Migrapolis: Migration, Globalization, and Development in a Mexican Community

by

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## Table of Contents

List of Figures and Tables .................................................. 2  
Acknowledgements ............................................................. 3  
Abstract .............................................................................. 4  
Introduction: “This Whole Continent is America” ......................... 5  
Chapter 1: The Historical Evolution of Mexican Migratory Flows ............ 15  
Chapter 2: Modeling the Effects of Mass Migration ......................... 27  
Chapter 3: Migration and Social Mobility ..................................... 36  
  3.1 La mentalidad de allá ..................................................... 37  
  3.2 The limits of migration .................................................. 44  
Chapter 4: Modes of Departure and the Structure of Opportunities ............ 59  
  4.1 Braceros and the origins of Cuatepec’s migrants ....................... 60  
  4.2 Migration and the emergence of entrepreneurship ..................... 66  
  4.3 Assessing the narratives ............................................... 69  
  4.4 A new opportunity structure? ......................................... 78  
Chapter 5: Migration and the Global Economy .................................. 81  
  5.1 The fall and rise and fall of agriculture in Morelos ...................... 82  
  5.2 A new commercial economy .......................................... 90  
  5.3 A new source of demand .............................................. 100  
  5.4 A new place in the world .............................................. 106  
Conclusion: Beyond Migration? .............................................. 114  

Appendix A: Interview Script ................................................. 129  
Appendix B: Detailed occupational charts for migrants ..................... 132  

References ............................................................................. 135
Figures
3.1 Percentages of business owners among migrants and non-migrants 45
3.2 Selected agricultural inputs by migratory status 54
4.1 Trends in migration prevalence in Cuatepec 64
4.2 Year of first migration for household heads by occupation 70
4.3 Agricultural workers as a percent of migrants and as a share of the labor force 71
4.4 Local and national percentages of employers in labor force 73
5.1 The total and agricultural workforces in Cuatepec 93
5.2 The composition of the non-agricultural workforce 93
5.3 Labor force participation in Cuatepec and Morelos 97
5.4 The declining size of the average Cuatepeceño household 104

Table
3.1 Business ownership by migratory status 45
3.2 Sources of financing for businesses in a localidad in Cuatepec 48
3.3 Selected agricultural inputs by migratory status 54
4.1 Results of t-tests showing proportions of groups owning businesses 75
4.2 Results of logistic regression for predictors of business ownership 77
5.1 Income distribution in Cuatepec 98
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Abstract

This thesis investigates the economic impact of mass migration on sending communities in Mexico through a case study of a municipality in the state of Morelos. Scholars have debated whether emigration promotes higher rates of investment, greater productivity, and development, or dependency, disinvestment from local economies, and economic stagnation. I argue that migration leads to a process of “dependent development.” I find that migrants and their households are not more likely to start businesses, as more optimistic analysts have predicted, since entrepreneurship requires certain resources (namely social and human capital) to which many migrants do not have access. Further, a number of historical factors, perhaps most importantly the class profile of pioneer migrants from this community, have discouraged investment by migrants in agriculture. Consequently, I concur with more pessimistic theorists that the vast bulk of migradollars (a catchall term for remittances and other income that migrants bring into their communities) are spent on immediate consumption. However, I also find that the higher level of consumption that migradollars encourage creates new opportunities in the commercial and service sectors, leading to significant growth in these parts of the economy, as well I also argue that migration has urbanized and globalized the community. While this form of development is limited and the benefits of growth are not necessarily equitably distributed, I conclude by discussing the ways in which various levels of government in Mexico could leverage migration into a sturdier development program.
Introduction: “This Whole Continent is America”

In my second week of fieldwork in Cuatepec, the seat of the eponymous municipality in the Mexican state of Morelos, I was walking through the central plaza when Meliton Reyes hailed me.1 As I soon learned, Meliton had spent 14 years working in Chicago, and saw the presence of a real live gabacho2 so near his workplace, a shoe shiner’s booth on the edge of the market, as a perfect opportunity to practice his English. Once I explained that I was an American student working on a thesis about Mexican migration, he was eager to tell me about his sojourn in el norte.3 Things had not gone well for him. He left Cuatepec as a teenager in 1993 because he was unable to find a decent job, but, without papers, work proved equally hard to find in America. At one point Meliton was collecting and recycling aluminum cans to cover his rent, but he was afraid to return home because he was worried he would be unable to come back across the ever-more militarized U.S.-Mexico border if the need arose. He said that the cost of a passage to America with a coyote (a term for a human smuggler) had risen from U.S. $1500 in 1993 to $4000, more than he presently makes in a year. Finally, he said in a tone that suggested the inevitability of his fate, he was caught and deported. He had always planned to come back to Mexico, but since he was caught by surprise, he was unable to bring home much in the way of savings, unable to buy a house, unable to live as comfortably as many returned migrants. Even so, he does not want to emigrate again. “I’m convinced the American dream is to be

1 At the outset, I should mention that Cuatepec is a pseudonym, as are the names of all Cuatepeceños that appear in this thesis.
2 A slang term for a North American.
3 Like all my interviews, I conducted this one in Spanish and then translated the excerpts appearing in this paper.
in my own country,” he told me. “I finally realized this whole continent is America, and I’m going to try my luck here.”

I grew up in Tucson, Arizona, about an hour’s drive from the nearest port of entry on the U.S.-Mexico border, so it was impossible not to be conscious of the northward flow of Mexican immigrants. Campaigns with names like “Operation Hold The Line” and “Operation Gatekeeper” have managed to make crossings at border cities like El Paso and San Diego nearly impossible, forcing would-be migrants to strike out across the inhospitable wilderness of the Tucson Sector. I was used to stopping at Border Patrol checkpoints south of the city, to finding the remnants of makeshift campgrounds while hiking in dry riverbeds, to hearing the incendiary rhetoric of nativist politicians, to ridiculing the Midwesterners who flocked to my hometown to spend their vacations as amateur border guards. Against this backdrop, I always sympathized with the immigrants – I believed that like my own ancestors, the Brauchers and Kings and Leepmans and Wohls who had filtered in from Europe over the last three centuries, they were coming to make a better life for themselves in the United States. As I learned more about the sociology of migration, I discovered unexpected complexities in the pathways of the new immigrants. Many Mexicans certainly settle permanently in America (in fact, more and more appear to be doing so [Massey, Durand and Malone 2002]), but traditionally, most return after a time to make a better life for themselves, and, as Meliton put it, to pursue the American dream in their own country. In the spring of my junior year, I resolved to go to Mexico to investigate what happens in the communities to which they return.

Before I began my fieldwork, I was familiar with one archetype of a migrant community. I had heard many accounts of rural Mexican towns where people of
working age, especially men, are almost totally absent. Robert Smith refers to one such community as “a nursery and a nursing home” (2006, p. 39), a place where children grow up and people come to retire. Such places are essentially cantonments for North America’s reserve army of labor, sites of the reproductive activity that sustains a population that lives the bulk of its economic life in the United States. In 2006, I spent a few weeks in such a town in a rural part of the state of Michoacán as part of a cultural exchange program, and as my bus rolled across the desiccated planes of Morelos’s zona oriente four years later, I imagined I would find something similar in Cuatepec. So when I stepped out of the bus station into a busy commercial center and navigated through a gigantic open-air market to meet my contact, I was startled and intrigued. This was surely not a nursery and a nursing home. My research was guided by that initial sensation, by my curiosity as to why migrant communities could experience such radically different outcomes.

This thesis is primarily an attempt to understand how migrants pursue the American dream in their own countries, to see how their journeys have changed and continue to change their communities. My central focus will thus be on the impact of migration on economic development and the role of returning migrants within their home communities. At least on this side of the border, we seldom consider the ways in which sending communities evolve in response to migration. But since our border policies can have enormous repercussions in the regions of Mexico from which migrants depart, we are obligated to understand the socio-economic processes that we can either facilitate or interrupt. Moreover, as the Mexican state continues to search for ways to leverage migration into a developmental tool (Fitzgerald 2009), more scholarship can help reveal which strategies are feasible and which are not.
Methodology

Primary data for this study consists of fieldwork conducted in the municipality of Cuatepec, Morelos in the summer of 2010 and winter of 2011. There is little literature on migration from Morelos to the United States, much less than there is for the historically migration-dependent states of the west, such as Zacatecas, Jalisco, and Michoacán. However, in recent years the state’s level of migration has increased, such that Morelos is now considered an “emergent” sending state. Morelos is an appropriate site for my study both because it is understudied and because the flow of migration is still developing. Some have suggested that the behavior of migrants from relatively new sending regions differs dramatically from older patterns, especially as more and more people migrate to the U.S. from urban areas (Fussell and Massey 2004, Rivera Sánchez and Lozano Ascencio 2006). This region offers us the opportunity to study less mature patterns of migration and to evaluate whether trends identified by earlier researchers are being replicated as new regions come to rely on migration. I selected Cuatepec as my community of focus based on the recommendation of Dr. Liliana Rivera Sánchez, of UNAM’s Centro Regional de Investigaciones Multidisciplinarias (CRIM) in Cuernavaca, the capital of Morelos. Dr. Rivera has studied the migrant communities in Morelos, and according to her data, the municipality of Cuatepec has one of the highest rates of migration in the state.

Interviews were semi-structured; each began with a set of prepared questions (which can be found in Appendix A), but developed in different directions depending on the experiences of each respondent. Interviews varied substantially since I sought subjects with a diverse range of experiences: participants in these interviews included former migrants to the United States, the family members of migrants who were
currently abroad, officials and ex-officials in the municipal government’s department of exterior relations, local businesspeople, and people who had migrated to Cuatepec from other regions in Mexico. In all, I conducted 52 interviews, ranging in length from 15 minutes to an hour and a half. These interviews were transcribed by assistants in Morelos before I coded them according to common themes, such as work experience prior to migration, lifestyle changes after migration, change in the community, and perceptions about migrants’ role in the community.

I contacted the bulk of my informants through snowball sampling. My first contact was Jorge Zavala, the owner of a clothing boutique in Cuatepec. I contacted Zavala through Dr. Rivera, who had met him at a workshop on migration that several researchers at CRIM had held for the benefit of the municipal governments of Morelos. Although Zavala had not himself migrated, many of his friends and family had. Moreover, he had served as a liaison to Cuatepeceños abroad as an official in the exterior relations department of a previous municipal administration and had met many more migrants through this work. Through Zavala, I began snowball sampling as he referred me to his acquaintances, who in turn referred me to more informants. Although snowball sampling was the source of most of my interviews, I also arranged a substantial number of interviews by approaching strangers or by being approached by strangers who were interested in my presence in their community. I also sampled purposively — I endeavored to interview equal numbers of men and women (though this was difficult, since it was significantly easier for me to meet men in the gender-bound social world of Cuatepec) and to find subjects of different ages and socioeconomic statuses. I tried to interview people who had migrated at a variety of different periods to see how migration practices had changed since the first migrants
left in the late 1960s. And finally I tried to find people with different relationships to
the migration flow, not just migrants, but also their spouses, siblings, parents, and
children, as well as people with no direct relations abroad.

Obviously, snowball sampling tends to produce bias, and this was certainly an
issue in my fieldwork. Zavala, my key gatekeeper informant, came from a fairly
privileged family, and consequently, I believe that my subjects tended to be (although
they certainly were not exclusively) of higher socio-economic status than most
members of the community. Many owned small businesses, so former migrants who
invested their earnings in their community are presumably more common among my
subjects than they are among Cuatepeceños. I spoke with a limited number of people
engaged in manual occupations because they were largely not part of the social
networks I was working through, although I did endeavor to reach out to people who
continued to make their living off the land.

\[\begin{array}{|c|c|c|}
\hline
\text{Characteristic} & \text{In my sample} & \text{In Cuatepec} \\
\hline
\text{Owning a formal business} & 27\% & 5\% \text{ according to MMP} \\
\hline
\text{Residing in cabecera (or municipal seat)} & 82\% & 53\% \text{ according to census} \\
\hline
\text{Male} & 73\% & 48\% \text{ according to census} \\
\hline
\text{Employed in agriculture} & 22\% & 41\% \text{ according to census} \\
\hline
\end{array}\]

Moreover, as I focused more and more on the relationship between migration
and entrepreneurship, the insights and opinions of Cuatepec’s small-scale capitalists
became particularly valuable. Most of my interviews took place in the \textit{cabecera} of the
municipality (roughly equivalent to a county seat), and a large majority of my
subjects live there, so my sample tended to be slightly more urban than the
municipality as a whole. That said, when I have made claims about the urbanization
or economic transformation I have tried to corroborate my impressions with some
additional demographic or economic data. Additionally, there is also a large group of
migrants who do not return to Cuatepec and whose experiences are therefore not
reflected in my work.

I drew supplemental data from a variety of sources. My account of Cuatepec’s
history relies on the recollections of my informants as well as a variety of documents.
I consulted census data; an environmental report conducted by the Universidad
autónoma del estado de Morelos (Morelos’s state university) on behalf of the
municipal government, which contains a wealth of information dealing with
urbanization and economic development in the community; records of ejidos stored in
the Registro agrario nacional; and a short local history written by one of Cuatepec’s
credentialed cronistas, a doctoral student at the national university. Further, I
consulted data provided by the Mexican Migration Project (MMP), a division of
Princeton University’s Office of Population Research. I used four datasets from the
MMP, each employing a different unit of analysis: the PERS file, which deals with
the migratory experiences of individuals; the HOUSE file, which focuses on the
economic activities and consumption patterns for households; the LIFE file, which
contains detailed life histories of each household head; and the COMMUN file, which
contains basic demographic and economic data about each community in which
surveys were conducted. The MMP’s datasets contain a rich array of information but
there are some limitations that I must recognize at the outset. Surveyors worked
exhaustively within one of the municipality’s many localidades, but only within that
one localidad. Despite these limitations, these data are useful for understanding
trends throughout the municipality – this particular community of roughly 2000
people is only five minutes from the cabecera (a much larger town of roughly
16,000) by bus or colectivo, and people regularly commute between the various localidades. In effect, the localidad where surveys were conducted is a suburb of the cabecera, but even so, taking it as perfectly representative would be a mistake. Given the nature of the sample, this survey data has proven most useful as a means of testing my own assumptions and the assertions made by my informants, rather than as a source of new hypotheses. When possible, I have relied on census data, which contain information on the entire municipality.

**Research Question**

The overarching question I examine in this thesis is how the mass migration of Cuatepeceños has affected the course of economic development of Cuatepec. My fieldwork broached a variety of other topics – I talked to my subjects about why people decided to migrate, about the ways in which migration affected family dynamics, about the challenges people faced in the United States, and other issues – but in these areas I found little to contribute to the literature. Occasionally I will diverge from economic issues, but only insofar as the topics I introduce are related to questions of development. I will confess now to being slightly uncomfortable with the term “development,” an inevitable idiom that carries a certain normative weight that I do not wish to emphasize. By “development,” I do not mean the advance of freedom, but simply the ways in which the economy is changing. Structural change in the economy need not be for the better. As I discuss at the beginning of Chapter 5, there is substantial evidence that previous models of economic development in the state of Morelos actually increased structural unemployment and led to more severe rural poverty even as it raised agricultural productivity.
In Chapter 1, I discuss the historical development of current migration patterns, focusing on the processes through which migration became a structural part of the both the Mexican and U.S. economies. In Chapter 2, I review the major theories that have been proposed to model the impact of migration on sending communities in Mexico. Scholars are generally divided as to whether the money that migrants return to their hometowns generates substantial local economic growth, or whether it breeds dependency, disinvestment, and stagnation. Even those who argue that migration is good for sending communities differ with respect to the mechanisms through which migradollars\(^4\) work.

In Chapter 3, I examine whether individuals can become socially mobile by migrating, with a particular emphasis on whether migrants are more prone to entrepreneurship than are non-migrants. I argue that migradollars can serve as an important resource, but that their effectiveness depends on preexisting resources unrelated to migration, especially social and human capital. I also investigate Cuatepeñenos’ perceptions of why some migrants seem to prosper while others do not, and find a significant influence of class on these perceptions. In Chapter 4, I scrutinize the history of migration from Cuatepec and discover that the originators of contemporary migratory patterns differed substantially from the “pioneer” migrants from other regions in terms of class background. On the whole, migration out of Cuatepec has had a less agrarian character than has usually been described in the literature, and as a consequence, migradollars have been directed out of precarious investments in farming and into more dynamic sectors of the economy.

\(^4\) A catchall terms that refers both to remittances and the savings that migrants bring with them when they return to their communities of origin.
In Chapter 5, I analyze the trajectory of development in Morelos and argue that migration has ushered in major changes in Cuatepec’s economy. It does not appear that migration has led directly to a great deal of investment. Instead, migration has created a robust base of consumers that can sustain a large, diverse commercial and service economy. I show how processes of migration, globalization, and urbanization are all tightly intertwined. Finally, I will conclude this thesis by identifying instabilities inherent in Cuatepec’s contemporary economy, by discussing possibilities for the future of the local economy, and by tying the situation in Cuatepec back to certain debates in the sociology of development.

Towards the end of our conversation, I asked Meliton whether he had expected to emigrate when he was growing up. He had not, even though his father had spent time in the North—he had only gone when it became clear that there were no prospects for escaping poverty at home. Meliton paused and considered his own young son, who was playing nearby. “He doesn’t know that he wants to go to the United States, he’s only six, he has no idea,” he said. “Maybe things will repeat themselves. After all, I thought about it after I heard about older people wanting to go to the U.S. Perhaps things will repeat, but so far he hasn’t even imagined that people go north.” The theoretical questions surrounding the effects of mass migration out of Mexico are thus refracted in the possible futures confronting Meliton’s son. Will he, like his father, have to cross the border in search of work? Or have his father’s sacrifices, and the sacrifices of thousands of other Cuatepecenos initiated changes that will enable him to build a decent life at home? Is there anything that can be done to tilt the scales towards the latter outcome? The stakes of this question are enormous, and as I will argue in this thesis, there are reasons for concern and for hope.
Chapter 1: The Historical Evolution of Mexican Migratory Flows

Social scientists often discuss the causes of migration in terms of “push” (e.g. socio-economic conditions and the political environment in Mexico) and “pull” (e.g. immigration policy, border security, and the demand for migrant labor in the U.S.) factors. This dichotomy might suggest that decisions to migrate from one country to another are a matter of a simple cost-benefit analysis on the part of migrants. In Mexico, this is not the case at all. The continued northward flow of workers is in large part the result of the structural importance of migration in the economies and societies of communities in rural Mexico. Indeed, dependence on migration was once actively cultivated by the agents of employers north of the border. Further, changes in the mode of agricultural production in Mexico, American experiments with immigration “reform,” and a substantial degree of inertia encourage continued migration as much as the income gap between the two countries. Most of the sociological research on international migration in Mexico from the last three decades is based on the observation that migratory patterns have become institutionalized in sending communities, although debates continue over the ways in which communities change as a result of their structural reliance on migration to the United States. In order to understand the terms of this debate, it is essential to examine how patterns of Mexico-U.S. migration evolved.

Early migratory patterns were bound up in processes of capitalist development on both sides of the border. Enormous changes in the social fabric of rural Mexico during the dictatorship of General Porfirio Díaz in the late nineteenth century (a period often referred to as the porfiriato) set the stage for the first wave of labor
migration to the United States. Díaz committed Mexico to a form of economic development that relied upon the exportation of primary commodities, both agricultural and mineral. In order to promote export-oriented agriculture, the government allowed the large semi-feudal estates known as haciendas to expropriate land that had been held communally by peasant villages since the pre-hispanic era. By the outbreak of the Mexican Revolution in 1910, 97 percent of families in the Mexican countryside were landless. Debt peonage, payment in scrip for hacienda stores, and brutal forms of labor discipline exerted enormous downward pressure on wages, while the transition from traditional agriculture centered on staples like corn and beans to the cultivation of cash crops for the international market sent food prices skyrocketing (Cardoso 1980; Gilly 2005 pp. 3-31). Meanwhile, in order to integrate Mexico fully into the global market, the Díaz regime oversaw a thirty-fold increase in railway mileage, which created most of the railroads in modern Mexico (Gilly 2005, p. 21). The extension of rail networks and the growth of international trade brought relatively cheap American and European manufactured goods into the country, putting many artisans out of business (Massey, Durand, and Malone 2002, p. 30). These developments converged to create a massive population of impoverished but mobile peasants who flocked to growing settlements in the north of the nation, hoping to find work, and a boom in both industry and mining along the northern frontier soon followed (Cardoso 1980). This might have been the extent of the migration generated by the Porfirian economic revolution, were it not for substantial “pull” factors emanating from the North.

At the same time, the development of the southwestern United States was creating demand for immigrants. Labor was needed in newly opened coal and copper
mines, in intensive agriculture for the eastern market, and on the railroads, but migration from eastern population centers was too slow to supply it. The Chinese Exclusion Acts of 1882 and the 1907 “gentlemen’s agreement” ending Japanese immigration cut employers off from their habitual sources of cheap labor, so the solution was obvious: to look south. Railroad companies, farmers, and mining operations hired recruiters to furnish them with a workforce by any means necessary. At the turn of the twentieth century northern Mexico remained sparsely populated, but the new railroad networks made it easy for recruiters to travel deep into southwestern Mexico to find suitable workers (Cardoso 1980). In a policy known in Spanish as el enganche (or, “the hook”), recruiters (or enganchadores) promised impoverished peasants better wages and working conditions in the North and furnished them with loans to make the journey. Those who came to the U.S. discovered that the life of a migrant laborer was hardly the promised paradise, and that their debt to the recruiter was being docked from their pay, often with exorbitant interest. These migrants shared one major characteristic with later migrants: they did not intend to settle abroad, but to return to make a better life for themselves in their hometowns (Massey, Durand, and Malone 2002, pp. 27-33).

Mexican elites generally disapproved of these developments: hacendados and state governments in the western states, who had carefully created a landless agricultural proletariat through policies of land enclosure (Lomnitz 1982, p. 45-47), complained of labor shortages (although in reality, they were largely concerned about losing the “reserve army” of impoverished peasants that kept wages down); state governments in the north feared that the masses of workers trying to cross the border would create disorder; and nationalist intellectuals regarded the suffering of Mexican
workers in low-status employments in the Colossus of the North as a national humiliation. Some feared that emigrants would abandon Mexico permanently, hobbling the progress of the nation. But authorities proved largely unable to stem the flow of migrants (Fitzgerald 2009). Many dissidents cited the mass emigration as evidence of the bankruptcy of Porfirio Diaz’s regime (Snodgrass 2010). Ironically then, the state’s ability to prevent emigration was almost totally wiped out by the revolution that overthrew Díaz in 1910. During the period of violence and economic collapse, which lasted well into the 1920s in the western states of Jalisco, Guanajuato, Michoacan, and Zacatecas, migration accelerated rapidly as people fled the countryside looking for temporary refuge. Meanwhile, the post-World War I restriction on European immigration to the U.S. dramatically increased demand for Mexican workers throughout the 1920s (Cardoso 1980).

The Great Depression put an end to the first era of mass migration from Mexico to the United States. Mexican contract laborers in the American West increasingly found themselves in competition for jobs with “Okies,” domestic migrants from areas devastated by the Dust Bowl, and hostility towards immigrants accompanied rising unemployment. In what some historians have called a “decade of betrayal,” hundreds of thousands of Mexicans who had been actively recruited and even some U.S. citizens of Mexican descent were deported (Balderrama and Rodríguez 2006), while as many as 85,000 more left voluntarily to escape Depression and discrimination. The Mexican government had always encouraged the repatriation of Mexican emigrants, and it cooperated in their return and resettlement, but the sudden influx of nearly half a million people put a serious strain on its resources. During the Cárdenas administration between 1934 and 1940, Mexico attempted to use
repatriated migrants for its program of industrial development by establishing colonies for repatriated migrants in the north. Here, it was hoped, returnees would coalesce into a much-needed cadre of “modern,” skilled industrial workers, but the project largely failed, as migrants generally preferred to return to their homes (Fitzgerald 2009). Migrants had demonstrated their continued investment in their communities of origin once again and revealed the weakness of any development program that sought to control their behavior.

