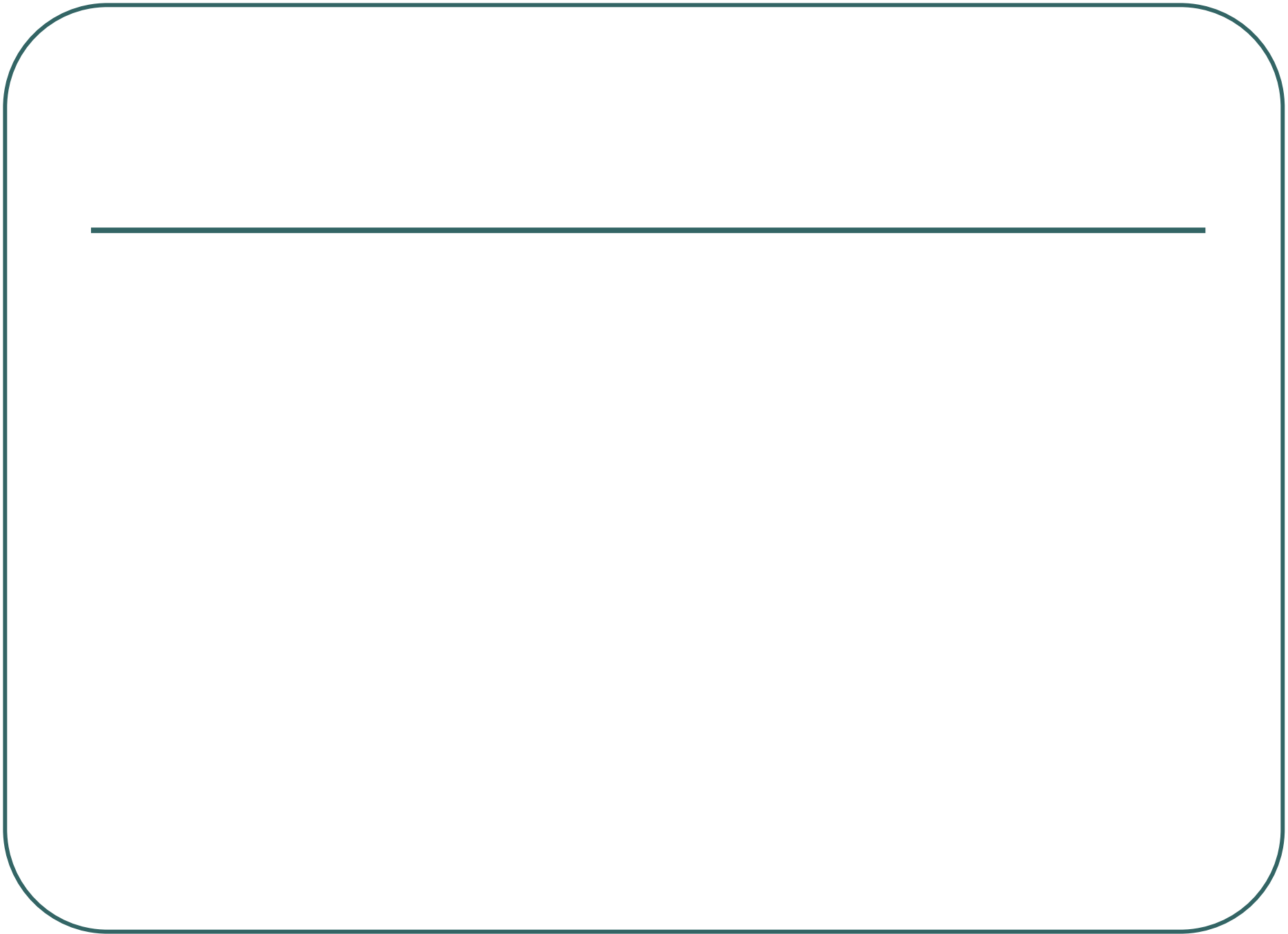


***Hometown Associations and their
Present and Future
Partnerships:
New Development Opportunities?***



Manuel Orozco
Inter-American Dialogue

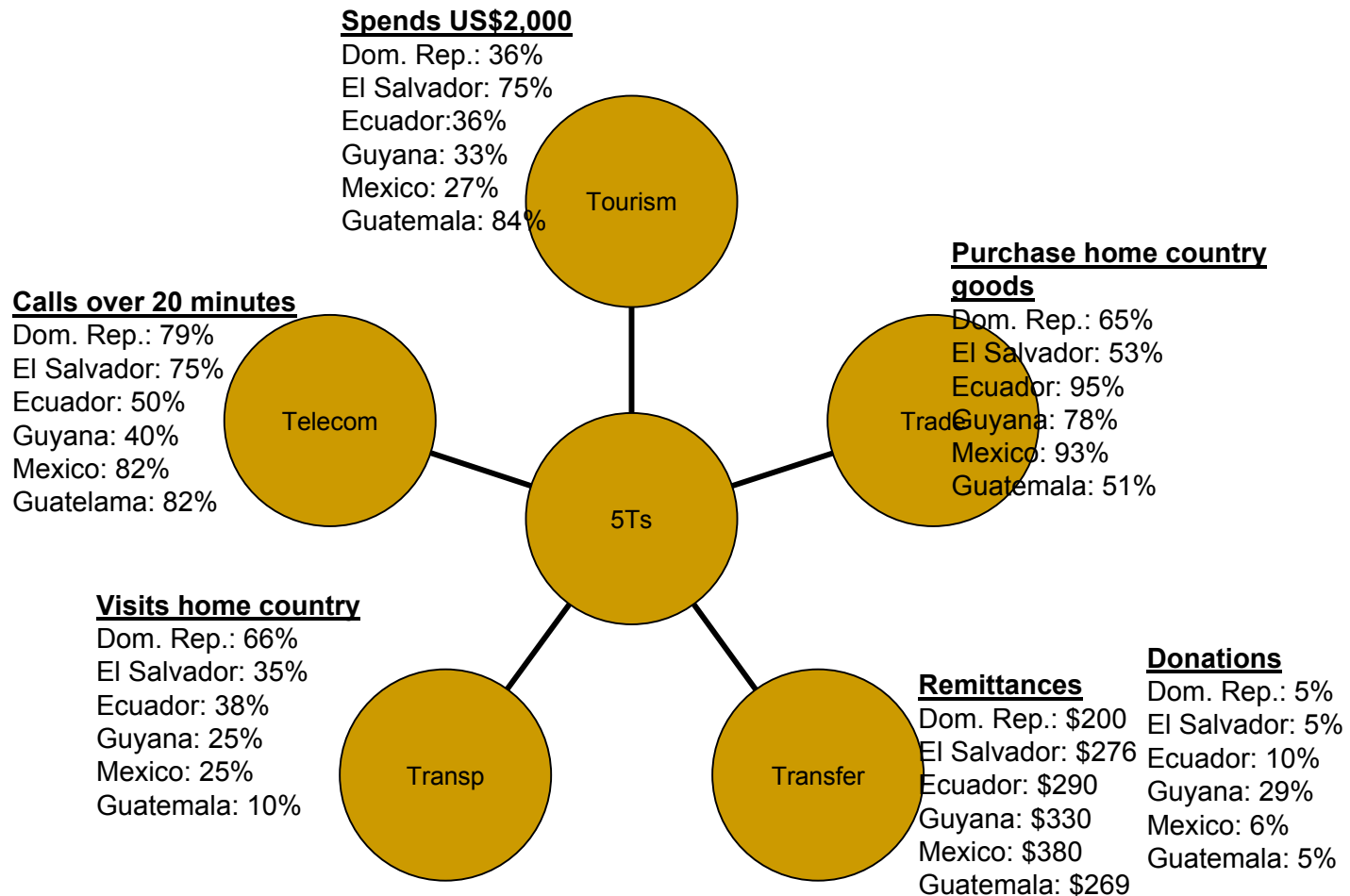
September 2003



The International Context of Diasporas



Changes in International Relations and Migration: Diasporas and Transnationalism



