Hometown Associations and their Present and Future Partnerships: New Development Opportunities?

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The International Context of Diasporas

Outreach for self-interest
Seek govt. for protection
Influence home count, affairs
Influence foreign policy
Outreach to cultivate goals in home country
Mobilize on behalf of homeland
Seek govt. for protection
Influence home country affairs
Outreach for self-interest

host country

international organizations

home country

diaspora
Changes in International Relations and Migration: Diasporas and Transnationalism

**Spends US$2,000**
- Dom. Rep.: 36%
- El Salvador: 75%
- Ecuador: 36%
- Guyana: 33%
- Mexico: 27%
- Guatemala: 84%

**Calls over 20 minutes**
- Dom. Rep.: 79%
- El Salvador: 75%
- Ecuador: 50%
- Guyana: 40%
- Mexico: 82%
- Guatemala: 82%

**Visits home country**
- Dom. Rep.: 66%
- El Salvador: 35%
- Ecuador: 38%
- Guyana: 25%
- Mexico: 25%
- Guatemala: 10%

**Purchase home country goods**
- Dom. Rep.: 65%
- El Salvador: 53%
- Ecuador: 95%
- Guyana: 78%
- Mexico: 93%
- Guatemala: 51%

**Remittances**
- Dom. Rep.: $200
- El Salvador: $276
- Ecuador: $290
- Guyana: $330
- Mexico: $380
- Guatemala: $269

**Donations**
- Dom. Rep.: 5%
- El Salvador: 5%
- Ecuador: 10%
- Guyana: 29%
- Mexico: 6%
- Guatemala: 5%
Mexican Hometown Associations and Local Development

- Does the attributes and properties of an HTA intersect with those of development players and work?
- Understanding their development capacity
  - Organizational role
  - Ability to identify issues, allocate resources, oversee projects;
  - Partnering and Collaborative role
  - Duration and
  - Impact
- Effectiveness of Three for One
Trends and Results: HTA as development player

1. Mexican HTAs are small voluntary philanthropic organizations;
2. Their organizational structure is commensurate to the groups’ proposed goals;
3. The activities focus on basic health, education and public infrastructure;
4. The resources raised are relatively small in volume;
5. Donations are significant to the recipient localities in rural Mexico where 40% of remittances arrive and population density is smaller;
6. Partnership with governments enhance development goals.
Iniciativa Ciudadana

1. The 3x1 project delivers significant resources to rural areas in Mexico.
2. Development impact is concentrated in public infrastructure.
3. Differences in project implementations exist among states and municipalities.
4. Small towns benefit substantially from the donations.
5. Civic participation benefits from the program.
6. Community needs are substantial and could benefit from a broader partnership and development strategy.
Mexican Clubs by State of Origin

Growth of remittance flows to Mexico

Quarterly remittance flows to Mexico

Annual Remittance Transfers to Latin America

- Colombia
- Dominican Rep.
- Ecuador
- El Salvador
- Guatemala
- Honduras
- Jamaica
- Nicaragua
- Cuba
- Haiti
- Mexico (right axis)
Mexican Clubs in Chicago

![Bar chart showing the number of clubs in different states over time. The states are Guerrero, Jalisco, Zacatecas, and Guanajuato. The years shown are 1994, 1996, 1997, 1998, 2000, and 2002. The bars are color-coded for each year: 1994 is yellow, 1996 is blue, 1997 is yellow, 1998 is red, 2000 is green, and 2002 is dark green.]}
Year the Association was founded

- Before 1984: 13%
- 1985 to 1989: 8%
- 1990 to 1994: 30%
- 1995 to Present: 49%
Issue identification: Range of Activities (% of HTAs working on given project)

- Health and Education
- Other Donations
- Infrastructure
- Church
- Recreation
- Town Beautification
- Economic Investment
- Cemetery

0 10 20 30 40 50 60
Resource allocation

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 5,000</td>
<td>40%</td>
</tr>
<tr>
<td>5,000 to 10,000</td>
<td>29%</td>
</tr>
<tr>
<td>10,000 to 20,000</td>
<td>17%</td>
</tr>
<tr>
<td>20,000 to 40,000</td>
<td>8%</td>
</tr>
<tr>
<td>Over 40,000</td>
<td>6%</td>
</tr>
</tbody>
</table>

