

## CHAPTER 4

# Bringing Remittances into the North American Economic- Integration Project

*A Genealogy of Mexican State-Led  
Transnationalism*

This second part of the book shifts from the discursive production of remittances as a development tool at the global scale to examine the R-2-D agenda as it hits the ground in particular migration-sending and receiving regions. The focus here is on the ways that the R-2-D agenda came into being in North America. This particular regional focus is instructive for a number of reasons. First and foremost this is because of the importance of Mexican migration to the United States, as this is one of the largest and most sustained cases of international migration in the contemporary period. In addition, as we will see, in order to help advance the (trans)national development project the Mexican government has elaborated over recent decades a sophisticated set of state-led transnationalism policies designed to capture the political, economic, and social resources of its migrants living abroad. These policies are often portrayed as

exemplars of best practice for other migrant-sending states to learn from and emulate. And, importantly, this case illustrates well how, in the market-oriented zeitgeist of the new millennium, such efforts became an important vehicle to further “roll-out neoliberalism” (Peck and Tickell, 2002: 384), promoting the financialization of migration and remittances in collaboration with key players within the governments of migrant-receiving countries, international institutions, think tanks, and private financial institutions.

This chapter endeavors to make sense of the increasing collaboration on remittances and development policy seen in recent years between public authorities from Mexico and the United States. It traces the evolution of Mexican state-led transnationalism over the last quarter-century and identifies how the policies animating it connected with the R-2-D agenda in the early 2000s. For analytic purposes, a distinction is made between two types of policies making up the Mexican state-led transnationalism project: *emigrant policies*, attending to *los mexicanos en el exterior*<sup>1</sup> and attempting to (re)incorporate them within an emerging transnational development project, and *emigration policies* that may play a role in managing the outflow of migrants to the North.<sup>2</sup>

The discussion divides the evolution of these policies into three clearly distinct periods. The first of these periods marks the beginning of an ongoing, extraterritorial nation-building project and the elaboration of a coherent set of *emigrant policies* pursuing rapprochement with *los mexicanos en el exterior*. This extraterritorial project included a radical reimagining of the Mexican nation and its boundaries in explicitly transnational terms; however, during this period state policy and discourse remained silent about the continuing outflow of migrants and

any responsibility that the government might have for managing it, as officials held steadfastly to the notion that U.S. immigration policy was an issue of domestic sovereignty and strictly off-limits to the Mexican government.

The second period, beginning with the election of Vicente Fox in 2000 and running up to September 11, 2001, saw the continuation of the emigrant policies of the previous decade, although Fox and his administration gave these policies a more prominent public profile than had their predecessors in the Partido Revolucionario Institucional (PRI). What marks this period most clearly is that the Fox administration abandoned the government's silence on U.S. immigration policy and began to gesture toward an *emigration policy* that would recognize migration and its management as a "shared responsibility" (U.S.-Mexico Migration Panel, 2001) of both the U.S. and the Mexican government. Negotiators from the two governments gave serious consideration to such a policy during numerous meetings between March and September 2001. But the viability of any significant reformulation of North American migration policy along these lines lost all traction following the terrorist attacks of September 11th.

The final period, from September 11, 2001, forward, has seen the further institutionalization of emigrant policies, including the creation and consolidation of the Instituto de los Mexicanos en el Exterior (IME). What remains of emigration policies in this period, focused on the objective of enhancing the developmental impact of migrant remittances, has increasingly converged with the R-2-D agenda. These policies have been reduced to a very limited, market-oriented collaboration between the United States and Mexico aiming to contribute to development in migrant-sending regions, including migrants and their monies

within formal banking institutions, and expanding access to financial products and services all across Mexico. That is, the novelty of the emigration policy pursued earlier in the Fox administration—seeing migration management and policy as a responsibility shared between the governments of Mexico and the United States—has been reduced to a project of bringing migration and remittances into financial markets.

FROM A “POLICY OF HAVING NO POLICY” TO THE  
“GLOBAL MEXICAN NATION”

The administration of Vicente Fox often ascribed novelty to its approach to migration policy. In a speech to the Mexican-American Legal Defense and Educational Fund just prior to his inauguration, Fox claimed that “Mexico’s migration policy of the past—a policy that consisted of having no policy—ends today” (Fox Quesada, 2000a). Although embedded here in the rhetoric of Fox’s ambitious project of full-scale economic and political change, the notion of the “policy of having no policy” has a long lineage.<sup>3</sup>

A decade after the demise of the Bracero Program, the temporary labor-import program that brought millions of Mexicans to work in the United States between 1942 and 1964, the administration of Mexican president Luis Echeverría decided in 1975 to abandon attempts to renegotiate a bilateral migration accord with the United States, because “the proposed conditions were not in line with Mexico’s interests” (Echeverría, 1976: 159). In the years following that decision, Mexico declined to engage in discussions over migration with the United States, believing that any such discussions could adversely affect the continued flow of migrants northward and potentially sour the larger, bilateral

relationship with the United States (Alba, 2007; Délano, 2006). Writing in the mid-1980s, in the context of debates in the United States that would eventually lead to the passage of the 1986 Immigration Reform and Control Act (IRCA), Manuel García y Griego (1988) encouraged the Mexican government to reconsider its strategic options, reject this “policy of having no policy,” and work toward the development of an explicit, national policy on migration.

By all lights Mexican policymakers took this advice to heart. In the aftermath of the IRCA and its granting of legal status in the United States to over two million Mexican nationals, Mexican officials were forced to recognize that their country was a “nation of emigrants,” that migration would continue to be an ongoing feature of its national identity and development strategy, and that its foreign policy needed to be adapted to that reality (Fitzgerald, 2009; González Gutiérrez, 2006: 200; Robert C. Smith, 2003). This recognition led to the formation of a coherent set of state-led transnationalism policies addressing the newly imagined global Mexican nation (Guarnizo, 1998). The central pillar in this effort was the Programa para las Comunidades Mexicanas en el Extranjero (PCME), created in 1990. The objectives of this program were threefold: to maintain cultural ties between Mexico and its nationals and their descendants living abroad; to promote migrant investment in sending communities; and to protect the rights and “promote the development of Mexicans in the United States” (Robert C. Smith, 2003: 306). In furtherance of this mission, the PCME carried out a variety of activities, including the creation of Mexican cultural institutes in major U.S. cities, which helped to raise awareness about Mexican history and culture; promoting the formation of migrant organizations, such as sports leagues and home-town associations;

and sponsoring exchange programs designed to keep Mexican-American youth connected to the homeland.

Beyond policymakers' spontaneous recognition of the country as a "nation of emigrants," explanations for why the Mexican government was driven to create the PCME in 1990 usually center on two interrelated political-economic factors. First, the PRI regime needed to shore up its political legitimacy among migrants in the aftermath of the 1988 elections. The PRI candidate, Carlos Salinas, emerged victorious from those elections, but his victory was marred by allegations that his main opponent, Cuauhtémoc Cárdenas, had been robbed of the election through vote rigging, disappearing ballot boxes, and other electioneering tactics long mastered by the PRI regime. Cárdenas had found significant support for his campaign among Mexicans in the United States, and the creation of the PCME was part of a strategy aimed at quieting opposition tendencies within the diaspora (Alarcón, 2006: 159). As the Mexican consul in Los Angeles at the time put it: "One of the greatest protest marches against the outcome of the elections took place in Los Angeles. This led to an awakening in Mexican political circles. . . . This recognition took place in the context of a radical reformulation of Mexico's foreign policy. What we want to do now is build bridges with the Mexican community" (José Ángel Pescador, quoted in Dresser, 1993: 94).

The second factor helping to explain the creation of the PCME was the "radical reformulation of Mexico's foreign policy," alluded to by Pescador in the quote above. As Mexico turned toward a neoliberal, export-oriented economic model in the 1980s, and particularly after the election of Salinas, the government began relying on its "embassies and consulates to promote the country's image, inform the principal financial,

political, and academic centers abroad about the country's internal changes and, in general, take full advantage of the opening and thus attract more foreign capital, technology, and trade" (González Gutiérrez, 1997: 50).

