

Campaigning for Change:
Reinventing NAFTA to Serve Migrant Communities

Robert L. Bach¹

Beginning in January 2001, the new Mexican and U.S. administrations have an opportunity to dramatically improve bilateral relations. They can also set them back twenty years. In many ways, the relationship between Mexico and the United States has reached a level of cooperation unsurpassed in modern history. Across a broad array of issues, the two countries share common goals and pursue similar strategies. However, several areas of public dispute reflect historically entrenched, difficult dilemmas. One of the most difficult involves large-scale, cross-border migration. Without bold new approaches, the migration issue and border affairs in general will continue to strain the overall relationship.

Fortunately, the Zedillo and Clinton Administrations made progress laying the groundwork for a transformation in policies that affect border and migration issues. While embracing the need for joint approaches to long-term security, free trade, open investment, and application of the rule of law, they acknowledged that these fundamentals would be insufficient. In May, 1997, the two Presidents signed a Joint Statement on Migration that committed both governments to working together to design a new, comprehensive vision of the future of the border area. Subsequently, they

exchanged private letters calling for a sustained, open-ended discussion that could lead to a new framework for managing migration.

Both new Administrations will now have an opportunity to take up this charge more formally and publicly than their predecessors. A good start would be for both new Administrations to accelerate and strengthen the initiatives launched in the last six years. All remain incomplete and unstable. Both Administrations will also need to confront entrenched economic interests and political assumptions early in their terms if they are to reach the “breakthrough” envisioned by the Zedillo-Clinton Statement. Prominent among the views that must be confronted are the goals, objectives, and priorities embedded in the North American Free Trade Agreement (NAFTA).

NAFTA-inspired strategies for managing exchange of goods (trade) or people (immigration) become less effective and even counterproductive the more integrated the cross-border, regional labor market becomes. They reproduce tired notions of immigration policy that remain a primary stumbling block to developing a new vision of the bilateral relationship. President-elect Fox’s visit to Canada and the United States in August, 2000, to initiate a dialogue over more visas and “open borders” faltered because it placed so much emphasis on established views of immigration policy and ventured so little to address the unmet human needs that accumulated during NAFTA’s first decade. His reception in Canada and the United States, which was a polite but firm rejection of the idea of “open borders,” was a friendly reminder that solving the underlying economic, social, health, education, and law enforcement problems facing the region is as important as strengthening the benefits of physical integration through cross-border exchanges.

President Fox's September, 2000 proposal to establish a free trade zone from Panama to Mexico also misses a key opportunity, and it repeats the fallacy underlying NAFTA. The problem is not free trade or even migration *per se*. Rather, trade liberalization creates unequal conditions that stimulate migration in the absence of conscious and effective investments to meet household needs in employment, education, health and housing in both the communities that send and receive migrants. Nothing in NAFTA's current framework, even if it is extended into Central America, offers new terms and conditions for workers and their families who must bear the consequences of extending labor markets across international borders. Persistent illegal migration, and repetitive, stale migration policies are manifestations of the weak and exploitative foundations of regional free trade regimes. The way forward requires the reinvention of NAFTA and its rules for integration to meet the social and human needs of communities on both sides of the border.

BEYOND NAFTA

NAFTA's heritage lies deep in the structural adjustment policies imposed by the International Monetary Fund (IMF) in response to Mexico's massive foreign debt in the 1980s. As a model of fiscal responsibility, these policies slashed government expenditures, weakened public regulation, and opened the country to foreign goods, services and capital. The guiding vision was to trade more and spend less.

Within its own terms, NAFTA has delivered what it was supposed to. For over seven years, Mexico has enjoyed dramatic increases in direct foreign investment in equipment and property, and trade has accelerated to both Canada and the United States.

Especially in Northern Mexico, the number of maquiladora plants and workers has increased dramatically. For instance, more than 500,000 Mexican workers now make parts and assemble vehicles for eight of the world's largest automakers. Central Mexican states, including Guadalajara, Guanajuato and Puebla, have also become an export zone for sophisticated electronic products. Financial liberalization has brought additional benefits. It has begun to open up Mexican business practices, challenging the traditional reliance on extended families, personal friendships, and government contacts, and has sparked a move toward professional management and foreign ownership. As more and more U.S. and Mexican companies work together, many executives now consider their companies to be North American corporations rather than exclusively of any particular nationality.²

NAFTA has also certified the commitment of both governments to the IMF's dictates, which included embracing an economic ideology that celebrated the marketplace even in full recognition of its accompanying, widespread social, economic, and political displacements. For example, NAFTA proponents point to Mexico's commitment to market liberalization during the 1994 peso crisis. On the day Mexico announced its final payment on the U.S. loan to help recover from the devaluation, President Clinton declared that the situation would have been much worse in the absence of NAFTA. "This is a remarkable turnaround," the President said. "Following its 1982 financial crisis, it took seven years -- seven years -- for Mexico to return to the private financial markets. This time, it took seven months. After the 1982 crisis, Mexico imposed prohibitive tariffs, and U.S. exports fell 50 percent, not recovering for seven years. This time,

Mexico continued to fulfill its NAFTA commitments, and our exports are already 11 percent above pre-crisis levels.”³

