

## RESTRICTING ILLEGAL IMMIGRATION IN THE U.S.- IS IT GROUNDED IN ECONOMIC TERMS?

**SORIN MAHA**

PHD., “ALEXANDRU IOAN CUZA” UNIVERSITY OF IAȘI, ROMANIA,

E-MAIL: [SORIN.MAHA@GMAIL.COM](mailto:SORIN.MAHA@GMAIL.COM)

**CLAUDIA BOBÂLCĂ**

LECTURER PHD., “ALEXANDRU IOAN CUZA” UNIVERSITY OF IAȘI, ROMANIA,

E-MAIL: [IULIANA.BOBALCA@UAIC.RO](mailto:IULIANA.BOBALCA@UAIC.RO)

### **Abstract**

*The impact of Hispanic immigration phenomenon, especially of the illegal one on the economy at local, state and federal level is a major concern in the U.S.. Challenges to effective control at the borders of the United States have increased dramatically in recent decades.*

*The problem of the present research is the extent to which budgetary policy restricted the illegal immigration phenomenon and what were the negative consequences of the policy to strengthen the borders?*

*The purpose of this analysis is to check if there is a significant relationship between the Border Patrol budget and the number of apprehensions at the border. The results of the research indicate that the two variables are closely linked, and the trend is that with the increase of the budget, the number of border apprehensions drops. The results were analyzed in two phases during 1990-2000 and 2001-2011. For both periods, it shows that the connection between the two chosen variables is statistically strong. However, factors such as political, social and economic resulted in a different correlation between the Border Patrol budget and the number of apprehensions for the two phases analyzed.*

**Key words:** *illegal immigration, Border Patrol budget, border apprehensions, border enforcement*

**Clasificare JEL :** *M40, M41*

### **1. Introduction**

Today, more than ever, in a difficult economic period for the United States with high unemployment and budget deficit, both politicians and the American public are concerned about the impact of Hispanic immigration phenomenon, especially of the illegal one, on the economy at local, state and federal level. In particular, there is debate over whether Hispanic immigrants (legal and illegal) represent, for U.S. a tax burden on the federal budget or the state and local governments because they use public services or, conversely, a gain.

Regarding the origin of illegal immigrants in the United States, the largest share of these, over 80% belong to the Hispanic ethnicity (Batalova and Terrazas, 2010). Estimates for 2010 indicate that about 60% (6.7 million) of all undocumented immigrants on U.S. soil come from Mexico, 12% (1.3 million) from Central America, 5% (575,000) have origins in Latin America and 3% (350,000) are from the Caribbean. In addition to these, another 1.2 million come from Asia, representing 11% of all unauthorized immigrants in the United States.

Research problem: To what extent budgetary policy restricted the illegal immigration phenomenon and what were the negative consequences of the policy to strengthen the borders?

The research assumes that an increase in government spending to the budget of the U.S. Border Patrol in order to strengthen the border with Mexico, will lead to a greater number of people caught trying to enter fraudulently on American soil. We used information obtained from the U.S. Border Patrol statistics for 2011, for the period 1990-2011, the data being processed in SPSS 13.0.

### **2. U.S. national border security against illegal immigration**

Every year millions of people enter legally in the U.S., while hundreds of thousands enter the U.S. illegally. Constrained by political pressures, media and public opinion, the U.S. government allocated in recent years, considerable financial resources to protect state borders, increasing the number of employees and financing innovations and technologies in border protection systems, trying to prevent, thus, illegally crossing of the border.

Although with a relatively small share of U.S. GDP, budget expenditures to strengthen borders and border control in order to stop illegal immigration from Mexico, is perhaps the most tangible and easily quantifiable economic consequence of Hispanic immigration on the U.S. budget.

Throughout the greater part of his short history, the control conducted by U.S. Customs officers at the border was very relaxed, checking of the visa applicants being exercised at a superficial level and only for air and sea ports of entry. To be noted that, in terms of land border that separates the U.S. from Mexico and Canada, with a total length of more than 7500 miles (1), entering U.S. territory could be done freely without strict customs inspection in almost all of

it's crossing points (Alden 2008, Alden 2012, p 2). These regulations were, however, gradually changing from the early 80's, with the increasing phenomenon of illegal immigration from Mexico, and more pronounced in the early 90's, following political pressure imposed by the states located in the southern part of the U.S. federation, especially California - the primary receiver of undocumented Hispanic immigrants, hosting in 2010, about 24% of all illegal immigrants in the U.S..

