

# IMMIGRATION AND TRANSNATIONAL PRACTICES OF U.S. RETIREES IN MEXICO. A CASE STUDY IN MAZATLÁN, SINALOA AND CABO SAN LUCAS, BAJA CALIFORNIA SUR



OMAR LIZÁRRAGA MORALES\*

**ABSTRACT:** This article analyses the migration of U.S. retirees to Mexico, specifically the northwestern localities of Mazatlán, Sinaloa and Cabo San Lucas, Baja California Sur. This migration goes in the opposite direction of the Mexico-U.S. flow traditionally addressed in international migration studies. It is also a fast growing occurrence, as the immigrants tend to be retired baby boomers. Their social structures and some of their transnational practices are described, along with the social and economic impact they have on the receiving communities.

**KEYWORDS:** Migration, Retired, Structures, Practices, Impact.

**RESUMEN:** En este artículo se analiza la migración de jubilados estadounidenses hacia México, particularmente en dos localidades en el noroeste del país: Mazatlán, Sinaloa y Cabo San Lucas en Baja California Sur. Este es un flujo migratorio que se dirige en dirección contraria a la que tradicionalmente se estudia la migración internacional, y tiene un rápido crecimiento en algunos destinos mexicanos, pues está compuesto por los integrantes de la generación del baby boom. Se describen las estructuras sociales establecidas y algunas prácticas transnacionales de estos migrantes, así como el impacto social y económico en las comunidades receptoras.

**PALABRAS CLAVE:** Migración, Jubilados, Estructuras, Prácticas, Impacto.

\* Universidad Autónoma de Sinaloa. E-mail: omar\_lizarraga@hotmail.com

## INTRODUCTION

**M**ost studies on international migration have focused on the flows that move from southern to northern countries or, in any case, from less to more developed nations. However, we are nowadays faced with a migration flow that goes in the opposite direction: north to south. As retirees, these immigrants are old enough to have leisure time and sufficient economic resources to live outside their country of origin.

Migration flows in both South-North and North-South directions are the result of imbalances in the global economic system. On the one hand we have emigrants who leave underdeveloped countries to find work in northern nations. On the other, citizens of developed nations travel to countries with developing economies because the acquisitive power of their pensions is increased in these places. This international retirement migration can be observed across several regions of the world. In the case of Europe, Mediterranean countries—especially Portugal, Italy, Greece, Turkey, Hungary, and Spain—are the major receivers of Northern retirees. Australia and New Zealand are also popular destinations for Northern European and East Asian pensioners (Shinozaky, 2006). In the American continent, central and southern countries such as Costa Rica, Guatemala, Colombia, Brazil, Argentina, and, above all, Mexico, pose attractive options to U.S. and Canadian retirees (Puga, 2001; Papademetriou, 2006).

This current flow is mostly comprised of so-called «baby boomers», the post-war generation born between 1946 and 1964—and two thirds of the current world population (according to the United Nations Population Fund, it is about 6.7 billion people, UNFPA 2007). Just in the United States, baby boomers comprise 76 million (Dailey, 2005). Researchers agree that a combination of social and economic factors that gave birth to this generation: the economy grew drastically after the United States' victory in World War II and this converged with a resurgence of traditional values centered on the «working man» and the female homemaker, resulting in a higher number of younger marriages and a higher number of children (Ibid. According to the U.S. July 2008 census, the nation had a total of 114,474,794 adults over 45 years old. This amounts to 37.59% of a 304,539,556 population (US Census, 2008). Nancy Dailey points out that the people belonging to this generations will be old enough to retire in 2010 (Dailey, *op. cit.*), and this will likely increase the rate of emigration (even if temporary) to other countries.

When the North American Free Trade Agreement (NAFTA) was signed, the baby boomers were between 37 and 45 years old and already likely to take advantage of these new conditions in order to retire to Mexico. The costs of real estate and health services in the United States have increased while social security and pensions have decreased. In addition, new communications and transport technologies have made long distance traveling less expensive (Longino, 2001), even if growing oil prices could increase medium-term transport costs.



The transnational practices of U.S. retirees differ from those carried out by Mexican labor migrants in the United States for a number of reasons: 1) their economic resources give them access to advanced communications technology with which they can keep in touch with their places of origin; 2) as retirees, they have the time and money to undertake return trips; 3) Mexico's flexible migration policies allow U.S. citizens to enter and leave the country with relative freedom; 4) because pensions are their main source of income, government decisions can directly affect retiree's finances, spurring their political participation in their country of origin, and 5) the fact that their children still work in the United States encourages them to maintain continuous communication with them.

Despite the geographical proximity of the United States, the increase in this type of migration flow, and its economic, social, and cultural impact on receiving societies, very few Mexican studies have examined this phenomenon. The present article intends to analyze retirement migration dynamics in two northwestern Mexican towns: Mazatlán, in the state of Sinaloa, and Cabo San Lucas, in the state of Baja California Sur. Social structures, transnational practices, and the migration's social and economic impact are all addressed. Research was carried out in the cities of Mazatlán and Cabo San Lucas, where 50 U.S. retirees (25 women and 25 men) were surveyed in commercial centers visited by people of all socioeconomic levels. I also interviewed some individuals whose testimonies are quoted in sections of this paper.

