migration, remittances and development

IN TIMES OF CRISIS

TEÓFILO ALTAMIRANO RÚA

UNFPA
Fondo de Población de las Naciones Unidas

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Teófilo Altamirano

FOREWORD

This book, *Migration, Remittances and Development in Times of Crisis* is a new contribution by the anthropologist Teófilo Altamirano to the understanding of migration, internal and external, and the challenges and opportunities this offers in our increasingly globalised society.

The author places the migrant and local and transnational networks at the centre of his analysis and discussion, and analyses the role of remittances and how these can be economic agents in local development, and examines them in the light of the challenges posed by the current economic crisis.

It is a great satisfaction for our research centre to present this book by Dr. Teófilo Altamirano, who is a senior professor of the university and has devoted much of his academic life to the analysis of these issues from the perspective of anthropology.

The Centro de Investigaciones Sociológicas, Económicas, Políticas y Antropológicas (CISEPA) of Pontificia Universidad Católica del Perú is grateful to the United Nations Population Fund (UNFPA) for its support in publishing this work. We hope that these synergies continue and that we can jointly rethink and research the core problems of our society.

Augusto Castro
Director
CISEPA

PREFACE

The economic crisis which began in 2008 is becoming one of the major events of the early years of this century. The constant references to the crisis of 1929 are just one indication of what the main economic analysts believe could be its real scale.

When the crisis broke, one of the first questions we asked at the United Nations Population Fund (UNFPA) was how it was going to impact population dynamics. At the time we thought it highly probable that the crisis would have varying impacts. These included the effects on the decisions of individuals and couples about how many children to have and when to have them. The crisis would undoubtedly create restraints, and many people would decide to put off having another child, waiting for better times, opting for birth control, using the most convenient method. We also wondered about its impact on young societies, like Peru's, which were at the start of the demographic bonus. We thought that the crisis was undoubtedly going to reduce the opportunities for getting a first job and work with dignity for the young people knocking on the doors of the labour market. This lack of opportunity could have a serious effect on the country's capacity to take advantage of the window of opportunity that the bonus offers. Again, the social status of young people in the community, how they are perceived and how their image is projected in the media would also deteriorate. If they have no manner of becoming part of productive labour, this reinforces a very widespread view of young people as a problem and a threat.

Nevertheless, given these and other possible impacts, we had no doubt that one of the dynamics which we should observe carefully was population displacement and most particularly the phenomenon of international migration.

Clearly the severity of the crisis announced in the central countries would have an immediate effect on at least three dimensions. One is the decision of individuals to migrate from peripheral countries to the central countries; second, the decision of migrants to return to their countries of origin, and third, effects on the capacity of migrants, both documented and undocumented, to generate income in the destination countries and regularly send remittances to their countries of origin. Teófilo Altamirano, one of Peru's top specialists in the subject, has made a detailed analysis of the implications, using indicators and the data bases which account for the effects. In general, it could be said that at the time the author carried out his research trends show a reduction in emigration, an increase in the number of people returning, a rise in unemployment among migrants in the central countries and in consequence a fall in the flow of remittances to the countries of origin. Different countries feel and will feel the impact of these trends differently. Other countries in the region like Mexico and El Salvador will suffer more than Peru.

However, one of the interesting aspects of this study is that it does not analyse migration simply from the point of view of numbers and flows of people or monetary remittances. On the contrary, its value is precisely because it allows us to address the subject of migration from a wider perspective. It is particularly interesting how migrants join networks which link them as much to the country of origin as the destination country, in which contacts are established not only with the native population of that country, but also with other migrants from other countries and regions. The migrant thus becomes a kind of vector through which new ideas and patterns of behaviour are transmitted, different from those both of the country of origin and that of destination. The subject of cross-cultural issues and migration opens up a fascinating world for research. It is worth remembering for example that the emergence of Spanish as the world's second language today is not due —as Mario Vargas Llosa has remarked— to the beauty of the prose of Cervantes, but to the influx of Spanish-speaking migrants, who may not even have known Don Quixote, to the central countries and especially to the United States.

Linked to the question of cross-cultural issues is the fact that international and national migration is occurring in the context of what the author calls the "fourth globalisation", shaped by a network of links, dependencies and interdependencies, which are mediated by digital technology. This support or means accelerates the process of exchange and facilitates communication to the extent that nowadays we talk about

"transnational families"; parents, children, mothers, spouses, siblings who are regularly, almost daily connected via internet. Mobile phones and text messaging is another support factor, above all for the poorest migrants.

Communications take place not only within family networks, but also within community networks in which members of particular regions or provinces of a country keep in touch and sometimes have joint projects. The author calls them "transnational communities". Within these networks too information and skills circulate which are transferred. They can be viewed favourably, showing how they help the development of the countries of origin; or seen critically as a brain drain, via which young professional people and scientists are attracted by the central countries in the framework of their state and corporate policies for fostering research and development.

The author proposes that remittances should be seen in the context of this exchange. They are not simply monetary, they can be non-monetary, in kind. Altamirano reminds us of the meaning non-monetary transfers had for internal Peruvian migrants *(kuyanakusun)* which were not simply objects, they were also messages of affection, of love *(kuyay)*. Something similar can be seen in the non-monetary transfers international migrants make when they send items, from televisions to toiletries. Other transfers are made by associations like the Peruvian American Medical Association, which provides medical aid and donates equipment, as in the 1991 cholera epidemic or following the earthquake south of Lima in August 2007.

States and countries now perceive the significance of the phenomenon of remittances and the subject has provoked great interest in seeing how to take advantage of the resources in circulation, not forgetting that they are private, generated by individuals and households, and that the way to make the most of them is through creating incentives. One example is the 10 x 1 model of the Huancayo Municipal Savings Bank, which will give credit of ten times the value of the monthly remittance, if the credit is for micro businesses which improve household standard of living. The product is called *Crediremesas*. The problem is that remittances are not always regular, as we see now with the crisis, and as a result, they cannot be used through a single strategy but as part of a comprehensive human development strategy. They would have to be used to some extent with the same criteria as international cooperation; i.e. as levers for developing the capacities of families and communities so that they are able to continue their development through other means. It is in this wider context that we must incorporate the use of remittances in public policy debate.

More recently, due to the Greek financial crisis, the concerns about its employment implications throughout Europe, once again remind us the "effects in the very nature of international migration", as Teófilo Altamirano states. Voluntary return, racial profiling, highly selective migrations are likely policies to be adopted by destiny countries. Else, also as indirectly related effect of such financial crisis, immigration policies are expected to become even less friendly, as the recent Arizona Immigration Law is clearly showing. As we see, far from being calmed, the crisis will remain in the focus of the immigration agenda debate, and in the very core and worries of millions of Peruvian and Latin American families.

For countries such as Peru the situation depicted and analyzed in this book by Teófilo Altamirano is highly relevant and timely, since the current government administration has taken initiative on updating its National Population Plan 2010-2014. And, while emigration has been one of the key drivers of the population dynamics in the country in last few decades, new opportunities to strengthen social diplomacy agenda arise, as well.

Finally, I would like to express my gratitude to Dr. Altamirano and the Catholic University of Peru for their trust, since through the Centre for Sociological, Economic, Political and Anthropological Research (CISEPA-PUCP) they sought the help of UNFPA to publish this important study. For UNFPA, this kind of work will always merit our support, since it represents not only quality research into subjects of great importance to Peru, but because it enables us to link academia with the general public and decision-takers, who now have new input for participating in an informed debate for proposing public policy. This is particularly relevant since we are getting closer to the final period to accomplish the Action Plan agreed at the International Conference on Population and Development held in Cairo 1994, a milestone in the history of how humanity understands and addresses population issues, including one as important as migration.

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CHAPTER 1
BACKGROUND AND THE CURRENT DEBATE

1.1. PRESENT AND FUTURE SCENARIOS

This book has been written in the midst of the global financial and economic crisis which is affecting and will continue to affect our lives and in particular that of millions of internal and international migrants. Estimates suggest that today, 200 million people no longer live in their countries of origin and are considered international migrants. Although this number is only 3 percent of the global population, its economic, political, legal and social dimensions go beyond that percentage and are part of the global debate together with global, national and local security, climate change, the economic crisis and poverty.

The crisis in the global economy is expected to produce —or perhaps is already producing— an impact on international migration. International migration as a structural part of the global economy is undergoing change; particularly in employment, wages and specifically in the remittances migrants make to their countries of origin. It is impossible to make an accurate forecast of how it will go on affecting international migration in volume, trends, orientation, regularity and in migration policy in both countries of origin and destination. What we can see already are the protection measures the destination countries are taking particularly against illegal migrants, even though they help strengthen the destination countries' economies and that of the countries of origin, as has often been shown.

We can currently see the following impact on international migration, which will continue to be evident in the near future:

- Further immigration policy restrictions are being adopted in the destination countries, particularly the United States and the European Union countries.
- A reduction in the number of labour immigrants and at the same time, a sustained and even a rising number of some highly-skilled immigrants.
- Incentives for workers to return to their countries to tackle growing unemployment.
- Lost jobs in economic sectors now in recession, examples being the manufacturing industry, the building and tourist industries and finance.
- Lower working hours and/or wages; less secure, more risky working conditions and cuts in social services for migrants.
- Workers returning to their countries or leaving for others where they can explore new labour conditions. Fewer workers will return from countries where they enjoy unemployment benefit, as in the European Union.
- Increased trafficking in persons and higher charges made by the traffickers, in particular in the countries of origin hit by the economic and financial crisis.
- Impact on the relationship between gender and employment. The crisis is expected to affect men more than women because most of the former are in jobs hit by the recession, building, industry, services, mining, oil, transport and business, whereas jobs carried out by women, in cleaning, care, in hospitals, in business and in agriculture will have better expectations; except agriculture which is in general an activity carried out as much by men as women.

Despite these negative scenarios, international migration will continue because the developed countries need immigrants since they have static or negative population growth. With these new scenarios global, regional, national and local migration policies need revising. The adjustments may produce a transition to which each country and region will need to adapt.

For some countries, the transition will be relatively easy. For others (the majority) it will much harder because organisations, entities and

pressure groups will appear that will speak for and defend migrants and their economic, civil and political rights and government departments will defend the right of countries to protect themselves from the economic crisis, illegal migration and from people who migrate for economic reasons, mainly from the poor and medium-developed countries.

The policies now being implemented or which will be implemented include:

- Treaties and agreements between sending and receiving countries regarding the treatment of migrant workers through programmes for cyclic migration (coming and going) to reduce permanent immigration.
- Economic encouragement for development in the places people emigrate from in larger numbers. Here, the concept of co-development, proposed by the European Union, should not remain just a proposal, but should be applied.
- Encouragement to improve regulated migration so that labour supply and demand can be balanced, avoiding higher employment demand and encouraging fostering the now limited supply in the destination countries.
- Further international agreements on trafficking in persons, or enforcement of actual agreements which are generally declarations of good intentions.
- Permanent monitoring of policy decisions by government departments, private organisations and non-governmental organisations and immigrants themselves and their relatives through observatories which would widely publicise information about events in migration daily, weekly and yearly.

In summary, this economic and financial crisis, rather than fostering chaos, disorder and the benefit of the few, should be considered as a great opportunity. The crisis as a concept and reality can be interpreted two ways: the first, as a synonym for chaos, disorder, anarchy and confusion; the second as a synonym for transition, readjustment, adaptation, invention, action and reaction. Inventions, discoveries and innovations occur precisely in great crises, wars, conflicts and clashes.

In this book, we adopt the second interpretation, because we highlight the great human, organisational and social capacity which arises in the face of adversity. We start from the premise that it is possible to design

development policies which incorporate international migration with remittances and human, social, cultural and physical capital. We include concrete examples which are being applied, so that at the end of the book we can present a development model which is more than a theory, because it is based on facts and events anchored in the reality or comparative realities of various countries.

Below we present the information, concepts and arguments which uphold our main objectives.

1.2. INTEGRATION OR CRISIS IN THE NATION-STATE

Throughout history, both internal and international migration have contributed to the integration of the nation-state, by uniting the urban and rural extremes in social and economic networks in the case of internal migration. International migration has similarly created new ways of regional integration. Border migration, intercontinental and extra-border, has united extremes: i.e. between the rich, semi-rich and poor countries.

The colonial legacy of the sender countries which produce international migrants not only brought about social, ethnic, racial and economic divisions, but also helped to consolidate the urban/rural duality which hampered the social and cultural integration of peoples. Racism and exclusion still continue to produce a subtle division between social groups and in some cases this division is deep. The theory of development and modernisation which began to gain strength in the 1950s in the United States argued that the major obstacle to overcoming backwardness was in the structural duality between the city and the country, besides the existence of diverse ethnic groups with geographical and mental barriers which produced social, linguistic and cultural archipelagos with little or no inter-ethnic links. According to this diagnostic, the more social and cultural islands exist, the harder it is to achieve integration. As a result, development projects would have little chance of success because each ethnic group would have a different understanding of the concept of development, which in general was imposed from outside by the developed countries. In this context, the cities in the poor countries have played a role as intermediaries between the dominating cultures in the rich countries with the peripheral cultures within each poor country.

In these historical and structural conditions, internal migration has served as an effective bridge in breaking down isolation and ethnocentrism

which produced two main effects: socio-cultural, economic and political costs and benefits. Among the costs are the gradual loss of local and regional identity; the differentiation between those who migrate and those who do not; cracks in the family unit; the lack of labour and employment; loss of population and human and financial capital. The latter is the movement of money towards the urban centres. The benefits include cultural and linguistic integration; the extension of the labour market; the empowerment of women and young people; and a partial participation in globalisation.

To summarise, internal migration in all countries, including the developed ones, despite the often painful costs when they were the product of natural phenomena, internal wars, political violence, ethnic cleansing which forced populations to move involuntarily, have led to social transformation which in many cases has brought an end to colonial and internal neo-colonial systems. Clearly it has not been easy in general for migrants to move into the large cities, because some urban sectors blame judge migrants for disturbing the supposed order and peace of the cities.

Nation-states, like tribes, were often forged at the cost of large-scale wars. The prime task of the nation-states was to define the territorial borders which they took over from the great cultures. Some defined very large territories, while others very small ones. With the territory came populations which in general were diverse and unequal with a higher or lesser population density, a necessary demographic component. The concepts of time and space, language and religion contributed to forge a sense of belonging to a country, and within this to a race, an ethnic group, a social class. This process was very long in some countries and often produced confrontation, *coups d'états*, dictatorships and authoritarian regimes. This is more common in countries which were formerly colonies.

These clashes have provided a *raison d'être* for nationalism and patriotism and have helped perpetuate them. With every border conflict we see that building a nation-state is a chimera, and that almost all countries with a high rate of internal migration are in constant formation. For how long? This is the question we are all asking. Or are we condemned to be countries in permanent formation?

Besides the great global economic transformations of the last twenty years marked by the free market and the liberalisation of poor countries' economies to foreign capital, the media revolution through technological

innovation and international migration have channelled and in some cases determined the consolidation of the flow of human capital and people's mobility. However, in most cases the countries which receive migrant workers have restructured their migration laws to hinder the free circulation of people; the core argument is based on the new concept of internal security.