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

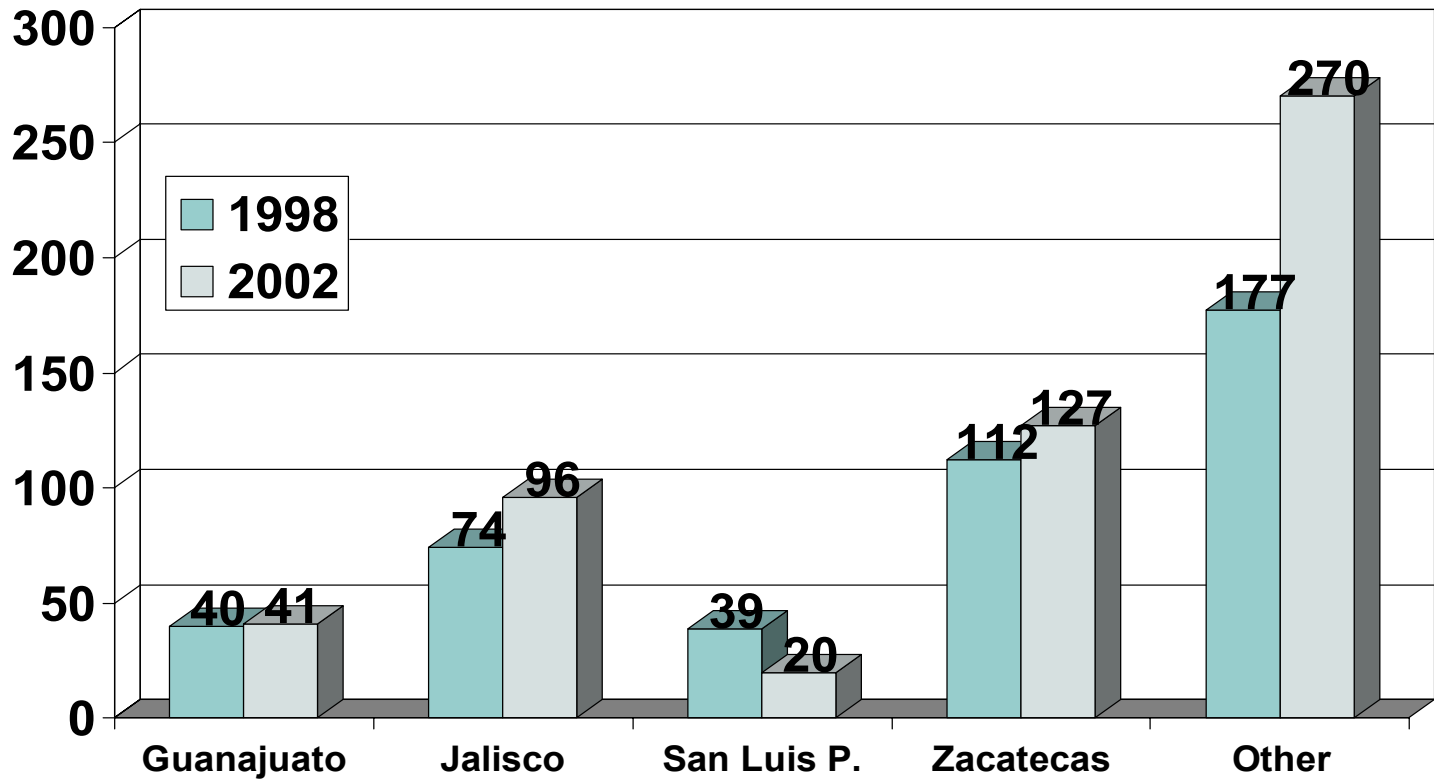
Trends and Results: HTA as development player

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.

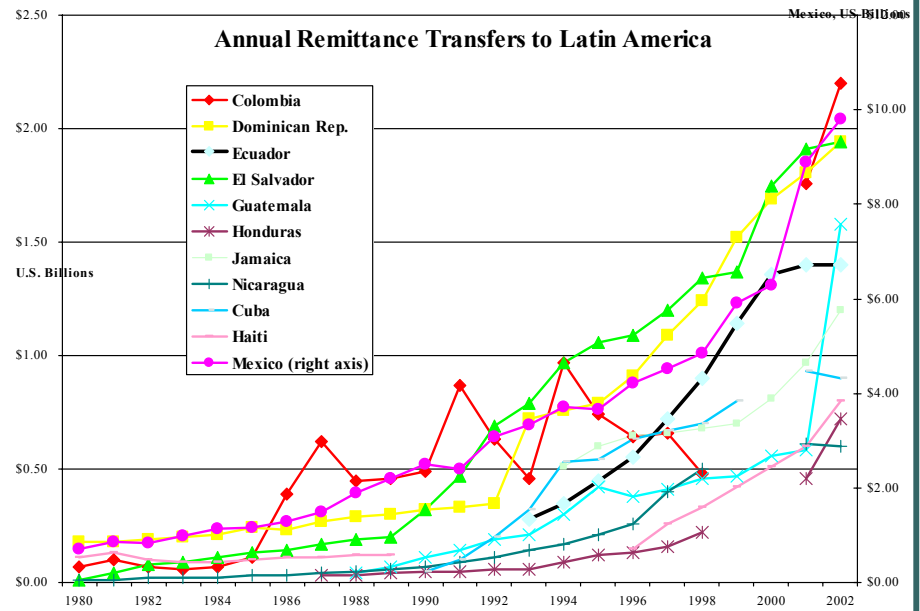
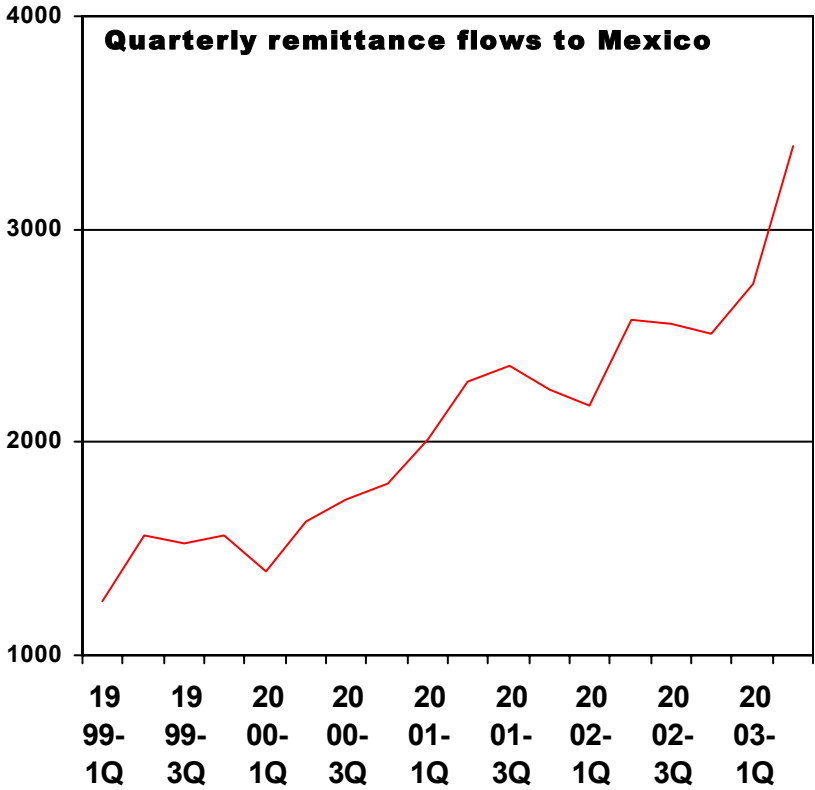
Iniciativa Ciudadana

