**Remittances Disadvantage**

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**Summary**

The Remittances Disadvantage argues that although currently there is a large flow of remittances, i.e., money sent back home by Mexican immigrants in the United States to Mexico, that the Affirmative’s plan, in reducing immigration and thus the remittances that these immigrants would have sent home, will destroy the Mexican economy and lead to increased drug-related crime, as well as hurt US security.

Although some regions depend on remittances more than others it is true that remittances are now Mexico’s second highest source of income. With 1% of Mexican’s surviving on remittances alone and with millions more using it as a way to invest in a more stable future through education and small-business investment, it is hard to discount its impact on Mexican life. Further, the future potential of Mexican’s using remittances to imagine an economic reality for themselves that is not controlled by a corrupt government or greedy multinational companies should not be discounted.

Investing in the plan, although it would make life appear to be more bearable in Mexico, will not solve the larger economic issues in Mexico - Mexican’s can earn a day’s wage in one hour of work in the US. Plans that prevent immigration to the US, however well intentioned, will not only lack the ability to solve poverty better than the status quo but in actually push more people into poverty and/or to the drug trade and other illegal job opportunities, increasing drug-related violence and the power of drug trafficking organizations. These drug trafficking organizations because of their ability to transport illegal materials and undocumented people across the border pose one of the greatest security risks to the United States. For the right price, what or who might these organizations, who are actively being attacked by combined Mexican and US drug enforcement programs, allowed to pass over our border? The potential size of this impact could be enormous and cannot be ignored; think 9/11 or bigger.

**Glossary**

**Gross Domestic Product** (GDP) – the value of all legal goods and services created by a country within a year.

**NAFTA –** A trade agreement between Canada, Mexico, and the United States that is controversial for eliminating taxes on corn from the US in Mexico. The eliminating of a tax on imported corn (aka a tariff), made corn, which is made cheap through government support in the US, even cheaper than Mexican corn, destroying the ability of small, Mexican farmers to make a living.

**Remittance –** refers to the money that immigrants send back to their home country.

**Standards of Living –** this term refers to how comfortably a population is perceived as living. For instance if people in country X have access to fresh food and water, affordable housing, and quality health care and education then many people would say that people in country X have a high standard of living. On the other hand, if people in country Y were eating but, access to quality food was unstable and very few people had access to an education beyond the 8th grade many would consider this a lower standard of living. As this term only refers to material wealth it is often considered a subjective term, open to a variety of interpretations.

**World Bank –** an international organization that gives loans to country’s with the goal of reducing poverty.

**Remittances Disad 1NC(1/3)**

1. **Uniqueness and Link. Slow economic growth and poverty provide incentives for immigration to the US, the remittances that follow are critical to Mexico’s economy**

**Villagran, Smart Planet Correspondent Mexico City, 2013**

(Lauren , February 27, 2013, “Slow U.S. growth, zero immigration hurt remittances to Mexico”, www.smartplanet.com/blog/global-observer/slow-us-growth-zero-immigration-hurt-remittances-to-mexico/9904)

While **the number of families heavily dependent on remittances comprise only about 1 percent of the Mexican population**, **some regional economies do depend disproportionately** on income from remesas. (These tend to be states such as Michoacan, Oaxaca, Guerrero, and others that send the highest number of immigrants north.) **A drop in the cash sent home can seriously injure a state’s economy. Although Mexico’s economy recovered from the recent recession far more rapidly than that of its northern neighbor, the country’s economies are inextricably tied, and sluggish growth in the U.S. inevitably holds Mexico back. As the U.S. economy improves, so should remittances** –- eventually. BBVA Bancomer expects remittances in 2013 to remain flat. The wild card in the equation may be U.S. immigration reform. Will lawmakers give educated immigrants –– especially professionals in math and science fields –– preference in obtaining a green card, as has been proposed? What will become of the low-wage workers in agriculture and the service industry, many of whom send cash home to Mexico? Importantly, will undocumented immigrants be given the same rights as others, to bring their families to the U.S.? “People send remittances here because there are still links,” said Antonio de la Cuesta, director of political analysis with CIDAC, a Mexico City-based think tank.

If Mexican immigrants bring their families to the U.S., they won’t have a reason to send remittances. But any assumption that immigration has permanently slowed would be premature, said De la Cuesta. The conditions that pressure Mexicans to migrate north haven’t disappeared in Mexico. **While Mexico’s economy is providing greater opportunity for people here than in the past, economic hardship is still widespread. Mexico’s social development agency said some 13 million Mexicans were living in extreme poverty at last count. Roughly half the population lives below the poverty line, according to the United Nations. And wages are stagnant. While that has attracted foreign investment, particularly in manufacturing, many Mexicans know that what they earn in a day here amounts to an hour’s wage north of the border. “There are still incentives to migrate,” said De la Cuesta. “The situation in Mexico remains difficult.”**

**Remittance Disad 1NC(2/3)**

1. **Internal Link- Remittance levels are tied to immigration rates, a decrease in immigration would limit the amount of money sent back to Mexico.**

**Mandelman, Research economist and assistant policy adviser at the Atlanta Federal Reserve, 2008**

(Frederico, “Remittances Ebb and Flow with the Immigration Tide”, Econ South. Vol 10, No. 3, Third Quarter, <http://www.frbatlanta.org/pubs/econsouth/econsouth_vol_10_no_3_>remittances\_ebb\_and\_flow\_withimmigration\_tide.cfm )

Latin America has some of the highest levels of remittances, both in aggregate and per capita, according to the World Bank report. **Mexico**, for example, **received** $25 billion, or **approximately 2.5 percent of gross domestic product** (GDP), **in remittances during 2007.** These financial flows are particularly large in Central America and the Caribbean. In 2007, remittances made up 25.6 percent of total gross domestic product in Honduras, 24.3 percent in Guyana, and 21.6 percent in Haiti.**These high levels of remittances to Latin America are clearly related to the rate of immigration from the region**. **The World Bank's 2007 report, titled Close to Home: The Development Impact of Remittances in Latin America, estimates that Latin American migrants (both documented and undocumented) in the United States increased from 8.6 million in 1990 to about 16 million in 2000, nearly 10 million of whom were Mexican**. About one-third of El Salvador's natives live abroad, mostly in the United States, and almost 50 percent of Grenada's population has migrated to a foreign country.

