FORGING NEW DIRECTIONS IN IMMIGRATION POLICY:
TRANSNATIONAL JOURNEYS, WHITE HOUSE PRESENTATION, AND
PRESIDENTIAL CANDIDATES FORUM

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Executive Summary

This research report is focused on migration dynamics between the United States and sending countries (Mexico and Central America), with the intent of creating a new generation of immigration policies that will generate economic benefit to the United States as well as address the root causes of out migration in sending regions. Rejecting mass deportations and building border walls that will result in disastrous economic consequences, this report analyzes the immense national and local economic benefits of legal immigration and legalizing the undocumented population. The report furthermore analyzes the much larger untapped potential for transnational immigrant remittance and financial empowerment for reducing inequality within and across borders. The report is the result of a year-long series of UCLA research seminars that involved transnational fieldwork in the U.S., México, and El Salvador in December 2015, a presentation of our findings at the White House and the U.S Capitol in March 2016, as well as the hosting of a presidential candidate surrogate forum on immigration policy at UCLA in May 2016, including surrogates for Secretary Hillary Clinton, Senator Bernie Sanders and anti-Trump GOP members.

The report is designed to present research on:

1. the economic contributions of immigration to the U.S and the density of transnational relationships with sending countries,

2. the economic impacts resulting from immigration reform vs. mass deportations,
3. the use of alternative forms of immigrant empowerment (DACA, DAPA, and City IDs); resulting in temporary improvement for local economies and immigrant rights, and

4. the development of new policy strategies for addressing the root causes of migration from migrant sending countries by building remittance and financial alliances with immigrant diasporas within the United States.

The fundamental conclusions of this research report are:

- Rejecting mass deportations and building border walls that will result in disastrous economic consequences estimated at over $2.6 trillion loss in GDP over ten years.

- Executive actions such as DAPA and DACA will produce dramatic economic benefits for U.S. communities (over $750 billion) and should be supported by the next President with the support of the newly constituted SCOTUS.

- Congressionally approved Comprehensive Immigration Reform (CIR) that legalizes the undocumented population and establishes legal future immigration will produce immense national and local economic benefits estimated to be $1.5 trillion over 10 years.

- Border and immigration enforcement policies and expenditures must be radically reformed. Costs per apprehension in 1992 were approximately $1,100, while today we are spending close to $45,000 per apprehension. The report critiques the argument for more enforcement expansion within CIR, which is based more on anti-immigrant rhetoric than fiscally sound legislation.

- The report furthermore analyzes the much larger untapped potential for transnational immigrant remittance and financial empowerment for reducing inequality within and across borders and addressing the root causes of migration.

The report is organized in eight chapters based on the presentations in Washington D.C. and the presidential candidate surrogate forum hosted at UCLA.
Summary of White House and Congressional Presentation

Our presentations on transnational immigration dynamics in Washing D.C. in March 2016 was divided into four parts, each addressing different aspects of the research findings. The presentation slides are now embedded into corresponding text of the report.

Chapter 1: Focuses on the economic contributions and dynamics of transnational migrant communities in order to highlight the importance of migration within sending and receiving areas. Two alternative scenarios are introduced: the current Vicious Cycle and a potential Virtuous Cycle. The former describes the current dynamics linking transnational migrant communities and the root causes of out migration, while the latter proposes solutions to reverse these transnational dynamics. Finally, this chapter discusses some of the fieldwork performed and provides a critical analysis of recent policy initiatives to address migration and development issues.

Chapter 2: Focuses on analyzing the economic impact of alternative U.S. immigration policies approaches such as Comprehensive Immigration Reform, mass deportation, and temporary relief programs at both state and local levels. In addition, various case studies are presented that highlight the comparative impact and importance of a minimum wage increase and access to healthcare for immigrant communities.

Chapter 3: Introduces new policy approaches aimed at addressing the lack of access to financial banking for immigrants in the U.S., and focuses on the new wave of City ID technologies. This chapter covers the history of City ID movements and strategies, as well as the
presentation of two student projects concerned with financial services available to undocumented immigrants. The first project explores the difficulty of obtaining banking services without identification documents such as state IDs and social security numbers. The second project analyzes the cost effectiveness of a new 2.0 wave of City ID Debit Cards. Lastly, this chapter describes the potential financial and social benefits that immigrants can obtain through technological innovations, such as the 2.0 City ID Debit Cards linked to mobile phones.

**Chapter 4:** Addresses the root causes of out migration, and explores the changes that are needed in current developmental programs that aim to reverse the economic need of migrant sending communities. The objective is to ensure the long term efficiency and sustainability of development programs, while also maximizing available potential sources of investment. This chapter also covers the progress achieved in transnational mobilization of resources by programs such as "3x1" and the Consejo de Federaciones Mexicanas de Norte America (COFEM) with specific examples of successful transnational productive projects. The chapter concludes with a proposal for creating a migrant savings bond, that utilizes remittances and mobile technology in order to foster economic sustainability and directly address the root causes of out migration.

**Summary of UCLA Presidential Primary Surrogate Forum**

The purpose of the Presidential Primary Surrogate Forum in May, 2016 was to discuss and discern the California presidential primary candidates’ positions on immigration policy and to determine areas of agreement and disagreement. Club de Estudiantes de UCLA members delivered research based presentations focused on the immigration platform proposed by the presidential candidates and their relevance to the complex realities of Mexico and El Salvador transnational communities located in the County of Los Angeles. The main questions posed at
the forum were designed to determine areas of agreement and disagreement with respect to Comprehensive Immigration Reform. Club de Estudiantes de UCLA probed the surrogates positions on the three major typical topics associated with Comprehensive Immigration Reform: 1) legalization, 2) future flows, and 3) enforcement. While not part of recent CIR proposals, historically there has also been a fourth area of policies that has been concerned with addressing the root causes of migration. Club de Estudiantes addressed each of these four component areas of Comprehensive Immigration Reform during the forum event, which is presented in four additional chapters.

The Presidential Primary Surrogate Forum brought together surrogates for the campaigns of Hillary Clinton (Dolores Huerta, American Labor Leader and Civil Rights Activist Xavier Becerra, Congressman for California’s 34th Congressional District) and Bernie Sanders (Erika Andiola, Immigration Activist from the Arizona Dream Action Coalition, and Cesar Vargas, National Latino Outreach Strategist for the Bernie Sanders 2016 Presidential Campaign), as well as Abel Maldonado, former Lieutenant Governor of California and anti-Trump member of the Republican Party.

**Chapter 5:** First, we analyzed each of the candidates’ stance on legalization, focusing on the candidates' previous positions on pro-immigrant legislation and their current plan of action for providing the nation’s 11.3 million undocumented immigrants with a pathway to legalization and U.S. citizenship.

**Chapter 6:** Second, we focused on the candidates' position on future flows of immigration, focusing on mechanisms for legally brining in new immigrants to meet the economic and social needs of the U.S.
Chapter 7 Third, we critiqued the candidates' positions on immigration enforcement policies, highlighting the immense costs of border enforcement and its continuing growth. As enforcement expenditure rises, the number of overall apprehensions have plummeted. This chapter problematizes the argument for the need of more enforcement expansion, which is based more on anti-immigrant rhetoric than fiscally sound legislation.

Chapter 8 Finally, we probed the candidates' positions addressing the transnational root causes of migration. We examined previous immigration reform policies—such as the Bracero Program and the U.S. Immigration Reform Act of 1965—which have aimed at addressing the root causes of migration. In addition, this chapter discusses the benefits of new remittance saving bond and mobile ID Debit Card technologies as a form of immigrant empowerment and transnational financial inclusiveness.
Part I: Washington DC Presentation: New Faces of Transnationalism

Chapter 1: Los Angeles as a Global City

The City of Los Angeles is regularly praised as a dynamic and productive global city. However, Los Angeles must also be understood as a transnational society that links large working poor immigrant communities in the U.S. with economically-distressed and migrant-sending villages in both Mexico and El Salvador. Los Angeles is a dynamic leader in terms of trade, investment, and tourism which generated $584.5 billion in Gross Domestic Product (GDP)\(^1\) last year alone. While the value of Los Angeles exports last year was an impressive $127 billion\(^2\) which helped support 177,000 jobs,\(^3\) it is important to stress that immigration contributes much more to the Los Angeles economy than trade and tourism combined. It is also vital to recognize that immigrants in the U.S. generate tens of billions of dollars in remittances which help sustain villages and communities throughout the world.

To better examine the impact of transnational communities in Los Angeles, we explored three of the most dynamic and transnational communities in the California: Mexicans, Salvadorans, and Koreans. These groups are also representative of the ethnic makeup of the students who worked on this project. Overall, there are nearly one million undocumented immigrants living in Los Angeles, more than any other metropolitan area in the United States. These immigrants add $59 billion\(^4\) to the Los Angeles economy and support 1.2 million jobs.\(^5\)

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2 Ibid.
3 Ibid.
4 Ibid.
However, their immigration status depresses their potential economic contribution and locks them into a continuous state of poverty due to a variety of factors including low wages, identity challenges, and financial exclusion. Immigrants remain financially disempowered despite the immense economic contributions they make to Los Angeles and their home countries.