Of course, NAFTA’s model of regional integration was never Mexico’s alone. NAFTA formalized a model of economic partnership in which both the United States and Mexico became deeply and perhaps inextricably intertwined in a common economic future. President Clinton recognized this dependence during the Mexican financial crisis in 1994: Mexico’s difficulties were now also U.S. problems. The U.S. loan to Mexico aimed to prevent the destabilization of Mexico and any loss in the sales of goods and services that generated jobs for American workers. “Two years ago, helping our friend and neighbor in a time of need was quite controversial,” the President said. “Some said that we should not get involved, that the money would never be repaid, that Mexico should fend for itself. They were wrong. Today the American people can be proud that we did the right thing by Mexico and the right thing for the United States, and the right thing to protect global prosperity.”⁴

The negative consequences of NAFTA, however, like other free trade regimes spawned by structural adjustment policies, are generating a growing and increasingly articulate opposition. Neither the U.S. nor Mexican Administrations should ignore the substantive arguments arising from the mounting challenge to the current terms of globalization and regional integration schemes. The criticisms have deep roots in social and economic conditions that have long generated opposition to NAFTA. These include concerns that NAFTA would consolidate and legitimize structural adjustments policies, deeply damage the social infrastructure, exacerbate income inequality, leave the impoverished with less help and fewer alternatives, and destroy the public’s ability to

defend itself against the impacts of trade liberalization. NAFTA-led reforms have fulfilled each of these predictions. For example, they have concentrated economic power – 50 major companies now account for one-half of Mexican exports, and 20 major corporate groups control more than three-fifths of national economic output. Small Mexican companies face nearly insurmountable financing costs; traditional farming continues to shed excess workers; and labor intensive sectors, including agriculture and light industry, cannot compete internationally. Labor laws remain mostly unchanged, and income inequality, already one of the deepest in the world, has increased.

In this context, President Zedillo may have been a bit intemperate when he dismissed protesters who gathered at World Trade Organization meetings in Seattle and Davos to demonstrate against the impacts of trade liberalization. He called them a “peculiar alliance” of self-appointed representatives of civil society, environmentalist and labor groups, and extreme left and right trying “to save the people of developing countries from development.”⁵ “They seem determined,” he wrote, “to ignore the fact that, frequently, the alternative for those workers is extreme rural poverty or a marginal occupation in the urban informal sector of the economy, where hardly any labor rights can be made effective...”⁶

Other Mexican leaders, however, have recognized the fundamental flaw in NAFTA’s strategy. In late 1999, Jesus Silva-Herzog, former Mexican Ambassador to the United States, described this flaw as follows: “Mexico forgot the warning to avoid dogma or economic extremes...Economic growth must be attained to meet Mexico’s social needs.”⁷ He argued that the strategies formed after the economic crises of the early 1980s, which inspired NAFTA, could not accommodate population growth, new entries

in the labor force, and mounting pressures for emigration to the United States. Then, as now, the issue was not and should not be confined to an argument about growth or no growth, jobs or no jobs, or even more or fewer visas. The fundamental issue is what type of growth and what kinds of alternatives can different regional integration approaches generate for workers and their impoverished communities.

Other leaders, even those who fully supported NAFTA, have also recognized its structural limitations and have begun to press for a different strategy. President Clinton, who signed NAFTA into law, articulated his reservations about NAFTA-like regimes while on a trip to Brazil to speak in support of trade throughout the Western Hemisphere. Speaking from one of the poorest sections of Sao Paulo to highlight the structural limitations of free but chaotic markets, he said “Free markets develop unevenly and incompletely and they lead to winners and losers. That is not enough. In developing a free trade regime, we need to find ways to allow everyone to participate in the progress.”

This focus on broad-based participation and benefits is perhaps the primary difference between a new vision of regional integration and that of the NAFTA originally envisioned by the administrations of President Salinas and President Bush. For example, President Clinton’s speech in Brazil focused on expanded education opportunities as the primary mechanism to enhance participation and advancement. He did not attempt to explain how current inequalities, poverty and ignorance in Brazil would diminish over time as economic growth created new job opportunities. NAFTA proponents, however, frequently invoke these latter arguments. He also did not advocate the acceptance of illegal child labor or youthful illiteracy, even though there was a “market niche” for it in the expanding economy. In contrast, advocates of unauthorized and temporary contract

work routinely advance such apologetic arguments about labor market niches stretching across the U.S.-Mexico border.

Rather, the President's message was that education is essential to, not in conflict with, trade and development because it creates alternatives to seemingly inevitable conditions. Education represents just one of many institutional foundations of economic growth that supports the well-being of those fortunate enough to gain access to the market and, especially, of those excluded and bypassed who hope one day to also benefit.

Opponents of the structural flaws of NAFTA understood from the outset the need to invest in the institutional foundations of development to encourage broad-based participation. The Chiapas rebellion, timed to the start of NAFTA, was of course the most dramatic display of opposition. Although hardly indicative of widespread opposition to regional integration, the rebellion at least alerted everyone to the reality that not all communities wanted to be part of a NAFTA model that embraced exclusion, oppression, and inequality rather than challenged them.

The original Salinas-Bush version of NAFTA also set the parameters of policy options on cross-border affairs, including migration. It accepted in silence the nature of structural adjustments, the huge displacements, the chaos and hardships that were predicted for the Mexican economy, its labor markets, and low-wage workers. It accepted the social consequences to poor families and the intrinsic pressures within the framework that made it unlikely that many households could sustain employment and family life inside Mexico. It embraced as "inevitable" the belief that Mexico's surplus labor supply was born of demographic growth and relatively anemic levels of job growth. Therefore, the only alternatives which workers had for the misery of isolation commonly

found in the pre-1980 period was to succumb to the insatiable U.S. demand for cheap additional workers and move northward, as President Zedillo noted. Even if migration reaches its maximum in 15 to 30 years before it begins to decline, as some researchers project, these workers and their families must endure the inequalities of the NAFTA period and the consequences of extending the labor market hundreds and thousands of miles.

