



In Mexico, during the past fifteen years, family remittances have grown explosively, and they have had a significant positive effect on the nation's economy and on household well-being for those families that receive remittances. For their part, collective remittances and the 3x1 Program have improved the living conditions for the general population in the communities of origin, where hundreds of basic infrastructure projects have been implemented. Despite the marked limitations of the program's budget—at the federal level only US\$15 million for 23 states in 2005—its most significant contributions have been the promotion of transnational community organizations and the establishment of negotiating room for those communities vis-à-vis the three levels of government. This has become an arena in which a transnational learning process is unfolding related to collaboration on joint projects and the promotion of an incipient culture of public oversight and accountability, which is beginning to spread to various communities and *municipios*. This program faces challenges for its future development, including substantially increasing its budget; strengthening organization and training for the communities of origin and destination; and transforming the Comités de Obra (Project Committees) into true instruments of public oversight, with full community support from the hometowns and the clubs. The 2006 political transition at the three levels of Mexican government and the civic maturation of the Mexican people will also be factors in the future evolution of the program.

Las remesas familiares han tenido un crecimiento explosivo en México en los últimos quince años produciendo importantes impactos positivos en la economía nacional y en el bienestar de los hogares receptores de las mismas. Por su parte, las remesas familiares han contribuido a mejorar las condiciones de vida de la población general en las comunidades de origen, donde se han implementado cientos de proyectos de infraestructura básica. A pesar de las limitaciones marcadas del presupuesto del programa—en el nivel federal solo US\$15 millones para 23 estados en 2005—sus contribuciones más significativas han sido la promoción de organizaciones comunitarias transnacionales y la creación de espacios de negociación para estas comunidades vis-à-vis los tres niveles de gobierno. Esto se ha convertido en un ámbito en el que se está desarrollando un proceso de aprendizaje transnacional relacionado con la colaboración en proyectos conjuntos y la promoción de una cultura incipiente de supervisión pública y rendición de cuentas, que está comenzando a difundirse en varias comunidades y *municipios*. Este programa enfrenta desafíos para su desarrollo futuro, incluyendo aumentar sustancialmente su presupuesto; fortalecer la organización y la capacitación de las comunidades de origen y destino; y transformar los Comités de Obra (Comités de Proyecto) en verdaderos instrumentos de supervisión pública, con el apoyo pleno de la comunidad desde los municipios y los clubes. La transición política de 2006 en los tres niveles del gobierno mexicano y la maduración cívica del pueblo mexicano también serán factores en la evolución futura del programa.

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According to Mexico's National Population Council (Conapo 2004), remittance inflows are enormously important for many countries. El Salvador is a notable case: Remittances were 14% of GDP and 64% of the country's total export earnings in 2002. For Mexico, remittance income that year was 1.5% of GDP and 6.15% of export earnings. Remittances sent to Mexico grew from US\$2.494 billion in 1990 to US\$13.396 billion in 2003 and US\$16.613 billion in 2004 (Banco de México 2005).

According to estimates by the Mexican central bank, Banxico, if the current upward trend continues, remittance income for 2005 may exceed US\$19 billion. In the second quarter alone, the inflow of resources to the country from remittances was US\$5.214 billion, which indicates an annual increase of 17.7%. From January through

shift in the pattern of movement to the United States—from temporary to permanent migration involving the entire family—and because international migration has spread to almost every corner of Mexico in response to the nation's profound agricultural and economic crises (García Z. 2003).

In 2004, four states (Michoacán, Guanajuato, Jalisco, and México) each received more than US\$1 billion in family remittances, and in Michoacán alone, the figure exceeded US\$2 billion. That year, although more than half of the remittances were concentrated in only six states (the four already mentioned and Puebla and the Distrito Federal), in Mexico's other states, remittances have gained increased visibility and importance. For example, in 1995, nearly 40% of the remittance income went to the three states with the longest histories of migration (Michoacán, Jalisco, and Guanajuato), but, by 2004, that figure had declined to only 31%. In contrast, in terms of amount of money remitted, Veracruz and Chiapas, whose participation in international migration was, until recently, only marginal, have risen from 15th and 27th places, respectively, in 1995, to 7th and 11th places in 2004. The state of México, for its part, was in 4th place. Based on these figures (Conapo 2004, 24), the average remittance per capita in Michoacán in 2004 reached US\$539, whereas Guanajuato and Zacatecas received, respectively, US\$313 and US\$311 per capita (Conapo 2004).

