



Globalization and migration: integrating in  
the global economy

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Inter-American Dialogue,  
Washington, DC



**Dinamycs of migrant  
transnacionalism**



*“heightened competition among  
and within regions, mediated by  
such micropatterns as ethnic and  
family networks, accelerates cross-  
flows of migrants” James Mittleman*

# [ The International Context of Diasporas ]



# The national income equation in Latin America: a rent seeking and courtesan state?

$$\text{GDP: } (X-M) + I + G + C$$

- Maquila, Tourism, Non-traditional exports
- Transportation, Telecommunication, Nostalgic Trade

- DOMESTIC SAVINGS - INVESTMENT
- FOREIGN SAVINGS - INVESTMENT

- FDI: Transnational capital, migrant capital investment
- TECHNOLOGY TRANSFER
- UNILATERAL TRANSFERS*

- ODA-→ BILATERAL & MULTILATERAL
- PRIVATE DONATIONS
  - FOUNDATIONS, PPOs, HTAs
- WORKER REMITTANCES

# Diasporas and Transnationalism

## Calls over 30 minutes a week

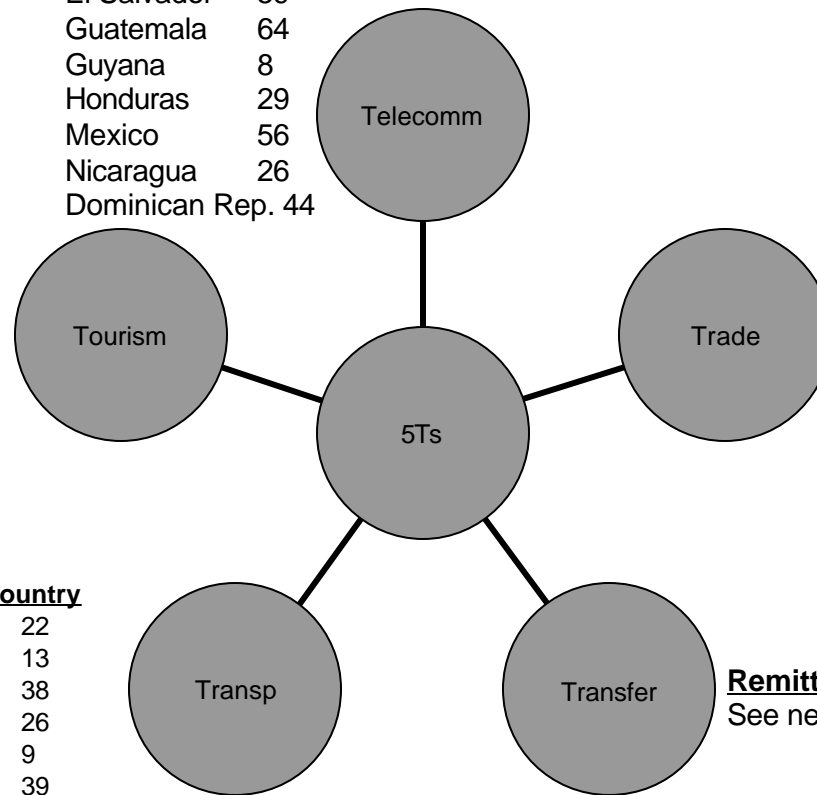
Cuba	40
Colombia	10
Ecuador	13
El Salvador	59
Guatemala	64
Guyana	8
Honduras	29
Mexico	56
Nicaragua	26
Dominican Rep.	44

## Spends up to US\$1,000

Cuba	79
Colombia	46
Ecuador	7
El Salvador	34
Guatemala	50
Guyana	33
Honduras	55
Mexico	22
Nicaragua	66
Dominican Rep.	32

## Visits home country

Cuba	22
Colombia	13
Ecuador	38
El Salvador	26
Guatemala	9
Guyana	39
Honduras	12
Mexico	23
Nicaragua	19
Dominican Rep.	68



## Purchase home country goods

Cuba	81
Colombia	29
Ecuador	95
El Salvador	56
Guatemala	50
Guyana	82
Honduras	74
Mexico	76
Nicaragua	83
Dominican Rep.	65

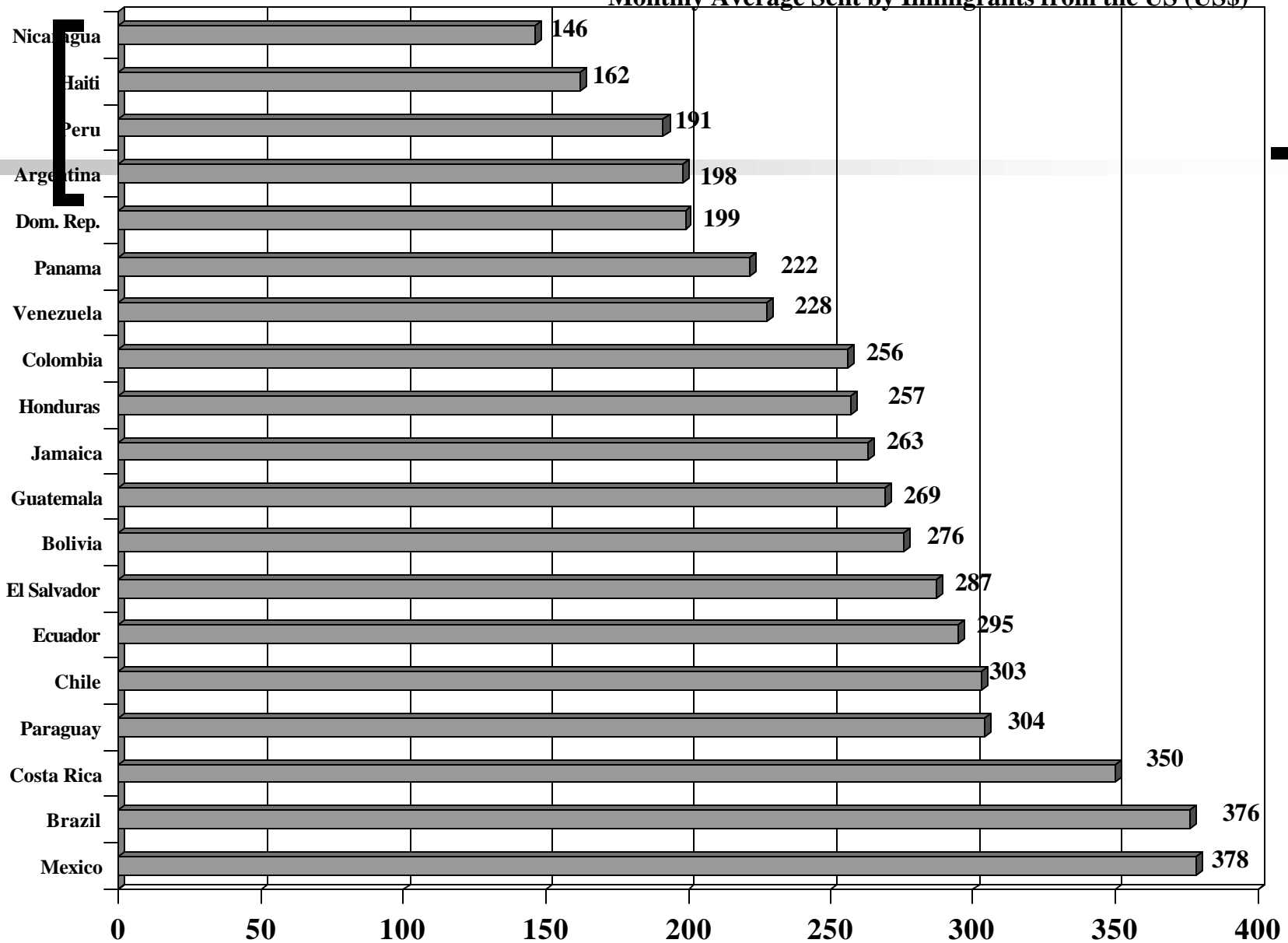
## Donations

Cuba	5
Colombia	
Ecuador	10
El Salvador	3
Guatemala	3
Guyana	27
Honduras	7
Mexico	4
Nicaragua	4
Dominican Republic	3