MONITORING NAFTA

Early opposition to NAFTA pushed the Clinton Administration to negotiate “side agreements” covering labor and environmental standards. The side agreements provided mechanisms for resolving complaints about labor or environmental conditions and for organizing debate about widely perceived intrinsic problems with regional integration. The side agreements also limited public debate by focusing it on resolving specific complaints rather than the structural problems of the regional economy. In turn, the agreements reduced the political heat on NAFTA’s early performance and helped to garner the support of some labor and environmental groups during the fight for congressional approval of NAFTA.

Opposition to the migration-related aspects of NAFTA could have been quite strong. Both governments agreed during the negotiations that regional economic integration, under even the most optimistic growth scenarios, would continue to generate high levels of unmanageable migration to the United States for decades. Yet, neither government believed it had sufficient political support to confront issues of migration

openly and transparently. Even an attempt to craft a side agreement could have raised public concerns and scuttled the entire NAFTA negotiations. The failure to reach an agreement left both governments, and those living on both sides of the border, without an institutional mechanism or even a forum to address the predictable problems of cross-border migration.

Tragically, the worst fears of those who shied from confronting the immigration issue came true. Without a side agreement, the migration issue exploded across the stage of public debate. In 1994, California Governor Pete Wilson whipped up popular opposition to Mexican immigration in his bid for reelection. His efforts stimulated other governors to sue the Federal government to recover the education, health and law enforcement costs associated with immigration. His efforts also led California voters to pass Proposition 187, which became the symbolic centerpiece of attacks on the rights and well-being of immigrants. The public controversy opened the way for overt opposition to NAFTA itself. Pat Buchanan's "America First" campaign drew increasing support by calling on the Federal government to seal the U.S. borders to goods and especially to people.

Matters worsened when television cameras recorded police officers in Riverside, California, assaulting several Mexican citizens. Tensions between the two governments intensified even more when Congress passed the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (IIRIRA) shortly thereafter. The Law incorporated much of the California-inspired anti-immigrant sentiment into intensified enforcement efforts.

Realizing that these tensions threatened the underpinnings of regional cooperation and the overall bilateral relationship, the two Administrations embarked on wide-ranging discussion of shared concerns. Both sides specifically increased their institutional attention and priority to border affairs. The new effort focused on the Binational Commission, an annual gathering of Cabinet level officials from both governments. The two Administrations also embarked on creating a series of problem-solving mechanisms, largely organized informally along the border. Where the Salinas-Bush Administrations had failed, the Zedillo and Clinton officials set out to craft their own *de facto* side agreements on migration to provide a way to organize a response to the growing number of problems.

***DE FACTO* MIGRATION SIDE AGREEMENTS**

Despite the rocky start, the Zedillo-Clinton Administrations developed these initial contacts into an unprecedented working relationship that helped the two governments manage several difficult incidents at the border. The relationship matured through a series of “statecraft” initiatives, involving formal memoranda of understanding, communiqués, protocols, joint statements, and novel joint public appearances addressing border problems. The meetings established trust among officials from both sides, and more importantly they became ad hoc mechanisms for addressing complaints, doing informally what the NAFTA side agreements were supposed to do.

The *de facto* side agreement meetings produced statements and communiqués on many issues, including efforts to protect the human rights of migrants, implement safe

and orderly procedures for the repatriation of migrants, and combat cross-border smuggling. In the immediate aftermath of Proposition 187, the two Administrations agreed to several cooperative measures set forth in the Zacatecas Accord, the first in what became a series of agreements on joint or complementary activities. They included expanded border crime prevention units, joint efforts to eliminate illegal pedestrian port and lane runners in San Diego, and coordinated tactics to close access to the flood tunnels in Nogales used to carry contraband into Mexico and illegal immigrants into the United States.

Over the years, these *de facto* side negotiations evolved beyond specific operations and began to take shape around three broad goals. First, these meetings reinforced Mexican efforts, begun years before, to expand consular activities inside the United States. Whether the long-term outreach increased service to the expatriate community or, as some researchers have argued, attempted to prevent embarrassing political demonstrations against the PRI, the expansion of consular involvement in matters of immigration law enforcement clearly fit well into Mexico's overall diplomatic strategy.⁸ The harshness of the 1996 U.S. immigration law, the rapid increase in enforcement incidents involving Mexican citizens, and a rising number of violent encounters between Mexican immigrants and border officers pushed the Mexican consulates to establish regular contact with INS officials and attempt to change some of the enforcement practices. The Mexican Secretary of Foreign Relations, Rosario Green, described her government's actions as follows:

Unfortunately, ...we regularly hear of new incidents where migrants find their rights violated. We will continue to demand the protection of the human and labor rights of all Mexican nationals, regardless of their migratory status and we will continue to strengthen our capacity to

provide protection through our consular network in the United States. Mexico has the largest consular network in the world, with 42 offices in the United States: we are determined to make it the most effective. The Administration of President Zedillo regards this question as one of its highest priorities.⁹

Perhaps the most important outcome of this consular activity was a formal memorandum in which INS and the Secretary of Foreign Relations established so-called Interior Consultative Mechanisms. Mechanism meetings became the most frequent and routine venue for the discussion of complaints, including the exchange of information about INS enforcement operations and problem incidents. Within these Mechanisms, the two governments also signed safe and orderly repatriation agreements, although several U.S. border officials resisted their implementation.

