



MARCH 2012

MEXICO INSTITUTE

# Linking Development & Migration: A Binational U.S.-Mexico Dialogue

## Preface & Acknowledgements

The protracted debate over immigration policy in the United States has long centered on domestic law enforcement and related legal reforms. But inside and outside the U.S., including in major international forums, two new factors have broadened this discussion. First, migration is increasingly seen as related in various ways to *economic development* in an international context. Second, migrant leaders and organizations themselves have been gaining recognition as participants in policy deliberations, alongside representatives of governments, advocates and policy analysts.

The Woodrow Wilson Center Mexico Institute conducted a binational dialogue on Mexican migration in 2010–2011 that in a series of conferences addressed in turn the dimensions of law enforcement, economic development and immigrant integration.<sup>1</sup> The project involved high-level representatives from the two governments, multilateral institutions and foundations; migrant leaders, Mexican NGOs and other stakeholders; and academic researchers.

This report is based on the meetings held in Mexico City in April 2011 that examined migration within a wide-ranging discussion of development. As such, it provides a binationally framed introduction to what much of the world — including migrant leaders and organizations themselves — consider fundamental to understanding and constructively responding to migration. The first of two days of meetings was devoted to extended discussions between researchers and civil society stakeholders in an academic retreat setting. The second morning featured a high-level binational dialogue on development and migration at the Mexican Foreign Ministry.

Given that Mexico is the most significant source of both legal and unauthorized migration to the U.S., and almost all Mexican migrants go to the United States, there are no two countries more in need of deeper mutual understanding of this phenomenon in all its complexity. Some of the salient points of the Mexico City discussions included the relationship of migration to the following policy areas:

- Agricultural Policy
- Public Education

- Remittances & Financial Services
- The Role of Civil Society
- U.S. Foreign Aid

The diverse set of participants convened by the Mexico Institute discussed Mexican agricultural policy and its potential to encourage job creation; new options for banking migrants' remittances in communities of origin to contribute to local development; the relationship of education to Mexico's employment and development needs; the readiness of migrant organizations to participate in setting policy priorities, and the perceived disconnect between U.S. foreign aid and the causes of migration. Bringing such considerations together in an integrated approach to development and migration was seen as requiring new forms of inter-departmental and binational coordination along with the institutionalized participation of civil society — including migrant organizations — on both sides of the border. These issues are expanded upon in the overview that follows this preface. Detailed accounts of the discussion sessions complete this report.

We gratefully acknowledge the support and hospitality of the Colegio de la Frontera Norte, which hosted the first day's discussions at Casa Colef in Mexico City. Similarly, the following morning's dialogue could not have taken place without the support of the Mexican Foreign Ministry and in particular that of the Undersecretary for North America, Ambassador Julián Ventura, and Ambassador Daniel Hernández Joseph, then Director General of the Secretariat's Bureau for Consular Protection of Mexicans Abroad.

The John D. and Catherine T. MacArthur Foundation generously backed the entire U.S.-Mexico Migration Dialogue series, which has included meetings in Washington, DC on immigration enforcement policies in November 2010 and in Los Angeles on immigrant integration

in October 2011. The Ford Foundation and the Inter-American Foundation provided important additional support for the Mexico City meeting. Oxfam México was also a valuable local partner. Renata Terrazas Tapia of Fundar, Centro de Análisis e Investigación, served as rapporteur on both days. This report draws on her excellent work.

**David R. Ayón**, Senior Advisor, Mexico Institute, Woodrow Wilson International Center for Scholars

### Overview: Linking Development & Migration

The focus on law enforcement and legal reform in the U.S. immigration debate often crowds out discussion of other considerations such as the *causes* of mass unauthorized migration, their relationship to other public policies, and the role of migrants themselves in addressing further migration. These dimensions are prime topics in major international forums, among immigrants themselves, and in discussions of migration in countries such as Mexico that account for the bulk of the migratory flow to the United States.

Mexico hosted two such forums in late 2010: the multilateral, government-led Global Forum on Migration and Development<sup>2</sup> (GFMD), and the parallel, civil society-led Peoples' Global Action on Migration, Development and Human Rights.<sup>3</sup> The Mexico Institute's U.S.-Mexico Migration Dialogue organized meetings in Mexico City in April 2011 to follow up on those previous forums with a focused binational examination of issues that, despite their prominence in the global discussions, have received less attention in the U.S.

**AN EXCESSIVE FOCUS ON LAW ENFORCEMENT MARGINALIZES DISCUSSION OF THE CAUSES OF MASS UNAUTHORIZED MIGRATION.**

Among the policies and practices examined in our sessions were those concerning agriculture, education and access to financial services. It is not hard to see how these dimensions are intertwined with migration decisions. Seasonal demands for labor in commercial agriculture in both Mexico and the United States have fashioned migratory labor markets since the late 19th century. The phenomenon of migrant labor in turn poses challenges to the mission of public education systems and the policy objectives of workforce and community development. The unbanked earnings of rural migrant workers have also fallen short of their potential impact on the long-term welfare of their communities of origin.

### *Agricultural Policies and Migration*

Employment in agriculture has historically been central to Mexican migration and U.S. policies that affect it. From 1942 to 1964 millions of Mexicans came to work as contract laborers in U.S. agriculture under a series of laws that were collectively known as the Bracero Program.<sup>4</sup> South of the border the prevailing view was that the experience and savings of the returning migrants would contribute to economic development in rural Mexico. Decades after that program ended, the harvesting of a number of crops in the U.S. continues to depend heavily on migrant labor from Mexico — much of it unauthorized. Agricultural employment in Mexico, meanwhile, has continued to decline, especially since the accelerated entry of food imports as a consequence of the North American Free Trade Agreement.

