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THEDIALOGUE

FEATURED Q&A

What's the Current Status of Migrant Flows to the U.S.?

In two years, the U.S. program to allow Central American minors to apply for refugee status has drawn 9,500 applicants. Above, people cross the Suchiate River, which separates Guatemala from Mexico. // File Photo: UNHCR.

Q U.S. President Barack Obama's administration on July 26 announced the expansion of a program that allows minors from El Salvador, Honduras and Guatemala, as well as some of their relatives, to apply for refugee status. The move is intended to keep families from the three nations intact, and is designed to help Central Americans who are fleeing gang violence, political killings and poverty, to enter and legally live in the United States. How will the decision play out in the U.S. presidential campaign over the coming months? How have migrant flows changed since children arriving at the U.S. border captured international headlines in 2014? Is the Obama administration taking the right approach to addressing immigration from Central America to the United States?

A Louis DeSipio, professor of political science and Chicano/Latino studies and director of the Center for the Study of Democracy at the University of California, Irvine: "The expansion of the Central American Minors program announced by the Department of Homeland Security will undoubtedly become fodder in the 2016 presidential campaign and in some close U.S. Senate races. Opponents of comprehensive immigration reform will seize the opportunity to note that President Obama is further expanding the flow of refugees from Central America and creating the opportunity for adults to migrate as part of a program initially designed to address the needs of children fleeing humanitarian crises in Central America. This criticism will also likely raise the charge that some asylees will present a security threat

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TODAY'S NEWS

POLITICAL

Half of Colombians Would Reject Peace Deal: Poll

Fifty percent of voters would reject the deal believed to be nearing completion in Havana, while 39 percent would approve it, according to the poll. Eleven percent remain undecided.

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BUSINESS

Sikorsky to Offer Mexican Black Hawk Support in Colombia

The Lockheed Martin unit said Mexican Black Hawk helicopter operators will be able to access flight simulators and maintenance facilities in Melgar, Colombia.

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ECONOMIC

Brazil to Rework Bill That Limits State Spending

The move is part of an attempt to fast-track the approval of needed fiscal austerity measures, said Finance Minister Henrique Meirelles.

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Meirelles // File Photo: Brazilian Government.

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POLITICAL NEWS

Half of Colombians Would Reject Peace Deal: Survey

Half of Colombian voters would reject a peace accord that the country's government and the Revolutionary Armed Forces of Colombia, or FARC, rebels are believed to close to completing, Bloomberg News reported Monday. Talks between the two sides have been going on in Havana for nearly four years, and voters would have to ratify any deal in order for it to take effect. According to the survey, by Ipsos Napoleon Franco and published in Semana magazine, 50 percent of voters would reject the deal, while 39 percent would approve it and 11 percent remain undecided. Voters' rejection of a peace accord would lead investors to sell off Colombian assets, Banco de Bogotá analyst Camilo Perez told Bloomberg News. "If it's rejected, one of the positive factors that investors are seeing in Colombia disappears, and that will have an adverse impact on bonds and the peso, Perez told the news service in a telephone interview. The poll was a survey of 1,000 people and was conducted between July 30 and Aug. 2 in 13 cities. It has a margin of error of plus or minus 3.1 percentage points. [Editor's note: See related **Q&A** in the July 1 issue of the Advisor.]

ECONOMIC NEWS

Brazil to Make Changes to Fiscal Responsibility Bill

The Brazilian government will make changes to a controversial bill that limits spending for states that are heavily in debt, in an attempt to fast-track the approval of austerity measures, Finance Minister Henrique Meirelles said Monday, Reuters reported. He said the government would remove from the bill on state debts requirements that limit state expenditures on public employees. States' current expenditures would instead be addressed in a separate legislation as the government revises Brazil's fiscal responsibility law. Interim President Michel Temer has struggled to pass state debt legislation as some lawmakers have pushed for more relaxed austerity measures.

Temer // File Photo: Brazilian Government.

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to the United States through criminality or ties to international terror. In announcing the expansion, the Obama administration recognized that it would be insufficient to address the real humanitarian needs of Central American youth and adults. The ongoing legislative stalemate that has characterized immigration reform over the past decade, however, dictates that small administrative changes are all that advocates of a more rational and humanitarian immigration policy can hope for. The House of Representatives has refused to hold hearings on comprehensive revisions to U.S. immigration policy, despite a willingness in the Senate to cross party lines to find immigration compromises. The federal courts have blocked more ambitious Obama administration efforts to use its administrative powers to remedy some of the most glaring failures of contemporary immigration policy. In the current immigration stalemate, immigration opponents will undoubtedly seize the announcement of the expansion of the Central American Minors program to reinforce the popular image of an out-of-control border."