## Remittances

See next chart

### Monthly Average Sent by Immigrants from the US (US\$)



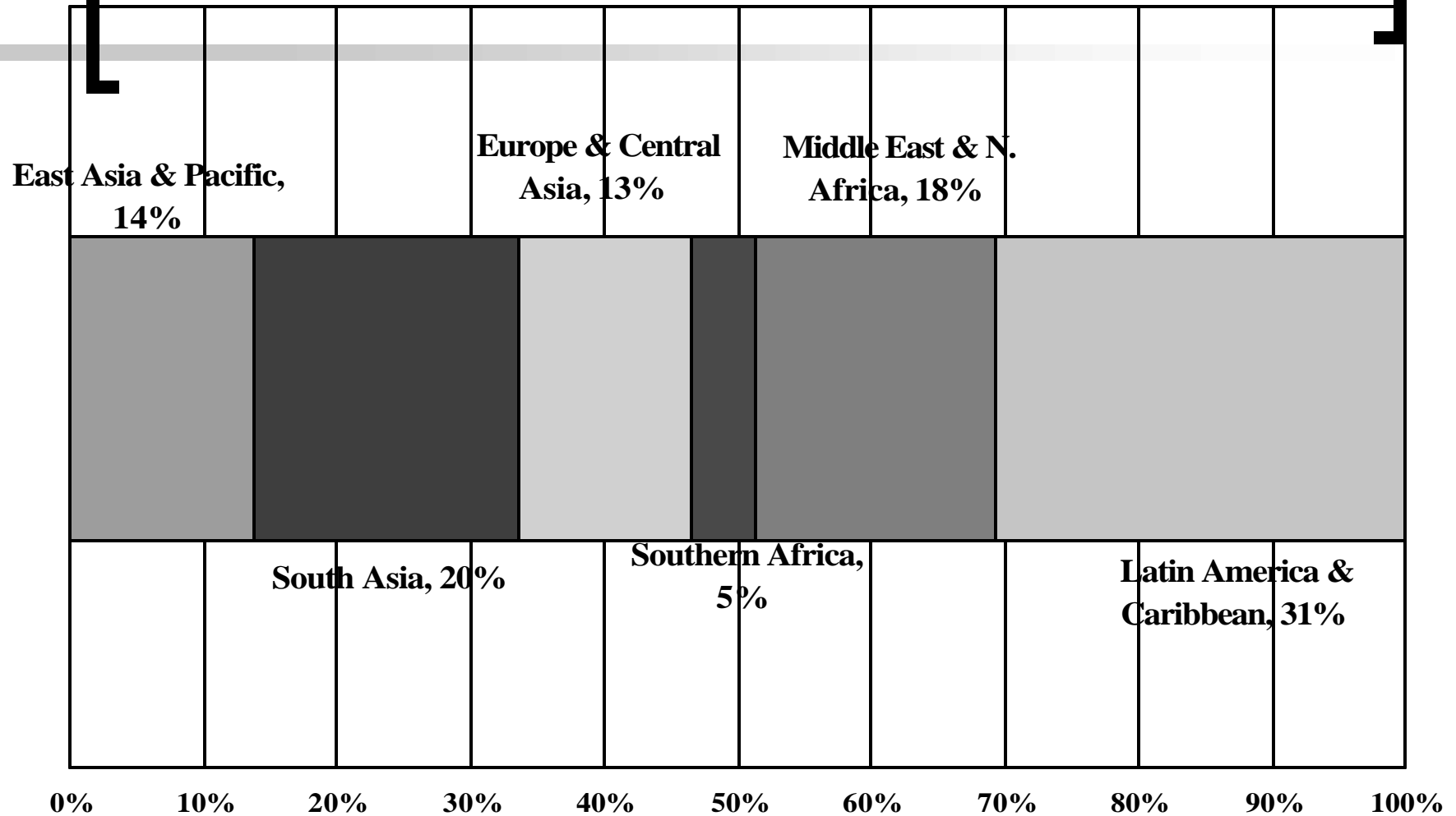
Source: NMTA

## Central America in the Global Economy, 2000 (in millions of US\$)

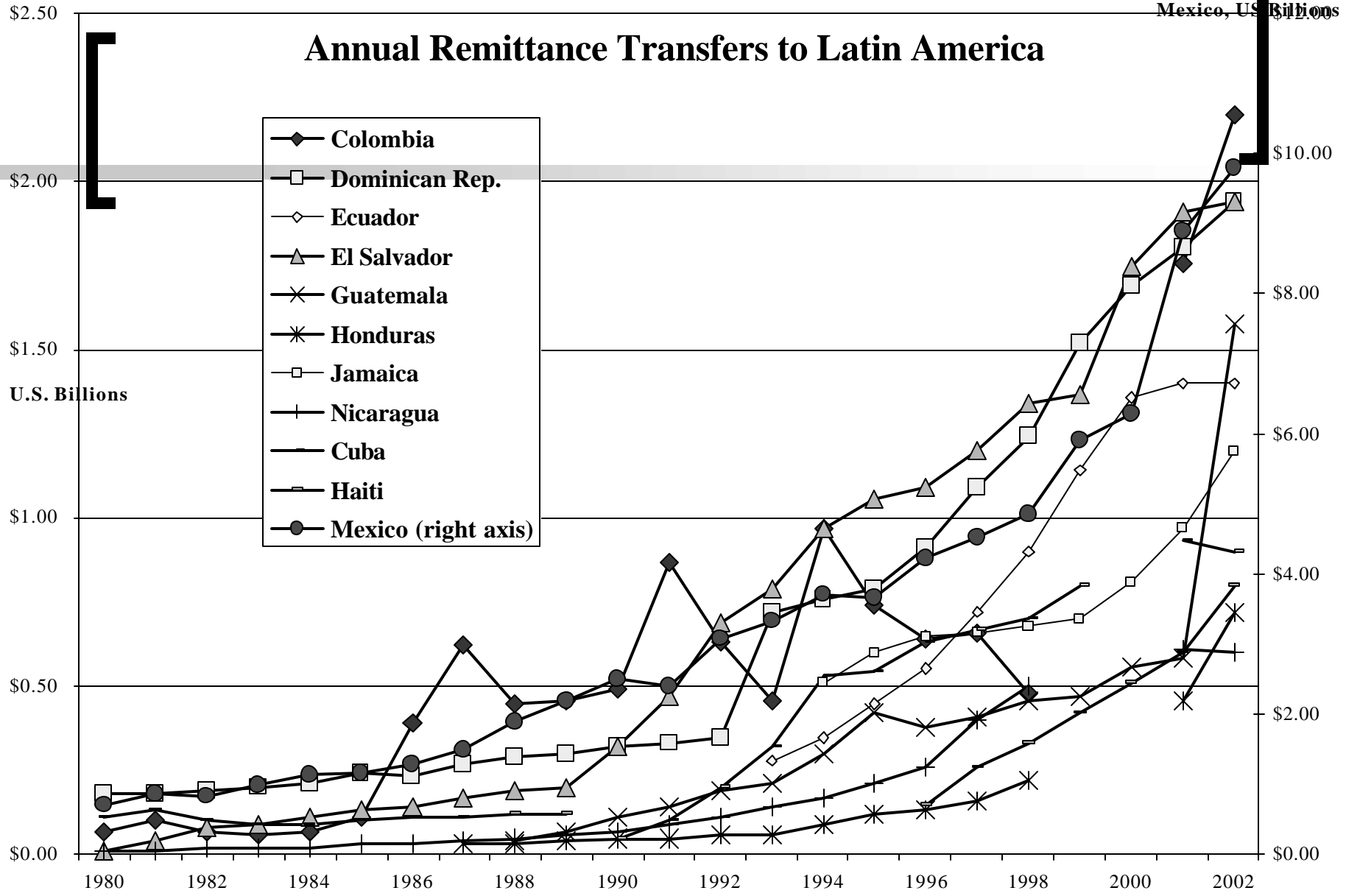
Sector	Guatemala	El Salvador	Honduras	Nicaragua	Costa Rica
Remittances	560.1	1750.7	409.1	600.0	43.2
Merchandise Exports (not including <i>maquiladora</i> )	2276.2	2476.7	698.5	522.8	4643.2
<i>Maquiladora</i>	373.8	456.3	623.5	102.2	1221.8
Official Development Assistance	264.0	180.0	449.0	562.0	12.0
International Tourism	518.0	254.0	240.0	116.0	1102.0
GDP	18988.0	13211.0	5932.0	2396.0	15851.0
Percentage: R+X+A+T/GDP	21%	39%	41%	79%	44%

Sources: World Bank 2002, "World Development Indicators CD-ROM"; CEPAL 2002.

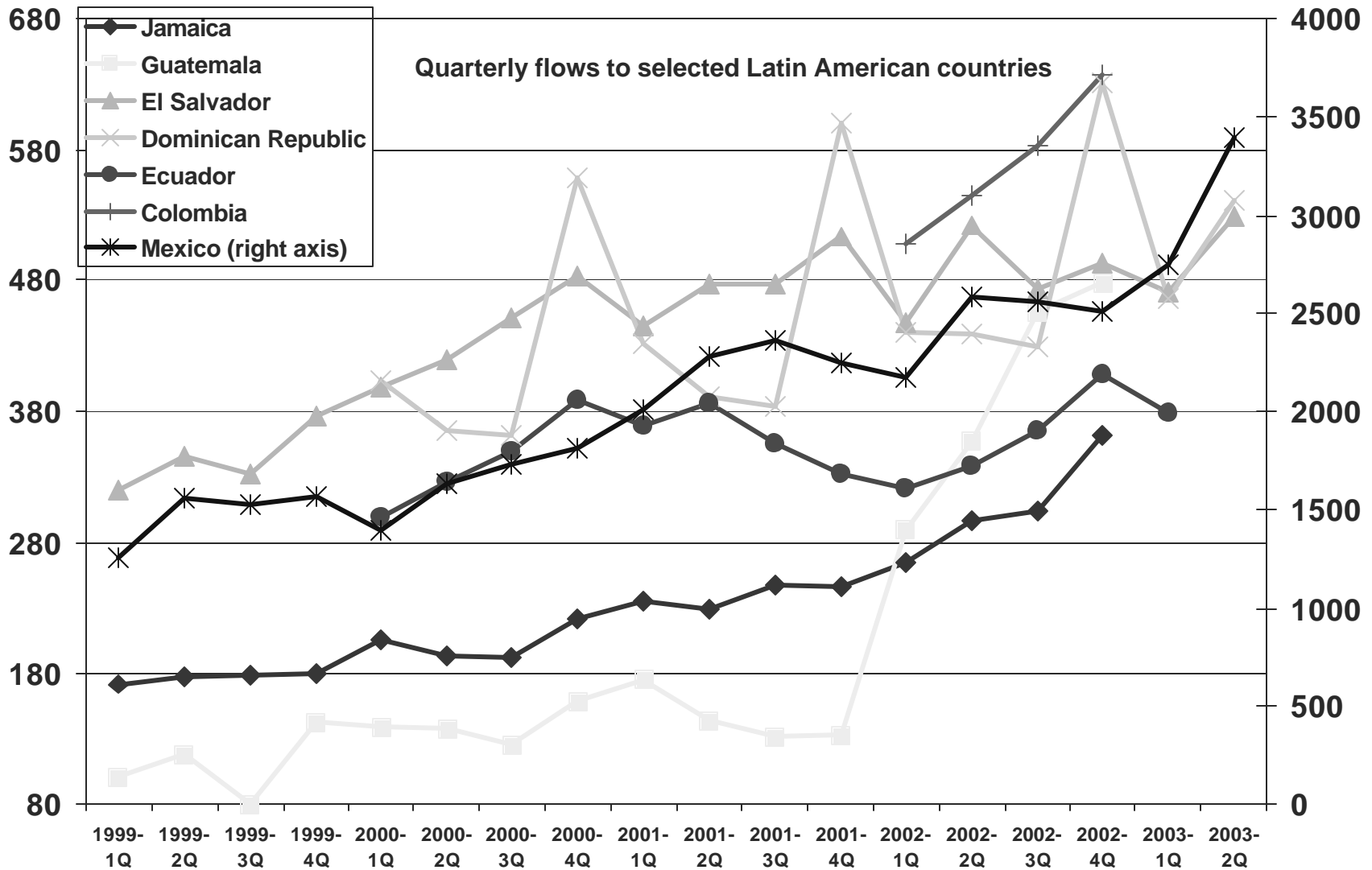
# Worldwide flows of worker remittances by region, 2002



