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 $T_{\mbox{\scriptsize HE}}$  mergence of collective migrants and their role in Mexico's local and regional development\*

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#### Introduction

It is estimated that at present, almost 22 million inhabitants of Mexican origin reside in the United States.¹ Behind that impressive figure —equal to 8% of the total population of the USA and 22% of Mexico's— lies a complex interplay of relations between the two countries. These relations have undergone qualitative changes in migratory patterns and witnessed spectacular rates of growth in the income earned from selling Mexican labor abroad which, in 1999, totaled almost USD \$6 billion.

One of the most noteworthy features of these new circumstances is the emergence of *collective migrants*, referring to higher level and relatively permanent migrant organizations which function on a binational basis fostering both social and cultural solidarity between Mexicans and their hometown constituency with mutual social, political and economic benefits. The increasing presence of these migrants as potential agents for development has caused a critical and crucial question to be restated: to what extent can migrants' savings become a lever for local and regional economic development?

This essay reflects on that question in an attempt to cast some light on: (a) the economic and social importance of Mexican migration to the USA, (b) the main qualitative changes and problems associated with it, (c) the role played by collective migrants in supporting their communities of origin,<sup>2</sup> and (d) the main challenges faced by such agents in making a more effective contribution to local and regional development in Mexico.

<sup>\*</sup> Publicado en el Canadian Journal of Development Studies, Volume XXII, No.3, 2001. pp. 747-764.

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<sup>&</sup>lt;sup>1</sup> This figure includes U.S. citizens of Mexican descent, and both legal and illegal immigrants who have settled in the country.

<sup>&</sup>lt;sup>2</sup> In this regard, our analysis will focus on the Mexican state of Zacatecas, which has a long history of migration

## II. A REASSESSMENT OF INTERNATIONAL MIGRATION AS A SOURCE OF FOREIGN EXCHANGE

It is clear that in recent decades, Mexican migration to the USA has grown in both importance and complexity. The most recent estimates of the dimensions of the phenomenon reveal that:

- · At present, the number of people born in Mexico who live in the USA stands at 8.2 million, of whom slightly more than one-third are undocumented migrants.<sup>3</sup>
- $\cdot$  The flow of temporary migrants (*sojourners*) accounts for between 800,000 and one million trips a year.
- · Each year, some 300,000 Mexicans establish permanent residence (settlers) in the USA (Tuirán, 2000).

Table 1. Mexican migration to the US, 1992-1997\*

Federal States	Migrants 1992-1997	Annual average	Annual growth rate (per 1000)
Mexico	1590359	318072	3.5
Zacatecas	65549	13110	9.8
Durango	69410	13882	9.7
Guanajuato	182276	36455	8.3
San Luis Potosí	81273	16255	7.4
Nayarit	31984	6397	7.1
Jalisco	212518	42504	7.1
Aguascalientes	29155	5831	6.8
Michoacán	105221	21044	5.4
Colima	9945	1989	4.1
Rest of States	803028	160606	2.3

Source: ENADID, 1997, and Population and Housing Survey, 1995.

\*This category refers to Mexicans who have changed their residence to the US between 1992 and 1997, and continue living abroad at the moment of the survey.

Along with the upward trend in international migration, a significant increase can also be seen in the monetary remittances sent from the USA to Mexico, which, as noted above, in 1999 reached a record level of almost USD \$6 billion (see Table 2). Thus, exported labor has come to represent the country's third most important source of foreign exchange, with a contribution to the balance of payments that slightly surpasses that of tourism. It should also be noted that Mexico is, by far, Latin America's leading receiver of family remittances (Waller Meyers, 2000: 275).

 $<sup>^3</sup>$  To give an idea of how Mexico's international migration figures have increased, in 1998 there were 6.4 million Mexican citizens residing in the USA.

Table 2. Importance of remittances in Mexico's foreign exchange (million USD)

YEAR	Remittances	Tourism	Oil	Manufacture	Agriculture
1991	2660	4340	8166	32307	2373
1992	3070	4471	8307	36169	2112
1993	3333	4564	7418	42500	2504
1994	3475	4855	7445	51075	2678
1995	3673	4688	8423	67383	4016
1996	4224	5287	11654	81014	3592
1997	4865	5748	11323	95565	3828
1998	5627	6038	7134	106550	3796
1999	5910	5869	9920	122819	4144

Source: Annual Inform Bank of Mexico, Mexico, 1999 and INEGI, Economic Indicators, Mexico, 2000.

