

The New National Boundaries: Diasporas, Governments and Remittances

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Redefining National Boundaries

- New relationship between LAC and their émigrés
 1. New immigrant demands
 2. Transnational activities
 3. Interest of home countries in benefiting from emigrant resources
 4. Interest of home countries working through HTAs
- Factors influencing the development of this new relationship:
 - Migration and social contracts
 - Remittances

Governmental Outreach

- **Citizenship**
 - Mexico
 - El Salvador
 - Colombia
 - Dominican Republic
- **Institutional Outreach**
 - El Salvador (DGACE)
 - Mexico (IME)
- **Developmental Partnerships**
 - Unidos por la Solidaridad (El Salvador)
 - 3 X 1 Programs (Mexico)

Remittances: The Mexican Case

- Importance of Remittances
 - Individual Level
 - National Level
1. Who is more likely to send Remittances?
 - 80% family member left behind and *intend* to return home
 2. Who is less likely to send Remittances?
 - 90% who do not have a direct family member or does not *intend* to return home
 - Second Generation Immigrants

Potential Decline

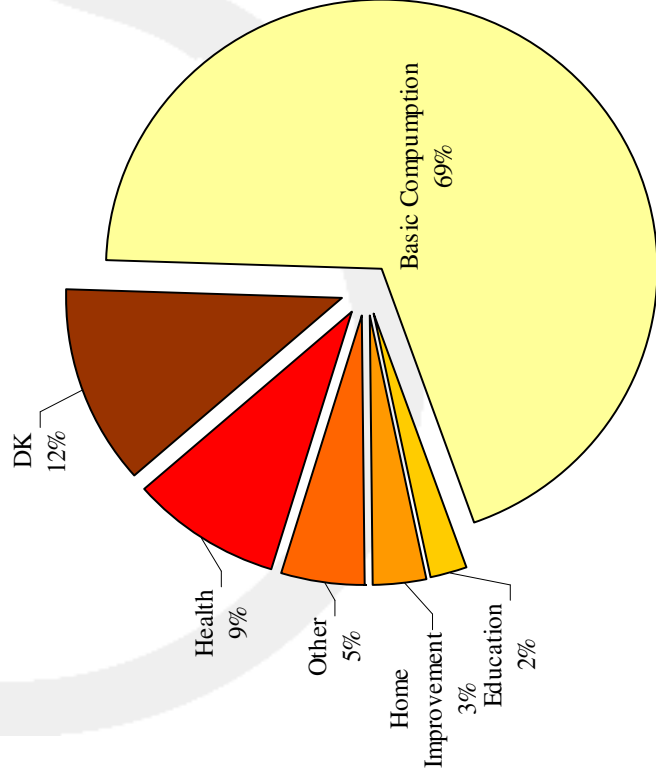
1. Public policies that would increase the probability of establishing the U.S. as permanent home
 - Migrant Amnesty
 - Lack of opportunity: Permanent migration
2. Family reunification
3. Changes in number and characteristics of immigrants
 - The case of Turkey
 - 2003: 4 million lived outside Turkey (50% in Germany)
 - 1985: 1,740 millions
 - 1998: 5,300 millions (year of the Turkish economic crisis)
 - 2003: 1,710 millions

Number and Characteristics of Immigrants

- Turkish population in Germany, still growing but at decreasing rates
- Turkish Immigrant Characteristics
 - 1961-1967: 16% women
 - 1986: 32%
 - 1990s: 40%
- Mexican Immigrant Characteristics
 - 1980-2004: 253,000 persons annually
 - 1980-1984: Lowest average
 - 2000-2004: Highest average
 - From 1985-1989 to 1990-1994: 225%
 - From 1995-1999 to 2000-2004: 21%
- More Mexican Children and Women are Migrating

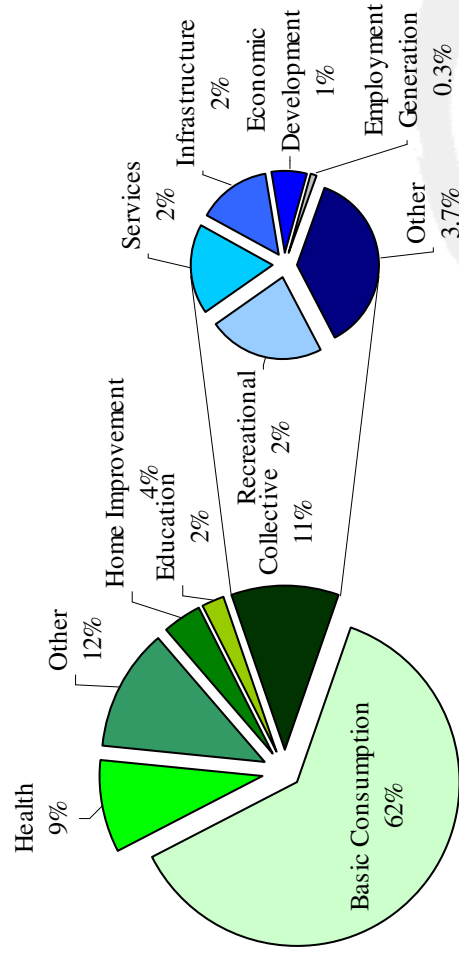
Purposes: The Case of Mexico

Remittances with Familial Purposes



69% of remitters remit for familial purposes. More than One-third of remittances are sent for basic consumption