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

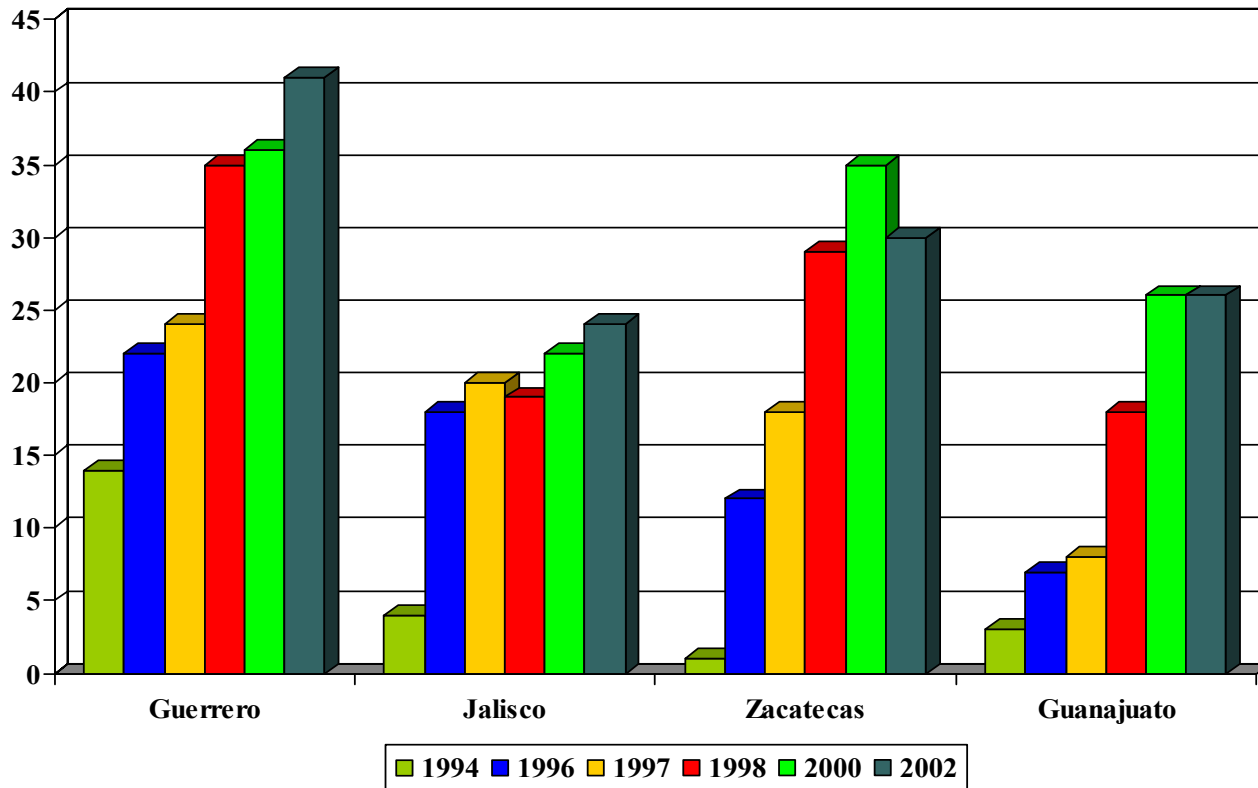
Mexican Clubs by State of Origin



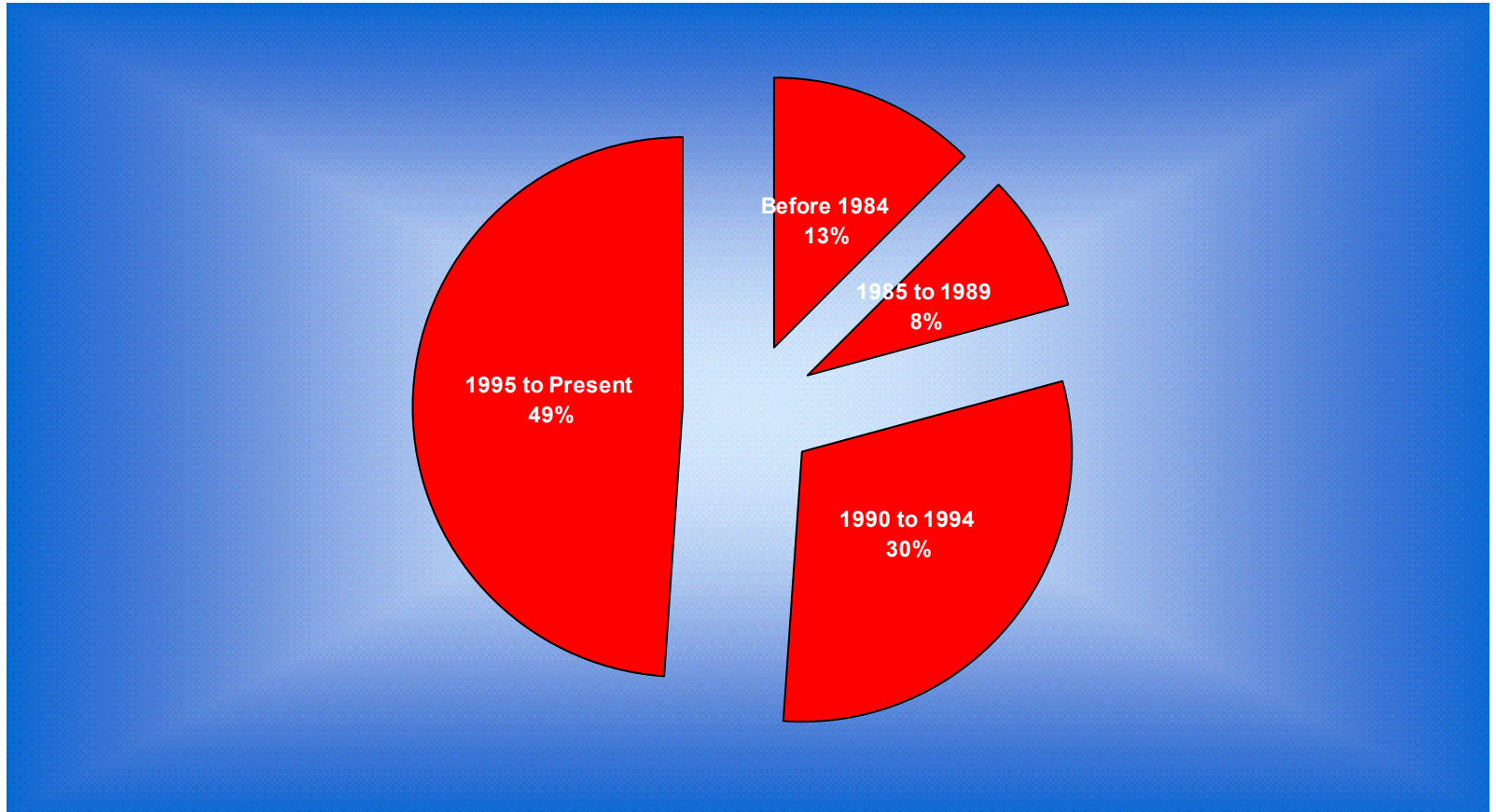
Growth of remittance flows to Mexico