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NEWS BRIEFS

Javier Weakens to Tropical Depression Near Baja California

Javier, a storm swirling near Mexico's Baja California peninsula, lost strength Monday and has been downgraded to a tropical depression, according to the U.S. National Hurricane Center. The development led Mexico to discontinue its tropical storm warning. As of 6 a.m. local time, Javier was located 50 miles northwest of Cabo San Lucas, moving northwest, with maximum sustained winds of 35 miles an hour.

U.N.'s Ban Urges Climate Deal Ratification During Argentina Visit

United Nations Secretary General Ban Ki-moon urged Argentina and other large nations, such as the United States and China, to ratify the Paris climate accord while speaking at a conference in Buenos Aires Monday, and Argentina's foreign minister, Susana Malcorra, said she hoped her country would do so by the end of the year, Reuters reported. Currently, only 22 countries of the approximately 195 who reached the agreement in Paris in December have ratified the agreement that would obligate states to curb emissions that contribute to climate change. The agreement will not go into force until it is ratified by 55 countries.

Citi Inaugurates Facilities, Announces 400 New Jobs in Costa Rica

New York-based investment banking and financial services corporation Citigroup inaugurated two new buildings in Costa Rica and announced 400 new positions that will be filled by the end of this year, the company said in a statement, The Costa Rica Star reported Monday. Since 2008, Citigroup has invested more than $40 million in Costa Rica, where it has operated for 48 years.

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BUSINESS NEWS

U.S. Appeals Court Sides With Chevron in Ecuador Dispute

A U.S. appeals court on Monday upheld a district judge's ruling that Ecuadorean plaintiffs cannot collect some $9 billion from oil major Chevron, saying the judgment was obtained fraudulently, the Associated Press reported. In the ruling, the 2nd U.S. Circuit Court of Appeals in New York backed the previous ruling by Judge Lewis Kaplan. The district judge had sided with Chevron, saying the Ecuadorean plaintiffs' lawyer, Steven Donziger, and his colleagues used fabricated evidence and promised bribes in order to obtain the ruling in an Ecuadorean court, Bloomberg News reported. Donziger has denied wrongdoing. The legal battle began more than 20 years ago when Donziger began representing the Ecuadorean plaintiffs who sued Texaco, which Chevron later acquired, arguing that it was financially responsible for pollution that sickened villagers in the Amazon rain forest. Chevron has argued it is no longer liable for the claims.

Sikorsky Basing Mexico Black Hawk Support in Colombia

Lockheed Martin subsidiary Sikorsky said in a statement Monday that it will provide maintenance, repair and training support for Mexican Black Hawk helicopter operators via access to facilities in Colombia. Mexican Black Hawk operators will be able to use flight simulators and maintenance and repair facilities in Melgar, Colombia, the company said. "Ensuring the appropriate authorizations to offer support and training to our Mexican clients is a step toward achieving our long-term plan of positioning Sikorsky Colombia as the center for support for Latin American countries that operate Black Hawk aircraft," said Adam Schierholz, the regional executive for Sikorsky Latin America. Sikorsky Colombia was formed in 2012 to support the country's army, air force and national police, which together have acquired more than 100 Black Hawk aircraft since 1988. Colombia is the largest user of Black Hawk helicopters in the region. In 2013, the Center for Flight Simulation opened, with the purpose of training Black Hawk helicopter pilots and flight crews. The center is managed by the Aviation Industry Corporation of Colombia, which provides aerospace support for the Colombian defense ministry. It is expected that Mexico, which has the second-largest Black Hawk fleet in Latin America, will double its Black Hawk aircraft over the next five years.

THE DIALOGUE CONTINUES

Will the Next U.S. President Renegotiate NAFTA?

Q Republican U.S. presidential nominee Donald Trump has called for a renegotiation of the North American Free Trade Agreement. If Canada and Mexico refuse to renegotiate NAFTA, Trump has said he would withdraw the United States from the trade deal. Meantime, Democratic presidential nominee Hillary Clinton has also said she wants to rework NAFTA and has said she opposes the yet-to-be ratified Trans-Pacific Partnership, which includes the three countries. How easy would it be for the next president to renegotiate NAFTA, and what might be the focus of such a renegotiation? How likely is a renegotiation of NAFTA, and potentially other trade deals, such as DR-CAFTA, under a Trump presidency as opposed to a Clinton presidency? How would a renegotiation or U.S. withdrawal from NAFTA affect the U.S., Canadian and Mexican economies?

