Recognizing our shared history and how other countries have adapted to immigration is the first step in confronting the challenges in the U.S.

NAFTA was and remains an economic agreement. Yet it can help establish the basis for better bilateral cooperation on immigration.

Out of California’s long—and rocky—experience with immigration has emerged a quiet consensus that can help lead the U.S. out of its current dead end.

The current U.S. guest-worker system is insufficient and exploitative. Here’s a proposal to protect workers’ rights and provide employers with the seasonal flow of labor they need.

A realistic, permanent solution to the 12 million unauthorized immigrants in the U.S. means fixing its visa system. Here’s how.

Immigrant bashing and tougher enforcement have a human cost. These are some of the stories.

The U.S. will have to deal with integrating 45 million Hispanic immigrants. Fortunately businesses are already stepping up to the plate.
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Just the Numbers

Election AQ asked leading policymakers, intellectuals, activists, and entrepreneurs to write a memo to the newly elected U.S. president proposing a new agenda for the Americas. Among the contributors in our next issue: President of Chile Michelle Bachelet; Foreign Minister of Brazil Celso Amorim; human rights activist Viviana Krsticevic; editor of La Reforma Rossana Fuentes Berain; President of Brightstar Raúl Marcelo Claure; and former Canadian Foreign Minister John Manley.

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California, America’s most populous state—with the dimensions, economy, power, and international ties, if not the sovereignty, of a nation—can and should play a leading role in attempting to break the U.S. legislative impasse on immigration policy and in forging policies to integrate immigrants more successfully into twenty-first century America. It should do so because California has long-standing, unique and relevant experience with immigration; because Californians have a huge stake in reforming the country’s dysfunctional immigration regime; and because they are ready to take the lead in demonstrating positive approaches to integrating immigrants.

This will not be a simple matter, particularly as making and implementing immigration policy are obviously and necessarily federal responsibilities. But the issue is so central to California’s future that the state should try to find ways to specify and promote its interests, and to help lead and shape national policy.

**Immigrants and the Making of Modern California**

From its earliest days, California has attracted diverse international immigration and built its prosperity on the labor of foreign-born workers. International immigrants were at the forefront of the mid-nineteenth-century gold rush and in the stunning development
From California’s convoluted history of immigration, a latent consensus may be developing about the importance of immigrants for the economy and strength in diversity. Such a consensus could point the way forward for an improved national policy on immigration.

MOVING THE DEBATE FORWARD: What California Can Teach Us

of California’s agriculture. They constructed the railroads, dams, aqueducts, and highways that made possible the state’s rapid twentieth-century growth. They led the emergence of Hollywood as the world’s cinema capital and contributed to California’s rapid expansion during and after World War II.

In more recent decades, a considerable share of California’s economic productivity and expansion is due to the contribution of international immigrants. Silicon Valley’s transformation into the world’s center for the computer industry was largely spearheaded by foreign-born immigrant engineers and entrepreneurs. According to one study, 39 percent of technology start-ups in California in the past decade were founded or co-founded by entrepreneurs born in China or India. Immigrant entrepreneurs, scientists and technicians also play a major role in the rise of the biomedical sector in nearly all of the state’s major cities. At the same time, California’s health care system relies heavily on foreign-born doctors, dentists, nurses, pharmacists, and other health care professionals. Immigrant labor in restaurants, hotels, child care, construction, building maintenance, landscaping, car washes, laundries, and many other fields has also become critical to the lives of California’s middle and upper classes.

While immigration has long been a part of California’s story, the flow of foreign-born persons into
the state since the 1960s has been unprecedented in size. During the 1970s, California added 1.8 million foreign-born residents, more than had entered the state in the previous 70 years combined. During the 1980s, an additional 2.8 million immigrants settled in California, followed by another 2.4 million in the 1990s. From 1930 to 1970, more than 95 percent of the population growth of California came from those born in California or elsewhere in the U.S., but in the 1970s, 49 percent of the state’s population growth was due to foreign-born immigrants. Births in Latino families alone became the majority in California by 2001. Twenty-seven percent of all residents of California today were born in another country, and more than half of Californians have at least one immigrant parent.