From a transnational perspective, we must not only measure how much immigrants contribute in the United States, but also how much they contribute to their country of origin through remittances. For example, remittances from Los Angeles to México are $4.7 billion\(^6\) out of a total of U.S.-Mexico remittances of $25.7 billion.\(^7\) Remittances from Los Angeles to El Salvador are nearly $1.7 billion,\(^8\) out of a total of $4.7 billion remittances from the U.S. to El Salvador. Meanwhile, Koreans in Los Angeles send $1.5 billion\(^9\) out of a US-Korean total remittances flow of 5.7 billion.\(^10\) (See Figure 1.1)

\(^5\) Ibid.


\(^7\) Ibid.


\(^11\) Ibid.
The importance of these diasporas to the origin country goes much beyond remittances. Instead of examining diasporas merely as a remittance resource for their home countries, they should also be understood as important trade markets and potential sources of savings, insurance and investment. The need for this understanding becomes clear once we look at the comparison of diaspora gross product to country of origin GDP. The Salvadoran diaspora produces $76 billion\(^{12}\) (See Figure 1.2) in U.S. output, which is about three times the annual GDP of El Salvador. Similarly, the GDP of the Mexican diaspora surpasses the GDP of Mexico. These figures show a huge source of potential for partnership that can be aimed at economic development in the countries of immigrant origin.

The current relationship between transnational communities in Los Angeles and their country of origins falls under what we call, a Transnational Vicious Cycle. The concept of a vicious cycle allows one to see the root causes of migration and the huge loss of potential economic contributions of these transnational communities. Yet, this Vicious Cycle can be turned into a Transnational Virtuous Cycle, starting with an immigration reform, but more comprehensively, with the mobilization of remittances for the creation of sustainable economic prospects in sending countries that will address the root causes of out-migration.

This Vicious Cycle links undocumented migration to a lack of economic opportunity, followed by the demand for easily exploitable immigrant labor through transnational networks. Being undocumented lowers wages, which ironically increases the demand for undocumented immigrant workers in the U.S. The Vicious Cycle continues because an undocumented status is
also associated with the highly unbanked financial exclusion that makes it very difficult for immigrant communities in the United States to accumulate assets and advance economically.

Nevertheless, undocumented immigrants provide a great deal of economic value. They produce large amounts of remittances, which are mostly sent back in cash to their communities. The problem lies between the lack of financial inclusion and cash remittances not being able to yield sustainable economic savings and investments, either at home or abroad. On the contrary, the presence of large amounts of cash in these communities creates inflation, high levels of consumption, and low levels of investment – a situation which economists call the “Dutch Disease.”

The “Dutch Disease,” in combination with low levels of savings and investment in origin countries, leads to greater income inequality between households that receive and households that do not receive remittances. Inaccessibility to banking institutions, savings account, or investments results in lack of job-creating opportunities, thus creating external dependence to communities in the United States and encouraging further out-migration (setting aside U.S. labor market needs) (See 1. 3).
However, this Vicious Cycle can be turned into a Virtuous Cycle, (See 1.4) through a series of coordinated transnational policy reforms that can help reverse the root causes of these dynamics. We strongly acknowledge that immigration reform is an integral part of a solution to begin to address the vicious cycle. However, immigration reform also ought to include financial inclusion, transnational technologies for mobilizing remittances, and developments of mechanisms for savings and investments, in order to generate opportunities in migrant-sending villages.
One of the innovative mechanisms we propose are the City ID Debit Cards—a form of financial empowerment that allows immigrants to have transnational financial services. This technology will reduce the cost of remittances, while also allowing remittances to be saved within diaspora development bonds. These cluster services will help keep transnational families financially stable and will open the opportunity for investments in local businesses across countries.

Further in this report, specific examples will be presented that show how transnational diasporas in the U.S along with the help from local and national governments, can create innovative strategies for utilizing remittances. As well as initiatives for turning savings into engines for productive investments.
Recently, in an announced attempt to address the root causes of out migration, the U.S. Government in conjunction with regional governments have proposed *The Alliance for Prosperity in the Northern Triangle*. This proposal is commendable, in that it explicitly addresses root causes of migration, unlike previous initiatives like *Partnership for Growth* or *Millennium Challenge Corporation*. However, it also fails to consider important transnational perspectives regarding the supply and demand factors underlying migration. Most importantly, it does not take into account the significant role of the diaspora income and remittances that could mobilize the investment resources necessary to attack structural lack of sustainable employment opportunities. This transnational perspective is necessary for a truly comprehensive U.S. immigration policy reform and a regional plan to address the root causes of migration. Ultimately, helping one see how legal migration and empowered remittances can be utilized as great engine for closing regional development gaps.

Our research on Los Angeles transnationalism employs both a micro-geographic and ethnographic perspective. It uses large-scale transnational data bases of migration and remittance flows between villages in México and El Salvador to a wide range of U.S. zipcodes. A group of students in this research article undertook studies exploring two communities in Los Angeles and their connections to their home countries. We present them as case studies: one in Venice Beach, where we conducted interviews to explore the relationship between Korean shop owners, and their Oaxacan workers who have strong ties to their Zapotec origin villages in Oaxaca, México.

In our second case study we examined a network of interconnected Central American communities in Pico Union to a group of villages in Eastern El Salvador, particularly Jiquilisco, Usulután. These transnational corridors were studied through the UCLA NAID center, which provided a detailed database that can be navigated in a (G.I.S) mapping and statistical system.
Venice Beach Boardwalk receives millions of visitors each year. Despite being the second most visited destination in Southern California, the millions of people who walk the boardwalk are oblivious to the transnational intersectionality of two five thousand year-old civilizations, represented by Korean shop owners and their Zapotec-Oaxacan immigrant workers. For the purpose of our census, our student research group split into Spanish and Korean speaking teams in order to conduct a comprehensive set of interviews for our Korean and Oaxacan subjects. Our first observation was that Koreans and Oaxacans in the Venice Boardwalk. Our investigation led us to understand a symbiotic relationship between the two groups as they work together to survive in this country.

The map on 1.5 has pinpoint locations of the Korean shops where Oaxacans work. One can also see the Oaxacans migration patterns from their home villages like San Sebastian, Abasolo Oaxaca, while tracking where they send their remittances. On the right-hand side there is a similar map for the Koreans from Venice Beach, back to their villages where they migrated from. This maps indicates transnational networks of Koreans and Oaxacans in Venice at a micro geographic level.
The conducted interviews brought light to the adversities that undocumented workers experience to survive in a new country. Eva, a thirty year-old Oaxacan worker, revealed that she was earning $45 a day on a 10 hour shift, in 2006, at the Korean T-shirt shops in Venice. To put this in perspective, the state minimum wage was $6.75 per hour in 2006, Eva was earning $4.50 an hour in 2016. Despite earning below the minimum wage, Eva has managed to send $150 in remittances each month to her family in Abasolo, Oaxaca. She also expressed how her economic condition would positively change after an immigration reform. Eva feels she would then be able to travel back home and send more money to her family in México with an immigration reform.

The Korean shop owners who we interviewed supported the legalization of their immigrant workers despite knowing they have to pay them higher wages as implied by
legalization. Thus, contradicting the intuition that under an immigration reform shop owners would simply hire new immigrant workers to replace their existing undocumented workers

Manuel, the second interviewee, migrated to the U.S. from Abasolo, Oaxaca. He is a Venice Beach artist, who sells dream catchers in order to sustain himself and send remittances to his family. Last December, a number of UCLA students went to Abasolo, Oaxaca to interview transnational families like Manuel's parents and his sister. His family explained that through Manuel’s remittances they were able to build their private business, a beauty salon, that is now a sustainable source of income in their community. They mentioned how without Manuel’s remittances they wouldn’t have been able to build a business that sustains them in their community.

Another study was conducted with the help of the UCLA NAID center transnational GIS databases. It has an extensive transnational data tool that tracks migration and remittances from zip codes in the U.S. to municipalities in El Salvador and Mexico. This transnational database analysis allows us to explore four predictors for emigration: established networks, economic conditions, extortion rates, and cash remittances. The most important predictor of emigration, is the establishment of social networks. One prime example of this social dynamic is, what occurs in between Jiquilisco, Usulutan and Pico Union, Los Angeles. Large proportions of people from Jiquilisco arrive to Pico Union and consequently send back remittances to their village. A secondary related predictor is, the relative economic condition of their origin municipalities compared to specific immigrant communities in the U.S. With this tool one can thus understand the linkage between the lack of economic opportunities compared to the demand for immigrant labor in U.S communities. It is important to point out that high murder rates in particular municipalities are not a strong predictor of out migration patterns. The results show that
emigration is strongly associated with high rates of extortion. High rates of extortion are closely associated with high levels of inequality between households that receive remittances and as well as high levels of unemployed youth with low levels of education.

