The relationship between the United States and Mexico has historically been a strong one, but internal politics in both countries today are preventing a potentially closer and more productive alliance. Problems at the border loom large in the political calculation of decision makers both in Washington, D.C., and Mexico City.

Daily news reports seem to imply that problems developing at the border stand to derail common goals. However, it is our contention that the exact opposite is true. Creative localized solutions to the challenging set of issues that surround the U.S.-Mexico border could hold the key to building a stronger overall bilateral partnership and constructive joint future, rather than serve as the flashpoint for tensions between the two neighbors. Both Mexican President Felipe Calderón and U.S. President Barack Obama have a unique opportunity in the next four years to advance common goals such as economic prosperity and security.

This report on the U.S.-Mexico border aims to aid policymakers in forging stronger and sustainable U.S.-Mexico bilateral relations with the use of more coordinated approaches to border issues. Sponsored by the James A. Baker III Institute for Public Policy at Rice University in Houston, Texas, this study investigates the important role of border institutions, civil society, cross-border transnational populations, and localized, small-scale problem-solving as a first defense against the deteriorating conditions at the border—be they humanitarian, economic, or security-related. By better understanding life along each side of the U.S.-Mexico border, we hope to demonstrate the great potential of this vibrant region to play a positive role in both the U.S. and Mexican economies and intertwined transnational communities. Rather than represent a zero-sum unilateral dilemma, the border can be a stepping stone toward a lasting friendship between the United States and Mexico, and positively influence citizens on both sides of the boundary. The border should be where one can best see the benefits for the two countries of collaborating and cooperating on issues of major concern. Instead, the border is increasingly becoming an area of tension, conflict, and unilateral policies and actions that are more likely to hinder, rather than promote, common goals.

This report, coordinated by Erika de la Garza, the program director of the Baker Institute’s Latin American Initiative, and David Mares, Baker Institute Scholar for Energy Studies, includes findings from nine papers (see page 16). Commissioned by the Baker Institute, the papers analyze a number of topics relevant to the border’s future, including the social and economic burden that migration places on border communities on both sides, the impact of inadequate physical and human infrastructure at the border, and the need for collaborative efforts to combat organized crime. By examining these important components of border relations and making policy recommendations, we hope to shed light on the building blocks for more constructive dialogue and policies that will enhance U.S.-Mexico relations.

President Obama has assumed office at a time of uncertainty in U.S.-Mexico relations. Despite the foreign and domestic challenges that his administration confronts—including ongoing wars in Iraq and Afghanistan, a global financial crisis, and a severe economic recession—U.S.-Mexico relations must be a top priority. His visit to Mexico in April 2009 and high-level dialogue with President Calderón, as well as his recent commitment of US$700
million to fund border law enforcement activities, is a good starting point. Funding that will help professionalize law enforcement capabilities in border cities and towns is extremely important. It has been shown that raising the standards for evidentiary-based procedures and citizen’s rights has enhanced the effectiveness of border law enforcement rather than hinder its efforts. The use of anonymous tip lines and surveillance has also played a constructive role in arming local law enforcement with improved information about illegal activities and drug smugglers.

U.S. policy in recent years has failed to recognize the critical importance of the benefit of positive relations with Mexico. A continuation of this neglect by Washington, D.C., risks further deterioration in a bilateral relationship already under severe strain. Mexico faces serious challenges in the years to come that will be of grave importance to the United States as well. Mexico is under severe pressure as violence related to drug trafficking increases, and Calderón’s policy of giving the military a leading role in combating organized crime is increasingly coming into question. At the same time, Mexico faces another possible crisis as its oil production continues to sink, throwing into possible jeopardy a major source of income for government expenditures. In addition, like the United States, Mexico faces an uncertain future at a time of international financial crisis. The global economic downturn has eliminated jobs in both countries and threatened the ability of workers in the United States to send remittances to Mexico. More than ever before, Mexico and the United States need to work closely together to enhance security in the border region and to allow their economic ties to reach full potential.

Prior to September 11, 2001, efforts were in place to create “seamless borders” that would improve regional economic performance from Brownsville–Matamoros all the way to San Diego–Tijuana. Between 1993 and 2006, Mexico’s agricultural exports to the United States increased by US$6.7 billion while those from the United States to Mexico rose by US$7.3 billion. Texas border cities have reaped most of the benefits on the U.S. side because of transportation and customs services that can handle the maquiladora trade; in the process, distribution facilities and administrative offices fueled the growth in industrial real estate, and jobs were generated in the legal, accounting, and financial professions. As the Federal Reserve Bank of Dallas concluded, “In short, maquiladoras help the Texas border region move up the economic ladder” (Vargas 2001).

Today the promise of a seamless border is gone, and it is only likely to regain traction with a concerted and proactive policy to address existing problems of human and physical infrastructure and improved procedures and funding for law enforcement. Despite positive developments in earlier decades, the challenges posed by accelerating globalization and international terrorism—as well as the fact that the trade in illicit drugs is passing through an especially unstable and violent period—make the border area particularly important and more complicated for both countries.

After the attacks of September 11, 2001, protecting the United States from another terrorist act became a U.S. priority. However, the concept of “protection” has been narrowly defined when it comes to Mexico, with the United States largely ignoring the impact on a relationship that had experienced an historic degree of cooperation predicated on long-term mutual benefit following the 1994 signing of the North American Free Trade Agreement (NAFTA). Mexico has had to understand its new relationship with the United States in light of this drastically heightened preoccupation with national security. At the same time, Mexico itself is entering a new stage of confrontation with increasingly daring and ruthless drug traffickers. Thus, Mexican policymakers are becoming sensitized to the challenges of fighting unconventional threats. Such threats are not unique to the United States and Mexico. Governments around the world are increasingly confronted with security threats from forces that operate transnationally and rival, outmatch, or simply evade the coercive capability of domestic police forces. The new challenges that states face from transnational crime and terrorism are due to the same factors that have boosted legitimate economic activity (e.g., freer trade under NAFTA and financial deregulation). Claims that sovereignty is at risk when laws are violated at the border polarize rhetoric and emotions, reducing a complex situation to a singular focus that obscures areas of mutual interest.

