

THE BROOKINGS INSTITUTION

THE FUTURE OF CENTRAL AMERICA:
CHALLENGES AND OPPORTUNITIES OF MIGRATION AND REMITTANCES

Washington, D.C.
Thursday, September 29, 2011

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Welcome Remarks and Introduction:

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PANEL 1: CENTRAL AMERICAN MIGRATION TO THE UNITED STATES -- DRIVERS, TRENDS AND
STATE OF THE DEBATE:

Moderator:

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Panelists:

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PANEL 2: REMITTANCES -- FLOWS AND IMPACTS IN CENTRAL AMERICA:

Moderator:

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Panelists:

JUAN JOSE GARCIA
Deputy Minister of Foreign Affairs for
Salvadorans Living Abroad

MANUEL OROZCO
Senior Associated and Director of Remittances
And Development
Inter-American Dialogue

SONIA PELLECCER
Professor, Sociology and Migration Studies
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Keynote Address:

KEVIN CASAS-ZAMORA, Introduction
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P R O C E E D I N G S

MR. CASAS-ZAMORA: Good morning. I'm Kevin Casas-Zamora. I'm a Senior Fellow in the foreign policy program, and the Acting Director of the Latin America Initiative at Brookings.

And it's great to have you all here today. This is the first time in quite a while, I think, that we have a discussion on Central America that is not related to the grim realities of security in the region.

Today we're going to discuss an issue that is less somber in many ways, that has very good things about it -- and bad things about it, as well -- but that is certainly no less important for the future, and also the present, of the region.

Three million Central Americans are currently living in the United States, in widely different legal situations, and all over the country. And the remittances that those millions of Central Americans send back to their countries are truly one of the pillars of the economic stability and economic dynamism in the region. Just to give you a figure, in the case of El Salvador, remittances are close to one dollar in every five of the economy. And some of the other Central American countries are not far behind.

So whatever happens to the debate on immigration in this country truly has a great impact in Central America.

Today we have put together a remarkable group of speakers, of experts - - quite a few of them from the region -- to talk about these issues. I mean, the issues of migration, in general, and the issues of remittances, the flows and impacts of remittances, in Central America, specifically.

And to cap it all, we will have the participation -- we will be honored to have the presence among us of Julissa Reynoso, the Deputy Assistant Secretary of State

for Central American and Caribbean Affairs, who will be joining us at about 11 o'clock in the morning.

This event is part of an ongoing conversation on Central America that we have endeavored to get going in Washington. It seems to me that it is slightly odd that 25 years ago this city was totally obsessed with Central America, and then Central America sort of dropped off the foreign policy radar in the U.S. So we are sort of making an effort to put it back in the radar. Because I do think that the U.S. ignores Central America at its peril.

And we are very fortunate not to be alone in this endeavor. As a matter of fact, we are co-hosting and co-sponsoring this event -- and I'm very proud to say this -- with the Central American Bank for Economic Integration. Anybody who knows Central America knows very well that CABEL is a truly relevant actor in Central American development. It is truly one of the drivers of progress in the region, and it has been for many decades now.

Back in May we had a terrific event, also co-sponsored with the Central American Bank for Economic Integration. That event was on the issues of security and trade, and had the participation of Costa Rica's President, Laura Chinchilla. Now we have this event. Next we're taking the show on the road, and we're going to have, in a couple of weeks, an event on poverty and economic issues in Tegucigalpa.

And at the end of November we are planning to have yet another event here in Washington -- which I certainly hope you will attend -- on energy and infrastructure issues.

As you can see, these are all major development challenges for Central America. And to that extent, it is only right that we put together this conversation with the help of a truly central actor in Central American development such as CABEL.

I would now like to give the podium to Dr. Paolo Rodas, CABEL's Chief Economist, and our partner in crime in putting this conversation together -- a conversation which I certainly hope will continue for a long, long time for the benefit of Central America.

Thank you.

Paolo.

MR. RODAS: Mr. Kevin Casa-Zamora, ladies and gentlemen, good morning. On behalf of the Executive President of CABEL, Dr. Nick Rischbieth, I wish to welcome you to this event that we are holding with the Brookings Institution as part of our wide-ranging initiative to debate and analyze in Washington, D.C., matters of relevance to Central America.

Migration and remittances are two words that have dramatically marked the recent history of Central America. In the '80s, in the midst of internal armed conflicts that devastated three countries of the region, it was thought an exportation of labor that in those years increased substantially would be contained as soon as peace accords were signed or elections were held to change governments. That was far from reality.

The countries returned to peace, but migration continued at the same or even greater pace. El Salvador, Honduras, Guatemala and Nicaragua export labor essentially for economic reasons, and only secondarily for political ones. The American dream and the precariousness of working in Central America were the pull-and-push factors that could no longer contain the stream of migrants to the north.

In the year 2008, the peak year for remittances in Central America, this reached \$4,298 million in Guatemala, and \$3,742 million in El Salvador -- the two leading receivers of these funds. They also represented 20.2 percent of GDP in Honduras, and

17.5 percent in El Salvador, the two countries in which remittances weighed most heavily in relation to the national production.

There is no doubt that remittances have been an important economic life-vest for the region. The economic, social and even political challenges would be much greater were it not for remittances and migration.

Remittances are a counterweight to the current trade imbalance. They support local currencies, increase liquidity in the economies, lower interest rates, increase consumption in the least favored social strata, reduce poverty and social inequality, allow many children to stay in school because if the families were not receivers, they would be forced into the child labor markets -- and many other economic benefits of remittances.

In this regard, I have been asked to speak this coming Tuesday in Panama on remittances as an informal safety net -- which they, in fact, are the best safety net that our countries have, regrettably. Migration aside relieves this pressure in countries where the creation of jobs just for young people is woefully lacking. Wages would be much lower and economic informality -- which, according to various estimates is greater than 50 percent of the labor force in CA-4 countries -- would be higher if many workers had not migrated. The labor market would simply have exploded or imploded. Migration has been a valve for the release of pressure.

The combination of remittances and migration has provided great economic and social support for Central America. One is intrinsically joined to the other in developing countries. And Central America is no exception.

However, it is not all positive.

The benefits for the region may be immense, but migration is such an (inaudible minute 8:45) that has a very significant cost for our societies. Fathers and

mothers are separated and leave children behind. And because they are illegal, they do not have the option of an early return. Whenever I imagine the sentimental cost a chill runs down my spine. Those of us who have at some times in our professional lives been separated from our families know how hard it is. How much harder it must be for someone who is in a country illegally and often does not know how many years will go by before they see their families again. This human cost, this damage to the family unit, this rending of the social fabric have been the costs that Central America has had to pay. It is utopian to believe that migration and remittances bring only benefits.

But the effects of the eroding of families do not end there. The *maras* have found a seed-bed in the children of these broken families. Fathers or mothers living in the United States -- or sometimes both -- without contact with their children face great challenges in keeping family cohesion. These young people, just as many others -- for certainly not only the children of migrants are affected -- have become easy prey to the feeling of collective belonging offered by these illegal groups.

Let us recall that according to the last census of the United States, 1.2 million Salvadoreans, 833,000 Guatemalans, and 523,000 Hondurans live in this country. How many families have been separated? The rate of homicide in these countries of the northern triangle has reached the highest levels of Latin America and the world.

The *maras* are not the only ones responsible. There are also drug trafficking and other forms of crime.

But Costa Rica has not suffered from this type of family break-up as the other countries have. The United States census only records 82,000 Costa Ricans. Nicaragua -- a country that certainly shares most of the economic and social sufferings of the northern triangle -- has not only managed to put in place a better policy of prevention of youth crime, but even there to suggest that because much of this migration is not

towards the United States but to the neighboring Costa Rica, with relatively continuous return to families almost does not suffer from this curse of the *maras*. And their criminality is substantially less -- even if the levels of poverty are some of the highest.

For a few years now, the three countries of the northern triangle have had the highest rates of common crime and homicides, and are the three countries whose GDP has been most affected by the international economic crisis, and are recovering more modestly. I have no doubt that in 10 or 20 years, the experts then analyzing our economies will reach the unarguable conclusion that crime has been a check on economic growth.

I want to make it clear that I am not seeking to lay the blame for all these ills on family separation and the *maras*. As we have seen in the previous event with Brookings, on matters of security, criminality is a very complex issue related to institutionality, drug trafficking, the capacity of the political system, the lack of safety nets or job opportunities, et cetera. And there are also many other economic and social weaknesses.

But what I want to say is that if anyone in the United States has been under the impression during all these years, that Central America is radiant with happiness because of the migration of its people, she or he is completely mistaken. No country likes to lose its people, and we know that migrants are usually people prepared to take risks, with enterprising spirit, that take away with them human capital in which our societies have invested in education and health. In this sense, proposals such as the border wall between the United States and Mexico, or social ostracism of migrants are absurd, to say the least -- especially for a country that to a great measure owes its historical dynamism to immigration.

The rejection of immigrants is the prevalent attitude today in industrialized countries. It is an arrogant attitude, as if they had the labor to harvest their crops, as if they had the labor to support the brick laying of buildings, as if they had the labor for industry and services that do not require skilled labor. As if migrants did not contribute to Social Security or as if they were societies with a very high birth rate, and if their population were not aging rapidly.

I draw your attention to the fact that the only industrialized country in the world that nowadays does not have this attitude, and has managed a successful incorporation with migrants into their population, and has become an economic miracle in recent years has been Israel. In that country, citizens wait with interest the annual figure of immigrants, and people are disappointed if the figure is low -- not when it is high. While it is broadly believed that they are all Russians or Eastern Europeans with high skills, Operation Solomon has shown that thousands arrive with low skills from Africa.

As a Central American, my ideal world would be that of Costa Rica or Panama, countries that do not expel, but rather attract, population. I hope that one day the other countries of the region will reach that level.

But at this time, it is important to find short and medium-term solutions for problems such as the generalization of the TPS to the entire CA-4 countries, not just for some of them.

Promote legal and temporary employment programs, produce as much as possible the cost of transmission of remittances to Central America, among others.

I end by saying that the economic crisis a few years ago in the United States affected, for the first time in history, the flow of remittances to Central America. There was a fall in 2009 in respect to the levels received the previous year. This fall was foreseeable for the unemployment rate of Hispanics in the United States had grown from

around 8 percent prior to the crisis, to 19.9 percent in March of 2010. Also, it has now fallen slightly to close to 16 percent. But the fall recorded in 2009 was an important reminder to Central America that they cannot continue relying too much on the receipt of remittances. Up to now, their behavior has been stable and growing. But the international economy has become more volatile and, moreover, migrants, nowadays run other terrible risks -- being kidnaped in Mexico by criminals who then extort the relatives in the United States and, even worse, many of them have been murdered.

Illegal immigration is not a pleasure trip for anyone. These persons risk everything to provide a better life for their families. Let us hope that one future day migration for Central Americans will be low and legal.

I must now thank you once again for accompanying us this morning. There is no doubt that the quality of those attending, selected jointly with Brookings, will enlighten us in our consideration of these two subjects of such great importance for the United States, Mexico, and Central America.

Thank you. (Applause.)

MR. CASAS-ZAMORA: Well, thank you very much, Pablo, for framing a lot of the issues that we will be talking about today in a very eloquent and powerful way. Now we move to our first panel on the "Central American Migration to the United States -- Drivers, Trends and State of the Debate."

We have three very accomplished and distinguished speakers with me, here. Our Professor Nestor Rodriguez, sociologist, professor of Latin American Studies at the University of Texas-Austin.

On my left I have Aaron Terrazas, a policy analyst and project manager for the Regional Migration Study Group. That's at the Migration Policy Institute.

And on the extreme left I have my colleague Audrey Singer, a Senior Fellow at the Brookings Institution, within the Metropolitan Studies Program.

In order to save time and to go straight into the discussion, I will encourage you to read the bios of our distinguished speakers, and to check for yourselves the very numerous accomplishments that they have all accrued along the years.

Without further ado, I will give the floor to Professor Nestor Rodriguez, so that he tells us what the general situation of Central American migration to the United States is like at this point.

MR. RODRIGUEZ: Thank you very much for inviting me to this conversation.

What I'm going to do here is simply lay out some graphs and early findings of research on Central American migration to the United States, kind of to set a context for what we're doing here. And so we'll talk through this and see how it goes. We have 15 minutes for this, so let me see if I can keep it in time.

I think often when we talk about Central American migration we think that everybody who is coming from Honduras or Guatemala are undocumented immigrants sneaking across the border. But there's also a large amount of legal migration, immigrants who are admitted here as legal immigrants, legal permanent residents, green cards, et cetera, et cetera.

And one of the things that we see from this graph -- which comes from Government statistic, the U.S. Government -- is that, you know, after 1991 the patterns of -- the Blue is El Salvador, red is Guatemala, green is Honduras -- the patterns, they sort of stabilize, with some fluctuation. And so that this is the context, in terms of those who are coming here with legal admission.

And so the question that was sent to me -- and I think part of what we're talking about here is because we know that there are many reports -- this is confirmed -- that there's huge return migration of Mexicans back to Mexico, I think apprehensions are down at the border, Southwest border, by about 60 percent of Mexicans, we know that apprehensions doesn't measure migration, but it's a rough indicator. More people come, you catch more. Fewer people come, you tend to catch fewer.

So if Mexican migration is down dramatically, the question is: are the Central Americans going back home, too? Because of the recession? And that was one of the questions that we're dealing with here. And what does ongoing research say about this?

And so this is, again, legal migration from Central America, from three countries. Obviously, you don't see a major drop there. What you see is a stability of migration patterns.

Now these are "Deportable Aliens Located." And these are Central Americans. Again, the blue is Salvadoreans, the red are Guatemalans, and the green are the Honduran migrants. And these are migrants that are caught at the border. And I excluded those that are caught by ICE in the interior. And I looked mainly at those caught by border patrol.

And what we see here is not a major drop. We see a drop from, like, 2005 to 2010. But I think -- because what happened between 2003 and 2007 is like an anomaly. All of a sudden it spiked up. I don't know why it spiked up, but it did. And then we see a drop. But I think that spike is an anomaly. So that if you take the spike out, what you have in terms of -- to the extent that we say this somewhat represents, roughly, unauthorized migration from Central America, we again see a normal -- sort of a stability and continuation of that migration.

At this point, from statistics, we don't see anything that indicates a major drop of Central American migration.

Now, this slide is kind of confusing, but what I try to relay here is that I think that there's a correlation between unauthorized migration -- some people call "illegal migration" -- and legal migration. And so the red line is how many Guatemalans -- this is a Guatemalan slide -- are caught at the border trying to come in. And the blue line is how many came in legally. And the yellow line is my projection -- the border patrol used to say for everyone that we catch, four get away. And I think Audrey wrote a piece later that she said three get away, or something like that. So the yellow line is three-get-away.

The point that I'm trying to make, is there a correlation between legal migration and unauthorized migration? And are they related?

We know from research that they are, because often the legal migration is the husband who came first, and then finally adjusted status and the illegal migration are the children and the wife who came later, et cetera, et cetera.

And so it seems -- the point is not to look at the volume, but the slopes of the lines. And it seems that there is a similar slope for legal and unauthorized migration. So there is a correlation. And I'll show you the measure later.

Now this is from El Salvador, and that correlation is kind of lost. It's not as clear.

And just to go fast-forward, we actually can measure correlations between legal and illegal, or unauthorized, migration. And what we find is that, for Guatemalans, there's a relationship, a correlation, of .662. If the correlation is perfect, it's 1. If there is absolutely no correlation, it's 0. So a .662 is pretty strong.

And between 1970 and 2004, between legal and unauthorized Guatemalan migration, for that country -- to understand the organization of Guatemalan migration, you've got to take those two patterns into account.