Second, the routinization of liaison meetings among officials of both governments gave each side an opportunity to explain its overall perspective on the migration issue. The dialogue helped to prevent gross misunderstandings. Yet, they also became opportunities to “win” the inclusion of specific wording in the post-meeting communiqué that gave recognition to a particular perspective. The latter became increasingly important because each side used the announcements in their respective media to demonstrate progress on tough and politically volatile issues. For the United States, the meetings were opportunities to inform Mexican officials about the growing number of border enforcement operations and to explain the rationale behind the largest build-up of U.S. immigration enforcement in decades. For Mexican officials, the meetings became increasingly defensive. They tried to demonstrate to the Mexican media that, despite the number of border incidents, a cooperative, rather than antagonistic, approach with the United States was paying off.

The Zedillo Administration also used the Binational Commission meetings to influence U.S. public opinion on issues related to border enforcement. The Mexican government worked hard to generate supportive discussions and analyses among sympathetic researchers and advocates in the United States, reaching out specifically to pro-immigration think tanks, even though they resisted including their own NGOs into the migration debates. The government especially put great political stock in pushing for a study of migration to help change the debate from a focus on law enforcement to the inevitability of the migratory flow based on the nature of the labor market.

In the end, the political purposes of the Binational Study far exceeded its scientific value. Within binational scientific communities it certainly was not news that migration could be viewed as a comprehensive economic, social, and historical phenomenon. It was also not news in policy circles. Over a decade before, another group, the Ascencio Commission, had concluded that the migration flow was “structural” and that only increased trade would serve, over the long term, to reduce migration pressures.

However, the Binational Study took on significance for the Zedillo Administration as a way to counter the arguments of Proposition 187 and the growing emphasis on immigration enforcement in the United States. In a series of public presentations of the research results, all in the United States, senior Mexican officials used the Study’s results to reinforce the thesis that the cross-border migration flow was “inevitable.” No significant effort was made to use these occasions to open discussion on alternative development strategies or to question the terms and conditions of NAFTA itself.

Third, and perhaps most importantly, the two Administrations made the greatest strides and took the largest risks by encouraging local government officials along the border to solve problems locally. Some of these efforts were formally organized through the Border Liaison Mechanisms, which were longstanding working groups designed to foster dialogue about local border issues. These and other more informal local initiatives generated novel, joint problem-solving approaches. In San Diego, for example, a stellar combination of Mexican consular officials, local INS immigration officers, and the U.S. Attorney for Southern California created what could have become a model of local, cross-border law enforcement partnership. Their actions drew broad-based support from the law enforcement and community leadership of both Tijuana and San Diego. The partnership defused problems when they occurred, improved public safety programs, established cross-border criminal prosecutions, and pressed for improvement in traffic management at the ports-of-entry that were vital to the binational regional economy. These joint actions went beyond complaint mechanisms and for several years pointed to new directions in forging true cross-border institutions. Unfortunately, both governments let the San Diego initiative and, with it, an important model of border transformation falter and, in the end, actively undermined the cooperative efforts.

All along the border, these local meetings and working groups provided a much-needed opportunity for discussion and dispute resolution. Yet, these activities have not advanced beyond the limitations that appear intrinsic to all side agreements, including the formal procedures on labor and environmental issues. Many of the complaint mechanisms have become ritualistic and have taken on the tone and character of formal binational diplomatic exercises, rather than down-to-earth, problem-solving operations.

The ritualism drove many of the more energetic and creative problem-solvers to avoid the meetings and reinforced their reliance more on interpersonal trust and cooperation than on institutional effectiveness and procedures. Even the periodic gatherings of national leaders spent more time drafting communiqués than on carrying out much of the hard work. More recently, efforts to “institutionalize” the liaison gatherings have pushed joint action even further from problem-solving activities. Ironically, under a stated goal of “opening up” discussions to local communities, these recent efforts have made the encounters less effective and actually reduced the substantive participation of communities engaged directly in improving conditions along the border.¹⁰

Side agreements, formal or *de facto*, do not hold the promise of establishing a new institutional framework for regional integration. They remain rooted in their original frame of reference, focused on the disputes that the Salinas-Bush NAFTA model did not address. In that sense, the agreements have tried to be ameliorative, not transformational, and under persistent pressure are likely to fail even in their original purpose.

MOVING FORWARD

The next step for both Administrations is clearly to strengthen efforts toward regional integration. Turning backward in the hopes of overcoming the problems caused by nearly a decade of full-paced integration is no longer possible. Yet, moving forward also requires both governments to acknowledge the full extent of unmet human needs and the social and economic costs that are structurally embedded in NAFTA-style regional development models. A full accounting of the costs and benefits of NAFTA goes beyond

efforts to calculate, then redistribute, the advantages of cross-border flows to communities on either side of the border. Transborder market integration produces numerous, unpaid bills – economically, socially and politically – and places the burden of paying them disproportionately on low-income communities on both sides of the border.