The Great Depression ended one era of mass migration from Mexico to the United States, but it would not be long before another began. Wartime mobilization in the U.S. converted the Depression-era labor surplus in the West into a severe shortage as “Okies” were either drafted or left agricultural occupations for better-paying industrial jobs in the defense sector. Once again, employers looked south to supplement their workforce and demanded a change in policy from the federal government. Meanwhile, the Mexican elite’s attitude toward emigration had changed considerably. The ideas of Manuel Gamio, a Mexican anthropologist who argued that returning migrants could be a progressive influence on their countrymen, had had substantial influence. Some officials in the federal government began to notice that Italian policymakers regarded emigration, and especially remittances, as a boon to their economy. And the new revolutionary state, whose legitimacy depended in large part on corporatist labor unions, was more attentive to the demands of unemployed workers than the Díaz regime had been (Snodgrass 2010). So when Washington proposed a new program of labor recruitment, policymakers in Mexico agreed. The two governments signed a treaty known as the bracero accords, which took their name from a Spanish term for farmhand. Due to the urgency of demand for labor, the
Mexican government managed to extract several favorable terms. The treaty required the U.S. government and employers to cover the cost of transporting workers, guaranteed cheap food and housing, and established a minimum wage and a kind of unemployment insurance for *braceros*. Moreover, in order to avoid the kinds of abuses that had characterized the *enganche*, contracts had to be issued within Mexico with the government’s approval (Massey, Durand, and Malone 2002; Fitzgerald 2009; Snodgrass 2010). The first contracts were signed in the Secretariat of Labor in Mexico City in September 1942, and the first contingent of *braceros* arrived in Stockton, California, later in the month, where they were greeted enthusiastically as Mexico’s contribution to the fight against fascism (Durand and Arrias 2000).

Policymakers had conceived of the *bracero* program as a temporary wartime measure (Massey, Duand, and Malone 2002), but the policy survived and even expanded after the end of hostilities. Robust post-war economic growth and the outbreak of a new war in Korea left growers anxious about a renewed labor shortage, and legislators from Texas and California sought to renew the *bracero* agreement with little opposition (Massey, Durand, and Malone 2002). The number of contracts issued continued to swell. In 1949, nearly 100,000 *braceros* were admitted to the U.S, and by 1953 that figure had doubled (Durand and Arrias 2000, p. 148). Employers in Texas and California were happy to have more cheap labor, and they welcomed Mexicans regardless of immigration status. But authorities in the U.S. faced demands that they “secure the border” and sought to regulate the flow of migrants. The Immigration and Naturalization Service increased deportations as well as the number of visas it issued in order to push migrants into official channels. This campaign was largely successful, and between 1955 and 1959 more than 400,000 *braceros* entered
the country annually (Massey, Durand, and Malone 2002). The program was designed to be a closed system circulating Mexican workers between their home communities and North American fields, but in the words of one historian, the system was “leaking.” Many migrants opted to travel illegally because they saw contract labor as exploitative and restrictive, while others “skipped out” on their contracts and went looking for better jobs in the cities, often settling in pre-existing Mexican American enclaves (Gutierrez 1999, pp. 502-03). Like later undocumented migrants, these migrants often relied on social networks previously constructed by braceros or pre-Depression migrants.

Meanwhile, the flow of migrants proved nearly impossible to control. The long-awaited agrarian reform instituted from the 1930s onward failed to stem rural Mexicans’ desire to migrate – while millions of peasants had acquired land, the government had failed to ensure their access to the credit they would need to buy equipment, seeds, and fertilizers and capitalize on their holdings. Many braceros hoped to use the money they earned to start farming (Massey et al. 1987, p. 55; Snodgrass 2010). Indeed, the expectation that migrants would return home and invest in the economic development of their communities was part of the official rationale for the program (Snodgrass 2010). Local officials of the ruling Institutional Revolutionary Party generally controlled access to bracero contracts - a power they used to extract bribes or reward political loyalty (Fitzgerald 2009, pp 51-55; Snodgrass 2010).

Meanwhile, as the Mexican economy began to grow rapidly in the 1940s, industrialists and large landowners continued to worry about their labor supply, while leaders of ejidos, the new type of agricultural co-operatives created by the post-
revolutionary land reform, worried about diminishing productivity. In service of these interests and also to leverage better terms from American employers, various local and national authorities attempted to limit out-migration. Some enterprising officials in northern states like Chihuahua and Tamaulipas tried to direct some migrants into the burgeoning agricultural sector, usually by requiring them to pick a certain amount of cotton before they could get a contract (Fitzgerald 2009, pp. 50-55). Competition among various interest groups in Mexico led to a wildly contradictory and ineffective policy, and in the early 1950s, to riots in which Mexican troops were called in to prevent migrants from crossing the border, while U.S. border guards stood idly by or even helped migrants across (Fitzgerald 2009, p. 1). The high costs of migration meant that the relatively privileged individuals were usually the first to go from any community as contracts became available. There were always far more would-be migrants than there were available contracts, and braceros were followed by a massive wave of undocumented migrants. (Massey, Durand, and Malone 2002, p. 66-69).

A number of factors converged in the mid-1960s to end the bracero program. Contract workers’ working and living conditions had deteriorated since the end of World War II (Fitzgerald 2009), and the civil rights movement called attention to the abuses they endured. Many in America came to see the bracero program as a hopelessly retrograde, discriminatory, and exploitative system. Meanwhile, growers in the U.S. became disenchanted with the regulations governing the hiring braceros, especially since they had learned that migrants would come to the U.S. whether they had legal status or not, and they consequently stopped defending the program, which lapsed in 1964 (Snodgrass 2010). For some years, Mexico lobbied for the renewal of
bracero, but by the end of the 1960s, massive population growth had eliminated any shortage of domestic labor, and so the government lost interest in regulating out-migration by the mid-1970s (Fitzgerald 2009).

In 1964, the U.S. had reformed its immigration laws, allocating 120,000 visas a year for immigrants from Latin America. To put this figure in perspective, 178,000 bracero contracts were issued that year (the program’s last) and this was the smallest allotment of contracts since the early 50s (Durand and Arrias 2000). But Mexican migration did not diminish dramatically – indeed, according to figures from the Mexican Migration Project, emigration increased dramatically after 1970 (Fitzgerald 2009, p. 5). By this time, migration was indispensable both north and south of the border. After two decades of dependence on Mexican migrants, agricultural employers in the U.S. found it difficult to find any other workers, given the meager earnings and difficult conditions they offered. This was a paradigmatic example of what the labor economist Michael Piore (1979) called a “secondary job sector,” a pool of low-paid, low-status “secondary sector” jobs that expands and contracts cyclically according to the availability of surplus capital.

Structural changes in the Mexican economy also generated substantial “push” factors. In the 60s and 70s, large agricultural corporations began investing in export-oriented cash crop agriculture. Agribusinesses were not content to restrict their activity to land they owned, and since Mexico’s constitution prevented them from buying ejidal land (that is, land belonging to ejidos), they developed some innovative solutions. Many rented land from ejiditarios and planted new crops, while the owners left to work in the North. The subsequent mechanization of production displaced many sharecroppers and landless agricultural workers, who joined the flow of
migrants, which had been historically dominated by ejiditarios and smallholders (Massey et al. 1987). Further, many analysts argue that Mexico’s increasing reliance on export-processing industry (the so-called maquiladora sector) since the 1970s has been a poor alternative to international migration for the swelling ranks of people leaving the countryside (Fernández-Kelly 1983, Wilson 1991, Delgado-Wise 2007). Finally nearly all analysts agree that by the end of the bracero program, migration had acquired a certain degree of internal momentum, which has contributed to either to a normative “culture of migration” (Reichert 1981) or to the maturation of social networks that connect Mexicans to job opportunities in the North (Massey, Goldring, and Durand 1994).

From the early 1980s, governments at all levels in the United States encountered and often encouraged demands to clamp down on undocumented migration. The increasingly unstable economic position of American workers generated substantial antipathy towards migrants. The most important legislative attempt to control immigration was the Immigration Reform and Control Act (IRCA) of 1986, which imposed sanctions on employers of undocumented immigrants, expanded the Border Patrol, and gave the federal government the power to declare “immigration emergencies.” But in order to assuage concerns among employers of migrants, IRCA also legalized more than 3 million undocumented workers (mostly Mexicans) who were in the U.S. at the time of its passage, largely putting them on a path to citizenship rather than resident-alien status (Massey, Durand, and Malone 2002). California’s Proposition 187, which was passed in 1994, pioneered another approach immigration policy: the denial of public services to the undocumented (Portes and Rumbaut 1996). These policies have altered rather than halted
undocumented migration: the militarization of the border, particularly at urban ports-of-entry, that followed IRCA, forced people to cross in more remote areas, and today’s migrants are far more likely to make for destinations other than California. Meanwhile, the form of amnesty IRCA provided actually increased the volume of migration, as it encouraged people to settle permanently in the U.S. and to bring their families (Massey, Durand and Malone 2002).

As the U.S. government has fought a losing battle against mass undocumented migration, the Mexican state has accepted it as a fact of life and still tries to harness migration for its own purposes. In particular, the Mexican government has tried to channel remittances into various development projects. The federal *Tres por uno* program, which began as the *Dos por uno* program in the traditional sending state of Zacatecas, provides matching funds from national, state, and municipal authorities when migrant associations contribute to local infrastructural projects (Delgado-Wise, Covarrubias, Ramirez 2004). Generally, Mexican migrants tend to participate in and donate to their communities of origin through voluntary bodies known hometown associations (often referred to as HTAs). The Mexican government promotes membership in HTAs through its *Programa por comunidades mexicanos en el extranjero* (Program for Mexican Communities Abroad, or PCME), which provides various forms of support to migrants though the network of consulates in the U.S (Fitzgerald 2009). Portes, Escobar, and Radford (2006) argue that the state’s involvement in these civic associations has significantly broadened the socio-economic profile of Mexicans who participate in transnational political life. Mexican migrants have also been integrated into electoral politics – in 1990, the center-left *Partido de la revolución democrática* (PRD) integrated migrants as delegates to its
internal congress, and other parties followed suit (Fitzgerald 2009, pp. 51-52).
Candidates for office now make routine campaign stops in California, Texas, Illinois, or wherever their *paisanos* are. Migrants are a particularly powerful force in local politics, where they can form an alternative elite to challenge old political machines, and where aspirants to office attempt to legitimate themselves by claiming they can maintain the best relationship with migrants (Smith 2006, pp. 76-93).

So what can we glean from a review of the historical evolution of Mexican migration to the United States? For much of its history, migration has been carefully cultivated as a component of a program of economic development in both countries. At this point, it has become an institutionalized way of life and the practice of migration continued to spread at least until the onset of the recent economic crisis (Aguilar et al. 2010). The effects of the institutionalization of migration in certain regions are a matter of great controversy, and various models will be addressed in the next chapter. As we shall see, debates rage as to whether migration promotes economic development by giving rural Mexicans access to previously unheard of resources, or alternatively institutes dependency and underdevelopment. Either way, attempts to radically alter the behavior of migrants on either side of the border have failed dramatically, and any new policies should conform to the ways in which migrants have learned to behave or at least nudge them gently in new directions with incentives instead of force. It is also important to note that many of the effects of mass migration have evolved out of a particular historical pattern. As I will show in Chapter 4, the history of migration in Cuatepec differs in certain key respects from the national narrative, and so migration’s role in the community is somewhat different from what has been discussed in the literature.
Chapter 2: Modeling the Effects of Mass Migration

For those unacquainted with the sociology or economics of migration, the idea that emigration might benefit a sending society might seem counterintuitive. One might wonder how the loss of labor power and human capital could result in a net gain. Indeed, most Mexican intellectuals regarded it as a disaster when their countrymen first began to migrate to the United States *en masse* in the early twentieth century. Federal officials in Mexico tried to induce would-be migrants to remain in the country, while critics of Porfirio Díaz cited rising levels of emigration as an indictment of the government, claiming that Mexicans were attempting to escape the dictator’s “plunder and tyranny.” These critics saw migration as a problem that would be solved through a program of progressive economic development (Snodgrass 2010). These attitudes persisted after the fall of Díaz and the rise of the ardently nationalist revolutionary state. In a study published by the Secretary for the Interior in 1928, the anthropologist Alfonso Fabila wrote that migration was “bleeding Mexico white” (quoted in Fitzgerald 2009, p. 39).

But by the beginning of the Great Depression, views on the effects of migration were beginning to evolve. In the late 1920s, the anthropologist Manuel Gamio conducted one of the first major studies of Mexican migration, interviewing migrants in the United States as well as people who had returned and resettled in Mexico. He concluded that migrants could in fact be a useful resource in the nation-building project of the revolutionary government. Gamio believed that after undergoing the hardships of migrating and facing discrimination in the United States, *campesinos* with little sense of national identity “learn[ed] what the mother-country
means” (1969 [1930], p. 128). Further, he argued that life in America raised migrants’ “level of culture” by teaching them how to work and live in an industrialized society (Gamio 1969[1930], p. 154-157) and inculcated them with aspirations for economic development and progressive political reforms (p. 173). He was also one of the first to note the potential multiplier benefits of the remittances migrants sent home, although he did not explore the topic with much depth (p. 172). As I related in the last chapter, Gamio’s recommendations for a program of controlled emigration that also ensured repatriation were hugely influential.

While the official attitude changed in Mexico, this particular migratory flow received little academic attention, particularly north of the border, for several decades. As more social scientists started to study undocumented Mexican migrants in the late 1970s and early 1980s, many identified a trend that one author referred to as a “migrant syndrome” (Reichert 1981, p. 64). Researchers recognized that widespread undocumented migration represented the continuation of practices initiated during the bracero era (Cornelius 1981; Reichert and Massey 1981). Recognizing that legal migration tended to perpetuate itself, even after it became illegal, some theorists became convinced that migrant communities were becoming increasingly dependent on constant seasonal migration (Reichert 1981; Mines and de Janvry 1982). According to this model, the main force propelling participation in migration was the much higher level of consumption that migrants were able to maintain. In rural areas, migrants were able to enjoy a substantially higher standard of living than non-migrants, creating new class divisions. Poor people sought to overcome the growing divide through migration, even though they often lacked the social capital that allowed wealthier migrants to secure relatively good jobs and as a
result wound up migrating cyclically for extended periods (Mines and de Janvry 1982). Meanwhile, migrants’ incomes were often funneled into public works projects, creating modern infrastructure like electricity, paved roads, plumbing, and concrete buildings (Reichert 1981). Many theorists argued that these trends led to the emergence of a normative disposition towards migration, that communities came to view migration as the only path to prosperity (Mines and de Janvry 1982, Reichert 1981, Cornelius 1981).

According to “migrant syndrome” theorists, this culture of migration deepened communities’ dependence on migration even further. One of the critics of this school of thought, the agricultural economist J. Edward Taylor, actually summarized its assessment of the impact of migration quite well by citing the concept of “Dutch disease,” meaning overspecialization in one field (Taylor 1999, p. 64). Migration was believed to sap labor markets and discourage investment. Not only was money earned in the U.S. spent on consumption rather than invested, but migrants tended to buy manufactured goods like cars, refrigerators, and televisions, which could not be produced, or even sold, locally (Reichert 1981). Migrants often acquired land, but this was seen as a status symbol rather than a productive venture, and indeed, Mines and de Janvry (1982) contend that migrants gravitated toward particularly unproductive uses of their land, like raising small herds of livestock. Migration was even believed to weaken interest in education, thereby retarding the formation of human capital (Reichert 1981). Consequently, these theorists argued, migration undermined economic growth even as it improved living standards, and thus perpetuated dependency, underdevelopment, and the need for even more migration. While this model is less popular today than it once was, it has by no means
vanished – Robert Smith, for instance, notably describes a sending community in Puebla as a “nursery and a nursing home” (2006, p. 39) and argues that the infusion of dollars has led to the emergence of a “dual economy” in which peso-earning non-migrants are marginalized (p. 50). In a study of migrant communities in the southern state of Oaxaca, Cohen noted that while some migrants have become entrepreneurs, their businesses tend to be quite small and cannot serve as a significant source of employment (2004, p. 123). Meanwhile Richard Jones (2009) and Aguilar et al. (2010) have documented the disastrous effects of the economic crisis in the US on migration-dependent economies.

Oddly enough, this model of dependency was not really adopted by most Dependency Theorists themselves, or their intellectual descendents in World Systems Theory. Insofar as these theorists began to approach patterns of international migration, they largely argued that the movement of populations was a consequence of “push factors” resulting from changes in the global system of capitalist production. Seeking to draw an explicit connection between “the mobility of capital and labor,” Saskia Sassen argued that the changing nature of production “mobilizes” (1988, p. 18) populations, both by creating a universal commercial economy that drives people who had worked in the subsistence or household sectors into wage work and by eliminating traditional sources of employment, forcing people to relocate to sites with access to capital. The search for a pliant workforce in the industrializing regions of developing countries leads to rapid turnover that obligates recently mobilized workers to cross borders in search of wage work. Elaborating on this trend, Raúl Delgado-Wise (2007) argued that Mexico had adopted a system of cheap labor export, either directly, in the form emigrants, or indirectly in the form of light industrial goods
assembled from parts manufactured in more sophisticated economies with little value added. World Systems theorists also emphasize the social and political vulnerability of undocumented migrants, a condition that makes them a pliable source of labor in a variety of industries in the “core,” as well as the security that elites in the periphery gain by exporting some surplus workers (Portes and Walton 1981). In particular, Sassen argued, migrants are recruited into the swelling service sectors in the “global cities” from which the world economy is managed. These theorists generally emphasized global patterns rather than the fates of sending communities, although their emphasis on the role of massive capital flows and their view that migrants are effectively forced to leave marginalized economies suggest dim prospects for migration-led development.

But not all studies of Mexican migration were so pessimistic. In their tremendously influential study Return to Aztlan, Massey et al. (1987) and their numerous followers adopted the model of migration as a self-perpetuating system, but they argued that the decision to migrate was a rational one, and that migrants thought strategically about how to maximize their households’ welfare. These theorists referred to the “cumulative causation” of migration (an allusion to Gunner Myrdal’s analysis of the causes of urban poverty and the perpetuation of black-white inequalities in the U.S.), to differentiate their model from theories of a “migrant syndrome,” or even a culture of migration. According to Massey et al., the most common reasons for migrating were economic difficulties associated with life-cycle events such as a marriage or the birth of children, and migrants generally returned when they had earned enough to overcome whatever problem they faced (pp. 175-180, 198-213).
Massey et al. confirmed the importance of the Bracero Program, but instead of treating it as the origin of a cultural disposition towards migrating, they argued that social networks established by legal migrants during the era of contract labor acted as a resource that lowered both the social and economic “cost” of migration (Massey et al. 1987, pp. 147-153). In particular, they found that the formation of “daughter” communities of relatively settled migrants within the United States facilitated increasing levels of short-term migration (p. 163). Later studies have continued to assert the preeminence of social capital in the rising levels of migration (Massey, Durand, and Goldring 1994; Massey and Espinoza 1997; Phillips and Massey 2000), and in the job-finding and information-sharing strategies that migrants adopt within the United States, even in apparently atomized occupations like domestic service work (Hondagneu-Sotelo 1994). The major exception to this pattern appears to be migration from urban areas in Mexico, where migrant networks form less quickly and have less of an effect on people’s decision to migrate (Fussell and Massey 2004; Roberts, Frank, and Lozano-Ascencio 1999).

Generally speaking, the social scientists influenced by Massey and his coauthors’ model of cumulative causation have been more optimistic about the results of mass migration, but they do not necessarily agree on the mechanism through which migration encourages development. Many studies simply note the rising income of migrants’ households and their increased access to consumer goods (Massey and Espinoza 1997; Massey, Durand, and Malonel 2002). Some contend that migradollars – which have been estimated to amount to nearly three percent of Mexico’s GDP - have a significant multiplier effect in rural economies and act as a form of economic stimulus (Durand, Parrado, and Massey 1996; Vazquez-Alvarado and Barboza-
Another highly influential group of sociologists and economists have reexamined the investment of remittances. Massey et al. argued that many migrants do in fact reinvest their savings in productive businesses and improved agriculture (1987), while others have suggested that remittances can be used to dramatically raise the productivity of rural households (Taylor 1992; Woodruff and Zenteno 2007; Taylor and Lopez-Feldman 2010). Meanwhile, Zarate Hoyos (2008) has argued that many of the economic activities generally seen as current consumption - buying a house, education, better nutrition, etc. – actually constitute investments in human capital.

Research on the investment of remittances contributed to the emergence of a major theoretical approach to migration: the New Economics of Labor Migration (or NELM). Economists associated with NELM have attempted to identify economic incentives for migration beyond simple income maximization. They have argued that people migrate internationally not necessarily to receive the highest possible wages, but to overcome various sorts of market failures, for instance lack of access to credit or insurance. In this analysis, migration substitutes for financial institutions (which were largely absent in rural areas until recently) both by providing a source of credit and by offering a certain level of income stability. The NELM asserts that by providing reliable alternative sources of credit, migration can lead to sustained local economic growth (Stark and Taylor 1991; Taylor 1999).

But none of these narratives is completely born out in the aggregate. Local-level assessments of the socio-economic impact of migration have diverged sharply from site to site since the 1980s. And while many sociologists and economists have argued that migration makes major contributions to the Mexican economy on the
national level (Durand, Parrado and Massey 1996; Taylor 1999; Vazquez-Alvarado and Barboza-Carrosco 2008), recent analyses of regional patterns have found that migration has had little impact on economic growth in the traditional sending zones (Valdivia Lopez and Lozano Ascencio 2010) or has, at best, merely prevented precipitous declines in living standards in the face of a stagnating regional economy (Delgado Wise, Márquez Covarrubias, and Rodríguez Ramírez 2004). At least at some level, the dispute between the more optimistic and pessimistic camps may have emerged from a difference in the units of analysis they use. Indeed, Durand et al. (1996a, p. 249) note that community-level case studies tend to reveal increasing dependency and the absence of productive investment, while analyses of the effects of migradollars throughout the Mexican economy tend to be more sanguine about their positive impact. It is therefore not inconceivable that these two views could be reconciled – it may be that migradollars promote growth, but that the benefits tend to accrue outside of the sending communities themselves. Durand, Parrado, and Massey (1996, p. 440) and Reichert (1981) both allude to this possibility.

Recent sociological literature reflects a growing awareness of the complex and often contingent impact of migration. More and more researchers are focusing on the ways in which the impact of migration differs from place to place. Migrants from urban areas appear to behave quite differently from those coming from rural zones, maintaining fewer transnational ties and relying less on their paisanos for support within the U.S. (Roberts, Frank, and Lozano Ascencio 1999; Fussell and Massey 2004; Rivera Sanchez and Lozano Ascencio 2006), although the consequences of these differences for the impact of migration have not been fully explored. Further, it matters who migrates –Basok (2000) argues that a Canadian guest worker program is
largely ineffective in promoting rural development in Mexico because it gives preference to poor migrants, who lack the ability to make the types of investments that could set off economic transformations in their home communities. Many of these arguments focus on social capital: VanWey, Tucker, and McConnell (2005) and Gabbarot and Clarke (2010) argue that traditional forms of community organization, such as the so-called *usas y costumbres* system in indigenous communities of Oaxaca, encourage investment in public goods that contributes to economic development. Delgado Wise, Márquez, and Rodríguez (2004) construct a similar argument for government-supported, U.S.-based hometown associations or HTAs to channel remittances. There are also those who view migration as merely one survival strategy among many that neither seriously encourages nor seriously impedes development. Cohen and Rodriguez (2005) argue that the impact of migration in Oaxaca is similar to that of other new economic activities, such as manufacturing of handicrafts for the tourist trade.