An analysis of each sector's net contribution to foreign exchange earnings further underscores the importance of migrants' remittances in offsetting the deficit in the balance of foreign payments. Thus, as can be seen in Table 3, throughout the 1990s these remittances have been the country's second largest source of net foreign income, surpassed only by oil.<sup>4</sup> Moreover, as can be seen in Figure 1, remittances are the source of foreign exchange that grew most consistently over the decade.

In contrast to other exports, these remittances —where the merchandise sold is direct labor—reveal the absolute structural inability of the national productive apparatus to generate employment. This point is underscored further if we note, along with Philip Martin (2000: 2.3.2), that between 4 and 5 million Mexicans are currently employed in the USA —equal to about one-third of the workers employed in Mexico's own formal sector (according to figures from the Mexican Social Security Institute, IMSS) or one-fifth of the total "active" wage-earning population of the country<sup>5</sup> as reported by the National Statistics, Geography, and Informatics Institute (INEGI). Thus, while not denying their importance as a source for foreign exchange and family income, the overseas sale of Mexican labor highlights the underdeveloped nature of our economy and the asymmetry of our trading relations with U.S. capitalism.

Table 3. Contribution of remittances to Mexico's net foreign exchange (million USD)

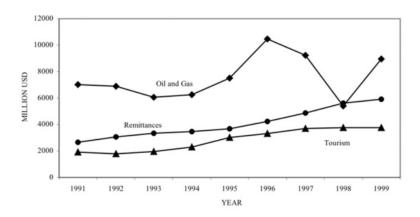
YEAR	Agriculture	Oil and gas	Mining	Manufacture	Tourism	Remittances
1991	242	7030	395	-14660	1905	2660
1992	-746	6896	360	-22066	1788	3070
1993	-129	6054	319	-19068	1948	3333
1994	-693	6265	291	-23350	2305	3475
1995	1373	7507	-133	-117	3028	3673
1996	-1079	10469	74	-124	3327	4224
1997	-345	9227	758	-6023	3710	4865
1998	-976	5406	544	-9881	3760	5627
1999	-554	8954	-446	-10363	3768	5910
2000*	-161	9385	1388	-12969	2854	4564

Source: Bank of Mexico Annual Report, Mexico, 1999 and INEGI, Economic Indicators, Mexico, 2000.

\*September

<sup>&</sup>lt;sup>4</sup> As a result of falling international oil prices, during 1998 remittances from abroad actually rose to occupy first place. <sup>5</sup> The concept of an *active worker* as used in Mexican official statistics (whereby a person is deemed active if he has worked at least five hours in the week prior to the census) often tends to exaggerate workforce figures.

Figure 1. Evolution of net foreign income generated by Mexico's three main sources of foreign exchange surplus



#### II. Labor exports: A KEY ELEMENT IN MEXICO'S FOREIGN TRADE

In order to fully assess the importance of labor exports, a brief digression is in order. In examining the particularities of Mexico's exports, the first feature worthy of note is the high dynamism and specific weight of the maquiladora sector —export-oriented assembly plants that serve internationalized productive processes and have very low levels of integration with the domestic economy.<sup>6</sup> Between 1982 and 2000, the export sales of the maquiladora industry increased 25-fold, accounting for almost half the country's manufactured exports in the year 2000 (46%). Moreover, this proportion rises to 54% if only the export surplus is taken into consideration, i.e. the difference between the value of the exports and their import requirements (Cypher, 2000: 16). Along with this, spectacular growth also occurred in non-maquiladora manufacturing, where exports rose 20-fold over the same period.<sup>7</sup> And, even more significantly, some of its most dynamic segments, such as the auto industry, are evolving toward assembly-based operations, following a model of industrial segmentation and delocalization with exceptionally high proportions of imported components.<sup>8</sup>

To complete this picture, reference must be made to the striking concentration and centralization of capital that characterizes Mexico's export sector: 25 corporations account for three-quarters of all manufactured exports, and ten of these for slightly more than 40% (Basave 1996: 148, and Gómez Chiñas, 1994: 136). It should be noted that this process has been character-

<sup>&</sup>lt;sup>6</sup> It should be noted that there have recently been major changes within the maquiladora industry. For example, in describing how these businesses are beginning to operate in areas other than plain assembly, Sergio Ordoñez (1997: 87) goes as far as to say that "it is inappropriate to continue referring to these industries as assembly plants." In turn, Gary Gereffy (1996) speaks of a "second wave" of maquiladoras.