#### U.S. IMMIGRATION IN MEXICO

Mexico is one of the preferred foreign destinations for U.S. nationals and, according to Mike Davis (2006), the number of U.S. immigrants in Mexico has increased from 200,000 to about 1 million in a ten-year period. It should be pointed out that U.S. and Mexican authorities have still to reach a consensus regarding the number of U.S. nationals in Mexican territory. According to Mexican historian Lorenzo Meyer (2007), Mexico's National Population Council estimated more than 385,000 U.S. nationals in 2004, but the consular services of the U.S. Embassy claimed the number oscillated between 500,000 and 600,000 on that same year. Meyer himself states that, by 2007, over one million was a reasonable estimate.

According to the Migration Policy Institute's survey of U.S. retirement migration to Mexico and Panama, in 2006 there were 1,036,300 U.S. nationals residing in Mexican territory under migrant status, especially in the border states and some central ones such as Jalisco and Guanajuato. According to this study, the main draws were the low cost of living and a low property tax (Papademetriou, 2006).

If we take into account that, according to Mexico's National Population Council, the country's total population amounted to 106.6 million in 2008



(Conapo, 2008), U.S. migrants amount to only 0.97% of this total. Still, this migration flow is growing rapidly. In Ajijic, Jalisco, the U.S. population increased 581% over a period of ten years (1990-2000); 308% in Los Cabos, Baja California Sur, and 47.7% in San Miguel de Allende, Guanajuato (Papademetriou, *op. cit.*). Mazatlán saw a 95% increase over period of only two years (2005-2007; Lizárraga, 2007). The number of U.S. nationals registered by the National Migration Institute increases if we count those who enter the country as tourists, stay for up to six months and renew their permit after this period. During their stay they can acquire real estate by paying a Mexican property trust or *fideicomiso*.

Despite the growing importance of U.S. migration to Mexico, very few Mexican researches have examined this phenomenon. Mónica Palma (1990) undertook historical research involving U.S. war veterans in the city of Guadalajara between 1981 and 1984. She found a community that had resided for over two decades in peace, comfort, and solitude. While they did not maintain constant contact with their compatriots, the veterans led lives similar to those in their country of origin and attempted to preserve their cultural norms. They kept their distance from the city's established U.S. community, since they were not interested in interacting with their fellow citizens. On the other hand, they were not fully accepted by the local inhabitants, mostly because the latter resented their sense of superiority. Palma's study was one of the first to address senior U.S. immigrants but was only focused on the veterans.

Nora Bringas (1989) studied the impact of U.S. residential tourism along the Tijuana-Ensenada tourist route in the late 1980s. According to the author, this migration flow has given way to Mexico's second largest «U.S. colony» after the Guadalajara hinterland and is particularly deserving of attention given its geographical proximity to the United States and its potential impact on regional development and national sovereignty. María Luisa Cabral (2007) has examined U.S. immigration in the Los Cabos municipality of Baja California Sur and called for regulation measures given the social and economic dangers it poses to local society. Her study states that over 90% of the real estate firms along the coast of the peninsula are U.S.-owned; they buy at low prices and sell for exorbitant sums, cornering the local inhabitants into beaches that were previously reserved for communal use. Jaime Avilés (in Palma, 2006) agrees with Bringas' call for legal restrictions on immigrants: «in San Miguel de Allende, Guanajuato, *gringos* comprise 10% of the population but own 85% of the real estate in the urban area. They own all the houses in the downtown historic district, they only rent to foreigners, and charge rent in dollars. They own almost all the hotels, restaurants, galleries, bars, and, in some clubs, they even deny entrance to Mexicans.»

My own master's thesis in United States and Canada Studies focused on social networks and integration of U.S. retirees in Mazatlán, Sinaloa (Lizárraga, *op. cit.*). I found that the choice of locale had its roots in tourism, as 95% of im-



migrants had previously visited the town as tourists. They have now formed organizations that provide contacts and information to those interested in moving to the area: they supply the information needed to move to Mexico and will sometimes provide temporary lodging. They also serve as contacts between interested parties and real estate agents and provide local assistance. The Mazatlán retirees have integrated into the local society and the two cultures exist in an environment of mutual respect and tolerance. Though few of them have full command of the Spanish language, many live in the same neighborhoods and are friends. They also maintain a U.S. lifestyle.

#### GEOGRAPHICAL DELIMITATIONS OF THIS RESEARCH

People who engage in international retirement migration (IRM) look for destinations that offer different types personal welfare alternatives than those found in their home country. Some of these factors are intangible (e.g., the weather, traditions, a different way of life); others are social in nature (e.g., relatively stable social structures). The economic aspect plays a decidedly important role, as migrants seek stable environments where to make eventual investments. Of course, and regardless of their social class, the decision is also dependent on the migrants' personal tastes: some like to live near cities while others like mountains or beaches.

According to the Migration Policy Institute, the nine Mexican states that receive the largest numbers of U.S. retirees are Jalisco, Guanajuato, Baja California, Baja California Sur, Nuevo León, Sonora, Chihuahua, Coahuila, and Tamaulipas. These are followed by states close to the border, such as Sinaloa, Durango, Zacatecas and Tamaulipas (Papademetriou, *op. cit.*). Eleven particular towns are especially popular: Guadalajara and Chapala in Jalisco; León and San Miguel de Allende in Guanajuato; Monterrey in Nuevo León; Ciudad Juárez in Chihuahua; Tijuana, Mexicali, Rosarito, and Ensenada in Baja California, and Los Cabos in Baja California Sur.

