

Migration

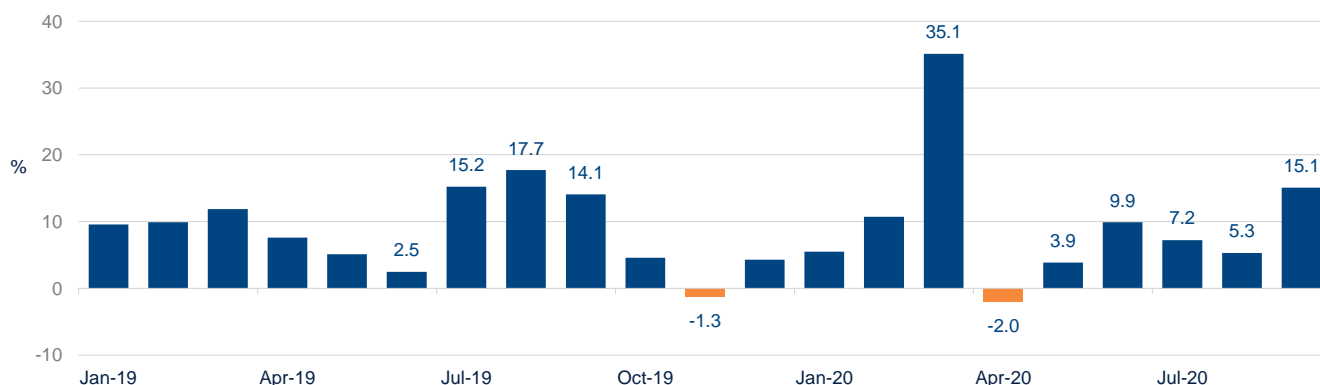
# 5 pending issues on the U.S. immigration agenda with Mexico, 2021–2024

Juan José Li Ng  
November 3, 2020

- In September, USD 3,568 million entered the country — a 15.1% increase compared to September last year. As such, remittances to Mexico in the first 9 months of the year total around USD 30 billion and are estimated to close 2020 with a cumulative amount of around USD 40 billion.
- The future of remittances to Mexico hinges on what happens at the ballot box today in the United States — the main source of this currency flow. On November, 3,239 million eligible voters will vote in the U.S. general election to choose their president for the next 4 years. The elected candidate will define the future immigration agenda, which will undoubtedly impact migration and remittances in Mexico.
- This article analyzes five important issues on the Mexican-U.S. immigration agenda, all of which will impact Mexican migration to the United States; Central American migrants in transit through Mexico; and the flow of remittances to our country and to Latin America and the Caribbean. These are: 1) the expansion of the border wall, 2) the possible tax on remittances, 3) the policy of apprehensions and the migration discourse, 4) the future of the Dreamers, and 5) the policy for asylum seekers, mainly Central Americans, and the 'Remain in Mexico' policy.

The Bank of Mexico reported that USD 3,568 million entered the country in September — a 15.1% increase compared to September last year. The total number of remittance operations amounted to 10.3 million (+8.9%), with the remittance amount amounting to USD 346. Despite the COVID-19 pandemic, remittances to Mexico continue to grow significantly, and it is estimated that by the end of this year they could amount to almost USD 40 billion.

Figure 1. **Family remittances to Mexico, 2019–2020**  
(Annual % change in USD)



Source: BBVA Research based on Bank of Mexico data

Immigration and economic policy in the United States undoubtedly has a significant impact on the flow of remittances to Mexico. In 2019, there were around 12.4 million Mexican migrants residing in the United States. When second- and third-generation Mexicans, as well as older generations, are included, the total number of people of Mexican origin living in the United States rises to 39 million (BBVA Research, Fundación BBVA, & Conapo, 2020). This is the population that, during the first 9 months of the year, has sent USD 30 billion in remittances to family and friends in Mexico. The future of remittances to Mexico hinges on what happens at the ballot box today in the United States.