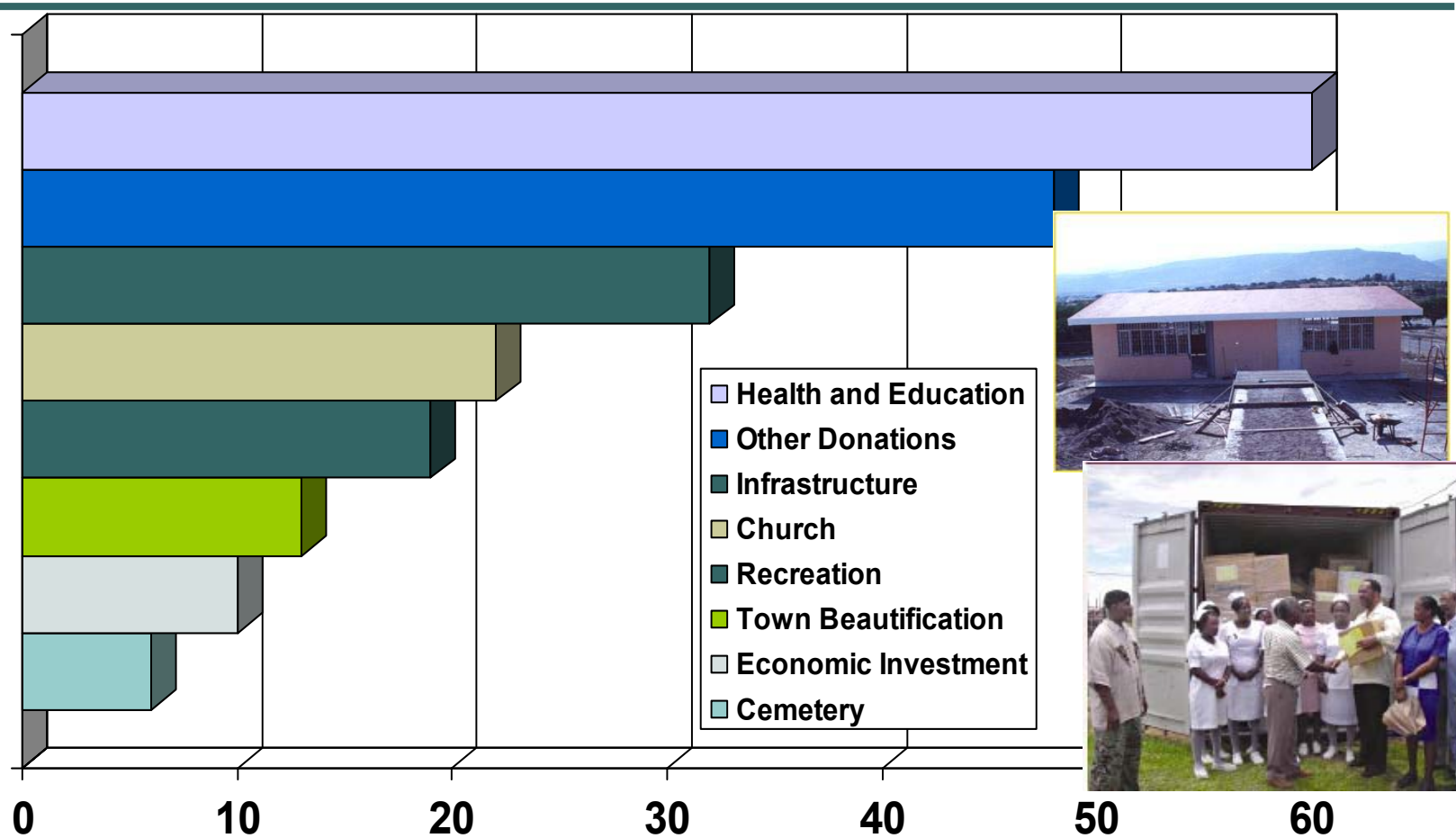
Mexican Clubs in Chicago



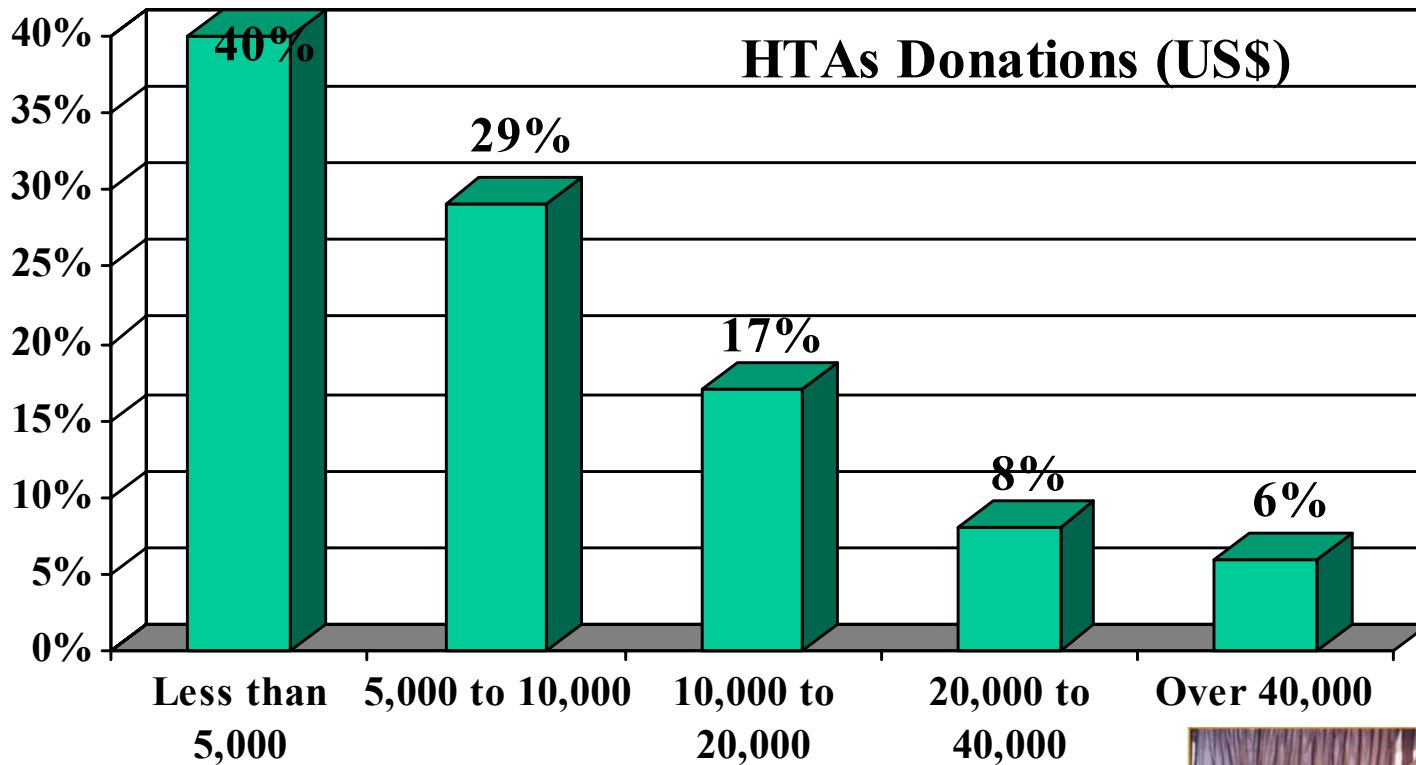
Year the Association was founded



Issue identification: Range of Activities (% of HTAs working on given project)



