

The State and Internal Migration in Guadalajara and West Baltimore

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Introduction

Our purpose in this paper is to investigate the role of the state in shaping the settlement patterns of internal migrants in two different settings: Guadalajara—Mexico’s third industrial complex—and Baltimore—an old steel-producing emporium in the United States. Although separated by thousands of miles the two cities bear striking commonalities: they have at different moments hosted vigorous manufacturing complexes providing jobs to millions of workers; they have been points of destination for internal migrants searching improved employment opportunities. In Guadalajara many of those migrants found positions in industry while others became part of the informal economy. In Baltimore, African Americans from the southern states replaced an earlier wave of European migrants in the late 1960s even as employment opportunities were diminishing in manufacturing. Hardest hit by economic change blacks became increasingly isolated in ghettos where drug peddling became a major occupation. To understand the mechanisms that have led to different patterns of immigrant settlement and economic incorporation is our major concern.

Economically, politically, and even culturally the histories of Mexico and the United States are deeply intertwined. Furthermore, common global processes leading to different effects have affected the two countries. Globalization and the consequent industrial restructuring in the U.S. toughened the boundaries of Inner-City ghettos. Baltimore was once an important steel producer under the auspices of the Bethlehem Steel Corporation. Starting in the 1970s, the reduction of employment in that kind of production had a devastating effect on working-class families, especially those of African-American descent. Last to have been hired and last to have joined labor unions, they were also the first to be dismissed when steel production migrated overseas. In a related, but contrasting, way global restructuring led in Mexico to the expansion of export-oriented manufacturing embodied in the *maquiladora* program. It also affected fledgling industrial centers like Monterrey and Guadalajara. Both in the U.S. and Mexico, the reconfiguration of production affected internal migration, as well as the settlement patterns of migrants.

In the U.S. and Mexico, internal migration has been associated with urban development. We seek to understand similarities and differences in the two locations. No comparative study of

these two types of migration is available. We emphasize concentrations and dispersion of migrants and explore the spatial dimensions of the process.

A major aspect of our effort concerns the role of the state in shaping the character of internal migration and migrant settlement in the two settings. In the United States capital devolution combined with state intrusion has impeded the development of the informal sector but, ironically, facilitated the expansion of the criminal economy. In Mexico, by contrast, distorted and insufficient industrialization in tandem with a limited capacity of the state to implement labor legislation has enabled the expansion of the informal sector *as well* as criminal activities, some of which depend on collusion with public authorities and officials.

We argue that the character and magnitude of state interventions in the two locations largely explain the widely different fates of internal migrants. At every level in the Mexican case structures of government are large and cumbersome but also limited in their capacity to contain informal economic activities. A shortage of human and material assets creates an opportunity for lively unregulated sectors to flourish. In the United States, the public sector is richly endowed and capable of monitoring the lives of displaced and unemployed populations.

State Control, Internal Migration and Alternative Economies

There is a dearth of comparative research on the role of state action and legislation in promoting or deterring internal migration. This is particularly true with respect to comparisons between advanced and less developed countries. We note major exceptions: Frances Wilson, Cohen, Michael Burawoy and a few others. Furthermore, the few comparative studies available take a comparative perspective for the most part. Such is the case of, for example, Charles Tilly and Anthony Marx.

We follow Max Weber and Georg Simmel in their understanding of the state as a structure of government whose main attribute is the appropriation and use of political force. The state is the organ responsible for regulating economic and social interactions, a function it fulfills through the emission and implementation of legislative restrictions. Weber's *iron cage* of bureaucracy implies not only a contradiction between individual freedoms and the preservation of social order but also the relative autonomy of the public sector. Beyond the social good, bureaucrats seek mainly their self-preservation

The state can intervene in two different moments of the internal migratory process. First it can promote or deter flows and influence their direction. Second, it can also affect the way that internal migrants incorporate into local economies and communities. Most of the literature about the role of the state in shaping internal migration focuses on the development of regional economic plans and employment opportunities, or on the role of the state in the recruitment of workers from different regions (Barry and Sullivan 1988). Portes, Itzigsohn and Dore-Cabral (1997) argue that in the new global economy the state has an active role in the choice of location of new industrial centers, affecting in turn the patterns of urbanization and the direction of migration flows. In Latin American countries, for example, the state has promoted the concentration of export processing plants in specific areas through the establishment of free trade zones. When these new industrial centers are located in the outskirts of a major city or in small cities nearby, a megalopolis grouping several cities is likely to emerge. However, when industrial centers are located in small cities away from a major city they can contribute to the redirection of migrant flows away from traditional destinations.