Terrorism and drug lords are not the only causes...
for the difficulties facing the United States and Mexican economies. Globalization has generated its share of challenges, opening the door to more competitors in the production of goods and services, tightening commodity markets, and facilitating the free movement of capital to the highest bidder. Indeed, the two countries face a trilogy of challenges—security, migration, and economic and social development—that impacts virtually every other issue confronting national policymakers and citizens alike, and anchors the border agenda. It must be recognized that economic and social development are critical to manage the drive to migration and the stresses it creates.

As democratic societies, Mexico and the United States seek to develop their human and material capabilities in ways that meet the needs of their societies. Such development cannot proceed efficiently and effectively when people fear for their security, either as citizens of a nation under attack or as individuals subject to domestic harassment, violence, corruption, or a paucity of material goods and services that meet basic human needs. Although migration is primarily a social and economic phenomenon, the movement of large numbers of people disrupts both the communities they leave as well as the communities in which they settle or temporarily congregate during their journey. The disruptions affect not only these communities, but also the individual migrants.

The region along the international border bears the brunt of the adjustments as both nations struggle to adopt and implement their national policies. Deterioration in the management of the bilateral relationship by national policymakers is evident locally in the growing problems buffeting citizens along the border: polarization of attitudes, reduced economic interaction, increasing levels of violent crime, and a worsening environment. Yet, stakeholders do not always play a constructive role in the dialogue to ease common problems. Rather, specific environmental and citizens groups block individual infrastructure that might ease environmental and congestion problems overall, and local law enforcement faces budgetary constraints that greatly constrict its ability to be effective. Meanwhile, funding goes to national resources that will be less effective in local communities. The actions of several national policymakers and stakeholder groups show an unfortunate lack of understanding of the fact that prosperity and security for the nation and its border regions are interdependent.

As the United States moves forward with a new president and Mexico heads into midterm elections, it is an appropriate moment to take stock of what is happening on the border and consider how to improve the current situation. Some argue that the United States needs to vigorously pursue a comprehensive “seal the border” policy until Mexico solves its domestic problems. But the border problems do not reside only inside Mexico. Trade, water, illegal and legal U.S. arms trade, money laundering, and energy infrastructure trends on the U.S. side of the border are a major influence on the health and well-being of Mexican border communities, as is U.S. immigration policy. Through actions that suggest the problems all originate in Mexico, the United States harms its own interests and risks producing an unappealing political outcome: the election of a stridently anti–American regime similar to those already in power in an increasing number of Latin American nations today, like Venezuela and Nicaragua. The White House announcement on March 24, 2009, on the U.S. comprehensive response and commitment to security along the U.S.–Mexico border, seems to indicate the Obama administration is paying attention to these problems and is willing to work closely with its Mexican counterparts.

Realistically, both countries stand to benefit from a collaborative engagement that seeks to improve the relationship on the border, improve life for border citizens of both countries, and facilitate the management of the relationship in Washington, D.C., and Mexico City. The challenge for the two governments will be to design policy that supports local efforts to make the border region a better place to live, and to do so in the context of national policies that must rightly prioritize national goals.

The trilogy of economic development, migration, and security (national and human) is thus the key element around which to orient a public discussion about the relationship between the current situation on the U.S.–Mexico border and the broader national interests of both countries. Addressing these issues constructively requires an understanding of the different perspectives held by stakeholders and then
searching for common ground. It is clear that not all issues can be addressed or approached cooperatively. Where this is the case, the goal of both countries in these particularly difficult issues should be to act unilaterally with minimal damage to the interests of the other.

It is also our perspective that in this effort to promote development and security for the two countries, regional interests and actors must be better incorporated into the policy process. Their experience, as well as their needs, will have a significant impact on how policy is adopted at both the national and local levels and on the outcome that is produced. In short, empowering citizens and civil society at the border will undoubtedly improve the capacity of public agencies at the border and the social legitimacy of public policy made in Washington, D.C., and Mexico City.

The main findings of the nine papers commissioned for this report are the following:

1. The failure to adequately develop the physical and human infrastructure of U.S. and Mexican border counties, and the impact of poor economic development on the U.S. side, have exacerbated regional problems and led to the deterioration of U.S.–Mexico relations. More substantial resources need to be devoted to physical and human border-crossing infrastructure.

2. Improving socioeconomic conditions along the border, as well as enforcing the rule of law and upgrading law enforcement capabilities in those communities, will enhance U.S.–Mexico relations and help alleviate ongoing problems in the region.

3. Employment opportunities on the border are, to a great extent, limited to low paying jobs that require manual labor. Public–private education and industrialization programs should be established to stimulate more innovation in industry. This will result in better paying jobs, which could curb the poverty that sometimes leads to criminal behavior.

4. Border communities are overburdened socially and economically by an influx of unemployed migrants, often single males with limited financial resources. These communities are not receiving sufficient support from their respective regional and national governments to offset the costs of law enforcement and social services needed to reduce the negative impact of such migrants on the local social fabric.

5. Labor reform is needed in Mexico to create better paying jobs in the country’s interior states. This will help reduce the flow of migrants seeking job opportunities on the border.

6. More cooperative efforts are needed to combat the organized crime that has turned a number of Mexican border cities into security threats for Mexico and that might, if unchecked, spill sufficiently across the border to represent a threat for U.S. border cities. Cooperation should include training to increase the professionalism of law enforcement in border cities and towns to bolster evidentiary standards and enhance citizens’ rights.

7. Certain technologies, such as surveillance cameras and anonymous tip lines, can assist law enforcement greatly, but policymakers should avoid the tendency to believe information technology solutions can replace traditional assets such as increased and better-trained law enforcement personnel on the border. More emphasis should be placed on hiring and training firearms agents and gun inspectors.

8. A binational border authority is needed to create common border management procedures and approaches, as well as possible solutions to porous issues such as water use and the environment.

9. Nongovernmental actors from the border region must get involved, and in a cross-cultural exchange of ideas, fashion appropriate and effective strategies to address border problems.

**Balancing International, National, and Local Needs**

Mexico and the United States have legitimate national interests that face a variety of challenges, as well as a bilateral relationship that also confronts
serious issues. At times, those national interests can be best served through mutual cooperation and collaboration, while at other times each might be better off pursuing its needs unilaterally. Nevertheless, as democracies, both countries have a responsibility to address the needs of their individual citizens. Many of those citizens inhabit the border region, where the physical fact of the international border has a fundamental impact on their lives. Their interests thus should be considered by national governments.