Enacting this shift was tricky, because the Mexican constitution enshrines a set of principles to be used in shaping the nation's foreign policy. Given these perceived constitutional constraints, the Salinas administration and its successors were not able to eschew completely the nation's long commitment to principles such as self-determination, nonintervention in the internal affairs of sovereign nations, and caution in the face of asymmetrical power relations with the United States. The turn away from those revolutionary nationalist principles and toward an export-oriented economy and more open integration with the United States was made possible only by a reinterpretation of the constitutional mandate. Officials within the Salinas administration began suggesting that the principles contained in the constitution were simply abstract orienting devices to be used in the pursuit of concrete interests. (See Dresser, 1993: 91.) This new interpretation gained its most explicit expression at the beginning of the next *sexenio*, when the Zedillo administration's Plan Nacional de Desarrollo (PND, National Development Plan) argued that:

Promoting our interests in the areas of national security and foreign policy is a political balancing act in which our principles should reinforce and orient but never restrict or limit the actions of the state. In facing our current challenges, it is indispensable that we make clear that our constitutional principles are effective not in the abstract but only inasmuch as they promote an adequate defense of our interests, the defense of an essential part of our sovereignty.

(Poder Ejecutivo Federal, 1995: 14)

This ideological shift in foreign policy facilitated the creation of the PCME, as it also allowed for a rethinking of the country's relationship with *los mexicanos en el exterior*. According to González Gutiérrez (1997: 51) "the NAFTA negotiations encouraged consular officers in the United States to abandon their self-imposed and exaggerated cautiousness, which was based on a rigid interpretation of nonintervention." In the context of the shift toward greater integration with the United States, "it became possible for Mexico to also redefine its relationship with Mexicans and Mexican Americans in the United States" (Robert C. Smith, 2003: 309). Central to this redefined relationship was the development of closer ties with "Hispanic elites with influence in the U.S. Congress" (González Gutiérrez, 2006: 197), particularly during discussions over NAFTA. In a nutshell, Mexicans and their descendants living abroad were no longer to be seen as *pochos*, those tragic figures caught between two nations, not fully incorporated into either one and forever lost from the homeland (Michael Peter Smith and Bakker, 2008). Instead, in the eyes of the state bureaucracy, *los mexicanos en el exterior* had been transformed into potential bearers of political and economic capital that could be channeled toward the service of the national interest.

There is a certain irony in this turn toward rapprochement with *mexicanos en el exterior* enacted by the Salinas administration. The key architects of the policies implementing this agenda went to great lengths to frame the Mexican state's efforts at establishing closer links with migrants and their descendants in the United States as something distinct from intervention in the sovereign affairs of the United States. For instance, Carlos González Gutiérrez (1997: 63) argues that "the mandate of Mexican consulates is limited by the need to respect the internal



jurisdiction of the United States. A sine qua non of the consultants' activities is to ensure that nothing that they do constitutes interference in the domestic matters of the host country." Interestingly, these rapprochement policies seem to find their foundation in the worries of Mexican-state officials about new risks to the sovereignty of their own state in an increasingly globalizing world. For instance, Salinas's National Development Plan (PND) states that the risks faced by countries in the new world of instantaneous communication have less to do with the traditional threats of occupation or political intervention but instead have more to do with the use of media and communication technologies to influence public opinion, "to penetrate a nation's traditions, the communication among its groups, and finally, its sense of self-esteem" (Poder Ejecutivo Federal, 1989: xii). It was this framing of new challenges to sovereignty in the emerging post-Cold War order that justified the Salinas administration's "radical reformulation" of the nation's foreign-policy objectives and its efforts to "intensify rapprochement with organizations and leaders abroad who can influence their country's relationship with Mexico" (Poder Ejecutivo Federal, 1989: 27).

In sum, as part of its broader efforts to buttress the political legitimacy of the PRI regime and generate support for its turn to a neoliberal model of global economic integration, from the late 1980s forward the Mexican government has consistently engaged in efforts to cultivate improved ties with *los mexicanos en el exterior*. As one analyst concluded: "The administration of Carlos Salinas de Gortari (1988–1994) broke with the past by creating new and coherent bureaucratic structures that had an unprecedented reach. Since Ernesto Zedillo took office in 1994, the Mexican state has consolidated Salinas' initiatives" (Guarnizo, 1998: 60).

When viewed against the backdrop of these developments, Vicente Fox's claim to novelty for his migration policy can be seen as a misrepresentation of recent history and the substantial changes in migration policy that had occurred in the previous two *sexenios*. In one important sense, however, his assertion carried real validity. The reconceptualization of foreign policy and Mexico's role in the world carried out by the PRI administrations of Salinas and Zedillo went only so far. Officials in these administrations had certainly used their more open approach to foreign policy to develop more intensive emigrant policy and establish closer relations with *los mexicanos en el exterior*. But those administrations held steadfastly to the principle of nonintervention when it came to U.S. immigration policy, suggesting that this was an issue of domestic sovereignty and strictly off-limits to the Mexican government. And this kept them from elaborating any significant new approaches to emigration policy.

Apparently, government officials still held to the logic that this situation offered Mexico the best of both worlds: the government reaped the benefits of migration bound for the United States—as it served as a safety valve releasing pressures for social change and generated much-needed foreign currency in the form of migrant remittances—but did not have to take on any responsibility for regulating migrant flows. In the words of one well-placed analyst: “The country's authorities and experts always believed that their neighbor to the north would never be able to close down the border, and that any negotiation between the two countries on immigration would inevitably entail some sort of Mexican co-responsibility in deterring outflows of an unauthorized nature. Better let sleeping dogs lie” (Castañeda, 2007: 55).

By the mid-1990s, significant tensions regarding undocumented-migration flows were (re)emerging. The local concerns of border residents were leading to increasingly anti-immigrant policies in

the United States, such as California's Proposition 187, and border-enforcement policies such as Operation Hold the Line and Operation Gatekeeper. These local concerns were transported to the federal level, helping to create the inhospitable policy debates that would lead to the enactment of two pieces of anti-immigrant legislation in 1996: the Personal Responsibility and Work Opportunity Reconciliation Act and the Illegal Immigration Reform and Immigrant Responsibility Act. In this context, the Zedillo administration did develop closer relations with its counterparts in the U.S. government. This move led to growing intergovernmental contacts, information exchange, the development of working groups, and a variety of other consultative mechanisms that served to "institutionalize the dialogue" between policymakers in the two countries (Alba, 2006: 36). However, despite these institutionalizing moves, Mexican officials still had not pushed past the position that immigration policy was an issue of domestic concern for the United States and that intervention in internal debates over these policies could be interpreted as violating U.S. sovereignty.

Under the leadership of Fox, by contrast, this marked caution against developing an explicit emigration policy that might give Mexico some say in shaping U.S. immigration policy came to an end. As part of a vision of North American economic integration that went further than that of his PRI predecessors, Fox and other top government officials moved decidedly to place the issue of migration at the top of the U.S.-Mexico bilateral agenda.

#### TOWARD AN EXPLICIT EMIGRATION POLICY: NAFTA PLUS AND THE WHOLE ENCHILADA

During the run-up to the election and as president-elect, Fox made waves in the United States by expressing his hopes for an expanded North American Free Trade Agreement—which

he took to calling “NAFTA Plus”—more akin to the European Union. When pressed for details on this NAFTA Plus, Fox never wavered in suggesting that a central element would be the elimination of controls on human mobility: “Our proposal is to move to a second phase of NAFTA where in five to ten years that border will be open to free flow of people, workers, transiting in the border between our two countries, same as we’re doing with products, services, and merchandise. (Fox Quesada, 2000b).