1. **Impact - A decline in remittances would destroy growth and development in Mexico.**

**Lizarzaburu, contributor BBC Spanish American service, 2004**

(Javier, "Mexican migrants' growing influence" BBC news.bbc.co.uk/2/hi/americas/3582881.stm

Despite the relative stagnation of the US economy, this flow of money keeps growing, according to recent data. In 2003 it increased by 35% - the total amount sent that year to Mexico was more than $13bn. **Remittances from Mexicans in the US have become one of Mexico's most important sources of income** - second only to oil and **surpassing the traditional tourism industry**. According to Roberto Suro, director of the Pew Hispanic Center in Washington "**remittances have probably benefited Mexico more than NAFTA"** (the North American Free Trade Agreement between Canada, the US and Mexico).**The flow of money** from the US to Latin America **largely exceeds the money from foreign aid that the region receives. For many, remittances have become a form of foreign aid that helps the families back home to alleviate poverty, spur investment and achieve higher standards of living.**

**Remittance Disad 1NC(3/3)**

**A Mexican economic collapse would create a failed state run by drug gangs turning the case and threatening the security of the United States.**

**Roberts and Walser, Research Fellow and Senior Policy Analyst for Latin America at The Heritage Foundation, 2009.**

(James A, and Ray “Growing Instability in Mexico Threatens U.S. Economy and Border Security” Feb 12 09 www.heritage.org/research/reports/2009/02/growing-instability-in-mexico-threatens-us-economy-and-border-security)

In addition to the drug violence and corruption, **Mexico is also suffering from economic turbulence**. For instance, **remittances sent home** by Mexican emigrants in the U.S., **which are "Mexico's second-largest source of foreign income** after oil, [**sank] 3.6 percent to $25 billion** in 2008 compared to $26 billion for the previous year … and central bank official Jesus Cervantes said **the decline will likely continue this year**."[5] Furthermore, Mexico's large and important automotive sector has been slammed by the same economic woes facing Detroit.[6] Mexico's economy is now forecast to shrink by as much as 1.8 percent in 2009.[7] And the peso has weakened 32 percent against the dollar over the past six months-the second-worst performance among the world's major currencies after Brazil's real-on concern the economy will sink into recession as demand in the U.S. falters for Mexican exports.[8] **Consequently, the Central Bank has been forced to intervene in an "extraordinary" way to prop up the peso.[**9] **Adding to the economic gloom, Mexican government revenues** (more than one-third of which come from PEMEX, the state-owned monopoly oil company[10]) **are declining steadily**. This revenue drop is the result of lower oil prices and declining output due to longstanding PEMEX mismanagement and inefficiency. Major political and economic reforms are needed now,[11] yet recent **economic turmoil has made the political price of such reforms considerably higher.** All of these developments are severely impacting the price Mexican businesses and governments must pay to borrow money. Unfortunately, current ratings of Mexican debt and the attendant risk premiums probably do not fully reflect Mexico's dire straits. Potential foreign investors should beware. A Vital American interest **Mexico's ongoing political stability and economic health are critical to the prosperity and national security of the United States. The Obama Administration must make confronting the many challenges facing our southern neighbor both a foreign and a domestic policy priority**. In order to realize this vital American interest, the current Administration should do the following:

**Answers to: Remittances Falling now**

**[ ] Remittances will increase now.**

**Harrup, writer at the Wall Street Journal, 2013**

(Anthony,.“UPDATE: Mexico's February Remittances Down 11% on Year” April 1,. Wall Street Journal , <http://online.wsj.com/article/BT-CO-20130401-706541.html>) VP

MEXICO CITY--Mexicans living abroad transferred home $1.59 billion in February, 11% less than in the same month a year earlier, the Bank of Mexico reported Monday.¶ It was the eighth consecutive month of declines in remittances, which are a significant source of foreign-currency inflows, ahead of tourism and occasionally exceeding foreign direct investment.¶ February's remittances brought the total for the first two months of the year to $3.06 billion, a decline of 7.1% from the first two months of 2012.¶ Continued weakness in employment among Mexican migrant workers in the U.S. and peso gains against the U.S. dollar are among likely causes of the decline in remittances, which had reached a record $26.1 billion in 2007.¶ A stronger peso tends to discourage Mexicans from sending money home, as the recipients receive fewer pesos for each dollar, although the peso was little changed against the dollar in February, averaging MXN12.72 compared with MXN12.79 a year earlier and MXN12.69 in January of this year.¶**Banorte-Ixe said** in a report that **the leap year in 2012**, when February had 29 days instead of 28, **was the principal cause of the double-digit drop in remittances in February of this year.¶** The bank said recent **data from the U.S. Bureau of Labor Statistics suggest a rise in the number of Mexican migrant workers in the U.S., after a decline in the second half of 2012, and that coupled with improvement in the U.S. labor market, it expects remittances to start rising** in May.¶ "**Although remittances will continue slowing substantially in the first quarter, we consider that flows will recover significantly in the second half of the year**," Banorte-Ixe said, adding that **migrant workers who aren't U.S. citizens tend to send more money back than those who have U.S. citizenship**

**[ ] Remittances are stable now.**

**KITROEFF, writer at New York Times, 2013**

(NATALIE, “Immigrants Pay Lower Fees to Send Money Home, Helping to Ease Poverty”, www.nytimes.com/2013/04/28/us/politics/immigrants-find-it-cheaper-to-send-money-home.html?pagewanted=all&\_r=0)

**The lower costs may be one reason that remittances have held steady even as fewer immigrants from Mexico have come to the United States and the recession has cut into incomes. Overall remittances to Mexico declined during the global recession but picked up again after 2009**.

