Developing the U.S.-Mexico Border Region for a Prosperous and Secure Relationship:
Managing Migration Flows

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Abstract

Migration flows from Mexico to the United States annually exceed the number of visas approved by the U.S. Department of State. Nearly all of the migrants that arrive without documentation leave Mexico due to economic necessity. Accordingly, the first step toward resolving this problem would involve substantial reform of the national labor code in Mexico. Additionally, until policy adjustments are made in the United States to formally allow for workers from Mexico to legally cross the border, existing laws should be better enforced. That will entail greater border patrol deployments plus continued adoption of newer technologies. So-called “guest worker” and “blue card” proposals merit additional attention from the U.S. Congress. Steps to support economic development along the border can also help reduce pressures to migrate out of Mexico as more jobs are created within maquiladora and other business segments. Consular offices of Mexico can also potentially serve clearinghouse functions in order to better coordinate job matching between firms seeking workers and potential migrants seeking work.

Introduction

Concerns regarding migrant labor flows out of Mexico date, in large measure, to the termination of the Bracero Program in 1964 (Bickerton 2001). When that program ended, the Mexican government launched the Border Industrialization Program to provide employment alternatives on the south side of the border. The program expanded very rapidly, and empirical evidence has shown that growth in maquiladora payrolls reduces undocumented migration from Mexico (Davila and Sanez 1990). Although the in-bond manufacturing segments of the Mexican economy have performed well, the same cannot always be said of the rest of the economy (Edwards 1995). When economic conditions worsen, outflows of undocumented workers to the border, and other regions of the United States, intensify (Fullerton and Barraza de Anda 2008). Issues relating to migration between Mexico and the United States are contentious, in part because the number of undocumented migrants is estimated at greater than 6.6 million. That number represents approximately 57 percent of total undocumented workers in the country (Van Hook, Bean, and Passel 2005).
So-called “push factors” related to chronic, and periodically intense, subpar economic conditions in Mexico are primary sources behind out-migration from Mexico northward (Massey 1995; Durand, Massey, and Zenteno 2001). “Pull factors” such as widely available jobs and noticeably large cross-border income differentials also induce workers to relocate (Borjas 1994). Despite the positive roles played by migrant labor in the national economy, public concerns about undocumented immigration grew after the terrorist attacks of September 11, 2001 (Fullerton and Sprinkle 2004). Consequently, security measures along the border have been significantly heightened. The result is a greater number of undocumented immigrants who are choosing to stay for longer periods rather than risk getting caught while crossing back and forth under the historically observed seasonal patterns.

Undocumented immigrants are generally productive members of society, potentially causing political pressure to relax enforcement of the laws that punish businesses that employ them (Hanson 2006). However, the burden of meeting their needs for education, health care, and other public services is borne disproportionately by local governments, many of which note increased opposition towards undocumented workers (Dodson 2001). Congress periodically debates potential changes in immigration policy, but efforts to enact comprehensive immigration reform seem to always face heavy opposition (Gramm 2001; Neuman 2007). In spite of evidence that undocumented migrant flows can quickly adapt to, and thwart, new control measures, federal policy tends to lean toward prevention and interception rather than systematic management (Davila, Pagan, and Soydemir 2002).

Mexico has a different perspective on northward migration. It is well known that the United States serves as a “social shock absorber” for the Mexican economy (Karaim 2001). Migration accelerates when south-of-the-border business conditions worsen, easing pressures on the Mexican government. Furthermore, structural economic problems prevent the national economy from creating enough jobs to accommodate all new labor market entrants every year. Consequently, outward migration never really stops and those who leave are often portrayed as national heroes by politicians. In fact, migrant remittances, $23 billion in 2007, are an important source of foreign exchange in Mexico, exceeding even oil exports in dollar terms (Kerr 2008). Tacit acknowledgement of structural economic problems led the 2000–2006 presidential
administration of Vicente Fox to implement an aggressive policy to defend Mexican migrants from labor and other abuses through an extensive network of 47 consulates in the United States, including nine in Texas.