**MEXICO'S PUBLIC SPENDING IN AGRICULTURE DOES NOT PROMOTE EMPLOYMENT IN THIS SECTOR, WHICH HAS FALLEN STEEPLY.**

Mexico has increased public sector spending in agriculture since 2000, but its policies do not

promote employment in this sector. Agricultural employment fell by more than 2 million between 1991 and 2007. If agricultural policy were to address the causes of migration, more of the public resources channeled to this sector would have to be directed to areas of high out-migration and to small producers. U.S. agricultural subsidies would also have to be reconsidered, as these have had the effect of canceling the benefits of Mexican programs intended to compensate for the opening of agricultural markets to imports.

### *Remittances and Financial Services*

Remittances of earnings by international migrants have long been hailed as a potential engine of development for their communities of origin. The flow of remittances to Mexico hit an estimated peak of US\$27 billion in 2007.<sup>5</sup> With increased competition, transaction costs have fallen somewhat. The Mexican government also encourages collective remittances raised by migrants' hometown associations to finance community development projects with its "3 for 1" matching funds program. Yet the potential impact of remittances sent individually for family support, which account for the overwhelming bulk of the flow, remains muted for a combination of reasons.

**REMITTANCES COULD HAVE MUCH GREATER IMPACT ON RURAL DEVELOPMENT IF FULLY BANKED.**

These international transfers are still constrained by high costs and inconvenient regulations. The biggest need remains simply getting remittances into the banking system. New institutions such as rural credit unions and community banks utilizing new methods such as social networks and mobile communications technology are possible ways to multiply the effects of remittances, allowing them to fuel local development efforts. The banking of family-

support remittances would foster increased savings, access to credit, and community reinvestment. To do this, it will be important to remove obstacles to the binational use of bank accounts.

The *collective* remittances flow, which exceeds US\$30 million annually, amounts to a tiny fraction of the billions remitted for family support.<sup>6</sup> While it is multiplied by the 3-for-1 program and has succeeded in bringing some infrastructural projects to otherwise isolated communities, the size of the program is limited by the Mexican state and federal matching funds.<sup>7</sup> Many projects proposed by migrant organizations get turned down, and the majority of projects and resources approved are concentrated in just the three states of Zacatecas, Jalisco and Michoacán.

Job-creating projects have been much discussed for their potentially direct contribution to economic development, but these amount to a mere 3.5% of the 3-for-1 program. Furthermore, it is estimated that half of these businesses fail. A lack of support for the marketing of their products is seen as their biggest weakness.

### *Public Education in Mexico*

Education and migration interact with each other on a number of levels. Since an estimated 40% of migrants make their first trip before the age of 20, many cut short their schooling to seek unskilled work north of the border. Areas of high out-migration in Mexico also show depressed school attendance among those who remain due to stresses created by the absence of family members. Another challenge is presented by hundreds of thousands of returned migrant youth who need to be reintegrated into the educational system. Mexico needs policies specifically designed to address these situations.

### EDUCATION IN MEXICO IS INSUFFICIENTLY INTEGRATED WITH LABOR MARKET AND DEVELOPMENTAL NEEDS.

The content of public education in Mexico raises other questions. A number of participants called attention to the lack of integration between public education on one hand and local labor market and developmental needs on the other. This problem was seen as characteristic of the entire system, from the elementary level to higher education. Another problem is high dropout rates in the U.S. among migrant youth and the children of migrants. An education expert suggested that English could be taught more widely and effectively in Mexican schools to facilitate the integration of those who eventually opt to migrate to the U.S.

### *Involving Migrants in Policymaking*

Migrants are massively involved, individually and collectively, in the nexus between development and migration if only by the weight of their remittances and their importance to the Mexican economy. Migrant organizations have also succeeded in institutionalizing their participation in the official committees that approve and monitor the 3-for-1 projects. Migrants and their organizations, however, have not been involved in the making of policy and in particular the setting of budget priorities. This issue has been highlighted in international forums and linked to the question of the political rights of migrants.

### MORE EFFECTIVE RESPONSES TO MIGRATION AND ITS CAUSES REQUIRE PARTICIPATION BY THE MIGRANTS THEMSELVES IN POLICY DELIBERATIONS.

A consensus has emerged in the annual global forums that more effective responses to the phenomenon of migration and its causes require that the migrants themselves be recognized as transnational political actors and formally brought into policy deliberations at every level. In our Mexico City discussions, a leading specialist argued that migrant organizations are ready to have input into the budget process. A key migrant leader, however, characterized Mexican civil society, including migrant civil society, as weak and in need of capacity building. A Mexican community economic development promoter responded by suggesting that his view was incomplete, contrasting the thin civil society of rural Zacatecas with the denser, more broad-based forms of organization in many southern, indigenous Mexican communities.

Of related concern is the uncoordinated and fragmented way in which the relationship between development and migration is addressed in different agencies and departments. A comprehensive approach to development and migration would require a top-down mechanism of inter-agency coordination in the Mexican government. A representative of the Mexican ministry that houses the 3-for-1 matching funds program argued that it could serve as such a coordinating mechanism, building on this program's success in formalizing the participation of migrant organizations.

### ***U.S. Policies Toward Migration & International Development***

U.S. immigration policy is primarily designed to control entry, not to deter migration at the source or address its causes. U.S. international development policy (i.e., foreign aid) exists in a separate realm and does not significantly address

migration. Ensilconced in separate agencies that respond to different Congressional committees, no dialogue takes place between these two sets of policymakers.

### **SCALING THE WALL OF SEPARATION BETWEEN POLICIES TOWARD INTERNATIONAL DEVELOPMENT AND MIGRATION, STEP BY STEP.**

A relevant political consideration is the lack of a constituency in the American body politic to support addressing the causes of migration from Mexico as a U.S. international development interest. Nevertheless, it would be institutionally more feasible to get (a) U.S. international development policy to address the phenomenon of migration that to get (b) law enforcement-oriented immigration policy to address the causes of migration.