Growing international migration and the mobility of skilled, semi-skilled and unskilled human capital has broken the banks of the territorial borders of the sender and recipient countries. As a result, territory, as a necessary component of the nation-state, is permanently altered. The nation-states have ever less control over their own population because the population growth is not accompanied by economic growth. On the other bank (destination countries), population growth is static or negative, a fact which is leading these states to need foreign labour. On this other bank there are changes in the concept of nation-state. To adapt to these new realities they have to review their laws and migrations policies. Some countries have responded faster and more imaginatively; others have taken more protectionist decisions driven by fear of immigrants, feeling invaded by societies, cultures, languages, religions and different political concepts, more still when these immigrants come from African, Arab or Asian countries.

The history of international migration shows that in the early stages there are cultural encounters and clashes characterised by confrontation arising from mutual lack of knowledge. In a second and third stage (which can last decades), these initial tensions begin to subside to the extent that there is relatively asymmetric assimilation; in other words, the immigrants are affected by local culture more than they can affect it. Nevertheless, when migration is large-scale it can gradually modify the essence of the recipient culture while not transforming it. As a result, the cultural foundation of the nation-state begins to open up to the influence of these immigrant cultures. Such was the case with the cultural formation of the United States, Canada, Australia and New Zealand and the other colonial countries (now independent) which received Anglo-Saxon influence. The nation-sates which came under the influence of French, Belgian, Dutch, Spanish and Portuguese culture underwent a similar process.

To summarise, internal and international migration alone is not the cause of the crisis in the nation-state, it is a historical, structural and sometimes circumstantial product, since nation-states are formed by men, women, political parties, social movements, conflicts, etc. Migration or human mobilisation has always accompanied these formations supported

by globalisation with their various demographic, communications, economic, political and socio-cultural components.

1.3. THE NEW EUROPEAN UNION RETURN DIRECTIVE AND REMITTANCES

Since 2001, the European Union has taken decisions regarding migration, both for its member countries and those outside the Euro zone. These include: two regulations, four decisions of the Council and thirteen directives on visas, foreign borders, asylum, family regrouping, students, researchers, illegal immigrants, expulsion and integration.

On 20 May, 2008, the Italian government of Silvio Berlusconi passed a Bill to penalise irregular (illegal) immigration as a crime, in a law on national security.

The law contemplates the imprisonment of illegal immigrants, harsher penalties for them if they commit a crime, forbidding parents to send their children out to beg, increasing penalties for drunk drivers or drug addicts, making it harder for foreigners to acquire Italian citizenship, imprisonment for house owners who let their property to illegal immigrants, the expulsion of foreigners who have been sentenced to prison for a two-year prison term. The opposition parties and the Roman Catholic Church opposed the measures.

However, the current government majority passed the measure. While this was happening, it was evident that most of the European Union governments are not comfortable with immigration. Some of them are more tolerant, others less so. Each country formulates its immigration policy in accordance with each political party's ideology.

Social democrat and left-wing parties are in general in favour of immigrants because they are necessary to cover the demand for labour, particularly manual labour, given the scarcity of young people because of the static or falling demographic rate, their reluctance to take manual jobs and because they prefer to make use of the social security system (unemployment benefit) which the European Union countries offer.

On 18 June, 2008, the ministries of the interior of the 27 European Union countries passed the Return Directive; i.e., the standardisation of minimum common rules on the return of illegal immigrants to their countries of origin.

The Directive stipulates that those who return to their countries may not re-enter the European Union for five years. Failure to comply

will entail an eighteen-month prison sentence followed by deportation. Children and relatives may also be detained, but will not be subject to coercive measures and children may only return accompanied by their relatives. The political situation of the country to which they will return must be taken into account: if the country is not safe or is very unstable the immigrants will not be made to return. The country from which they must return must offer legal aid to the people who may be returning and who have no money; particularly to political asylum-seekers in accordance with the 2005 directive. Finally, it creates a fund of 676 million Euros for the return and it is expected that this sum may be used for legal aid. The terms of the directive will come into effect in 24 months.

There are other reasons why the Return Directive was passed, which are linked to the European Union's current social, cultural, economic and political situation. These include:

- The European Union, as a whole, has an approximate annual economic growth rate of 2 percent, below that of other continents, with the exception of Africa.
- The 27 countries in the European Union have a population of approximately 500 million in a territory of about the size of Argentina, which has hardly 38 million. In other words, it is one of the most densely populated territories in the world.
- The lack of houses for approximately one million new immigrants (legal and illegal) per year, besides the 800 million political asylum-seekers every year.
- A social security system based on the welfare state which allows even illegal immigrants and their children to access free health and education.
- Unemployment levels which range from 5 percent to 12 percent and which owing to scant economic growth and the global financial crisis will increase.
- The stagnating economic growth in Ireland and Spain (high-immigration countries) which in the last twenty years have shown economic growth obove that of other European Union countries, but which are now stagnating as a result of the property crisis.

We could add to this list the reactivation of right-wing nationalist and conservative political parties which in recent years have had stronger representation in government. In addition to Italy and France we have the

conservative triumph in the local government election in Great Britain, the ambivalent political positions in Germany, Belgium, the Netherlands and the Scandinavian countries.

The recent incorporation of the ten former Soviet Union countries has had a major impact on migration within the European Union since in accordance with the European Union Charter, the inhabitants of the countries can circulate freely in the Union's territory and work legally. These are immigrants from countries with far lower income than those of Western Europe. The Rumanians in Spain and Italy, the Poles and Lithuanians in Ireland, Greeks and Poles in England. When they do not find the "European dream", these new migrants are returning to their countries where they can find work, though with low wages. The UK Institute for Public Political Research (IPPR) estimates that of approximately one million immigrants who came to the United Kingdom from Eastern Europe from 2004, half have returned to their countries. In 2007, the volume of immigrants from these countries has fallen by 17 percent, due to the fact that in their countries of origin there are better jobs and wages.

Before the Return Directive was passed, in England, France and Germany anti-immigrant laws were even more restrictive. In Spain, 100,000 immigrants were sacked in just five months in 2008. At the same time, the current government of Zapatero is persuading 200,000 immigrants to return home for at least three years, offering unemployment funds while they are restricting the arrival of relatives in Spain, particularly in the case of immigrants from the Andean countries. The Spanish government has stated that approximately 800 immigrants used the Return Directive to 15 December, 2008.

All the questions discussed have a direct effect on remittances from immigrants to their countries of origin. Everything points to the fact that they are static or are falling, though there are still no official figures. However, the economic crisis of most of the European Union countries, particularly Spain and Ireland, would be affecting the frequency and amount of remittances, especially to the Andean countries. The Euro has devaluated by 25 percent against the Dollar, an indicator which shows that Latin American households will receive 25 percent less. Migrants are being more cautious or are spacing their transfers more, while the illegal immigrants, in order to escape being identified, prefer to stay at home. According to the web page <remesas.org>, the volume of remittances from Spain fell by 2.6 percent in 2008 against 2007; it is the first time in the

last ten years that this fall of 1,923 million Euros has occurred, according to the Bank of Spain, despite the fact that the number of immigrants to Spain has risen between 2007 and 2008 by10.85 percent.

This reduction of remittances affects Bolivia more, as 10 percent of its GDP depends on remittances. The Bank of Spain has announced that Colombia is the leading recipient of remittances from Spain with 17.6 percent, followed by Ecuador with 16 percent and Bolivia with 11.7 percent. The main recipient of remittances was Latin America, which in 2007 absorbed 68.9 percent of the total. Spain is the main country in the European Union with 8,986 million remittances sent in 2007.

In quantity of remittances received, Peru is in ninth position. In 2007, 244 million Euros entered the country from the European Union, which had an impact of 0.3 percent on the GDP.

The Peruvian Department of Immigration and Naturalisation of the Ministry of the Interior (DIGEMIN) has announced that 157,000 Peruvians returned between July 2007 and July 2008. This volume represents 3.7 percent more people who returned in comparison with the previous year. This fall is an indicator which expresses the difficulties Peruvians are having because of their legal situation or because they were not able to meet their expectation of higher income for the reasons we have looked at, particularly in high-immigration countries like Spain, Italy, Argentina, Chile and the United States.

However, the percentage of people who returned is very small compared to that of people who emigrated. It is estimated that in 2008 the number could be similar to that of 2007 or slightly above 320,000. The annual total of remittances will probably be maintained or be slightly lower than that of 2007, which was a little over US$ 3 billion according to the estimates of the Inter-American Development Bank (IDB).

The possible effects of the Return Directive, besides those already mentioned, will be:

– A fall in emigration to the European Union, particularly to Spain and Italy and the search for other destination countries such as the neighbouring countries, countries with common borders and others like South Korea, China, Canada and Brazil.
– Stagnating negotiations for the free trade agreement between the Latin American and Caribbean countries with the European Union, in particular, with the countries of the Andean Community (CAN). These countries have jointly condemned the Return Directive.

- The risk that many migrants do not return voluntarily because they believe that human rights organisations continue to protect the approximately 10 million illegal immigrants, and because it will be impossible to make them all return.
- The scarcity of manual workers for agriculture, industry, construction and personal services and the subsequent increase in the price of labour. This would make the European Union less competitive in the global economy.

In this new context, Spain seems to be the clearest example for understanding the scope and limits of the Return Directive. In 2004, the Spanish government regularised 700,000 immigrants. The measure was heavily criticised by the opposition party Partido Popular. This political decision acted as a major incentive for immigrants to continue arriving from the Andean countries and recently from Paraguay. For the last two years, the crisis in the property sector has affected employment in the construction sector, in addition to a fall in the overall economy. Unemployment affects 2,900,000 people, of which 100,000 are immigrants. In the last twelve months, unemployment among immigrants rose to 16 percent according to official figures. In September 2008, the government passed a law enabling 300,000 unemployed immigrants to receive two years' unemployment benefit if they decide to return; 40 percent on returning and 60 percent on arrival in their countries; however, the sum will depend on how long they paid taxes to the government. Finally, Spain has just passed amendments to the "Family Unification Act" which in practice eliminates this benefit for residents and naturalised immigrants in Spain. The previous law enabled thousands of relatives of immigrants to benefit and they now legally live in Spain. This latter measure is not applicable to immigrants from European Union countries, particularly Rumanians, the largest contingent of immigrants in Spain. Some 11 percent of the current population of Spain —a total of 43 million, are immigrants. Ten years ago they numbered only 1 percent. The most recent government measure of October 2008 was the cancellation of contracts for manual labour made with foreigners in their countries of origin.

In September 2008, the European Union decided to create the "blue card", like the American green card. The ministers of justice of the Union's 27 countries reached this agreement, whose objective is to promote highly-skilled immigration. A similar measure has been applied in Australia, Canada and the United States, but has yet to be regulated and lacks a

calendar for coming into force. The measure also considers flexibility so that immigrants may bring their families; get higher pay in sectors which have high demand; move freely in the Euro zone; renew their "blue card" after four years; return to their country when they wish and re-enter the European Union unhindered.

The European Union countries also signed an agreement on immigration, proposed by the French president Sarkozy; the aim is to create common rules to regularise labour immigration, reinforce border checkpoints and facilitate return.

Finally in October 2008 they signed agreements to review the policy on asylum and refugees, one of the most lenient in the world. The idea is to reduce drastically the granting of asylum and refugee status, particularly to African immigrants.

On 25 September, 2008, the British government presented an identity card model which those from outside the Euro zone must have in future in order to have more control over immigrants through the use of a microchip which will record bio-metric information and fingerprints. This measure will come into force in January 2009.

NGOs, like human rights organisations and some left-wing parties are reacting to these measures because they maintain that they breach immigrants' minimum rights. One of the mass demonstrations against all these measures was held in Rivas, Madrid (Spain) 11-14 September, 2008. Over 2,000 people and dozens of NGOs from all over the world took part. The event was organised by the III World Social Forum on Migration, and produced a declaration entitled: "Our voices, our rights, for a world without walls". The declaration speaks of respecting treaties on the protection of migrants and their families; the repealing of the Return Directive; the regularisation of migrants with no papers; the right to organise; immigrants' right to vote and that it is not a crime to migrate. But not one paragraph of the declaration condemns or warns the governments of countries where immigrants come from; in particular, why immigrants have had to leave their countries, the causes. This is a subject which should be debated because finally, in any immigration process, and especially an illegal one, there are two political players: one, the countries of origin; the second, the destination countries.

The economic crisis in the United States and the European Union also affects the volume and the frequency of remittances. Approximately, one third of Peruvian emigrants lives in the United States (one million of three million), and in 2007, remittances made up almost 50 percent, according to

figures issued by the National Institute for Statistics and IT (INEI); 460,000 Peruvian households receive remittances. We still have no official figures from the IDB or the Peruvian Central Bank for 2008. What is clear is that the volume of Peruvian immigrants towards the United States has shrunk, due in part to the fact that over the last few years more have gone to Spain, Italy and border countries like Chile, Ecuador, Brazil and Bolivia, and beyond borders like Argentina, although the volume of remittances is smaller compared with those from Spain, Italy and the United States.

Mexico is a good example of the fall in remittances. In July 2008, the Mexican Central Bank reported that remittances in 2007 totalled US$24 billion, but that in the first four months of 2008 the amount had fallen by 2.9 percent. The IDB conducted a nationwide study in April 2008, and confirmed that there was a slight fall in remittances to Latin America. An opinion poll on American attitudes towards immigrants in recent years shows that they are not welcome. In 2008, property sales fell by 30 percent; as a result, there was about 30 percent less work in the sector. In general, Latin American immigrants, particularly Mexicans, work in construction. There are also reports that in 2008, 220,000 construction workers lost their jobs. Despite the fact that Latin American workers are moving into other jobs, they now have fewer chances of finding any and they are unemployed for longer periods. As a result they are sending less money to their relatives.

These recent events are affecting the volume, frequency and type of emigration from Peru to the United States. In 2008, 3.7 percent more people returned in comparison with the previous year. This rise is an indicator which expresses the difficulties Peruvians find, be they legal or not; or the fact that they do not meet their expectations of having higher income for the reasons given above, in particular, in high-immigration countries like Spain, Italy, Argentina, Chile and the United States. However, the percentage of people who have returned is very small compared with emigrants. Estimates suggest that in 2008 the number would be similar to that of 2007 or slightly higher. Probably the total annual sum of remittances will also remain the same or will be slightly lower than that of 2007, which totalled a little over US$ 3 billion according to IDB estimates.

These same events are affecting the volume of emigrants from Latin America to the United States. Reports indicate that in 2008 the volume of immigrants to the United States would be the same or slightly less than in 2007. However, emigration from the Andean countries and especially Peru continues, but in recent years to border countries where wages are

similar or slightly higher than in Peru; the cost of living in those countries makes the volume of remittances far less than the volume of those sent from the United States and the European Union.