The role of the state in the incorporation of internal migrants into their receiving communities has received much less attention in the Sociological literature. Most of the authors that have written about this topic come from a political economy perspective, and argue that state interventions are aimed at guaranteeing a source of cheap and vulnerable labor. The best example of this argument is Cohen's description of the labor camps in South Africa (Cohen 1987). At the beginning of the XX century, British colonials displaced most traditional farmers from their lands, and these were forced to sell their labor force in order to survive. Many of these farmers were recruited to work in the gold and diamond industry. However, the owners of the mining companies benefited more from employing foreign workers than domestic workers, because that way they (the employers) did not have to pay for the reproduction of the labor force. They preferred that families lived and reproduced in one state, and worked in another. In this case, the government helped to guarantee the *foreign character* of the labor workers by redefining state borders and declaring the immigrant settlements as semi-independent states.

The paucity of research does not mean that the state does not have an important role on the incorporation of internal migrants. Portes (1993, 1996) has consistently demonstrated that the receiving government is key in determining how international migrants will assimilate in their host communities. The literature on "modes of incorporation" shows that the receiving state

can directly facilitate the incorporation and economic mobility of international migrants through government support and assistance programs¹. Similarly, through exclusory policies the state can prevent the incorporation of immigrants, or can condition them to an underground status. The state has an indirect role on the incorporation of international migrants and on their social mobility opportunities, because it affects the condition of the host economy.

In this paper we contribute to the existing literature by showing that one of the ways in which the state affects the incorporation of internal migrants is by shaping their opportunities through the control (or absence thereof) of the informal economy. We give some attention to the concept of “state embeddedness” as developed by Peter Evans and others and apply it to the circumstances found in Guadalajara and Baltimore. We include in this section a reflection about Portes’s 1997 article comparing embeddedness in Mexico and Chile.

States differ in the amount of control they have on the public domain Mann (). In the case of internal migration, some states (like China or Cuba) have very strict regulations about who and where migrates². Others, like Mexico or the United States, do not have any explicit restriction to the change of residence within the country. Likewise, some states have more regulations than others concerning economic and commercial transactions. Centeno and Portes (2003) refer to Mexico as a state that has high regulatory intents and many legislative items to control the participation in economic activities, and to the United States as a state with fewer restrictions.

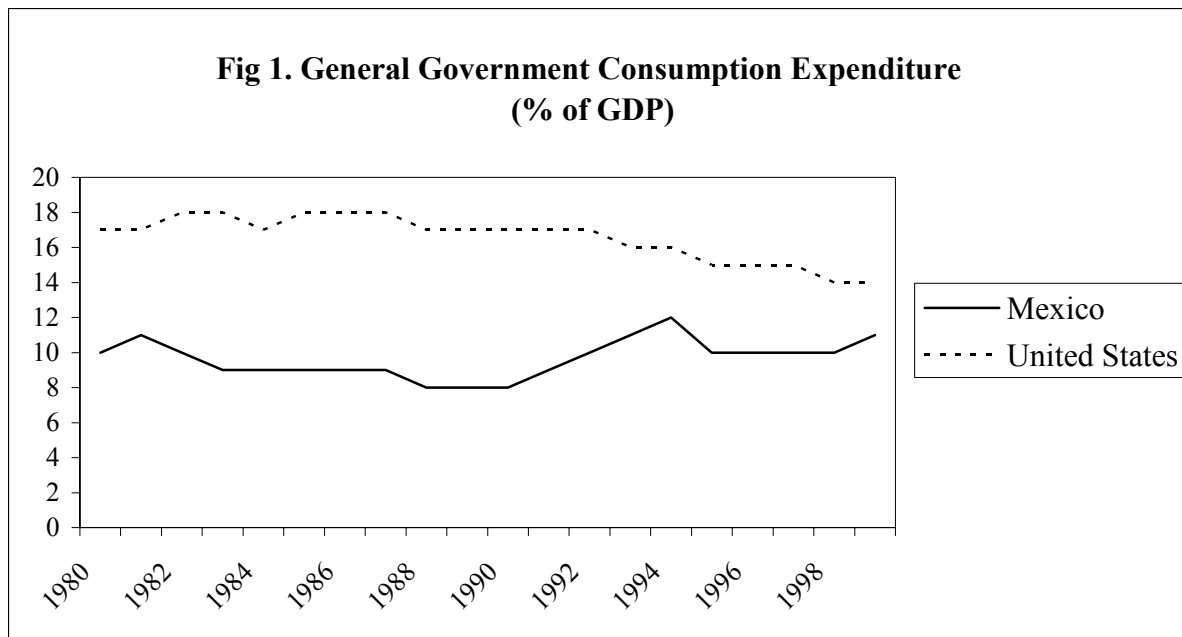
Independently of the attitude that a state has *vis a vis* internal migration, migrants’ assimilation, and economic transactions, the efficiency of a country's government in attaining its policy goals depends, among other factors, on the state’s size, and its level of autonomy and embeddedness (Centeno and Portes 2003) (Portes 1997).

