

Kamala Harris announces \$2 billion Central America investment amid migration crisis

Private-sector corporations will invest \$2 billion into northern Central America under a Biden administration initiative meant to improve economic conditions in the region amid mass migration to Mexico and the United States.

Vice President Kamala Harris announced Tuesday morning that 10 new companies have pledged to pour more than \$1.9 billion in investments into El Salvador, Guatemala, and Honduras. Companies and nonprofit organizations, including Gap, Visa, Coatl, and AgroAmerica, were among the newest batch of government partners.

“These, we think, are pretty sizable direct investments in economies the size of the three countries in question, and they will be responsible for creating tens of thousands of jobs,” a senior administration official said in a call with reporters Monday evening.

Clothing company Gap will increase its sourcing of materials from Central America to \$50 million per year with an intention to surpass \$150 million by 2025, according to a White House statement. It estimated that 5,000 additional jobs will be created in the region. Financial service company Visa will pour in \$270 million over the next five years toward bringing people and small- and medium-sized businesses into the global financial system.

MIGRATION CRISIS TO US HAS WORSENED DESPITE BIDEN’S PLEDGE TO ADDRESS ‘ROOT CAUSES’

Family-owned sustainable food corporation AgroAmerica will invest \$100 million across six projects that will create 1,000 permanent, living-wage jobs over the next five years. Projects include a food ingredients refinery, banana plantation, and an avocado plantation and processing plant. Digital service firm Coatl will expand access to high-speed internet in rural parts of El Salvador.

President Joe Biden pledged to interrupt the migration crisis by addressing the

root causes that have led millions to flee Central America for the southern border in recent years. As a presidential candidate, Biden said that rather than focus on measures to stop migrants at the border, he would resolve the factors that prompt people in El Salvador, Guatemala, and Honduras to abandon their home countries — namely, widespread poverty and the threat of violent crime. The three countries sit at the northern end of Central America, directly south of Mexico.

In early 2021, the White House announced \$310 million in aid to Central America and the appointment of Harris as the leader of diplomatic talks with regional leaders. It also released its “Strategies to Address the Root Causes of Migration in Central America.” The document laid out, in general terms, plans for improving business conditions, addressing corruption within governments, bolstering human rights, countering gangs and cartels, and combating domestic violence.

Sixteen months into Biden’s tenure, though, the situation at the border with Mexico is far worse, and the administration’s efforts to improve conditions in migrants’ home countries have not amounted to much. The senior administration official pushed back.

“We’ve acknowledged all along that the drivers of migration from Central America and elsewhere are long-term issues that can’t be resolved quickly,” the official said. “But we think that we have been tackling them and are seeing real progress in our efforts.”

El Salvador, Guatemala, and Honduras have a combined population of 33 million. Over the past 18 months, more than 1 million people from those three countries were encountered attempting to enter the U.S. at the southern border.

The overarching problem, according to one immigration analyst, is that the Biden administration’s efforts to get U.S. companies to create jobs in the Northern Triangle cannot compete with the amount of money that people in America earn, giving people little reason to stay.

“The pay differential at the lowest end of the scale in the United States and those countries is about 10 to 1,” said Andrew Arthur, a former federal immigration judge and now a resident fellow at the conservative Center for Immigration Studies, in a May interview. “If you’re not going to pay people comparable wages in that country, you will actually increase their GDP, but you’re not going to do much.”

GDP per capita was about \$63,000 in the U.S. in 2020, according to World Bank data. In comparison, GDP per capita, adjusted for purchasing power, was \$8,853.7 in Guatemala, \$8,420 in El Salvador, and \$5,420 in Honduras.

A major challenge for the Biden administration is that its focus on Central America ignores a new phenomenon that has unfolded over the past year. Migrants from more than 150 countries are arriving at the southern border annually, and more people are coming from all over the world, illustrating the limits of a regional strategy focused on addressing the factors that lead people to leave home.

The number of people encountered at the southern border from countries other than Mexico, El Salvador, Guatemala, and Honduras made up 40% of all encounters at the border between September 2021 and March 2022, according to Customs and Border Protection data.

Source:

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