Treatting the Root Causes of Illegal Immigration
US Programs and Partnerships in Central America

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President Donald Trump has sounded the alarm about porous US borders since before his election in 2016. On February 15th he proclaimed a “national emergency” reportedly to apportion more funds to build a wall on the southwest border. Nevertheless, in recent months, Central Americans continue to reach the border in increasing numbers, intent on crossing into the United States illegally and/or hoping to petition for political asylum here.

According to a senior State Department official I consulted last week, President Trump’s abrupt announcement regarding aid programs apparently followed a briefing on data showing 100,000 in-bound migrants in March, increased dramatically from 70,000 in February. In a series of impromptu declarations in social media on April 6th, the President also threatened to close ports of entry on the US-Mexico border until Mexican authorities addressed this “surge of illegal migrants”:

We have redeployed 750 agents at the Southern Border’s specific Ports of Entry in order to help with the large scale surge of illegal migrants trying to make their way into the United States. This will cause traffic & commercial delays until such time as Mexico is able to use.... It’s powerful common sense Immigration Laws to stop illegals from coming through Mexico in the US, and removing them back to their country of origin.... Until Mexico cleans up this ridiculous & massive migration, we will be focusing on Border Security, not Ports of Entry.... (sic)

The continuing influx of would-be immigrants comes despite five years of substantial increases in US aid, initiated under the Obama administration, to the so-called Northern Triangle countries (El Salvador, Guatemala, and Honduras).

Since the Alliance for Prosperity was launched in 2015, US and Central American officials have intensified cooperation on broad-based development and enforcement programs aimed at abating the flow of illegal migrants from the Northern Triangle. Between 2015 and 2018, the United States invested about $2.6 billion in related activities. Just last month, outgoing Secretary of Homeland Security Kirstjen M. Nielsen signed a “memorandum of cooperation”—deemed “the first ever multilateral compact on border security”—to fortify these regional efforts.

The Problem

Desperate conditions in these countries motivate thousands to put their lives in the hands of so-called coyotes to make the dangerous trek north. These conditions include the lack of personal security in countries where the police are outgunned by gangs, the lack of stability where local authorities are bullied or bought off by narcotraffickers, and the lack of hope where jobs are destroyed by flagging economies and a two-year drought.

*Mix of Families, Minors, and Asylum Claims.* Statistics released in early March by the US Customs and Border Protection (CBP) noted a dramatic rise in the number of immigrants arriving as “Family Unit Aliens (FMUA)” as “a new and growing challenge.” “This fiscal year to date, CBP has seen a more than 300 percent increase in the number of family units
apprehended compared to the same time period in fiscal year 2018,” an agency statement said. “Today, family units and unaccompanied alien children (UAC) make up 60 percent of apprehension.” Moreover, CBP reported a fivefold increase compared to 2018 in the number of “large groups,” of 100 persons or more, being interdicted along the border.

This combination of large groups, family units, unaccompanied minors, and asylum claims appears designed to overwhelm authorities’ ability to process a large number of aliens with unique characteristics and legal requirements—necessitating the release of an increasing number of illegal crossers pending deportation or asylum hearings.

“Overall, apprehensions are still below prior peaks in late 1990s and early 2000s, but [they] have steeply increased in only a few months to levels not seen in years,” according to April 4 Senate testimony of Andrew Selee, president of the Migration Policy Institute. “There were 66,450 Southwest border apprehensions in February—the highest monthly total in the past nine years—and they are expected to reach nearly 100,000 in March. . . . While the overall numbers are lower than they used to be at the height of previous migration waves, this mix presents a more complex picture to address in policy terms.”

Criminal Smugglers. It appears that criminal migrant-smuggling organizations are exploiting US border enforcement protocols and a backlog in processing 850,000 pending political asylum cases. Sophisticated smuggling groups know how US border authorities process families, unaccompanied minors, or asylum claimants. They know, too, that migrants who are encountered at the US border as part of a large group are more likely to be released into US territory pending processing.

US border enforcement authorities are confronting systemic problems that are going to get worse before they get better. To get ahead of this problem, the United States needs sound programs and reliable partnerships.

Solutions: Programs and Partnerships to Promote Economic Opportunity and Security

US Aid Programs. Treating the root causes of illegal migration and attacking immigrant smuggling networks make the challenge at the border more manageable. Before President Trump’s announcement, the United States planned to spend about $450 million this year on such programs in the Northern Triangle countries. That sum is less than one-tenth what taxpayers will spend this year to deploy Border Patrol and military units on the southwest border.