In this thesis, I will evaluate these competing models by comparing their predictions with my findings in Cuatepec. Bearing in mind that case studies have often had a tendency to emphasize dependency and miss the subtle multiplier effects that benefit the economies of sending communities, I will approach the effects of migration from a number of angles – statistical data, historical analysis, and ethnography. Meanwhile, I employ three levels of analysis: subsequent chapters will examine the effects of migration on the lives of individuals, on economic opportunities within the community, and on the community’s linkages to the global economy. As I will argue in subsequent chapters, I believe this approach has allowed me to synthesize insights from many theoretical standpoints.
Chapter 3: Migration And Social Mobility

Other chapters of this work deal with the shape of the migratory flow in Cuatepec and its interaction with the local economy. This chapter, however, will explore how individuals experience these structures. I believe that we can observe important changes in the nature of the community in the lifestyles of its inhabitants. Moreover, migration’s influence in the lives of migrants forms a substantial subset of the literature on migration, so examining the individual’s experience allows us to evaluate existing theory. Generally speaking, I am interested in the ways that migration contributes to social mobility, but there is one issue I address in detail: whether or not migrants tend to accumulate some capital and become entrepreneurs.

As I related in the previous chapter, Manuel Gamio, the first exponent of migration-driven development, believed that migration contributed to economic development because it allowed rural Mexicans to accrue what we now call human capital. He argued that repatriated migrants could be a progressive influence on the nation because of their experience with more advanced forms of agriculture and industry, their increased propensity for civic participation, and their somewhat middle-class habits, such as savings, homeownership, and the avoidance of “fanatical religion” (1969[1930], p. 184). More recent theorists have emphasized migrants’ ability to accumulate small amounts of economic capital. Jones (1992) called migration an “alternative economic mobility ladder,” and argued that relatively underprivileged individuals in rural Zacatecas could use wage labor in the United States improve their social status and eventually create an alternative, more inclusive local elite. And many theorists (Massey et al. 1987; Taylor 1992; Durand, Parrado,
and Massey 1996; Zarate Hoyos 2008) have argued that the productive investment of migradollars can substantially improve the economic prospects of rural households. The impact of such mobility is not necessarily completely congenial: in the Mixteca Poblana, Smith recognized growing tension between non-migrants and a rising “remittance bourgeoisie” that could afford various forms of conspicuous consumption (2006, p. 50).

So how does migration affect an individual’s life? My research in Cuatepec suggests that the reality of migrants’ experiences is somewhat more complex than the literature would indicate. Not all individuals are successful upon their return, and there are substantial constraints on the possibility of social mobility through migration. An individual’s prospects upon returning from the United States depend enormously on resources whose availability is unrelated to migration. Occupation prior to migration, education, and perhaps above all family support are all key determinants of the nature of ex-migrants’ experiences. Meanwhile, there are substantial gaps in the perception of the migratory experience, as more privileged Cuatpeceños are more likely to attribute a migrant’s degree of success to his or her conduct in the United States.

3.1 Las mentalidades de allá

During the first interview I conducted with an ex-migrant in Cuatepec, I asked what migrants tend to do when they return from the United States. He gave me a simple formula: “You build your house, you have some money. You do something to make a living. Maybe you start a business and all that” (Interview on June 9, 2010). This formula was repeated in nearly every subsequent interview. Most migrants’ first concern on returning is to build a house – the most common response to the question
of how Cuatepec had changed as a result of migration was that large cement houses had replaced smaller ones made of adobe or other traditional materials. Their subsequent concerns are the acquisition of various consumer goods, and then, if anything is left over, a small business. Improved material conditions are the most commonly cited consequences of migration, but they are not the only ones.

Don Bernardo Rodriguez is among the oldest and most successful migrants from Cuatepec. He first went to Chicago in 1961 and first returned in 1968 (he would later migrate for another ten years during the late 1990s). He spent many years after his return as a shopkeeper in Cuatepec, and his children, who were able to obtain legal residency in the U.S., all went abroad. Several of them now own small businesses in Chicago, and his daughter recently returned to Mexico after earning a Master’s degree in architecture in Spain. He is not shy about proclaiming that the explosion of migration in Cuatepec was a result of jealous neighbors and acquaintances trying to imitate his prosperity. He has an extremely positive view of his experience as a migrant:

**Don Bernardo:** My life changed a lot, because in the United States I learned how to operate a business, how to innovate, and so things went well for me. Because I brought the mentality from there. I learned how to work, how to function. It helped me.

**R:** What is this mentality?

**DB:** Ok, well, in the US, the gringo says that time is money. In Mexico, we’re more relaxed. But you have to learn to invest your time well in order to accomplish something (Interview on June 13, 2010).

This was probably the most explicit reference I heard to a process of human capital formation in the United States, but it was not the only one. Many business
owners rely on some form of experience developed in the United States. For instance, many of the small bars and restaurants clustered around the center of Cuatepec belong to people who had experience managing such establishments with family who are settled in the United States. There are even a number of Chinese restaurants in the community, all of which appear to be owned by former migrants who had worked in Chinese restaurants in the United States. Human capital is clearly important, but apart from Bernardo, most of these people emphasize the importance of concrete experience in a particular occupation, rather than the general process of acculturation.

Of course, migration to the U.S. is not a guaranteed ticket to prosperity, and the perceived failure of many migrants is often attributed to the dark side of American society. Even Bernardo admits that accommodation to American life can be problematic. When asked if all former migrants shared his mentality, he said no, adding that “some come back and use drugs and they lose themselves.” Such deviant behaviors play an extremely prominent role in many people’s impressions of other migrants’ experiences, and many Cuatepeceños attribute others’ failure to “progress” or “salir adelante” to deviance or criminality. Don Felipe, a former migrant and the owner of a hardware store explains that many migrants “go for years and years and come back worse: drug addicts, thieves, tattooed, pierced.” (Interview June 17, 2010). Doña Beta, a former migrant who is now the proprietor of a hotel and a hardware store, says that recent migrants “turn to vice, and come back as cholos,” they come back disheveled, ugly, and now the people that go don’t have that desire to progress.” (Interview on June 10, 2010). Profesor Lozano (Doña Beta’s brother), a former

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5 The people who receive honorifics in this paper are those who generally receive honorifics in the community.
6 Roughly, to come out ahead
schoolteacher and official *cronista* of the town’s history, recounted with horror a meeting with former students during a trip to visit relatives in Chicago:

It was really terrible: they work like madmen all the time, doing double shifts, but every weekend they go to the bars. All weekend they’re drinking, but that’s not the sad part. The sad part is that after they’ve spent all day and night, they feel really awful, and they use drugs to cut off the effects of their drunkeness in order to keep drinking. It’s terrible, terrible (Interview on June 8, 2010).

Such attitudes reflect an awareness of what Portes and Zhou (1992) referred to as segmented assimilation. In this model, integration into American society can have various effects on a migrant community. This model acknowledges the fact that integration can either lead to “upward” assimilation into “mainstream” society or to “downward” assimilation into subcultures adapted to endemic poverty and discrimination. While most Cuatepeceños have relatively positive attitudes about American society, they also see it as a source of deviant behaviors like drug use, alcoholism, and crime. By and large, these “bad habits” are considered a characteristic of American society that infect Mexican migrants and then their home communities. As Rogelio Acosta, another ex-migrant said “in the United States, [migrants] learn to take drugs, they learn to join gangs, and this is transferred to Cuatepec” (Interview on June 15, 2010).

This last comment reflects a common perception that not only do negatively incorporated migrants waste their own potential (and most offensively to Prof. Lozano, the resources of their families who sent them to the U.S.) and fail to improve themselves, but that they also actively harm the community. Many informants reported that alcoholism and drug addiction were on the rise in Cuatepec and that

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7 A somewhat derogatory terms for Mexican-American or urban Mexican youth that is associated with gang culture.
gangs had appeared relatively recently. Don Felipe recalled that, “before you could leave a car unlocked and nobody would do anything, now even if you leave one locked they’ll break in.” Another informant said that increasing crime had even led to murder, adding “we never thought that we would see that here in this town, it was always very peaceful. But when the young people started to go...it’s really ugly now” (Interview on July 3, 2010). Prof. Lozano even argues that the irresponsible sexual behavior of young male migrants introduced AIDS into Cuatepec.

The director of public safety for the municipality, who did not want to conduct a recorded interview, agreed that gang violence was on the rise, although he declined to attribute this directly to migration. Based entirely on global trends, these perceptions are probably accurate: the transnationalization of North American gangs is a well-documented process, and despite popular perceptions, migrants are more likely to help export crime to their home countries rather than import it to the U.S. Robert Smith has studied the emergence in New York of Mexican gangs, which are imagined by their members to defend Mexicans and their distinct identity from the supposedly inferior Dominican and Puerto Rican communities, and their introduction to Mexico as delinquent youth are sent “home” for disciplinary purposes (2006, 232-236). Even Belize, which has a relatively small diaspora, has faced serious public safety problems from gangs that originated in Los Angeles (Miller Matthei and Smith 1996).

While Portes and Zhou recognized that a community’s form of incorporation is strongly related to opportunities available to immigrants, the government’s policies towards them, and the level of discrimination they face within American society, Cuatepecheños tend to attribute migrants’ fortunes to their own individual characteristics. Migrants who have been less economically successful are believed to
lack the necessary mindset to succeed, although the specifics of the necessary mindset vary from person to person. Jorge Zavala, a shopkeeper who has never migrated but who has many friends living in Minneapolis, simply believes that negatively assimilated migrants turn to crime because they have “weak minds” and don’t want to work (interview June 14, 2010). Prof. Lozano believes that recent migrants are less educated and cultured than migrants were several decades ago. Likewise, Doña Beta attributes much of her own success to her own traditional concern for supporting her family and believes that more recent migrants are more likely to “give in to vice” because they are only concerned with having a good time and lack a “desire to progress” (interview on June 10).

Like Beta, many of my informants agreed on the positive effects of a traditional lifestyle. There was a general consensus on the positive influence of families: Elisa, who has five siblings in the U.S., believes that many migrants depart when they are too young and immature to handle themselves prudently, and attributes her brothers’ success to the fact that they brought their families along with them and so were pressured to act responsibly (interview on June 26, 2010). Don Felipe had a similar analysis, although he framed it in more purely practical terms. He went to the States alone and found it difficult to save enough to remit to his family, so his wife decided to come join him, leaving their children with her parents. This decision increased the family’s earnings and allowed both parents to return quite rapidly and start a business (interview on June 17, 2010). Felipe’s wife, Lola, added that leaving children behind forced the couple to focus entirely on work so that they could reunite their family. “We made a plan,” he says, “we would go and work and nothing else for
three years” (interview on June 15, 2010). Meanwhile Rogelio Acosta explains the intense discipline he imposed on himself to ensure the well-being of his family:

I had two jobs. One to get everything I needed to pay the bills that you always pay there, and I sent the whole other check to my wife. In those times we were paying debts, so we had to pay what we owed and after that we had to create a legacy for our family, which is this house that my wife built. Honestly I didn’t know how much I sent, my wife is the only one who knows where it all went. All I did was collect my check and send everything (Interview on June 15, 2010).

The view that a migrant’s success or failure is contingent on that individual’s strength of character, work ethic, and ability to resist the “bad habits” endemic to American society was the preponderant attitude among my informants, but it was not universal. The ways in which Cuatepeceños explain why certain people succeed or fail are divided quite cleanly along class lines. Of the 52 subjects I interviewed, 18 emphasized migrants’ personal responsibility and individual mindset. Eight of these owned formal business (out of 14 business owners in my sample, one of whom did not discuss migration at all, and several of whom did not discuss others’ experiences in detail), three were white-collar workers in the municipal government (out of a total six), and four were close family members of business owners or professionals.

Moreover, these particular informants were often the wealthiest and best educated.

Meanwhile, none of the agricultural workers or informal vendors I spoke with attributed their economic situation to their conduct in the United States. “We’re all the same, we all work hard,” said Javier, a butcher who has made two two-year trips to the United States, when asked how his experiences compared to others (Interview on June 11, 2010). Meliton, a shoeshiner, was a shoeshiner when he left Cuatepec for the US in 1993. He was deported in 2007 and had to return with almost no savings. Unable even to build a house, he recognizes that he has done worse than most,
although he is at a loss to explain why. “Here in Mexico we’re all the same, we’re all screwed. The rich get richer and the poor poorer,” he says, although he adds that without migration things might be even worse (Interview on June 10). In light of more elite attitudes, which emphasize the self-sacrifice of some and the deviance of others, these responses were almost shocking. Many other migrants (indeed, most of the people I interviewed) restricted their comments to their own experiences, declining to compare themselves to their paisanos.\(^8\) Migrants who got ahead are understandably proud, but as I will discuss below, the view that conduct in the United States determines the course of a migrant’s life when he or she returns to Cuatepec may be fundamentally mistaken.

3.2 The limits of migration

While it might be imprudent to totally reject explanations of return-migrants’ success grounded in the segmented assimilation model, a review of my subjects’ life-courses strongly suggests migrants’ success is often subject to forces utterly outside their control. Indeed, migrants’ fortunes usually seem to depend on factors unrelated to their experiences in the United States. Many migrants return to what they were doing before they left, and when they do not, their occupational mobility is usually related to factors other than migration (see Appendix B for the trajectories of all my subjects who migrated). Obviously class is important, but it is not the only determinant of success: migradollars can lead to social mobility, but only if a migrant has something to invest them in. Despite the oft-repeated (both in the literature and in my interviews) claim that starting a business is a normal part of migration, analysis

\(^8\) Indeed, I was surprised by what my informants omitted: although several complained about arbitrary treatment in the U.S. judicial system or the racism of American society, very few mentioned a major difference between the fates of documented migrants and the undocumented. This may be attributable
of data from the Mexican Migration Project suggests no significant association between migration and business ownership.

Table 3.1: Business ownership by migratory status

<table>
<thead>
<tr>
<th>Proportion that owns a business (Standard Deviation) [Standard Error]</th>
<th>Migrants</th>
<th>Non-migrants</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>.338 (.477)</td>
<td>.333 (.474)</td>
<td>-.005 (N.S) [.0769]</td>
<td></td>
</tr>
</tbody>
</table>

Ha: diff < 0
Pr(T < t) = 0.4746 (N.S.)

Ha: diff != 0
Pr(|T| > |t|) = 0.9493 (N.S.)

Ha: diff > 0
Pr(T > t) = 0.5254 (N.S.)

N.S.=nonsignificant
N=155

Figure 3.1: Percentages of business owners among migrants and non-migrants

Not only is entrepreneurship the exception rather than the rule among migrants, but nearly all former migrants who owned businesses had factors other than migration that disposed them towards business. Don Bernardo, who claimed that he was successful in business because he had been infused with the Protestant work ethic during his time in America, was the son of one of Cuatepec’s only merchants. He...
migrated for the first time in 1961 because the family grocery store – which, according to Prof. Lozano, was one of the only shops in the municipality at that time (interview, June 8, 2010) – had gotten into serious debt. Migration probably saved the family store, and Don Bernardo may very well have learned valuable skills in Chicago, but it is important to recognize that his success was possible because he inherited a business. Not every migrant can be an entrepreneur, as Tanya Basok (2000) noted when she recognized that poor migrants, who spend their earnings on immediate consumption (often outside their hometowns), have less of an impact on their communities than more prosperous migrants who have the capacity to invest. And Bernardo was hardly the only migrant who used migration to supplement an existing enterprise.

There are many more commercial enterprises in Cuatepec today than there were in Bernardo’s youth, so inheritance is not the only way of acquiring a business. But the migrants who have started businesses did so with significant support, often from friends and family. Emiliano, who owns one of the town’s many small hardware stores, actually received his business as a gift from his father-in-law, although he invested substantial savings from a number of trips to the United States in order to expand and formalize it (Interview on January 6, 2010). While Lazaro was working at his partner’s clothing store, the two began selling auto parts, and as more and more people acquired cars business picked up. The two men finally became full partners and opened a garage on the main road out of Cuatepec after Lazaro spent two years in the United States and was able to dedicate his savings to the project (Interview on January 5, 2010). Daniel, who migrated and was deported three times between 1994 and 2005, owns a small carwash that he started using his own savings and “a lot of
support” from his parents. Although most merchants agree that the global economic downturn has depressed spending in Cuatepec, business is going fairly well for Daniel, a fact that he attributes to his garage’s proximity to the center of town. The rapid construction of new homes makes centrally located real estate an extremely valuable commodity in high-migration communities – for instance, land in the center of Ticuani, the town that Robert Smith studies, is more expensive than land in the center of the city of Puebla (Smith 2006, p. 38) - but Daniel came by his highly lucrative location very cheaply because his family had owned an old house on that site that he was able to demolish (Interview June 19, 2010).

Other migrants have relied on direct loans from their families or friends, and so in many cases family connections play a greater role than migradollars in financing new businesses: Don Felipe and Pablo (who is an independent charter bus operator) both said that they relied on loans to start their businesses. In this, they do not seem to differ dramatically from business owners who do not migrate: it seems to be fairly uncommon to start small businesses with formal loans from banks. When I asked Jorge Zavala, a non-migrant shop owner if he had taken out loans from a bank to start his stores he replied “no, luckily my sister gave us a hand.” Indeed, when I spoke with the owner of a small furniture store, he railed against the Mexican banking system and made it quite obvious why people prefer to seek credit from friends and family:

After Zedillo’s devaluation [a reference to the 1994 peso crisis], they [the banks] closed the door on us. We small business owners don’t have access to credit, and we don’t grow for lack of money to increase our assets. Only big business grows because they give them cheap loans and enormous latitude to pay off their debts. And the small merchants, they squeeze and squash us more every day (Interview on June 13, 2010).
In fact, out of 14 business owners I interviewed, only three had managed to start a business without direct material assistance from a friend or family member: the proprietor of the furniture store; Isidoro, an ex-migrant who was deported and returned “overthrown” without any savings and took out a loan from a bank to start a bar (Interview on June 15); and Octavio, who started a restaurant using only money he saved while working in the U.S. (interview on June 19). Table 3.2, which shows the of the sources of financing for businesses in one of Cuatepec’s localidades is instructive:

Table 3.2: Financing for businesses in a localidad in Cuatepec

<table>
<thead>
<tr>
<th>Source</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Savings</td>
<td>38</td>
<td>73.08</td>
</tr>
<tr>
<td>Inheritance</td>
<td>4</td>
<td>7.69</td>
</tr>
<tr>
<td>Loan from family</td>
<td>4</td>
<td>7.69</td>
</tr>
<tr>
<td>Loan from a bank</td>
<td>6</td>
<td>11.54</td>
</tr>
</tbody>
</table>

This table shows the relative rarity of formal financial instruments in funding new businesses, but it probably underestimates the impact of resources acquired through social networks. For one, these data do not distinguish between savings acquired through remittances and other savings (and many of the people who reported starting their businesses with savings did receive remittances). Moreover, would-be entrepreneurs need more than just cash. Many of my informants supplemented their savings with in-kind gifts from friends or relatives. And as I will discuss, even people who do not receive direct loans often depend on the transfer of more intangible resources from family members. This holds true for both of the migrants who relied on bank loans.
Education prior to migration also has a substantial impact on returnees’ job prospects. Most of the more successful migrants have some form of post-secondary education. Don Felipe has a degree in agronomy and worked in a banco ejidal, a kind of state-run bank that finances agricultural cooperatives, before he lost his job amidst the widespread downsizing of state-operated companies that coincided with the structural adjustment policies of the 1980s and decided to go work abroad. Pablo has a bachillerato (a kind of vocational degree offered by technical secondary schools) in “electro-mechanics.” Not only was each man’s education relevant to his business, but both capitalized on their training to find fairly lucrative jobs before starting off on their own. Don Felipe was able to use his background in engineering to secure a skilled job at a factory that manufactured food carts in New York. Pablo worked as an auto mechanic in the US and then later at a larger bus company in Mexico before he could save enough and secure the necessary loans to buy his own bus. Rogelio Acosta works in the municipal government as director of tourism, a job that mostly concerns promoting Cuatepec’s annual feria.¹¹ He told me he was able to secure the job shortly after his return because of “a twist of fate,” and because he had a bachillerato in public accounting and a few years of university education in the same subject. One of my informants for whom migration was most important was Victor Zavala, Jorge’s cousin. In 1999 he was halfway done with a university degree in chemistry when he suddenly ran out of money for tuition. He went to Chicago and then Minneapolis, lived with family, worked as a waiter for a year and half, and saved enough to return and complete his education. He now works as a pharmacist in a psychiatric hospital in the neighboring state of Puebla.

¹⁰ From the MMP’s HOUSE file
The above determinants of migrants’ success – education and family financial support – suggest fairly dim prospects for social mobility through migration. But there are, in some limited instances, opportunities for people from more modest backgrounds. Families do not merely transfer material wealth: they can also transmit important forms of experience. Octavio owns a seafood restaurant on the outskirts of the cabecera of Cuatepec, which he financed entirely with the savings he had accumulated over 17 years in Los Angeles and Minneapolis. His parents could not help him financially, he had no relevant education, and he had not had especially lucrative jobs in the United States, having often earned just minimum wage. However, Octavio was not bereft of all resources: for years his mother had sold food by the side of the road at an informal stand. He built a modern kitchen, a dining room, and a bar in the spot where his mother had been selling food for years and hired some family and friends as cooks and servers. In effect, Octavio used his saving to formalize his family’s longstanding informal business by combining their expertise with a small amount of capital. Isidoro decided to open a bar because he had five years of experience working in a bar his cousin owned in Houston. The transfer of knowledge – an essential form of human capital - is not only important to poorer migrants: Don Felipe, Doña Beta, and Emiliano all decided to use their savings from the U.S. to start hardware stores because they had relatives who owned similar businesses and could give them advice and introduce them to potential clients (in Don Felipe’s case, these were originally contractors working on state-sponsored infrastructure projects) and suppliers. In many cases, migradollars have an impact because they are complemented by a transfer of expertise.

11 A month-long celebration of the town’s patron saint that includes various folkloric performances
I have treated all these cases as success stories, in contrast to the examples below. It is difficult to make this categorical distinction, since many of the people I discuss below improved their standard of living considerably with the money they earned migrating. But my goal here is to understand how migration affects the entire community of Cuatepec. Even the most pessimistic critics of “the migrant syndrome” (Reichert 1981; Mines and de Janvry 1982) agree that people who migrate are, in general, substantially better off than those who do not. There is little controversy about whether migrants can increase their incomes – debates revolve around the ways in which migration alters individuals’ lifestyles and their roles in their communities. Consequently, I am interested in whether migrants have any success as entrepreneurs, and secondarily whether they accrue any human capital that allows them to find better sources of wage-work. And under this rubric there are some groups for whom migration changed very little.

Many of my informants who work as vendors in Cuatepec’s extensive open-air market had worked for several years in the United States before returning to do precisely what they had done before. Manuel, who sells blankets, pillows, and clothes in the tianguis every Sunday and travels to other markets on certain days of the week, recently returned from a two year stint working in factories in the United States. He had been a vendor in the tianguis for more than a decade before he migrated, and he says he invested what he saved in expanding his business. “Nothing changed at all,” he adds, “I just keep working the same as always” (Interview on June 13, 2010). Cesar sells medicinal herbs and plants from door to door. In the mid-90s he spent a year in Los Angeles, working in a plant nursery, and upon his return he immediately went back to the work he had always done (Interview on June 26). Javier, a butcher
with an open-air kiosk, built a house, bought a truck and returned to the work he had
done since he was 15 (Interview on June 11). Many of these men are all reasonably
satisfied with the work they do, but they are fairly ambivalent about the impact of
migration. Whereas the upwardly mobile entrepreneurs tend to discuss their
experiences in the U.S. in heroic narratives of self-sacrifice and personal
transformation, these semi-formal merchants tend to regard their experiences as more
or less average.

I am interested in the ways in which migrants can change their social and
economic position, especially insofar as they can initiate new economic ventures.
Many in Cuatepec get caught up in a cycle of recurrent migration that gives them
little security, and often prevents them from improving their welfare much. Thus, my
definition of success requires a degree of stability, and effectively, long-term
settlement on one side of the border. In 2006, some friends introduced Santiago, a
butcher in the marketplace, to recruiters who could provide a few Cuatepeceños with
temporary work visas, and he has spent a few months of each of the last few years
doing contract labor at nurseries near Minneapolis. He says that working conditions
there are very difficult and that the wages are low. “I couldn’t save anything, really, I
just barely paid my own costs,” he says, “the truth is that being a butcher pays good
money. I’ve saved more here than in the United States.” (Interview on July 3, 2010)
Nonetheless, he was planning to go again the following March, hoping to finally
“salir adelante.”