**Answers to: Immigration Rates Declining**

**[ ]**

**[ ] This argument doesn’t assume the rising flow of immigrants fleeing drug violence in Mexico over the past year.**

**Darby, FBI agent and columnist, 2013**

(Brandon, “Immigration Discussion Remiss to Ignore Cartel Violence,” Breitbart, April 27, Online: <http://www.breitbart.com/Big-Peace/2013/04/27/Immigration-Discussion-Remiss-to-Ignore-Cartel-Violence>)

**Another significant concern in relation to illegal immigration began to become visible around 2006: Mexican drug cartels**. Since that time, t**housands have been killed as cartels battle each other**, along with any public official or private citizen who attempted to interfere with their operation or territorial control. **Entire police forces have** either been disbanded for helping the cartels or have **fled for the lives of themselves and their families after refusing to be corrupted. Some of the cartels,** most notably the Los Zetas, **have** crossed the line from being a criminal enterprise into being an armed insurgency, having **more power and control in many regions than the Mexican government**. **In one instance**, the **Los Zetas forcibly entered the town of Ciudad Mier and caused thousands to flee for their lives**. Many of the town's 8,000 civilians were driven away from their homes and communities. **Many of them found their way across the border and into Texas. They could arguably be catalogued as war refugees or asylees.** The Mexican government’s refusal to admit a state of civil war exists in their own territory complicates any effort to properly aid these victims and properly classify them. The US government, as of yet, has not made an honest assessment of the incompetent neighboring government. Instead, these victims simply become classified as illegal aliens. **There has been an increase in Mexican citizens requesting political asylum in the United States,** according to Fox News Latino. **Though the numbers are currently relatively small** in comparison with such requests from citizens fleeing nations like China, **they are growing.** The Miami Herald reports that **three times the number of Mexican citizens won political asylum in the US in 2012 than from six years earlier,** reaching a 2012 total of 130. The Herald also references a 2012 US Department of Justice report revealing 9,206 Mexican citizens applied for political asylum in the US.

**Link---Farmers**

**[ ] Many of the migrants sending remittances are farmers from rural areas**

**Hossain, UCSD Graduate School of International Relations and Pacific Studies, 2005**

(Angel , “Recent Developments in Labor Migration and Remittances to Mexico”, The Journal of International Policy Solutions, irps.ucsd.edu/assets/004/5380.pdf)

There are several profiles of migrants who make the ¶ decision to improve their lot in life by crossing the ¶ border into the United States. **The typical immigrant is a ¶ young, unmarried man from a rural area of Mexico**; often ¶ with a connection for a job opportunity in the United ¶ States. Recently, more women have migrated **with the ¶ intention of either providing for their families via remittances,** or someday reunifying their families in the ¶ United States. Regardless of the migrant’s social status, ¶ Mexican nationals residing in the United States remain tied ¶ to their home villages and cities. **These ties are ¶ responsible for the multi-million dollar remittance market ¶ that US commercial banks and money-transfer institutions ¶ are eagerly trying to infiltrate**. Interestingly, there is a culture to the Mexican ¶ border towns that encourages immigration to the United ¶ States; whether it is teenagers sneaking across for fun, or ¶ "commuters" legally crossing each day for work or shopping.5¶ **Many Mexican agricultural workers who are now legal US ¶ residents reside for some part of the year in Mexico and ¶ another part in the United States**. Their cyclical pattern ¶ of migration increases the social contacts of young men in ¶ Mexican villages and makes it easier and cheaper for their ¶ friends and relatives to cross the border with them.6¶ It **is ¶ likely this pattern of migration will continue to increase ¶ as older immigrants become established in ethnic enclaves ¶ and facilitate the entrance of newer immigrants.**

**Link---Farmers**

**[ ] Rural farmers are a major source of remittances to Mexico.**

**Hossain, UCSD Graduate School of International Relations and Pacific Studies, 2005**

(Angel , “Recent Developments in Labor Migration and Remittances to Mexico”, The Journal of International Policy Solutions, irps.ucsd.edu/assets/004/5380.pdf)

III. Effect of Remittances to the United States and Mexico

a. Contribution to Rural Economies

**Remittances represent the largest economic impact of** ¶ **migration on receiving areas of rural Mexico. Remittances** ¶ **can empower new groups, such as women or the landless, and** ¶ **they can provide a way for migrants to fulfill social and** ¶ **financial obligations to their families and households**. 14¶ **Although it is nearly impossible to calculate the exact** ¶ **amount of annual remittances since it often flows through** ¶ **undocumented channels, there is no dearth of economic** ¶ **models designed to estimate the impact of remittances to** ¶ **rural economies.** A fundamental assumption in interpreting ¶ the effect of remittances to rural parts of Mexico, ¶ revolves around the migrant’s household. Family members ¶ who remain behind may reorganize their consumption and ¶ production activities in response to the migrant’s ¶ 14 Taylor, 3 ¶ 10departure; or in anticipation of receiving the migrant’s ¶ remittances. ¶ **There is an optimistic potential for the effect of ¶ remittances to reduce poverty in rural areas.** **Assuming the** ¶ **decision to migrate originates in a poor household,** ¶ **remittances may reduce poverty in migrant-sending areas by** ¶ **raising the incomes of the household or by facilitating** ¶ **production of goods and services in the community where the** ¶ **household participates**.15 By adopting the household model ¶ for sending village communities, a predictable increase of ¶ economic growth occurs, linking economic growth of the ¶ household to the growth of the surrounding community. ¶ In a study of a typical Mexican migrant-sending ¶ village, estimated "**remittance multipliers" from migration** ¶ **were found to be equal to 1.78. 16 That is $1.00 of a** ¶ **migrant’s remittances generated $1.78 in additional village** ¶ **income, (an additional 78 cents on top of each dollar** ¶ **remitted**). 17 The additional income was created by ¶ expenditures from remittance-receiving households, which ¶ 11generated demand for locally produced goods and services, ¶ contributing to the income of others in the village.