In principle, states that are larger (relative to the civil population) and have more financial resources should be more efficient than small states in enforcing their legislations (Hobson 1998). However, several authors have showed that this relationship is not so straightforward, and that there are other factors affecting a state’s regulatory efficiency. In

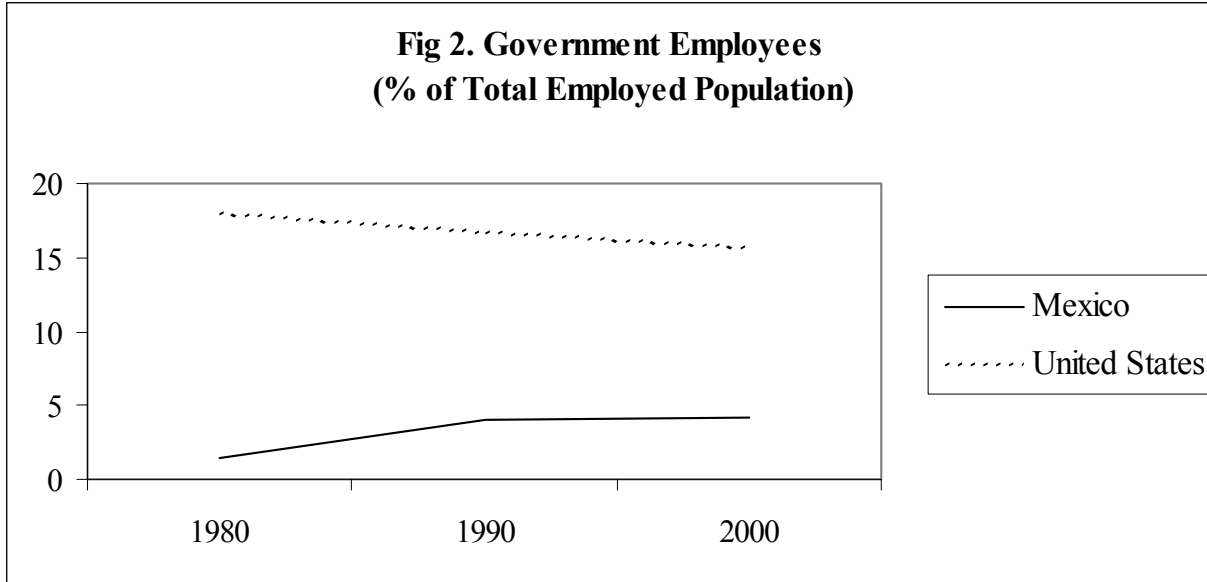
¹ One example commonly noted in the literature is the support program in the United States for Cuban refugees during the 1980s Portes, A. a. Z., Min (1993). "The New Second Generation-Segmented Assimilation and its Variants." Annals of the American Academy of Political Science 530: 74-96.

particular, a state's ties with different segments of the society (its "embeddedness") informs the state of public perception and needs, but it might also reduce its enforcement capacity (Evans 1995; Evans 1996) .

How do state's size and embeddedness play in the general regulatory capacity of the governments of Mexico and the United States? The state in Mexico purports to have a large regulatory role, but it suffers from being both a smaller and more embedded than the United States. The relative weakness of the Mexican state is evidenced in the proportion of the GDP destined to government spending (see figure 1). Mexico has always devoted a lower percentage of its GDP to government expenditures (including the compensation of employees and expenditures on national defense and security) than the United States of America. This comparison, however, is especially unfavorable for Mexico during the 1980s. For example, in 1985, Mexico spent 9% of its GDP on government consumption, while the U.S. spent 18%. It is important to note, however, that the difference between the two countries has decreased noticeably after 1990. It seems that Mexico's government is growing, while the U.S. government is decreasing its size.