Today’s immigrant population in California is distinctive for a number of reasons, including its size relative to the state’s native-born population; its overwhelmingly Latin American and Asian origins; the predominance of recent arrivals; and the large number of unauthorized entrants, especially from Mexico and Central America. California is also notable because of the educational and socioeconomic diversity of its immigrants, ranging from those holding advanced degrees to those with low levels of education.

**Shifting Attitudes, Resistance and Acceptance**

Immigration has always been accompanied by controversy in California. Resistance to immigrant labor in the nineteenth century, then primarily from Asia, has been mirrored throughout California’s history. It has waxed and waned with California’s economic ups and downs, its shifting labor requirements, the changing ethnic and socioeconomic composition of immigrant flows, and broader political currents that have affected notions of identity and community.

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dropped the state’s appeal of the court ruling. Enforcement of Proposition 187 might have led to more awareness and attention in Washington to the local fiscal costs of immigration. But its more direct impacts were to unnerve Mexican immigrants (many of whom naturalized subsequently, apparently in order to have a voice in U.S. politics) and to complicate relations with the Mexican government. In Mexico, Proposition 187 and the arguments employed on its behalf provoked deep resentment.

The political backlash in Mexico interfered with positive trade and investment initiatives and at least temporarily damaged the prospects for cooperation on other issues. Proposition 187 underlined California’s urgent need to deal with the impact of immigration, but it was not a successful way to promote California’s interests.

**California Dreaming**

Although Proposition 187 was hotly debated and extraordinarily divisive at the time, there is now considerable consensus in California about the need for more effective ways of securing the advantages of immigration while mitigating its adverse consequences.

High levels of immigration to California occur mainly when the state’s economy is doing well and/or when the economies of sending countries are doing poorly. California cannot realistically expect significantly reduced pressures to enter the state unless socioeconomic conditions, especially employment and wages, improve substantially in sending countries.

Recurrent federal legislation to curb unauthorized entry into the U.S. has been mostly hortatory at best and cynical at worst. It often seems intended primarily to calm domestic concerns without meaningfully affecting labor markets. Politicians of both parties have highlighted visible demonstrations of their expressed commitment to control America’s borders while at the same time permitting employer practices that predictably result in more unauthorized immigration.

Federal authorities’ periodic attempts to reduce immigration by more consistent and forceful protection of the border with Mexico have had little lasting effect on the flow of entrants. Such policies are unlikely to be effective as long as the strong underlying economic and social motivations for migration from Mexico and Central America are combined with strong continuing demand for low-skilled labor in the U.S.

A 2002 study done for the Public Policy Institute of California showed that extensive and expensive efforts to step up border enforcement in the 1990s had little effect on migration flows from Mexico, beyond increasing the transaction costs, altering the points of entry and consequently augmenting the physical risks to immigrants.

Increased border controls have enriched coyotes (human smugglers) and caused mortal risk or death to migrants who choose more remote and difficult routes to enter the U.S., but have not reduced the number of unauthorized migrants entering the U.S. One apparent impact of these increased costs and risks, ironically, has been to induce undocumented immigrants to remain in the U.S. longer than they did before, to avoid risking apprehension at the border. Circular migration has given way to quasi-permanent settlement.

A combination of greater border controls and more vigorous enforcement of existing or enhanced sanctions on employers for hiring undocumented workers would probably reduce rates of undocumented immigration. The former would need to involve everything from additional personnel to greater investment in technology, together with improved documentation procedures (particularly, secure identification cards with biometric features). But even with these the pressures for continuing immigration will persist.

This is fundamentally because an aging and
increasingly educated U.S. population will require more immigrant labor. These underlying demographic and social facts will shape labor markets and invite immigration flows. Almost all of California’s workforce growth between 2005 and 2030 is likely to come from immigrants and their children.8

California’s agricultural regions are already suffering severe shortages of farmworkers, and are every year more dependent on immigrant labor.7 Textiles, construction, hotels, restaurants, and many other sectors similarly depend on unskilled or low-skilled immigrant labor, much of it undocumented.