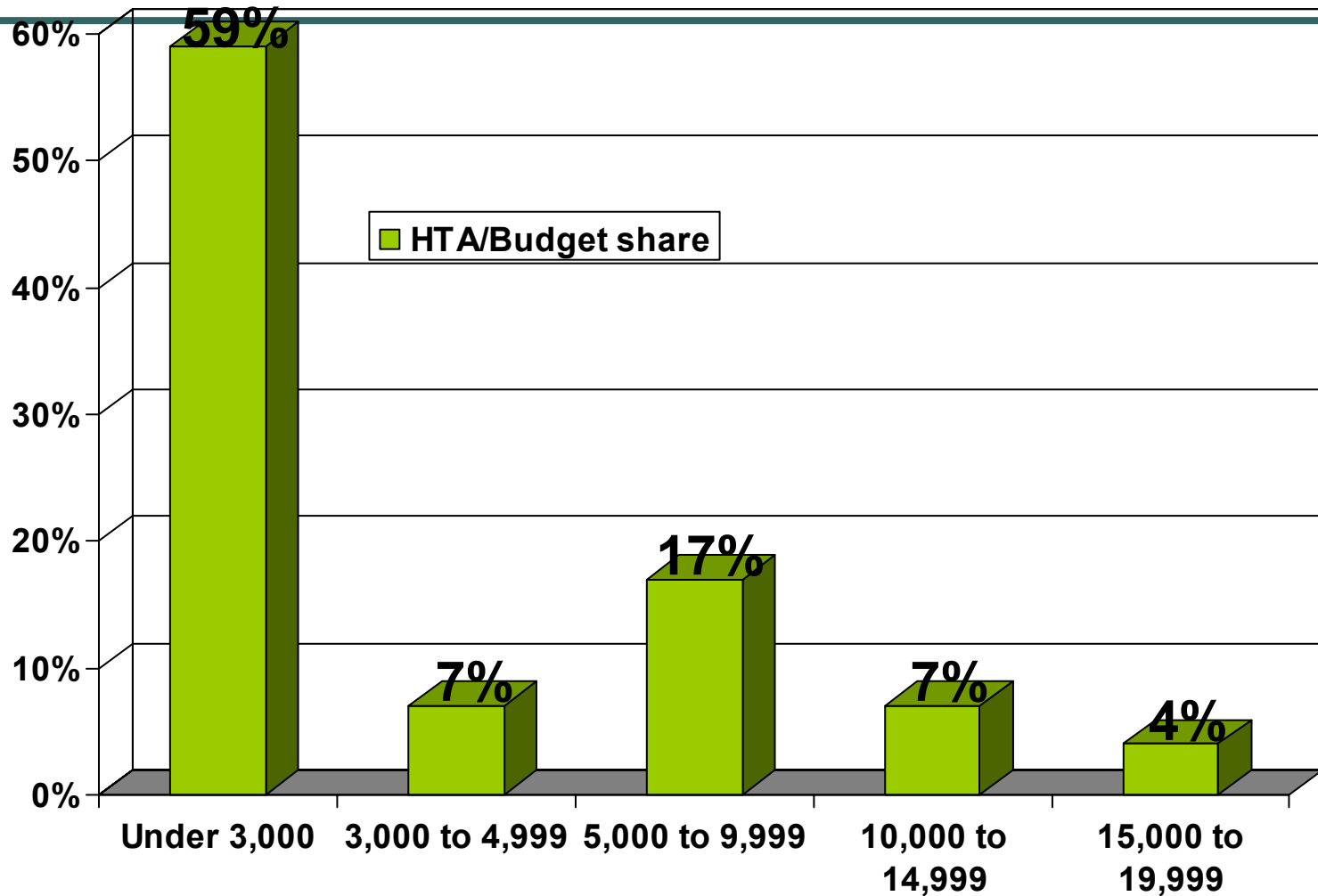
Resource allocation



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

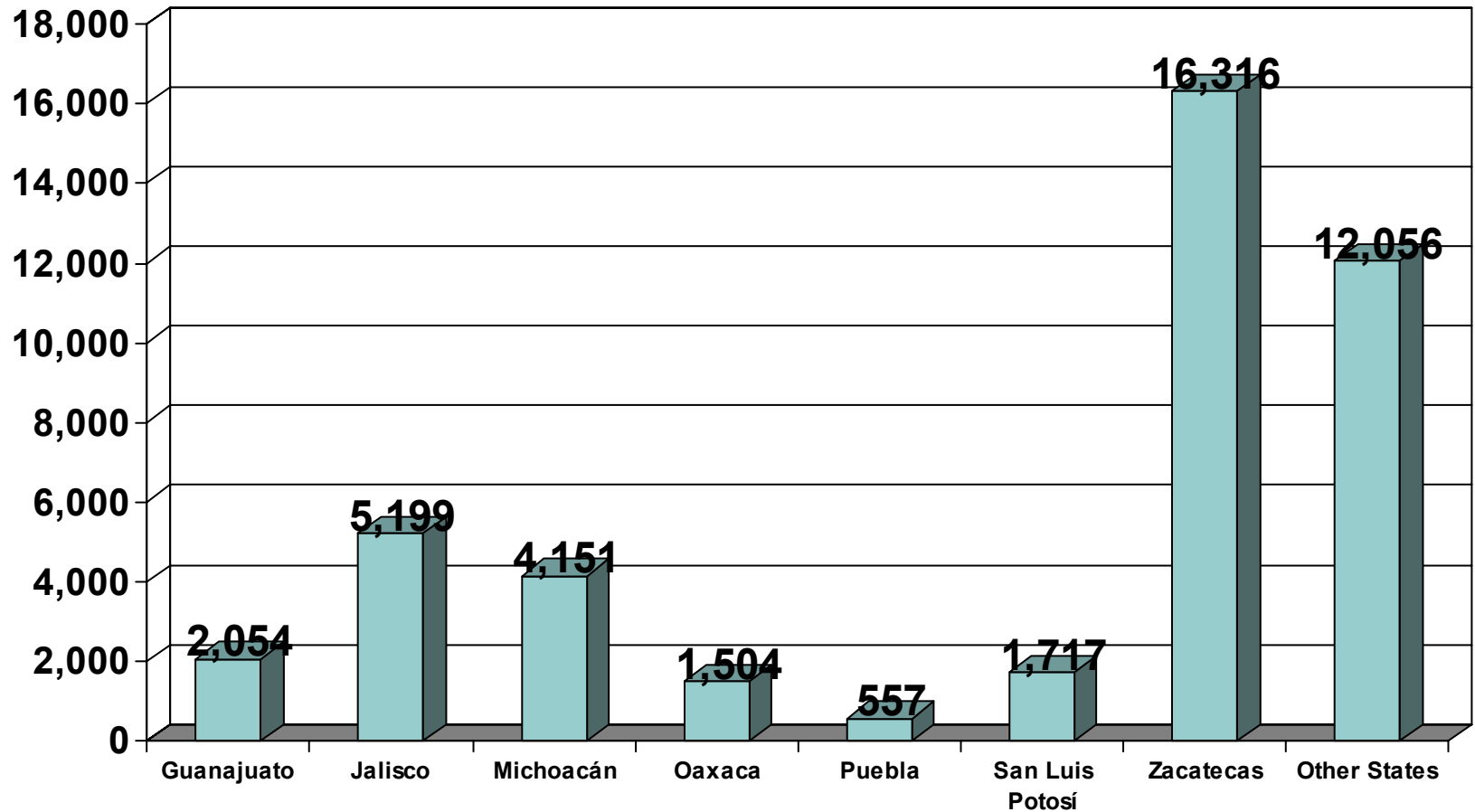
Impact on the community