Involvement of local communities can also offer advantages for national and bilateral policymaking. On the border, the costs and benefits of different policies may become clearer as the targets of the policies adapt to them. For instance, people may take greater advantage than expected of education and health reform policies. Or they may evade—through stealth, corruption, or fighting back—efforts to stop or slow drug trafficking. These communities, because they experience the reality of the border intimately, may also provide insights into policy innovations that can be more effective. The forward deployment strategies of the Immigration and Naturalization Services (INS), which began in the 1990s, were initially conceived by a McAllen, Texas, border officer, and their successes led to their adoption by national policymakers.

Thus, efficacy and justice benefit when national and local policymakers seek to balance the needs of their nation, the bilateral relationship, and the priorities of local communities. The resulting policy will reflect the political process, the perspectives one holds about the border region, and the quality of the information available about challenges and opportunities.

We have no choice but to improve the effectiveness and efficiency of our cooperation. The moral, social, political, and economic costs of developing and implementing the police/military and technological elements to “seal the border” should be too high for politicians to seriously consider. The policies we adopt must address the root causes at the same time that they confront the illegal manifestations of those causes. It is of fundamental importance to resist the temptation to adopt policies that target the behavior in a way that exacerbates the root causes.

**THE BORDER: REGION AND COMMUNITIES**

There are numerous definitions of the border region, each guided by the point the user of the definitions seeks to make. The governors of the states along both sides of the border and some border agencies have argued for a definition that extends 300 kilometers into Mexico and 100 kilometers into the United States. Within this broad definition, the 24 U.S. counties and 38 Mexican municipios that actually meet the national boundary and have a population of approximately 13 million people are especially affected by border issues. For purposes of this report, we will term this subset of the border region “border communities.”

The population of border communities on the U.S. side is growing at nearly double the national rate (22 percent vs. 10 percent in the 1990s), is heavily concentrated in a few metropolitan areas, and has sociodemographic characteristics that cause incomes to be 87 percent of the national average, or 65 percent if the county of San Diego is excluded. Indeed, if we exclude San Diego, the per capita income of the other 23 counties in 2003 was below that of all 50 states. Forty percent of the population in these 23 counties, including a majority of the Hispanic population, live in colonias, unplanned communities with substandard (or even nonexistent) basic services or infrastructure in areas such as water systems, sewage and storm drainage, paved roads, and electricity. Transportation, retail, and government (including military, border patrol activity, and poverty-driven transfer payments) are the three main economic activities. Border communities have higher youth dependency ratios and lower labor force participation rates than the national average, both of which reduce the share of the population that contributes to income. In addition, border communities have lower levels of schooling, and a larger share of the population that has not mastered English (Gerber 2009).

The region is closely tied socially, culturally, and linguistically to Mexico; growth and cross-border traffic with Mexico are among the few sources of dynamism in the region’s economy, yet they also contribute to severe fiscal strains on local government. Close linkages to Mexico have resulted in some ambivalence about Mexican migration and federal border control policies. Expansion and forward deployment of the U.S. Border Patrol—the strategy of
“prevention (of migration) through deterrence”—originated locally and proved highly popular in U.S. border counties. The more recent strategy of building additional border fencing, however, was not a local demand and has met some resistance among U.S. border residents.

The population residing on the Mexican side of the border constitutes an important labor market for U.S. border communities. In 2002, nearly 8 percent of the workforce in the cities of Tijuana and Mexicali crossed legally into the United States for one to five days per week to work. Mexican border communities also represent important consumer and business markets for U.S. border communities (Ayón 2009).

The border cities on the Mexican side suffer from the same public infrastructure, housing, and public health issues facing their northern counterparts, but on a more severe scale given Mexico’s level of development. Some of the reasons for this similarity in situation mirror those in the United States. Migratory flows from Mexico, which include thousands of unaccompanied children, overwhelm the ability of local authorities to respond, while decision makers in the nation’s capital underestimate the concerns and needs of border communities when they make national and bilateral policy that affects the border.

In terms of public safety, however, the Mexican border communities currently confront a reality never experienced on the U.S. side. Despite income levels that are higher than in most of the rest of Mexico, the border region’s poor social and environmental situation creates significant health problems. The tuberculosis (TB) rate on the border is 25 cases per 100,000 inhabitants, compared with Mexico’s national rate of 15.6; the TB death toll parallels this difference, with 6.8 deaths per 100,000 inhabitants along the border versus 4.7 nationally. A similar situation occurs with HIV/AIDS: Border infection rates in Tijuana are 107/100,000, in Ciudad Juárez 83/100,000 and nationally 25.2/100,000 (Cruz 2009).

**Economic and Social Development**

The border is an exceedingly complex and paradoxical place. The underdeveloped physical infrastructure on both sides of the border, as well as the poverty and low educational attainment, reflect the limited economic opportunity. But the press of migration points to the fact that, despite its shortcomings, the border signifies opportunity for the many who continue to flock there from even more disadvantaged places. Although the U.S. side ranks at the very bottom of U.S. economic measures, it nonetheless provides advantages sufficient to continue to attract new residents. Indeed, its low socioeconomic ranking across virtually all measures to some degree reflects the continued inflow of new, low-skilled migrants, statistically nullifying any improvements that existing residents might achieve (Fullerton and Barraza 2009).

The North American Free Trade Agreement (NAFTA) stimulated growth of the maquiladora industry, making the northern border one of the most dynamic employment creators in the country. Maquiladoras are low-wage, labor-intensive factories that import components duty- and tariff-free, and then re-export the finished product. However, this progress is now challenged by cheaper exports from China where wages are even lower than in Mexico. Indeed, Mexico’s economic competitiveness has been deteriorating since its peak in 2000.

Mexico’s weaknesses are the result of inadequate financing and infrastructure to stimulate the study of science and technology, create innovation (e.g., universities and firms) and provide links to those who could use it in their economic activities (via offices of technology transfer). The industrial culture also still does not realize the importance of innovation. In the last 35 years, Mexico has invested a maximum of 0.35 percent of its gross domestic product in science and technology—far behind levels reached by its emerging market competition, including Brazil (1 percent), South Korea (2.91 percent) and Vietnam (2 percent) or even mature markets like the United States (2.64 percent). Indeed, a 2007 study about innovation policies in Mexico conducted by the Organisation for Economic Co-operation and Development (OECD) has Mexico last among member countries in terms of public policy support for innovation.

