

Life on the border of Mexico

And I've got such a long way
to go

To make it to the border of
Mexico

So I'll ride like the wind

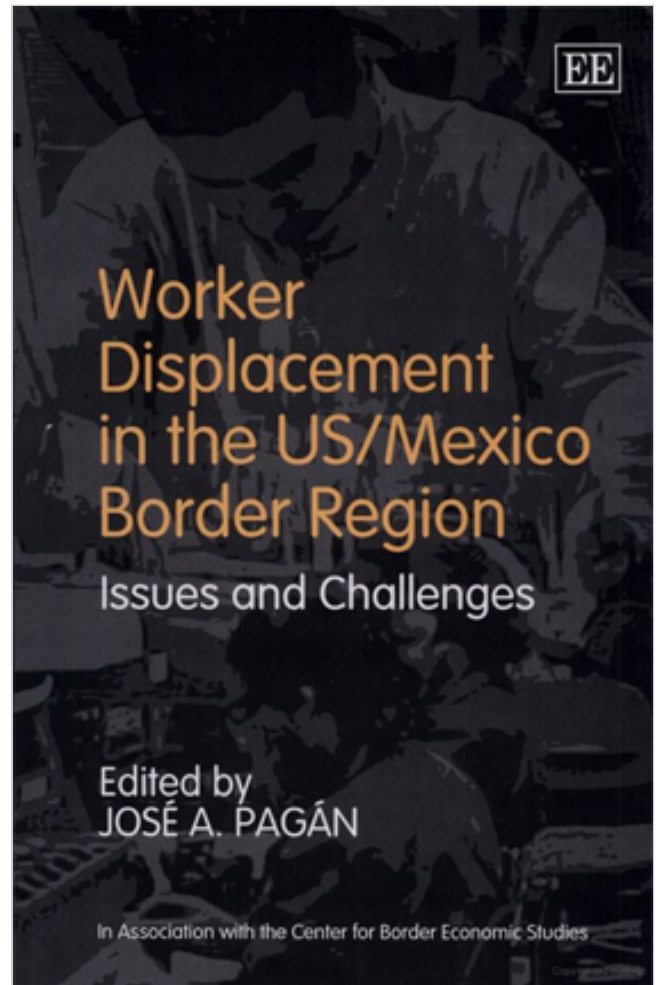
Ride like the wind

"Ride like the wind":
Christopher Cross, 1979

Unfortunately for singer Christopher Cross, riding to the border of Mexico may be easier than finding a good life there.

From immigration, to the implementation of the North American Free Trade Agreement (NAFTA), to the rise of drug cartels, issues involving America's border with Mexico have been controversial subjects of debate in the political arena for many years now. Something less widely discussed is how people who live along the border adjust to life there. Those affected generally remain underprivileged in comparison to the rest of the United States. Although the rise of manufacturing industries on the border 20 years ago attracted a young and growing population to the region, that trend is reversing. Elected officials are confronted with two pressing questions: how to stem the flight of manufacturing industries that provide jobs and how to reintegrate low-skilled, uneducated, largely non-English-speaking displaced laborers.

Worker Displacement in the US/Mexico Border Region: Issues and Challenges, edited by José A. Pagán, is a collection of eight essays written from various interdisciplinary perspectives on the topic. Each presents a unique



Kathleen Fitzgerald
fitzgerald.kathleen@bls.gov

Kathleen Fitzgerald is an economist in the Office of Employment and Unemployment Statistics, U.S. Bureau of Labor Statistics.

viewpoint from which to analyze the complex employment and unemployment issues in the region, and each includes a summary of existing obstacles and potential solutions.

The first essay, “Labor and demographic challenges of the US/Mexico border region,” by Cynthia J. Brown and Marie T. Mora, presents the border region as a case of “growth without prosperity.” The authors note that, even during a time of rapid expansion in the 1990s, employment opportunities and per-capita income lagged behind the rest of the United States. As the regional economy continues to shift away from manufacturing into other sectors, such as construction, health care, retail trade, and services, the need to retrain workers with low education levels and poor English-language fluency becomes ever more crucial.

“Worker displacement in the Texas/Mexico border MSAs: evidence from the Current Population Survey,” by Alberto Dávila and Andrés Rivas, highlights the characteristics of individual displaced workers in Metropolitan Statistical Areas (MSAs) along the Texas region of the border. Dávila and Rivas compare and contrast these residents with their counterparts within the state and within the country. Their data suggest that substantial heterogeneity exists across MSAs regarding the reasons for workers’ displacement, both inside and outside of the region. Additional research into why such differences exist will enable policymakers to design better reintegration strategies.