Overcoming the “wall of separation” between these policy domains and the silence on the causes of migration in the U.S. policy debate will require preparation and progress in a number of areas. These include technical questions, such as the following:

- Better models of development ↔ migration interaction
- Increased transparency of public spending in Mexican agriculture
- Better indicators of development programs' impact on migration
- Comprehensive coordination of development & migration programs in the Mexican government
- Establishment of an ongoing institutionalized binational dialogue on development and migration.



### Participating Researchers, Migrant Leaders, and NGOs

**Julieta Appendini**, Fomento Cultural y Educativo, A.C.

**David R. Ayón**, Mexico Institute, Woodrow Wilson Center

**Xóchitl Bada**, University of Illinois, Chicago

**John Burstein**, Voces Mesoamericanas

**Leticia Calderón Chelius**, Instituto Mora

**Laura Carlsen**, Center for International Policy

**Brisa Ceccon**, Iniciativa Ciudadana

**Alejandra Cervantes**, Migración y Desarrollo, A.C.

**Oscar Chacón**, National Alliance of Latin American & Caribbean Communities (NALACC)

**Sergio Cobo**, Fomento Cultural y Educativo, A.C.

**Isabel Cruz**, Asociación Mexicana de Uniones de Crédito del Sector Social (AMUCSS)

**Paule Cruz Takash**, North American Integration and Development Center, UCLA

**Jonathan Fox**, UC Santa Cruz y Wilson Center Mexico Institute

**Rodolfo García Zamora**, Universidad Autónoma de Zacatecas

**Alejandra Garduño**, Fundación para la Productividad en el Campo, A.C.

**Vicki Gass**, Washington Office on Latin America

**Silvia Giorguli**, El Colegio de México

**José Luis Gutiérrez**, National Alliance of Latin American & Caribbean Communities (NALACC)

**Juan Romualdo Gutiérrez Cortes**, Frente Indígena de Organizaciones Binacionales (FIOB)

**Carlos Heredia**, Iniciativa Ciudadana

**Raul Hinojosa**, North American Integration and Development Center, UCLA

**Efraín Jiménez**, Federación de Clubes Zacatecanos del Sur de California

**Humberto Morales**, Centro Campesino para el Desarrollo Sustentable, A.C.

**Elizabeth O'Connor**, Service Employees International Union

**Roberto Ramírez**, IAF Veracruz/APOYO/FUPROCA

**Gaspar Rivera-Salgado**, UCLA, Frente Indígena de Organizaciones Binacionales

**Jorge Romero**, Red Internacional de Migración y Desarrollo

**Odilia Romero**, Frente Indígena de Organizaciones Binacionales (FIOB)

**Marc Rosenblum**, Migration Policy Institute

**Andrew Selee**, Mexico Institute, Woodrow Wilson Center

**Clemente Ruiz Durán**, Universidad Nacional Autónoma de México

**Iván Polanco**, Asociación Nacional de Empresas Comercializadoras de Productores del Campo

**Renata Terrazas**, FUNDAR

**Rosa María Vidal**, IAF Veracruz/Pronatura Sur

**Vladimiro Vlades**, Migramex, A.C.

**Andrew Wainer**, Bread for the World

## Participating Policymakers, Grantmakers and Representatives of Multilateral Institutions

**Daniel Hernández Joseph**, Secretaría de Relaciones Exteriores

**Elizabeth Bauch**, U.S. Agency for International Development

**Salvador Berumen**, Instituto Nacional de Migración

**Susan Bird**, Ford Foundation

**Sharon Bissell**, MacArthur Foundation

**Valeria Brabata**, Kellogg Foundation

**Mary DeLorey**, Catholic Relief Services

**Rodrigo Diez de Sollano**, Director General de Fideicomiso de Riesgo Compartido

**Agustín Escobar**, CIESAS/Consejo Nacional de Evaluación de la Política de Desarrollo Social (CONEVAL)

**Gracia Goya**, Hispanics in Philanthropy

**Shauna Hemingway**, Canadian Embassy

**Carmen Herrera**, Mexican Ministry of Social Development (SEDESOL)

**Gustavo Lara A.**, Fundación BBVA Bancomer

**Luis Felipe López Calva**, World Bank

**José E. López Córdova**, Inter-American Development Bank

**Juan Luis Ordaz**, Fundación BBVA Bancomer

**Itzel Ortíz**, Instituto Nacional de Migración

**Jorge Romero**, Global Peoples Action and the International Network on Migration and Development (RIMD)

**Martha Smith de Rangel**, Fundemex y U.S.-Mexico Foundation

**Julian Ventura**, Secretaria de Relaciones Exteriores

**Jill Wheeler**, Inter-American Foundation

**Carlos Zarco**, Oxfam-México

### Appendix: Summary of Presentations at the Mexico City Migration and Development Dialogues

Through its U.S.-Mexico Migration Dialogue, the Woodrow Wilson Center Mexico Institute has renewed and deepened communications among a wide range of actors from both countries on the challenging issue of Mexican migration to the United States. The most ambitious of the project's three phases addressed the relationship of migration to economic development in meetings held over two days in different venues in Mexico City. These intensive discussions involved the highest level, most binational and diverse set of collaborators and participants of this two-year initiative.

**Jonathan Fox**, Senior Advisor to the project and professor of Latin American and Latino Studies at the University of California, Santa Cruz, set the stage for the dialogues on both days. The first day's sessions, held in the picturesque Coyoacán district of Mexico City, covered a broad range of issues, were relatively more grounded in grassroots perspectives and highlighted the lack of a focus on the causes of migration in Mexican economic policy. The discussions on the second morning, held in the Mexican foreign ministry tower in the city's historic center, was more centered on the disconnect between U.S. policies toward immigration on one hand and international development on the other.