<sup>&</sup>lt;sup>7</sup> Calculations supported by 1982 data and the INEGI webpage, Mexico, 2000.

<sup>&</sup>lt;sup>8</sup> Imported components make up between 85 and 90% of vehicles exported to the USA. In a recent article, Gerardo Fujii describes this characteristic in the following terms: "The dynamism of the export sector does not pull the rest of the economy along behind it; instead, it is filtered out of the country, primarily to the USA. Examples are provided by two very dynamic export industries: automobiles and electronics. Both are characterized by the dominance of multinational companies, which use the country as a base for the final assembly of their products, using mostly imported components. It would thus appear that the industrial sector tends to resemble the assembly industries found along the U.S. border."

ized more by mergers and privatization than by new investment in the strictest sense. There is also a clear dominance of large multinational corporations (particularly U.S. companies) in the segments with the greatest dynamism and highest capital levels (Unger, 1990: 190).

It should be added, on the one hand, that each exporting company has sought to exploit comparative advantages —some of which are categorized as "dynamic" — other than the low wage levels prevailing in Mexico 10 and, on the other, that the restructuring strategy that our economy has been following varies from one place to another. Thus, the changes in that strategy, from Bush's *Initiative for the Americas* up to the Clinton era, should not be ignored. But above all, it must be borne in mind that this relationship is one of *asymmetrical interdependence* that strives to take advantage of the prerogatives offered by Mexico, particularly as regards low wages, infrastructure, land, and natural resources (Vázquez Ruiz, 1998).

Perhaps the most glaring manifestation of this is the disproportionate importance acquired by intra-industry trade with the USA, which George Baker (1995: 402) estimates optimistically at accounting for 65% of total exports, rising to 75% if seen pessimistically. In addition to contravening the "free interplay of market forces" preached by neoliberal orthodoxy, this reinforces our perceptions about the export sector's disassociation from the rest of the economy in at least two ways:

- 1. The concept of shared production that underlies intra-company trade does not imply shared profits. Export prices in this type of commerce are artificially set by the companies without declaring "profit"; not only does this allow a net transfer of profits out of the country, it also allows each job created in those industries to be subsidized with funds taken from our economy.
- 2. With regard to the numbers of jobs created, it has been estimated that because of contrasting levels of industrial integration, while in the USA each USD \$1 billion in merchandise generates 20,000 jobs (at USD \$15 an hour), the same level of intra-company exports cannot create more than 2,000 similarly paid jobs in Mexico.

In line with this, it should be stressed that the enormous growth in exports has not helped mitigate the foreign debt problem; on the contrary, it has fueled a constant increase in import volumes. Thus, it is particularly revealing that between 1988 and 1994, manufactured exports grew at a rate less than half as fast as imports of manufactured goods (5% compared with 12%).<sup>11</sup> And although this dynamic was temporarily upset by the 1995 crisis, it reemerged in 1997 with a deficit of slightly more than USD \$2 billion, rising to more than USD \$8 billion in the year 2000 (INEGI, 2000).

All this restricts the scope of the new export dynamics and casts a relativizing light on them, making it clear that this process, in contrast to what might be expected from evolution toward a secondary-exporting model (i.e., specializing in manufactured exports): (a) is not linked, or is only marginally linked, to the conditions generated by internal accumulation, and (b) has minimal multiplying effects on that accumulation.

What has been said above, in addition to demonstrating the fragility and volatility of the dynamism in exports, requires that we assess, fairly, the nature and scope of what the country actually exports. In this regard, it is clear that the lion's share of our foreign trade —that covered

<sup>&</sup>lt;sup>9</sup> Unger (1990) describes dynamic comparative advantages in terms of economies of scale, the strategies of the conglomerates, the rhythm of technological innovation and of its dissemination among companies and countries, the existence of temporary niches for repositioning, and others.

<sup>&</sup>lt;sup>10</sup> For example, the auto industry —and, most particularly, engine exports— exploits advantages in smelting (especially aluminum) and in cheap energy, transportation, and labor.