## **U.S. election 2020: The country's immigration policy for the next four years will be decided today**

Today, Tuesday, November 3, 2020, will see the U.S. general election take place. In total, 435 representatives from congressional districts will be elected, as will 35 senators. Elections will also be held for various local offices, as well as for the federal district (Washington, D.C.). The 435 members of the House of Representatives, plus 100 senators (65 incumbents) and 3 members of the federal district make up the 538 members of the Electoral College that will elect the President and Vice President of the United States for the period between January 20, 2021 and January 19, 2025.

It should be noted that presidential elections in the United States are not decided by direct election, but by the Electoral College. For a candidate to become president, they require an absolute majority of Electoral College votes, that is, 270 votes. Although the Electoral College will not meet to elect the president until December 14, given the oaths that its members make to their parties and/or states of origin, we may know the outcome of the presidential election on Tuesday, November 3 or a few days later.

It is estimated that there are 239 million people of voting age who are eligible to vote in today's U.S. general election. According to data collected by the U.S. Elections Project (2020), as of this morning, 99.7 million people had already voted early: 35.7 million in person and 64.0 million by mail. If we expect the same voter turnout rate as the 2016 general election—60.1%<sup>1</sup> (U.S. Elections Project, 2018)—it is expected that around 144 million ballots will be counted. This means that on Tuesday over 44 million Americans could go to the polls or drop off their mail-in vote.

The 2020 presidential race<sup>2</sup> is between incumbent U.S. President Donald Trump of the Republican Party, who is seeking re-election for a second term and Joe Biden of the Democratic Party.

Whoever is elected president will define the future immigration agenda that will undoubtedly impact migration and remittances in Mexico. In light of this situation, this article analyzes five important issues on the Mexican–U.S. immigration agenda, all of which will impact Mexican migration to the United States; Central American migrants in transit through Mexico; and the flow of remittances to our country and to Latin America and the Caribbean.

1: Given the increased number of in-person and mail-in early voters in the 2020 elections, it is possible that voter turnout will be higher on a national level.

2: Candidates from the Libertarian Party, the Green Party and independents are also in the running, but it is unlikely that they will win.

## 5 pending issues on the U.S. immigration agenda with Mexico

### 1) The U.S.–Mexico border wall

One of President Trump's flagship campaign promises in 2016 was to build and strengthen the wall on the land border with Mexico (BBVA Research, 2017b). Estimates suggest that since President Trump took office until the beginning of this year, more than USD 11 billion has been plowed into border wall system, adding an additional 576 miles of wall. This is in addition to the approximately 650 miles of border structures that were built during the George W. Bush and Barack Obama administrations (Cárdenas, 2020). To date, there is no evidence that the border wall system has a discouraging effect or that it controls the flow of migrants to the US, although it can cause environmental problems that affect the fauna and the environment of the border regions (Garbus, 2018; Parker, 2019; Roche, Millis, Gordon, Krakoff, & Burt, 2017).

If President Trump is reelected, he will continue building the wall for the next four years, while seeking, as he promised in his 2016 campaign, to make Mexico pay the cost of its construction — either directly or indirectly. On the other hand, presidential candidate Joe Biden has indicated that if he were elected president he would halt construction of the border wall and implement technological border control methods.

### 2) The possible tax on remittances

One of the ways that President Trump's administration considered to make Mexico pay for the border wall was through introducing a tax on remittances, which could also be extended to remittances sent to Latin America and the Caribbean. The idea was discussed during President Trump's first year in office, and although there was uncertainty about the possibility of imposing a tax on remittances (BBVA Research, 2017a, 2017c), no such initiative came to fruition.

Despite the difficult economic conditions resulting from the COVID-19 pandemic, BBVA Research estimates that remittances to Latin America and the Caribbean could reach USD 70.4 billion — a year-on-year increase of 6.0%. So a 1% tax by the United States could generate revenues of USD 704 million, and a 2% tax could raise more than USD 1.4 billion. In Mexico, remittance flows in 2020 could reach around USD 40 billion, meaning that a 2% tax would mean USD 800 million less for families receiving these resources.