To summarise, remittances from the European Union, the United States, Canada, Japan and Latin American border countries will continue to be part of the domestic economy of families that remain in their countries. There will be remittances as long as emigration exists.

It is still hard to see what is happening with the approximately 12 million undocumented migrants in the United States and another 10 million in the European Union, many of them Latin Americans, especially from the Andean countries.

A recent study conducted by the Pew Hispanic Review found that in 2006 an average of 800,000 people entered the United States, crossing the border. In 2007 this figure fell to 300,000, a dramatic reduction considering that in previous years the number was rising.

Nevertheless, immigrants with documents have increased year by year; from 2005 to 2008, the number of these immigrants was 2,100,000 compared with 1,600,000 without documents in the same period. The report also states that for every five without papers, four are Latin Americans, particularly Mexicans and Central Americans. The fall in emigration is a direct consequence of the poor expectations of economic recovery in both the United States and the European Union.

The financial crisis in the rich countries began on September 15th, 2008, which will increase uncertainty among migrants because the economic crisis will affect the creation of new jobs, especially in the property sector, agriculture, trade and industry, including tourism. At the same time, immigration authorities have stepped up the capture of undocumented migrants. There are also reports that more illegal migrants have been deported or returned from borders. In other states, migrants with papers report the undocumented. Afro-Americans are against illegal immigration because they say that their jobs are taken by migrants "without papers". Now that they have an Afro-American president, their arguments will be stronger.

These events of the final four months of 2008 have meant that migration has not received the same media coverage because it looks as if it is regulating itself. In the three televised debates of the two presidential candidates for the presidential elections of the United States, the immigration issue has almost disappeared or was only vaguely mentioned. In the European Union however, it is a priority because of its complexity. Even with the new Return Directive and other measures which we have

mentioned there has not been a standard reaction, because each country will adapt its internal policies to its own circumstances, especially with the new European Union member states.

While these internal and external changes are taking place in the United States and the European Union, migrant sender countries will also have to analyse new measures. In recent weeks, representatives of Latin American and European Union governments, also known as the Euro Latin American Parliamentary Assembly (EUROLAT), have begun a series of talks to reach agreements for regulating both the Return Directive and the other measures. The European Union is expected to implement most of its decisions, while the Latin American countries, whose common objectives will not have been integrated, will see that their proposals will not have much influence over the final decisions. To the extent that forecasts for a recovery from the economic and financial crisis are not encouraging, the Europeans will have more reasons for their anti-immigrant labour policies and for bringing in measures to encourage skilled migrants. Skilled workers will feel greater pressure to migrate, particularly from Saharan and Sub-Saharan Africa, due to the economic crises, the internal and external conflicts which affect them, plus the effects of climate change, as we saw above.

1.4. FROM INTERNAL TO INTERNATIONAL MIGRATION AND CLIMATE CHANGE

We have said that internal migration precedes international migration. The nation-state, to become consolidated, needs its regions, states, departments or provinces to be inter-linked. This interlinking is not only political and administrative but also social and cultural, although this has not always been possible with the economy. In this context, internal migration plays a decisive role by linking up rural, peasant and marginal sectors with the cities which in general were the political and administrative capitals. It is also true that these links were not equal but exclusive. Internal migration was predominantly one-directional, i.e. from the country to the city and not vice versa. The most important socio-demographic and cultural component of the urbanisation process was internal migration. Land reform in Latin America, Africa and Asia did not strengthen rural areas but rather decapitalised them in terms of human and financial capital by freeing indigenous people and peasant farmers from the colonial legacy (the *haciendas* and plantations).

The decades following the Second World War and the formation of nations in Africa, between 1940 and 1960 were times which accelerated the already existing internal migration. The cities began to grow economically and demographically. The need for labour increased. Until then this had been covered by urban native people and Asian and African immigrants in the case of the Caribbean and Latin America. The scant presence of the state in the poorest areas encouraged internal migration to the big cities, the mining enclaves and high jungle settlements, all linked to the international market. The 1970s and 1980s saw internal migration consolidated. Rural households included migration in their plans; leaving and returning to the community increasingly became a part of peasant farmer culture. Communities were constantly, temporarily or seasonally on the move. In the latter case, depending on their farming activity. The peasant farmer community, defined in territorial terms as a stable population, with definite roles and functions and an identity as a member of an ethnic or linguistic group, became obsolete. Development programmes run by government, international cooperation and NGOs had adverse effects on local and regional development; i.e. development over time directly or indirectly encourages migration because, by improving health and education, it "readies" this human capital for emigration since development is synonymous with urbanisation, Westernisation and of the move to globalisation.

Leaving the village involves moving into the world as a first step in a process which in time becomes the stage prior to international migration.

Each country's provincial cities have complex and sometimes twisting experiences slowing assimilation, often not consolidated due to the traditional and structural inequalities that migration has not managed to eliminate. Governments do not help by failing to change the structures. Nevertheless, the descendents of migrants, their children and immigrant populations develop social, cultural, economic and political dynamics independent of government.

The black economy, the creation of small and medium household and multi-household businesses are examples of this dynamic activity in a city which is constantly changing. Cities spread outwards. Some social formations grow relatively independent of the hegemonic centre and in consequence also of the power groups. To summarise, cities are formed within the big city.

While this is happening, the globalisation of the economy, the media, education and demographic transition in the rich countries, where there

are increasingly fewer young people, produce a labour demand which cannot be covered internally.

That is when the scarcity of skilled and unskilled workers leads countries to open their borders to foreigners. Economic and political instability in the poor countries, conditions emigration. Demographic growth, still high, outpaces economic growth. This produces an oversupply of labour and manual employment that nations cannot handle. The revolution in communications enable potential emigrants to have more information about foreign labour supply. The social and family networks established by households give potential emigrants more confidence, including those who decide to emigrate without papers. This is why there is a growing population of illegal immigrants. The fact is that with or without regulations and anti-immigrant measures, emigration will continue.

Once the balance between labour supply and demand breaks down, immigrants will not be welcome. In European countries such as the Netherlands, Belgium, France, Germany and Switzerland and recently in Spain and Italy, this breakdown is evident. While in economies with growth such as Singapore, Malaysia, Korea, China and the Arab oil countries the opposite is true.

International migration has not been replaced by internal migration, it has just become the extension of this. In each country, population shift is replacing internal migration, because people move within their country to supplement their household economy. The markets, mining companies and newly settled areas are the new destinations, besides the big cities.

A social and cultural effect of internal and international migration is the rise of translocal and transnational households. Our research has shown how one or more members of the nuclear family live away, either in the country or abroad. This breakdown in the family composition has advantages and disadvantages. The advantages have been shown to outweigh the disadvantages; hence migration can become synonymous with wellbeing and human development.

In conclusion, we have entered the era of international migration with no return. The figures of people, households and social and cultural groups who leave their villages, their small, medium-sized and big cities in the poor or economically fairly developed countries will rise year by year; unless the traditional structural and circumstantial conditions which produce them can be reversed. Daily evidence confirms that this happens when there are cataclysms or climate change in the northern hemisphere.

At the moment this situation lies in the sphere of science fiction as in the film *The Day After Tomorrow*. Then our countries will be the destination of compulsive migration.

1.5. CLIMATE CHANGE

There are four conventional theories which explain internal and international migration: *a*) demographic transition; *b*) the globalisation of the economy, with its disparities between the income of rich countries and poor countries and between the country and the city; *c*) the contribution of information technology and telematics; and *d*) household strategies and networks.[1] To these a fifth should be added; *e*) the relationship between climate change and human movement, called environmental migration.

Climate change, together with international migration, internal and international security and poverty are the four major themes which are or will be on global agendas. The future problem of the human species is how it will adapt to climate change which is no longer speculation but a fact confirmed by numerous studies.[2] Adaptation will be social, cultural and technological. The strategies for adaptation, resistance and resilience will depend on the ecological, social, cultural and political contexts since climate change is not and will not be standard, because its impact will be diverse. The poor countries, of those the poorest and within those the women will be the ones who will bear the brunt. This is confirmed by the recent 2009 report form UNFPA (United Nations Fund for Population Activities). The report analyses the close link between the evolution of the world's population with climate change, particularly in the poor countries where women play a central role, not only in biological and social reproduction, but also in conservation. The report concludes that the countries with higher population density and the areas at sea level, besides the countries with more desert and glaciers, will be those that experience more changes as a result of climate change.

The loss of ecosystems, arable land and water due to change in the rains and melting glaciers will affect humans, animals and plants (Renaud 2007). These phenomena will produce (and in some cases already have produced) compulsive population shift within the country and in

1 For further information about these theories see Altamirano (2006: 29-41).
2 See Oliver-Smith (2004).

emigration. This migration is called "environmental migration". In each country, people will go or are going generally to the small, medium and big cities, joining the ranks of non-voluntary migrants. In the case of international migration, those affected will emigrate to countries which can offer them more security, which in general are in the non-tropical countries of the northern hemisphere, and will also join voluntary or economic international migrants.

Although climate change is global, its impact will be local and hence will alter the livelihood of the population, its production and consumption systems, where the poorest people will find it harder to adapt.

Anthropology teaches us that adaptation, resistance and cultural change are proper to rural and urban populations. Some societies and cultures have greater capacity for change, others are more resistant or resilient. What is common to both types of culture is their propensity to migrate and be in constant spatial movement. There are few societies and cultures left which are insular. These will find it harder to consider voluntary and non-voluntary emigration as option. In some cases, they would prefer to face risk rather than leave their home.

In November of this year, the International Organisation for Migration (IOM) on its editorial page states that at the recently-held climate change summit in Copenhagen, the subject of debate was: Migration and Climate Change: Copenhagen and Beyond. The editorial highlights that 2009 was a very productive year because a number of books were published on the close relationship between climate change and non-voluntary or forced migration which is already occurring and will continue to do so. At the same time, in 2008 the IOM published four magazines on the same problem in its series "Migration Research". The cross-cutting issue in the books and magazines was the impact of climate on the global, regional, local and household population. In all cases, the results are not encouraging but at the same time a number of ways of coping (mitigation) are developed which will help reduce the negative effects, but will not avoid or reverse them at all.

Some quantitative and qualitative figures relevant to the subject of the debate which emerge in the research are:

First: that the number of environmental migrants is already similar to that of international migrants; i.e. an average of 4 million a year.

Second: that in 2008 environmental migrants reached 20 million due to drought and floods, while only 4.6 million were non-voluntary migrants as a result of war.

Third: in the last 30 years, 718 million people have been internally and internationally displaced as a result of climate change against only 1.6 million in the previous 30 years. It is true that the volume of the world's population in 1980 was only two thirds of the current world population which is 6.4 billion.

Fourth: there are three kinds of environmental migrant:

a) *Permanent migrants:* those who do not return to their place of origin. Those for example who live at sea level and owing to the rise in sea levels resulting from polar deglaciation, or sea climatic phenomena, have been or will be covered with water. One example is the Maldives in the South Pacific. Other examples are places like Bangladesh and the South Pacific atolls.

Displaced people are now referred to as "world citizens" because in theory they can choose the country where they wish to live permanently and if they wish they may emigrate to another country.

The desertification of Saharan and Sub-Saharan Africa has also "pushed" populations to live in safer places in their country or abroad.

In the Caribbean and the south of the United States, hurricanes and cyclones have also produced environmental displaced; the most emblematic case being hurricane Katrina in 2006.

b) *Temporary migrants:* these are the displaced who throughout the year emigrate compulsively within their country and abroad, but who return after an interval when the causes of their displacement diminish or disappear. Such is the case of earthquakes, tidal waves or tsunamis which force people to leave their homes. This kind of migration is similar to that produced by armed and or political conflict, because after the pacification process they return to their place of origin.

c) *Seasonal migrants:* those who leave their place of origin during the rainy season which floods their land and homes. After the rains, they return. These are cyclical displacements and are often forms of physical, technological and social adaptation which can become part of life. Cases such as southern Bangladesh, Thailand and Egypt are emblematic. In Egypt, 80 percent of the population lives on the banks of the Nile. When the river rises with the rain from countries to the south of Egypt, the river current increases and deposits sediment which is good for agriculture and livestock farming. Once the river level falls, in the dry season, the riverbank populations go home to

sow the land and remain until they have harvested and stored their produce. The cycle is repeated when the rains return.
In summary, environmental migration is a new kind of internal and international migration which will affect more populations in future adding to conventional internal and international migration studied over the last 50 years.

Historical and contemporary events prove the close relationship between climate change which the Earth is suffering and population shift or internal and international migration. These are not voluntary movements, they are directly induced by the effects produced by global warming. In general these phenomena occur in the poorest countries which mainly do not contribute to the change in the climate since they are not industrialised. The United States is the country which emits most carbon dioxide per person in the world; it is responsible for 25 percent of these emissions despite having only 5 percent of the global population. One month ago, China, due to its enormous industrial growth, overtook the United States as the country with the highest carbon emissions. These events confirm that industrial development still has none of the conservation conscience it needs to have, for it is directly at odds with environmental conservation.

Internal and international migration (emigration and immigration) are of two kinds: some is quite voluntary and the other compulsive or non-voluntary. The latter is the consequence of internal war, ethnic and religious conflict, military coups, poverty and climate change. This last produces desertification, floods, droughts, tornados and hurricanes; to which we must add earthquakes, which not only produce millions of deaths but also displace people who are seeking refuge, and separate families. While earthquakes cannot be avoided, the previous examples can be mitigated or reduced if we help the causes of forced migration to be reported and widely circulated and tackle them with internal policies and international cooperation.

An IOM report, issued in 2007, confirms that 200 million people in the world no longer live in the country where they were born. Every year, some 4 million people migrate to other countries. By the end of 2008, 204 million people will live in countries other than the one where they were born. While this amount only represents a little over 3 percent of the global population, it will increase year by year as the factors which produce it continue to exist, and are aggravated, as we can see year after year. The

IOM argues that some 17 million people are refugees, having left their countries involuntarily as the result of factors such as those mentioned above. This number includes the people who have had to cross their countries' borders. To this number should be added the internal displaced who according to IOM figures totalled some 20 million. Some 70 percent of these refugees and displaced people are in Africa, while the rest are divided between Latin America and most of the poor countries of the Asian sub-continent.

The European Union produced a report on the influence of climate change on the global population and reached the conclusion that between 2007 and 2050, some billion people will be displaced internally and internationally due to climate change. In addition there will be those who migrate for economic reasons and those who migrate voluntarily. The main causes will be: desertification because of lack of water and population growth, particularly in Africa, a continent where the population growth rates are still high because they are in the third stage of demographic transition; i.e. there is a higher birth rate and a fall in the mortality and morbidity rate. Global warming will encourage rain, hurricanes and cyclones. The countries at sea level will suffer the impact of these phenomena as has happened in Bangladesh, India and recently in Myanmar. Rich countries like the United States will not escape: it has suffered the inclemency of hurricane Katrina. Other reasons for global displacement are big development projects, which need to move populations elsewhere, which is what occurred in the Three Gorges dam in China, where three million people were evicted; in smaller numbers, mining and oil projects and industrial development in the big cities need to move populations in order to be implemented.

