

# MANAGING MEXICAN MIGRATION TO THE UNITED STATES

RECOMMENDATIONS FOR  
POLICYMAKERS

*A Report of the U.S.-Mexico Binational Council*

Center for Strategic and International Studies (CSIS)  
Instituto Tecnológico Autónomo de México (ITAM)  
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# Preface

The U.S.-Mexico Binational Council is a high-level entity composed of distinguished citizens from both nations who share a commitment to fostering the U.S.-Mexico relationship. The publication of policy recommendations on the central issues dominating the binational agenda is the productive objective of the Council; at the strategic level, the Council reinforces the commitment of both nations to developing a collaborative agenda that addresses the challenges as well as the immense opportunities arising from the binational relationship.

The Council, cosponsored by the Center for Strategic and International Studies (CSIS) in Washington, D.C., and the *Instituto Tecnológico Autónomo de México* (ITAM) in Mexico City, convenes a combination of private working group and high-level meetings designed to generate new ideas and specific recommendations on a range of issues that make up the bilateral agenda. The cosponsoring institutions then oversee the drafting of reports based on the working group's ideas for the Council's consideration and input for inclusion in final reports, which are presented to key officials in both administrations and congresses.

Recognizing that boldness is often sacrificed in the pursuit of consensus, the reports of the U.S.-Mexico Binational Council are not consensus documents. Therefore, the ideas represented herein do not necessarily enjoy the support of all the council members and cannot be attributed to any individual member. Rather, the Council has set forth a broad range of policy options, leaving the task of developing consensus to the respective governments and congresses. Although not every member of the Council agrees with every idea in the report, all concur that these proposals deserve consideration.

# Acknowledgments

The cosponsoring institutions of the U.S.-Mexico Binational Council would like to acknowledge the support and input of many individuals in the conceptualization and drafting of this report. First, the Center for Strategic and International Studies (CSIS) and the *Instituto Tecnológico Autónomo de México* (ITAM) are grateful to the members of the U.S.-Mexico Binational Council, whose commitment to furthering healthy and constructive relations between its member countries has elevated the importance of many critical, bilateral issues in policy circles in Washington, D.C., and Mexico City. The importance these individuals place on U.S.-Mexico relations is to be commended.

This report is the product of a working group session and a broad consultative process undertaken by CSIS and ITAM beginning in 2003. We are extremely grateful to the participants in the working group session (see appendix). The report draws heavily from the discussions that took place in that July 2003 session.

This report was authored by B. Lindsay Lowell of the Institute for the Study of International Migration at Georgetown University, in close collaboration with Armand Peschard-Sverdrup and Sara Rioff of the CSIS Mexico Project. CSIS and ITAM are enormously grateful to Dr. Lowell for preparing a report that so expertly reflects the content and tenor of the working group meeting and consultative process undertaken in preparation for this study.

Lastly, we would like to acknowledge the CSIS Publications Department, specifically James Dunton, Roberta Howard, Divina Jocson, and Donna Spitler, without whose support this report would not have been possible.



# Introduction

Migration from Mexico to the United States will remain, for the foreseeable future, one of the largest mass movements of workers and families in the modern age. About 15 percent of Mexico's workers reside in the United States. Mexican nationals represent 20 percent of annual legal immigration to the United States and 30 percent of the U.S. foreign-born population. Yet, unauthorized Mexican migrants represent 83 percent of all migrants from Mexico. These striking statistics gloss over complex challenges: Mexico's economy, which strains to build on recent progress, parts with its hardest working citizens; and the United States confronts the conundrum of a knowledge economy that apparently retains a strong demand for low-skilled workers. The volume of Mexican migration originates in the economic differences and the commonalities of a shared border and history. Political action and inaction have shaped the character of today's migration. Political will, compromise, and cooperation hold the only promise to reshaping its future.

Best estimates of the population and recent inflows of unauthorized persons make it clear that Mexican migration—and employer demand for Mexican labor—has grown markedly over the past two decades.<sup>1</sup>

- The total population of unauthorized persons residing in the United States more than doubled in the 1990s to an estimated 9.3 million in 2002.
- There were 65,000 newly arrived unauthorized migrants annually in the 1980s; 320,000 in the early 1990s; and 440,000 during the “new economy” boom of the latter 1990s.
- The 5.3 million Mexican migrants are the most important source of unauthorized migrants making up 57 percent of all unauthorized persons in the United States as of 2002.
- Even through the first two years of the recession, the annual net flow of unauthorized migrants from Mexico has been estimated at 430,000.