Studies of the causes and consequences of Mexican emigration document numerous social strains that can result from large-scale migration. Families are often fractured as one, or both, parents migrate to find work in the United States. Wage and security gaps between the two countries are such that many trained professionals are willing to remain in the United States even when that implies downgraded employment trajectories (Akresh 2006). Questions have also been raised about the long-term impact of Mexico’s reliance on remittances as a critical component of its economic and social development policy (Taylor et al. 1996; Quinn 2006). Polling evidence documents a pronounced willingness of Mexican adults to leave the country in search of employment (Suro 2005).

Against this backdrop, concerns about undocumented migration have grown dramatically in the United States. The current immigration system is widely perceived to be obsolete as well as dysfunctional. Polls show that Americans want fundamental changes in the way the system operates. During the 1970s and 1980s, the concern was about migrants taking American jobs. In recent years, the debate has centered more on the burdens they are thought to place on public services (Citrin et al. 1997). In the wake of the terrorist attacks of September 11, 2001, the debate has broadened to include national security concerns (Rodriguez 2008). According to the annual Houston Area Survey, positive attitudes towards immigrants declined significantly in 2006 and 2007, with many respondents in favor of denying health and welfare services to undocumented migrants (Klineberg 2007). In large measure, those attitude shifts reflect mounting uncertainty over a politically charged issue.

Many agree that policy changes are necessary to remedy the situation. The exact components of such legislation, however, remain the subject of bitter debate. The June 2008 rejection of a comprehensive immigration reform bill in the U.S. Congress illustrates the difficulties of addressing this issue (Dimirjian 2008). While migration issues have significant importance for both countries, the impact of migration on border communities is usually overlooked. The arrival
of large numbers of people to the Mexican side of the border prior to crossing it creates social, economic, and political burdens that require attention. On the U.S. side, illegal migration leads to labor market pressures, increased demands on social services, trespasses on private property, and is sometimes associated with higher levels of crime (Orrenius and Zavodny 2007; Coronado and Orrenius 2007).

The task of discussing migration within a border context also requires discussion of the connections between regional concerns and national policies. In both countries, there are a variety of issues where national policy impacts on their respective border are viewed as less than beneficial. The material below examines several of the more prominent topics that generate discussion on both sides of the international boundary.

**U.S. Border Perspective**

Similar to other regions of the country, border residents in the United States express concerns over crime and public security risks that increase as a consequence of undocumented immigration. In rural Arizona and New Mexico, complaints are often voiced by landowners whose properties are damaged by migrants seeking to elude the border patrol (Madsen 2007). Fears over crime have also surfaced in many border cities (Gaouette 2008). Many of the concerns along these lines are not very new (Stoddard 1976, 1979). As in prior decades, identification of practical solutions remains elusive.

Because the number of undocumented migrants has increased, municipal governments complain that budgetary pressures are intensifying (Rector 2007). Requests from local government agencies for increased federal aid are often voiced, especially since migrant flows may fluctuate, but do not seem to go away (Karaim 2001). Congressional response in 2008 has focused on reducing illegal migration by building border walls in many places between the countries. A variety of concerns over environmental degradation, effective territorial land loss, and potential futility of the “wall” have made this policy largely unpopular in Texas border areas (McEver 2007). Among Latino voters in Texas, 63 percent reported opposition to the wall as a means of addressing illegal migration (Barreto and Manzano 2008). Federal financial support to county
and municipal agencies facing excess expenditures due to nonresident social service provision would be useful.

The perennial gridlock over what actions to take in Congress raise the question of potential alternative steps. Increased border patrol presences in El Paso (“Operation Hold the Line”), San Diego (“Operation Gatekeeper”), and other cities helped reduce the number of unauthorized border crossings in these metropolitan settings. The response by would-be migrants has been to move to rural areas with a smaller border patrol presence, but greater survival risks (Hinkes 2008; Karaim 2008). Larger numbers of border patrol agents would offer one way to avoid a cold war-style “tortilla curtain” between the countries. With approximately 16,000 agents already on payroll, it is not known how many additional employees would be required to achieve this objective. Additional equipment such as cameras and other surveillance tools have been installed to help augment the personnel already in place. Although there are numerous concerns regarding the partially built border wall, it also enjoys substantial support among many groups that live near the international boundary (Karaim 2008). Polling results fluctuate, but also point to fairly broad-based support at or in excess of 50 percent of respondents for physical border barriers among voters in border and non-border regions of the United States (Rasmussen Reports 2008). Given that, some forms of ongoing interception procedures are likely to remain in place or be expanded.