Today in general cities are overpopulated because of population growth and internal and international migration. Some 50 percent of the global population lives in cities, while 50 years ago only 35 percent did so. In recent years, we have entered a process of accelerated urbanisation. Asian countries like India and China, which used to be fundamentally rural, are now seeing accelerated urbanisation because of their need for labour for industry, construction, services and the tertiary sector of the urban economy. In China's twenty-five years of capitalist development, some 200 million people have shifted from the rural areas to the big industrial cities. This is the biggest population shift in human history. In addition to global urbanisation, there are also involuntary internal displaced people who seek refuge in the cities. This rise in the urban population produces

greater demand for water, an increasingly scarce resource owing to the effects of global warming which affects reserves deposited in the glaciers. This is happening in Peru, one of the four countries in the world where global warming will have the greatest effect on the population on the coast which, according to the 2007 census, has 54 percent of the national population estimated at 27.2 million. Peru's coast represents only 10 percent of the national surface and is desert. Some 80 percent of its water comes from the glaciers of the mountain ranges.

All of these reasons and others which we cannot include in this chapter confirm the close relationship between climate change and compulsive migratory shift which generally occur in the poor countries which are more vulnerable to those phenomena. The northern hemisphere countries will be more protected from climate change, and may even benefit because climate change will allow them to increase agriculture and the weather will be more clement; but they will have to receive millions of people from the southern hemisphere and the tropical countries who will be obliged to seek protection and safety, as they are already doing.

1.6. WHERE ARE LATIN AMERICA AND THE CARIBBEAN GOING?

Contrary to conventional wisdom, human history has seen the globalisation of the sort we are seeing now on three previous occasions.

The first time was approximately 65 thousand years ago, when a family or small group of humans decided to migrate from Africa (probably from what is now Kenya) northwards (today's Europe and Asia) in a slow process of adaptation. There are remains of human occupation 40 thousand years ago in Australia and Oceania. About 20 thousand years ago, people appeared in North America taking advantage of an era of glaciation in the North Pole. Finally, from about 10 thousand years ago, the whole Earth is believed to have been inhabited and consequently globalised by humanity.

The second globalisation occurred in the 16th Century with colonial expansion of Western Europe to the ends of the Earth. During this period, the colonised countries received European immigrants. Most remained in the colonised countries, although they wanted to return. Migration influenced the colonies in art, architecture, science and the humanities. This knowledge moved into a vast process of biological and cultural mixture. Europe was the centre of economic, political, cultural and religious power.

The cultural, linguistic and racial differentiation was the historical basis of the global social stratification and the construction of the nation states through the independence of each colony.

The third globalisation began with the industrial revolution in the 18th Century. This revolution strengthened and consolidated the colonial expansion through the influence of technology which facilitated greater links between the hegemonic centre (Western Europe) and the periphery (the colonies). Thus the emigration of the economic sectors linked to mining, plantations, textiles, oil and maritime, river and air communications increased and consolidated cultural, political and economic dependence. This dependence entailed the global inequality which persists and which gave rise to international migration which is still selective, something which explains why peasant farmer communities, tribes and low caste populations, which are generally the poorest and live in rural areas, do not emigrate; although in recent years some sectors of these groups have entered the era of international migration.

While this was happening, internal migration appeared as an effect of the hegemonic role of the cities because the industrial revolution strengthened even further the dominant role of the colonial city which began to benefit from the industrial revolution.

Owing to internal migration and the high birth rate during the 1950s, the big cities of Latin America and the Caribbean witnessed accelerated urbanisation which continues to this day. These cities subsequently went on from being destinations to being the nexus for international migration. As a result, this migration became an extension of internal migration.

The fourth globalisation is that of the digital and information technology era. The three previous globalisation eras become the historical and structural foundation for the fourth. Much of the technological, scientific and humanist progress produced in the second and third heralded the advent of the fourth. The difference of the fourth from the second and third is the appearance of new challenges and social, cultural, economic, political and environmental phenomena. International migration benefited greatly from progress in communications and the formation of transnational economic, collective and family networks. International migration was no longer the privilege of the middle and upper sectors in the countries of origin because the poor urban sectors, even semi-rural and semi-urban and rural populations joined the emigration, as we will see below. As a socio-demographic, economic, political and cultural process, international migration is on the global agenda because of its structural effects and as

such things are daily in the press, they produce great political debates and fuel passions about whether international migration helps or hinders development.

Internal and international migration are cross-cutting socio-demographic and cultural processes in the four stages of globalisation. They are the cause and the effect of globalisation in history. Immigrants and emigrants (migrants) are the great actors of history and of globalisation, it is they who have united countries and continents and are the bearers of civilization and culture, and of great inequality and contemporary political conflict.

A characteristic of international migration is that it is in constant flux. This is due to a combination of endogenous and exogenous factors arising from occupational structures, changes in the nature of employment and the transnational collective and household networks in the migrants' countries of origin and destination. In addition, there is a population factor: demographic transition, a process which has shaped government social policies in the countries of origin and the social polices of the destination countries.

In the last fifty years, Latin America has seen a transition in international migration to Western Europe. From receiving migrants since the colonial expansion of the 16th Century it has become a sender of migrants following the Second World War, particularly in the 1960s and 1970s. This socio-demographic and cultural phenomenon also occurred in Western Europe, but the other way round. Historians estimate that since the 1850s, the three Americas and the Caribbean received approximately 50 million European immigrants. Some 80 percent went to North America; 15 percent to Central and South America and the remaining 5 percent to the Caribbean countries. In South America, Argentina, Uruguay, the south of Brazil and Chile received most immigrants. Fewer people came to the Andean countries because of their geographical difficulties, and also the cultural resistance arising from the Andean culture which survived and still survives external influence.

This is the historical background to contemporary migration. Migratory evidence confirms that emigrants from Latin America go largely to the countries of their ancestors. This same historical reason explains the migration of *nikeis* in Brazil, Peru, Argentina and Paraguay to Japan. Possibly in a few years the Peruvian population of Chinese descent may begin to emigrate to China because its economic growth will attract them. Some migratory policies in countries of origin and destination, such

as the right for family reunion and the kinship right, *jus sanguinis*,[3] have contributed to the increased immigration to Europe from Latin America, particularly from countries which received European immigration in colonial times and Independence, like Argentina, Uruguay, Brazil, Peru and Venezuela and to a lesser extent, Ecuador, Bolivia, Paraguay and Colombia. Emigration to Europe increased in these countries (except Venezuela and Colombia) which had dictatorships and political and economic crises in the 1970s and 1980s. Most migrants went to Spain, Italia and Portugal, and to a lesser extent to France, Germany, Belgium, the Netherlands and Switzerland.

Emigration from Latin America to Europe was preceded by emigration to the United States, which goes back to the second half of the 19th Century in Mexico, to date. The 1950s marked the beginning of emigration from Central and South America. The economic growth of North America became the great magnet attracting Latin American immigrants of all social classes except the poor.

Hardening immigration laws in the United States and Europe following the attack on New York's Twin Towers and the terrorist attacks in London and Madrid, marked a stage in the history of international migration, because immigration began to be linked to national security. This entails the quest for other routes in Latin America: border and cross-border migration, a new process which apart from linking countries economically benefits integration, regardless of integration treaties like the Southern Common Market (MERCOSUR), the Union of South American Nations (UNASUR), the Andean Community (CAN) and the Treaty of the Central American and Caribbean Countries Union.

These issues will be discussed in this chapter, due to the complexity of immigration and emigration in Latin America and the Caribbean. And for historical, structural and demographic reasons, we classified the regions,[4] bearing in mind the intra-regional similarities, and the inter-regional differences, and migration patterns. To do so, we have identified five migration regions: first, Mexico and Central America; second, the Caribbean; third, the Andean countries; fourth, Brazil and fifth, the Southern Cone.

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3 Latin: right of blood.

4 This text uses the term "region" as a multinational space which in general has a common history, with a geographical continuity (except the Caribbean) and shows more similarities than differences regarding international migration.

1.7. LATIN AMERICA, THE CARIBBEAN AND THE MIGRATION REGIONS

Today's Latin America and Caribbean have been directly influenced by the four stages of globalisation described. These stages have been closely linked to the international immigration of each region and each country within the regions; these have a migration history with both general and particular characteristics.

Since colonial expansion from Western Europe to current Latin America and the Caribbean, migration has formed various patterns of human mobility throughout colonial times and subsequently following the countries' independence. Currently, the great changes in human mobility in Latin America began to emerge in the fourth stage of globalisation, when the nation-states were consolidated. At the same time, they began to suffer substantial change because to some extent international migration made national borders porous and flexible. This process produced the independence of the sender and recipient countries. At the same time, they consolidated the international division of labour, turning the sender countries into skilled and unskilled labour suppliers and "exporters" of human capital. The destination countries became their big employers.

To have a better contemporary profile of migration in Latin America and the Caribbean, below we present an analysis of the five migration regions.

a) Mexico and Central America

This is the region of greatest emigration to the United States, totalling 90 percent or 95 percent. As a result, it is in one direction in comparison with the rest of the regions of Latin American and Caribbean regions. It is also the most researched region, and where the development model called 3 x 1 has been implemented.[5] Migration form Mexico to the United States finds its historical origin in 1848, when almost 50 percent of Mexican territory was annexed to the United States. Many Mexican households became United States citizens (the Chicano population) and due to the household networks they began a process which still exists, although its characteristics have changed. Subsequently, from the 1980s, emigration increased in Central American countries like Guatemala, El Salvador, Honduras and Nicaragua.

[5] This will be discussed in Chapter 5.

•Mexico

In the early 1940s to the 1960s the Braseros Programme was implemented by the Mexican and United States governments. It opened up labour emigration of thousands of manual labourers to the farming, livestock and industrial sectors to cover demand owing to the relative absence of United States workers and the static population growth due to the low birth rate. The programme was concluded when the demand for labour had been met. Emigration continued due to household networks and the family reunion law, applied to European immigrants. At the same time, illegal immigration began, a phenomenon which later became the main political confrontation in the two countries' international relations.

In 1994, the North American Free Trade Agreement (NAFTA) was signed and marks another stage in migration from Mexico to the United States by creating a free market together with Canada. The treaty permits the free circulation of capital and products, but not people. The increase in illegal immigration led to dividing fences being built to stop Mexicans, Central Americans and others from other South American countries and the world from entering. About 500,000 people cross the border every year. In agriculture, the free imports of products have brought down farming and livestock production, a factor which stimulates internal migration to the cities and international migration to the United States and Canada. In 2008 when US transgenic maize imports were allowed, the farmers could not compete. One of the effects was a rise in internal and international migration.

The Yucatan peninsula which until ten years ago had a low rate of international migration compared with other regions, now has accelerated international migration to the United States and Canada. We should remember that this is a maize-producing area.

In general, while the Free Trade Agreement has certainly benefited industrial products, oil and medium- and large-scale agriculture, it has been an enormous disadvantage to small farmers in the peasant farmer and indigenous communities and has produced illegal migration from these areas in recent years to agriculture, livestock farming, construction and services in the United States. Many of these rural communities have started to receive remittances which have activated consumption, but have not generally been spent on developing productive activities or job creation.

It is estimated that 7 million Mexicans have emigrated to the United States of a total of 15 million Latin Americans. The economic crisis affecting jobs in the United States and Canada is altering the volume, frequency

and direction of migration towards the two countries in the north. As a result, remittances are affected, apart from the higher number of people returning voluntarily, fewer people are crossing the borders and fewer die in the attempt. Drug-trafficking violence has risen enormously on the border. Forecasts suggest that while Mexico is suffering the consequences of the financial crisis and remittances fall, it will be harder to prevent violence on the border. It is estimated that in 2008, 5,300 people died due to the drug war.

According to our own calculations, using Council of Europe figures for 2005, the Mexican population in Spain totals 10,700 of legal immigrants; in Portugal it is 278; and in Italy it is 4,852, amounts that total 15,830, a very modest figure which confirms the one-way migration from Mexico to the United States. These three countries have been taken as a reference because they are major destination countries. The amount represents only 1.2 percent of those countries immigrant population.

Of the US$ 23.063 billion in annual remittances sent by Latin Americans from the United States, US$ 11 billion arrived in Mexico in 2007 (IDB and IMF 2007). This is 2.7 percent of the GDP and is the second highest income after oil exports and is higher than income from tourism. The Mexican Institute for Mexicans Abroad estimated that in 2008 remittances from the two countries in the north fell by 15 percent, a figure which in 2009 may be 25 percent.

- **Central America**

The Central American countries remained relatively stable regarding international migration to the early 1970s. Most emigrants were members of the upper and upper-middle class who left their countries to further their education and to strengthen their position in the dominant classes. Many presidents and members of the political class saw migration to the United States and Western Europe as an almost necessary rite of passage, because their cultural references were in the destination countries.

When Guatemala and El Salvador suffered political violence between the dominant political class supported by the military against left-wing insurgents, for the first time in their history they witnessed forced migration to neighbouring countries or to the United States. Subsequently, the effects of hurricane Mitch in Honduras entailed an exodus to the United States. In that case the US government granted an a millionesty to the people of Honduras for them to work temporarily in order to help their families who remained in their own countries.

Following the pacification of the two countries, illegal emigration increased dramatically. While in Nicaragua the Sandinistas took power, many members of the industrial and land-owning oligarchy emigrated to the United States. Costa Rica, the country with greatest economic and political stability in the region, became the recipient of immigrants from Nicaragua. It is estimated that 500,000 Nicaraguans work in agriculture, livestock farming and services in Costa Rica. Similarly, a fluctuating number of Guatemalans and Belizeans work in southern Mexico, mainly in the coffee and maize harvest. Panama, a poor country but one with relative political stability, shows signs of reduced migration. It is in fact the destination of thousands of Colombians who emigrate to escape political violence.

Central America is currently the region with growing violence arising from ordinary crime, partly due to the effects of political violence caused by migrants expelled from the United States, often referred to as the *Maras*. Central American economies are increasingly depending exclusively on remittances, as shown in the chart below.

Chart 1
Remittances as percentage of GDP in Central America 2005

	Remittances 2006 (US$ million)	GDP percent
Honduras	2,359	26.2
El Salvador	3,316	18.1
Nicaragua	950	17.7
Guatemala	3,618	10.2
Costa Rica	520	2.4
Panama	292	1.7

Source: InterAmerican Development Bank. Annual Report.