Without jobs, migrants would not come, nor would they stay. Employer demand has been the primary force driving the increase in unauthorized migration. For whatever social factors reinforce it, Mexican migration is ultimately economically motivated. Further, the timing of increased migration shows that it closely tracks the economic boom, its sharpest uptick occurring around 1996, particularly for newly arriving Mexican immigrants.<sup>2</sup> Other classic economic measures

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1. Jeffrey S. Passel, “Mexican Immigration: A U.S. Perspective,” presentation at the Institute for Legal Research, National Autonomous University of Mexico (UNAM), Mexico City, November 25, 2003.

indicate strong demand for Mexican immigrants. The unemployment rate for Mexican-born workers dropped faster than the national average during the boom, even dropping for the first time below that for Mexican-American natives in 1997. Real wages of all Mexican migrants increased 9 percent between 1996 and the peak of the boom in 2000, about the same as whites but outpacing gains by other Latinos. Demand was most clearly reflected in the wage growth of recently arrived Mexican migrants who saw their wages grow 20 percent, outstripping the gains of other groups except recently arrived Asians.<sup>3</sup>

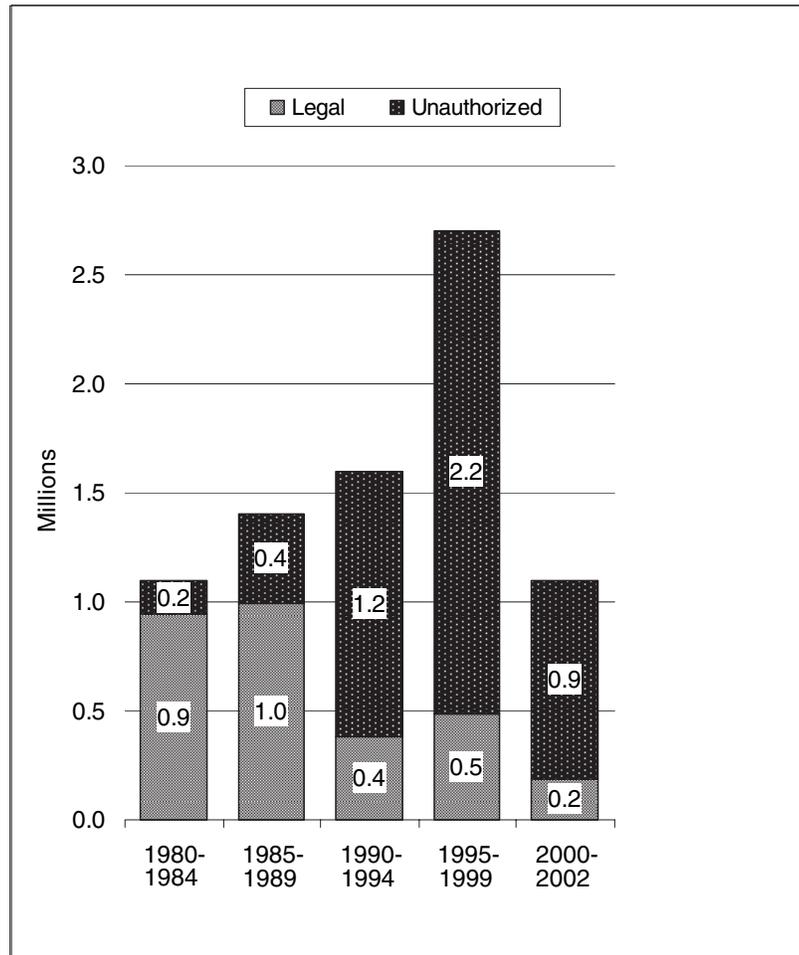
It is also argued that the increase in Mexican migrants is a mathematical result of fewer new entrants choosing to return home; consequently the numbers counted here are growing. In the past, migrants opted to work for short periods and then return, but U.S. border enforcement has made it more difficult and expensive to cross into the United States, so today many unauthorized workers opt to stay. Research supports this supposition. Mexican surveys indicate that as of 1992 some 20 percent of migrants to the United States returned after six months, as of 1997 about 15 percent, but as of 2000 only 7 percent of migrants did so.<sup>4</sup> Doubtless then, the rate of circulation has decreased, and as many observers argue, border enforcement may well have fostered that process. But note that the most dramatic decline in the rate of return migration took place not in the wake of Operation Hold the Line in 1993, but after 1997 and the start of the new economic boom. Border enforcement is implicated in an apparent shift to permanency of a migration pattern historically characterized as temporary. And the deaths of migrants pressed to cross the border through dangerous terrain is a humanitarian tragedy that demands rectification. However, U.S. employer demand is the heavy magnet that attracts migrant workers.

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2. The statistics in this paragraph are derived from microdata from the Bureau of Labor Statistics' 2002 *Current Population Survey*, various months. See also B. Lindsay Lowell, "Trends in Mexican Migration to the United States: The 1990s," presentation to the First International Colloquium on Migration and Development, Zacatecas, Mexico, October 23–25, 2003.

3. Recent arrivals are defined here as the workforce of Mexican migrants in the country five years or less.

4. Belinda I. Reyes, Hans P. Johnson, and Richard Van Swearingen,  *Holding the Line? The Effect of the Recent Border Build-up on Unauthorized Immigration* (San Francisco: Public Policy Institute of California, 2002).

**Figure 1.1. Mexican Migration by Legal Status**

Source: Passel, "Mexican Migration: A U.S. Perspective."