Thus, Mexico has a large, unskilled labor force whose low wages, though attractive to industry, do not create economic opportunity for the employee. This is a dilemma for a country whose educational system fails to prepare future workers for better jobs and higher wages. Industrial clusters promise the
ability to generate more value-added and higher-skilled labor in Mexico. But creating them presents an enormous challenge because of the lack of financial and human resources (including managerial skills), as well as insufficient coordination among firms (Carrillo 2009).

National- and state-level employment policies in Mexico focus on training so that labor can better meet the needs of industry; in addition, there is significant emphasis on providing venues such as job fairs and employment offices in order to connect workers with job opportunities. Many of these efforts, however, are temporary (Mendoza 2009).

Economic development is also seriously handicapped by poor physical infrastructure in transportation, water resources, and power availability. The North American Development Bank (NADB) and Border Environment Cooperation Commission (BECC) have been tasked with dealing with air quality, water, and wastewater, but its budget is totally inadequate to the challenge. Environmental infrastructure needs were estimated in 1994 at US$5–12 billion, but as of 2006, NADB had disbursed loans and grants totaling less than half a billion dollars. Government investment under Mexico’s National Infrastructure Program (2007–2012) could well be directed towards ports, railways, and highway transportation, leaving little for the urban and rural infrastructure needs that will most directly affect human capital and quality of life.

On the U.S. side, an inadequate border-crossing infrastructure limits the growth of trade and blocks the full realization of the economic benefits that could result from large infrastructure investments. Much of the burden stems from security “enhancements” that extend lines and wait times, making border crossings burdensome and time-consuming. Empirically, there are strong reasons to believe that border communities lose significantly when border crossing—commercial and personal—cannot be done quickly and efficiently. Estimates for the economic costs of border wait times range from US$6 billion in lost output and more than 51,000 jobs to US$7.5 billion in foregone output and 296,400 potential additional jobs (Gerber 2009). Neither study takes into account the costs associated with foregone investment and therefore underestimates the losses in output and jobs due to delayed border crossings.

The lack of coordination between local and state governments, the ad hoc nature of many organizational efforts, and the lack of institutions and systems of cooperation are a tremendous challenge for border infrastructure planning, and a significant impediment to development. In planning for a new border crossing east of the existing Otay Mesa port of entry, the planning task force must consult with a total of 18 agencies in the United States and 12 in Mexico at the federal, state, and local levels (San Diego Association of Governments 2005), as well as a plethora of private, nonstate actors such as environmental groups, academics, and chambers of commerce in both countries.

Inefficiency and lack of transparency also plague infrastructure planning and collaboration. Infrastructure improvement requires streamlining the approval process, greater cooperation among agencies, improved efficiency, and greater transparency.

Migration Paradoxes

The populations of the United States and Mexico are aging, as well as growing at a slower rate. In the long term, both countries are likely to need more immigration but, in the contemporary era, Mexico will remain a labor exporter. There exists no shortage of research on the impact of immigration on both countries. Nor is there a dearth of proposals to address this vexing issue from all sides of the debate. Rather than addressing this research and these proposals in detail—a Herculean task—this report focuses on a few key issues associated with Mexican migration to the northern part of Mexico and to the United States.

Discussing migration within a border context requires understanding the connections between regional concerns and national policies. This report focuses on the more prominent issues where national policy for border communities is viewed as less than beneficial by communities on both sides.

The illegal flow of labor, as well as federal and state policies in the United States designed to thwart and intercept rather than manage those flows, have immediate impacts on border communities on both sides in their respective capacities as staging grounds and first receivers. The Border Industrialization Program that created maquiladoras, and more recently NAFTA, both recognized the need to create
economic opportunity in Mexico, but obstacles to the creation of stable, well-paid jobs remain formidable, particularly in the current economic climate.

Effective immigration reform in the United States is difficult because the short-term distribution of the benefits and the costs diverge, with the benefits generally perceived to fall to the illegal migrants themselves and their employers, while the costs are borne by local communities through enhanced public services and burdens to individuals via property trespass and crime. Although there is a case that the medium- to long-term benefits across the nation outweigh these short-term costs, politics are heavily influenced by people’s perceived needs in the short term. Consequently, any immigration solution must offset local, short-term costs for local communities heavily impacted by illegal immigration. This approach would also facilitate a focus at the national level on the longer-term issues associated with migration.

Remittances to Mexico from migrants totaled US$23 billion in 2007, and are second only to income from oil exports. Because remittances are such a large part of the Mexican economy and are frequently spent locally, they can contribute most directly to stimulating the economic activity that can decrease the push factors behind illegal migration. Since migration is not an unmitigated benefit to Mexico in the long term (numerous social strains result from large-scale migration and arguably the most ambitious subset of the population leaves), it is in the interests of both the United States and Mexico to make those remittances as effective and efficient as possible in stimulating domestic economic growth. To that end, Mexican consulates have become more active in defending migrants against abuses that could deprive them of their earnings, and the two governments are working to create more transparent and less costly mechanisms to remit earnings.

Legal and illegal migratory flows present state and local governments with numerous challenges, including public school overcrowding, public health system overloads, and infrastructure strain. On the Mexican side, additional expenses include housing groups of people who arrive in northern border areas from as far away as Central America and China, and stay for indefinite periods of time as they await opportunities to cross into the United States. This “floating population” not only competes for scarce, informal, and short-term jobs, but also contributes to prostitution, alcohol and drug abuse, and petty theft as these disconnected people seek social and personal distractions from their plight. On the U.S. side, a 2002 study sponsored by the Border Counties Coalition estimated the total costs of uncompensated emergency medical services due to undocumented immigrants in the 24 counties in 2000 to be nearly US$190 million, while law enforcement costs were US$192 million. These types of studies do not, however, make any attempt to estimate the overall economic contributions of undocumented immigrants in these counties or the taxes that they pay. They thus present a skewed picture of the situation.