The Free Trade Agreement with the United States does not seem to be a solution to economic instability. It has in fact produced more of a negative impact on small farmers whose destiny seems to be emigration to the United States, the increase in mafias trafficking with the faith of Central Americans. The number of people who die trying to cross to the United States has gone up; families generally break up and live daily with a sense of great dissatisfaction. Lower remittances have an enormous

impact on the GDP and as Chart 1 shows, these countries are the most vulnerable to the current international financial crisis.

b) The Caribbean

The Caribbean is the most complex of the regions, because of its historical legacy, its geographical and linguistic make-up and current political systems. The colonial presence of the Spanish, English, French, Dutch, African and the United States, the latter represented by Puerto Rico, makes this a region with similarly complex migration characteristics. On the one hand we have Cuba, a country which maintains a conflict with the United States over migration since the 1949 revolution. Since then and during the revolution, hundreds of thousands of Cubans have emigrated to the United States, mainly to Miami and New York. They are called "maggots", a term which for Cubans is synonymous with traitors. Every year, thousands of Cubans emigrate on small rafts or *balsas* (hence the name *balseros*), despite a Cuban government ban, but encouraged by the facilities granted by the United States government. Cubans in the United States are a political force which largely supports the Republicans. As a result, they are anti-Castro and encourage the "invasion" of the island. Another such case is Haiti and Martinique, former French colonies, which because of language and culture migrate to France. Haititians emigrate to the United States. It is a country which has suffered an alarming "brain drain": of every ten professional people, eight are abroad. It is the poorest country in the western hemisphere, has a very dense population, a deteriorated environment and is the recipient of remittances which make up 36.9 percent of its GDP. It also has population migration on the border with the Dominican Republic and chronic political instability which has led the United Nations to keep an almost permanent peace-keeping mission there. In the Caribbean, Puerto Rico is the richest country because it is a free state associated with the United States and as such is a gateway to it. Haitian and Dominican emigrants are intercepted almost every day on the high seas.

The Dominican Republic has an immigrant population of Haitians and is also a country which sends migrants to the United States via Puerto Rico or directly. Most are in New York or in Europe, particularly in Spain, where the image people have of Dominican women is that they tend to be prostitutes.

Jamaica, a former British colony called the West Indies, is a country from where people emigrate to the United Kingdom and the United States. The advantage of Jamaicans is that they speak English. An indicator similar to that of Haiti and the Dominican Republic is that of the three Guyanas, English, Dutch and French, with high emigration to the United Kingdom, the Netherlands and France respectively. Chart 2 shows the demographic weight of Caribbeans in Spain, Portugal and Italy.

Chart 2
Legal Caribbean Residents in the European Union 2005 y 2006

Countries	Spain 2006	Portugal 2005	Italy 2004
Cuba	39,755	575	11,323
Dominican Republic	58,126	71	13,475
Other Caribbean countries	98,339	690	26,030

Source: INE (Spain); INE/SEF (Portugal); ISTAD (Italy). Annual Reports.

Besides the legal immigrant population, there is an undetermined number of illegal immigrants (or irregular immigrants, a more appropriate concept). It is estimated that one third of the population is irregular. Below, Chart 3 presents the weight of remittances in each country.

Chart 3
Remittances as percentage of GDP in the Caribbean 2006

Country	Remittances 2006 (US$ million)	GDP percent
Haiti	1,650	36.9
Guyana	270	31.0
Jamaica	1,770	16.8
Dominican Republic	2,900	9.2
Belize	93	7.7
Costa Rica	520,000	2.4
Trinidad and Tobago	110	0.6

Source: IDB and IMF 2006. Annual reports. There is no information for Cuba because its government does not allow these two international organisations to conduct studies.

As in the case of the Central American countries, the Caribbean countries are also almost dependent on remittances. Hence they are vulnerable to the international financial crisis in addition to being the poorest countries, with the exception of Puerto Rico.

c) The Andean countries

The Andean countries have inherited a cultural tradition from the Inca Empire and a process of Spanish colonisation, which did not manage to wipe out the culture or language but did alter the society and economy of today's Ecuador, Peru, Bolivia and the north of Chile and Argentina. This was an area of immigration from not only the Spanish but also from Africa, Western Europe, Asia and the Arabian countries. For about a century, from the middle of the 19th Century to the 1960s, European immigration, albeit in lower volumes in the Southern Cone countries, produced a diverse racial and cultural composition, unequal and at times antagonistic. This differentiation could be seen in the selective nature of emigration. The upper-middle and upper classes emigrated with a preference for the countries of their ancestors and thus consolidated the social, political, cultural and economic inequality, characteristics of the weak regional and national integration which remains today. While the peasant farmers and indigenous migrate to the cities in each country, the oligarchies go the United States and Western Europe. In the last thirty years, the urban poor and the rural populations have entered the international migration era, even though the causes and consequences are different from those of the middle and upper classes.

There have been three stages in Andean migration in the last forty years: first the middle, upper middle and upper classes went to the United States until the 1990s. Second, to Western Europe, mainly Spain and Italy and to a lesser extent other countries. Third, towards bordering countries like Venezuela, Chile, Argentina and Brazil. In the last fifteen years, emigration to Spain and Italy has risen substantially. The figures presented below illustrate the volume of Andean migration to Europe and the migrants' remittances.

Chart 4
Emigration to the European Union from Andean countries 2004, 2005 and 2006

Countries	Spain 2006	Portugal 2005	Italy 2004
Venezuela	28,188	3,368	4,445
Colombia	225,504	574	15,430
Ecuador	376,233	330	48,301
Peru	90,906	277	48,827
Bolivia	52,587	77	3,432

Source: legal immigrants according to the INE (Spain); INE/SEF (Portugal); ISTAD (Italy).

Chart 5
Remittances and percentage of GDP from European Union to Andean countries 2004, 2005 and 2006

Countries	Remittances 2006 (US$ million)	GDP percent
Venezuela	300	0.2
Colombia	4,200	3.1
Ecuador	2,900	7.2
Peru	2,869	3.2
Bolivia	1,030	9.5

Source: IDB and IMF 2007.

Migration to the United States continued and will do so due to the prevailing trends, although the social composition is changing. Current migration to Western Europe and the United States is mainly people looking for work. In recent years women have rapidly joined the emigration process. In Peru, there are 4 percent more women migrants. At the same time that labour, professional and highly-skilled human capital migration has risen, the main destination is the United States.

In the last fifteen years, border migration has risen fast partly because of laws implemented after 11 September in the United States and the events in London and Madrid in 2004 and 2005. The Andean countries, in comparison with Central America, the Caribbean, Brazil and the Southern Cone, show higher border migration. It is estimated that there are about

one million Colombians in Venezuela and approximately 150,000 between Ecuador, Panama and Peru.

The immense majority of Colombians in Venezuela are involuntary migrants because they have fled the political violence that their country still suffers. In the case of Peru, there is a fluctuating number of between 90,000 and 130,000 workers in southern Ecuador. In Bolivia, estimates are between 40,000 and 70,000; in Chile, 70,000; in Brazil, 15,000. There is also cross-border migration of Peruvians in Venezuela where thousands of Peruvians went in the 1970s and 1980s. The volume of emigrants has currently fallen. Another cross-border migration is towards Argentina, where some 130,000 Peruvians, 150,000 Paraguayans and between 500,000 to 70,000 Bolivians live. It is estimated that 100,000 Paraguayans and 30,000 Bolivians live in Brazil. There are far more Bolivians in Argentina. Between 3,000 and 500,000 are estimated to live there and between 20,000 and 50,000 in Chile.[6]

The changes in migration policy sanctioned by the European Union like the Return Directive, the use of the blue card which will give great advantages to the highly-skilled and the amendments to political asylum laws, which place great constraints on this right regarding thousands of immigrants who are escaping political and religious violence and epidemics, will have very negative consequences for asylum seekers and remittances.

d) Brazil

This is the most stable in comparison with the other regions, due to a great extent to its economic self-sufficiency. In the last twenty years, the descendents of Japanese immigrants called *Nikkei*, have emigrated to Japan when it began to open its borders in 1989. Today there are estimated to be 270,000 *dekasaguis*[7] working mainly in the motor industry. Due to the ten-year economic recession in Japan, migration has not increased every year, as it did after 1989.

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6 No exact figures exist regarding border migration. The information we offer here fluctuates because of the nature of migration. The proximity of the countries facilitates movement between them. Most of these figures have been taken from the InterAmerican Control Observatory for Migrants' Rights (OCIM) based in Santiago, Chile and from the Human Mobility Pastorate of the Latin American Bishops Commission (CELAM).

7 This means "traveller", "migrant" (emigrant and immigrant) in Japanese.

Since last century, Brazil has been a country of European immigrants who chose to live in the south of the country. Its political and economic stability is currently a factor attracting border migrants from Paraguay, Peru, Bolivia and Uruguay.

In recent years, Brazil has entered the era of emigration, not only to Japan but to the United States. Brazilian immigrants are the main annual contingent from South America, although in comparison with the size of the country's population this is small. Only 2 percent of its population is abroad, i.e. some 4 million.

In the last ten years Portugal, as a result of its economic and political development following entry into the European Union, has attracted Brazilians albeit not in high volumes. According to the statistics of the Portuguese National Statistics Institute/Foreigners and Border Service (INE/SEF), in 2005 there were 49,678 legal Brazilian immigrants living in the country. Remittances in 2006, according to the IDB and the IMF (2007), were US$ 7.373 billion, the second highest in Latin America and the Caribbean after Mexico. However this amount represents only 0.7 percent of the GDP.

For many Brazilians, emigrating to Portugal is the point of entry to the European Union. For the MERCOSUR countries, like Paraguay, Uruguay and Argentina, the treaty has helped immigrants from those countries to join the workforce or to move their companies to Brazil. The inter-oceanic highway that will unite Brazil and Peru will facilitate movement between the two countries. Similarly, the inter-oceanic highway between Brazil, Bolivia and Chile will provide more spatial mobility between these three countries. Brazil will benefit economically because it is more technologically and economically developed which will enable it to enter the Pacific Rim which has the greatest economic growth in the world. Due to its economic and political stability, Brazil in future will be the main migrant destination country in Latin America, particularly from Bolivia, Paraguay, Uruguay and Peru.

e) The Southern Cone

This region has received most immigrants in Latin America and the Caribbean. The surge in immigration started in the second half of the 19th Century. Italians, Germans, Spaniards, Dutch and English emigrated in large numbers to Uruguay, Chile and Argentina and to a lesser extent

to Paraguay. Much of the historical formation of these countries has been influenced by European culture, particularly Italian. The Southern Cone, especially Argentina, was the destination of Jewish and Palestinian immigrants and even immigrants from countries as far off as Korea. Uruguay has immigration and emigration patterns similar to those of Argentina. Unlike the Andean countries, from where migration can be described as a "diaspora" because emigration has been geared to almost all the countries in the world, except Africa, Southern Cone emigration has been geared more to Europe. These countries feel more European than Latin American. Jorge Luis Borges once defined Argentineans as "Europeans in voluntary exile".

The economic crises suffered in Argentina and Uruguay in the 1970s, and in Argentina after the economic collapse of December 2001, have obliged many descendents of Europeans to resort to the right of *jus sanguinis*. Thousands of Argentineans and Uruguayans started searching for documents which would show their European ancestry in order to get the longed-for European Union passport.

This search has fallen off to some extent due to the political and economic stability of the Southern Cone and the slowing economy in the European Union. However, the great advantages of having a European Union passport leads many young people to continue to look for paperwork. Uruguay is the most dramatic case. Some 20 percent of its population is abroad. Argentina since the 1970s was the destination of hundreds of thousands of Bolivians who originally worked in agriculture in northern Argentina and bit by bit came to Buenos Aires where most of the immigrant population is found. Peruvians arrived in the 1960s as students who had not succeeded in entering Peruvian universities and benefited from the free entrance to university in Argentina, and a similar or lower cost of living than Peru's. In the 1980s, mainly due to the political violence and the economic crisis, Peruvians emigrated in masse. Currently Peruvian emigration continues but to a lesser degree because it is still attractive to have Argentinean nationality as it would be useful for getting one from the European Union. These are the same reasons for Bolivians who go on emigrating to Argentina, because from 31 April, 2007 they have needed a visa to enter the European Union. This is not the case for Paraguayans who have recently left their country to go to the European Union. The OCIM estimates that there are 300,000 Paraguayans living in Spain. Chile is a very special case. It is a country with a history

of immigration and not emigration, except during the military coup of 1973 when some 30,000 Chileans left the country as refugees mainly for bordering countries and the European countries where they easily managed to get refugee status with all the advantages. Many Chileans tried to return to their country once democracy was resumed; but many could not adapt, because the dictatorship had lasted thirteen years. In the last ten years, Chile has become a country of immigrants from Argentina, Peru, Bolivia and Ecuador. Of the Peruvians, 65 percent of the population in both Argentina and Chile are young women from Peru's coastal cities like Trujillo, Chimbote and Lima.

In the Southern Cone, unlike the other regions, remittances have been lower. First, because of the smaller number of emigrants. Second, because most of those sending remittances are manual labourers. Argentinean, Chilean and Uruguayan immigrants are generally middle-class professionals who have labour advantages as legal and skilled migrants. The chart below confirms this information.

Chart 6
Remittances as a percentage of the GDP from the European Union to the Southern Cone 2006

	Remittance 2006 (US$ million)	GDP percent
Paraguay	650	7.4
Uruguay	115	0.6
Argentina	850	0.4

Source: IDB and IMF 2006. There is no information for Chile. The figure is known to be low for the reasons described.

While Mexico, Central America, the Caribbean and the Andean countries have closer links to the United States regarding migration, the Southern Cone looks more towards the European Union countries, as the chart below shows.

Chart 7
Legal migrants from the Southern Cone in the European Union 2004, 2005 and 2006

Countries	Spain 2006	Portugal 2005	Italy 2004
Argentina	86,921	618	14,360
Uruguay	26,581	116	1,183
Paraguay	8,557	69	697
Chile	20,397	259	3,346

Source: INE (Spain); INE/SEF (Portugal); ISTAT (Italy).

To summarise, international migration (emigration and immigration) and human mobility in Latin America and the Caribbean have been historically and structurally linked to each other. The demographic, social and economic history of each of the five regions discussed and within each country have been directly influenced by the kind of migration and the social and cultural origin of the migrants. Colonial expansion to Latin America and the Caribbean created a link between emigrants and their households in their country of origin. This link in turn created transnational relations, i.e. economic and social groups which sustain social, economic and recently political networks and practices, the latter in particular, during election time. These networks which prior to the fourth stage of globalisation were sporadic and weak and sometimes non-existent because of the geographical and cultural distances, have been greatly benefited by the IT revolution of the last twenty years. This revolution has reduced the emotional cost of separation from family and has helped build transnational households. It is true that there are differences between regions, because IT has emerged significantly but not evenly in all the countries.

The rise in emigration from Latin America and the Caribbean to various destination countries has gone hand in hand with increased remittances, a cultural practice which expresses the link with the family back at home and the organisations emigrants had belonged to. A remittance is a kind of payment or dues paid for being absent. It is the affection which remains in the diaspora that is finally translated into Dollars and contributes to the development of the country of origin and of the household that stayed behind. Public policies have yet to be designed to give productive use to

the remittances and encourage job creation. The Mexican 3 x 1 model is a good example, or the still recent idea of co-development originating in France and Spain, which we will discuss in Chapter 5.