For Salvadoreans, it's much less, but it's still there -- okay? So that when you think of unauthorized migration, think of legal migration. When you think of legal migration, think -- because for some countries, those two patterns are associated.

Okay, here are the deportations. We know that after 1996, new immigration law, there was a huge rise in deportations. Mexicans take the biggest hit, about three-fourths of all deportations -- 2009 they went up as high as 393,289, Mexicans were like 75 percent of those. I talked to a retired immigration judge, who called IRA of 1996 the "Mexican Exclusion Act." I thought that was really pretty creative of this judge.

Anyway, what we're seeing here is a huge and dramatic rise -- especially after ICE gets formed, Immigration and Customs Enforcement, March 1, 2003, it becomes, what I tell my students, the first national deportation police force. That's one of their number one jobs, to find people eligible for deportation -- right? And so you see a huge jump in the deportation of Central Americans. The Mexicans are number one in terms of how many get deported -- two-thirds to three-fourths of all deportations. Central Americans come in second. Honduras and Guatemala rotate, who gets more deportees. One year Honduras, next Guatemala, next year Honduras. So they go like that.

So it's a major issue. And we at the University of Texas at Austin, in sociology and Latin American studies are sending students to Central America and Mexico to find out what's going on with the deportees. Are they staying home, or are they coming back to the U.S.? Are they re-migrating? So, some of the things we're looking at.

And this is my favorite slide. This is what I call the "Deportation Ratio" -- that is, how many deportees per 1,000 nationals in this country who are not citizens.

And so, as you can see, nobody does well in this slide. But those who are doing better are the Salvadoreans. Their deportation ratio is 23 deportees for the year 2010, per 1,000 Salvadoreans in this country, foreign-born but not citizens. If you're not a citizen, you're eligible for deportation.

The Mexicans are at 31. The Guatemalans up all the way to 50. And then the Hondurans are 67 -- what? -- almost three times more likely to be deported than Salvadoreans, right? More than twice as likely to be deported than Mexicans.

What's going on with the Hondurans? How come they have such a high ratio of deportation? Because they are the most recent Central American group, and therefore have less established institutions of community protection and survival. The Salvadoreans -- for those of you who study Central American migration, Salvadoreans are all over place. They've got all kinds of organizations. They've got lawyers, and they promote citizenship, et cetera, et cetera. The Hondurans are not quite there yet, and so they pay a heavy price for that.

Actually, these numbers need to be adjusted, because I took the overall Central American citizenship/non-citizenship, and I need to go back and do it by country.

Quickly, here, this summer I had a student in El Salvador interviewing deportees to El Salvador. We wanted to know are they coming back, what are their families doing? What are they thinking about migration -- et cetera, et cetera?

And what she found in El Salvador -- she's been there for over a year -- is a continuing strong desire to migrate in the communities in El Salvador -- San Sebastian. Many, a majority of all deportees she interviewed -- she only spoke to about a dozen. She was also talking to families and institutions -- are planning to re-migrate. In

an earlier survey we did in El Salvador, we found like 44 percent said they were planning to re-migrate.

And so every year ICE deports thousands of people who have re-migrated. So just sending people back home doesn't mean that that's -- to the extent that this is a problem for the government, the problem is over. It's just the creation of a new problem. Everything you heard before already, joining the *maras* and all of that, and then people coming back.

And we looked at our survey: who's coming back? And it tended to be migrants younger than 42, and migrants who were deported but left a spouse or children younger than 18 in this country. They're the ones that are coming back.

They talked about difficulty of finding jobs in El Salvador. A few of the deportees had lost interest in re-migrating. And the ones who did this were like those whose families were dissolved in the U.S. There was no family to come back to in the U.S. after deportation. Those who started new families in El Salvador.

And the researcher asked about, well, what about the violence in Mexico? Is that going to keep you from going back? And the answer was, "Well, there's a lot of violence here, too. And it's every day. It's not just when I migrate." So that it's not just violence in Mexico, it's violence in the home countries.

We have a researcher in El Progreso, Honduras -- pretty much the same findings. Migration is a way for economic improvement, were the comments by the migrants. Lack of work opportunity -- Honduras. The necessity to migrate to support the family. And some talking about the U.S. lifestyle is preferable, now that they've been here for several years and they got accustomed to it.

But some migrants reported -- that had been deported, they're going to stay in Honduras. One commented that life in the United States is like a prison -- you're always living underground; you have to use an assumed name, whatever, whatever.

Another woman who had been deported said, "It's better to stay in Honduras if only with basic necessities than to have to live undocumented in the U.S." Another woman said, that she was thinking about re-migrating because she was too old to find work in Honduras. She was 35 years of age -- right? -- after being deported. Companies wanted young women, not older women.

And only found one couple to return because the -- they returned from Miami back to Honduras because they couldn't find work in the U.S. anymore. So one documented case of returned migrants who went back.

Other research that we're doing in Guatemala, we're gathering pilot data. In 2009 we interviewed 30 migrant families in the Municipio of San Cristobal Totonicapan, and 30 non-migrant to see what really the advantages of migration are. And from this one Municipio, San Cristobal Totonicapan, people have been migrating -- mainly it's Mayan migration, which I think is a very special migration.

Let me just give a 10-second plug that, in all this Central American migration there is a pattern of migration of indigenous people, the Maya. But there's also indigenous people migrating from Mexico, migrating from the Andes, et cetera, et cetera. And it's a parallel migration to the mestizo migration, of people that look like me.

And that's not getting, I think, significant attention, that there's a pre-Columbian migration. The people who have been on this continent, hemisphere, for thousands of years, and it's in the 1980s, 1990s, when they have major migration northward, coming to the United States. So I think this is very anthropologically significant. But I think we're missing that in the research, and we need to get to it.

We did our surveys of migrants and non-migrant households in San Cristobal Totonicapan. Median monthly remittances, we calculated about \$180 per month -- some much higher than that, some much lower than that.

Seventeen of 30 migrant households reported that remittances were the primary source of income. That now the money that's used to keep the household alive back in Guatemala is the *remesas*, remittances. And so that makes migration and remittances very important now.

For one-third of the migrant households, remittances accounted for 90 percent or more of income. That is, for some households now -- this can be generalized, I'm sure. It's my hypothesis for Honduras and Salvador that remittances are what keep the household operating. The people are no longer -- they used to be peasants, they are no longer farming because their workers, their family workers are here in the U.S., and they're sending back money.

Return migration is not an option for many who borrow money to migrate -- which is a lot of people. In this municipio, to pay a guide -- that's what they call them on the other side. Here we call them "smugglers" or "coyotes." From this municipio, it was \$4,500 to bring you to Houston -- okay? So you have to borrow this money. Because if you had \$4,500, you wouldn't be migrating. You wouldn't need to migrate. You had money. So they don't have this. So that when you get here, then you have to start paying this money back.

And sometimes I talk to lawyers who do the paperwork. And they sign over land, and property to the guides, or for loans, so that going back is not an option, because you owe money, and you need to pay. You're going to pay. And it's the same thing for Mexicans, when I talk to them. Some peasants who sell everything they own just to get the money to pay the smuggler.

Here -- my conclusion. My time is up.

No dramatic change in the motivation to migrate to the United States. When I go to Guatemala or El Salvador, the same people that ask me, "How can I get to the United States? Can you show me? Can you tell me? Can you wait for me at the border in Mexico," -- whatever. And so the same people keep coming up to me. And new people. So that the motivation to migrate hasn't gone away. Why? Because the structural forces that generate migration haven't gone away, which is dire poverty.

There are scant findings of return migration due to recession. At this point we cannot say that there's any major return migration like back to Mexico because of the recession in the U.S., back to Central America. There is some, but we think it's scant. No dramatic change in motivation because there's continuing economic hardship.

Some of the researchers talked about a "culture of migration," that people grow up thinking they're going to be migrants. Some of the labor force for the cafes and restaurants in Washington, D.C., there's actually in the highlands of Guatemala, when they grow up, this is where they're going to be, one way or another.

Will violence in Mexico and U.S. enforcement bring changes? I don't know. This is going to be like a wait-and-see. But as migrants say, "Well, there's violence in this country, too." You know.

In May I was in Mexico City, at Los Pinos -- with President Calderon -- and he signed into law a new migration law, to give temporary visas for people to cross Mexico. Central Americans, right? And so this is supposed to, like, offer them protection, that if you're going to cross Mexico, you don't need, really, a coyote. That this visa can take you through it. And there's special punishment for those who abuse immigrants.

But I think -- and I don't mean to be disrespectful -- but it seemed to me, from what I read in the newspapers -- and other people in Mexico say the same thing --

that the law stayed in Los Pinos. It didn't go out to the country. That many Central Americans still don't enjoy protection. And it's a very difficult crossing, to cross through Mexico.

Anyway -- those are my comments. Thank you very much. (Applause.)

MR. CASAS-ZAMORA: Thank you, Nestor.

Aaron.

MR. TERRAZAS: Thank you, Kevin. It's an honor to be here, and I wanted to thank you for the invitation.

Before I begin, I wanted to provide some quick background for those of you who are unfamiliar with the Migration Policy Institute and our work on the Regional Migration Study Group.

MPI was established about 10 years ago. It grew out of the Carnegie Endowment next door, where it was the International Migration Program for at least a decade there.

More recently, we've started working on Central American migration in the context of our Regional Migration Study Group. Now, the study group is a collection of about two dozen experts, mostly former policy-makers and academics that was launched earlier this year.

It's chaired by former Mexican President Ernesto Zedillo, former Commerce Secretary Carols Gutierrez, and former Guatemalan Vice President Eduardo Stein. And, really, it's mandated with kind of looking at regional migration issues between the northern triangle of Central America -- that's Guatemala, Honduras and El Salvador -- which, as I'm sure many of you know, when we talk about Central America, accounts for

the majority, although not all, of Central American migrants. And, you know, to put it not very diplomatically, it's where the headaches are for policy-makers.

And the group is looking at two issues. First, kind of how can policy-makers promote more organic cooperation on border management and migration matters? And second, I think very closely related, is how can thoughtful policy reforms in the region's education and workforce preparation system help promote a kind of regional collaboration where migration makes sense and works for everyone, and doesn't cause these headaches?

My remarks today are kind of building on work we've done with the study group. These are my own thoughts -- and are going to focus primarily on two issues. First: some of the drivers of migration. How are the drivers changing? And second, I'm going to kind of go expand upon the context that Nestor talked about, and particularly with the Mexican migration law.

So, first, on the drivers -- I think when we talk about migration it's, you know, very easy to think about it in this simple kind of push-pull framework. You know, there's things pushing migrants out of the countries of origin, and things pulling them to the destination countries. And obviously "drivers" are those kind of push factors. You know, people often refer to a number of different factors -- poverty, kind of crime, is it the networks? You know, it's all of them, in my opinion. We can't narrow it down to any one specific driver. It's the interaction of all these things.

That said, we know there are several kind of critical indicators to look at. And in a report that we published last May, we looked at some of the demographic and human capital trends shaping migration from Mexico and Central America to the United States. And I want to quickly point to two changes and one kind of critical unknown that we highlighted in that report.

First is the changing demographics in the region -- at least in Mexico, and to a certain degree El Salvador. I think people don't recognize the degree to which these societies have undergone, over the past -- in Mexico, it's back further, but in El Salvador, the past decade -- a really demographic transition. Increasingly, you know, they're still young populations, but they're older than they were 20, 30 years ago. This is not the case in Guatemala and Honduras.

At the same time -- particularly in Mexico and, again, to a lesser degree in El Salvador -- these are increasingly educated youth. When you look at Mexican youth, kind of the median years of education, they've, for all intents and purposes, converged with U.S. youth. And there's some kind of measurement problems there that I'd be happy to go into, but the basic point is still there that Mexican, and to a certain degree Salvadorean, youth are much better educated than people who were migrating 20 or 30 years ago.

Again, this is not necessarily the case in Guatemala and Honduras. And particularly in Guatemala there continues to be substantial lags in educational attainment, particularly among youth, and especially when we look at those, you know, marginalized populations that I'm sure many of you are familiar with -- rural groups, indigenous communities, et cetera.

The second kind of critical change that I wanted to point to is here in the U.S. And that's the change in the economy. I think, you know, we're all very aware of the changes that the United States economy has undergone over the past couple years. And there's a lot of debate whether these changes are permanent or whether they're temporary.

That said, I think, you know -- I'm not an economist, but the consensus seems to be that it's going to be a long time before we see economic growth like we did

in the 1990s and the early part of this decade. And that has enormous implications for migrants. You know, the traditional, kind of, story of migration is that you know, kind of, often people come, work very hard in low status, low wage occupations, and are gradually able to improve over time.

I'm not sure that that's still going to be the case, for the next decade -- that kind of occupational and inter-generational mobility. And so I think that's kind of a critical question for more recent arrivals, overwhelmingly who are Central Americans, as Nestor mentioned, from Honduras -- kind of what opportunities are there going to be here?

A second kind of critical change here in the U.S. that I think we need to kind of have in the back of our minds is, you know, is the baby boom. And everyone for the past 20 or 30 years has been talking about how the baby-boomers entered the labor force and their pending exit is going to suddenly cause this dramatic need for migrants.

Well, over the past three years, as baby-boomers were supposed to start retiring, what we've seen is that they're not. Their retirement accounts are depleted. There's kind of continued financial demands. And it's not clear that they're going to exit the labor market when all the projections expected that they were.

What does this mean for the number and the type of migrants that we're going to need I think is a critical question when we talk about migration.

And the third kind of driver that I think we need to keep in the back of our minds is kind of the economic context in the region. Central America has made enormous economic gains over the past two decades, since the signing of the Peace Accords in the early 1990s. It's had kind of steady growth -- unlike, kind of, you know, Mexico and South America, which have had periods of turbulence.

That said, it's still not creating kind of the quantity and type of employment to meet its population demands. How, you know -- what went wrong?

So I think that's, kind of, my sort of comments on the drivers of migration.

Next, you know, briefly I want to talk about Mexican immigration policy. It's impossible to talk about Central American migration to the United States without talking about Mexico and, you know, as I expect Audrey's going to point out, about over half of the immigrants from that northern triangle of Central America in the United States are -- are unauthorized. They lack legal status. And, overwhelmingly, they arrive in the United States by crossing the southern border.

Now, from Tapachula, Chiapas, on Mexico's southern border, to Reynosa, Tamaulipas, which is essentially the southernmost entry point into the United States, that's about 1,700 miles. And from Tapachula to Tijuana, which is essentially the northernmost entry point, that's about 2,400 miles. You know, I think there's -- Nestor made reference, and MR. Rodas also made reference to kind of the challenges, to put it mildly, that Central Americans encounter crossing Mexico.

And let's not forget the challenges they also encounter crossing other parts of Central America, depending on where they're coming from. You know, there's been numerous media reports -- many of you were mentioning, you're remember the 72 cadavers that were discovered last August in San Fernando, Tamaulipas. You know, and as Mexico's war against organized crime and drug traffic has intensified, the risks that Central Americans encounter, you know, have become increasingly visible and increasingly bloody. I'm not sure they're increasingly common, but they're increasingly visible, for sure.

And, of course, the focus on organized crime overlooks the vulnerabilities that Central American migrants have long encountered at the hands of public security

forces in Mexico. There's a long documentation of abuses, for instance, by the Inter-American Commission on Human Rights at the OAS.

So given this kind of background and context, I think the easy and not necessarily productive game is, you know, this kind of blame game, where Central American countries blame Mexico, and Mexico blames the United States. But that really overlooks kind of, you know, the kind of the structural forces that shape why people make decisions to move, and how they move.

So in order to kind of address some of those issues, I think it's helpful if we go back and really think about how did we get here?

And so, with your permission, I'm going to kind of go quickly into the history of how Central American migration across Mexico really emerged as this kind of problem issue.