**Answers to: Plan Wouldn’t Stop All Migration**

**[ ]**

**[ ] Mexican poverty is a major incentive for unauthorized immigration to the US. Increasing growth would drastically reduce immigration.**

**Wainer, immigration policy analyst for Bread for the World Institute, 11**

(Andrew, Development and Migration In Rural Mexico, Bread For The World Institute, Briefing Paper, Number 11, http://www.bread.org/institute/papers/briefing-paper-11.pdf)

U.S. spending on immigration enforcement increased from $1 billion to $15 billion between 1990 and 2009. During thistime the U.S. unauthorized immigrant population increased from 3 million to almost 12 million. 4 Experts recognize that given the pull of higher wages in the United States, it would take unrealistic amounts of personnel and funding– not to mention the use of lethal force–to stop unauthorized immigration through Mexico. **The enforcement-only approach to migration is ineffective because it ignores some of the principal causes of unauthorized migration to the United States: poverty and inequality** in Latin America, **particularly in Mexico.** 6 Although every migrant has his or her own story, most of those stories include the inability to find work or earn enough money in their homeland. **In a 2010 case study of an immigrant-sending community in Mexico**, **61 percent of male migrants reported that economic opportunities**–higher wages and more jobs–**were the primary motivating factor for migration to the United States**. 7 As the 2009 United Nations Human Development Report stated, migration “largely reflects people’s need to improve their livelihoods.” 8 **In order to address immigration pressures directly, the United States must consider a more balanced development agenda toward Mexico** and other migrant-sending countries in Latin America. **This includes elevating the importance of poverty reduction and job-creation projects targeted to migrant-sending communities—particularly in rural Mexico, where poverty and migration are concentrated. Building sustainable livelihoods in migrant-sending communities** not only **has the potential to reduce a major cause of immigration** to the United **States** but could also contribute to the fight against violence and lawlessness in Mexico. While the reasons for the violence are complex, poverty and a lack of economic opportunity for Mexican youth certainly facilitate involvement in illicit activity along with out-migration. 10

**Answers to: Immigration not key the Remittances(1/2)**

**[ ]**

**[ ] Immigration rates drive remittances to Mexico.**

**Mandelman, Research economist and assistant policy adviser at the Atlanta Federal Reserve, 2008**

(Frederico, “Remittances Ebb and Flow with the Immigration Tide”, Econ South. Vol 10, No. 3, Third Quarter, <http://www.frbatlanta.org/pubs/econsouth/econsouth_vol_10_no_3_>remittances\_ebb\_and\_flow\_withimmigration\_tide.cfm )

Latin America has some of the highest levels of remittances, both in aggregate and per capita, according to the World Bank report. **Mexico**, for example, **received** $25 billion, or **approximately 2.5 percent of gross domestic product** (GDP), **in remittances during 2007.** These financial flows are particularly large in Central America and the Caribbean. In 2007, remittances made up 25.6 percent of total gross domestic product in Honduras, 24.3 percent in Guyana, and 21.6 percent in Haiti. **These high levels of remittances to Latin America are clearly related to the rate of immigration from the region**. **The World Bank's 2007 report, titledClose to Home: The Development Impact of Remittances in Latin America, estimates that Latin American migrants (both documented and undocumented) in the United States increased from 8.6 million in 1990 to about 16 million in 2000, nearly 10 million of whom were Mexican**. About one-third of El Salvador's natives live abroad, mostly in the United States, and almost 50 percent of Grenada's population has migrated to a foreign country.

**Answers to: Immigration not key the Remittances (2/2)**

**[ ]**

**[ ] Immigration rates are a key driver of remittances**

**Amuedo-Dorantes and Mazzolari, Assistant Professor of Economics at San Diego State University & Assistant Professor of Economics at University of California Irvine 11**

(Catalina and Francesca, "The Effects of Legalization on Migrant Remittances" Immigrants and Minorities, Politics and Policy, 2011, Part 3, 113-132, Springer)

However, as some developing economies have grown accustomed to remittances, policy-makers have become increasingly worried about the potentially transitory versus permanent nature of international money transfers. This concern has been aggravated by recent news regarding the drop in migrant remittances for some economies, as is the case with Mexico (4).1 **A variety of factors are likelyto affect the temporary versus long-lasting character of remittance inflows, such as changes in the cost of remitting funds, changes in the composition and magnitude of migration flows, and changes in the characteristics of the existing immigrant stock. As a result, US immigration policy, via its impact on both the immigration inflows and the immigrant stock, can have a significant impact on the volume of remittances.**

**Answers to: Remittances cause Dutch Disease (1/2)**

**[ ]**

**[ ] Remittances have a real economic impact beyond short term consumption, long term ripples.**

**Balderas & Garcia-Contreras, Assistant Professor of Economics, Sam Houston State University & PhD in International Studies from the University of Denver, 2009**

(J. Ulyses ,"The effects of remittances and relative price variability on inflation: evidence from 32 Mexican States" Indian Journal of Economics and Business, Dec, 2009)

**The money Mexican migrants send back to their communities has reached unprecedented levels and has become a source of essential economic support for** more than **1.4 million households** (1) in the country. According to information released by the Mexican Central Bank**, Mexico received $16.6 billion in 2004**, an increase of 24 per cent over the same period in 2003. (2) In a recent study, Zarate-Hoyos (2004) estimated that on average a family receives $476 per month from remittances. **Although most of these dollars are spent on current consumption, remittances also have some multiplier effects that have a positive impact on different sectors of the economy. Balderas (2009) found that remittances have a positive impact on gross capital formation in Mexico, meaning that remittances do constitute an input of the productive process to the point that they have a larger impact than the impact foreign direct investment** has over the gross domestic product of the country. While discussing the effects of remittances on foreign direct investment and gross capital formation, Balderas argues that the difference in magnitudes is explained by the stability remittances have experienced over the last several years, compared to the high volatility associated with foreign direct investment.