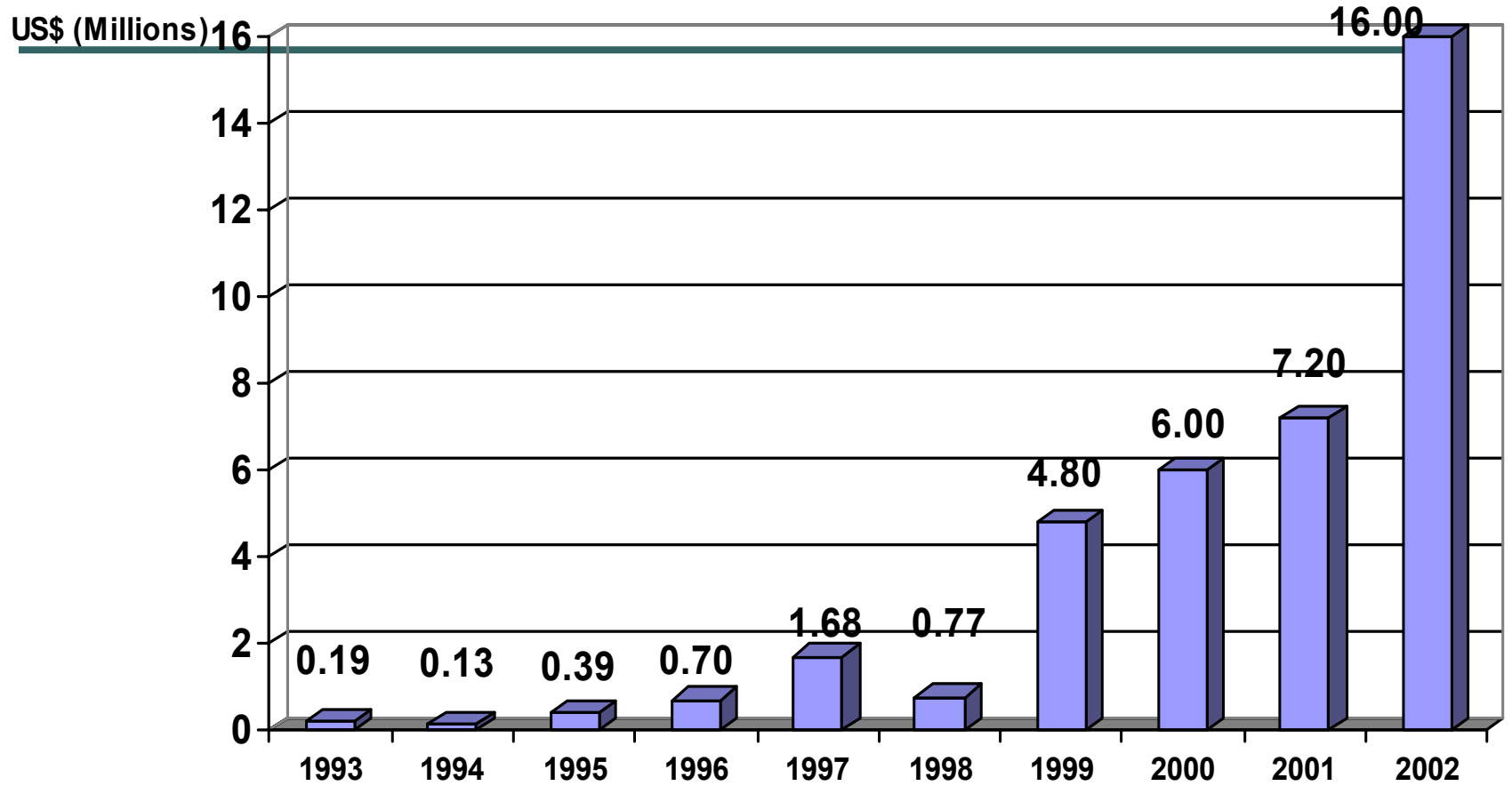
Iniciativa Ciudadana, 3x1

Key trends and issues

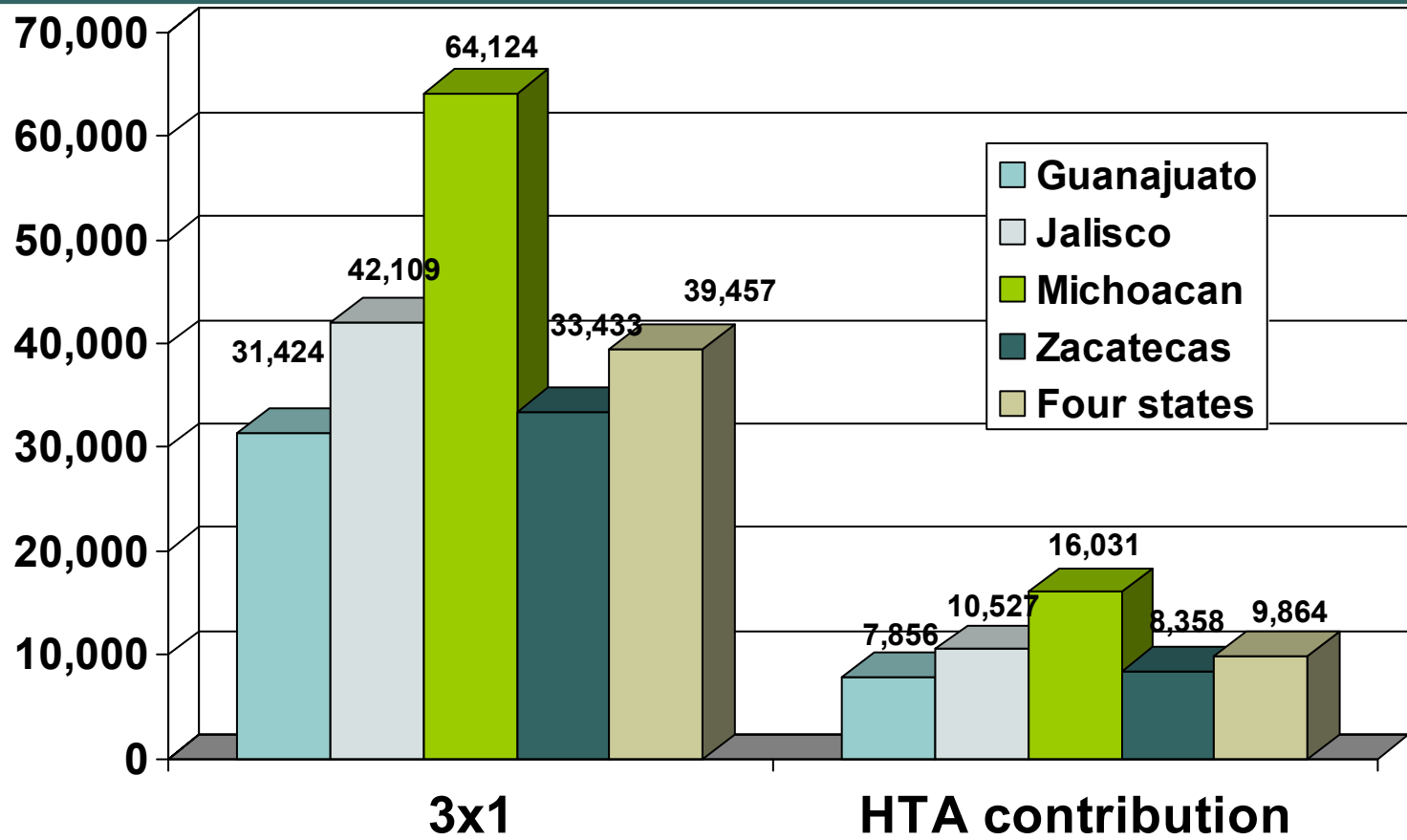
Distribution of 3x1 Funds by state in 2002 (in thousands US\$)



