



*Mexico - U.S.
Migration Management
A Binational Approach*

Executive Summary

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INTRODUCTION¹

The need to understand Mexico – U.S. migration is greater today than at any time in its century long history. Its volume and complexity are greater than most observers might have imagined even a decade ago; and it operates in a context charged with serious new human, political, and security challenges. Yet, there is often confusion over the most fundamental questions about the demography, economics, and political nature of the movement. What are reliable estimates of the number of migrants, their legal status, and their rate of circulation? What role do Mexican migrants play in the U.S. labor force, today and tomorrow? What is the context that drives policymaking, either unilateral or bilateral, in Mexico and the United States? And how might the migration best be managed in a balanced and bilateral manner? Too much of our understanding derives from dated analysis or the viewpoints of experts on one side of the border or the other.

This report addresses the need for a balanced, up-to-date assessment. Its analysis draws on the most recent data and knowledge from both countries. The report has been prepared by a group of experts on migration from the United States and Mexico. It summarizes studies undertaken by those individuals with input from the collective team, such that the findings presented here reflect a view arising from a multidisciplinary, binational perspective.

The report's purpose is twofold. First, it aims to provide an up-to-date assessment of the main characteristics, trends and factors influencing Mexico – U.S. migration. Second, it recommends unilateral and bilateral actions that should improve migration management and promote changes in the flows leading to 1) improved regulation and management, and thus a substantial reduction in undocumented flows; and 2) promotion of the interactions between migration and positive economic and social developments in both countries.

¹ This summary report has been written by the coordinators. It is based on the individual chapters contributed by all members of the team, and on detailed team discussions of previous versions of the report.

The team includes top migration experts approaching migration from various fields: demography, sociology, anthropology, economics, policy analysis and international relations. Our purpose is not to advance migration *theory*, but to provide the most adequate and up-to-date *description* and analysis of this phenomenon as a basis for innovative and sound policy - making. We believe adequate descriptions, especially when they deal with the main forces and actors at play, help explain observed phenomena and how they may be influenced. This summary comprises our main findings in the fields of demography, economics and policy-making. We have not dealt with culture, identity or with issues of local and regional development, which would warrant specialized attention.

We have decided to come together as a *binational* academic research team because recent similar initiatives proved particularly useful in developing the best possible general assessments of this largely *binational* flow and, thanks to a profound knowledge of both countries' institutional frameworks and current policy, in suggesting the best avenues for policy-making. The *Binational Study of Mexico – U.S. Migration (1995 - 1997)*² significantly improved upon previous diagnoses of the phenomenon. It was a large, ambitious governmental initiative, involving 20 experts from both countries, who worked in fully binational teams. It fulfilled its mission in terms of the provision of the first binational consensus on the nature and scope of migration flows at the time, as a basis for potential policy-making. In 1999, the Mexican National Population Council (CONAPO) and the Foreign Affairs Secretariat (SRE) convened a similar group of experts whose task was to outline policy alternatives³. The *U.S.-Mexico Migration Panel (2001)* directed by the Carnegie Endowment for International Peace and the *Instituto Tecnológico Autónomo de México (ITAM)* involved a significant part of the first group and some members of this project, brought other experts on board and consulted with policy-makers.⁴ It worked during 8 months, and commissioned a number of policy and research pieces. In addition to an up-

² Mexican Ministry of Foreign Affairs and U.S. Commission for Immigration Reform (1998) *Migration between Mexico and the United States. Binational Study*: Mexico City and Washington, D.C. 3 Volumes. Also published by CONAPO in an extended version in 2000.

³ Rodolfo Tuirán (Coord.) (2000) *Migración México – Estados Unidos. Opciones de política*. Mexico City: CONAPO, Secretaría de Gobernación, Secretaría de Relaciones Exteriores.

⁴ *Mexico-U.S. Migration: A Shared Responsibility*, The U.S. Mexico Panel convened by the Carnegie Endowment for International Peace and the Instituto Tecnológico Autónomo de México, Washington, D.C., http://www.ceip.org/files/pdf/M_percent20exicoReport2001.pdf, 2001 (panel member).

dated description of Mexico – U.S. migration, it provided an ambitious blueprint for policy change which was taken up by both governments during 2001.

This is the first report to be undertaken in this manner since 2001. We believe a new assessment of migration and migration policy is necessary because 1) migration flows and stocks have grown and changed more rapidly than expected during the late nineties and between 2000 - 2004, and 2) the policy environment has shifted manifestly after the terrorist attacks of 9/11, a slowdown in employment growth, and new political contexts in both countries.

This summary report consists of four sections: Section one provides a short overview of our main findings; section two deals with the main current trends; section three addresses the main factors influencing the short and medium – term nature of the flows; and finally, section four provides our policy proposals.

Our work was possible thanks to the support of the William and Flora T. Hewlett Foundation, the Mexican Secretariat of Foreign Affairs, and each of our institutions. We are a non-governmental group. Our views and recommendations are the sole responsibility of the group of experts. However, we believe policy – relevant work cannot be developed by academics alone. We have benefited from the input of the Mexican Secretariat of Foreign Affairs, and we have also discussed our progress with officials from each country: In the United States, the Department of Homeland Security, the U.S. Census Bureau, the State Department and the U.S. Congress, and in Mexico the National Institute of Migration, the National Population Council, The Mexican Social Security Institute and the Social Development Secretariat. We are also grateful to various academics and policy experts from both countries that have discussed our findings and made constructive suggestions. Our views, nevertheless, remain entirely our own.

I. MAIN FINDINGS

1.1.- Migration must be seen within the context of broader economic integration trends.

In January, 1994, Mexico joined the U.S. and Canada in the North American Free Trade Agreement (NAFTA). The agreement was heralded as an historic opportunity for Mexico, leading to the social and economic convergence of all three North American societies. Among other things, the agreement was presumed to increase Mexican commodity exports and lower emigration. Contrary to what officials heralded, however, experts predicted that NAFTA would lead to a migration hump, in which migration pressures would increase in the short to medium term before reducing in the long term. Ten years after the agreement was implemented, Mexican exports have risen very rapidly, and emigration has also reached unprecedented levels. As predicted, while trade, financial and service integration has undoubtedly accelerated, this has not led to sufficient economic and social convergence between the U.S. and Mexico, and migration has thus far continued at historic levels.

1.2.- Mexico – U.S. migration is driven by economic disparities.

Although Mexico – U.S. migration is the largest flow of its kind in the world, and its size is matched by its complexity and the extremely diverse nature of motivations, transnational links, and family, labor and cultural connections, it still responds mostly to the large difference in income levels and employment opportunities arising from asymmetrical integration. The pervasiveness of social relations in the flow has not overtaken the economic nature of migration. Mexicans move to the U.S. in search of better jobs that may improve their wellbeing in Mexico, or provide a better future for them and their families in the U.S.