# The Future of U.S.-Mexico Migration

The future supply of Mexican workers and of demand for them in the United States can be expected to remain high for the foreseeable future, barring restrictive policies or protracted economic problems. There are three major reasons that such a forecast can be made confidently.

1. U.S. demand for low-skilled workers will remain relatively strong based on past employment trends and an aging society.
2. Mexican migrants now work in many industries and in all parts of the country diversifying sources of demand.
3. Mexican supply-side demographic and economic forces are likely to remain strong in the short to medium term.

## Projected U.S. Employment Growth

The experience of shortages in almost all parts of the economy during the latter 1990s made it abundantly clear that the United States has an appetite for both high- and low-skill workers. Though the strongest demand is for college-educated workers, significant demand exists for lower-skilled workers. The Bureau of Labor Statistics recently published labor force projections for the period 2002 to 2012 that forecast a remarkably strong demand for workers with few formal skills.<sup>5</sup>

- Eight of the 30 occupations forecast to be the fastest growing require only short or moderate on-the-job training.
- 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.
- Another 6 of the 30 occupations projected to have large numerical growth require only moderate on-the-job training, and they make up an additional 8 percent of total job growth through 2012. These jobs include heavy truck drivers, medical assistants, service and sales representatives, and general repair and maintenance workers.

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5. Daniel Hecker, "Occupational Employment Projections to 2012," *Monthly Labor Review* 127, no. 2 (2004): 80–105.

Mexican immigrants are rather likely to be found in jobs requiring little formal education because of their low average human capital. The median number of years of education for a Mexican immigrant worker (9.2) is much lower than that of all other workers (13.5). Legal workers have slightly more education than the median Mexican, and unauthorized workers have slightly less education.

The Mexican immigrants employed in large-growth and low-skilled occupations make up a substantial share of each occupation's total workforce,<sup>6</sup> they are:

- 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;
- 8 percent of all waitress and waiter assistants;
- 5 percent of all general repairers; and
- 4 percent of all teacher aides.

In short, Mexican immigrants are significant players in many of the low-skilled occupations forecast to experience large numerical growth. Further, 33 percent of Mexican immigrants are employed in just the occupations listed above. These statistics indicate that, without unforeseen changes, Mexican immigrants are poised to play an important role in what is projected to be a surprisingly vigorous segment of the U.S. labor force over the coming decade.

At the same time, the education of Mexican immigrants has been improving. In 1970, at the outset of the surge northward, about 87 percent of all immigrants came without a high school education, and just 4 percent had some college. By the year 2000, 57 percent had not completed high school, but 33 percent had, and 10 percent had finished some college education.<sup>7</sup> There is reason to believe that undocumented immigrants saw a commensurate improvement in their education.<sup>8</sup> Educational improvements of the magnitude seen to date do not mean that Mexicans are likely to become significant contributors to high-end professional jobs over the coming decade.<sup>9</sup> It does suggest, however, that immigrants are likely to be found in a wider range of occupations than just lower-skilled jobs.

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6. Microdata from the Bureau of Labor Statistics' 2002 *Current Population Survey*, various months.

7. B. Lindsay Lowell and Roberto Suro, *The Improving Educational Profile of Latino Immigrants*, a Pew Hispanic Center report (Washington, D.C.: Pew Hispanic Center, December 2002), at <http://www.pewhispanic.org/site/docs/pdf/ImmigEd12-04-02Final2.pdf>.

8. Passel, "Mexican Immigration: A U.S. Perspective."

9. Mexico's educational capacity is lagging, which hinders economic development. Although policies for universal primary education are making headway, retention of secondary students remains poor—precisely the age when many Mexicans first travel to the United States for work. The U.S.-Mexico Partnership for Prosperity is a step in the right direction, offering scholarships to Mexicans in the United States and cooperation in institution building.

## Geographic Diversity

There are several other forces that will continue to create demand for Mexican labor in the United States. There has been a three-decade-long shift from a male-dominated, seasonal agricultural migration to an urban-dominated migration for year-round jobs inclusive of families and permanent settlement. This should come as no surprise after 30 years of migration, large-scale legalization, and the increasing costs of immigration. Greater geographic diversity can translate into more job possibilities and more stable demand for Mexican workers regardless of whether any one part of the country experiences an economic slowdown.

Beginning in the late 1980s, and accelerating in the 1990s, there has been a migration toward nontraditional or new-settlement states. In 1990, 58 percent of Mexican immigrants lived in California, but this dropped to 40 percent in 2003. The traditional destinations of Texas and Illinois saw minute increases, while Arizona doubled its share from 3 to more than 6 percent. Most notably, the share of Mexican immigrants outside of these top four states doubled from 12 to 25 percent. Of course, the traditional states still experienced remarkable growth: the immigrant population in California grew from 2.6 million in 1990 to almost 4 million in 2003.

The 1990s have seen further Mexican concentration in places like Los Angeles and their simultaneous diversification in labor markets around the country. No longer are Mexican immigrants found only in isolated niches, they are now an integral part of the U.S. labor market. So when, as in the early 1990s, California experiences recession, Mexican immigrants are more likely to pursue employment opportunities elsewhere.