This paper analyzes retirement migration in other two favored northeastern Mexican destinations, Cabo San Lucas, a major pole of attraction for U.S. retirees), and Mazatlán, which is not mentioned in the above study but houses the largest number of U.S. retirees in the state of Sinaloa (Lizárraga, 2006). Each has its own characteristics. Mazatlán is a beach resort that had its apogee during the 1970s and is currently subject to slow growth when compared to other tourist destinations. It has nevertheless become increasingly popular among U.S. retirees. Cabo San Lucas is a relatively new and strategically planned tourist destination. Thanks to its infrastructure, urban planning, geographical characteristics, and active promotion strategies, it is one of the most visited by U.S. tourists in Mexico. Like Mazatlán, it recently began attracting U.S. retirees. The compas-



sion between these two immigrant communities is interesting. Both towns are a similar distance from the border, receive the largest number of tourists and immigrants in the area, and are thus the two main competitors on the Mexican northwest. However, the immigrant groups in each town have different socioeconomic profiles and carry out different transnational practices.

### MAZATLÁN, SINALOA

In order to understand the context of these international retirement migration flows we must first take a look at the historical, economic, geographical and demographic characteristics of the towns and the states to which they belong, as there is a direct link between the social and economic conditions of sending and receiving regions.

The state of Sinaloa is bordered by Sonora and Chihuahua to the north, Durango and Nayarit to the east, and the Pacific Ocean to the west. Its total surface is 58,092 km<sup>2</sup>, or 2.9% of the national territory. It is geographically split into two main regions: the mountainous area and the valleys and coasts that determine most of its economic activities (agriculture in the valleys, ranching and temporary agriculture in the mountains, fishing and tourism in the coast; García, 2006). It has three airports with both national and international service: one in the capital, Culiacán Rosales, another in the northern city of Los Mochis, and one in Mazatlán, to the south. These serve as touristic, commercial, and industrial links to the rest of the country (INEGI, 2005a).

Mazatlán is Sinaloa's second largest city and one of Mexico's most important touristic destinations. Tourism and fishing are its main economic activities and, according to the second 2005 population and housing survey, it had a population of 352,471 (INEGI, 2005b). Its international airport, Rafael Buelna, has daily flights to the United States and Canada. Every week, ferries travel to La Paz in Baja California Sur, and a variety of touristic cruises reach the harbor from the United States.

### U.S. IMMIGRANTS IN MAZATLÁN

The National Migration Institute registered 8,100 foreigners residing in Sinaloa during 2005; 3,431 of them (42.35%) were U.S. nationals. By the following year, the U.S. immigrant population had increased 35%, comprising over 5,000 individuals in December of 2006. By 2007 the number had grown to 6,100 (INM, 2007). Based on the total number of inhabitants in Mazatlán municipality according to the 2005 census, the U.S. community represents about 1.51% of the population. A recent journalistic article (Zamora, 2007) points out that an average of 20,000



U.S. nationals visit the state every month and that this number increases to 35,000 during the winter season (December to May).

My survey findings indicate that most of them come from the states of California (26%) and Washington (18%), followed by border states like Arizona (10%), New Mexico (6%), Texas (8%), Nevada (4%), as well as Colorado (4%). Fifty-eight percent of them live with their spouse, 40% on their own, and 2% with family members. Even though this data is not precise, I noticed that a substantial number of these immigrants came to Mazatlán in search of a second spouse. This is the case of Eugene Gregory Brady, who has written about his marriage to a local woman in his book «Married in Mazatlán» (Brady, 2005). Eugene met his current wife ten years ago when she worked as a waitress in a bar he used to frequent. He was 40 years old and she was 25, studying English at the Autonomous University of Sinaloa's language center. During one of his visits to the bar, Eugene offered to help her with her chores. This was the beginning of a courtship that lasted about six months before they became engaged and married.

Most of Mazatlán's U.S. immigrants are middle class professionals who worked as professors, civil engineers, sellers or civil servants; 65% have an average monthly income of 1,600 to 3,500 USD, and only 2% receive more than 5,000 USD a month. Sixty six percent live in a house of their own, 30% pay rent, and 4% live with friends or family members. A journalistic article based on data from the Mexican Association of Real Estate Professionals (Gómez, 2008) states that 1,135 units (either houses or condos) were sold to foreigners during Mazatlán's real estate boom, which dates back to 2003. This comes to an average of 94 units per month. Alfredo Reynaga Chicuate, the Association's president in Mazatlán, points out that, with an average cost of 200,000 USD per unit, local real estate made approximately 227 million USD during 2007. He adds that U.S. homeowners tend to spend about 40,000 pesos in electronics such as washing machines, stoves and dryers and 150,000 pesos in furniture. If we multiply this by the amount of units sold from 2006 to 2007 we have a profit of 215,600,000 pesos for the furniture and department stores where these items are bought. During a previous study (Lizárraga, *op. cit.*) I found that Mazatlán residents spend some 49,410,000 pesos a month on entertainment, services, daily expenses, and house-keeping services, and 1,727,000 pesos on rent.

This migration flow has become a source of employment for the local population while, at the same time, it has taken over historic buildings and increased the cost of housing. It has attracted other U.S. nationals as well as Mexicans interested in investing in real estate and the service industry.

#### TRANSNATIONAL NETWORKS AND PRACTICES OF U.S. IMMIGRANTS IN MAZATLÁN

Most U.S. immigrants in Mazatlán maintain transnational links with their communities of origin. The transnational process comprises the creation of a social



space through which communities of origin and destination are brought together. Participants thus become «transmigrants»; that is, individuals and communities in a constant process of migration (Canales and Zolniski, cited in García, *op. cit.*). The transmigrant category can also be applied to groups of people who spend most of their time in one country while maintaining their bonds with their community of origin. The establishment of new households allows for the development of multiple social, economic, and political bonds that transcend borders (Appadurai, 1996).