The U.S. approach to illegal entry shifted in the 1990s from a focus on pursuit and apprehension to forward deployment of patrol officers and vehicles along the border. Border communities generally prefer the latter strategy, which decreases the costs to local law enforcement and emergency medical services as well as minimizes potential harassment of legal Hispanic residents. However, migrants responded to the increased border patrol presence in border cities by seeking to cross through rural areas with a smaller border patrol presence, but greater survival risks. Greater flows through remote desert corridors have produced hundreds of deaths among border crossers, which, in turn, have become a source of tension in U.S.-Mexico relations.

Another result of the focus on stopping illegal immigration at the border is the redirection of migratory flows toward Arizona in particular, and, from there, to greater dispersion of the undocumented population throughout the country. This shifting of some of the associated costs of illegal labor flows to communities outside the border region has stimulated a large number of state and local policies aimed at countering and driving out the migratory flow. In the process, it has helped generate national support for the Secure Fence Act of 2006, which aimed to go beyond the forward deployment strategy with some 700 miles of double fencing, as well as other forms of border control that shift costs back to border communities.

Local opinion about the wall is mixed. Many groups that live near the international boundary support it and others, particularly in Texas, believe
that the forward deployment strategy achieved sufficient success without the wall, which invites unwelcome comparison with the Berlin Wall, the notorious barrier that separated East and West Germany in the twentieth century. Indeed, elected officials in Texas border communities have been some of the more notable critics of the new fence or “border wall” (Ayón 2009; Bronk and Payan 2009).

Public debate and policy are deadlocked over how to balance the objectives of ending unauthorized flows, resolving the status of undocumented residents, enhancing immigrant integration, and providing for labor needs—in addition to setting desirable levels of legal immigration and the criteria for admission.

**Security: Human and National**

Immigration and the drug trade caused the public and governments on both sides of the border to have increasing concerns about security prior to September 11, 2001. As Graph 1 shows, the U.S. Border Patrol budget approximately tripled from 1993 to 2000. The United States’ renewed focus on defending against another attack (a process labeled the “securitization” of issues) changed the political dynamics of debate about the border.

Mexico has historically been reticent to think about the northern border in terms of security. Clearly, there is little Mexico can do to be secure from the United States in traditional terms, so to think about the security of its northern border meant buying into a U.S. view that Mexico represented a threat rather than the other way around. So, for most of their joint history, Mexico has not systematically attempted to patrol its side of the border. The country has no border patrol and the military is deployed only in crisis periods and at specific points.

Security issues along the border develop more problematically because of past failures by both governments to deal with infrastructure and migration. The illicit drug market itself is not sufficient cause for the large-scale violence wracking Mexico today. The value of cocaine and heroin is higher in the United States than in Mexico, and the United States was a major producer of methamphetamine for years without reaching the level of violence in Mexico today. At the height of U.S. drug-related violence there were 5.7 deaths per million; in Mexico, the 2007 rate was 24.9 per million. Human trafficking and kidnapping have become extremely lucrative enterprises as well. The criminal organizations outman and out-gun law enforcement with extremely effective intelligence gathering, brutal intimidation tactics, and deep pockets for bribery (Neuhaus Schaan 2009).

Even strong states would be challenged to respond effectively to such severe security threats. For example, in recent decades, the United States itself has struggled without clear success on the significant challenges presented by drug-trafficking organizations, transnational gangs, and cyber-criminals, as well as so-called “fourth-generation” threats—low intensity, long-term challenges to national security and sovereignty by nonstate actors—that include both foreign and domestic terrorist organizations. Other modern states, like Great Britain and Spain, have similarly struggled with such challenges, whether combating domestic terrorism (e.g., Northern Ireland and the Basque region) or threats from Al Qaeda and other external terrorist groups. The reality is that globalization, technology, and transportation networks enable nonstate actors...
to increasingly circumvent the traditional security strategies used by states. For states that have a weak or ineffective security apparatus, these challenges now are even more difficult to manage.

The United States and Mexico are in this struggle against crime together. The public in both countries demands that the border be better secured in both directions against the drugs, money, weapons, and individuals feeding this crime. Despite the frustrations that many on the U.S. side feel as they read what seems like never-ending news stories about border violence, there is no way of “fixing” the border to provide security for the United States without also providing it for Mexico. The expectation by some that the United States can completely “seal the border” is virtually impossible. Any significant progress toward this goal would impose economic and social costs on Mexico that would create an even more desperate situation south of the border, thereby producing even greater threats to U.S. national security. It is necessary, therefore, to address demands for security in a more effective manner, and that suggests we should be doing some things differently.

In the search for a means to stem the south–to–north flow of illegal activity, technological fixes have gained some prominence. Technological attempts to secure the border span a broad range from the basic to the sophisticated. The Secure Border Initiative of the Department of Homeland Security’s Customs and Border Protection Bureau (CBP) utilizes a low-tech fence combined with technologically advanced surveillance. The United States has sent Predator B Unmanned Aerial Vehicles (UAVs) to the Arizona border, a decision that markedly increases the U.S. military presence there. The challenge is ensuring that such barriers to illegal activity do not have similarly dampening effects on legal labor flows, shopping, and financial transactions, which would result in a decline in the border economy with reverberations throughout the larger U.S. economy. The impact on Mexico must also be considered, lest we reduce economic opportunities there, with the ironic result of increasing the human flow to the border, which in turn would result in further ramping up technological and human requirements to effectively “seal” the border in future. The promises of technological fixes need to be evaluated carefully and not oversold. Both governments must also resist bureaucratic and security service industry pressures to invest so heavily in technology that other needs go unattended.

New policies and technological advances will not go unchallenged. Accordingly, it is important to anticipate counterstrategies and incorporate responses to them into the original policy. For example, as transporting narcotics into the U.S. becomes more difficult, prices may rise, making the trade more lucrative for those who succeed. As the remote backcountry is better patrolled, narco-traffickers will likely focus more on the ports of entry and intensify their internal struggles to control these key access points. Drug loads can be divided in order to increase the chances that some of the commodity will reach lucrative U.S. markets. Similarly, undocumented aliens may choose to try crossing at the ports with forged documents rather than challenging the heightened surveillance in the backcountry. Both of these responses increase traffic at the border and lead to more thorough searches and longer waits (Bronk and Payan 2009; Shirk 2009).