## Demographic Futures of the United States and Mexico

Furthermore, the U.S. population is aging, and this will increase the demand for young workers. The age pyramid of all developed countries is being reshaped by this process, including that of the United States. If the economy is to grow, there will be a need for young workers to fill jobs—and a need for young workers to finance retiring workers. Recent projections indicate that, with a continuation of current trends in U.S. fertility and longevity, close to a quarter of GDP will be transferred from the working population to the elderly population by 2050.<sup>10</sup> Both of these trends—an aging workforce and a graying workforce—are going to increase pressure for immigration from faster-growing developing countries, including Mexico, to the developed world. Not that immigration in and of itself can resolve the problem of paying for retired workers; that would require some 5 million immigrants per year, which, even if politically feasible, would introduce a host of new problems. But there will be a vacuum effect that will create a draw for further migration. At the same time, immigration will be increasingly beneficial for the United States as immigrants play an important role in addressing the aging problem.

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10. Richard Jackson, “The Challenge of Global Aging: How Demography Will Reshape the World of the 21st Century,” presentation at CSIS, Washington, D.C., July 2003.

On the other hand, we are at the threshold of a profound change in Mexican demographics, which will play out over the next 30 years. Mexican fertility rates have dropped in the past 40 years from about 7 children per woman to about 2.4, with further decline likely in the future. As population growth slows, there will be fewer young persons, and the Mexican population too will begin to show the effects of aging. By 2030, it is projected that the age structure of the Mexican population will look much like the age structure of the United States today. Forecasts for this decade or soon after 2010 are for a match between the number of new young workers and the number of jobs being created in Mexico's formal sector. This suggests that the Mexican economy will increasingly be able to provide the numbers and types of jobs to encourage potential migrants to stay in Mexico. It also suggests, perhaps for the first time, that temporary worker programs stand a better chance of success in seeing migrants choose to return to Mexico.

Now may be a window of opportunity to set in play policies that benefit both nations. In the next three decades, Mexico's young working population will have a window of opportunity to boost Mexico's economic growth unencumbered by the need to finance a large population of retired persons. But because Mexican migration is often about a "rite of passage," or the fact that it has become culturally condoned, means that it is to some extent self-generating. This also means that, demographic and economic transitions aside, the pressures on the sending side favor ongoing emigration. With demographic forces generating the possibility for increasing Mexican productivity, there is an opportunity for altering that mindset. Mexico benefits from remittances, but it would benefit even more from a return to the historic patterns of temporary migration to the United States.<sup>11</sup> Research indicates that it is the most productive Mexicans, including those with little education, who choose to remain in the United States.<sup>12</sup> At the same time, better-educated Mexicans, who are a scarce resource, have become more likely to emigrate: about 15 percent of those Mexicans with a high school degree and 11 percent of those with a college degree reside in the United States.<sup>13</sup> The future of Mexico-U.S. migration hinges in no small degree on the ability of Mexico to generate the quantity and quality of jobs that will lead Mexicans to choose to stay at home. The United States can and should cooperate with and aid in Mexico's development in the spirit of the North American Free Trade Agreement. But Mexico's development cannot move forward without transformations in educational institutions, changes in the political culture, or the restructuring of its labor markets and business economy.<sup>14</sup> Mexico must make these changes on its own during its demographic and economic window of opportunity.

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11. Douglas S. Massey, Jorge Durand, and Nolan Malone, *Smoke and Mirrors: U.S. Immigration Policy in the Age of Globalization* (New York: Russell Sage Foundation, 2001).

12. Daniel Chiquiar, Gordon H. Hanson, *International Migration, Self-Selection, and the Distribution of Wages: Evidence from Mexico and the United States*, NBER Working Paper No. w9242 (Cambridge, Mass.: National Bureau of Economic Research, September 2002).

13. Lowell, "Trends in Mexican Migration to the United States."

14. Sidney Weintraub, "The United States and Latin America: Mutual Disappointments," *CSIS Issues in International Political Economy*, no. 32 (August 2002).

# Recommendations

A combination of mutually reinforcing policies is the most effective way to manage unauthorized migration. There are an endless number of details, but moving forward at this point requires some degree of agreement and compromise on general principles to guide policies, such as:

- Grand or incremental strategies?
- Pilot or large-scale temporary programs?
- Earned legalization, but when?
- Open industry or targeted temporary programs?
- Temporary programs and interior enforcement?
- Temporary programs and border enforcement?
- Bilateral cooperation and actions

It was during the economic boom of the late 1990s, and the apparent shortages of workers in almost every sector of the economy, that Congress increasingly entertained proposals for temporary worker programs. It was during this period that Congress twice passed legislation that increased the numerical cap on the number of visas available for high-skilled H-1B specialty workers, the majority of whom found work in the information technology sector.<sup>15</sup> It was during this economic boom and in the wake of H-1B increases that proposals for large-scale temporary worker programs began to get a serious hearing, as well as the backing of business and advocacy groups. One of the attractions of the new proposals for these actors was that they would permit persons already in the United States to get temporary work authorization and, after defined periods of work over a span of years, to qualify for a green card granting permanent residency rights.