Immigrant workers have made undeniably important contributions to the California economy over the years. Various studies show, as well, that immigrants have produced a net fiscal surplus for the federal government, paying more taxes than they receive in federal services and benefits.9 Within California, too, studies show that immigrants are an overall economic and fiscal benefit. Public opinion polls show that most Californians understand and appreciate immigrants’ contributions.10

By the same token, however, the huge concentration of low-income recent immigrants, often unauthorized, are large users of California’s emergency health services, education and other public goods. These signify substantial costs, paid for the most part by the state and localities, not by federal agencies. The financial burden on Californians and citizens of a few other “gateway” states is understandably resented and is likely ultimately unsustainable in political terms.11

While immigrants do produce net economic benefits to native-born residents, they almost certainly have some adverse impact on the earnings of low-skilled native-born (often African-American) workers. This contributes to a deterioration of earnings at lower levels of the economy that has exacerbated California’s income distribution problems and has fueled racial tensions.

Moreover, the educational deficit of many recent immigrants has not only hurt their own prospects for advancement but also reduced California’s overall productivity and competitive position relative to other states in a knowledge economy. Although there is evidence that recent Mexican immigrants are somewhat better educated than those in the past and are beginning to take more diverse and higher-income jobs in the American economy, the gap between them and the requirements of an increasingly technological economy remains huge and may even be growing. The educational deficit of Mexican and Central American immigrants, mostly unauthorized, who come to California after age 10 is particularly troubling. Programs to provide services and schooling to immigrants tend not to reach these people.12

The immense and widely recognized historic contributions of immigrants notwithstanding, therefore, California today confronts a serious challenge caused by massive and largely unauthorized immigration of relatively uneducated and unskilled persons. This wave of immigrants presents mounting immediate and medium-term fiscal costs at the state and local level and presents tough social and educational questions. It fosters a corrosive disconnect between law and practice, and exacerbates latent (and sometimes overt) ethnic and racial tensions that tend to flare in periods of economic stress and/or security concerns. California cannot afford the current vacuum in national immigration policy, just as it cannot wait for Washington to address global warming, environmental pollution and climate change.

The Cross-Border Challenge

The policy conundrum California consequently needs to address is quintessentially “intermestic”—combining aspects and facets of both international and domestic processes and policies.13 Such issues arise from the accelerating integration that so closely ties California (southern California in particular)
to the economy, society, demography, and politics of Mexico and Central America. The issues are notoriously difficult to manage, in part because the means for responding to them are so diffuse. The domestic imperatives on each side of the border often run contrary to what would be needed to secure the international cooperation necessary to deal with the issue. A border fence may make sense in domestic U.S. politics, but it surely complicates the process of securing cooperation from Mexico.

Central questions for California, therefore, are whether and how it can mobilize its considerable resources—at the local, regional, state, federal, and international levels—to help turn immigration once again into a positive resource, rather than allow it to become a growing (perceived and actual) burden, and a source of worsening societal divisions.

**Searching for Consensus**

If California’s political and civic leaders were to focus on identifying the state’s interests regarding national immigration policy, they would likely find a number of points of at least latent consensus that could galvanize what is needed to break Washington’s legislative impasse.

First, most Californians believe that current U.S. immigration policies are badly flawed. They perceive that current policies tend to reinforce labor shortages, interfere with scientific and technical progress, keep families separated for extended periods, provide income to coyotes, cause risks and even deaths to immigrants, facilitate labor exploitation, allow what often seem like sudden and uncontrolled surges of immigration, present severe fiscal challenges to locales and states with large clusters of unauthorized immigrants, lower the average educational level and productivity of the workforce, and significantly contribute to flouting and thus eroding the rule of law. These results are the opposite of what most Californians want.14

Second, because of its aging population and broader demographic profile, as well as the increased educational level of its residents, California, in coming years, will likely require more immigrant labor, both skilled and unskilled, not less.

Mexico will face strong pressures to export workers for another decade or so, but given its changing demographics, within about 15 years the number of Mexicans entering the workforce may well begin to fall. The creation of jobs in Mexico should increase and the pressures for migration should begin to diminish.15 The policy challenge in dealing with Mexican immigration is essentially a question of managing this flow until emigration pressures there subside within the next 15 years.

