

THE MIGRATION POLICY INSTITUTE AND THE WILSON CENTER

# THINKING REGIONALLY TO COMPETE GLOBALLY

Leveraging Migration & Human Capital  
in the U.S., Mexico, and Central America

By Demetrios G. Papademetriou, Doris Meissner, and Eleanor Sohnen



**FINAL REPORT OF THE REGIONAL MIGRATION STUDY GROUP**

CO-CHAIRS: ERNESTO ZEDILLO, EDUARDO STEIN, CARLOS M. GUTIERREZ



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## Foreword

Migration has profoundly affected — and continues to shape — the social and economic trajectories of the United States, Mexico, and Central America, as well as the ways in which these countries relate and interact with each other.

At this writing, US legislators are debating how to reform an antiquated and inflexible immigration system that does not address 1) the mismatch between labor demand and visa supply, 2) the fate of the estimated 11 million unauthorized residents, or 3) the extended separation of US citizens and residents and their families abroad. The immigration system has also lost control of its integrity by failing to maintain the rule of law in many migration matters.

The resulting reforms must tackle these deficiencies head on. They must introduce into the system the flexibility necessary to adjust visa numbers according to the ebbs and flows of the economy; give it the authority and resources to ensure that foreign workers and their family members are treated properly; give it the means to be fair to US workers; and make immigration enforcement stronger and smarter, both at the borders and inside the country. Only then can the United States have an immigration system that embraces and ensures legality, fairness, orderliness, responsiveness to labor market needs, and predictability for all who engage the system; and earns the trust of the public.

Fundamental and thoughtful reform, however, is not just good for the United States. It is critical also for the consequences that it will have for the region (and the rest of the world). While US immigration policy is a sovereign concern, the country does not function in a void. Major demographic, economic, and social changes are sweeping across Mexico, El Salvador, Guatemala, and Honduras that are altering the dynamics of the regional migration system and challenging the status quo. These developments require a re-examination not just of *how many* people from the region are choosing to migrate, but also *who* they are, *where* they are going, *why* they choose to migrate, and (in a too-often overlooked corollary) *what* then happens to them and the communities of which they are part: both the sending one and the receiving one.

These are important questions. But the bigger questions for policymakers in all of these countries begin with *how*. How can these nations collaborate to ensure safe, legal, orderly migration flows today? And how, ultimately, can they each work toward sustained, inclusive economic growth — fundamentally supported by people with the skills and qualifications demanded and recognized by the labor market?

The goal of the Regional Migration Study Group, convened by the Migration Policy Institute and the Latin American Program/Mexico Institute of the Woodrow Wilson International Center for Scholars in 2010, has been to analyze and shed light on the changes the migration system is undergoing, and propose a pragmatic, cooperative way forward.

Under the guidance of a distinguished and wise group of members, and the leadership of the three extraordinary statesmen who led the effort — Ernesto Zedillo, Eduardo Stein, and Carlos Gutierrez — the Study Group has given definition and voice to this proactive regional vision of migration management and human-capital development.

On behalf of the members of the Study Group, my MPI and Wilson Center colleagues and I are pleased to participate in the ongoing conversation on migration by sharing this vision, captured in this final report and series of recommendations.

We hope our ideas will contribute to the larger debate now taking place in all of our countries on how to tackle the important work at hand.

Demetrios G. Papademetriou  
President, Migration Policy Institute  
Convener, Regional Migration Study Group



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A full list of Study Group publications appears at the end of this report, and can be found online at [www.migrationpolicy.org/regionalstudygroup](http://www.migrationpolicy.org/regionalstudygroup).

We are deeply appreciative for the rich insights and assistance of all these persons. As is customary, however, all errors of commission and omission are ours alone.

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## Executive Summary

Migration has helped shape and define the US relationship with Mexico for more than a century, and that with much of Central America for the last 30 or so years. Sometimes, migration even becomes the lens through which all other aspects of the relationship are viewed. Hence, getting migration and the issues that fuel it right is vital to relations within the region; it is also essential to the region's long-term economic development, prosperity, social order, and security — and, in many ways, its competitiveness in a fast-changing, interdependent global economy.

As the Regional Migration Study Group<sup>1</sup> (RMSG) issues its final report, the timing for policy change seems particularly propitious. After a dozen years of political stalemate, the US Congress has returned to the issue of immigration reform in a bipartisan effort that seems both genuine and promising.

Immigration reform done right is important not only for the United States, but for the well-being of the nations and peoples of the region. Yet, despite repeated rounds of debate regarding needed changes in US immigration policy over the last 12 years, there have been no systematic conversations about what a regional approach to migration between and among the countries of the region might look like — with one exception. In 2001, then-Presidents George W. Bush and Vicente Fox and their administrations engaged the bilateral migration relationship deeply until the September 11 attacks on the United States took the issue off the table.

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The Migration Policy Institute (MPI), in cooperation with the Latin American Program/Mexico Institute of the Woodrow Wilson International Center for Scholars, has sought to spark such a conversation by convening the Study Group. The RMSG members have sought to understand well and speak clearly and responsibly about day-to-day migration relations in the region, and the politics and forces that complicate them. In doing so, they have focused some of their commentary and recommendations on the US legislative proposals proffered so far, which reflect many of the ideas agreed to by the Study Group in its concluding meeting in late 2012 — and that were thoughtfully placed into the policy mix by Study Group members and conveners alike. But their ultimate focus is on ideas about ways in which to gain more from migration by building a stronger social and economic foundation across the region through enhancing its human-capital infrastructure.

This final report provides the key insights and recommendations the RMSG members have drawn from the Study Group's convenings. It is divided into five main sections. It examines the changing demographic and economic dynamics of the region and their implications for migration; sketches the interplay of security policy (including border security), institutional reform, and the rule of law; outlines the essential elements to be included in US immigration reform; analyzes sending countries' evolving roles in the regional migration system; and presents a long-term vision and concrete actions on how to collaboratively build and activate the region's human capital. A final section offers a series of recommendations on what the countries of the region can and should do, individually and collectively.

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<sup>1</sup> The mandate of the Regional Migration Study Group (RMSG) includes the nations known as Central America's Northern Triangle — El Salvador, Guatemala, and Honduras — as well as Mexico and the United States. Many of the Study Group's observations and recommendations are also of value to the other countries of the region.



## A. *Changing Assumptions*

Since at least the 1970s, rapid population growth, inadequate economic opportunities, and, in some areas, violence and public insecurity have driven younger workers and youth in Mexico and Central America to seek opportunity in the United States. In recent years, however, much of the region has been dramatically transformed by slowing population growth, rising educational attainment, and expanding economies despite a turbulent global economic climate. The longstanding assumption that Mexico and Central America have an endless supply of less-educated workers for routine, physically demanding, and poorly paid jobs in the United States is becoming less and less accurate when it comes to Mexico, and in the years ahead, and with the right reforms, for much of Central America.

For nearly 40 years, the United States has experienced very high immigration from the region, comprised of both legal and illegal flows. Fueled by an economy that generated a seemingly unending demand for low-wage workers, illegal immigration from Mexico and Central America has primarily responded to US market forces. The Great Recession of 2008 and its aftermath of fiscal uncertainty and slow job growth have played a large role in the changing assumptions about the future of intraregional migration and particularly illegal immigration. But so has significantly strengthened border and interior enforcement. The ever-growing difficulties and dangers of crossing the border and the greater likelihood of detection and removal once in the United States have now become routine experiences for would-be and seasoned migrants alike.

At the same time, and as a result of economic reforms that began in the 1980s and became deeply embedded in the mid-1990s, the Mexican economy has been on a sustained upward path. Since 2000, Mexico's annual GDP growth rate in non-recession years has typically averaged between 3 and 4 percent. Furthermore, the Great Recession, while thrusting the United States (and most other high-income countries) onto a slow growth trajectory from which they have yet to recover, seems to have landed only a glancing blow to Mexico. After contracting sharply in 2009, the Mexican economy recovered strongly in 2010 and 2011. Perhaps most important, Mexico has been experiencing a strong and steady growth of its middle class, which has created enormous economic growth and social development opportunities — made all the more possible because of a stable macroeconomic and political environment.

Demography is also playing an important role in this transformation. Mexico's birth rate has declined steadily, ushering in a demographic transition that started nearly 50 years ago. Its dividends are extremely important: slower population growth, declining numbers of youth (and hence dwindling numbers of new labor force entrants), improved living standards and education levels, and a soon-to-be aging society.

This positive economic outlook for Mexico, together with the massive US border and interior enforcement buildup and the still-limping US labor market, has resulted in fewer younger workers being drawn to the longstanding tradition of looking to “el Norte” as a near rite-of-passage. Instead, many more young Mexicans are completing high school and seeking opportunity in Mexico. These changes have extended to regions of traditionally high emigration to the United States. The numbers of emigrants from Mexico have, as a result, fallen by more than two-thirds since the mid-2000s. In sharp contrast to the period from 1995 to 2006, when the unauthorized population from Mexico grew by around 4.3 million, net *illegal* migration from Mexico has been at or near zero since 2007, as has net *total* immigration from Mexico since 2010 — and most observers expect these changes to persist.

The demographic picture is relatively more complicated for Central America's Northern Triangle. El Salvador is also in demographic transition with slowing population growth and gradual aging. Guatemala and Honduras, however, are still countries of high birth rates and population growth and are expected to remain so for several decades.

These countries are also experiencing recent surges in drug trafficking, violence, and transnational crime that are deepening chronic problems of weak central government institutions and public security,



especially in remote and typically impoverished areas. For many among these people and regions, migration is perceived as the only alternative to poverty, lack of opportunity, and worsening personal security.

## **B. Institutional Reforms and the Rule of Law**

Alongside the demographic, educational, and economic changes taking place in the region, significant shifts are also underway that are affecting the reach of the rule of law in Mexico and Central America — an essential dimension of a society’s ability to advance and prosper. Governments in these countries have had to contend with many domestic and external challenges in the recent past, none as challenging as the reality of the expanding power of organized crime. The result has been obvious to analysts and the region’s people alike: the challenge to the government’s monopoly on the use of force; the massive toll on human life; official corruption that has spread and taken deeper root at various levels of government and law enforcement; and the transformation of the social landscape.

As a result, these countries have had to contend with and address the institutional weaknesses that fuel the disorder, and shore up the ability of political systems to carry out many of the fundamental tasks of good governance. Large segments of civil society in the Northern Triangle and many in Mexico have little confidence in the state’s ability to provide the public security and other services citizens expect from their governments. Yet, the region’s citizens have proven remarkably resilient in adapting to changing economic and political circumstances, and the risk is that people may adjust to the recent waves of violence and come to accept it as the “new normal.”

Notwithstanding these challenges, the countries of the region are taking steps to build properly functioning and mature democratic states that can meet good governance criteria. Furthermore, the subject of migration offers policymakers important areas of opportunity to identify and enact smart policies and investments with the potential to help strengthen the rule of law. These include creating rule-of-law frameworks for migration management throughout the region, reducing corruption by building capacity and confidence in law enforcement institutions, and promoting a culture of economic growth and productivity that encourages further formal economic activity.

In none of these areas is the United States exempt from the strategic imperative of tackling its own challenges in governance. Addressing these areas will require establishing crucial trust within and across borders and, for each nation, a continued sensitivity to other countries’ critical areas of concern even when these concerns may not be natural domestic policy priorities for the first country.

## **C. Making the US Immigration System More Responsive to Labor Market and Economic Needs**

An estimated 11.7 million Mexicans, 1.3 million Salvadorans, 851,000 Guatemalans, and 491,000 Hondurans live in the United States. Immigrants from these four countries are estimated to account for approximately 73 percent of the estimated 11 million unauthorized individuals living in the United States. Thus, the immigration reform efforts now unfolding in the United States have significant implications for the region.

For much of the nation’s recent history, immigration policy has had three broad goals: family (re)unification for US citizens and lawful permanent residents with close family members, meeting legitimate labor market needs, and refuge for those in need of humanitarian protection. With the exception of the immediate families of US citizens, who can be joined by their spouses, minor children, and parents outside of numerical limits, the demand for visas among the remaining streams substantially exceeds the supply of visas the US Congress authorizes. As a result, the system fails to harness immigration systematically to promote US economic growth and competitiveness well — including by implementing flexible provisions to allow immigration to respond to the ebbs and flows of demand — or to (re)unify close family members on a timely basis.



A broad overhaul of US immigration law would encompass more effective solutions to address both legal and illegal immigration. At this writing, the political imperatives and policy momentum favoring enactment of such legislation appeared promising. The proposals outlined in this report are designed to enable the legislation that emerges to succeed in ending the culture of illegality that has defined immigration from the region in recent decades and create opportunities for the region to boost growth and competitiveness over the longer term. The ultimate aim of immigration reform in the United States but also throughout the region should be clear: legality, order, fairness, safety, and respect for the rights of all foreign nationals. With a focus on US reforms, they should include the following elements:

- An earned legalization program that is as inclusive as possible and leads to green-card eligibility and the eventual option of citizenship for those who meet the requirements.
- Continued attention to border controls, not only as mechanisms to keep out undesirable individuals and contraband, but also as important symbols of each country's sovereignty.
- Enforcement of the law not just at borders, but also in receiving communities and in workplaces, thereby safeguarding citizen security and the integrity of immigration systems.
- A regional preference for workers at mid- and lower-skill levels to meet seasonal and other primarily temporary worker needs, thus creating incentives for would-be immigrant workers to better prepare for access to such visas by building their skills and playing by the rules of their own country.
- Explicit recognition of the importance of circularity by actively “encouraging” it through thoughtful policies of temporary and transitional worker programs that follow the ebbs and flows of relative demand within the region. Doing so at this phase, in effect recreating the migration rhythm between the United States and Mexico that existed before the hardening of the US border, will also set the stage for the greater mobility within the region that is likely to become more the norm in the next decade and beyond.
- Devising a consultative mechanism for the US federal government to engage systematically with state and local jurisdictions so that their immigration needs, arising from fully vetted economic development plans, are addressed through targeted worker visa schemes.

The Study Group also believes that certain additional, if perhaps narrower, ideas must also be reflected in US legislation and adopted throughout the region. These include:

- Explicit authorization for holders of temporary and “provisional” work visas (which offer the possibility of earning permanent status) to change employers.
- Establishing a research agency to carry out independent demographic and labor market research and advise the government regularly on adjusting the number of worker visas and the sectors and industries to which such visas should be directed. Although this recommendation applies only to the United States at this time, Mexico should also be thinking about this concept as its status as an immigrant-receiving country grows in the year ahead.
- Reunification without numerical limits and with minimal administrative delays for green card holders (or their equivalent) in the region with their spouses and minor children.

The Study Group members stand firmly behind these principles and ideas, many of which appear to be central to the reform priorities of both an influential bipartisan group in the US Senate and the White House. The Study Group is optimistic that these reforms can answer the compelling need to better align the US employment-based immigrant-selection system with current — and future — economic realities, and believes that these principles should gradually find their way into similar reform efforts throughout the region.





## D. *New Approaches to Migration Reform in Mexico and Central America*

Mexican policymakers, too, have been responding to the changing composition and volume of migration flows in the region. Mexico's role in the regional migration system has evolved from that of a principal migrant-sending country to that of a territory through which migrants seeking illegal entry into the United States pass. Many tens of thousands of transmigrants — most of them originating in the Northern Triangle — pass through Mexico annually en route to the United States. Perhaps even more important to note here is that Mexico is also emerging as a significant destination for migrants.

In large part as a result of these realities, the country enacted a landmark national migration law in 2011 that signaled its first major review of immigration policy since 1974. The measure, which took effect in late 2012, was the product of years of discussion with experts and civil society.

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*Cooperation on some migration issues  
is already occurring with considerable success.*

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As Mexico grapples with its evolving role in the region's migration dynamics, policymakers and other stakeholders are beginning to address questions regarding the extent to which the country will facilitate or deter transmigration, the institutional challenges of migration management, and how to work more effectively with neighbors both to its north and, ever more importantly, to its south. The specific issues Mexico must grapple with include strategically managing the process by which foreign workers are legally admitted, disentangling and addressing the intersecting dynamics of migration flows and security challenges, and better protection of the country's southern border. In embarking on this course, Mexico knows that a different relationship within the region can only be successful if it is anchored on respect for borders and promotes organic collaboration toward maintaining border integrity.

While many migration management activities are necessarily the responsibility of sovereign governments and must be recognized as such, there are considerable avenues of opportunity for regional cooperation. It is important that each of the countries in the region assess and rethink its role in addressing the challenges and opportunities posed by migration, with the goal of creating the conditions in which migration can be a source of better opportunities for the region and its citizens. Cooperation and collaboration, based on building trust and pursuing shared aims through practical, on-the-ground relationships, are critical to reaching the goals of greater safety and the economic growth and social development that are at the heart of well-functioning, inclusive, and stable democratic societies.

Cooperation on some migration issues is already occurring with considerable success. Efforts involving the United States include collaborative bilateral and multilateral approaches to information-sharing on criminal deportees; military-law enforcement operational planning, intelligence sharing, and training; information exchanges on those at risk for human trafficking; and protection of unaccompanied minors. Intraregional cooperation efforts include expansion of Central American consular networks in Mexico, information-sharing on deportees, and free movement between the Central American countries.

Such cooperation will not eliminate the asymmetrical nature of bilateral and regional relationships on migration or the inherent difficulties of coordination on the issue. Nonetheless, most observers see an unambiguous need for exploring the possibility of reaching consensus around shared goals with Mexico and in the region that govern how the pieces fit together. US immigration reform legislation, if it succeeds, will in fact have to rely on far greater cooperation with Mexico (and the other countries of interest to this effort) in the implementation of the earned legalization and "future flows" parts of the legislation. Discussion on these issues must start in earnest if the aims and benefits of the new law for the people of the region, including US citizens and residents, are to be realized. Moreover, without far more organic US-Mexico and regional consultations and cooperation on the implementation of the law, the status quo of



mostly ad hoc sets of projects that lack broader strategic cohesion or meaning will continue to define how the United States works with the region, and vice versa. That would be truly a lost opportunity.

### **E. A Longer-Term Regional Vision for Human-Capital Development**

Migration will continue to play a prominent role in regional relations in the years ahead. But the underlying assumptions about the drivers of regional migration are changing, if in different ways and at different rates. Two of these drivers, demography and middle-class-fueled economic growth, are at the heart of these changes.

For people in the region to have the tools to improve their economic prospects while enhancing North American competitiveness and creating conditions for sustainable growth and shared prosperity for the future, however, requires a regional and coordinated approach to improving human capital. And for that effort to succeed, it must be part of a strategy that incorporates the forces at work by taking into account the region's demographic and economic complementarities and constantly assesses and reassesses its skills needs.

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*The underlying assumptions about the drivers of regional migration are changing, if in different ways and at different rates.*

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The Study Group has analyzed and elaborated this vision and, with this report, is making the policy case for managing migration and the issues that fuel it in ways that lay out a realistic roadmap toward better opportunities for the citizens of the region for the next decade and beyond. In doing so, it has identified and is amplifying ideas for enhancing human security and regional approaches to social and economic development. If the vision takes hold, managing continued human mobility will become more akin to administering a shared resource for mutual benefit than continuing to try to stop forces that are in many ways beyond the reach of governments.

Success in this quest would mean targeting the issues that complicate today's relationships. These range from safer and better functioning borders and regional security issues, to more efficient ways of managing labor mobility, protecting families, creating better opportunities for all workers of the region, working together to safeguard immigrants' rights, and integrating better each other's nationals who are longer-term immigrants. Such efforts would learn from recent and current struggles and apply such knowledge to identifying and promoting ideas that build a much stronger social and economic foundation for the region by 2025. If successful, decisions about whether and where to migrate would become genuine choices, as characterize other forms of exchange between friends and neighbors that share common policy objectives.

Such long-term thinking takes aim at a sometimes neglected policy area: the labor market, education, and workforce development policies that can result in building and efficiently allocating the region's human capital and become the engine for personal opportunity and societal growth.

The Study Group recognizes that the political and administrative capacity, as well as requisite financial resources, is probably beyond what may be available today. Still, it is essential to develop a clear-sighted policy agenda as the basis for changing the facts on the ground in ways that can improve the prospects for all citizens, and thus reduce existing emigration pressures. *A basic underlying proposition in this regard is that to make meaningful progress toward a different migration future, it is essential to look and think beyond migration per se.*



## F. *Shaping New Policies*

To that end, the Study Group has explored practical solutions to such hard policy puzzles as managing border, interior, and personal security in an era of greater human mobility; and modernizing education, workforce development, and, gradually, qualifications and credentialing systems. Issues of regional labor standards, harnessing demographic and skill complementarities, and encouraging circularity and smarter emigration and reintegration policies within countries of origin must also become far more prominent.

Greater understanding and coordination of education, training, skills acquisition, and credentialing initiatives (so that workers receive proper “credit” for their skills and experiences as they change jobs), and better integrated career ladders in key occupations across the region would likely result in higher wages, stronger local economies, less informality, and a more globally competitive region. Developing such policies is thus the first step toward breaking today’s distressing cycle of illegality, exploitation, human-capital wastage, underemployment and informality, family disruption, and the more general social disorder and meager development outcomes that are manifestations of the status quo.

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*Political leaders must engage in more collaborative management of migration and its associated systems at every stage of implementing immigration reform processes.*

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Increasing global economic competition will continue to challenge US economic leadership and, over time, well-being. From this standpoint, the United States, Mexico, and Central America — together with Canada — can best invest in competitiveness as a region by further developing human-capital resources in more cooperative and coordinated ways and deploying them toward greater productivity, jobs offering family-sustaining wages, and less inequality.

For such policies to succeed, political leaders must engage in more collaborative management of migration and its associated systems at every stage of implementing immigration reform processes. This implies linking migration, human capital, and the future competitiveness of the region and its people together in a shared understanding of the opportunities cooperation offers. For such an effort to be productive, however, it must be embraced and pursued systematically by political, intellectual, and stakeholder communities across the region.

This report and the continuing work of the Study Group seek to reset regional migration-related relations and to prepare for a future of better outcomes for the region’s citizens and societies. The report offers a new “vocabulary” for understanding and describing regional migration policy, and ideas and actions for policymakers interested in setting a more strategic course for the region’s future.

The Study Group’s aspiration is to continue to cultivate a broader discourse in which migration policy is understood as a strategic resource for managing human capital and promoting regional competitiveness and development. Such a discourse should help reframe the migration debate in the United States, within the region, and among the region’s migration actors, adding a regional dimension to migration policy conversations in ways not occurring in today’s debates.





## I. Introduction

Few issues shape and define the US relationship with Mexico and most of Central America as much as migration. Getting migration and the issues that fuel and surround it right is thus vital to the region's long-term economic growth and prosperity, social development and order, national and citizen security — and, in many ways, its competitiveness in a fast-changing, interdependent global economy.

The timing for policy change seems particularly propitious. After more than a dozen years of political stalemate, the US Congress has returned to the issue of immigration reform in a bipartisan effort that seems both genuine and promising. The 2012 presidential election results and the energy with which immigration reform is being pursued vividly demonstrate the growing influence of immigrant and ethnic communities, as both political parties come to realize that the concerns of the new ethnic voter blocs, especially Latinos and Asians, cannot be ignored without threatening the viability of the party that does so. The effort also reflects the weariness of the public and many lawmakers across the ideological spectrum about the status quo, as well as a pronounced realization that absent resolution of the fate of the 11 million or so persons who are in the country illegally, critical reforms to the US immigration system are simply not possible.<sup>2</sup>

What often gets lost in the passions that surround the issue is that the migration that is most contentious in US politics — from Mexico and more recently Central America — is rooted in a reality in which US interests, *and especially US employers' demand for workers*, were typically the dominant ones.