The charts presented for each country's remittances reveal that the poorer the country the greater their impact on the GDP. The danger is that these countries could become parasitical, dependent on remittances and at the same time emigration could become almost one of the few alternatives for the poor of these countries, particularly in Central America and Mexico.

In the last forty years, the political and economic situation in each region and in each country has been very closely related to migration, especially emigration from Latin America and the Caribbean to the destination countries. The more political and economic instability they suffered the more emigration occurred and vice versa. Illegal migration has generally been primarily caused by political conflict in the 1970s and 1980s in Central America, Peru and Colombia. Compulsive emigration persists in Colombia because of the continued political violence, as we have already stated.

Latin America and the Caribbean, unlike Africa and Asia, have witnessed emigration which could be seen as a diaspora; there are Latin American and Caribbean migrants all over the world. This can be partially explained by the fact that the region has also received immigrants from all over the world. This exchange has influenced its cultural formation which has global cultural characteristics. Similarly, emigration has contributed cultural elements to the four corners of the Earth, an unequivocal feature of cultural globalisation. Nevertheless, inequality still prevails between immigrants and nationals, in addition to racial and ethnic conflicts.

Current economic, political and cultural conditions in the Latin American and Caribbean countries show trends which will directly or indirectly contribute to an increase in emigration, despite migration policy decisions geared to reducing and/or avoid this, in particular in the United States and the European Union, Japan, Australia and Canada. Hence South-South or border migration is expected to increase. The countries of the northern hemisphere however will continue to be more attractive because of the difference in salaries and their social policies for migrants and their families. Those countries nevertheless will continue to need skilled and unskilled labour through immigration. One reason for

this is the decreasing population. The European Union alone will need 40 million immigrant workers to 2050.[8]

Emigration from Latin America and the Caribbean has changed over time. After the Second World War, the United States emerged as the favourite destination because of its economic growth and political and cultural influence over Latin America. Currently, 46 million Latin Americans and Caribbeans live in the United States, a political force which will increase in the coming years. In the second half of the 1980s, the European Union emerged as a migration destination, while the United States has continued to receive Latin Americana and Caribbean immigrants. The 1990s saw an increase in border and cross-border migration. This confirms the hypothesis that migration and human mobility are now part of history and of the socio-economic, political and cultural structure in Latin America and the Caribbean. So we can speak of the existence of a "migration culture" because this is irrevocably embedded in the minds of individuals and society. The new trends seen in the incorporation of poor urban sectors, rural people and women is bringing about cultural change in households, peasant farmer communities and young people who fight to be included in migration to be a part of the modern world, success, development, etc. In their attempts, many meet with some frustration on finding that their aspirations and expectations are exaggerated. However, as in the history of migrations, their children and their children's children will to a greater or lesser degree live the reality of this elusive and sometimes utopian dream.

While this is found in people's minds, lives and in the collective imagination, countries are trying to group together in free trade agreements in order to move into global competition in better economic and political conditions. Freedom of movement continues to be a very polemical subject however, due to some extent to lack of security, a feature of the countries with highest immigration. Hence migration will be on the global, regional and national agenda, as in the case of NAFTA and the European Union. Not a day goes by without the subject of immigration being raised. Politicians, academics, legal and illegal operators (trafficking in persons) and migrants themselves with their organisations are the actors of a phenomenon as old

[8] These trends will be altered by the global financial crisis, in particular, in the United States, the European countries and Japan. Forecasts for 2009 suggested that labour supply fall by up to 15.5 percent and emigration will also fall by a further 15.5 percent per year. There are no definitive figures, since this book was written just as the financial crisis was developing.

as humanity, but which in the last thirty years has had an unexpected impact. In this new world order, Latin America and the Caribbean emerge not only as a region or group of regions of higher immigration, but also of emigration. The latter is far higher than immigration. Migration patterns, trends and directions from Latin America and the Caribbean will continue. The volume may be affected by the global financial crisis, while the factors which produce emigration do not appear to be changing. All the economic, social, demographic, political and cultural indicators suggest that these changes will vary, though not substantially. Hence we must be ready to continue to include the weighty matter of migration on our local, national, regional and international agenda.

CHAPTER 2
HUMAN, SOCIAL AND CULTURAL CAPITAL AND TRANSNATIONALISM

The history of humanity is linked not only to migration and spatial mobility but also to the great population, economic, social, cultural and political changes. It is impossible to imagine contemporary globalisation without the internal, inter-regional, international and intercontinental migrations. Transnationalism has united families and nations in centripetal and centrifugal networks which interact like nodes which are being strengthened and consolidated by the technological and information revolution. At the same time, migration is producing wider differences between the remittance sender and recipient countries. The latter grow richer not only in financial but also in human capital, since they can attract that capital trained in the sender countries.

This is the global context in which migrants act as a human, social and cultural resource. Migrants are human capital because it is generally the people with personal and family advantages who are more likely to migrate, although at times of conflict and natural disasters migration and a search for refuge internally or abroad are almost the only alternative for survival. They are also social capital because they tend to set up social, economic and political organisations as a means of protecting their social and political rights. They are cultural capital because they are ambassadors for their original local, regional and national identity.

2.1. COLLECTIVE ACTION: AN EFFICIENT RESOURCE

Among the most tangible expressions of transnationalism are the collective activities, as shown by the thousands of volunteer associations. The same occurred between 1850 and 1950, when 50 million Europeans came to the Americas, in an extension of their nationalism, their family, regional and national identities, and carried out collective activities which were very useful to them in the process of assimilation and integration in the new countries which received them. Some immigrants, such as the Jews, maintained that identity for thousands of years. The British, Italians and Germans managed to maintain their nationalism for several generations after the diaspora. Others formed social enclaves perpetuated through endogamous marriages, trade alliances or religious beliefs.

Other immigrants gradually grew closer to and mixed with the recipient societies and cultures or chose to make exogenous marriages which led to lengthy processes of racial mixtures, syncretism and biological and social hybrids. Theory has demonstrated that the stronger the sense of belonging to a race, ethnic group, place, and nation was, the more likely this was to persist in the diaspora, becoming a very efficient resource at times of crisis, conflict and war. This happened to the Jews in their war with the Arab countries in 1967. They won because of the decisive support of the Jews of the diaspora. In recent years, the experience of the Middle East shows us how the Muslims found a war to be an efficient means of defining a cultural, racial and political identity against the West.

From their beginnings, collective activities have had various functions or aims, apart from providing support at times of conflict and war. They help to reinforce networks and be a means for the social development of the places of origin, as we will explain in greater depth when we discuss the social or collective remittances. A similar process was seen between 1930 and 1980, when people from Spain, Portugal, Greece and Italy emigrated to the northern European countries and sent back household and collective remittances to their countries. This shows us that collective and household remittances are not sent only from under-developed or developing countries.

In the under-developed and developing countries, collective action, like that of the Europeans in the 19th Century and mid-20th Century, had and have similar objectives. The differences lie in their interest in development. These collective actions have as a precedent the internal migration which increased in the 1950s in the Andean countries and particularly in Peru. Since

that decade, there has been rapid urbanisation. In Peru, in 1940, 65 percent of the population was rural and 35 percent was urban. Forty years later, these percentages have been turned round; the urban population stands at 65 percent. In the 2007 census, the urban population rose by 74 percent.

In a study I conducted in 1976 (Altamirano 1984), I demonstrated that there were 4,000 immigrant associations[9] in the city of Lima. Subsequently in another similar study linking poverty to Andean culture, I demonstrated that the Aymaras of Peru were doing the same as the Quechuas. Later studies in Bolivia and Ecuador reached the same conclusions: that the voluntary associations and organisations of the peasant farmer migrants, even of the provincial middle classes who had roots in the Andean culture (governed by the system of reciprocity in goods and services), continued to survive in the cities and afterwards abroad.

The cities in the Andean countries and in particular in Peru have not only received internal migrants who alter demographic statistics, they have been "countrified" in that there are cultural aspects which now form part of the urban culture. The most important of these is the collective nature of its actions, socio-cultural foundation for forming political parties, community organisations for developing survival strategies like the community kitchens, women's committees, the religious fraternities, civic and religious celebrations, mutual help or collective work on community work days to solve the need for water, electricity, medical posts and other community services. It is true that the process of individual-based urbanisation promotes competition and develops human capital to obtain paid and higher status work. It is also true that in the second generation, these collective actions begin to be less frequent and people tend not to seek continuity with the Andean culture but with a public with greater independence from traditions.

In other words, tension arises between collective action and the individual, tradition and modernity, the local and the global. In this permanent struggle, individualism seems to have greater advantages because it is supported by the city's process of modernisation. However, tradition, local and family aspects of life will be nourished by the new migrants coming to the city. While there is country-to-city migration, collective action will continue and go on being the migrants' greatest social capital.

[9] Urban socio-cultural organisations based on common geographical and cultural identities, with a collective base similar to that of the peasant farmer communities.

This is the background for understanding how collective activities are developed in the Andean countries. The same occurs with the tribal peoples of Africa and the rural castes in India and Pakistan and recently among the indigenous peasant farmer peoples in China who migrate to the big and medium-sized cities.

The indigenous peoples of Mexico and Guatemala are like those in the Andean countries, and are prone to forming voluntary associations based on ethnic groups, as shown in a recent study funded by the World Bank (2005) in Quito and Guayaquil in Ecuador, in Lima and Cusco in Peru and in Mexico City. The studies demonstrated that local urban identities were formed on the basis of a shared original language and of living in neighbourhoods next to each other in the cities.

For the World Bank, these organisational capacities of the migrants are the means of collective representation, forms of social capital and as such are not simply expressions of the cultural, symbolic and ritual continuity of their rural cultural patterns, but are resources which can be mobilised to start up social development projects. As we have said in this chapter, international migration is an extension of internal migration in the countries of the southern hemisphere and as such do not only have a demographic and population impact on the sender countries but also on the countries of destination.

In this study, I will concentrate on the socio-cultural and economic significance of economic trnasnationalism (remittances) and its impact on local development in the countries of origin. We will take the role of collective action and transnationalism on local development as a starting point.

Contemporary literature recognises collective action as an agency that links migrants to their homes through practices which keep alive community knowledge, the migrants' fellow-traveller. This knowledge does not simply cut across the origins of each society and culture, but has survived over time. It is also true that it has suffered external influence as a result of the changes and transformations in the minds, mental maps and realism and idealism over generations. How have these forms of collective representation managed to survive? Can they survive the apparently inevitable impact of globalisation?

These are the great questions which this book tries to resolve. Our thesis is fairly optimistic in that collective activities are part, cause and effect of globalisation; because they do not have a standard impact and can in fact deepen inequality, or include middle and upper social classes

together with the poorest of the people in the case of internal migration. It is precisely in this sector that collective action is more in play and as such becomes an enormous social resource, especially in the face of exclusion, uncertainty, crisis and the absence of inclusive policies.

All collective action should have certain prerequisites to be formed, broadened and consolidated. Not all attempts to establish them survive to be expanded and consolidated. We explain these universal pre-requisites in Diagram 1.

2.2. CULTURAL ICONS UNITE COUNTRIES

Another transnational practice is the formation, expansion and consolidation of cultural icons. In societies and cultures with great diversity and which go back to what are called the first nations, original, aboriginal and native cultures, icons are collective and individual images (real, ideal or both), the product of collective creation, the way peoples represent themselves to each other or to others. Each culture's icons have a summary of their formation and differentiation. The question that arises is: why are some icons or collective representations more common than others? The answer is not easy to find, because some icons are more representative and give migrants a greater capacity to feel that they belong and have an identity. Other icons figure largely and can become a means of identity which come to the fore for a while and then disappear. Others survive and broaden their influence sometimes displacing other icons.

There is a very close connection between the collective imagination and economic and political events. Greater economic and political crises lead to stronger cults to icons. These may be religious, political, artistic or sports-related, and may have more material content to which people attribute more subjective characteristics.

In a society and culture with IT technology, the media may strengthen collective beliefs (icons) or may ignore them, sometimes deliberately because they do not meet the demands of the advertising market. However, the icons may be able to manoeuvre with some degree of independence from the media, because they are largely subjective and belong to the private domain. This sphere may emerge only on some occasions. The survival of cultures has its closest ally in this subjective sphere.

In previous studies (Altamirano 1990, 1992, 1994, 2000a and 2006) I have demonstrated the transcendence of cultural values which in a dynamic

Diagram 1:

Transnationalism and collective action

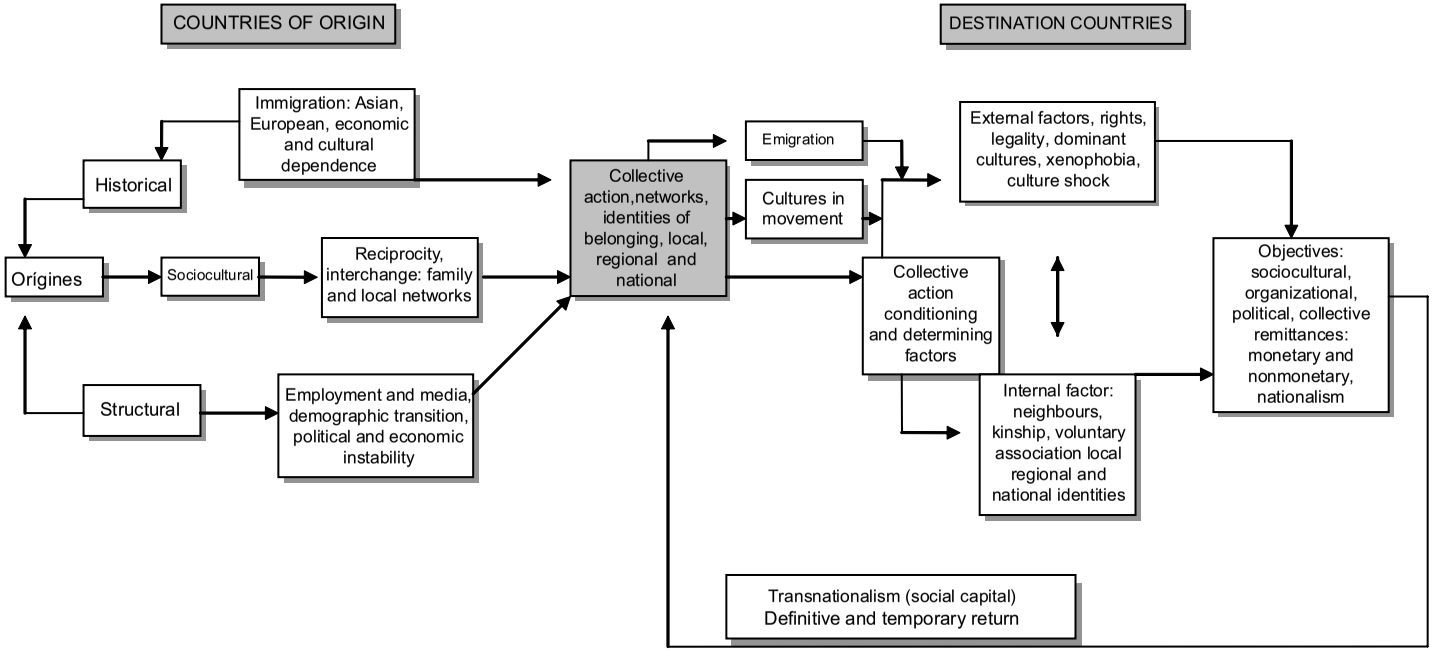

Diagram: Teófilo Altamirano Rúa

process, have become part of what was called "cultures in movement", because they transcend the family, place, region and countries. Hence cultures are not static, and cannot be defined and analysed by placing them in fixed geographical contexts. They must be seen as in constant flux. The more people move, the more qualitative change occurs. The challenge is to show how much of the cultural component is native and how much is foreign.