On the opening day, Dr. Fox surveyed three major historical phases that the relationship between Mexican migration and economic development has traversed since World War II:

- Bracero Program
- North American Free Trade Agreement (NAFTA)
- Immigrant Remittances

From 1942 to 1964 millions of Mexicans came to work in the U.S. in what was commonly known as the Bracero Program. The prevailing view in Mexico was that the experience and savings of the returning migrant workers would contribute to economic development in their home communities.

But by the mid-1970s, unauthorized labor migration from Mexico had once again become a growing national policy concern in the U.S. It was not until the 1990s that a new binational policy was adopted that advocates claimed would provide developmental alternatives to migration. Prof. Fox recalled that some noted policy analysts predicted that the North American Free Trade Agreement, which went into effect in 1994, would stimulate increased migration in the short term but that it would decrease migration pressures in Mexico in the medium to long term. According to Fox, however, employment-generating investment as a result of NAFTA fell short of expectations, and large-scale unauthorized migration increased over the rest of the decade.

The rapid growth of the Mexican immigrant population in the U.S. since the 1970s brought with it a rising flow of remittances of migrants' earnings to their families in Mexico. This flow — which reached a peak estimated at US\$26 billion in 2006 — was widely studied for its potential to mitigate poverty in rural Mexico, and as an international phenomenon led to the convening of major gatherings such as the official, multilateral Global Forum on Migration and Development, which also allowed for civil society participation. At the same time, migrant rights advocates created parallel spaces of international discussion, such as the Peoples' Global Action on Migration, Development and Human Rights. In spite of these efforts — both of which were held in Mexico in 2010 — Fox argued that the state of understanding and debate on the connection between development and migration



remains underdeveloped: the causes of migration remain inadequately analyzed, receiving countries fail to recognize their shared responsibility in their demand for immigrant labor, and economic policy in countries such as Mexico fails to prioritize job creation, especially in agriculture, to address causes of migration.

If the premise of a critical relationship between migration and development appears so compelling in these international discussions, why is it not more widely recognized beyond them? Fox suggested that to achieve such recognition requires imagining viable ways to win over important actors on both sides of the border and overcoming the obstacles that prevent them from seeing the obvious connection. This meeting, Fox explained, was intended to follow the Global Forum and the Peoples' Global Action gatherings in Mexico the year before with the objective of focusing on national policies on a scale beyond the local developmental projects that have failed to have a critical impact. The intention was to fashion a more concrete and precisely structured binational dialogue between representatives of civil society, migrant communities, academia, government and non-governmental funding institutions from the two countries.

### Session I: Economic and Policy Context in Mexico & U.S.

Taken together, the speakers in this context-setting session drew a mainly downbeat portrait of the binational economic and policy landscape in which the processes of migration and development unfold. At the time of the meeting, economic prospects on both sides of the border appeared bleak, Mexican policies in the areas of education and agriculture were described as taking little or no account of migration, and U.S. policies were seen as oblivious to the causes of migration and the economic costs of a substantial labor force locked in undocumented status.

**Clemente Ruíz Durán** of Mexico's National University (UNAM) described the Mexican economy as stuck at a low average annual rate of growth of 2.7% since the signing of the North American Free Trade Agreement (NAFTA). He saw Mexico's business cycle as closely linked to that of the U.S. in this period, which had an average growth rate of just 2.4%. Although Mexico's economy has been more stable than that of the U.S., a major problem is the dependence of employment on growth, which has been low in both countries.

Ruiz Durán pointed out that the most notable difference between the two countries in this regard is demographic, due to a proportionately more rapid growth of Mexico's economically active population. The size of Mexico's workforce had risen from 35 million in 1995 to 47 million at the time of the meeting. Among the challenges in addressing such growth is a long-term decline in investment in the formal sector of the economy, the continuing concentration of job creation in the Valley of Mexico, and a continuing dependence on low-wage labor to attract foreign investment but that limits the growth of the internal market. He concluded that Mexico is trapped in an economy that grows slowly, invests little and that keeps wages low.

**Raul Hinojosa** of UCLA addressed three areas in relation to the binational integration of labor markets: demographic trends, U.S. immigration policy, and immigrant remittances. He struck a different note on population trends, pointing out that the populations of both countries are rapidly aging. If it were not for immigration, he argued, the U.S. would be facing a severe demographic crisis. Areas in Mexico, meanwhile, are facing significant depopulation due to migration.

Hinojosa argued that U.S. policies that impact migration from Mexico have the effect of keeping migrant wages low and undermining labor rights. Undocumented workers earn from 15%-30%

less than authorized workers. If they were to be legalized, the U.S. economy would grow by an additional \$1.5 trillion over the next 20 years.

Immigrant remittances, Hinojosa argued, are potentially a more important factor than demographic change. Currently the effect of remittances and the high cost to migrants of transmitting their savings create a series of problems in their country of origin: inflation, lowered productivity, growing inequality and further dependence on migration. These create a vicious circle that could be remedied on the financial side. What is needed is for the migrants to acquire independent financial capabilities and lowered costs for money transfers. This change could be accomplished by employing new technologies.

**Silvia Giorguli Saucedo** of El Colegio de México focused on the importance of education as both an indicator of development and a key to sustaining it. In general terms, Mexico's main educational challenges are attendance and inequities between rural and urban settings; between the indigenous and mestizo populations; social classes; and between public and private schools. A particular development-related drawback is the failure to link schooling with workforce development.

Mexico, however, has advanced toward universal participation in education in recent years, in part due to programs such as *Progresá* and *Oportunidades*. In 2005 school attendance among children aged 6–11 was 97%, while those aged 12–14 were at 90% and those at 15–17 were 63%.