We believe that this type of micro GIS transnational analysis can facilitate developing strategies that empower transnational social networks and enhance their livelihoods. Rather than focusing on police actions that target crime and violence via incarceration, there needs to be a focus on expanding economic opportunities. Such opportunities are feasible by utilizing transnational remittance networks and concentrating on youth job-creating initiatives. These opportunities provide alternatives to extortion activities, and ultimately have a positive impact on out-migration patterns. This database, also allows one to measure how savings and investments from remittances can provide higher amount of resources to the municipalities compared to programs like MCC. MCC proposes spending 277 million in infrastructure over a span of 5 years\textsuperscript{13}. However, it does not seek to engage the estimated 21 billion dollars in remittances that El Salvador would receive into migrant sending villages over the same period of time. Later in the report, there will be further exploration of strategies for harnessing and leveraging remittances flows into savings bonds, and job creating investments targeted to transnational migration corridors.

\textbf{Chapter 2: Immigration Policy}

This section will cover an in depth economic analysis of various immigration policies: comprehensive immigration reform, mass deportation, and temporary relief programs such as

Deferred Action for Childhood Arrivals and Deferred Action for Parents of Americans. The economic impact of these policies will be analyzed at the national, state and local level. There will also be a further analysis of other related policy case studies including: Minimum Wage Increase in Pico Rivera, Los Angeles, and Healthcare For All in California.

Why is comprehensive immigration reform important? At the federal level there is an estimated 41.3 million foreign born individuals, and about 11.3 million of them, are undocumented. Specifically in California, there are about 10.5 million foreign born people, which account for 27% of the total population. Of those, 2.6 million are undocumented. Furthermore, the Los Angeles County has about 3.4 million foreign born people, who account for roughly 33% of the state’s foreign born population. Lastly, nearly 1 million people in L.A. County are undocumented. Moreover, the temporary relief programs of DACA+/DAPA, have an eligible applicant population of about 5.2 million people at the federal level, 1.57 million at the CA state level, and 466,000 at the L.A. county level. (See 2.1)


\[\text{\textsuperscript{17}}\] Ibid


\[\text{\textsuperscript{21}}\] Ibid.
Figure 2.1

<table>
<thead>
<tr>
<th>Immigration Demographics</th>
<th>Federal</th>
<th>California</th>
<th>Los Angeles County</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Foreign-Born</td>
<td>41.3 million</td>
<td>10.5 million</td>
<td>3.4 million</td>
</tr>
<tr>
<td>Total Undocumented</td>
<td>11.3 million</td>
<td>2.6 million</td>
<td>1 million</td>
</tr>
<tr>
<td>Eligible DAPA/DACA</td>
<td>5.2 million</td>
<td>1.57 million</td>
<td>466,000</td>
</tr>
<tr>
<td>Population</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Shifting focus to CIR – a reform that creates a pathway to legal status for those without status in the U.S. and establishes flexible limits on permanent and temporary immigration– if implemented, it is expected to result in an annual increase of Gross Domestic Product (GDP) by about 0.84%. A figure that translates into an additional $1.5 trillion to the US economy over the span of 10 years and also reduces the federal deficit by $850 billion over the next 20 years. On a local level, using Los Angeles as a case study, there will be an estimated $10 billion increase in labor income and a $1.9 billion increase in net tax revenue, along with the creation of 211,000 new jobs.

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20 Ibid
23 Ibid
Furthermore, temporary work permit programs, which include DACA+ and DAPA would generate about $792 billion over the next 10 years\textsuperscript{24}. Temporary work permit programs only offer part of the benefits offered by CIR. On the other end of the spectrum, mass deportations, as suggested by some presidential candidates, would actually cause the economy to contract by $2.6 trillion over the span of 10 years\textsuperscript{25}. In order to carry out an operation that would expel 11.3 million people from the country, it would require a system of immigration police enhancement and the construction of large holding areas. Even more preposterously, ending birthright citizenship and associated deportations would result in a $6.3 trillion loss on behalf of the economy being denied the generated income of these individuals during a 40 year employment period\textsuperscript{26}. Unfortunately, the stalling of comprehensive immigration reform has led the President, and other local leaders to create alternative policies to empower and aid the undocumented population.


\textsuperscript{25} Ibid

In June 15, 2012, President Obama took action and issued an executive order, Deferred Action for Childhood Arrivals (DACA). DACA offers a two year relief from deportation, a social security, and work authorization. The DACA Project, conducted original research to determine the national economic impacts of DACA. Overall, the research shows that DACA had positive economic impact in terms of salary and increasing employment on DACA renewal recipients. For example, according to the survey conducted by the DACA Project in 2012, the average annual salary of a DACA eligible applicant was $4,508. After the renewal process in 2014, the average annual salary of DACA renewal applicants rose to $12,153. The results indicate a 174% increase in income over a period of 2 years since DACA’s implementation. Furthermore, prior to DACA, 176 out of the 308 individuals that were surveyed reported being unemployed. After DACA renewals, 122 out of the 176 unemployed individuals, reported being
employed. Overall, the economic benefits of DACA have proven to have an immense contribution to our country.

On November 20, 2014, President Obama announced executive actions that would expand the existing DACA program and would create Deferred Action for Parents of America (DAPA). Specifically, DAPA was created to allow parents of U.S. citizens and permanent residents to remain in the U.S. and work without the fear of deportation. On February 16, 2015, Texas and 25 other states filed a lawsuit targeting two of President Barack Obama’s most recent executive actions: DACA expansion and the DAPA program. Although these states argue that the DACA expansion and DAPA will cause irreparable harm on their states, they neglected to consider the economic and fiscal benefits that DACA+ and DAPA will potentially generate in their state’s economy. According to the UCLA NAID Center, the potential economic contributions would be of no irreparable harm at all. Ironically, Texas, the state that claims to have the most to lose, would actually benefit the most with an estimated $32.9 billion if these programs were implemented.

More precisely, DAPA/DACA+ have a nationwide eligible applicant population of about 5.2 million. Together, these individuals add more than $274 billion dollars annually, to the U.S. economy. With the full implementation of DAPA/DACA+, the potential beneficiaries will contribute $329 billion dollars per year to U.S. GDP. Collectively, DAPA/DACA+ eligible individuals pay more than $49.9 billion dollars in personal, sales, and business taxes per year. A figure that would increase by $12.5 billion in new tax revenue, adding up to a total tax contribution of over $60 billion dollars on behalf of the 5.2 million who are potentially DAPA/DACA+ eligible.
Given that California is the leading state when concerning the undocumented eligible DACA+ and DAPA population, we have decided to take a closer look at Los Angeles County; a leading center for transnational immigration. The most densely populated undocumented cities in LA County range from Huntington Park at 21% to Pico Rivera with 12% of their respective populations consisting of undocumented immigrants. Although legislators often take measures through state and local level policies geared toward the general population, some measures can also benefit the immigrant population. For example, in Los Angeles, there are an estimated 200,000 potential DACA+ and DAPA applicants who would benefit from a policy that raises the minimum wage to $15 an hour. The UCLA NAID Center conducted a study on the impacts of raising the minimum wage in the city of Pico Rivera. The Pico Rivera case study was based on the premise that Pico Rivera is one of many cities that is densely populated with immigrants. The general working population is estimated to be at around 18,000 workers, with an average of over 8,000 workers who earn less than $15 an hour. This particular case study focused on the estimated 5,000 workers who both work and live in the Pico Rivera area. Out of the estimated 5,000 workers, about 1,000 of them live under the poverty line and 44.8% of them make less than $10 an hour. Despite being employed, these workers live well under the poverty line. To further understand the importance of raising the minimum wage, the UCLA NAID Center compared its benefits with the economic impact of the possible implementation of DACA+ and DAPA. A total of nearly 10,000 people would be positively affected by a minimum wage increase, in comparison with DACA+/DAPA, which would positively affect over 4,000 people. When analyzing the total annual labor income increase, in the city of Pico Rivera alone, raising the minimum wage would have a positive economic impact of $72.1 million. On the other hand, DACA+ and DAPA will generate a total of $14.4 million. Additionally, if the minimum wage of
the city of Pico Rivera were to increase, we would witness an increase of $49.5 million in new tax revenue. Meanwhile DACA+ and DAPA will contribute a total of $9.9 million in new tax revenue.

Figure 2.3

California has been widely recognized as a leader in progressive and immigrant friendly legislation. The latest attempt to empower the undocumented community has come through the efforts of California Senator Ricardo Lara who represents California’s 33rd district. Nationwide, undocumented immigrants have limited access to healthcare as they are explicitly excluded from President Obama’s Affordable Care Act. Emergency Medicare is the only resource that undocumented immigrants possess. Specifically, Emergency Medicare provide access to the emergency room, covers pregnancies, and treats cervical breast cancer for up to 18 months. Emergency Medicare creates an inefficient healthcare system in which people can only get
treated once they are facing a serious health issue. They can’t access preventative healthcare, such as regular check ups intended to address an illness at an early stage. Overall, the current available care is purely interventional, and often times, it comes too late.