You know, historically in Central America -- that means, before the 1980s -- kind of migration flows from Central America were concentrated on the southern border. These were local flows, transborders. Often they were agricultural workers from neighboring provinces in Guatemala to Chiapas and Oaxaca in Mexico. And, you know, the border region was considered a unified economic zone. And it really didn't matter, because people didn't go very far from where they lived.

Now, that changed in the early 1980s, with the Cold War in Central America, and humanitarian movements into Mexico -- between 1981 and 1983, about 200,000 Guatemalans sought refuge in Mexico. A much smaller number were actually officially recognized as refugees, but about 200,000 actually moved.

And, over time, even after peace was reestablished, what were originally humanitarian movements gradually became incorporated into the much larger stream of Mexicans northward. So, over the 1990s, we saw kind of emerging migration flows from

Mexico's southern states -- that's Chiapas, Oaxaca, Guerrero -- as opposed to the traditional migration flows from kind of southwestern Mexico, Jalisco, Zacatecas, and Michoacan. And so Central Americans kind of joined this stream northward.

Now at the same time, let's remember that Mexico was also rapidly integrating economically with the United States and Canada, under the auspices of NAFTA. As part of that process, the country reformed its laws kind of governing business and investor and professional visas. On the other hand, it simultaneously increased sanctions for unauthorized entry into Mexico.

You know, obviously, at the time, you can imagine kind of the difficult position that Mexico must have been in -- kind of pulled on the one hand between, I'm sure, humanitarian concerns for Central American migrants. After all, you know, Mexican policy-makers are well aware of, and have kind of been vocal advocates for migrant rights for a long time, you know, given their experience with the United States. At the same time, you know, they were kind of being pulled northward, as well.

So, in attempts to reconcile, you know, these kinds of conflicting demands, the country more or less pursued a two-pronged strategy. You know, on the one hand it created special visas for cross-border agricultural workers and visitors within that kind of unified southern border economic zone. But these visas were only valid within that region. On the other hand, as I mentioned, it increased penalties for moving beyond that region. And it also kind of tightened the visa requirements that were granted at its embassies and consulates throughout Central America.

You know, migration policy, I expect like other policy areas, is often an exercise in unintended consequences. And as we've seen along the U.S.-Mexico border and other border regions, these efforts to both limit movement through visa restrictions

really ended up forcing migrants into the informal channels that kind of, you know, characterize both Mexico's southern border and its northern border.

At the time, for much of the 1980s and 1990s, Mexico's kind of immigration law was a little bit chaotic. The main kind of governing piece of legislation was the 1974 General Population Law. And as you can imagine, that law was drafted in a very different context, you know, when the main concern for the country was people departing.

Over the 1990s, as I said, NAFTA gradually kind of adapted kind of piecemeal pieces of legislation to address immigration issues. And in 1993, it created the National Institute of Migration. And this is an agency within the country's Secretaria de Gobernación which, for those of you who aren't familiar, is essentially the country's interior or home ministry, in the European sense. And INM was essentially a mirror agency to the INS.

However, over time, it became increasingly apparent that this legislative framework was outdated. Various attempts over the course of two decades culminated this year, and in May, as Nestor mentioned, Mexican policy-makers enacted a new migration law, the so-called Ley de Migración which is now, as I understand, being translated into regulation, and should become operational over the next year.

And I think, kind of, you know, two points with respect to Central America that are important. Central American countries were actively consulted during the drafting of the law, and it appears that the law has reduced, at least for the time being, some of the tensions that had been building between the countries. And you see that Central American countries are increasingly collaborating amongst each other on migration issues within Mexico. For instance, last August Guatemala and El Salvador opened a joint consular agency in Acayucan, Veracruz, to address the issues of both

their nationals. I think that strikes me as a particularly kind of wise and efficient use of public resources.

I think you can also see collaboration between Mexico and Central American countries on U.S. migration issues. I understand that Mexico's kind of network of consulate-based adult education and health centers are increasingly open to Central Americans, who sometimes use those services.

That said, I think at this point it's impossible to judge the full range of impacts of Mexico's new migration law. It's still being translated into regulation. And, you know, when you read the document itself it, at times, can seem ambitious. It aims, for instance, to at the same time respect the human rights of migrants regardless of legal status, to facilitate the international movement of people, to promote labor market competition -- and protect national security at the same time. And that is -- I think U.S. policy-makers have learned this is a big kind of -- these are a lot of different things to try to balance at the same time.

You know, without a doubt, kind of, the law's vocal defense of migrants rights will kind of give policy-makers in the region kind of a renewed currency when discussing these issues with the United States. But, you know, the proof is in the pudding. I think translating the law into actionable, on-the-ground results is where the actual kind of judgment will have to lie. And that still remains to be determined.

So that's it. (Applause.)

MR. CASAS-ZAMORA: Thank you, Aaron. Thank you, in particular, for bringing the role of Mexico into the picture, which is indeed essential.

Audrey.

MS. SINGER: Thank you. I want to thank Kevin for the invitation to join him and our colleagues who are on this panel. And I'm going to provide some context

around the U.S. debate on immigration, how our laws should be changed, and what that means for Central Americans who are here or who may be coming.

So, just really broadly, I will lay out some of the big issues in the debate on U.S. immigration policy. There's widespread agreement that our laws and our policies need to be changed. We are in need of a major overhaul. There's just not a lot of agreement on how to do it.

And the biggest -- there are probably more than four big areas but I'll talk about the four, really briefly.

The first, of course, is border security and internal security. Are we doing enough? Can we do better? Are we spending too much money? Can we realistically seal the border? What are the risks of not doing more, not spending more, not trying harder -- from a national security perspective? These kinds of questions are the big issues when it comes to what we should do first, and where we should spend our money.

But I will point out that, as Nestor mentioned, apprehensions are at an all-time low, which indicates that migration is also low. And there are a lot of indicators from other data sources that migration levels have really slowed during the recession. They may be back up a little bit at this point.

Apprehensions are at a low point, but deportations are at an all-time high in this country. So there's a lot of nuance that often gets lost in that part of the debate.

A second major point in the debate is how do we control people who come here to work illegally? Should we have an employment verification system and work-site enforcement? And there the issues are, you know, in order to have a larger, more comprehensive system that actually works to lower illegal immigration, we have to do away with the incentives that drive people to the U.S., the largest one being the ability to work here. So this puts more responsibility on employers, and tries to reduce the ways

that people can find jobs here. And so what's being discussed there are large systems, database systems called e-Verify. Can we scale that up? Can we make it error-free? Errors are still common. And so this is a big part of the debate, how to actually do something among employers and employees.

Third is a really big question -- how should we change our admission system? And, in particular, right now, as a result of the fragile economy coming out of the recession, maybe going into another one, how do we better organize our admissions policies to meet the economic needs of the U.S. economy?

And how can we do that while still maintaining our humanitarian stance towards immigrants, reuniting family members or fleeing persecution in their home countries? Should we reduce the number of admissions overall? Should we change the categories to reduce family admissions? More employment admissions? Should we open the door wider to more skilled immigrants? Should we close the door a little bit more on extended family members? These are some of the big questions that are out there. And it also includes our admissions policies -- debates around whether we should move towards more permanent visas and fewer temporary visas, and vice-versa. This is a big part of the debate right now.

And, of course, hovering over this debate -- bu, I think the discussion has moved from a reasonable one to a shrill one -- is what to do about the estimated 11 million people who are living in the U.S. without status. And, you know, the questions around that have to do with fairness, have to do with the rule of law, have to do with costs -- including the cost of deporting millions of people, which we cannot afford, of course. But the bigger question in some of the more realistic debates is how could we implement an earned legalization program that's fair and that allows certain people, if they meet certain criteria, to stay and work and live in this country?

So the national discussion that we're having should be about how to move forward with changes -- changes that are intelligent, that are fair, that are forward-looking. But this discussion's been really held up and stymied by the politics of the issue and the emotions of the issue. And I would say there's currently little depth to the debate that we're having right now, especially if you look at, you know, some of the Presidential debates that we're having. The depth of the discussion is just not there. It's become a very superficial one among a lot of national leaders and a lot of state leaders.

So what is happening in the realm of changes to immigration policy, in light of the fact that we have not been able to move forward in the last five years or so, when debates first started in Congress in 2005?

Two things have happened. One is that there have been a variety of actions taken at the state and local level to kind of fill this vacuum of the lack of Federal reform. And there have been some key players and places in that -- which I'll take about in a second. But the other thing that's happened is that the Obama Administration has made some administrative changes that have affected our policies, and also caused some confusion and some controversy.

So, first, to get to the state and local level issues, so this is really, in the last five years, where immigration policy-making has taken place. It's not been at the Federal level, it's been in the states. It's been in cities, in counties all across the country. And part of that impetus came from the rapid growth in immigration at the end of the 1990s, strong economy, and continuing into the first half of the 2000s.

During the Bush Administration Congress debated immigration several times. The last was in 2007. But they failed to agree on how to change the system. And partly in response to those ongoing discussions and failures to move forward, state and

local leaders felt like they needed to take matters into their own hands, and started passing laws.

According to the National Conference of State Legislatures there's been a spectacular rise in state bills and resolutions since 2005. In this year alone there have been more than 1,500 proposals -- that's a record for number of state proposals.

A few hundred have been passed, but many, many have been proposed. Many of them are restrictive and punitive -- especially towards unauthorized immigrants. But many others are more supportive and reach out to immigrants in more inclusive ways. The more restrictive bills tend to focus on hiring, renting, and licensing. The more inclusive focus on language services, language access, other services. They address public safety and public health issues, and otherwise serve to integrate immigrants.

So in addition to the state reforms there have been a lot of municipal-level reforms, as well. So a fragile economic context, high unemployment, particularly in certain metropolitan areas, has really exacerbated the rhetoric around immigrants, especially the unauthorized.

So the big story out right now is about the recent law passed in Alabama. Alabama is not a traditional immigrant destination area, but what we've seen is places that saw their populations change radically over a very short period of time often reacted quickly. Not always, but it seems to be about the pace of change and the lack of history that has moved states and local leaders to make changes, as well as budgetary issues at this time when states and other municipalities have shrinking budgets.

So in terms of the Alabama law, it's now the strictest law on record. And, you know, we didn't often have these kinds of laws until recently, in the last five to seven years. This law, for example, makes it a crime for an illegal immigrant to solicit work. It makes it a crime to transport or harbor an illegal immigrant. It forbids businesses from

taking tax deductions for wages paid to workers who are in the country illegally. It bars immigrants from attending public colleges -- illegal immigrants from attending public colleges. It bars drivers from stopping along the road to hire temporary workers -- often the face of undocumented immigrants in a place is day labor sites, which have cropped up all across the country in the last 10 years.

It requires law enforcement to try to determine a person's legal status during routine traffic stops. And, most controversially, it requires public elementary and secondary schools to determine and report the immigration status of students.

And the state had three suits filed against it, including one by the Obama Administration. And yesterday a Federal judge ruled that most of the law can stand, including some of the most controversial portions.

So that's big news in the immigration policy world. Not necessarily good news.

Back to the Federal programs, perhaps the one that's the most far reaching is called "Secure Communities Program." And it was originally launched by the Bush administration in 2008 as a pilot. It's supposed to be implemented across the entire United States by 2013. And this program cross-checks the names and fingerprints of everyone arrested against Federal immigration and criminal databases to identify unauthorized immigrants.

The program was intended to remove convicted criminals, but is deporting many more immigrants who have no record, or have minor crimes or infractions, such as traffic violations, on their records. So for that reason, there's been a lot of controversy around this policy. And, in fact, the governors of New York, Massachusetts and Illinois have told the Federal government they will not participate,

citing these problems, and also the detrimental effect of law enforcement and other institutions, in terms of the relationships they've built up with immigrant communities.

So about a month ago, in response to this criticism and pressure, Homeland Security Secretary Janet Napolitano announced a change in the program. She announced that immigration officials would focus enforcement efforts on serious criminals, delay deportation cases for most non-criminal immigrants who don't pose a threat to public safety and national security. And she promised a case-by-case review of deportation cases -- over 300,000 -- to look for serious criminals to report.

And to prove this point, if you saw this morning's news, more than -- almost 2,000 Immigration and Customs Enforcement officials -- ICE officials -- spent the last week arresting 3,000 criminal illegal immigrants in a nationwide sweep. So this is, you know, a change -- not necessarily in the policy, but in the determination of whether a person is going to be deported or not.

So this changing context of immigration policy, the uncertainty within it, is a big factor that has an impact on all kinds of immigrants. And Central Americans, particularly Salvadoreans, Hondurans, and others who have temporary protective status, there are some very different issues that this population faces.

As several people have pointed out, there are more than 3 million Central Americans now living in the United States. These are the latest numbers we have from the Census Bureau for 2010, from the American Community Survey. They make up just under 8 percent of the 40 million foreign-born persons living in the United States, of all statuses.

The number of Central Americans has grown by about a million people a year in each of the last two decades. And what's interesting, as recently as 1980, the composition of the U.S. immigrant population was very different. It was dominated by

Europeans. Five of the top 10 countries of immigration were in Europe. Mexico, of course, was at the top. Central American countries did not figure at all. But there were a fair amount of Central Americans here already in 1980, which was sort of a turning point for some of the contexts in several of the countries there. There were about 350,000 combined, the largest were from El Salvador.

But 2000, El Salvador had over 800,000 immigrants, and ranked ninth in the list of top 10 countries of birth for all U.S. immigrants. First time for a Central American country. By 2010, both El Salvador and Guatemala were on the list of the top 10 -- which is really surprising news, when I've been looking at this for a while, watching how the pace of migration has increased. El Salvador has about 1.2 million in these numbers and is in sixth place. Guatemala, with over 800,000, in tenth. And, of course, in this year there are no European countries listed in the top 10.

Central Americans are fairly concentrated in metropolitan areas across the United States. In fact, half live in just five large metropolitan areas -- Los Angeles, New York, Miami, Washington, D.C., and Houston. Notably, they're one in five in this metropolitan area.

Quite a large number of Central Americans in the U.S. are in a precarious legal status. It's estimated that at least two out of five are in the U.S. without authorization. Those numbers come from the Pew Hispanic Center. This is about 12 percent of all undocumented in the U.S. Another 300,000 or so have temporary protective status, which also puts people in a precarious situation -- are they staying, are they leaving after investing so much?

So, just to summarize, on the surface -- and wrap up -- on the surface, Central Americans are, you know, geographically situated in places that are rather welcoming towards immigrants. So some of the effects of the more restrictive laws that

we see across the country has less of an effect on them. But so many are in a precarious legal status that affects their well-being, the well-being of their children who -- most of them are here legally, who were born here as U.S. citizens.

It affects -- I don't think we've spent enough time thinking about the effects of long-term temporary protective status on immigrants. And, in fact, there's really no exit strategy for people who are in that status right now. And the effects, I would say, are pretty widespread and concentrated at the same time. So you've got effects on communities, on neighborhoods, on institutions, on workplaces, on health care systems, on schools and schooling -- very important in many, many localized areas.

And I think that's a big issue that we have not addressed. And it's something that is probably forthcoming. If we see sweeping reforms to immigration policy -- probably not anytime soon -- but if we do, and if we see an earned legalization program, many of those people will qualify under those conditions to get legal status, and many more who are currently out of status, as well.

And I think, just to end, and follow up with Aaron's ideas on the drivers of migration, those things are changing -- have changed somewhat on the ground, as he pointed out, over time. And the rise of other countries, Central American countries coming to the fore, as others stay and migrate within the region.

But the pull factors here are still strong. If it's not an economic issue as much anymore, there are still strong ties to people and institutions in this country.

So I'll end there. (Applause.)

MR. CASAS-ZAMORA: Thank you, Audrey.

Well, thank you very much to all of our speakers.