After Fox’s taking office and beginning substantive negotiations with the administration of U.S. president George W. Bush, the timeline for realizing this part of his vision moved from candidate Fox’s “five to ten years” to a more amorphous “medium to long term,” but the goal remained the same:

In the medium, or in the long term there should not only be a lifting of barriers for products, merchandise, services, or capital goods, but there should also be free movement of people, which we should be striving for as time goes on, because working together in this partnership for prosperity, together with the United States and Canada, we should be able to get there. (Fox Quesada, 2001b)

Opening the borders to human mobility was not the only feature of Fox’s NAFTA Plus proposal. He also envisioned an explicit and coordinated effort by the three partner countries to bridge the wide gulf in economic well-being separating Mexico from its partners to the North. During a gathering of business and political leaders in Los Angeles just months into his term, he outlined this part of his vision by referring directly to developments in the European Union:

The process of consolidating the European Union offers a number of positive lessons that can be learned from. In the European case, one of the things that I have mentioned is that they had the wisdom

and the ability to guarantee that each of the countries advanced together. Twenty-five years ago, the development divide between Germany and Spain was similar to the one that exists today between the United States, Canada, and Mexico. That divide was reduced, and almost eliminated, within 25 years because Spain progressed to such an extent that it almost caught up to the levels of Germany, England, or France. For that reason, when you work together as a team, when there is solidarity, when one works to meet that objective, those divides can be eliminated and, obviously, that is something that we aspire to do over the long term. That is, to eliminate the income gap between Mexico and the United States.

(Fox Quesada, 2001a)

What made possible Fox's articulation of this grand vision for NAFTA Plus when his predecessors had been unable or unwilling to do so? The obvious answer is regime change. Fox's victory put an end to the seven-decade rule of the PRI regime, and this gave him and his supporters a bounty of political capital, often referred to as a *bono democrático*, unknown to his predecessors. This political capital operated on two levels, internally and externally. On the one hand, toppling what for decades had seemed an invincible regime helped to generate a more expansive political imaginary that invested Fox, his government officials, and their supporters with the belief that large-scale change was not only possible but achievable in the here and now. Under the influence of this quasi-revolutionary fervor, imagining a closer and more egalitarian set of relations with the United States did not seem so remote as it had in the past.

The change in regime also granted Fox newfound political capital by altering the perception of the Mexican government by the international community. In doing so, the *bono democrático* granted the Fox administration the opportunity to push for

the expansion of the North American integration project well beyond what the PRI regime had been able to accomplish. This is not to say that regime change fully released Fox's government from the structural constraints faced in the past. To be sure, the foreign-policy objectives set out by the Fox administration in the Plan Nacional de Desarrollo mirrored those of the previous two administrations. For instance, like those earlier governments, the Fox administration continued to suggest that the new political and economic order brought about by globalization and the end of the Cold War necessitated a change in the foreign-policy agenda. And, like its predecessors, the Fox government also promised to respect the constitutionally mandated foreign-policy principles while arguing that those "general principles" should not be "exercised in the abstract, but must instead be focused on the defense and promotion of fundamental national interests" (Poder Ejecutivo Federal, 2001: 60).

However, having been brought to power through relatively free and fair elections, Fox was able to more credibly embrace the international community's "universal" norms of human rights and democracy. No longer worried about international criticism about the country's internal record on this score, the Fox PND put the promotion of democracy and human rights at the top of its foreign-policy agenda. This full-scale embrace marked a strong separation from the previous *sexenio*, when the respect for such international norms was qualified by worries of outside intervention, as in the following section of the Zedillo PND: "Mexico shares with all of humanity the objectives of defending human rights, combating drug trafficking and terrorism, struggling against ecological deterioration, and, even, promoting democracy, but it should assure that these not be used as a pretext to justify intervention in our internal affairs" (Poder

Ejecutivo Federal, 1995: 13). Fox's elevation of human rights and democracy as the fundamental pillars of Mexican foreign policy aimed to demonstrate that "Mexico had adopted as its own" these central pillars of U.S. foreign policy (Iruegas, 2006), in the hope that this might improve Mexico's bargaining position as it sought deeper integration with the United States. Thus, during an address to the U.S. Congress in September 2001, Fox used his government's adoption of these common values in justifying his vision for deeper North American integration: "Mexico and the United States should also work constructively to promote our common values across the region; by adopting a clear and congruent position, our governments can work together in confronting the most burning and pertinent issues in our hemisphere, like for example, deepening democracy and promoting human rights" (Fox Quesada, 2001d).

This newfound political capital allowed the Fox administration to go beyond the previous two *sexenios* in regard to establishing closer relations with and defending the rights of *mexicanos en el exterior*. In an oft-cited passage from its PND, the Zedillo government recognized that "the Mexican nation extends beyond the territory contained within its borders" (Poder Ejecutivo Federal, 1995: 20) and offered to the millions of *mexicanos en el exterior* expanded consular protection, greater efforts at defending their rights, a continuation of the programs gathered under the PCME, and the administration's support for legal reforms to allow for dual nationality. The Fox administration went one up on this effort at rapprochement. Beyond offering support, protection, and cultural bearings for *mexicanos en el exterior*, its PND suggested that "the issue of migration, particularly to the United States, requires a new long-term focus that will permit the mobility and residency of Mexican nationals in

a safe, dignified, legal and orderly manner, and which abandons the vision of the phenomenon as one of criminal enforcement, to recognize it as a labor and social phenomenon" (Poder Ejecutivo Federal, 2001: 61). That is, the Fox government not only continued with the policies of the previous two *sexenios* aimed at developing closer ties with *mexicanos en el exterior*, but additionally, it finally brushed away all remnants of the "policy of having no policy" and sought to initiate bilateral negotiations with the United States on the issue of migration.

The previous two administrations had been content with the economic integration with the United States brought about by NAFTA. And their efforts at rapprochement were designed to quiet opposition tendencies in the diaspora, maintain the regime's political legitimacy, and cultivate political and economic capital to help serve "the national interest" and extend the neoliberal economic project. They did not attempt to negotiate for migrants' expanded access to safe and legal entry into the U.S. labor market, because this could have contaminated the other issues on the bilateral agenda, most notably economic integration. Drawing from a vast reservoir of political capital after toppling the PRI regime, the Fox administration was able to fold the migration issue into a larger and more expanded vision of North American integration. Far from worrying that migration would taint the larger agenda, migration and *los mexicanos en el exterior* became the centerpiece of Fox's vision of NAFTA Plus.

Political leaders in the United States did not immediately embrace President Fox's long-term vision for an expanded North American partnership with limited restrictions on human mobility. But Mexican officials were nonetheless successful in getting migration and development onto the bilateral



agenda with the United States from the very first months of the Fox administration.

Not all the credit for initiating this dialogue and the broader momentum on migration reform in North America should be placed upon the shoulders of President Fox and his advisors. By the time Fox took office, concern with migration already was widely shared. NAFTA had not come through with its promised effect of improving the economic environment in Mexico so substantially as to reduce the flow of migrants to *el norte*. The greater institutionalization of U.S.-Mexican migration dialogue accomplished during the previous *sexenio* had brought together a group of government officials and migration scholars who produced a Binational Study on Migration and recommended to both governments “an enhancement of institutionalized and forward looking consultative mechanisms to identify and develop mutually supportive policy options” (Binational Study on Migration, 1998: 65). Furthermore, NGO campaigners on both sides of the border had made visible the alarming consequences of the U.S. border-control policies and their strategy of “prevention through deterrence,” which had led to a growing death toll among aspiring migrants, around five hundred of whom would perish in 2000 in their attempts to cross through ever-more remote and rugged border areas (Ong Hing, 2001: 136).

In this environment, a generalized hope had taken hold that a comprehensive immigration-reform package addressing the “problem” of undocumented Mexican migration to the United States might indeed be possible. In mid-2000 another distinguished panel of migration experts from the United States and Mexico was convened, this time by the Carnegie Endowment for International Peace and the Instituto Tecnológico Autónomo de México. Among the twenty-odd members of this

U.S.-Mexico Migration Panel figured two men who a short time later would come to occupy leading roles on the Mexican side of the subsequent migration-reform negotiations: Jorge Castañeda, who would hold the Secretary of Foreign Affairs post during the early years of the Fox administration, and Gustavo Mohar, who would become the lead negotiator for the Mexican delegation.

