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Commentary

Use money transfers to stop illegal immigrants

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2008-04-05 01:15:33.0

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WASHINGTON -

Mexican workers in the [U.S.](#) send an estimated \$23 billion back home every year, typically in small amounts. Officially, these transfers are called "remittances" – just for some current perspective, it's more than [Mexico's](#) total annual tourism revenue, and until recently it was larger than their annual oil revenue!

Because of the variables and unknowns in determining the accuracy of these transfers, the official figures are estimates. And, because many of the "remitters" may be illegal immigrants and working here illegally, the "real" numbers could be staggering – maybe even two or three times the estimates.

Simple question: Why don't we put a bunch of smart people (including some economists, bank regulators and some federal and state prosecutors) in a room and ask them how we use this powerful bit of data in a way to reduce one of the main incentives for illegal immigration from Mexico?

Here's some of what they would want to know:

* Who is supporting these transactions in the U.S.: Banks, private currency exchanges, private individuals? Are illegal workers simply buying postal or super market money orders and sending them back home? Is part of a solution to require proof of citizenship to buy money orders and to keep track of who buys them?

If we could make the process for smaller transfers more difficult, we might be forcing the "system" to make larger transfers; therefore they would be easier to "see" – hence easier to prevent.

* Are illegal workers simply putting cash in envelopes and mailing them off to Mexico? It would seem easy enough to centrally accumulate these and "look" more carefully at them - using new sensors and technologies if necessary - and to divert these transfers

in one way or another. If new legal authorities were needed to do this, we should be getting them from Congress.

One of our basic public policy goals in this exercise should be to allow the legal Mexican immigrant to send reasonable amounts of money to Mexico for a very low or even no fee – this to encourage legal immigration.

Another basic policy goal would be to effectively prevent the illegal immigrant here from transferring any money anywhere, hence removing a main incentive to immigrate here illegally.

In addition, as we are talking about a uniquely federal and/or interstate regime – some kind of negotiable transfer is ultimately being made by wire or some physical currency exchange is being made. This means we can most probably control it by comprehensive legislation, implementing regulations and aggressive law enforcement – and this could be just as effective as building walls and more heavily policing the borders.

Perhaps part of the problem is on the Mexican end, where we would more than likely discover wide scale corruption involved in the remittance process. However, this wouldn't seem to prevent an effective solution on our end, because the money comes from the U.S. in the first place, hence is subject to our control during its most important phases: The conversion of our currency into transferable units and actually transferring it.

If we were successful, the simple "loud and clear" message to potential immigrants in Mexico would be: "Don't come to the U.S. illegally because you won't be able to send the money you earn here back home – however, if you come here legally you can do it".

That's a very good message, and we should be figuring out how to send it – it's every bit as important as physical border security, perhaps even more.

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Examiner