Fortunately, there is currently no concrete initiative in place or a plan by President Trump's administration to impose a generalized tax on remittances to Latin America and the Caribbean or to Mexico. However, the U.S. Government has applied significant restrictions on sending remittances to Cuba. In September 2019 it placed restrictions on all individuals and companies under its jurisdiction, limiting the amount that Cuban nationals can receive in remittances to USD 1000 per quarter. In September this year, President Trump's administration imposed further restrictions, including adding a ban on doing business or having relationships with one of Cuba's leading remittance companies (Pompeo, 2020; U.S. Department of the Treasury, 2019). Biden's campaign has strongly criticized the measures implemented, arguing that the families of Cuban Americans will be the most affected by not receiving these resources.

Though it is difficult to tell, it is possible that if President Trump wins re-election he will once again look again for ways to make Mexico pay for the border wall, with the remittance tax being one such way.

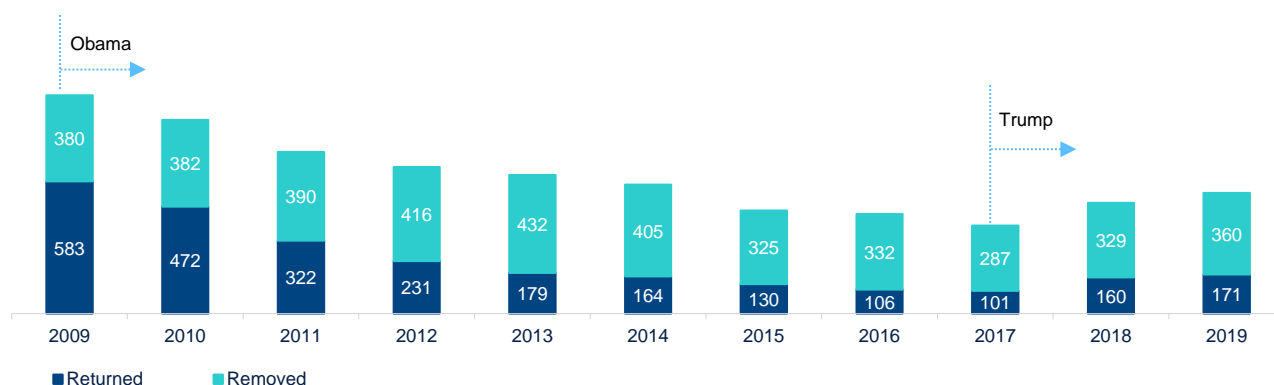
### 3) The policy of apprehensions and the migration discourse

Throughout his administration, President Trump has had an anti-migrant tone and has addressed migration as a matter of national security. It is possible that this will continue if he is re-elected. The Democratic platform, led by candidate Joe Biden, openly recognizes the contribution of migrants to the economy and reiterates that the United States is a nation of migrants from all over the world. It also notes the need to establish mechanisms so that more migrants can regularize their situation in the country, including a path to citizenship (Democratic Party, 2020; Donald J. Trump for President Inc., 2020).

While the Democratic administrations have a more favorable tone toward migrants, as far as the actions of the country's immigration authorities are concerned, statistics indicate that more migrants were removed during Barack Obama's presidency, when Joe Biden served as Vice President, which potentially caused families to be separated.

Between 2009 and 2016, a period that more or less corresponds to 8 years of the Obama administration, on average 389,000 removals (deportations) and 273,000 migrant returns were made each year. On the other hand, from 2017–2019, a period that approximately corresponds to the first three years of the Trump administration, an average of 325,000 migrants were removed each year, while 144,000 were returned.

Figure 2. **Migrants returned and removed by U.S. authorities, 2009–2019 financial years (thousands)**



Source: BBVA Research based on data from the U.S. Department of Homeland Security (DHS).