The panel's report, "Mexico-U.S. Migration: A Shared Responsibility," was timed for release just prior to the first official meeting between Fox and Bush, the "Guanajuato Summit" in February 2001. The report argued that numerous factors had come together in the first years of the new millennium to make the time ripe for migration reform. First, while the simultaneous inauguration of presidents in the two countries occurs every twelve years, this was the first time that both incoming presidents had come from the political opposition—if only because Fox's election represented the historic defeat of the PRI's seventy-plus-year hold on power in Mexico. A second factor was that a sustained period of economic growth in the United States throughout the 1990s had resulted in unprecedented job creation, record-low unemployment levels, and an increasing dependence on Mexican migrant labor. Growing recognition of this dependence, and concern with bringing this needed but legally unauthorized labor force out of the shadows and into a well-regulated system of labor migration, also made the current moment propitious. Finally, the expert panel suggested that complementary demographic trends in the two countries offered the possibility of a true "win-win" situation. For the United States, the specter of retirement for the baby-boom generation brought to the fore the need for significant new numbers of young workers to cater to the needs of its aging population. Given the booming economy and tight labor market, the report surmised, the vast

majority of these workers would have to be made up of immigrants and their children. Fortunately, Mexico was well positioned to offer these needed workers. While the demographic pressures driving migration were projected to subside within fifteen or twenty years, "in the absence of a profound structural transformation of the Mexican labor market, Mexico will continue to need to send many migrants to the United States" over that period (U.S.-Mexico Migration Panel, 2001: 9).

One of the hopes of the report's authors, suggested in its title, was that it might help political leaders to reposition migration issues at the top of the bilateral agenda by recasting the management and regulation of the complex phenomenon as a "shared responsibility." This could be done provided that forward-looking policy makers were willing to get past the conflict and stagnation of earlier negotiations over migration and come to see the issue as an "opportunity" rather than a "permanent bilateral problem" (U.S.-Mexico Migration Panel, 2001: 7). If that were done, the current conditions offered the possibility of a "grand bargain," wherein formal recognition of U.S. dependence on Mexican labor could lead to agreement around four central issues: expanded access to temporary work visas and permanent-residency status for Mexican nationals; cooperative efforts to crack down on human-smuggling operations and to protect would-be migrants contemplating dangerous crossings; working together to build a viable border region; and cooperation on economic-development initiatives in Mexico, particularly those targeted on migrant-sending regions (U.S.-Mexico Migration Panel, 2001: 2, 17-32). The novelty of the report's recommendations was to suggest that a realistic assessment of each country's interests on the migration issue could lead to the trading of "safe, legal, orderly, and predictable" access to the U.S. labor market

for the Mexican state's commitment to support efforts to control future undocumented flows toward the United States. And in the long term, the demographic pressures driving large-scale Mexican migration would diminish, and the flow of migrants to the North could be expected to "naturally decrease and stabilize at moderate levels" (U.S.-Mexico Migration Panel, 2001: 2). This natural evolution of the phenomenon allowed the panel to envision, just as Fox had with his NAFTA Plus proposal, a future "North America with gradually disappearing border controls," where "*permanent migration within the 'region' could remain at moderate levels*" (U.S.-Mexico Migration Panel, 2001: 14, emphasis original).

The elements of this proposed grand bargain, and the strategic and demographic rationale to support it, would in large measure become the framework for the subsequent migration-reform negotiations between the two countries. Less than a month after taking office himself, U.S. president George W. Bush chose Mexico as the site of his first international visit. Meeting at the Fox family ranch in Guanajuato, the two presidents initiated a set of discussions on migration and development that would continue productively for months. At the end of their "Guanajuato Summit," the governments released a joint statement, entitled "Towards a Partnership for Prosperity: The Guanajuato Proposal," which described their accomplishments. The following excerpt from that statement shows just how much Fox's broad vision of expanding North American integration and the U.S.-Mexico Migration Panel's recommendations had been imprinted on their dialogue, even if these grand visions had been transformed into a more "realistic and pragmatic" (Alba, 2007: 327) statement of shared values, priorities, and commitments on the paired issues of migration and development:

Among our highest priorities is unfettering the economic potential of every citizen, so each may contribute fully to narrowing the economic gaps between and within our societies. We acknowledge the dynamism achieved through NAFTA, which has ushered in dramatic increases in trade that have transformed our economic relationship. After consultation with our Canadian partners, we will strive to consolidate a North American economic community whose benefits reach the lesser-developed areas of the region and extend to the most vulnerable social groups in our countries. To this end, we support policies that result in sound fiscal accounts, low inflation, and strong financial systems.

Migration is one of the major ties that bind our societies. It is important that our policies reflect our values and needs, and that we achieve progress in dealing with this phenomenon. We believe that Mexico should make the most of the skills and productivity of their workers at home, and we agree there should be an orderly framework for migration which ensures humane treatment, legal security, and dignified labor conditions. For this purpose, we are instructing our Governments to engage, at the earliest opportunity, in formal high-level negotiations aimed at achieving short and long-term agreements that will allow us to constructively address migration and labor issues between our two countries. This effort will be chaired by the Secretary of State and the Attorney General of the U.S. and the Secretary of Foreign Relations and the Secretary of the Interior of Mexico.

(Joint U.S.-Mexico Statement, 2001b)

Following the Guanajuato meeting, the newly formed high-level working group on migration would meet on three occasions between March and September 2001 and report substantial progress in reaching agreement on shared principles on migration policy. There was an expectation that these negotiations might produce a joint proposal in time for Fox's state visit to Washington on September 5-6, 2001. But, as domestic opposition in the United States flared up at the possibility of offering

“amnesty” and rewarding undocumented migrants for breaking the law, those negotiations slowed a bit.

In the meantime, under the leadership of Secretary of Foreign Affairs Jorge Castañeda, Mexico ratcheted up the pressure on the United States. Castañeda and the rest of the Mexican delegation continued to hammer home the point that the only way that acceptable progress on migration reform could be achieved would be by dealing with the multiple aspects of the complex issue as a package rather than in a piecemeal fashion. In making that case to the American public, Castañeda came to refer to the package in the colloquial language of “the whole enchilada.” Emanating directly from the U.S.-Mexico Migration Panel report, the five ingredients of this “whole enchilada” were: legalization of the undocumented population living in the United States; a lifting of restrictions on visas; expanded access to temporary work visas; cooperation on security, including saving the lives of migrants stranded in the desert and pursuing human traffickers; and the promotion of economic development in Mexico, particularly in migrant-sending regions.

Following the high-level working group’s third meeting, in August 2001, Castañeda and his U.S. counterpart, Colin Powell, sought to lower expectations that a deal might be brokered in time for Fox’s September state visit to Washington. In comments to the press following the working group’s meeting, Castañeda said that “this is not something that will necessarily come to an end following the Presidential visit. President Fox’s visit will be a very important step, but it is not the end of the road” (Cason and Brooks, 2001). The Mexican delegation thus seemed content with the progress being made within the framework of the high-level working group.

During the state visit in September, however, Fox used the opportunity to cast a challenge to his counterpart. After

elaborating again the message that his democratic election had ushered in a new era of U.S.-Mexican relations, characterized by deeper cooperation and enhanced prosperity for both nations, Fox told a crowd assembled at the South Lawn of the White House that:

The time has come to give migrants and their communities their proper place in the history of our bilateral relations. Both our countries owe them a great deal. And working together, both of us can build new conditions of fairness for them, as well as for the development and prosperity of our two nations. For this reason, we must, and we can, reach an agreement on migration before the end of this very year, which will allow us, before the end of our respective terms, to make sure that there is not a single Mexican in the United States who did not enter this country legally, and that those Mexicans who have come into the country do so with the proper documents.