Migration and education are related in the first instance as a choice taken by youth to opt for one or the other. 40% of migrants to the U.S. make their first trip before the age of 20. Areas with high rates of out-migration also show lowered levels of school attendance as a consequence of the culture of migration and stress created by missing family members. Education programs specifically designed to address these factors

are needed in these areas. Policies are also needed to address the phenomenon of youth that return from migration. Some 200,000 such youth have returned in recent years that need to be reintegrated into the Mexican educational system.

Looking across the border, there are also high dropout rates among migrant youth and the children of migrants in the United States. The obstacles that such youth face in accessing quality education in the U.S. subsequently lead to problems in their integration into the workforce.

**Jonathan Fox** returned to address Mexican agricultural policy in this session, focusing in particular on its role in rural sector job creation. Agricultural employment has continued to fall and this trend has been strongly related to public policy. From 1991 to 2007 — essentially since the signing of NAFTA — agricultural employment fell from 10.7 million to 8.6 million.

While public sector spending in agriculture nearly doubled from 2000 to 2009, the main subsidy programs do not promote employment in this sector. Thus the job losses are not due to a lack of public investment in agriculture but rather to fact that job creation in this sector is not a governmental priority. Public resources in agriculture are mainly channeled to medium and large producers.

Precise figures on how many agricultural producers receive subsidies and to what extent are difficult to obtain, but Mexico's agricultural programs are known to direct a large part of their resources to northern states, with the goal of enhancing productivity. In order to have public spending address the causes of migration, it would be necessary to channel more productive investment to areas of high out-migration. Analytically, new methods of mapping migratory flows and public spending are needed. Resources are needed both for the creation of new jobs in agriculture and to support existing employment, and they would have

to reach those who actually work the land — since most remaining agricultural jobs are on small family farms.

The impact of U.S. agricultural subsidies cannot be overlooked. Over the long term, these subsidies have effectively wiped out the benefits of Mexican programs such as *Procampo* that were intended to compensate for the opening of agricultural markets to imports. This is another issue that should be included on binational agenda under the rubric of shared responsibility.

**Marc Rosenblum** of the Migration Policy Institute took a longer look at U.S. policies toward migration and development. He explained that U.S. immigration policy corresponds to national objectives and is neither designed to address the causes of migration nor to deter it at the source. The key objectives are centered on controlling entry and providing for certain humanitarian considerations. In the separate realm of international development policy, U.S. foreign aid simply doesn't address migration — and no dialogue takes place between immigration and international development policymakers.

Immigration policy occasionally enters into U.S. foreign policy considerations in attempts to control migration flows and in order to address national needs in particular situations. This was the case with the Bracero Program, which attended to wartime labor demands. In binational diplomacy, however, migration can more easily be addressed when the phenomenon is a relatively small part of the relationship. In the case of the U.S. and Mexico today, the flow is vast and the issue is of high relevance for both countries.

Another set of difficulties in linking development and migration policies is the complex and changing nature of their relationship and the technical demands of devising programs to deal with this complexity. The relationship between development and migration tends to change over time: in the

short term, development can stimulate migration by transforming markets and providing new resources that can be used to finance migration. Over the long term, however, it is more probable that development will reduce migration. A technical challenge is to devise programs focused on areas of outmigration and that can answer the question of what to do to dissuade further migration.

Finally, the state of the economy in the U.S. makes it difficult to consider any long-term policies for development in Mexico, when the U.S. tends not to design long-term policies for itself.

## Session II: Remittances & Development

The session opened with **Rodolfo García Zamora** of the Autonomous University of Zacatecas pointing out how the international debate on migration and development has unfolded in key global forums. In debating the possibility that migration might bring development to communities of origin, the way that migrants are seen has changed and they have begun to develop themselves into new transnational actors. To take this further the migrants will have to work with civil society at the local level in the design of public policies and the allocation and monitoring of public resources.

**Xóchitl Bada** of the University of Illinois at Chicago followed with a review of Mexico's signature 3-for-1 matching funds program that involves migrants in social development projects in their communities of origin. She noted that these projects have helped extend the distribution of resources in some Mexican counties bringing infrastructural investment to some traditionally isolated communities.

Nevertheless, the program's projects and resources remain concentrated in just three states in Mexico, with a majority of each going to Zacatecas, Jalisco and Michoacán. There have also

been difficulties in harmonizing the approaches favored by the migrants with that of Mexico's Ministry of Social Development. The modest amount of government matching funds available severely limits the size of the program and many projects proposed by migrants get rejected. Federal appropriations are minimal in comparison to either the tax revenues obtained from migrant remittances or the resources provided to other programs such as *Oportunidades*.

Bada expanded on issues of administration, participation and governance in connection with the program. U.S.-based federations of migrant hometown associations have succeeded in strengthening their role in the official committees that approve and monitor projects, but full accountability has not been achieved. The participation of local groups of non-migrant citizens of the recipient communities has advanced but remains underdeveloped and understudied.

Modest advances have been made in projects more directly related to local development, such as with a scholarship program. Employment-generating projects, however, remain just 3.5% of the total, and half of these are estimated to end in failure due to a lack of support for the marketing of their products.

In this panorama, U.S. development assistance is notable for its absence. U.S. foreign aid to Mexico is focused on the war on drugs. Development aid provided by USAID amounts to only 1% (\$11.2 million) of the assistance provided to combat drug smuggling. This is low even in comparison to the \$33 million that migrants channel to 3-for-1 projects.<sup>8</sup>

**Raúl Hinojosa** and **Paule Cruz Takash** of UCLA outlined an alternative approach to that of the 3-for-1 program, which they characterized as unscalable and only tapping into a minuscule fraction of the flow of migrant remittances. They argued for the creation of financial institutions

and channels that would leverage these resources and reduce remittance costs. There is a need for rural credit unions linked to microfinance institutions that can provide innovative services, such as money transfers by cellphone. These means would serve not only to reduce costs but also augment the flow of remittances and promote increased savings.