<sup>11</sup> These trends apply to such an extent that Enrique Dussel has called this form of industrialization import oriented.

by intra-company trade and chiefly involving the maquiladora sector—poorly suits the "manufactured exports" category because, as Carlos Tello (1996: 50) has pointed out, what is really being *sold abroad is labor, without it actually leaving the country.* Thus, the veil of the supposed progress with secondary exports conceals the contraction of a part of our economy, which is diminished and compelled to serve as a source of labor for foreign capital.<sup>12</sup>

This line of export "specialization" has close ties and a clear correspondence with the direct exporting of Mexican labor to the USA, thus stamping a characteristic mark on the nature of trade between the two nations. In both cases alike, it amounts to the net transfer of profit abroad.

# III. QUALITATIVE CHANGES IN THE MIGRATORY PHENOMENON AND THE PROBLEMS IT CURRENTLY FACES

Above and beyond the spectacular growth in the volume of migrants' remittances, the experts agree that international migration, irrespective of the continuities it contains, has been undergoing qualitative changes of the first order. Among other factors, there have been realignments in the geography of migration (diversification of the regions that send and receive migrants, with increased involvement by urban areas), the job spectrum in which crossborder workers are employed (new areas for incorporation into the U.S. job market), migration patterns (age, sex, schooling, family position, duration of stay, legal status, etc.), and the amounts sent back to families, the mechanisms used to send and receive them, the uses to which they are put, and their impact.

Although much further study could still be done into the content, scope, and implications of these changes, the following problems are apparent at this juncture:

- 1. Above and beyond the mirage generated by the spectacular increase in crossborder migrant workers' remittances, we must not forget that the main goal of such fund transfers has, historically, been family subsistence. The main national surveys<sup>13</sup> and case studies available indicate that: (a) most of the money is spent to satisfy basic needs and to cover other forms of family consumption, and (b) relatively little is spent on truly productive investments and, instead of increasing, the proportion has been falling in recent years: 7% in 1979 (ENEFNEU), 3% in 1984 (ETIDEU), and less than 2% between 1993 and 1997 (EMIF).
- 2. This trend is based on four structural features that are inherent to the process of migration and Mexico's socioeconomic context: (i) the restricted and fragmentary nature of remittances, which represent the savings of migrant workers in the USA; i.e., they are part of the wages they earn; (ii) the non-business origin of the migrants, who mostly come from the sphere of the subsistence economy (i.e., not inherently capitalist) or from the ranks of the unemployed; this notwithstanding, the emergence of a small but increasingly dynamic business elite within the migrant population cannot be denied; (iii) the difficulties arising from the reduced dimensions of the domestic market and from the shortcomings of the institutional apparatus needed to guarantee the success or, at the very least, survival of small businesses in the areas migrants come from; and (iv) the limited multiplying impact of remittances on the local economy.<sup>14</sup>

<sup>&</sup>lt;sup>12</sup> This is further aggravated by the low wages that prevail in the sector and the limited participation of the most dynamic export companies in the employment market.

<sup>&</sup>lt;sup>13</sup> National survey of emigration to the northern border and into the United States 1978-1979 (ENEFNEU); northern borderland survey of undocumented workers returned by U.S. authorities 1984 (ETIDEU); survey of migration on Mexico's northern border 1993 (EMIF); and national income and expenditure survey 1996 (ENIGH).

<sup>&</sup>lt;sup>14</sup> This limiting factor is influenced, on the one hand, by the restricted economic dynamism generated by the

3. Along with the growing flow of remittances entering the country, a wide range of businesses for receiving and sending funds have been set up. Over the past decade, several U.S. companies, in partnership with domestic firms, have entered the market, most notably Western Union and MoneyGram which, between them, control 97% of the wire transfer market (Waller Meyers, 2000: 276). This is yet another aspect that contravenes the principle of "free competition" advocated by neoliberal orthodoxy. And while they have to some extent streamlined remittance transfers, they are also characterized by excessive fees and manipulated exchange rates, which translate into significant losses of between 20% and 25% for migrants and their families and communities (Kumetz, 1999, and Alarcón and Iñiguez, 1999). This method, while currently accounting for more than three-quarters of all such transactions, 15 has not led to the disappearance of "traditional" mechanisms for sending and receiving money or of the problems and losses they entail (Levander, 1999). 4. To further analyze the impact of remittances, the spatial dimension of the phenomenon is of key importance. Leaving aside the many areas that have placed themselves on the migration map over the past two decades, in what has been called the "historic heartland of Mexican migration to the USA" —the states of Jalisco, Zacatecas, Guanajuato, Michoacán, Durango, San Luis Potosí, Colima, and Aguascalientes (Durand, 1998: 104) — migrant remittances enjoy relatively high importance in the economies of countless families. This region has been experiencing a rapid evolution in migratory patterns: from chiefly involving migrants who return, men and heads of family, the pattern is now characterized by an increase in permanent migration (regardless of the migrants' legal status), with larger numbers of younger sons and daughters and even entire families participating, and by lengthier stays by those migrant workers who do return (Delgado Wise and Rodríguez, 2000: 376-377). The vital importance of this change lies in the fact that it sets a basic challenge for the immediate future: how is the flow of remittances to be maintained when an ever-increasing number of family members have their hearts set on living in the USA?