Frequent return trips are one of the reasons U.S. immigrants are able to maintain close bonds with their country. Out of the individuals who participated in my survey, 44% said they travel once a year to their place of origin; 42% do so twice a year, while 2% do it every month and only 8% said they don't travel back at all. Sam Pealzman travels at least twice a year to the United States in order to see family, friends, flee the Mazatlán heat and the tourist throngs in summer, or simply because of nostalgia.<sup>1</sup> Dorothy Timmons, who visits the United States twice a year to see family, has a similar outlook. According to the interviewees, being away from family is one of the disadvantages of living in another country. At the same time, Dorothy points out that when she flies back to Mazatlán and sees the lighthouse in the distance she thinks to herself, «I'm home.»<sup>2</sup>

The Mazatlán U.S. retiree community keeps up to date with local events thanks to the English-language magazine *The Pacific Pearl*. Most of the news involves celebrations, parties, reunions, and other events organized by the community members. The magazine is full of commercial advertisements: restaurants, clubs, bars, and other businesses frequented by the immigrant community. While the *Pacific Pearl*, which has an Internet website, keeps them informed about issues that affect them, they also receive notices and messages from their community organizations and friends who live on the harbor. They keep up with international events through television and the Internet.

Most of the people surveyed use the Internet or the telephone to remain in constant communication with family and friends; 42% get in touch daily, 40% once or twice a week, and 18% once a month. In order to assess the role played by social networks, I asked residents if they had friends or family in Mazatlán before they decided to move, and whether they would recommend the city to friends and family as a retirement destination. Fifty-four percent of those surveyed already had friends in Mazatlán before they decided to move, and 99% said they would recommend or have already recommended the place to others.

Mazatlán's U.S. immigrants preserve their identity through meetings, reunions, and daily practices. Over half of them (54%), belong to some formal U.S. organization. In addition to providing a space for social interaction, these retiree clubs

<sup>1</sup> Interview with Mr. Sam Pealzman, October 5, 2006.

<sup>2</sup> Interview with Mrs. Dorothy Timmons, January 23, 2007.





and religious groups also provide important support networks. They are the reason the United States-Mexico migration has become continuous and permanent. Some of the U.S. organizations present in Mazatlán are the American Legion, Friends of Mexico, The Vineyard, Familia, and Hands across the Borders. This kind of transterritorial political participation is, however, not new to U.S. nationals. In 1976, nationals residing in foreign countries were given the right to vote by mail during presidential and legislative elections. Since then there have been some changes, such as the new electronic voting system introduced by the Democratic Party for the 2008 primary elections. This allows members to vote online for their presidential candidate after registering at [www.democratsabroad.org](http://www.democratsabroad.org). The organization Democrats Abroad has 34 committees worldwide. In Mexico, it provides electoral information and facilitates the electoral process for U.S. citizens who reside in some of the country's most popular retiree spots, such as San Miguel de Allende, Chapala, Mexico City, Puerto Vallarta, and Mazatlán. By July 2008 it was still not known how many of Mazatlán's U.S. citizens voted in that year's Democratic primaries, but 85% of the individual's I surveyed stated they vote in their national elections: 52% do so electronically and 28% do it in person in the United States. The rest did not specify what method they use.

These retired absentees have great political power because they tend to be more homogeneous in their political views than citizens who are still working. And, since State decisions directly impact their pensions, they tend to be more politically active. According to Ruth Rubio-Marín, «they are a new elite who resides abroad but takes action in the country of origin and tends to stand out among immigrant groups; they have the time and resources to participate in transnational politics» (Rubio, 2006).

#### CABO SAN LUCAS, BAJA CALIFORNIA SUR

The state of Baja California Sur is bordered to the north by Baja California and the Gulf of California, to the east by the Gulf of California, and to the south and west by the Pacific Ocean. Its capital is La Paz. The state's total surface is 73,475 km<sup>2</sup>, 3.8% of the national territory; its coasts extend for 2,200 km and represent 22% of the Mexican coastline, the largest coastline of any state. According to National Institute of Statistics and Geography, or INEGI, it has a population of 512,170 and is the 23<sup>rd</sup> most densely populated state in the country. Most of its population is distributed among four municipalities: La Paz (219,596); Los Cabos (164,162); Comondú (63,830); Mulegé (52,743), and Loreto (11,830; INEGI, 2005c).

The state's population has grown at an increased rate over the last thirty years: 128,000 in 1970; 215,000 in 1980; 317,000 in 1990; 424,000 in 2000, and 512,000 in 2005 (INEGI, 2005d). Immigration rates exceed emigration; in 2005, 41,3133 people moved into the state while 10,855 left it (INEGI, 2005e). The Los Cabos municipality has had the most substantial population growth: it had only



2,861 inhabitants in 1960, and by the year 2000 the number had grown to 105,000. It currently has an estimated population of 170,000. The Cabo San Lucas locality has seen the most dramatic increase not only in Baja California Sur but in the whole of Mexico. Its 16% annual growth rate is higher than Cancún's. San José del Cabo, the seat of the municipal government, has an annual growth of almost 14% while the municipality as a whole has a 9% annual growth rate (Ibid).

Only 16% of municipal residents are native to the area, while 46.7% were born in states like Jalisco, Oaxaca, and Sinaloa (Cabral, 2006b). Around 30,000 residents of Los Cabos are Mazatlán natives. This migration flow can be explained by the large job market generated by the tourism industry, since the area has become a popular destination for both national and international visitors. The municipality's relative economic prosperity has resulted in high employment rates and income levels that surpass the national average. The rate of unemployment is 0.07%, the lowest in the country (Luján, 2007).