**Isabel Cruz**, of the Mexican Association of Social Sector Credit Unions (AMUCSS) delved further into option of using access to financial services as a means of promoting development in rural communities. She pointed out that areas of high out-migration are poor and lacking in such services. She argued, furthermore, that there has been a shift away from investing remittances in employment-generating projects with the realization that banked remittances lead to increased savings and access to credit, which in turn can reduce the vulnerability of families by stabilizing incomes and facilitating access to education and health services.

The key to this virtuous circle is expanding access to financial services and banking remittances, which not only acts to reduce the vulnerability of families but can also enhance participation in development at the community and micro-regional level. Regional institutions must be created to allow for massive access to financial services and that in turn reinvest in their communities. New regulatory frameworks are also needed for the transnational financial system; at present there are obstacles to the use of the same bank accounts on both sides of the border.

New community banks that can draw in the remittance flow need to have transnational strategies and employ social networks, and these institutions must in turn be integrated into a micro-bank network. These steps will allow us to see how migration can fit within the design of development strategies beyond the 3-for-1 program.

### Session III: Civil Society Policy Priorities: Next Steps?

In his role as moderator, **Oscar Chacón** of the National Association of Latin American and Caribbean Communities (NALACC) argued that proposals originating in civil society that link development and migration are urgently needed. He recognized, however, that civil society faces challenges of resources and organization in this arena, and that the participation of migrant civil society is particularly challenging.

Fostering development is not a matter of money, argued **Efraín Jiménez** of the Federación de Clubes Zacatecanos of Southern California. There is sufficient money in the remittance flow and the 3-for-1 program, yet these have not generated development. What we lack are strong communities to lead development, and in Mexico civil society remains weak. Leaders who emerge in the communities either migrate or are co-opted by the political parties. The counties (*municipios*) are the critical locus for development efforts, yet there are no development plans at this level and the local governmental leadership changes every three years. Education is not lined up with local community needs and courses of study that would foster development. The migrants need technical support and migrant civil society needs capacity-building. Finally, it is also necessary to see the link between development and migration not only in the communities of origin but also among the migrants in the U.S., which calls for an immigration reform that would yield positive results for both countries.

**Jorge Romero** of Global Peoples Action and the International Network on Migration and Development (RIMD) addressed the question of what had emerged from the major international discussions on development and migration. He noted a divide between those who see a necessary role for governments and others who stress bottom-up strategies. Through

this, however, the right questions have emerged: how can a *comprehensive* development policy be advanced, and what precisely constitutes comprehensiveness? Identifying this key question is a step forward but it has not gotten beyond the civil society arena. Indeed, the concept of comprehensiveness was explicitly rejected in the inter-governmental Global Forum on Migration and Development when participants from civil society advanced it. Official participation in this dialogue has been fragmented, without inter-institutional coordination within governments or between them and international institutions. It will take the United Nations to provide the needed leadership and direction.

Civil society, Romero continued, has not been able to fully link development with the human rights of the migrants; rather it has tended to focus on the immediate need to protect the migrants and their defenders. The migrants themselves have emerged as actors on both the national and international scenes, but their participation and means of collaboration still need to be formalized.

One of the great needs that has been identified is access to information and indicators that allow for greater understanding and evaluation of the impact of development policies. That governments will be required in four years to provide indicators that allow for understanding the causes of migration has opened opportunities for civil society, which has to define what comprehensiveness means and thereby oblige governments to provide useful information.

In addressing the relationship between civil society and the Mexican state, **Brisa Ceccon** of the Mexican public interest group Iniciativa Ciudadana argued that the rights and the empowerment of the migrants is still questioned and hampered by several prejudices. Migrants continue to be seen as objects rather than subjects, she stated, and offered as an example that migrants were not brought into the debate over Mexico's new law on migration.



She proposed the creation of trans-border alliances from Central America to the U.S. to counter unilateral approaches.

**Ivan Polanco** of the Asociación Nacional de Empresas Comercializadoras de Productores del Campo (ANEC), a broad-based group of regional family farmer organizations, questioned the emphasis on the use of remittances to foster development, asking why the poor should be expected to provide the financing. He argued that those who create greater wealth in the country take more out than the flow of remittances brings in. That capital outflow should be taxed and the money raised should be channeled to development programs. He argued for a long-term national policy of sovereignty in food production, with a focus on regional supply. The agricultural budget, which through programs like *Procampo* is 70% channeled to the better-off producers, should be redirected to small and medium producers.

### Foreign Ministry Dialogue with Policymakers & Grantmakers

The connection between migration and development is an issue debated among civil society, migrant organizations and academia, but not within government said Mexico Institute Director **Andrew Selee** to open the second phase of this binational dialogue in Mexico City. His remarks followed a welcome to the Mexican Foreign Ministry by **Undersecretary Julián Ventura** in which he noted the need to advance a focus on policy at the various levels of government that incorporates community leadership and clearly establishes the relationship between development and migration. The ensuing session principally featured summary presentations of the previous day's discussions to a gathering of representatives of government agencies and grantmakers from both countries as well as from multilateral organizations.

**Jonathan Fox** stressed the diverse and binational character of the participants at the Casa Colef sessions, who represented an array of stakeholder constituencies, affected sectors and researchers that came together to discuss how to better incorporate the development issues that cause migration into debates on immigration policy. He described the group as sharing at least four objectives:

- To promote further exchanges aimed at improving understanding of the opportunities and obstacles to advancing an agenda that joins development and migration
- Better define the links between the macro, sectoral, regional and local dimensions of development and migration
- Sharpen the focus on specific and tractable proposals, going beyond mere discussion of the problems
- Seek common ground with the agencies and institutions represented in the current session

Fox then went on to summarize the discussions by highlighting three principal sets of considerations:

1) Getting the causes of migration onto the binational agenda is a more difficult proposition than it might appear. In the United States -- in spite of the intensity of the domestic debate over immigration -- when it comes to the challenge of how to promote development and job creation in Mexico, "*the silence is deafening.*" Here we are talking fundamentally about our labor markets, which are fully integrated, and about the continuing demand for labor in the United States; we thus see migration as a shared responsibility between the two countries.