Some coordination exists between agencies on opposite sides of the border. For example, advanced equipment to detect radiologic threats and contraband will be deployed in the United States and Mexico. The Narcotics Affairs Section (NAS) of the U.S. Embassy in Mexico City has been called on to coordinate these cooperative efforts. In addition, the Border Liaison Mechanism, managed by the Mexican consulates in 10 U.S. border towns and the U.S. consulates in five Mexican border towns, convenes a set of ad hoc meetings on border issues, including ports of entry. Other work on international ports of entry is handled bilaterally by the U.S. State Department and its Mexican counterpart, the Secretaría de Relaciones Exteriores, pursuing dialogue through their national diplomatic channels.

Mexico has its own concerns about the United States. The proximity of the United States is a serious liability for Mexico since it is the world’s largest market for drugs and—despite an estimated US$30 billion in annual U.S. counternarcotics spending—has been unsuccessful in reducing domestic drug consumption to the point that drug traffickers would look elsewhere. The latest National Survey on Drug Use and Health by the U.S. Department of Health and
Human Services notes, “The overall rate of current illicit drug use among persons aged 12 or older in 2007 (8.0 percent) was similar to the rate in 2006 (8.3 percent) and has remained stable since 2002 (8.3 percent).”

Proximity to the United States and the proliferation of local trafficking networks (narcomenudeo) have also contributed to increasing drug consumption in Mexico. But it is important to keep the size of the two markets in perspective. In 2008, one survey with slightly less than national coverage indicated that 4.5 million Mexicans had tried an illegal drug at some point in their lives, while the U.S. government's 2007 National Survey on Drug Use and Health found that 114 million people in the U.S. had done so.

Meanwhile, the United States serves as the primary source for illegal weapons acquired by Mexican organized crime groups. According to the State Department’s International Narcotics Control Strategy Report for 2009, an estimated 95 percent of drug-related killings were carried out with U.S.-purchased or stolen firearms. (In Mexico, gun ownership laws make it almost impossible for civilians to purchase guns.) A 2008 Brookings Institution study estimates the number of weapons illegally entering Mexico from the United States at 2,000 per day. An estimated 6,700 gun shops can be found along the U.S.-Mexico border alone, making it possible for Mexican criminal organizations to access high-powered weaponry and ammunition with relative ease; while the region has an estimated 16,000 U.S. border patrol agents, there are only 100 U.S. firearms agents and 35 gun inspectors. Furthermore, Mexico’s proximity to the United States provides a place of refuge and health care for criminals seeking to evade Mexican authorities (Shirk 2009).

The United States and Mexico are collaborating on this issue (the eTrace program of the Bureau of Alcohol, Tobacco, Firearms and Explosives was made available last year to trace the origins of weapons seized) but the goal should be to stop the flow of arms before they are used in crime in Mexico. Good news occasionally makes the news: “Between Dec. 1, 2006 and Jan. 1, 2009, authorities seized US$312 million in cash, as well as 132 million pesos connected to organized crime. These seizures are significantly higher than those achieved by either of the previous two administrations during the same period” (News report, Trans-Border Institute, February 2009). Yet the constantly rising murder rates of the past few years indicate that organized crime has not lost its ability to create fear and insecurity along the border.

### Among Persons Aged 12 or Older: 2002-2007

![Percent Using in Past Month](chart)

<table>
<thead>
<tr>
<th>Year</th>
<th>Ilicit Drugs</th>
<th>Marijuana</th>
<th>Psychotherapeutics</th>
<th>Pain Relievers</th>
<th>Cocaine</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>8.3</td>
<td>6.2</td>
<td>0.9</td>
<td>1.9</td>
<td>2.7</td>
</tr>
<tr>
<td>2003</td>
<td>8.2</td>
<td>6.2</td>
<td>1.0</td>
<td>2.0</td>
<td>2.7</td>
</tr>
<tr>
<td>2004</td>
<td>7.9</td>
<td>6.1</td>
<td>0.8</td>
<td>2.5</td>
<td>2.5</td>
</tr>
<tr>
<td>2005</td>
<td>8.1</td>
<td>6.0</td>
<td>1.0</td>
<td>1.9</td>
<td>2.7</td>
</tr>
<tr>
<td>2006</td>
<td>8.3</td>
<td>6.0</td>
<td>1.0</td>
<td>2.1</td>
<td>2.9</td>
</tr>
<tr>
<td>2007</td>
<td>8.0</td>
<td>5.8</td>
<td>0.8</td>
<td>2.1</td>
<td>2.1</td>
</tr>
</tbody>
</table>

*The difference between this estimate and the 2007 estimate is statistically significant at the 0.05 level.

Source: National Survey on Drug Use and Health, U.S. Department of Health and Human Services

Given the magnitude of the violence issue, professionalizing the police and reforming the judicial system are necessary but insufficient responses. Ultimately the penal system should not simply take criminals off the streets, but deter crime. Dealing with crime after the fact is too expensive (manpower, court time, jail cells, and parole infrastructure) and the severely negative underlying social and economic conditions can generate a never-ending supply of criminals to overwhelm the penal system. Deterrence means that the anticipated costs of the behavior are perceived to outweigh the anticipated benefits. Since the benefits of crime are assumed to be secure (if one is not apprehended, the crime generates utility...
in money, group prestige, pleasure, etc.), the costs have to not only be higher than the benefits, but also credible. Credibility is a function of the capability to thwart or apprehend and to implement a sentence, as well as the will, which is communicated by investing in capability and following through on implementation.

Unfortunately, Mexican deterrence capabilities are significantly lacking. Mexico cannot effectively address many security challenges it currently confronts alone. A number of cooperative efforts exist: the U.S.–Mexico Mutual Legal Assistance Treaty; the Financial Information Exchange Agreement (FIEA) and the Memorandum of Understanding (MOU) for the exchange of information on the cross-border movement of currency and monetary instruments; and the U.S. Department of Homeland Security–Mexican Public Safety Secretariat operation Armas Cruzadas (U.S. Department of State 2009). But the reality of escalating violence demonstrates that the level of transnational cooperation between Mexico and the United States is insufficient.