**Answers to: Remittances cause Dutch Disease (2/2)**

**[ ] Remittances are necessary to reduce poverty and all for sustainable growth in Mexico that can withstand shocks from globalization.**

**Singer ,Assistant Professor of Political Science at M.I.T., 2008**

(David Andrew , “Migrant Remittances and Exchange Rate Regimes in the Developing World”, , Prepared for presentation at the Midwest Political Science Association annual meeting, April 3-6, 2008, http://www.international.ucla.edu/cms/files/singer.pdf

Over the past two decades, migrant remittances have emerged as a significant source of external finance for developing countries. **Remittances**—which arise when migrant workers send money back home to their families—**constitute a steady stream of foreign exchange that helps to alleviate poverty and stimulate economic growth** in migrants’ countries of origin. Remittances are an important lifeline for some of the poorest countries in the world, but also constitute a sizable share of GDP for emergingmarket countries. In countries such as El Salvador, Haiti, Honduras, and Jordan, inflows of remittances exceed 15 percent of GDP. In 2004, a total of 34 developing countries had remittances inflows greater than 5 percent of GDP. The World Bank estimates that total recorded flows of remittances reached $167 billion in 2005; this is a staggering sum that dwarfs other financial sources, such as official development assistance, bank lending, and private investment. Annual flows of remittances even exceed foreign direct investment (FDI) for the majority of developing countries.1 The rise of remittances challenges our understanding of the influence of global finance on national policy choices in the developing world. **Remittances are “unrequited”: they do not result in claims on assets, debt service obligations, or other contractual obligations** (Brown 2006; Kapur 2005). In contrast to purchases of financial or productive assets, which can be liquidated and repatriated, remittances cannot be withdrawn from a country ex post. **Moreover, flows of remittances tend to increase during economic downturns as migrants send more funds back home to cushion their families.** The contrast between remittances and other capital flows is remarkable. **International bank lending, sovereign bond investment, and FDI are highly procyclical in their reaction to the state of the domestic economy**. For example, bank lending will dry up if a country experiences a financial crisis, thereby exacerbating the subsequent recession. Similarly, bond investors will withdraw their funds from countries experiencing high inflation and fiscal difficulties, while FDI will decline sharply in reaction to a downturn in economic growth (Mosley 2000, 2003; Jensen 2006). It is these types of capital flows that scholars have in mind when they argue that financial globalization generates insecurity and income volatility for domestic businesses and individual citizens (e.g., Garrett 1998; Scheve and Slaughter 2004). **Remittances, in contrast, actually smooth the incomes of domestic residents and shield policymakers from the vagaries of the global economy. In short, financial transfers from migrant workers are a form of insurance for developing countries against exogenous shocks** (Kapur 2005; Lopez-Cordova and Olmedo 2005; Lucas and Stark 1985; Rapoport and Docquier 2005; Yang and Choi 2007).

**Answers to: Remittances cause moral hazard**

**[ ]**

**[ ] Non-Unique- Remittance spending on education, health and other public services already dwarfs spending from the Mexican government.**

**Amuedo-Dorantes and Mazzolari, Assistant Professor of Economics at San Diego State University & Assistant Professor of Economics at University of California Irvine 11**

(Catalina and Francesca, "The Effects of Legalization on Migrant Remittances" Immigrants and Minorities, Politics and Policy, 2011, Part 3, 113-132, Springer)

How much of these potential **losses would result in lower investments in Mexico?** Researchers have found that **remittances are primarily used to pay for daily expenses**, such as food and rent, **with the rest being used to improve housing conditions, education, and health**, along with other purposes. For instance, Durand et al. (22) found that about 76% of Mexican remittance receivers use the funds for consumption purposes, 14% spend them on housing, and about 10% use remittances for productive purposes––a figure that coincides with the one reported by Amuedo-Dorantes and Pozo (15) and Amuedo-Dorantes (forthcoming) for Mexico. Likewise, Suro (23) reports that, for Mexico, about 9% of remittances are either invested or saved, with up to 7% being used for educational purposes. Therefore, using these lower-bound estimates, about **$289 million in investment funds and $225 million in education could be lost per year. How significant are these sums for Mexico?** To serve as a reference, we compare the estimated figures to government funds dedicated to investment and education purposes in Mexico. In an International Food Policy Research Institute’ report, Skoufias (24) discusses one of the investment **programs promoted by the Mexican government**, FONAES (National Social Enterprise Fund), which promotes employment and income opportunities by financing productive projects. In 2000, this program **had a budget of $80 million, a much smaller sum compared to the $289 million in investment funds that would be lost with the reduction in remittance inflows.**

**Answers to: Remittances cause Labor Shortages**

**[ ] Immigration boosts remittances which are key to the economy – wage levels, capital accumulation, small business investment, and education all benefit from remittances.**

**Martin, chair of Comparative Immigration and Integration Program at UC Davis, 2003**

(Philip,. “Mexico-US Migration” 2003. Institute for International Economics, <http://www.iie.com/publications/chapters_preview/332/08iie3349.pdf>) VP

**Mexican immigration has a positive impact on wage levels in Mexico**. 14 Economic studies suggest that during 1970-2000, Mexican **immigration to the United States helped raise average Mexican wages by about 8 percent**. Upward pressure on Mexican wage levels especially benefited Mexican workers with higher education levels.15 Moreover**, Mexican immigration plays a pivotal role in raising the level of remittances, which in turn help encourage Mexican capital accumulation, small business investment, and educational attainment.In 2003, Mexican immigrant remittances reached** nearly $13 billion, equivalent to **about 2 percent of Mexican GDP** (Hanson 2005).