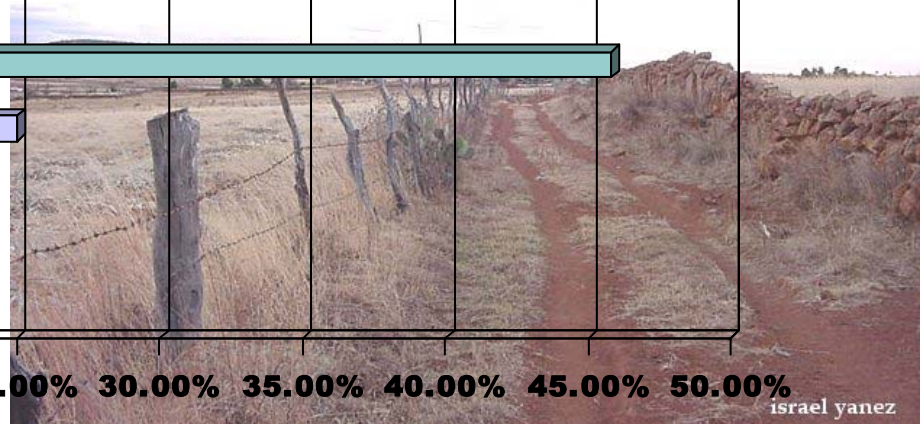
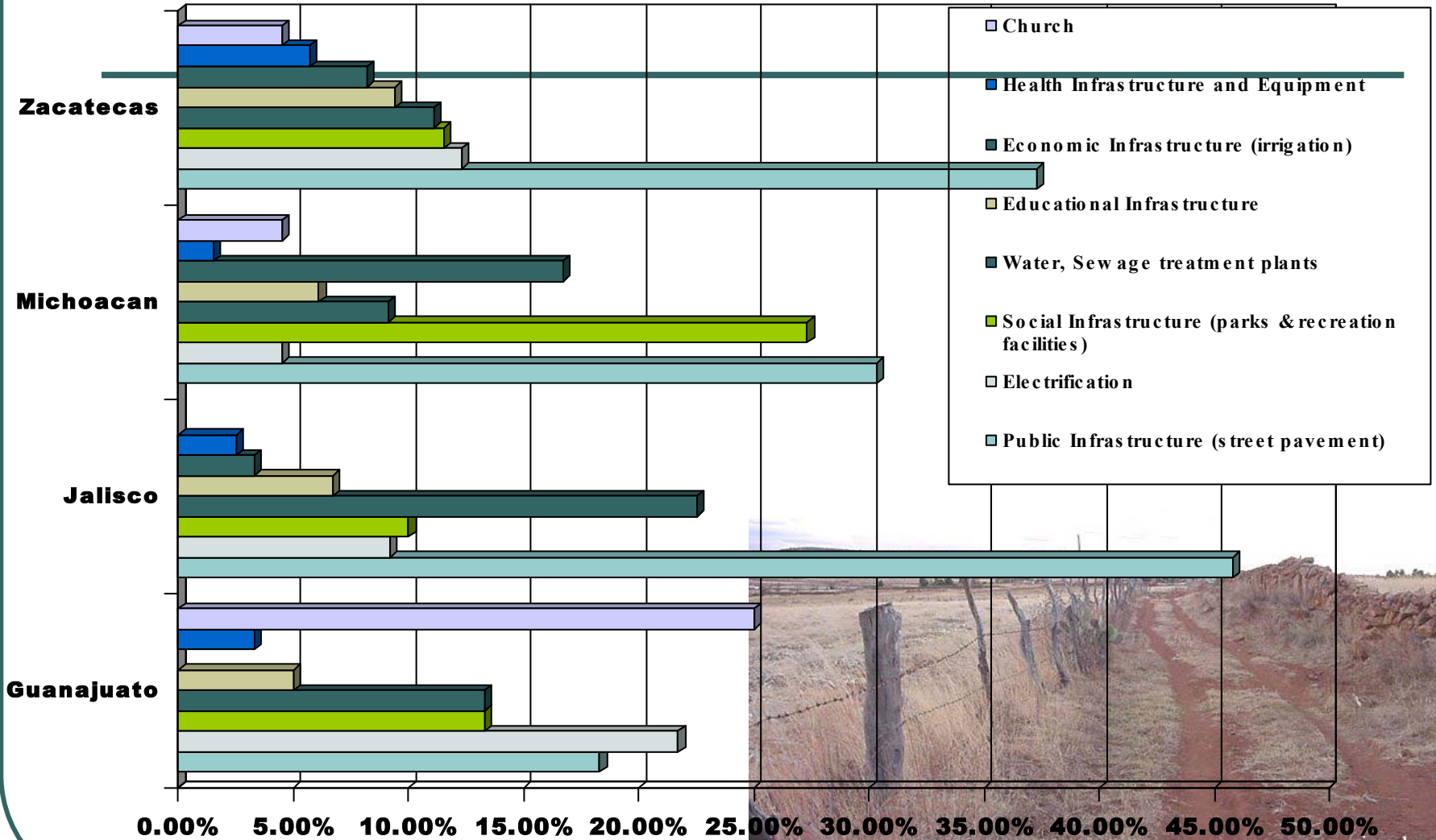
Zacatecas: 2x1 (92-98) and 3x1 (99-02) matching grants