# Annual Remittance Transfers to Latin America



# Quarterly flows to selected Latin American countries



# Phone calls from the U.S.

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Country	Calls	Minutes	US Revenue	Payment to country	Revenue retained
Cuba	11,183,873	90,380,397	62,610,347	52,157,813	10,452,534
Haiti	15,044,285	94,403,300	48,604,307	38,477,939	10,126,368
Jamaica	46,043,174	289,293,100	166,799,717	113,075,751	53,723,966
<b><i>El Salvador</i></b>	<b><i>35,539,167</i></b>	<b><i>298,097,546</i></b>	<b><i>180,177,525</i></b>	<b><i>70,982,303</i></b>	<b><i>109,195,222</i></b>
Guatemala	31,497,001	233,090,127	146,081,061	68,387,420	77,693,641
Honduras	26,036,557	192,741,833	143,055,592	79,273,468	63,782,124
Mexico	765,800,375	5,509,242,499	2,858,624,287	1,088,742,203	1,769,882,084
Nicaragua	13,915,051	89,085,915	59,579,378	27,419,630	32,159,748
Ecuador	51,776,946	303,335,545	\$130,928,057	\$75,383,274	\$55,544,783

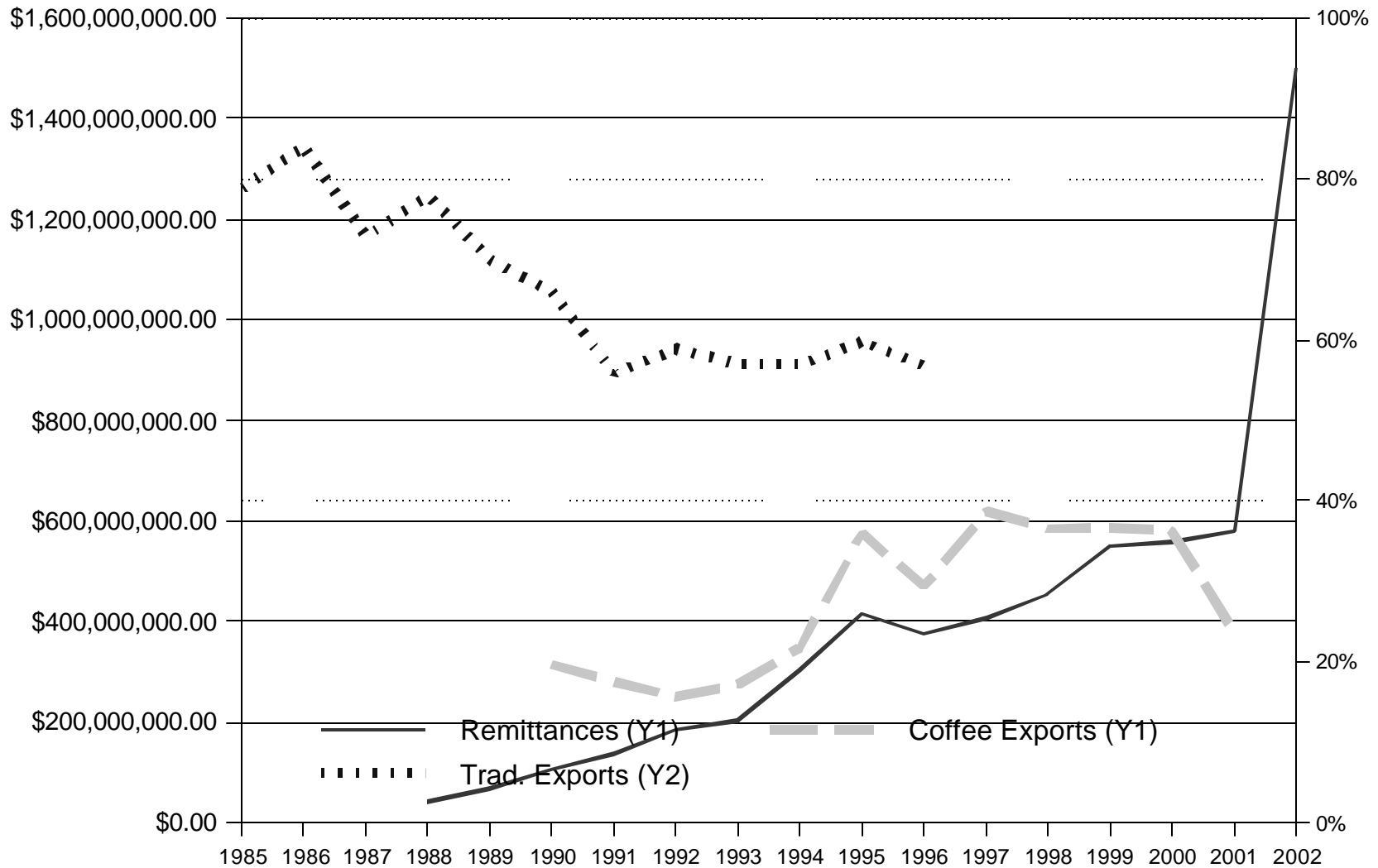
# Flights from the United States

Pais	Flights	Seats	Daily flights	Revenue
Dominican Republic	1441	226586	48	\$147,280,900.00
Haiti	317	55858	11	\$ 36,307,700.00
Jamaica	966	165289	32	\$107,437,850.00
Cuba	104	7500	3	\$ 4,875,000.00
El Salvador	551	75605	18	\$ 49,143,250.00
Guatemala	465	60940	16	\$ 39,611,000.00
Nicaragua	235	33137	8	\$ 21,539,050.00
Honduras	410	56367	14	\$ 36,638,550.00

Fuente: "International Aviation Development Series," U.S. Department of Transportation

# The New Economies of Latin America: Betting on the Diaspora

Guatemala: Trade and Remittances





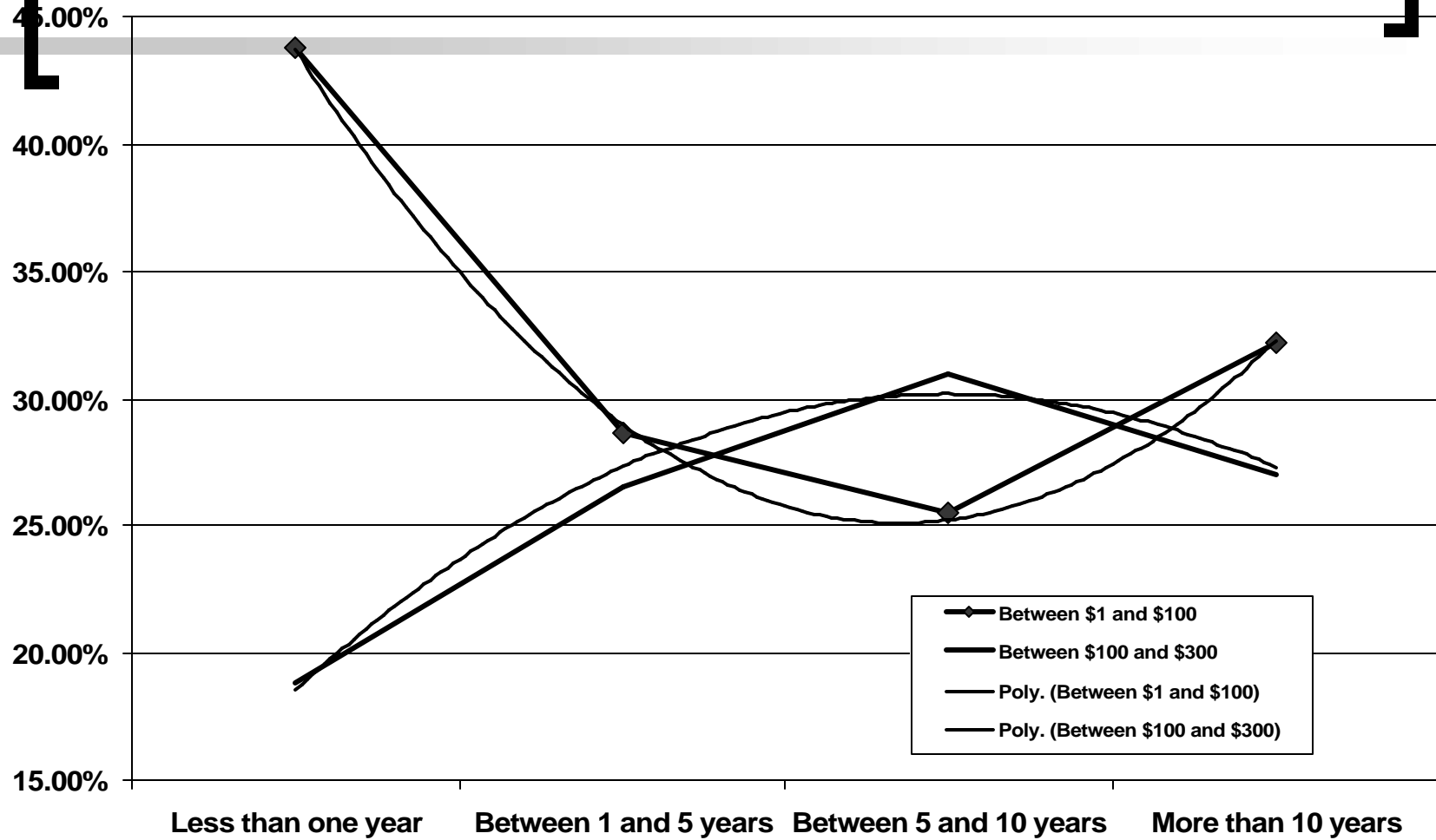
[ The reality of transnational families ]

Is poverty out of the picture  
with transnational migration?