### 4) The future of the Dreamers

The term Dreamers refers to undocumented migrants who arrived in the United States as minors. They were, in general, brought to the U.S. by their parents or another relative and have a certain level of schooling, usually acquired in the U.S. Currently, the term is often used to refer to beneficiaries of the DACA (Deferred Action for Childhood Arrivals) program, which was designed to assist this demographic and was implemented through an executive branch memorandum issued by then-President Obama. DACA provides certain documentation for its beneficiaries to remain on U.S. territory, while also providing a work permit (BBVA Research, 2016).

Since his 2016 campaign, President Trump has stated that this program was unlawful and that he would repeal it so that Congress could legislate on the matter. Less than a year after taking office, in September 2017, President Trump ordered that the policy be terminated, affecting around 800,000 Dreamers, of which 630,000 were of Mexican origin (BBVA Research, 2017d). After various complaints were submitted to the judiciary by civil society organizations and collectives of DACA beneficiaries, in early 2018 two Federal Judges ruled that current beneficiaries of the program must be allowed to renew their status in the program, however, new applications

would not be accepted. Finally, in June 2020, the United States Supreme Court ruled that the decision to rescind the DACA program had violated the Administrative Procedure Act (Supreme Court of the United States, 2020; USCIS, 2018).

In 2020, there were around 644,000 active beneficiaries of DACA, of which 517,000 are Mexican (80%). This means that the DACA program mainly benefits Dreamers who were born in Mexico (USCIS, 2020). The Supreme Court ruled that the procedure used to rescind DACA was inappropriate, not the program itself. This implies that should President Trump be re-elected, actions could once again be taken to dismantle the program. In contrast, during his campaign Biden has strongly criticized these actions taken against Dreamers and has stated that, if he becomes president, he will implement mechanisms for these young people to obtain citizenship (Democratic Party, 2020; Donald J. Trump for President Inc., 2020).

## 5) The policy for asylum seekers, mainly Central Americans, and the 'Remain in Mexico' policy

In the past 15 years, there has been a significant increase in the migration of adults, families and unaccompanied minors from the Northern Triangle of Central America (Guatemala, Honduras and El Salvador), all making the journey to reach the United States in search of the 'American Dream.' Economic conditions, a lack of opportunities, insecurity and violence are some of the main reasons behind their migratory exodus. Part of their journey includes crossing Mexico by land, mainly on foot, on the road using a bus or another vehicle, or on the train known as 'The Beast'. In the face of this humanitarian crisis, not only have migrants grown in number, but many migrant houses, shelters, and canteens across Mexico have been adapted to support these groups. At the beginning of 2020, it was estimated that there were almost 100 migrant houses, shelters and soup-kitchens operated by civil society organizations and/or religious organizations in Mexico (BBVA Research, 2020).

As migratory flows are largely undocumented, the true number is unknown, the only data available comes from apprehensions made by immigration authorities in both Mexico and the United States. Between 2010 and 2019, the Department of Homeland Security (DHS) returned or removed 929,000 Central American migrants from Guatemala, Honduras or El Salvador. In the same period, estimates suggest that Mexico returned 981,000 migrants from these three countries (BBVA Research, Fundación BBVA, & Conapo, 2020; DHS, 2020).

To reduce the flow of undocumented Central American migrants, on December 20, 2018, President Trump's administration announced the implementation of the Migration Protection Protocols (MPP). Under the protocols any non-Mexican asylum seeker entering via the southern border of the United States would remain outside U.S. territory until they were granted asylum. Thus, except in cases where the U.S. Government decides at its discretion to allow asylum seekers to enter U.S. territory, all other asylum seekers, mainly from Central America, must remain in Mexico or other countries, such as Guatemala (DHS, 2018, 2019). For this reason, the program has come to be known colloquially as 'Quédate en México' or 'Remain in Mexico.' In light of these provisions, Mexico has stated that, in accordance with its laws and for humanitarian reasons, it will allow these asylum-seekers to enter the country (SRE, 2018).