(Fox Quesada, 2001c)

The hope that this agreement on migration reform could be reached by the end of the year, as is by now well known, came crashing down with the towers of the World Trade Center on September 11, 2001. Less than one week had passed since the historic meetings at the White House and Fox's speech at the Capitol, but it had become clear immediately that migration reform would take a back seat to the newly unleashed War on Terror. During his first weekly radio program following the terrorist attacks, Fox reported on his conversations with Bush:

This morning I spoke with President Bush. We have been in very close communication with them, with his administration, with the United States government. And this morning we were talking about how, while first things first and right now that issue [the terrorist attacks] has to be dealt with, President Bush, even with that tragedy, has not forgotten about his commitment to work toward

regularizing the status of migrants, of all of our *paisanos* over there in the United States, of working towards giving order to the labor flows going to the United States. (Fox Quesada, 2001e)

Despite those reassurances, it would not be long before the U.S. negotiators would make clear to their interlocutors that the United States was no longer actively working toward a reform deal (Cason and Brooks, 2002). By May 2002, at a speech in front of the Council of the Americas, in New York, Fox was unusually frank and pointed in his critique of Bush, going so far as to say that he was unhappy that talks had stalled and suggesting that “there cannot be a privileged relationship between the United States and Mexico without a real advance in substantive affairs in our bilateral agenda. And there cannot be a substantive advance without addressing in an integral way the theme of migration” (Fox Quesada, 2002a). At the inauguration of the November 2002 meetings of the U.S.-Mexico Binational Commission, Fox recognized that September 11th had forced both sides to give priority to security issues; but with a year now passed, he pleaded with the Bush administration, “Now is the time to start those negotiations again in earnest” (Fox Quesada, 2002b). Despite these calls, the window of opportunity had already closed for an integral reform package that would include both expanded access to legal immigration routes and legalization for the currently undocumented. Fox’s grand vision of NAFTA Plus had become another victim of the terrorist attacks.<sup>4</sup>

#### EXPANSION OF EMIGRANT POLICY IN THE POST-9/11 PERIOD

Carlos González Gutiérrez, one of the chief architects of the Mexican government’s emigrant policies since the early 1990s,



described the difference between the Fox administration and its predecessors in the following terms: “[Fox] attempted to raise the volume on everything we did. I mean, it’s not that these efforts at rapprochement had not existed earlier, but the arrival of President Fox brought an end to the secretive and under-the-rug efforts that characterized his predecessors” (Interview with Carlos González Gutiérrez, 2008). In what follows I analyze these efforts to “raise the volume” on the Mexican government’s *emigrant* policies, looking at two of the central emigrant-policy initiatives designed by the Fox administration in the post-9/11 period. These are the creation of the Instituto de los Mexicanos en el Exterior (IME) and the strategic redesign of a consular-identification card, the Matrícula Consular de Alta Seguridad.

#### INSTITUTIONALIZING THE DIASPORA: THE INSTITUTO DE LOS MEXICANOS EN EL EXTERIOR

Upon taking office, one of Vicente Fox’s first orders of business was to announce the creation of a cabinet-level office on migrant affairs, the Oficina Presidencial para Mexicanos en el Exterior (OPME). That office, headed by the flamboyant, Dallas-based Mexican-American academic Juan Hernández, coexisted with the other migrant-oriented policy vehicle, the Programa para Comunidades Mexicanas en el Extranjero (PCME), which had been operating within the Secretaría de Relaciones Exteriores (SRE) since the early 1990s. This coexistence was not always amicable, and frictions soon escalated between Hernández and the diplomatic corps led by Jorge Castañeda. These frictions led to the disappearance of the OPME in mid-2002. Later that year, the two bureaucratic structures were essentially fused together under a new agency within the SRE: the Instituto de los Mexicanos en el Exterior.

Shortly after the new institute was created, President Fox named a little-known migrant activist from northern California, Cándido Morales, as its general director; the rest of the institute's staff was drawn from the diplomatic corps. The new organization was charged with "elevating the standard of living of Mexican communities living abroad" and assigned a series of "attributes," including "to promote the revalorization of migration" and "to create meeting spaces and promote communication with and among the Mexican communities living abroad" (Secretaría de Relaciones Exteriores, 2003). In interpreting their mandate, IME officials understood the institute's main tasks to be: "institutionalizing the dialogue" between migrants and the state; identifying a common agenda and generating "synergies" between migrant leaders and the state; and helping to strengthen migrant leadership so that it could more effectively carry out its political agenda (Interview with Carlos González Gutiérrez, 2008).

Carrying out these tasks, the IME professional staff pursued what the institute terms an "information agenda" and a "services agenda" (González Gutiérrez, 2006: 203–11). In pursuit of its services agenda the IME serves as a liaison for the wide range of federal agencies offering services to *los mexicanos en el exterior* on topics such as culture, sports, education, health, and housing.<sup>5</sup> The information agenda responds to the concern that "in order for the government of Mexico to engage in the frank, constructive, and systematic dialogue that it aspires to maintain with its diaspora, it needs to contribute to the consolidation of its interlocutor" (González Gutiérrez, 2006: 208). Among the main activities undertaken through this information agenda has been the e-mail distribution of daily summaries of media content, including national and local newspapers from Mexico, the

United States, and Canada, regarding migration-related topics. Consular staff also distribute more irregular e-mail bulletins promoting government projects and actions.<sup>6</sup> In addition, the IME organizes each year a half-dozen Jornadas Informativas, three-day training events that bring migrant leaders from various thematic areas to Mexico City to “promote a better understanding of the migration problematic, the types of cooperation that Mexico can offer, and the position of the government on a variety of issues” (González Gutiérrez, 2006:209).<sup>7</sup>

In pursuing its information and services agendas, the IME has not proceeded much beyond the work of its predecessor, the PCME. However, the defining characteristic of the IME, and what clearly distinguishes it from the emigrant policies of earlier *sexenios*, is its Consultative Council (CCIME), an advisory body constituted by over one hundred migrants appointed to three-year terms. These hundred council members are selected through a variety of different local electoral processes in each of Mexico’s fifty-two consular districts in North America. The number of counselors is granted proportionally to each district based on estimates of its total Mexican-origin population. In addition to these elected leaders, the CCIME includes up to twelve members appointed by IME officials on the basis of their “merits and trajectory,” as well as another dozen members drawn from “Hispanic/Latino organizations representing the Mexican community abroad” (IME, n.d.[a]: 5). These council members are brought together on a semiannual basis to deliberate and offer nonbinding resolutions and recommendations to the Mexican government concerning the migrant community, its issues and concerns, and the types of policy instruments and reforms that may best address those concerns. In addition to generating policy recommendations, the CCIME and its

individual *consejeros* and *consejeras* assist the IME in its efforts to promote and implement state policies dealing with migrants (IME, n.d.[b]).

This organizational structure contributes directly to the realization of the IME's goals of institutionalizing state-migrant relations, creating synergies, and strengthening migrant leadership. The creation of the advisory body itself served to institutionalize relations between state officials and migrants, or at least a particular fraction of migrant leaders. By bringing together both elected migrant leaders and representatives of well-respected U.S.-based Latino organizations, the council also serves to strengthen and extend the political capacities of *los mexicanos en el exterior*. The design would appear to be an explicit effort to create dialogue and help overcome a long-standing schism within Mexican-origin leadership in the United States (Ayón, Brown-Gort, and García y Griego, 2008: 10). The IME's institutional structure brings homeland-oriented migrant leaders into contact with political networks engaged with what Michael Peter Smith has termed "the second face of transnational citizenship," activism at all levels of politics in the United States (Michael Peter Smith, 2007: 1105; Michael Peter Smith and Bakker, 2008: 167–83). Indeed, by bringing together successive leadership cohorts, the CCIME may serve as something of a laboratory spawning more formalized transnational-advocacy networks promoting the rights and interests of *los mexicanos en el exterior*. At the April 2008 CCIME meetings, it was apparent that these types of advocacy networks were already coming into being, as Consultative Council leaders announced the development of an American-Mexican Anti-Discrimination Alliance (AMADA), which had grown directly from the leadership networks formed within the CCIME.

While such emerging advocacy networks would seem to indicate that the IME's attempts to cultivate a core of migrant leadership and develop "synergies" with them and their organizations has borne real fruit, there are indications of continuing conflict and contention between government officials and migrant leaders brought together through the auspices of the IME. This was clearly evident during the CCIME meeting I attended in Dallas, Texas, in 2008. Underlying tensions in migrant-state relations were plain to see during the meeting's opening ceremony, which took place in the grand ballroom of a Dallas hotel. The ballroom was packed with hundreds of CCIME participants and invited guests facing a stage where Mexican president Felipe Calderón, Dallas mayor Tom Leppert, the governors of three Mexican migrant-sending states, and two migrants chosen from among the CCIME leadership all sat. As these dignitaries left their seats to take their turns at the microphone, it was clear that this was a moment for grand visions and symbol-laden expressions of the "global Mexican nation."