US assistance programs to the Northern Triangle countries of El Salvador, Guatemala, and Honduras address a wide range of “push factors” that lead individuals to migrate to the United States. These programs combat insecurity, governance issues, and economic drivers of illegal migration by leveraging best practices and public-private partnerships to ensure maximum impact.
On the issue of security, the US Agency for International Development (USAID) and the State Department support programs that address crime, violence, and the rule of law. These programs include training and support for police, which are vital to efforts to professionalize the police forces in these countries. Other programs work to support anti-crime initiatives and prevent at-risk youth from falling into the traps of gang membership by offering professional development and community services.

In at-risk communities in Honduras, policing and youth programs managed by USAID and the State Department’s Bureau for International Narcotics and Law Enforcement (INL) are credited with reducing homicide rates by as much as 73 percent between 2013 and 2016. In Guatemala, USAID has supported the critically important anti-extortion initiatives of local prosecutors. These efforts led to a dramatic increase in successful prosecutions for extortion, jumping from 41 to 293 from 2015 to 2017.

USAID’s partnership with INL supports El Salvador’s security efforts and “integrate[s] law enforcement efforts with community-level prevention programs and the creation of safe spaces within schools and public area.” Such efforts led to a 45 percent reduction in homicides in the targeted municipalities.

These and several other USAID programs have a dramatic impact on citizen security, a major factor in migration and regional stability. In neighborhoods with a USAID presence, 51 percent fewer residents reported being aware of incidents of extortion, blackmail, or murders compared to similar neighborhoods without such a presence.

USAID also works to address underlying economic instability that leads many to decide to migrate. Due to USAID programs supporting agriculture and natural resources management, impoverished rural areas in Guatemala and elsewhere have seen more jobs and higher salaries. In El Salvador, USAID programs help provide business development services to help micro, small, and medium enterprises create more jobs and increase productivity.

US assistance programs also have targeted the issue of governance and corruption throughout the region by working with attorneys general and civil society to increase transparency and citizen accountability. Such initiatives have helped bring about prosecutions against current and former officials responsible for graft, fraud, and other crimes that undermine political and economic stability in the Northern Triangle.

The American people should know that the tax dollars spent in Central America do not go to foreign governments. They support programs earmarked by this Congress, monitored by this committee, and designed and implemented by State Department and USAID teams tackling the problems they find on the front lines in these countries.

US assistance has produced tangible results. For example, in El Salvador, US funding bolsters the government’s national security plan (Plan El Salvador Seguro) focusing on the country’s 50 most dangerous communities, which also are the source of significant migration. Homicides and all other major violent crimes have dropped over three
consecutive years in these communities—amounting to a 55 percent decrease. These major crime statistics are projected to drop another 20 percent this year. Such “place-based” programs in El Salvador—that designed to address the unique characteristics of a particular country—have significantly reduced illegal migration from that country.

The State Department’s INL Bureau helps fund an anti-gang unit led by the agents of the Federal Bureau of Investigation and Salvadoran counterparts. According to a senior U.S. diplomat, virtually every case against MS-13 relies on the Salvadoran unit for leads or investigative help. INL-supported “Operation Regional Shield,” consisting of U.S. federal law enforcement officers and counterparts from El Salvador, Guatemala, and Honduras, coordinates regional efforts against gang members, leading to the arrest of 3,800 gang members in the United States and in the region, charges against nearly 300 gang members in Guatemala, and the dismantling of eight MS-13 and Barrio 18 “cliques” in El Salvador.17

USAID reports a 54 percent drop in homicide rates and a 70 percent reduction in kidnappings in communities served by its programs in Central America. At least before the recent surge, there were 68 percent fewer migration rates from urban areas in Central America targeted by US programs.

Arguably, addressing the root causes of illegal migration is a better investment than treating the symptoms at our border. And the diplomats and development professionals managing these programs are always looking to work better and smarter. (It is worth noting that, even before the president’s statement last week, US embassies in these countries were facing imminent staff cuts because of draconian spending reductions planned for fiscal year 2019.)

Congress has a pivotal role to play in ensuring robust funding for foreign assistance programs that serve our national security interests—particularly when such programs address the root causes of illegal immigration that the president agrees is a major concern.

Partnerships. The governments of the Northern Triangle are not perfect, but they are neighbors and partners on many issues. The United States needs them to be ready and willing to cooperate as the first line of defense against deadly threats on the US border—including a host of other issues that are US foreign policy priorities. That is why Congress and the president agreed to provide this funding in the first place. Furthermore, unilaterally terminating such programs—and doing so publicly and summarily—undermines the confidence among partners and exposes friendly foreign leaders to criticism at home.