The plight of displaced workers has considerable negative economic repercussions on the U.S.–Mexico border region, beyond its effect on the immediate families of those displaced. Editor José A. Pagán’s essay, “The economic impact of worker displacement in the US/Mexico border region,” tells us that the correlation is so great that, for every three displaced workers, two additional jobs are lost as a result of what Pagán describes as indirect or induced effects. In other words, reduced spending by displaced workers in turn costs jobs in local businesses. While Pagán focuses on the specific economic impacts of displacement, he also points out myriad other impacts that displacement has on both individuals and their communities.

In “The social costs of worker dislocation in a South Texas border environment,” Chad Richardson examines negative effects, such as depression, frequently associated with worker dislocation. He notes that affected workers often find similar ways to deal with the high social costs of dislocation; for example, they tend to lean on family members for help with housing, employment, childcare, moral support, and financial assistance. Dislocated workers frequently form social circles as a source of emotional and moral support, as well as to share information about available job openings and government assistance programs. Unfortunately, unemployment benefits to date have proven insufficient, and training programs inadequate, to properly equip workers with the skills they need to compete for well-paying jobs, necessitating the aforementioned coping mechanisms.

Author Elena Bastida finds that, when workers lose their jobs, they suffer multiple losses beyond feeling the economic impact of their job loss and the change in social ties that ensues. In “Health and job displacement: the case of garment manufacturing workers on the US/Mexico border,” she surveyed workers in southern Texas who had stable employment and higher-than-average wages prior to being displaced. Bastida discovered that displacement resulted in both physical and mental health problems—more than half of those sampled reported symptoms of depression and anxiety—and that a lack of medical coverage and of funds commonly prevented displaced workers from seeking needed medical services. Worse, her research did not even factor in the compounding longer term negative effects as the worker’s duration of unemployment grows.

To better understand the impact of training on the earnings and employment prospects of displaced workers, “Human capital investments and displaced workers in South Texas,” by José R. Llanes, presents a case study of displaced garment workers in Hidalgo County, Texas. The author concludes that capital investment in these types of training programs in areas with high structural unemployment and older workers will prove unsuccessful, because such initiatives often provide nonmarketable training that fails to boost earnings. This kind of training, Llanes contends, will fail especially for older workers, who would benefit more readily from on-the-job training programs. He recommends three “remedies”: long-term wage support, shifting the focus from classroom to on-the-job training and placement, and exploring self-employment options.

The unique needs of the U.S.–Mexico border population present challenges to the development and effective management of training and retraining programs. The essay “A Workforce Development–Instructional Systems Design (WFD–ISD) Model for border displaced workers,” by Marco E. Garza, evaluates a successful workforce development model that provided 18 trainees with skills directly applicable to full-time, higher paid work. The program standard was the completion of training and subsequent job placement for each and every participant. Meeting this standard required a joint effort among workers, past employers, targeted potential future employers, a local community college, and community organizations. In this case study, both goals were achieved and the average wage increased 15 percent per hour. Garza’s conclusion is that, in order to succeed, programs must have the following elements: enough flexibility to allow for modifications; a focus on outcomes; commitment on the part of both employers and participants; a mechanism for rapid inclusion of participants; an understanding of local employment demand; and leverage from existing partnerships.

“A forecasting model for border job displacement in Texas” looks at the extent to which the border region labor market is affected by developments both in the United States and in Mexico. In the piece, Gokce Soydemir creates a forecasting model to better predict trends in the border region and prepare for events affecting worker displacement. Soydemir found these forecasts to be accurate when important economic variables from both countries are included and a number of variations of the model are tested. Ultimately, the objective of forecasting changes in this labor market is to promote economic growth and stability through improved policy response time and a more efficient allocation of resources.

Worker Displacement in the US/Mexico Border Region was compiled to put into words the unique challenges faced by the region and the harsh effects that displacement has on its population. In presenting various angles from which to approach these topics, this collection of essays is insightful in identifying needed policy initiatives to combat the physical, mental, and economic challenges faced by displaced workers. Although this is a technical book targeted at those individuals who are interested in what the data have to say, it casts a wide enough net to provide an overview of the many complexities and obstacles involved. It is for this reason that I recommend the book to anyone interested in labor relations and/or the U.S.–Mexico border region.