Before I open it up to the audience, I would like to put an issue on the table that, somewhat to my surprise, was not mentioned by any of the speakers, which is

the issue of human trafficking, which plays a very significant role -- particularly when it comes to the Mexico piece.

So I would ask either Nestor or Aaron to elaborate a little bit on the role that human trafficking and criminal syndicates play in all this, in all this story.

And then we're going to open up the floor to the audience. We have about 20 minutes for questions.

MR. RODRIGUEZ: Well, I can start. I could just say that it kind of depends on how you define "human trafficking." Like if it's like moving people for money, then smuggling coyotes have been part of that. But so was slavery, you know -- I tell my students, it's part of the migration.

One of the reasons, of course, is that it's so difficult to cross the border from Mexico into the United States. Never before has the border been under so much control now. So that's there.

But, yes, you point out the organized crime has gotten involved into this. And from the media we learn of the atrocities they've committed.

The migration is not a clear, smooth movement of workers coming in from Central America. It's about the trafficking of women in southern Mexico, trafficking of children. And it's about organized crime competing for migrants -- actually taking migrants from coyotes, coyotes attacking coyotes for migrants. So that it's a very risky, dangerous situation.

And at this point, I don't -- even with the new immigration law in Mexico -- which I'm surprised that it's not discussed in this country, because it's basically supposed to be safe passage for Central Americans through Mexico to enter the United States, right?

But even that, I mean, there's a whole other layer of issues here, what's going on in Mexico overall. And I think, you know, with organized crime taking more and more control in some areas that it's going to be hard to implement, you know, some of the issues. And that in some points -- and this comes from the media and not from my research -- agents of the Mexican Immigration Institute are actually kidnaping migrants and giving them to the organized crime for money, so that they became part of human trafficking.

But maybe you can tell us more.

MR. TERRAZAS: I mean, I think, when we talk about human trafficking in particular, you know, it's just actually a very narrow subset of a whole range of intermediaries, as we call them, that facilitate the migration process. You know, there's a number of complicated steps, sometimes, dangerous between, you know, the point of origin and point of destination.

And human traffickers -- coyotes, organized crime -- are just one of a potential subset, ranging from, kind of, completely illegal and completely kind of, you know, harmful, dangerous, to more kind of benevolent recruitment agencies, or immigration attorneys, employers.

So the question is at what point on this spectrum, you know, are migrants getting their help in transiting from point A to point B? And, of course, you know, I think as Nestor referenced, you know, kind of a boon to these organized crime and traffickers has been essentially, you know, pushing migrants to informal channels. You know, making it -- you know, kind of closing down legal, safe options for them to move.

And, you know, you're not going to change human behavior, but you can influence kind of what risks they're willing to undertake.

MR. CASAS-ZAMORA: Okay. So let's open it to the audience.

Let's take a few questions, if you don't mind. And we can make a round of three or four, and then we can go back to the audience.

And I would ask you to kindly identify yourselves when you ask your question or make your comment.

MS. NEGROPONTE: Diana Negroonte from the Latin American Initiative at Brookings.

I'd like the panel to address the issue of whether we're seeing significant numbers of South Asians and Chinese joining this migration flow from the south?

MR. CASAS-ZAMORA: Over there. The gentleman over there.

MR. WARREN: Rob Warren. I'm from (inaudible).

I would like to get a better evaluation of the new Mexican law, supposedly providing a safe passage visa temporarily for Central Americans through Mexico.

What has happened? Are they getting these visas? Does it provide safe passage? Is it exploited?

And what is the reaction of the United States? Is this facilitating migration to the United States?

MR. CASAS-ZAMORA: Ricardo, and then the lady over there. Please identify yourself.

SPEAKER: (Speaking in Spanish)

MR. CASAS-ZAMORA: (Speaking Spanish: Por favor indetifiquese.)

SPEAKER: (Speaking Spanish: la pregunta para los doctores; cual es el organismo internacional que usted cree que tiene las mayores posibilidades para tartar el problema migratorio, porque recientemente la OEA, en el ano 2011 ha descubierto que la emigración Internacional existe y lo ve como problema. Y la pregunta para Audry es,

en el gobierno federal hay un proyecto de ley que fomenta la construcción de cárceles en distintos condados, eso resuelve el problema de impuestos e ingresos, el problemas que hay hoy en día en el manejo de las cosas publicas y paga \$91 al día por cada preso que tiene y el atractivo mayor que tienen esas cárceles hoy en día, son los inmigrantes.

Como relaciona eso con secured communities y con el E-verify?)

MR. CASAS-ZAMORA: Could you -- I didn't ask you whether you understood Spanish or not.

MS. SINGER: I understand it a bit, but I didn't --

SPEAKER: Do you want the question in English?

MS. SINGER: -- the first part -- I didn't get, there was one part I didn't get at the beginning. So -- yes.

SPEAKER: No, the question in English is there is a Federal program that may promote community prisons --

MS. SINGER: Oh -- community prisons.

SPEAKER: Yes.

MS. SINGER: Okay.

SPEAKER: And then, one of the attractiveness is \$91 per day, per prisoner. And the bulk of the people there are illegal immigrants.

MS. SINGER: Yes. Okay. Got it.

MR. CASAS-ZAMORA: So how does that relate to secure communities, and so on and so forth.

And then last one, over there. The last one of this round, anyway.

MS. MALOUSH: I'm Sada Maloush. I'm a research assistant here at Brookings.

My question is for Dr. Rodriguez.

I was wondering in the communities that you interviewed, did you find that there exist any programs to help rehabilitate deportees? And would you say that such programs would be helpful to reintegrate those that are deported so that they may -- their skills that they have gained here in the U.S. could be harnessed and they can stay in those communities rather than trying to re-migrate back to the United States?

MR. CASAS-ZAMORA: Nestor.

MR. RODRIGUEZ: Well, I'll just start with that one.

Actually, in El Salvador there's an umbrella organization, Bienvenido a Casa, which sets up sort of a reception for deportees at the airport near San Salvador. And it works under Catholic Relief Services. And at one point the government took it over, but I think -- of El Salvador. Now they're giving it back to the NGOs.

And what they do is they welcome back immigrants. They give them an orientation of what to expect -- now that you're deported, what to expect in El Salvador. They ask them if they need, like, medical attention, transportation back home. To the extent that they can -- because they're working with, you know, limited funds, they may provide some kind of like job training or referrals.

So I guess what I'm saying, there's an inkling of something, but there's nothing large, major, substantial. And certainly nothing to keep up with the massive deportations to that country.

I know that in Guatemala there are like reception centers or something. Again, I don't know that there is a major training program for deportees to Guatemala, because these are countries that are -- how shall I say? -- are hard-pressed, right, to have these kinds of programs.

And there are things like -- I know when I was in El Salvador, they asked me, "Can you find, like, somebody to donate money so we can get some technology to

remove tattoos from the deportees?" Because when they get back and they go look for work, they said the employers ask them, "Do you have any tattoos?" And they say, "No." Then they say, "Roll up your sleeves," and when they do, they see the tattoos. And the employers think they're gang members, and so they won't hire them.

I talked to deportees who said, "That's one of our biggest problems. Nobody will hire us."

At one point, the media -- the newspapers in El Salvador -- ran stories that said, "Plane loads of criminals returning back to El Salvador." And that scares the employers.

So I think you bring up a critically important question, but the answer -- as far as we know, there's nothing major, and certainly not enough to keep up with what's going.

Finally, Mexico -- Mexico has, to some extent -- and I know this is not Central America, but we found this out. Sometimes when the migrants are deported to Mexico, they're left in the border towns. Which, you know, why are they deported, right? Hundreds of thousands, right on the border towns, at midnight often. And Tijuana takes the largest share. Sometimes they can go to Mexican government offices in the border towns and get referrals for when they get back home, like Guadalajara. They can go to the DIF -- the DIF is the Mexican agency for family provision -- and there they can sometimes get, not job training or anything, but at least something to survive with the family for awhile.

But the problem is that the DIF are handling thousands of migrants, but they don't know they're migrants or have special needs. So right now we have researchers down in Guadalajara working with DIF, trying to get surveys of the deportees so that this family agency can have a better idea how to service them.

So, yes, I think that the Latin American countries -- Mexico for sure, Central America for sure -- were caught, I think, unexpectedly with all this massive deportation that they're totally unprepared for. The same thing for the Caribbean.

I mean, even I got e-mails from the South Pacific, somebody wrote something about "deporting to paradise," or people being deported back to countries in the South Pacific, you know. But those tiny little islands, if you deport 12, it's like a major crisis because they don't know what to do with these 12 -- Fiji, or somewhere, a deportee robbed a bank. For the first time in the country, somebody robbed -- it was a deportee, right?

So many of these countries are unprepared.

MR. TERRAZAS: Okay, I'm going to address the questions in kind of, for me, easiest to hardest.

So, first, the question from Mr. Warren on better evaluation of the law. I mean, I think it's still too recent. I mean, the law is still kind of extremely notional, and it needs to be translated into regulation. We don't know kind of what the actual impacts are going to be, you know, or what the actual kind of -- many of the specifics are going to end up. And, as I said, that should happen in the next couple of months.

On the question of South Asian and Chinese kind of migration into Mexico and Central America and presumably then onward to the United States -- I haven't seen the most recent numbers. I know the Organization for American States had a meeting on this a couple of years ago. I think the numbers that I saw at that point were in the hundreds of detainees, from kind of "extra-continental" areas. They were not large.

And that said, I think it's an important point to underline how kind of proximity to the United States forces these countries to adapt their own visa and

immigration policies to essentially kind of, you know, the demands of being next to the United States.

There have kind of, you know, been periodic reports, particularly of Africans' ending up in Costa Rica and Nicaragua. And often, these countries don't have means to deport these people. They kind of detain them; they can't really do anything with them. Sometimes the International Organization for Migration gets involved and helps kind of facilitate return. Sometimes they just continue.

I think it's an interesting challenge, but necessarily a large challenge.

For the question on -- for Ricardo -- it's okay if I respond in English?

What's the international organization kind of best place to treat migrants? I mean, there's a lot of, you know, smart people thinking about this. And I don't pretend to kind of have anything particularly original to say.

But I think, from perspective, it's that, you know, there is kind of a lot of different parts of migration, if you parcel it out. You know, the World Bank does a lot of interesting work. Obviously, the International Organization for Migration kind of is involved in a lot of the mechanics of movement. And UNACR, and (inaudible).

Ultimately, I think, when it comes to migration policy, you know, this is an issue that needs to be dealt with country-to-country. I mean, there are bilateral and multilateral and in a regional sense issues. And so, in that respect, I think kind of, you know, the concept that Moises Naim next door has proposed, a "minilateralism," you know, kind of the minimum number of people in the room necessary to solve an issue is kind of the best approach.

MR. CASAS-ZAMORA: Audrey. Your sense.

MS. SINGER: Yes, Diana's question is intriguing. I haven't seen any numbers on the trends of people making passage through Central America and Mexico.

But we do know from apprehensions at the border that the number is relatively small.

And, you know, those are available.

But now that you've raised that I'm going to be keeping my eye out, and talking to people about that because it's an interesting question.

And the question on prisons -- you know, prisons have become big business in this country. There's no two ways about it. And with the increase in immigrants in the Federal and state and local system, incarcerations, this has become a way for places to make money and for corporations and people to make money. So there's a lot of profit involved.

In terms of the direct correlation with secure communities, I can't really speak to that. But we did see a ramping up of detentions, and a mushrooming of need for space to detain people when a program called "287(g)," which is a program where local law enforcement partners with Federal officials to do immigration law, enforce immigration law, particularly detaining people. We did see that many places across the country had to either ship people out, or build new facilities. And so there is definitely a link there.

And I've seen several journalistic pieces on this. I don't know any academics working on it, but I'm sure there are some. And I believe, in today's *New York Times* there's an article about this very topic -- today.

MR. CASAS-ZAMORA: Well, thank you very much. That was very, very, interesting. (Applause.)

And I would ask you to join me in thanking our speakers. (Applause.)

Thank you very much.

Now we move on, without a pause, to our second panel on Remittances.

Neil.

MR. RUIZ: Metropolitan Policy Program here at Brookings. It's my pleasure to welcome you to our second panel on Remittances - Flows and Impacts in Central America.

We just hear about the drivers, trends and the state of debate here in the United States to Central Americans here. And we also know that Central Americans in the United States make important contributions to the U.S. economy. They fill jobs that people are unwilling to work here as well as contribute to the production in the U.S. But migrants also make a double contribution to the world economy because many of them send money, what we call remittances, to their countries of origin. They send them to their households left behind contributing to everyday expenses, education and tuition for children, in moments of natural disasters, emergencies, and to building of infrastructure or philanthropic activities in their home countries. According to the World Bank, the 215 million migrants worldwide sent over \$440 billion last year, and today we're going to talk of the Central Americans' slice of that pie.

We know that remittances are much larger, double to tripe of foreign direct investment and over development assistance to these countries to the developing world. And it's also much stable. The studies have shown that during the global recession migrants' remittances were a lot more stable than foreign direct investment as well as development assistance. Migrants basically are economic ambassadors who contribute to the larger global economy not just here in the U.S. but also to the developing world abroad.

Today we have a distinguished panel of experts and practitioners in the nexus between migration and development in Central American and it's my honor to have this distinguished panel. We'll be first hearing from Professor Sonia Pellecer. She was

Professor of Sociology and Migration Studies at the Rafael Landivar University in Guatemala. Second we'll hear from Dr. Manuel Orozco who is Senior Associate and Director for Remittances and Development at the Inter-American Dialogue. Third, we will hear from Professor Ricardo de Puerta, Professor of Sociology from the Catholic University of Honduras. Lastly we have the Deputy Minister of Foreign Affairs for Salvadorans Living Abroad, Juan Jose Garcia from El Salvador. We'll start first with Professor Pellecer. If you, like myself, don't understand Spanish well, we're going to be simultaneous translation so feel free to use Chanel 1 for English or Chanel 2 for Spanish. Sonia?

MS. PELLECCER: Good morning. It's a pleasure being here and I thank Brookings for the invitation. It is a great opportunity to be here with you and to share with you the information I have on remittances in Central America. At the outset I'd say that the remittances are monitored by several organizations and institutions, among them SEACA (?), the Secretary for Integration in Central American, and they also monitor remittances and share data on a monthly basis and they keep a record of the remittances.

We see that in 2009 and 2010 remittances in Central America were a little more difficult in 2009. They went down because of the crisis in the U.S. and I would say that most of the Central American population receives more remittances from the U.S. than from Europe. Guatemala is at the top, Salvador and Honduras. Others have said this already. And we can expect that for 2011 countries are expected to have a growth compared to 2010. In Guatemala they expect an increase of 10 percent. We hope that's the case. And I have some estimates from the Bank of Guatemala. My estimates are actually a 7 percent increase.

How have remittances contributed to poverty reduction in these countries? I can say that based on the amount of remittances, our estimate is that they have contributed to the GDP in relation to what the bank says that for every point of GDP that remittances contributed to, .30 percent was reduced. Say if in Guatemala the remittances are 10.2 percent of the GDP, then are reducing poverty in 3 percent. And in the case of El Salvador it's about 5 percent and Honduras of 4 percent, Nicaragua 3.6, and in the case of Nicaragua it is not 100 percent like it is in Guatemala or other countries like Honduras or El Salvador. They come strictly from the U.S. and we know that in Nicaragua, 27 percent of remittances come from Costa Rica.

This is a comparison on the chart of the remittances that come from the Guatemalan migrants and the programs such as in the case of Guatemala to reduce poverty. We cannot compare that, and why? Because in Guatemala they have a program Families Progress and they give them about \$37.60 per month while households that receive remittances from the U.S. receive about 283. So the basic food basket is about 1,600 quetzals and what they're being given does not cover the food basket and the remittances that come in to cover for this country the food basket. Remittances do pay taxes to come in not directly but because people pay a tax when they buy items and we don't have a policy that supports this population so they receive their remittances, they do what they need to do, but there is no incentive to make the remittances more productive or have an incentive of lower rates for microloans.