Not too long ago, California passed Senate Bill 4, to help address this problem. SB 4 is a tremendous victory for the inclusion of the undocumented population because now all children will have access to preventative health care, regardless of their immigration status. SB 4 will benefit an estimated 170,000 children in California, who will transition smoothly from emergency medical to full scope medical. Although the passage of SB 4 is remarkable success, SB 10 (Health for All Adults) has not yet passed. The concern with SB 10, is that California will not be as sympathetic to adults as they are to children. Regardless, we promote and support SB 10 in order to stop the unnecessary suffering and deaths that come from lacking health care access.

On another note, we will now turn to strategies for addressing the root causes of emigration from immigrant remittance receiving regions. It is important to understand the process of migration as a transnational phenomenon of cumulative cyclical causality. Our transnational understanding suggests that there currently exists a vicious cycle where undocumented migration and lack of financial access in the United States is related back home to the distorted use of cash remittances. More specifically, cash remittances have the unintended consequences of creating greater income inequality between households thus, making it more likely for migration to continue. Given this relationship between migration and remittances, truly comprehensive immigration reform should focus not only on strategies for the legalization of migration flow, but also on the financial empowerment of immigrants. Financial empowerment
must be complemented through innovative technologies that allow this large flow of transnational remittances to be put into savings and investment mechanisms.

Chapter 3: Transnational Technologies - City IDs

Having addressed the traditional aspects of comprehensive immigration reform, we are now going to turn to policy approaches that can address the transnational root causes of migration. Our policy approach centers around advancement in City ID technologies. We will review the history of the origins of the City ID movement, the benefits and flaws discerned from the first wave of municipal city IDs 1.0, and how this led to a second wave of municipal IDs with added Debit Card and Mobile Platform features. Next, we will report on two parallel UCLA student research projects; the first, designed to explain the current difficulty experienced in opening a bank account without identity documents, and the second, designed to compare the cost effectiveness of City ID 2.0 which has added financial and mobile platform features in comparison to Alternative Financial Services. Lastly, we outline how social and technological innovations, such as the City ID with a Debit Card function, can create more powerful platforms for identity, financial services, sending remittances, transnational financial inclusion, and our recommendation for future policy.

The Municipal City ID movement began as a response to endemic absences of formal identity and a lack of access to financial services. The lack of access to financial services has led undocumented migrants and American citizens to live in an informal cash-economy, dependent on high cost, alternative financial services (Bank on LA)\textsuperscript{27}. As of now, migrants without proper forms of identification are prevented from full scale financial inclusion in U.S. banking

\textsuperscript{27}\url{http://www.bankonla.org/whydoineedanaccount/index.html}
institutions. This financial exclusion is a critical part of the Transnational Vicious Cycle, which keeps undocumented families and communities surviving on low wages while facing expensive costs of financial services (See Figure 3.1). Being undocumented and unbanked presents a challenge that is uniquely addressed by the City/ID Debit card that serves as both a local card for identity and a tool for empowerment in migrant home origin communities.

The municipal city ID card is designed to be recognized as an official form of identification by local government institutions and local authorities such as the police (See 3. 2). The New Haven Municipal ID-City ID 1.0 (Elm City Resident Card) started in New Haven, Connecticut in reaction to the tragic experience of Miguel Santiago’s death on October 19, 2006. Miguel Santiago was an undocumented migrant forced into a cash based economy because of the barriers of financial exclusion. After cashing his check at a check cashing storefront, Mr. Santiago was targeted by thieves for his cash and was stabbed to death. Soon after, community organizations went to city hall and asked for the formation of these ID

Figure 3.1

A October 19, 2006. Miguel Santiago was an undocumented migrant forced into a cash based economy because of the barriers of financial exclusion. After cashing his check at a check cashing storefront, Mr. Santiago was targeted by thieves for his cash and was stabbed to death. Soon after, community organizations went to city hall and asked for the formation of these ID
cards, in 2007, to protect undocumented migrants. Shortly after the Elm City Resident Card’s debut, an organization hostile to undocumented migrants known as Southern Connecticut Citizens for Immigration Reform (SCCfIR), filed a Freedom of Information Act (FOIA) request that sought to reveal the names and immigration status of all cardholders. The case was taken to the Connecticut state court and while the city won the case on a technicality, the experience indicated that local government controlling the card process and database had exposed inherent vulnerability. Additionally, the New Haven Municipal ID did not provide financial inclusion as originally hoped, as few banks agreed to accept it to open new accounts.

Issued two years after New Haven, San Francisco attempted to improve on the inherent shortcomings of the New Haven’s City ID issuing processes. San Francisco altered the card
issuing process by deciding to purchase an ID processing machine which cost over $750,000 and was placed in one locale in the city. This machine was programmed to erase all data after cards were processed to avoid FOIA request. Unfortunately, this approach also cancels out possible benefits such as allowing police to verify active status of card or helping immigrants to use data to potentially enroll in programs such as DAPA/DACA. The San Francisco Municipal ID was also not accepted in opening most new bank accounts.

After the experiences of New Haven and San Francisco, City ID 2.0 was launched to address the limitations of the original City ID card. City ID 2.0 is a “hybrid” combination of a Municipal ID, Debit Card, and Mobile Application which allows for a variety of financial services including remittances at lower costs (See Figure 3.3). The Oakland and Richmond City ID/Debit Card are provided at no cost to the city or to taxpayers. Local applicants, do have to pay a one time fee of $15 dollars. In addition, the cards are reloadable at many local businesses throughout the city. A key feature of the City ID/Debit program is the security feature provided by its third party social technology company, SF Global, which controls the database of applicants. SF Global’s operations are protected by the Banking Privacy Act of 1974. However, because the data is not controlled by the city government, it is not susceptible to FOIA requests.
The history of City IDs exemplify how a lack of identification can perpetuate the vicious cycle of poverty, particularly since not having an ID prevents the undocumented from opening accounts. Therefore, in order to better understand this problem and the need for City IDs with prepaid debit cards, UCLA students conducted two parallel research projects. The first one being a mystery shopping experiment, to explore discriminatory factors and difficulty that immigrants face in getting bank accounts.

For our Mystery Shopping experiment, students inquired multiple banks in the attempt to help undocumented immigrants to open a bank account. Students either called or visited bank institutions in the greater Los Angeles Area – a region where close to one million undocumented immigrants reside. In particular, this project focused on determining identification requirements for different bank branches. Student inquiries included large and small banks as well as credit

- City ID 2.0 is a combination of an ID, Debit Card, and mobile app to address financial exclusion.
- Data protected by a Third Party practicing Banking Privacy Act of 1974 not susceptible to FOIA request
unions. On a larger national scale, similar research was conducted by Appleseed 10 years ago. Appleseed also investigated why it is so difficult for immigrants to open a bank account. Unfortunately, the results we obtained echo those of Appleseed’s 10 years prior. It is very important to recognize that the decisions of banks to accept or deny undocumented immigrants as customers, is based on the discretion of policies of individual banks and branches, and not on existing laws. On the contrary, existing laws only require a foreign government issued ID card with a photograph to open a basic checking or debit account. Our research demonstrates that institutions choose to implement their own policies on top of these federal regulations.

Figure 3.4
Our Mystery Shopping database consists of 85 total inquiries. Large banks such as Chase, Bank of America, and Wells Fargo consist of the majority of inquiries with 69%. Credit Union inquiries make up 11% of our total database, and the remaining 20% were divided by small and medium sized banks (See 3.4). The analysis of our data indicates multiple levels of difficulty in opening bank accounts in individual branches. In order to investigate this, we looked at the difficulties of ID requirements in different banking institutions. We categorized the data into five different levels of difficulty with respect to ID requirements to open checking accounts. Although a majority of inquiries were of difficulty levels 2 and 3, we saw a substantial amount of inquiries in levels 4 and 5. Most importantly, the majority of inquiries qualifying as a difficulty level of 5, belonged to smaller banks. This indicates that smaller financial institutions have applied more rigorous requirements in comparison to national banks. Additionally, national banks had greater amounts of variation in ID requirements. (See 3.5)

Figure 3.5
In our research we found an inconsistency on ID policy requirements amongst different branches of the same bank. This demonstrates that there are different ID policy requirements set by individual branches. We can conclude from our mystery shopping research that the banking experience of undocumented immigrants is highly unpredictable as banks do not evenly apply legal requirements to open bank accounts across all branches. This can create an atmosphere of intimidation for those that lack IDs when attempting to open new accounts.

Our second research project was designed to compare the City ID 2.0 debit card with existing debit cards in the market. We sampled over 65 Prepaid Debit Cards to financially compare the cost of the Oakland City ID/Debit Card to current PrePaid cards in the market. An overwhelming amount of cards had a minimum monthly fee of $5-$10 without the ability to waive the fee, but the average monthly cost for a PrePaid card is $5. (See 3.6)

Figure 3.6
Once an established City ID program that includes Debit Card functions is operational, we can begin to solve critical issues. We have included three examples of City ID/Debit Cards operating to minimize root causes of migration and breaking barriers of financial inclusion. First, there is an increased ability for individuals to efficiently gather identity documentation in their information to present to authorities in the DACA/DAPA intake process. Secondly, the financial access platform involved in a City ID debit card can be a platform by which micro-financing of the applications of DACA/DAPA can be achieved. Lastly, a potential platform for remittances that could help lower the cost and also offer a platform for transnational savings bonds, which will be further discussed.