While there is a growing general consensus and significant progress on both fronts, the nature and scale of reforms required remind us that we must go farther and faster. Recent domestic reforms, for example, provide a procedural framework for greater efficiency, transparency, and fairness in the justice sector, but will take a very long time (perhaps a generation) and enormous investment to achieve its full professionalization. Meanwhile, recent collaborative initiatives between the United States and Mexico build upon a long history of binational collaboration on key security challenges through various partnerships, protocols, and other mechanisms. However, such collaboration has too frequently been impaired by the agendas of domestic agencies, particular interests in either country, and domestic rule of law challenges—notably pervasive corruption and inefficacy—that debilitate the Mexican security apparatus (Shirk 2009).

The problem with Mexican law enforcement is rooted in institutional factors. From the outset, police—especially at the local and state levels—are poorly trained and equipped, underpaid, and subject to an incentive system that historically has resulted in extortion and corruption. The criminal justice system is also organized in a way that creates a major disconnect between critical police functions, undermines effective police investigation, contributes to criminal impunity, and violates the due process rights of criminals. This system is ultimately to blame for the problems of Mexican law enforcement and requires broad and penetrating reforms, some of which are already underway.

Reforms to ensure due process for suspects help to professionalize the police and the entire criminal justice system. In the interests of cooperation and in recognition of the magnitude of the challenge, it is important for the U.S. public and government to recognize that those reforms only took root on their side of the border in the mid-twentieth century, and took at least a generation, along with major, targeted investments, to truly professionalize law enforcement institutions.

In March 2008, the Mexican Congress approved changes that will move Mexico away from its traditional inquisitorial model of criminal procedure, and toward an accusatory model in which cases are presented to a neutral judge by opposing counsel, with greater opportunities for plea bargaining, pretrial release, and alternative sentencing. These reforms have also allowed major changes to the structure and function of domestic law enforcement institutions, including the blending of investigative and preventive police agencies under the same umbrella—a shift that may increase the efficiency and effectiveness of criminal investigations.

The Mexican Congress and President Calderón recognize both the weakness of their judicial system and the contribution that the United States can make to the fight against organized crime. Although Mexico will still not extradite criminal suspects who would be subject to the death penalty (there is no death sentence in Mexico), it will now consider extradition in cases in which life imprisonment is a possibility. Under Calderón’s administration, Mexico has extradited more than 150 criminal suspects.

The Merida Initiative is only one of the efforts needed to help Mexico and the United States work together to fight organized crime and to defend human and civil rights in the process. Both governments would be extremely shortsighted to believe that the fight against organized crime requires temporarily ignoring policy implications for human
and civil rights. Insisting that the current security situation mandates and justifies putting human and civil rights on the back burner will create a backlash against U.S.–Mexican cooperation that would further contribute to the polarization of a Mexico already confronting armed rebellion in Chiapas, Guerrero, and Oaxaca, and in which the party whose candidate narrowly lost the last presidential election is ideologically inclined to be extremely skeptical of close collaboration with its neighbor to the north. The United States already has poor relations with Venezuela, Bolivia, Ecuador, and Nicaragua; it would be poor policy to push the next Mexican government into that camp.

Therefore, effective and long-term resolution of the security issue will require dealing with infrastructure and migration.

**Policy Recommendations**

Concrete solutions to the border dilemmas are challenging because of the complex interrelationships of the primary problems (i.e., development, migration, and security), and because so many of the problems require changes in domestic policy for effective resolution. Short of change at the national level, local solutions targeted at the border region will by necessity be aimed at mitigation of the worst local consequences, rather than fundamental solutions to the problems. However, there are several actions both countries could take that would greatly improve the root causes of the border problems discussed in this report.

A basic point which too often escapes U.S. attention is the fact that the porous border with vast migration northward creates significant problems as well as benefits for both nations, and for local communities on both sides of the border. Remittances contribute substantially to the Mexican economy, but families are fractured, the social support and physical infrastructure of border communities is strained, and violence—primarily with weapons smuggled from the United States and often clustered around the huge U.S. market for illicit drugs—has risen to potentially destabilizing levels, a phenomenon that could bring negative consequences for both nations. On the U.S. side, focus on the illegality and potential security threat of migration has masked understanding of the robust demand for lower-skilled workers in the U.S. labor market, as well as the substantial tax contributions of the migrants at the national level, though not, it should be stressed, at local levels which bear the costs.

Given the mix of costs and benefits to both nations, there is ample opportunity for a binational approach to problem solving that could uncover solutions not evident from the traditional U.S. unilateral and restrictionist approach, and that would certainly improve relations between the two nations from the abysmal levels brought on by post-September 11 actions and rhetoric. Understanding the divergent attitudes and approaches advocated by local communities in different parts of the border region—ranging from the more unilateral predisposition of California and Arizona to the relative willingness of much of Texas to think in bilateral terms—is necessary in order to craft a more consistent policy approach.

Mexico and the United States should work together to:

- **Create a binational border authority** to work with a joint budget and staff toward the creation of a common and effective border management regime, perhaps with geographical divisions defined by the four primary border regions (California/Baja California; Arizona/Sonora; New Mexico/Chihuahua West; and Texas/South Texas/Coahuila/New León/Tamaulipas). Areas of potential collaboration include: policy on infrastructure, trade, and economic development; water and environmental issues; immigration and labor integration; and law enforcement and security. Joint work on law enforcement and criminal investigations is also key, as is creation of a binational infrastructure fund; work on a labor integration plan for skilled and unskilled labor; policy coordination on environmental, water and emergency management; and creation of a human security environment to protect those most vulnerable from violence and human rights violations. These are all examples of areas where a binational approach could yield dividends.

- **Develop a collaborative culture around these issues by promoting regular and high profile meetings at the level of civil society**, such as business associations, educational institutions,
and nongovernmental organizations. At a grassroots level, there is currently collaboration among different individuals and groups. However, institutionalizing this collaborative culture would help its continuity. A portion of border-specific infrastructure funds could be made dependent upon recommendations from cross-border local committees, thus promoting the civil society interactions that would foster a collaborative culture.