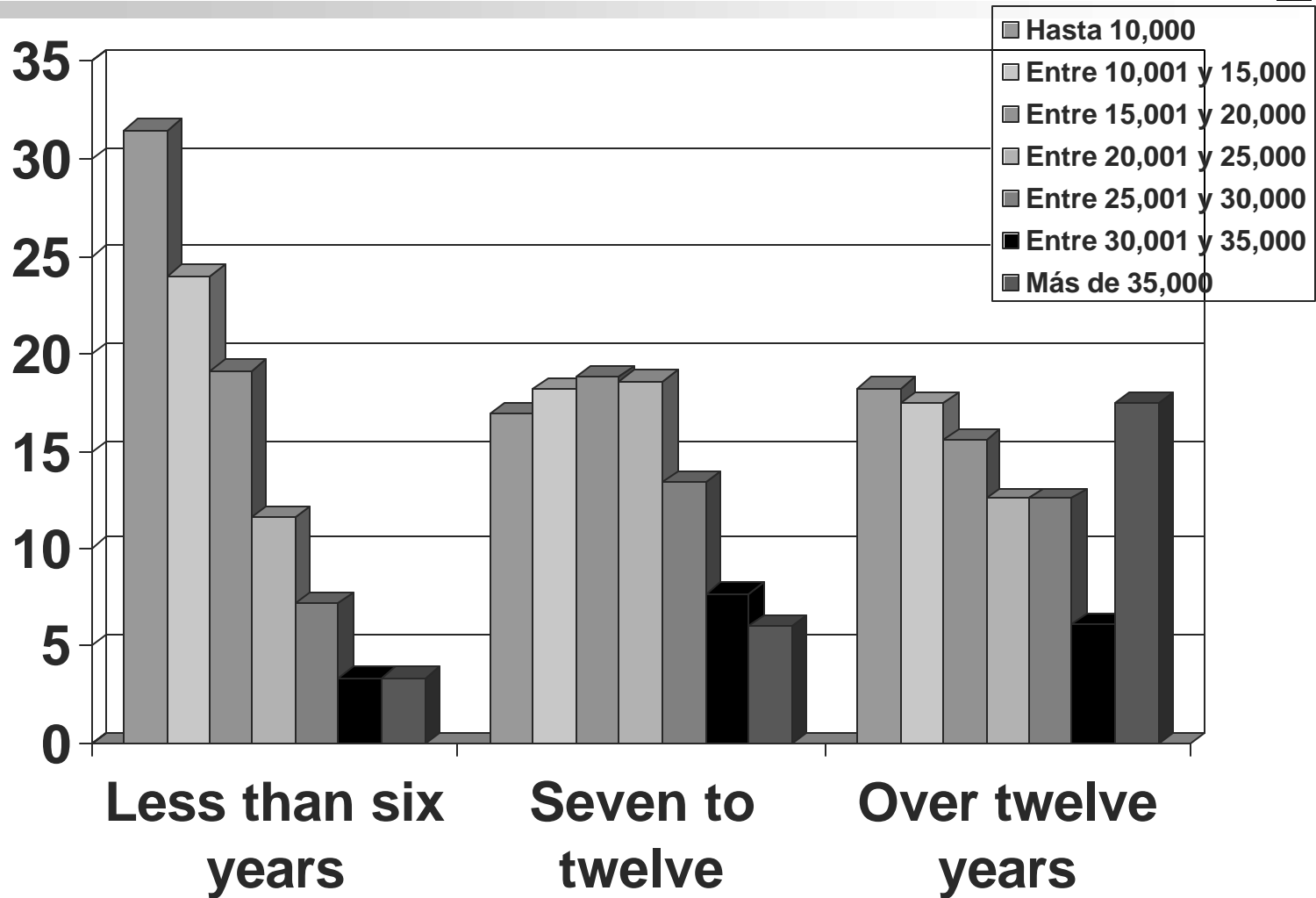
## [ Some characteristics ]

- A person who represents two thirds of immigrants;
- Sends regularly, at least seven times a year;
- Has an income below \$30,000 (65%);
- Has a basic education below high school (70%);
- Sends about \$3,000 annually;
- Has a longstanding commitment with their relatives (at least 5 years);
- Uses intermediaries to send money (70%);
- Does not have a bank account (56%)

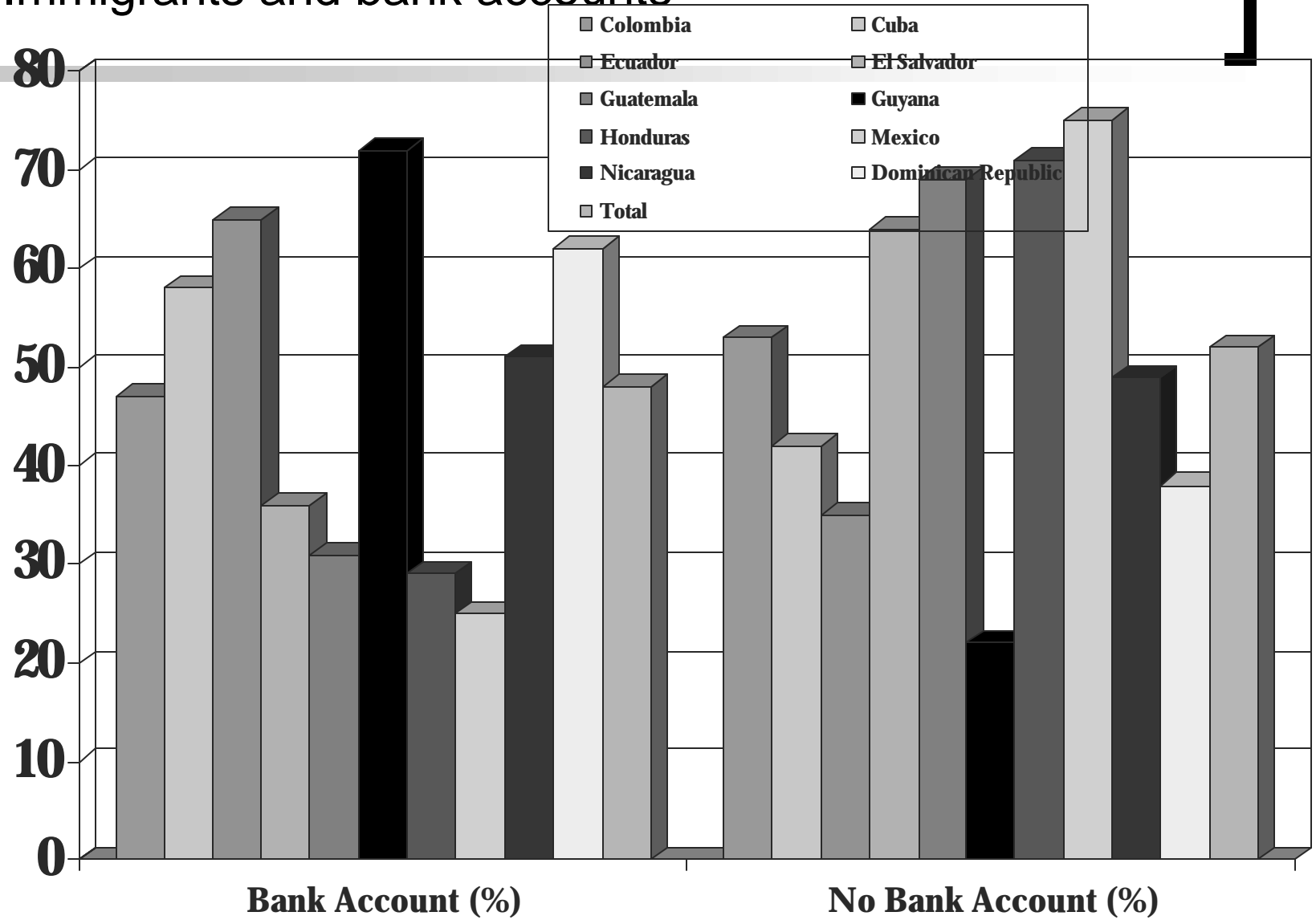
# Length of time living in the U.S. and amount sent