Table 4. Importance of remittances as a source of family income in Mexico

Federal States	Percentage of households which receive remittances	Percentage of remittances with regard to total family income*	Percentage of households where remittances are the main source of family income*	Percentage of households where remittances are the only source of family income*
Zacatecas	12.2	69.6	69.1	50.0
Guanajuato	9.1	77.1	73.7	60.2
Michoacán	9.0	69.6	67.5	52.3
San Luis Potosí	9.0	63.2	64.0	34.4
Durango	8.4	55.7	55.1	28.4
Nayarit	6.3	57.3	53.8	32.0
Jalisco	5.4	59.3	53.7	38.1
Colima	5.1	53.4	51.5	27.3
Aguascalientes	4.4	53.3	51.0	28.1
Rest of the States	2.3	51.2	47.2	29.1
Mexico	3.1	65.6	58.3	41.4

Source: Population and Housing Survey 1995

\* Refers to households which receive remittances

subsistence consumption upon which the bulk of remittances are spent and, on the other, the disconnection from centers of production that generally typifies the zones most heavily involved in migratory flows. At the macroeconomic level, however, some studies suggest that for each dollar sent to Mexico, GDP grows by USD \$2.90 and production by \$3.20.

<sup>&</sup>lt;sup>15</sup> According to figures from the Bank of Mexico, a total of 20,937,300 electronic transactions were made in 1999.

In no way should we ignore the problem that the changing migratory pattern poses to the regions with the strongest migratory traditions. On the one hand, Bank of Mexico figures reveal the systematic reduction in the average transfers sent into the country, which fell from USD \$326 in 1995 to \$282 in 1999. Along with this, a dangerous tendency toward permanent exodus is emerging in some of the states most heavily involved in international migration. Such is the case in Zacatecas where, over the past five years, half the municipalities reported negative population growth rates, for a net loss of 26,159 people per year (Delgado Wise and Rodríguez, 2000, and Delgado Wise et al., 1998).

- 5. Finally, based on our own field work and some of the national and international experiences that are available (Torres, 1998; Alarcón, 1984; López, 1989; Lozano and Tamayo, 1991; Rodríguez, 1999; and Salazar, 1996), the following closely interconnected problems with the productive investment of remittances can be identified:
- · Excessive fragmentation of the resources available for funding productive projects, almost invariably accompanied by reticence toward association and partnership —arising from experiences of past failures and from ignorance of their possible advantages— which hinders medium- and large-scale investments.
- · Limited vision of investment options in the local context and, specifically, in migrants' communities and hometowns. This perception is tied in both with the reduced dimensions of the national domestic market and with the low level of economic integration that characterizes the areas from which most international migrants come.
- · Lack of leadership and training for carrying out productive investment projects. Firstly, the employment context within which migrants work in the USA, even those with skilled jobs, offers them little chance to develop entrepreneurial abilities. Secondly, in those few cases in which they manage to switch from workers to entrepreneurs, their field of endeavor is generally limited to that country. Finally, within the communities it is difficult to find people who are trusted by the migrants and who have the necessary training for taking charge of productive investment initiatives.
- · Low profitability of migrants' investments. In general, these projects are designed for the short term and they encounter problems with marketing, inadequate credit facilities, and, paradoxical though it may appear, labor shortages (workers are costly and scarce because of the different and contrasting conditions set, as a reference point, by the U.S. market).
- $\cdot$  Low confidence in macroeconomic stability, particularly as regards exchange rates, in the efforts of the government, and in the effectiveness of public policies designed to support small and medium-scale businesses.