Santiago is thankful that he was able to find a legal way to work in the US, as
he thinks that undocumented migrants do much worse than he has, but this is not
entirely true. All the successful migrants mentioned earlier in this chapter either
crossed the border illegally or overstayed a visa. Chuy made a number of short trips to Minneapolis between 1999 and 2005. He says that his father migrated recurrently in the same fashion. He never stayed for long because he used a tourist visa (which he always overstay) and worried about getting caught. Jobs were often hard to find since he was never there for very long. After a few years of cyclical migration, Chuy decided to stay put, got a job at a cousin’s gas station, and started a family. “When you first get back, you think you’ll have an easy life in Mexico,” he said, “but it isn’t like that. You spend all your money, and then you have to accustom yourself to having less money...it’s a hard change.” (interview on June 28). Diego has studied cooking in Mexico, but has been unable to find work as a chef in Cuatepec. He has worked in restaurants in the US a few times, and he can cross the border easily since he has legal residency, but he has never stayed for long because he has a family in Cuatepec. He says he would like to educate his daughter in the US because he thinks that speaking English is the most important skill someone can have, but he does not know how to extend his status to his family. Unable to work in Cuatepec and unable to bring his family to America, he goes back and forth and remains unsure where he will settle (Interview on July 3, 2010).

The group that has profited the least from migration is probably the people remaining in the agricultural sector. The economist J. Edward Taylor (1992; 1999; and Dyer 2010) has argued that migration is a source of capital that allows agricultural households to increase the productivity of their landholdings. This may well be the case in other regions, but it would be hard to believe in Cuatepec. As MMP data show in Figure 3.2 and Table 3.3, there is no statistically significant
difference in the proportion of migrant and non-migrant households that own land or use inputs like agricultural machinery or fertilizer.

Table 3.3: Agricultural households and migration

<table>
<thead>
<tr>
<th></th>
<th>Migrants</th>
<th>Non-migrants</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proportion that owns land (Standard Deviation) [Standard Error]</td>
<td>.471 (.503)</td>
<td>.494 (.503)</td>
<td>.024 (N.S.) [.0814]</td>
</tr>
<tr>
<td>Ha: diff &lt; 0</td>
<td>Pr(T &lt; t) = 0.6142</td>
<td>Pr(</td>
<td>T</td>
</tr>
<tr>
<td>Proportion that uses machinery (Standard Deviation) [Standard Error]</td>
<td>.844 (.369)</td>
<td>.826 (.383)</td>
<td>-.018 (N.S.) [.0869]</td>
</tr>
<tr>
<td>Ha: diff &lt; 0</td>
<td>Pr(T &lt; t) = 0.4197</td>
<td>Pr(</td>
<td>T</td>
</tr>
<tr>
<td>Proportion that uses fertilizer (Standard Deviation) [Standard Error]</td>
<td>.969 (.177)</td>
<td>.978 (.147)</td>
<td>.010 (N.S.) [.0368]</td>
</tr>
<tr>
<td>Ha: diff &lt; 0</td>
<td>Pr(T &lt; t) = 0.6015</td>
<td>Pr(</td>
<td>T</td>
</tr>
</tbody>
</table>

N.S.=nonsignificant, N=155

Figure 3.2: Selected Agricultural Inputs by Migratory Status

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12 Based on simple t-test of means using dummy variables constructed in the MMP’s HOUSE file
Indeed, productive investment in agriculture is a difficult proposition in general. A number of case studies have suggested that the sort of small-scale agriculture that has dominated Morelos since the revolution is simply not suited for the use of agricultural machinery and fertilizer and the widespread export-oriented growing of cash crops (Alonso 1974; Rounds 1980). My interviews certainly suggest that farmers face enormous obstacles to prosperity. Don Felipe, an agronomist who once worked in a banco ejidal that financed small farms in the region, was well acquainted with the challenges facing would-be agricultural entrepreneurs in the region:

There hasn’t been any stability in the price of the crops, and there are times when the price they offer isn’t equivalent to the investment you made. Say I grow tomato – a basic crop – well, a lot of the time that’s super-cheap... Even the best value of the crop won’t be enough to pay your employees or the family who helped you, to fertilize, to apply insecticides, for the boxes, for the truck to the central, for the bodegas, for the commission for the person who sells your product. The costs are so high that it’s just not profitable. If you produce a 30 kilo box of tomatoes, they’ll pay you around 200 pesos, but to produce it and transport it to the central will cost you 230 pesos. So it’s not profitable and people just throw their products away...And if no one wants to lend to me, then I won’t grow anything, and I don’t provide employment for 10 or 12 people...So as a result of all the instability in prices we just keep losing more and more jobs (Interview on July 17).

When I talked to farmers, I heard this sort of narrative a great deal. Geronimo rents a small plot of land where he grows corn for his household. He migrated to the U.S. in 2000 and tried to improve his land, but without seeing much change. “A lot of time you invest some money in the land and then you don’t recoup it, sometimes you lose it because there isn’t enough water,” he says. He doesn’t make money from the land – in order to earn cash he makes costumes for indigenous dance groups (Interview on June 19). Adela, whose husband is currently working in the US, has tried for years to live off the land. Her husband has migrated twice before his current
trip, and both times the couple decided to invest in some land they had inherited from
his father. But they could not sustain themselves, something she attributes to the low
prices of onions, their principal crop, at the central de abastos in Mexico City. Upon
her husband’s return she hopes to start growing sugar cane instead, because there is a
government-mandated price floor for sugar. But at the same time she is pessimistic
about prospects in the campo and is frustrated that the government doesn’t do more to
regulate prices (interview on July 1). Complaints about the low prices for the crops
produced in the region are ubiquitous among farmers and vendors in the market. The
commissioner of the ejido in the cabecera of Cuatepec said that many in the
municipality rely on PROCAMPO, a federal subsidy for producers of staple goods,
for their basic livelihood (Interview on July 4). Municipal records confirm that well
over half of the farmland in the area is covered by the subsidy (Ordenamiento
eccológico de Cuatepec).

This is not to say that everyone involved in agriculture is destitute. In Manuel
Palafox, one of the outlying villages in the municipality, I spoke with two ejidatarios
who were much more content with their economic situation. Although they had spent
time in the U.S., both men (one of whom was the ejidal commissioner for the village)
explained that their relative prosperity was due not to investments they had made, but
to the relatively recent opening of a sugar mill just across the state line in Puebla. The
agents of this mill offered consistently high prices for cane, allowing the people of
Palafox to escape the volatility that afflicts many farmers in Cuatepec. There is also
some room for some entrepreneurship in the campo: Jaime, a former truckdriver who
returned to Cuatepec only a few months before I interviewed him, has taken over his
family’s land and is developing an ambitious plan to work around the widely-resented
central de abastos, the regional wholesale market for agricultural products which is located in Cuautla. He is trying to make contact with the owners of ethnic markets in Minneapolis to sell traditional crops directly, without any distributor or middleman. It is unclear whether this scheme is viable or not, but it is telling that Jaime, who has fairly substantial savings from his years of work in the US, is investing in an attempt to escape the local economy rather than in the land itself.

So what determines whether Cuatepeceños migrants can come out ahead? As my analysis shows, the successful migrants shared little in terms of migratory experience: they decided to migrate for diverse reasons (Don Felipe planned to work for a very limited amount of time and earn enough to start a business, whereas Pablo says he “fled” with his girlfriend because she had become pregnant and they did not want to face their parents), they went to different cities, they worked in different sectors of the economy, they stayed for different intervals (ranging from one year to two decades). Legal status seems to have surprisingly little to do with success – most of the migrant entrepreneurs crossed the border illegally, and some (namely Daniel and Isidoro) were deported. In contrast, many migrants’ with residency or access to temporary visas are stuck in a cycle of recurrent migration and are having trouble finding a stable form of employment that will allow them to settle down. More than anything, the migrants who have been socially mobile are united by the fact that they all had certain advantages or opportunities that preceded their decision to migrate. By migrating, individuals can acquire substantial resources that might otherwise be unavailable, but they can only capitalize on these resources to become entrepreneurs or achieve some other form of social mobility when they encounter an additional opportunity. A particular skill, a family business, experienced family members who
can help establish a business, or an educational background that can lead to a white-collar job, can all become opportunities. Migration does not necessarily lead to social mobility, because not all migrants can access the essential networks of opportunities, and there are serious constraints on those without such advantages. Whether or not this pattern – that is, the weak effect of migration on prosperity - holds true at a broader level of analysis is a subject for another chapter.
Chapter 4: Modes of Departure and the Structure of Opportunities

The hypothesis that I rejected in the preceding chapter, that migration in and of itself enables individuals to become entrepreneurs, was originally predicated on certain observations about the backgrounds of migrants in the traditional sending region of western Mexico. Most migrants came from the relatively privileged class of small landowners who had benefited from post-revolutionary agrarian reform and as a result, they tended to invest extra resources in the land. This demographic profile was a result of the historical origins of migration, particularly the centrality of labor recruitment through the Bracero Program of the mid-twentieth century. In Cuatepec, however, I found that migration began somewhat differently: braceros were a rarity throughout the community’s history, and most migrants had come from non-agricultural backgrounds. While the community fit into the same macro-historical processes encouraging migration, these subtle differences in the demographic backgrounds of early migrants and the reasons for which they left – what I call “the mode of departure” – had an enormous influence on the local impact of migration. In this chapter I examine how the particularities of the mode of departure of Cuatepec’s pioneers structured subsequent economic development in ways not predicted by literature based on research in other regions.

I also found that despite the absence of any detectable tendency for migrants to become entrepreneurs at higher rates than non-migrants, the emergence of mass migration appears to be tied to the expansion of entrepreneurship in Cuatepec. As the pessimistic “migrant syndrome” theorists noted, migrants have tended to spend on immediate consumption rather than investing their income. But this may have
actually been congenial for economic development for a number of reasons. I will discuss how productive investment requires social and human capital that not all migrants possess. And because migrants did not come from agricultural backgrounds, migadollars were not invested in the highly precarious agricultural sector. Indeed, my view is that higher levels of consumption created a more hospitable environment in which to invest, leading to some of the developments predicted by the New Economics of Labor Migration and the “cumulative causation” camp. There are some major constraints on this form of development, but they will receive serious discussion in Chapter 5.

4.1 Braceros and the origins of Cuatepec’s migrants

An understanding of migration’s role in the Cuatepeceño economy should begin with a discussion the local history of migration. In a major study of the determinants of immigrant groups’ experience in the United States, Portes and Rumbaut stress the importance each community’s “mode of incorporation,” meaning the structural factors, whether political, economic, or social, that govern the opportunities available to newcomers (1996, p. 84). Rivera Sánchez and Lozano Ascencio have already begun to study the importance of contextual factors in sending communities by examining the effects of “context of exit” on migrant behaviors. I will take this work yet further and investigate how a “mode of departure” – that is, the profiles of early migrants, the social networks they constructed, and the structure of opportunities in their home community -- can influence the socio-economic fabric of a sending area. In this section I will argue that the mode of departure in Cuatepec was markedly different from the one that usually appears in the literature on Mexico-U.S. migration, namely because braceros played little role in initiating mass migration to
the United States. Moreover, the human capital (or perhaps, more properly, the “class resources”) of those who did initiate the flow had a substantial impact on subsequent migrants.

A review of the literature reveals the preeminent role played by the Bracero Program in a substantial bulk of narratives of the historical development of Mexican Migration to the United States, both at the local and national level. Massey et al. (1987) argued that braceros originated contemporary migration flows in western Mexico by continuing to work in the United States after the termination of the program and laying the social networks that later migrants relied upon. This pattern was apparently not limited to the “traditional sending states” like Michoacán, Jalisco, and Guanajuato, where North American employers had actively recruited workers since the beginning of the twentieth century (Fitzgerald 2009; Cardoso 1980). Cohen, for instance, locates the origin of Oaxaca’s relatively narrow migration stream in the program, even though most migrants he interviewed did not make their first trip until the 1990s (2005, pp. 55-6), while Rivera Sánchez and Lozano Ascencio write that migration from both urban and rural Morelos stems from the bracero era (2006, p. 75).

The Bracero Program was proposed as a solution to the labor shortages experienced by agricultural employers in the United States at the beginning of the Second World War. Unsurprisingly then, participants largely moved between rural parts of Mexico and rural parts of the United States (Snodgrass 2010). The pioneer migrants were relatively privileged – they tended to be ejidatarios, members of the new class of small land holders created by the aggressive land reform of the 1930s, who often hoped to use their earnings in the United States to make the necessary
investments in their land that the government had failed to provide (Massey, Durand, and Malone 2002, p. 36; Snodgrass 2010), although there is substantial disagreement about the extent to which migrants’ reinvestment in land actually led to economic development (Mines and de Janvry 1982, Reichert 1982, Taylor 1992, Cohen 2004). In any case, the *ejidatarios* were followed by landless agricultural laborers, especially in the years after the end of the *bracero* program when agricultural modernization drastically reduced the need for labor in the Mexican countryside, a process that seems to have increased the pace of emigration considerably. These less affluent individuals could afford to journey north because social networks had lowered the risks and costs associated with migrating (Massey et al. 1987, pp. 58-79).

In many regions, however, the origins of migration flows may be significantly more complicated. As I have already noted, migrants from large urban areas behave quite differently than those that come from the countryside or even smaller cities: urbanites tend to rely less on social networks to make their journeys (Fussell and Massey 2004), they tend to maintain fewer links with their communities of origin (Roberts, Frank, and Lozano Ascencio 1999), and they tend not to aggregate in particular destinations – to form “daughter communities,” in Massey et al.’s parlance - to the same extent that their rural counterparts do (Rivera Sánchez and Lozano Ascencio 2006). Urban flows developed substantially later than rural ones, and so they are probably less directly rooted in the *bracero* experience (Fussell and Massey 2004). Moreover, rural migration did not always begin with contract labor in the railroads and fields of the West and Midwest – according to Smith, the first international migrants from Ticuani, Puebla, made their way to New York City and
found jobs in the service industry in the 1940s, and their *paisanos* followed suit (2005, p. 21).

According to my informants, the *Bracero* Program played a very small role in the history of migration in Cuatepec. While some individuals recalled the program, they often described the *braceros* as a fundamentally different group than the subsequent undocumented migrants. When I asked Chuy, whose father first migrated in the early 70s, to tell me what he knew about the earliest migrants from the town, he described a break between the earliest migrants and the current flow. “Since the 70s there have been people migrating from here,” he said. “Before that, there weren’t - well, those people had another name. They were called the *braceros*” (Interview on June 28, 2010). Some of my older subjects who remember the 1950s and 1960s also differentiated between the contract laborers and later migrants. Don Bernardo, the first of my informants to migrate, told me that there had been a few *braceros* coming and going between Cuatepec and the United States, but that there were no more than six or seven and that he had not known them (Interview on June 13, 2010). Doña Beta, who went to Chicago in the late 1960s, likewise recalls the *braceros*, but she stressed that there were few contracts available (Interview on June 10, 2010).

Professor Lozano, a local historian, had the most to say on the subject of *braceros* from Cuatepec. The following exchange occurred after he told me how many younger migrants contributed less to the community than their elders:

**R:** So the first people to go had the most success, got residency in the U.S., and started opening businesses here?

**Profesor Lozano:** No, no, that was the second group. The first migrants just went as peons. They went, worked, finished their contracts, and they came back. They didn’t get their residence there. The second wave stayed for thirty years, and they were the ones who became legalized (Interview on June 8, 2010).
A look at data from the Mexican Migration Project suggests that this impression is not a misconception. Of 210 migrants surveyed (in a sample of 865 individuals), only nine migrated as *braceros*. Of those nine individuals, only one returned to the United States after the end of the program, and that individual did not receive legal status until the year 2000. A simple t-test reveals that *braceros* had an average of 30 months of migration experience (including one outlier who had spent 170 months in the U.S.), compared to an average of 96.6 months for other migrants. As Figure 4.1 shows, migration did not begin to take off in Cuatepec until the late 1970s and early 1980s, at which point almost all *braceros* appear to have returned definitively to Cuatepec.

**Figure 4.1: Trends in migration prevalence in Cuatepec**

Clearly, the flow of migrants from Cuatepec does not reflect the pattern documented by Massey et al., wherein long-term settlement by *braceros* who had acquired permanent resident status (as well as undocumented migrants who departed

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13 It bears repeating a disclaimer from the introduction: these data refer only to one of the localities within the municipality. This one locality is fairly representative – very close, geographically speaking, to the *cabecera*, more urbanized than most of the villages in Cuatepec, but certainly more rural than
during the *bracero* era) attracted subsequent migrants from their home communities to American cities (Massey et al. 1987). The *braceros’* absence from the social networks that my informants described was often striking: even Rogelio Acosta, whose own brother had spent a few years in the U.S. as a *bracero*, relied on friends from school who had gone to Minneapolis, rather than any sort of network that his brother had established through his contract labor (interview on June 15, 2010). *Braceros* seem to have been enough of a rarity in Cuatepec that the few of them that did go did not initiate a self-reinforcing migratory flow.

Massey and his co-authors have outlined an elegant narrative to explain the increasing prevalence of migration: the recruitment of Mexican workers by American employers allowed the creation of social networks that could connect rural Mexican to opportunities in the North, while dislocations caused by economic crises, agricultural modernization, and structural adjustment encouraged more and more people to take advantage of those opportunities (this model is articulated most concisely in Massey, Durand, and Malone 2002). Massey’s model of the cumulative causation of migration through the extension of social networks within the United States is extremely well supported by my fieldwork – every single one of the migrants I interviewed went with the help of a friend or relative – but it is difficult to explain how the process began in Cuatepec if not through legal migration.

The most straightforward answer to this problem is that social networks do not restrict themselves to municipal borders: some early migrants seem to have relied on relatives from outside Cuatepec. Don Bernardo, who migrated to Chicago in 1961, stayed with an aunt who was originally from the nearby city of Cuautla. He

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the municipal seat. Consequently I am not using them to theorize, but merely to test impressions I
subsequently helped various relatives settle in Chicago, including his aunt, Doña Beta, who helped a number of her relatives come to Chicago as well. And while most migrants I spoke with received help from other Cuatepeceños, some depended on friends, family, or in-laws from the nearby states of Puebla or Guerrero. In the absence of a robust contingent of *braceros*, it seems likely that Cuatepeceños latched on to *bracero*-built networks via social ties that extended through other communities. Migration in Cuatepec appears to have relied upon the same social networks that were spreading throughout Mexico from areas of heavy *bracero* recruitment. In a macro-historical sense, the *Bracero* program was very important to the initiation of migration in Cuatepec, but *braceros* themselves were not. Moreover, the differences between the mode of departure of pioneer migrants in Cuatepec and that their counterparts in traditional sending-regions appears to have led to different ways of experiencing migration at the local level.

4.2 Migration and the emergence of entrepreneurship

If *braceros* did not initiate mass migration in Cuatepec, who did? As in Massey et al.’s analysis, the “pioneers” who formed the social networks instrumental in deepening migration came from a relatively privileged cohort. But rather than advantaged land owners, the individuals who initiated the migratory flow seem to have had commercial or white-collar backgrounds. Many of my interviews suggested that early migrants favored entrepreneurship in the commercial economy as a result of this background, and that later migrants tended to mimic this preference. According to many of my sources, contemporary migration patterns began in the early and middle 1960s and accelerated in the 1970s and 1980s as more and more people developed through my ethnographic work.
emigrated hoping to emulate the success of the pioneers. When I asked Doña Beta, who had been a clerical worker in the municipal government before migrating and starting her hotel and hardware store, how mass migration had emerged she said, “people knew I had gone and said ‘ay Doña Beta has that hotel now.’ And they thought that [in the U.S.] you can just put your hand out and dollars will fall into it.” She estimated, however, that only 40 percent of migrants manage to “progress.” (Interview on June 10, 2010). According to Profesor Lozano, a period of economic distress in the 1960s obligated a number of professionals and small business owners to leave for the United States, where they obtained legal status. He says that these people were extremely thrifty and channeled their earnings into various businesses both in the U.S. and in Mexico, inspiring others to follow (Interview on June 8, 2010). Likewise Don Bernardo, the son of a shopkeeper, believed that more and more people began migrating because they sought to emulate the relatively luxurious lifestyles of former migrants like himself who had resettled in Cuatepec (Interview on June 13, 2010). Needless to say, both Don Bernardo and Doña Beta agree that migrants in their generation were more cultured and better educated, and thus, more successful.

White-collar migration seems to have persisted into the present day, perhaps because migration became a normal practice for Cuatepeño professionals. While Mexican migrants are often viewed as low-skilled laborers, many of my informants suggested that a substantial number of professionals also migrate from Cuatepec. Marisol, a relatively well-to-do woman who had recently returned after spending 19 years in the U.S. claimed that so many people emigrate because “Mexico doesn’t have the capacity to employ all the professionals who are studying” (Interview on
July 3, 2010). Another informant said that her son, who has recently gotten a degree in dentistry, is planning to go north, even though he probably will not be able to exercise his profession, and that her brother who has a business degree cannot even consider returning from Minnesota, since there would be no work for him around Cuatepec (Interview on June 25, 2010). As I discussed at length in the last chapter, many of my more successful informants were well-educated or had experience in white-collar work before they traveled to the U.S.

Some Cuatepeceños also suggest that migration has led to the emergence of a more entrepreneurial culture. In the last chapter I discussed the notable example of Don Bernardo, who believed that the most important thing he gained from his time in the U.S. was a sort of “gringo” mentality that prized thrift and efficiency. While Bernardo asserts that many younger migrants have learned the wrong lessons from American society, he also believes that a fair number of his fellow migrants have adopted the same positive mindset (Interview on June 13, 2010). Don Bernardo was exceptional because he placed so much emphasis on the influence of American culture, but he was not alone. Isidoro, the bar owner, suggested that some migrants, including himself, “learn to work” in the U.S. and are thus able to go into business for themselves (Interview on June 15, 2010). I was skeptical of this sort of cultural explanation, not least because there are plenty of small business owners in Cuatepec who have not worked in the U.S., but one need not accept these cultural explanations to accept that migration changes individuals’ approach to business – there are actual concrete experiences that migrants can acquire in the U.S. that can be leveraged into more lucrative occupations in Cuatepec.
Lázaro, a mechanic who owns a garage on the outskirts of Cuatepec, denied that working in the U.S. helped him learn to run a business, saying of himself and his partner “look, we started small, but we’ve always been merchants, we know about administration and all that.” But he also indicated that former migrants might see opportunities that others do not and bring new kinds of enterprises into the community, noting “some businesses have emerged through migration, and that creates more employment for people. For example somebody might open a pizzeria and hire four people to deliver to homes…they bring ideas from over there” (Interview on January 5, 2011). Certainly most of the migrants I spoke with expressed a desire to start some kind of commercial enterprise, even when they continued to work in the campo or when their odds of actually succeeding in business seemed slim. This could be the result of the kind of cultural change Bernardo described, but there are a number of other ways that the appearance of a few successful retailers could encourage more people to enter commerce. The trend could also simply reflect a preference for entering the most dynamic sector of the economy, or the widely held perception that I discussed in the last chapter that agriculture is a dead-end occupation. It may also be that underprivileged Cuatepecenos hope to emulate the success of early migrants like Don Bernardo or Doña Beta by following them into commerce. Moreover, social capital is an extremely important determinant of the kind of businesses Cuatepecenos decide to start – people often start a particular business because they have a relative or friend in the same line of work who can offer assistance. Economic growth in Cuatepec seems to be highly path-dependent, for a number of reasons, so we should not be surprised if a history of migration by entrepreneurs encourages entrepreneurship.
4.3 Assessing the narratives

Naturally, my informants’ narratives should be viewed with some skepticism, since people are likely to generalize from their own experience and my sample was not perfectly representative of the demographics of the community. But analysis of survey data from the Mexican Migration Project lends credence to my informants’ impressions, at least with regard to the class background of early migrants. As figure 4.2 reveals, a look at household head’s year of first departure to the U.S., while controlling for occupation prior to migration suggests that the rapid growth of migration during the 1970s and 1980s can be attributed to increasing migration by people from nonagricultural background, while migration by agricultural workers remained flat since the 1950s before declining in the last decade.