Developments other than the strong economy help explain the steadily growing congressional interest in proposals for temporary worker programs. The large number of unauthorized workers and their objective working conditions played a part. American unions, in an historic shift, decided to support calls for bringing unauthorized workers out of the shadows so that unions could organize and protect their labor rights. Since the mid 1990s, employers outside of agriculture from many different industries and geographic areas became participants in immigration policy setting. And the strong economy encouraged employers and immigration

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15. Congress let the high cap on H-1Bs revert to its original cap of 65,000 in fall 2003 because, during the “jobless” recovery, there were few employers who lobbied for higher numbers.

advocates to lobby for ways of stabilizing what has become a key labor force in some industries.

Presidents Vicente Fox and George W. Bush came to office with personal commitments to strengthening the U.S.-Mexico relationship and seeking ways to manage migration. Their expansive proposals for grand bargains in 2001 received a serious hearing in no small part because of their personal visions, as well as the growing economy and the political groundwork laid over the previous few years. Since then, much has happened that placed all of those proposals on hold: the tragic events of 9/11, the recession, and disagreements over the war in Iraq. Nonetheless, starting in 2003 there has been a resumed interest in Congress in advancing temporary programs with earned legalization, and Presidents Bush and Fox have reengaged on migration and other bilateral issues.

The recommendations of this report are not intended to condone any one of the proposals currently being vetted. Rather, these recommendations qualify, in light of recent events, many of the basic assumptions that continue to drive the debate.<sup>16</sup> Deliberations over policy strategy since 2001 have clearly shifted from grand bargains to confidence-building steps, from the bilateral introduction of new migration policies to unilateral action, and from visions of unified North American markets to strengthening today's areas of shared concern on the environment, trade, and security. These are, perhaps, more practical positions for the two nations at this point in time. Yet, there are host of specific details that can derail forward motion and there is a need to reach agreement on basic principles.

## Grand or Incremental Strategies

- Incremental strategies and programs are the most viable way to move the migration agenda forward.
- Small steps should be seen as part of a strategy of confidence and capacity building that can lead to longer strides and more comprehensive, bilateral actions.

The statement by Presidents Bush and Fox in February of 2001—"Towards a Partnership for Prosperity"—laid out an ambitious agenda. It proposed a North American economic community, a North American energy strategy, and closer cooperation in the fight against drug trafficking. It also announced that there were to be high-level talks on migration, led by the U.S. secretary of state and attorney general and Mexican counterparts.<sup>17</sup> President Fox and his then-foreign minister, Jorge Castañeda, had in mind a guest worker program that would regularize Mexicans already working in the United States. They also called for special visas for Mexico and Canada giving them priority over workers from other countries. They called for pilot programs for economic development. In short, they wanted to put

16. See recommendations in U.S.-Mexico Binational Council, *New Horizons in U.S.-Mexico Relations: Recommendations for Policymakers* (Washington, D.C.: CSIS, 2001).

17. Pamela K. Starr, "U.S.-Mexico Relations," *CSIS Hemisphere Focus*, vol. XII, issue 2 (January 9, 2004).

into place elements leading toward a long-term goal of a North American community.

Arguably, any proposal that even distantly hinted at a European Union–style integration went beyond what U.S. policymakers would entertain, and then 9/11 and events thereafter sounded a closing bell to that round of discussions. Returning to that type of grand vision is a political nonstarter, a fact explicitly recognized by both administrations. In the short term, incremental steps will be much more salable to voters and policymakers in both nations. Policies that build the capacity to successfully manage migration can serve to build public confidence and lead to more comprehensive policies in the future.

## Pilot or Large-scale Temporary Programs

- Pilot programs for small numbers of workers should be implemented and evaluated before large-scale temporary programs.
- Pilot programs should test ways to circumvent centralized command and control in government bureaucracies. Alternatives include industrial cooperatives, private-sector management, fee-based services, or rapid visa approval for pre-approved pools of workers and employers.
- Pilot programs should test approaches that create incentives for workers to return to Mexico. Wage withholding is often mentioned, but penalties, portable health insurance, and retirement schemes are just a few other possibilities.

There is no evidence that the United States has the organizational capacity to administer a large temporary worker program. Proposals for up to 500,000 worker visas far exceed the experience of any of the U.S. bureaucracies, which have demonstrable and serious shortcomings administering programs that are much smaller. Existing regulations are difficult to administer, but there are few examples of how well alternatives might work. The only temporary worker programs comparable to those being actively considered in Congress are the H-2A (agriculture) and the H-2B (nonagriculture). In 2002, 13,000 Mexican immigrants made up most of the 16,000 H-2As admitted, while 53,000 Mexicans made up most of the 87,000 H-2B admissions.<sup>18</sup> Demand for both programs has been growing, yet this year the H-2B program was halted before the year was out when demand exceeded the cap of 66,000. Naturally, employers have been upset by the wrench this has thrown into their planning. Similar stories can be told for the H-1B specialty visa for workers with a college degree.