As far as communications are concerned, the state has a trans-peninsular highway that links the several touristic spots in the Los Cabos area. While on the highway, visitors can see the names of hotel chains not found in Mazatlán. These include the Hilton, Westin, Las Ventanas, Dreams, Esperanza, Pacífica, Finisterra and Melía. These are only some of the 90 hotels that register an average annual employment rate of 85%—which, during the high season, increases to 100%. Los Cabos has an annual revenue of 2 billion dollars, 20% of Mexico's annual tourism earnings. It currently has direct flight connections with 23 airports in the United States and three in Canada. Seventy-five percent of visitors come from the United States, 20% from Europe, and the rest from other places in Mexico (Luján, *op. cit.*). Direct flights from New York were recently made available.

Cabo San Lucas is particularly suited to nautical tourism, and this draws wealthy visitors who spend a daily average of 5,000 pesos (a Cancún visitor will spend about half that amount, also on a daily average). Most visitors come from the U.S. states of California and Washington, and their economic capacity is usually superior to that in San José del Cabo (Barbosa and Santamaría, 2006).

#### U.S. IMMIGRANTS IN CABO SAN LUCAS

According to María Luisa Cabral Bowling (Cabral, 2006a), the National Migration Institute had 12,200 foreign residents registered in the Los Cabos municipality. Ninety-six percent of them (10,368) were from the United States. My survey, which targeted 50 U.S. nationals residing in Cabo San Lucas, revealed that, as is the case of Mazatlán, most of them come from California (35%) and Washington (26%), followed by Colorado (14%), Oregon (8%), Texas (6%), and New Mexico (3%). Seventy-seven percent of them live with their spouses, 9% live alone, and 14% live with family or friends.



Their monthly income is higher than that of their Mazatlán peers. Twenty-nine percent receive between 3,600 and 5,000 USD; 10% receive more than 6,500 USD, and the remainder oscillate between 1,500 and 3,500 per month. The U.S. community is concentrated in the localities of Buena Vista, Los Barriles, Todos Santos, San José del Cabo and Cabo San Lucas; the last two house 80% of them. Seventy-five percent of them engage in some form of business –selling time-shares, real estate, occupying high-ranking positions, and working in firms with foreign capital. The remaining residents are leaseholders, retirees or pensioners (Cabral, 2007).

If we consider that, according to the 2005 census, the Los Cabos population was 164,162, officially registered U.S. immigrants amounted to 6.57% of the municipal population. The National Migration Institute's number of registered immigrants is, however, well below the actual amount, as many of the area's temporary and permanent residents still maintain their tourist status. According to Cabral (2007, *op. cit.*) the tourist entrance and exit registry provides much more realistic data. In 2003, Los Cabos welcomed 643,429 foreigners; 612,514 departed, meaning 30,915 are likely to have remained. One year later, the number of arrivals had increased to 1,445,000, and by 2005, the number of tourists had increased 25%. Twenty-three percent of the people I surveyed said they were in the country as tourists.

Also according to Cabral, U.S. nationals comprise 90% of all international immigrants, and this is the reason why this migration flow has become an important social and economic element in the area (Cabral, 2007). It is important to note that the Los Cabos region welcomes over a million visitors each year –more than double the whole state's population– and the U.S. migration flow has had the most impact on Baja California Sur's society. Many locals have sold their agricultural plots to U.S. nationals for a few thousand dollars; the plots' multiplying real estate profits have only benefited the foreigners. The selling and buying of land is an important activity: according to Tulio Ortiz (cited in Cabral, 2007), there are about one hundred real estate firms in the southern part of the state, and about 70 of them are subsidiaries of U.S. firms. There is not a lot of data in this regard. As Ortiz points out, it is difficult to learn which lands are actually in the hands of foreigners.

The lower real estate prices and the overall attractiveness of the area are encouraging more U.S. nationals to buy a second house in Los Cabos, which means that, in the next few years, the locality will become home to many U.S. retirees. Baja California's Minister of Tourism, Oscar Escobedo Carignan, has broached this subject in the U.S. newspaper *La Opinión* (Arenales, 2008): «Until now, the dominant demographic group is comprised of fully mobile people who do not need any special care, but we expect many retirees to come here in the near future, and that includes those who will need medical and domestic help.» For her part, Cabral (Cabral, 2007) argues that the increased touristic develop-



ment of Los Cabos and the concomitant U.S. migration have resulted in some severe social problems rooted in economic polarization:

Many of the indicators of marginalization found among the rural population in agricultural camps can now be found in the peripheral areas of Cabo San Lucas. The state's DIF\* reports over 100,000 people living in vulnerable conditions statewide, especially in rural areas. However, it points out that said vulnerability is increased in the Los Cabos municipality.

Nonetheless, the most serious problem brought about by the presence of so many U.S. nationals in Los Cabos is that of land occupation, especially in the beaches. The whole peninsula is essentially part of the so-called «forbidden area» demarcated in Article 27 of the Mexican Constitution, which forbids foreign ownership of border areas. There are two legally sanctioned ways in which to circumvent this. Since 1973, the acquisition of a property trust no longer requires a permit from the Ministry of Foreign Affairs, and the trust can be renewed indefinitely (Bringas, 1989). Alternatively, the foreigner can register a Mexico-based firm, which will be treated as Mexican even if entirely owned by U.S. nationals, and buy real estate through it. An Internet search yields about 20 real estate firms in Los Cabos; most of them are U.S.-owned and have offices in Mexico, the United States, and Canada.