- **Undertake a serious and sophisticated evaluation of current drug policy and alternative approaches in both countries.** After decades of pouring lives, money, and effort into a punitive approach to the dangers represented by psychoactive substances, the United States has a huge, costly penal system and a level of drug consumption that fluctuates over time but never falls to the point that makes “drug-free” a credible policy goal. Meanwhile, escalating violence by drug trafficking organizations threatens both countries. This powerful form of transnational crime requires transnational collaboration. The United States and Mexico need to start the debate on drug policy alternatives at the highest levels of government, as well as ask academic institutions to contribute to the debate at the community level.

In addition to the multiple collaborative opportunities, there are policies and actions that each government can and should undertake on its own.

The United States needs to:

- **Invest in education in order to close the education attainment gap between border residents and the rest of the country.** Instruction should include a strong English language component without the exclusionary rhetoric of “English only.”
- **Provide adequate financing, expertise, and training** to overcome deficits in environmental infrastructure; establish programs to address the numerous serious public health problems of the border region.
- **Create an effective communication mechanism among U.S. local and federal agencies.** The lack of coordination between U.S. local and state governments, the *ad hoc* nature of many organizational efforts, and the lack of institutions and systems of cooperation are a tremendous challenge for border infrastructure planning, and a significant impediment to development. Infrastructure improvement requires streamlining the approval process, greater cooperation among agencies, improved efficiency, and greater transparency.
- **Improve physical and human border-crossing infrastructure.** The inclusion of funding for building border infrastructure in the economic stimulus package of February 2009 is an important small step in the right direction.
- **Address the legal and logistical obstacles that prevent workers from moving more freely across the border.** This would require infrastructure investment, improved procedures, and personnel adequate to significantly and reliably reduce border wait times, as well as a new or expanded guest worker program that would address border-crossing commuters. Expansion of current “laser visa” and “PortPASS”1 programs may also help in this regard, providing a sort of “express lane” for regular commuters whose backgrounds have been verified. Support for short-term employment in economic downturns and investment in improving the capacity of the labor force are necessary in the long term to sustain the creation of more remunerative economic activities.
- **Supplement the Merida Initiative against organized crime with a parallel initiative that commits resources for economic and social infrastructure along the border.** The attraction of crime isn’t just the money generated by the drug trade, but also the low overall quality of life facing these young men and women. It is important, therefore, to enhance the legal route to social and economic improvement. Washington, D.C., should take this step with or without the creation of a binational authority.
- **Prioritize efforts to stop the arms flow into Mexico.** The Obama administration should (1) reinstitute the ban on the sale of assault weapons, which

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1 PortPASS refers to the Port Passenger Accelerated Service System, a technological program used by the United States to expedite the passage of pre-approved international travelers through the country’s ports of entry.
expired under the previous administration; (2) increase the number of agents at the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) to reduce the possibility that arms purchased legally in the U.S. are illegally sent to Mexico; (3) The U.S. Congress should ratify the Inter-American Convention Against the Illicit Manufacturing of and Trafficking in Firearms, Ammunition, Explosives, and other Related Materials (CIFTA). This regional agreement raises the standards for firearms export controls. Among other provisions, it calls for the creation of a mechanism for information exchange; sets up a system of licenses and authorizations for the export, import, and transit of firearms; requires that firearms be marked for identification when manufactured; and ensures that law enforcement personnel are adequately trained. The United States was one of the first countries to sign the convention but has still to ratify it.

- **Develop a legal migration regime, such as the granting of work permits to allow regulated migration, to reduce security concerns.** Such a system would retain the benefits of migration for the U.S. economy while dramatically reducing security concerns brought on by unregulated migration. A necessary step for such a system to work effectively is improved employee verification systems so that employers can easily and reliably verify the validity of documents, and a robust system of sanctions for employers who circumvent the system. Attention should also be paid so that such a program does not create artificial labor-cost differentials that reduce the demand for legal resident employees. This would require stricter enforcement of domestic labor laws in the United States to ensure a level playing field for resident workers. One possibility that merits investigation is the “blue card” proposal that would allow undocumented workers to stay employed, but not accelerate the citizenship process for them. It is also worth noting the revenue opportunity provided by redirection of the funds that illegal migrants are already paying coyotes—human smugglers; the fees would instead pay for visas and other legal documents. Proceeds could offset costs that undocumented migration engenders.

- **Tap into the legal and illegal migrant community as an intelligence asset in a system akin to the successful Crime Stoppers programs in many U.S. cities.** In these programs an anonymous tip hotline permits people to call with information on any felony crime or suspected criminal activity without fear of retaliation. If migrants believe that they are valued members of the community (see recommendation above about developing a collaborative culture) and have a reasonably safe means of communication, they could be a significant resource in reporting suspected terrorist and drug-related activities and people.

Mexico needs to:

- **Improve its efforts to promote industrial innovation along the border.** The maquiladora industry is no longer a sufficient engine to drive the border’s economic development. The government’s current efforts to promote industrial innovation in the region lack coordination, proceed slowly, and require metrics for evaluation. In particular, Mexico needs to invest and stimulate public-private partnerships in this area to reduce duplication, promote best practices, and increase the effectiveness of these policies.

- **Spread its science and technology knowledge to the border region.** There is a high concentration of activities in science and technology in Mexico City. Mexico has high-quality educational institutions, but in the border region there are insufficient scientific and technological capabilities and few researchers and quality graduate programs. These limitations and the absence of long-term development goals make it difficult to take advantage of development opportunities in the region.

- **Create more and better paying jobs in the interior of the country to diminish the push factors that stimulate migration to and across the northern border.** Among the issues to be addressed is the country’s labor legislation, which neither benefits most Mexican labor nor provides incentives for the private sector to generate the requisite number of jobs.

- **Implement more effective customs control on its border.** Mexico’s customs system is undermanned
and not trained to serve as a barrier to contraband (especially precursor chemicals, drugs, and firearms) from the United States.

- **Continue institutional reforms to its judicial system.** As mentioned on page 12, the Mexican Congress and President Calderón are aware of the judicial system’s weaknesses and need to continue the complex process of reforming it.

- **Increase surveillance at its border with Guatemala to keep migrants from coming into Mexico on their way to United States.** Public services and infrastructure at the Mexican northern border region are insufficient. The vast number of migrants from other Mexican regions, as well as those from other countries using Mexico as a transit point on their way north, put a tremendous strain on public services at the border region. Decreasing undocumented migration at the southern border will alleviate some of the challenges the northern border region faces.

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**REFERENCES**