If we say that migrations are synonymous with "cultures in movement", we will reach the conclusion that knowledge and wisdom (material and non-material) prior to migration will be present in the destination countries. In this way, as in the case of social capital or collective action, they will become resources, more so still in a world where globalisation gives priority almost exclusively to technology and the economy. The theory contends that the more technologically and economically developed a society or culture is, it will lose its continuity and capacity to show its diversity and specific character, leading to a process of standardisation. Before 11 September, 2001 the theory of the decline in original cultures that up till then seemed to be prophecies fulfilled, has moved into a time of debate and crisis. The emergence of cults, cultural and symbolic manifestations in the migrants' destination countries and cities, confirm that cultural expressions are still firmly with us. Financial institutions like the World Bank, the International Monetary Fund and others have had to accept cultural components and include them in their programmes. They have called both collective actions and cultural manifestations social capital and cultural capital. In other words, the concept of capital understood in financial terms is now expressed in social and subjective terms.

Religious cultural icons are the strongest ones that can be seen among most migrants from Africa, the Arab countries, Asia and Latin America. There are hundreds of mosques in European cities, mainly Spain, France, Italy, England and the United States and thousands of Roman Catholic churches in the United States and Canada. The saints occupy a special place, particularly in the United States. Examples are the Cuban Our Lady of Copper, Mexico's Our Lady of Guadalupe, Peru's Lord of the Miracles, Ecuador's Our Lady of Quito, Bolivia's Our Lady of Peace. It is estimated that there are 50 fraternities of the Lord of the Miracles[10] worldwide, mostly

[10] For further information, see Altamirano (1996); Paerregaard (2008: 152-163).

in the United States, where there are 22, as I demonstrate in the study.[11] There is more than one in each of the cities of Buenos Aires, Santiago, Madrid, Roma, Milan, Caracas, Tokyo, Los Angeles, New York, Miami, Chicago and Washington.

Each sender country has authors abroad well known for their literary work. The same is true of film and television entertainers, besides sculptors, craftsmen, artists, scientists and humanists, figures of various sports, outstanding professionals in medicine, engineering, biology, archaeology, anthropology and other areas of knowledge, and recently chefs of cuisine like Peru's who have successfully globalised Peruvian cooking. Among the culinary icons are pisco sour, potato in Huancayo sauce, *cebiche*, grilled chicken, etc. Migrants from other countries are working on the global cuisine market promoting their products in an ever more demanding and competitive market. There are the thousands of Arab, Palestinian, Japanese, Chinese, Greek, Mexican, Colombian, Brazilian, Indian and Pakistani restaurants, and others from practically all the sender countries who see in their cuisine an efficient way of extending their national and regional culture, not just to give an example to their co-nationals, but to promote and create more demand for the ingredients which their countries produce.

In summary, cultural icons not only globalise their cultures of origin, but are legitimated by the national cultures of the countries of origin, apart from developing a role of collective and individual representation in the recipient societies and cultures, which in a dynamic process of cultural change are incorporating it as part of their new cultural formation, although in some cases they have faced indifference and little interest. The capacity for incorporation in the destination societies and cultures is also influenced by consumer patterns, the media and the free trade agreements made in recent years.

2.3. LABOUR MIGRANTS: NEW HEROES?

Every year, at Christmas and the New Year, millions of migrants return to their countries and home towns. In some countries like the

[11] The book *Liderazgo e instituciones de peruanos en el exterior: imaginarios sobre el desarrollo* was the outcome of a research project sponsored by PROMPERÚ, a para-state organisation whose mission is the international diffusion of Peru's great cultural and environmental diversity.

Philippines, the government prepares a great reception for their "heroes", particularly those who have been sending remittances to their households and villages. A Philippine minister commented that migrants have built more houses, have sent more poor children to school and have opened more small businesses than the government. This happens in other countries like Mexico, Egypt, Haiti, the Dominican Republic, El Salvador, Bolivia, Turkey, Morocco, Algeria and many African countries, where remittances total more than government social spending, private investment and international co-operation. In other countries however, this process means a drain of their human capital, particularly in the poor countries of Asia, Africa and Latin America. The question is how to reconcile this profit and loss? Certainly, human mobility, voluntary and relatively voluntary migration have in the end helped to unite peoples, cultures and economies.

In this chapter, we are looking at the labour migrants for whom migration is risky and uncertain and can entail greater cultural clashes because they are the most vulnerable migrants. We call them "modern heroes" for the reasons we discuss below.

Although many governments see the emigration of their workers as the result of a fault in their economic and political systems, the migration of human capital is beneficial in the medium and long term. In Mexico, migrants used to be considered rather lacking in nationalism and patriotism, those who desert their families and people, but are now seen as national heroes, not just because they have had the courage to cross a perilous border, if they are illegal, but for having survived in another culture, and for having contributed to their country's macro, meso and micro economy since they provide the second highest revenue for their country after oil exports and above tourism, export agriculture and industry. Similarly, in many countries in Central America, like El Salvador, Honduras, Guatemala and Nicaragua the contribution of remittances ranges from 15 percent to 28 percent of the GDP. Something similar happens in African countries where the average income of the Sub-Saharan migrant in the European Union is 35 times more than what they can earn in their own countries. In general, according to Legrain (2002: 165), Sub-Saharan migrants send one sixth of their income to their relatives. This amount is far above all the household income and that of their tribes of origin. The money they send is for household consumption, which at the same time activates the economy by encouraging local, regional and national production. It also goes to employment, helping to provide wages for those who do not

migrate, and hence benefits local people. Other studies show that currently countries like Bangladesh, Pakistan and Sri Lanka have boosted their local economies thanks to remittances from oil producing countries.

Whether migrants are new heroes or not is not simply a question of remittances, because we could see them as new "cash points". We should consider other non-monetary aspects, like the fact that they bear humiliation, they are denied their civil rights, that in general they are not allowed to vote. They suffer discrimination because they come from under-developed countries, speak minority languages, they are dark-skinned, small and obedient, or do not belong to the Christian religion. They are heroes because they have to break through cultural barriers, learn the dominant language, live in the polluted areas of the city, in ghettos, in areas with high crime rates and a dense population. They live with other migrants from very different countries. They are permanently exposed to cultural tension, to prejudice even from others living where they live. All of this makes the life of the manual labour migrant one of a culture of insecurity and conflict, which they have to face strengthened only in the hope that their families at home can feel proud of having relatives in the United States or Europe, which people think of as synonymous with success, modernity, development and progress, besides receiving remittances. The migrants' great hope is that their children will have better economic, educational and health opportunities compared with what they would have in their countries of origin.

These migrants are also heroes because in addition to their hard work day by day, their knowledge, specialisations and ethics benefit the destination country and make its welfare system sustainable. Because of migrants, it does not break down since they pay taxes in countries where the population is old and each year sees more people retiring. It is true that when there is higher migrant labour demand and the country's economy is not growing, the problem is serious, as we can see now in the United States and much more obviously in the Euroepan Union countries. Due to the financial crisis there are fewer jobs, more unemployment and shorter working hours.

In the new labour conditions of the destination countries, in this enormous financial crisis, these new heroes have to adapt to job changes, change their occupation if they lose their jobs, cut costs, send less in remittances or go back to their countries. As we discussed in the first chapter, the new migration regulations will make changes in their lives. This is already happening in the family, where more violence, stress, anxiety and uncertainty are reported. Destination country governments

often use migrants as scapegoats and blame them for producing informal work, crime and disorder. In the face of this, migrants are even greater heroes because of their resilience and perseverance in continuing to contribute with their work in the destination countries, and with their families in their country of origin.

2.4. TRANSNATIONALISM AND NEW VIRTUAL NETWORKS

A new form of transnationalism is found in the new virtual networks between the countries of origin with their co-nationals organised abroad. In recent years, the great contribution of IT is helping to establish a virtual relationship between migrants and their countries of origin, which helps to replace their need to return physically. In my last study of human capital mobility (Altamirano 2000a), I analyse this phenomenon as one of the consequences of international migration and as the most significant cost of international migration. My contention in that study is that the circulation of human capital will be the most usual form in the future. My argument is that less human capital returns than emigrates, chiefly in the case of professionals in science and technology. This is because the developed and economically emerging countries are now at war to attract highly-qualified professionals from the sender and poor countries. The United States, Canada, Australia and recently the emerging countries of Southeast Asia like Singapore, Malaysia, China and India are examples of this "war". While this is happening, the poor or partially-developed countries have no capacity to retain their human capital. Added to this is the globalisation of employment in a world with open borders, with great advantages for the highly-qualified and greater constraints for manual labourers. It is thus an illusion to expect to see research in science and technology in the poor countries as in the rich. There is however a current of optimism in the World Bank (2002, 2006, 2007) and the IDB who argue that human capital mobility benefits not only the professionals because they can learn more than they can in their countries of origin, but also the sender countries and the public and private organisations benefit from the creation of virtual networks which provide international co-operation and strengthen a critical mass of young people who will not only start research but also apply new knowledge for social and economic development. India, Korea, China and other emerging countries in Latin America like Brazil, Chile and Peru are examples of these new trends.

These virtual networks already exist. Examples are Chinese Scientists and Academics Abroad (CHISA); the Colombian Engineers Abroad Network (Red CALDAS), The Global Korean Network (GKN); the Silicon Valley Indian Professional Association (CIIRPA); the Reverse Brain Drain Project of Thailand; South African Network of Skills Abroad (SANSA); the Venezuelan Talent Abroad Programme; the Peruvian Scientist Abroad Network.[12]

New virtual networks appear every year, particularly in emerging countries not only from among science and technology professions but also from specific fields like the Peruvian American Medical Society (PAMS). Professionals in the social sciences, the humanities and arts have set up their own virtual networks, although to a lesser extent. These include an enormous amount of conferences, seminars, round tables and workshops which include professionals in a variety of areas of expertise. In Latin America we find the Latin American Studies Association (LASA) based in the United States and the Society for Latin American Studies (SLAS) in the United Kingdom. There are also the virtual and personal conferences which include specialists from various countries to discuss global issues, internal and international security, international migration and poverty. These are all activities held through these global networks. Virtual education is another way of using the networks which is replacing education in person, although its efficiency has still not been proven because it seems more casual and not demanding, as well as cheap and fast. We are a long way from replacing education in person, although virtual network optimists think that in twenty years university lecture rooms will be "white elephants" and there will only be laboratories which in time will also be able to become virtual.

I believe that these examples can be defined as "knowledge remittances". Others call them "cultural remittances" which unlike their monetary equivalents cannot yet be quantified since their impact is seen in the medium and long term, whereas monetary remittances are tangible and they are in statistics. The greater or lesser success of the virtual networks will depend on state and government internal and foreign policies. Some are more open to IT and knowledge technology, others see it as a new kind of colonialism and imperialism.

[12] For more information about the relationship between the mobility of human capital and the virtual networks, see Altamirano (2006: 75-91).

We know that the technological revolution of the virtual networks is changing the social life of the family and of society. Meanwhile, millions of labour migrants will continue to move to the rich or emerging countries in search of greater benefits and will continue to send monetary and non-monetary remittances to their villages and households. The transfer of remittances is also benefiting from the communications revolution, because unlike fifteen or twenty years ago, recipients can now withdraw the money as it is sent. Mobile phones and text messages are now being used to reduce the cost of the transfer.

The benefits of the virtual networks still belong to a financial, intellectual and professional *élite*. The great majority of urban poor and people in rural areas are still not direct beneficiaries, except from internet communications which are used increasingly by these previously excluded sectors. They also use the telephone and chat, particularly if they have relatives abroad.

CHAPTER 3
RETRIBUTION FROM A DISTANCE: THE FLOW OF REMITTANCES

3.1. RURAL AND CULTURAL ORIGINS

In all countries with aboriginal cultures, remittances are rooted in internal migration from the countryside to cities and vice versa. Their origin lies in the reciprocity, interchange and bonds of kinship that have been widely studied by social and cultural anthropology and, especially, by economic anthropology. Many authors have concluded that these relationships are the foundation of rural indigenous and tribal economies and of the still-collective social structure, as discussed in Chapter 2. This collectivism is reflected objectively in protection, a practice that has become known as "for you today, for me tomorrow". This universal principle persists even when economics, education and communications bring communities into contact with the outside world.

In the past fifty years, rural societies and cultures have undergone qualitative and quantitative changes because of the presence of the market, the state and non-governmental organisations, and especially because of internal migration to cities. These processes have led to a supra-local expansion of kinship bonds between the families that remain behind and their members who migrate to large and medium-size cities, mining camps and, more recently, the Amazon basin in the Andean countries.

Despite the individualistic, competitive nature of cities, rural practices of reciprocity have not disappeared in urban areas. When rural-urban migration began to increase, kinship ties and local identities (communal, tribal, aboriginal and lower-class) began a transition, because

one or more members of the nuclear and extended family migrated, resulting in changes in rural households and communities, the migrants' destination communities, and the migrants themselves. Initial culture shocks diminished as migration became part of the culture and the social structure of the communities of origin. Family rights and obligations, which revolved around the local community before the migration, shifted to a geographically and socially broader arena as networks radiated outward to diverse destinations, while rights and obligations were maintained. One of these is the responsibility of father or mother to provide for children's material and subjective welfare, and the children's responsibility to parents and grandparents. That responsibility and the sense of belonging to a community and a family means that the migrant, when far from the family, must compensate for that absence with gifts and monetary and non-monetary contributions (remittances) to those who remain in the community. Similarly, because migrants cannot fulfil their duties and obligations to the community, they compensate for their absence with material and non-material gifts and contributions (collective remittances), so as not to lose their cultural identity and sense of belonging.

In the Andean countries, both types of remittances (family and community) are referred to as *encargos* (items entrusted to another) or *cariños* (signs of appreciation or affection). These actions show that migration does not necessarily result in the disaggregation or disintegration of the family, although these bonds of reciprocity diminish in the second, third or fourth generation. Because migration is an ongoing process, practices of reciprocity will continue to be a characteristic of rural-urban relationships. Added to this process of cultural retribution by migrants are actions by those who remain behind who, in return, send food and handcrafts to family members who have migrated, as a sign of reciprocity and family and local identity.

These ethnographic and analytical rationales support my thesis regarding the rural and cultural origin of contemporary transnational remittances, which will be developed later. Remittances are rooted in the community of origin of migrants, who remain culturally rural, even as they enter modernity and globalisation.