According to Cabral, property tax is one of the few state benefits that can be obtained from the sale of all these properties. Even then, U.S. owners know how to get tax deductions or make pay as little as possible with the help of real estate firms. Rodrigo Vera (2008) quotes José Zarate, a local fisherman, who states that, «Little by little, the *gringos* are taking all our beaches. They hire private security and put up wire fences to keep us out. They even have satellites watching that no one enters their coasts. They're taking the sea from us.» José, another interviewee, complains that,

Bahía de Muertos, a very pretty bay where we used to go and swim with the family, or the beaches of Punta Arena are now beaches we can't access because the *gringos* are building these luxurious touristic centers, all for themselves. They even give them English names. Many names are being changed by them, starting with Baja California Sur, which they now substitute with the contraction «Baja.» The city of Loreto is now being called Loreto Bay, because that is the name of the residential complex for foreigners that is getting built nearby. Bay of Dreams is the name they've chosen to substitute Bahía de Muertos.

Vera also quotes Tulio Ortiz, director of the local magazine La Tijereta, who states that some 70 U.S. firms control the peninsula's real estate market. These

\* Translator's note: acronym for Sistema Nacional para el Desarrollo Integral de la Familia (SNDIF), or National System for Full Development of the Family; this is a public organism in charge of creating and implementing social assistance policies.



firms include Re/Max Realty, Century 21, Linda Neil Properties, Cabo Realty, Lands and Realty, Grimes Properties, Baja Peninsula Real Estate, Rionda & Knapp, and Costa Realty among others.

Los Cabos' real estate boom began in 2003. Now there are real estate offices throughout the municipality. Their windows display photographs of luxurious residences and large coastal plots sold by the acre. According to Greg Redderman, the owner of the Re/Max agency in Cabo San Lucas, some houses near the mountains have prices that oscillate between 300,000 and 600,000 USD, while sea-facing ones can fetch between 600,000 and 1.2 million USD. Some of the more lavish ones are priced between 8 and 10 million USD. Prices have been on the rise, so many U.S. nationals prefer buying land in the stretch of San José del Cabo for 150,000 to 700,000 USD and building their homes there. Greg traces the boom back to 2002 and states that his main buyers come from California.<sup>3</sup>

Ted Downward, Century 21's manager, agrees with Greg in regard to the provenance of his clients: 70% are from the United States, 20% are Canadian, and the remainder comes from a variety of countries. Most U.S. buyers come from California, Washington, and Texas. The prices of the houses in his inventory oscillate between 150,000 and 10 million USD.<sup>4</sup> Ted adds that U.S.-owned real estate firms have an advantage over the few Mexican ones in the area because U.S. buyers put more trust in transnational agencies. A journalistic article points out that 60% of real estate buyers in Baja California Sur are U.S. nationals from southern California, particularly Los Angeles, San Bernardino, Riverside and Ventura. Another 20% comes from San Diego, and the remaining 20% are from Nevada (Morales, 2006). The real estate business has become an important economic activity in the region: 80% of the U.S. nationals who live in Cabo San Lucas own their own house, while 11% pay rent. And yet, as was already happening in the Tijuana-Ensenada route during the late 1980s, «the jobs being created are not enough; it is real estate firms and construction companies that have benefited from this type of immigration, since they fractioned the coast and put it up for sale as plots and houses» (Bringas, *op. cit.*).

Mike Davis (*op. cit.*) points out that property prices have increased so much in Los Cabos that the impoverished local inhabitants cannot possibly afford them. They are consequently pushed into unsanitary quarters or forced to emigrate. Living amid beautiful natural surroundings is no longer possible for national residents. This «late colonization» of Mexico, as Davis calls it, will increase with the development of the Escalera Náutica, or Nautical Route.\*

\* Translator's note: a Mexican government project designed to detonate tourism development in the northern part of the country.

<sup>3</sup> Interview with Greg Redderman, April 10, 2008.

<sup>4</sup> Interview with Ted Downward, April 10, 2008.



## TRANSNATIONAL NETWORKS AND PRACTICES OF U.S. IMMIGRANTS IN CABO SAN LUCAS

As in the case of the U.S. Mazatlán residents, the Cabo San Lucas immigrants engage in circular migration flows. Most of them engage in transmigration: according to my survey, 29% visit their place of origin once a year; 57% do so twice a year; 11% do so every month, and the remaining 3% once every two years. Carrie Duncan, the owner of the English-language magazine *Gringo Gazette*, is one of these transmigrants. She lives in the harbor for three weeks using a tourist visa and returns for another three weeks to San Clemente, California. She has been doing this throughout the year for 13 years now.<sup>5</sup> Cameron Briggs, and assistant at the Cabo English Church, visits his natal San Diego six times a year in order to see family. He also has Mexican citizenship.<sup>6</sup>

Regarding the frequency of their communication with family and friends in the United States, 57% say they get in touch every day, 40% do so once or twice a week, and the remaining 3% once a month. While in Mexico, 50% percent of them get access to U.S. news via the Internet; 33% do so through television, 10% by reading local newspapers, and 7% through other friends who live in Cabo San Lucas. Twenty percent follow local news online, and 29% use local English-language newspapers and magazines, including *Destino Los Cabos*, *Los Cabos News*, and the *Gringo Gazette*.