U.S. government attempts to tighten custom controls grew at an accelerated pace especially after the terrorist attacks of September 11, 2001, moment that significantly changed the mentality of Americans, seeing they are vulnerable to terrorist threats. Consequently, two years later, the U.S. Department of Homeland Security (Department of Homeland Security-DHS) is established, whose primary mission was the control, strengthening and protecting borders. Within DHS, the Department of Customs and Border Protection U.S. (U.S. Customs and Border Protection, CBP) had the following main tasks intercepting terrorists, stopping illegal immigration and customs duty collection of the 342 official points of entry into the U.S. (air, land or water) (Koslowski, 2011, p 4). A special division of the CBP is U.S. Border Patrol, which is responsible for defending land borders between official points of entry into the U.S. and has a strategic objective to establish and maintain effective border control by identifying and capturing illegal entries of individuals.

Efforts to prevent the unauthorized entry of people in the U.S. have focused in particular on strengthening border that separates the U.S. from Mexico, which is considered to be a true "gateway" for undocumented Hispanics, especially the Southwest part of the border, in this area registering over 98% of all catches of the Border Patrol for the year 2000 (Haddam, 2010, pp. 12-13). The first steps forward were taken in the early 90's in the San Diego sector, which extends over a length of approximately 66 miles north of the Mexican cities of Tijuana and Tecate, crowded cities with high population of over 2 million inhabitants in 2006. To deter illegal border crossing, smuggling and drug trafficking, the U.S. Border Patrol began construction of a physical barrier of steel, with a height of 3 meters, over a distance of 14 miles (2). However, this first fence didn't have a discernible impact on the influx of unauthorized Hispanics entering the US, across the border in the San Diego area. As a result, Operation Gatekeeper takes place, from October 1, 1994, whose main objective was to increase workforce employed in the Border Patrol and staff deployment along the border to deter illegal Hispanic immigration. This operation attracted significant resources from the state budget (Nunez-Neto and blame, 2006, pp. 2-3).

Low efficiency of this operation brought again into question, the public funding for the construction of a secondary fence, decision approved finally by Congress in 1996. Therefore, by 2005 a new barrier was built along the border, which included permanent lighting and an access road for Border Patrol officers between the two fences built. This development entailed high costs from the state budget. A study conducted by the U.S. Corps of Engineers estimates these costs to no more than \$ 1.3 million per mile, not including here the land acquisition costs from the owners (a large part of the land at the Mexican border is not in possession of the U.S. state, but are owned by individuals and fence construction involves, firstly, the acquisition of the land from the owners. Regarding the maintenance costs of the barrier in the Californian desert, for an estimated period of 25 years, they might vary between 16.4 and \$ 70 million per mile, depending on the area where the fence is located, but also on the damages suffered due to climatic or fraudulent pass attempts (Congressional Budget Office Cost Estimate, 2006, p 34).

In 2006, U.S. President George W. Bush signed the Secure Fence Act, realizing an important step in the immigration reform and efforts to strengthen U.S. borders. This Act authorizes the construction of additional barriers on a portion of at least 700 miles of border with Mexico State and allows the construction of a larger number of control points, installation of video cameras, lighting, satellites and sensors, to strengthen border infrastructure. In this matter, the Department of Customs and Border Protection U.S., U.S. Army and Corps of Engineers had managed, in 2007, to complete approximately 73 miles of primary fence, the resulting cost of about \$ 198 million. A year later, 215 miles of border had been secured, with financial resources used totaling \$ 625 million.

The number of illegal immigrants present in the United States grew overwhelming since the early 90's, despite the federal government's efforts to increase each year, the budget divisions within the Department of Homeland Security, in order to stop illegal immigration from Mexico. From 1990 until 2011, the annual budget allocated for the U.S. Border Patrol has increased from \$ 262.6 million to 3.5 billion, meaning an increase in the overwhelming percentage of 1.351%. In parallel with the increase of the budget, the Border Patrol expenditures with each apprehension at the border with Mexico have increased in average by 1,041%, from \$ 272 spent per apprehension in 1992 to \$ 3,102 in 2008. Regarding customs officers employed within Border Patrol Southwest border, their number grew by 390%, from 3,555 in 1992 to 17,415 employees in 2009 (Hinjosa-Ojeda, 2012, p 179 ).

Things are clear. U.S. has spent in the last decade, considerable funds to secure the border with Mexico, border protection becoming an essential and immediate priority after the terrorist attacks on the World Trade Center.

### 3. Research problem and hypothesis

Research problem: To what extent budgetary policy restricted the illegal immigration phenomenon and what were the negative consequences of the policy to strengthen the borders?