A Luis de la Calle, managing director of de la Calle, Madrazo, Mancera SC and former undersecretary for international trade negotiations in Mexico's Economy Ministry: "There is no need to renegotiate the NAFTA as it has worked for the three countries involved even better than expected. Beyond the impressive trade numbers, the best available evidence of NAFTA's success is the long list of countries that have followed in Mexico's and Canada's footsteps. Just to name a few: Chile, Colombia, Singapore, Australia, Jordan, South Korea, Guatemala, El Salvador, Costa Rica, Honduras and the Dominican Republic. Add to this list countries in the TPP and even the E.U. in the TTIP. Next in line will be Britain. Two theories come to mind: the United States is the big loser by following its own agenda, or U.S. presidential candidates got it wrong, and queuing countries and U.S. trade negotiators are on the right track. In most of these negotiations, the United States has put basically nothing on the table (it is already quite an open economy) and got a significant opening for its goods and services. If Trump gets his way and pulls out of NAFTA (which will not happen) the United States' exporters stand to lose more than Mexico's. For two reasons: First, Mexico buys 16 percent of U.S. sales overseas, while the Mexico represents 13.8 percent of U.S. imports. Second, duties would go up more for U.S. exporters than for their Mexican counterparts; the weighted average most-favored nation duties Mexico would pay for industrials would be 1.9 percent, and for agricultural products 6.4 percent, whereas U.S. exporters would pay 7.7 percent for industrials and 38.4 percent for agricultural products. Mexico is the number-one or -two market in the world for U.S. meats, corn, wheat, soy beans, sorghum, apples, stone fruits, fructose and many other sensitive products."

EDITOR'S NOTE: The comment above is a continuation of the Q&A published in Monday's Advisor.

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Dan Stein, president of Federation for American Immigration Reform (FAIR): "In response to confusing laws, policies and signals from the U.S. government, unaccompanied alien minors began flooding across the U.S. border in 2012. The Government Accountability Office confirmed this in 2015, and found that the message of weak enforcement and a future promise of amnesty—not violence in Central America—was the main reason why this was happening. The Obama administration first promised quick repatriation in response to what appeared to be smuggler manipulation of the 'Wilberforce Act,' a law that requires special treatment for those arriving without a parent. Sadly, the administration quickly shifted gears away from detention and repatriation and in favor of releasing alien family members to those already in the United States illegally. Now, in 2016, the administration has come full circle and is using refugee and parole policy to effectively run an immigration program out of Central America. We believe this is illegal. Misusing refugee policy is both costly to taxpayers and inappropriate, because Obama is illegally giving immigration benefits to family members who would not normally qualify under the immigration law to enter. In effect, he is running his own illegal immigration program at taxpayer expense, and calling it 'family reunification.' The president continues to chart new ground every day in trying to use limited discretionary 'case-by-case' relief authority to run mass immigration programs into the United States. It is a dangerous precedent that undermines immigration law and ensures the entire national debate will be incendiary and volatile."

> **"In effect, [Obama] is running his own illegal immigration program at taxpayer expense, and calling it 'family reunification.' "**
>
> **— Dan Stein**

Faye Hipsman, policy analyst at the Migration Policy Institute: "Two years after the peak of the child migrant surge, unaccompanied minors continue to arrive at the U.S.-Mexico border in significant numbers: 39,000 during the first nine months of this fiscal year, compared to 39,000 in FY 2015 and 68,000 in FY 2014. While the flows to the United States appear to have subsided somewhat, Mexico has stepped up its enforcement and now, many Central American children journeying north are caught before ever reaching the U.S. border. Moreover, the push and pull factors undergirding these flows—violence and insecurity, the desire for families to reunify and for a better livelihood and special treatment of unaccompanied children under U.S. law—remain unchanged. Thus, these child migrant flows should be viewed as an enduring phenomenon, not a short-lived anomaly. The July 26 announcement is the latest signal that the Obama administration increasingly views the migration crisis as a humanitarian one, rather than an issue of border enforcement. The expansion of the Central American Minors program to additional relatives is a positive development that will benefit more families—but likely not at a significant scale, as the program's difficult-to-meet eligibility criteria (principally that a child must have a parent lawfully living in the United States in order to qualify) remain unchanged. Still, the Obama administration should continue to build capacity for fair and timely in-country refugee processing, a promising approach to addressing Central American migration that should be combined with reforms to the U.S. asylum and enforcement systems, and policies that help the countries of origin address the root causes of emigration."

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