In terms of the fluctuation of the currency in Central America, in the case of Nicaragua, rather than appreciated, it has depreciated in Guatemala. It has maintained its value in Salvador and Honduras as well. How are remittances used in health and education? It is estimated that 10 to 15 percent is used in health and education. From that, 8 percent goes to health and 7 percent to education. And in the

case of Guatemala, education financing goes more to middle school although there is coverage for primary education, but high school is privatized and/or a fee is required for people to complete high school.

What are some of the changes that we have seen in the structure of remittances? Thanks to remittances, women are getting more education. Before it used to be only men and now there are changes. Women have an opportunity and they are taking advantage more than men because men are just thinking about growing up and migrating, but women are thinking about staying and getting ready for the workplace. That is an improvement or a change that we have observed. We have heard about census data, 24.9 of Central American migrants have a middle school education or degree and college graduates are 9.8 percent and about 10,000 Guatemalan professionals reside in the U.S. One of the conclusions is that remittances although they help the local and national economies, they have an impact on the microeconomy. They change the lifestyle of the population in Central America and they contribute to our raising consumption, and we could say that remittances contribute to the eradication of child labor. Most of the children in these households go to school and there is a decrease in the child mortality rate because they have access to public health. So we can say that remittances have also contributed to lower infertility rates and in some cases the studies indicate that 18 percent of the remittances are invested in the generation of employment in the agricultural sector and they also are used for emergencies such as natural disasters before governments reach to the affected population.

The recommendations that we have envisioned is that the governments have to foster the betterment of the banking system and to incorporate policies to assist the population in training and to improve the lending rates for microlending. I know the case of Guatemala. The rates are very high and people don't have access to credit.

They are afraid of becoming indebted at high rates. Also remittances have a limited contribution sometimes to the pillars of development because they are contingent upon the financial policies of the country and if there is a crisis in the U.S. -- that trickles down. I would say that the remittances are a reflection of the savings of people who have been working and we are working close to people that are deported. They have told me that the fear is that when they come back, they keep thinking they have to come back to the U.S. to get their savings. They put their savings in cans, in milk cans in their apartments. They leave them behind and they have been working for 20 years. Some have more than \$35,000 saved in their apartments and so when there is a crisis, they still have money for remittances and if they are deported they leave their money behind. Then the U.S. should also give them support in terms of having a banking account so that their money is safeguarded and it's not lost when they are deported. Those are my comments. Thank you so much.

MR. RUIZ: A great presentation, and let's now move on to Manuel

MR. OROZCO: Good day everyone, and thank you for inviting me to talk. First I have a caveat to say about the presentation and it is that some of this light will be better read than others and that's because that was before and after I adjusted my glasses so I apologize.

I want to talk about three main issues. First, what are the current trends with regard to the flow of remittances, looking at the volumes themselves in relationship to the national economies but also in relationship to development in the home countries? Second, I want to pay attention in particular to the future trends of the flow of remittances and migration because I think that's an issue that matters substantially to pay attention to and is to a large extent underestimated. Finally, look at some of the issues and the opportunities and the policy approaches that we need to take into consideration. As a

parenthesis before the clock begins to tick, I want to make a little bit of a comment on a comment that was made on the issue that one of the consequences of migration is the people left behind. I like debate and I like to provoke discussions, so on that line I actually disagree very much with that statement because the term itself typically refers to the notion of abandoning others and if an immigrant does it's actually not that. You may live with hardship, you might be distant but close to your relatives and you don't abandon your relatives when you move into another country, but you leave because you want to keep the relationship stronger and try to improve the quality of life of your relatives. I'd like to problematize that term because it has been utilized a lot without thinking critically about the significance of the use of the term.

With that sermon, I want to go into the issue of the challenges and the opportunities of remittances in the region, in Central America particular. We have an interesting trend taking place in the region and one that looks this way. We have a divergent development. On the one hand we see a deceleration of migration and declining to some point. I'll show you how that reflects in relationship to deportations and the inflow of migrants in some of the Central American countries. And other hand, we see a continuity of flows that is likely to remain at about 5 to 7 percent growth for the next 5 years. On the one hand we see that, and we also see that the contribution of the flows continues to be as important as it has been. But then we see a number of trends taking place. Some of them have to do with the strength in activism that is taking place on a global scale but that is quite dense and substantive in the United States, that money faces itself in antiimmigration laws at the local level, at the state level and antiimmigrant sentiment in the population and substantial if not aggressive pattern of deportation against undocumented migrants. There are other trends that are taking place that are going to likely have an effect on the future of migration and the future of remittances

transfers that we need to look into. That highlights the need to really pay serious attention, take seriously the reality of migration especially in a region where the significance of this volume is nonnegligible.

Here is when I didn't have my glasses. Kevin told you there are about 3 million, 3-1/2 million people from Central America migrating mostly to the United States but not as much as it used to be. There is a growing flow of migration that goes intraregionally that responds to conventional patterns that existed. For example, in Nicaragua, migration to Costa Rica is not new. It's been going on for at least 40 years. But when you have other flows of migration for Hondurans and Nicaraguans going to work to El Salvador or more recently going to work to Panama for the construction of the canal but also for the -- of the capital.

There is also an emerging pattern that we've been observing for the last 5 years of Guatemalans, but especially Hondurans and Nicaraguans and Salvadorans to less of an extent going to Spain and other European countries. In a project which has concluded in Nicaragua with 12,000 remittance recipients, we found out that 10 percent of those receiving remittances were receiving money from Spain. And we did a similar project in Honduras 2 years ago and we found basically the same pattern. There is a much more diverse migration, but it's also slowing down. Yet the contribution of the flows is quite substantive. We're talking about 10 to 15 percent of the national income of these economies.

The significance of it cannot be only understood in relationship to the comparison of the national economy. They are the major source of foreign savings for most of these economies. That's an important contribution. But the relationship to development is the one that those who work in economic development are more concerned about, and that is that remittances basically have an ability to as they increase

income, they help to increase savings and to build assets and that is the most important contribution to development, the capacity to build assets fixed or liquid in a society, in a household. So if you are able to create the third table, you can see that as more people receive remittances, the savings stock of a particular household also increases substantially.

This is independent from remittances. Remittances that people receive are part of a pool of income that people earn and the dependence of income to remittances varies from place to place. In the case of Guatemala it's quite large. It's about 70 percent. In Nicaragua it's about 60 percent and Honduras is about 60 percent. That is, out of every dollar I earn, 60 cents comes from remittances. But that increase in income allows me to save over time and the stock of savings can be as large as \$800 to \$900 per household. So the developing approach is how to mobilize those savings, not the remittances, but the savings into the financial system and for relatively poor economies like those of Central America, the contribution is quite substantial. For example, in Nicaragua the total deposit volume of deposits of the banking system in Nicaragua is less than a billion dollars. The estimated volume of savings of remittance recipients of about 600,000 households in the country is about \$2 billion. So you can compare and contrast the significance of this. Just capturing 10 percent of savings on an annual basis from this population that receives remittances will increase at least the national savings ratio by 20 percent and the same thing applies for El Salvador, for Guatemala and Honduras.

One of the issues that we don't pay much attention to when we talk about remittances is the profile of the sender. In this particular period it's quite substantially important to pay attention to them because Sonia mentioned the precarious condition of the vulnerable position of migrants today is quite dramatic. It's not only in terms of their

legal status but their economic well-being is significantly at risk. Their employment rates are substantially high, but even within other contexts holding other things equal; the situation is even more complicated. To give you an example, this is work we've been doing with my colleague Beatrice Lotan on domestic workers in Costa Rica. Looking at domestic work, female domestic work is quite an important illustration of the pattern of international migration because anywhere you look at least 20 to 30 percent of the female migrant labor force in any host country is in domestic work and does not include childcare. These are the people who are the most vulnerable of the labor migration workforce. To give you a profile for example of the case of Nicaraguans in Costa Rica, you can see that the earnings of these people are relatively low. Monthly earnings are about \$350 and they remit more than men. This is a counterintuitive fact to the pattern. In most cases if not in the majority of cases with some exceptions and I'll show those exceptions later on, men send more money than women. But there is a reason and that's because we're more generous. We want to claim the generosity principle. But the reason is because we just make more money, yet with female domestic workers, the reality is relatively different. They send more money than men remit at least in the Costa Rican case.

But the other issue is that when you look at the labor conditions by which migrants work and this is something we have seen in the United States, the labor right provision is practically minimal if not nonexistent. People work over an 8 hour period and they don't get paid for those hours work and they are required to work over activities outside of what they were hired to do. If we look at that phenomenon in the United States with Latinos in the U.S. or Latinos in Spain, we will find similar patterns.

What is the future coming along? One of the reasons that I want to stress a little bit on the future trends on migration and remittances is because we are

basically at the tail end of the migration cycle that started in the 1970s that originated in part with the feminization of labor, but also with outsourcing in the global economy that developed predominantly in Southeast Asia, then goes into the Gulf countries with the demand for foreign workers to maintain the oil pipes, then most into North America and then the European Union and then other regional blocs. But we are getting to the end of this migration wave. Part of the deceleration of this international wave is because it's just reached its limit to a large extent and it's an issue to discuss as to why it's getting to an end. But what we see is a new pattern coming along that is shaped by dynamics relatively different although not unique to the previous waves. One of them is that we see predominantly that international migration especially Central American migration is increasingly shaped by natural disasters and that not only is influencing people leaving, but also people remitting. The second aspect that is quite important is this strengthened nativist movement that tries to pay attention to the affirmation of national identity as a homogeneous society in the host countries that eventually has implications over the antiimmigrant sentiment, that you take it upon migrants to affirm your national identity, and it's an affirmation that goes along different contexts. Some of them have to do with race and ethnicity; others have to do with demographics: there are too many people here.

But one of the effects is the pattern of deportations for example. If we look at the deportation rate of for example Salvadorans and Hondurans, that is over 20,000 people, the number of people deported is double the number of people who come into the United States. So we're actually having a fundamentally dangerous effect not only on international migration but on the well-being of people and the home countries there. Previously somebody asked if there were programs relating to looking after this population. Just cost out how much it costs to the Salvadoran government for example to receive, or just to do the welcome of 26,000 people every year. Do the math on how

much it costs to handle 2,000 people that come in and you handle them, you spend at least \$100. In comparison, the Salvadoran government not only is resource scarce, but try to invest a few years ago, 5 or 6 years ago, \$2 million to leverage remittances with migrant investment and yield very important impacts. Yet now because of the deportations, you can't allocate resources to work on development because the rhetoric of security is just distracting your energies. In the aim of problematizing the issue of migration in Central American remittances, we also need to problematize the extent to which migration has to be subordinated to security.

Another pattern that is taking place is one that we also don't pay too much attention to but has an effect on migration and remittances, and that is that increasingly there is a standardization of prices at the global scale. The example that I always use because it's the one that updates more regularly is the one of a dozen of eggs and I use it with my students. A dozen eggs in Washington, D.C. costs \$1.85. In Nicaragua its costs \$1.45, in Honduras it costs \$1.70 and in Costa Rica, Costa Rica is the most expensive place so it costs more than \$2 and in Sweden it costs \$2.20. The range between one country and the other one is less than 70 cents whether you look at it including Haiti, yet the income ranges are without comparison. The monthly income of Hondurans for example is less than \$250 a month, yet how can you afford to buy eggs on a regular basis, and that's just in the case of eggs. You can have -- and you can see that remittances basically follow not the income of the migrant but follow in relationship to the cost of living in the home country, so that's a likely driver of migration and remittances.

Of course there are other drivers of migration and remittances that we're likely to see. From the political context, Central America is entering into a series of political cycles where power vacuums are likely to occur in many of these countries. Nicaragua is one of them and Guatemala is another one. Honduras is also going to face

serious power vacuums because there is an agent of the political elites and there is no replenishment of new cadres. That's going to create uncertainty in the population. Add to that the problem of homicide, violence and crime and you're going to have something that will be unsustainable in the next few years.

Another very important trend that we haven't paid too much attention to is the fact that increasingly female migration is coming in larger numbers and in relationship to their skills it also becoming higher than that of men. Women without a skilled occupation and with higher education earn increasingly more than men. The significance of this is not only that the new pattern of migration that will be coming looking more like women, a lot of it has to do with what I call the gender discrimination dividend that we started in the 1970s. But another implication is that this is the instance where women do remit more than men, skilled women, women with a tertiary education remit more than men.

There was a discussion of the brain drain. I actually disagree with the issue of brain drain especially in Central America, that even though it's a region where only 2 percent of its population, 2 percent, do the math, 45 million people, 2 percent, have a tertiary education and cannot provide adequate jobs and well-paid jobs for this population. Yet you have as many immigrants with a tertiary education in numbers -- there are in their home country. At least 40 percent of Central Americans with a tertiary education are living abroad. The natural disasters are a phenomenon that is increasingly becoming more permanent in most of these countries. We've been collecting this data on natural disasters from 2000 to the present and the number of disasters is basically accumulating. Basically you have two natural disasters per year. Not only do you have an effect in terms of the impact of those disasters, but the other issue is the impact that it has on remittances. There is no correlation between a disaster and the global volume of

remittances, but there is a relationship between remittances sent to the location where the disaster took place. If the disasters continue over time, the flow is likely to continue. This is what I explained to you before, that remittances follow the basic food basket. If the basic food basket is \$300, people will send \$300. If it's \$200, people will send those amounts. That's why Nicaraguans sent less than \$200, Salvadorans sent \$320 on average and Hondurans sent \$230 on average to their relatives because they follow the food basket even though they all earned the same amount.

Nativism is really another problem that is likely to continue and shape the future of migration and even the future of remittances. We've been looking at this data on the number of people deported and we compare it to an estimate we've been doing of the annual immigration flow of Central Americans in particular to the region, to the United States. Basically we find that the number of people deported has doubled in many cases to those of people who come in. More importantly is that there is no correlation in the criminal deportations to the number of criminally deported people. The correlation is with the countries where there is more migration, more undocumented migration. So there is an intent that is outside of the purpose or the intent alleged purpose.

Finally, what are the issues that we need to pay attention to? Just to conclude, I think to give a general sketch, there are three issues. One is that we need to problematize this issue of subordinating migration to security and think of the other linkages that migration has in the global context. One of them is development, and in this global context the reality of the digital industrial revolution where there is a greater demand for skilled labor, we need to pay attention to deterritorialized approach to development that has basically a strategy that looks at the condition of migrants and their families. And looking at that we pay attention to asset building capabilities, and particularly we need to work on the lessons learned and the best practices that exist out

there because there are plenty that leverage the migration and development context in quite substantive ways, not only leveraging remittances, but also a range of other economic activities. We have evidence that if you invest in certain areas, for example financial education, you actually yield a substantive impact in increasing savings ratios in the country. If you invest in providing incentives to invest, you get very important results at the same time. So we really need to take migration more seriously and take the risk of linking migration with development. Thank you very much.

MR. RUIZ: Thank you, Manuel. That's a very provocative problematizing a lot of the issues here. Now let's move on to Ricardo Puerta.

MR. PUERTA: I apologize. I will speak in English because it's my mother tongue. I will discuss remittances in terms of amounts and impacts and then if I have enough time I will talk about migration. I will not -- always about Honduras, I will not repeat any of the very interesting comments of my colleagues. I don't want to be repetitive.