A new U.S.-Mexican dialogue should focus on the creation of alternatives. For example, policies that recognize the assets and needs of migrant-sending communities should focus efforts on creating more opportunities at home for workers to stay and live in dignity. The goal should be to expand alternatives in sending communities so that the decision to migrate expresses a real choice among household members and not the compulsion of market discipline and demographic inevitability. In the context of these alternatives, the conditions and rules under which citizens of both the United States and Mexico move back and forth across the border to work, visit, and live would, and certainly must, dramatically improve.

The following section offers four modest proposals to stimulate debate on alternatives to current conditions underlying the migration flow. Both governments can undoubtedly generate many more proposals once the task is no longer just to find ways of extending the current framework but to begin meeting the needs of both Mexican and U.S. low-income communities.

Proposal #1. National Program of Alternatives to Emigration

Mexican society has tackled seemingly inevitable population trends before and been very successful in creating economic, social and cultural alternatives. Several

decades ago, the Mexican government launched an impressive national campaign to reduce the rate of population growth. That campaign provides a number of lessons that can help to build a comprehensive model for a new, bold initiative to reduce the pressure on forced emigration from Mexico.

Mexico's population campaign began at a time when most observers thought it was impossible, perhaps inconceivable, to discuss fertility control in a Catholic country. Mexico had a birth rate many times higher than replacement levels, a youthful age structure, and female education levels that all but ensured that a generation of women would "inevitably" produce high numbers of birth. Still, the Mexican government launched its national program, concentrating specifically on education reform, special initiatives to increase labor force participation among women, and a bold political campaign to make alternatives to high fertility within a household both a real option and a family desire.

In similar fashion, the Mexican government should launch a national campaign that is committed to eliminating unauthorized migration between the two countries. The government would have to acknowledge openly its responsibility, politically, socially and economically, to those who cannot find jobs and are compelled to move northward to secure a livelihood. President Zedillo recognized the obligation several years into the NAFTA period when he observed that Mexican citizens must come to define their futures within Mexico. He also observed that migrant-sending countries in general needed to take more responsibility for their migration outflows.

Within such a campaign, the Fox Administration would benefit by distinguishing itself from the migration-related rhetoric of the Salinas-Bush NAFTA strategy. As noted

previously, the ideological assumption of the original NAFTA scheme stressed the inevitability of the demographic and economic trends that accompanied structural adjustments and market liberalization. Secretary Rosario Green recently restated the “inevitability thesis” as follows: “Migration is a social phenomenon that can only be addressed through steady and sustained economic development. There are no short term solutions to this problem and we should avoid the easy and sometimes politically expeditious approach of forceful measures to contain the problem.”¹¹ As a result, senior Mexican government officials still label northward migrants “heroes,” and any attempts to improve standards, change conditions, or create alternatives to the current patterns of migration are branded unrealistic or xenophobic.

The Mexican national campaign could include special initiatives to increase employment alternatives, generate work opportunities for everyone in the household and, especially, expand social investments in housing, education, and consumption that much of the migration northward now funds informally. These initiatives will undoubtedly develop binationally with U.S. participation and could require a combination of programs that would increase, not decrease, legal migration. They should certainly expand travel opportunities and accelerate local, cross-border movements that are already normal realities of border life. Yet, without a concerted and successful effort to create more alternatives in migrant-sending and receiving communities, it is unlikely that the confidence and trust to negotiate larger legal movements will emerge between the United States and Mexico.

The Fox Administration would also do well within the context of a national campaign to trade in the “economic determinism” of prevailing views of Mexican

migration and begin to examine emigration also as a political process. President-elect Fox recently took a good first step in connecting the rise of democracy in Mexico and the opportunity to move beyond current debates about migration popular on both sides of the border. An increasing number of scholars are beginning to question PRI-led efforts over decades to deny the political foundations of the northward emigration. By focusing on emigration as a popular response to the absence of democratic opportunities, the Fox Administration could shift the policy and planning discussion from simply trying to change public opinion in the United States to providing its own citizens opportunities to express their underlying claims within the Mexican system. Mexican citizens should not be forced to discover their political voice by moving to the United States and establishing civic associations in order to become actively involved back home in their local town or village.

Finally, the national campaign could extend enforcement of the rule of law to the migration arena, protecting individual rights and defending community desires and opportunities. The Mexican government should dramatically increase efforts to enforce Mexican law against illegal trafficking of persons across its northern border. It should also assist individuals who are stranded or caught in these trafficking networks to return home and find safe livelihoods.

Proposal #2: A U.S. Labor Market Campaign

New thinking about regional integration and migration, and a rejection of deeply ingrained orthodoxies, are obviously as needed in the United States as in Mexico –

perhaps more so. The new U.S. Administration should reassess its strategy of encouraging labor export from Mexico. Until now, U.S. foreign policy has passively accepted the view that migration from Mexico was an escape valve essential to maintaining the political and social stability of its southern neighbor. Many Department of State officials, for instance, accept that the current pattern of emigration is “inevitable,” given Mexico’s demographic conditions. Yet, as democracy deepens in Mexico, the United States should shift its understanding of large-scale, labor export. Large-scale emigration, especially concentrated in particular sectors and regions, can be more than a form of temporary welfare relief. It is also an obstacle to necessary economic and social changes in the Mexico countryside and in the low-wage, regional economy in general.