Our research assumes that an increase in government spending to the budget of the U.S. Border Patrol, in order to strengthen the border with Mexico, will lead to a higher number of persons seeking to enter fraudulently on American soil.

**The research method.** We chose the design of exploratory research, more accurate a documentary study, using information taken from the U.S. Border Patrol statistics for 2011, for the period 1990-2011, the data being processed in SPSS 13.0.

#### 4. Results

To test the effectiveness of funds allocated from the state budget to stop the illegal immigration phenomenon, we performed a correlation analysis. Variables considered for analysis are *Border Patrol budget* and *number of apprehensions* at the border with Mexico. The purpose of this analysis is to check if there is a significant relationship between the *Border Patrol budget* and the *number of border apprehensions*.

Table 1 - Correlation Analysis (1990-2011)

Correlations			
		Bugetul Patrulei de Frontiera SUA (dolari)	Numarul de capturi la frontiera (persoane)
Bugetul Patrulei de Frontiera SUA (dolari)	Pearson Correlation	1	-,777**
	Sig. (2-tailed)		,000
	N	22	22
Numarul de capturi la frontiera (persoane)	Pearson Correlation	-,777**	1
	Sig. (2-tailed)	,000	
	N	22	22

\*\* . Correlation is significant at the 0.01 level (2-tailed).

Table 1 shows the statistical results of the correlation analysis. Sig value <0.05 indicates that there is a relationship between the variables studied and the test is statistically significant. Border Patrol budget variables and number of apprehensions at the border varies clockwise (as the budget increases, there is a tendency to decrease the number of seizures, but not necessarily every year, being a general trend). Pearson correlation coefficient is bigger than 0.5, indicating a strong connection between the variables.

**In conclusion**, the two variables are closely linked, and the trend is that with the increasing of the budget, number of border apprehensions drops. Looking at the overall results, it can be said that the research hypothesis is refuted. However, according to data from 1990 to 2011, we see that there are two phases: (a) 1990-2000, (b) from 2001 to 2011. Thus, we repeated the correlation analyzes for the two intervals.

(a) Period 1990 to 2000

Table 2 - Correlation Analysis (1990-2000)

Correlations			
		Bugetul Patrulei de Frontiera SUA (dolari)	Numarul de capturi la frontiera (persoane)
Bugetul Patrulei de Frontiera SUA (dolari)	Pearson Correlation	1	,901**
	Sig. (2-tailed)		,000
	N	11	11
Numarul de capturi la frontiera (persoane)	Pearson Correlation	,901**	1
	Sig. (2-tailed)	,000	
	N	11	11

\*\* . Correlation is significant at the 0.01 level (2-tailed).

Pearson correlation coefficient ( $r = 0.901$ ) shows that between the two variables is a strong link directly proportional. If the budget is higher, the number of apprehensions increases. This is confirmed by type *Scatterplot* chart in figure no. 1. The cloud of points is increased (fig. no. 1), indicating a positive relationship (directly proportional).

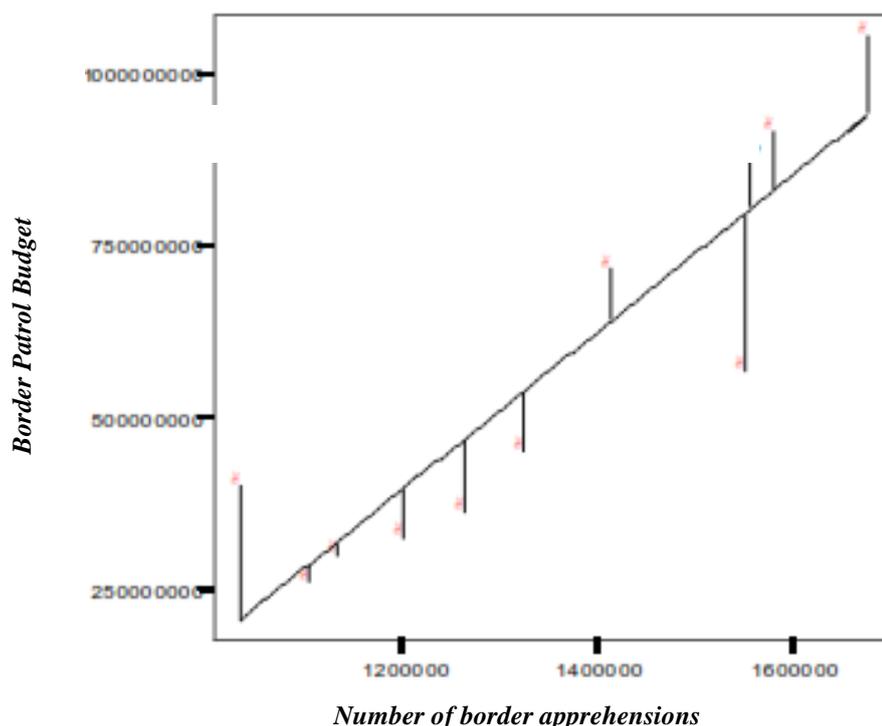


Figure 1 - Correlation Analysis - cloud of points (1990-2000)