Figure 4.2: Year of first migration for household heads by occupation

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14 The MMP’s LIFE file contains detailed life histories for the head of every surveyed household, encoded as “person-years” (that is to say, each observation was one year in an individual’s life, tied to that individual with a unique ID, while each variable contained information about the individual’s activities in that year). By dropping every year except the one before each household head’s first migration, and merging the remaining data into the HOUSE file, I was able to add occupation prior to migration as another variable corresponding with each individual, and thus to associate it with a variety of other individual and household characteristics.
Based on the rapid growth of Cuatepec’s non-agricultural workforce in recent decades (see Figures 5.1 and 5.2 for a summary of changes in the labor force), one might attribute the changing occupational profile of migrants to the changing profile of the town. However, a comparison of data from the MMP and census, shown in figure 4.3 below, suggests the share of migrants with agricultural occupations declined much more rapidly than the proportion of agricultural workers in the labor force, indicating that the trend reflects something more than changing employment structure.

**Figure 4.3: Agricultural workers as a percent of migrants**\(^{15}\) and as a share of the labor force\(^{16}\)

The relative unimportance of campesinos in the origin of Cuatepec’s migration flow is significant because early migrants helped determine the course of the municipality’s economic development simply by virtue of what they were not. A

\(^{15}\) Data points for migrants are cumulative for the preceding decade, so that the figure for 1960 includes all agricultural workers who migrated from 1950 to 1960, etc.

\(^{16}\) Census data taken from the VIII Censo de poblacion y vivienda, cuadro 22 (DGE 1960); the IX Censo de poblacion y vivienda, cuadro 21 (DGE 1970); the X Censo de poblacion y vivienda, cuadro 8 (INEGI 1980), the XI Censo de poblacion y vivienda, cuadro 32 (INEGI 1990); and Cuatepec’s Cuaderno Estadistico Municipal (INEGI 2004). It should also be noted that the data for the 1980 census almost certainly underestimate the size agricultural workforce, since “insufficiently specified” responses account for 17.2 percent of the workforce composition figures. If such responses were dropped, agriculture would account for 58.5 percent of employment, compared to 55 percent of migrants’ occupations.
central tenet of the New Economics of Labor Migration’s understanding of the evolution of migration in Mexico has been that the income that small landholders acquired in the U.S. labor market allowed them to overcome capital constraints and raise the productivity of their land (Massey et al. 1987; Taylor 1992; Taylor and Dyer 2009). Since Cuatepeceño migrants largely came from non-agricultural backgrounds, there does not appear to have been a significant flow of migrodollars into the campo. In the NELM model, migrodollars solved a particular problem: the absence of credit that the beneficiaries of agrarian reform needed to make their land productive. In fact the absence of credit was less of a problem in Morelos – as I will discuss in Chapter 5, by the middle of the century there was substantial investment in capital-intensive cash-crop cultivation. The problem was rather a lack of employment and low prices for producers. And as I related in Chapter 3, none of the farmers I spoke with identified lack of capital as a major problem. Instead they complained of low wages and unpredictable prices. Failure to recoup investments seems to be a much more significant problem than a lack of capital to invest. Some of my informants (or the relatives of my informants) had migrated explicitly in the hopes of investing their incomes, but only one did so in order to invest in agriculture, and even then was unsuccessful. Based on the problems faced by growers, there is reason to believe that increased investment in agriculture would have a limited effect on economic growth in Cuatepec. Consequently, the simple fact that migration was led by business owners and professionals rather than braceros may have directed migrodollars into areas of the economy where they produced a greater yield.

It is also true that rates of entrepreneurship are high in Cuatepec. According to the Mexican Migration Project’s COMMUN file, 4.84 percent of the workforce of a
localidad near the municipality’s center act as employers. This is well above the national mean of 1.87 and is actually the highest recorded rate of business ownership among communities of the same metropolitan category. As Figure 4.4 demonstrates below, the percentage of locals acting as employers declined dramatically through the 1980s before rising again (a pattern consistent with national trends). I suspect that this reflects the diminished share of Cuatepeceños, and indeed Mexicans, engaged in agriculture (a sector in which it is common to hire day laborers), as well the replacement of human labor with technological inputs, a tremendously influential development in the Mexican countryside (Rounds 1980; Massey et al. 1987).

Meanwhile, although the rate of “employership” dipped below the national average in 1990, it jumped dramatically after the onset of mass migration.

**Figure 4.4: Local and national percentages of employers in labor force**

![Graph showing local and national percentages of employers in labor force](image)

But were these new entrepreneurs returning migrants from non-agricultural backgrounds? The rapid decline of agricultural workers as a share of all migrants does not in-and-of itself indicate that migrants had the potential to become business owners even before they left. A sizable portion
of these nonagricultural workers were unskilled manual laborers. But more
had worked in commerce or services: the most common pre-migration
occupational category appears to be “skilled food and beverage production
worker.” This changing occupational profile of these migrants could mean
increasing potential for social mobility among migrants. In the previous
chapter I argued that an individual usually needs some kind of preexisting
skill, experience, or supportive social network to become socially mobile
through migration. I have also argued that when migrants do become
entrepreneurs, they usually attempt to reinvest in activities in which they were
already engaged before they left for the U.S. These results could complement
those arguments by showing that since the 1970s, more and more migrants
had some sort of experience – as cooks, salespeople, supervisors,
professionals – around which they could build businesses. Rising levels of
migration by those in non-agricultural occupations meant that more and more
migrants had marketable skills that could be paired with an investment of
migradollars to start a new enterprise. There is some evidence that migrants
Cuatepec had the potential to become entrepreneurs, but my work indicates
that they have not done so with any degree of success.

It needs to be emphasized once again that there is no evidence to
suggest that migrants start businesses at a higher rate than do non-migrants.
In the last chapter I discussed my finding that there is essentially no
association between migration and business ownership, and while various
subsets of migrants seem to be more likely to become business owners, no
form of migration seems to be a particularly strong predictor of
entrepreneurship. As Table 4.1 shows, there is no statistically significant
evidence that former migrants are more likely to be business owners, or even
that migrants from non-agricultural backgrounds are more likely than the
gen general population, let alone non-migrants with similar backgrounds, to own
a business.

**Table 4.1: Results of t-tests showing proportions of groups owning businesses**

<table>
<thead>
<tr>
<th>Groups compared</th>
<th>Group 1 Mean</th>
<th>Group 2 mean</th>
<th>Difference between means:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>(Standard error)</td>
</tr>
<tr>
<td>Migrant vs. non migrants</td>
<td>.338</td>
<td>.333</td>
<td>.005 (.077)</td>
</tr>
<tr>
<td>Migrants with non-agricultural occupations before migration vs. those previously in agric.</td>
<td>.381</td>
<td>.28</td>
<td>.101 (.121)</td>
</tr>
<tr>
<td>Non-agricultural migrants vs. general population</td>
<td>.381</td>
<td>.319</td>
<td>.062 (.086)</td>
</tr>
<tr>
<td>Migrants with non-agricultural occupations in present day vs. migrants currently in agriculture</td>
<td>.469</td>
<td>.222</td>
<td>.247* (.113)</td>
</tr>
<tr>
<td>Migrants with non-agricultural occupations in present day vs. general population</td>
<td>.469</td>
<td>.301</td>
<td>.168 (.093)</td>
</tr>
<tr>
<td>Non-agricultural workers vs. agricultural workers</td>
<td>.501</td>
<td>.25</td>
<td>.258** (.08)</td>
</tr>
<tr>
<td>Non-agricultural migrants vs. non-agricultural non-migrants</td>
<td>.469</td>
<td>.409</td>
<td>.06 (.116)</td>
</tr>
</tbody>
</table>

* = p<0.05, ** = p<0.01

N=155

These results (particularly the last four rows) strongly indicate that
whether or not an individual works in agriculture is a much stronger
determinant of business ownership than is migration. This is not simply a
tautology, since there are a number of business owners whose occupation is listed as agriculture, and only 16 of 52 have their occupation listed as proprietor of an establishment, but it is not enormously meaningful. Even among non-agricultural workers, migration does not seem to be a significant predictor of business ownership. It is worth noting that the small size of the sample (155 household heads, of whom 68 have migrated) means that an effect size must be quite large to appear significant.\footnote{Using data from MMP HOUSE and LIFE files} It may also be that the limited nature of the sampling frame means that these results simply are not applicable to the municipality as a whole (remember that surveys were only conducted in one \textit{localidad}). But it is still striking that the effect of migration was so weak, given the connections that many of my informants drew between migration and entrepreneurship.

Migradollars do even less to encourage entrepreneurship when they enter the community as remittances rather than in the pockets of returning migrants. A logistic regression of the factors predicting business ownership shown in Table 4.2 reveals that receiving remittances significantly decreases a household’s likelihood of owning a business. This effect changed somewhat when I controlled for the size of remittances. The MMP categorizes remittances as “small,” “medium,” and “large.” When I controlled for the size of remittances in the second regression model displayed in Table 4.2,\footnote{In a sample of 155 observations, the variance between the mean values for two groups must be at least .08 to achieve 95 percent significance. So there may be significant variations of less than 8 percent which are simply not visible in this model because of the small number of observations. Very few households reported receiving “medium” remittances, so I simply coded for small and non-small} I found that only small remittances had a

\begin{footnotesize}
\footnote{Using data from MMP HOUSE and LIFE files}
\footnote{In a sample of 155 observations, the variance between the mean values for two groups must be at least .08 to achieve 95 percent significance. So there may be significant variations of less than 8 percent which are simply not visible in this model because of the small number of observations. Very few households reported receiving “medium” remittances, so I simply coded for small and non-small}
\end{footnotesize}
statistically significant negative coefficient. This suggests that only small remittances reduce a household’s likeliness of owning a business.

**Table 4.2: Results of logistic regression for predictors of business ownership**

<table>
<thead>
<tr>
<th>Variable</th>
<th>Log odds for Model 1 (Standard error)</th>
<th>Log odds for model 2 (Standard error)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Household head has migrant experience</td>
<td>-.44 (.42)</td>
<td>-.49 (.42)</td>
</tr>
<tr>
<td>Spouse has migration experience</td>
<td>0.84 (1.66)</td>
<td>0.92 (.73)</td>
</tr>
<tr>
<td>Household head has non-ag occupation</td>
<td>1.30** (0.43)</td>
<td>1.30** (.44)</td>
</tr>
<tr>
<td>Spouse is in labor market</td>
<td>0.86 (0.53)</td>
<td>.87 (.54)</td>
</tr>
<tr>
<td>Household head’s years of education</td>
<td>-.04 (0.05)</td>
<td>-.04 (.05)</td>
</tr>
<tr>
<td>Household receives remittances</td>
<td>-1.22 * (0.53)</td>
<td>-</td>
</tr>
<tr>
<td>Household receives non-small remittances</td>
<td>-</td>
<td>-.48 (.66)</td>
</tr>
<tr>
<td>Household receives small remittances</td>
<td>-</td>
<td>-1.96* (.80)</td>
</tr>
</tbody>
</table>

Pseudo r-squared = 0.1232, N=155

The effect of small remittances is not terribly surprising: the literature on the use of remittances affirms that people only invest when they have met their basic subsistence needs and that most remittances are spent on immediate consumption, namely food and housing (Massey et al. 1987; Taylor 1999; Zarate Hoyos 2005), so we can surmise that households receiving larger amounts of money are more likely to meet their subsistence needs and move on to investing in businesses. That said, households receiving large remittances do not appear to be any more likely to own businesses than those that receive no remittances. Moreover, the majority of households receiving remittances receive small ones. To find the new entrepreneurs in Cuatepec, we need to look beyond migrants’ households.
4.4 A new opportunity structure?

My findings on the behavior of migrants and their propensity for entrepreneurship seem consistent with the dependency model, wherein emigration leads to disinvestment, exit from the labor market, and economic stagnation. Migrating to the U.S. seems to have no effect on an individual’s propensity to invest in Cuatepec, while remittances appear to diminish households’ penchant for entrepreneurship.

But while migrants themselves do not appear to become entrepreneurs, the emergence of migration as a regular part of Cuatepeceño life has been accompanied by rising rates of entrepreneurship. This need not be a contradiction if we try to look past the assumptions of the models of dependency and development. Indeed, I will argue that it is precisely migrants’ tendency not to invest their income that fuels the growth of the commercial and service sectors. It is critical to remember that entrepreneurship depends not simply upon the ability of individuals to start new firms. When sociologists discuss the emergence of entrepreneurship, they tend to differentiate between “supply” factors, which equip individuals or groups (e.g. classes, immigrant groups, ethnic minorities, or religious sects) to start new enterprises, and “demand” factors that create new niches for entrepreneurs to fill (Thornton 1999). The particular mode of departure of migrants in Cuatepec seems to have altered the opportunity structure in Cuatepec not by increasing the supply of would-be entrepreneurs, but by generating demand for more formal enterprises in the commercial and service sectors.

Following Weber’s classic work on the role of Protestant aseticism in the evolution of European capitalism (2002[1905]), much of the sociology of
entrepreneurship has focused on the expansion of entrepreneurial cultures (Thornton 1999). While some of my informants believe that exposure to American society was an instructive experience, my findings offer little support for the view that life in the United States teaches migrants to think like business people. Moreover, we should be skeptical of the idea that people in rural Mexico would need to be taught to be capitalists: as De Soto’s work on the informal economy (1989) reminds us, a capitalist ethic already exists in the marginalized areas of Latin America, where people frequently demonstrate remarkable entrepreneurial drive, even in the face of enormous obstacles. The community has hosted a weekly regional market (or tianguis) since pre-colonial time, albeit at a much smaller scale than today’s market (interview of June 8, 2010; Cortés Palma 2010). Moreover, agricultural modernization and rural underemployment seem to have swollen the informal commercial sector since the middle of the twentieth century (Rounds 1980).

Certain Cuatepeceños are probably unable to make productive investments. Simply putting money in an individual’s hands does not create an entrepreneur: within Cuatepec (as within any society), there are constraints on the potential supply of entrepreneurs beyond cultural norms and the availability of capital. Following Granovetter’s (1985) argument that economic relationships remain embedded in social bonds even in industrialized societies, Neace (1999) concluded that social capital has been essential to to the expansion of entrepreneurship in emerging economies, since trust between business partners is extremely important in the absence of reliable institutions that regulate economic activity (a point noted in theoretical terms by Granovetter). These findings seem well supported by my research: as the second section of Chapter 3 shows, people in Cuatepec commonly
receive necessary economic resources (loans, expert advice, etc.) through their immediate social networks. The necessary corollary to this point is that individuals without access to networks of support will face increased obstacles to entry. If we consider the importance of social capital, it is less surprising that migration does not lead to entrepreneurship, since going to the United States to work does little to create a supportive social network within Cuatepec.

Many sociologists argue that separate social and economic processes account for the supply of would-be entrepreneurs and society’s “demand” for new businesses (Thornton 1999; Light and Rosenstein 1995). Broader changes in an economy can alter its “opportunity structure,” creating new niches and effectively calling some potential entrepreneurs out of the bullpen. In Cuatepec, rising migration prevalence seems to have had their most important effect as a supplement to demand. A pool of potential entrepreneurs was present in Cuatepec’s informal sector before migration began in earnest, but low levels of demand meant there were few incentives for investment and formalization. Migradollars created demand for consumer goods, which in turn created demand for businesses provisioning those goods. The creation of a robust consumer culture seems to allow new businesses to enter the market, often as informal merchants manage to scale up their activities. Many economists studying migration in Mexico are coming to adopt the position that migradollars work not by providing capital directly to firms, but by easing constraints on the scale and productivity of enterprises (Woodruff and Zenteno 2008; Taylor and Dyer 2009). The next chapter will examine will describe this process in greater detail.
Chapter 5: Migration and the Global Economy

In recent decades, Cuatepec’s economy has undergone a major transformation. Many of my informants noted that the historically rural community has acquired the look and feel of a city. Cuatepec’s age-old dependence on agriculture is eroding, and more people are finding employment in increasingly diversified and capital-intensive commercial and service sectors. This process is intimately related to the evolution of international migration and to widespread access to the “migradollars” that migrants return to the community, either as remittances or as savings. I will not argue, as the New Economics of Labor Migration would predict (Taylor 1999), that migradollars are a direct source of capital for Cuatepeceño entrepreneurs. Instead, I argue that migration has augmented demand for goods and services and also for new firms that can offer various consumer goods within Cuatepec itself. And while this structural change is clearly significant, it is important to critically consider whether this form of development offers promising prospects for raising the living standards of most Cuatepeceños.

I will also argue that because the growth of the commercial economy relies on the demand generated by migrants, the form of economic development taking place in the community is dependent on the continued participation of much of its population in a global labor market. Integration into global markets is nothing new for rural Morelos, but the effects of globalization changed significantly as Cuatepec has transitioned from a major exporter of sugar to a major exporter of people. I will argue that Cuatepec no longer serves as part of a global hinterland, but rather as a point in a global network of urban areas.
5.1 The fall and rise and fall of agriculture in Morelos

We can identify several distinct economic development models that have been instituted in Morelos since the regional economy was first integrated into the European world economy in the sixteenth century. The first, which arrived with the Spanish colonizers, relied on massive, export-oriented agricultural estates. The second was part of the corporatist program launched in the wake of the revolution that shook the region (and the country) from 1910 to 1919. While the revolutionary government was ostensibly committed to social justice and national self-sufficiency, the form of development that took hold led to widespread marginalization in the countryside. The failures of the old economic model gave rise to the present one, in large part by displacing many agricultural workers, who moved into informal commerce or migrated to the U.S..

Before the Revolution the economy of Morelos had been almost totally dominated by haciendas – enormous, semi-feudal estates – that mostly cultivated sugar for export. This system was almost as old as the European presence in Mexico: the colossal hacienda of Tenango, which encroached on all the communities of eastern Morelos until its dissolution in the 1920s, was originally established in 1589 (Cortés Palma 2010, p. 54). Haciendas were commercial enterprises, and they were integrated into a world economy from the outset – sugarcane was introduced in Morelos in 1538 and quickly exported throughout the Spanish empire (Warman 1980, 26-33). This economic model was most fully institutionalized during the 44-year dictatorship of President Porfirio Díaz. The liberal technocrats of the Díaz regime aimed to integrate Mexico more fully into the global economy, and in order to promote export-oriented agriculture in fertile regions like Morelos, they extended
infrastructure and allowed the *haciendas* to gobble up village lands through methods legal, illegal, and in between. The purpose of these expropriations was not simply to seize more arable land – *hacendados* were also interested in creating a landless agricultural proletariat to labor on the big farms (Lomnitz 1982, p. 28). Peasants struggled ferociously to hold on to their communal land, but by 1910 the *haciendas* had engulfed more than half of the state, and the survival of the villages and even some of the cities in the region was in doubt (Womack 1968, p. 63). This situation was eminently unstable, and it erupted into extreme violence with the onset of the Mexican Revolution in 1910.

This is not the place for an account of the course of the revolution, but it is important to note that it was particularly disruptive and profound in Morelos. Much of the state remained in a near-constant state of rebellion against whatever government was in place in Mexico City until 1919, when the leader of the agrarian movement, Emiliano Zapata was assassinated. This period was devastating – John Womack, the great chronicler of the Zapatista movement, estimates that by the end of the revolution, violence and emigration had reduced the state’s population to three-fifths of what it had been in 1910 (1968, p. 370). Although land was redistributed, the economy was in shambles and links between towns and the outside world had been damaged. In this period, an American anthropologist conducted an influential ethnography that treated the Morelense village of Tepoztlan as a paradigmatic example of a “folk culture” gradually integrating into the modern world (Redfield 1930). A half-century later, Claudio Lomnitz (1982, p. 99) commented that Tepoztlan and similar villages had long had contact with urban capitalist society, and that the closed-off community and autarkic economy that Redfield witnessed was a result of
the chaotic political climate. But the isolation would not last long. If the pre-revolutionary epoch was dominated by the *hacienda*, the post-revolutionary period belonged to parastate enterprises and agricultural entrepreneurs.

The government that emerged from the revolution was committed to a program of economic development guided by corporatist and nationalist principles. At the national level it nurtured domestic manufacturers through a program of import-substitution industrialization, and in Morelos it promoted the modernization and commercialization of agriculture (Warman 1980). This consisted of much more than the distribution of tractors, fertilizer, and loans; the government sought to make Morelos a major sugar producer once again through extensive intervention in the economy. The federal government created partnerships with existing sugar mills (Rounds 1980, p. 184) and started new mills, like the massive Emiliano Zapata Cooperative in the town of Zacatepec (Padilla 2008, p. 60).

These projects meant many things to many people. Agrarian radicals like the former Zapatista commander Rubén Jaramillo, the first chair of the board of directors at the Zacatepec mill, hoped to improve living condition by creating a reliable customer for *ejidatarios’* crops and a modern, well-paying employer for those who had not received land. The ruling *Partido revolucionario nacional* (which would soon become the infamous *Partido revolucionario institucional* or PRI) also sought to keep food prices low for the benefit of its urban constituents (Padilla 2008, p. 70). Meanwhile, as a major investor in sugar mills, the government had a vested interest in keeping agribusiness profitable (Rounds 1980, p. 187). The contradictions inherent in these arrangements were expressed in the government’s promise to create “islands of socialism floating in a sea of capitalism” (Padilla 2008, p. 58).
While the revolutionary government returned land to the peasants, it created neither a class of entrepreneurial yeoman nor a system of productive collectives. There was a shortage of land from the outset, which was only exacerbated by the natural increase of the population and immigration from poorer states (Womack 1968, p. 381). Originally, land was distributed to villages, and the local agraristas and the populist Cárdenas government hoped to promote collectivism. But the ejidos were plagued with conflict over land use and corruption by politically powerful revolutionary bosses (Warman 1980, p. 147). In an attempt to ease tensions, the government divided up collectively held land, first by issuing certificates that gave particular individuals the right to work on ejidal land, then by assigning ejidatarios specific parcels. The process of parcelization favored those with political influence, and many were left out, and many people who had rights to receive parcels did not and remained dependent on day labor (Rounds 1980). The problem of limited access was only exacerbated over time—according to records from a 1999 meeting of the ejidatarios of the cabecera of Cuatepec, of the 1407 individuals with rights to use the ejido, only 567 actually had parcels (Registro agrario nacional).

Landlessness was not the only problem that plagued the new system of land tenure. The Agrarian Code that governed the distribution of land recommended that holdings should be no smaller than eight hectares (Rounds 1980, p. 147), and the national average size of actual holdings was 22 hectares (Warman 1980, p. 168). In Morelos, however, holdings were much smaller: in Cuatepec, most parcels were smaller than five hectares (III Censo agricola ganadero y ejidal, Cuadro 31; VII Censo agricola-ganadero, Cuadro 4B), and in some areas, the average plot was a little more than two hectares (Rounds 1980, p. 146). Meanwhile, there was substantial
inequality in holdings, since well-connected individuals had managed to acquire large amounts of the best land. This situation, which was referred to as “minifundismo” (Rounds 1980, p. 153) had serious consequences.

For the people of Morelos, the sea of capitalism turned out to be a stormy one, and the islands that floated upon it were gradually inundated. Growers usually depended on selling to a single institutional buyer, which usually had enormous power to set the price point. The effects of this monopsony were exacerbated by collusion between political authorities and agribusiness. Although the Zacatepec mill was supposed to be partially owned by the ejidatarios who supplied it with cane, the administrator’s power truly rested on the support of the PRN. Since campesinos had little influence in the party, their effective power in the management of the enterprise was negligible, and prices offered for cane dwindled (Padilla 2008, pp. 66-73).

Meanwhile, the process of parcelization had deprived ejidatarios the means to bargain collectively and allowed mills to negotiate prices with atomized growers cultivating tiny plots. Meanwhile, regulations passed in the early 1940s required ejidatarios with plots adjacent to certain mills to cultivate sugar, so growers could not exit the market to cultivate a more crop lucrative when prices crashed (Rounds 1980).