The problem, of course, is that the United States has its own deeply ingrained interests in the structural adjustment policies that gave birth to NAFTA. Efforts to reform the regional development framework to address human needs will require the United States to move aggressively against some of the most characteristic features of this impoverished, transborder labor market. These efforts could take several forms, although none can have much of an effect on its own. The following examples are only a few elements of a broad-based, U.S. labor market campaign that would complement the comprehensive, Mexican initiative proposed earlier.

First, if either new Administration truly seeks to gain sufficient credibility to reinvent NAFTA to respond to human needs, they must together attack the horrific conditions of farm workers in both the United States and Mexico. Agricultural labor conditions are such embarrassing examples of the fatal flaws of current regional

integration schemes that even liberal advocates have virtually conceded the raw realities of farm work. After decades of failed efforts to regulate the flow through contracts and laissez-faire neglect, current reform proposals have no credibility without either government first demonstrating specifically how they will improve farmworkers' conditions.

The fundamental issue is, of course, the wage paid to farmworkers. In the past, campaigns to increase wages have fallen on deaf ears or have been squarely opposed by producers who threatened to pass along the price increases to consumers through higher food prices. Growers and packers have also threatened to move abroad, leaving entire agricultural communities facing the prospect of total abandonment. Yet, over the last decade, the declining wages of farmworkers have subsidized consumers at a time when the incomes of most middle class consumers have risen significantly. In short, the consumption of the urban middle class continues to be subsidized by the impoverishment of farm laborers both in the United States and Mexico. The time has come for the cost of agricultural production to compensate farmworkers for poor working conditions, rather than making the workers' families absorb them through depressed consumption. These reforms should significantly reduce the burden on individual farmworkers who bear the cost of moving hundreds and thousands of miles and making the illicit crossing into the United States to make the U.S. farm labor market function.

As in Mexico, economic reforms of the magnitude needed in U.S. farm labor markets will not succeed unless they are organized as part of a substantial political, social and cultural campaign. Although these campaigns should be national in scope, in the United States it is especially time for corporate leaders in California from the new

economy sectors to become involved in reforming the conditions of agricultural workers. Agriculture and its depressed labor conditions remain perhaps the most prominent examples of the “old economy.” Their persistence challenges the goal of many new corporate leaders of building a Californian community that works for all state residents. With the advent of the new economy, California entrepreneurs are also beginning to experience problems with their own largely immigrant and low-wage workforces. Exploding housing and commuting costs threaten low-wage workers, who are increasingly unable to support themselves and their families. New economy entrepreneurs have the opportunity—and the self-interest—to lead an enlightened campaign that creates cooperative strategies to improve wages and living standards of all low-wage workers in the state. Agricultural conditions, however, will remain a continuous thorn in their side unless their efforts specifically target reforms in rural California.

Second, both governments need to acknowledge the full costs of the regional labor market and find ways to compensate low-wage workers and their families through a variety of mechanisms that increase social wages. Unfortunately, migrant-sending governments and apologists for NAFTA’s costly impacts have become enamored with the significance of remittances as a source of development funds in the Mexican countryside. Clearly, the ability of a Mexican worker to gain employment and use the earnings to increase household consumption is a welcome step forward. Work pays, whether in Mexico or the United States. So-called “*migradollars*,” however, should not become “*milagrodollars*,” miracle dollars which are treated as the investment spark to overcome the extreme difficulties and costs of a transnational labor market. Various

studies of remittances show that Mexican immigrants dramatically overwork and underconsume. According to some studies, Mexican immigrants save seven to twenty percent of their earnings, which would be nearly a heroic savings rate compared with their low-wage co-workers in the United States.

These meager sums should be available first and foremost to support family consumption, including the vast unmet social needs in education, health care, and improved child and family development. Second, if they truly exist, such savings should help support the building of a public infrastructure to meet immediate and necessary household and community needs. Mexican families should not have to use access to U.S. earnings to compensate for a lack of credit opportunities at home and the failure of the state to provide for physical infrastructure, such as road, phone services and water systems. A direct challenge for the Fox Administration is to accelerate banking reforms far sooner than envisioned. Still, that will not be enough.

The social wage attached to jobs held by immigrant workers in the United States must be radically reconsidered. If the true costs of Mexican immigration are realized in the poverty of the Mexican countryside, then employment in the United States should compensate for the costs of sustaining a decent standard of living not only for the worker while he or she is resident in the United States, but for their families in Mexico. For example, health benefits should cover an immigrant worker's family members even if they are living in Mexico. For this to happen, health care systems would have to become transnational, crossing the international border to properly reflect the needs and conditions of their clients.

The social wage for immigrant workers employed in the United States should also contribute to education investments in Mexico. Several Fox Administration advisors have already focused on the implications of migration for the education and training of workers in the regional labor market. Every day, Mexico loses investments in the education, skills and health of its youth as they leave for the United States, unable to find employment at home. In turn, with each passing year, U.S. schools face the increasing costs of absorbing and educating these children. The two governments should increase public investments in education and health in migrant-sending and migrant-receiving communities to minimize the disruptions in children's education from migration. These transnational education investments should focus on raising the education quality of schools both in migrant-sending communities and in the receiving districts in the United States.