(b) Period 2001 to 2011

Table 3 - Correlation Analysis (2001-2011)

Correlations

		Bugetul Patrulei de Frontiera SUA (dolari)	Numarul de capturi la frontiera (persoane)
Bugetul Patrulei de Frontiera SUA (dolari)	Pearson Correlation	1	-.920**
	Sig. (2-tailed)		,000
	N	11	11
Numarul de capturi la frontiera (persoane)	Pearson Correlation	-.920**	1
	Sig. (2-tailed)	,000	
	N	11	11

\*\* . Correlation is significant at the 0.01 level (2-tailed).

Pearson correlation coefficient ( $r = -0.920$ ) shows that between the two variables there is a strong inverse connection. If the budget is higher, the number of apprehensions decreases. This is confirmed by type *Scatterplot* chart in figure no. 2. The cloud of points is descending (fig. no. 2), indicating an inverse relation.

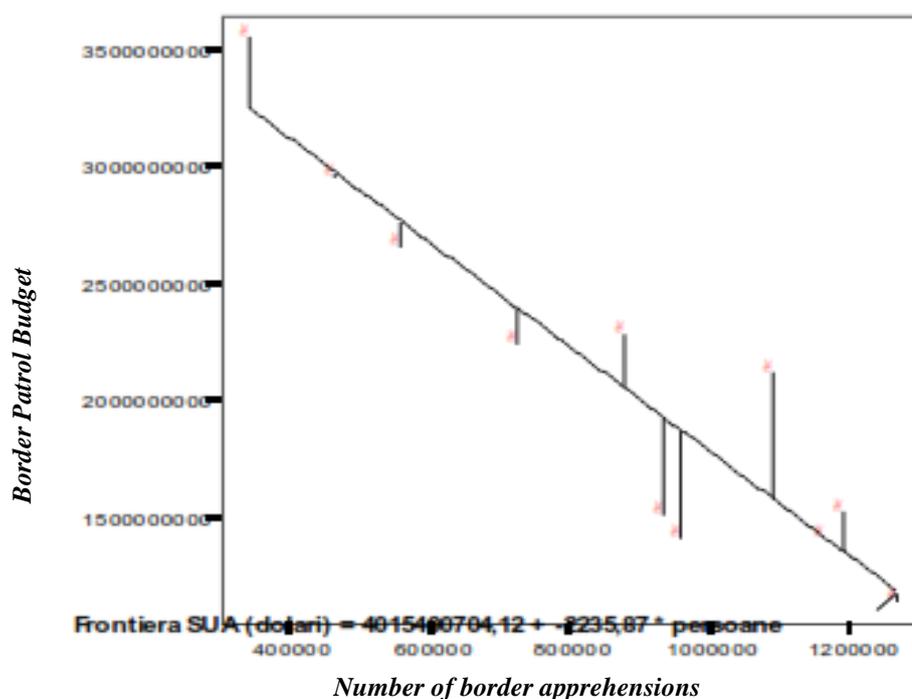


Figure 2 - Correlation Analysis - cloud of points (2000-2001)

From the correlation analysis carried out in the program SPSS 13.0, for both periods, it shows that between the two variables chosen there is a statistically strong connection. However, factors such as political, social and economic resulted in a different correlation between the Border Patrol budget and number of apprehensions for the two analyzed phases. In the period 1990-2001, the increase of the budget directed to Border Patrol led to an increasing number of high apprehensions on the border with Mexico.

At first glance, in strictly statistical terms, the number of border apprehensions would be an indicator that provides an overview of the U.S. Border Patrol efficiency. Figures show that in recent years, the number of people trying to enter illegally in the United States fell sharply. If, in 2001, it amounted to 1.2 million, ten years later, in 2011, the number of apprehensions dropped to about 340,252, which means a percentage reduction of over 352% (Report of the U.S. Border Patrol, 2012).