**[ ] Remittances have a multiplier effect throughout the Mexican economy**

**Canas et al, business economist at the Federal Reserve Bank of Dallas, 2012**

(Jesus, “The Vulnerability of Mexican Temporary Workers in the United States with H-2 Visas” from *Migration and Remittances from Mexico: Trends, Impacts, and New Challenges* edited by Alfredo Cuecuecha and Carla Pederzini, 2012.) VP

Because **remittances have become a major source of income for many developing countries**, there is a large, and growing economics literature on the¶ determinants and effects of remittances. Most of these studies concentrate on¶ the economic impacts that such flows have on receiving or home countries.¶**For Mexico, a, growing body of research examines the effect of remittances¶ on poverty, schooling, labor force participation, inequality, and the financial¶ sector**. We begin by briefly summarizing the expected economic effects of¶ remittances from a theoretical point of view and then what **empirical research¶ reveals about the effects of remittances in Mexico**.¶ From a theoretical standpoint, remittances can have both positive and negative economic consequences. **Households that receive remittances are made¶ better off because they have higher income, which boosts either their consumption or savings or both**. **These households may be able to make investments**¶ that they previously could not, **including** sending children to **school.¶Both** of these effects should **spur economic development**. Investment helps¶ secure households future income stream while **higher consumption** usually.¶**generates multiplier effects throughout the economy that help all households,¶ not just those receiving remittances**.

**Answers to: Remittances cause Human Trafficking (1/2)**

**[ ]**

**[ ] Immigrant remittances are too small scale to be used by criminal or terrorist networks to finance their activities, criminal groups will use other sources.**

**Logan, director of Souther Pulse Network Intelligence, 2006**

(Sam, "Remittances and Money Laundering in Mexico" International Relations and Security Network, Nov 27, <http://www.isn.ethz.ch/Digital-Library/Articles/Detail/?ots783>= 4888caa0-b3db-1461-98b9-e20e7b9c13d4&lng=en&id=52697

**Money laundering efforts are largely initiated by Mexican actors, so it would seem that remittances play an important role** in hiding the origination of illegal wealth. **But money launderers prefer to employ bulk cash transfers**. Cash packages are taped to human smugglers, who easily walk across the border from the United States to Mexico. **In other cases, smugglers shovel cash into 40-foot containers, sending it back to Mexico on flatbed trucks. Of the many methods used to launder money earned by the sale of cocaine** and other drugs inside the United States, **cash remittances are not the top choice for money laundering experts** according to the treasury department.“The vast majority of illicit funds we see flowing from the United States to Latin America via remittances tend to be laundered proceeds,” US Treasury Department spokesperson Molly Millerwise told ISN Security Watch, adding that **“while remittances can be used by bad actors to move money, they are generally not an efficient method for laundering.”** Commenting on the formal financial sector’s other worry, terrorism finance, Millerwise said: “**While there is believed to be terrorist financing in Latin America, remittances from the United States to Latin America are not a prevalent means for financing terrorism in the region.”**

**Answers to: Remittances cause Human Trafficking (2/2)**

**[ ]**

**[ ] Remittances can flow through legal channels even if the earners are here illegally.**

**Federation for American Immigration Reform, 2009**

("Remittances to Mexico", [www.fairus.org/issue/remittances-to-mexico](http://www.fairus.org/issue/remittances-to-mexico))

**Even as the federal government expands its criminal investigation of companies hiring illegal aliens, it has been helping those same workers send money home cheaply**. In 2001, Presidents George Bush and Vicente Fox devised programs to reduce the cost of sending remittances abroad, as part of the Partnership for Prosperity Program, an initiative to promote economic development.1 **New remittance programs, such as Directo a Mexico, aim to bring Mexican migrants into the mainstream U.S. financial system, regardless of immigration status. Directo a Mexico, allows customers without Social Security numbers to wire money through the Federal Reserve System to Mexico's central bank at little cost. About 27,000 transfers are made through the program each month**.2 **Banks and other financial institutions eager for Hispanic customers have joined in.** Wells Fargo, Bank of America, and Harris Bank, have launched initiatives to capture a larger share of the Latino immigrant market. **U.S. banks have lowered transfer fees, accepted the matricula consular (Mexican consulate-issued ID cards) as identification, acquired stakes in Mexican banks, and established cooperative arrangements to facilitate remittances**.3

**Answers to: The affirmative helps the Mexican farmers (1/2)**

**[ ]**

**[ ] Comparatively remittances do more to eliminate poverty and build economies than direct aid.**

**Hathaway, Dean Melbourne Law School, 2008** –

(James C., Fall, 2008, “The Human Rights Quagmire of "Human Trafficking",” Virginia Journal of International Law, 49 Va. J. Int'l L. 1, p. lexis

More generally, the transnational criminalization of human smuggling per se should raise important concerns for the human rights community. In at least some contexts, (nonabusive) human smuggling - as contrasted with human trafficking - may actually enhance respect for human rights. n198 Kyle and Koslowski conclude, for example, that there is often a symbiotic relationship between smugglers and migrants that challenges absolutist assumptions. n199 **There is, in particular, mounting evidence that remittances from migrants are the single most effective tools of economic and social rights empowerment, dwarfing the impact of official foreign aid programs**. As World Bank senior economist Dilip Ratha concludes, **"Remittances are large, counter-cyclical, and pro-poor. They are better targeted to the needs of the poor than official aid** **or foreign direct investment**." n200 Lant Pritchett has determined that if wealthier countries allowed an increase in immigration equivalent to just three percent of their labor force, the citizens of less developed countries would gain about $ 300 billion per annum n201 - three times more than the direct gains that would accrue from abolishing all remaining trade barriers, four times more than the foreign aid now given by [\*35] governments, and one hundred times more than the value of debt relief. n202 As such, **any holistic analysis of the human rights consequences of seeking to prohibit simple smuggling should take real account of the critical role in global wealth redistribution played by migration** (which is in turn dependent on smuggling), not to mention the real and immediate enhancement of life possibilities for the persons smuggled into more prosperous and less threatening states. n203 It is too simplistic to assume that all, or even most, smuggling is rights diminishing.