² See Liang, Z. and M. J. White (1997). "Market Transition, Government Policies, and Interprovincial Migration in China: 1983-1988." *Economic Development and Cultural Change* 45(2): 321-341. for an explanation of China's migratory policy.



Mexico has always devoted a lower percentage of its GDP to government expenditures (including the compensation of employees and expenditures on national defense and security) than the United States. Still, Mexico's public spending has been gradually increasing, while the U.S. public expenditure has systematically decreased. In 1985, 9% of Mexico's GDP and 18% of U.S. GDP were destined to government consumption. In contrast, in 1999 Mexico spent 11% of its GDP on government consumption, while the U.S. spent 14%.

The difference in the size of the government of Mexico and the U.S. is even more noticeable in the number of federal relative to the total population. In 1980, 18% of the employed population in the U.S. and only 1.5% of the employed population in Mexico were state workers. In 2000, 14% of the Mexican employed population and 16% of the U.S. employed population were state workers.

At the same time, it has been repeatedly argued that Mexico has a highly embedded state (Portes, 1997; Centeno and Portes, 2002). Electoral parties are one of the main ways in which the interests of different segments of the society are incorporated in the government. In particular, the Party of the Institutional Revolution (PRI), which ruled the country until 1996, is composed by different sectors each representing a distinct population group (such as peasants, teachers, workers, etc.). The electoral party serves as an intermediary, bringing the voice or interest of these groups to the government.

The close relationship between the PRI and civil society limited the regulatory capacity of the state for more than 70 years³. The PRI owed much of its support and ability to stay in power to a clientilistic relationship with the grass-root level organizations that conformed its base. As a result, PRI governments formulated, but could not enforce laws that could damage the middle and lower class population that supported them.

Portes (1997) offers an example of how the embeddedness of the Mexican state under the PRI impelled its regulatory capacity. This author argues that that past commitments with the middle and lower classes prevented the state from fully applying some neoliberal policies, like cutting consumption subsidies or reducing employment in state-owned firms.

We present descriptive figures showing the magnitude of the state in the United States and Mexico, Jalisco and Maryland, and Guadalajara and Baltimore, including percentage of the labor force employed by government, proportion of national income allocated to compensations of government workers, material and human resources, and other relevant measures.

As we continue our discussion of embeddedness, we note the importance of hypothesized social networks as discussed by Granovetter, Boisevain, Duncan, White, Uzzi and others. We suggest that, at every level, the Mexican state is firmly integrated into civil society through kinship, friendship, and common class bonds. Particularistic associations are not uncommon between private individuals and government officials. Expectations of reciprocity permeate client-patron relationships. By contrast, in places like Baltimore, representatives of the state, while omnipresent, maintain lower levels of embeddedness with respect to local populations. Furthermore, the two states have different implementation capacities

We discuss the symbiotic relationship between the state and squatters/constituencies in Mexico and contrast *colonias* and *ciudades perdidas* with ghettos.

We then turn our attention to the character and magnitude of “alternative economies.” Because most migrants change places of residence looking for better employment opportunities but many cannot find them, the informal economy is one of the topics commonly associated to the discussion of internal migration in both developed and developing countries. The commonly accepted definition of informal economy involves those activities that escape state regulation.

³ In 2000 Vicente Fox, a candidate from a an electoral party other than the PRI won the presidential election.

People can perform many activities that can be categorized as informal. These range from street vendors, to industrial subcontracting and independent professional services.

As varied as the informal economy is, so are the explanations for its emergence and growth. Some authors (Castells and Portes 1989; Portes 1989; Portes, Castells et al. 1989) argue that the informal economy is the result of globalization and the search of the capital for additional sources of surplus. According to these authors, in a growingly competitive and uncertain environment, entrepreneurs benefit from subcontracting arrangements that allow them to save on the training and maintenance of the labor force, and vary its production with demand fluctuations.

Other authors (Benería and Roldán 1987) (González de la Rocha 2001) argue that the informal economy is the result of the lack of formal employment opportunities. When employment in the formal sector is limited or unavailable, families have to organize and come up with alternative strategies that allow them to meet their survival needs. These survival strategies consist of domestic production and the informal exchange of non-regulated products and services.

The predictions of these two arguments with respect to the relationship between the growth of formal economy and the informal economy seem to run in opposite directions. For Castells (1989) and Portes (1989), the prediction seems to be that as the economy expands, so will expand the need for informal services and products. Benería and Roldán(1987) and González de la Rocha (2001) would predict, on the contrary, that the informal economy increases when the formal economy (and its employment opportunities) decrease.