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*Few issues shape and define the US relationship with Mexico  
and most of Central America as much as migration.*

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Immigration reform is important not only for the United States, but for the well-being of the nations and peoples of the region. Yet, despite repeated rounds of debate regarding needed changes in US immigration policy over the last 12 years, there have been no systematic conversations about what a regional approach to migration between and among the countries of the region might look like. (The conversations between Mexican President Vicente Fox and US President George W. Bush and their administrations in 2001 have been the only talks along these lines between the United States and any of its Southern neighbors.)<sup>3</sup>

The Migration Policy Institute (MPI), in cooperation with the Latin American Program/Mexico Institute of the Woodrow Wilson International Center for Scholars, has sought to spark such a conversation by convening a Regional Migration Study Group (RMSG). The Study Group has considered both day-to-day migration relations — including cooperating more meaningfully on border (and broader) security and associated issues — as well as ways to gain more from migration by building a stronger social and economic foundation across the region through enhancing its human-capital infrastructure.

Building up the region's human capital — through education and workforce development reforms that result in common standards in key sectors expected to grow robustly across the region— would create better economic opportunities for its citizens by building an engine for growth in each country and strengthening regional competitiveness. Over time, success in these realms would mitigate today's

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2 Demetrios G. Papademetriou, "The Fundamentals of Immigration Reform," *The American Prospect*, March 12, 2013, <http://prospect.org/article/fundamentals-immigration-reform>.

3 For rather diametrically different views of US-Mexican negotiations of that year, see Jorge Castañeda, *Ex-Mex: From Migrants to Immigrants* (New York: The New Press, 2007); and Jeffrey Davidow, *The Bear and the Porcupine: The U.S. and Mexico* (Princeton, NJ: Markus Wiener Publishers, 2004).



concerns about the scope and “quality” of regional migration, while setting the stage for future migration across the region to be more that of genuine choice, rather than of sheer necessity.

The Study Group’s work has been organized around a set of four broad themes, each of which had a meeting dedicated to it.<sup>4</sup> Each convening was supported by an extensive set of background papers and, following discussion by RMSG members and invited experts, the papers were revised for publication.<sup>5</sup> This body of work has identified and analyzed key issues and potential policy ideas for decision-makers in the region.

This final report represents both a synthesis of the analytical work and a discussion of the key insights and recommendations the RMSG members have drawn from these conversations. Moreover, the US legislative proposals proffered so far reflect many of the ideas agreed to by the Study Group in its concluding meeting in late 2012 — and thoughtfully placed into the policy mix by Study Group members and conveners alike.

This concluding report comes at a moment of unusual, and rather promising, political opportunity in the United States for addressing long-neglected immigration policy challenges. It also arrives at a moment when very significant and rather auspicious longer-term changes in the countries that have been the main focus of the overall effort — the United States, Mexico, El Salvador, and Guatemala — are altering some of the dynamics within which illegal immigration has taken place over decades, just as newer challenges to the personal security and economic well-being of many in the region have emerged.

## A. Understanding Regional Migration

Migration flows within the region have different histories and multiple causes. The roots of US-Mexico migration are deep, reaching back to the second half of the 19<sup>th</sup> century. Migration from and within the region has grown dramatically since the early 1970s in the case of Mexico, and the 1980s for Central America. Two out of three immigrants from the region (nearly 10 million people) have entered the United States, most illegally, since the late 1980s,<sup>6</sup> when nearly 3 million unauthorized immigrants (approximately 75 percent of whom came from Mexico<sup>7</sup>) were legalized. These high levels of illegal migration have reflected the strength of market forces that frustrated and overwhelmed a US immigration policy and administrative regime that failed to adapt to rapidly changing labor market circumstances by adjusting its legal entry routes for temporary work visas *and* making them available to workers from the region.

As a result, the economic and social “lives” of the United States, Mexico, and Northern Triangle of Central America (El Salvador, Guatemala, and Honduras) have become increasingly intertwined. Nearly one in ten Mexicans and more than one in six Salvadorans live in the United States,<sup>8</sup> while nearly 10 percent of individuals from the Northern Triangle live outside their home country — the vast majority in the United

4 The broad themes of the Regional Migration Study Group (RMSG) meetings were: “Understanding the Regional Migration System,” “The Regional Context: Migration and Development in Mexico and Central America,” “Borders, Crime, and Security: Challenges for Human Security and Development,” and “Human Capital and Migration.” The Study Group also sponsored week-long study tours for interested members to El Salvador and southern Mexico, where it met with senior government officials, leading analysts, the academic community, business leaders, and a broad swath of civil society.

5 The published work of the RMSG, including the briefing papers, can be found at [www.migrationpolicy.org/regionalstudygroup](http://www.migrationpolicy.org/regionalstudygroup).

6 Seth Motel and Eileen Patten, *Statistical Portrait of the Foreign-Born Population in the United States, 2011* (Washington, DC: Pew Hispanic Center, 2013), [www.pewhispanic.org/2013/01/29/statistical-portrait-of-the-foreign-born-population-in-the-united-states-2011/](http://www.pewhispanic.org/2013/01/29/statistical-portrait-of-the-foreign-born-population-in-the-united-states-2011/); Michael Hoefer, Nancy Rytina, and Brian Baker, *Estimates of the Unauthorized Population residing in the United States: January 2011* (Washington, DC: Department of Homeland Security, Office of Immigration Statistics, 2012), [www.dhs.gov/xlibrary/assets/statistics/publications/ois\\_ill\\_pe\\_2011.pdf](http://www.dhs.gov/xlibrary/assets/statistics/publications/ois_ill_pe_2011.pdf).

7 Nancy Rytina, *IRCA Legalization Effects: Lawful Permanent Residence and Naturalization through 2001*, (Washington, DC: US Immigration and Naturalization Service, Office of Policy and Planning, 2002), [www.dhs.gov/xlibrary/assets/statistics/publications/irca0114int.pdf](http://www.dhs.gov/xlibrary/assets/statistics/publications/irca0114int.pdf).

8 World Bank, “Population, total,” accessed April 22, 2013, <http://data.worldbank.org/indicator/SP.POP.TOTL/countries/MX-SV-HN-GT-US?display=graph>.



States, Mexico, or elsewhere within Central America.<sup>9</sup>

At the same time, the important longer-term changes referred to above are reconfiguring this nearly 40-year old picture. In the case of Mexico, the shifts involve the near completion of a demographic transition that is reducing emigration pressure, as well as favorable and sustained economic, social, and political developments that make staying home a reasonable proposition. For Central America, the picture is more uneven, with El Salvador making great strides toward, and Guatemala having embarked on, a road of important governance and economic reforms. Finally, in the United States, the Great Recession and its aftermath, and steep investments in the machinery of border controls and immigration law enforcement, have introduced a potent new element into the migration management landscape.<sup>10</sup>

## **B. Migration Policy Has Not Kept Pace with Regional Economic Integration**

The complexity of the histories and changing nature of regional migration patterns make responses to migration increasingly complicated. If it is to succeed, policy must take into account how migration interacts with the multiple social, cultural, economic, and political interests and priorities all along the migration arc.

The volume of migration and intricacy of the issues that surround it have also made the politics of migration difficult to manage. To do it more successfully would call for the United States and its partners in the region to identify, agree upon, and adopt a coherent set of migration and associated policy goals and realistic frameworks for achieving them.

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*At this time, substantive conversations about migration within the region are intermittent at best.*

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As the region continues to grapple with the consequences of the economic crisis, both its deepening economic interdependence and the need for building a better future through closer cooperation have become increasingly clear. And while the scope and depth of cooperation generally have been growing, migration and many of its implications stand out as key challenges and persistent points of contention.

At this time, substantive conversations about migration within the region are intermittent at best and there is no institutional structure in which such discussions take place. A continuing regional migration dialogue that started more than 15 years ago as the Puebla Process<sup>11</sup> has never been able transcend its initial narrow mandate as a setting where, very quickly after the early years, typically mid-level government officials and their experts exchange information and air differences. The result is a forum with little aim, no authority to negotiate anything, and thus no particular consequence. At the heart of the difficulty in making progress beyond routine exchanges of views about and “expert” studies on migration lies the fundamental fact that so much of it occurs outside of legal channels. Moreover, the United States believes that such flows, valued as they are by employers and consumers, challenge its ability to establish the rule of law on immigration while interfering with the country’s priorities in education, labor markets,

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9 Dilip Ratha, Sanket Mohapatra, and Ani Silwal, *Migration and Remittances Factbook 2011* (Washington, DC: World Bank, 2010).

10 Doris Meissner, Donald M. Kerwin, Muzaffar Chishti, and Claire Bergeron, *Immigration Enforcement in the United States: The Rise of a Formidable Machinery* (Washington, DC: MPI, 2013), [www.migrationpolicy.org/pubs/enforcementpillars.pdf](http://www.migrationpolicy.org/pubs/enforcementpillars.pdf).

11 In 1996 Mexico hosted the first meeting of an initially bilateral conversation about migration, referred to at the time as the Puebla Process, which quickly grew in membership and has come to be known as the Regional Conference on Migration (RCM). The RCM is an intergovernmental forum at the vice-ministerial level that meets annually and serves as a forum for the exchange of information, coordination, and cooperation on migration issues. For more, see Francisco Alba and Manuel Ángel Castillo, *New Approaches to Migration Management in Mexico and Central America* (Washington, DC: MPI, Regional Migration Study Group, 2012), [www.migrationpolicy.org/pubs/RMSG-MexCentAm-Migration.pdf](http://www.migrationpolicy.org/pubs/RMSG-MexCentAm-Migration.pdf).



and across numerous fields of social policy. Equally important — but frequently overlooked — is the way emigration affects the social and economic development of source countries.

As a result, migration and its effects cast a shadow over virtually all aspects of the regional relationship, and the failure to deal effectively with migration weighs down progress in other areas where cooperation can bring about achievable mutual benefits. Indeed, after two decades of improved regional relations and much deeper economic integration, *most of which goes systematically unnoticed by the US public*, questions about how to manage migration continue to be at the heart of cross-cutting clusters of regional concerns about: a) income, jobs, and economic security; b) conventional security, drugs, and social disorder; c) public health; d) family integrity; and e) long-term economic growth and competitiveness.

Divided into five main sections, this report analyzes the changing demographic and economic dynamics of the region and the implications for migration; sketches the interplay of security policy (including border security), institutional reform, and the rule of law; outlines the essential elements to be included in US immigration reform; and analyzes sending countries' evolving roles in the regional migration system before describing a long-term vision and laying out concrete actions to collaboratively build and activate the region's human capital.

Rather than hewing to a forcedly symmetrical analysis of all policy areas in all of the countries, the report emphasizes the aspects of greatest interest and with most significant implications for each. While a consideration such as a need to buttress the rule of law might not exhibit a direct link to, for example, human-capital development, respective sections establish connections to the overarching vision of collaborative migration management across the region. The final section incorporates the foregoing into a series of resounding recommendations on what the countries of the region can and should do, individually and collectively, to address these issues.

## II. Changing Assumptions

Since at least the 1970s, rapid population growth, inadequate economic opportunities, and, in some areas, violence and public insecurity have driven younger workers and youth in Mexico and Central America to seek opportunity in the United States. And as long as opportunity differentials — the basic calculus that defines most immigration — continue to be very large, governments will continue to have an uphill battle in controlling flows. At the same time, however, key parts of the region are undergoing dramatic transformations: slowing population growth, rising educational attainment, and expanding economies despite a turbulent global economic climate. The longstanding assumption that Mexico and Central America have an endless supply of less-educated workers for routine, physically demanding, and poorly paid jobs in the United States is becoming less and less accurate when it comes to Mexico, and in the years ahead, and with the right reforms, it is also likely to become less accurate first for El Salvador and, gradually, Guatemala. More important, a now embedded US intolerance toward illegal immigration and the employment of large numbers of unskilled workers in sectors other than agriculture and certain hospitality industry jobs may make questionable the assumption that the United States will continue to absorb large numbers of such workers.

For more than 30 years, the United States has experienced very high immigration levels, comprised of both legal and illegal flows. Fueled by an economy that generated a seemingly unending demand for low-wage workers, illegal immigration from Mexico and Central America has primarily responded to market forces. The Great Recession and its aftermath of slow job growth have played a large role in the changing assumptions about the future of intra-regional migration and particularly illegal immigration. But so have significantly strengthened border and interior enforcement. The ever-growing difficulties and dangers



of crossing the border and the greater likelihood of detection and removal once in the United States have become widely experienced by would-be and seasoned migrants alike.

This massive US border enforcement buildup, taken together with the positive economic outlook for Mexico and the still-limping US labor market, has resulted in fewer younger workers being drawn to the longstanding tradition of looking to “el Norte” as a near rite-of-passage. Instead, many more young Mexicans are completing high school and embarking on futures in Mexico. These changes have extended to regions of traditionally high emigration to the United States. The numbers leaving Mexico have, as a result, fallen by more than two-thirds since the mid-2000s. In sharp contrast to the period from 1995 to 2006, when the unauthorized population from Mexico grew by around 4.3 million,<sup>12</sup> net *illegal* immigration from Mexico has been at or near zero since 2007,<sup>13</sup> as has net *total* immigration from Mexico since 2010<sup>14</sup> — and most observers expect these changes to persist.

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*As long as opportunity differentials continue to be very large, governments will continue to have an uphill battle in controlling flows.*

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## A. Demographic Outlook

### I. Population Growth

Mexico’s birth rate has declined steadily, ushering in a demographic transition that began nearly 50 years ago and now translates into slower population growth (see Figure 1), declining numbers of youth (and hence dwindling numbers of new labor force entrants), improved living standards and education levels, and a soon-to-be aging society.

El Salvador, like Mexico, is in demographic transition but at a different point — and yet one already notes gradual aging and slowing population growth. Though decreasing, the total fertility rates (number of children born per woman) in El Salvador and Mexico still exceed that of the United States.<sup>15</sup> Current projections, however, suggest that cumulative population growth in Mexico and El Salvador (respectively 22.0 and 22.4 percent) will be slower than in the United States (29.5 percent) over the next 40 years. (A large share of the US growth is due to immigration.) Guatemala and Honduras, however, are still countries of high birth rates, and population growth is expected to persist for several decades.

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12 Demetrios G. Papademetriou, “The Fundamentals of Immigration Reform,” *The American Prospect*, March 12, 2013, <http://prospect.org/article/fundamentals-immigration-reform>.

13 Jeffrey Passel and D’Vera Cohn, *U.S. Unauthorized Immigration Flows Are Down Sharply Since Mid-Decade*, (Washington, DC: Pew Hispanic Center, 2010), [www.pewhispanic.org/2010/09/01/us-unauthorized-immigration-flows-are-down-sharply-since-mid-decade/](http://www.pewhispanic.org/2010/09/01/us-unauthorized-immigration-flows-are-down-sharply-since-mid-decade/).

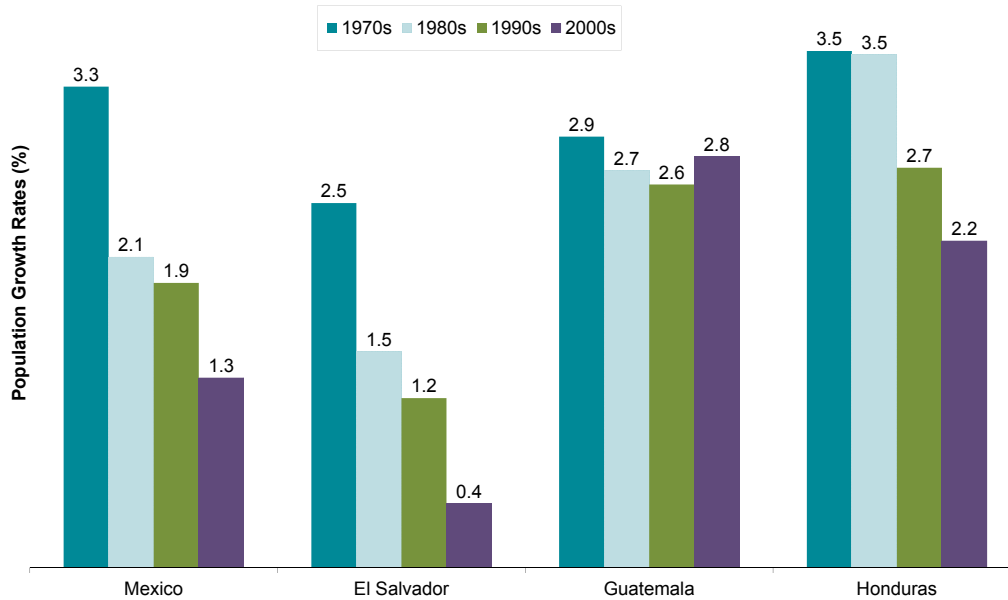
14 Jeffrey Passel, D’Vera Cohn, and Ana Gonzalez Barrera, *Net Migration from Mexico Falls to Zero – and Perhaps Less* (Washington, DC: Pew Hispanic Center, 2012), [www.pewhispanic.org/files/2012/04/Mexican-migrants-report\\_final.pdf](http://www.pewhispanic.org/files/2012/04/Mexican-migrants-report_final.pdf).

15 In 2011, total fertility rates in the region were as follows: United States, 2.07; El Salvador, 2.35; Mexico, 2.41; Honduras, 3.31; and Guatemala, 4.15. See United Nations, Department of Economic and Social Affairs, Population Division, *World Population Prospects: The 2010 Revision* (New York: United Nations, 2011), [http://esa.un.org/unpd/wpp/Excel-Data/DB01\\_Period\\_Indicators/WPP2010\\_DB1\\_F01\\_TOTAL\\_FERTILITY.XLS](http://esa.un.org/unpd/wpp/Excel-Data/DB01_Period_Indicators/WPP2010_DB1_F01_TOTAL_FERTILITY.XLS).



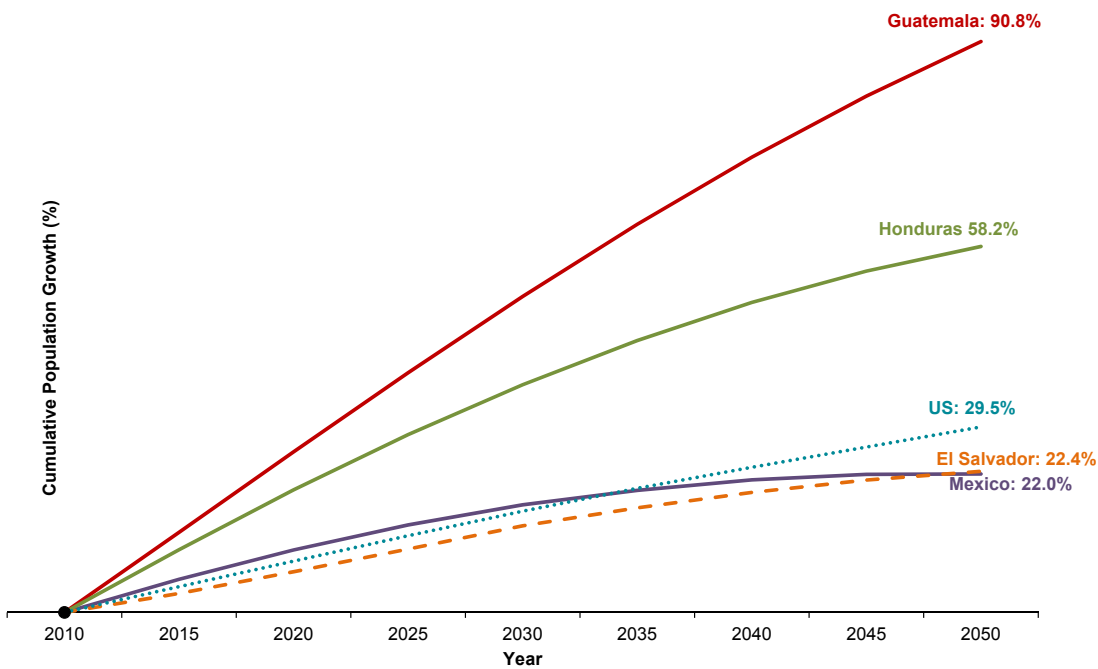


Figure 1. Population Growth Rates in Mexico and the Northern Triangle, 1970s-2000s



Source: Migration Policy Institute (MPI) calculations using data from the Economic Commission on Latin America and the Caribbean (ECLAC), “Long-Term Population Estimates and Projections 1950-2100,” [www.eclac.cl/celade/proyecciones/basedatos\\_BD.htm](http://www.eclac.cl/celade/proyecciones/basedatos_BD.htm).

Figure 2. Cumulative Population Growth in the United States, Mexico, and the Northern Triangle, 2010-50



Source: MPI calculations using ECLAC data, “Long-Term Population Estimates and Projections 1950-2100.”



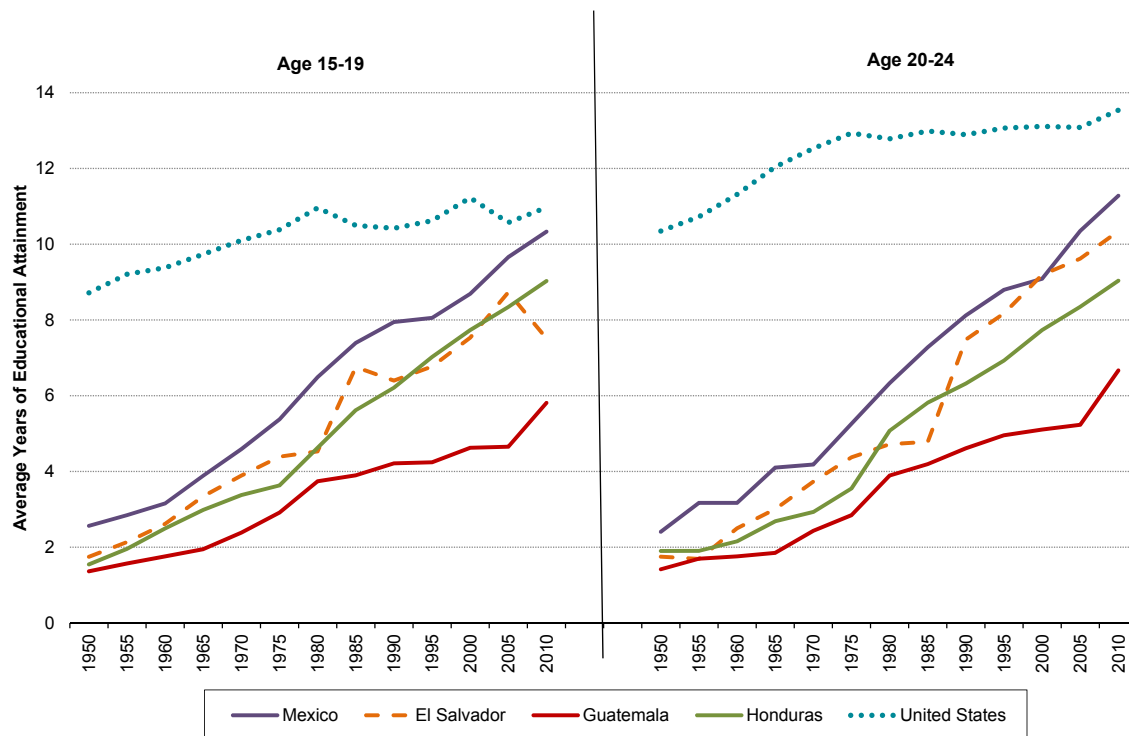
## 2. Youth and Aging

The median age of the population has increased dramatically in Mexico and El Salvador. By the end of the current decade, more than half the population in these two countries will be beyond the ages of core labor market entry and household formation. The number of 15- to 24-year-olds will begin declining in Mexico and El Salvador between 2015 and 2020. Guatemala and Honduras are in a different position; they will not experience comparable changes until the late 2030s or beyond.

## 3. Educational Attainment

Alongside slower population growth, the region’s countries have been able to make greater investments in education. Average educational attainment among Mexican 15- to 19-year-olds has essentially converged with that of US peers, although there continues to be a gap among youth ages 20 to 24. The share of Mexicans ages 25 to 29 with postsecondary education is comparable to what occurred in the United States in the mid-1960s, when rising educational attainment began to translate into economic growth. One result has been fewer younger workers attempting to migrate to the United States. Instead, they complete high school and embark on futures in Mexico. These changes have extended to regions of traditionally high emigration to the United States. However, despite progress over the past decade, educational attainment in Central America continues to lag behind Mexico and the United States.