As with DACA, when DACA Plus and DAPA become available, many challenges will exist for reaching out to the full eligible population. One of the biggest challenges that potential applicants could face is navigating the complex application process. Hence, a City ID mobile app could be integrated with the United States Citizenship and Immigration Services (USCIS) application in order to facilitate the organization and submission of the DACA Plus and DAPA application. This will allow applicants to sign up step-by-step through an intuitive interface via mobile app, online web portal, or through pre-approved agents with access to a specific online portal. Applicants of the ID Debit card, DACA Plus and DAPA will be protected by the Bank Privacy Act which follows all Know Your Customer regulations and Anti-Money Laundering laws. Also, The Bank Privacy Act would protect the applicant identification data. In addition, applicant data protection will be enhanced by highly secure cloud platforms that protect applicants from malicious cyber-attacks.

Yet another challenge that potential applicants could face is the high cost for applying to DACA Plus and DAPA. It is important to keep in mind that the overall eligible DACA Plus and
DAPA population is an estimated 5.2 million while the average cost of the application is $465, resulting in 2.5 billion dollars required from immigrant communities to bear such cost. Fortunately, the City ID registration platform can potentially facilitate the completion of DACA Plus and DAPA applications and can be integrated with a microloan program meant to aid with the application fee. Registrants will be offered a marketplace of a variety of microloans through their mobile app at the payment stage of the application. The microloan can be potentially provided as an electronic payment directly to USCIS given that USCIS has recently opened up debit and credit card functionality online.

Lastly, the ID-Debit mobile app could be a potential platform for low cost remittances. The City ID/Debit card platform reduces remittance costs by 75% as compared to Western Union. In this manner, the City ID debit program allows local governments to participate in an international mechanism for the lowering of remittances costs. Additionally, local cities can be involved in solving root causes of migration in the home regions by allowing U.S. residents to have access to accounts and savings bonds in migrant sending countries. These migrant saving bonds can provide positive economic benefit for both U.S. residents as well as migrant sending communities abroad (See Figure 3.7), the next chapter will explore in detail.
Chapter 4: Transnationalism

The root causes of migration ought to be understood as an intricate part of the transnational vicious cycle of undocumented migration. It has the ironic effect of creating an artificial increased demand for exploitable immigrant labor, that is further compounded by lack of financial inclusion. Ultimately resulting in high fees paid and sent in tens of billions of cash remittances. This limits the potential contributions of immigrants in the U.S.

Unfortunately, a prominent cash economy creates fertile territory for gang activity to prey on unemployed and uneducated young people. These youths turn to extortion to seek out a living. However, crime only further disincentivizes local economic growth. This Vicious Cycle (See Figure 4.1) results in more reasons for people to emigrate, even into an undocumented and uncertain future.
The actual main predictors of emigration are established networks, poor economic conditions, and high extortion rates rather than violent crime or homicide rates. That is the story of many unaccompanied minors and immigrants that surged at the U.S. Mexican border in 2014. It is worth mentioning that the Plan of the Alliance for Prosperity in the Northern Triangle, seeks to address the root causes of migration, which have been overlooked by previous funding initiatives. However, the 750 million dollars granted to this specific region has concentrated 55% of its budget to the Central American Regional Security Initiative. Thus, the majority of funds go to combat the trafficking of narcotics, instead of effectively funneling funds directly towards job creating activities.

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The total annual average of foreign aid El Salvador has received from initiatives like MCC\(^{29}\), is only one percent of the total billions of remittances collected from migrants\(^{30}\) (See 4.2). It is important to recognize that Salvadoran immigrant organizations mobilize and organize to directly address social and economic hardships faced in their communities. In order to understand the potential impact that financial intermediation, savings, and investments of remittances can have to address root causes of migration, it is important to examine the strategies that have emerged from immigrant organizations themselves. Furthermore, it is also important to take into account the achievements and obstacles that have resulted from this process so far.


Most importantly, one must understand the ways that governments have attempted to mobilize the huge economic potential of remittances. This report will take a closer analysis on how hometown associations have attempted to mobilize collective remittances for job creating activities at a small scale.

El Salvador and Los Angeles have two prime examples of vibrant hometown associations. The first one is known as “Los Pescadores” out of Pico Union district in Los Angeles and is directly connected to Puerto El Triunfo in El Salvador. Some drawbacks of these hometown associations include being too small in scale to do significant projects, and they lack financial and social support both in Los Angeles and El Salvador.

The members of the hometown associations consist of Salvadorans who live in the Los Angeles area and grew up in Jiquilisco, El Salvador. They fundraise through social gatherings, where all the proceeds go to ADESCOCET, which is an NGO that conducts various projects in the bay of Jiquilisco. Once ADESCOCET receives funding, they invest in the local fishermen and in preserving aquatic life for sustainability.

One example of a project funded by El Pescador in Los Angeles and received by ADESCOCET is the incorporation of artificial coral reefs in the regions of El Salvador. Artificial coral reefs increase the population size of fishes; therefore, they increase the fisherman’s catch. In addition, El Pescador has helped raise money in order for the fishermen in Jiquilisco to receive solar-powered motors for their boats which increases their productivity.

FUPEC, is an example of a network of Hometown Associations in the U.S and local projects in various communities in El Salvador. FUPEC is the Foundation for the Social, Economic, and Cultural Education, (Fundación para la Educación Social Económica y Cultural).
It was founded in 2008 by migrants in collaboration with Banco Agricola, to create educational projects with the help of participants like the “immigrant clubs” in Los Angeles, California, and Washington DC. FUPEC was instrumental in helping the Pescadores de Puerto Triunfo project and also has received support from the Inter-American Foundation as it seeks to build out a network of transnational productive projects.

As previously mentioned, we need to incorporate strategies that focus on mobilizing diaspora resources and one way of doing this is by redirecting remittances into savings and eventually into investments. The NAID center has been studying strategies for transnational mobilization of resources. Based on their research we are going to give you two examples, one being COFEM, and the second being a Mexican government program called 3x1.

Directing our focus to the Council of Mexican American Federations, known as COFEM, allows us to see the large contribution HTA networks have had on the Latino immigrant community. COFEM, founded a little more than 30 years ago has only recently in 2002 redirected their attention from focusing entirely on hometown associations; towards an extensive, all encompassing approach that works to advocate, develop, and organize the community on both sides of the border.

COFEM being the largest immigrant led organization in the U.S. represents immigrants throughout California, Nevada, Arizona, and Washington; overlooking 24 proactive federations in California alone. The HTA community is well organized and has a great deal of capital, which desperately needs to be directed towards new initiatives that will produce long term positive effects.

31 COFEM 2015
Although COFEM has created a tight social network of immigrants, the current platform is inefficient. Research at UCLA shows that resources mobilized by immigrants to improve their conditions are focused mostly on social infrastructure and not on long term employment investments. Moreover, the unreliable financial support from philanthropic bodies creates instability within these projects. There needs to be an emphasis on long term financial opportunities that will create jobs and establish a continuous cycle of development. In addition to our study of COFEM, we have also engaged the Mexican government to properly analyze their attempts in mobilizing the transnational community. We will describe how the 3X1 program works with COFEM and the Mexican government, in attempts to generate both social infrastructure and developmental projects back home.

The 3x1 Program is a Mexican-government based program, that originated in 1992 and has operated in its current form since 2002. This program was designed to work with hometown associations networks such as COFEM, to match their contributions in a 3 for 1 function. These hometown associations work with the different levels of the Mexican government to initiate a variety of community improvement projects in order to help improve the standard of living for their communities back home.

This program has grown substantially since 2002. Overall, in the United States there are 1,300 registered hometown associations and 60 state federations. California, specifically Los Angeles, holds the largest number of federations and hometown associations. (See Figure 4.3) The main reason being, that immigrant diasporas are the largest in this state. Overall, this speaks to how immigrant communities are using their social capital to form larger networks and create programs such as the 3x1 program and COFEM.

32 SEDESOL 2015
The following data illustrates the amount of money HTA’s donated between 2008 and 2015 and various instances the Mexican government matched social projects (See 4.4). The total amount of money mobilized in this time frame is close to a billion dollars and 260 million is directly from the migrants themselves. Although it is a substantial amount of money; it is more important to recognize that this number is extremely minimal compared to the remittances sent to México. Each year, an average of 23.5 billion dollars are sent in remittances, which totals to about 190 billion dollars in the last seven years. This means that the money coming from the 3x1 program does not even scratch the surface of the remittances, in fact, it accounts for less than

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Ibid.

1 percent, specifically 0.13%, out of the 190 billion in remittances. This is significant because one can see a great flow of money of which a portion should definitely be able to mobilize investment on productive projects that can generate jobs.