HTAs Donations (US$)
Impact on the community

1. the aggregate volume of donations goes mostly to rural Mexico;
2. the allocation of goods normally unavailable;
3. the impact on civic participation;
4. the effect on the localities vis a vis local government resources allocated for public works
Iniciativa Ciudadana, 3x1

Key trends and issues
Distribution of 3x1 Funds by state in 2002 (in thousands US$)
Zacatecas: 2x1 (92-98) and 3x1 (99-02) matching grants

US$ (Millions)


16.00

16.00

4.80

6.00

7.20

0.19

0.39

0.70

1.68

0.77

1.68

0.13

0.39

0.70

1.68

0.77

1.68

0.13

0.39

0.70

1.68

0.77

1.68

0.13

0.39

0.70

1.68

0.77

1.68
Average amounts budgeted for 3x1 projects and HTA contribution (in US$)

3x1
- Guanajuato: 31,424
- Jalisco: 42,109
- Michoacan: 64,124
- Zacatecas: 33,433
- Four states: 39,457

HTA contribution
- Guanajuato: 7,856
- Jalisco: 10,527
- Michoacan: 16,031
- Zacatecas: 8,358
- Four states: 9,864
Range of activities performed under 3x1 program

- Zacatecas
  - Church
  - Health Infrastructure and Equipment
  - Economic Infrastructure (irrigation)
  - Educational Infrastructure
  - Social Infrastructure (parks & recreation facilities)
  - Electrification
  - Public Infrastructure (street pavement)

- Michoacan
  - Church
  - Health Infrastructure and Equipment
  - Economic Infrastructure (irrigation)
  - Educational Infrastructure
  - Social Infrastructure (parks & recreation facilities)
  - Electrification
  - Public Infrastructure (street pavement)

- Jalisco
  - Church
  - Health Infrastructure and Equipment
  - Economic Infrastructure (irrigation)
  - Educational Infrastructure
  - Social Infrastructure (parks & recreation facilities)
  - Electrification
  - Public Infrastructure (street pavement)

- Guanajuato
  - Church
  - Health Infrastructure and Equipment
  - Economic Infrastructure (irrigation)
  - Educational Infrastructure
  - Social Infrastructure (parks & recreation facilities)
  - Electrification
  - Public Infrastructure (street pavement)
### Budget allocation, HTA donations and population (mean values)

<table>
<thead>
<tr>
<th>Population range</th>
<th>HTA donation (in dollars)</th>
<th>Ratio HTA and Public works budget</th>
<th>Population in Community</th>
<th>Share of 3x1 projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 999</td>
<td>8,648</td>
<td>7.1</td>
<td>407</td>
<td>48.6</td>
</tr>
<tr>
<td>1,000 to 2999</td>
<td>11,999</td>
<td>0.5</td>
<td>1,686</td>
<td>21.0</td>
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<tr>
<td>3,000 to 4999</td>
<td>8,397</td>
<td>0.1</td>
<td>4,014</td>
<td>6.8</td>
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<td>5,000 to 9,999</td>
<td>9,602</td>
<td>0.1</td>
<td>7,328</td>
<td>9.9</td>
</tr>
<tr>
<td>Over 10,000</td>
<td>25,661</td>
<td>0</td>
<td>69,653</td>
<td>14</td>
</tr>
</tbody>
</table>
Monthly pc GDP in municipalities where 3x1 takes place
Are there opportunities for donor partnership with HTAs?

Are partnerships possible?
Should donors become involved and how?
Some opportunities:

1. Donor relationship with HTA federations;
2. Social development
   1. Donor technical assistance for project identification;
   2. Donor support on governance and democratic participation;
   3. Donor partnerships in social (health and education) and infrastructural projects
3. Economic development
   1. Government incentives to attract private sector involvement;
   2. Government support in investment feasibility analysis;
4. Financial infrastructure
   1. Support education on financial services;
   2. Support to link technology to education, communication and remittances in the rural areas.
Financial infrastructure and rural Mexico

[Bar chart showing the presence of banks in four Mexican states by population, with categories for different population ranges.]

- Under 999
- 1,000 to 2,999
- 3,000 to 4,999
- 5,000 to 9,999
- 10,000 to 14,999
- Over 15,000

Legend:
- No Bank
- Bank
The realism of the possible

- Politics matter
- Size and symmetry considerations;
- Flexibility and creativeness