The conditions in the region spurred not one but two rebellions – one led by Rubén Jaramillo took up the old Zapatista banner (Padilla 2008), while another, known as the Sinarquista movement, modeled itself on Francisco Franco’s Phalange and attributed the failings of the Mexican state to its irreligion.

Immediately after agrarian reform, most ejidatarios lacked the resources to make a profit off their land, and the financial sector, which one observer described as “rudimentary,” provided little help (Lewis 1950, p. 173). But even as a new financial
system was established, the structure of both public and private investments left campesinos in a new condition of dependency. The sugar mills (Rounds 1980, p. 196), the Banco Ejidal (established by the Cárdenas administration to promote agricultural modernization), and some ex-hacendados were finding a new role as financers of and middlemen for the the ejidatarios (Alonso 1974). The general shortage of credit and the fact that creditors were often also buyers combined to give lenders enormous power over growers’ cropping decisions. Debtors were often required to sell their crops to their creditors or even pay off their debts in kind (Alonso 1974, p. 140). Naturally, the sugar mills would only lend for the cultivation of sugar, but the Banco Ejidal also sought to discourage subsistence activities in favor of market-oriented agriculture. In non-sugar growing areas, the Banco Ejidal promoted the production of sorghum (Alonso 1974, p. 132), which Arturo Warman describes as an “anti-peasant crop” (1980, p. 205). Warman notes that sorghum grows on the same land as corn, but is inedible, at least as far as humans are concerned. Instead it is processed into fodder for livestock. Once peasants started depending on credit to grow cash crops, they stumbled into large cash debts and could not return to subsistence when prices were low. And the spread of the cash economy – through the expansion of markets for mass-produced consumer goods or the availability of technological inputs like artificial fertilizer requiring cash payment from buyers – meant that even farmers growing corn for domestic and local consumption became dependent on lenders, who often extracted extremely high interest (Rounds 1980, p. 154; Corcuera Garza 1974, p. 94). Most could not afford to acquire agricultural machinery; those who could lent out their equipment in exchange for control over the land (Alonso 1974, pp. 136-139).
However exploitative the process was, entry into the cash economy and
dependence on credit may seem like innocuous developments. After all, this is
certainly the condition of farmers in fully industrialized countries. But this model of
economic development had serious limitations that led to intense hardships for
campesinos. Entrepreneurs, whether they were state-supported sugar processors,
banks, or simply lenders, soon asserted so much control over agricultural production
that one analyst called them “neo-latifundistas”20 (Alonso 1974). The accumulation
of capital did not do much to raise productivity – the ease with which agribusinesses
could exert control over more and more land discouraged the intensification of
production (Round 1980, p. 198). Meanwhile, ejidatarios were frequently unable to
earn enough from their land to pay off their debts unless they employed a substantial
quantity of unpaid family labor (Alonso 1974, p. 147). Lomnitz compares this mode
of production to the putting-out system of craft production(1982, p. 44) In some
cases, the obligatory sale of crops to creditors soon gave way to a system in which
creditors rented ejidal land and hired ejidatarios to grow certain crops on their own
land (Alonso 1974, p. 138; Round 1980, p. 253). The rental of ejidal lands was
illegal, and the government’s desire to constrain this practice had helped lead to
parcelization in the 1930s (Rounds 1980, p. 144), but officialdom appears to have
turned a blind eye. This practice obviously led to the re-concentration of land in a few
hands, but in many cases it was the best arrangement that peasants could hope for
(Warman 1980, p. 222). Meanwhile, the cultivation of cash crops generated endemic
under- and unemployment. The growing cycles of many crops, especially sugar,
meant that much of the population could only be employed seasonally. Figures from

20 A latifundio is a large agricultural estate, essentially the same thing as a hacienda
the 1994 agricultural census reveal that in Cuatepec, employment in agriculture more than doubled during the harvest (VII Censo agricola-ganadero, cuadro 27B), confirming that seasonal unemployment was indeed a serious problem in the municipality.

Morelos’s development path should not be regarded as a complete failure: Rounds points out that there were pockets of highly productive agriculture, and that those who had managed to secure sizable land holdings and could employ technological inputs did fairly well for themselves. Morelos had in fact acquired a modernized sector for cash crop production (Rounds 1980). But the development of the sugar industry also led to serious dependency, underdevelopment, and marginalization in much of the countryside. Oscar Lewis noted that by the late 1940s the network of local markets that had promoted trade between villages was in precipitous decline. In Tepoztlan, more and more people shopped in Cuernavaca, the state capital, and the position of local merchants and artisans was precarious (Lewis 1951, pp. 168-171). A later study of the region’s economic geography noted the extreme concentration of commerce and industry in the larger cities – by 1982, Cuernavaca alone accounted for 60 percent of all commerce in the state (Lomnitz 1982, p. 38). Meanwhile, processing of agricultural products was concentrated in Cuautla and a few other major towns. These urban areas became politically influential and were able to attract public investment in what became a self-reinforcing cycle. Rural market towns seemed to be in decline, and the economic and political elites were clustered in a few urban zones. Meanwhile industrialization did not proceed nearly rapidly enough to absorb the increasing population of landless, jobless rural poor (Rounds 1980).
Even after the abolition of haciendas, patterns of trade, governance, and investment worked together to maintain the countryside’s role as a supplier of cheap primary commodities and to make cities the gateways between the rural areas and the national and global economies (Lomnitz 1982). Rising agricultural productivity and the increasing difficulty of subsisting off depressed commodity prices pushed people off the land, but according to most observers, there were few opportunities in the cities for uneducated peasants. Educated people left rural communities to take up professions in the cities (Lomnitz 1982, p. 116), but small towns in the countryside acquired burgeoning informal sectors in which people struggled for survival on the margins of the economy (Rounds 1980).

5.2 A new commercial economy

Today, a visitor to Cuatepec expecting to find a marginalized rural community would be quite surprised. At the center of the cabecera is a bustling downtown full of shops, salons, hotels, offices, and restaurants, while more businesses cluster along the highway that cuts through another part of town. This commercial district is surrounded by many blocks of large multi-story houses and a few apartment buildings. Indeed, the urbanization of Cuatepec was one of the dominant themes in the narratives of my informants. Miguel, who has settled permanently in Minnesota but had returned to Cuatepec with his family for a vacation said he had been shocked when he first returned home in 2006 after ten years in the U.S.: “My first time back, well [Cuatepec] is called a city now, so I said ‘wow’… it was just a little town when I left.” This was especially surprising because so many Cuatepeceños had arrived in Minnesota that Miguel had assumed Cuatepec was being depopulated (Interview on January 3, 2011). The urbanized area of the cabecera has
also expanded significantly, swallowing up much of the surrounding farmland. When I asked Octavio, who had only recently returned from 17 years in America how the community had changed, he gestured out the door of his restaurant toward the highway leading away from town, which is lined with auto-parts stores, homes, and an athletic field, and said “we used to be the last ones who lived out here, and past us it was pure campo. People grew corn and beans, but not now. It’s pure businesses. It’s grown plenty” (interview on June 19 2010).

Moreover, an important staple of major Latin American cities, the informal market, has appeared in Cuatepec. The central square, which is bounded by the main church, the presidencia municipal, and the meat market, has been almost entirely taken over by street vendors, so much so that the tarps thrown up to shade the stalls from the elements have been woven together to form a canopy. These merchants are not informal, properly speaking, since they must register with local authorities, but like informal workers they lack any form of social insurance or economic security. This permanent market is supplemented on Sundays by a tianguis, during which even more vendors, many of whom travel on a circuit throughout the region, fill a large section of the town, selling vegetables, spices, meat, clothes, tools, batteries, toys, and bootleg DVDs. Professor Lozano calls the market an unsanitary “monster” (Interview on June 8, 2010) and Marisol, a recent returnee from Chicago complains that the town’s charm has been hidden under garbage and mud (Interview on July 3, 2010). But these complaints aside, the market is an increasingly important part of the economic fabric of the town – analysts of this quasi-formal sector have noted that street vending is instrumental in allowing families with few other opportunities to sustain themselves (Rounds 1980; Cohen 2005). I was told that the prices in the local
market are substantially better for producers than those in the central de abastos in Cuautla (Interview June 14, 2010). Indeed, the street market seems to be an important sort of employment for immigrants from neighboring states such as Guerrero and Puebla.

Most of my informants (who were, admittedly, generally wealthier than the average Cuatepeceño and more likely to have migrated), believed that as the town grew, it had become increasingly commercial and prosperous. “Now [Cuatepec] has grown more,” says Isidoro, a former migrant and proprietor of a small bar, “it’s grown more, it has more business, more...it’s much, much better than it was before” (Interview on June 15, 2010). Profesor Lozano recalls that several decades ago there were only three general stores in the town center, where there are now dozens of more specialized businesses. Indeed, there is a growing sense of Cuatepec’s relative importance. “Now you can find everything here,” said Fausto, a former migrant. “It’s not like before. One would have to go to Cuahtla or Cuernavaca to get medicine or to eat” (Interview July 3, 2010).

While there are no reliable records charting economic growth at the municipal level, existing evidence does suggest that the economy has transformed dramatically in recent decades. Even as agriculture continues to account for more than two-thirds of the municipality’s economic output (Ordenamiento ecológico de Cuatepec, II-157), it is no longer the principal source of employment, and authorities are expecting the community to become increasingly urban and less dependent on farming. The continuing decline of agriculture is consistent with historical patterns: a half-century ago, more than 80 percent of the municipality’s workforce was employed in agriculture, and even in 1990, nearly 60 percent of workers made their living off the
land. But census data reveal that the employment structure has changed enormously.

As Figure 5.1 shows, the agriculture workforce slowly stagnated and even declined slightly in absolute between 1990 and 2000 even as the workforce grew by a third

**Figure 5.1: The total workforce and agricultural workforce in Cuatepec**

![Graph showing the total workforce and agricultural workforce in Cuatepec](image)

Meanwhile, Figure 5.2 demonstrates that employment in commerce, services, construction, and manufacturing have accounted for greater and greater shares of the total workforce. By 2000, most Cuatepeceños worked outside of agriculture.

**Figure 5.2: The composition of Cuatepec’s non-agricultural workforce**

![Graph showing the composition of Cuatepec’s non-agricultural workforce](image)

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21 Census data taken from the VIII Censo de poblacion y vivienda, cuadro 22 (DGE 1960); the IX Censo de poblacion y vivienda, cuadro 21 (DGE 1970); the X Censo de poblacion y vivienda, cuadro 8
This transformation from an agricultural economy to a commercial one encourages urbanization. As a municipal land-use report states, the cabecera “is becoming a city of great importance for the commercial and cultural exchange between nearby localities and municipalities.” The proportion of the municipality’s land accounted for by urbanized areas rose from about 26 percent in 1993 to 31 percent in 2004, and is projected to reach nearly 40 percent in 2030 (Ordenamiento ecológico, VI-39). Further, the growth of businesses along the highways is projected to create a “commercial corridor” connecting the cabecera with one of the larger, more urbanized localidades to the northwest of the town center, while agriculture “will be seen to reduce with time” (Ordenamiento ecológico, IV-6).

Despite the presence of a robust informal market, the commercial and service economies in Cuatepec differ enormously from the subsistence-oriented “marginal sector” described by Rounds (1980). In his study on economic development in the sugar-producing municipality of Yautepec, Rounds argued that the growth of small-scale commerce, visible both in the expansion of the open-air market and the proliferation of small shops known as tendajones, resulted from the expansion of capital-intensive agriculture and the replacement of labor by mechanical and chemical inputs. In Rounds’s analysis, landholders were a “lucky few” who manage to attract some capital, become productive, and maintain a stable employment, while trade became the refuge of people left out of the top-down economic program promoted by the state. The representative merchants had sparsely-stocked stores selling dry goods and a few pre-packaged consumer items like cigarettes, canned vegetables, and soft drinks (Rounds 1980, p. 230).

(INEGI 1980), the XI Censo de poblacion y vivienda, cuadro 32 (INEGI 1990); and Cuatepec’s
One could not possibly identify a representative enterprise in contemporary Cuatepec’s diverse commercial economy. While I did not conduct a comprehensive survey, the blocks around the central square feature a number of small groceries, pharmacies, and convenience stores, but also a few hotels, several doctors’ offices, internet cafes, *papelerias* that double as print shops, video arcades, numerous hardware stores, hair salons, boutiques specializing in brand-name clothing, cell phone vendors that have expanded into offering other consumer electronics, bakeries, liquor stores, pet shops, furniture stores, a few large supermarkets. Various formal restaurants offer traditional fare like tacos and pozole as well as exotic new arrivals like pizza and Chinese food. Meanwhile, there are a number of businesses clearly associated with the arrival of migradollars: four branches of national commercial banks, a profusion of smaller money-changers and money-transfer operations, and even a few travel agencies. Rounds observed that businesses depended on a clientele of impoverished *campesinos*, and that most goods, even bulk items beans or coffee, had to be marketed in tiny quantities. Clearly, the level of consumption is much higher among contemporary Cuatepecenos. While Rounds’ observations were probably correct at the beginning of the 1980s, the largely informal, subsistence-oriented commercial sector has evolved into something much more complex and capital-intensive and now deals with much more sophisticated consumers.

Attitudes towards commerce also reflect its increasing centrality to the municipality’s economy. Working in the commercial sector is not a measure of last resort for the desperate and the dispossessed - rather it is something that many, perhaps most, individuals aspire to. Entrepreneurs tend to describe the *campo* as

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Cuaderno Estadístico Municipal (INEGI, 2004).
something to be escaped rather than the domain of the lucky few who have been able to hold on to some land. Don Bernardo called agriculture a “lottery” and said that while it is possible to do well, many campesinos wind up in the street (Interview on June 8). Lola, who owns a hardware store with her husband Don Felipe, told me that people who do not have the means to migrate “dedicate themselves to the little there is, which is the campo, and, well, there’s not much future there” (Interview on June 15). Marisol, who was in the process of opening an event hall when I interviewed her, believed that most people who return do so intending to “enter into commerce,” by starting a business, although “there are some who come back to work for the government or just to work.” She believes that migrants prefer commerce to other sectors because it’s the most “viable” sector of the economy (Interview on July 3).

Satisfaction with the commercial economy is not restricted to wealthier entrepreneurs with formal businesses. Several butchers with stalls in the market said that they have good jobs and have no particular aspiration to change occupations (although they had supplemented their incomes with short migrations to the U.S.) Another former migrant who works as a taxi driver explained that he migrated because the alternative was work in the campo and “a campesino is paid very cheaply and can’t afford to educate the kids” (Interview on January 5). Several campesinos also spoke of agriculture as a dead-end occupation and said they were on the lookout for other opportunities. Martín told me has rented land and invested in it a number of times without success, “the harvest didn’t go well, and we lost all our money. We didn’t get anything back, pure losses. So I decided to get something else together.” Fed up with the instability of agriculture, Martín wanted to start some sort of business, which he sees as the key to prosperity, and he believed that working outside
of Cuatepec was the only way to acquire the necessary capital (Interview on June 28). Even if this is not a realistic expectation (and based on my findings in Chapter 2, his chances seem slim), the widespread aspiration to leave agriculture is important to note. In all my interviews, I only met one person who honestly aspired to become a cultivator, and even she was pessimistic about her chances.

The expansion of Cuatepec’s commercial economy seems to have given the municipality a more active economy than many sending economies that have been described in the literature. According to Delgado Wise, Marquez, and Rodriguez (2004), the historical sending region in western Mexico is marked by very low rates of labor force participation (only slightly more than half the national average), a fact they attribute both to the large portion of people living off of remittances and to the lack of opportunities that continues to push migrants out of rural parts of the state. But as Figure 2 shows, the proportion of individuals over the age of 12 in the workforce has only diminished slightly from the state average since the onset of mass migration. Meanwhile, labor force participation remains well higher than the national average of 33.5 reported by Delgado Wise, Marquez, and Rodriguez:

**Figure 5.3: Labor Force Participation in Cuatepec and Morelos**

![Figure 5.3: Labor Force Participation in Cuatepec and Morelos](image)
While this new commercial economy has doubtlessly provided opportunities for people displaced in the agrarian economy and led to significant prosperity for some, it also faces significant limitations. The most dynamic sector in Cuatepec consists mostly of family-run retail and service enterprises. This seems to have done little to drastically enrich the municipality. A review of income distribution (pictured in Table 5.1) suggests that most Cuatepeceños remain quite poor.

**Table 5.1: Income distribution in Cuatepec**

<table>
<thead>
<tr>
<th>Year</th>
<th>No income</th>
<th>1-199 pesos</th>
<th>200-499 pesos</th>
<th>500-999 pesos</th>
<th>1000-1499 pesos</th>
<th>1500-2499 pesos</th>
<th>2500+ pesos</th>
</tr>
</thead>
<tbody>
<tr>
<td>1970</td>
<td>26%</td>
<td>21%</td>
<td>40%</td>
<td>9%</td>
<td>2%</td>
<td>1%</td>
<td>&lt;1%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>No income</th>
<th>1-590 pesos</th>
<th>591-1080 pesos</th>
<th>1081-1970 pesos</th>
<th>1971-3610 pesos</th>
<th>3611-6610 pesos</th>
<th>6111-12110 pesos</th>
<th>12111-22120 pesos</th>
<th>22121+ pesos</th>
</tr>
</thead>
<tbody>
<tr>
<td>1980</td>
<td>42%</td>
<td>6%</td>
<td>7%</td>
<td>14%</td>
<td>18%</td>
<td>8%</td>
<td>4%</td>
<td>1%</td>
<td>.01%</td>
</tr>
</tbody>
</table>

From 1990, INEGI has listed incomes in terms of the local minimum wage.

<table>
<thead>
<tr>
<th>Year</th>
<th>No income</th>
<th>&gt;1</th>
<th>1-2</th>
<th>2-3</th>
<th>3-5</th>
<th>5-10</th>
<th>10+</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990</td>
<td>20%</td>
<td>15%</td>
<td>46%</td>
<td>10%</td>
<td>4%</td>
<td>2%</td>
<td>1%</td>
</tr>
<tr>
<td>2000</td>
<td>22%</td>
<td>18%</td>
<td>37%</td>
<td>10%</td>
<td>7%</td>
<td>4%</td>
<td>1%</td>
</tr>
</tbody>
</table>

The reduction in the percentage of workers receiving no wage (presumably, these are mostly people who work for family members) is certainly encouraging, but it seems to result from the declining share of the workforce dedicated to agriculture, where unpaid family labor was rampant (Alonso 1974; Lomnitz 1982). However, according to data from the last census, a not insignificant number of commercial

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22 All data from VII-XII Censo de poblacion y vivienda
23 All data come from relevant censuses. I have not controlled for inflation, which accounts for the apparent dramatic wage growth between 1970 and 1980. This table is merely intended to show the general shape of income distribution.
24 Figures for 1980 are somewhat skewed, since 19% of incomes were listed as “not specified.” Percentages in this chart are out of the remaining responses, but they are not entirely reliable.
workers receive no income as well. Meanwhile, if these data demonstrate any other
trend, it is the polarization of incomes: a minority seem to be climbing up through the
levels of income that INEGI records, while many remain mired in poverty, with no
less than 40 percent of the workforce receiving less than the minimum wage or even
no income. If migration is making Cuatepec more prosperous, the benefits of this
growth have not been widely shared. Indeed, the distribution of income is not much
different from what it was in 1970.

These findings were somewhat surprising, since the vast majority of my
informants believed that Cuatepec is becoming more prosperous. To some extent this
is a reflection of the class bias within my own sample of interviewees. Further, it may
be that incomes have actually risen over the last decade as the commercial sector has
become more lucrative – indeed, this project is somewhat disadvantaged because I
conducted it in a census year, just before more current data become available. But
there were also clues in my ethnographic work that economic development has been
less comprehensive than it initially appeared to be. References to more luxurious
houses, improved public infrastructure like streets and squares, and the expanding
market were fairly common, but all of these are indicators of greater wealth of
particular households, not necessarily of increasing economic activity within the
community itself. Meanwhile, most former migrants cited the difficulty of finding a
job in Cuatepec as the main reason for leaving, and even several business owners,
such as Don Felipe and Jorge Zavala, noted that work was hard to find. It may be that
stresses in the campo have balanced out much of the growth in the community’s
urban economy. Indeed, this combination of rising wealth and stagnant productivity
and employment are the hallmarks of the “migrant syndrome.” While I believe the
dynamism of the commercial sector renders that model unsatisfactory, some of the problems it predicts are present in Cuatepec.

While it is undeniable that there has been economic development, insofar as we understand development as structural change, as well as a great deal of entrepreneurship by both migrants and non-migrants, many Cuatepecenos remain very poor. It is worth asking how generalized prosperity can be in an economy that depends largely on the circulation of externally manufactured goods. The major constraint on prosperity in Cuatepec is not willingness to invest – Cuatepecenos have been quite entrepreneurial in certain sectors. The problem is that the enterprises they have created have not been productive in any meaningful sense, so little wealth is created and little is shared. There are probably a number of reasons for this trend, not least of which are high capital costs for creating manufacturing ventures or commercial agriculture. But at some level, Cuatepecenos have invested in commerce because migration creates the most demand in that sector.

5.3 A new source of demand

There are many ways to account for Cuatepec’s transition from an agrarian economy to an urban one, dependent increasingly on the “tertiary sector” of services and commerce. The decline of agriculture was obviously quite important. Most analysts in the 1970s and 1980s seemed to assume that capital-intensive cash-crop cultivation would remain a critical component of the region’s economy, but the embrace of neoliberal policies and the subsequent elimination of old corporatist support systems for certain crops has wreaked havoc on Mexican farmers, who tend to face enormous instability in a globalized market (Jaffee 2007). Indeed, the most common complaint I heard from agricultural workers was that prices of their main
goods fluctuated so much that investments often came to naught. In fact the system in which a particular sugar mill (or other agribusiness) both finances *campesinos* and acts as their sole consumer, which was once viewed as particularly exploitative (Alonso 1974; Rounds 1980), and even inspired neo-Zapatista revolts (Padilla 2008), is now seen as an ideal situation, since prices are at least predictable. But this merely explains the transition away from agriculture – it does not tell us why commerce would become increasingly lucrative. I argue that the emergence of a robust consumer culture, which accompanied the growing prevalence of labor migration, was essential for the growth of a relatively capital-intensive commercial sector.

Certainly many of my informants believed that migration was responsible for the expansion of commerce. Many believe that migrants have a propensity to invest their earnings in new businesses, but as I argued in Chapter 3, there is substantial reason to question whether migrants are any more likely to become entrepreneurs. There is a more plausible pathway through which migration might operate: several business people told me that migrants are critical for generating the demand that sustains commerce. Jorge Zavala, who has a store dealing in brand-name clothing in the center of the *cabecera*, explained the importance of migrants to the community:

> Cuatpec is one of the municipalities that receives the most money from the United States, from its migrants, and if there’s money here, it’s because there is a sort of wheel of fortune. Say you buy something in the market: you buy shoes or clothes, well, then you leave money here, no? And there is going to be money here, and you can see it everywhere, even in the way houses look...and I’ll tell you, that money [from migrants] moves everything...the economy here in Cuatpec is ruled by three things: the *campo*, industry, and the remittances that families receive from their *paisanos* in the United States (Interview on June 14, 2010).

It is important to note that Zavala used the common three-category taxonomy to describe the local economy, but that he replaced the commercial-service (some
might say tertiary) sector with remittances, emphasizing that this sector is buoyed by
the constant inflow of money from the U.S. Don Bernardo, one of the earliest
migrants from Cuatepec described a similar process and used a surprising analogy:

**Don Bernardo:** Not all the money here comes from the United States, because some of the people who stayed knew how to take advantage of the boom that occurred [when people sent money home]. So they started businesses and everything, and so there’s been a lot of progress. It’s like Las Vegas – Las Vegas wasn’t always what it is, it was just desert until someone started a bar. Do you know what the first thing in Las Vegas was?

R: No, I know nothing about the history of Las Vegas

DB: Dams, it was just dams. But then someone built a bar and brought out some girls, and made a profit off what was being earned [by those building the dams]. That’s how Cuatepec was, the people who stayed took advantage of that boom that came from the people in the U.S. by starting stores, industries everything (Interview on June 13, 2010).