Third, the United States should launch another legalization program similar to the amnesty conducted under the 1986 Immigration Reform and Control Act. Unlike before, however, no one should pretend that such a program resolves the migration problem. The need for a new amnesty has less to do with immigration *per se* than with the conditions and standards of the transborder labor market. A new amnesty program would perform the same function as an increase in the minimum wage. During a time when many low-wage immigrant workers have lost real income or increased their earnings at a far slower rate than other workers, a legalization program would help stabilize these workers and increase their likelihood of being able to organize to improve their conditions. Without these specific, labor market improvements, a separate, immigration-only, amnesty program could be counterproductive. It would legitimize a cyclical pattern that already

underlies the original NAFTA framework which allows for long periods of illegal migration to be followed by periodic amnesties, as if the latter were reparations for the years of economic and personal hardship and exploitation.

Proposal #3: Border Infrastructure

Nowhere are the inherent weaknesses of NAFTA more prominent than when it comes to building physical and social infrastructure along the border. The *de facto* side agreements discussed previously work well within the diplomatic logic of formal relations among states. As complaint mechanisms, they also fit well the organizational mandates and cultures of the U.S. Department of State and the Mexican Ministry of External Relations. However, these agreements are woefully inadequate in managing the increasing integration of foreign and domestic dimensions of transnational commerce, labor and community.

If private corporations increasingly consider themselves North American enterprises, governments must respond with regional institutions. Of course, creating regional institutions is always easier said than done. They challenge every principle rooted in sovereign political systems. The place to make progress, however, could be at the border, where the integration, as well as the needs and benefits, are greatest.

Working together, the U.S. and Mexico should move rapidly to improve border infrastructure, especially at the Ports-of-Entry, to facilitate exchanges that fuel border economic development. During the past few years, the two governments have demonstrated the value of dedicated commuter lanes, first in San Diego, then in El Paso, as an infrastructure project with clear transborder benefits. However, deployment is far

behind schedule for other improvements, and each project faces needlessly complicated and inefficient requirements. Both governments need to bring infrastructure improvements up to a scale that matches the enormously expanding needs. This cannot be achieved simply by arithmetic increases in port projects.

Instead, the governments should launch a border wide infrastructure campaign that would rival the U.S. interstate highway system. The NAFTA corridor initiative is a start, but it still falls far short of future needs. Financing a transnational transportation system is much more of a challenge than creating an interstate highway network. Early in the Clinton Administration, Congress rejected an effort to pass legislation to establish a border-crossing fee. The primary reason was that border communities believed, with some justification, that the Federal government would use the federal fee in ways that only partially served the needs of the communities from which the money was collected. The mistake, however, was not in the concept but in its formulation.

Before fees are collected, the two governments should establish several cross-border port authorities modeled on a modernized version of the regional transportation authorities that several states have created within the United States. As transnational authorities, they would be able to raise money in international credit markets and allocate investments to improve the infrastructure capacity of the border without interference from either Washington or Mexico City. A transborder infrastructure trust fund, managed through these cross-border port authorities, could also ensure that the fees collected from local communities remained in the border area. These financial innovations, or other similar ones, would provide the much needed investment for the

border, which is rapidly becoming the critical crossroads of the rapidly integrating NAFTA region.

Proposal #4: Enforcement Partnerships

Improving border infrastructure also calls for a substantial transformation of policing efforts in communities on both sides of the border. Cross border partnerships in law enforcement could be the single most important, short-term initiative of both new Administrations, especially if the Fox Administration proceeds with its plans to reform the Attorney General's office and the national police. As in the economic realm, the two governments need to work together on several, immediate initiatives to establish their credibility.

First, the Administrations should agree to a comprehensive design and implementation of a public safety campaign that suppresses violence along the entire border. Some of the border violence is directed at law enforcement personnel. In Nogales, for example, armed assaults against U.S. immigration officers have increased significantly during the last few years. In Tecate, members of Mexico's Grupo Alpha have been attacked and at least one officer killed. In San Diego, both governments have had to intervene to stop drive-by, cross-border shootings and to prevent potential retaliation.

The dangers of illicit trespassing across the border can also be dramatically reduced through cooperative action. Several years ago, the two governments committed themselves to an aggressive public safety initiative on both sides of the border to protect migrants and to bring traffickers and smugglers to justice. Despite critics' disbelief, the

U.S. Border Patrol has shifted its tactics and deployment of agents to reduce the risks to migrants' lives on numerous occasions. In places such as the All-American Canal in El Centro, California, law enforcement officials on both sides of the border have collaborated to reduce injuries and deaths. Working as true partners, joint tactics can solve many border safety problems. Unfortunately, these efforts usually ended up limited to micro-management of issues such as the availability of water jugs in Border Patrol vehicles, placements of warning signs, and the wording of public service announcements. The efforts have also simply been neglected. During a period when the INS has found millions of dollars to spend on consultants to draw organizational charts in hopes of forestalling its own reorganization, the Border Patrol has had to continuously fight to obtain even the \$100,000 a year that was begrudgingly devoted to the Border Safety Initiative.

Second, both governments should seize the opportunity to expand efforts to carry out joint, cross-border investigations designed to destroy the infrastructure of smuggling and trafficking organizations, especially those who target women and children. Although current efforts have been very modest, the results have been dramatic and, if brought to scale, could have a profound impact on the safety of the border. Joint progress in targeting smuggling could also make it possible for the Border Patrol to progressively transform its "block and tackle" defensive posture into a broader-based and more effective investigative strategy.

Third, a new law enforcement initiative should extend far beyond the piecemeal initiatives with which the two governments experimented during the last six years. The governments should join forces to create nothing less than a regional, cross-border

criminal justice system. The goal would be to focus binational resources and tactics on combating the sources and consequences of criminal behavior that uses border crossing as a source of profit and deception.