Prior to September 11, 2001, efforts were in place to one day create “seamless borders” to improve regional economic performance from Brownsville-Matamoros all the way to San Diego-Tijuana. Subsequently implemented security measures have largely silenced those proposals (Sinha and Condon 2002). However, infrastructure investment, new technologies, and cross-border cooperative efforts between government agencies have helped make port-of-entry time losses somewhat more manageable. This is another area where additional staffing would also be helpful as it would permit more inspection lanes to remain open for more hours, and allow more efficient commercial and industrial integration.

It has often been said that there is nothing more permanent than a guest worker (Martin and Teitelbaum 2001). This is understandable. Travelling back and forth between large countries is
expensive. Perhaps even more importantly, the last thing a business manager wants to lose is an experienced, productive worker. For border labor markets, however, a guest worker program can potentially be more effective due to geographic proximity. Widespread agreement exists along the border that some type of formal worker registration program is necessary. The current state of affairs forces hardworking persons to face the uncertainties of a north-of-the-border “informal underground labor market,” which is at best, an inefficient arrangement. Such a program would have to be designed, and enforced, such that it avoids creating artificial labor cost differentials that reduce the demand for legal resident employees (Martin and Teitelbaum 2001; Carter 2005). One possibility that merits additional attention is the “Blue Card” proposal that would allow undocumented workers to stay employed but not accelerate the citizenship procedure for them (Anonymous 2008). Because none of the aforementioned options attack the root problem, they should possibly be made contingent upon market-oriented labor market deregulation in Mexico. It is only after that step is taken, that any steps taken in the United States will amount to more than just treatment of the symptoms rather than the problem itself.

As noted, illegal immigration from Mexico is associated with numerous costs to federal, state, and local public agencies. One obvious way to help finance these expenditures is to change the manner in which work visas are allocated. At present, market signals are largely being ignored by U.S. immigration policies. Historically, a very large percentage of undocumented migrants from Mexico pay expensive “coyote” smuggling fees (Orrenius 2001). Internationally, payment arrangements for these services can be relatively fluid and even allow for “money-back guarantees” (Koser 2008). A good option to consider would be a graduated State Department fee schedule for visas and other legal documents. Proceeds from those charges could potentially be utilized to offset costs that undocumented migration engenders. Those fees are already being paid in the informal underground market. Experimentation with policies that take into account labor market conditions would potentially improve public revenues while reducing government expenditure burdens associated with the current system (Cornelius and Salehyan 2007).
Mexico Border Perspective

While many persons migrate to the United States because of cultural admiration and affinity, the fundamental factor leading most people to relocate is economic necessity (Durand, Massey, and Zenteno 2001; Hanson 2006). A key factor causing working age adults to leave is a chronic shortage of “formal sector” jobs, i.e., those with benefits coverage from the Mexican Social Security Institute or a similar organization. Estimates of the severity of this problem vary, but generally indicate that new entrants to the national labor market annually exceed the numbers of net jobs created by 250,000 to 700,000 (Fullerton and Sprinkle 2004; Ornelas 2008a).

Similar to other developing nations, a wide range of structural economic problems hamper economic performance in Mexico (Fullerton, De Leon, and Kelley 2007). Labor code rigidities are potentially the most critical. As most business analysts will affirm, the current code dates from the 1934-1940 presidential administration of Lázaro Cárdenas and is nominally designed to protect worker rights. Effectively, it makes layoffs and contract terminations so expensive and judicially time consuming that it leads companies to avoid payroll expansion whenever practical, in spite of the ample labor resources across the nation.

The first step required to truly manage labor migration flows from Mexico is national labor code reform that allows employment, and dismissals, to become much more flexible. It will not be easy. The 1994-2000 Ernesto Zedillo and Fox administrations both attempted this and made virtually no progress at all due to congressional intransigence. In spite of widespread underemployment, legislative branch opposition to labor reform enjoys strong support among labor groups throughout Mexico (Kohout 2008). Another proposal is being prepared by the 2006-2012 Felipe Calderón presidential administration and its eventual contents, and fate, remain to be seen.