### Budget breakdown for 3x1 Program & Mexico Remittances 2008-2015 (USD in millions)

<table>
<thead>
<tr>
<th>Year</th>
<th>Migrant Input</th>
<th>Federal Input</th>
<th>State Input</th>
<th>Municipal Input</th>
<th>Total</th>
<th>Mexico Remittances per year</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>32</td>
<td>36</td>
<td>33</td>
<td>31</td>
<td>132</td>
<td>26,041</td>
</tr>
<tr>
<td>2009</td>
<td>32</td>
<td>39</td>
<td>31</td>
<td>30</td>
<td>131</td>
<td>22,076</td>
</tr>
<tr>
<td>2010</td>
<td>34</td>
<td>40</td>
<td>27</td>
<td>30</td>
<td>131</td>
<td>22,080</td>
</tr>
<tr>
<td>2011</td>
<td>35</td>
<td>40</td>
<td>22</td>
<td>27</td>
<td>124</td>
<td>23,588</td>
</tr>
<tr>
<td>2012</td>
<td>32</td>
<td>36</td>
<td>22</td>
<td>24</td>
<td>114</td>
<td>23,366</td>
</tr>
<tr>
<td>2013</td>
<td>32</td>
<td>37</td>
<td>22</td>
<td>32</td>
<td>123</td>
<td>23,022</td>
</tr>
<tr>
<td>2014</td>
<td>32</td>
<td>37</td>
<td>21</td>
<td>27</td>
<td>118</td>
<td>24,460</td>
</tr>
<tr>
<td><strong>2015</strong></td>
<td>31</td>
<td>36</td>
<td>20</td>
<td>26</td>
<td>113</td>
<td>25,689</td>
</tr>
<tr>
<td>Total In Millions</td>
<td>260</td>
<td>300</td>
<td>197</td>
<td>227</td>
<td>985</td>
<td>190,322</td>
</tr>
</tbody>
</table>

- 260 million is from Migrants
- only 0.13% of the remittances


**Figure 4.4**

Looking at the types of projects that are being funded in the 3x1 program, we find that they are mostly infrastructural social projects. Only a minimal amount are defined as productive projects\(^{35}\), but even most of these productive projects have extreme limitations. (See Figure 4.5) The 3x1 program has ultimately not become a scalable program, since it is based on individual donations and has shown instability when encouraging business growth. Now, we are proposing a new way to enhance the 3x1 program through a matching savings and development bond initiative.

\(^{35}\) SEDESOL 2015
Based on prior information discussed, we found two attempts to try and organize the social capital of immigrants and their desire to address the root causes of migration; one by the Non-profit COFEM and another by the Mexican consulate. Extensive research at UCLA has found that although COFEM and the 3x1 programs demonstrate a great level of commitment in mobilizing resources, they are not properly designed to fundamentally address the root causes of migration. Organizations such as COFEM and programs similar to 3x1 are limited by their philanthropic source of funds, making this an unsustainable model. Thus, there is a need for a new sustainable model, called the Migrant Development Savings Bond. A savings bond program that would be funded by individual household savings accounts; which are guaranteed under government supervision. Thus, having the potential to mobilize 10-20 percent of total...
remittances. This development fund has the ability to organize multiple sources of funding; therefore, generating much more resources than that of the current 3x1 Program. One can see how the proposed initiative will help combat the root causes of emigration. (See Figure 4.6)

![Remittance based Economic Development Program based off of bonds](image)

**Figure 4.6**

How do we bridge the gap and shift from the Vicious to the Virtuous cycle? First, one must step aside from collective social improvement projects that have not worked in the past and transition into sustainable productive projects. We can shift through the use of successful strategies such as, Microlending. It increases employment at home, promotes individual and collective savings; leading to increased employment and financial empowerment of locals. Thus, they can invest in the local economy both as entrepreneurs, but most importantly as investors. Figure 4.7 illustrates how the vicious cycle can eventually become a virtuous cycle.
There are two different programs for bonds. One example of a potential administrator of a bond program in Mexico is AMUCSS, the Mexican Association of Social Credit Unions. It specializes in developing financial innovations, such as the design of financial products tailored to rural families and their needs. Some of the financial services include: savings accounts, credit, insurances, and the ability to send and receive cash transfers.

Financial organizations such as AMUCCSS, give the opportunity to create beneficial programs for the community. One example of a successful program, is the women of MENA from Oaxaca. These women produce and market traditional Oaxacan food products of high quality that sell internationally. Products include chocolate, mole, and nopales. They are made
from organic materials and are USDA approved. This project creates a large number of jobs. The women growers earn five times more for the sale of their products, than what they were paid before forming the company. This group of women have managed to not only overcome their circumstances, but also to turn their experiences into a success by improving their own living conditions through job creation.

This is an overview of what the transnational savings bond looks like: Mobile to Mobile Debit Cards are linked to a savings account at home, which can be used as a verifiable source of ID within U.S. locally approved cities (See Figure 4.8). It provides state of the art financial access, security protection, and creates flexibility for remittances to create a real time broader impact in origin countries, which is ready to use.

**Figure 4.8**

![Transnational Migrant Savings Bond Diagram](image-url)
As we have seen, it is clear that mobile and debit technology will enhance financial mechanisms for immigrants and their families. This transnational approach of using the Migrant Savings Bond and City Debit ID to address root causes of migration is a win-win situation both locally within the U.S. and in Latin American countries of origin. Endless opportunities can be created through the use of these tools as people are able to participate in the transnational economy by leveraging already in-use assets such as household savings and remittances which can be channeled and encouraged towards productive projects and investments. If capitalized on, these opportunities will encourage those at home to enter the local economy as investors and most importantly entrepreneurs.
Part II: Presidential Primary Surrogate Forum on Immigration Policy

Introduction

This past May 2016, the members of the Club de Estudiantes de UCLA held a forum-based event in order to discern and discuss the immigration policy positions of the remaining presidential primary candidates. The forum consisted of surrogates from the Republican party, and the two potential Democratic presidential primary nominees: Hillary Clinton and Bernie Sanders. Unlike antagonistic debates, this event aimed to build consensus. Furthermore, this was a non-partisan forum where the ultimate goal was to understand the surrogates stances on what they agree and disagree on regarding immigration policy. During the forum, Club de Estudiantes de UCLA members presented a series of research presentations and questions to the surrogates. In this report, the questions inquired to the attending surrogates will be found at the end of Part II followed with respective video answers attached to hyperlinks.

A major highlight from the event was that all surrogates – whether Republican or Democrat – present favored the concept of Comprehensive Immigration Reform. One of the main focuses of our forum event was to provide answers to our questions regarding what Comprehensive Immigration Reform entails. Historically, it entails three components: 1) legalization; (2) future flows; and (3) enforcement. Recently, there has been emphasis on a fourth component, or policies which address the transnational root causes of migration.

Proceeding the immigration policy forum, we concluded that Clinton and Sanders share the same political platform regarding the future of the United States on immigration policy. We also found that, according to the UCLA NAID Center, Donald Trump’s potential policies to deport 11 million undocumented immigrants would result in an estimated loss of 2.6 trillion dollars of potential GDP. It was further estimated that by ending birthright citizenship and
deporting the 4.5 million U.S born children who live with at least one undocumented parent, the economy would lose out on their generated income. This loss accumulates to a total of $6.3 trillion over a 40-year life span of employment.

UCLA Club de Estudiantes members have also developed research related to transnational communities from México and El Salvador in the County of Los Angeles—all of which is relevant to the immigration platform proposed by the presidential candidates today. The forum presented this research along with statistical data that indicate the positive economic impact of immigration to the U.S. Economy. According to research conducted by the UCLA NAID Center, the total foreign born population in the United States is 41.3 million, while for California it is 10.5 million. We can also see that the total undocumented population at the Federal and California level is 11.3 million, and 2.6 million, respectively. To help answer this question, the UCLA NAID Center found that the annual GDP Contribution of the Foreign Born population in the United States is 2.4 trillion and 492 billion in California. Lastly, the annual GDP Contribution of the Undocumented Population at the Federal and California state level is 678 billion and 156 billion respectively. These numbers reveal trillions of dollars that immigrants contribute to the economy per year.
The previously mentioned fiscal data provided by the NAID Center, reveals that undocumented immigrants in the United States pay an estimated total of $11.64 billion in state and local taxes per year. This includes more than $6.9 billion in sales and excise taxes, $3.6 billion in property taxes, and just under $1.1 billion in personal income taxes. Nationwide, undocumented immigrants’ effective tax rate is at an estimated 8 percent. To put this into perspective, the top 1 percent of taxpayers pay an average nationwide effective tax rate of just 5.4 percent. According to the National Foundation for American Policy, over the next 75 years immigrants will add a net of $611 billion to the Social Security system. Overall, there is a wide consensus that immigrants contribute their own share on a net basis in taxes and are less likely to use social services than American citizens. The net effect of this is that immigrants are an
essential asset to this country, particularly given the aging social security population. The following chapters will shine light on these issues and highlight the innovative findings incurred after our Presidential Primary Surrogate Forum event.