A major innovation in the cross-border, criminal justice system would be to change the U.S. strategy of deportation. Currently, it is an exercise in wishful and wasteful thinking, relying primarily on the premise of “out of sight, out of mind.” The legitimate desire to reduce the likelihood of felony recidivism and the costs of incarceration inside the United States is simply not achieved by physically removing the immigrant felon. It also does little to solve the criminal justice issues that face both the U.S. and Mexico.

Both the testimony of INS officials before Congress and criminology research in general have shown that only removing felons physically does little to change the chances of repeat behavior. In the case of immigration, recidivism is often twofold: a deported felon both re-migrates illegally to the United States and then often commits another crime. The Administrations should begin serious work on resolving the “revolving door.” They could begin with a joint program against youth crime, including a focus on the transnational youth gangs that now operate simultaneously in both countries. Other joint activities would certainly involve sharing criminal justice information and evidence, joint prosecutions, and connecting data systems to maximize the ability to identify and arrest a felon in either country. The two governments could also draw on the full force of prevention and prosecution strategies to reduce the incidence and intensity of violent cross-border crimes and to construct a comprehensive

approach to law enforcement that seeks to prevent problems rather than simply to “grab and remove” the criminals that cause them.

FINAL REMARKS

The Zedillo-Clinton era leaves Mexico and the United States positioned to make new, significant advances toward transforming the binational, regional labor market. This transformation goes beyond demographic destiny, open trade, and increased border enforcement, and seeks to change the structural underpinnings of NAFTA. New policy discussions should focus on conscious efforts to democratize the rules that govern the transborder economy and community, responding to the interests of migrant sending and receiving communities to create alternatives to the current chaotic labor market. They should force the debate to move beyond efforts that address problems by exporting or importing temporary solutions.

President-elect Fox has voiced openly the quiet longing of the Zedillo Administration – to convince the United States to expand the number of visas available to Mexican citizens who want to work in the United States. Unfortunately, he has not yet expressed an understanding that progress toward a future of more open borders requires solving the problems of NAFTA, not expanding them with a greater exchange of the same kind.

Mexico already has an unprecedented and unique place within U.S. immigration policy, which includes high levels of legal immigration, the existence of Border Crossing Cards, and only a decade-old amnesty of millions of illegal immigrants. Even the much-

maligned temporary work programs available to Mexican citizens have increased substantially in the last few years. The question for U.S. immigration policy is not whether there should be more visas or fewer, but whether the degree of physical integration under NAFTA has reached a level sufficient to support entirely new rules on the terms of labor exchange and population movement in general.

Currently, the United States administers most of the cross-border movement as part of a global immigration framework that treats all countries the same. Perhaps as part of the overall reforms proposed earlier, the three NAFTA partners should consider de-linking selected cross-border labor market movements from the legal framework of more general immigration policies. Such a change would certainly constitute the type of “breakthrough” that many NAFTA reformers desire. Yet, such a fundamental change in the legal frameworks would be much more likely to occur if substantial progress to dramatically improve the conditions of low-income communities on both sides of the transnational networks was already evident.

The challenge facing both regimes, however, is more about democracy than it is about labor markets or visas. No democratic country in the world enables, as Mexico does, such a large, unauthorized movement of its people across a friendly neighbor’s borders. If it is true that no democratic country ever has a famine because a free people do not tolerate such misery, then perhaps a corollary is that no democratic country would permit so many of its citizens to face the perils present in the U.S.-Mexican transborder labor market. At the very least, it would not do so without taking heroic steps – as partners with its neighbor – to solve the problems that force people to flee their homes.

President Zedillo and President Clinton have already committed each government to work together to formulate a new approach to cross-border migration and social and economic development for the entire region. The challenge facing the two Administrations in January, 2001, is to acknowledge that NAFTA is not yet that approach. A new vision must seek to overcome the past, not simply to extend it.

ENDNOTES

¹ The perspective and opinions expressed in this paper are the author's sole responsibility and do not necessarily represent the official views of agencies with which the author has been or is currently affiliated.

² Pacific Council on International Policy, "Mexico Transforming," *New Perspectives Quarterly*, Spring 2000, Vol. 17, No. 2.

³ White House Press Office.

⁴ Ibid.

⁵ Zedillo, Ernesto, "Against Globophobia", *New Perspectives Quarterly*, Spring 2000, Vol. 17, No. 2., page 4.

⁶ Ibid., page 6.

⁷ Interview reported in *UC MEXUS NEWS*, Winter 1999, page 8.

⁸ Portes, Alejandro, "Conclusion: Towards a New World – the origins and effects of transnational activities," *Ethnic and Racial Studies*, Volume 22, Number 2, March 1999, p. 474. Smith, Robert C., "Mexican immigrants, the Mexican state, and the transnational practice of Mexican politics and membership," *LASA Forum* 24 (Summer), 1998, pp. 20-21.

⁹ Rosario Green, Text of Speech released by the Embassy of Mexico, Washington, D.C.

¹⁰ Formal gatherings of cross-border groups, rather than stimulating local participation, have replaced substance with form. The same outcome has occurred recently under the CUSP initiative along the U.S.-Canadian border. Rather than facilitating cross-border cooperation, these efforts have added yet another level of bureaucratic overlay.

¹¹ Rosario Green, *ibid.*