**Figure 3. Average Years of Educational Attainment by Age Group and Country, 1950-2010**



Source: Barro-Lee, Educational Attainment Dataset v.1.2, accessed February 17, 2013, [www.barrolee.com/data/full1.htm](http://www.barrolee.com/data/full1.htm).



#### 4. Income and Poverty

Poverty, inequality, and social marginalization are pressing social challenges throughout the region, particularly in rural communities. But the region is also home to a growing middle class, especially in Mexico, where prudent macroeconomic policies since the mid-1990s and targeted social investments that began in the 1980s and have been given a chance to develop roots have contributed to stable growth.

##### B. Changing Flows

Historically, migration from Mexico to the United States was composed of young adults (mostly males) with very little education. Until the early 1980s, they typically crossed back and forth across the border to meet seasonal labor needs, primarily in agriculture in the southwestern United States. From 1964 onward, when a US-Mexico work program that began officially in 1942 (known informally as the “bracero” program) was terminated by the United States, these flows occurred through informal channels rather than through any organized or managed programs. As US demand for low-skilled workers in sectors beyond agriculture and in other parts of the country grew, and US laws failed to accommodate the increasing demand, the stage was set for today’s reality, whereby approximately 6 million Mexicans live in the United States illegally.<sup>16</sup>

Migration from Central America to the United States dates back to the late 1970s and 1980s, when civil wars in the region prompted many Central Americans to flee, initially to Mexico. Over time, Central Americans seeking refuge in Mexico became incorporated into the flows of Mexicans northward, establishing patterns of economic migration that continue today, although violence, insecurity, and natural disasters have also played important roles.

The result has been that the Mexican and Central American immigrant population in the United States grew rapidly, particularly in parts of the country that had, until then, experienced very little immigration. After growing continuously since the early 1970s, the Mexican unauthorized population has stabilized, and may have even declined since the collapse of the construction sector in 2007 and the onset of the recession in 2008. Job losses in many of the sectors in which sizeable numbers of unauthorized immigrants from the region had found employment (first and foremost construction), the tepid pace of the US economic recovery, ever-growing border controls, and large-scale removals that have averaged nearly 400,000 persons per year over the last five years certainly contributed to the change. But most observers agree that Mexico’s changing demographic profile and relative economic strength have also reduced the economic factors pushing a new generation of young people to leave. Mexicans have continued to migrate to the United States through legal immigration channels, but unauthorized flows have fallen dramatically from their height in the mid-2000s.<sup>17</sup>

The characteristics of Mexican arrivals since the onset of the recession have also changed: A growing number have been better educated than earlier cohorts. Among newly arrived Mexican immigrant youth in 2006, for example, only one in 20 had a bachelor’s degree or higher; five years later, the ratio was more than one in ten.<sup>18</sup>

Simultaneously, there is a growing return flow from the United States to Mexico, including substantial numbers of US-born children of Mexican parents. Education officials in Mexico report growing enrollments of English-speaking children in Mexican schools, especially in rural communities where there has been a long tradition of migration to the United States. Some of this is doubtlessly the result of rising deportations that have affected deeply mixed-immigration-status families.

16 Passel, Cohn, and Gonzalez Barrera, *Net Migration from Mexico Falls to Zero – and Perhaps Less*.

17 Papademetriou, “The Fundamentals of Immigration Reform.”

18 The cohort of Mexican youth spans ages 21 to 30 at time of survey, who arrived in the previous three years (including survey year); US Census Bureau, 2006 and 2011 American Community Survey (ACS).





Among Central Americans, the trends are less clear. The Central American immigrant population in the United States continued to grow through the recent recession. There has been less return migration to Central America, other than deportations from the United States. Overall, migration flows from Central America to the United States do not appear to be changing as rapidly or as fundamentally as migration flows from Mexico to the United States.

Evidence is also mounting that Central American flows may be increasingly fueled by growing levels of drug trafficking, violence, and transnational crime. These threats are deepening chronic problems of lawlessness and weak government institutions, especially in matters of public security in remote areas that are poor and isolated. For these populations and regions, migration is perceived by many as the only alternative to worsening personal security conditions and lack of viable economic opportunities in their home countries.

### C. Economic Growth

As a result of reforms made over the last three decades, the Mexican economy has been relatively strong in recent years. The Great Recession seems to have landed only a glancing blow to Mexico while thrusting the United States, European nations, and other high-income countries onto a slow growth path from which they have not yet been able to escape. Mexico's annual GDP growth rate reached 6.6 percent in 2000, and in the non-recession years (that is, apart from 2001 and 2009 when the economy contracted) has typically averaged between 3 and 4 percent. After contracting sharply in 2009, it recovered strongly in 2010 and 2011. Perhaps most important, Mexico is experiencing the solid growth of a middle class, creating enormous economic growth and social development opportunities.

Whether recent changes in migration trends will last involves many factors, including how the region's economies will evolve in the years ahead. But despite its deep exposure to continued economic weakness in the United States, Mexico appears poised to benefit from rapidly evolving global economic conditions — including rising domestic consumption in some East Asian economies.<sup>19</sup> In fact, several major Mexican multinationals are moving beyond traditional markets in the United States and Latin America and are expanding into Asia.

In Central America, economic growth has generally been even higher than in Mexico, although more volatile, driven by recovery from natural disasters and by exports to the United States, Europe, and elsewhere in Latin America. Still, it has proven difficult for the region to move beyond low value-added industries or make headway toward developing a regional comparative advantage in global markets.

Despite cautious optimism regarding the region's future economic outlook, there are important risks as well. The region remains heavily dependent on US consumers, and although the US economic outlook has improved considerably over the past year, persistent high unemployment and fiscal consolidation are likely to continue restraining growth.

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*The complexity of the histories and changing nature of regional migration patterns make responses to migration increasingly complicated.*

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The picture for the region overall is one of rapid economic restructuring and social and political realignments, the last stages of a long demographic transition in Mexico, and continuing strong

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<sup>19</sup> Uri Dadush and Shimelse Ali, "Who Will Gain from a Renminbi Revaluation," VoxEU, December 9, 2010, <http://carnegieendowment.org/2010/12/09/who-will-gain-from-renminbi-revaluation/2exj>.



population growth in much of Central America. It is also one of deepening and broadening economic interdependence that has largely been rooted in migration dynamics created by striking variations in economic opportunity.

As a result, the economic and social lives of the United States, Mexico, and several Central American countries have become increasingly intertwined. The complexity of the histories and changing nature of regional migration patterns make responses to migration increasingly complicated. Policy must also take into account how migration interacts with myriad social, cultural, economic, and political interests and priorities all along the migration continuum.

### III. Institutional Reforms and the Rule of Law

Alongside the demographic, educational, and economic changes taking place in the region, significant shifts are underway that are affecting the power and reach of the rule of law in Mexico and Central America — an essential dimension of a society’s ability to advance and prosper. Governance structures that had functioned efficiently in Mexico during seven decades of one-party rule, and at times in the Northern Triangle countries, have broken apart in recent years amid increasing external pressures and inability to adapt to new realities. As a result, these countries suffer from widespread institutional weaknesses and their political systems are not consistently able to carry out many of the fundamental tasks of good governance. These critical functions include establishing and enforcing rules to manage violence and political conflict within the society, and creating equality of access or opportunity to foster the long-term social and economic development of these nations, as well as the welfare of their citizens.

Over the past two decades, organized crime has taken control of critical economic activities in Mexico and the Northern Triangle. Noninstitutional actors — particularly drug cartels — have overrun and transformed the social landscape, challenging the government’s monopoly on the use of force, while corruption has spread and taken deeper root at various levels of government and law enforcement.<sup>20</sup> In Mexico, over 60,000 lives were lost between 2006 and 2012 as Felipe Calderón’s administration tackled the cartels.<sup>21</sup> Central America has become what Study Group Co-Chair Eduardo Stein and others have described as a “service station” for illegality,<sup>22</sup> as a result of a volatile combination of weak institutions, pervasive inequality, and geographic location. Across parts of the region, those suffering the most are those who cannot afford to insulate themselves from violence through private security or send their children to high-quality schools to escape deteriorating social and economic conditions. As a result, large segments of civil society in Central America, less so in Mexico, have lost confidence in the state’s ability to provide the public services they expect from their governments. The deeper symptom of these afflictions is weak institutions.

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*Over the past two decades, organized crime has taken control of critical economic activities in Mexico and the Northern Triangle.*

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20 Luis Rubio, *In the Lurch Between Government and Chaos: Unconsolidated Democracy in Mexico* (Washington, DC: MPI, Regional Migration Study Group, 2013), [www.migrationpolicy.org/pubs/RMSG-UnconsolidatedDemocracy.pdf](http://www.migrationpolicy.org/pubs/RMSG-UnconsolidatedDemocracy.pdf).

21 Human Rights Watch, *Mexico’s Disappeared: The Enduring Cost of a Crisis Ignored* (Human Rights Watch, 2013), [www.hrw.org/sites/default/files/reports/mexico0213webwcover.pdf](http://www.hrw.org/sites/default/files/reports/mexico0213webwcover.pdf).

22 José Adán Silva, “Somos “estación de servicio” del narcotráfico,” *El Nuevo Diario*, May 9, 2011, [www.elnuevodiario.com.ni/nacionales/101693\\_somos-%E2%80%9Cestaci%C3%B3n-de-servicio%E2%80%9D-del-narcotr%C3%A1fico](http://www.elnuevodiario.com.ni/nacionales/101693_somos-%E2%80%9Cestaci%C3%B3n-de-servicio%E2%80%9D-del-narcotr%C3%A1fico).



At the same time, the region's citizens have proven remarkably resilient in adapting to these circumstances. While encouraging, the risk embedded in such resilience is that people may adjust to the recent waves of violence and come to accept it as the "new normal." As Study Group member Luis Rubio argues in his just-released book, *Mexico Matters: Change in Mexico and Its Impact upon the United States*, citizens of these countries are not corrupt or inclined toward the informal economy by either nature or culture. Rather, in the absence of good governance and in the face of powerful external forces, corruption and informality serve as the tools that members of these societies use to cope with their circumstances because they see no other choice.<sup>23</sup>

Rubio points out that corruption largely stems from two sources: a "rapacious" political system and complex, ambiguous, and arbitrary laws and rules that make life difficult for the average citizen, so that corruption becomes "a rational response to avoid interminable hassles of daily life."<sup>24</sup> Thus, corruption is directly correlated to weak institutions and lack of checks and balances.

Voluntary compliance with the law by the vast majority of the population is an essential ingredient for the proper functioning of the rule of law. Increasing efforts to expand the culture of legality must take place in Mexico and Central America. These efforts, to be successful, must include clear evidence of the fairness of law enforcement and of the benefits to society that result from abiding by the law.

Notwithstanding considerable challenges, the countries of the region are taking steps to build properly functioning and mature democratic states that can provide good governance. Mexico continues to consolidate its democratic transition and strengthen the rule of law throughout its territory. Although after a 12-year absence the presidency is once again held by the Partido Revolucionario Institucional (PRI), the return to the total dominance the party held for 71 years is unlikely. President Enrique Peña Nieto and his team must contend with a Congress that is a forum for real negotiation and debate, and they are already showing, with the "Pact for Mexico"<sup>25</sup> and major reforms in labor, education, and telecommunications, that they are willing to work with the opposition and take on entrenched interests. The decisions of the Supreme Court are respected, and a new federal criminal procedure reform is underway (albeit at varying degrees of implementation in each state). The country is a functioning democracy where elections are concerned, with competitive races and an electoral system whose results are broadly accepted.<sup>26</sup> At least 30 percent of Mexicans today, and perhaps many more, are middle-class.

Guatemala's International Commission against Impunity (*Comisión Internacional contra la Impunidad en Guatemala* or CICIG in Spanish), a UN-backed body that has worked closely with the Guatemalan government, has also had concrete results in advancing reform and tackling judicial corruption. Moreover, the country has embarked on initiatives that will restructure the role of the army and reform the police system.<sup>27</sup> As of this writing, former military dictator Efraín Ríos Montt was on trial for genocide committed during his 1982-83 rule, in a high-profile example of the increasing political will to buttress the rule of law and hold leaders and the military accountable for their actions — at least those of

23 Luis Rubio, *Mexico Matters: Change in Mexico and Its Impact upon the United States* (Washington, DC: Woodrow Wilson Center, 2013), [www.wilsoncenter.org/sites/default/files/rubio\\_mexico\\_matters.pdf](http://www.wilsoncenter.org/sites/default/files/rubio_mexico_matters.pdf); see also Stephen D. Morris, "Disaggregating Corruption: A Comparison of Participation and Perceptions in Latin America with a Focus on Mexico," *Bulletin of Latin American Research* 27, no. 3 (2008): 388-409, <http://w1.mtsu.edu/politicalscience/faculty/documents/Disaggregating.pdf>; Guillermo Perry, "Overview," in *Informality: Exit and Exclusion*, eds. Guillermo E. Perry, William F. Maloney, Omar S. Arias, Pablo Fajnzylber, Andrew D. Mason, and Jaime Saavedra-Chanduvi (Washington, DC: World Bank, 2007).

24 Rubio, *Mexico Matters*, 1.

25 On December 2, 2012, his first full day in office, President Peña Nieto presented the Pact for Mexico, a sweeping document pledging reform on 95 individual commitments and signed by the leaders of all three main political parties. Perhaps more notable than the actual content is the broad support the pact received from the political leadership of Mexico's main parties. For full text of the pact in Spanish, see Office of the President, [www.presidencia.gob.mx/wp-content/uploads/2012/12/Pacto-Por-M%C3%A9xico-TODOS-los-acuerdos.pdf](http://www.presidencia.gob.mx/wp-content/uploads/2012/12/Pacto-Por-M%C3%A9xico-TODOS-los-acuerdos.pdf).

26 Rubio, *Mexico Matters*; see also Shannon K. O'Neil, *Two Nations Indivisible: Mexico, the United States, and the Road Ahead* (New York: Oxford University Press, 2013): 9.

27 Julie Lopez, "Guatemala's Crossroads: The Democratization of Violence and Second Chances," in *Organized Crime in Central America: The Northern Triangle*, eds. Cynthia J. Arnson and Eric Olson (Washington, DC: Woodrow Wilson International Center for Scholars, 2011).



decades past. And in El Salvador, though political tensions and distrust still run high two decades after a negotiated peace accord ended a bloody 12-year civil war, elections are generally peaceful and the military no longer dominates the political sphere.<sup>28</sup>

Rule-of-law considerations implicate policymaking in general. The subject of migration offers policymakers important opportunities to identify and enact smart policies and investments with the potential to help strengthen the rule of law in the region. Following are some of these key areas of opportunity identified by the Study Group.

### **A. Creating Rule-of-Law Frameworks for Migration Management Throughout the Region**

The United States faces its own crises of governance with, for example, the trafficking of illicit drugs and arms within its territory, as well as guns to Mexico and Central America. Most important for this report, current US laws and policies that govern migration have failed to provide a legal, safe, and orderly way for those people whose skills and talents are in demand in US labor markets to enter and work in the country.

The absence of practical and effective rules to govern migration in the region, in combination with the hardening of borders that has led to reduced circularity, has contributed to high levels of illegal immigration, both via illegal crossings into the United States or by overstaying properly issued visas. Millions of individuals and their families are living in overlapping formal and informal statuses as a result. Strengthening rule-of-law institutions on both sides of the US border, while simultaneously fixing US migration policies in order to allow migration to proceed through legal channels and providing legal status for those who are currently unauthorized but nonetheless contributing members of their communities and workplaces, will serve to inculcate the rule of law in this key area of national, bilateral, and regional activity. It should also remove some of the potential for criminal organizations to profit from the vulnerability of migrants, many of whom must pay smuggling fees and/or bribes both to noninstitutional actors, such as criminal organizations, as well as public agents who control the territories through which they move. Furthermore, by increasing legal avenues for immigration, border agents will have greater leeway to focus on keeping dangerous criminals and other nefarious actors from crossing.

### **B. Reducing Corruption by Building Capacity and Confidence in Law Enforcement Institutions**

The Study Group notes that some law enforcement and immigration agents throughout the region have been complicit in corruption and the abuse of migrants. High levels of discretion in the application of immigration laws,<sup>29</sup> salaries insufficient to resist enticements from criminal organizations, and low levels of education and training have created conditions for corruption and bribery among authorities at various levels.<sup>30</sup> In Mexico, the National Migration Institute (Instituto Nacional de Migración, or INM) has come under renewed scrutiny for abuse, extortion, and violence by INM agents and officials against migrants transiting Mexico — cases which are widely perceived to reflect systemic challenges rather than the actions of a few corrupt individuals.<sup>31</sup> In the United States, 125 Customs and Border Patrol agents were convicted of corruption-related charges, including smuggling of aliens and drugs, between fiscal

28 Douglas Farah, “Organized Crime in El Salvador: Its Homegrown and Transnational Dimensions,” in *Organized Crime in Central America*, eds. Cynthia J. Arnson and Eric Olson (Washington, DC: Woodrow Wilson International Center for Scholars, 2011); see also Claire Ribando Seelke, *El Salvador: Political and Economic Conditions and U.S. Relations* (Washington, DC: Congressional Research Service, 2012), [www.fas.org/sgp/crs/row/RS21655.pdf](http://www.fas.org/sgp/crs/row/RS21655.pdf).

29 Alba and Castillo, *New Approaches to Migration Management in Mexico and Central America*.

30 Ralph Espach and Daniel Haering, *Border Insecurity in Central America's Northern Triangle* (Washington, DC: MPI, Regional Migration Study Group, 2012), [www.migrationpolicy.org/pubs/RMSG-NorthernTriangle.pdf](http://www.migrationpolicy.org/pubs/RMSG-NorthernTriangle.pdf).

31 Alba and Castillo, *New Approaches to Migration Management in Mexico and Central America*.





years (FY) 2005 and 2012.<sup>32</sup>

Professionalization of law enforcement agents, including those responsible for migration controls, can play an important role in strengthening the rule of law. Thorough vetting processes, improved training, better pay for law enforcement officers, and sufficient resources to investigate systemic corruption of all forms and institutionalize fair internal and administrative procedures to prosecute and punish corrupt officials and agents, are critical in this regard.

Many of these needs are reflected in US security assistance to the region, embodied in the Mérida Initiative and the Central American Regional Security Initiative (CARSI). The Mérida Initiative is an assistance package passed by the US Congress in 2008 to strengthen security in Mexico and Central America. In its first two years, the initiative focused on logistical and material support, especially heavy equipment; since then, funding has shifted to police and judicial training, software, and construction of new courthouses.

Since 2009, when Congress created CARSI, Mérida has provided aid exclusively to Mexico; Mérida, however, is only a small part of the overall security cooperation relationship between the United States and Mexico. Often called “Beyond Mérida,” the four-part framework encapsulating the two countries’ collaboration includes efforts to disrupt money and weapons supply networks for organized-crime groups; strengthen the rule of law; create a “21<sup>st</sup>-century border” that facilitates faster legal flows of people and goods while using “risk-segregation” management techniques to enhance security; and build “resilient,” organized-crime resistant communities.<sup>33</sup>

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*In the absence of a functioning regional security framework, some of the basic physical and operational requirements needed to begin building trust do not exist.*

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CARSI’s primary objectives have also evolved over time, and are now more balanced between law enforcement and prevention and development programs. They focus on citizen safety; disrupting the movement of criminals and contraband; developing strong, capable, and accountable governments; establishing an effective state presence, security, and service in at-risk communities; and strengthening regional coordination on security and rule-of-law issues. For FY 2013, the US government requested \$107.5 million for CARSI and \$265.5 million for Merida.<sup>34</sup> This represents a decrease in requested funding from previous years, in large part because Mexico has taken responsibility for some of the antinarcotics programs under Mérida.<sup>35</sup>

The reallocation of resources also reflects a shift in the US security policy direction in Mexico and Central America toward addressing more comprehensively the crisis of citizen security overall and focusing on building institutional capacity to strengthen the rule of law. This is a very promising shift. However, capacity-building alone will not solve the problem. Officials and institutions across the region must also establish mutual trust and build greater confidence in order to collaborate effectively on migration (addressed more fully in the next section), as well as in other areas.

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32 US Government Accountability Office (GAO), *Border Security: Additional Actions Needed to Strengthen CBP Efforts to Mitigate Risk of Employee Corruption and Misconduct*, GAO-13-59 (Washington, DC: GAO, 2012), [www.gao.gov/assets/660/650505.pdf](http://www.gao.gov/assets/660/650505.pdf).

33 Andrew Selee, Cynthia J. Arnson, and Eric Olson, *Crime and Violence in Mexico and Central America: An Evolving but Incomplete US Policy Response* (Washington, DC: MPI, Regional Migration Study Group, 2013), [www.migrationpolicy.org/pubs/RMSG-EvolvingPolicyResponse.pdf](http://www.migrationpolicy.org/pubs/RMSG-EvolvingPolicyResponse.pdf).

34 Ibid.

35 White House Office of National Drug Control Policy, “The National Drug Control Budget: FY 2013 Funding Highlights,” February 2012, [www.whitehouse.gov/ondcp/the-national-drug-control-budget-fy-2013-funding-highlights](http://www.whitehouse.gov/ondcp/the-national-drug-control-budget-fy-2013-funding-highlights).



In the absence of a functioning regional security framework, some of the basic physical and operational requirements needed to begin building trust do not exist. Border police in Mexico and Guatemala, for example, lack effective systems to share information and coordinate activities. This deficiency is compounded by a lack of symmetry between neighboring countries' institutional structures: a Mexican state governor has a great deal of autonomy and responsibility in setting policy priorities and allocating resources to border security issues, but a Guatemalan departmental governor, who is selected by the president, must work through the Guatemalan Ministry of Defense on these issues unless he also holds a position within the military or police chain of command. Cross-border collaboration thus must follow to international protocols and does not allow for ad hoc and local strategy-setting and cooperation across borders, which can often solve small problems locally and prevent them from becoming politicized by engaging each other's capitals.<sup>36</sup>

Another key to building trust is being sensitive to other countries' critical areas of concern even when they may not be natural top domestic policy priorities for the first country. In that context, the United States has a strategic interest in addressing the problems of narcotics consumption, money laundering, and the unregulated south-bound weapons trafficking that fund and arm criminal organizations, and in working more effectively with Mexico and the Northern Triangle countries to make headway against the violence.<sup>37</sup>

But Mexico, El Salvador, Guatemala, and Honduras can also work with each other more actively to respond to these challenges, and within their countries to reduce the violence faced by ordinary people in their everyday lives. Indeed, mitigating the impact of this violence on citizens has become a priority in these countries and must remain so. It is an explicit goal of the Peña Nieto administration — one of the five main pillars of his Pact for Mexico.<sup>38</sup> In El Salvador, an (unofficially sanctioned) Catholic Church-brokered gang truce cut the homicide rate in half in 2012, and authorities report they have greater control of their national territory as a result.<sup>39</sup> And the Guatemalan government is also trying to increase citizen security.

### C. Promoting a Culture of Economic Growth and Productivity by Encouraging Formal Economic Activity

Widespread economic informality both fuels and reflects institutional weakness. The informal sector accounts for 30 to 50 percent of GDP in Mexico (depending on how it is measured)<sup>40</sup> and 45 to 50 percent in El Salvador, Guatemala, and Honduras.<sup>41</sup> Informal activity represents a survival strategy for individuals and businesses trying to cope with dysfunctional, often oppressively bureaucratic, systems. But it also deprives workers of protections and access to the social safety net, benefits, and opportunities for workforce development; lowers the productivity of firms by depriving them of access to capital and making them more vulnerable to extortion; and decreases tax revenue for governments.<sup>42</sup> In Mexico, overregulation of formal enterprises and the structure of social protection programs may be incentivizing informality.<sup>43</sup> And of course, many immigrants from the region, lacking legal work authorization, operate in the informal US labor market.

36 Espach and Haering, *Border Insecurity in Central America's Northern Triangle*.

37 Selee, Arnson, and Olson, *Crime and Violence in Mexico and Central America*.

38 The proposals fall under five major areas of focus: rights, liberties, and social inclusion; economic growth, employment, and competition; security and justice; transparency, accountability, and combating corruption; and democratic governance.