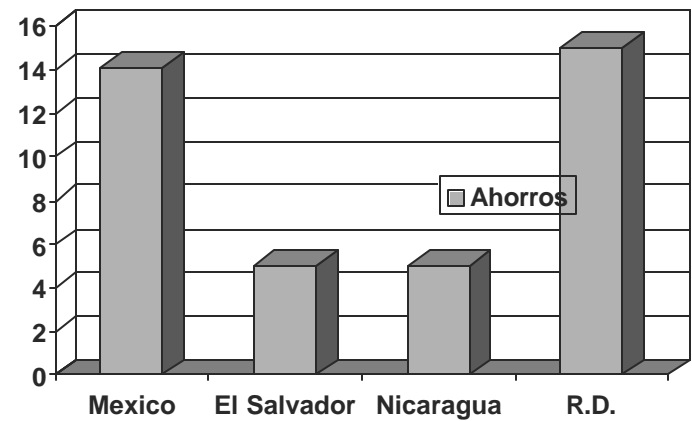
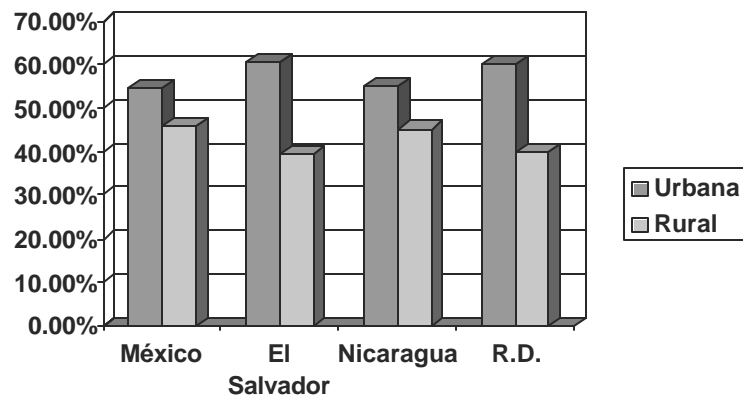
# Personal Income and Years living in U.S.



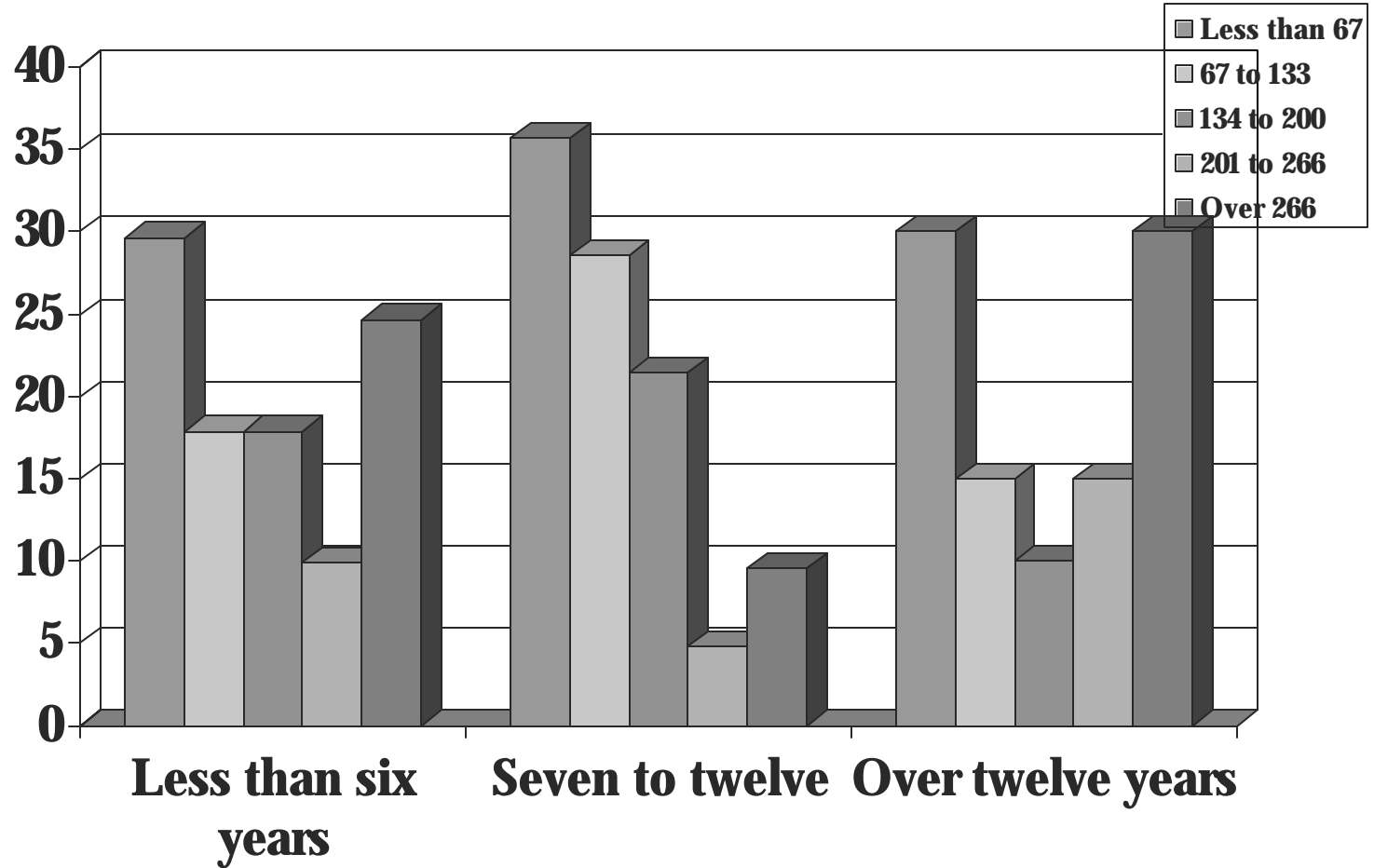
# Immigrants and bank accounts



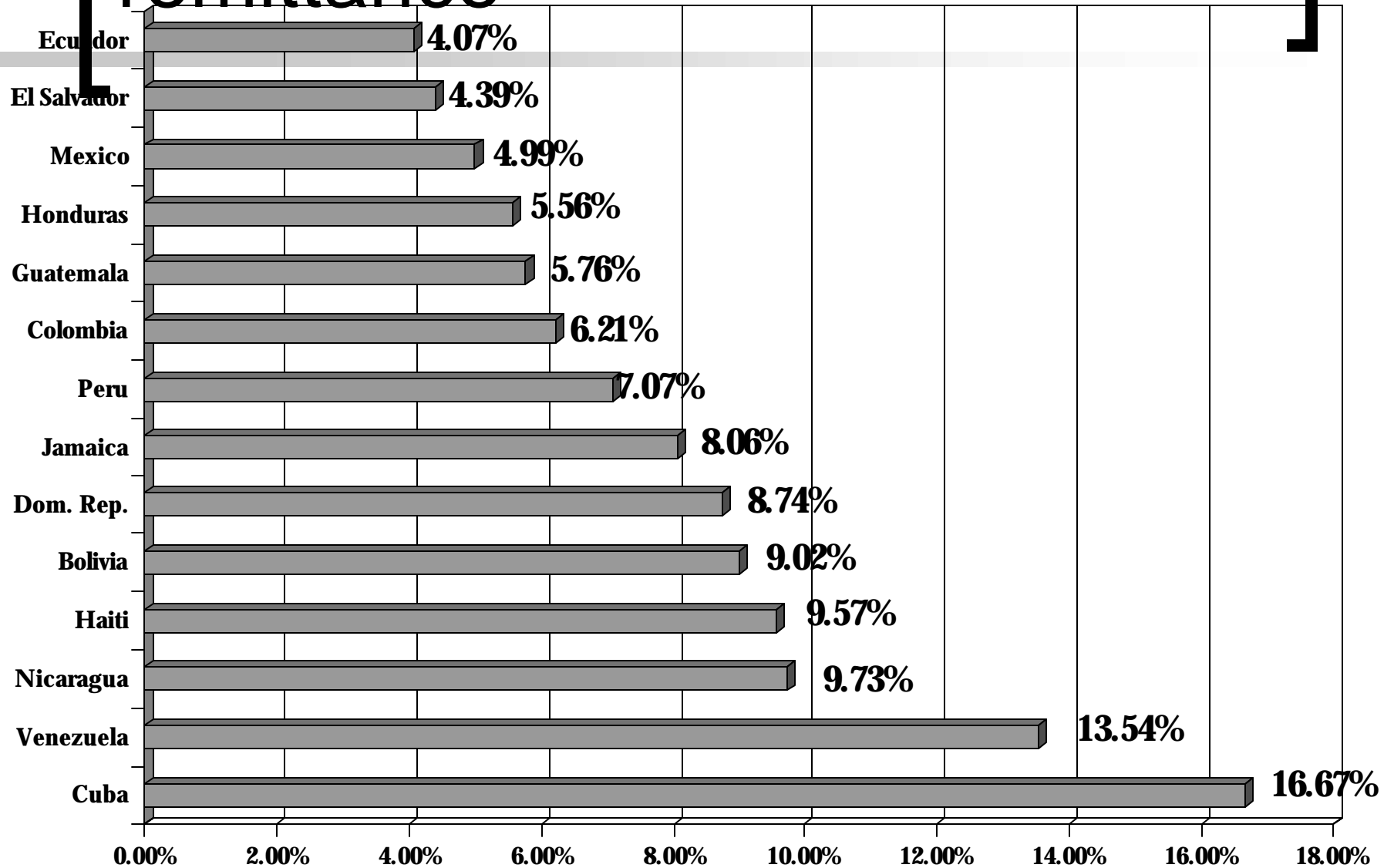
# Viviendas que reciben remesas en zonas rurales y urbanas; y el ahorro del hogar