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



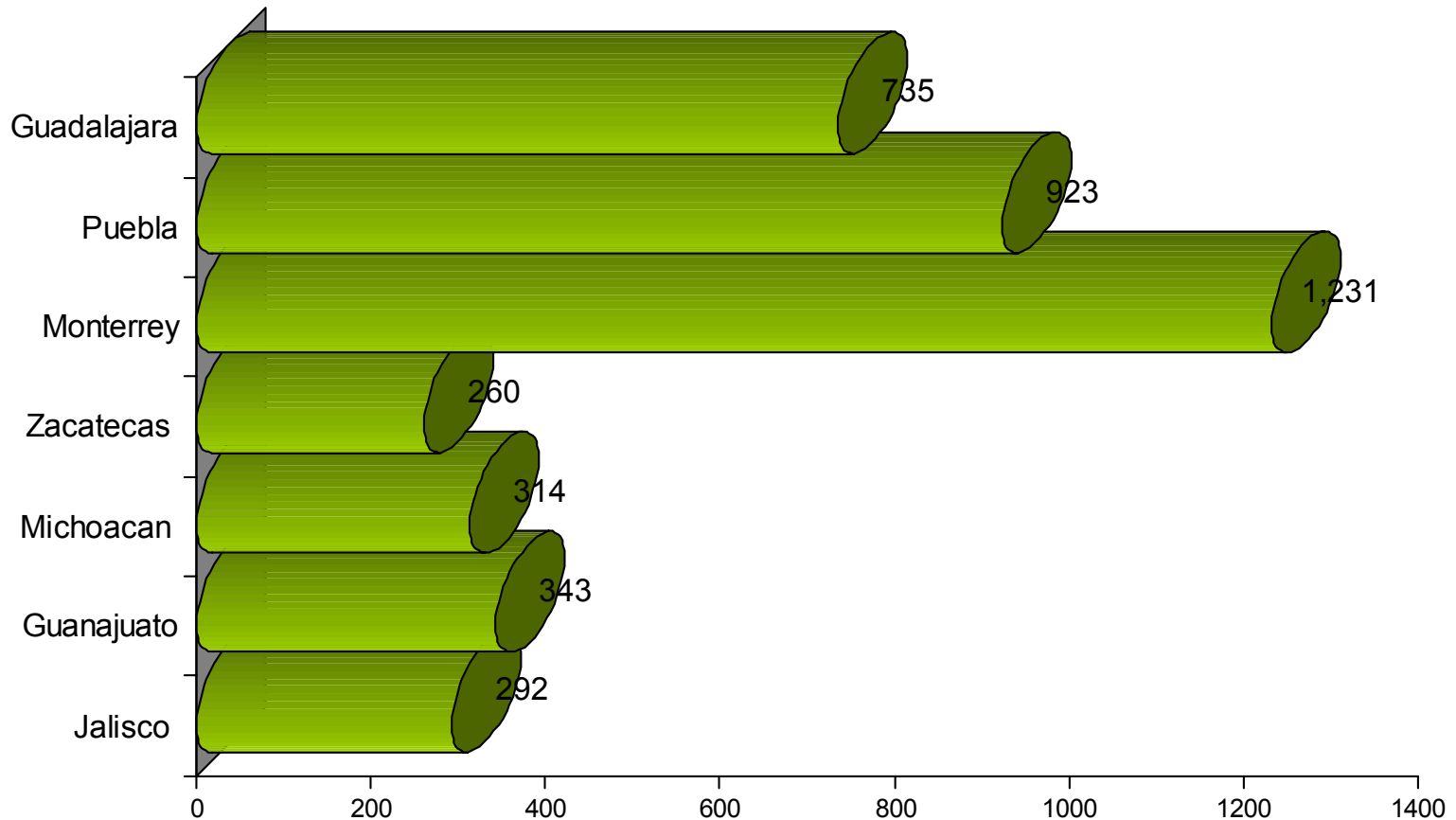
Range of activities performed under 3x1 program



Budget allocation, HTA donations and population (mean values)

| Population range | HTA donation (in dollars) | Ratio HTA and Public works budget | Population in Community | Share of 3x1 projects |
|------------------|---------------------------|-----------------------------------|-------------------------|-----------------------|
| Under 999 | 8,648 | 7.1 | 407 | 48.6 |
| 1,000 to 2999 | 11,999 | 0.5 | 1,686 | 21.0 |
| 3,000 to 4999 | 8,397 | 0.1 | 4,014 | 6.8 |
| 5,000 to 9,999 | 9,602 | 0.1 | 7,328 | 9.9 |
| Over 10,000 | 25,661 | 0 | 69,653 | 14 |

Monthly pc GDP in municipalities where 3x1 takes place



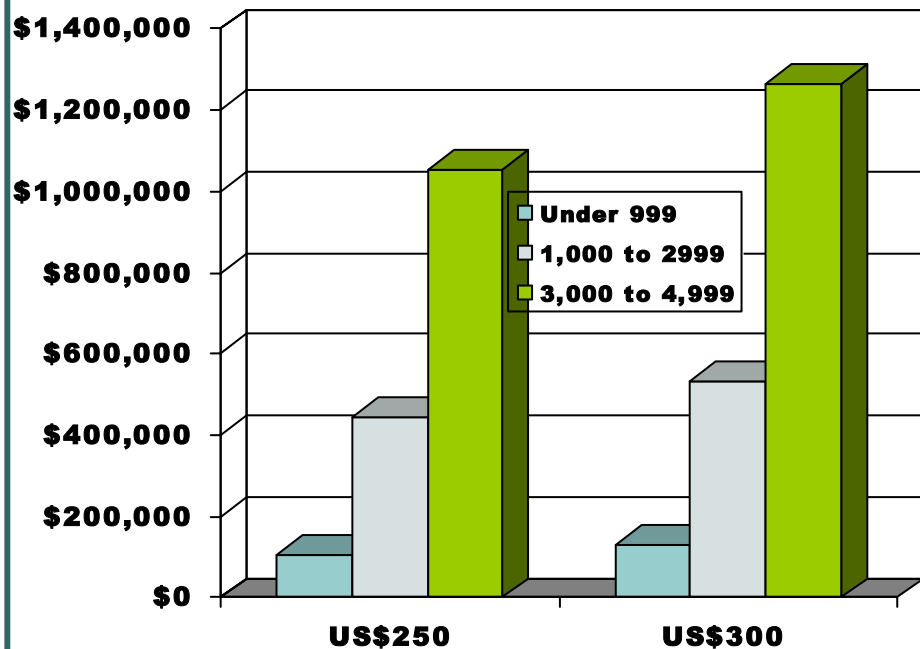
***Are there opportunities for
donor partnership with
HTAs?***

Are partnerships possible?
Should donors become
involved and how?

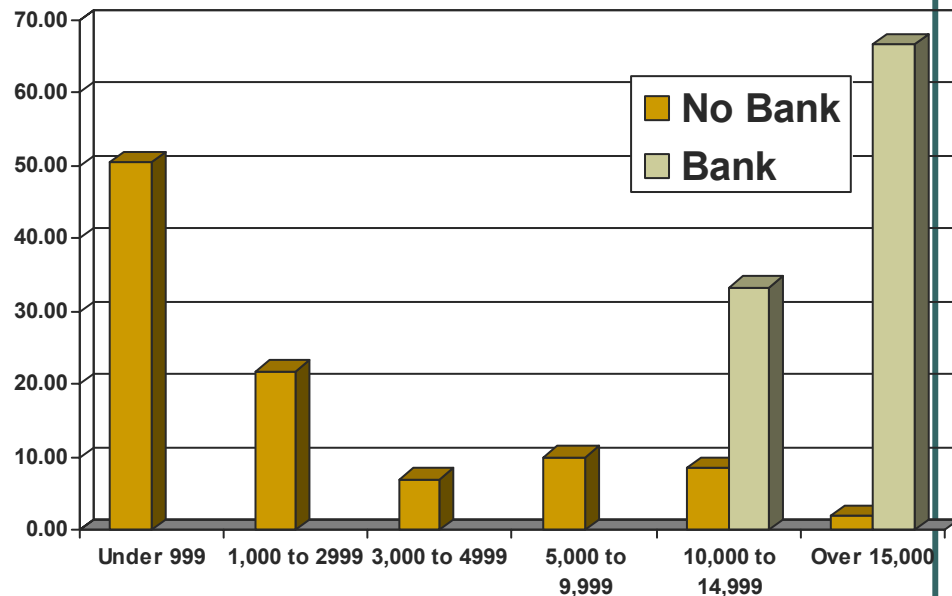
Some opportunities:

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



Presence of banks in four Mexican states (by population)



The realism of the possible

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