39 Private meeting of RMSG members with high-level Salvadoran foreign ministry officials, San Salvador, July 2012.

40 Rubio, *In the Lurch between Government and Chaos*; see also José Brambila-Macias and Guido Cazzavillan, "Modeling the Informal Economy in Mexico: A Structural Equation Approach," *The Journal of Developing Areas* Vol. 44 (2010): 345-65.

41 Eleanor Sohnen, *Paying for Crime: A Review of the Relationships Between Insecurity and Development in Mexico and Central America* (Washington, DC: MPI, Regional Migration Study Group, 2012), [www.migrationpolicy.org/pubs/RMSG-Payingfor-Crime.pdf](http://www.migrationpolicy.org/pubs/RMSG-Payingfor-Crime.pdf).

42 Ibid.

43 Gordon H. Hanson, *Understanding Mexico's Economic Underperformance* (Washington, DC: MPI, Regional Migration Study Group, 2012), [www.migrationpolicy.org/pubs/RMSG-MexicoUnderperformance.pdf](http://www.migrationpolicy.org/pubs/RMSG-MexicoUnderperformance.pdf).



Attempts to promote formality will require governments in the region to work hand-in-hand with actors from the private sector to reduce these perverse incentives, as well as streamline excessive and ineffective regulatory systems to make it easier for businesses to legally hire the workers they need. It will also require governments to invest in reforms that allow citizens to trust, for example, that the public education system can provide a reliable pathway into the formal labor market for the average person. Such reforms would contribute to building a needed overall social and economic development framework that begins with the recognition of citizens as the centerpiece and the government as a key factor in creating the conditions for this development to happen.<sup>44</sup>

## IV. Immigration Policies: Making the US Immigration System More Responsive to Labor Market and Economic Needs

The United States has been the major recipient of immigration, both legal and illegal, from Mexico for well over a century, and from Central America since at least the early 1980s. An estimated 14.3 million immigrants from Mexico and the Northern Triangle live in the United States (11.7 million from Mexico,<sup>45</sup> 1.3 million from El Salvador; 851,000 from Guatemala, and 491,000 from Honduras).<sup>46</sup> Immigrants from these four countries accounted for approximately 73 percent of the 11 million or so unauthorized individuals in the United States.<sup>47</sup> So how the United States shapes its immigration policies has significant implications for the region.

It is by now a truism in US immigration debates to declare that the “system is broken.” That judgment applies not only to decades of high levels of illegal immigration; it also refers to many of the key components of the legal immigration system, which neither meet US labor market needs efficiently nor protect the interests of US workers successfully. Overall, the present system fails to harness immigration to promote US economic growth and competitiveness well — including by implementing flexible provisions to allow immigration to respond to the ebbs and flows of demand — or to (re)unify close family members on a timely basis.

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*Overall, the present system fails to harness immigration to promote US economic growth and competitiveness well.*

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A broad overhaul of US immigration law — known as comprehensive immigration reform (CIR) — would encompass more effective solutions to address both illegal and legal immigration. At this writing, the political imperatives and policy momentum favoring enactment of such legislation appear promising. Several of the policy approaches outlined below are of particular importance to include in final legislation if reform is to succeed in managing migration within the region to boost growth and competitiveness over the longer term.

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44 Rubio, *Mexico Matters*, 104.

45 Sierra Stoney and Jeanne Batalova, “Mexican Immigrants in the United States,” *Migration Information Source*, February 2013, [www.migrationinformation.org/USFocus/display.cfm?ID=935](http://www.migrationinformation.org/USFocus/display.cfm?ID=935).

46 Sierra Stoney and Jeanne Batalova, “Central American Immigrants in the United States,” *Migration Information Source*, March 2013, [www.migrationinformation.org/USfocus/display.cfm?ID=938](http://www.migrationinformation.org/USfocus/display.cfm?ID=938).

47 MPI calculation using Hoefer, Rytina, and Baker, *Estimates of the Unauthorized Immigrant Population Residing in the United States: January 2011*.



## A. Today's Reality

For much of the nation's history, immigration policy has had three broad goals: family (re)unification for US citizens and lawful permanent residents with close family members; meeting legitimate labor market needs; and refuge for those in need of humanitarian protection. The demand for visas among these immigration streams substantially exceeds the supply of visas authorized by Congress. As a result, how Congress allocates visas among and within these streams shapes future American economic and demographic conditions.

The effects of immigration on US labor markets and economic growth are primarily a manifestation of two of the streams: family-based and employment-based (or labor market) immigration — both permanent and temporary.

Family-based immigration, which has accounted for about two-thirds of permanent immigration to the United States over the past decade, rests on the principle of family unity. There are no numerical limitations on visas for immediate family members of US citizens (defined as spouses, minor children, and parents) to settle in the United States. US citizens can also reunify with their adult married and unmarried children, as well as with their siblings, but waiting times for such visas are lengthy. Visas for lawful permanent residents (LPRs, or “green-card” holders) to reunite with their spouses and minor children are allocated relatively quickly (presently about two years).<sup>48</sup> Immigration for their adult unmarried children takes far longer.<sup>49</sup>

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### *Employment-based visas for permanent immigration account for just 14 percent of visas issued each year.*

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US citizens face years-long delays in reuniting with more distant relatives. This is because family immigration is also subject to numerical ceilings and per-country limits. Thus, family members from Mexico or the Philippines, for example, which are among the top five source countries for legal immigration to the United States, face severe delays in getting a green card.<sup>50</sup>

Employment-based visas for permanent immigration account for just 14 percent of visas issued each year.<sup>51</sup> These visas comprise the immigration stream dedicated to the nation's economic and labor market interests and are thus presumably driven by a calculus of economic costs and benefits.

The immigration system's response to labor market and broader economic needs was conceived in the mid-1960s and updated most recently in the *Immigration Act of 1990*. Since then, the US and world

48 US Department of State, Bureau of Consular Affairs, “Visa Bulletin For May 2013,” Number 56, Volume IX (Washington, DC: Department of State, 2013), [http://travel.state.gov/visa/bulletin/bulletin\\_5927.html](http://travel.state.gov/visa/bulletin/bulletin_5927.html).

49 DHS Office of Immigration Statistics, *2011 Yearbook of Immigration Statistics* (Washington, DC: DHS, Office of Immigration Statistics, 2012), [www.dhs.gov/sites/default/files/publications/immigration-statistics/yearbook/2011/ois\\_yb\\_2011.pdf](http://www.dhs.gov/sites/default/files/publications/immigration-statistics/yearbook/2011/ois_yb_2011.pdf).

50 Unmarried adult children of lawful permanent residents from Mexico, for example, currently face a wait of 20 years; for unmarried adult children of lawful permanent residents from the Philippines, the current wait is 11 years. Testimony of Demetrios G. Papademetriou, President, Migration Policy Institute, before the House Committee on the Judiciary, Subcommittee on Immigration and Border Security, *The Separation of Nuclear Families under U.S. Immigration Law*, 113<sup>th</sup> Cong., 1<sup>st</sup> sess., March 14, 2013, [www.migrationpolicy.org/pubs/PapademetriouTestimony-House-March2013.pdf](http://www.migrationpolicy.org/pubs/PapademetriouTestimony-House-March2013.pdf).

51 This proportion includes derivative employment-based green cards, issued to the spouses and children of immigrant workers; only about 6 percent of green cards go to labor market immigrants per se. By the most conservative estimate, between three and four times as many temporary (“nonimmigrant”) employment-based visas are issued each year as employment-based green cards, but this figure would be many times higher if it were to include the hundreds of thousands of nonimmigrants in other employment-related visa categories who might seek permanent status. US Department of State, *Nonimmigrant Visa Statistics*, Table XVI(B): Nonimmigrant Visas Issued by Classification, Fiscal Years 2008-2012, [www.travel.state.gov/pdf/FY12AnnualReport-TableXVIB.pdf](http://www.travel.state.gov/pdf/FY12AnnualReport-TableXVIB.pdf).





economies have undergone dramatic transformations and the failure of the US immigration system to respond to them has manifested itself in two very discernible ways: illegal immigration in response to more than a decade of robust demand for workers starting in the mid-1990s, and an always vigorous but mostly unproductive debate about visas for the skilled workers that an open and competitive economy requires.

There is thus a compelling need to better align the US employment-based immigrant selection system with current — and future — economic realities. Yet adapting the work visa system to new and rapidly changing competitive realities has proven politically contentious and difficult to achieve because of pronounced differences between business and labor over the size of future flows, wages, labor protections, and more. In addition, management of immigration in ways that maximize economic benefits also involves highly technical questions about the effects of immigration on job opportunities for some Americans, as well as on wages, labor markets, growth, and long-term economic competitiveness.

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*There is a compelling need to better align the US employment-based immigrant selection system with current — and future — economic realities.*

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## **B. Introducing Flexibility Into the Economic Immigration Stream**

Rapid economic restructuring, competitiveness pressures, and demographic change place a premium on a flexible, responsive immigration system. The need for more nimble immigration policies is particularly compelling in the aftermath of the global recession, which underscored the importance of getting immigration levels and the skills mix right as part of economic renewal. Immigration and emigration also offer opportunities to enhance the competitiveness of North America as a region if migration dynamics can be more fully tapped and leveraged for economic growth and resiliency.

### **Establishing an Independent Analytical Agency to Advise Policymakers on Allocation of Employment-Based Visas**

To meet these needs, the Study Group has refined and endorsed a proposal first made by a prior MPI-Wilson Center initiative, the Independent Task Force on Immigration and America's Future, and later endorsed by a succession of immigration policy task forces and groups convened by other organizations.<sup>52</sup> The proposal calls for establishing a new federal agency to engage in ongoing research and analyses of changing labor market and economic conditions where immigration plays or might play a role, and advise Congress of changing needs.<sup>53</sup> Such expertise and advice would assist Congress in making periodic, analytically driven adjustments to the numbers and visa categories in the labor market immigration stream — introducing flexibility into US policy that is crucially absent at present.

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<sup>52</sup> The Council on Foreign Relations, Brookings Institution, and Economic Policy Institute are among organizations that have endorsed the concept of a permanent, independent body to advise policymakers on employment-based immigration levels. See, for example, Council on Foreign Relations, *Independent Task Force Report No. 63, US Immigration Policy* (Washington, DC: Council on Foreign Relations, 2009): 93, [www.cfr.org/immigration/us-immigration-policy/p20030](http://www.cfr.org/immigration/us-immigration-policy/p20030).

<sup>53</sup> The Standing Commission on Immigration and Labor Markets was a key recommendation of the MPI-convened Independent Task Force on Immigration and America's Future, which issued its final report in 2006. See Doris Meissner, Deborah W. Meyers, Demetrios G. Papademetriou, and Michael Fix, *Immigration and America's Future: A New Chapter* (Washington, DC: MPI, 2006), [www.migrationpolicy.org/task\\_force/new\\_chapter\\_summary.pdf](http://www.migrationpolicy.org/task_force/new_chapter_summary.pdf). See also Demetrios G. Papademetriou, Doris Meissner, Marc R. Rosenblum, and Madeleine Sumption, *Harnessing the Advantages of Immigration for a 21<sup>st</sup> Century Economy: A Standing Commission on Labor Markets, Economic Competitiveness, and Immigration* (Washington, DC: MPI, 2009), [www.migrationpolicy.org/pubs/standingcommission\\_may09.pdf](http://www.migrationpolicy.org/pubs/standingcommission_may09.pdf).



Over time, the accumulated knowledge and experience that would develop under such a system would make Congress' responsibilities on immigration easier to manage and better aligned with the country's broad economic interests. To that end, creating an expert agency that enables the US government to introduce badly needed flexibility into the employment-based stream and the US immigration system should be a key element of comprehensive immigration reform.

The new agency would be an independent, nonpartisan executive-branch body charged with carrying out research and analysis that does not presently exist in a single setting. In contrast with previous one-time blue-ribbon panels such as the Hesburgh and Jordan Commissions,<sup>54</sup> the proposal envisions a permanent agency staffed by expert economists, demographers, statisticians, and other social scientists. It would be led by a distinguished professional, modeled after the way in which, for example, the heads of the Department of Labor's Bureau of Labor Statistics or the Department of Commerce's Census Bureau are selected. The agency would create a resource for the president, Congress, and other policymakers, offering timely, evidence-based, and impartial analysis and recommendations on changes to immigration levels and on the composition of both temporary and permanent employment visas.

Determining immigration levels is an inherently political process and a decision that elected officials and Congress must ultimately make. By providing high-quality data and recommendations, the work of an independent expert agency that earns the trust of policymakers and the general public is likely to raise the level of discourse and knowledge within Congress and the executive branch, as well as among the range of stakeholders engaged in immigration policy debates. A few other major immigrant-receiving countries (among them the United Kingdom, Canada, Germany, and Australia) have invested in building up such capabilities, some through the creation of similar bodies.

In the case of the United States, Congress established a somewhat similar approach for determining refugee-admissions levels with the *Refugee Act of 1980*. The law calls for setting refugee admissions levels on an annual basis through a process of consultation between the executive branch and Congress. The law establishes a normal flow number of 50,000 admissions per year and then the level of actual admissions is adjusted annually against that norm, based on country-condition analyses and recommendations provided by executive-branch agencies.

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*The work of an independent expert agency that earns the trust of policymakers and the general public is likely to raise the level of discourse and knowledge within Congress and the executive branch.*

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Applied to employment-based immigration, Congress could establish a statutory norm or numerical range for such immigration streams for an initial period of time, say, three or so years. Thereafter, the work of an expert agency would enable Congress to revisit its allocation of employment visas regularly and base labor market immigration policy on a better and much more reliable understanding of the evidence about evolving needs *and impacts* than it currently does.

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<sup>54</sup> The Hesburgh Commission, formally known as the Select Commission on Immigration and Refugee Policy, was established by Congress in 1978; the Jordan Commission, formally the US Commission on Immigration Reform, was established by the *Immigration Act of 1990*. Both were charged with evaluating US immigration policy and making recommendations to Congress regarding its implementation and effects. See the commissions' final reports: US Select Commission on Immigration and Refugee Policy, *U.S. Immigration Policy and the National Interest*, Staff Report of the Select Commission on Immigration and Refugee Policy (Washington, DC: Government Printing Office, 1981); US Commission on Immigration Reform, *Becoming an American: Immigration and Immigrant Policy* (Washington, DC: Government Printing Office, 1997), [www.utexas.edu/lbj/uscir/becoming/full-report.pdf](http://www.utexas.edu/lbj/uscir/becoming/full-report.pdf).



The new agency's tasks would include the following:

- Provide frequent recommendations for adjustments to employment-based immigration levels to Congress and the executive branch, based on deep analysis of economic and sectoral data at national, state, regional, and other levels. These recommendations should be as frequent as possible, with annual frequency being the optimal target. The frequency of recommendations could be shorter if the agency's research indicated that there was unusual turmoil in the labor market or specific economic sectors.
- Analyze existing data on immigrants in the US economy, and manage the collection of new longitudinal data similar to the New Immigrant Survey<sup>55</sup> but with a larger sample size, multiple cohorts, and more of an explicit focus on labor market behaviors.
- Create and implement a policy-focused research agenda on the labor market roles, integration trajectories, and economic impacts of *all* types of immigration, both at the national level but most importantly at the state, regional, industrial sector, and when possible, occupational levels using datasets that are typically unavailable to researchers (such as administrative data), and creating new datasets with more targeted surveys and the like. The objective would be to address policy-relevant issues and treat congressional policy changes as “natural experiments” whose analysis would inform and shape future policy adjustments.
- Publish research and make datasets publicly available, so as to foster transparency and create the foundation for ongoing academic research and better-informed public debate.

### C. *Remaking Visa Policies to Respond to Labor Market Realities and Experiences*

Today's visa system sets rigid conditions for immigrant recruitment. Employers seeking to hire a permanent immigrant or a lower-skilled temporary worker must document their inability to hire a US worker (that is, an individual who is legally in the United States and authorized to work) in what amounts to an often painstaking and highly bureaucratized process. Employers of high-skilled temporary workers face fewer requirements initially but are then required to prepare specific, outdated, and unnecessary applications for their employee, who typically has been with the firm for many years, to remain in the United States as a permanent immigrant.<sup>56</sup> And the most important visa categories, both permanent and temporary, are subject to strict numerical limits.

Such constraints have resulted in wait times of up to six years for some employment-based green cards, and a scramble to apply for scarce, high-skill nonimmigrant visas, which often are exhausted within days of their availability in a new fiscal year; in 2013, these visas were gone within five days.<sup>57</sup> In combination with the need for flexibility and an expert advisory agency outlined above, changes must be made in the terms of most employment-based visas and the rules that govern them.

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55 The New Immigrants Survey “is a nationally representative, multi-cohort longitudinal study of new legal immigrants and their children to the United States based on nationally representative samples of the administrative records, compiled by the US Immigration and Naturalization Service (INS), pertaining to immigrants newly admitted to permanent residence.” See Princeton University, “The New Immigrant Survey,” <http://nis.princeton.edu/>.

56 These include, for example, posting an announcement for a job “vacancy” that enumerates every single qualification without which a candidate might be rejected, in a Sunday newspaper (no longer a commonly used medium for recruitment for most high-skilled jobs); moreover, the employer cannot require US applicants to possess training and/or experience beyond what the foreign worker possessed at the time of hire.

57 Elizabeth Aguilera, “H-1B visa cap reached in one week,” *San Diego Union-Tribune*, April 5, 2013, [www.utsandiego.com/news/2013/apr/05/h1b-visas-immigration-lottery-tech-stem/](http://www.utsandiego.com/news/2013/apr/05/h1b-visas-immigration-lottery-tech-stem/). A nonimmigrant visa permits the holder to remain in the United States for a specified period and, in some cases, to work for a specified employer sponsor. Green cards, on the other hand, confer permanent residence and unrestricted employment rights. An employment-based green-card holder can apply for citizenship after five years of permanent residence.



Under the current system, green-card holders face no time limits on their legal residency and enjoy the same employment privileges and labor rights and protections as US citizens. But several times as many foreign nationals are admitted each year as temporary workers, across the visa categories skills spectrum.<sup>58</sup> It is difficult for them to change employers, and they have few chances for permanent residence.

These requirements were designed to protect the jobs, wages, and working conditions of US workers. In practice, however, restrictions on mobility and immigration status make the system opaque, cumbersome, and frustrating for the majority of those who engage with or are affected by it — employers, immigrants, native workers, *and* US communities. Moreover, the natural advantage that the United States has enjoyed as the premier destination for the world's most talented immigrants is coming under increasing pressure as other countries more effectively compete for the best and brightest.

Thus, the requirements thwart meeting the core goals of their programs. Moreover, the effect of recent legislation and regulations has been to encourage employers to rely more extensively on temporary visas, with green cards accounting for a decreasing share of employment-based flows. Left unanswered, these problems would be severely magnified under new legislative proposals for a sizeable temporary worker program and high-skilled visa expansions unless the scope and characteristics of such visas are also redesigned.

## I. Creating a New Visa Stream and Visa Portability That Meet Today's Needs and Anticipate Tomorrow's Reality

### a) *Provisional Visas*

The Study Group proposes creating a new visa stream of *provisional visas*, which would provide a bridge between temporary and permanent admissions to the United States for employment purposes.<sup>59</sup> Under a provisional visa, most nonseasonal employment-based immigrants would initially enter the United States on time-limited visas. Of course, certain immigrants, such as those defined as having “extraordinary ability” who now enter on EB-1 visas, would continue to be directly eligible for green cards as an effective alternative to other countries' point systems; and agricultural and truly seasonal workers would continue to enter on traditional temporary visas. In addition, *the system should retain the flexibility to allocate temporary visas on the basis of regional preferences or bilateral treaties with sending countries*, or to bring in workers in strategic industries or science and engineering fields outside of the provisional visa system. Provisional visa holders could earn the right to permanent status after meeting requirements designed to ensure that their skills and the investments they make in learning English and incorporating effectively in US society will help them succeed as US permanent residents.

<sup>58</sup> The United States admitted about 66,000 workers in 2012 on permanent visas (along with 78,000 spouses and children); see DHS, *Yearbook of Immigration Statistics: 2012 Legal Permanent Residents*, Table 7 - Persons Obtaining Legal Permanent Resident Status by Type and Detailed Class of Admission: Fiscal Year 2012 (Washington, DC: DHS Office of Immigration Statistics). Precise data on the number of temporary workers are not available. DHS releases information on the number of nonimmigrant visa *admissions*, but this count overstates the number of workers because it includes multiple reentries in many cases. The State Department releases information on the number of visas issued at foreign consulates, but this count understates the number of workers because some temporary workers do not require a visa (such as Canadians in TN visa status) and because many visas last for more than one year. At the same time, some individuals issued visas abroad might never come to the United States, but are still counted in the State Department data. In addition, several nonimmigrant visa categories permit work but are not primarily designed for it. We estimate the total annual number of temporary work visas to be about 487,000 in 2012; this estimate includes all those visa categories for which admission is primarily granted for purpose of employment (H, L, and O visas).

<sup>59</sup> The provisional visa concept was first articulated in 2006 by the MPI-convened Independent Task Force on Immigration and America's Future. See Meissner, Meyers, Papademetriou, and Fix, *Immigration and America's Future: A New Chapter*; Demetrius G. Papademetriou, Doris Meissner, Marc R. Rosenblum, and Madeleine Sumption, *Aligning Temporary Immigration Visas with US Labor Market Needs: The Case for a New System of Provisional Visas* (Washington, DC: MPI, 2009), [www.migrationpolicy.org/pubs/provisional\\_visas.pdf](http://www.migrationpolicy.org/pubs/provisional_visas.pdf).



b) *Visa Portability*

Allowing for *visa portability*, so that a temporary foreign worker can change employers and move freely in the US labor market after a reasonable amount of time, breaks the basic power asymmetry between employer and worker that a temporary work visa accentuates. It also creates virtuous cycles in terms of better wages and working conditions for foreign workers *and* for those who work side-by-side with them. Permitting visa portability also increases the positive impact of all forms of employment-based immigration on the economy, and the labor market opportunities of all workers.<sup>60</sup>

Employer recruitment would continue to drive immigrant-selection processes, determining which new workers come to the United States. But the uncertain process of gaining permanent status would be more transparent and predictable for both employers and immigrants.

Thus, provisional visas would resemble existing “dual-intent” visas like the H-1B (which permits adjustment of status to legal permanent residence), but would apply across the skills spectrum for other than purely seasonal work. Such visas would strengthen immigrant workers’ labor rights within the United States, provide a more predictable path to permanent residence for some, and reflect labor market realities and real-life experience in employment-based immigration.

Provisional visas and visa portability would not necessitate either higher or lower inflows of permanent immigrants than at present. Instead, the current proliferation of temporary visas would have to be reconciled with the availability of green cards for those who eventually seek — and can earn — permanent immigration status. At the same time, such visas would facilitate return migration where immigrants seek temporary circumstances only or are not a good long-term fit with employer needs and membership in US society.

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*Provisional visas and visa portability represent a way to break through the political deadlock about future flows.*

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In these ways, provisional visas and visa portability represent a way to break through the political deadlock about future flows. By replacing most nonseasonal temporary visa categories with provisional visas, lawmakers would create a system which better meets US economic interests, protects US and foreign workers alike, and builds incentives for accelerating immigrant integration.

c) *Limitations of the Current System*

The United States has a demand-driven, employer-led labor market immigration system. Most labor market immigration requires an employer sponsor, and an individual’s ability to remain in the United States depends on continued employment with that sponsor or on obtaining another.