**Answers to: The affirmative helps Mexican famers (2/2)**

**[ ]**

**[ ] Direct aid is a poor development model since it encourages recipients to recreate the conditions of poverty that triggered the aid in the first place.**

**Williamson, Professr of Economics at Appalachian State, 2009**

(Claudia R. “Exploring the failure of foreign aid: The role of incentives and information”, Review of Australian Economics, July, 23:12-33, [http://link.springer.com/content/pdf/10.1007%2Fs11138-009-0091-7.pdf](http://link.springer.com/content/pdf/10.1007/s11138-009-0091-7.pdf))

Not only do the governments of countries receiving foreign not exhibit

incentives to promote efficient usage but also special interest groups and

**individual citizens** within these countries **also face incentives that can contribute**

**to the failure of aid**. For example, similar to the moral hazard situation facing

government is **the “Samaritan’s Dilemma**” facing citizens. Buchanan (1975) not

only identified that foreign aid may prop up brutal regimes but also that aid created

the Samaritan’s Dilemma. **By giving foreign aid, the “Samaritan”, or the donors,**

**alters the incentives faced by those receiving it.** **If the recipients believe that future poverty will increase the likelihood of more foreign aid, aid could actually worsen incentives to invest. Instead of saving and investing, citizens now face an even stronger incentive to consume and become dependent on the donors**; hence, theSamaritan’s Dilemma. **Boone (**1996) **empirically supports the existence of this dilemma. In his analysis, foreign aid has zero effect on investment**. Instead, individuals chose to consume.Thus, **aid finances consumption rather than investment**, supporting Buchanan’sprediction. Coyne (2008) provides an example of the Samaritan’s Dilemma. Prior tothe collapse of the Barre regime in Somalia, foreign aid accounted for more than70% of Somalia’s budget. The aid actually created a dependency that has madechange in recent years more difficult.

**Remittances Good- Mexican Economic Growth- Extension**

**[ ] Remittances key to the Mexican Economy growth by directing money to local producers and businesses.**

**Taylor, professor of agricultural and resource economics, University of California, Davis, 1999**

(J. Edward, , "The New Economics of Labour Migration and the Role of Remittances in the Migration Process", onlinelibrary.wiley.com/doi/10.1111/1468-2435.00066/pdf NP)

“Macro” economy-wide effects of migrant remittances¶**If migrant remittances contribute positively to incomes, they may have a** ¶**multiplier effect on incomes, employment, and production** in migrant sending¶ Tailor¶ economies. **Households and firms are linked together through markets**.¶expeiditure linkages transmit the impacts of remittances from the remittance¶ receiving households to other households and production firms in the economy.¶**economy-wide modelling techniques can be used to trace how remittances** ¶**influence income and production** as they work their way through the migrant¶ ending economy. Unfortunately, with a few exceptions, such models have not¶ made their way into the migration-and-development literature, at least at the¶ macro level. The few studies that employ economy-i&modelling techniques¶ study remittance impacts generally produce optimistic findings. For¶ example, AdeLman and Taylor (1990) found that, **for every dollar sent or** ¶**brought into Mexico by migrants working abroad, Mexico’s** gross national¶ product (**GNP**) **increased by somewhere between** ¶**2.69 and $3.17,** depending¶ n which household group in Mexico received the remittances. **Remittances** ¶**reduced the largest income multipliers when they flowed into rural house** ¶**olds, whose consumption and expenditure patterns favour goods produced** ¶**domestically, with relatively labour-intensive production technologies and few** ¶**imports**. When migrant remittances go to urban households, more of the money¶ leaks out of the country in the form of import demand.**These estimates also reveal that migrant remittances have an equalizing effect on the distribution of** ¶**income among socioeconomic groups in Mexico. In the first instance, they** ¶**favour relatively poor and middle-income rural and urban flimilies**. In the¶ second instance, they create second-round income linkages that also favour the¶ poor. As a result, $1 in remittances translates into a $029 to SO.38 increase in¶ small4àrrner and rural-worker incomes and a $1.11 increase in the income of¶ urban worker households, despite the fàct that most remittances do not flow¶ into the latter group. In other words, many of the benefits of remittances accrue ¶ to households other than the ones that receive the remittances.

**Remittances Good- Poverty**

**[ ] Remittances prevent the deaths of millions of people by lifting them out of poverty.**

 **Wainer, Senior Immigration Policy Analyst, Bread for the World Institute, 2012**

(Andrew, 10/24, , “Remittances and Immigration”, http://www.huffingtonpost.com/andrew-wainer/remittances-and-immigration\_b\_2010873.html)

**Today, remittances are mostly used for survival--they prevent millions of families from falling into (deeper) poverty**, but they don't change the economic status quo**. It seems to be that remittances' greatest potential - fueling productive investment that generates jobs and income** and reduces immigration pressure - is untapped.

It could be better employed by U.S. development agencies and regional governments to provide alternatives to unauthorized migration for the next generation of Central Americans. There's scant evidence that border enforcement has impacted undocumented immigration to the United States. The poverty rates in El Salvador, Guatemala, and Honduras are 38 percent, 51 percent and 59 percent respectively. **Poverty and the lack of economic opportunity will drive immigrants north no matter how high we make the border walls. Remittances can't solve** Central American **poverty itself, but they can be part of the solution for providing opportunity to would-be immigrants.** Northern Triangle governments need a national framework for investing remittances into productive enterprises. Remittance recipients need training and support on how to invest in sustainable enterprises. Without collaboration between the diaspora, U.S. development agencies, and regional governments, the impact of remittances will remain limited. **U.S. development agencies are well positioned to facilitate the productive use of remittances into its development agenda to better harness remittances for development in Central America. There are U.S. development programs like this in Africa, but their implementation in Mexico and Central America - the source of more than 80 percent of all unauthorized immigration to the United States - is lagging**.