In terms of amounts, Honduras in 2011 is expected to receive \$2.8 billion in remittances. In that sense, there is a significant change after 2007 and there are two milestones that have to do with the number of Hondurans that leave because Honduras exports its citizens unlike Panama and Costa Rica in the region. There are two milestones. One is the recession in the U.S., and the other, the killing of Tamaulipans in Mexico last year and that obviously has made a great difference. Since 1998 when the massive Honduran migration begins toward the U.S., 90 to 95 percent depending on the year, you're looking as the target country and starting in 2007 through 2011, actually 2007-2008, things do change after the coup d'état due to domestic policies. Now these are the trends that we can visualize. I don't have the table in front of me, but the

numbers reported by the Central Bank for remittances show these trends. And despite recession, in 2011 the remittances go up by 15 percent compared to 2010.

There is a significant piece about what remittances mean to the economy. They are considered to be a macroeconomic stabilizing factor. This is nothing new, but if we get together exports, FDI and remittances, then remittances are higher and if we take into consideration the added value and compare it to the maquilas' output, otherwise it is not exactly the export of maquiladora jobs. The kind of remittances are three, I would say. One is cash, others in kind and then the collective or solidary remittances and that is a new trend. The bulk of those 2.8 billion have to do with the cash remittances to families through the banking system. About the in kind remittances, what do they do with the money? The Central Bank has had two stages. Up to 2009 they added 15 percent to the family remittances and then it lowered it to 5 to 7 percent and in that sense it seems that there is a decreased deceleration. And I'd like to note something nobody talks about, that is how important the female travelers are, those who come to the U.S. More than 40 times a year they leave on Wednesday, they come back on Sunday, they come to pick up parcels and pick up papers and they come to the east of the U.S. but also to the west. And the role of female travelers is not examined but it should be because they come and go during the week. It's like a personal courier that brings news back and forth. There are about, and without exaggerating, \$500 million that don't add up, so the question is where is the money coming from and I leave that to your imagination.

About the impact of remittances, I'd say that Hondurans should be rewarded for being the people that save the most. If you look at the number of Hondurans in the U.S., the levels of savings are extraordinary if the amounts are right. And there's another source that told me that my information is limited. This person was

thinking more than 1 billion a year. There is a relation between remittances and organized crime, the coyote travel, kidnaps and that these illegal activities once we investigate we see that in the community that are some households, not many, that are receiving extraordinary numbers of remittances and the source is obviously illegal.

What is the largest impact of remittances? It is in several areas, foodstuffs and apparel definitely. Food items have a large impact on the household and that improves education for children, but in the countryside people that are getting remittances say they eat better than before and they're saying that they're eating three meals a day and they didn't used to. In terms of -- housing is also very visible. You can walk around the communities and you can easily spot which house has been improved by remittances. If you look at the design and the color they use to paint the house, the immigrant wants to build homes back home that are similar to the ones he idolizes in the foreign country. There is a study in El Salvador of how the design of homes has been changing by the people who receive remittances.

In terms of health and education, the kids are bringing better food to school, they're better dressed and they have more tools. There's more health prevention and more care to the children and the elderly. The families that are working here can make contributions to the Social Security system back home. That's an important protection to the families that didn't exist before. And there are other taxes on remittances not directly but indirectly, and there is one that is quite questionable but it's a very common practice in the banking system. If you receive a remittance, they sell you a lempida 1809, 1903 which is the currency equivalent, so basically you are buying lempidas, you're not selling dollars and that is an injustice unfortunately if you're receiving a remittance, but this is an accepted legal practice of the banking system.

Another point that I'd like to make is the role of women that works on two levels. In the Honduran Diaspora in the U.S., usually women are working in homes providing services and men outside, so women are more protected. She goes out with the family she's working for and so there is a larger proportion of men and in relation to the population, more women stay in. And the other comment for which I don't have an explanation is that it is easier for a woman to get a tourist visa to come to the U.S. I don't really know the reason, it would be interesting to find out, but that's a fact. Then it is very appealing for female heads of household to migrate and that's common. Another comment is that there are households in Honduras where because more men migrate, then the women become heads of households, something they didn't do before.

Finally, if when we study migration and remittances, there is a culture around it that says that it's absolutely wrong or absolutely right and there is nothing in between that criterion to examine migration and remittances that doesn't foster new studies and there are three schools of thought. One covers the people that leave legally. They're well-to-do or professionals. It's about 10- to 15,000 per year. And there is a study in the last 12 years by the Central Bank of Honduras; they publish a survey that is given in the airports to these families. There is also a massive migration wave that we know that is undocumented and illegal by land. Then there's a new trend that we should pay attention to and that's through the *braseros* migrant, and that is the hiring of temporary workers when 37,000 workers were supposed to go to California and that never really jelled at the end. They went to Europe mostly.

So the challenge in Honduras is that it's not the most important country in Central America, you could see this regionally, and that the source of data are there but they're not analyzed or systematized. So in that sense those who can influence

research, this would be important because the primary data has been collected already.
Thank you.

MR. RUIZ: Thank you, Ricardo -- one case in terms of Honduras. Now we're going to move on to another case, in El Salvador. We have the Deputy Minister, Juan Jose Garcia.

MR. GARCIA: Thank you for the invitation from Brookings and to you for allowing me to share some experiences in El Salvador.

I'd like to state from the outset that my comments are strictly about El Salvador and these are specific facts and also a new vision for remittances and how they pertain to development. I'd like to state five major comments.

The first one, I'd like to discuss the nature of family remittances. If we understand them then we can link them to development or not. I think that there is a relation that is sometimes too obvious to be mentioned and it's the link between family remittances and migration. I'd like to share some trends on the family remittances since they are a pillar for economic development and how difficult it may be to transform the economy based on the remittances. And then some hypotheses about whether it is possible to link remittances to development and to examine some new trends in El Salvador.

I think that there is a basic question, which is; what are family remittances? There are three central questions. There is a concept and the tools that are used to measure the family remittances and there are other elements included. What are the reasons people are motivated to send his or her income to support his or her family? And we have discussed poverty reduction and development. In Guatemala it is clear what impact, and in Guatemala and Mexico it is the same and we'll see what happened in El Salvador.

The more superficial analysis around remittances is that they are private transfers of resources between the country where the migrant is living back to his or her home country for current expenditures of the receiving family or invested in something else. There is very little space for the government to intervene in this system. We can only intervene in the channels of transfer regulating the cost of the transfer or formalizing the transfer, and we can also intervene in the use of the remittance, modifying the proportion between consumption, current account, current expenditure and here the financial system can play an important role. However, if we look at the experience in El Salvador, this is quite simple. It's a linear concept that includes the recipients and the financial system.

I'd like to throw in something that states that according to El Salvador, the remittances are the monetary expression of social relations between the sender and the recipient and that describes the type of actors. If most of the remittances are of family origin and they're destined to consumption, they're regulated and they have the same intended use. The remittances in this sense are similar to salaries and the only difference is that they are earned in the U.S. and part of that salary is spent in the recipient countries. So they have the same function as any salary which is to increase the purchasing capacity of the family. The difference is that the context is a bi-national one and in that sense transnational. However, the source and nature of the remittance is that it is a salary in and of itself, so the relation between consumption and productivity in terms of the remittances is a relation that is not easily modifiable or altered because the channels are permanent.

What sets the frequency or the amount of the remittances? There are several studies that complicate nature. A, is the nature of the working environment, but that's not the only reason -- the level of capital and the gender gap. Women send more

remittances than men. How essential is my family or is that a priority for the migrant? The social status, the people in the middle of spectrum send less than those that are poor. A study on female migrants, El Salvadorans in the U.S., determined that there is a curve for the remittances, that women remit more in the first 5 years. After the first 5 years, the curve slows down, the levels go down and the amounts are less up to 12 to 15 years where the remittances become negligible. For remittances to continue to grow, we need new migration flows that replace the previous ones that are no longer remitting. That is being termed migration replacement. And the level and the nature of the sender regarding to his family and the receiving community, the demand of the receiving group, the initial objectives of the migration. A study has shown that from the time the migrant leaves, he has already decided that he will be sending remittances. The idea is to come to the U.S. to send remittances back home. Remittances make sense, will continue to grow or extinguish if there are enough migration groups to replenish them.

I will now elaborate on the case of El Salvador. We have seen that there is an increase of remittances in 2004 that has gone down starting in 2007. When the rates started going down in 2009, it was negative, and we are expecting that in 2011 they will go up by 4 or 5 percent. In 2009 they were 15 percent, in 2010, 16 percent of the GDP. And this goes hand in hand with the poor performance of the El Salvadoran economy in the last few years and there is something we have said before which is the macroeconomic stability of the Salvadoran economy is the result of external funding which meets the aggregate demand through importation and that increases the trade gap. If we compare GDP and total consumption after 2004 through 2008, total consumption is higher than the GDP, so we are producing less in El Salvador and consuming more so that that has an impact on the receiving families. In Jiquilisco in the

coast, 70 percent of the GDP is produced in the U.S. and only 30 percent in the communities.

So we are consuming more and producing less and this is a challenge for the Salvadoran economy because producing there is relatively expensive and that affects prices. If we look at it from the side of demand in the receiving families, more than 337,000 households receive remittances, 27 percent of remittances. For these households, remittances are about 60 percent of their total income. I won't elaborate on the impact on the poverty levels. Undoubtedly it has an impact on improving quality of life, housing, access to health services and poverty itself. If you compare a household with and without receiving remittances, the level of poverty is 26 percent for those who don't get remittances. There is a difference of 10 percent whether you or you don't get remittances in the poverty level. Remittances increase the reserve salary and that creates a drop in local employment. Those who have more reserves have a tendency to work less. If I have five children in the U.S. and they each send me \$150 per month, why do I want to get a job? That makes no sense. I'll just live off of subsidies. That is why we see that in the households with remittances, the social fabric is very weak and trade services and trade is more prominent. Therefore, today El Salvador is a society addicted to remittances and I mean addicted. When I say addicted I mean we need higher levels of remittances to continue to operate. That's why we were afflicted by the crisis of 2009 because we are addicted to remittances and if there is a decrease in the remittance that will have an impact on macroeconomic stability and the quality of life of 337,000 households.

This is the large picture. How do we link remittances and development? That's a great challenge of governments. What we have proposed is to make migrants partners in development. Remittances already have their role. Now they have a

multiplier effect in the economy. For every dollar of remittance that comes in, two more dollars are mobilized to satisfy the added demand. However, that push is not being used to strengthen the internal production domestically, but it's satisfied by ways of importing. In the U.S., Salvadorians are an expanding market. A study has concluded that every El Salvadorian family spends \$115 a week on ethnic products. That is a market of \$4 billion a year and so the local production system is not taking advantage of it. So this is a product that Cubans, Nicaraguans and others are taking advantage of, we are not really. Also the impact is on the local community and the households and we have to strengthen the production links not on the side of the remittances, but on the possibility that the Salvadorians abroad can be partners for the economic development of that country.

That means to link migrants within the Salvadorian economy we need the local policies that anchor the initiative of migrants. We need policy tools that allow these collective remittances to be used on production at the local level. We need institutional coordination and to generate opportunities for development. These are in general the greatest challenges that El Salvador has to link migration and development. Thank you.

MR. RUIZ: Thank you very much, Deputy Minister. I think we saw that we have a pretty good panel full of a lot of information. We saw a lot of -- about the migration and development problems. I think we have a lot of questions here, so I think we'll take about three questions each and then we'll go to the panel starting with the gentleman.

SPEAKER: I would prefer to speak in Spanish since I think that we all here understand Spanish. Four items quickly. The previous panel said something that relates to this one, on demographic changes, and that Central America and Mexico are different. That's not true. El Salvador and Nicaragua are under the replacement level of

2.1, Honduras is getting close to that level, Guatemala is 4.2 percent, and in 10 to 15 years we won't have this flow of young migrants as we have today because of the demographic changes. Many Central Americans are looking south. It is speculated that under 1 million in Costa Rica, Panama, is receiving skilled labor from Venezuela and Colombia and they could come from other countries in Central America in the future. If we were to give advice, don't just look north, but also south. So there is a different demographic profile and we're getting closer to a profile of lower population growth.

Remittances will continue in the midterm in substantial amounts even though migration is going down, and I'll say why, there is more flight connections and a lot of people are retired in Central America who have lived in the U.S. for 15 years who have sent money to buy homes and this is a returning Diaspora. This will ensure if we analyze Yugoslavia, Turkey, Spain, there was a tendency of migrants to want to go back, but now because of flight accessibility, things are changing. And with remittances if we analyze by Fomine and Central Bank statistics, there are some errors. In Guatemala the methodology changed and the level of remittances doubled. It's not true as an economist that Guatemala has more remittances than El Salvador, but the numbers show that. So there are monies that are coming from other sources, illegal perhaps, and there are errors in the Central American banking system. If you have an account in dollars and make a transfer to the local currency, it is registered and recorded as a remittance and that's not true.

In terms of the cost of human capital, it is not true that there is no cost. They continue to send money but marriages are split apart. It is not the same to be in touch with your children by Skype or by phone and there is a huge cost. The fact that it has not been researched doesn't mean there is no human cost. If the research were focused on the cost, we would know that it is huge.

MR. RUIZ: Please be concise and identify yourself as well.

SPEAKER: Francisco Campbell Nicaraguan Ambassador in Washington. The first question I would like to ask the Vice Minister. What effect has the dollarization of the El Salvadoran economy had on the impact, positive or negative, of foreign remittance to El Salvador? The other question is for Orozco. I know that Mr. Orozco has done great work in terms of trying to understand how foreign remittance can be used in such a way as to help to promote development in Central America and that of course is very good. But in your presentation you mentioned something alarming. You said that there is an imminent power vacuum on the horizon in Nicaragua and in El Salvador. That is incredible. And you argue that that is probably due to the nonparticipation of young people. This is strange at least in the case of Nicaragua because 35 percent -- the majority of the people in Nicaragua are 35 percent or less in age. This is reflected in the various institutions, in the police, in the Army, in the business sector, across the board you find young people. We are having an election on November 6. It is expected that the majority of the Nicaraguan people are going to be participating in the elections. More than 80 percent has been the historic average in the past and we expect it's going to be the same. That means young people are going to be participating in great numbers in those elections. Also a number of young people in the various political parties are presenting themselves as candidates and some of them are going to be elected. I would like you to explain a little bit more your tremendous prognosis that there is imminent danger of political vacuum in Nicaragua.

MR. RUIZ: With pleasure. We'll take one more question in the back.

SPEAKER: I'll ask the question in English. Michael -- political science student at Georgetown University -- would have been the effects on the domestic policy of migration and remittances in the countries of origin. One phenomenon that I'm

interested in is how the El Salvadoran political parties launch campaigns in the U.S. including D.C. Although the Salvadorian community doesn't have the right to vote overseas, that may be the evidence of an expanded voice of the Diaspora communities vis-à-vis the election system and the political preferences of their own family back home.

SPEAKER: On Paulo's comment, my argument is the following. I disagreed with the statement that people are left behind through migration. That doesn't mean that there are costs. There are many costs and I think trying to understand the pattern is very important because that helps to clarify assumptions. For example, does the fact that you're separated things are going to be bad? That's an assumption that is moral and normative and not factual or empirical. If you look at single-headed households in a country domestically and you find both realities, terribly managed households and very well-managed households. So I think understanding very well and testing the assumptions is better than just concluding with the assumption that abandonment and separation leads to fragmentation and disarray. I think you have to be very careful because my experience with working migrants, the reality is more complex. You can't simply it.

Going to the Nicaraguan case, my argument is the following. The political process in Nicaragua has arrived as a political fact that basically is reaching an end. The leading political leaders in Nicaragua which is basically a group of political elites that have kept a very narrow circle of power in the country led by Daniel Ortega on the one hand and his party and Arnoldo Aleman on the other side have restricted the opportunities for both sides to participate. And when I say to participate I don't mean the -- population, but I mean the young professionals who want to join the party and are not happy with the way in which -- are operating. So both the political life as well as the physical life of these leaders whether you're talking about Aleman, Ortega or the other

candidate, who is older than them, is nearing an end and the replenishment of new cadres is much smaller. It doesn't mean that there are young people, young individuals, young leaders who are part of the party, but if we look at the young professionals, lawyers, engineers, et cetera, they are choosing not to join the party, they are just voting. Of course we can disagree on that that you have a political bias, but there is a pattern. You're the Ambassador of Nicaragua.