Friends of Central America should use this recent debate over US aid as a reminder that the subregion should be an economic partner that pulls its own weight. Ten years ago, the United States advocated the Central American Free Trade Agreement (CAFTA) to secure market access and fuel long-term economic growth. The United States promoted this trade arrangement with the promise of a growing market for American exports and mutually beneficial investment opportunities. Since then, statist policies, political instability, and crime have scuttled these plans—corrupting Central America’s institutions,
destabilizing their economies, and distracting the private sector from an agenda of liberalizing reforms. Arguably, the Northern Triangle countries are less competitive than they were before CAFTA.\textsuperscript{18}

The track record of each Northern Triangle country, as measured by the Heritage Foundation’s 2019 Index of Economic Freedom,\textsuperscript{19} leaves much room for improvement.

\textit{El Salvador.} El Salvador’s economic freedom score is 61.8, marking it as “moderately free” overall and the 84th freest economy in the world. This overall score represents a decrease of 1.4 points from 2018’s rankings. Within the Americas, El Salvador is ranked 17th among the 32 countries. While El Salvador did register improvements in its labor freedom in 2019, the statistim of leftist President Salvador Sánchez Cerén has curtailed its economic freedom. There are concerns that the need to reduce the fiscal deficit will lead to tax increases.

Property rights are inconsistently enforced in El Salvador, and the judicial system is slow and riddled with corruption. Impunity and narco-related corruption have undermined trust in political institutions. El Salvador lacks a skilled workforce and compounds the problem with inefficient labor market flexibility. The leftist FMLN governments have favored government-imposed price controls on many goods and services, driving up the fiscal deficit in 2018. Cronyism and corruption mean that monopolies control much of the economy. For instance, four private banks account for over 70 percent of El Salvador’s total assets. One drawback for El Salvador continues to be the role that remittances play: They account for nearly one-fifth of the country’s GDP.

El Salvador’s GDP (PPP) in 2018 was $57 billion. It had 2.4 percent annual growth in 2018 and 2.1 percent five-year compound annual growth. Roughly $792 million in foreign direct investment flowed into El Salvador in 2018. According to the Office of the United States Trade Representative (USTR), two-way trade in goods and services with El Salvador totaled $5.5 billion in 2017 (the latest year for which data are available).

\textit{Guatemala.} Guatemala’s economic freedom score is 62.6, earning a designation as “moderately free” and making it the 77th freest economy in the world. This overall score represents a decrease of 0.8 points from 2018’s rankings. Within the Americas, Guatemala is ranked 16 out of 32 countries. Although Guatemala did register improvements in 2019 in its fiscal health and government spending, it declined in both trade and business freedom, which dragged down its overall score. Generally, Guatemala suffers from a low-skilled workforce, violence related to narcotrafficking, and widespread corruption, all of which can hinder economic development. (Guatemala’s president, Jimmy Morales, has questioned the effectiveness of the UN International Commission Against Impunity in Guatemala (CICIG), and the country’s civil society and international partners are pressing him for an accountable mechanism to fight corruption.)

According to the Heritage Foundation’s 2019 Index of Economic Freedom, bureaucratic hurdles to starting a business and obtaining the necessary permits force many entrepreneurs to operate in the informal sector. Other problems related to capital and the availability of long-term financing also affect the scalability of Guatemala’s small and
medium enterprises. Guatemala has few foreign banks; but domestic banks, too, face inefficient judicial and regulatory systems that discourage investment. Only 45 percent of adult Guatemalans have an account with a formal banking institution, for instance.

Guatemala’s GDP (PPP) in 2018 was $137.8 billion. It had 2.8 percent annual growth in 2018 and 3.6 percent five-year compound annual growth from 2013 to 2018. In 2018, $1.1 billion dollars in foreign direct investment flowed into Guatemala. According to USTR, two-way trade in goods and services with Guatemala totaled $10.9 billion in 2017 (the latest year for which data are available).

_Honduras._ Honduras’ economic freedom score is 60.2, barely retaining a place in the “moderately free” category and the 93rd freest economy in the world. This overall score represents a decrease of 0.4 points from 2018’s rankings. Within the Americas, Honduras is ranked 20th out of 32 countries. Although Honduras did experience reductions in government spending and its fiscal health, downgrades in trade freedom, labor freedom, and its rule of law scores outweighed these modest gains. Domestic political instability and weak property rights continue to stymie economic growth.

Honduras has one of the world’s highest murder rates, which, when paired with weak property rights enforcement, makes extortion by violent transnational gangs rampant. Many Hondurans choose to forgo burdensome regulations on entrepreneurship and business regulation—including the need to pay bribes—and elect to operate in informality. The government maintains price controls on basic goods—e.g., fuel, water, telecommunications, and ports—and has a habit of imposing temporary price controls on other goods on short notice.

Honduras’ GDP (PPP) in 2018 was $46.2 billion. It had 4.8 percent annual growth in 2018 and 3.6 percent five-year compound annual growth. Approximately $1.2 billion in foreign direct investment flowed into Honduras in 2018. According to USTR, two-way trade in goods and services with Honduras totaled $9.7 billion in 2017 (the latest year for which data are available).