# IV. THE COLLECTIVE MIGRANT AND THE CHALLENGES OF LOCAL AND REGIONAL DEVELOPMENT

What has been said so far indicates that the deepest roots of international migration lie in the asymmetrical relations existing between capitalist development and underdevelopment. As a phenomenon it operates essentially to the benefit of the receiving country, in this case the USA, which enjoys the many advantages of an abundant and permanent supply of cheap labor. From Mexico's perspective as the country of origin, international migration is part of the subsistence strategy of countless families, communities, and regions. These remittances, while relatively significant in aggregate terms, tend to be small

at the individual level, with a very limited impact on local and regional economies, where they are used to satisfy basic family needs and, in the best-case scenario, to set up a smallscale business.

Much speculation has been offered about the multiplying effect generated, in macroeconomic terms, by the remittances that flood into Mexico (Zárate-Hoyos, 1999). The fact is that beyond their importance as a net source of foreign exchange, they have been unable to fuel greater economic dynamism in the high migration areas, much less offset the country's foreign trade deficit; and, we must remember, these remittances represent a net transfer of potential profits to foreign countries. The dramatic nature of this situation has been heightened under the aegis of neoliberalism.

Over and above these circumstances, a different scenario, one that is much less pessimistic about the possibility of remittances having an impact on local and regional development, can be discerned if instead of focusing on the individual migrant, attention is centered on a new player within society who has arisen as a contradictory byproduct of the historical evolution of international migration: the *collective migrant* (Moctezuma, 1999).

The long tradition of migration in several regions of the country means that an everincreasing number of Mexicans settle in the USA. This process follows highly varied and complex patterns, giving rise to a vast fabric of relations and social networks that ultimately lead to the creation of fellow or "daughter" communities. Each of these, the reference point of which is the migrant's hometown, becomes a privileged forum for recreating the community's roots, identity, and culture and for strengthening the ties of solidarity between migrants and their hometowns. The key aspect of this process is that it transcends the limits of family relationships in the strictest sense to give rise to community ties at the binational level.<sup>17</sup>

Over time, some "daughter" communities evolve toward more formal organizational structures, such as migrants' clubs or associations, which allow the emergence of the collective migrant. In contrast to the individual migrant, these new agents are characterized, *inter alia*, by having a relatively permanent formal organization; using that structure to strengthen ties of cultural identity, belonging, and solidarity with their communities of origin; establishing the possibility of dialogue with different public and private entities, in both Mexico and the USA; and having significant financial potential for carrying out projects to benefit communities, by means of collective funds capable of overcoming the limitations and rigidity of individual or family remittances.

In furthering our analysis of collective migrants and illustrating the role they have been playing as agents for local and regional development, our attention will focus on Zacatecas for two reasons:<sup>18</sup>

a) It is the state with the largest and most advanced organization of expatriates in the USA, with around 40,000 members spread among over 200 clubs which are, in turn, grouped together in ten federations: South California, Chicago, Oxnard, Denver, Dallas, Las Vegas, Atlanta, Houston, Waco, Florida, and North Carolina (Moctezuma, 2000: 88-93). 19

<sup>&</sup>lt;sup>16</sup> This has traditionally been the dominant perspective and it has been used to draw up a number of theories about the relationship between international migration and development, where the former is seen as a factor that hinders the latter. One of the authors who best represent this trend, Demetrios Papademetriou, believes that remittances tend to perpetuate and deepen the backwardness of migrants' hometowns by creating a destructive dependency that discourages local and regional development initiatives.

<sup>&</sup>lt;sup>17</sup> For a more detailed exploration of these questions, see Moctezuma.

<sup>&</sup>lt;sup>18</sup> An appreciation of the importance of Zacatecas within Mexican international migration can be found in Corona, 1987, and Delgado and Rodríguez, 2000.

<sup>&</sup>lt;sup>19</sup> It should also be noted that some members of these organizations, particularly the leaders, have managed to secure positions of importance in their different fields of endeavor or have become prosperous entrepreneurs, with ever-increasing economic, social, and political influence within U.S. society.

Table 6: Investment in the Three-For-One Program, 1993-2000 (USD)

YEAR	PROJECTS	INVESTMENT
1993	7	\$ 603,675.00
1994	30	\$ 1'118,453.00
1995	34	\$ 615,016.00
1996	63	\$ 932, 241.00
1997	77	\$ 2'127,174.00
1998	8	\$ 32,983.00
1999	93	\$ 5,044,921.00
2000	117	\$ 6'349,206.00
TOTAL	429	\$ 16'823,670.00

Source: Secretaría de Planeación y Finanzas, State Government of Zacatecas, 1998

b) It has a program to support the social and community investment initiatives of the migrants who have joined clubs, the Three-For-One Program,<sup>20</sup> which was created in 1992<sup>21</sup> and has been acknowledged as one of the most successful of its kind in Latin America (Torres, 2000: 6.2.9-6.2.10).