SPEAKER: No political bias. I'm just saying that your arguments have -- whatsoever.

SPEAKER: Let's see what happens after the elections and what the outcome is going to be. But the level of social protest in Nicaragua has increased in the last 5 years. The participation of young professionals in the parties has diminished. And there are other trends going on there that really may point to a potential political vacuum.

MR. RUIZ: Deputy Minister?

MR. GARCIA: I will begin by the last question that I think summarizes the topic of migration and remittances. For many years the administrations of El Salvador saw migrants and remittances as their source for macroeconomic stability. Therefore there was the policy for migration because that had huge dividends. It alleviated demographic pressure on resources and employment and huge subsidies to the economy. Starting in 2009, we started questioning this position and we began seeing migrants as people with rights and that makes them into an important social force for the country not only to restore the right to vote, but right to identity, right to participate in the affairs of the country as such, and we have designed policy instruments to reflect this shift in vision. That's why President Funes stated that in 2014, El Salvadorans overseas not only just in the U.S. will be able to vote overseas. This is a significant change. When we say that Salvadorians overseas should become partners in development, we are

telling them that you can participate in building democracy and development. So this is a new vision in the way we see migrants and remittances.

This has been done strictly based on the source of remittances and dollarization is substantiated by increasing flows of money and a fiscal policy that is relatively stable and that has a huge impact on development because without a monetary policy, we cannot foster development. We also have stability in terms of the exchange rate. If you have dollars, you spend dollars. The interest rates have been staying at a low level compared to the rest of the region. However, monetary policy has to be debated more deeply. There has been diversification of immigration. El Salvadorans are flocking to Europe right now more. That's the case of Barcelona. Simply put, the El Salvadoran population in Barcelona is growing by 10 percent on a quarterly basis and this is because there's a daily flight from Iberia to Spain, they don't need a visa to go to Europe and that opens the doors. And there's a growing population in the northern part of Italy that keeps continuing. So if the U.S. doors close, then others will open elsewhere. As to demographic changes, this is obvious if we compare the demographics with 2006 we are under the replacement rate and we are almost at the limit for development. I mean there is no population that is taking care of development in some communities and that's serious because that places a long-term structural impediment to development, and undoubtedly the return will be more massive in that you have to wait for 10 to 15 years and see the impact that it has on remittances and the ability to stabilize the country. Together with that we see great biases that are not accounted for. We are not accounting the remittances by parcel post which are 3 billion, actually \$700 million additional to the 3 billion. So we have to sharpen our measuring tools so to speak.

MR. RUIZ: I'm just going to give a few minutes for each to answer quickly. Sonia?

MS. PELLECCER: I just wanted to expand and explain to Pablo, give an explanation, and it's that I have experienced for several years in monitoring and working for the International Organization for Migration and studying remittances, he is saying that the remittances are a little bit inflated, and personally through my studies and I really know this field, I beg to differ because for Guatemalans, not even the armed conflict triggered as much migration and we saw that the greatest migration started in the 1990s, whereas Salvadorians started much earlier and the migration was the highest during the coffee crisis in 2001. At that time the indigenous population that did not migrate internationally, only some of them did, started to migrate because the domestic migration to the coffee farms was no longer possible. And the cycle was examined by the Minister of El Salvador that the studies and the curves are for 10 to 15 years and in effect Guatemala is still within that curve and it may mean that in the future it may change, but there is no other explanation right now.

There have also been studies about the amounts that are being sent to Guatemala is because their children back home are going to school, and in the case of El Salvador, many are no longer in school and they sent remittances to their parents, not to their children to go to school. That's the explanation that I find for Guatemala and it may well be the case. This may be tied to money laundering, but not in the case where they're sending an average of \$283.

SPEAKER: The unaccounted cost of remittances is the breakup in families. It is true that remittances are salaries, but the person that works to work this salary is not using the salary, and for those that get it, it's a gift and they don't understand the cost.

For Honduras, the remittances are more than 15 to 16 percent; it's more 20 to 25 percent. The political events of June 28 caused a resurgence of the young

population. The largest party in Honduras are those that don't vote -- Spain is another alternative also for Honduras. And lastly, the effect on policy. Someone from Georgetown asked there are three possibilities. The voting overseas, nobody has done that yet. Secondly, the resources of those who come to the Diaspora to campaign. And there are candidates that leave from here with money and they bring their own money. There are mayors, but they don't make it to national policies. And lastly, the incidence of the community, the presence in the media, is extraordinary on a daily basis on radio and TV. They have their own opinions from the point of view of a consolidated democracy and that is used as a tool to rectify domestic issues.

MR. RUIZ: This has been very provocative and I know we want to have more questions, but we have to move on to our next panel. You could ask them -- thank you.

The food will be there when we finish. So fear not. Fear not.

Well, we're going to start anyway because what the first part is very brief is my introduction to our very distinguished guest. Today we are very pleased for the Latin America Initiative at Brookings and for the Central American Bank for Economic Integration, which are the co-hosts and co-sponsors of this event. It is a very great pleasure to have Julissa Reynoso, the deputy assistant secretary of state for Central American and Caribbean Affairs, with us.

Julissa Reynoso became the deputy assistant secretary for Central America and the Caribbean in November of 2009. Before that she was an attorney at law in New York City, and before that she has had an academic relationship with New York University and Columbia University in both cases with the School of Law. She has published widely in both Spanish and English on a range of issues, including community organizing, regulatory reform, housing reforms, immigration policy, and Latin American

politics for both popular and academic journals. She holds a BA in government from Harvard University, masters in philosophy from the University of Cambridge in the United Kingdom, and a JD from Columbia University's School of Law. So for us, it's a great pleasure to have her here because I can bear witness to her commitment to Central America. She's been very involved -- I know this directly -- in the whole issue of how the region is to push back against the challenge and the threat of organized crime. She's taken a leading role in coordinating the efforts of the international community in that regard.

So for us, again, it's a real pleasure to have her here. And I would ask Julissa to kindly give us a sense of what the future will bring in terms of U.S.-Central America relations. I certainly hope that the U.S. will pay closer attention to the region, and I'll give you the podium to enlighten us in that regard. Thank you.

MS. REYNOSO: I always wished I was taller so that I could actually not have to move the microphone. Thank you, Kevin, for the very nice introduction. I am very grateful for being here. I know many of you all through different channels. And I see many of the ambassadors of the Central American countries here, which is always good to see as they are my partners in crime in trying to get things done for Central America from the U.S. government's perspective.

I am here broadly to speak about U.S. policy toward Central America. I know the specific topic of today is on immigration or migration or remittances. I'm happy to touch on some of the programs and the policies we have in place regarding those two issues, but I also am open to answering questions after my speech on any of a range of issues concerning Central America. As Kevin mentioned, I have been in charge of the Central American policy for the last two years. Unfortunately, given the security issues in Central America, that has been the focus of a lot of my work -- security broadly defined --

so I am more than happy to discuss those initiatives and some of the challenges and opportunities we have seen over the last couple of years and some of the, I think, positive developments, I think, that have been in the works over the last year and, I think, going forward.

So I am pleased to have the opportunity to speak with you today about the challenges and opportunities of migration and remittances in the region, in a region that is vitally important for the United States. With the significant migration to North America from Central America -- the experts you have seen today have spoken about -- it is clear the United States and Central America's economic and social ties are closer than ever. I should mention that I am an immigrant myself, so I can tell you that a lot of these issues that you all discuss and the policies affect me in some ways and definitely affect members of my family and people that are back home. I'm originally from the Dominican Republic.

President Obama, Secretary Clinton, and others who have traveled to the region have all served to underscore the importance the United States places on promoting the stability and prosperity of the Central American countries. The President's message during his visit to El Salvador in March highlighted how significant the region is for the United States in terms of economic competitiveness, strategic issues and interests, core values of democracy and human rights, and the richness and diversity of our society and culture. Central America has some of the countries with the highest percentages of GDP as remittances -- I'm sure you all know these numbers -- with Nicaragua at almost 14 percent, El Salvador at 17, and Honduras at 18 percent of GDP.

Since the onset of the global financial crisis in late 2008, rising unemployment rates and falling income levels among migrants in traditional host countries -- mainly the United States, Spain, and Japan -- result in the decline in the

amount of remittances sent home. Although the downward trend started reversing in 2010 with the current economic slowdown in the United States and the turmoil hitting Spain, remittances may again start declining. However, remittances remain a vital source of income for millions of families in the region who depend on these flows to cover the cost of basic needs such as clothing, medicine, and food.

Central America is a region beset by many challenges as we know. Perhaps the most pressing and complex challenge facing Central America is a dramatic decline in citizen safety in recent years. Insecurity is one of the main drivers for migration from Central America to the north. This growing insecurity is due in large part to the destabilization and the influence of transnational criminal organizations, youth violence and gangs, drug trafficking, and the availability of firearms. These challenges are compounded by weak government institutions, corruption, a lack of investment by Central American governments in rule-of-law institutions, and in addressing the root causes of crime and insecurity – such as poverty, a lack of access to education, employment, and health care. Obviously, the fact that there has been a decline in remittance flows to these countries affects the governments' ability to actually handle and manage these pressing needs of their citizens.

Our Central America -- from the United States perspective, our Central America Regional Security Initiative addresses these challenges head-on. And we initiated CARSI, or the Central America Regional Security Initiative, about a year and a half ago with the goal of attempting to help the governments of Central America combat crime and push back on these increasing violent numbers in the areas of prevention, rehabilitation, combating crime, and all the elements associated with those issues.

Last week during the U.N. General Assembly, Secretary Clinton co-hosted with El Salvador's Foreign Minister Martinez a meeting with the Central American

Regional Integration System, or SICA, members and a group of friends -- the group of friends, the donor coordination group -- to discuss regional security efforts. They discussed the progress made since June, the June meeting held in Guatemala, which highlighted areas of the security strategy that have not received sufficient attention and committed to focus on the specifics of SICA's four pillars.

Let me just step back from this speech and just say that for the last year and a half, since we started CARSI, the Central America Regional Security Initiative, the United States has increased assistance to Central America to deal with the issue of security or insecurity. Originally, the funding toward Central America was committed via Merida, the Mexican initiative. A year and a half ago we decided to start and focus on a Central America-specific program and a policy that would provide specific funding to the Central American countries.

In addition to the actual funding level that we have put forth and set forth and there has been an increase in that funding level over the last several years, we also decided -- and it's not even a decision, it is a necessity -- that we could not do it alone. So in part we've been attempting, and I think successfully, to engage partners from around the world who care about Central America and who have interests in Central America so that they, too, can be much more involved in the security issues of Central America. So our efforts in terms of what we call donor coordination or creating a group of friends has generated, I think, a great deal of interest from a host of countries from places around the world that you would not normally think would have an interest or a link to Central America. At this point we have a robust group-of-friends mechanism. It's the United States, Canada, Mexico, Colombia, the Chileans -- those are the members from the Americas. And in Europe we have the European Union -- Spain and Italy primarily involved. And we have Australia and South Korea also involved in this whole structure.

We also have the multilaterals involved, including obviously the United Nations and the Inter-American Development Bank, and the World Bank.

The dire security situation in Central America is closely linked to our main topic today, the economic challenges of the region. There is grinding poverty faced by many Central Americans. According to the World Bank, 60 percent of Hondurans lived at or below the national poverty line in 2010. Total poverty in Guatemala is 51 percent, but it is as high as 70 to 80 percent for some rural and indigenous communities. The Country Poverty Assessment Report revealed an increase in poverty in Belize from 33 to 43 percent of households from 2002 to 2009. Even Panama, which has one of the highest per capita incomes for countries in the region, has a poverty level of 32 percent.

Scarce government resources are taken away for more strategic investments, such as economic promotion and education, to work on dealing with the insecurity. And this is something that is at the very heart of the problem. This has prevented Central American countries from aggressively attacking poverty because they have to be so focused on putting most of their resources, a lot of resources, in dealing with the deep insecurity that has been affecting them primarily over the last several years given that there has been a shift in violence and activity in trafficking from the Caribbean to the Central American region.

Insecurity and lack of opportunity are some of the main drivers for migration from Central America to the north; however, the real question is what is the U.S. government, and specifically the State Department, doing to meet these challenges head-on? Well, as I mentioned, we have a model for partnership and economic cooperation, which I would like to speak about today. Because I believe that the most pressing challenges we seek to address, whether it is addressing insecurity, income and equality, or lack of infrastructure, are fundamentally tied to social and economic inclusion.

In order to address the serious challenges facing Central America, we need to help cultivate a vibrant and open environment that enables trade, investment, and entrepreneurship in these emerging economies. And to do so requires partnerships with the private sector, including private citizens. To be clear, this is not simply a blind faith in the power of free markets. God forbid. Instead, this is about identifying every convergence point where commercial and public interests meet.

Having said that, we see a convergence of public and private interests with specific initiatives that President Obama announced earlier this year in the spirit of partnership and cooperation. I'm simply going to go through some of those initiatives that deal specifically with economic and growth and opportunities that we have been working with the different countries in Central America to help promote, and these are primarily presidential initiatives.

First, the President announced the Crossroads Fund when he was in El Salvador in March. It's a fund to support medium- and long-term cross-border infrastructure projects in the region that will help businesses develop and create jobs.

Second, the U.S. government has refocused our Pathways to Prosperity Initiative in Central America to improve economic opportunities for the poor and empower entrepreneurs. I should say in this regard that the annual meeting is being held for Pathways this Wednesday and Thursday in the Dominican Republic and many of the Central American ministers of trade and economy will be there, and Secretary of State Clinton will also be there on behalf of the United States.

Third, our innovative initiative, Building Remittance Investment for Development Growth and Entrepreneurship, BRIDGE, which is another initiative harnessing remittances for development needs.

Finally, the Millennium Challenge Corporation, the MCC, which obviously has been around for awhile, is another example of another partnership that is designed to spur economic development and growth.

I'd like to spend a few moments speaking about each of these initiatives, and then we can go into greater detail about some of your questions and answers because I don't want to spend too much time talking. It's not really my thing.

During his visit to El Salvador, President Obama announced the Crossroads Fund, a partnership with the Inter-American Development Bank focused on reducing cross-border transport and logistics costs. The cross-border fund will consolidate a recent wave of high-level political focus on integration and provide innovative new finance instruments and technical assistance to achieve a meaningful reduction in transport and logistics costs through successful implementation of cross-border infrastructure. These high-impact, cross-border infrastructural projects will be designed to attack barriers to faster, more efficient and more secure regional transport networks. The United States has committed \$5 million towards this initiative, and I know several other countries, including Canada and Mexico, have contributed similar amounts with the goal of creating a fund that could be tapped by the Central American countries. The fund will be managed by the Inter-American Development Bank.

Another fertile area for cooperation is in the promoting of new economic opportunities and is rooted in the most important American economic value, which is entrepreneurship and financial inclusion. This is the concept behind Pathways to Prosperity, which again has been around for several years, but under the leadership of Secretary Clinton has been refocused to target specifically social inclusion issues. Again, next week Secretary Clinton will be in the Dominican Republic to spearhead this effort.

The overarching goal of this partnership is to expand economic opportunities for all as markets become increasingly integrated. As an example of this, under the Pathways to Prosperity Initiative, we are placing a Treasury Department advisor in the Central America region to work with the central banks and assist their efforts in advancing public-private partnerships and erect regulatory barriers to greater financial inclusion.