Here we advance the argument that it is not the size, but the character of the informal economy that varies with the fluctuations in the formal economy. In particular, when the formal economy is expanding (or its productivity growing), the informal economy will strengthen its links to the formal economy (mainly through subcontracting) and the occupations of the informal actors will resemble those in the formal economy. In those cases, one can expect a large proportion of the informal sector to be performing industrial piecework, working on formal establishments as eventual workers or day-laborers, or independent providers of professional services. On the contrary, when the formal economy is compressing, formal and informal economy will be dissociated. In this case, the informal economy will strengthen its links to the

domestic economy, with informal actors recurring to artisan production and family enterprises. Figure 3 illustrates these two processes.

-- Figure 3 about here --

Guadalajara and West Baltimore Compared

We begin this section with a description of the two locations.

The Metropolitan Area of Guadalajara is the capital city of Jalisco, in the Western side of Mexico. Guadalajara is the second largest city in Mexico, and its metropolitan area is rapidly expanding. In 1980 the Metropolitan area of Guadalajara had a population of 1.9 million, clustered in four municipalities: Guadalajara, Zapopán, Tlaquepaque, and Tlajomulco. However, in the year 2000 the Metropolitan Area of Guadalajara had also absorbed the municipalities of El Salto and Tonalá and its population had grown to 3.7 million.



Figure 1. Geographical location of Guadalajara in Mexico.

The growth of Guadalajara is not accidental. Guadalajara has been historically an area of great economic and political importance in Mexico. The city was founded by the Spaniard colonizers in 1542, and was originally the viceroyalty of Nueva Galicia. During the colonial period, Guadalajara was the religious, administrative and commercial center of all the Northwestern territory of Mexico and its influence extended all the way to California (Bassols Batalla 1979) (Moreno Toscano 1998). This importance continued during the newly independent period and all of the XX century, so when the process of industrialization of Mexico began in the

1940s, Guadalajara was, along with Mexico City and Monterrey, one of the cities where these efforts concentrated.

However, contrary to Mexico City and Monterrey, industries located in Guadalajara belonged mainly to the competitive sector and specialized in non-durable goods such as food products, shoes and garments (Escobar, Bean et al. 1999). These industries did relatively well during the period of imports substitution, when they were servicing the needs of a closed internal market. But they were severely damaged after the 1980s, when the process of economic liberalization of the country allowed the introduction of cheap imports from Asian countries. This reflects in Figure 2, which compares the proportion of the labor force in manufacturing for the municipality of Guadalajara and the country as a whole for the years 1960, 1970, 1980, 1990 and 2000. It is interesting to note that in the year 2000 Guadalajara showed clear signs of a “tertiarization” of the labor force, and that the proportion of the labor force in manufacturing in Guadalajara was lower than the proportion of the labor force in manufacturing in the country.

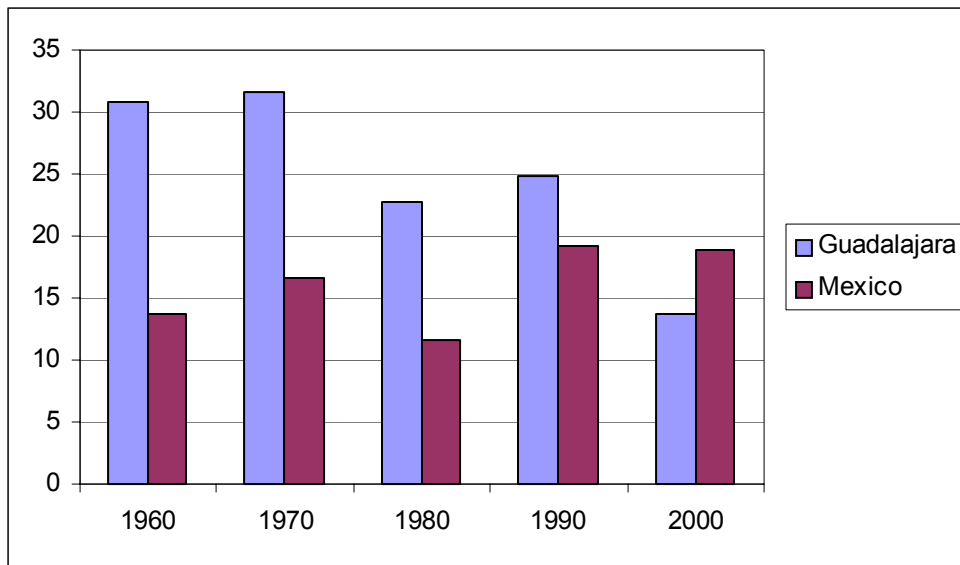


Figure 2. Percentage of Labor Force in Manufacturing

In 1960 and 1970 more than 30% of the labor force in Guadalajara were employed in the manufacturing sector. The average labor force of the country was much less industrialized at the time. In 1960 only 14% of the country’s labor force, and 17% in 1970, worked in the manufacturing sector.