From January 2019 to September 2020, more than 68,000 migrants seeking asylum in the United States—mainly from the Northern Triangle of Central America—were returned to Mexico under the MPP program to await a decision on their application for asylum. Of the resolved cases, only 1.4% have been granted asylum (TRAC, 2020).

The policy implemented by President Trump as managed to reduce the flow of Central American migrants into the country — or it has at least the number of migrants who attempt to enter the United States by seeking asylum. So, if President Trump were re-elected, the MPP would continue. Should judicial authorities in the United States determine that the MPP is unlawful, the Trump administration would seek other means to deter Central American

migrants, regardless of whether this means they would have to remain in Mexico. With regard to these protocols, Biden has only argued that the MPP is unprecedented in the United States, but has not adopted a clear stance on it. As such, it would be an outstanding issue that he would have to navigate should he win the presidency (Lind, 2020; Valverde, 2020) .

## References

- BBVA Research. (2016). Acción Diferida para los Llegados en la Infancia (DACA), 2012-2015. *Situación Migración México, 1er semest.*
- BBVA Research. (2017a, January 2). Ante posibles restricciones, las remesas crecieron 24.7% en noviembre. Retrieved from <https://www.bbvaresearch.com/publicaciones/mexico-ante-posibles-restricciones-las-remesas-crecieron-24-7-en-noviembre/>
- BBVA Research. (2017b, January 27). Trump define su política migratoria para los próximos meses. Retrieved from <https://www.bbvaresearch.com/publicaciones/mexico-trump-define-su-politica-migratoria-para-los-proximos-meses/>
- BBVA Research. (2017c, February 8). ¿2% de impuesto a las remesas a México? Retrieved from <https://www.bbvaresearch.com/publicaciones/mexico-2-de-impuesto-a-las-remesas-a-mexico/>
- BBVA Research. (2017d, September 8). ¿El final de DACA para 800 mil dreamers? 630 mil son mexicanos. Retrieved from <https://www.bbvaresearch.com/publicaciones/mexico-el-final-de-daca-para-800-mil-dreamers-630-mil-son-mexicanos/>
- BBVA Research. (2020, March 2). Mapa 2020 de casas del migrante, albergues y comedores para migrantes en México. Retrieved from <https://www.bbvaresearch.com/publicaciones/mapa-2020-de-casas-del-migrante-albergues-y-comedores-para-migrantes-en-mexico/>
- BBVA Research, Fundación BBVA, & Consejo Nacional de Población [Conapo]. (2020). *Anuario de Migración y Remesas México 2020*.
- Cárdenas, V. G. (2020, January 19). \$11 Billion And Counting: Trump's Border Wall Would Be The World's Most Costly. *NPR*. Retrieved from <https://www.npr.org/2020/01/19/797319968/-11-billion-and-counting-trumps-border-wall-would-be-the-world-s-most-costly>
- Democratic Party. (2020). *2020 Democratic Party Platform*.
- Donald J. Trump for President Inc. (2020). Promises Made, Promises Kept! Retrieved from <https://www.promiseskept.com/>
- Garbus, M. (2018). Environmental Impact of Border Security Infrastructure. *Tulane Environmental Law Journal*, 13(2), 327–344.
- Lind, B. (2020, October 28). Trump Got What He Wanted at the Border. Would Biden Undo It? *ProPublica*. Retrieved from <https://www.propublica.org/article/trump-got-what-he-wanted-at-the-border-would-biden-undo-it>
- Parker, L. (2019, January 10). 6 ways the border wall could disrupt the environment. *National Geographic*. Retrieved from <https://www.nationalgeographic.com/environment/2019/01/how-trump-us-mexico-border-wall-could-impact-environment-wildlife-water/>
- Pompeo, M. (2020, September 28). Addition to the Cuba Restricted List. *Press Statement*. Retrieved from <https://www.state.gov/addition-to-the-cuba-restricted-list/>
- Roche, D., Millis, D., Gordon, A., Krakoff, S., & Burt, S. (2017). Environmental Impacts of the Border Wall. *Environmental Law Reporter*, 47(6).
- Secretaría de Relaciones Exteriores [SRE]. (2018, December 20). Position of Mexico on the Decision of the U.S. Government to Invoke Section 235(b)(2)(C) of its Immigration and Nationality Act. Retrieved from <https://www.gob.mx/sre/en/articulos/position-of-mexico-on-the-decision-of-the-u-s-government-to-invoke-section-235-b-2-c-of-its-immigration-and-nationality-act-185795?idiom=en>
- Supreme Court of the United States. (2020, June 18). Department of Homeland Security et al. v. Regents of the University of California et al. Retrieved from [https://www.supremecourt.gov/opinions/19pdf/18-587\\_5ifl.pdf](https://www.supremecourt.gov/opinions/19pdf/18-587_5ifl.pdf)
- Transactional Records Access Clearinghouse [TRAC]. (2020). *Details on MPP (Remain in Mexico) Deportation Proceedings*.
- U.S. Citizenship and Immigration Services [USCIS]. (2018, January). Deferred Action for Childhood Arrivals: Response to January 2018 Preliminary Injunction. Retrieved from <https://www.uscis.gov/archive/deferred-action-for-childhood-arrivals-response-to-january-2018-preliminary-injunction>