1.3.- While the prognosis is for more migration in the short-to-medium term, if proactive steps are taken to manage the flow, long-term reductions in migration pressures are possible and even likely

At present U.S. employers and Mexican workers appear to be mutually dependent on migration. In the near future, conditions in both countries are likely to maintain the flow at close to its current levels, with ups and downs defined, in the short term, by U.S. employment growth and policies. Over the longer term Mexican development holds the best likelihood of reducing the number of migrants. Demographic changes will contribute to lessen

emigration pressures. Concerning Mexican employment, while the prognosis is sometimes disappointing, there is reason to believe that formal sector employment may regain its momentum of the late 1990's. But there is little room for complacency. Some critics reasonably point out that today's migration momentum may carry on indefinitely and, as long as today's institutions for [mis-] managing migration remain unchanged, they could well be right.

1.4.- Binational cooperation is key to better managing migration between Mexico and the United States.

The window of opportunity for a comprehensive bilateral migration agreement is all but closed at the present time. And yet, collaboration is essential to improving the management of migration and deriving positive impacts in both countries. A high level of cooperation and institutionalization already exists in the fields of trade and investment. It has been useful to both countries, and these two models can serve to further cooperation in migration affairs. And cooperation has also risen to new highs in other fields, such as security, although it is less institutionalized.

We are proposing an arrangement in which renewed dialogue, improved national migration policy coordination in Mexico and the United States, and a binational administrative body gradually develop substantial levels of cooperation. Together with a series of confidence building steps, they would create practical, day-to-day collaboration. A bilateral approach to the management of migration opens up avenues for the more secure, effective and humanitarian control of the northward movement. Specifically, we are proposing a number of specific components to re-direct movements from largely unauthorized migration to legal work programs. At the same time, we are suggesting elements that, if proactively targeted, can boost Mexican development. Finally, we believe the time has come for Mexico and the United States to cooperate more systematically in the enforcement of migration laws along the Mexico – U.S. border, provided that new legal avenues are opened to migrants and employers. Cooperating on the border, facilitating legal status, deterring unauthorized employment, providing legal alternatives for new migrant flows benefiting from new social and information infrastructure in both countries, leveraging remittances, encouraging return migration, and maintaining ongoing and close consultations on all aspects of the binational relationship will lead to a substantial improvement in the regulation of migration, and to a much more satisfying Mexico – U.S. relationship. Acknowledgement of the responsibility

shared in the current state of Mexico – U.S. migration should evolve into practical collaboration for its solution.

II. TRENDS IN MEXICAN MIGRATION

The basic demography of Mexican migration to the United States has continued to evolve since World War II, but there have been remarkable changes in the past decade alone. Most importantly, not only has the number of immigrants continued to increase as in the past, but it surged to new highs. Undocumented migrants make up about the same proportion of the Mexican-born population in the United States as they have in the past, but the undocumented are now an unprecedented proportion of new arrivals. The salience of other trends from the past has also increased—the rate of migratory circulation has continued to decrease since the 1970s, many migrants now move to other than their traditional destinations, and increasing percentages of the best educated Mexicans leave for the United States.

2.1.- Mexico to U.S. migration surged in the late 1990's and fell in 2001-2003, in close correspondence to U.S. employment dynamics.

The *Binational Study of Mexico – U.S. Migration* estimated a net annual increase of the Mexican-born population in the U.S. averaging 290,000 for the period 1990-1995. Our estimate for the period 1996 – 2000 is an average of 505,000 persons per year. The legalization of two million Mexicans in 1988 provided the basis for further migration, and then economic conditions in the U.S. appear to have played a major role in the increased number of migrants. Mexico experienced a serious economic crisis in 1995, but also rapid levels of economic and job growth from 1996 to 2000, as NAFTA impacted the Mexican economy and sustained economic growth in the U.S. created demand for Mexican exports. This five year period of economic and employment growth in Mexico should not have generated significant pressures to emigrate. Although other factors surely played a role, the unprecedented level of growth in U.S. employment (averaging 2.8 million non-farm jobs from January 1995 to 2000) seems to be the major factor explaining the surge in Mexican migration to the United States.

Since the year 2000, trends in Mexican migration again closely track the US economy, with numbers declining during the so-called “jobless recovery”, from 2001 to 2003, when the U.S. and Mexican economies stagnated and the

total number of jobs dropped in both countries. Mexican migration hit a one-year record of 530 thousand in 2000, only to drop each ensuing year to 369 thousand in 2003. A U.S. job recovery in 2004 saw an increase to 459 thousand in 2004, still well below the 2000 peak but consistent with historical job demand and year-to-year migration⁵. Still, Mexican migration has been less sensitive to U.S. economic change than the migration flows from other countries and regions, reflecting the strength of social networks, the increasing openness of specific occupational and sector niches, and its growing geographic dispersion in the U.S., all of which are sure to foster future migration. U.S. job growth correlates extremely closely with the changing levels of Mexico – U.S. migration, while Mexican job growth –or loss - does not.

2.2.- Mexicans are the largest group of legal and unauthorized migrants in the U.S.

In 2004, there were approximately 11.2 million Mexicans in the U.S. Of that total, 5.3 million are estimated to have legal status and the other 5.9 million to be undocumented. This means 57 percent of all Mexicans living in the U.S. are undocumented, a percentage that has remained relatively constant over the past decade (Passel, 2005⁶). Both U.S. and Mexican data suggest that estimates that place the size of the undocumented population at significantly higher levels are not credible.

2.3.- Mexicans increasingly disperse throughout the United States, although large numbers are also concentrated in a small number of Metropolitan Areas.

The dispersion of Mexican migrants to new regions and cities in the United States began in the 1980s and accelerated in the latter 1990s. In relative terms, California has rapidly lost importance as a destination, while the other two traditional destination states (Texas and Illinois) have retained their share, and a large number of other, previously less significant states have received larger flows.

Nevertheless, the increasing dispersion has taken place in the context of rapid numerical growth of the total flow, which means the absolute number of

⁵These single-year estimates average the results of various surveys and questions in those surveys (Passel).

⁶ Passel, Jeffrey S. 2005, "Unauthorized Migrants: Numbers and Characteristics". Washington, Pew Hispanic Center. June 14. (Also, <http://pewhispanic.org/files/reports/46.pdf>.)

Mexicans in California has not fallen. And a very large part of all Mexicans living in the U.S. concentrate in a very small number of Metropolitan areas. Indeed, 1.5 million Mexicans lived in Los Angeles in 2000 with additional concentrations in the traditional metro destinations of Chicago and Houston. Fifty percent of all Mexicans live in just 12 consolidated metropolitan areas.

2.4.- The employment of undocumented immigrants has become more widespread

In the U.S., employment of immigrants not authorized to work has become common in mainstream industries and firms. While Mexican migrants were found predominantly in agriculture in the 1960s, today it is estimated that only 3 percent of unauthorized migrants living in the U.S. work in agriculture, while 33 percent work in service jobs. Irregular migrant workers are employed by households, small family enterprises and multinational corporations. Most of these firms have never been inspected for violating work authorization requirements. Of the few that have, a very small proportion has been prosecuted: only three employers in 2005.

As employment of undocumented Mexicans and other foreigners becomes highly diversified, a part of the mainstream economy, and of the standard business model, employer attitudes have also tended to vary: they range from over-compliance, which may include rejection of seemingly false (but sometimes legitimate) documentation, and the requirement of documents they are not entitled to demand (which can lead to lawsuits by the workers), to the active and knowing recruitment of undocumented workers, and the “coaching” of supervisors and lower managers in what they need to help workers get some kind of documentation.