2) We need to make explicit the implicit difference between two ways of framing the general

question: “migration and development” on one hand, “development and migration” on the other. In practice, the former principally refers to remittances and how they can be channeled so as to yield the greatest social benefit. While this issue is vital, many more linkages between these two issues go beyond this point. Given our interest in focusing attention on the causes of migration, the “development and migration” framing of the issue implies a need to better understand the full range of policies that bear on job creation and regional development that could reach the scale needed to alter the destiny of entire regions. Isolated local efforts will not have the multiplier effect on the scale required.

3) Up to now, migrant organizations have established many key relationships with the public sector in Mexico at every level — but their input has been limited to migration policies narrowly defined. What we saw yesterday is that a range of migrant organizations are now prepared to have input into other policies that also bear on development in their communities of origin: in agriculture, education, finance, and the overall budgetary allocations at the state and county levels. In other words, the real money.

**Rodolfo García Zamora** tackled head-on the idea that either migration itself or remittances promote development, and called for the institutionalization of a new approach to development that leaves behind any such “extractionist” connection to migration. He argued that the new perspective on migration that is needed can be forged in dialogues such as this one with government officials and foundations.

**Isabel Cruz** called attention to the difficulty of encouraging the production of foodstuffs in rural communities that are dependent on externally produced food. Even when microfinance networks are set up in these areas, no one applies for credit. What is needed here is a combination of risk

capital and subsidies, which has been lacking up to now. Elsewhere, access to financial services remains insufficient. Only 3% of rural counties in the state of Oaxaca, for example, have access to a financial institution, in spite of a notable inflow of remittances. If just 5% of the remittance flow over the previous eight years had been deposited in a financial institution, the state would have 5 billion pesos to invest productively — twice what it in fact has today. She ended with the call to “bank the unbanked to promote local development.”

**Efraín Jiménez** insisted on the need to match school curricula with regional labor and development needs. It won’t matter how much money the government invests in the countryside if it also lack the human capital that can make use of it.

**Xóchitl Bada** stressed the importance of not confusing migrant organizations with potential migrant investors. Toward this end, a thorough study profiling migrant organizations and investors is needed. Detailed familiarity with the heterogeneity of these actors will allow for the creation of effective programs, which should be designed with their input.

**Raul Hinojosa** mentioned that the North American Development Bank, which was founded in conjunction with NAFTA, in theory was supposed to do what has been called for in these discussions: one of its original functions was to support communities in Mexico affected by migration. Public institutions must be compelled to give answers and carry out their duties.

The silence in the United States on the relationship of migration to development is not due to a lack of understanding that the creation of more and better jobs in the home country would reduce mass migration, **Marc Rosenblum** argued. There is a problem in that economic models do not clearly explain migration flows. But the main difficulty

of connecting development and migration in U.S. policy is institutional and political. He noted that as different U.S. agencies are charged with these policies, they respond to different Congressional committees. Furthermore, there is no constituency in the U.S. that supports investment in Mexico as a way to address the causes of migration. More generally, Mexico's overall status as a middle-income country is an obstacle to having it considered in U.S. foreign aid calculations. Nevertheless, in order to link the two issues, it would be more viable to get the development and foreign policy agenda to address migration than to have the migration agenda reach into the area of international development.

**Silvia Giorguli** expanded on the point that economic factors alone do not cause migration, and that family and cultural considerations must be included in the discussion. And although the previous sessions acknowledged the heterogeneity of migration flows, the focus has remained exclusively on rural areas origin. But there are in fact urban flows that are not anchored in rural community dynamics and that have not been brought into the analysis. She agreed that in the short term economic development can in fact stimulate increased migration in the short term. She concluded by observing that the discussion of a "right to not migrate" should be balanced by consideration of how conditions could be improved for those who do choose to migrate, both in the processes of migrating as well as in integrating into the host society. The day before Prof. Giorguli had suggested that English could be taught in Mexican public schools so that those who migrate can be better integrated.

**Carlos Zarco**, of Oxfam-Mexico, introduced the need to support and strengthen migrant organizations and to develop more systematic processes of formation of such organizations — in particular those that would have scholarship programs such as are currently promoted by the

Bancomer Foundation, INDESOL (Mexico's National Institute for Social Development) and some universities. Zarco also called for the further development of the migrants' political rights, without which their voice will always be limited.

**Gustavo Lara** of the Bancomer Foundation picked up on the issue of education and development, explaining that his foundation helps the children of migrants that stay behind. It identifies the high performers among such youth and provides support that helps to keep them in school. But he went on to insist that Mexican higher education must be made more relevant to community development. He offered the example of a university campus in one of Mexico's 100 poorest communities, San José del Rincón in the state of Mexico. That institution offers a single major, in accounting, and graduates 450 students annually — but he argued that there is no way to translate such training into employment opportunities.

Finding a way to coordinate how different institutions and agencies address the connection between migration and development was addressed by **Carmen Herrera** of the Mexican Ministry of Social Development (SEDESOL) and **Jorge Romero** of Global Peoples Action and the International Network on Migration and Development (RIMD). Romero noted that Mexico lacks inter-institutional coordination to bring these two issues together. Different institutions in Mexico address migration and development in a fragmented manner. Coordination would have to come from the top down, with a design that would allow for ongoing inter-institutional dialogue and decision-making.