Program caps on visa numbers have their advantages, but they tend to become political footballs. Caps do not provide the flexibility or timeliness required to meet cyclical changes in demand. Market-based indicators are widely thought to be one possible mechanism that could signal appropriate changes in the number of visas

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18. Office of Immigration Statistics, *2002 Yearbook of Immigration Statistics* (Washington, D.C.: U.S. Department of Homeland Security, October 2003), at <http://uscis.gov/graphics/shared/aboutus/statistics/Yearbook2002.pdf>.

available; and the numbers could be adjudicated by a nonpartisan institution. Economists have championed the idea of auctions that would self-regulate real-time demand. Ideas such as using the World Wide Web to connect workers and employers sound good, but they are of debatable value to low-skilled workers based in Mexico. Many of the various ideas under discussion sound good but have never been tried; hence, the need for pilots. Implementing large-scale programs before establishing workable management mechanisms and building institutional capacity is a recipe for failure.

## Earned Legalization, But When?

- Amnesty, earned or not, is strongly opposed in the U.S. Congress and by simple majorities of the U.S. population, and this has effectively blocked discussion of other needed immigration reforms.
- Ultimately, there will be a need to phase in solutions that bring long-term contributors to the U.S. economy out of the shadows.

A variety of proposals for temporary programs exist; some address the right of earned legalization, while others do not. Introduced in the U.S. Congress in September 2003, AgJobs enjoys the most promise of support so far. This bill would permit up to 500,000 unauthorized workers in agriculture to apply for temporary worker status, and after a period of further work, they and their families could become permanent residents. The bill would also streamline the existing H-2A temporary program. Introduced in July 2003, the Border Security and Immigration Improvement Act would create a Web-based jobs registry where employers could post job opportunities that would be available first to U.S. workers and then to immigrants. Workers in any industry would be eligible. Previously unauthorized workers could apply for a three-year bridging visa, after which they could apply for a temporary visa that, in three more years, would lead to an application for permanent residency. At the other end of the spectrum, President Bush in his 2004 State of the Union address put forward his concept for a program that would match willing workers to willing employers for periods up to six years. Workers could come from any nation and would not be limited to specific industries. The proposal includes no provisions for a transition to permanent resident status. Ironically, the opposition to the president's program comes equally from advocates who decry its lack of avenues to legal status and critics who lambaste it for providing an "amnesty" for migrants in the United States who apply for the temporary program.

## Open Industry or Targeted Temporary Programs

- Pilot programs can best be initially tested on an industry-by-industry basis.
- Agriculture may well be the first industry—as it has a large seasonal labor force and often provides a springboard to urban jobs—that could benefit from temporary programs. Other industries, for example hotels, are international and

might benefit from cycling intra-company transferees from Mexico to the United States and back.

- Other options worth exploring are programs for employers in a given industry and a particular state that would cooperate in program management.

Although it is true that Mexican immigrants today are found in a much wider variety of jobs than a few decades ago, they nevertheless are employed in relatively few occupations and industries. One-quarter of all immigrants work in just six occupations, and one-half are employed in 20 out of 496 occupations. Their industrial employment is also concentrated, the greatest share of Mexican immigrants being employed in the construction industry (15 percent) and eating and drinking places (10 percent). Ten more industries, out of 236, employ another one-quarter of immigrants—the largest being agriculture and landscaping (4 percent each); followed closely by services to buildings and hotels (3 percent each).<sup>19</sup>

Some of the proposals on the table are open to all industries; yet, Mexican immigrants are concentrated in relatively few industries. Open industry programs would be unmanageable without the institutional capacity and the knowledge needed to run them, and they run the risk of creating a demand for immigrant workers in industries that previously had little inclination to hire them. Especially during a pilot phase, targeting single industries has the benefit of simplifying administrative problems because companies would have similar issues. Intra-industry institutions could improve the possibilities for creating councils to negotiate and self-monitor immigration programs. Economy-wide temporary programs, especially if they have no mechanism for testing the labor market for U.S. workers, should be considered only many years from now when today's gap in employment opportunities between the two countries narrows substantially.<sup>20</sup>

## Temporary Programs and Interior Enforcement

- A credible policy to control unauthorized migration must address interior enforcement. Without work site enforcement, employers have little incentive to comply with the law, and unauthorized workers alone bear legal culpability for their employment.
- Means of checking work authorization should be quick, require minimal information on individuals, and not require a national identity card. Existing verification pilot programs that meet these requirements should be assessed and expanded.

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19. Microdata from the Bureau of Labor Statistics' 2002 *Current Population Survey*, various months.

20. The usual example is that of Spain, which sent few migrants to work in northern Europe after it joined the European Union. The explanation usually given is that the wage gap was close enough that Spanish workers were not interested in leaving their communities and a lower cost of living.