This is a fascinating perspective regardless of the accuracy of Don Bernardo’s understanding of Nevadan history. Because Cuatepec is a major sending community it resembles a town that has grown up around an infrastructural project or a transport hub – businesses can prosper because there is a captive clientele spending its money in a particular place. Migration is not conceived of as a source of entrepreneurship or investment, as is typical of the academics who believe that migration can lead to development (Massey et al. 1987; Taylor 1992; Durand, Parrado, and Massey 1996). Instead, the connection with the United States, and especially the flow of migradollars is conceived of as a resource that can be exploited by savvy entrepreneurs. Bernardo’s analysis reflects both the extent of the perceived change in Cuatepec’s economy and the degree to which it is attributed to migration.

While perceptions of the impact of migration are highly suggestive and should not be dismissed, there is some harder evidence that migration is strongly connected
to the ongoing economic transformation. The sub-sectors of the economy with the most obvious connection to migration are some of the fastest growing. Essentially all my informants concurred that the typical first step for migrants returning from the U.S. is to buy some land and build a house. Several informants noted that style of home construction was changing, and that new houses were architecturally similar to American buildings and generally contained more rooms than older homes. Others note that typical construction materials like adobe, cardboard, wood, and reeds were all giving way to cement. Meliton, who was deported before he could save much money in the U.S., emphasized the extent of his misfortune by pointing out that he could not even build a house (interview on June 10, 2010).

All indicators suggest that Cuatepec is experiencing a housing boom. As was discussed earlier, the municipal government has noted the pace of urban growth, and has circulated concerns about its environmental impact as well as the increasing proximity between new neighborhoods and the small but noisy and pollution-producing plaster-processing plants outside the town (Ordenamiento ecológico IV-6,7) As Figure 1 showed, the share of the workforce employed in construction has exploded – since 1960 the number of people employed in construction has increased twenty fold. As Figure 5.4 unsurprisingly demonstrates, the average number of inhabitants per household has declined steadily since migration began accelerating in the 1980s. This occurred despite continued population growth, which indicates that a substantial amount of new housing must have been constructed in the last two decades.
It is not just those employed directly in construction who enjoy the effects of this boom. The owner of one well-outfitted hardware and home furnishings store told me that effectively all of his business is with migrants who want to build new homes or make their existing ones “more luxurious” (Interview on January 6, 2011). Employment has also risen in industry (albeit more slowly than in commerce, services or construction), which in Cuatepec largely consists of plaster factories, which are largely small-scale, capital-poor operation processing raw materials mined just over the state line in Puebla. These factories largely supply the construction industry (Cortés Palma 2010, p. 103), so they presumably also feel the multiplier effect of the migrant-driven housing boom. Further there are other businesses that depend largely on migration, from money-transfer offices to casetas telefónicas that allow people to make long-distance calls to their relatives abroad. The owner of a small travel agency explained that most of her livelihood comes from acquiring tourist visas and making travel arrangements for people going to visit their family in the United States (interview on July 3, 2010). According to the manager of a Chinese restaurant, many of the new, more exotic restaurants in town are largely owned and
operated by former migrants who had experience cooking those cuisines in the U.S. (Interview on June 14, 2010), and I was told that they are mostly patronized by former migrants who had developed a taste for foreign fare (Interview June 13, 2010; Interview January 4, 2011).

Agricultural economists Alain de Janry and Carlos Garramón (2000[1977]) have argued that rural economies often remain impoverished because they are “disarticulated,” that is to say, many workers have one foot in the cash economy and one in the subsistence sector. Peasants often grow small amounts of food to supplement meager pay (or perform small amounts of wage work to supplement meager crop yields), a practice that, while often necessary, keeps down wages and stunts the growth of internal markets in agrarian societies, thereby impeding self-reinforcing economic growth. Rounds’ (1980) picture of the threadbare market in the late 1970s suggests that this process was occurring in Morelos. The inflow of migradollars, then, seems to have created more effective demand, bolstering previously constrained sectors, and helping Cuatepec to escape this trap.

Sociologists and economists studying Mexican migration have hunted high and low for evidence that migradollars are being invested productively (Mines and De Janvry 1982; Massey et al. 1987; Taylor 1992; Massey and Parrado 1998; Cohen 2005). But my research suggests that migradollars primarily augment consumption, a finding that is consistent with some economic research focusing on the multiplier effects of remittances (Durand, Parrado, and Massey 1996; Vazquez-Alvarado and Barboza-Carrasco 2008) and Woodruff and Zenteno’s (2008) argument that connections to migrant networks increase businesses’ ratios of output to capital. But I would take this process a step further – except in industries related to construction, I
saw little evidence that migration was raising levels of production at the local level, as many argue (Taylor and Dyer 2009). Instead, the new urbanizing economy in Cuatepec supports a large number brokers and vendors. One vegetable seller told me that many crops sold in the market are not necessarily grown locally, but are acquired by vendors at the regional *central de abastos*, so that the effects of higher consumption are spread out over a large area (Interview on June 11). Meanwhile, many of the manufactured goods in the market are globally-traded commodities such as brand name clothes and consumer electronics that likely as not come from Central America or Asia.

So, while many theorists were right to note that migradollars continue to accumulate outside migrant communities (Reichert 1980; Durand, et al. 1996, p. 440), they may first pass through many hands and generate some new employment. We should not forget that some of the sub-sectors with the tightest links to migration are services like construction that are inherently local. Moreover, the concentration of demand in Cuatepec increases the viability of businesses that rely on the local market, encouraging greater investment by those with access to some capital, who are not necessarily migrants themselves. So far, however, migration seems to encourage investment in the organization of consumption rather than in productive enterprises.

### 5.4 A new place in the world

It would be ludicrous to suggest that economic globalization is an entirely new phenomenon in the *Morelense* countryside. This area has been integrated into the world market as a vast sugar plantation for nearly half a millennium. But the new mode of globalization (that is, integration into a global labor market) has new implications. For centuries, the economy of Morelos was characterized by metropolis-
satellite structure identified by the Dependency Theorists (e.g. Gunder Frank 1966).

As I argued at the beginning of this chapter, the investments that were made in Morelos ensured that the countryside would reliably provision primary commodities at a low cost. This system produced some productive and profitable agriculture, but it also led to the increasing marginalization of the rural poor, the primacy of a few major cities, and the underdevelopment of many smaller towns. Globalization and specialization are not new - what is changing is Cuatepec’s particular role in the world. Today, the wages that a substantial part of the community’s population earns in the U.S. labor market energizes the commercial, service, and housing sectors. Ironically enough, some of the people uprooted by this system in the mid-twentieth century contributed to the creation of a new economy by migrating to the United States. Migrants’ wages support this edifice, so the survival of transnational ties to American employers are critical for the vitality of the economy.

To understand Cuatepec’s changing role in world, it is useful to adopt Saskia Sassen’s (1988; 2000) model of the contemporary global economy as a network of increasingly specialized cities. Broadly speaking, Sassen argues that the integration of financial markets has liberated capital to spatially reorganize global production, transforming some cities into centers of management, highly-specialized services, and finance, moving production from the old industrial centers from the Fordist era to export-processing zones in the cities of poorer countries. This process is believed to promote migration in two distinct ways. Capital penetration “mobilizes” new populations, especially women, by replacing labor-intensive traditional agriculture with capital-intensive export-oriented agribusiness (thus driving people out of old subsistence occupations) and by creating new opportunities for wage work.
Meanwhile, the swelling service sectors of the new “global cities” create large numbers of low-wage, low-status jobs that citizens of industrialized nations are reluctant to accept. Thus workers are drawn into a network of global cities, entering in the new productive centers in the “global south,” but often circulating to the core of the world economy.

Sassen does not devote a great deal of attention to migrants’ points of origin except insofar as they are becoming industrialized, but I believe that sending communities can act as another node in the matrix she has described. The theory of “transnational” migration illuminates how places like Cuatepec can be linked to such a system. Since the early 1990s, sociologists of migration have noted that migrants continue to maintain social, cultural, political, and economic ties with their communities of origin, that increasing numbers of people “literally live their lives across borders” (Glick Schiller 1999, p. 96). The “discovery” of transnationalism has helped illuminate the ways in which connections with receiving countries (namely the U.S.) alter the economies of sending communities. Few migrants from Cuatepec could actually be said to be living a “transnational” lifestyle. While many return for the annual feria, most settle on one side of the border or the other. There are no institutions like those described by Smith (2006) or Basch, Glick Schiller, and Szanton-Blanc (1992), that allow absent citizens to participate directly in the political and economic life of the community. But migrants are in touch with friends and relative back home, and certain transnational flows (namely that of money) are critical.

To get a sense of how the theory of transnationalism can inform Sassen’s model of the network of global cities, we can consider the kinds of firms that
migration has encouraged. In a major study of transnational entrepreneurship, Portes, Haller, and Guarnizo (2002) found that many firms both depend upon and help to institutionalize the transnational ties between sending and receiving communities. They identified three ideal types of transnational firm: “circuit firms,” which keep transmigrant communities connected to their home countries (examples might include Salvadoran courier services or Filipino labor-recruiting agencies), “ethnic enterprises,” which market goods and services characteristic of home to the diaspora, and “return migrant enterprises,” which returning migrants finance with wage labor in another country. Based on my observations in Cuatepec, I might add a fourth kind of firm that relies on transnational flows: businesses that capitalize on the return of migradollars, either as remittances or in the pockets of returning migrants. In some respects, these enterprises are the mirror-image of ethnic enterprises in that they frequently offer products that people become accustomed to in the United States, from chow mein to Aeropostale brand jeans to houses of a particular style of construction. The existence of such firms show how sending communities can become linked to the economies of receiving countries. The emergence of economic activity reliant on the continued circulation of migrants between Cuatepec and the United States could be regarded as a particular form of transnationalism that deepens the community’s integration in the global economy. Cuatepec specializes in the reproduction of labor and has simultaneously become a new domain of consumer culture. In many respects, it is a new working-class suburb.

The government is also increasingly bound up in a transnational project. Many social theorists have noted that cities are increasingly obligated to act on their own behalf as the primary subjects of a global political economy (Harvey 1989; Sassen
The government of Cuatepec has followed in the footsteps of many governments throughout Mexico (Delgado-Wise, Covarrubias, and Rodriguez 2004; Smith 2006; Fitzgerald 2009) and national governments all over the world (Basch, Glick Schiller, and Szanton-Blanc 1994), and has begun to look to its migrants as a source of support. Inez, who was part of the municipal administration until the last election, explained that she had been fostering connections with a recently-formed hometown association for Cuatepeceños in Minneapolis. This group has financed beds and an ambulance for the local hospital as well as a “casa del día” for seniors, which, according to my informant, was never actually completed (Interview on June 14, 2010).

Meanwhile, the municipal government has a department of exterior relations that provides a battery of services to migrants’ households. Jorge Zavala, who worked in the department in a previous administration, explained that much of his work revolved around keeping Cuatepeceños abroad in contact with their relatives in the community, often by locating individuals who had gone missing in the United States. Further, when Cuatepeceños die abroad, the municipality takes responsibility for bringing their remains home (Interview on June 14, 2010). The municipal government even helps more of its citizens migrate: I interviewed one of my subjects in the waiting room at the Department of Exterior Relations, where he had come in the hopes of applying for a guest worker visa to go to Canada (interview on June 28, 2010). Clearly, the government is attempting to manage and preserve the transnational ties that are so important to its economy by working to maintain social bonds between migrants and their families. Moreover, the provision of many of these services could be said to lower the “social cost” of migrating, since the department
works to ensure that migrants will not become isolated from their families, even in
death. And while the municipal government’s transnational projects rely on
institutions created by the national government, such as the migrant-support network
in Mexican consulates in the U.S. (Fitzgerald 2009), the extension of the scope of this
local government’s jurisdiction is remarkable.

The question of who can best represent the interests of Cuatépeceños abroad is
becoming a field of political contention. Jorge Zavala suggests that incumbent
government mishandled the funding for the senior center, and while he did not
directly accuse municipal officials of any misdeed, he said that “now only they know”
what happened to the money (interview on June 14, 2010). Inez, who is now working
with the Minneapolis HTA on behalf of an independent civic association, claims that
migrants are happy with the arrangement. Meanwhile, the current municipal director
of exterior relations, who did not want me to record our conversation, dismissed this
group and said that migrants were happier to work with him. The existence of this
sort of tension is not a novel observation, and these are minor issues compared with
the explosive conflicts that have emerged elsewhere over who has the right to speak
for emigrants (see Smith 2006 for more dramatic examples), but it is worth noting
that local politics have responded to the increasing transnationalization of Cuatépec’s
economy.

The partial detachment of Cuatépec from the regional economy and the rise of
its migratory flow have allowed a new class to emerge. Some have argued that
migration can undermine old hierarchies in rural Mexico and create a new elite (Jones
1992; Smith 2006). But while previous analysts have largely argued that migrants and
their families are the primary beneficiaries of the flow of migradollars, I would argue
that migration in Cuatepec has helped create a class of formal, small-scale entrepreneurs, who may or may not be migrants themselves. These merchants would be unable to flourish outside the large cities if people employed in the U.S. did not generate a higher level of demand by spending their wages in Cuatepec. If one adopts Immanuel Wallerstein’s model of class, where a class is defined by its niche within a global system of exchange rather than its role in the productive process (1974, p. 253), this new class differs dramatically from traditional elites in Morelos. While the old elite depended on the export of agricultural products in exchange for manufactured goods, the new entrepreneurs depend on their clients’ direct linkages to the U.S. labor market. Robert Smith referred to a “remittance bourgeoisie” (2006, p. 50), but I contend that this class exists in a much more literal sense than he meant it.

I believe that my analysis of the effects of Cuatepec’s integration into the U.S. labor market calls for some reconsideration of world systems theory’s account of international migratory patterns. Typically, such models emphasize how transnational capital flows “mobilize” populations and draw them into global labor markets (Portes and Walton 1981; Sassen 1988). Certainly we should not understate the importance of capital flows in the Morelense case – the mode of agricultural production that was instituted in Morelos and the instability of markets for agriculture commodities appear to be significant “push” factors, and the attraction of the North American service sector is undeniable. But at the same time we must note that the movement of labor and the flow of wages, not capital, have taken a preeminent role in shaping the ways in which contemporary Cuatepec is integrated into the global economy. Cuatepec is linked to a global system of cities, but the principal linkage is not management, investment, or trade: it is migration, and all its attendant social,
economic, and political ties. Migrants have substantial agency, and they do not use it to resist the encroaching influence of global capitalism, as some have suggested (see Draineville 1994; Gutiérrez 1999; Hardt and Negri 2000). At least in this area, they have had a major role creating a new capitalist economy.
Conclusion: Beyond Migration?

Let us return to the question initially posed in the introduction: what has been the effect of migration on Cuatepec’s economy? In light of the major debate over the role of migration in Mexican communities, we might reframe this question as one of whether migration has led to dependency or development. Having examined patterns of economic change in Cuatepec, I argue that it leads to both. The mechanism that was believed to create dependency – the use of migradollars for immediate consumption rather than investment - seems to have had a positive effect on certain sectors of the local economy. But before proceeding any further, I want to clarify that my arguments about the structure of this particular economy cannot necessarily be generalized to other communities. Chapters 4 and 5 of this thesis address the ways in which the mode of departure of the pioneer migrants from Cuatepec and the economic history of Morelos were instrumental in shaping the relationship between the migratory flow and economic development. In a context where the growth of the informal commercial sector had not been encouraged by rural unemployment, or where more of the original migrants had been agricultural workers, migration might not have contributed to urbanization and the growth of the commercial economy. The importance of the historical, social, and economic context of migration in determining its effects make it quite difficult to present any kind of comprehensive theory.

Although Cuatepeceño migrants and their households do not appear to be any more likely to become entrepreneurs than are non-migrants, the wages that they spend in the community have helped to expand and formalize the commercial sector, which has served for many as a viable alternative to increasingly precarious agricultural
work. But there are two important caveats. The absence of new productive enterprises in the municipality has limited the degree to which the benefits of development have been shared. Additionally, the centrality of migradollar-augmented demand means that Cuatepec remains dependent on the continued migration of its citizens. Here we can see a major distinction between the models that argue that migradollars function as investment and those that examine their contribution to demand and multiplier effects: if migradollars are invested, they continue to have an effect if migration declines. But if migration creates current demand, then any resultant prosperity is contingent on further emigration as long as there is little investment in local production, as is the case in this municipality. Meanwhile, the fact that more and more Cuatepeceños make their living by selling goods produced outside the community to one another instead of growing crops necessarily makes the community less autonomous. But while this form of dependency presents significant problems that I will address below, there may be developmental potential embedded within it.

J. Edward Taylor, a leading figure in the New Economics of Labor Migration, is skeptical of the contention that dependency and development are at odds:

"The use of this criterion [dependency] in migration studies is peculiar; we do not ask the same question when assessing economic welfare in developed country communities (e.g., American suburbs) whose economic mainstay is supplying labor to outside markets (e.g., urban centers). Nor do we ask whether other kinds of exports enable countries or regions to wean themselves from trade. In an era of increasing market integration, both within and among countries, such questions, indeed, would appear strange (1999, p. 65)."

Taylor raises an interesting question. Why would dependency be a problem? Below I will consider the central assumptions of Dependency Theory to examine why dependency might be a problem and to think about how it might actually be
consistent with development. But first, I want to survey the particular problems that emerge in economies dependent on labor migration.

**Instability in Migrant Economies**

I have argued that migration had led to economic development, albeit in a limited form. But this new economy is tremendously precarious, and diversification seems essential to long-term prosperity. While Taylor’s comparison between American suburbs and Mexican sending communities is an apt one for the moment, the relationship between sending and receiving societies is a dynamic one. While the suburbs are not drifting away from urban cores, the linkages between migrant-sending communities and migrants’ destinations may erode, or at least change in ways that diminish the repatriation of wages. Massey and his coauthors have noted that migratory patterns pass through various stages as social capital accumulates in sending communities and reduces the “cost” of migrating. Eventually, communities arrive at a point of “maturity” when everyone who wants to migrate has the opportunity to do so, and rates of departure level off and then decline (Massey et al. 1987; Massey, Goldring, and Durand 1994). Moreover, after a time many migrants settle permanently in the United States, and their connections with their communities of origin can begin to fray. Robert Smith noted that while second-generation Mexican migrants in New York continued to identify with their parents’ hometown, they tended to be less directly involved in transnational politics. He predicts that this process of detachment will continue into the third generation (2006, p. 284). The maturation of migrants networks could pose a major long-term problem for the commercial sector that depends on transnational flows between Cuatepec and its migrants.
Immigration policy in the United States could easily exacerbate the problems posed by the internal dynamics of migratory flows. The militarization of the border has had limited success in discouraging new migrants, but it has certainly encouraged Mexican in the U.S. illegally to settle permanently, since crossing back and forth is becoming an increasingly costly and dangerous proposition (Massey, Durand, and Malone 2002). Moreover, the 1986 Immigration Reform and Control Act that initiated the current period of ever-more restrictive border control policies also included an amnesty provision and a path to citizenship for the millions of undocumented immigrants in the U.S. at the time of its passage (Massey, Durand, and Malone 2002). Consequently, permanent settlement and citizenship became the only legitimate pathway for migrants. Jones, who was once quite enthusiastic about the potential of migraisdollars to reduce inequality and generate prosperity (1992), analyzed how investment and consumption patterns had changed in rural Zacatecas during the 1990s, and concluded that border policies had done substantial damage to village economies. Jones identified decreasing investment in agriculture as the main effect of involuntary migration permanence (2009), so it is entirely possible that increasing restrictions could do even more damage in Cuatepec, where consumption depends on migration.

Meanwhile the old adage “when America sneezes, Mexico gets pneumonia” might be even more apt for the nation’s migrant communities. The importance of wages earned in the U.S. makes places like Cuatepec particularly vulnerable to economic shocks. A recent study in the Yucatan peninsula revealed that the recent recession in the U.S and resultant unemployment among Mexican migrants was a major blow to sending communities, as remittances have dried up even as very few
migrants have elected to return. Consequently, many households have lost their primary bread-winner and have resorted to selling off assets, going into debt, entering the informal economy, and changing their diets (Aguilar et al. 2010). Indeed, a number of the vendors and business owners told me that the economic crisis had cut fairly deeply into their bottom lines. It would be naive to assume that any economy could escape the recent global financial crisis, but integration into U.S. labor markets surely makes sending communities especially vulnerable to volatility in the American labor market.

My focus is not the personal traumas that households undergo when they rely on migrants, but they deserve serious consideration. A program of economic development that requires the long-term separation of families and foot-crossings of the Sonoran desert presents substantial problems. In Chapter 3, I rejected issues of deviance as the principal explanatory factors of returning migrants’ success or failure, but the narratives of alienation and social pathologies afflicting isolated Cuatepeceños in American cities should not be dismissed, nor should the strain placed on families. Pablo, a returned migrant theorized that “migration has been a fundamental part of the disintegration of the family, since the father is no longer helping to raise the children. And this isn’t just at the level of the community, but at the level of the country” (Interview on June 15, 2010). This sentiment was hardly uncommon. So while the overall effects of migration on households, mental health, and public order in sending communities are outside the scope of this thesis, they are critical factors to consider.

Migration and Dependent Development

Issues of social and economic instability were not principal problems identified by the social scientists who became concerned about the impact of
migration in the early 1980s. Instead, they were thinking about the accumulation of capital. They worried that while money flowed into sending communities, it was spent on immediate consumption without producing any appreciable accumulation. A number of sociologists observed that since migrants tended to purchase luxury goods, their earnings accumulated in the pockets of entrepreneurs in larger cities, without creating new opportunities in their home communities. Moreover the comparable prosperity of migrants meant that people with the resources to migrate began to disinvest from the local economy and concentrate on migrating as well. So while migrants raised their standard of living, these theorists argued, the institutionalization of migration reduced economic activity, deepened the poverty of non-migrants by depriving them of opportunities to work at home, and ultimately contributed to rural underdevelopment (Reichert 1981; Mines and de Janvry 1982; Kearney 1986).

Not coincidentally, the “migrant syndrome” (to borrow Reichert’s term) reflects certain characteristics of the model of underdevelopment on the global “periphery” proposed by Dependency and World Systems Theorists. The supposed reinforcement of poverty through integration into the American labor market mirrored dependencista arguments that rural poverty in Latin America was “developed” through participation in global markets as a supplier of primary commodities (e.g. Gunder Frank 1969). Dependencistas worried that export-oriented economies which relied substantially on foreign capital would fail to result in much, if any, capital accumulation at the local level. It may seem counterintuitive to say that a school of

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25 Later sociologists and economists have largely challenged this view by arguing that migradollars are in fact invested or pointing out that the simple circulation of more cash has an important effect on economic growth (although, like Durand, Parrado, and Massey[1996], they tend to acknowledge that migradollars do the most for capitalists in Mexican cities). But there is another possible argument that is rarely made explicit – migrants certainly do contribute to the accumulation of social capital that makes it easier for their paisanos to migrate as well. Opportunities are created, just not in Mexico.
thought that posits foreign investment as an obstacle to development views the absence of capital accumulation as a problem. But in Dependency Theory it matters enormously where capital accumulates, and investments in Latin America, even in an industrial infrastructure, largely served to channel surplus to the City of London or Wall Street, without doing much to create new opportunities, raise the level of general prosperity, or give locals any agency in their own development trajectories. Some dependencistas bestowed the title comprador bourgeoisie on the urban elite of Latin America, due to their apparent role as brokers who did little to build up the productive capacity of their own countries (Amin 1976, p. 296). One of the more pessimistic students of migration might apply the same term to the new class of returned migrants who apparently spent their money on the acquisition of status goods rather than productive investments.