**Figure II.2**

<table>
<thead>
<tr>
<th>Net Fiscal impacts on Immigration</th>
</tr>
</thead>
<tbody>
<tr>
<td>State/Local Taxes per Year</td>
</tr>
<tr>
<td>Sales/Excise Taxes per Year</td>
</tr>
<tr>
<td>Property Taxes per Year</td>
</tr>
<tr>
<td>Personal Income Taxes per Year</td>
</tr>
</tbody>
</table>

| Undocumented immigrants effective tax rate: | 8% |
| Nationwide top 1% of taxpayers have a tax rate | 5.4% |
| Social Security system: Immigrant Contribution over a span of 75 years | $611 Billion |
| Social Security Potential Deficit: Without the Immigrant contribution | Increase of 31% |


**Chapter 5: Legalization**

It is important to highlight that candidates from both parties, with the exception of Donald Trump, favor the concept of Comprehensive Immigration Reform. Both Democratic candidates Sanders and Clinton have shown support through previous Senate Bills in 2007 and 2013 in favor of Comprehensive Immigration Reform. Former Republican presidential candidates have also been outspoken on the need for comprehensive immigration reform.
The question is what does Comprehensive Immigration reform mean? Usually it refers to three things: legalization, future flows and enforcement. Historically, there has also been a fourth area of policies addressing transnational root causes, which only Donald Trump has addressed in proposing a ban on all remittances.

Now we will analyze each of the candidates’ stand on legalization and future flows. Clinton and Sanders share the same platform on immigration policies. They have shown support in pro-immigrant legislation such as the Federal Dream Act. They both plan on providing the nation’s 11.3 million undocumented immigrants with a full pathway to citizenship. In the scenario that Congress fails to move forward with an immigration reform, Clinton and Sanders
plan on giving relief to Dreamers, while expanding on Obama’s immigration executive orders DAPA and DACA. When it comes to future flows, Sanders plans to modernize the visa system and rewrite bad trade agreements. Meanwhile, Clinton’s plan on future flows is to hire publicly funded lawyers to help with Central American children seeking asylum and to end the 3-year and 10-year bars. On the other end, Donald Trump has not shown any support for legalization. As a matter of fact, Donald Trump has proposed the mass deportation of 11.3 million undocumented immigrants.

Figure 5.2

According to the NAID Center, research that was reiterated by the Congressional Budget Office in the scoring of Senate Bill 744 in 2013; a comprehensive immigration reform will increase GDP by at least 0.84% per year, roughly a $1.5 trillion in additional GDP growth over a
10 year span\textsuperscript{36}. A program for temporary workers only produces half the economic benefits of Comprehensive Immigration Reform, which would result in a $792 billion contribution to GDP growth in a 10 year period\textsuperscript{37}. The mass deportation of 11.3 million undocumented immigrants would result in a GDP loss of $2.6 trillion\textsuperscript{38}. By ending birthright citizenship and deporting the 4.5 million U.S. born children who live with at least one undocumented parent, the economy would be denied of their generated income which accumulates to $6.3 trillion over a 40-year life span of employment\textsuperscript{39}.

Figure 5.3

<table>
<thead>
<tr>
<th>Temporary Relief</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>DAPA/ DACA Plus</strong></td>
</tr>
<tr>
<td>Eligible DAPA/DACA population</td>
</tr>
<tr>
<td>Current Contribution to GDP Per Year</td>
</tr>
<tr>
<td>Expected GDP Contribution</td>
</tr>
<tr>
<td>Current Taxes Paid</td>
</tr>
<tr>
<td>Expected Tax Revenue</td>
</tr>
</tbody>
</table>

Source:
- North American Integration & Development Center (NAID), UCLA "Web.

\textsuperscript{39}
DAPA and DACA have a nationwide eligible applicant population of about 5.2 million. Together, every year these folks add more than $274 billion to the economy. With the full implementation of DAPA and DACA, the potential beneficiaries will contribute $329 billion per year to GDP. Collectively, DAPA and DACA eligible individuals pay more than $49.9 billion dollars in personal, sales, and business taxes per year. A figure that would increase by $12.5 billion in new tax revenue, adding up to a total tax contribution of over $60 billion on behalf of the 5.2 million who are potential eligible beneficiaries of DAPA and DACA.

Chapter 6: Future Flows

Figure 6.1

It is important to note that in the recent proposals for comprehensive immigration reform, the S.744 2007 and 2013, had provisions that recognized the need to bring legal

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and Tourism Economics, Bureau of Economic Analysis
immigrant labor in order to maintain a robust rate of growth of productivity in our economy. The immigrant labor force population is expected to grow from 42 million to 79 million by 2050. The question now becomes, how will these legal flows be incorporated into the economy?

Chapter 7: Enforcement

Over the last decades, the enforcement component of Comprehensive Immigration Reform has consistently been regarded as a necessity to reform in spite of non-responsive migration flows and escalating costs. A repeated misconception in this presidential election has been the belief that there is an enforcement deficit all along the US Mexican border, and that America has somehow lost control of its borders with massive influx of immigrants. However, the reality is that expenditures along the US-Mexican border are out-of-control. Rather than having a deficit, enforcement expenditures have boomed in the last three decades\(^{41}\).

Since the passage of the last Comprehensive Immigration Reform bill in 1986, expenditures on what are today Immigration and Customs Enforcement (ICE) and the Customs and Border Protection (CBP) agencies have increased from an initial $574 million a year to now over $18.4 billion in 2015\(^{42}\) (See Figure 7.1). Meanwhile, undocumented immigration has been dropping, particularly since 2000\(^{43}\). Most of this enforcement expenditure growth occurred under the George W. Bush administration, where expenditures grew from 4.2 billion in 2000 to


\(^{42}\) Ibid.

\(^{43}\) Ibid.
16.3 billion 2008; this growth coincided with the precipitous decline in unauthorized crossings and apprehensions of undocumented immigrants\textsuperscript{44}.

\textbf{Figure 7.1}

\begin{figure}[h]
\centering
\includegraphics[width=\textwidth]{img7.1.png}
\caption{ICE/CBP Expenditures and Apprehensions 1975-2015}
\end{figure}

The increasing expenditure and decreasing apprehensions are resulting in an absurd consequence; whereas in 1992 it took approximately $1,100 per apprehension, we are now spending close to $45,000 per apprehension\textsuperscript{45}(See Figure 7.2). Throughout the same time, the number of border patrol agents grew from 4,100 in 1992 to over 20,000 agents in 2015 (See Figure 7.3)\textsuperscript{46}.

\textsuperscript{44} Ibid.
\textsuperscript{45} Ibid.
Figure 7.2

Cost per Apprehensions FY 1992-2015

Figure 7.3

Border Patrol Agents and Apprehensions
As a result, there has been a decrease in apprehensions per border patrol agent, from an initial 300 apprehensions per year per agent in 1992, down to 20 apprehensions per agent in 2015 (Figure 7.4)\(^{47}\). It is also important to point out that contrary to the popular belief that Obama is quoted as “The Deporter in Chief”, the total number of apprehensions have continued to plummet since 2009\(^{48}\). What, in fact, has changed is that apprehension that previously resulted in “voluntary departure returns,” have more recently resulted in a process of detention, appearance before immigration judges, and formal deportations. It is also important to note that since 2013, the total number of deportations has also significantly declined, along with the continuing steep decline of apprehensions\(^{49}\).

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\(^{49}\) Ibid.
As previously calculated by the UCLA NAID center and adopted by the Congressional Budget Office, the projections of future immigration is expected to continue its decline. Due to a variety of factors beginning with the slowing demographic growth in México. In addition, it is estimated that legalization would significantly reduce the number of undocumented crossings as occurred after 1986. Lastly, it is estimated that the U.S. economy will experience moderate employment growth and moderate unemployment which will require less number of immigrant workers from México (See Figure 7.5).

**Figure 7.5**

Given the lack of evidence to indicate that the effectiveness of immigration control relies on enforcement measures, we explored other factors of possible association to immigration. One of the strongest the relationship we found was that between unemployment in the United States and immigration. As the slide shows (See Figure 7.6), there is a strong correlation between the unemployment rate and the annual net change of migration, which indicates that a better focus
for immigration policy should be changing labor supply and demand relations between México and the United States.\textsuperscript{50}

\textbf{Figure 7.6}

\begin{figure}
\centering
\includegraphics[width=\textwidth]{unemployment_migration.png}
\caption{U.S. Unemployment and Net Undocumented Migration}
\end{figure}

Despite these already high enforcement costs, recent congressional attempts at comprehensive immigration reform have continued to call for huge expansions and expenditures as an incentive to anti-immigrant republicans to join the reform effort. For example, the last two CRI bills: Senate Bill 1348 in 2007 and Senate Bill 744 in 2013, requested huge increases in enforcement expenditures. These bills, which were supported by both senators Clinton and Sanders, call for an additional twenty two billion dollars in expenditures over a ten year period of

\textsuperscript{50} Hinojosa, Raul. ‘5 Basic Lessons from the “Crisis” of Central American Migrants: Poverty and Violence are Root Causes, but US Labor Demand Remains the Key Driver’. September 2014. Retrieved April 2016.
time with the number of border agents expanding from 18,000 to 40,000 by 2023\textsuperscript{51} (See Figure 7.7).