- Alternative means of enforcement should be piloted. Industry-specific pilot programs could test self-policing with government oversight. There could also be post-employment targeted audits carried out by the private sector or government. Programs could be shut down if random investigations found high levels of noncompliance.

For temporary programs to work there must be an incentive for employers to prefer legally authorized workers. Unauthorized migrants provide an efficient hiring pool for employers. Their interpersonal networks provide workers when they are needed and give some assurance about the new workers' abilities. Unauthorized workers are often willing to work at sub-par wages or for long hours without complaint. They tend not to join unions, a pattern reinforced by a U.S. court decision that can strip them of their rights to full payment. It is hard to imagine why employers should prefer to break from the status quo unless they are motivated to do so.

As in all areas of business activity, the government needs to practice oversight. But unless there is meaningful enforcement, employers have no incentive to pursue new hiring protocols. At the same time, employer sanctions and documentation requirements appear to have failed over the past 16 years. It is somewhat disingenuous, however, to claim that employer sanctions failed, since they have never been vigorously enforced, and when they have been, employer lobbying has succeeded in returning things to business as usual. Alternatives need be considered. The immigration bureaucracy has run pilot verification programs with industry volunteers with some success for the past several years. The core idea being tested is the requirement that the employer only check that a job applicant's name matches his or her social security number. This can be done electronically. No other information is exchanged. The government is not accessing anything other than Internal Revenue Service data that must be verified for the processing of workers' tax and social security withholdings. The lessons learned from these verification pilots might form the basis for automated approaches to work authorization requiring minimal and secure checks.

Mostly, there must be a national reappraisal of the need for work authorization if temporary programs are to succeed. A temporary program will of necessity require proof of authorization, especially any sizable future program, and particularly if it encompasses multiple industries or if authorization is "portable" across employers. Even if employers were exempted from the requirement to check documentation, unauthorized workers would remain legally vulnerable to deportation and, thus, to employer exploitation. If work documentation were an enforced standard, employers would be culpable for hiring unauthorized workers in the first place, evening up the playing field. Of course, meaningful enforcement of worksite authorization, by making employment in the United States more difficult, would introduce another cost for unauthorized workers. Border enforcement together with interior enforcement would create a double jeopardy for aspiring migrants, but border enforcement by itself provides only a steep hurdle for workers who find a welcome mat upon reaching the other side. Importantly, if there are to be temporary programs, or earned legalization, only enforced authorization requirements

can avert the creation of a multitiered labor market that would push remaining unauthorized workers deeper into clandestine jobs and greater mistreatment.

## Temporary Programs and Border Enforcement

- Ongoing efforts to reduce border-crossing deaths should be stepped up.
- Border enforcement should be fully staffed and the plan of strategic deployment across the border completed.
- The administration's U.S.-Mexico Border Partnership Action Plan should receive full support for its stated goals of improving the infrastructure for facilitating legal cross-border movement, improving the security of cross-border travelers including the deterrence of smuggling, and improving the security of the cross-border movement of goods.

The increased presence of officers along the Mexican border and the deployment of new enforcement methods has been a process that has taken most of the 1990s and is not yet complete. Migrant apprehensions along the Mexican border reached its apex at the end of 1999 and during 2000, at a time when unauthorized migration to the United States was also at an historic high. This connection seemingly leads to the conclusion that border enforcement is ineffective. However, that may be a premature judgment as it can be expected to take some time for enforcement to have its full impact.<sup>21</sup> And it should be noted that both petty and violent crime declined after new enforcement strategies were deployed in El Paso, Texas, and San Diego, California. Today the number of officers along the border falls short of the estimated 15,000 needed to control land-based crossings. A fully staffed border-enforcement effort has yet to be tested and should be more effective than critics presume.

The alternatives are not clear. It is hard to see how laxer border enforcement or a return to old-style methods of cat and mouse would be a significant deterrent or do away with the dangers of border crossing. If unauthorized migration has doubled during a time of transition to new methods of enforcement, it is easy to imagine the cross-border movements that would occur if border enforcement were scaled back. If partial enforcement of the new methods has increased the cost of border crossing, pulling back would reduce costs—but would it be enough to encourage circular migration once again? It is more likely that it would foster a steady supply of unauthorized migrants who would undercut employers' incentives to use legally authorized workers. A large temporary program today—without border enforcement—is no more likely to “substitute” for unauthorized workers than did the U.S.-Mexico bracero agricultural workers program (1942–1964). The bracero experiment demonstrated that, given the option of legal or unauthorized temporary workers, employers will choose both. Similarly, while prospective

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21. Frank Bean and B. Lindsay Lowell, *Unauthorized Mexican Migration into the United States: IRCA, NAFTA, and Their Migration Implications* (Washington, D.C.: Carnegie Endowment for International Peace, 2003).

migrants may well prefer the advantages of legal status, they will also choose either status if it gets them a job.<sup>22</sup>

## Bilateral Cooperation and Actions

- Bilateral cooperation in the implementation of border initiatives and temporary worker programs holds the best promise for success.
- Mexico can create the political environment for migration reform and cooperative ventures by making clear strides in the structural reform of its political economy.