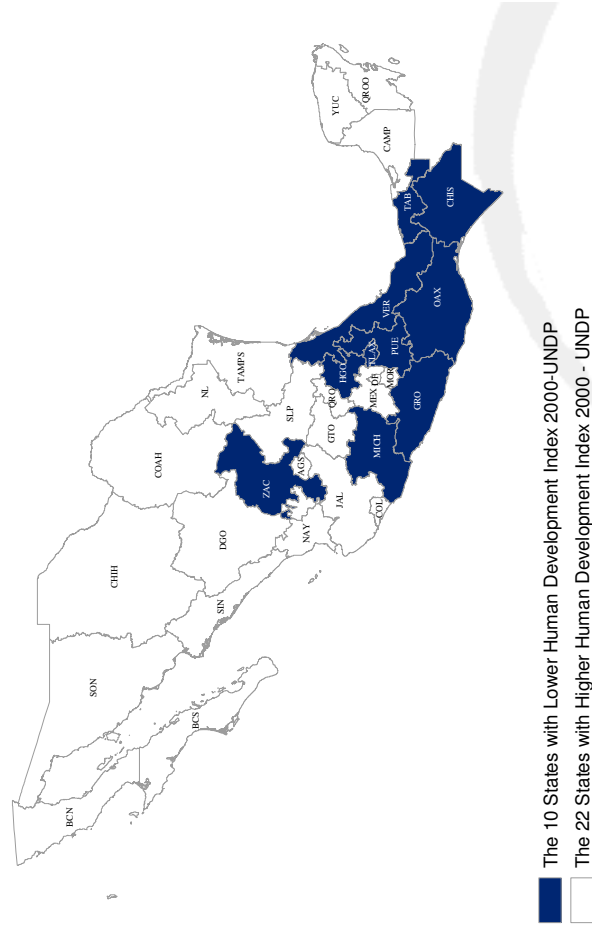
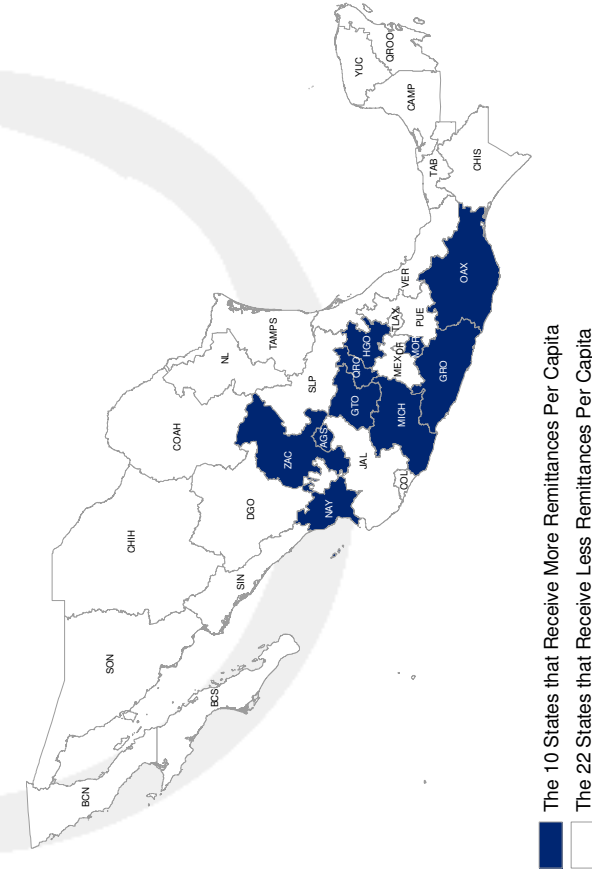
Remittances with Familial and Collective Purposes



31% of remitters remit for familial and collective purposes. A small minority of remittances is sent for productive purposes.

Source: Cortina, Jeronimo, Rodolfo de la Garza, and Enrique Ochoa Reza. "Las Remesas Después Del Optimismo." *Foreign Affairs en Español* (2005).

Remittances and Human Development Index (UNDP)



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Remittances and Poverty

Definition of Poverty (Institution)	Remittances Per Capita (Mexico 2004)	Percentage that Remittances Represent in Each Definition of Poverty
One dollar per person per day Extreme Poverty – World Bank	91 Cents	91 %
Two dollars per person per day Poverty – World Bank	91 Cents	46 %
Twelve dollars per person per day Poverty in Mexico – OECD	91 Cents	8 %

Source: Cortina, Jeronimo, Rodolfo de la Garza, and Enrique Ochoa Reza. "Las Remesas Después Del Optimismo." *Foreign Affairs en Español* (2005).

Conclusions

- Remittances are a substantial source of income
 - Individual and National Impact
- Remittances and Public Policy
 - Current Account
 - State Obligations
 - Remittances and micro-credit
 - Small amount is sent to finance productive and/or collective projects
 - Remittances and income
 - Not enough to increase income levels above extreme poverty levels