**Remittances Good – Poverty Extensions**

**[ ] Remittances reduce poverty and increase education**

**Canas et al, business economist at the Federal Reserve Bank of Dallas, 2012**

(Jesus, “The Vulnerability of Mexican Temporary Workers in the United States with H-2 Visas” from *Migration and Remittances from Mexico: Trends, Impacts, and New Challenges* edited by Alfredo Cuecuecha and Carla Pederzini, 2012.) VP

Turning to empirical evidence, **remittances appear to reduce poverty among recipient households in Mexico**. Esquivel and Huerta-Pineda (2007) report that receiving remittances reduces a household’s probability of being in poverty **by about 6-10 percentage points, a sizable reduction** given poverty rates that range from 16 percent to 44 percent of households, depending on how poverty is measured. Lopez-Cordova (2004) shows that the fraction of households receiving remittances is negatively associated with the poverty rates across all Mexican municipalities in the year 2000. ¶**Most research on Mexico finds evidence of a positive effect of remittances on educational outcomes**. Hanson and Woodruff (2003) suggest that living in a household with a U.S. migrant increases years of schooling among girls whose parents have low education levels. **Remittance inflows raise household income and relax credit constraints which perhaps enables families to pay school fees and delay girls’ entry into the labor force. Borraz** (2005) **finds a positive** but small **effect of remittances on schooling**, with the impact only occurring for children living in cities with fewer than 2,500 inhabitants and whose mothers have a very low-level of education. Lopez-Cordova (2004) shows that the fraction of households receiving remittance income is posi-tively associated with school attendance rates and negatively associated with child illiteracy rates across Mexican municipalities in year 2000.

**Remittances Good- US Mexico Relations (1/2)**

**[ ] Remittances are a critical part of US Mexico relations---they solidify economic ties**

**Fossett, writer for the Inter Press Service, 2013**

(Katelyn , Apr 30 2013, “In U.S.-Mexico Relations, a Shift from Security to Economy”, www.ipsnews.net/2013/04/in-u-s-mexico-relations-a-shift-from-security-to-economy/)

“President **Obama having a visit [early in his second term] symbolises the importance of Mexico to the U.S**.,” Chris Wilson, an associate at the Mexico Institute, a think tank here, told IPS. **The United States is Mexico’s largest trading partner**, and the two countries engaged in nearly 500 billion dollars worth of trade in 2012. Much of that trade is in what are known as intermediate inputs, referring to semi-finished U.S. goods that are finalised with Mexican resources, a process seen as increasing the competitiveness of both countries. **Remittances sent home from Mexican immigrants living in the United States are also a substantial factor in the countries’ economic ties, totalling more than 20 billion dollars last year**.

**The upcoming summit’s focus on economics squares with a narrative gaining traction in media coverage and academic circles in recent years that paints a picture of an economically booming Mexico.**“During the administration of Calderon, **the perception of Mexico in the media was largely one of drugs and violence – the headlines about Mexico were about drugs and trafficking, organised crime, gruesome violence,”** Wilson recalls.“But the new [Mexican] administration has come in at a time when economic growth is pretty robust. **They are trying their best to shift the narrative of Mexico by talking more about these economic issues: the reforms that are happening in Mexico that will promote growth, new investments coming into Mexico that will promote growth.”**

**Remittances Good- US Mexico Relations (2/2)**

**[ ] US Mexico relations are vital to environmental protection**

**Mumme and Sanchez-Rodriguez, Professor of Political Science at Colorado State University & Emeritus professor of Environmental Sciences at UC Riverside., 2010**

(Stephen, and Roberto, Emeritus professor of Environmental Sciences at UC Riverside. “Environmental Protection and Natural Resources” 2010. http://usmex.ucsd.edu/assets/024/11636.pdf) VP

**The bilateral framework for addressing shared environmental challenges along the ¶ U.S.-Mexico border is** today crafted around a triptych of agencies and programs with ¶ distinct missions whose role and functions have become increasingly **complementary in ¶ the NAFTA era**. The oldest of these, with particular relevance to the management of ¶ border water resources, is the International Boundary and Water Commission, United ¶ States and Mexico (IBWC), whose mandate is found in the 1944 U.S.-Mexico Water ¶ Treaty. **The IBWC oversees the allocation treaty water resources,** hydropower operations ¶ on the Rio Grande River, and flood control infrastructure on both the Rio Grande/Rio ¶ Bravo and Colorado Rivers in their boundary reach. It **also has a hand in the ¶ management of sanitation and water quality along the border**. The 1983 U.S.-Mexico ¶ Border Environment Cooperation Agreement, popularly known as **the La Paz Agreement, ¶ provides the basis for binational dialogue and programs addressing water quality, urban ¶ and industrial environmental problems, biodiversity protection, environmental education, ¶ environmental enforcement, and environmental justice**. Complementing the La Paz ¶ framework and contributing to its implementation, the Border Environment Cooperation¶ Commission (**BECC) and the** North American Development Bank **(NADB),** established ¶ in 1994, **provide leadership, technical support, and financing for needed border ¶ environmental infrastructure projects** along the border. While these are the leading ¶ agencies and programs guiding binational cooperation on environmental matters, **other ¶ agencies**, the Border Health Commission (BHC) and the Commission for Environmental ¶ Cooperation (CEC), also established in 1990’s, enrich the institutional mix and **contribute ¶ to binational capacity for environmental protection along the international border.**