Based on information from the Encuesta Nacional de Ingreso Gasto de los Hogares (National Survey on Household Income and Expenditure, ENIGH), it is estimated that the number of remittance-receiving households doubled, rising from 600,000 in 1992 to 1.4 million in 2002, with the remittance money directly benefiting 5.6 million people. That increase can be explained by the effects of the Mexican economic crisis of 1995, which forced more households to rely on international migration as an alternative in the face of deteriorating standards of living. Between just 1 of(s of 4]TJ0.008o5 Tdfpay on .91  
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The average annual remittance income for the receiving households rose to US\$2,590 in 2002 (US\$215.80 per month); in localities with fewer than 2,500 inhabitants, the annual average was US

1. Mexico's current account deficit has declined in recent years, in part because of the significant increase in family remittances being sent home. However, the Mexican government would be committing a grave error if it were to suppose that the remittance flows will continue to increase during the next decade. As future emigration leads Mexican immigrants now living in the United States to be reunified with their families, the supply and demand for remittances will diminish. As a consequence, it is likely that the flow of remittances from the United States to Mexico will grow at a slower rate in coming years, and, eventually, total remittances will decline, to even below current levels. Remittances are not a substitute for public policies designed to address macroeconomic disequilibria. In the best-case scenario, the flow of remittances will provide maneuver room to allow for economic adjustments and reforms.

2. Remittances do not remove the need for financial intermediaries that invest capital in projects in regions with low levels of human development. Most remittances are destined for basic household subsistence, and only a small fraction of remittance money is destined to finance collective projects (according to the authors, only 9% of all remitters belong to migrant associations). Similarly, in Mexico, there is little evidence to support the idea that remittances act as an

migrants' countries of origin, while forgetting that remittances are essentially private resources, which express an intimate relationship between the migrant and his or her family. The migrants and the resources they generate cannot be burdened with responsibilities that belong to the Mexican government.

Along the same lines, in order to put the migrants' contribution to local and regional development in perspective, Alejandro Canales (2004) challenges the purported productive potential of the remittances. The migrants should not be seen as post-modern heroes, who carry on their shoulders the burden of propelling their communities' development. However, neither should they be seen as disempowered subjects, sunk in a migratory syndrome, which would create a perverse dependency on the remittances and the migrants. Canales notes that those who think the US\$16 billion that flowed into Mexico in 2004 is a potential source of financing for vigorous growth in the communities of origin (if only those remittances were used less for household expenditures and non-productive social and family projects) misunderstand the true economic significance of the remittances. In Canales's view, remittances are not really a type of migrant savings. Instead, remittances constitute a paycheck, which is usually destined for the same uses and expenditures as are any other type of pay or wages.

At the end of the 1990s, the Economic Commission for Latin America and the Caribbean (ECLAC) did a major study on the impacts of international migration in the Central American countries of El Salvador, Honduras, Guatemala, and Nicaragua, "Uso productivo de las remesas familiares y comunitarias en Centroamérica" (Productive Use of Family and Community Remittances in Central America) (CEPAL 1999). It focused on remittances and emphasized that their primary positive impacts were an improved standard of living for hundreds of thousands of poor families, multiplier effects in the economy, and through collective remittances, the financing of a growing number of community projects. Regarding the mechanisms that had been employed in Central America for encouraging the productive use of remittances—such as the opening of bank accounts in dollars for emigrants and investment funds for them or their families—the report notes that there were few results. The participation of remittance recipients in loan or microenterprise programs has been very limited. Based on the lack of progress achieved with these tools, in Central America, the concern continues to find alternatives that would foster a more productive use of family remittances.

In seeking that alternative, ECLAC finds that collective remittances (donations for community projects from migrant associations located outside the countries of origin) are important, not so much in terms of quantity but of quality. First, they actualize a spontaneous connection of solidarity between groups within civil society. Second, unlike family remittances, these flows are destined basically for social investment. Finally, they can respond to special modalities of financing better than other sources can. Thus,



collective remittances offer the possibility of putting in to practice new schemes or models for productive projects in areas with varying levels of development and resource endowment.