Enterprises have come to depend on unauthorized workers to varying degrees. Some profit from the lower pay, hire and fire flexibility, and lower taxes and benefits accepted by irregular workers, but most employers argue that U.S. workers are unavailable or unwilling to apply for these positions. At any rate, most undocumented Mexican workers are typically found in jobs and industries requiring few skills where employers seek to keep their labor costs down in order to make their products cost competitive, in a context of falling domestic and international prices for a large number of goods.

2.5.- After a period of restructuring , regional origins in Mexico have shifted slowly, but individual states' contributions to the flows have varied significantly.

Mexican surveys point at moderate changes in the regions of origin of various migrant cohorts. The traditional sending region, comprised of just a few states, accounts for a slightly smaller part of the total national flow. Within this traditional region, however, there have been some important changes. For example, the state of Guanajuato has practically doubled its share of migrants between 1987-92 and 1997-2002, as has San Luis Potosí. During the same time, the share of migrants from Michoacán, Jalisco and Zacatecas has declined. In the South and Southeast of Mexico, the region that historically has had the lowest emigration rates, the migration from Puebla, Veracruz and Oaxaca has risen markedly, while Guerrero's contribution has fallen. The migrant flow from Chiapas, Tabasco, Campeche, Yucatán and Quintana Roo has increased somewhat, but is not making substantial contributions to the total flow. In the center region, Hidalgo's contribution has risen markedly. It is possible that, due to demographic and economic changes, some states are approaching the peak of their emigration rates (the "*migration hump*"). Future economic trends, however, must be closely monitored.

2.6.- Although some migrants continue to return home, there has been a decline in circularity during the past twenty years.

Not all Mexican migrants stay in the United States. A rather large percentage of those crossing the border have historically returned to Mexico after a few months or years. But the rate of circularity has decreased over the past couple of decades as migrants found employment in urban, year-round jobs and their families moved north. However, the length of stay of agricultural workers has changed little. Thus, length of stay has been affected mostly by the legalization program in the Immigration Reform and Control Act (IRCA), which anchored families in the U.S., and by the long-term shift out of agricultural work. Additionally, enforcement has made border crossing risky and has put pressure on some migrants to stay in the United States; albeit Mexican data show that circulation does not move in lock-step with enforcement. It even rose between 1997 and 2002 as border enforcement increased: the probability of returning after three years in the United States rose from 39.9% in 1992 – 1997, to 46.1% in 1997 - 2002.

2.7.- Women account for a high proportion of the stock of permanent residents and a low proportion of the annual flow of migrants from Mexico.

Women comprise close to 50 percent of all Mexicans living in the U.S. This percentage moved very little from the 1990 to the 2000 U.S. censuses. This, however, is the result of gender-specific migration patterns. Women tend to be less mobile, younger and with closer ties to family and social networks. According to Mexican surveys (ENE), they tend to move less for reasons of employment (51 percent versus men's 92 percent), and they are moderately more likely to move once they can secure a documented status. In those surveys, sixty-one percent of women are unauthorized, compared to 76 percent of men. U.S. and Mexican data point at different but complementary trends. According to Mexican sources, women make up a diminishing portion of the *movements*. According to U.S. sources, they account for a slightly increasing part of the *resident* population of the U.S. This seems to be explained by the fact that women tend to move to the U.S. to stay there, and also by the inexistence of a household in Mexico to report migration once the female head has left.

2.8.- Mexican migrants are better-educated than the average Mexican population, with the largest loss coming from those at the very top of the education spectrum.

On average, those Mexicans who choose to migrate are slightly better educated than those who stay. Immigrants' characteristics – education among them - help them take on the challenges and costs of international mobility. But averages say little about the composition of the migration flow. While the greatest absolute number of Mexican migrants in the United States has little education, the greatest relative loss of Mexicans to the United States increasingly comes from among the best educated Mexicans (e.g, those with post-graduate degrees). On the other hand, the smallest relative loss occurs among university graduates, possibly due to various factors: the relative success of the Mexican labor market in absorbing them during the 1990's, the narrower Mexico – U.S. earnings gap for them, and the scant portability of an average Mexican degree. The relative distribution of migrants in educational terms therefore shows a marked U pattern, which suggest a polarization of the flow occurred during the 1990's. This means the "average" Mexican migrant became less significant in the flow⁷.

⁷ The share of Mexican migrants in the total Mexican population according to education is more complex, as the demographic chapter shows.

Our analysis suggests that, as a factor influencing migration, education affects men and women differently. Education would seem to increase a woman's propensity to migrate, while this effect is much less marked among men. Nevertheless, Mexico's loss at the top end of the education spectrum is extremely noteworthy. Nineteen percent of all Mexican men with Master's degrees, and 29 percent of all women, are in the U.S. Among individuals with a Ph.D. education these figures rise to 32 and 39 percent, respectively. Recent research has also shown that migrants tend to be healthier than average, and that they tend to be risk-takers, younger and better off generally.

2.9.- Immigrants have a small, positive impact on the aggregate U.S. economy but a small, adverse impact on low wage workers.

The impact of *all* immigrants on the aggregate U.S. economy and most domestic workers appears to be positive but small. One common type of research estimates the impact by comparing the wages of workers in cities with low and high proportions of immigrant workers. The impacts found on native workers have tended to be very small, although increasing immigration is found to depress the wages of other immigrants. Critics have pointed out that immigrants may compete mostly with other immigrants, but that impacts on natives are small because immigrants tend to move to booming cities and also because U.S. workers may work in different labor markets than immigrants. However, analyses at the national or aggregate level sidestep these cross-city measurement problems, finding that immigrants depress the wages of low-skilled workers, but thereby increase the returns to capital resulting in a net increase in the national economy. So the macro analyses suggest that the US economy receives a net benefit due to immigration. These research efforts do not focus on the impact of Mexican migrants, but the findings imply that they benefit the U.S. economy primarily by lowering the wages paid by employers in industries that employ low-skilled workers. It should be noted that these benefits are not Mexico specific, however; the same benefits would accrue to the economy from the migration of any nationality willing and able to work at these low-skilled, low-wage jobs. Recent analyses carried out in Great Britain and the United States further suggest that, in flexible labor markets, immigration boosts productivity by optimizing the allocation of skills to jobs.

III. FACTORS INFLUENCING FUTURE MIGRATION

The economic context of Mexican migration changed fundamentally with the advent of the North American Free Trade Agreement (NAFTA) in 1994, but there has been no immediate impact on migration of the greater integration of Mexico and the United States. Rather, the small but positive impact of low-skilled migrants on the U.S. economy, in tandem with the economic boom of the late 1990s, reinforced labor demand for Mexican workers. At the same time, although population growth diminished in Mexico, the working age cohorts still expanded between 2.5 and 2 percent p.a. until the year 2000, and economic conditions have not progressed rapidly enough to offset the pull of US jobs and wages. Taken together, supply and demand factors outline a scenario in which a major reduction in emigration is unlikely in the near future. In addition, social networks and the dependence on migration by U.S. employers and Mexican workers and their families suggest that, currently, Mexico – U.S. migration is a robust system, sustained by economic and social factors in both countries.