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<sup>60</sup> The economic research on the impact of immigration on native workers reaches a strong consensus that immigration is more beneficial (or in some cases less negative) for skilled workers than for the less skilled. Labor mobility, however, can redress part of that imbalance, making visa portability most beneficial for workers at the bottom of the skills distribution. See Gianmarco Ottaviano and Giovanni Peri, “Immigration and National Wages: Clarifying the Theory and the Empirics” (NBER Working Paper Series, working paper no. 14188, National Bureau of Economic Research [NBER], July 2008), [www.nber.org/papers/w14188](http://www.nber.org/papers/w14188); and George Borjas, “The Labor Demand Curve is Downward Sloping: Reexamining the Impact of Immigration on the Labor Market” (NBER Working Paper Series, working paper no. 9755, NBER, June 2003), [www.nber.org/papers/w9755.pdf](http://www.nber.org/papers/w9755.pdf).





For employers, the most timely and efficient route to hiring a foreign-born worker is through a temporary worker visa. It typically takes four to seven years for a petition for permanent residence to be approved, while some categories of temporary visas can be processed in one month or less. Employment-based green cards are also capped at 140,000 per year, a number that includes the spouses and children of immigrant workers.<sup>61</sup> Thus, the vast majority of employment-based visas are through temporary categories.<sup>62</sup>

Immigrants who wish to remain in the United States after the term of their temporary visa and employers who want to continue to employ them typically must sponsor them for lawful permanent resident status. Only some temporary work categories permit visa holders to apply for permanent residence while in the United States. In general, more highly skilled visas (such as H-1B, L, and O visas<sup>63</sup>) are classified as “dual-intent” visas, which allow for adjustment of status, while less-skilled visas (e.g. H-2s) do not.

This temporary-to-permanent transition is now an established part of the labor market immigration system. Nearly 88 percent of employment-based green cards in 2012 went to workers (or to their spouses or children) who adjusted from within the United States from a temporary visa, cementing their attachment to the labor market.<sup>64</sup> Thus, adjustment of status has been the route to permanent residence for the overwhelming majority of employment-based green-card recipients for the past decade. In this sense, provisional visas would simply formalize and simplify a process that has long been practiced for much of the US employment-based visa system.<sup>65</sup>

The current system has important failings. It impedes recruitment of the most talented foreign workers, it limits economic efficiency by preventing foreign-born workers from changing jobs in response to better opportunities, and it fails to ensure that successful temporary immigrants with the best potential to contribute economically and socially have the opportunity to share the full value of their human capital by gaining permanent residence.<sup>66</sup>

#### d) *Provisional Visas Match Labor Market Reality*

The natural linkage between temporary and permanent immigration has become a basic characteristic of the immigration system that contributes to the vibrancy of the economy and to successful immigrant integration. Provisional visas allow employers to recruit workers for long-term jobs recognizing that some of these workers may eventually be interested in applying for a green card. Thus, both employers and workers are able to make choices before committing to permanent immigration. Of course, not all

61 The actual total of employment-based green cards may vary slightly for this number, as some “slots” may be reallocated from family- to employment-based categories, or vice versa, if not all visas in one of the two streams are distributed in a given year.

62 For a more comprehensive discussion of the current system’s visa categories and their functions, see Demetrios G. Papademetriou and Stephen Yale-Loehr, *Balancing Interests: Rethinking US Selection of Skilled Immigrants* (Washington DC: Carnegie Endowment for International Peace, 1996), <http://carnegieendowment.org/1996/01/01/balancing-interests-rethinking-u.s.-selection-of-skilled-immigrants/3j3q>.

63 H-1B visas are designated for individuals working in a specialty occupation that requires a higher education degree or its equivalent. L visas are designated for intracompany transfers of executives, managers, and employees with specialized knowledge from an affiliated foreign office to one of its offices in the United States, or to help establish one. O visas are available to individuals with extraordinary ability or achievement in the arts, sciences, education, business, athletic, or entertainment fields as demonstrated by sustained national or international acclaim. H-1B visas are currently capped at 65,000 annually, while L and O visas are uncapped.

64 DHS, *Yearbook of Immigration Statistics 2012*, Table 6, Persons Obtaining Legal Permanent Resident Status by Type and Major Class of Admission: Fiscal Years 2003 to 2012, [www.dhs.gov/sites/default/files/publications/immigration-statistics/yearbook/2012/LPR/table6.xls](http://www.dhs.gov/sites/default/files/publications/immigration-statistics/yearbook/2012/LPR/table6.xls).

65 Data are limited, but the best if extremely dated source of information on green-card holders’ former visa status (the New Immigrant Survey) indicates that in 2003, 57 percent of employment principals adjusted to permanent status from an H-1B visa. Guillermina Jasso, *Immigration and STEM Talent in the United States: Estimating the Size of the Pre-LPR Population* (Princeton, NJ: Princeton University, 2008), <http://paa2009.princeton.edu/papers/91814>.

66 Those seeking to remain in the United States by adjusting to green-card status face an additional disincentive to changing employers, because they may be required to give up their place in line if their occupational classification changes while their application for legal permanent residence is pending.



workers on temporary visas will choose to stay in the United States, even if they have the option to do so — a certain level of attrition is common under any visa system — and not all will meet the criteria to do so.

Across the skills spectrum, immigration should be treated as a strategic resource. With the creation of provisional visas, employment-based immigration would take place through three basic immigration streams: temporary, provisional, and permanent. Sufficient opportunities and flexibility for legal immigration to meet legitimate labor market needs will reduce pressures for illegal immigration, providing the opportunity for enforcement and other new policies to be effective in creating a modernized immigration system — one that can contribute to the well-being of the nation, immigrants and their families, and host communities.

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*Across the skills spectrum,  
immigration should be treated as a strategic resource.*

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## 2. Engaging State and Local Actors in the Selection of Immigrants

The most successful immigration systems meet receiving nations' strategic policy priorities by continuously evaluating economic/labor market and immigrant integration outcomes and adjusting selection formulae accordingly. They are also always rooted in and respond to the social and economic context in which they exist. Though current policy proposals are promising, the US system presently lacks even a modicum of flexibility in this regard.

The intent of the ideas briefly outlined here is to refocus and better align some immigration visas to the economic interests of states and localities (where the needs are most straightforward) — and do so in a systematic manner. Many places around the world, including Australia, Canada, New Zealand, and Spain, have been experimenting with such programs with considerable success. These places share many of the characteristics of several US states and sub-state jurisdictions: deteriorating demographic and population dynamics, characterized both by a dearth of young workers and fast-growing number of older persons; lack of economic vigor because investors shy away from areas with such demographic distributions; “unplanned” and sometimes unwelcome investments, typically, through the arrival of plants relying on low-wage, low-cost, and often unauthorized, workers (such as poultry and other meat-processing activities); remote locations; and an often unforgiving climate.

A successful worker-selection system that relies partly on immigration would first offer a clear preference for US workers with the requisite qualifications/experience and who are willing to relocate. After a specified period, new immigrants whose formal skills may not be high enough to allow them to compete for high-skilled visas — but who have a combination of hard and soft skills and are hard-working strivers — could go to places where they would have a higher probability to succeed while contributing to the economic revitalization of the communities they join. As a result, local economies would be able to connect to the global economy directly, with two-way flows of workers and services becoming as routine as the flow of goods.

The concept aims to encourage states to work closely with lower-level jurisdictions, employers, economic development agencies, community-based organizations, and other groups of stakeholders — *but always through the federal government which will maintain its authority on all immigration matters* — for the right to select the foreign workers they need. Considering that, with few exceptions, the current system leaves the matching of middle- and lower-skilled workers with employers up to immigrant networks (and thus fuels illegality) a system that organizes the process better is likely to have significant appeal.

The federal government would be asked to set aside an initially modest number of visas for a number



of pilot projects that would test the idea, under the legal framework of a set of *federal-state immigrant-selection partnership agreements*.

## D. Legalization

The fate of the estimated 11 million immigrants living in unauthorized status has long been the most contentious aspect of the US immigration reform debate. However, a confluence of political and policy factors — including the results of the 2012 presidential election, in which Latino and Asian voters overwhelmingly supported the Democratic nominee, and a growing recognition that large-scale deportation is neither feasible nor in the national interest — has brought members of Congress from both parties to the table to discuss legalization as a core element of comprehensive immigration reform.

Approaches to legalization could take several forms, ranging from formulations that would be open to the vast majority of the eligible population (excluding those with serious criminal records and very recent arrivals), to programs initially covering only some groups, such as young people who were brought to the country as children — known as DREAMers<sup>67</sup> — and workers in the agricultural sector, and gradually expanding from there.

There are two threshold issues in a legalization program: a) whether newly legalized individuals would ultimately be eligible for lawful permanent residence and citizenship — an issue that now appears to be settled in favor of full green-card status but only after a lengthy period of time; and b) the scope of the program, which would determine how many unauthorized immigrants are likely to be eligible to qualify for legal status.

The Study Group believes an inclusive legalization program (see elements below for critical characteristics) is, in the vast majority of cases, in the best interests of the individuals and families who have been contributing to the US economy for many years, but also benefits US and regional interests more broadly.

### I. Inclusive Eligibility Date

A new legalization program should use an eligibility date as close to the legislation's date of enactment as possible. Such an approach addresses a key lesson learned from the *Immigration Reform and Control Act of 1986* (IRCA) which limited eligibility to those who could demonstrate having been in the country for at least five years. As such, IRCA left a sizeable portion of the unauthorized population with no access to legal status — perpetuating illegal immigration.<sup>68</sup> Because illegal immigration from Mexico, the country that accounts for the majority of the unauthorized population, has come to a virtual standstill, it is possible to establish an encompassing cutoff date without the risk of creating an incentive to get to the United States simply to apply for legalization, although some may try to do so.

Inclusive eligibility must also recognize that in assessing possible criminal behavior as a disqualifying factor, the very nature of living and working in the country without status is a violation of law. Thus, a program that is a true effort to bring people out of the shadows and make it possible for them to “get right with the law” should excuse most violations of immigration law and the misuse of social security numbers. It should also provide a broad, flexible waiver policy for a range of other minor violations.

<sup>67</sup> The *Development, Relief, and Education for Alien Minors (DREAM) Act*, introduced in various forms since 2001, seeks to provide a path to legalization for eligible unauthorized youth and young adults. It would allow individuals to apply for legal permanent resident status on a conditional basis if, upon enactment of the law, they are under a certain age (proposals have at different times specified 35 or 30 years old), arrived in the United States before the age of 16, have lived in the United States for at least the last five years, and have obtained a US high school diploma or equivalent. For more, see Jeanne Batalova and Margie McHugh, “DREAM vs. Reality: An Analysis of Potential DREAM Act Beneficiaries” (Insight, Migration Policy Institute, July 2010), [www.migrationpolicy.org/pubs/DREAM-Insight-July2010.pdf](http://www.migrationpolicy.org/pubs/DREAM-Insight-July2010.pdf).

<sup>68</sup> Papademetriou, “The Fundamentals of Immigration Reform.”





At the same time, criminal records cannot simply be excused and the legalization program must have integrity and rigor in its implementation. This can best be accomplished by recognizing and putting into practice “earned legalization,” which is the concept underlying today’s policy formulation. Earned legalization is fundamentally different than “amnesty,” which is an act of forgiveness for wrongdoing that dismisses it largely without conditions.

Earned legalization recognizes that wrongdoing has occurred and such acknowledgment is important politically and substantively. An earned legalization program — more akin to a plea bargain — does not dismiss the wrongdoing, but instead calls for accountability, both by those in the United States illegally as well as by the overall society that has been complicit in overlooking and benefitting from some of the circumstances that foster illegal immigration.

For society, the price would be granting, initially, a new form of legal resident status that would be more limited than full permanent residence, but would offer eligible recipients work authorization, freedom to travel in and out of the country, and protection from deportation, except in cases of subsequent serious criminal convictions. Such a status would ultimately allow for adjustment to full lawful permanent residence and to eligibility for US citizenship for those who choose to apply.

For the individuals, the conditions under discussion include registering with the government, submitting to a criminal background check, paying an application fee and fine, learning English, and waiting ten or more years in a new probationary legal status to be eligible to apply for a green card. Demonstrating English proficiency and civics knowledge are also likely requirements for adjusting to permanent residence — conditions currently required only when individuals apply for citizenship.

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*Earned legalization recognizes that wrongdoing has occurred and such acknowledgment is important politically and substantively.*

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The newly legalizing would be at the “back of the line” for adjustment to green-card status. The ten-year wait is intended to allow for current legal immigration backlogs to be cleared. The Department of State reported that as of November 1, 2012, of the more than 4.4 million persons (including principal applicants and their spouses and children) for whom visa petitions had been approved but whose cases were still pending, the vast majority — 97 percent — were applicants for family-based visas.<sup>69</sup> A majority of these applicants came from just a handful of high-demand countries, with those from Mexico alone making up over 1.3 million (30 percent) of those waiting.<sup>70</sup>

## 2. Registration as the First Step

The first step in the legalization process would be a simple registration requirement, consisting of a criminal background check and verification of the applicant’s identity. This is particularly important because of the sheer magnitude of handling a likely caseload far larger than ever before processed by immigration agencies in a limited time frame.

A registration program designed for maximum participation would not require payment of a large fine

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<sup>69</sup> Department of State, *Annual Report of Immigrant Visa Applicants in the Family-sponsored and Employment-based Preferences Registered at the National Visa Center as of November 1, 2012* (Washington, DC: Department of State, 2012), [www.travel.state.gov/pdf/WaitingListItem.pdf](http://www.travel.state.gov/pdf/WaitingListItem.pdf); see also Claire Bergeron, “Going to the Back of the Line: A Primer on Lines, Visa Categories, and Wait Times (Immigration Reform Issue Brief No. 1, MPI, March 2013), [www.migrationpolicy.org/pubs/CIRbrief-Back-of-Line.pdf](http://www.migrationpolicy.org/pubs/CIRbrief-Back-of-Line.pdf).

<sup>70</sup> Department of State, *Annual Report of Immigrant Visa Applicants in the Family-sponsored and Employment-based Preferences Registered at the National Visa Center as of November 1, 2012*.



or proof of language ability at the front end. Rather, there should be the option to meet these and other requirements at a later time, during the course of the ten-year earned legalization period.

The reasons for permitting these conditions to be met over time are both conceptual and pragmatic. Conceptually, meeting increasingly difficult requirements over time is consistent with earning status. Pragmatically, stiff up-front requirements will constitute barriers to participation, especially where fees and fines are concerned. Preliminary calculations by MPI indicate that 62 percent of unauthorized adults are low-income (with household incomes below 200 percent of the federal poverty level),<sup>71</sup> so steep fines would likely price registration and legal status out of reach for many, frustrating the broader goal of legalization.

For registration to be granted, verification of applicants' identity will be a key issue. Countries of origin, especially Mexico and the Central American countries from which around three-quarters of all eligible applicants are likely to come, are well positioned to deliver invaluable assistance to their nationals in providing and authenticating birth certificates, passports, and other key identity documents critical to the registration process. Governments in these countries have long records of experience in supporting such activities and can contribute importantly and reliably to the success of a registration program for their nationals.

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*Countries of origin are... well positioned to deliver invaluable assistance to their nationals in providing and authenticating... key identity documents critical to the registration process.*

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To recap, for a legalization program to succeed as part of a new beginning for effective, enforceable, rational immigration laws, the program must exclude potential applicants only on the basis of a substantial criminal record, eschew onerous requirements such as steep fines that applicants simply cannot pay or borrow at the outset of the program, have clear rules that are implemented with transparency, and deliver equal and predictable outcomes for all who apply. Most important, it must provide access to a green card at the end of the process for all those who meet the requirements.

## **V. New Approaches to Migration Reform in Mexico and Central America: An Evolving Role for Mexico**

As the composition and volume of migration flows in the region have changed, Mexico's role in the regional migration system has also evolved from that of a principal migrant-sending country to that of a territory through which migrants seeking illegal entry into the United States pass, and increasingly, a country in which more and more immigrants settle.

Many tens of thousands of transmigrants now pass through Mexico annually, destined for the United States, continuing a flow that began in the 1980s. This flow intensified during the first decade of the 21<sup>st</sup> century and by at least one measure, apprehensions at the US-Mexico border, it has continued to grow. Apprehensions of individuals from countries other than Mexico have increased from 59,000 in FY 2010

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<sup>71</sup> In 2013, 200 percent of the federal poverty level for a family of four in the 48 contiguous states and the District of Columbia was \$47,100. See US Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation, "2013 Poverty Guidelines," <http://aspe.hhs.gov/poverty/13poverty.cfm>.



to 99,000 in FY 2012, the highest level since 2006.<sup>72</sup> Most of these transmigrants start out in the Northern Triangle. However, they also come from elsewhere in the Americas; and some (a distinct minority) come from Asia and Africa.

Mexico in the last decade has emerged as a significant destination for migrants; Mexican census data confirm that pattern.<sup>73</sup> In fact, the foreign-born share of Mexico's population more than doubled between 2000 and 2010, to 0.9 percent, and is now at its highest level since at least 1940.<sup>74</sup> Mexico is also increasingly relying on Guatemalan workers for its informal service sector and seasonal agriculture.<sup>75</sup>

As Mexico grapples with its evolving role in the region's migration dynamics, policymakers and other stakeholders are beginning to address questions regarding the extent to which the country will facilitate or deter transmigration, the institutional challenges of migration management, and how to work more effectively with neighbors to the north and, ever more importantly, to the south.

### Modernizing Mexico's Migration System

In 2011, Mexico enacted a landmark national migration law that signaled its first major realignment on migration since 1974. The measure, which took effect in late 2012, was the product of years of discussion with experts, including some from abroad, and civil society. Recognizing the country's gradual transition and the need to guarantee the same protections for the foreign born within its borders as it had historically advocated for its own citizens abroad, the law also aimed to create a framework to reduce the high levels of discretion available to officials applying immigration regulations.

Marshaling the fiscal resources to implement the new law and cleansing the system of gross inconsistencies and inveterate corruption will prove challenging. However, the law's enactment has already eased some longstanding frictions between Mexico and Central America, while giving Mexico a more legitimate platform from which to advocate for the proper treatment of its citizens in the United States.

#### I. Mexico and its Southern Border

Much of the Mexico-Guatemala border is dense jungle and swampland. It has only eight formal border crossing points and at least 62 informal crossing points, without accounting for airstrips and maritime ports. Critically needed investment in Mexico's southern border infrastructure is underway, and the Peña Nieto administration has promised to modernize checkpoints and create a border patrol. Indeed, a modern vehicular crossing and cargo facility at the Talisman, Mexico - El Carmen, Guatemala border crossing, replete with up-to-date technology and many US-trained Mexican customs officials, might appear to observers as if it was on the Mexico-US border. But even at the few official border crossing points, informal flows of people and petty trade of goods coexist with — and can dwarf — formal flows, challenging the very concept of regulating crossings. The challenge for Mexico and Guatemala thus is how to allow a certain degree of the “informality” that has been the sociocultural and economic lifeline of cross-border communities to continue, while gradually encouraging more of it to follow regulated pathways.

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72 US Border Patrol, “Illegal Alien Apprehensions from Countries Other Than Mexico By Fiscal Year (Oct. 1<sup>st</sup> through Sept. 30<sup>th</sup>),” [www.cbp.gov/linkhandler/cgov/border\\_security/border\\_patrol/usbp\\_statistics/usbp\\_fy12\\_stats/appr\\_otm.ctt/appr\\_otm.pdf](http://www.cbp.gov/linkhandler/cgov/border_security/border_patrol/usbp_statistics/usbp_fy12_stats/appr_otm.ctt/appr_otm.pdf).

73 Instituto Nacional de Estadística y Geografía (INEGI, National Institute of Statistics and Geography), *Principales resultados del Censo de Población y Vivienda 2010*, 25, [www.inegi.gob.mx/prod\\_serv/contenidos/espanol/bvinegi/productos/censos/poblacion/2010/princi\\_result/cpv2010\\_principales\\_resultadosIV.pdf](http://www.inegi.gob.mx/prod_serv/contenidos/espanol/bvinegi/productos/censos/poblacion/2010/princi_result/cpv2010_principales_resultadosIV.pdf).

74 INEGI, *Indicadores seleccionados de la población nacida en otro país residente en México, 1950 a 2010*, accessed April 16, 2013, [www.inegi.org.mx/sistemas/sisept/Default.aspx?t=mdemo63&c=23634&s=est](http://www.inegi.org.mx/sistemas/sisept/Default.aspx?t=mdemo63&c=23634&s=est).

75 Philip Martin and J. Edward Taylor, *Ripe with Change: Evolving Farm Labor Markets in the United States, Mexico, and Central America* (Washington, DC: MPI, Regional Migration Study Group, 2013), [www.migrationpolicy.org/pubs/RMSG-Agriculture.pdf](http://www.migrationpolicy.org/pubs/RMSG-Agriculture.pdf).



With Central American transmigration returning to prerecession levels, as evidenced by recent US border apprehensions<sup>76</sup> (see above) and Mexican enforcement data,<sup>77</sup> Mexico faces the dilemma of how, and how much, to deter these flows. Domestically, in designing and negotiating its migration law with civil society, the Mexican government made a commitment to protect the rights of all those within its borders, regardless of origin.<sup>78</sup> While laudable, that stance is not always in harmony either with Mexico's responsibilities vis-à-vis the United States, for whom border controls are and will continue to be a top policy priority, or with its responsibilities as a sovereign nation. Moreover, the costs of services to migrants and the institutional capacity for managing complex migration systems which require attention across practically all government portfolios — from security to education — are challenges that Mexico is only beginning to appreciate.<sup>79</sup>

Finally, the law envisions Mexico as a country of immigration and provides for four simplified visa streams: visitors, students, temporary residents, and permanent residents. In recent years, Mexico had developed a new system of temporary visitor visas to allow individuals from Belize and Guatemala into Mexico to work, shop, conduct business, and visit family. In general, these visas (now called Regional Visitor Cards and Border Worker Visitor Cards) permit movement only within a defined geographical area. However, the new law does not, in general, provide a framework or mechanisms for responding to the country's emerging labor market needs. However, as Mexico's economy continues to grow and evolve, and it becomes a more attractive country for immigrants from the immediate region and beyond, the country will need to address this critical element of modern migration policy — strategically managing the process by which foreign workers are legally admitted, both on a temporary and permanent basis, and adjusting it based on the country's needs.

## 2. Disentangling Migration and Security

As drug-trafficking routes have shifted from the Caribbean to Central America, and Colombian cartels have been replaced by violent Mexican-based organizations, the countries of the region — squeezed as they are between the producers of cocaine in South America and the drug's main user market in the United States — are confronting devastating security challenges. Violent clashes between the cartels and public security forces, and among the cartels, spill over into everyday life, impacting social and economic activity at all levels in many areas of the region.

Although homicide rates generally decreased in 2012, the countries of the Northern Triangle still have some of the highest murder rates in the world.<sup>80</sup> The direct costs of insecurity are high — approximately 8.9 percent of Mexico's annual GDP and 7.7 percent of annual GDP, on average, in Guatemala, Honduras, and El Salvador at last reckoning.<sup>81</sup> Beyond spending on public security, law enforcement, and criminal justice, costs include the repair and replacement of damaged and destroyed property; medical, legal, and insurance bills; and ransom payments. In Mexico, an estimated 80 percent of these costs are borne by individuals and private companies.<sup>82</sup>

76 US Border Patrol, "Illegal Alien Apprehensions From Countries Other Than Mexico By Fiscal Year; Unaccompanied Children (Age 0-17) Apprehensions (Fiscal Year 2008 through Fiscal Year 2012)," [www.cbp.gov/linkhandler/cgov/border\\_security/border\\_patrol/usbp\\_statistics/usbp\\_fy12\\_stats/appr\\_uac.ctt/appr\\_uac.pdf](http://www.cbp.gov/linkhandler/cgov/border_security/border_patrol/usbp_statistics/usbp_fy12_stats/appr_uac.ctt/appr_uac.pdf).

77 Instituto Nacional de Migración, *Estadística Migratoria: Síntesis 2012*, Table 3.10, Eventos de extranjeros devueltos por la autoridad migratoria mexicana, según país de nacionalidad, enero-diciembre 2011-2012, [www.politicamigratoria.gob.mx/work/models/SEGOB/CEM/PDF/Estadisticas/Sintesis\\_Graficas/Sintesis2012.pdf](http://www.politicamigratoria.gob.mx/work/models/SEGOB/CEM/PDF/Estadisticas/Sintesis_Graficas/Sintesis2012.pdf).