Herrera responded by saying that the idea of a new institutional framework is very promising, as this could generate synergies. She suggested that the 3-for-1 program within her ministry already serves to combine efforts for the development of social projects. This program has fashioned a solid relationship with migrant organizations and communities. The current

dialogue could find a space in the 3-for-1 program, within its track of productive (employment-generating) projects, raising their profile among migrant communities and stimulating a greater allocation of resources. Academia could contribute technical support and civil society organizations could provide capacity building to the recipient communities.

Offering a different perspective on the relationship of both education and the infusion of development resources to migration, **José López Córdova** of the Inter-American Development Bank argued that both in fact tend to increase it. The counties that receive greater funding also have more out-migration.

## Endnotes

- 1 On enforcement policies, see the comprehensive study prepared for this project, *Borders, Jails, and Jobsites: An Overview of Federal Immigration Enforcement Programs*, by Aarti Kohli and Deepa Varma of the UC Berkeley School of Law Warren Institute: [http://www.wilsoncenter.org/sites/default/files/WI\\_Enforcement\\_Paper\\_final\\_web.pdf](http://www.wilsoncenter.org/sites/default/files/WI_Enforcement_Paper_final_web.pdf).
- 2 For an official account see [www.gfmd.org/en/gfmd-meetings/mexico-2010.html](http://www.gfmd.org/en/gfmd-meetings/mexico-2010.html). The annual GFMD is closely coordinated with but not formally sponsored by the United Nations. For an independent report on both forums see Stefan Rother, “Standing in the Shadow of Civil Society? The 4th Global Forum on Migration and Development (GFMD) in Mexico,” *International Migration* 50:1 (2012): <http://onlinelibrary.wiley.com/doi/10.1111/j.1468-2435.2011.00717.x/pdf>.
- 3 See [www.accionglobalmexico.org/iindex01.php](http://www.accionglobalmexico.org/iindex01.php)
- 4 This policy, initiated at the beginning of World War II and renewed during the Korean War, authorized some 4.6 million individual seasonal labor contracts. See Manuel García y Griego, “The Importation of Mexican Contract Laborers to the United States, 1942–1964,” in *Between Two Worlds: Mexican Immigrants in the United States*, David G. Gutiérrez, ed. (Wilmington, Delaware: SR Books, 1996).
- 5 See the World Bank *Migration and Remittances Factbook* 2011: <http://siteresources.worldbank.org/INTPROSPECTS/Resources/334934-1199807908806/Mexico.pdf>.
- 6 This estimate is derived from the report of the Mexican Ministry of Social Development (SEDESOL) on the 2010 activities of the 3-for-1 program, “3x1 Para Migrantes,” pp. 52–62 of the ministry’s *Cuarto Informe Trimestral* 2010 (January 2011): [www.sedesol.gob.mx/es/SEDESOL/INFORMES\\_TRIMESTRALES\\_DE\\_PRESUPUESTO\\_EJERCIDO](http://www.sedesol.gob.mx/es/SEDESOL/INFORMES_TRIMESTRALES_DE_PRESUPUESTO_EJERCIDO). Collective remittances mobilized by migrant hometown associations are limited by the amount of matching funds made available by Mexican authorities and the approval of individual projects by official committees. These appropriations declined somewhat between 2009 and 2010.
- 7 According to the preliminary figures in the ministry’s report (fn. 5), in 2010 2,488 projects were approved, supported by 890 hometown associations of Mexican migrants.
- 8 Prof. Bada’s estimates are for 2009, based on reports of the Mexican Ministry for Social Development (SEDESOL) and Wainer, Andrew, “Desarrollo y migración en el área rural de México,” *Bread for the World Institute Boletín Informativo* #11 (February 2011), p. 4.





# MEXICO INSTITUTE

## WOODROW WILSON INTERNATIONAL CENTER FOR SCHOLARS



Woodrow Wilson  
International  
Center  
for Scholars

ONE WOODROW WILSON PLAZA  
1300 PENNSYLVANIA AVENUE, NW  
WASHINGTON, D.C. 20004-3027

TEL: 202.691.4399  
FAX: 202.691.4076

WWW.WILSONCENTER.  
ORG/MEXICO

### WOODROW WILSON INTERNATIONAL CENTER FOR SCHOLARS

Jane Harman, Director, President, and CEO

#### BOARD OF TRUSTEES

Joseph B. Gildenhorn, Chair  
Sander R. Gerber, Vice Chair

Public Members: James H. Billington, Librarian of Congress; David Ferreiro, Archivist of the United States; James Leach, Chair, National Endowment for the Humanities; Kathleen Sebelius, Secretary, U.S. Department of Health and Human Services; Hillary R. Clinton, Secretary, U.S. Department of State; G. Wayne Clough, Acting Secretary, Smithsonian Institution; Arne Duncan, Secretary, U.S. Department of Education. Designated Appointee of the President from Within the Federal Government: Melody Barnes, Director, Domestic Policy Council, The White House

Private Citizen Members: Timothy Broas, John T. Casteen, III, Charles Cobb, Jr., Thelma Duggin, Carlos M. Gutierrez, Susan Hutchison, Barry S. Jackson

#### ABOUT THE CENTER

The Center is the living memorial of the United States of America to the nation's twenty-eighth president, Woodrow Wilson. Congress established the Woodrow Wilson Center in 1968 as an international institute for advanced study, "symbolizing and strengthening the fruitful relationship between the world of learning and the world of public affairs." The Center opened in 1970 under its own board of trustees. In all its activities the Woodrow Wilson Center is a nonprofit, nonpartisan organization, supported financially by annual appropriations from Congress, and by the contributions of foundations, corporations, and individuals. Conclusions or opinions expressed in Center publications and programs are those of the authors and speakers and do not necessarily reflect the views of the Center staff, fellows, trustees, advisory groups, or any individuals or organizations that provide financial support to the Center.