Figure 2 also reflects the deceleration of Guadalajara’s industrialization after 1980, and its retreating relative to other cities in the country. In 1980 the proportion of the labor force in

manufacturing in Guadalajara had declined to 23%; and by 1990 it was 25%, and was only slightly higher than the national average (19%).

Guadalajara, City of Migrants

The rapid industrialization of Guadalajara from the 1950s to the 1980s attracted many migrants from the rural areas surrounding the city and from the states nearby. Unfortunately, there is no information about the number of individuals who moved from other municipios in Jalisco to Guadalajara before the 1990s. However, the number of migrants from other states gives a startling impression of the power of attraction of Guadalajara for during the late 1960s and 1970s.

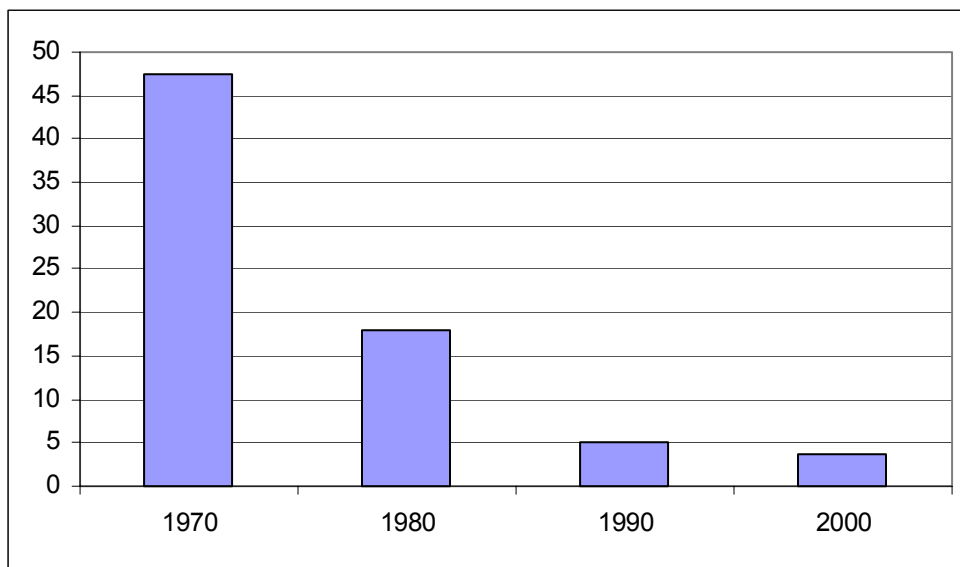


Figure 3. Proportion of migrants in the past 5 years^{4,5}

Figure 3 shows the proportion of the population of the Metropolitan Area of Guadalajara that was living in a different state of the country 5 years before. The first thing to note in figure 3 is that almost half the people living in Guadalajara in 1970 had moved to that city recently. Second, the number of rate of migration decreased progressively from 1970 to 1990. In 1980 almost 1 in every 5 people living in Guadalajara were recent migrants, but in 1990 less than 1 in every 20 were migrants.

⁴ Includes the municipios of Guadalajara, Tlaquepaque, Tonalá y Zapopán.

⁵ In 1970 includes all the population. In 1980 and 1990 it includes the population 5 years and older.

This analysis is based on data from the public use microdata of 1990 census of population. we restrict the analysis to individuals 16 and older. This is the population that is in legal work age in Mexico. In this analysis we compare the labor behavior of migrants (people who moved to Guadalajara during the 5 years before the census) and non- migrants. Before entering on the analysis of the work characteristics of migrants and non migrants, we present some basic demographic characteristics of the two groups, that help to put their comparison in context. (see table 1).