However, our analysis of the importance of formal sector employment in reducing migration, coupled with a prognosis for ongoing economic liberalization, leads us to forecast economic conditions favorable for the possibility of a long-term decline in northward migration.

3.1.- Forecasts point at growth in the low-skill occupations typically occupied by Mexican migrant workers in the United States.

In February 2004, the Bureau of Labor Statistics issued projections for 21 million more workers for the decade 2002 to 2012 and a remarkably strong demand for workers with few formal skills. Among the occupations with the fastest projected growth are registered nurses and university teachers; however, seven of the 10 occupations with the fastest growth are in low-wage services that require little education: retail salesperson, customer service representative, food-service worker, cashier, janitor, waiter and nursing aide and hospital orderly. These latter jobs tend to employ significant numbers of immigrants. At the same time, fifteen of the 30 occupations projected to have the “largest numerical” growth require only short on the job training, and these jobs are projected to account for 24 percent of total labor force growth. Here too Mexicans make up a substantial share of the occupational workforce: 20 percent of all landscape and groundskeepers; 14 percent of all food

preparation workers; 11 percent of all janitors; 10 percent of all heavy and 5 percent of light truck drivers; and 8 percent of all waitress and waiters assistants. These BLS projections therefore support the idea that there will be continuing demand for low-skill foreign workers, from Mexico or elsewhere. In effect, it is not simply the projection of expansion of certain occupations that underlies the current and potentially future robustness of the flow, but the growth of a business model which relies on a certain kind of labor, in construction, meatpacking and food processing, catering, janitorial services, hotels and resorts, farming, and other industries.

3.2.- New and increased U.S. border enforcement has not reduced the flow.

While trends in apprehensions on the border do not correspond directly to changes in the volume of actual migration, they nevertheless mirror underlying trends. Apprehensions increased in a mostly linear pattern from 1989 through 1999, when they reached approximately 1.7 million (and the Mexican government reported 1.2 million returns of apprehended migrants). They fell sharply in 2000, as the rate of job creation in the U.S. declined, and during the last three years have stood at lower levels similar to those during the immediate aftermath of IRCA or the early eighties.

Notably, apprehensions (and, as mentioned earlier, flows) increased from 1994 to May, 2000⁸, although this was also a period of enhanced enforcement when the U.S. put in place a new border enforcement strategy including new barriers, rapidly increasing numbers of border patrol agents, technological aids and new apprehension strategies. Some observers believe new border enforcement strategies have led to vastly increased smuggler fees. Although border enforcement seems to be a factor in this rise, smuggler fees have increased much less than border patrol personnel, and they have remained largely stable since the late 1990's. Some observers also believe the new enforcement strategy is responsible for an increase in the number of deaths of border crossers. We believe border enforcement can be directly related to the type of deaths observed (dehydration and exhaustion), but it is difficult to ascertain the alternative or counterfactual number and type of deaths, had the new strategy not be put in place. Yet, it can clearly be observed that irregular border crossings are more dangerous and risky today than in the past, and relatively stable numbers of deaths in relation to falling apprehensions point

⁸ Nasdaq crashed in April, 2000.

at rising death *rates* after the year 2000⁹. Further, analyses of Mexican communities suggest that the expansion of barriers along the border had a “rush to the border” effect on some of them, as migrants tried to cross the border before it became impassable.

Most of all, border enforcement does not seem to have affected the overall, medium-term propensity of Mexicans to migrate to the U.S. Before U.S. job growth fell in 2000, migration and apprehensions continued to rise, even as the new strategy was implemented.

3.3.- Restrictions on the legal and social rights of immigrants have had no measurable impact on flows.

In 1996, the United States adopted policies that significantly reduced the access of immigrants and their families to a range of social benefits, including programs designed for the working poor (such as food stamps and some forms of medical assistance). The legislation also increased the number of deportable offences and reduced due process protections for people in removal proceedings. In the aftermath of the September 11 attacks, still further restrictions have been placed on the legal rights of foreigners in the country. To a large extent, these legal changes have focused on removal of persons who have committed crimes in the United States. There is no evidence, however, that these restrictive policies have deterred new flows of undocumented Mexican migrants or that they resulted in any reduction in the number of unauthorized migrants residing in the United States. The lesson from these restrictive measures is that similar initiatives are not likely to be very effective in the future.

3.4.-Large backlogs and long waiting times for family reunification contribute to unauthorized migration.

Unknown but significant portions of the unauthorized population in the United States are close family members of legal permanent residents (LPRs). At present, there is more than a five-year wait for spouses and minor children of Mexican LPRs to obtain legal status. Not surprisingly, many Mexican circumvent U.S. immigration law in order to live with their immediate families. U.S. immigration policy holds out the promise of family reunification but offers an unrealistic route to this most basic of family values.

⁹ This cannot be stated with certainty. Falling apprehensions suggest, but do not establish, that the total flows are smaller.

3.5.- Although U.S. demand has driven Mexican migration to date, the long term solution to Mexican migration may reside in economic and demographic conditions in Mexico.

Migration does not simply respond to economic conditions in the U.S.; rather it is a system with its own dynamics based in the Mexican economy and society. Some factors that may contribute to future migration dynamics include:

- Fertility rates have continued to decline.
- Mexican labor participation levels have stabilized in general, and young Mexicans are delaying their entry into the job market, thus lowering pressure on the job market.
- The growth of the population of working age is diminishing steadily.
- Formal job growth has resumed, although it is below the levels reached in the late 1990's.
- Wage levels in the formal urban economy and in the rural sector especially have increased slightly over the past five years.
- Rural poverty rates, in particular, have fallen clearly and significantly from 2000 to 2004.

While these forces should work to reduce emigration, there are reasons to be less than sanguine, at least in the short to medium term. Of primary concern is the fact that the 15-year decline in Mexican agriculture, which accounts for less than one- quarter of all employment in Mexico, still accounts for a large, if falling, share of the migrant flow. Some evidence indicates that the most painful phase of rural restructuring has passed, and that social policy programs are finally reaching the most marginal communities and families, but rural Mexico is still losing population rapidly (to the United States and to urban Mexico). At present, however, the cumulative forces of past migration reinforce the choice to migrate northward, as does the dependence on remittances which may take a long time to change.

3.6.- Forecasts suggest a reduction in migration pressures from Mexico over the long run by 2020 to 2030.

Most long-run migration projections agree that, in the medium to long-term, Mexico to U.S. migration will slow, although there is disagreement on the timing and size of the reduction. These forecasts are only as accurate as the correctness of their underlying assumptions for the future. At least one of them (by CONAPO), however, is based on sophisticated regressions which

incorporate the interplay of the various factors that influence the flow. While always highly fallible, most current forecasts reflect a widespread presumption that, however powerful the forces that will continue to push short-to-medium term migration, the long-term prognosis is for reduction in emigration pressures.

NAFTA has loomed large in appraisals of changing migration dynamics. The treaty went into effect in 1994 and was expected to create jobs in Mexico, raise wages, and eventually decrease unauthorized Mexico-US migration. But an appraisal of NAFTA and its relationship to evolving migration flows should proceed with caution. NAFTA was not the first, and is probably not the main, factor underlying the liberalization of Mexican agriculture, or of the changes and reforms affecting the Mexican economy in general. A number of key changes had taken place long before Mexico and the U.S. started the negotiations leading to NAFTA, and others followed.