As in Mazatlán, the survey asked current residents if they had had friends or family in Cabo San Lucas before moving there, and whether they would recommend the place as a retirement destination. Sixty-three percent said friends of theirs were there before they themselves moved, and 94% said they have or would recommend Cabo San Lucas to family and friends. Like Mazatlán, Cabo San Lucas has several U.S. associations, including the Cabo English Church, *Los Cabos Tomatoes*, *Liga M.A.C.*, *ALMA Humane Society Fundraiser*, *Amigos de los Niños de Cabo San Lucas*, and the *Optimist Club Cabo San Lucas*. According to the survey, 11% of U.S. nationals belong to one of these groups.

In terms of sociopolitical participation, 83% of U.S. immigrants vote in U.S. local and presidential elections: 45% travel to their place of origin and vote in person, while 9% do so electronically.

## CONCLUSIONS

As this research shows, international retirement migration is the result of imbalances in the hierarchical structure of the global economic system. U.S. nationals in particular are attracted to Latin America because of their pensions have more buying power in this region. The moderate cost of living in Mexico contrasts

<sup>5</sup> Interview with Carrie Duncan, April 13, 2008.

<sup>6</sup> Interview with Cameron Briggs, May 8, 2008.



with the high cost of living in the United States, encouraging them to migrate south of the border. This contrast is linked to the current stagnation of U.S. incomes and the growing costs of housing and health care. Additionally, retiree migration flow to the northwestern region of Mexico is greater because of geographical proximity and the demographic and climactic factors that characterize places of origin and destination.

The surveys show that the majority U.S. immigrants in Mazatlán and Cabo San Lucas come from the states of California and Washington. There are, however, some differences. The average socioeconomic profile of Mazatlán immigrants is that of middle class professionals, civil servants, and small business owners, while Cabo San Lucas is populated by big business, entrepreneurs, and retired corporate managers with a high income. Many of the U.S. immigrants in Cabo San Lucas are also involved in economic activities, and a large number of their clients and employees are also from the United States. Both the Mazatlán and Cabo San Lucas immigrants tend to own the house they live in and real estate is thus an important economic source for the towns. However, most of the real estate profits remain in the hands of foreigners.

1. Mazatlán and Cabo San Lucas retirees travel continuously to the United States and maintain ongoing transnational practices. Social networks play a crucial role in this particular. Transnational practices, however, are not the same in both places:
2. Immigrants in Cabo San Lucas make more annual trips to the United States.
3. Immigrants in Cabo San Lucas also communicate more often with family and friends using both the Internet and telephone services.
4. Immigrants in Mazatlán are more interested in voting in their places of origin.

Immigrants in Mazatlán are more interested in participating in immigrant associations and organizing through them.

Previous touristic experiences influence the migrants' choice of destination. In Mazatlán, 95% of U.S. residents had visited the harbor at least once before as tourists. They liked the place as a potential residence and decided to buy houses and move there permanently once they had retired. Ninety-seven percent of U.S. immigrants in Cabo San Lucas went through the same process. A substantial number of residents in both harbors decided to immigrate insofar as they already had contacts with fellow citizens in the area, which speaks of the importance of social networks. These lead to the permanent increase of these migration flows, as social networks lead to migration that then leads to more social networks. This retirement migration flow will increase greatly over the next few years as an entire generation, the baby boomers, retires. Already, retired U.S. immigrants are recommending these towns to other potential migrants.

Finally, it is important to point out that the importance of the U.S. migration to Mexico has so far been underestimated, not just as a general event but



also as a factor of economic, social, political, and cultural significance. Much remains to be researched and analyzed. The purpose of this paper is to awaken the reader's curiosity and point international migration researches to an important topic. While I have presented some of the most outstanding elements of this migration flow, future research should continue to explore and elaborate on this issue.

#### BIBLIOGRAPHY

- APPADURAI, Arjun (1996), *Modernity at large: Cultural Dimensions of Globalization*. Minneapolis, University of Minnesota Press.
- ARENALES, Yolanda (2008), «Jubilación en Baja», *La Opinión*, April 27.
- AVILÉS, Jaime (2006), «San Miguel de Allende: Primer mundo en Guanajuato», in Mónica Palma, *De tierras extrañas*, Mexico, Conaculta/INAH.
- BARBOSA, Adriana and Arturo Santamaría (2006), *Estudio comparativo de cuatro destinos de playa en México*, Culiacán, Universidad Autónoma de Sinaloa.
- BRADY, Eugene (2005), «Married in Mazatlán. Pacific Pearl», Mazatlán.
- BRINGAS, Nora (1989), «Quienes se llevan la mayor tajada en los fideicomisos para extranjeros. El Caso del corredor Tijuana-Ensenada», *Cultura Norte*, Vol. 2 No. 10.
- CABRAL, María (2006a), «Globalización, migración y la transformación de las sociedades locales: el caso de Baja California Sur», Talk given at the XX Congreso Anual de la Asociación Mexicana de Estudios Internacionales, Monterrey, November 9-11.
- \_\_\_\_\_ (2006b) *Migración y desarrollo, el contexto nacional y estudios de caso en Los Cabos y La Paz Baja California Sur*, La Paz, Universidad Autónoma de Baja California Sur.
- \_\_\_\_\_ (2007), «La migración norteamericana en Baja California Sur», report presented to the Consejo Técnico de Ciencias Sociales y Humanidades at the Universidad Autónoma de Baja California Sur and approved for publication, La Paz.
- CONAPO (2008), «Proyecciones de la población de México 2005-2050», available at <http://www.conapo.gob.mx/00cifras/5.htm>, accessed on July 9, 2008.
- DAILEY, Nancy (2005), *When Baby Boom women retire*, PRAEGER, Connecticut.
- DAVIS, Mike (2006), «Los invasores de fronteras», *La Jornada*, September 23.
- UNITED NATIONS POPULATION FUND, UNFPA (2008), «El estado de la población mundial 2007», available at <http://www.unfpa.org.mx/SWOP07/unfpaindex.htm>, accessed on July 6, 2008.
- GARCÍA, Ismael (2006), *Vidas compartidas. Formación de una red migratoria transnacional, Aguacaliente Grande Sinaloa y Victor Valley California*, Culiacán Universidad Autónoma de Sinaloa (UAS) and Difocur.
- GÓMEZ, Luis (2008), «Adoptan extranjeros a Mazatlán», *Noroeste*, March 2.
- INEGI (2005a), «Vías de comunicación del estado de Sinaloa», Available at <http://mapserver.inegi.gob.mx/geografia/espanol/estados/sin/viascomunicacion.cfm?c=458&e=25&CFID=2451844&CFTOKEN=32429506>, accessed on July 2, 2008.
- \_\_\_\_\_ (2005b), «Resultados definitivos del II Censo de Población y Vivienda 2005 para el estado de Sinaloa», available at <http://www.inegi.gob.mx/inegi/contenidos/>