If, for the period 1990-2001, the number of border apprehensions increased in the same time with the trend of illegal immigration - approximately 1.67 million illegal immigrants entering U.S. between 1990-1994 and another 2.3 million undocumented persons in the period 1995-1999- in the second phase we conducted the correlation analysis, the lower number of apprehensions at the border coincided with a lower number of illegal immigrants who managed to cross the border illegally.

Thus, during 2005-2009, only 990,000 illegal immigrants have been able to avoid the Border Patrol and establish on U.S. territory (Hoefler and others, 2011, p.3). This shows a discouraging illegal immigration phenomenon, which has several possible explanations.

The decline in the flow of illegal immigrants of the last decade has coincided with increased measures to strengthen the borders of the U.S. Immediately after the terrorist attacks on the World Trade Center, the U.S. publicly announced they will fight by all means against terrorism, the security of the national borders becoming top priority. This can be a deterrent to fraudulent intent of crossing the border. Also increased measures to strengthen the South border have created a "financial paradise" for smugglers (coyotes). Thus, in the last decade, they perceived costs that increased significantly (Alden, 2012, p.116). If in the beginnings calling on a smuggler in order to cross the border was just a matter of choice, today, it has become a rule. For example, in 2009, approximately 90% of those who wanted to avoid U.S. Border Patrol enlisted the help of smugglers (Jimenez, 2009, p 19, Hinjosa-Ojeda, 2012, p 180).

Compared to the 90's, the costs charged by *coyotes* are up to three times higher. In 2006, the amounts charged was around \$ 3,000 per person, a high amount for the Mexican economy, the high cost being a deterrent to illegal border crossing decision. Therefore, measures to strengthen the border increased by increasing funding allocation from the state budget to the Border Patrol, which increased the costs of illegal immigration, discouraging the phenomenon.

It is difficult to quantify the extent to which discouraging illegal immigration phenomenon in the last decade was only due to an increased security of the border. Certainly, the financial crisis at the end of 2007 was another deterrent to the immigration phenomenon. One of the sectors of the economy in which the financial crisis was felt was

the real estate sector. Consequently, there was a decreased demand for immigrant labor force employed in construction, which enable much of the undocumented Hispanics.

Even if historical experience shows us that a physical barrier is not the best solution, it seems it works in the case of U.S.. Statistics show that the effectiveness of the Border Patrol in the number of apprehensions is high, between 40 and 60% of those trying to enter illegally in the U.S. are caught and arrested (Alden, 2012, p 115). Statistics on the number of border apprehensions can be often misleading. Border Patrol data does not account for multiple crossing of an immigrant caught and deported back to Mexico. If an individual it will try again, in the same year, to cross illegally the Californian desert, his eventual capture will be quantified again, without regard to the identity of the person. In fact, the number of those who try to cross the U.S. border is lower than the figures from official reports issued by the U.S. Department of Homeland Security (Haddam, 2010, pp. 12-13).

## 5. Conclusions

Since the second half of the twentieth century, the Hispanic immigration to the United States has become a widespread phenomenon, the representatives of this ethnic group have become today the largest ethnic minority in the U.S. territory, surpassing African-American. The presence of the large number of Hispanics in the U.S. has led to important social, political and economic issues.

Annually, the U.S. allocates billions of dollars in order to stop illegal immigration. Although with a strong tradition of non-involvement in economic activity, the United States spent a considerable budget for the Border Patrol, the amount increasing from year to year. All this to meet a clearly stated objective, the border security with Mexico - a true "gateway" for undocumented immigrants. The main measures were the increase in the number of employees and financing innovations and technologies in border protection systems, and building a physical barrier along a portion of desert that separates the U.S. from Mexico.

It is difficult to quantify the direct impact of spending allocated to strengthen the border with Mexico on various economic sectors. Certainly, however, measures to strengthen the border control in the last decade have been a catalyst, being in a lesser or greater extent responsible for several trends in the U.S. economy.

In the last decade, the number of illegal immigrants from Mexico trying to cross the border has decreased considerably. Enhanced measures to strengthen border were not the only factor that influenced the development of border apprehensions. Certainly, the recent economic recession, high tariffs charged by smugglers and the fight against terrorism have discouraged the decision of Hispanics to emigrate to the U.S.. Immediately after the terrorist attacks on the World Trade Center, strengthen U.S. borders and therefore all fraudulent attempts to cross U.S. borders, has become the top priority of the U.S. government.

## Endnotes

- (1) The length of the US-Canada border is 5,525 miles, and the US-Mexico 1989 miles.
- (2) 1 mile = 1.609 km

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