It is valuable to restate the reasons for economic analysis to suggest a short to medium term increase in migration with reductions occurring only in the long-term. Primarily, the difference in the short-to-medium with long-term expectations is best explained with the migration hump that is an interim increase in migration that precedes slowing migration. A migration hump in response to economic integration between labor-sending and receiving countries leads to a paradox: the same economic policies that can reduce migration in the long run can increase it in the short run.

Thus, it should not be too surprising that the first decade of NAFTA did not reduce migration and that the other factors mentioned here reinforced that phenomenon, e.g., the strong and diversifying demand of the U.S. economy for low-skilled workers, and the low and variable rates of formal-sector employment growth in Mexico. While economic integration between the two countries, as well as parallel economic liberalization within Mexico, should speed up job growth, they also are forces of “creative destruction” that restructure the economy, streamline private and public employment, moving jobs from one industry to another, and temporarily speed up emigration. At some point, the generation of formal sector jobs in the Mexican economy (see below) should progressively apply the brakes to future migration flows. It is difficult to say when exactly these downward pressures will occur, but once wage differences narrow to 4 to 1 or less, and formal-sector job growth offers opportunities at home, the “hope factor” can deter especially irregular

migration—most people prefer to stay near family and friends rather than cross national borders.

Of course, NAFTA has produced a number of changes. During its first ten years, trade grew at rates three to four times higher than the Mexican GDP. It accounted for 22 percent of GDP in 1993, and by 2004 it was equivalent to 53 percent. Foreign direct investment (FDI) has also grown rapidly, from an average of 4.4 billion dollars per year in 87-94 (just over 1 percent of GDP) to an average of 17.9 during 2001-3 (or 2.7 percent of GDP). It has tended to flow to the service sector, but manufacturing has also received consistently increasing amounts of FDI, and these flows are less variable. And there are clear indications that trade and investment are significantly transforming the Mexican economy.

However, convergence has not occurred. The Mexico / U.S. GDP per capita ratio has barely moved from .16, or 16 percent, in 1993 to 17 percent in 2000, and in purchasing power parity terms the evolution is slightly negative, from 28 to 26 percent. The crisis and devaluation of 1994-5 produced negative growth and widespread economic difficulties, including the near-failure of some Mexican banks and an extremely costly and mismanaged rescue operation. On the whole, the rate of growth of formal jobs has been disappointing, with the exception of 1996-2000. Real incomes fell during 1995-2000, as a result of the abovementioned crisis, and they have only improved marginally since. Falling poverty rates after 2000 probably have little to do with NAFTA, and much more to do with social policy, labor market tightening resulting from emigration, and remittances. In addition, NAFTA has impacted Mexico unequally, with the most developed regions attracting the largest shares of investment and job creation, thus widening regional disparities. So far, therefore, NAFTA has triggered significant changes in the Mexican economy, but not convergence.

Nevertheless, NAFTA did strengthen North American integration in practice and, to some extent, in notion. As closer economic integration became a reality, it fostered increasing and deepening dialogue on a number of subjects, including migration. NAFTA may therefore underlie the progress made in the late 1990's, when the two governments signed and implemented a number of administrative agreements for the improvement of migration management, and the negotiations of 2001, which included an ambitious vision for migration and regional development. The fact that these two societies accepted to follow a path of increasing integration should stimulate

governments to engage more systematically in other bilateral policy areas, including migration. NAFTA's foremost lesson is that an agreement brought order and regulation to a controversial issue deeply affecting the national economies of North America. Once the U.S. Congress approves new legal avenues for migration, we believe Mexico should seek various partial agreements that also bring order to the migration relationship. A unilateral reform is unlikely to succeed, without Mexican cooperation.

3.7.- Creation of formal sector jobs in Mexico will speed a reduction in emigration pressures.

Migration flows are complex, and multiple factors influence the decision to migrate, to settle abroad and to return to the country of origin. In Mexico, the two contexts in which people decide to migrate are extremely different. Rural areas show the highest rate of emigration, while international emigration in urban areas is comparatively small. Nevertheless, because Mexico is 76 percent urban, what happens in urban areas is also key since they contribute with roughly half the total flow. Furthermore, whether or not the potential migrants come from an urban or rural area,, their decision to migrate is strongly conditioned by the quality of the jobs available: rural workers would migrate more frequently to urban Mexico if there were more jobs there.

Our analysis shows that the nature of employment is an important determinant of the migration decision, both for the individual and the family. Using a small, random sample of Mexicans we were able to analyze the job characteristics that promote more or less migration. The estimation at the individual level suggests that self-employed workers are less likely to emigrate. But waged employment generally does not seem to retain workers in their communities; rather only high quality jobs deter emigration, i.e. formal sector jobs that are well paid and full time. The role of social networks in the migration decision is significant, but it only reinforces the deterring effect of self-employment. Additionally, an analysis of family effects shows that families whose head of household is self-employed are less likely to send migrants to the United States. Self-employment in sectors requiring some kind of investment (like manufacturing) appears to be more efficient retaining people in their communities. These results suggest macro and microeconomic conditions affect the migration decision in both rural and urban areas. Further, they reinforce the observation that not all employment deters migration. It is full-time formal sector and productive self-employment that generate conditions that restrain migration.

IV.- POLICY AND POLICY RECOMMENDATIONS

The hope for increased bilateral cooperation was dealt a harsh blow with the tragic events of September 11, 2001, which derailed Mexico – U.S. migration talks. These terrorist attacks led the United States to emphasize its own security, and also shifted its focus of interest from Mexico and Latin America to other regions.

Today, U.S. - Mexico relations show visible strains. Mexico – U.S. unauthorized migration is the most salient source of these strains. As these two neighbors distance themselves from each other, Mexico has lost importance in U.S. eyes, while in both countries nationalistic groups have come to the fore, and their actions and discourse have not helped to further a better future through cooperation. We propose a way forward for Mexico – U.S. migration management. This way forward is based on the fact of increased North American economic integration and much enhanced cooperation in security matters. Integration and cooperation have relied on the establishment of institutions and procedures that, in spite of appearances, have improved binational understanding at various levels. The vast majority of Mexico – U.S. trade and investment transactions now takes place smoothly, and there are working trilateral institutions that allow citizens and firms to solve their differences.

Mexico – U.S. cooperation works in regard to economic integration. This has proved that cooperation is good not only as an abstract principle in country to country relations. It has furthered each nation's policy goals and objectives. Cooperation, we believe, will also be key to successful immigration reform in the United States and to improvements in the developmental impact of migration in Mexico.

NAFTA was a significant step forward in North American integration and cooperation. Nevertheless, it alone did not lead to Mexican economic and social convergence with its North American partners. Mexican development remains an unfulfilled Mexican responsibility.