- espanol/prensa/Boletines/Boletin/Comunicados/Especiales/2006/Mayo/comunica28.doc, accessed on July 1, 2008.
- \_\_\_\_\_ (2005c), «Aspectos geográficos de Baja California Sur», available at [http://mapserver.inegi.gob.mx/geografia/espanol/estados/bcs/ubic\\_geo.cfm?c=442&e=03&CFID=2451844&CFTOKEN=32429506](http://mapserver.inegi.gob.mx/geografia/espanol/estados/bcs/ubic_geo.cfm?c=442&e=03&CFID=2451844&CFTOKEN=32429506), accessed on July 1, 2008.
- \_\_\_\_\_ (2005d), «Número de habitantes del estado de Baja California Sur», available at <http://cuentame.inegi.gob.mx/monografias/informacion/bcs/poblacion/default.aspx?tema=me&e=03>, accessed on July 2, 2008.
- \_\_\_\_\_ (2005e), «Movimientos migratorios del estado de Baja California Sur», available at [http://cuentame.inegi.gob.mx/monografias/informacion/bcs/poblacion/m\\_migratorios.aspx?tema=me&e=03](http://cuentame.inegi.gob.mx/monografias/informacion/bcs/poblacion/m_migratorios.aspx?tema=me&e=03), accessed on July 3, 2008.
- KING, R., A. Warnes and A.M. Williams (1998), «International retirement migration in Europe», *International Journal of Population Geography*, Number 4.
- LIZÁRRAGA, Omar (2006), «Redes sociales e integración social de estadounidenses retirados en Mazatlán», master's thesis, United States and Canada Studies Program, Universidad Autónoma de Sinaloa.
- \_\_\_\_\_ (2007), «El Centro Histórico de Mazatlán y los estadounidenses como actores urbanos», in Arturo Santamaría *et al.*, *Nací de aquí muy lejos*, Culiacán, Universidad Autónoma de Sinaloa.
- LONGINO, Charles (2001), «Going home or leaving home?», *The Gerontologist*, Vol. 41.
- LUJAN, Adrián (2007), «Los Cabos llega a las grandes ligas», *Noroeste*, June 2, 8b.
- MEYER, Lorenzo (2007), «México frente a Estados Unidos. ¿Nuestra Norteamérica? Desde la perspectiva mexicana aún no», in Enriqueta Cabrera (editor), *Desafíos de la migración, saldos de la relación México-Estados Unidos*, México, Planeta.
- MORALES, Jorge (2006), «El boom de Baja California», *Lazos*, October 16.
- PALMA, Mónica (1990), *Veteranos de guerra norteamericanos en Guadalajara*, México, Gobierno del Estado de Jalisco and INAH.
- PAPADEMETRIOU, Demetrios (2006), *America's Emigrants, US retirement migration to Mexico and Panama*, Migration Policy Institute.
- PUGA, Dolores (2001), «Un lugar en el sol. Inmigración internacional de jubilados hacia Costa Rica», in Rosero (editor), *Población del istmo 2000: Familia, migración, violencia y medio ambiente*, San José, Centro Centroamericano de Población, pp. 253-276.
- RUBIO-MARÍN, Ruth (2006), «Transnational politics and the democratic nation-state: normative challenges of expatriate voting and nationality retention of emigrants», *New York University Law Review*, 81.
- SHINOZAKI, Mitsuru (2006), «Japanese International Migration. A case study of Japanese retired couples in New Zealand», master's thesis, Waseda University.
- US CENSUS (2008), «National Population Estimates-Characteristics», available at <http://www.census.gov/popest/national/asrh/NC-EST2007-sa.html>, accessed July 10.
- VERA, Rodrigo, «La invasion yankee», *Proceso*, April 20, 2008.
- ZAMORA, Liliana, «Eligen extranjeros a Mazatlán para residir», *Noroeste*, October, 2007.



## *Interviews*

Interview with Sam Pealzman, October 5, 2006.

Interview with Dorothy Timmons, January 23, 2007.

Interview with Greg Redderman, April 10, 2008.

Interview with Ted Downward, April 10, 2008.

Interview with Carrie Duncan, April 13, 2008.

Interview with Cameron Briggs, May 8, 2008.