# Dominican Republic remittance receiving households: Income and years receiving remittances



# Percent cost of sending remittance



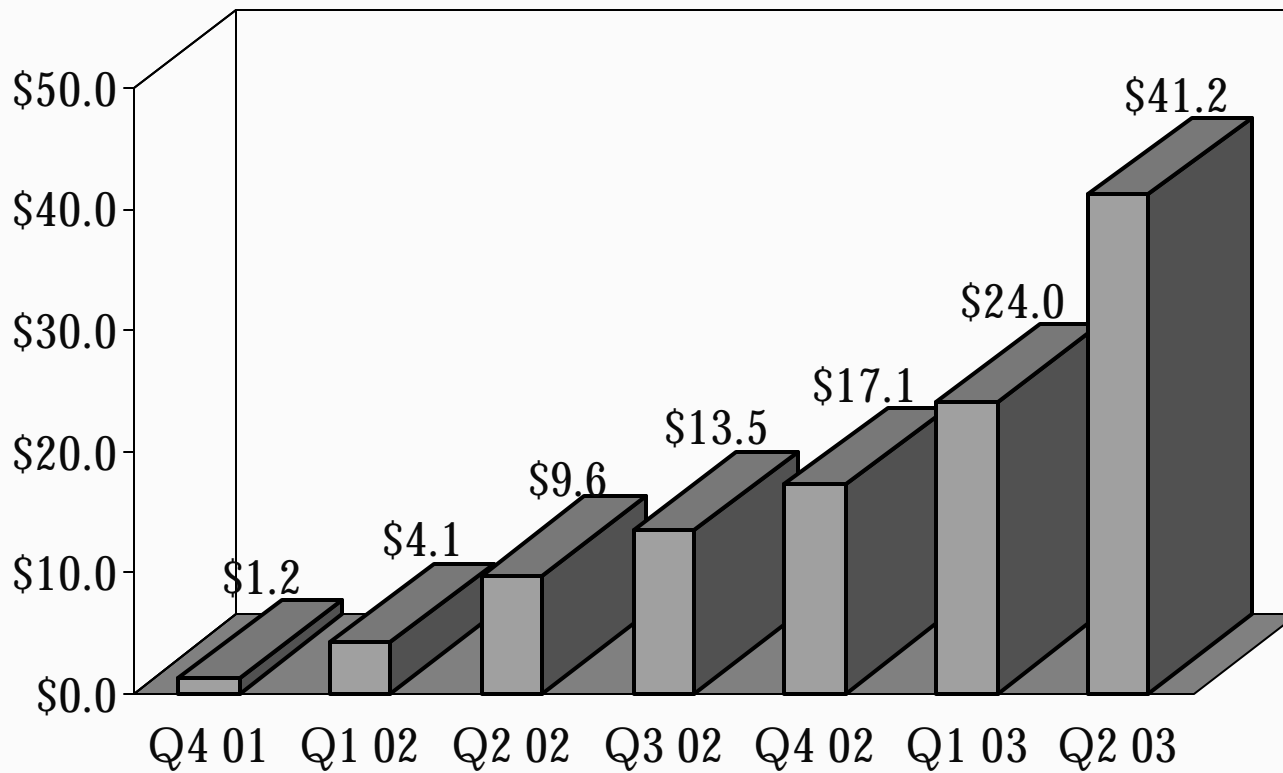
## [ Integration into global economy with development ]

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- i. Establish a state policy on diasporas
- ii. Reduction of transaction costs
- iii. Savings, credits and banking
- iv. Engage diasporas in trade and tourism
- v. Partner with HTAs

“The demand for financial services by remittance receiving households rests on the intersection between the role of microfinance institutions, such

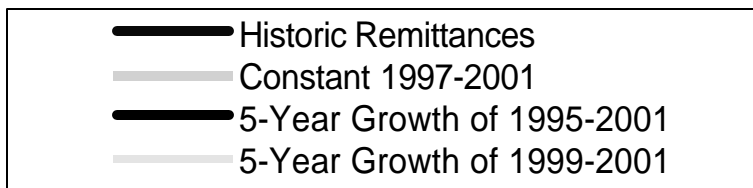
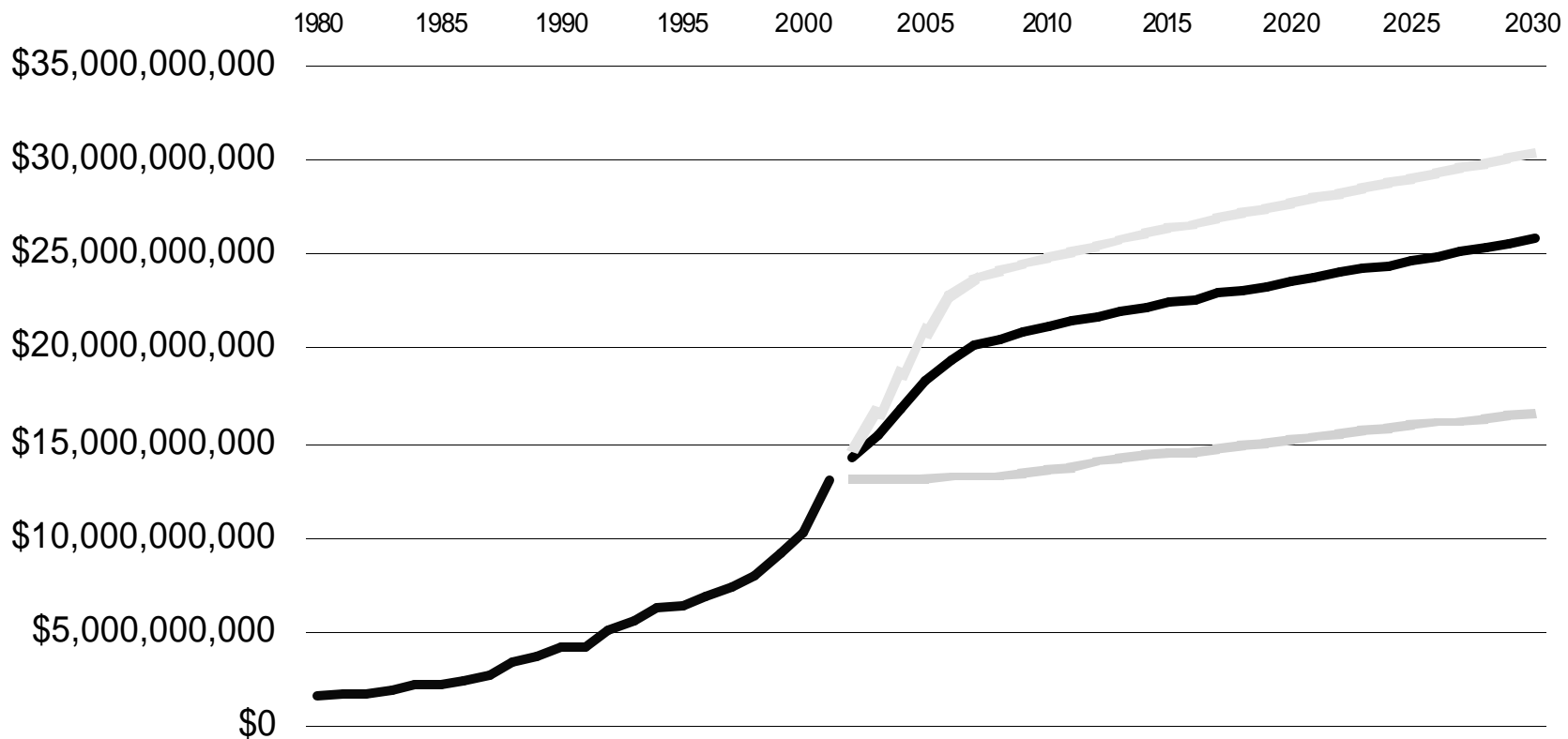
**Volume of Remittances Distributed by  
62 Central American CUs in US\$ Millions**