We are proposing that, for the first time, Mexico and the U.S. effectively cooperate in the enforcement of the two countries' migration laws. Unilateral approaches must be left behind. Nevertheless, it is necessary to place this altogether new form of cooperation within a framework that fosters

Mexican development that will truly lead to diminished pressures for unauthorized migration in the future. Demographic dynamics, although a positive influence, will not suffice to eliminate this pressure. This framework should include increased and innovative avenues for legal migration, cooperation in border enforcement, new and effective means for workplace enforcement, and a series of welfare-enhancing mechanisms in Mexico. Naturally, the sooner Mexico is able to generate a continuous supply of formal jobs and means of access to welfare for its citizens, the sooner this pressure will ease. We believe there is a growing awareness in Mexican society that the creation of more and better jobs and a more productive rural sector are urgent national priorities. This is so because there is consensus that development, not the export of labor, is Mexico's overriding goal.

Both countries need to wean themselves off irregular migration. In the United States, the roots of illegal migration from Mexico are in what appears to be an insatiable demand for cheap, unskilled labor. The supply of low-skilled, U.S. born Americans is dwindling as they retire and younger generations achieve higher education levels. If this demand continues, low-skilled immigrants will find their way into the labor market, whether from Mexico or elsewhere. The U.S. must take steps to reduce the job magnet, by carefully tailored and effective sanctions against employers who hire unauthorized workers and by providing incentives for employers who hire legal workers.

In Mexico, remittances provide sustenance to a significant number of households. Dependence on remittances is particularly acute among the rural poor, although a larger share is captured by Mexico's higher-income households. The prospects of U.S. low-skilled jobs are a dis-incentive to further education. In many Mexican regions, labor scarcity is an obstacle to economic activity. Mexico needs to create more jobs, and the conditions allowing rural and other low-income households to achieve well-being and accumulate basic assets through their work in Mexico.

1.- INSTITUTIONALIZING BINATIONAL COOPERATION.

Revitalizing the binational dialogue will help find mutually beneficial solutions to the migration challenge.

Immigration and border issues have been handled in a working group that focuses specifically on ways that the two countries can cooperate to manage

migration and border security. During the immediate post-NAFTA period, the workgroup¹⁰ met frequently and regularly to ensure continued momentum in discussing areas of both agreement and disagreement. Its role was eclipsed in 2001 by the Presidential level negotiations and the visibility given to a potential broad agreement. It needs to be revitalized. More frequent meetings of the workgroup on the type of incremental changes outlined in this report could help restart momentum towards a set of achievable agreements. In the medium term, the Binational Commission should include a binational migration mechanism with sufficient authority to agree on administration-wide migration measures, and to oversee their implementation. For the larger, longer-term issues requiring legislation at the federal or state levels, this binational management mechanism should be enlarged to include representatives of both congresses and state governments.

Strengthening and deepening the migration dialogue in North and Central America will also provide an environment conducive to beneficial reforms.

The Regional Conference on Migration or *Puebla* Process is and has been a positive forum for migration issues. It opened a very significant means of communication and cooperation and is useful to members. But it is insufficient. A migration sub-region has come to comprise mostly the NAFTA partners, but also a number of Central American countries. Governments value *Puebla* as a positive forum for dialogue, non-binding agreements and administrative cooperation, but a number of them are eager to deepen their dialogue and their level of commitment. A commitment to a more humane and efficient but safer Southern Mexican border calls for the inclusion of Central American countries. A number of Central American countries have deepened their collaboration and agreed on free transit schemes, although implementation has been slow. Countries arriving at this level of cooperation may benefit from an additional bilateral or multilateral mechanism for regulation of migration.

Policy coordination and management must be improved at the national levels to foster deeper bilateral and regional collaboration.

National level coordination of migration affairs is necessary for binational cooperation to make any progress in the management of migration. In Mexico, the secretariats dealing with migrants do come together in various instances. Most notably, the under-secretariat for North America, the under-secretariat for migration affairs, and the National Migration Institute have

¹⁰ The working group dealt with migration and consular affairs.

intensified mutual ad-hoc consultation. However, these instances lack the structure and the authority to create binding agreements, plan their budgets accordingly, and to oversee execution. A national coordination body for migration affairs is urgently needed. In the United States, the Department of Homeland Security has become the principal focal point for immigration, although the Departments of Justice, State and Labor, retain important roles in managing migration. Responsibility for immigration is primarily in three bureaus in the DHS: Immigration and Customs Enforcement and Customs and Border Protection share responsibility for enforcement, while Citizenship and Immigration Services has responsibility for immigration and naturalization services. Policy coordination within the DHS and between DHS and the other federal departments is essential to ensuring a coordinated, cohesive response to the challenges posed by migration. These various national instances must improve their level of coordination, and come together at the Binational Commission with an agenda that effectively leads to more relevant administrative decisions and their effective implementation.

2.- OPENING NEW LEGAL AVENUES FOR MIGRATION

Although a comprehensive change in migration will require policies that address the large unauthorized Mexican population already in the U.S., cooperation in the management of temporary worker programs is necessary in the short term, as is a reform of current practices.

Targeted temporary worker programs will be needed to manage migration in the short to medium terms.

Current temporary unskilled migrant programs (H-2A and H-2B) are relatively large but they have a mixed record in terms of migration management. They fall short of the scale necessary to deal with supply and demand. Additionally, recruitment practices, albeit efficient, tend to trigger new migration flows, to increase total¹¹ costs and fees until they match those of undocumented migration – which leads legal temporary workers to overstay¹², - and to supply workers only to those industries unable to locate willing *undocumented* workers already in the U.S. Many workers start migrating under H-2, and then abscond their jobs in the U.S. or migrate again as undocumented workers. Employers face considerable red tape, and many

¹¹ In addition to the fees officially charged by registered recruiters, workers pay a large number of other fees, which lead them to total close to U.S. \$2,000.

¹² We have come across frequent evidence of H-2 worker overstays.

have left the programs. Housing provisions, in particular, pose problems for many smaller companies.

Temporary work programs can be successful only if both worker and employer have an incentive to pursue legally-sanctioned employment. While many observers apparently believe that large scale temporary programs may effectively displace all unauthorized workers, without border and worksite enforcement it is hard to imagine why many employers would opt for a change from the *status quo*. Temporary work authorization that spans years and especially work in year-round jobs seems likely to deepen employer dependence on workers, workers to settle in the United States, and to ultimately foster large scale permanent populations.

The challenge is to build a new model for temporary worker programs that effectively takes advantage of the lessons learned and the improvements in social, informational and technological infrastructure that have been developed in the U.S. and Mexico. New and larger programs must make sure that the *total effective costs* of registering and migrating within the program are significantly lower than those of undocumented migration¹³. They must also assure that jobs are attractive and labor rights are respected, to which end a portable visa is desirable. Portability allows workers to leave abusive work conditions and find jobs with employers who respect their rights, thus lessening potential market-depressing impact of temporary labor migration. There must also be mechanisms to ensure that work and pay conditions match those offered to prospective workers. Health costs need to be covered in such a way that employers do not discourage access to medical services or pass the costs on to public programs. In the event of abuse, there need to be appropriate penalties for recruiters and employers who fail to perform, including banishment from the program if the abuses are recurrent or particularly egregious. The penalties should include the local and informal networks of recruiters on which authorized recruiters normally rely.