The dialogue that Presidents Bush and Fox entered into in 2000 was encouraging, as is its recent resumption. The new Mexican foreign minister, Luis Ernesto Derbez, and the U.S. Secretary of State, Colin Powell, have reaffirmed a commitment to migration reform but moving forward “step by step” to make migration safe and legal. An incremental approach in the post-9/11 environment is a practical strategy. And the two nations are working together to improve relations on a number of border, environmental, and security concerns. But migration reform can, perhaps, stand its greatest chance for success if both nations are involved in the process. Temporary migration programs that involve Mexican government and businesses can help with the burdens of administration and promote incentives for return. Ongoing cooperation on the border, carried forward to involve both nations in managing international traffic, holds the best prospects for secure movement. Thus far, there have not been official negotiations or formal agreements that specify the responsibilities of each nation. That might well be one of the next steps after discussion and action on areas of mutual concern. Many observers looked for parity in the grand bargain of 2001: the actions that the United States was to take seemed to be more than those promised by Mexico. Formal cooperation, however, will require a clear quid pro quo. What form that will take is precisely what needs to be on the table. In the meantime, actions taken to pursue needed structural reforms can also send clear signals to U.S. policymakers that there is a good environment for future development and, hence, migration reform.

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22. The history of the bracero program is sometimes misrepresented. In the absence of vigorous enforcement of working conditions and border crossing, it did not substitute for unauthorized migration. Even the surge in unauthorized migration at the end of the bracero program is primarily explained by migrants' beachheads with employers and lax border enforcement. For a careful history of the bracero program, see Manuel García y Griego, “The Importation of Mexican Contract Laborers to the U.S., 1942–1964: Antecedents, Operation, and Legacy,” in *The Border that Joins: Mexican Migrants and U.S. Responsibility*, ed. Peter G. Brown and Henry Shue (Totowa, N.J.: Rowman and Littlefield, 1983).

# Conclusion

There have been significant changes since the late 1990s in migration from Mexico to the United States. Most striking has been the near doubling of the volume of unauthorized migration over the decade. Rarely has labor demand been as favorable to immigrants as during the “new economy,” when unauthorized migration reached at least 500,000 annually. Unauthorized migration of that magnitude at the start of the decade would most assuredly have provoked a severe national backlash.

Current trends are likely to keep the potential supply and demand for Mexican workers high, authorized or not, for the foreseeable future. As much as one third of labor force growth over the next decade is projected to occur in low-skilled occupations in which about one-third of Mexican immigrants are already employed. Mexican immigrants are also more widely distributed across states and industries, which diversifies demand. These trends take place in the context of an aging society and the pull that demographic shift will create for young workers. Alternatives to unauthorized and low-skill labor exist in the development of new technologies, new business strategies, and the outsourcing of labor-intensive industries, but these alternatives will yield to the forces of supply and demand if unauthorized migration continues at today’s levels.

In the short term, it is likely that the United States will not negotiate bilateral policies with Mexico, nor will the United States unilaterally implement comprehensive policies. Incremental policies are more likely to yield results in the current climate. In that light, small pilot programs are more likely than large temporary worker programs to get off the ground. Although legalization of the long-term resident population may be a necessary future goal, implementing control strategies first is more politically palatable and most likely to avoid the repetition of another cycle of increasing unauthorized migration. Temporary migration programs stand a good chance of succeeding in returning most migrants to Mexico if they are run in conjunction with the meaningful enforcement of work authorization, labor laws, and border crossing. Without overlapping enforcement regimes, temporary programs are unlikely to deter unauthorized migration, much less provide an alternative of choice to unauthorized labor. Bilateral cooperation on border management and temporary worker programs should be a medium-term goal. Mexican economic development is an important long-term goal.

It has been several years since the possibility existed, if not this year then in the near-term future, for the introduction of new policies. A booming economy might increase the likelihood of “liberal” migration policies; however, it would not necessarily induce stakeholders to compromise on the policies that will keep us from revisiting the same issues in a few years time. Moving the debate forward requires new thinking, incremental steps in pursuit of comprehensive solutions, and tough

decisions on the compromises needed to break political gridlock over the balance of policies needed to meet employer demand, control unauthorized migration, and provide Mexican migrants legal and safe employment.

# Working Group Meeting

July 31, 2003

CSIS, Washington, D.C.

Kevin Appleby  
*Director, Migration and Refugee Services  
Conference of Catholic Bishops*

Dian Copelin  
*Coalition of Border Counties*

John Gay  
*Vice President for Governmental Affairs  
American Hotels and Lodging  
Association*

Richard Jackson  
*Director, Global Aging Initiative  
CSIS*

Francis Kinney  
*Deputy Director for International Affairs  
U.S. Department of Homeland Security*

Mark Krikorian  
*Executive Director  
Center for Immigration Studies*

Susan Martin  
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