78 Alba and Castillo, *New Approaches to Migration Management in Mexico and Central America*.

79 Ibid.

80 Selee, Arnsion, and Olson, *Crime and Violence in Mexico and Central America: An Evolving but Incomplete US Policy Response*.

81 Sohnen, *Paying for Crime: A Review of the Relationships Between Insecurity and Development in Mexico and Central America*.

82 Ibid.



The region's criminal organizations control far more than drugs: they also traffic arms, contraband, and counterfeit goods; extort money from immigrants residing in the United States by threatening to kill their relatives back home; and manipulate and corrupt financial networks in order to launder the resulting profits. There is considerable disagreement both about the role of criminal and drug-trafficking groups in migration and the extent of the phenomenon. Authorities and experts agree that there is almost no direct link between large criminal groups and the movement of migrants in Central America. In Mexico, while the story is more complex, it does not appear that the two activities are integrated, or that there is a structural connection between drug cartels and migrant movement.<sup>83</sup>

However, the routes along which migrants and drugs move often overlap, and cartels are typically inclined to charge tolls for the safe passage of migrants. At the same time some criminal organizations have branched into kidnapping and extortion of migrants in order to gain new income streams and assert further territorial control. Deportations of foreign-born, US-raised criminals from the United States to the region have contributed to the growth of international gangs now operating throughout the region. This development adds to the challenges transmigrants face. And while such migrants have long suffered abuses by both criminals and public agents on their journey northward, the Mexican government's crackdown on criminal organizations since the mid-2000s has had the effect of making the journey even riskier.<sup>84</sup>

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### *The routes along which migrants and drugs move often overlap.*

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Some estimates suggest that there may be as many as 20,000 Central Americans who are kidnapped each year in Mexico, generating about \$40 million annually for gangs.<sup>85</sup> Whether the estimate is reasonable or not, the scale is large and killings, including some mass killings, of migrants have become common — raising concerns about the emergence of a “new normal” in which weak government institutions cannot exercise one of a government's key responsibilities: monopoly on the use of force.<sup>86</sup> In order for this new normal not to develop roots that will make the task of regaining control much harder, the rule of law must prevail both within Mexico and in the region.

By most accounts, citizen security is affected further by the spreading drug culture, which, together with the violence associated with drug trafficking, deeply challenges several countries in the region. The drug-trafficking business is deeply implicated in criminal activities on the part of traffickers, dealers (including organized-crime groups), and consumers who fund crime through consumption. And since issues of consumption are both at the heart of the matter and the most difficult to address, the immediate policy onus falls on three strategies: eradication at the source; interdiction abroad, that is, disrupting the drug trade before the product reaches one's borders; and stopping drugs at the border.<sup>87</sup>

As an anti-drug policy, the border is the last, and not particularly reliable, line of defense. Experienced law enforcement leaders, such as former Arizona Attorney General Terry Goddard, have articulated strategies that extend beyond eradication and interdiction to the use of tactics and statutory tools that have been successfully used to combat organized crime and international terrorist operations. Three of these tools are particularly relevant to this discussion: (1) hitting the cartels that control the smuggling of drugs, guns, money, and people in their pocketbooks; (2) disrupting them at the source by dismantling the

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83 Meeting of RMSG members with high-level Mexican officials and international security experts, Antigua, Guatemala, March 2012.

84 Alba and Castillo, *New Approaches to Migration Management in Mexico and Central America*.

85 Steven Dudley, *Transnational Crime in Mexico and Central America: Its Evolution and Role in International Migration* (Washington, DC: MPI, Regional Migration Study Group, 2012), [www.migrationpolicy.org/pubs/RMSG-TransnationalCrime.pdf](http://www.migrationpolicy.org/pubs/RMSG-TransnationalCrime.pdf).

86 Rubio, *In the Lurch Between Government and Chaos*.

87 Randall Hansen and Demetrios G. Papademetriou, *Securing Borders: The Intended, Unintended, and Perverse Consequences*, paper presented at the MPI/Munk School for Global Affairs conference on “The Politics and Policy of Border Security,” March 22-23, 2012.





various pieces that support the criminal networks; and (3) following the money to deny the networks the means to get their profits back to Mexico and beyond.<sup>88</sup>

Policymakers in the region must understand the intersecting and related dynamics of changing migration flows, and significant and evolving security challenges, independently of each other, but tackle them in coordinated ways. Governments also need to better differentiate among the problems of drug trafficking, organized crime, and violence, and tailor policies and strategies accordingly. Just as each country must assess its own institutional challenges and individually develop and strengthen its own national security frameworks, the countries of the region inextricably tied by geography as they are, must address citizen security challenges better by placing a premium on a commonly shared vision of regional security. Only then can they develop effective systems for sharing information organically and coordinating anti-violence, anti-drug, and rule-of-law activities.

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### 3. Intraregional Cooperation: Challenges and Successes

While many migration management activities are necessarily the responsibility of sovereign governments and must be recognized as such, there are considerable avenues of opportunity for regional cooperation.

Although a critical piece, security issues must not be the principal focus of regional relations. It is important that each of the countries in the region assess and rethink its role in addressing the challenges and opportunities posed by migration with the goal of creating the conditions in which migration can be a source of better opportunities for the region and its citizens. Cooperation and collaboration, based on building trust and pursuing shared goals through practical, on-the-ground working relationships, are critical to reaching the goals of greater economic growth and social development that are at the heart of well-functioning, inclusive, and stable democratic societies. The migration relationships in the region thus need to evolve to the point of enabling better binational and regional collaboration, just as each country must tackle its internal challenges.

Cooperation on some migration issues is already occurring with considerable success:

- The FBI transmits names and other pertinent information regarding criminal deportees to intelligence and public security agencies in the region.
- The US military's Northern Command (NORTHCOM) has helped Mexican law enforcement in operational planning and intelligence sharing; NORTHCOM also participates in an interagency border security unit focusing on Mexico's southern border; and in December 2012 it became home to a Special Operations Command Center (SOCNORTH) tasked with helping Mexico set up its new National Intelligence Center and training elite Mexican anti-cartel commando forces.<sup>89</sup> (The Command reports that it incorporates human-rights principles into all its cooperation activities.)

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<sup>88</sup> Terry Goddard, *How to Fix a Broken Border: A Three Part Series* (Washington, DC: Immigration Policy Center, 2011/2012), [www.immigrationpolicy.org/perspectives/how-fix-broken-border-three-part-series](http://www.immigrationpolicy.org/perspectives/how-fix-broken-border-three-part-series); see also Hansen and Papademetriou, *Securing Borders: The Intended, Unintended and Perverse Consequences*.

<sup>89</sup> Associated Press, "US Commandos Boost Numbers to Train Mexican Forces," January 17, 2013, <http://bigstory.ap.org/article/us-commandos-boost-numbers-train-mexican-forces>.



- The US Department of Homeland Security (DHS) is working with Central American interior ministries on exchanging information about people at risk for human trafficking, developing a regional approach to the issue.
- Under the Merida Initiative and CARSI, as discussed earlier, the United States has provided direct assistance to combat crime, with an increasing focus on citizen security.
- The Guatemalan government and the US State Department are taking a collaborative approach to address the increasing migration of unaccompanied minors, an initiative in which they hope to eventually involve Mexico and perhaps other neighboring countries.

Despite these advances, US and Mexican officials have sometimes characterized the migration relationship in rather different terms. US officials describe enforcement cooperation with Mexico as more wide-ranging and effective than it has ever been. They cite interoperable, cross-border communications with Mexico to support law enforcement coordination and joint public-safety responses in combating smuggling and other cross-border and international criminal enterprises. The Border Patrol's strategic plan for 2012-16 contains a notable new theme — a heavy emphasis on partnerships, especially with neighboring nations — that would have been “unthinkable” until recently.<sup>90</sup>

Mexican officials, for their part, report that dialogue and cooperation with US Immigration and Customs Enforcement (ICE) can be difficult. Practical issues surrounding US return of individuals with criminal records to their home countries have been a longstanding source of tension. Legislation such as the *Secure Fence Act*, which mandated the construction of hundreds of miles of fencing at the US-Mexico border, is perceived within the region as moving backwards on migration management.<sup>91</sup> Law enforcement cooperation with Central America is experienced in the region as a US concern with international security threats alone, to the exclusion of strengthening state capacity more broadly, supporting still-new democracies or social development to reduce deep inequality, and neglecting marginalized groups and geographic areas.

Such glass half-empty, half-full viewpoints are a reflection of the asymmetrical nature of bilateral and regional relationships and of the inherent difficulties of coordination and cooperation in an area where the overall policy framework within which officials must function has not been rationalized to align with countries' economic and foreign policy interests.

Most recently, as net new illegal migration from Mexico has waned and the election of President Peña Nieto has led to a new emphasis on citizen security and different strategies for combating criminal organizations from those of the prior administration, Mexican officials describe trust and joint efforts as steadily improving and expanding. However, there is a need for a bigger framework or consensus around shared goals with Mexico and in the region that govern how the pieces fit together. Without it, US-Mexico and regional cooperation on migration is likely to continue as mostly ad hoc sets of projects that lack broader strategic cohesion or meaning.

Should US immigration reform be successful, the Study Group notes that it would open a vital opportunity for bilateral discussions and collaboration — with the goal of avoiding disorder, corruption, and illegality in the migration process — with regard to new US temporary worker programs. The Mexican government and other sending countries would in any event be asked to serve an important role in identifying and providing predeparture registration, orientation, and training for temporary workers. Elements of the Mexico-Canada agreement on seasonal agricultural workers, for example, could be seen as a model along which these conversations could evolve.

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90 US Customs and Border Protection (CBP) *Border Patrol 2012-2016 Border Patrol Strategic Plan* (Washington, DC: CBP, 2012): 5, [www.cbp.gov/xp/cgov/border\\_security/border\\_patrol/bp\\_strat\\_plan/](http://www.cbp.gov/xp/cgov/border_security/border_patrol/bp_strat_plan/); Meissner, Kerwin, Chishti, and Bergeron, *Immigration Enforcement in the United States: The Rise of a Formidable Machinery*: 26.

91 Meeting of RMSG members with high-level Mexican migration officials, Antigua, Guatemala, March 2012.



Beyond the US-Mexico relationship, Mexican-Central American cooperation on migration is an increasingly important dimension. It is promising that Mexico's new migration law was drafted with input from Central American counterparts, who generally hail it as an important step forward. Mexico and the Central American countries have agreed to processes that are moving toward orderly and secure repatriation, and Mexico works with these countries' consulates to provide information to migrants in Mexico about their rights. Advances are also taking place bilaterally. The Mexican government is collaborating with Guatemala's immigration agency on an integrated software system to record entries and exits through official Guatemalan ports of entry. Moreover, Guatemalans crossing from the country's border region into Mexico through regular ports of entry are issued biometric identification cards that permit certain activities. These may include work within a prescribed area if they have a job offer and/or the ability to stay in Mexico for short periods of time. This latter form of admission is very similar to the border crossing cards the United States has been issuing for many decades to Mexicans and Canadians for travel within the border states.

Bilateral cooperation between Mexico and El Salvador is also progressing. Salvadoran officials have reported successful information exchanges with the Mexican government (including sharing access to traveler databases), noting that separate handling of the issues of migration and security and organized crime has been critical to this success.<sup>92</sup>

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Furthermore, El Salvador, Guatemala, and Honduras have pooled resources to expand their consular networks in Mexico, opening joint offices to serve their citizens. Such initiatives must become part of a broader national and region-wide cooperation that builds a foundation for systemic changes that share information on migrants and verify their identities, help all governments in the region better understand and measure cross-border flows, and give authorities the tools to make crossings safe and more orderly. Sharing information on deportees, in particular, can help governments appropriately address individual and community needs, both in the case of returning migrants who may need re-integration assistance and in the case of criminal deportees.

Intra-Central American cooperation also continues to evolve, if slowly and haphazardly. Under the Central America-4 (CA-4) Agreement, nationals of El Salvador, Guatemala, Honduras, and Nicaragua enjoy free movement amongst these four countries without a passport,<sup>93</sup> though the agreement does not grant work authorization and CA-4 nationals working without such authorization can be deported. (El Salvador alone allows for the entry of seasonal agricultural workers from other Central American countries.<sup>94</sup>) Between them, however, these countries have thousands of miles of uncontrolled borders and hundreds of

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92 Private meetings of RMSG members with high-level Salvadoran foreign ministry and security officials, San Salvador, July 2012.

93 As part of the Central American countries' efforts to further regional integration under the Central American Integration System (SICA, in Spanish), in 2002 and 2005 these four countries ratified the agreement granting intraregional mobility for a maximum of six months, allowing their nationals to move through the territories of the other three countries with only an identification document; for a more detailed explanation, see Alba and Castillo, *New Approaches to Migration Management; Acta de Acuerdos Carta del CA-4* [Minutes of the Charter Agreements of the CA-4], signed by the vice ministers of the four countries at the SICA General Secretariat, San Salvador, El Salvador, May 11, 2000, based on a previous agreement of the presidents in April 1998; and *Acuerdo Regional de Procedimientos Migratorios CA 4 para la Extensión de la Visa Única Centroamericana: Alcances del Tratado Marco y la Movilidad de Personas en la Región* [Regional Agreement on CA-4 Migration Procedures for Extending the Single Central American Visa: Reaches of the Framework Treaty and the Mobility of Persons in the Region], Tegucigalpa, July 2005.

94 Alba and Castillo, *New Approaches to Migration Management*.



unofficial crossings.<sup>95</sup> Though such open borders facilitate some aspects of regional integration, including commercial trade, they have not necessarily led to formal labor market integration. They do, however, facilitate the movement of illegal drugs and arms through the region by Mexican-based trafficking cartels and Central American-based transporters.

The Study Group recognizes that border controls alone cannot deliver the policy outcomes that are foremost in most citizens' minds, namely preventing all unwanted goods and people from entering their country. No border in peacetime can meet this standard. To better control the illegal entry of both goods and people, the response must be as multifaceted and adaptable as the activity it seeks to control. An example from the human mobility aspect of the issue demonstrates the point well. Immigration rules must be able to adjust the number of work visas with the economic cycle, and investments of enforcement resources at the border, in the country's interior, and at the workplace must always reinforce each other.

However, a truly comprehensive approach must reduce the harms that trafficking and organized crime cause, in part by disrupting the markets that support and thrive upon illegality. This includes targeting both the facilitators and clients of illegality, and weakening the smuggling cartels' business model by disrupting their ability to deliver a "product" and collect a fee by increasing their risks and reducing profits.<sup>96</sup>

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The reach of national governments is often limited when it comes to border regions. And indeed, showing flexibility that defers, when appropriate, to decisions and solutions that local communities devise is a solid principle to stand on for many issues. Regarding borders, however, central governments must build and maintain borders that are "hard" when it comes to things that affect the security interests of each country *and the wider region*, and permeable enough to allow the discrete trade and associated movements of people who live along borders in Central America and southern Mexico so that they can continue to be the economic and sociocultural conduits they have always been for their communities.

To better manage these complex interactions and their untoward effects, Mexico and Central American governments should rethink and recalibrate their relationship with their own border states and border communities — a combined governance and development strategy that Mexico has used to good advantage with its own southern border state, Chiapas. A key element of this strategy must focus on improving public security in border communities and regions, and involving local governments more organically in security-related policymaking and implementation.<sup>97</sup>

There is no regional body today that is *effectively* addressing either migration or security issues. While the Central American Integration System (SICA)<sup>98</sup> offers a forum for collaboration, it is primarily an aggregator and disseminator of information, rather than an operational or policy development actor. Asymmetries between government institutions and structures abound. Lack of trust, border disputes,

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95 Espach and Haering, *Border Insecurity in Central America's Northern Triangle*.

96 Hansen and Papademetriou, *Securing Borders: The Intended, Unintended, and Perverse Consequences*; see also Brian Grant, Demetrios G. Papademetriou, and Natalia Banulescu-Bogdan, *Disrupting the Market for Illegal Migration: A Challenge for Government and Society*, paper presented at the Transatlantic Council on Migration meeting on "Curbing the Influence of 'Bad Actors' in International Migration," May 30-June 1, 2012.

97 Espach and Haering, *Border Insecurity in Central America's Northern Triangle*.

98 SICA, the chief regional multilateral organization, was created by Belize, Honduras, Panama, Costa Rica, Nicaragua, El Salvador, and Guatemala in 1991 as the institutional framework for the political, social, and economic integration of Central America.





tense civil-military relationships, and *very scarce resources* compound the problem.

The situation calls for bold collaborative measures. The Study Group, however, cautions against the conventional response of convening a new regional body to address these deeply rooted problems. Such an initiative would almost certainly be underfunded, weak, and of limited value in the absence of a clear strategic focus and mandate. Cooperation is meaningless without an agreed-upon strategy, or, at least, a common understanding of the problem and agreement on the objectives.

Nor would regional cooperation alone be sufficient. Public administration in the Northern Triangle is, on the whole, weak, characterized by ad hoc decision-making, and with an underdeveloped policy infrastructure.<sup>99</sup> Management of migration and borders in these countries is no different. The responsible agencies lack critical fiscal, technological, and human resources, and vaguely written legislation means there is significant room for government discretion. This, in turn, creates the conditions for corruption, abuse, and the irregular application of laws.<sup>100</sup> The Study Group endorses actions and a commitment to national institutional reforms, as discussed earlier in this report, as the best answer to surmounting the barriers to effective intraregional migration management efforts.

## VI. Regional Migration and Human Capital: A Longer-Term Regional Vision for Human-Capital Development

Migration has often dominated relations between the United States, Mexico, and much of Central America and is likely to continue to play a prominent role in the years ahead. But, as discussed earlier, the underlying assumptions about the drivers of regional migration are changing, if in different ways and at different rates. Two of these drivers, demography and middle-class-fueled economic growth, are at the heart of these changes. At the same time, the region's economies are becoming ever more interdependent, once more, if unevenly so.

To make the perhaps all too obvious point, Mexico is well ahead of the other countries in the region in a number of crucial economic and social indicators. These include steady GDP growth since 2009,<sup>101</sup> very substantial increases in GDP per capita,<sup>102</sup> a tripling of Mexican students in higher education over the last three decades,<sup>103</sup> and a large and growing middle class estimated variously at 30 to 60 percent of the population based on different measures.<sup>104</sup> Moreover, Mexico's housing credit market has been booming for the last decade or so,<sup>105</sup> and a commitment by successive governments to investments in social development and in building Mexico's social safety net means that many of the factors that had propelled

99 Hugo Beteta, *Central American Development: Two Decades of Progress and Challenges for the Future* (Washington, DC: MPI, Regional Migration Study Group, 2012), [www.migrationpolicy.org/pubs/RMSG-CentAmDevelopment.pdf](http://www.migrationpolicy.org/pubs/RMSG-CentAmDevelopment.pdf).

100 Alba and Castillo, *New Approaches to Migration Management*.

101 World Bank, "GDP growth (annual %)," accessed April 16, 2013, <http://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG>.

102 Per capita GDP in Mexico rose from US\$7,852 in 2009 to \$10,047 in 2011; see World Bank, "GDP per capita (current US\$)," accessed April 16, 2013, <http://data.worldbank.org/indicator/NY.GDP.PCAP.CD>.

103 United Nations Educational, Scientific, and Cultural Organization (UNESCO) Institute for Statistics, Data Centre, "Mexico: Enrollment in total tertiary, public and private, full and part-time; years 1980 and 2010," accessed April 16, 2013, [http://stats.uis.unesco.org/unesco/TableViewer/document.aspx?ReportId=136&IF\\_Language=eng&BR\\_Topic=0](http://stats.uis.unesco.org/unesco/TableViewer/document.aspx?ReportId=136&IF_Language=eng&BR_Topic=0).

104 Mauricio Cárdenas, Camila Henao, and Homi Kharas, *Latin America's Global Middle Class* (Washington, DC: Brookings Institution, 2011): 6, 18, [www.brookings.edu/research/papers/2011/04/27-global-middle-class-cardenas-kharas](http://www.brookings.edu/research/papers/2011/04/27-global-middle-class-cardenas-kharas).

105 Luisa Zanforlin and Marco Espinosa, "Housing Finance and Mortgage-Backed Securities in Mexico" (IMF Working Paper EP/08/105, International Monetary Fund, April 2008), [www.imf.org/external/pubs/ft/wp/2008/wp08105.pdf](http://www.imf.org/external/pubs/ft/wp/2008/wp08105.pdf); Marco A. López-Silva, Raúl Abreu-Lastra, Alberto Saracho-Martínez, and Agustín Paulín-Hutmacher, "Housing Finance in Mexico: Current State and Future Sustainability" (Technical Notes No. IDB-TN-287, Department of Research and Chief Economist, Inter-American Development Bank, November 2011), <http://idbdocs.iadb.org/wsdocs/getdocument.aspx?docnum=36538394>.





Mexicans to leave Mexico have been subsiding. A recent Gallup opinion poll makes the point most directly: only 11 percent of Mexicans reported that they would leave if given the opportunity — about half as many as in 2007 and about the same proportion of US residents who would leave the United States if given the opportunity.<sup>106</sup>

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*The underlying assumptions about the drivers of regional migration are changing, if in different ways and at different rates.*

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The story, however, neither starts nor stops here. Undergirding much of the positive economic data and the core of Mexico's newfound economic standing is the North American Free Trade Agreement (NAFTA), which has hit its stride in a very strong way. Bilateral Mexico-US trade in goods and services now stands at almost \$1.5 billion per day,<sup>107</sup> making Mexico the United States' third-largest trading partner after Canada and China.<sup>108</sup> More to the point, nearly 44 percent of total bilateral trade in goods (\$217 billion out of almost \$500 billion) is US exports to Mexico, an amount greater than the combined US exports to Japan and China (about \$184 billion).<sup>109</sup> These exports support as many as 6 million US jobs.<sup>110</sup> The economic integration between Mexico and the United States goes even deeper. The US content of Mexican exports to the United States is about 40 percent (as compared to 25 percent for Canada);<sup>111</sup> the United States has an estimated \$11.5 billion advantage in trade in services;<sup>112</sup> and an estimated 6.9 million people born in Mexico work in the United States, making stark the degree of labor market interdependence between the two countries.<sup>113</sup>

Moreover, the new Mexican administration has had an auspicious beginning in having persuaded the other two major political parties to sign the Pact for Mexico, and enabling legislation and implementation of structural reforms in three critical areas: labor, education, and telecommunications. Indeed, from economic integration and interdependence to governance reforms and progress in social development, today's Mexico bears little resemblance to yesterday's — and tomorrow's Mexico is poised to be an even more important, indeed crucial, US economic partner.

But while Mexico's progress has been in many ways remarkable, as discussed earlier, the rest of the countries of interest to the Study Group have also been making progress. The political and policy opportunities thus lie in harnessing these shifting forces in a way that encourages broad-based, inclusive growth and maximizes economic competitiveness in the region. To succeed in that quest requires a sustained focus on addressing issues of human-capital formation and mobility. In that regard, and in

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106 Gerver Torres and Andrew Dugan, "Desire to Leave Same in U.S. and Mexico," Gallup World, February 25, 2013, [www.gallup.com/poll/160694/desire-leave-mexico.aspx](http://www.gallup.com/poll/160694/desire-leave-mexico.aspx).

107 US Department of Commerce, Bureau of Economic Analysis (BEA), "Table 12 U.S. International Transactions by Area – Mexico," March 14, 2013, [www.bea.gov/iTable/iTableHtml.cfm?reqid=6&step=3&isuri=1&600=46&601=2012&602=0&603=22&604=0&605=1](http://www.bea.gov/iTable/iTableHtml.cfm?reqid=6&step=3&isuri=1&600=46&601=2012&602=0&603=22&604=0&605=1).