The figures for this program indicate that the collective migrant is no longer a marginal figure: over eight years of operations, Three-For-One has financed 429 projects with a total investment of close to USD \$17 million. With the exception of 1998, when there was a change of government in Zacatecas state, a clear upward trend can be seen in both the number of projects carried out as well as the amount of funding involved, which has increased dramatically over the past two years.

Other results, no less important, of the Three-For-One Program include the following:<sup>22</sup>

- 1. Modifying the use traditionally made of remittances by encouraging, albeit on a modest scale and with modest funding, productive infrastructure projects (irrigation wells and dams) and other more cutting-edge efforts in the fields of human resource development (libraries, computer centers, scholarships, etc.) and environmental stewardship (wastewater treatment plants).
- 2. Testifying to the enormous financial potential of migrants and their disposition toward collective and solidary participation, to the extent that many of their investment efforts exceed the budget cap imposed by the federal government.
- 3. Strengthening migrant organization in three ways: (i) encouraging the creation of

<sup>&</sup>lt;sup>20</sup> The program's name (in Spanish: *Tres por Uno*) comes from the financing scheme it promotes: for each peso sent by the Zacatecan Clubs in the USA for social or community projects, the Mexican government, at the federal, state, and municipal levels, allocates another three.

Between 1992 and 1998, this program involved only three players and was known as Two-For-One ( $Dos\ por\ Uno$ ) — i.e., municipal governments did not participate.

<sup>&</sup>lt;sup>22</sup> These considerations are based on the final research report "Evaluación de Programas y Proyectos Comunitarios y Productivos con Participación de los Migrantes: El Caso de Zacatecas," by Raúl Delgado Wise, Miguel Moctezuma Longoria, and Héctor Rodríguez Ramírez, Mexico, July 2000.

migrant clubs in the USA, (ii) strengthening social organization in migrants' hometowns and the emergence of leaders in those communities, and (iii) promoting cooperative ties between Zacatecan people on both sides of the border.

4. As a corollary to be above, expanding the maneuvering space available to migrants and their hometowns in political negotiations with the Mexican government at its three distinct levels.

While not dismissing the importance of these advances, it must be borne in mind, firstly, that the emergence of collective migrants is still at the embryonic stage, even in those Mexican states with the longest migratory traditions<sup>23</sup> and, secondly, their involvement in development projects has been limited to social initiatives geared to defending against the decline and abandonment of their communities of origin against a backdrop of neoliberal policies.

Given these circumstances, it is clear that the main challenge facing the collective migrant today is the continued promotion and expansion of ties among migrants at different levels, observing the differences that exist between them and creatively adapting their experiences with community organization, not only to fuel social and community projects, but also to embark on productive investment initiatives (Torres, 1998). To that end, we believe that progress in at least two complementary directions is indispensable:

- i) The design and implementation of new financial mechanisms using a binational perspective (like the Credit Unions that operate in the USA) to allow the collective migrant to play a new role in promoting local and regional development. The idea is to set up a financial mechanism in the USA, controlled by the migrants' organizations, that can combine and empower their savings for individual, family, and community purposes. That is essential if progress is to be made toward creating second-level migrant organizations capable of carrying out medium and long-term development projects in their communities of origin.
- ii) Closely related to the previous point, it is vitally important to transcend the limits of individual projects through production methods based on association, the creation of business networks, and the forging of productive chains in order to counteract the structural limitations of small businesses, particularly in those areas with high migration levels. This approach would also allow optimum use to be made of the resources available to the migrant community, in both the USA and Mexico: "paisano" (fellow citizen) market, access to credit at internationally competitive interest rates, investments in training, etc.

Even though it is impossible to deny the central role that the collective migrant has been called on to play in counteracting the hegemonic and cyclical relationship between underdevelopment and migration, it would be premature and to some extent overstated to claim, in response to the question set at the start of this paper, that with neoliberalism prevailing, migrants' savings can serve as an effective lever for local and regional economic development.

<sup>&</sup>lt;sup>23</sup> For example, while Zacatecas has the largest proportion of organized migrants of any state, they only account for 3% of the population of Zacatecan origin resident in the USA.

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