**Figure 7.7**

![Projected Border Enforcement Expenditures](image)

Data from the Congressional Budget Office, indicates that projected cost per apprehension would increase to $140,000 per apprehension (See Figure 7.8), and the number of apprehensions per border patrol agent would plummet even further to 14 apprehensions for the entire year, barely one apprehension per month per agent\textsuperscript{52} (See Figure 7.9).


\textsuperscript{52} Ibid.
Figure 7.8

**Projected Cost per Apprehension**

*Fiscal Years 2014-2023*

(Billions)

Source: U.S. Dept. of Homeland Security, Office of Immigration Statistics; Congressional Budget Office S.744 Analysis

Figure 7.9

**Projected Apprehension per Border Patrol Agent**

Source: 2011 Yearbook of Immigration Statistics, Homeland Security; US Customs and Border Patrol; Congressional Budget Office Analysis on S.744
Chapter 8: Transnationalism

It is important to note that all previous immigration policies: the 1940’s (Bracero Program), 1960’s (U.S. Immigration Reform Act of 1965), and 1980’s (Immigration Reform and Control Act- IRCA) included a component of policies to address the root causes of migration. Even though this component was taken seriously, many of these policies were not entirely successful. In the 1942 Bilateral Migration Agreement between the U.S. and México, mechanisms for saving accounts were constructed for immigrants, allowing them to use their savings once they returned back to their country of origin. In 1965, the Immigration Reform Act significantly increased migration from all over the world and ended the Bracero Program. This policy was complemented by a huge border industrialization program that was designed to create jobs in México, giving those who had worked as Braceros an alternative. However, the results were not successful. During the Immigration and Reform Control Act of 1986, there was an extensive large scale commission set up that ran for over eight years. This commission was directed towards the Study of International Migration and Cooperative Economic Development. It produced a series of recommendations, of which the most important and well known was the North American Free Trade Agreement. NAFTA, has since been criticized for its inability to address the root causes of migration.

In the past 30 years, following IRCA there have been significant increases in the amount of remittances sent from the U.S. to México and Latin American countries. When combined, the 55 Million Latin American population and the 34 Million Mexican population in the US average out 65 Billion Dollars in remittances sent back annually. Of those 65 Billion dollars sent back, over 25 Billion is being sent to Mexico alone. Additionally, since 2000 to 2015 over 550 billion dollars have been sent in the form of remittances to their countries of origin. Furthermore, by
2025\textsuperscript{53} there is an expected 750 billion dollar increase in remittances being sent back to immigrant sending countries.

**Figure 8.1**

<table>
<thead>
<tr>
<th>Country</th>
<th>Population in US</th>
<th>Remittances from US</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mexican Origin</td>
<td>34.8 Million</td>
<td>$25.7 Billion</td>
</tr>
<tr>
<td>Total Latin America and Caribbean</td>
<td>55.3 Million</td>
<td>$63.5 Billion</td>
</tr>
</tbody>
</table>

Total Remittances Since 2000 = 550 BILLION Dollars Expected Remittances to 2025= 750 BILLION Dollars

In attempt to harness the immense flow of remittances, the Mexican government has created a program called the 3x1. This program is an attempt to match collective remittances with other government expenditures. The UCLA NAID center and Club de Estudiantes at UCLA have studied this extensively, and although we find this to be an interesting model, the reality is that only a tiny fraction of the 25 Billion sent back is being used in this program. Therefore, it has little effect in reducing the conditions of poverty and the lack of employment; which serves as one of the root causes of out migration.

As a student group working with various agencies in México, Central America, and the U.S, as well as immigrant organizations like COFEM, we have developed a transnational model

\textsuperscript{53} The Dialogue (2016)
for remittances. Today, new technological advances have allowed work to be done with cell phone apps tied to debit cards, in which individuals located in the U.S. can send back remittances to México. This transaction can be done at a much cheaper rate, while it directly gets deposited into a savings account; allowing for the Billions of dollars sent in remittances to generate interest. These remittances can then be multiplied to even greater levels of investment, which can then be directed towards generating productive, social and economic stability.

Part of the work that we’ve done this past year with the UCLA NAID center is to travel to places like Oaxaca and El Salvador, where we’ve witnessed this mechanism at work. In the latter part of this paper we introduce technological advances with the City ID/Debit Cards that have the ability to capture remittances through cell phones. AMUCCS, a microfinance institution, has already adapted this technology in order to receive remittances that are being saved to collect interest. This has created a productive cycle of investment funds for organizations like MENA. This organization created jobs through the process of generating an export good of organically grown *nopales* that can then be marketed throughout the United States. This process delinates the transnational process of development by turning remittances into productive economic projects for sustainable development.
As previously noted throughout this paper, major immigration reform initiatives beginning in the 1940’s, 1960’s, and 1980’s have always had some component to address the transnational root causes. So far, in the last set of proposals in comprehensive immigration reform or in the policies of proposals of the candidates, there have been no attempts to address the issue. As our final recommendation, we believe the use of remittances as a strategy for savings, investment, and creating of employment opportunities, is the best strategy to address root causes of migration. The use of remittances may best be harnessed through the participation of local governments in City ID/Debit Cards, which have already been set in motion in various cities across the United States.
Presidential Forum Questions

1. In 2007 Hillary Clinton supported the Comprehensive Immigration Reform that provided a path to citizenship, the creation of a temporary worker program, and increased border enforcement. Bernie Sanders voted against the 2007 Senate Bill because he disapproved of guest worker provisions. Senator Sanders did vote for Senate Bill 744 in 2013, the so-called “Gang of Eight” bill, which included long waiting period before they could apply for legal status, as opposed to a 2 year waiting period under IRCA. Our research shows that the faster that immigrants move towards permanent legal status as opposed to temporary legal status, the faster they can contribute to the economy. What do you think is a proper time frame that would be placed on the wait period in order to obtain permanent legal status? What is their position on guest workers?

Answer: (link)

2. Given the gridlock in Congress, which may continue after the upcoming elections, President Obama took the decision to implement executive orders which are now currently in review by the Supreme Court. Both Democratic candidates said they would expand on these executive orders. Both Hillary Clinton and Bernie Sanders have stated their support for DACA+ and DAPA. Could you specifically discuss what type of executive actions your candidate will commit to or propose? In Specific, we would like you to address the possibility of executive orders that may expand access to certain types of health and education, like laws passed recently in CA, do you envision the possibility of executive actions to be implemented in those areas as well as in immigration? Similarly, assuming Donald Trump does become president, what actions can be proposed in Congress to block his attempts? To what degree do you think many of his actions can be implemented through executive action without congressional approval?
3. Our research shows that the faster that immigrants move towards permanent legal status, the more they contribute to the economy. What do you think is a proper time frame that should be placed on the wait period in order to obtain permanent legal status?

4. Could you specifically discuss what type of executive actions your candidate will commit to or propose? In specific, we would like you to address the possibility of executive orders that may expand access to certain types of health and education, like laws passed recently in CA, do you envision the possibility of executive actions to be implemented in those areas as well as in immigration? Similarly, assuming Donald Trump does become president, what actions can be proposed in Congress to block his attempts? To what degree do you think many of his actions can be implemented through executive action without congressional approval? Assuming Donald Trump does become president, what actions can be proposed in Congress to block his attempts, to what degree do you think many of his actions can be implemented through executive action?

5. Given the inefficiency in enforcement expenditure dollars, should Comprehensive Immigration Reform continue to support such massive increases in enforcement expenditures as a condition for legalization? Comment on what a future administration approach to private detention centers will consist of, including provisions that address the issues associated with for-profit privatization?

6. Given that border enforcement dollars have little effect on immigration flows and related apprehensions, and are actually determined by conditions in Mexico and the unemployment rate in the United States, shouldn't Comprehensive Immigration Reform focus on developing
transnational labor market policies instead of further militarization of the border?

7. As we have just seen all previous major immigration reform initiatives beginning in the 1940’s, 1960’s, and 1980’s have always had some component to address the transnational root causes. So far in the last set of proposals in comprehensive immigration reform or in the policies of proposals of the candidates there have been no attempt to try to address the issue. How does your candidate expect to address the root causes of immigration to the United States as a part of comprehensive Immigration reform? Specifically, we would like you to comment on the use of remittances as a strategy for savings, investment, and creating of employment opportunities as a strategy to address root causes of migration.

8. All three candidates have expressed their criticism of trade agreements and the outsourcing of American jobs. We would like a clarification if your candidate is proposing a protectionist trade policy while arguing for a liberalized migration policy or would you like to clarify the type of trade agreement you would propose specifically in México and Central America were migrants are being sent to the U.S.
BIBLIOGRAPHY

<http://www.bankonla.org/whydoineedanaccount/index.html>


Appendix 1

White House Presentation Powerpoint

Appendix 2

Forum Research Presentation Powerpoint