Through the Pathways to Prosperity Initiative, we're also working with Central America and other western hemisphere countries to ensure that the benefits of trade and globalization are broadly and more equitably distributed. Central American countries have been very much involved in this Pathways Initiative. In fact, all of the ministerials with the exception of the Dominican Republic have been held in Central America. Panama, El Salvador, and Costa Rica have all held these ministerials. And although the Dominican Republic is not in Central America, sometimes it thinks it is so that's good enough.

So the BRIDGE Initiative is another new model that we launched last year. Currently, participants in BRIDGE are El Salvador and Honduras. It's a partnership between governments, multilateral institutions, and the private sector to address a very public challenge, the lack of capital to meet the vast investment needs of infrastructure, which are critical for growth. It is these investments in infrastructure that are directly linked to business development and creation.

One result of these close economic and social ties I have spoken about is the over \$60 billion in remittances that are sent to Latin America from around the world annually, a figure that dwarfs our foreign assistance. We will never be able from the United States or USAID or the U.S. government in general to compete nor should we want to compete with the amount of remittances that flow back to the countries in the

region. Remittance flows can also be used to increase obviously access to investment capital and other matters which harness development abroad. BRIDGE was created to build off the successful remittance projects implemented by development experts, including those of the World Bank and the IDB.

So our policies in Central America focus on economic development and ensuring equitable access for all people. Through our foreign assistance programs, especially the MCC, -- and, of course, we have the robust engagement of USAID throughout Central America -- we are working to expand economic opportunities so as not limited to the elites of the region, but also extend to all members of society. In Honduras for example, a large share of the MCC funding program supported a major upgrade of the highways, connecting the capital, Tegucigalpa, to San Pedro Sula. This road is Honduras' principle commercial artery and forms part of the so-called dry canal, linking the Atlantic and Pacific coasts of Central America. By reducing travel times and accidents between many parts of Honduras, the road promotes economic development and improves the quality of life for many Hondurans. MCC also awarded a compact to El Salvador, and I know the Salvadorians want a second one. Right? And I know the Hondurans want one, too.

In addition, the MCC helped Honduras become a leader in secure transactions reform within Latin America and the Caribbean. The U.S. government is sponsoring a series of exchanges for Central American policymakers and private sector stakeholders to learn about financial reforms that would permit moveable assets to be used as collateral for loans. I should note that Nicaragua also was a recipient of one of the MCCs, the original one.

Another example of our partnership with the countries of the region is the Partnership for Growth, which is a new initiative that El Salvador is our partner in trying to

implement. It's a robust and signature effort to reshape the way we do economic support and economic engagement with countries in the world. There are four countries in the world that currently are recipients or are currently engaged in the Partnership for Growth: Ghana, Tanzania, the Philippines, and El Salvador. And El Salvador, obviously, is the only one of those that's in Central America.

PFG in El Salvador aims to reduce the incidence of crime and violence, and El Salvador raised the productivity of tradable sector. Essentially, through a process or review of what was causing impediments to growth and what were the main reasons behind the growth inactivity in El Salvador, we were able to determine that two factors were contributing to it: The insecurity or the security problems and the tradables issue. So we're working jointly and very hard with the Salvadoran government to try to address those two issues. In fact, we have today a high level meeting with members of the Salvadoran government and members of my team, the State Department, USAID, the MCC, Commerce, Treasury -- you name it, every agency essentially is involved in this project. And it's a very high level program and initiative that President Obama himself launched when he was in El Salvador that everyone is paying attention to because it's the first one of its kind. And I have to say of the four countries I mentioned that are involved, El Salvador is winning. So that's good in terms of having accomplished in advance in the whole process.

The Obama Administration has called for bipartisan comprehensive immigration reform. Consistent with our country's history as both a nation that respects the rule of law and values its diversity; comprehensive immigration reform would provide lasting and dedicated resources for our border security while restoring accountability and responsibility to a broken system. I'm not going to talk about immigration reform because, frankly, you all know about immigration reform. And I'm sure a lot of other

people have spoken in much more robust terms about this than I have. I used to practice immigration law, and I have my very own personal opinion about what I think about the immigration laws in this country. And they're not necessarily very good ones.

So I'm not going to get too much into it, but I want to just do some to speak in broad strokes about the things we're doing in the region. There's a lot of activity. There's a lot of hope. There's a lot of work. My team is exhausted. We've been working nonstop on economic issues, trying to be as creative as possible with the remittances that are flowing into Central America, which are a vital source of all forms of support for these countries. We're also trying to make sure that we can support these governments so they can really invest in the things that are essential for the development of the country; and also the human aspect of it by providing resources, by providing technical assistance, by giving them whatever we can to help them with the security situation in Central America, which as you know, is not -- it's a very serious problem. So we're hoping that all these things that are coming at Central America from our point of view somehow or other have synergies that create a form of holistic approach in dealing with economic issues, again through the remittance programs, through USAID's assistance, the MCC's, these new initiatives and ideas, including the Partnership for Growth, but also can provide the support in terms of bread and butter of the real day-to-day problems that these countries are facing in the context of the rise in crime rate and violence in these countries.

We think we have seen some progress. Of course, I'm involved in dealing with this every day so I hope -- I try to convince myself that things are getting better. I hope they are. I think they are. But, of course, I'm an interested party so I would hope you all can give me feedback, ideas, questions, that can trigger new thinking around these areas. These are very complex problems and the Central American

governments, I have to tell you, have been very much consistent and unified in trying to tackle these problems, which have a lot to do with poverty. I mean, essentially, that has been -- that is the recurring theme throughout. From migration, economic development, the violence, the insecurity, it is an issue of deep poverty. And we have seen a deep political commitment from, I think, essentially all the countries in the region to manage this in a way that they can see results. We're here to partner with the countries in the region to see that these things get done. We want to be as present and as helpful as we possibly can. And I hope for the better of the citizens of the region that we can actually collectively have a deep and transformative impact.

Sorry for the long windedness, but they gave me a speech and I have to read it. So I hope you'll have some questions for me. Thank you very much.

MR. CASAS-ZAMORA: Thank you, Julissa. Well, for not being her thing, she speaks fantastically well.

MS. REYNOSO: And I usually don't wear pink shoes.

MR. CASAS-ZAMORA: Thank you so much, Julissa, for a very, very enlightening talk. And there's no question that you know the region very well by now, and that you're really trying very hard to do wonderful things.

I will resist the temptation of asking a question. I will turn it over to you. Please identify yourselves when you ask a question, and please be concise because we have 15 minutes tops, right?

MS. REYNOSO: It's fine. You can take your time. And I'm sorry I speak so fast. It's the Dominican coming out, so I try to contain myself.

MR. CASAS-ZAMORA: No problem. We have 15 minutes so let's take four questions and go back to Julissa and then back to you. Let's start with the gentleman over there, and then over there.

MR. WAINER: Thanks for your presentation. My name's Andrew Wainer. I'm an immigration policy analyst with an organization called Bread for the World here in Washington. So a very specific and quick question and that's why -- to my knowledge at least -- why weren't remittances integrated into the MCC projects? You know, you have three pretty big -- or did -- have three fairly large projects in three of these countries, and why weren't remittances part of them?

MR. WARREN: Rob Warren. Thank you, Deputy Assistant Secretary. I'd like to learn more about CARSI. Kevin's recent publication indicates that we have a sharp deterioration in the security situation -- a rise of violence, narcotics, trafficking, and really youth that have undermined the governance and also the capabilities of the countries. How will CARSI respond to these chronic problems?

SPEAKER: I'd like to address -- by the way, I'm (inaudible) from Baltimore. I'd like to address the question to Deputy Assistant Secretary Reynoso. Aside from poverty being the root cause of problems of people in Latin America, especially Central America and the Caribbean going to the United States, would you kindly address the issue about political prisoners and prisoners of intellectuals -- and people in the higher educational and professional sector in Latin America or in Central America being imprisoned? They have been there for quite some time, especially focusing on the political prisoners. Thank you.

MS. REYNOSO: Are we including Cuba in that?

SPEAKER: Like in Nicaragua and El Salvador and Guatemala. Thank you.

MS. REYNOSO: Okay, I didn't know you had some.

SPEAKER: Hi. I'm (inaudible). I'm with the Center for Global Development. My question is you mentioned the enormous power that remittances have

on impacting poverty in these countries. Then why is migration viewed as a symptom of poverty and not as a potential tool to address poverty?

And related to that, what is the administration's view on circular migration, and will they be pursuing that in the comprehensive immigration reform?

SPEAKER: Thank you. About MCC, now Salvadorans are asking for a second possible aid for El Salvador

MS. REYNOSO: Everybody wants a second one. It's not just El Salvador.

SPEAKER: In Honduras there were some problems; in Nicaragua also because of political reasons. Guatemala has been asking, but nothing has been achieved. Is there a possibility that Guatemala could be approved with the new government after the 14th of January? And for us, for CABI and I'm sure also for the Inter-American Development Bank and for the World Bank, it would be very important because we can multiply these resources. If MCC finances some projects in the region, we can multiply these very extensively the It would be ideal if the four countries could have agency funds.

MR. CASAS-ZAMORA: Thank you. Julissa?

MS. REYNOSO: Okay. Well, these are a very diverse set of questions here. I'll start with the MCC. There are two, I think, on remittances and the Guatemala question connected to the MCC. First of all, I don't work for MCC, so I'm just speaking on behalf of the State Department because we do have a role in the process. But again, it's a very technical process that colleagues at MCC actually manage. I should say that, based on my experience, they're very, very technical in the way that they make their determinations as to who the recipients are. Obviously, they have certain standards and

benchmarks and an actual data-driven, decision-making, process in place that allows them to determine who essentially gets a compact and a second one.

There hasn't been in the region a second compact, period. There is obviously an interest for the countries involved to get a second compact. They have to pass the standards that helped them get the first compact to begin with. Those standards and those indicators change through time, and obviously certain countries in the region -- and obviously there are certain countries that you wonder why do you need a second one when you already -- you're done, I mean you got the project. The project was designed by the host country and the MCC has been completed, so why do you need another one? I mean, obviously everybody wants more projects, but the specific request that came from the first compact has already been terminated or completed.

With respect to getting a second one, it is very difficult to get one because again, it's a whole lot of money, and there are a lot of countries in the world that are essentially in the pool to get these compacts. That doesn't mean that the MCC doesn't go through the process of evaluating for a second one. And I know several countries are up now in December, and several countries from Central America are under consideration. But I can't speak to whether Guatemala, El Salvador, Honduras, whoever is going to get a second or a first one. But I know specifically those countries I believe are up in December for consideration. But I can't tell you if they're going to get it or not because if I tell you, I'll probably get fired. And the decision has not been made, so it's not something I would even be able to tell you the answer.

With respect to remittances within the context of the MCC, I know that is something that has been considered. I think that is an issue that obviously would go with what the project that has been designed and contemplated is from each of the compacts. I know that we've created these BRIDGE programs and have these BRIDGE MOUs with

El Salvador and Honduras at this time. So I would imagine in the context of both of those countries, should they get a second MCC, the remittance issue will play a role. But again, the negotiations to have that be a part of the actual compact would have to be at the request of the host government and obviously the MCC negotiators. But I think that's something that obviously is within the scope of what's possible.

On CARSI -- the Central America Regional Security Initiative -- as I mentioned, there are deep problems in Central America on security. Folks here from Central America can speak to it much more realistically than I can because they live there or have family there and the like. The purpose of CARSI was to have a very Central America-focused program. The purpose of CARSI was to have a policy that dealt specifically with Central America. The purpose of CARSI was to create the pillars that would be Central America specific in order to deal with this issue in a way that we could see and monitor progress. This was just not a miscellaneous part of the Mexico problem. This was a very specific problem related to Central America.

Within the context of Central America, you have countries that have been much more dramatically impacted by insecurity than others. I mean, really, if you look at the numbers, there has been an increase throughout in terms of violence, homicides, and other forms of crime. But specifically, the Northern Triangle and Belize have been the countries that have been most dramatically affected and have the highest numbers if you look at homicide as being the main indicator. There are a whole lot of other types of crime going on. But if you look at the most dramatic -- murder and homicide -- El Salvador, Honduras, Guatemala, and Belize have really seen a surge in the way that is logical because of the trafficking coming in from the coast; and again, the ability of organized crime to move from the Caribbean, to adapt to the pressure that they might be

getting from the Caribbean and also the Colombians and the Mexicans. So things are really concentrating in that area.

The countries of Central America are very aware of the problem. They have been doing a whole lot to try to manage it, to try to deal with it. It's a problem that even we, with all the resources that the United States has, probably would not be able to manage if we were in their shoes given the amount of activity and the amount of money that these criminals have.

So we are doing our best to work with the countries in the region to try to manage this, to mitigate it, to attempt to ideally contain it. And in terms of the short-to-medium term, hopefully try to see some improvements with respect to the numbers. That is a very difficult task because as you know, things usually get worse before they get better. I'm hoping that we've hit the worst, but I can't guarantee that. And because there's so much activity in Mexico in terms of fighting back, and the Colombians have done such an impressive job over the last ten years really to push back and manage their security crisis.

The Central American countries that have never really had to deal with anything of this nature are scrambling to try to respond to it, and we're doing our best to try to be responsive. Obviously, budgets are tight in this country. And then the other countries that also support Central America who have had presence there -- the Spanish, the Europeans, the European Union, and others of that category -- are also facing tough budgets. So money's a problem.

What we do have is some form of expertise. Obviously, we've been engaged with this issue for far too long, for decades in Colombia, Mexico, and obviously in the Caribbean. So we have some sense of what works and what doesn't work. And

we're trying to share that expertise, but it's not something that we have a cookie-cutter response to and here you go, do this, and now everything's going to be okay.

Obviously, the governments can't do it alone. We have to help them. The private sector has to help them. The elites of these countries have to help them. I mean, that is something that the Secretary has been pushing very hard to see happen, that people pay more taxes and that people pay their fair share because, frankly, it's just disturbing the number of -- the low level of tax collection that these countries have at their disposal given how wealthy some of the wealthy people are and their lack of commitment, frankly, to this whole process. It's embarrassing, and I've told them that. And they don't like me much, but it's okay.

In any event, so it's not an easy thing for us to do, but we're going to do it. We're going to have to do it because we're talking about lives here. So that's where we are.

Let's see -- political prisoners. I know about political prisoners in Cuba. I'm not that familiar with political prisoners in Central America. You could teach me maybe a bit about that. I know there have obviously been in the past political prisoners in the region, but frankly, that is not a matter that we have seen in real form in recent years. There obviously are political issues in Central America. And we are very keen to see that the political drama that a lot of these countries face through the electoral period and the like and also in the context of some of these disputes, including the tax issue, could be resolved in a way that's in the best interests of their citizens. That's not necessarily always the case. But in terms of political prisoners per se -- at least as I define them in my mind -- I do not think there is a real issue of that, at least in the countries that I'm aware of. But you can always teach me something different. Maybe it's something I've been missing.

I think I answered -- did I answer all the questions? I hope so.

MR. CASAS-ZAMORA: I think so. Well, thank you very much, Julissa, for taking the time to be with us. It's been a terrific discussion. I also want to -- and I want to be very emphatic in this -- I also want to thank the Central American Bank for Economic Integration for making this event possible. And I certainly hope that you will join us for the November event that we plan to have on energy and infrastructure in Central America so that we continue this conversation on the future of Central America for the benefit of the region. And please join me in giving a warm round of applause to Julissa and to all our previous terrific speakers of today. And thank you all for being here.

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I, Carleton J. Anderson, III do hereby certify that the forgoing electronic file when originally transmitted was reduced to text at my direction; that said transcript is a true record of the proceedings therein referenced; that I am neither counsel for, related to, nor employed by any of the parties to the action in which these proceedings were taken; and, furthermore, that I am neither a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of this action.

/s/Carleton J. Anderson, III

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Expires: November 30, 2012