Uncertainties surrounding the prospects for labor code reform do not mean that migration out of Mexico will always remain at current levels. The populations of the United States and Mexico are both aging as well as growing more slowly (Newport 2008; Amiel 2008). That combination has interesting long-range implications. Eventually, there will probably be fewer potential
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migrants from Mexico, reducing the degree of controversy surrounding this topic between both countries. From 2010 forward, the rate of population increase in Mexico is projected to permanently decline to less than 1 percent per year and eventually turn negative by 2045 (United Nations 2007). As labor force expansion in Mexico continues to decline, it may also lead to migrant recruitment efforts north of the border.

For now, however, state and local governments in northern Mexico face numerous challenges related to the ongoing exodus. “Floating” migrant populations—groups of people who arrive in northern border areas and stay for indefinite periods of time as they await opportunities to cross into the United States—create budgetary pressures in several key areas. Among them are public school overcrowding, public health system overloads, infrastructure strain, and housing expenses for both deported migrants and would-be migrants abandoned by “coyotes” (Anderson and Gerber 2008).

Greater federal support is also required for dealing with “in-transit” illegal migrants from lower income countries in Central America, principally Guatemala, Honduras, and El Salvador, and from China (United Nations 2006). Government estimates from the United States indicate that approximately 57 percent of all undocumented migrants come from Mexico. Approximately 11 percent are collectively from El Salvador, Guatemala, and Honduras. Roughly 2 percent are from China (Hoefer, Rytina and Campbell 2007). While the “third country” transit flows are relatively small in comparison to total migration out of Mexico, to the extent that they use Mexico as their launch platform, they cause budgetary problems for municipal and state government agencies in the northern region of the country.

Border residents on the south side of the international boundary also express frustrations with the lack of distinction between frequent crossers and infrequent nonregional resident visitors. Expansion and enhancement of current “laser visa” and “port pass” programs may eventually help in this regard. Those programs both allow for repeated visits into the border zone of the United States. The port passes permit holders to cross the border at specially designated “express lanes” that frequent commuters can utilize to minimize border wait times. The laser visa program will soon be replaced by a “border crossing card” that will include an electronic chip designed to
allow workers to commute more rapidly (Ornelas 2008b). Administrative procedures could probably benefit from streamlining and standardization along these lines (Ward et al. 2008). Infrastructure upgrades and additions would also prove helpful. (Villegas et al. 2006). Similar issues also arise in the somewhat less controversial context of cargo vehicles and merchandise trade (Ojah et al. 2002).

For migrants whose objective is to work in the United States, more support is also sought from the government in Mexico City. This would include more extensive consular support throughout the United States. It would also include more formal programs that explicitly acknowledge the presence of workers from Mexico (Anderson and Gerber 2008). One proposal is a clearinghouse program to better coordinate communications between employers and potential migrant workers before, and after, they enter the United States. Another proposal is for improved consular office support for deceased worker family attempts to repatriate insurance and other benefit payments. Streamlined administrative processes could also be implemented to make migrant visits and repatriation less difficult and costly. Development of the latter type of program probably cannot move forward politically until some type of formal work visa program is introduced by the United States.

Conclusion

Subpar economic performance in Mexico is expected to persist due to structural policy factors that have been in place for many years. Among the latter, labor market rigidities cause an Aztec strain of “Eurosclerosis” to artificially inhibit jobs creation south of the border. That causes pressures to migrate to be much more intense than the cross-border income and wage differentials would otherwise dictate. National labor code reform in Mexico would go a long way toward defusing this issue and making the flow of migrants more manageable. Because legislative prospects for this type of change are uncertain, different steps will likely have to be taken until deregulation efforts are approved in Mexico City.

More effective boundary containment will be necessary. That will require greater numbers of border patrol units to intercept would-be migrants attempting to enter without legal
documentation. Stricter enforcement of domestic labor laws in the United States will be required to insure a level playing field for resident workers. Although guest workers are generally not temporary, a better registry of international workers is needed. Effective visa pricing should also be implemented by the State Department.

Regionally, better infrastructure and administrative procedures are needed to help streamline border wait times and allow border economies to operate more efficiently. Efforts to do so will permit the rate of business formation to accelerate on both sides of the international boundary and increase job opportunities. As employment goes up, it helps reduce pressures to migrate. Federal fiscal support is required by local governments on both sides of the border to deal with the problems caused by migration flows through these areas. In the long run, demographic changes may ease some of these pressures. At present, more assistance is necessary to effectively deal with the unintended consequences of the current state of affairs.
References


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