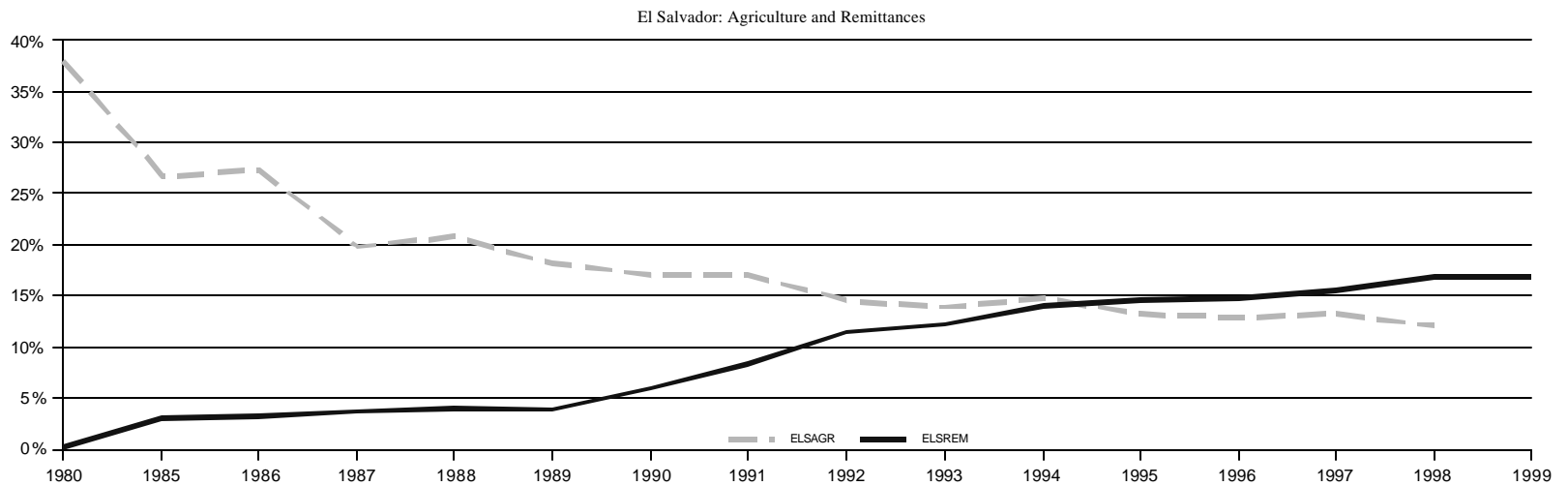
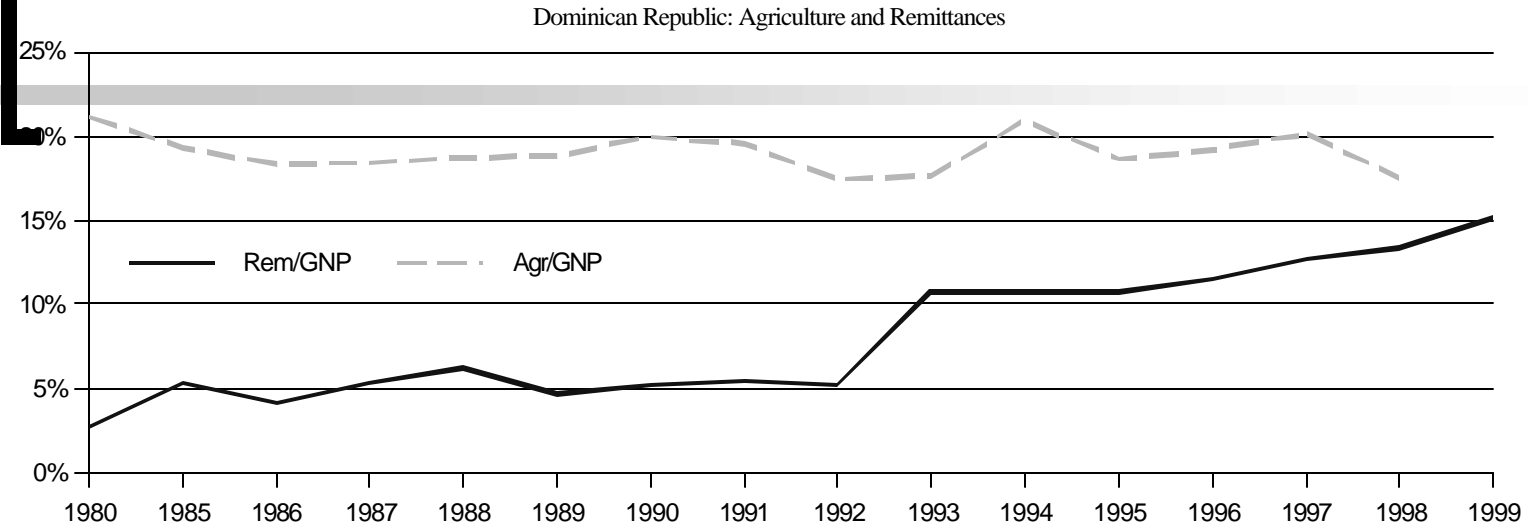
Budget allocation, HTA donations and population (mean values)

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

## Remittances Received in Mexico and Central America, Projected 2002-2030



# Agriculture and Remittances





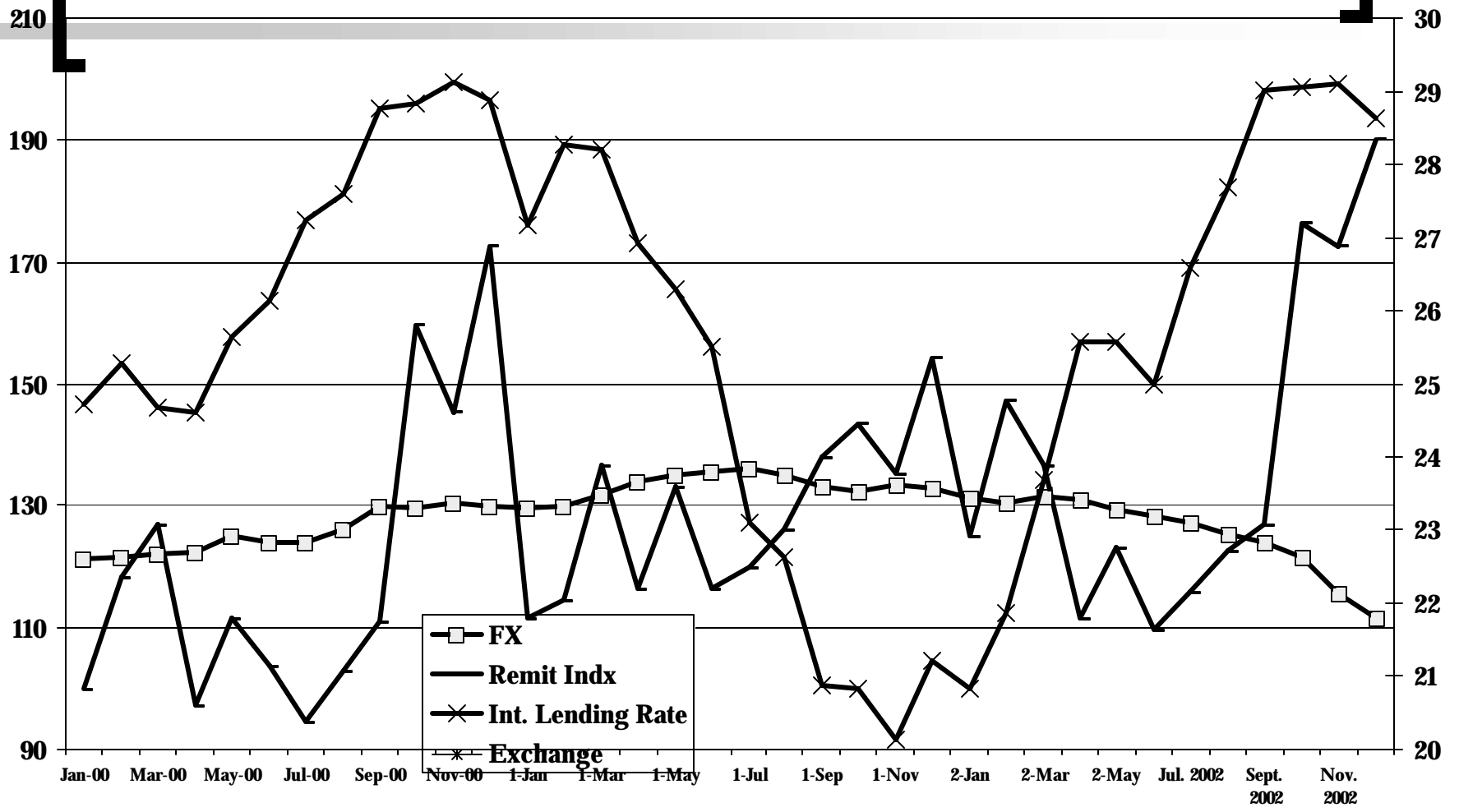
[ Macro-economic issues of  
remittances ]