Table 1. Demographic Characteristics of Non-Migrants and Migrants

Characteristics	1985-1990		1995-2000	
	Non-Migrants	Migrants	Non-Migrants	Migrants
Age (st dev)	36.0 (16.07)	31.62 (14.63)	38.6 (16.9)	32.9 (14.3)
Male	46.1%	48.8%	46.2	50.6
Never married	32.8%	36.0%	32.45	37.0
Years of education (st dev)	5.2 (13.07)	6.2 (16.3)	3.4	3.5
Worked week before census	52.8%	51.2%	57.5	58.6

Migrants tend to be younger than non-migrants. Non-migrants were, on average, 36 years old. Migrants were, on average, 32 years old. Migrants are also more likely than non-migrants to be male, single, and have more years of education. The mean years of education of non-migrants was 5.2, but for migrants it was 6.2. Finally, migrants and non-migrants had similar rates of labor market participation. In 1990, 53% of the non-migrants and 51% of the non-migrants reported having worked the week before the census. In 2000, 58% of non-migrants, and 59% of migrants worked.

The census does not provide a clear way to identify those individuals that belong to the informal sector rather than to the formal sector. However, a naïve indicator of non-formal activities is the proportion of those who work, who are day workers, self-employed, non-remunerated family

workers, and entrepreneurs. Figure 4 explores the differences in these proportions between migrants and non-migrants.

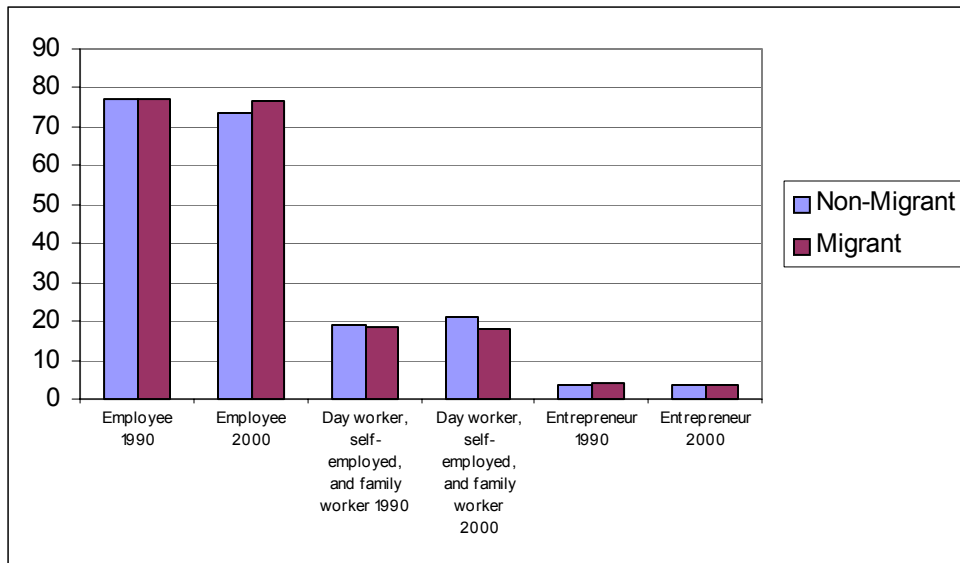


Figure 4. Distribution of Non-migrant and Migrant workers, by type of work

Using this limited indicator of non-formality, there are no evident differences in the participation of migrants and non-migrants in the informal sector. Nonetheless, the proportion of individuals who openly declared that they were not working in a formal arrangement is very high, and speaks for the susceptibility of the labor force in Guadalajara to the state regulations of the work opportunities. Almost one in every five individuals who were working at the time of the 1990 and 2000 census (migrants and nonmigrants alike) were day workers, self-employed or non-remunerated family workers. And one in every twenty were entrepreneurs.

Migrants might be more affected by the position of the state vis a vis home ownership (Cross and Peña, forthcoming) because most migrants live in the east part of the city. This is one of the areas with highest indexes of urban marginality in the city. Their floors are more likely to be dirt floors, with no modern services (like latrines, ...).

This is also one of the most populated areas of the city.

--Maps showing the areas of concentration of the migrants, and the indexes of marginality—

The vulnerability of recent migrants in Guadalajara is particularly visible in their living arrangements.

One of the most notable indicators of urban poverty in Guadalajara is the type of place people live in. Individuals living in single family homes in Guadalajara are usually better off and have better living conditions than people living in multiple-family apartments. In many cities in the United States, or even in Mexico City, high rise apartments can be either modern and luxurious, or cramped and poor (as housing projects). In Guadalajara this does not occur, because there are almost no high rise apartments. Multiple-family dwellings in Guadalajara are commonly former large houses that were subsequently divided into small apartments. Many families live cramped in a small space, and commonly share a common bathroom, and even a common kitchen. Migrants are twice as likely as non-migrants to live in this kind of arrangement. 32% of migrants, and only 16% of non-migrants were living in a “vecindad or a housing apartment” at the time of the census.