108 The third party to NAFTA, Canada, is the United States' largest trade partner. US exports of goods to Canada — \$294 billion — comprise 47 percent of total bilateral trade in goods; see BEA, "Table 12 U.S. International Transactions by Area – Canada," March 14, 2013, [www.bea.gov/iTable/iTableHtml.cfm?reqid=6&step=3&isuri=1&600=41&601=2012&602=0&603=9&604=0&605=1](http://www.bea.gov/iTable/iTableHtml.cfm?reqid=6&step=3&isuri=1&600=41&601=2012&602=0&603=9&604=0&605=1).

109 MPI analysis of BEA data, "Table 12 U.S. International Transactions by Area," March 14, 2013, [www.bea.gov/iTable/iTable.cfm?ReqID=6&step=1#reqid=6&step=1&isuri=1](http://www.bea.gov/iTable/iTable.cfm?ReqID=6&step=1#reqid=6&step=1&isuri=1).

110 Christopher E. Wilson, *Working Together: Economic Ties Between the United States and Mexico* (Washington, DC: Woodrow Wilson International Center for Scholars, 2011), [www.wilsoncenter.org/sites/default/files/Working%20Together%20Full%20Document.pdf](http://www.wilsoncenter.org/sites/default/files/Working%20Together%20Full%20Document.pdf).

111 See Christopher E. Wilson, "A U.S.-Mexico Economic Alliance: Policy Options for a Competitive Region," in *New Ideas for a New Era: Policy Options for the Next Stage in U.S.-Mexico Relations* (Washington, DC: Wilson International Center for Scholars, 2013), [www.wilsoncenter.org/sites/default/files/new\\_ideas\\_us\\_mexico\\_relations.pdf](http://www.wilsoncenter.org/sites/default/files/new_ideas_us_mexico_relations.pdf).

112 MPI Analysis of BEA data, accessed April 16, 2013, [www.bea.gov/international/xls/table\\_C.xls](http://www.bea.gov/international/xls/table_C.xls).

113 Census Bureau, 2011 ACS, accessed April 16, 2013, [http://factfinder2.census.gov/faces/tableservices/jsf/pages/product-view.xhtml?pid=ACS\\_11\\_1YR\\_S0201&prodType=table](http://factfinder2.census.gov/faces/tableservices/jsf/pages/product-view.xhtml?pid=ACS_11_1YR_S0201&prodType=table).



light of the fundamental changes that are taking place throughout the region however unevenly and from vastly different starting points, the Study Group notes that the countries of the region need to develop and embrace a longer-term vision for the intersection of human-capital development and economic growth and competitiveness policies, and the role that migration can play in them.

Although there is not a universal recipe for economic growth, economists have long been interested in the connections between human capital and development.<sup>114</sup> The Study Group's own research suggests that a scarcity of skilled labor in Mexico and elsewhere in the region is limiting competitiveness overall.<sup>115</sup> Moreover, a widespread lack of linkages between the private sector and education and training institutions across the region means that many students and workers are not gaining the knowledge and skills they need in the labor market.<sup>116</sup>

As with Mexico, incomes have been rising in El Salvador, Guatemala, and Honduras. However, this trend has been driven largely by remittances rather than earned income.<sup>117</sup> This suggests that the Northern Triangle countries have a longer way to go in creating formal jobs that provide opportunities for citizens to lift themselves and their families out of poverty. Furthermore, though remittances have been shown to improve access to health care and basic schooling, they can also serve as a disincentive to higher education for remittance-receiving households.<sup>118</sup> Hence, while remittances are important — even crucial — for the well-being of those households that receive them, reliance on remittances alone to improve welfare is not a sustainable development solution for these countries.

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*Governments and employers must learn to see the region's human capital as a regional resource, and build and harness it to advantage.*

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If the region's most promising industries are to remain regionally, and even globally, competitive, and if broad-based economic development is to advance further in Mexico and Central America, governments and employers must learn to see the region's human capital as a regional resource, and build and harness it to advantage. (This is something that the United States has always done to great benefit.) Accordingly, and working toward common goals, government and industry must invest strategically in building up each country's education and workforce training infrastructure with the aim of not only making workers more productive in the short term but by constantly thinking about the skills that will make them more competitive, and thus profitable, in the longer term. That is, these actors must think about how best to equip individuals with the skills that will allow them to take advantage of technological change; build national and, gradually, regional systems that over time certify workers' qualifications in key sectors; and provide their citizens with opportunities to utilize their skills where they are most needed and valued. Well-prepared workforces are also a core asset for foreign investors when they make decisions about where to invest. To make the point as starkly as possible: for the business sector, strengthening human capital is not about *noblesse oblige*; it is about enlightened self-interest.

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114 The augmented Solow growth model proposed by N. Gregory Mankiw, David Romer, and David N. Weil shows that an important share of the difference in per capita income across countries is attributable to years of schooling; see "A Contribution to the Empirics of Economic Growth" in the *Quarterly Journal of Economics* Vol. 107, no. 2 (1992): 407-37. More recently, Nicola Gennaioli, Rafael La Porta, Florencio Lopez-de-Silanes, and Andrei Shleifer found that human capital accounts for 50 percent of subnational development differences, with the educational attainment of entrepreneurs being particularly important; see "Human Capital and Regional Development" (NBER Working Paper Series, Working Paper No. w17158, NBER, June 2011), [www.nber.org/papers/w17158](http://www.nber.org/papers/w17158).

115 Hanson, *Understanding Mexico's Economic Underperformance*.

116 Peter A. Creticos and Eleanor Sohnen, *Manufacturing in the United States, Mexico, and Central America: Implications for Competitiveness and Migration* (Washington, DC: MPI, Regional Migration Study Group, 2013), [www.migrationpolicy.org/pubs/RMSG-Manufacturing.pdf](http://www.migrationpolicy.org/pubs/RMSG-Manufacturing.pdf).

117 Beteta, *Central American Development: Two Decades of Progress and Challenges for the Future*.

118 Raymundo Campos-Vazquez and Horacio Sobarzo, *The Development and Fiscal Effects of Emigration on Mexico* (Washington, DC: MPI, Regional Migration Study Group, 2012), [www.migrationpolicy.org/pubs/RMSG-fiscaleffects-emigration.pdf](http://www.migrationpolicy.org/pubs/RMSG-fiscaleffects-emigration.pdf).



As for society, investments in education and workforce development reforms that gradually develop common standards in key sectors across the region are the basic ingredients for a better future for its citizens. In turn, better opportunities create an engine for growth in each country while strengthening the region's competitiveness. Good human capital also contributes greatly to the virtuous cycles of economic growth and upward economic mobility by encouraging the movement away from economic informality (a survival strategy that has its place in the earlier stages of economic growth) and toward more formal-sector activities.

The underlying premise is that greater investment in human capital and cross-border collaboration in workforce training and recognition of qualifications for key sectors of the regional economy will allow employers to benefit from a skilled workforce, while workers benefit from returns on educational and training investments regardless of where they ultimately choose to sell their labor — or for how long. To that end, policies that encourage *positive circularity* — that is, allow migrants to take advantage of temporary employment opportunities in both countries of origin and destination — can broaden the menu of opportunity for both employers and employees. Thus, investing in human capital has the potential to help all the region's citizens — migrants and nonmigrants alike. Over time, successful workforce development also will mitigate today's concerns about the scope and "quality" of migration from the region, while setting the stage for future regional migration to be more of a genuine choice, rather than a matter of sheer economic survival.

### A. Barriers and Opportunities to Building and Activating Human Capital

The countries of the region must confront and overcome two major challenges in achieving this vision. First, they must find the resources and political will to build adequate human capital in areas that are most relevant to economic development. Second, they must make education and training qualifications portable and "transferable" — that is, recognized and thus properly compensated throughout the region. In Mexico and Central America, formal unemployment ranges from 4.8 percent to 6.8 percent, with unemployment among 15- to 24-year-olds nearly twice as high, at around 9.5 to 12.2 percent.<sup>119</sup> (Mexico's unemployment rates represent the lower end of each of these ranges.) Many more people are underemployed. Most countries don't measure underemployment, but Mexico recently estimated that rate to be 11.4 percent nationally.<sup>120</sup> Depending on methods of measurement, between 45 and 74 percent of workers in Mexico and the Northern Triangle hold informal jobs — with women, youth, rural workers, and the less-educated significantly more likely to be employed in the informal sector.<sup>121</sup>

In short, despite much progress, educational and workforce training systems need to do much better in equipping many more of the region's citizens with the knowledge and skills demanded by today's employers, and that are essential to tomorrow's economic growth and competitiveness. Many young people leave school too early and are otherwise poorly prepared for the formal-sector jobs that pay family-sustaining wages. This is particularly the case in the Northern Triangle countries. Specifically, workforce development programs throughout the region, though designed and carried out with the best of intentions, often lack linkages to real-world labor market needs, and remain inaccessible to those who

119 Economic Commission for Latin America and the Caribbean (ECLAC) and International Labor Organization (ILO), "The Economic Situation in Latin America and the Caribbean," Number 7 (Santiago and Geneva: ECLAC and ILO, 2012), [www.ilo.org/wcmsp5/groups/public/---americas/---ro-lima/documents/publication/wcms\\_192597.pdf](http://www.ilo.org/wcmsp5/groups/public/---americas/---ro-lima/documents/publication/wcms_192597.pdf); ILO, "ILOSTAT Database," [www.ilo.org/ilostat](http://www.ilo.org/ilostat); OECD, "OECD.Stat Extracts," <http://stats.oecd.org>.

120 INEGI, National Survey of Occupation and Employment (ENOE), "Strategic Indicators," 4<sup>th</sup> quarter 2012, accessed April 9, 2013, [www.inegi.org.mx/Sistemas/temasV2/Default.aspx?s=est&c=25433&t=1](http://www.inegi.org.mx/Sistemas/temasV2/Default.aspx?s=est&c=25433&t=1). Includes underemployed and part-time workers.

121 ILO, "Key Indicators of the Labor Market, 7<sup>th</sup> Edition," Table 8, <http://kilim.ilo.org/KILMnet>; see also Centro de Estudios Distributivos Laborales y Sociales, Universidad Nacional de La Plata, Argentina, and the World Bank, "Socio-Economic Database for Latin America and the Caribbean," accessed March 12, 2013, <http://sedlac.econo.unlp.edu.ar/eng/>; and INEGI, "Indicadores oportunos de ocupación y empleo: Cifras preliminares durante febrero de 2013," accessed April 15, 2013, [www.inegi.org.mx/inegi/contenidos/espanol/prensa/boletines/boletin/Comunicados/Indicadores%20de%20ocupacion%20y%20empleo/2013/Marzo/comunica.pdf](http://www.inegi.org.mx/inegi/contenidos/espanol/prensa/boletines/boletin/Comunicados/Indicadores%20de%20ocupacion%20y%20empleo/2013/Marzo/comunica.pdf).



might benefit most from them. Many workers find themselves out of a job when they do not have the opportunity to learn the skills to keep pace with technological change. Others are likely to find their skills and education underutilized — and undervalued — because their qualifications or credentials are not recognized by a new employer, a new state, or a new country.

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*Educational and workforce training systems need to do much better in equipping many more of the region's citizens with the knowledge and skills demanded by today's employers.*

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Sound policymaking, of course, must take into account more than a 50,000-foot view of the demand for skills. It must also be informed by a granular understanding of skills gaps and the barriers to using human capital effectively in industries whose health and growth are critical to a country's development and, more broadly, the economies of the region, including sectors that are key employers of Mexican and Central American immigrants in the United States.

The Study Group has carried out a series of studies on four critical and growing economic sectors that hold significant potential for employment across the region. They are health care (with a focus on nursing and associated activities), agriculture, manufacturing, and logistics and transportation.<sup>122</sup> These four sectors were chosen on the basis of three central criteria: they already employ a significant share of individuals born in Mexico and Central America; they are expected to continue to grow robustly throughout the region; and they are integral both to national economies and regional economic competitiveness. Each sector is also highly likely to need more workers with specialized skills and experience than any one country alone can produce. If, as the Study Group believes, it is likely that worker shortfalls in these sectors may occur in the coming decades, each of the countries of the region would do well now to prepare for this possibility.

The Study Group's findings show that although different sectors face different human-capital challenges, several commonalities emerge across the two criteria discussed in this section of the report: (1) in *developing* human capital — that is, educating and training the people of the region to be prepared, productive members of the global economy; and (2) in *making it portable* — that is, allowing individuals to transfer their knowledge and qualifications between educational institutions, employers, and countries. Specifically, the challenges include:

- **Quality and relevance of education.** Educational attainment has improved impressively in Mexico and the Northern Triangle, particularly at the primary level, and Mexico now produces more engineering graduates per capita than the United States.<sup>123</sup> However, a widespread lack of linkages between education and training institutions and the private sector means that many students and workers are not gaining the knowledge and skills they will need in order to succeed in the labor market. These include essential communications, problem-solving, and critical thinking skills, as well as basic technical knowledge and competencies, especially in the STEM (science, technology, engineering, and mathematics) disciplines that are so essential to productivity and innovation. Where education is of poor quality and irrelevant to their needs,

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122 For the published RMSG sectoral studies, see Allison Squires and Hiram Beltrán-Sánchez, *Strengthening Health Systems in North and Central America: What Role for Migration?* (Washington, DC: MPI, Regional Migration Study Group, 2013), [www.migrationpolicy.org/pubs/RMSG-HealthCare.pdf](http://www.migrationpolicy.org/pubs/RMSG-HealthCare.pdf); Martin and Taylor, *Ripe with Change: Evolving Farm Labor Markets in the United States, Mexico, and Central America*; and Creticos and Sohnen, *Manufacturing in the United States, Mexico, and Central America: Implications for Competitiveness and Migration*.

123 MPI calculations using data from UNESCO Institute for Statistics, Data Centre, "Total tertiary graduates in engineering, manufacturing and construction," 2010 data for the United States and Mexico, accessed April 22, 2013, [http://stats.uis.unesco.org/unesco/TableViewer/document.aspx?ReportId=136&IF\\_Language=eng&BR\\_Topic=0](http://stats.uis.unesco.org/unesco/TableViewer/document.aspx?ReportId=136&IF_Language=eng&BR_Topic=0); and US and Mexican census data, 2010.





students and their families react accordingly: They drop out of the system. To move forward, the countries of interest to the Study Group must pay greater attention to (a) the more formal and recognized types of training in technical occupations, and (b) tertiary education systems that focus more squarely in STEM competencies. It is these prospective workers who will form the foundation for successful economies in the years ahead and can underpin the region's economic competitiveness.

- **Low and very low levels of English proficiency.** Lack of affordable, high-quality English training is limiting the integration and job prospects of immigrants in the United States while keeping those who don't emigrate from participating in the formal global economy via jobs in international trade, logistics, and health care, as well as in tourism and call centers. Such gaps also discourage these industries from locating to or growing their investments in the region. If the region is going to grow *as a region*, and if greater economic integration with the United States is a desirable goal, English language education in the sectors identified in this report as well as related sectors must become a key policy target in education and training systems throughout the region.
- **Lack of targeted workforce development programs.** Immigrants from the region working in such US sectors as manufacturing and agriculture are often clustered in occupations that don't pay family-sustaining wages, offer little or no upward mobility, and have little access to targeted workforce development and training opportunities. As a result, the prospects for economic and social mobility are meager. This must change if these individuals and their families are to be better integrated in the United States and if future workers are to fare better wherever they are based.
- **Recognition of qualifications.** Nonexistent transcript and diploma standardization and low levels of accreditation of educational and training institutions in the region, but particularly in Central America, mean that an individual's credential may not even be recognized in his or her home country, much less in another country. Even in the United States, where individual states are responsible for most professional licensure, reciprocity agreements are far from universal. Thus, interstate mobility can be difficult and costly. It is particularly difficult for immigrant professionals navigating an unfamiliar system. Meanwhile, migrants with skills that have been gained through lengthy, though informal, learning lack the means to have such valuable, if tacit, qualifications formally recognized by their employers.

Added to these obstacles to economic mobility are the high levels of economic informality in Mexico and Central America and the lack of legal immigration pathways for lower- and middle-skilled workers into high-demand occupations in the United States. Among these occupations are agriculture and construction, where tacit skills are essential but not recognized in ways other than steady work; the bottom half of the health delivery system, ranging from home health aides to certain nursing positions; and the various trades.

## **B. Recognizing the Importance of Circularity**

As noted earlier, the need for more legal migration pathways to the United States is likely to be addressed in the current round of US immigration reform. However, the challenge for the region is to prepare for the far greater mobility opportunities that are likely to become available in the next decade and beyond — when the realities and effects of significantly skewed demographic distribution become more obvious, economic interdependence across the region grows ever larger, and the benefits of greater economic integration become more evident — making the need for greater cooperation more real. Allowing migration streams to follow the ebbs and flows of relative demand within the region, thus recreating the “circularity” that existed before the hardening of the US-Mexico border in the mid-1990s but within a legal and smartly regulated framework, will become an ever-more important tool with which governments can respond to labor market needs.





Policies in source and receiving countries that encourage “positive” circularity — that is, those that allow migrants to take advantage of employment opportunities in both countries of origin and destination — must be understood as beneficial mechanisms that can help stimulate economic development and transfer knowledge throughout the countries of the region.

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*The challenge for the region is to prepare for the far greater mobility opportunities that are likely to become available in the next decade and beyond.*

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When sending countries provide incentives to attract some of these nationals to return to their countries and invest in their own economic mobility, their children’s education, and the development of their communities, the positive results can be significant. Countries of origin might look, in particular, to what is also already a significant population of dual citizens — many of them now young children — which will grow considerably after the next decade if current US immigration reform proposals are successful. *The interplay of incentives at both origin and destination can foster the building of regional migration systems that encourage back-and-forth movement and the skill and experience exchanges that accompany such movement.*

This dynamic also serves the crucial goals of the rule of law, safety, the prevention of exploitation, the promotion of appropriate labor and social rights, and, gradually, the development of a “habit” of thinking of workers with formal or tacit skills as assets. This scenario will work best, however, if the countries in the region commit to better manage all the issues relevant to greater circularity — including recognition of qualifications and social security totalization arrangements — and thus set the stage for greater and more organic cooperation.

### **C. Building Qualifications That Are Recognized and Portable Across the Region**

Surmounting the aforementioned barriers to human-capital development and portability entails systemic and sustained action in a number of policy areas by each of the countries of the region. However, the process of thinking and acting regionally does not empower any one country to make demands of another, or obligate any country to submit its sovereign policy decisions to the approval of another. Nor should the facilitation of labor movement across borders come at the expense of existing workers in any one country, or be used as a mechanism to drive down wages or evade or undermine labor standards or protections. Rather, the Study Group encourages the countries in the region to commit to thoughtful collaboration that includes the building out from existing programs and to sector-specific pilot programs and activities that train workers to common standards. These pilot programs might include the following:

- Building US-specific educational and language training into nursing education programs in the region for those wishing to be better prepared health-care professionals and thus able to take advantage of greater opportunities wherever they may be. The demand for bilingual health professionals trained to common standards across the region will only increase. In the United States, aging cohorts of earlier Spanish-speaking immigrants will need health care in ever larger numbers. Given that adopted-country language skills often degrade in the later stages of life, bilingual health-care staffing needs will explode in the decade ahead and beyond. To that, one must add the needs of the population likely to receive legal status under the legislation under consideration in the US Congress (about three-quarters of whom are likely to be Spanish speakers).<sup>124</sup> Finally, as more Americans and Canadians retire in the region, and

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<sup>124</sup> For the countries of origin of the unauthorized population in the United States, see Hoefer, Rytina, and Baker, *Estimates of the Unauthorized Immigrant Population Residing in the United States: January 2011*; and Jeffrey S. Passel and D’Vera Cohn, *Unauthorized Immigrant Population: National and State Trends, 2010* (Washington, DC: Pew Hispanic Center, 2011),



as ever-escalating health-care costs put many medical services out of reach, “medical tourism” will also grow, requiring bilingual medical service providers. The point is simple: in the longer term, expanding the supply and improving the quality of training of nurses and other medical personnel in Mexico and Central America will meet the health-care needs of the region much more effectively and with higher-quality care. *Nursing care, however, cannot be the only focus of an expanding pool of bilingual health-care workers.* A sustained effort to provide training and binational or regional certification to direct-care workers such as nurses’ aides and home health aides, for whom demand also is expected to increase rapidly in the United States and soon after in Mexico, must also become a priority. A good start might be to persuade two-year colleges and training institutions across the region to begin collaborative efforts to train such workers to common standards.

- Connecting and promoting educational exchange programs between US, Mexican, and Central American logistics training institutions, so as to encourage development of common competency standards and certifications. This is an essential element of greater integration in a sector in which all countries in the region are already investing, and the prospect of a region-wide logistics system that moves goods seamlessly is a very promising competitiveness strategy for all involved — not just companies engaging in international trade, but also those selling to the domestic market and the region’s growing consumer class.
- Working with US growers and farmworkers’ organizations to develop a labor information clearinghouse that can help agricultural workers identify and access training that leads to greater mobility opportunities, and more secure income streams. As the demand in the region for higher-value crops — such as fruits, vegetables, and horticultural specialties like mushrooms and flowers — grows along with income levels, some production will become more mechanized, demanding that workers possess increased technical skills, while production of other crops will remain low-skill intensive.<sup>125</sup> In either case, existing and potential agricultural workers would benefit significantly from better access to information on training and employment opportunities in the sector, particularly if the proposed legalization of unauthorized farm workers now in the United States requires them to commit to working in agriculture for extended periods of time.
- Linking manufacturing employers and technical institutions to develop integrated vocational skills training programs, addressing both shorter-term and structural skills shortages. Once more, the rationale is compelling: as production becomes more mechanized throughout the region, skill requirements for manufacturing workers are evolving rapidly. Countries that can equip their people with the technical skills to meet sector needs as well as with the problem-solving and critical-thinking skills to adapt to longer-term demand can retain economically vital higher-value-added and advanced manufacturing sectors in the region. This will also provide opportunities for existing workers who might not otherwise be ready to take advantage of a US manufacturing “renaissance” or the Mexican manufacturing boom.
- Working with the construction industry and skilled trades associations to develop instruments to certify workers’ tacit skills, formally recognizing their qualifications and enabling them to move between employers, and, when demand and supply imbalances become certified, *across borders*.

In the longer run, creating common educational and workforce development standards in the region in sectors in which both national and regional economic growth can be anchored will require many additional policy reforms. Within the higher-education space in Mexico and Central America, these actions include expanding accreditation of postsecondary institutions and standardizing transcripts. For businesses, this might mean pooling resources to create industry training centers that help better prepare students as well as existing and new workers. Fundamentally, however, the active participation of

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[www.pewhispanic.org/files/reports/133.pdf](http://www.pewhispanic.org/files/reports/133.pdf). Michael Nuclear Families under U.infrastruct that can life the economic fortunes of each country and the region itself can become

125 Martin and Taylor, *Ripe with Change: Evolving Farm Labor Markets in the United States, Mexico, and Central America*.



all stakeholders — public, private, worker organizations, and other key institutions — will be necessary to improve the relevance of education and the school-to-work transitions in each of the countries of the region. Only then can the formal jobs that provide family-sustaining wages — and prepare the human-capital infrastructure that can lift the economic fortunes of families in individual countries and the region — become a reality.

## VII. Conclusions and Recommendations

This report reflects the views and, to the extent possible, the “voices” of the members of the Regional Migration Study Group. The Study Group came together in an effort to think through and offer the results of its analysis and recommendations on a set of issues that are among the most complicated in the “region” which has been the Study Group’s main mandate: The Northern Triangle of Central America (El Salvador, Guatemala, and Honduras), Mexico, and the United States. At the center of these issues is a perennial one: migration. And surrounding it are a host of other difficult concerns: illegality and its poison fruits all along the migration continuum; security (both of the state and personal security); disorder, which also often engulfs the families and households of unauthorized immigrants and, in many ways, their communities and workplaces; lack of safety, and threats, extortion, intimidation, and exploitation; and the negative reactions of receiving societies that are concerned about the effects (particularly some of the more visible costs) of illegal migration and clamor for ever greater efforts to stop it. And of course, and as if these issues were not complicated enough, the set of challenges associated with the massive growth of organized crime, and particularly to public and personal security and the ability of governments in the region to govern.