Effects on import capacity and  
foreign currency controls

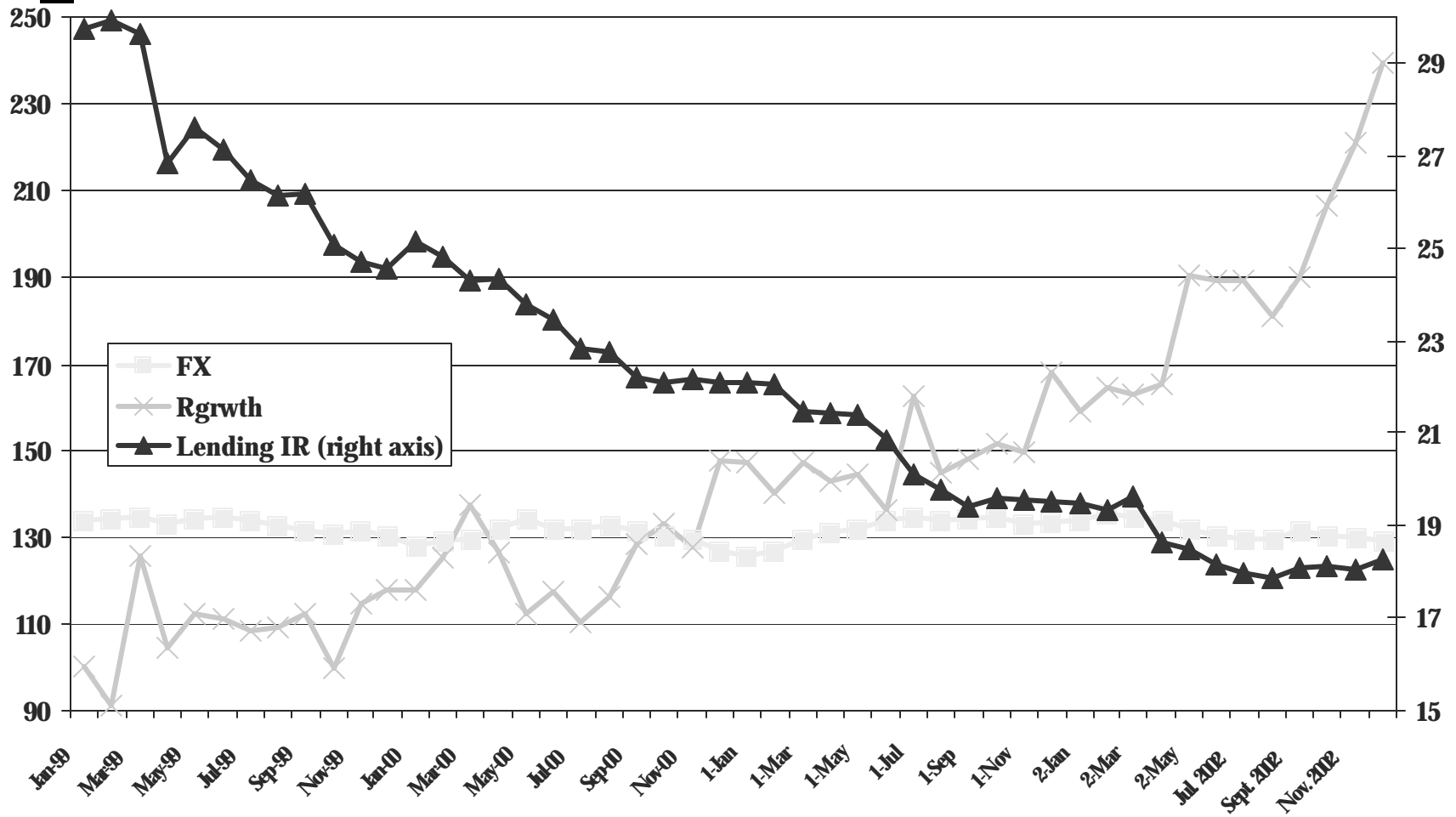
Multiplying effects

Projections

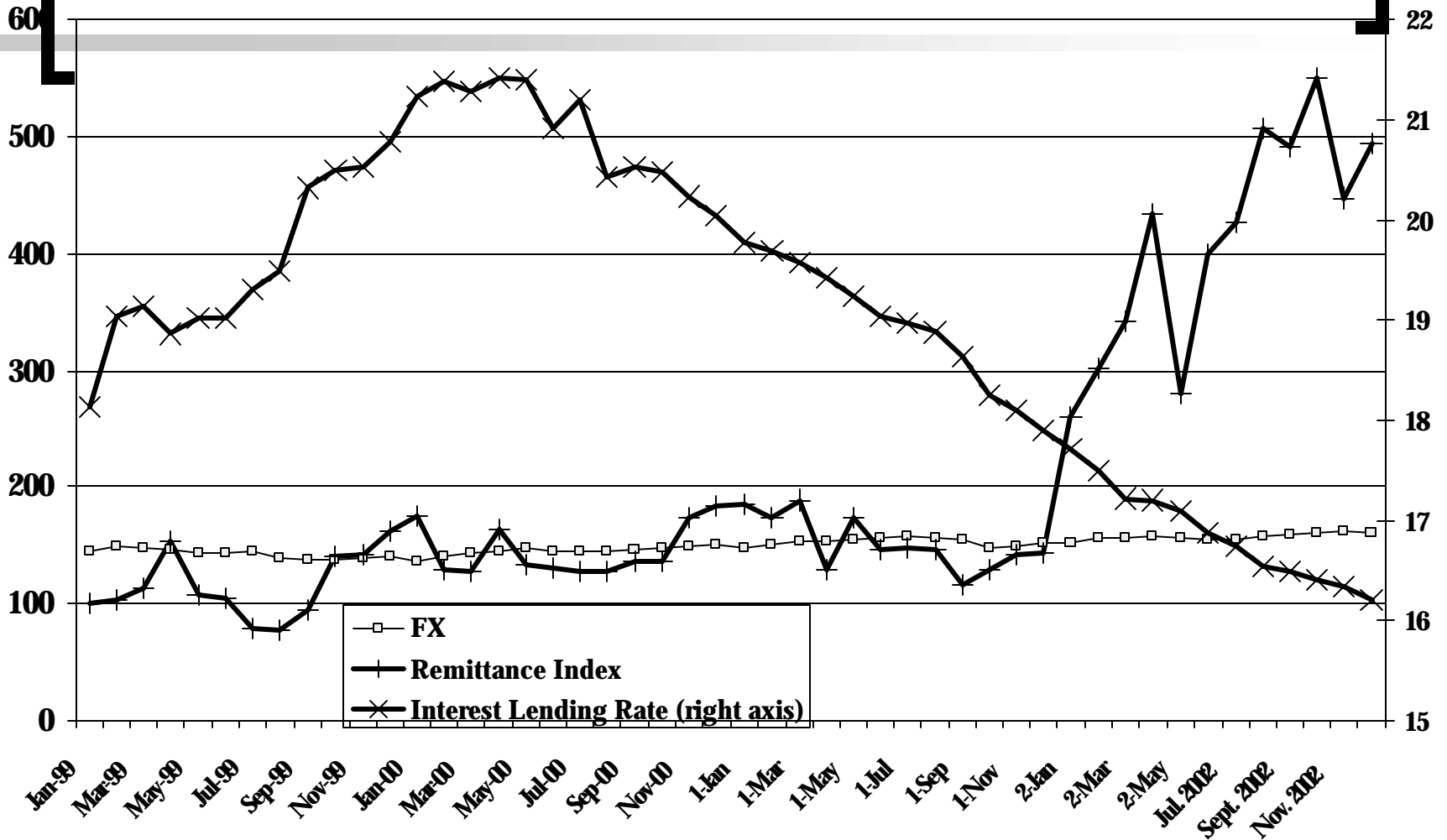
# Dominican Republic: exchange rate, remittances and interest (lending) rate



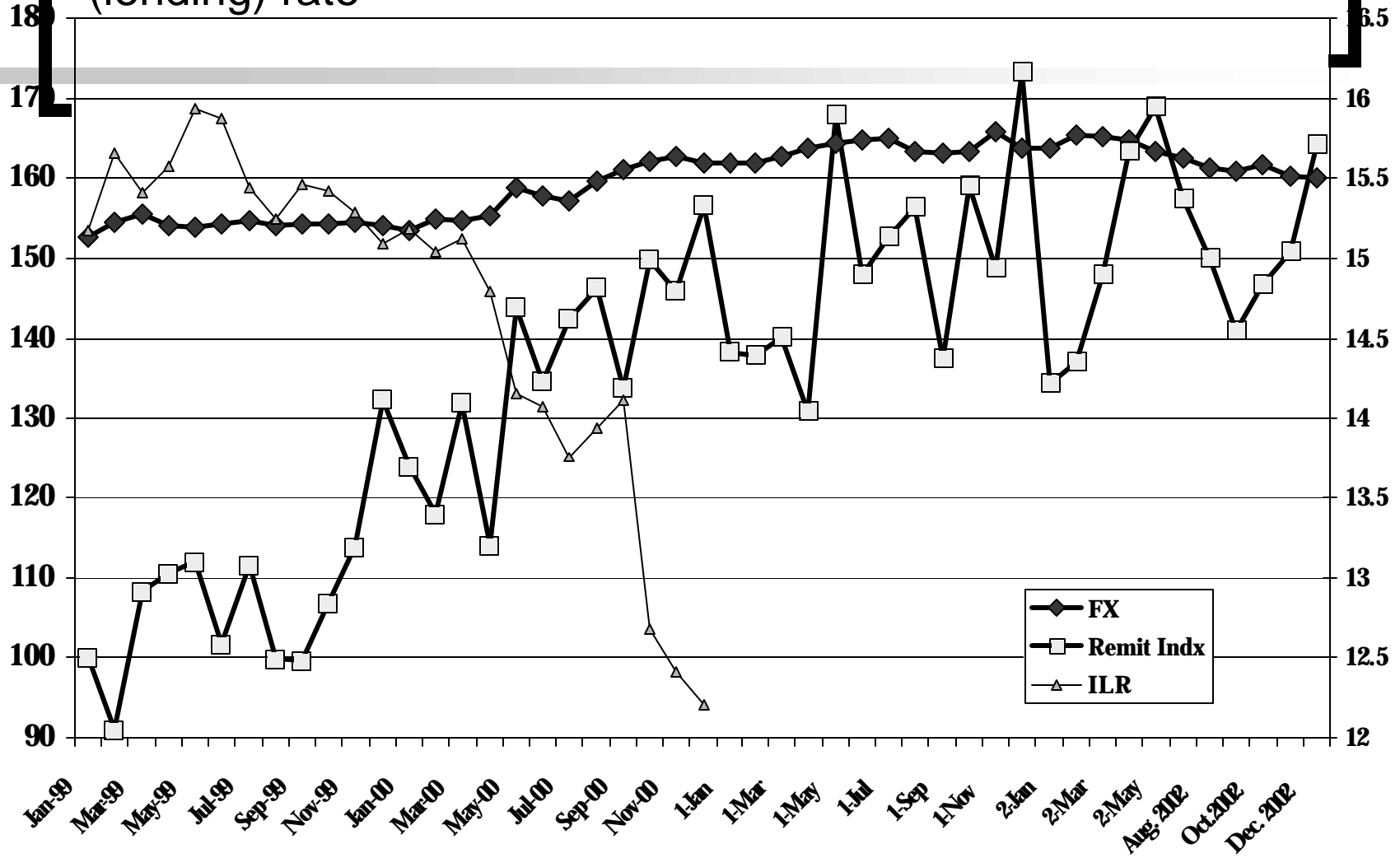
# Jamaica: exchange rate, remittances and interest (lending) rate



# Guatemala: exchange rate, remittances and interest (lending) rate



# Ecuador: exchange rate, remittances and interest (lending) rate



# Mexico: exchange rate, remittances and interest (lending) rate