The visions expressed by migrant representatives and government officials were not altogether consonant. Government officials each gave their own personalized variant of the latest discourse of the Mexican state regarding migration: that migration was "a bad deal" for Mexico, a social ill that needed to be eradicated. The governor of Colima, Jesús Silverio Cavazos, expressed this position most clearly when he stated:

In Mexico we are trying hard to change conditions so that our country can create real opportunities for Mexican families, opportunities that will make it so we no longer have any migrants. This is your dream, and it is also our dream. We don't want to see you all

here. We know that you have come here because Mexico still doesn't have the opportunities needed for all of us that were born there, but we are working towards this. (Cavazos, 2008: 1-2)

The migrant leaders who spoke did not immediately adopt this "dream" and equate expanded opportunities in Mexico with the need to put a full stop to migration bound for the United States. In fact, the migrant leaders who spoke seemed to more fully embrace the language and imagery of another prominent facet of state discourse on migration, with its evocation of the heroic migrant living abroad as a vital element in the national project. The migrant speakers highlighted their continuing attachment and presence in the social spaces and political processes of Mexico, even though they had left the physical territory of the state. María Antonieta González, a CCIME *consejera* from San Antonio, articulated this vision eloquently. She began with a statement of her notion of the extraterritorial Mexican nation, saying "the motherland has no borders, because wherever you find a Mexican, that place is Mexico." She continued by addressing President Calderón directly:

To claim that my humble message reflected the consensus of what all Mexicans feel would be impossible. It's not even the feeling of all migrants. But where there is a total consensus is in our commitment to Mexico. We migrants are like trees whose branches extend in all directions as they grow.

So, now let me offer you this little gift to mark your visit here with us. . . . It is a small gift to remind you of your visit; it is a compass with the following message: Mr. President, remember that we are to the North, but our roots and our hearts are in your hands, and they are in Mexico. (María Antonieta González, 2008)

With this message, Ms. González suggested that some of the CCIME leadership continued to embrace the earlier policy

discourse regarding the global Mexican nation that extends beyond the territorial bounds of the nation-state. In this imagery, migrants would appear fully at home living lives that straddle the U.S.-Mexico divide—in sharp contrast to the new “dream” of political leaders like Governor Cavazos, who are now suggesting that migrants’ life projects should be oriented toward a return to the places where they were born.

A second migrant, Miguel Ángel González, from Santa Ana, California, continued in a fashion similar to Ms. González, emphasizing the duality of migrant identity and the engagement of migrants as political subjects in both countries. He was very insistent on migrants’ dual political engagement, evoking on numerous occasions the immigrants’-rights marches that broke out across the United States in 2006 and drawing upon some of that movement’s key slogans, such as *Si, se puede*, and *Somos muchos, y seremos más*. González received warm applause when he said that while migrants were increasingly demonstrating their political power in the United States, they needed to advance more into Mexico. Seemingly putting into question the value of the CCIME as a body that represents migrant interests, he called for constitutional reforms that would allow for migrant seats in the Mexican Senate and Cámara de Diputados, so that migrants themselves could legislate on migration issues because, having lived the experience *en carne propia*, they were the only ones who could know the trials, tribulations, and needs of migrants living in the United States. He would finish off this idea by saying, “Mexico should be a positive example of what it means to be a binational state” (Miguel Ángel González, 2008).

The competing messages offered at this event indicate that migrant leaders may have taken the image and discourse of the

“global Mexican nation” embedded in the policy discourse of previous administrations more seriously than today’s government officials recognize or desire. They also suggest differing levels of commitment on the part of migrant leaders and government officials to the task of constructing durable political institutions that reflect the transnational character of the social fields created through the migration process and that valorize migrants’ lives and their struggles. But more than anything, they suggest that even with the creation of the CCIME the Mexican government may still be some distance away from fully developing a “common agenda” with migrant leaders.

#### THE CREATION AND PROMOTION OF THE MATRÍCULA CONSULAR DE ALTA SEGURIDAD

The terrorist attacks of 9/11 constituted a significant challenge for the state-led transnationalism efforts of the Mexican government.<sup>8</sup> The ultimate success of the transnational-development project relies upon migrants’ prosperity and continued inhabitation in the United States, at least in the near term. In the aftermath of 9/11 Mexican government officials acted quickly to minimize the adverse effects that those events would have for migrants, lest they undermine migrants’ ability to sustain their transnational lives. The SRE drew upon its consular-protection mandate in an attempt shield undocumented Mexican migrants living in the United States from an increasingly hostile political climate, unveiling in 2002 a new “high-security consular-identification card” (the Matrícula Consular de Alta Seguridad [MCAS]) and embarking on the arduous task of negotiating its acceptance by public and private agencies across the United States.



Despite significant limitations,<sup>9</sup> the Mexican state's revamping of the consular-identification card can be seen as an important tactical move in the struggle for the rights of Mexican migrants in the United States. Skillfully reading the political conditions in the United States and anticipating a much more adverse environment for undocumented migrants in the country, Mexican diplomatic officials adopted as their own the language of "security" and took on the task of updating the procedures and requirements for obtaining the *matricula*. These were crucial steps if the MCAS were ever to gain legitimacy as a valid form of identification in the United States, particularly given the increased scrutiny that identification documents were to face after revelations that some of the September 11th hijackers had used fraudulent documents to obtain social-security numbers and drivers' licenses.

The Mexican government's proactive campaign promoting the use and acceptance of the MCAS (see González Gutiérrez, 2006) took advantage of the multiscalar federal structure of government in the United States. In spite of a contracting political-opportunity structure for migrant rights in the immediate aftermath of 9/11, Mexican officials were able to find allies and gain political victories in local, state, and federal venues. Their campaign was basically three-pronged, involving: direct negotiations with financial institutions and officials at all levels of the U.S. government seeking acceptance of the MCAS; a more diffuse public-relations campaign designed to generate a favorable political climate for its acceptance; and promotion of the card among migrants themselves.

The overall message of this offensive was that the acceptance of the MCAS promised to offer greater security to migrants and the general public, as well as generating added economic benefits.

To local governments and law-enforcement agencies, Mexican state officials argued that accepting the MCAS would reduce unnecessary government expenditures by allowing migrants detained for minor infractions to be released with a citation rather than hauled off to jail because their identity was unable to be ascertained. To this audience they also identified how acceptance of the MCAS would contribute to law-enforcement agencies' community-oriented policing models, suggesting that acceptance of the card would facilitate greater cooperation with authorities, as migrants who might otherwise feel insecure about reporting crimes or coming forward as witnesses would do so if they knew their identification would be recognized. Another closely related claim was that crimes against migrants could be reduced. Mexican officials argued that with banks accepting the card as a valid form of identification, migrants would no longer need to carry large amounts of cash nor be easy targets for robbery (O'Neil, 2003; IME, 2004).

In addition to these political rationales, Mexican consular officials also offered detailed technical descriptions of the security features incorporated into the card's design to protect against fraud. These new features included the use of a special paper, a hologram print of the Mexican state seal, and a series of invisible images that were revealed only with the use of a decoder (Secretaría de Relaciones Exteriores, n.d.). Significantly, effort was also made to point out the limits of the MCAS. In particular, consular officials were adamant that the card was not designed to provide migrants with access to citizenship-based social-welfare benefits or to work permits, nor could it help in gaining or regularizing one's immigration status (IME, 2004). The intention here was likely twofold. On the one hand, this part of the message was aimed at silencing critics who were

characterizing the Mexican government's efforts as aimed at building a surreptitious route to "quasi citizenship." Equally important, the campaign helped to shield the undocumented from fire. Since the MCAS contains no details about legal status in the United States, its carriers are not automatically branded as undocumented.<sup>10</sup>

By most accounts the Mexican government's campaign was extremely successful. From its debut, in March 2002, through June 2004, the Mexican government issued over 2.2 million of these new high-security consular-identification cards (IME, 2004), and nearly a million more were issued in both 2006 and 2007 (IME, 2006; Gobierno de los Estados Unidos Mexicanos, 2008: 491). As for its acceptance, official calculations suggest that by 2008 1,439 police departments, 435 cities, 265 counties, and 470 financial institutions had agreed to accept the card as a valid form of identification (Gobierno de los Estados Unidos Mexicanos, 2008: 490). Gaining the acceptance of these agencies and organizations was rarely an easy task. This often involved the painstaking work of consular officials meeting one by one with local officials in each jurisdiction to gain their support.<sup>11</sup> In many cases the road to approval was filled with contentious debate and vociferous opposition. And success was never assured. Even in ordinarily pro-immigrant locales like New York City, local initiatives sometimes went down to defeat (Susan Sachs, 2002).