Temporary work programs also need to provide migrants with incentives for return to Mexico in the form of the reimbursement of fees, taxes and other returnable contributions, to which specific financial incentives for the acquisition of housing and productive assets and the development of micro-enterprises could also be added. The pay should be sufficient that a family's needs and goals in terms of welfare and asset-building are fulfilled

¹³ And consequently, that migrants will cover their expenses and be able to save money in a single season.

after a small number of work stays in the U.S., and do not trigger permanent worker dependence on annual labor migration. On the receiving end, temporary work programs should target jobs that are seasonable or time-limited, to avoid having temporary migrants entering for permanent jobs that encourage them to stay.

In the U.S., we believe a new, potentially large temporary worker system should include:

- 1) provisions guiding employers clearly and smoothly through the process.
- 2) Minimum effective earnings provisions. Currently, a minority of employers deducts a large number of goods and services supposedly provided to workers in such a way that effective earnings are extremely low. This leads to overstays.
- 3) Workplace enforcement of immigration law, to avoid incentives to abandoning the program.
- 4) New provisions for worker health care, possibly of a binational nature.

But the most innovative aspects of management in such a new system lie in Mexico. The Mexican government is able to seriously and transparently improve temporary worker programs by:

- 1) Providing the analysis to target worker selection in communities where undocumented migration already exists, to avoid creating new flows.
- 2) Overseeing contracts and their fulfillment.
- 3) Operating transparent mechanisms for certification of returns, linked to the reimbursement of fees and applicable taxes and contributions. The infrastructure to do this is already available through Mexican social program payrolls linked to production (PROCAMPO¹⁴) and poverty levels, which are tied to education and health care (*Oportunidades*¹⁵).

¹⁴ PROCAMPO provides cash transfers to farmers. There is a parallel system targeted at subsistence farmers, called "*Crédito a la palabra*".

¹⁵ *Oportunidades* has been in operation for nine years and it is an extremely efficient and transparent program which has served as a model for cash transfer programs in more than ten countries. Today, it provides cash transfers and other benefits to five million poor Mexican families, in the rural and urban sectors. In addition, it manages a seven million household database, which includes migration data. Each household's compliance to program rules is processed every two months. It requires that family members attend health talks and check-ups, which is useful in order to certify migrants' returns.

- 4) Providing effective health coverage to migrant workers' families in Mexico. This can be done through a small fee¹⁶ deducted from the worker's payroll, or else through state-federal agreements (some are already in operation) which provide free access to extensive health care services. The provision of health care guarantees that remittances will not be used for catastrophic expenditures, but instead for the family's well-being and asset building.
- 5) Through family fund matching schemes which increase a migrant's savings when they are devoted to asset building¹⁷, and eventually,
- 6) excluding migrant workers who abandon legal programs from these benefits. Similarly, return certification would be useful to alert program managers to employers whose workers fail to return.

We are suggesting programs that are targeted in three senses. First, they would begin with specific economic sectors of the U.S. economy. Second, they would target high emigration Mexican towns and municipalities. Third, they would concentrate on means-tested low-income Mexicans enrolled in social programs.

It would be valuable to test the conditions under which temporary programs might be successful, particularly in industries with a need for truly temporary, seasonal, and "peak season" employment. Three US industries have repeatedly expressed an interest in participating in such targeted, pilot programs for temporary workers: the US meatpacking industry, multinational hotels/services; and agriculture. Others would join them if they had an opportunity to do so. This means a successful temporary worker system would need to be tested, and to expand gradually, as these procedures are implemented.

Finally, if private recruitment is unable to reform its current undesirable impacts, the Mexican government would be able to develop efficient and transparent mechanisms for recruitment, on the basis of its social program payroll, which includes migration information and is based on household welfare. This would have the added benefit of targeting remittances to poor households. Increased government participation, however, would need to be carefully assessed, since it would quite likely involve subsidies and additional government employment and infrastructure.

¹⁶ This scheme is in operation currently. It is called *Seguro Popular*. It provides extensive health service coverage to families for a typical annual fee of U.S. \$110.

¹⁷ A new component of the *Oportunidades* program is precisely a scheme which promotes savings among poor families, by doubling the amount saved in a certain fund.

The long-term undocumented Mexican population in the U.S. should receive authorization to remain indefinitely there and, if they meet the requirements, to naturalize as U.S. citizens.

For a very significant part of the Mexican born, the U.S. is already their home; they have been there for decades or even grown up there. Many do not speak Spanish fluently. A large proportion live in mixed-legal status families with perhaps only one spouse being undocumented, while one adult may be an LPR, and the couple's children are most often U.S. born. Clearly, it would be nearly impossible for such individuals to readily contemplate returning to Mexico, but a large underclass that is unknown to the government is not in the interest of either nation. Regularizing the status of the millions of unauthorized migrants in the country would bring them out of the shadows and allow them to more fully participate in society. A regularization program should also be inclusive not only of the migrant working in the United States but also his or her immediate family. Otherwise, regularization will lead to new and large backlogs for family reunification that will also encourage new illegal movements.

Indeed, many Mexicans living illegally in the United States are simply awaiting approval of their applications for family reunification. In this sense they are not undocumented, although they still lack authorization to remain in the U.S. When policies promise legal admissions for such close family members, but take years to fulfill, it is not surprising that some applicants resort to unlawful entry instead of waiting for their turn in the queue. One way to humanely address a portion of the undocumented problem would be for the U.S. to implement a rapid clearance of this backlog and adoption of sufficient admission numbers for spouses and minor children to allow all eligible applicants to receive their green cards within one year of application.

We also believe that the large, long-term undocumented population of the U.S. is there because job growth has provided them with permanent job opportunities. Temporary worker programs cannot deal with the growth in permanent jobs. This would entail moving millions of workers annually after a few years in operation. Depriving U.S. employers of this labor (which totals approximately seven million individuals from many countries) would have serious consequences for the U.S. economy. The U.S. economy must learn to moderate its demand for low-skill labor. But this must be a gradual process.

Nevertheless, incentives similar to those available to temporary workers, but designed carefully to avoid abuse, should be made available by

both governments to long-term Mexican undocumented residents of the U.S. A portion of this undocumented population would willingly return to Mexico if such incentives are available. Moreover, regularization should be implemented in conjunction with the temporary worker program and new enforcement mechanisms recommended in this report in order to ensure that undocumented migration does not continue, to avoid future large legalizations.

3.- ENFORCEMENT

Phase down irregular migration through cooperation in border enforcement.

Border corps cannot perform an effective task if jobs are ready and waiting for undocumented migrants. Further massive construction of border barriers, without workplace enforcement, is only likely to create another “rush to migrate”, such as the one seen during the early stages of Hold-the-Line, Gatekeeper and Rio Grande operations. A comprehensive solution to the status quo will be the outcome of growing Mexico – U.S. understanding, and growing administrative cooperation, on migration issues. To the extent that realistic avenues for legal migration can be opened, the Mexican government should involve itself increasingly in the enforcement of emigration.

Up to this moment, the political difficulties involved in Mexican regulation of its population laws have been highlighted. The Mexican government cannot be perceived as blocking its citizens’ initiatives to work hard and improve their lives, if jobs are scarce in Mexico, legal avenues for migration are few, and there are many U.S. employers who demand their labor. The Mexican army cannot currently, and probably never should, round up Mexicans simply because they approach the U.S. border. Mexicans living and working on the Mexican side of the border should not be threatened by the authorities. But under an improved migration scenario, the Mexican government should act to regulate emigration.