However, the ECLAC report pointed out that at the end of the 1990s, the full conditions needed to realize that type of initiative were not yet in place. The migrant associations expressed doubts about participating in productive projects without having reached a certain level of maturity and having accomplished projects benefiting their members, things they must achieve before getting involved in tasks of greater breadth and complexity. There is also still a long row to hoe in matters of organizational development, including achieving legal personhood as nonprofit organizations and having the power to pursue broader fund-raising activities (CEPAL 1999, 66).

For Central American migrants, progress toward more complex projects is constrained by, among other things, the need for a clear and non-political local counterpart in the communities of origin. The migrants' lack of presence in those localities (whether that would be directly or through a representative) is one of the most obvious weaknesses, and a problem that is not easy to solve. It requires a big effort on the part of civil society in the country of origin to fill that gap as soon as possible.

According to the ECLAC report (CEPAL 1999), the challenge for the governments and the international organizations lies in supporting the organizational processes of the migrants and their local counterparts, so that these latter actors can work together to expand, on a broader scale, projects financed with collective remittances while succeeding in fortifying the efficacy and permanency of their actions. The condition is that this support not be used to try to force or manipulate the processes that have developed up to now in a spontaneous fashion, nor should it be used to replace the initiatives of the actors or to make those initiatives dependent on subsidies.

In ECLAC's view, the processes underway in Central America can be accelerated and increased through a gradual, decentralized, and participative strategy involving the migrants and their organizations, civil society, and the governments. That strategy would seek to institutionally strengthen the migrant associations and to tie them to their communities of origin, in order to encourage, in the medium term, a more favorable framework for the productive use of collective remittances. The local development projects financed with collective remittances will then be able to connect to broader programs for social development and for combating poverty, and they will also connect to any efforts that might be made to improve the use of family remittances, through new saving and investment mechanisms, created by the migrant associations themselves.

Zacatecos have been migrating to the United States for more than one hundred years. That long tradition of international migration enabled these migrants, at the close of the twentieth century, to create an important network of Clubes Zacatecos

(hometown associations representing Zacatecan migrants) in the United States. It is based essentially on a shared sense of community with the places of origin, which connects the clubs in the destination communities to their

million in 113 projects; in 2002, that figure rose to 8.6 million invested in 149 projects; and in 2003, it reached US\$20 million invested in 308 projects. Thus, from 1999 to 2003, in Zacatecas, 758 community projects were accomplished with the co-investment of migrant associations. This significant growth is explained by the new contributions by the *municipios* and the determined involvement of *alcaldes* (the top official in the *municipio*, similar to a mayor), who are trying to promote the formation of new Zacatecan clubs in the United States in order to expand the projects and the size of future investments.

It is important to point out that even before 2001, when the 3x1 Program became a federal-level program under the Secretaría de Desarrollo Social (Social Development Secretariat, Sedesol), it did not have specific financial support from the federal government. The governor and the state-level Sedesol officials negotiated each project, to try to place the migrants' projects within already established Sedesol programs. That situation changed in 2001, when the program gained full recognition as the 3x1 Citizen Initiative Program, with a specific budget, one that was small, but specific (García Z. 2005c). The presidential decision had significant implications for many states, which immediately tried to take advantage of the program's benefits to multiply government resources by leveraging initiatives that Mexican migrant associations outside the country had worked out with the authorities in their *municipios*. Among other effects, this generated a dispute among the state governments over budget reductions, since government funding declined from 113 million pesos in 2002 to 97 million in 2003 and only reached a modest 175 million in 2004 (Sedesol 2005). It also accelerated the strategy club formation, that had been taken up by officials in the states with the heaviest international migration.

One of the most frequent criticisms of the program focused on the small budget. Thus, Carlos Fernández Vega (*La Jornada* 2005b) said that at first glance, the Citizen Initiative seemed effective. However, before very long, the "buts" became apparent. For example, the federal government's financial contribution "will be subject to the program's budgetary resources," and in 2005, there will be a "maximum federal contribution per project of up to 800,000 pesos." However, the 2005 budget was only 160 million pesos "to support 574 projects," or an average of 278,745.64 pesos per project. This columnist asked: Is it possible that 160 million pesos (US\$14.6 million, compared to US\$45.5 million contributed *daily* by the migrants in 2004, and US\$53.4 million, the anticipated 2005 daily contribution) represent "a leading axis of economic and social development in the communities of origin of the Mexican remitters in the United States," as the president of the Inter-American Development Bank declares? The federal government's contribution of 160 million pesos (the second largest budget since the 3x1 Program began) "in benefit" of the Mexican migrants' communities of origin are equivalent to 0.07% of the approximately US\$20 billion in remittances that Mexicans will send home during 2005. That amount slightly surpasses the 141 million pesos that President Fox will spend this year on public relations and opinion surveys to gauge his popularity ratings.