Third, Californians with divergent perspectives share an interest in transferring to the federal government more of the costs of providing education, health and other social services to undocumented immigrants.16 As undocumented immigrant concentrations spread to several other “gateway” states, California’s political leaders should be trying to build a multistate coalition in support of such transfers.

Fourth, many thoughtful Californians appreciate that all will benefit if those immigrants who do establish long-term residency, whether authorized or not, become healthy, educated, English-speaking, tax-paying, property-owning, law-abiding naturalized citizens, contributing positively to the state’s development and welfare. The successful incorporation of immigrants into the economic, social, political, and cultural future of California requires, in turn, investing in the education of immigrants and their children at all levels: expanding efforts to support adult English-language instruction; promoting naturalization, voter registration and suffrage; facilitating immigrants’ access to credit and other financial services; licensing immigrant motorists and ensuring that they are covered by automobile insurance; and supporting community-based agencies that provide social services to immigrants.17

These imperatives should be high on California’s agenda, not out of charity but from enlightened self-interest. California’s economic competitiveness and social cohesion for decades to come will depend significantly on the educational and vocational attainment of its foreign-born population and their children, and on their identification with and contributions to the communities where they reside.

As David Hayes-Bautista predicted 20 years ago, and Dowell Myers has recently documented, it is in the Baby Boomer Generation’s self-interest to invest
Immigration

in the education, health and productivity of these immigrants and their children. By paying Social Security and Medicare taxes and providing services, these immigrants will make possible the pleasant retirement for which the Boomers have worked.18

Fifth, a viable approach to national immigration policy must be balanced and pragmatic. It should foster regularization of the volume and composition of immigrant flows so that they mesh more closely with labor-market requirements, family unification and other goals. Policymakers must recognize immigration as a phenomenon that ultimately responds mainly to family and market considerations, and thus cannot be simply turned on or off by government policy at any level, much less by mere rhetoric or symbols.

Influencing National Policy

The future of California’s society, economy and politics will be significantly shaped by how the issues of immigration and the integration of immigrants are handled in the years to come.

With the failure of the U.S. Senate’s efforts in 2007 to adopt comprehensive immigration reform, Californians should exercise national leadership on an issue for which the state’s long experience and unique perspectives are highly relevant. California’s congressional delegation, the country’s largest, should take a major interest in forging and helping to pass new legislation.

Achieving and promoting a unified California perspective on immigration that could facilitate and energize a leadership role for the state’s congressional delegation will be difficult, but it is worth attempting. It could pay very large dividends. Californians should try to play a leadership role in shifting the terms of the often strident and destructive national debate on immigration and moving it toward more pragmatic responses, including more consistent and positive efforts to integrate those immigrants who are here to stay.

A first step in this direction might be to convene a non-governmental, bipartisan and multisectoral commission to make recommendations for consideration by the governor, the California Senate and Assembly, municipalities, California’s congressional delegation, and the citizens, firms, labor unions, and other non-governmental organizations of the state.

Properly staffed and supported, such a commission could assess the costs and benefits of current and projected immigration flows and of the persistence of unauthorized immigration.

It could address the diverse concerns and priorities of California’s citizens regarding immigration, try to reconcile these and examine possible compromises. Finally, it could recommend new approaches and policies—on the national, international, state, and local levels—to improve the net impact on California of international immigration and especially to enhance the integration of recent, current and future immigrants into California’s workforce, electorate and community life.

It would understandably be challenging to develop consensual recommendations from a genuine cross section of California’s highly diverse civic leaders. But the very exercise of shared analysis and collective deliberation could be immensely productive, and it might well lead to concrete and constructive results.

California should try to exercise a leadership role nationally on this vital issue. It is well positioned to move past the toxic politics of immigration by focusing on the state’s positive experience and on its medium and longer-term interests.

It could show the way nationally on this issue, as it has on climate change, and could thus help build bridges, not fences, toward our neighbors to the south. That would be an enormous and badly-needed contribution.

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