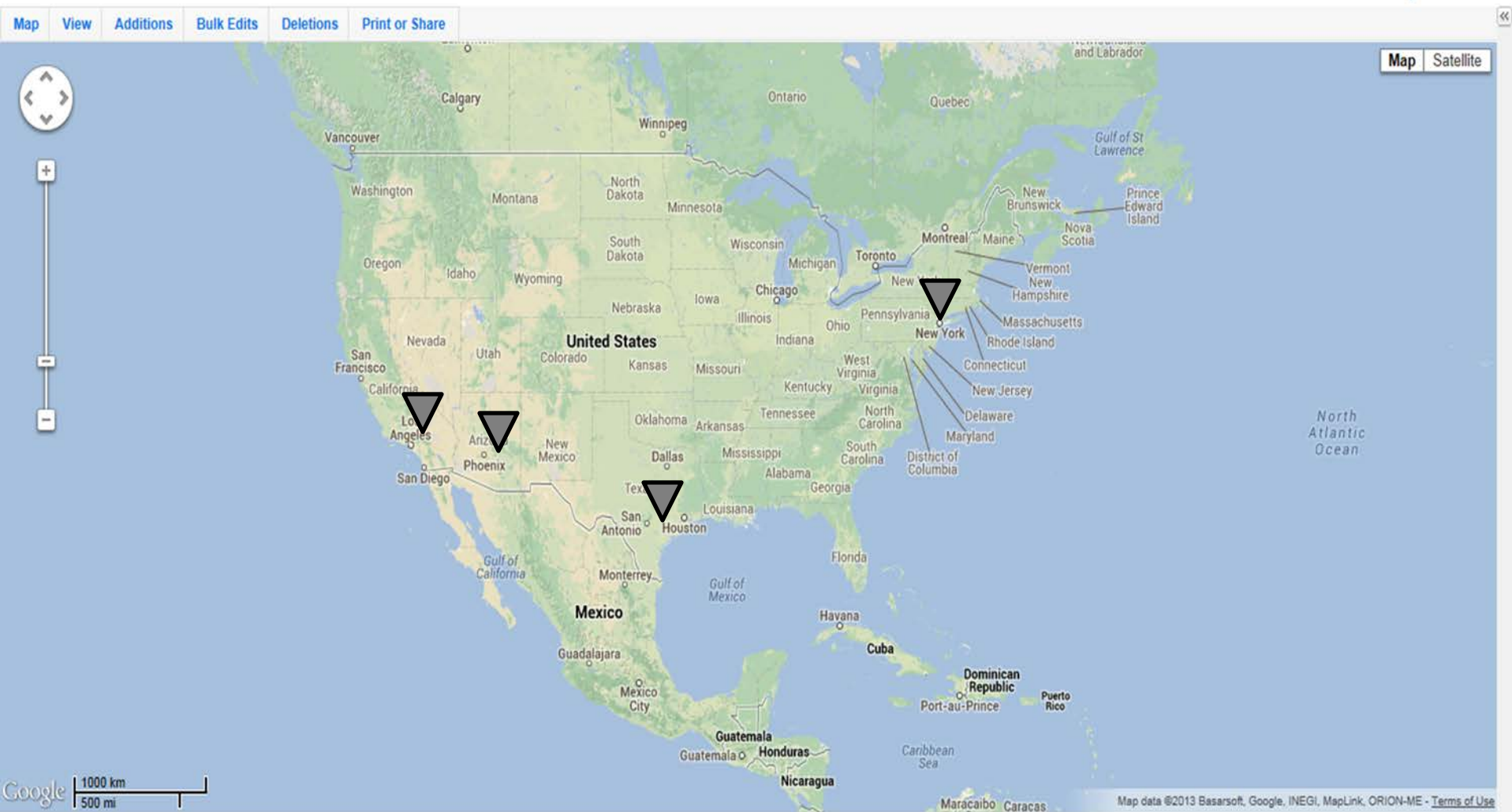
Conclusions

- System Works
- TNC Trade Theory now prevails
- Legal migration has increased and claims of spite of total migration has decreased
- Qualitative Change of migration: High skills
- Legal Framework. Mexico NO-privileges
    - ✓ Visa Waiver program
    - ✓ Canada Bermuda Exceptions
    - ✓ NAFTA Visa, is Mexico Visa

Policy Recommendation Mexican Government

- ✓ To gain more access on H1B visas by No Caps to Mexican in H, and L visas for Mexicans as it is on TN
- ✓ Visa Waiver program, Canada Bermuda Exceptions along with enforcement.

"bolster work programs to facilitate the entry of both high- and low skilled workers"

- ✓ Benefits. Disincentives to illegal crossings, experience demonstrate that the tougher the measures the more likely the immigrants to remain.
- ✓ Better knowledge of foreign nationals whereabouts, more security.
- ✓ More efficient Labor Market allocation
- ✓ Obama initiative 100K Strong in the Americas
- ✓ Brasil, no other Latin American Country has taken advantage of this program.