The most high-profile indication of the contention over acceptance of the MCAS arose in the context of the implementation of the USA Patriot Act. Section 326 of that legislation was designed to combat terrorist financing and money laundering. That section of the bill instructed the Treasury Department to come up with new regulations regarding financial institutions' responsibilities in documenting and verifying the identity of

their accountholders. Such regulations could have stifled undocumented migrants' access to financial institutions if these were to require U.S. government-issued identification. However, the final rules adopted by the Treasury Department did not proscribe the use of documents issued by foreign governments to verify customers' identities. In fact, a Treasury Department report to the U.S. Congress describing the content of proposed regulations explicitly stated that these would "not discourage bank acceptance of the 'matricula consular' identity card that is being issued by the Mexican government to immigrants" (United States Department of the Treasury, 2002: 16).

Anti-immigrant pressures from both the grassroots and within government would soon force Treasury to reopen the question whether identification documents issued by foreign governments should be acceptable under its final rules. These pressures were channeled through the efforts of U.S. Representative F. James Sensenbrenner, Jr., to thwart the new Treasury regulations. In a letter to the Office of the President, dated May 23, 2003, Sensenbrenner asked the executive to postpone the enactment of the regulations for six months, "until scrutiny by law enforcement officials [could] be more intensively applied to modify it" (Sensenbrenner, 2003: 1). Sensenbrenner's concerns focused on two issues: the regulations' elimination of the requirement that financial institutions hold on to copies of the documents they use to verify a customer's identity and the specific content of the regulations regarding acceptable forms of identification when opening an account. Sensenbrenner noted "continuing reports by federal law enforcement officers that certain nations' consular identification issuance processes are susceptible to fraud and abuse" (Sensenbrenner, 2003: 2). If this

contention were to prove true, Sensenbrenner worried, “acceptance of such documents would undermine, rather than advance, the goals of the USA PATRIOT Act” (Sensenbrenner, 2003: 2).

In response, Treasury issued a notice of inquiry requesting additional comments on precisely the two issues Sensenbrenner had raised. Treasury then solicited responses to an online survey, to which they eventually received over twenty thousand comments. Through the IME, the Mexican government mobilized networks of immigrant activists and their supporters to participate in the survey and express support for the MCAS. Largely as a result of those efforts, over 80 percent of the comments received by the Treasury Department expressed support for the consular-identification cards and urged the agency to make no changes in its final rules (González Gutiérrez, 2006: 210). After reviewing these comments, Treasury decided that no new information had been provided during the comment period and left the existing rules standing as final (United States Department of the Treasury, 2003).

The implicit support offered by the Treasury Department for the inclusion of undocumented migrants within American society (or, at least, within the U.S. banking system) points to the policy contradictions that arise from the varying and competing interests of the agencies making up “the state.”<sup>12</sup> But the success gaining recognition for the MCAS within various realms of the U.S. polity suggests even further complexity in the policymaking process. Understanding and appreciating the multiple forces at work in the design, promotion, and ultimate acceptance of the MCAS require us to attend not just to the fragmented and multiscale character of the U.S. system of government but also to the fundamental role played within these policymaking processes

by transnational actors, including Mexican-government officials and the allies they cultivated through the IME and other emigrant-policy efforts.

Of course, the fact that this particular piece of migrant-friendly policy was related to *financial* inclusion was clearly important. Acceptance of the MCAS by financial institutions was an essential complement to the U.S. and Mexican governments' shared commitment, within the context of the Partnership for Prosperity project analyzed below, to "lower the cost to Mexicans working in the United States of sending money home by, in part, encouraging more banks to market aggressively the opening of accounts to Mexican workers and offer remittance features in their accounts" (P4P, 2002a: 3).

Acceptance of the MCAS fit well with a financial-education campaign being pushed within the consulates with the goal of incorporating Mexican migrants into the financial system in the United States. An IME official charged with coordinating the agency's economic unit explained to me her agency's interest in financial education:

We see this as a form of consular-protection activity. That is, for the migrant the best thing that can happen is to open up a bank or credit-union account, because this not only protects against those robberies that often happen to migrants that keep their savings under the mattress, but it also helps provide a much securer and cheaper mechanism to send money to Mexico while also giving them access to other types of financial services.

[We now] allow bank representatives, usually from those banks that accept the *Matrícula Consular* as a valid form of identification, to enter the consulate, and they give workshops on financial education, on modes of sending money to Mexico.

(Interview with Annie Carrillo, 2008)

In essence, statements such as this suggest that consular officials engaged in a bit of horse trading with major financial institutions. Government officials gained acceptance for the MCAS by offering banks preferential access to the consulates and the immigrants within them to carry out financial-education activities and attempt to attract migrants toward their financial products and services.<sup>13</sup> We will dig deeper into these efforts to connect migrants with banking institutions in the following chapter. But first let us examine the contraction of *emigration* policies in the post-9/11 period and look at how the remaining elements of these policies would help bring the R-2-D agenda to the ground in North America.

#### CONTRACTION OF EMIGRATION POLICY AFTER 9/11: TOWARD THE FINANCIALIZATION OF MIGRATION

As discussed above, with the events of September 11, 2001, “the whole enchilada” fell apart, bilateral collaboration on comprehensive reform was essentially over, and the Bush administration turned its attention increasingly to its War on Terror. At least one element of the integral reform package was salvaged, however, as the two governments continued in the years following 9/11 to collaborate on the promotion of economic development in Mexico’s main migrant-sending regions. This collaboration was most clearly articulated in a public/private initiative, the Partnership for Prosperity (P4P), that the two presidents announced during their September 2001 meetings.

Presidents Fox and Bush held a high-profile meeting in the context of the United Nations Financing for Development Conference in March 2002. If nothing else, this meeting served notice that the migration negotiations had, for all intents and

purposes, come to an end. While the joint statement released after the meeting claimed that the high-level working group on migration had been instructed to continue its work, the statement's brief comments on migration were more valuable for their omissions than for their content. According to the joint statement, it would appear that the greatest accomplishment of the protracted negotiations over the year prior had been that they "yielded a clearer assessment of the scope and nature of this issue" (Joint U.S.-Mexico Statement, 2002). Beyond that sterile evaluation of the migration negotiations, the statement was largely occupied with touting the "smart-border" initiative that the two presidents had just launched and with promoting their Partnership for Prosperity agenda, which was aimed at putting into practice their "shared vision to help unfetter the economic potential of every citizen, so each may contribute fully to narrowing the economic gaps between and within our societies." What was this Partnership for Prosperity, and what does it tell us about what remained of emigration policy in the post-9/11 period?

Although the joint statement that emerged from the first meeting of presidents Fox and Bush in Guanajuato in February 2001 had been subtitled "Towards a Partnership for Prosperity," the formal Partnership for Prosperity initiative was not actually formed until September 2001, when Fox made his state visit to Washington. Among the many accomplishments the presidents announced at the end of the Washington visit was this public/private initiative that they promised would "address some of the root causes of migration" by "spur[ring] private sector growth throughout Mexico." The partnership was deeply stained with the rhetoric of market fundamentalism. Its architects envisioned a market-friendly public-policy framework that could "harness



the power of free markets to boost the social and economic well-being of citizens particularly in regions where economic growth has lagged and fueled migration.” With this explicit statement of using the power of free markets to extend economic opportunity and potentially provide alternatives to Mexican migration bound for the United States, the presidents instructed their administrations to work together, consult with “the best expertise among Mexican and U.S. economists, business people and civil society,” and prepare a formal Action Plan by March 2002 (Joint U.S.-Mexico Statement, 2001a).