While I have argued that migrants do not necessarily become entrepreneurs and that the institutionalization of migration leads to little in the way of productive investment, I believe that the model of dependency is not entirely accurate. First, the impediments to prosperity in Morelos’s agricultural economy go far beyond a lack of reinvestment on the part of locals. Meanwhile, we should not ignore the form of development that has occurred in Cuatepec, even if it has been limited in scope. In fact, the problems in the model of the “migrant syndrome” reflect some of the flaws of classic Dependency Theory: a devaluation of dynamism within dependent countries and the assumption that dependency is a permanent condition. But simultaneously, the limitations of migration-led development and the ways in which sending communities have tried to overcome them also correspond to the ways in
which certain students of dependency have attempted to update their models to explain a process known as “dependent development.”

Dependency Theory lost most of its currency with the collapse of import substitution regimes in the 1980s, but in many respects it had already been weakened from within. In a critique of Gunder Frank, Fernando Cardoso once noted that “it is possible to expect development and dependency,” and pointed out that foreign capital was helping to create a sizable industrial base and internal market in Brazil, even if these were restricted to a limited sphere that continued to treat the rural areas of the country like a colonial hinterland (2000[1972], p. 177). Evans (1979) broadened and deepened Cardoso’s model of “dependent development,” by demonstrating that industrialization and economic development in Brazil were not merely a consequence of the penetration of foreign capital or the orderly operation of the free market. Evans showed how much of the “Brazilian miracle” resulted from the close collaboration between multinational corporations and local capitalists who had developed a “comparative advantage” in certain domestically-oriented industries. These alliances were mediated by the state, which engaged in aggressive mercantilist policies and often prodded foreign investors to form partnerships with domestic capitalists despite its free-market ideology. Evans’s insights proved remarkably useful as more and more states abandoned their attempts to develop through withdrawal from global markets in favor of neoliberal strategies. Sociological studies of development have questioned whether apparent neoliberal success stories (such as Chile and the so-called “Asian tigers”) really relied on open markets and the logic of comparative advantage. There is substantial evidence that instead of simply allowing free markets to run their course, many supposedly orthodox governments have actually created
new economic actors (namely industrial capitalists without ties to old landed
oligarchies) and nurtured them to maturity with limited protectionism and other forms
of support (Evans 1987, Portes 1999).

But what could this possibly have to do with economic development and
migration in rural Mexico? In simplistic terms, migratory flows represent linkages
with global markets (in particular an increasingly globalized labor market). Those
who regard markets as a force for good (like Taylor and his colleagues in the New
Economics of Labor Migration) are sanguine about the impact of migration, while
those who are convinced by the dependency model and regard markets with suspicion
are generally more skeptical of the prospects for migration-led development. My own
view, which I believe is increasingly difficult to escape, is that markets are simply
inevitable. Isolation from the global economy is neither possible, nor in light of the
experience of, for instance, Cuba in the 1990s, particularly desirable. Migration, like
any other form of economic globalization presents a number of dangers, but it has
also mobilized substantial resources: rising levels of wealth and consumption, as well
as a dynamic class of entrepreneurs who have arisen to exploit the migratory flow.

The key lesson of the model of dependent development is that states can do a great
deal to encourage dominant classes that perpetuate dependency and contribute little to
economic development to become more dynamic, productive capitalists. With some
judicious intervention, the “remittance bourgeoisie” could be mobilized to contribute
more to the general prosperity of Cuatepec, and perhaps other migrant communities.

Towards A New Migration Policy

What, then, can sending communities do to move beyond economies of labor
export? Mexico’s attempts to control emigration in the early twentieth century failed
spectacularly, as did its attempts to channel migrants into special enclaves of skilled workers (Fitzgerald 2009), demonstrating that migration policy needs to conform to the internal logic of migratory flows, rather than seeking to alter them wholesale. Some are convinced that states are incapable of acting this way. A recent report on the potential developmental impact of remittances published by the Inter-American Development Bank asserts that the primary responsibility of sending state governments is to “do no harm,” worrying that any intervention will consist of regressive taxation of remittance flows. The principal role of the state is therefore to facilitate “financial democracy” by creating a stable environment in which financial institutions, namely multinational banking conglomerates, can operate (Orozco and Wilson 2005). Their assumption is that the ability to save extra income and borrow easily will be a path to prosperity for remittance-receiving households. Judging by the presence of major commercial banks in Cuatepec, the process of “financial democracy” is well advanced.

But while this process may have eased constraints on savings, the observations I presented in Chapter 3 suggest that the formal banking sector does little to promote investment within Cuatepec itself. Moreover, as Orozco and Wilson note, the propensity of poor people to invest depends enormously on the institutional environment in which they operate. They are referring to the need for stronger financial institutions, but one might also note that would-be investors require something in which to invest. In an economy in which higher investment in agriculture has historically resulted in lower employment (Rounds 1980; Lomnitz 1982) and the most dynamic enterprises are family-owned retail and service enterprises, interventions may be necessary to actually make investment productive.
Indeed, in contrast to the pessimism of the IDB, there have been several promising initiatives demonstrating ways in which states and partner organizations in civil society can productively structure the use of remittances without resorting to the coercive policies that Orozco and Wilson fear (2005, p. 391). The most famous of these projects is doubtlessly the Tres por uno program, which mobilizes hometown associations (or HTAs) to contribute to development projects in their home communities. In Tres por uno, municipal, state, and federal authorities each match funds that HTAs contribute for public works projects. In the state of Zacatecas, where the program began without the participation of the federal government as Dos por uno in 1992, migrants have helped fund projects in 51 of 57 municipalities (Delgado Wise, Marquez, and Rodriguez 2004), and by 2005 the program was providing roughly $80 million annually for projects throughout Mexico (Fitzgerald 2009, p. 59). Migrants’ ability to assert control of how such funds are spent gives them substantial voice in local politics and has in some cases created a challenge to entrenched political machines (Smith 2006). Tres Por Uno funds generally take the form of investments in public services, such as running water (Smith 2006), or in the case of Cuatepec, new beds for the local hospital and a (so-far incomplete) senior center.

While the public goods funded by HTAs doubtlessly improve welfare, one might reasonably ask whether they do much for self-sustaining economic growth. Delgado Wise, Marquez, and Rodriguez conclude that such contributions do little to reverse the economic stagnation that has driven more migrants out of Zacatecas than any other Mexican state. They argue that in light of the entrepreneurialism demonstrated by many returned migrants and their willingness to participate in cooperative development projects, the state should attempt to facilitate direct
collective investments in productive enterprises in sending regions through the creation of credit unions or other instruments (2004). In this case, theory seems to have been outpaced by practice: Zarate Hoyos (2005) reports that in the state of Guanajuato, collective remittances channeled through the *Mi Casa* program have funded the construction of 12 *maquiladoras* employing 500 people, with more plants under construction. Such projects seem promising, but they are constrained by both pervasive (and, generally speaking, justified) distrust of government-run institutions and their administrators, as well as various difficulties in sending money from the U.S. to Mexico (Zarate Hoyos 2005).

Such policies are reflective of strategies that states have used to move from dependency to dependent development and then on to autonomy (though not autarky). In migrant communities in Mexico, as in Brazil, Chile, or South Korea (albeit in a much more limited form), the state has attempted to nurture a domestic class of entrepreneurs that initially appeared at the margins of global exchanges, and encouraged that class to invest locally. These projects could draw several important lessons from the path of economic development in Cuatpepec. Generally, migrants (or their remittance-receiving relatives) have been imagined as incipient capitalists who should be encouraged to invest locally. This is occasionally, but not universally, true – indeed, as the embodiment of labor selling itself on a global market, migrants are in some respects the commodity being traded rather than the merchants at the margins of this trade. Therefore, attempts at promoting local investment should not only seek the participation of migrants and their households, but also all of the non-migrant entrepreneurs who depend upon migratory flows. Further, any form of domestic production should be tailored to the kind of demand that migrants create. In light of
the ongoing boom in housing, expansion of the local production of construction materials seems sensible, but since migrants purchase a wide variety of consumer goods, possibilities are extensive. Another possibility is to expand the forms of transnational economic activity. Towards the end of Chapter 3, I discussed the plan of one former migrant to market locally grown crops to ethnic groceries run by Cuatepeceños in the United States. Portes, Haller, and Guarnizo (2002) have noted that immigrants’ demand for products characteristic of their home countries creates a niche for transnationally-operated ethnic enterprises. Cuatepec could attempt to capitalize on this tendency by furnishing “typically” Cuatepeceño products to its absent children in North American cities. One can imagine a transnational supply chain embedded within a transnational migrant community.

Although the economic benefits of migration are vulnerable to changing migratory dynamics, repressive border policy in the U.S., and structural constraints on economic development in Mexican communities, it is evident that migratory flows between the U.S. and Mexico have been a transformative influence in places like Cuatepec. While this thesis is not meant to be a policy paper, I hope that I have shown than there are prospects for capitalizing on migration to initiate a process of durable dependent development in rural Mexico. Whether this is accomplished will depend upon the adaptability of the Mexican state and the mobilization of migrants and their dependents. Meanwhile, the best we can do in the United States to promote a positive outcome is to avoid crushing the migratory flows that have become a lifeline for Cuatepec and a thousand other communities.

The struggles of would-be migrant entrepreneurs in Cuatepec illustrates the need for new institutions to facilitate investment in the local economy. When I spoke
to Adela in the foyer of the *presidencia municipal*, she told me how her family’s life had changed since her husband had gone to the U.S.: “economically, we’re doing a bit better, but emotionally it’s very bad. My son is doing below average in school, and my daughter has been rebellious since her father left.” Adela and her husband are planning to invest in the cultivation of sugar when he returns, since the price for that crop is relatively stable. But this is not the first time Adela’s husband has had to migrate - several years ago he did so to pay off a debt incurred by a trucking business that he has since given up on – and she worries that the same thing will happen again. She is frustrated with the types of support the government offers growers: she says that subsidies for seeds are available, but the state could make more of a difference by working to “coordinate and commercialize” production, helping *campesinos* to make the most of their land and find a buyer. Jaime, the prospective transnational entrepreneur who wants to market traditional crops to Mexican communities in the U.S., had similar complaints, unfavorably contrasting Mexico’s treatment of its farmers with America’s. But he was sanguine about recent bad harvests in Florida, believing that they demonstrated that there was room for Cuatepeceño producers in the U.S. market. “I can see that people here in the *campo* know how to produce very well. And this gives me courage to take my products out to find a better price. And I don’t just want to do this just for me...I’m searching for a new market, and we’re going to start with Mexican products” (Interview on June 19). Jaime hopes that by building up this business, he can go back and live in the United States in order to spend more time with his children, who live with his ex-wife.

These Cuatepeceños are demonstrating noteworthy entrepreneurial drive, but their plans often hinge on risky schemes with little institutional support. The
productive use of migradollars for development will require the creation of new institutions to organize the economic activity of local entrepreneurs. Unlocking the potential former migrants like Adela and Jaime (and indeed, non-migrants who may have prospered in the new commercial economy) will require strategic interventions that reduce the risk of investment, encourage local production, and allow people to pool their resources effectively; but if this is accomplished, they can in turn unlock the potential of their community.
Appendix A: Basic Interview Script

Buenos días. Soy un estudiante de sociología, y estoy investigando el origen y los efectos de la migración internacional en su comunidad. Estoy entrevistando la gente sobre migración, y también un poco sobre la vida aquí. Voy a presentarle con un serie de preguntas y grabar sus respuestas. Si no le gusta contestar a una pregunta, solo digame y podemos progresar a la siguiente sin problema. También puede terminar con la entrevista cuando quiere. Todos sus respuestas serán confidencial, y no voy a usar su nombre en mi artículo. Tiene alguna pregunta? Está listo a empezar?

1. Hableme sobre su hogar:
   a. Cuantos personas viven aquí?
   b. Y quienes son? Todos son sus familiares?
   c. Hay otros miembros de su familia en el pueblo

2. Y hableme sobre Cuatepec
   a. Puede digame algo sobre la historia local?

3. Desde cuando ha vivido aquí?
   a. Por que venia aquí
   b. Cuanto tiempo hace que su familia estaba aquí?
   c. Y su esposo?

4. Como usted y su familia se ganan la vida?

5. Y es típico? Como se ganan la sus vecinos?

6. Es trabajo bueno? Le gusta hacer algo diferente?

7. Le gusta salir de este comunidad, o intenta quedarse aquí?
   a. Si intentas salir, a donde, cuando, y por que?

8. Ha trabajado en otra parte de México?
   a. Donde?
   b. Que hacía? Le gustaba? Se ganaba mas o menos que aquí?
   c. Por que regresaba/venia aquí?

9. Ha vivido en el E.E.U.U.?
   a. Un miembro de su casa?
   b. Tiene un familiar alla en este momento?

10. (Si no ha migrado) Por que decidió quedarse aquí

11. Migran mucha gente de aquí a los E.E.U.U.?
   a. Cuantos?
   b. Mas o menos que en otras comunidades en la región?
   c. Cuantos casas tienen un miembro en los Estados?

12. Cuánto tiempo han habido muchos emigrantes de aquí?

13. Porque piensa migran tantos?

14. Hay muchos viejos o niños? Hay mas mujeres que hombres?

15. Por que usted o su familiar decidió a migrar?

16. Cuántos años tenía?

17. Hableme de la viaje.

18. Que hacia en los E.E.U.U.?
   a. Como eran las condiciones
   b. Trabajaba con otras migrantes o estadounidenses?

19. Había otra gente de aquí?
20. Como decidió a regresar?
21. Si tiene un familiar allí, sabe donde va a regresar?
22. Recibe remesas de los E.E.U.U.?
   a. Para que los use?
23. Como se comunica con la gente en los E.E.U.U.?
24. Que cambia cuando alguien regresa de los E.E.U.U.
   a. Trabajo
   b. Relaciones con familia y amigos
   c. Participación en la comunidad, en la iglesia
25. Piensa que su experiencia era típica
26. Hacen un papel en particular los ex-migrantes?
27. Como sería diferente este comunidad sin la migración? Como es diferente de otros comunidades donde la gente migra mas o menos.

Translation:

Hello. I am a sociology student, and I’m studying the origin and the effects of international migration in this community. I’m interviewing people about migration, and also about daily life. If you are willing to participate in my study, I will present you with a series of questions and record your responses. If you do not want to answer a particular question, simply tell me and we can move on to the next one without any problem. You can also end the interview at any time. All of your answers will be confidential, and I will not use your name in my paper. Do you have any questions? Are you ready to begin?

1. Tell me about your home:
   a. How many people live with you?
   b. Are they all members of your family? If no, who are they?
   c. Are there other members of your family in this town?
2. Tell me a little about Cuatepec?
   a. Can you tell me anything about local history?
3. Since when have you lived here?
   a. If you were not born here, why did you move here?
   b. How long has your family lived in this community?
   c. How about your spouse?
4. How do you and your family make a living?
5. Is this typical? What do your neighbors do
6. Do you think it’s a good job? Would you rather do something different
7. Do you like living here, or would you prefer to move elsewhere?
   a. If you’re planning to move, where to, when, and why?
8. Have you worked in another part of Mexico?
   a. Where?
   b. What did you do? Did you like that job? Did you earn more or less than you do now?
   c. Why did you come/return here?
9. Have you lived in the United States
   a. Has a member of your family?
b. Do you have a family member in the U.S. now?

10. (If informant has not migrated) Why did you decide to stay here?

11. Do many people migrate from here to the U.S.?
   a. How many do you think?
   b. Do you think more people migrate from here than from other communities in this region?
   c. How many households do you think have members in the U.S.?

12. Since when have people migrated from here?

13. Why do you think people migrate?

14. Are there many old people or children here? Are there more men than women?

15. (If informant or a family member has migrated) Why did you/your family member decide to migrate?

16. How old were you/was your family member?

17. Can you tell me a bit about the journey to the U.S.?

18. What did you/your family member do in the U.S.?
   a. How were the conditions there?
   b. Did you/your family member work with other migrants or with Americans?

19. Were there other people from Cuatepec there?

20. How did you/your family member decide to return?

21. If you have a family member currently in the United States, do you know when he/she plans to return?

22. Do you receive remittances from the U.S.?
   a. What do you use them for?

23. Are you in contact with anyone in the U.S.? How do you communicate?

24. What changes when someone returns from the U.S.?
   a. With regard to work?
   b. What about relationship with family?
   c. Participation in the community or the church?

25. Do you think your experience with migration is typical?

26. Do you think ex-migrants have a particular role in the community?

27. How do you think this community would be different without mass migration? Is it different from other communities where people migrate less?
## Appendix B: Occupation of Migrants before, during, and after migrating

<table>
<thead>
<tr>
<th>Name</th>
<th>Occupation before (Level of education)</th>
<th>Occupation in United States</th>
<th>Occupation after return</th>
</tr>
</thead>
<tbody>
<tr>
<td>N/A (June 8)</td>
<td>Construction and campo, planning to migrate (Unspecified)</td>
<td>Construction and a “fish company”</td>
<td>Special events office of presidencia</td>
</tr>
<tr>
<td>Don Bernardo (June 13)</td>
<td>Worked in family store (Unspecified)</td>
<td>Bakery, department store</td>
<td>Ran family store (invested most of what he made)</td>
</tr>
<tr>
<td>Butcher (June 11)</td>
<td>Butcher (Unspecified)</td>
<td>Yardwork</td>
<td>Butcher</td>
</tr>
<tr>
<td>Doña Beta (June 10)</td>
<td>Clerical work in presidencia (Primaria)</td>
<td>Factory worker</td>
<td>Started hotel, restaurant hardware store, supplemented that by working for phone company</td>
</tr>
<tr>
<td>Adela’s husband (July 1)</td>
<td>Independent Bus driver (Unspecified)</td>
<td>Installing watering systems</td>
<td>Independent Farmer, hopefully, but so far unsuccessful at capitalizing</td>
</tr>
<tr>
<td>Santiago (July 3)</td>
<td>Student (Secundaria)</td>
<td>Contract worker in plant nurseries</td>
<td>Butcher</td>
</tr>
<tr>
<td>Fausto (July 3)</td>
<td>Student (Secundaria)</td>
<td>Factory worker</td>
<td>Presidencia</td>
</tr>
<tr>
<td>Marisol (July 3)</td>
<td>Student (Preparatoria)</td>
<td>Owned industrial cleaning company tied to construction industry</td>
<td>Own an event hall.</td>
</tr>
<tr>
<td>Victor (July 3)</td>
<td>Student (University)</td>
<td>Yardwork, waiter</td>
<td>Student, then pharmacist at psychiatric hospital</td>
</tr>
<tr>
<td>Diego (July 3)</td>
<td>Studied cooking (Unspecified level)</td>
<td>Cook (half the year)</td>
<td>Recurrent migrant, unemployed in Cuatepec</td>
</tr>
<tr>
<td>Jaime (June 19)</td>
<td>Student (Unspecified)</td>
<td>Truck driver</td>
<td>Farmer (hoping to start selling directly to US)</td>
</tr>
<tr>
<td>Daniel (June 19)</td>
<td>A child – migrated with family</td>
<td>McDonalds, factories</td>
<td>Drove minibus, now owns carwash</td>
</tr>
<tr>
<td>Miguel (June 23)</td>
<td>Worked for ranchers (Secundaria)</td>
<td>Construction</td>
<td>Part-time for ranchers</td>
</tr>
<tr>
<td>Name</td>
<td>Age</td>
<td>Occupation</td>
<td>Place of Work</td>
</tr>
<tr>
<td>------------</td>
<td>-----------</td>
<td>--------------------------</td>
<td>---------------------------------------------------</td>
</tr>
<tr>
<td>Jorge</td>
<td>June 23</td>
<td>Child</td>
<td>Bakery</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Working in campo for a friend without compensation</td>
</tr>
<tr>
<td>Benjamin</td>
<td>June 26</td>
<td>Child</td>
<td>Textile factories</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Working for a rancher</td>
</tr>
<tr>
<td>Cesar</td>
<td>June 26</td>
<td>Traditional medicine/</td>
<td>Plant nursery</td>
</tr>
<tr>
<td></td>
<td></td>
<td>herbalist (Preparatoria)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Herbalist/ Trad. medicine</td>
</tr>
<tr>
<td>Bartolo</td>
<td>June 13</td>
<td>Vendor in tianguis</td>
<td>Unspecified</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(Unspecified)</td>
<td>Vendor in tianguis</td>
</tr>
<tr>
<td>Soledad</td>
<td></td>
<td>Unspecified</td>
<td>Factories</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>House cleaning</td>
</tr>
<tr>
<td>Geronimo</td>
<td>June 19</td>
<td>Dancer/costumer/campo</td>
<td>Ecuadorian ethnic market</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(Secundaria)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Dancer/costumer/campo</td>
</tr>
<tr>
<td>Meliton</td>
<td>June 10</td>
<td>Shoeshiner, plant</td>
<td>Construction, pizzeria, yardwork</td>
</tr>
<tr>
<td></td>
<td></td>
<td>nurseries</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Plant nurseries, Shoeshiner</td>
</tr>
<tr>
<td>Chuy</td>
<td>June 28</td>
<td>Student (Preparatoria)</td>
<td>Appliance store</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Maintenance at a cousin’s gas station and hardware store</td>
</tr>
<tr>
<td>Martin</td>
<td>June 28</td>
<td>Campo</td>
<td>Worked in stables at Chicago hippodrome</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Campo (sharecropper)</td>
</tr>
<tr>
<td>Pedro</td>
<td>June 23</td>
<td>Child</td>
<td>Restaurants, both as dishwasher and cook</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Cook at Oscar’s restaurant</td>
</tr>
<tr>
<td>Benjamin</td>
<td>June 14</td>
<td>Child</td>
<td>Various services industry jobs, esp. restaurants</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Manager of Chinese restaurant</td>
</tr>
<tr>
<td>Ignacio</td>
<td>June 14</td>
<td>Unspecified</td>
<td>Roofing</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Campo (sharecropper)</td>
</tr>
<tr>
<td>Octavio</td>
<td>June 19</td>
<td>Student (Preparatoria)</td>
<td>Factories, assorted service-industry jobs</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Owns seafood restaurant at site of mother’s food stall</td>
</tr>
<tr>
<td>Isidoro</td>
<td>June 15</td>
<td>Student (Preparatoria)</td>
<td>Various – longest employment was brother’s bar</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Owns a bar</td>
</tr>
<tr>
<td>Pablo</td>
<td>June 15</td>
<td>Student (Bachillerato)</td>
<td>Mechanic/secondhand auto-parts</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Busdriver, first for big company, then independent charter</td>
</tr>
<tr>
<td>Rogelio</td>
<td>June 15</td>
<td>Plaster factory,</td>
<td>Kitchen at Italian restaurant</td>
</tr>
<tr>
<td></td>
<td></td>
<td>agricultural machinery</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>company (Bachillerato)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Presidencia</td>
</tr>
<tr>
<td>Lola</td>
<td>June 15</td>
<td>Homemaker</td>
<td>Maquiladora</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Owns hardware store with husband</td>
</tr>
<tr>
<td>Don Felipe</td>
<td>June 17</td>
<td>Engineer (University)</td>
<td>Skilled machinist in factory</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Owns hardware store with wife</td>
</tr>
<tr>
<td>Name</td>
<td>Occupation</td>
<td>Current Employment</td>
<td>Additional Information</td>
</tr>
<tr>
<td>-----------</td>
<td>-------------------------</td>
<td>-----------------------------</td>
<td>------------------------------------------------------------------</td>
</tr>
<tr>
<td>Emiliano</td>
<td>Student (Preparatoria)</td>
<td>Various, but mostly a factory worker</td>
<td>Owns hardware store – inherited from father-in-law (has made subsequent migrations to expand business)</td>
</tr>
<tr>
<td>Lazaro</td>
<td>Worked in clothing store (Unspecified)</td>
<td>Stocker in grocery store</td>
<td>Manages garage he co-owns with former boss</td>
</tr>
<tr>
<td>Angel</td>
<td>Taxi driver (Unspecified)</td>
<td>Waiter</td>
<td>Taxi driver</td>
</tr>
<tr>
<td>Juan</td>
<td>Campesino (Unspecified)</td>
<td>Worked in textile factory, waiter</td>
<td>Campesino</td>
</tr>
<tr>
<td>Ramiro</td>
<td>Campesino (Unspecified)</td>
<td></td>
<td>Campesino/Ejidal commissioner in Manuel Palafox</td>
</tr>
</tbody>
</table>
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