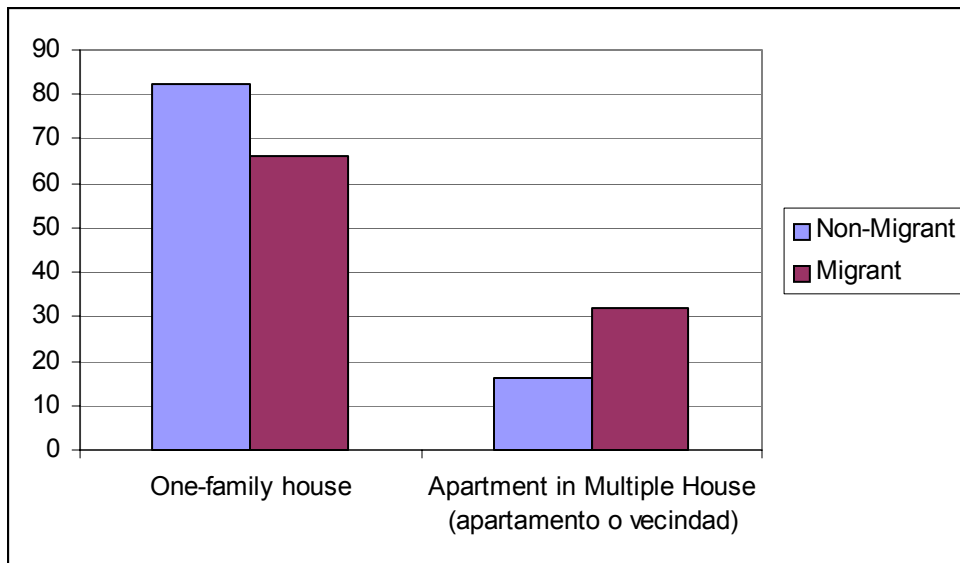


Figure 5. Distribution of Migrants and Non-migrants by living arrangement

Even more, migrants are much less likely than non-migrants to live in their own-house. 72% of the non-migrants, but only 51% of the migrants lived in a family-owned house. (see figure 6). This vulnerability in their living arrangements makes us think that migrants are more likely than non-migrants to participate in urban movements (like the one described by Ramirez Saiz).
 --link to urban civil movements--

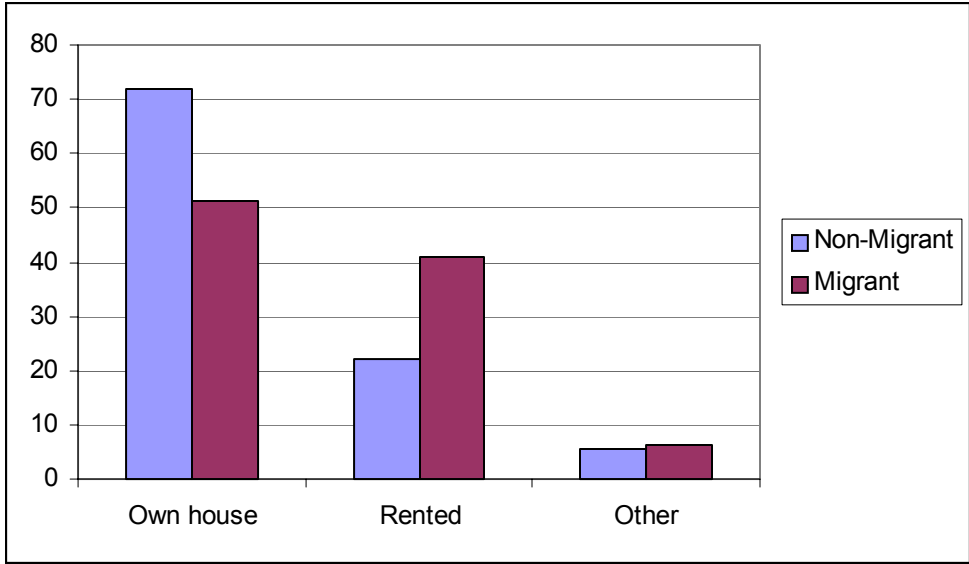


Figure 6. Distribution of Migrants and Non-migrants by home ownership

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Comparative Appraisal

Conclusions

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