The *operational* difficulties involved in the enforcement of a 3,000 Kilometer border comprising several significant cities are probably as daunting as those relating to politics and human and citizenship rights. But cooperation is viable and necessary.

Away from inspection areas and border cities, there are sufficient humanitarian grounds to intervene both in particularly dangerous areas and in the case of particularly vulnerable persons (pregnant women, minors, the

elderly and the ill). The protection of the lives of Mexican nationals calls for this intervention. There should be no entry zones in dangerous areas or during extreme weather. Of course, thought needs to be given to such joint strategies and to the appropriate and incremental phasing in of such efforts.

In the medium term, *once new legal avenues have been implemented and mutual trust has increased*, the only sound operational solution for the extensive common border is to have far increased collaboration between Mexican and U.S. border authorities, with each performing specific tasks in specific areas, or by means of joint patrolling operations, as trust and communication improve. A double border protection corps would be unaffordable to Mexico and redundant: if the two enforcement agencies trust each other, it is unnecessary. If they don't, Mexican enforcement will be useless. A positive initiative in this regard is already underway in the voluntary repatriation program. This program has been criticized in Mexico and its transparency should be maintained and increased, but it has in general afforded vulnerable, ill, penniless or exhausted migrants apprehended at the border a chance to return home rather than to the Mexican side of the border. Under a scenario of increased avenues for legal migration, Mexican intervention at the Mexican side of the border to help return migrants home on a fully voluntary basis (they have the right to live in border settlements), will be very positive, provided their human rights are fully respected and there are specific incentives to return home.

We are therefore recommending that, for the first time, Mexico should engage in a systematic, costly and politically difficult operation to ensure that, gradually, all emigration takes place legally. But this can only be done if two conditions are satisfied: 1) that there are significant new opportunities for legal labor migration, and 2) that Mexico will not have to deal with the job demands of large amounts of deported migrant workers and their families. At the same time, however, a larger responsibility should be shouldered by Mexico with U.S. cooperation: that of providing more and better jobs for Mexican citizens in Mexico.

There should be greater cooperation at legal crossings along the border

Cooperation at the official border crossings has improved markedly during the past three years. More can and should be done to foster cooperation to ensure secure and efficient borders. Increased dedicated commuter lanes should serve the millions of persons who cross regularly to visit family, shop and work in the other country to do so without undue delays. Increased

cooperation between U.S. and Mexican police authorities would further reduce crime and violence along the border, make it more difficult for exploitive smugglers to operate, and encourage migrants to seek lawful mechanisms for admission to the United States. Some of these programs should be targeted at border regions where the economies are becoming more integrated.

Effectively managing undocumented migration requires effective workplace enforcement.

Unauthorized migration is primarily driven by the ability to secure a job in the United States. In a scenario of increased cooperation and increased avenues for legal migration, border enforcement should be complemented by effective mechanisms for workplace enforcement. Efforts to stem illegal migration or to redirect persons seeking work into legal channels are unlikely to succeed without effective mechanisms for workplace enforcement. Employers generally fall into two categories: those who hire unauthorized workers simply because other workers are not available, and those who knowingly target such persons in order to exploit their labor. Worksite enforcement to ensure labor standards and to bring criminal sanctions against traffickers and smugglers is essential not only to stop illegal hiring but also to protect highly vulnerable workers. The United States must institute a workable program of documentation based on secure means of establishing identity, accurate information on authorized status, and universal enforcement regime.

Observers in Mexico and elsewhere have been disappointed that the punishment for migration violations is extremely uneven for employers and workers. Undocumented workers are extremely vulnerable, while employers are practically immune to prosecution. Once new avenues for migration have been opened, and an employee verification system is in place, penalties for both employer and employee should be significant.

New restrictions on due process in removal proceedings should not be adopted as they are neither needed nor desirable as a form of enforcement.

Pending legislation that would further erode the due process protections afforded to immigrants in the United States would do little to deter unauthorized migration and much to undermine the rights of foreigners in the United States. Failures to remove unauthorized migrants from the country have far less to do with their access to fair judicial hearings and much more to lack of resources and will to identify and take actions to effect their deportation. When persons ordered removed do not leave the country, it is a

management issue, not an excess of due process, that allows them to elude deportation.

4.- DEVELOPMENTAL IMPACT.

A twin goal is to increase the developmental impact of migration through remittances and returns.

The Mexican 3 for 1 program is a best practice. For every dollar that migrant organizations contribute to a public works fund in their hometowns, municipal, state and federal governments contribute another dollar each. It has expanded fourfold during the past five years, and its procedures have been improved to allow more diaspora projects to be approved and improve supervision. It is still, however, a drop in the ocean. It comprises 0.025 percent of remittances, and its total budget is just over 0.1 percent of the total flow. More funds should be earmarked for 3 for 1 investments in local communities with ongoing outreach to U.S. migrants.

Migrants should also have access to matching-fund programs similar to the 3 for 1 initiative, but at a family or household level. Schemes matching migrant savings with a federal or state contribution towards housing, the purchase of productive assets, and retirement, will draw back target migrants. The planned expansion of *Oportunidades* into a social safety net can provide the infrastructure to achieve these goals, and this program enjoys world-wide recognition for its efficiency and lack of corruption, which would have to be guaranteed. Care must be taken, however, not to discriminate workers who remain in Mexico. They should also have access, which is what *Oportunidades* is planning to do. Access to these migrant schemes should become generalized, on a scale similar to the *Oportunidades* program.

Although the collaborative effort for voluntary repatriation to places of origin has had some success with apprehended migrants, Mexico should institute procedures and incentives that allow every migrant to develop and carry out plans to bring U.S. earned savings and assets into Mexico, and financing, customs and administrative mechanisms that render those efforts viable. We are suggesting that, together with regularization, the U.S. and Mexico offer them options and incentives to return to Mexico, such as the family fund-matching schemes already discussed. Since these long-term migrants tend to possess more experience and assets, their impact upon Mexican towns and villages is likely to be positive. A positive factor stimulating return to Mexico would lie in congressional approval of the

Mexico – U.S. Social Security agreement. Mexican workers in the U.S. who are offered jobs in Mexico would be able to end their working careers in Mexico, and retire there at lower living costs.

Health and education cooperation can and should be increased.

The two governments' health and education authorities have engaged in positive exchanges. Agreements have been signed which facilitate information on services available to workers and their families in the U.S. A few Mexican primary education teachers travel every year to the U.S. to aid in the education of Mexican children there. But these programs have scant budgets, modest coverage, and little intra-government clout. The Mexican secretariat of education, for example, is not eager to provide large numbers of teachers to the exchange program in spite of stable or falling demand for them in Mexico due to the falling size of primary education student cohorts, because they feel these teachers are among the best, and often they are unwilling to return to Mexico. In a scenario of increasing regular, and decreasing irregular, migration, bilateral cooperation can help to a) improve the Spanish skills of teachers in the U.S.; b) teach English in Mexican schools; c) further develop and implement binational health expenditure insurance schemes, including those providing effective care to migrant workers.

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