- U.S. Citizenship and Immigration Services [USCIS]. (2020, July 22). Approximate Active DACA Recipients. Retrieved from <https://www.uscis.gov/sites/default/files/document/data/Approximate Active DACA Receipts - March 31%2C 2020.pdf>
- U.S. Department of Homeland Security [DHS]. (2018, December 20). Secretary Kirstjen M. Nielsen Announces Historic Action to Confront Illegal Immigration. Retrieved from <https://www.dhs.gov/news/2018/12/20/secretary-nielsen-announces-historic-action-confront-illegal-immigration>
- U.S. Department of Homeland Security [DHS]. (2019, January 24). Migrant Protection Protocols. Retrieved from <https://www.dhs.gov/news/2019/01/24/migrant-protection-protocols>
- U.S. Department of Homeland Security [DHS]. (2020). *Yearbook of Immigration Statistics 2019*.
- U.S. Department of the Treasury. (2019, September 6). Treasury Issues Changes to Strengthen Cuba Sanctions Rules. *Press Release*. Retrieved from <https://home.treasury.gov/news/press-releases/sm770>
- U.S. Elections Project. (2018, September 5). 2016 November General Election Turnout Rates. Retrieved from <http://www.electproject.org/2016g>
- U.S. Elections Project. (2020, November 3). 2020 General Election Early Vote Statistics. Retrieved from <https://electproject.github.io/Early-Vote-2020G/index.html>
- Valverde, M. (2020, August 12). Joe Biden asked about asylum seekers in camps in Mexico, "This is the first time ever you've had to seek asylum in a third country." *PolitiFact*. Retrieved from <https://www.politifact.com/factchecks/2020/aug/12/joe-biden/fact-checking-joe-bidens-claim-asylum-seekers-mexi/>

## DISCLAIMER

This document was prepared by Banco Bilbao Vizcaya Argentaria's (BBVA) BBVA Research and BBVA Bancomer S. A., Institución de Banca Múltiple, Grupo Financiero BBVA Bancomer on behalf of itself and is provided for information purposes only. The information, opinions, estimates and forecasts contained herein refer to the specific date and are subject to changes without notice due to market fluctuations. The information, opinions, estimates and forecasts contained in this document are based upon information available to the public that has been obtained from sources considered to be reliable. However, such information has not been independently verified by BBVA Bancomer, and therefore no warranty, either express or implicit, is given regarding its accuracy, integrity or correctness. This document is not an offer to sell or a solicitation to acquire or dispose of an interest in securities.