Analyzing the 3x1 Program in its Citizen Initiative form, the slow but steady increase in the number of funded community projects from 2002 through 2004 stands out, as the activities have broadened from twenty to twenty-three Mexican states. There were 942 projects in 2002, 899 in 2003, and 1,438 in 2004. In order of importance in terms of money, in 2002, the most relevant projects were urbanization (things such as street paving), building of community development centers, electrification, and provision of potable water. In 2003, the most important projects were urbanization, community development centers, electrification, and provision of potable water. In 2004, urbanization was still the most important, followed by provision of potable water, building of community development centers, and electrification.

Regarding the number of migrant associations participating in the program, in 2002, there were twenty from eight U.S. states; in 2003, 200 from seventeen U.S. states, and in 2004, 527 from thirty-one states. The Mexican states of origin, in descending order of importance for 2003, were Zacatecas (71), Michoacán (57), San Luis Potosí (37), Oaxaca (17), Guanajuato (11), Tlaxcala (7), and Jalisco (5). The most important states, in terms of the percentage of the total committed investment for 2003, were Zacatecas (33%), Jalisco (22%), Michoacán (8.3%), San Luis Potosí (7.1%) Guanajuato (4.3%), and Oaxaca (4.3%) (Sedesol 2005). Here it is worth noting that the quantity of projects realized with collective remittances is underestimated in the case of Oaxaca, since that state has a long ethnic-community tradition of accomplishing many social projects, with the collaboration of migrant associations in the United States and without government intervention. Recent years have seen an increase in actions in collaboration with *municipio*-level governments, but despite that, most Oaxacan collective remittance projects remain outside of the 3x1 Program framework.

The understanding and study of the 3x1 Program, at its various stages, have produced opposing assessments, depending upon who is doing the evaluating. For example, the *alcaldes* and governors see the program as a way to multiply public works undertaken during their administrations. International organizations see in the migrants and their communities of origin a huge capacity for collaboration with the three levels of government to solve the problems of basic infrastructure and well-being. Along the way, the Mexican government, responding to migrant associations' pressure and initiatives, not only supported the program but also institutionalized it at the federal level and took it over. As a consequence of the program's national expansion, it has turned into one of the principal instruments for interaction with the Mexican community in the United States and for negotiation with international organizations, such as the Inter-American Development Bank. In the academic community, there is general consensus that it is wrong ethically to allow those who were driven out of Mexico as migrants, because of the lack of adequate development opportunities, to become the financial support of social policy for building basic infrastructure, which, strictly speaking, is the responsibility of the Mexican government (García Z. 2005a). That argument is unassailable, as is the willingness of the Mexican migrant associations, which repeatedly point out that absent

their collective remittances and projects, their communities of origin would be considerably worse off than they already are.

The force of their argument and the importance of their contributions are unquestionable. This justifies declaring that there really is a social policy of the Mexican diaspora, within the context of the twenty-three year search for macroeconomic stability that, among other consequences, has meant reduced social spending. The neoliberal paradox of Mexico and Latin America is that those who are expelled from their countries ,28 651.7.69 search the new economic model's logic of exclusion and impoverishment have become a





repairs, bridge building, and church remodeling. In one situation, we saw that when the communities are organized and committed to the project underway, the respective project





Mexico; and the Universidad Autónoma de Zacatecas, remain very relevant (García Z. 2003):

1. Move forward on concrete remittance-transfer projects that would lower the cost of remittances, and make it possible to channel more resources to savings, investment, and financing of productive projects.
2. Take on the training of the community, as a central focus fo

democratization, generated by civil, political, and cultural liberty, and in the access to opportunities for learning that would make it possible to strengthen community or individual projects. Migration and its remittances must be a part of the development

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