_Transnational Organized Crime._ Combating transnational organized crime—including narcotrafficking and human smuggling—is a shared responsibility, because much of the violence and criminality destabilizing countries in the Northern Triangle and beyond are the direct result of the illicit drug trade fueled by US demand for cocaine, heroin, marijuana, and other illegal substances. The corruption and violence sown by transnational criminal organizations and affiliated street gangs have overwhelmed the relatively weak institutions of government in Central America and raised the obstacles to economic growth.

_Nicaragua._ The stability of Central America is impacted directly by deteriorating conditions in neighboring Nicaragua. The repressive and illegitimate Ortega-Murillo regime clings to power at a high cost to the Nicaraguan economy. Nicarguans fleeing deadly repression and economic destruction have begun to join caravans toward the United States, as well as southward toward Costa Rica and Panama. By September 2018, Costa Rica, a country with a Nicaraguan emigré community of half-million, had already received around 25,000 new
The destabilizing conditions that have prompted citizens from the Northern Triangle to migrate have taken root in Nicaragua: poor economic growth, corruption, and violence.

Mexico. Mexico is not a direct topic of this hearing, but it is important to mention that partner because of the central role that it plays in stemming the rising tide of Central American immigration. Before the assumption of power by that country's new leftist president, Andrés Manuel López Obrador (known universally by his initials, AMLO), it was expected that President Trump's frequent criticism of Mexico would elicit a reciprocal response from his nationalist counterpart. However, since AMLO took office four months ago, his government has cooperated closely to allow claimants of political asylum to remain in Mexico while their cases are considered.

Beginning in late 2018, Mexico also has offered residency and work permits to tens of thousands of Central American “refugees.” In addition, Mexican authorities interdict and deport even more Central Americans than their US counterparts. Clearly, these are constructive measures that have helped manage the immigration challenge. President Trump appears to have recognized Mexico's helpful role, and perhaps took stock of the staggering costs to the U.S. economy, when he withdrew his threat to close the border.

An extremely important development that has been barely noticed is AMLO's declaration of an end to the unpopular and bloody “war on drugs” that was waged by his two predecessors. Although he has spoken against corruption and taken some steps to modernize Mexico's security forces, drug seizures since his December 1 inauguration have plummeted dramatically. During the campaign AMLO spoke openly of considering an amnesty for drug traffickers. If AMLO succeeds in letting down his country's guard to drug traffickers, the cartels' ability to operate with impunity will allow them to grow more powerful and dangerous to the security of Mexico's southern and norther neighbors.

As marijuana is legalized or decriminalized in the United States, Mexican drug trafficking organizations are focusing on deadlier products. For example, since 2013, the production of heroin in Mexico has tripled, including the deadlier variety of white heroin. The availability of fentanyl, which is 30 to 50 times more potent than heroin, has increased dramatically in the past five years, with much of the supply originating in China and transiting Mexico. Such opioids are more available than ever, already causing about 70,000 deaths annually in the United States.

The threat posed by Mexico's drug traffickers is greater than ever—in the quality and quantity of the deadly products; the depth, breadth, and wealth of the networks that deliver them; and the inability or unwillingness of governments to confront the threat effectively.

**Conclusion**

*US stakeholders should work to restore a broad bipartisan consensus behind free market policies, representative democracy, and the rule of law as the engines of growth in Central*
America. The toughest task is defeating the deadly Ortega-Murillo regime in Nicaragua. And, fighting corruption and restoring public confidence in democratic institutions in Guatemala and Honduras will be challenging as well.

The United States should make it a foreign policy priority to rescue Central America from organized crime networks—using financial sanctions, law enforcement cooperation, security assistance, and, yes, development programs to defend democracy, the rule of law, and honest commerce. The challenges are daunting, but the potential benefits—for the United States and millions of Central American neighbors—are extraordinary.

Notes


8 One possible solution to work around the asylum logjam, suggested by the Migration Policy Institute’s Andrew Selee, is to empower US Citizenship and Immigration Services (USCIS) asylum officers to adjudicate asylum claims presented at the border. That procedural measure would honor the US commitment to hear asylum claims without adding to the workload of the immigration courts or having to release claimants into US territory pending an asylum decision.

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19 Summaries from the “2019 Index of Economic Freedom,” by Terry Miller, Anthony B. Kim, and James M. Roberts, with Patrick Tyrrell. https://www.heritage.org/index/country/honduras
24 Casey Quackenbush, “‘There Is Officially No More War:’ Mexico’s President Declares an End to the Drug War Amid Skepticism,” Time, January 31, 2019, time.com/5517391/mexico-president-ends-drug-war/.