As part of the fanfare surrounding the United Nations Financing for Development Conference held in Monterrey, Mexico, in March 2002, a formal Action Plan was presented to the presidents. The document declares the objectives of the initiative in the following terms: “The Partnership seeks to create jobs where they are needed the most, to foster an environment in which no Mexican feels compelled to leave his home for lack of jobs or opportunity.” This statement of the partnership’s objectives would seem consistent with that aspect of the Mexican government’s schizophrenic representation of migration that portrays it as a “bad deal” and a social ill to be eradicated. U.S. government officials, however, tried to distance themselves from any reading of the P4P as explicitly aimed at putting an end to Mexican migration to the North. For example, in congressional testimony, Alan P. Larson, a State Department official who helped design the P4P, rhetorically posed the question, “Will the Partnership effort stop the flow of undocumented migrants from Mexico?” and responded, “Of course not, nor is that its aim. Our Presidents do agree however, that we need to take urgent steps to foster growth, opportunity and job creation in regions where economic growth has lagged and where

opportunities are so limited that migration is the only attractive alternative for an enterprising individual” (Committee on Foreign Relations, 2002: 20).

If the bilateral discussions over migration and development that unfolded from February through September 2001 seemed to be shaped most prominently by President Fox’s NAFTA Plus vision of expanded North American integration, the P4P Action Plan made clear that the Bush administration was no silent partner in these negotiations. While Fox’s initial expressions of his vision suggested a preference for concerted trilateral efforts at developing Mexico’s poorest regions, apparently something similar to the structural funds at the center of the European Union’s regional policies, the P4P framework would not approach that type of aggressive and coordinated approach to regional-development assistance. This was indeed a market-based development initiative and nothing more. According to the congressional testimony of the State Department official quoted above, the P4P included no additional U.S.-government expenditures. Instead it “mobilized the U.S. government resources already devoted to Mexico and linked up with private sector and non-governmental organizations in the small business, housing, agriculture, information technology and infrastructure sectors” (Committee on Foreign Relations, 2002: 20).

The type of coordinated regional-development initiative that Fox had in mind was probably doomed from the start. The Bush administration’s newly emerging development-assistance doctrine did not bode well for an expansive program that would funnel significant amounts of public dollars into Mexico’s poorest regions, those places “where economic growth has lagged and fueled migration.” Upon taking office, the Bush administration had reoriented U.S. development-assistance policy

in a market-centric direction. The administration advocated a carrot-and-stick approach, largely akin to the structural-adjustment programs that the international financial institutions had imposed on debtor countries in the previous decades. In this latest incarnation, U.S. development assistance would be tied to legal and economic policy reforms promoting the sacred goals of U.S. foreign policy, “economic freedom, political liberty, the rule of law and human rights” (Bush, 2002). This reorientation was most evident with the creation of the Millennium Challenge Corporation, which would focus assistance on lower- and lower-middle-income countries and make aid conditional on recipient countries’ performance in a set of seventeen indicators of good governance, people-centered investment, and economic freedom.<sup>14</sup>

In this new context, the rhetorical strategies used by Mexican government officials that had made a favorable migration-reform package appear viable prior to 9/11 (e.g., presenting Mexico as a valuable partner with strong economic institutions and a new-found commitment to the values of democracy and human rights) worked against targeting significant amounts of development assistance toward the country’s poorest regions. In effect, by presenting the case that Fox’s democratic election ushered in a new era of political and economic cooperation across North America, Mexican political leaders excluded the country from consideration for U.S. development assistance. The Bush administration’s development-assistance doctrine followed the logic that, upon adopting the appropriate institutional reforms, developing countries should “grow and prosper beyond the need for any aid” (Bush, 2002). With Mexico having now fully embraced the ideals of free markets, democracy, and human rights, its new institutional environment was expected, according to this logic,

to stimulate private initiative, attract foreign investment, and generate significant economic growth without the need for any official development financing.

Accordingly, the type of development cooperation contained in the P4P initiative emphasized institutional improvements, training and education for government officials, and sharing of best practices from the U.S. government and private sectors. But it offered none of the public-development financing from the United States that Fox had initially envisioned. The P4P Action Plan identifies four broad goals to be pursued by the partnership: expanding access to credit; sharing technical knowledge and best practices; facilitating cross-border communication between similar organizations; and encouraging private-sector investment in infrastructure projects (P4P, 2002a).

Two features of the Action Plan, its various components, and the discourse of partnership in general are worth emphasizing here. First is the relative importance given to migrant remittances and investments in the collaborative projects implementing the various goals. Here we see the imprint of the R-2-D agenda starting to emerge in what remains of the two governments' shared commitment to migration control and management. The very first objectives elaborated in the Action Plan were "Remittances—Lowering the Cost of Sending Money Home" and "Housing—Promoting Private Investment to Meet Demand and Strengthen Roots." The former of these two is directed at "lower[ing] the cost to Mexicans working in the United States of sending money home." Echoing the discourse of the R-2-D agenda, this was to be done by encouraging financial institutions to market aggressively to migrants and, in turn, educating migrants about the benefits of using formal financial institutions. The latter promised to "facilitate investment

in Mexican housing by Mexicans in the United States through cross-border mortgages and construction loans.” While this component of the initiative is touted as “focus[ing] on improving Mexican entrepreneurs’ and farmers’ access to new and existing sources of capital,” “enhanc[ing] understanding of the financial system,” and “equip[ping] citizens with the tools they need to make good economic choices,” there is surprisingly little in the way of “new sources of capital” besides migrant remittances and investments. This policy statement appears as nothing more than a utopian vision of the beneficence of financial markets, whereby migrants’ participation in formal banking institutions would free up new sources of capital and miraculously lead to expanded access to credit in poor and rural communities in Mexico.

In the end, for all its celebration of the goals of providing “access to the window of opportunity offered by broader and deeper global connections in the 21st century,” creating “jobs where they are needed the most,” and ensuring that “no Mexican feels compelled to leave his home for lack of jobs or opportunity,” the P4P contains little in the way of concrete policies directly channeling investment into migrant-sending regions in ways that may bring these goals to fruition. Instead, and in line with the market-centric R-2-D policies simultaneously being promoted by international organizations, the smooth operation of financial markets and institutions across all of the continent was expected to provide beneficial outcomes without the need for much in the way of government intervention. As in the broader R-2-D agenda, here the market is projected as the most promising agent of change, and the importance—indeed the very possibility—of concerted state policy to address uneven development is obscured.

The second noteworthy feature is that the entire project, although couched in the language of “partnership” and a technocratic idiom of identifying barriers to sustained growth and improved livelihoods, reproduces a developmentalist hierarchy that identifies U.S. corporations, experts, and government institutions as purveyors of the expert knowledge, business, administrative experience, and capital that provide the key to unleashing growth in Mexico’s poorest regions. In practice, this meant that much of the collaboration promoted by the P4P was designed to impart to Mexican officials, business leaders, and “financial and investment managers” the ways of the U.S. brand of late-twentieth-century, finance-driven capitalist growth. In hindsight, and given the global financial meltdown precipitated in 2008 by the excesses of that model, the dangers and limitations inherent in this growth strategy are plain to see in the P4P’s leading example under the objective of “sharing best practices and technical expertise”:

The U.S. Treasury will coordinate the provision of technical assistance to Mexico’s Sociedad Hipotecaria Federal (SHF) to encourage securitization of mortgages and the creation of a secondary mortgage market in Mexico. In these efforts, Treasury will draw upon experts with experience in housing finance from private financial institutions, government-sponsored agencies (like Fannie Mae, Freddie Mac, and Ginnie Mae), and the U.S. Office of Federal Housing Enterprise and Oversight. (P4P, 2002a: 6)

In sum, following the demise of the comprehensive binational migration-policy reform negotiations in September 2001, Mexican and U.S. government officials continued to collaborate on migration-policy issues, but their interests had narrowed. The regularization of migration and the eventual lifting of restrictions

on human mobility across the U.S.-Mexican divide had all but disappeared from the binational political agenda. The focus had now turned almost exclusively toward using remittances to promote the extension of U.S.-style financial products and markets into all of Mexico. But of course, despite the market-fundamentalist rhetoric this policy objective would not arise automatically as the result of market forces. This too would require significant governmental work to construct market-based solutions and promote their use among financial institutions, migrants, and remittance recipients. The following chapter examines the most prominent of these market-based solutions generated through this intergovernmental collaboration along with the governmental work that brought it into being.