This litany of pathologies has shaped the US debate about immigration reform, seemingly with little regard for the role played by the US economy’s often voracious appetite for low-wage labor and the US immigration system’s inability to accommodate that demand by broadening its legal visa streams. The Study Group members as a result have been closely following the apparent opportunity — the most promising in 25 years — for reforming the US system and, in this report, they offer several concrete recommendations about key elements that should be included in the final legislation.

But the Study Group’s remit and interests go well beyond needed reforms to the US immigration system. The final report argues for, and offers, recommendations on matters that range from immigration reforms that the rest of the region should adopt, to building the foundation for and constructing the policy and political infrastructure for thinking about migration regionally. Moreover, it considers how to construct a region that thinks of its assets — and especially demography and human capital — in complementary ways. Convinced that doing so creates much greater opportunities for the region and its peoples and sets the stage of greater competitiveness in the global economy, the Study Group offers a series of recommendations on how to build, cooperatively, the region’s human capital.

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*This report and its recommendations, finally, are not about more or less migration; they are about smarter migration policies.*

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But greater mobility, rather than permanent migration, is never too far from the group’s vision. The Study Group looked carefully at four economic sectors in which all countries of the region have been focusing by making substantial investments and noted that the evidence points toward continued growth — and



hence greater need for workers, and particularly for workers with both formal and tacit skills. As a result, the Study Group members propose initial efforts toward skills development in ways that, over time, can standardize the education and training of workers in these sectors and become a useful way of thinking of human capital and its mobility within the region as a resource for a more competitive future.

This report and its recommendations, finally, are not about more or less migration; they are about smarter migration policies that would add greater benefits to countries that send migrants and offer much greater returns to immigrants, who now pay almost all of the penalties associated with illegal, unsafe, and disorderly migration — and, in the process, poison the public policy atmosphere and the public’s perceptions about most, if not all, of the region’s immigrants. And while the challenges the region is facing are very large, and some of them will simply not go away, the thrust of the Study Group’s thinking and recommendations is on the opportunities for the region, which are at least equally, if not more, promising. Working together patiently and smartly can make this promise real for the region and its people.

Following are the Study Group’s findings:

- 1. The Study Group Members believe that the next phase of a regional relationship that is already strong, if complex and uneven, starts with the acknowledgment that the United States, Mexico, and Central American countries can shape a future in which working together brings benefits to each of them and to the region that are much larger than the sum of individual efforts.** The elements of that future become obvious when viewed through the lens of mutual advantage. They include demographic and labor market complementarities; large and inexorably growing trade and commercial links that underpin deepening economic interdependence; security that includes but extends well beyond strong borders; and more closely aligned educational and training systems. When such systems become part of a shared vision and are pursued with diligence they can serve as the fulcrum of a region-wide economic growth agenda that creates better opportunities for all and, together with Canada, a more globally competitive North America.
- 2. Normalizing immigration relationships within the region is critical to making real progress on most other important issues, including organic cooperation against smugglers and others who profit from illegality.** One of the key ingredients to normalization is to acknowledge and respond to a key cause of illegal immigration: the demand for low-wage workers by US employers and the US immigration system’s inability to adjust the supply of legal work visas to reflect demand better. *The Study Group believes that the most effective response to the arguments and recriminations about illegal immigration within the region is fundamental reform to immigration systems and a cultural shift away from the concept of “el norte” as a rite of passage.* There are reasons to be optimistic. Mexico’s declining fertility has led to fewer new workers entering its labor force, a phenomenon that will only accelerate. Moreover, Mexico’s economy has been growing faster than the US economy since 2010. Anemic US job growth and a continuing US preoccupation with border and interior controls have created a new reality on the ground: total *net* migration from Mexico since 2010 has been at or near zero. Moreover, Mexico completed a major overhaul of its immigration rules in late 2012 and other countries in the region are observing closely how the law is implemented, as they consider how to adjust their own rules. More important yet, after more than a decade of trying unsuccessfully to overhaul the US immigration system (the effort started in 2001, with bilateral negotiations between the United States and Mexico), politics in the United States are aligning strongly in favor of a broad, ambitious solution known as comprehensive immigration reform.
- 3. The Study Group strongly supports the elements of the emerging political consensus on immigration reform in the United States.** Group Members stand firmly behind a number of fundamental principles that appear to be central to the reform priorities of both an influential bipartisan group in the US Senate and the White House — and believe that these principles should find their way into similar reform initiatives throughout the region.





- First, immigration reform must include an earned legalization program that tips strongly to the side of inclusiveness and leads to eligibility for a green card for all those who meet the requisite rules, and eventual citizenship for those who choose it.
- Second, continuing attention to border controls is necessary both as a bulwark against the entry of undesirable individuals and contraband but also as a symbol of the sovereignty to which each country in the region is staunchly committed. A different relationship within the region can only be successful if it is anchored on respect for borders and promotes organic collaboration toward maintaining their integrity.
- Third, legality, order, fairness, safety, and respect toward the basic legal, economic, and social rights of all foreign nationals should be at the very center of immigration systems throughout the region. These principles serve the interests of most immigration actors well — except those who draw immense profits from breaking these rules. The proliferation of smuggling syndicates speaks both to their profitability and to the demand for the services they offer.
- Fourth, enforcing the law and thus safeguarding the integrity of the immigration systems that are emerging or are likely to emerge throughout the region is essential to meeting legitimate citizen concerns about their government’s commitment to its own rules. It is also essential to preventing (a return to) disorder in receiving communities and illegality in workplaces in each nation.
- Fifth, anticipating a future in which more foreign workers of varying skills are likely to be needed throughout much of the region is essential to preventing both would-be workers and their employers from resorting to illegality. A simple principle can become the linchpin for healthier immigration relationships within the region: *in meeting seasonal and other primarily temporary worker needs, countries in the region should look first to the region*. A regional preference for workers at mid- and lower-skill levels (perhaps structured to hire from within the region first before making positions more broadly available) can create incentives for playing by the rules and provide an inducement for would-be immigrant workers to better prepare for immigration by building their skills, learning English, and obeying the laws of their country, since criminal background checks are embedded in immigration visa and admissions decisions.
- Sixth, immigration systems designed to responsibly respond to worker shortfalls wherever they may be will be ever more critical to sustained economic growth in the next decade and beyond. Countries with such systems, such as Australia, Canada, New Zealand, Spain, and other countries interested in substantial levels of immigration, have been leaders in allowing sub-national and even local jurisdictions to recruit needed workers directly. *Countries in the region should experiment with ways to adapt and emulate such efforts*. In so doing, immigration agencies can demonstrate that targeted immigration can contribute directly to the demographic vitality and economic growth of political jurisdictions at all levels. Progress in this new immigration policy frontier starts with a commitment by national governments to consult regularly with such jurisdictions in order to bring the benefits of *selected immigration* where it is needed most.

**4. The Study Group is convinced that immigration reforms that adhere to the six principles above can make a dramatic difference in the way immigration takes place within the region and can reset immigration and related relationships across it.** The Study Group is gratified that a number of the policy ideas it has endorsed that have been put into the policy mainstream by the conveners and Study Group members alike appear to have been embraced by key US lawmakers and the administration. The Study Group believes that these ideas are particularly worth enacting and embracing across the region.





- *A new visa stream of temporary work visas (provisional visas) that would permit portability and under certain conditions, ultimate eligibility for green cards.* Visa portability — the ability to change employers after a reasonable period of time or if the employer violates key terms of the work contract — together with legally guaranteed wage levels, working conditions, and worker protections rebalances an inherently unequal power relationship. Similarly, the ability to earn a green card for those who want it and are able to meet its additional requirements would allow many more temporary workers to transition into permanent immigrant status. Such a visa stream encourages playing by the rules, learning English, and community engagement that create better outcomes for all the parties affected by migration.
- *In building the next generation of worker visas, requirements should encourage the building of regional migration systems that are more circular in nature, that is, they encourage back-and-forth movement and the skill and experience exchanges that accompany such movement.* Positive results can be further magnified when sending countries provide incentives to attract some of these workers to return to their countries and invest in their own economic mobility, their children’s education, and the development of their communities. The positive interplay of incentives at both origin and destination can set the stage for the greater worker mobility the Study Group anticipates in the next decade and beyond.
- *A new federal research agency that would carry out independent demographic and labor market research and advise the US Congress on adjusting the number of temporary worker visas and the sectors and industries to which such visas should be directed.* Such advice, based on the results of ongoing research, would permit flexibility and adaptability in immigration levels that other countries’ immigration systems enjoy but the US system lacks. The agency’s work would also build the analytical foundation for opening the US temporary work visa system to all jobs and thus end the nearly exclusive US emphasis on issuing visas only for jobs at the top and bottom of the labor market — another anomaly relative to many other major immigrant-receiving countries. The Study Group believes that other governments in the region should watch closely the evolution of that agency and consider emulating the United States when conditions warrant.
- *Ending the separation of nuclear families by permitting family reunification for lawful permanent residents with their spouses and minor children, as is permitted for US citizens.* Such separations are unique among high-income and many middle-income countries and undermine one of the most fundamental principles of immigration law everywhere: family unity. Such limits also fuel illegality and human tragedies when family members attempt to cross borders to reunify outside legal channels. Mexico, and, over time, other countries in the region should follow a similar course.

**5. Successful immigration systems require the full engagement of both the entire government and the whole of society.** Few policy portfolios cut across more government agency mandates or require more of the attention of society than does immigration. Whether the issue is border controls, interior security, and the rule of law; education and worker preparation for immigrants and their families; worker and social protections with a particular focus on the sectors and job categories in which immigrant workers converge; foreign, commercial, and development policies; or housing and social welfare policies, the engagement of the entire government and the cooperation of the private sector and a society’s social partners and community-based organizations are simply essential. *The Study Group members believe that migration works best when the receiving government and society work together and commit to getting the most out of it.* Yet in none of the countries the Study Group examined is this fully the case. The Study Group is nonetheless encouraged by the increasing attention to these issues by all these actors and by the growing engagement of both the business sector and civil society on the issue across the region.



- 6. The Study Group believes that no single development is more promising for each of the region's countries, and for the region itself, than the growth in the size and confidence of the middle classes.** Middle classes pay more taxes (enabling the government to do more of the things citizens expect of it), and consume more goods and services, further fueling demand. Greater demand creates more jobs and attracts domestic and foreign investment. Beyond the economy, the range of positive changes that robust middle classes typically generate include a commitment to political and economic stability, adherence to the rule of law, institutional reforms that make the encounter between citizens and public servants respectful and productive, and an environment that nurtures and stimulates investments by individuals in their children's education and their own human capital. Such a political, social, and economic environment in turn encourages more highly qualified people to stay at home (or return) and invest their skills in their country. *Noting the enormous growth in Mexico's middle classes, the Study Group recommends that governments and the business sector focus on nurturing and drawing out more fully the extraordinary potential that large and growing middle classes offer.* The Study Group encourages the other countries in the region to commit to economic, political, and social reforms that underpin middle-class growth.
- 7. Economic and political order and stability, and a commitment to building the necessary social infrastructure, are the cornerstones of continuing growth and prosperity in the region.** Mexico has made enormous economic progress during its last three presidencies and its macroeconomic performance is enviable. Progress has also extended to political stability and, incrementally, to a growing system of social protections. The current government appears prepared to continue these reforms by intensifying and widening the reach of its social safety net, focusing on the personal security of all its residents, and deepening the country's commitment to democratic processes, stronger institutions, and the rule of law. *The new administration's ability to reach agreement across parties on labor, education, and telecommunications reform are extremely promising and the Study Group applauds these efforts.* Moreover, the Study Group is very encouraged by the social and economic progress El Salvador has been making and by the promising signs of the new Guatemalan government's headway toward greater stability and better governance.
- 8. The Study Group urges a single-minded commitment to the rule of law and institutional reforms that value accountability and transparency above all else. These must become and remain the most important governance priorities throughout the region.** There is no greater challenge to those good-government goals than organized crime and violence, typically centered on drug trafficking and much less directly, the facilitation of illegal migration, and the intimidation and corruption they fuel. This is a region-wide challenge that respects no borders and systematically undermines the confidence that the governed have in their government and public institutions. It may also well be the most troublesome development in the region: the large and, in some instances, growing personal insecurity that lawlessness has brought about.
- 9. Mexico and the other countries in the region must continue to focus on building up their human-capital reservoirs by investing ever more resources of all types in expanding and reforming their educational and training systems.** Despite enormous progress, the gains across the region are markedly different. By many measures, Mexico's educational progress has been remarkable. El Salvador also shows a positive secular trend, but the other two countries, Guatemala and Honduras, follow at considerable distance. *The Study Group is convinced that high-functioning educational systems and training institutions are at the core of the economic growth and competitiveness of each country within the region and, by extension, the region itself.* In this regard, progress has to gradually move beyond school attendance and even graduation rates and toward quality education for all.



**10. The Study Group calls for concerted efforts by each country in the region to invest systematically in the human capital of its people.** Such efforts, however, cannot be a function of government alone. Civil society must also make it a priority. More important yet, the business sector in each country must put at the top of its policy agenda the development of human capital, both by advocating for it with the government and labor organizations and by joining them in investing in skills development. For the business community, this is not about *noblesse oblige*; it is about enlightened self-interest. In the absence of a well-trained workforce, businesses cannot prosper, industries cannot be competitive, households cannot build lives that can set them on a course to opportunity, and investors, foreign and domestic, will not invest more in a country. And a well-prepared workforce requires public investments in quality education *and* a cultural change all across society that commits to the formalization of skills, recognizes and rewards appropriately the tacit (“soft”) skills that extensive experience in a sector teaches, and recognizes the importance, and indeed the necessity, of lifelong learning.

**11. Regional economic growth and competitiveness demand that countries think harder about what each can contribute to the region’s economic attractiveness and build complementary physical and human-capital infrastructures that can contribute to that goal.** The Study Group has identified four sectors that are likely to continue to grow across the region in the next decade and thus require more well-trained workers than any country alone, not just the United States, is likely to produce. They are: logistics and transportation, nursing and associated health professions, (advanced) manufacturing, and agriculture. If economic and social investments are done properly, the region’s complementarities will lead to additional growth in all four sectors, requiring more workers yet. It cannot be known just when labor imbalances that are likely to require substantially greater mobility of workers throughout the region will occur. *The Study Group believes that it is a distinct possibility that significant, if selective, worker shortfalls will occur in the medium term (2020) and beyond and that each country in the region should begin preparations for such a future in earnest.*

**12. Each of the countries of the region has to contend with the dislocations and disorder inherent in the illegality that has defined migration “relationships” during the last 40 years.** Deportation of criminals that have fueled transnational gang activity and separation of families that consign children to unfamiliar environments and tenuous support systems are examples of the social disorders that have become the “face” of the migration status quo in the region in the past decade or so. But they don’t stop there. They include apparently growing evidence that many more transmigrants are being killed in transit both in Central America and, increasingly, in Mexico; and a growing culture of extortion of immigrants who are in the United States by threatening to harm their relatives back home. Addressing these pathologies successfully requires targeting the causes of illegality, not just its consequences. *The Study Group believes that dealing with these issues must become an absolute regional priority or growing criminality and social disintegration will become even more of a challenge to the region’s governments and societies.*

**13. Drug trafficking and the spreading drug culture present a severe challenge to several of the region’s countries by undermining governmental authority and contributing to the intense sense of personal insecurity throughout large parts of the region.**

Consumers of drugs, the vast majority of whom are in the United States, fund the cartels through their consumption, enabling them to corrupt government officials and purchase the arms with which they intimidate both authorities and the public. Since border controls will never be successful enough as an “anti-drug” policy, and the war on drug cartels of the last six years has had enormous casualties but no winner, a much broader effort based on organic cooperation across the region is both necessary and inevitable. Such an effort will require enormous patience, continuing massive investments in intelligence-gathering, the deployment of ample law enforcement resources, changes to both legislative and regulatory frameworks throughout the region, and the cooperation of private-sector agencies (such as



wire transfer companies and the banking sector) that will allow authorities to hit the cartels where it hurts: their pocketbooks. *The Study Group endorses a comprehensive, multilayered, and deeply cooperative anti-crime effort that uses all the tools and resources potentially available to law enforcement; has multiple targets (including the bosses, money, and entire infrastructure of the cartels); is focused on reducing violence and those crimes that affect citizens' daily lives; and is patient and focused enough to dismantle the criminal networks piece by piece.* The RMSG members recognize that the effort will be costly, difficult, and, unless the demand issue is also addressed, incomplete. But as with all difficult policy choices, options need to be considered not from the basis of first principles but in comparison with other alternatives. And unless the effort succeeds, states in the region may have little choice but to invest their efforts in making borders as secure from unwanted crossings as possible.

**14. Border security between and among Mexico and the Northern Triangle of Central America must avoid simply exporting the US Southern border model to the rest of the region.** Some think that this may be already in place along parts of the Mexico-Guatemala border. Pushing borders out has become a policy tool that states, from the Member States of the European Union to the United States and many other high-income countries, are using ever more systematically. Yet, the Study Group believes that there is still time to consult with neighbors about the border control and security systems they want and can afford. *Study Group Members are confident that dialogue, patience, and cooperative solutions still have a chance and that the true choice for the region is not between "harder" or "softer" borders; it is about borders that are "smarter" because they are supported by a shared strategic vision about the region's economic and security future; and identify and invest in border security strategies that also include efforts away from the border itself.* In the absence of such a vision and a cooperatively developed strategy that is implemented faithfully by all parties to it, hard borders may well become the policy default option — in no small part because pressure from the United States will push the policy envelope toward ever harder borders.

The Study Group views these recommendations and the final report more generally as the necessary ingredients to inform policymaking and engage stakeholders — from civil society, organized labor, and public and private educational and educational institutions, to the all-important business community and the wider public — toward a more collaborative approach to managing human-capital development and migration in the region. Despite the many challenges each country in the region and the region as a whole face, the Study Group sees opportunities ahead and hopes to marshal the energy of all relevant actors toward harnessing the demographic, labor market, and economic forces that can propel them, together, into a more promising future. This is a good moment to come together and build that future.

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*This is a good moment to come together and build that future.*

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## About the Authors



**Demetrios G. Papademetriou** is President and Co-Founder of the Migration Policy Institute (MPI), a Washington-based think tank dedicated exclusively to the study of international migration. He is also President of Migration Policy Institute Europe, a nonprofit, independent research institute in Brussels that aims to promote a better understanding of migration trends and effects within Europe.

Dr. Papademetriou is also the convener and Co-Director of the Regional Migration Study Group; he convenes the Transatlantic Council on Migration, which is composed of senior public figures, business leaders, and public intellectuals from Europe, the United States, and Canada; and chairs the board of the Open Society Foundations' International Migration Initiative. He has served as Chair of the World Economic Forum's Global Agenda Council on Migration (2009-11); Chair of the Migration Committee of the Organization for Economic Cooperation and Development (OECD); Director for Immigration Policy and Research at the US Department of Labor and Chair of the Secretary of Labor's Immigration Policy Task Force; and Executive Editor of the *International Migration Review*. He also co-founded and for the first five years of the initiative was International Chair of *Metropolis: An International Forum for Research and Policy on Migration and Cities*.

Dr. Papademetriou has published more than 250 books, articles, monographs, and research reports on migration topics and has advised senior government and political party officials in dozens of countries (including numerous European Union Member States while they hold the rotating EU presidency), as well as leaders of multilateral bodies.

He holds a PhD in comparative public policy and international relations (1976) and has taught at the universities of Maryland, Duke, American, and New School for Social Research.



**Doris Meissner**, former Commissioner of the US Immigration and Naturalization Service (INS), is a Senior Fellow at MPI, where she directs the Institute's US immigration policy work. She also is Co-Director of the Regional Migration Study Group.

Her responsibilities at MPI focus in particular on the role of immigration in America's future and on administering the nation's immigration laws, systems, and government agencies. Her work and expertise also include immigration and politics, immigration enforcement, border control, cooperation with other countries, and immigration and national security. She has authored and coauthored numerous reports, articles, and op-eds and is frequently quoted in the media. She served as Director of MPI's Independent Task Force on Immigration and America's Future, a bipartisan group of distinguished leaders. The group's report and recommendations address how to harness the advantages of immigration for a 21<sup>st</sup> century economy and society.

From 1993-2000, she served in the Clinton administration as Commissioner of the INS, then a bureau in the US Department of Justice. Her accomplishments included reforming the nation's asylum system; creating new strategies for managing US borders; improving naturalization and other services for immigrants; shaping new responses to migration and humanitarian emergencies; strengthening cooperation and joint initiatives with Mexico, Canada, and other countries; and managing growth that doubled the agency's personnel and tripled its budget.

She first joined the Justice Department in 1973 as a White House Fellow and Special Assistant to the Attorney General. She served in various senior policy posts until 1981, when she became Acting Commissioner of INS and then Executive Associate Commissioner, the third-ranking post in the agency.



In 1986, she joined the Carnegie Endowment for International Peace as a Senior Associate. Ms. Meissner created the Endowment's Immigration Policy Project, which evolved into the Migration Policy Institute in 2001.

A graduate of the University of Wisconsin-Madison, where she earned bachelor of the arts and master of the arts degrees, she began her professional career there as Assistant Director of student financial aid. She was also the first Executive Director of the National Women's Political Caucus.



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Ms. Sohnen previously served as a consultant to the Inter-American Development Bank (IDB), implementing workforce development and capacity-building projects in public employment services and migration management.

She holds a master's degree from Johns Hopkins University's Nitze School of Advanced International Studies in international relations and international economics with a focus on Latin America and development economics, and a bachelor's degree in Latin American Studies from Oberlin College.



## About the Convening Institutions

### Migration Policy Institute

The Migration Policy Institute (MPI) is an independent, nonpartisan, nonprofit think tank in Washington, DC dedicated to analysis of the movement of people worldwide.



MPI provides analysis, development, and evaluation of migration and refugee policies at the local, national, and international levels. It aims to meet the rising demand for pragmatic and thoughtful responses to the challenges and opportunities that large-scale migration, whether voluntary or forced, presents to communities and institutions in an increasingly integrated world.

Founded in 2001 by Demetrios G. Papademetriou and Kathleen Newland, MPI grew out of the International Migration Policy Program at the Carnegie Endowment for International Peace.

MPI is guided by the philosophy that international migration needs active and intelligent management. When such policies are in place and are responsibly administered, they bring benefits to immigrants and their families, communities of origin and destination, and sending and receiving countries.

For more on MPI, visit [www.migrationpolicy.org](http://www.migrationpolicy.org). Its online journal, the Migration Information Source, is at [www.migrationinformation.org](http://www.migrationinformation.org).

### Latin American Program of the Woodrow Wilson International Center for Scholars



The Woodrow Wilson International Center for Scholars is the official memorial to the United States' 28<sup>th</sup> president. More than just a collection of marble pillars and famous quotes, the Center is "a living memorial," a gathering place for some of the best and brightest scholars and experts from around the world. Their work is the centerpiece of the Wilson Center's activity and informs the United States' public policy debates with nonpartisan and relevant research and information.

For more on the Wilson Center, visit [www.wilsoncenter.org](http://www.wilsoncenter.org). For its Latin American Program, visit <http://wilsoncenter.org/program/latin-american-program>; and for its Mexico Institute, visit <http://wilsoncenter.org/program/mexico-institute>.



## The Regional Migration Study Group's Published Research

Over its nearly three-year life, the Regional Migration Study Group commissioned a series of briefing papers to inform its work. The published reports, which can be found in their entirety at [www.migrationpolicy.org/regionalstudygroup](http://www.migrationpolicy.org/regionalstudygroup), are:

[\*Mexican Migration to the United States: Underlying Economic Factors and Possible Scenarios for Future Flows\*](#)

By Daniel Chiquiar and Alejandrina Salcedo

[\*Migración Mexicana a los Estados Unidos: Factores Económicos Subyacentes y Posibles Escenarios de Flujos Futuros\*](#)

[\*Strengthening Health Systems in North and Central America: What Role for Migration?\*](#)

By Allison Squires and Hiram Beltrán-Sánchez

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Additional Resource:

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