These statements challenge the theory of modernisation that claims a growing urbanisation and globalisation of local societies and cultures with no return. While internal, and later international, migration is an efficient means of urbanisation, there has been little or no research about the cultural continuity that persists, not only in people's mentality, but

also in tangible practices. Remittances are one of these. As is widely stated in studies on the subject, remittances have a cross-cutting and global macroeconomic, mesoeconomic and microeconomic impact.

Because transnational migration was preceded by internal migration, internal rural-urban and urban-rural remittances are the immediate forerunners of transnational remittances. Eighty percent of these remittances flow to countries in Latin America, Africa and Asia. In 2008, remittances amounted to an estimated US$ 300 billion, with US$ 240 billion going to developing or underdeveloped countries.[13]

There are far more studies of transnational remittances than internal remittances, possibly because of the huge Dollar volume. There are no data about internal remittances, which, while smaller, have the same effect as those from abroad, especially when the families' geographical distances are smaller, implying greater interaction and, therefore, a greater sense of identity and belonging.

Another argument supporting my hypothesis is found in the Peruvian Andes, where there is a Quechua concept and practice called *kuyay* and *kuyanakuy*. The former refers to affection, the subjective bond among clans or kin; *kuyanakuy* is the act of recognition that comes with the giving of a gift that is generally not monetary, but a personal object or food. When a person marries, has a birthday or builds a house, neighbours and relatives give gifts that may be utilitarian, symbolic or religious. This act of giving is not only a demonstration of affection, but also the retribution of a previous *kuyay*; or it could initiate a retribution by the person or family who receives it, who may, in the immediate future or medium term, return the same object or another of similar utilitarian or ceremonial value, although not necessarily the equivalent economic value.

When members of families migrate to cities, these exchanges persist in the individual and collective subjectivity. The difference is that the objects exchanged are no longer the same, because money and objects produced in cities are incorporated. The absent clan will use these new goods to maintain *kuyay* and *kuyanakusun*, which is the act of interchange; the *-nakuy* turns it into *to care for one another*; *kuyanakusun* becomes *let us care for one another*. José María Arguedas' novel, *Warma kuyay*, is an extraordinary example of affection, appreciation and care for a boy or girl. In internal migration, *kuyanakusun* expands to the various places where family and

[13] See *Migration and Development Brief*, no. 8, published by the World Bank Migration and Development Team; Development Prospects Group, November 2008.

community members are found; these become cultural and economic segments, the latter occurring when monetary remittances are sent to the centre of gravity, so to speak, to the family left behind, to which the migrants will return temporarily, seasonally or for good, especially when one or both parents remain in the community. These forms of reciprocity began after the Conquest, when workers known as *mitayos* returned to their villages from mines and craft workshops, or from collective labour on estates and plantations. After independence, and especially after the 1950s, during the Agrarian Reform, migrants returned from cities, the tropical highlands and mines, and sent remittances to their family members and communities. In Peru, like the other countries that made up Tahuantinsuyo (Ecuador, Bolivia, northern Argentina and northern Chile), it is an extraordinary example of what once was, and it continues to reveal the relationship between internal migration and remittances. This is also true in other countries that have not only native cultures, especially Mexico, Central America, and all African and Asian countries, but also pre-industrial Europe and North America, during the phases of their expansion and consolidation of their national identity.

In the United States, internal migration from the south to the industrialised north is another example of bonds with local communities and cities of origin. The past twenty-five years of capitalist development in China have produced the largest internal mobilisation on Earth; 200 million people have migrated from communes (local organisations created by the Chinese Revolution) to major cities on the east coast. The migrants' main goal is to send remittances home to their families, to pull them out of poverty. The decrease in poverty in China, from 60 percent twenty years ago to 40 percent today, is partly due to internal remittances. A similar process has occurred and will occur in countries that see economic growth in cities and mining regions and on modern plantations. In all cases, the increase in internal migration could give way to international migration; in some cases, migrants do not go first to cities, but go directly abroad, although this is less frequent and the effects are somewhat different from those of migration first to cities and, later, from cities to other countries. Besides urban-rural and rural-urban remittances, there are other forms of interchange and reciprocity of labour, products and money among migrants in the cities. This is a horizontal practice, especially among social and cultural sectors that have a similar economic base.

In a study of Aymaras[14] in Metropolitan Lima (Altamirano 1996) and an earlier study (Altamirano 1984) of Quechuas in Junín and Apurímac, I showed that *kuyay* and *kuyanakuy* will remain part of people's social and cultural behaviour.

In the city, these practices are reflected in the construction of homes, religious festivals and the provision of economic assistance or information about jobs to *paisanos*[15] or people who have recently arrived from the migrant's home community. A World Bank study of urban indigenous people found that in Mexico City, Quito and Guayaquil in Ecuador and Cusco and Lima in Peru, migrant groups from rural areas not only sent remittances to their villages, but also practiced urban reciprocity among themselves. The cultural basis for these exchanges was belonging to and identity with a common ethno-linguistic group.

These practices of urban reciprocity solidify in difficult social and economic times and become strategies for relieving poverty, though not necessarily a solution. Governments have used these examples to develop social programmes for low-income urban sectors, such as the Progress-Opportunities Programme in Mexico, or the Juntos and Glass of Milk programmes and women's committees in Peru. These programmes have not had the desired outcomes, however, even though "below up" social programmes, without government intervention, have been more sustainable and relatively freer and more autonomous, as those established by governments have created greater dependence.

To summarise, transnational household and collective remittances are not a contemporary economic phenomenon; their historical roots go back further than the increase in internal and international migration. They have a rural origin that developed in a specific cultural milieu, where collective actions and the forging of identity are factors that explain what are nowadays known as transnational remittances. They appear in the collective mindset and practices as part of a collective creation, not necessarily a mere economic transfer, as economists claim. Similarly, World Bank and IDB experts, especially those who work in the Multilateral Investment Fund (MIF), should analyse remittances within a cultural context, rather than treating migrants as "automatic cash points". Nevertheless, economists have contributed to the analysis of remittances

[14] The largest ethno-linguistic and social group in Peru after the Quechua, and the largest in Bolivia, geographically located around Lake Titicaca between Peru and Bolivia.

[15] Migrants from the same villages, also called *compoblanos*.

as one of the most significant aspects of international migration. I have drawn on their contributions to increase my local, national and global knowledge of remittances. My most recent book (2006), which includes statistical information about national and global remittances from these institutions, is one example.

3.2. MONETARY HOUSEHOLD TRANSFERS

To avoid repeating the quantitative analysis, this section will take an anthropological approach to remittances, viewing them from the perspective of the migrant's culture —that is, from the standpoint and mindset of the person involved. This does not take the place of an exogenous quantitative analysis, but complements and enhances the analysis and puts the migrant on a more human plane. The purpose is to demonstrate the existence of a relationship between the cultural and the economic. Remittances have a cultural origin, and over time they have become an economic, political and social phenomenon with global impacts.

Globally, in underdeveloped countries, revenues from remittances are exceeded only by those from oil exports; in many countries, the amount exceeds private foreign investment and is triple the amount of international co-operation assistance. Development programmes based on international co-operation produce a great deal of dependence, which limits autonomous development. Remittances can be sustainable, because they are generated not by the government, political parties or rich nations, but by the sacrifice of the migrants themselves.

Social and cultural network theory has shown that kinship relations and the factors that shape and forge local cultural identities (places of origin) are transformed by internal and international migration, but do not disappear. What changes are the forms, which, having been local, become regional and international. Migration is a process that expands the geography and communication of networks. The emotional cost to relatives is changing, thanks to progress in virtual communications, which have reduced this cost significantly.

The price of communication has steadily decreased, and frequency has increased. Costs of transfers have also decreased with the emergence of large, medium-sized and small transfer agencies. The monopoly of Western Union, a private US company that is more than 150 years old,

is giving way to competitors, including the banking system, which sees remittances as the "goose that lays the golden egg".

In field research, whenever sources are asked why they emigrated, the unanimous response is "to get out of poverty", as well as political instability and lack of jobs. When their income increases in the destination country, they can send money home to family members who stayed behind. These responses are proof that *kuyay*, discussed in the preceding section, is becoming or has become globalised. *Kuyay* alone does not explain the dynamic of remittances; it must be placed in a broader context that includes the international division of labour, employment, income and wages inside and outside the country, etc. It is also important to keep in mind the role of governments and domestic and international policies concerning migration, population and employment, as well as remittances. Although remittances are private, governments are interested in including them in their fiscal and economic policies.

Our approach to the cultural and rural origin of remittances helps us understand this process, not as a mere fact, but as a dynamic that necessarily includes the nature of kinship bonds and the shaping of identities in countries of origin. For example, in a patrilocal, endogamous, virilocal culture, remittances and their uses are not the same as in another culture with different characteristics. Similarly, the community of origin's degree of insertion affects the nature of remittances. For example, if a community is partly inserted into the regional, national and international economy, the nature of the remittances will be different from that of those in a community lacking such connections. The very meaning of remittances will differ from one culture to another; in some, they will have a more objective, tangible, material value that is more monetary; in others, besides those values, they will have a more symbolic, subjective value, and their use will be different from the use of more monetary ones.

Studies of household transfers have received the most attention from international bodies such as the IDB, World Bank and IMF, and the governments of the migrants' home and destination countries. There are also more studies of their impacts on the micro economy or the domestic and local economy, the qualitative and quantitative changes they produce, and local development projects, as this book's bibliography and other sources, not quoted here, show.

3.3. NON-MONETARY HOUSEHOLD TRANSFERS *(KUYANAKUSUN)*

Unlike monetary transfers, non-monetary household transfers have a greater cultural significance due to their subjective content, because behind the objects lies a message of affection, caring *(kuyay)* and reciprocity. Because of its qualitative nature, this latter characteristic has not been quantified, which is one reason for the lack of data and studies about it despite its enormous importance for migrants, especially those who are poor.

Non-monetary transfer of products from abroad to family members in the home country are a form of recompense for physical absence; it is payment of a subjective debt, a sign of appreciation and caring for a loved one, especially a mother, father or other family member.

To illustrate this part of the book, I turn to my own research with Peruvian immigrants in the United States, the European Union and Japan. The data are the results of observations and interviews with both senders and recipients of remittances. These observations have been made over twenty years as part of projects that have concluded with six books about Peruvians and Ecuadorians abroad. The studies did not necessarily focus on non-monetary remittances.

As noted in the discussion of the cultural role of remittances, in international migration, *kuyay* is an extension of internal remittances. The objects sent from abroad range from television sets to toiletries. The most common ones include all types of brand-name clothing, some very expensive, as well as products made in China, Singapore, Thailand, Malaysia, Hong Kong, Taiwan, India, Bangladesh, the Dominican Republic, El Salvador, Honduras, Argentina, Brazil, etc.

Although the cost of these products may be similar, or even lower, in Peru, the person sending the remittance gives it an additional subjective, intrinsic and symbolic value. Similarly, the recipient of the product gives it the same value and appreciates it more. One way of showing satisfaction is by displaying the products prominently in the house, especially in the living room (where they can be shown to other people) or the bedroom, which is the most intimate, private place in the home.

In Christian countries, these transfers peak at Christmas and New Year, in comparison with other months of the year. I have also noted a significant increase in transfers for Mother's Day (the second Sunday in May). Transfers are also more frequent for Father's Day (third Sunday

in June), family members' birthdays, parents' or grandparents' wedding anniversaries, or religious celebrations.

In Peru, there is a mixed case of household remittances, through the Wong supermarket chain,[16] which can be defined as both monetary and non-monetary household remittance. It is monetary, because the person sending the remittance purchases gift certificates for food, depositing the money in the company's bank account in the United States. It is non-monetary, because the recipient exchanges the gift certificate for food products at any of the 35 supermarkets.[17] When we asked one person who sends these remittances why this type of transfer was preferred, the answer was that relatives did not always comply with their wishes, using remittance money to purchase audio equipment, television sets, videos or other luxury items.

This type of transfer has proven very effective, because it is aimed directly at the family's welfare. In fact, the products that are sent have a wide variety of uses. There are cases in which they have been exchanged or given to another person. The same is also true of monetary remittances, which has sometimes led to a halt in the remittances or frustration on the part of the sender.

Remittances are usually sent by mail, courier service or sea courier. The latter is used least because of the complicated paperwork and the long time lapse before the remittance arrives at its destination. Another means of shipping, probably the most often used, is via a relative, friend or *paisano*[18] who is returning temporarily, an act known as "entrusting them with an item to deliver".

It is common to see airport baggage-claim areas filled with gifts. In reciprocity and as a sign of thanks, family members "entrust" travellers with items to be delivered to their loved ones. Peru is renowned worldwide for two types of products: first, handcrafts made of precious

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16 The supermarkets are owned by the Wong brothers, children of Chinese immigrants who started the business twenty-five years ago, and have experienced extraordinary growth. There are currently 35 supermarkets in Metropolitan Lima.

17 In one Wong supermarket in Lima, I saw that a woman had placed in her basket a bottle of Peruvian pisco and one of Chilean wine. The checkout clerk looked at the list of products the woman could purchase and did not see alcoholic beverages, and immediately told the woman, "Your gift certificates do not include alcoholic beverages".

18 *Paisanos* or *paisanas* (male or female) are people from the same geographic area —village, community or district.

metals and animal fibre, clothing, ceramics, etc.,[19] which, as in the case of items sent from abroad, are usually transported via relatives, friends and *paisanos*; second, food products. Culinary arts are currently undergoing great qualitative and quantitative growth because of Peruvian cuisine's enormous variety and range of textures, flavours and colours. There has been quantitative growth in exports for two reasons: first, because the Peruvian emigrant population has grown, and second, because unlike twenty years ago, when most consumer were Peruvian, consumers now include non-Peruvians. The Peruvian government has also waged publicity campaigns through embassies and the virtual media. The best restaurant in Santiago, Chile, is the Peruvian restaurant[20] Astrid y Gastón, which is named for its owners. Peru's great cultural and racial diversity has given rise to a fusion of culinary knowledge in which the contributions of Andean (legacy of the Incas), Afro-Peruvian, Italian, French, Spanish, Chinese and Japanese cuisines have achieved a symbiosis of flavours, colours, textures and tastes. Various polls have shown that tourists who visit Peru return home very satisfied with the food, rating it even higher than the great tourist icon of Machu Picchu, in Cusco. The boom in Peruvian cuisine is one reason for the increase in tourism, which has grown by an average of 13 percent in the past six years. This growth has given impetus to family farms and export agriculture; in the Peruvian highlands, small farmers can sell products such as annatto, *maca*, *yacon*, *tara*, varieties of native potatoes, hot peppers, and fruits such as *lucuma* and custard apple to Peruvian and non-Peruvian owners of restaurants featuring Peruvian cuisine. Because destination countries have policies restricting the entry of agricultural products, exporters of new or "exotic" products must do the necessary paperwork or comply with the terms of free trade agreements between Peru and the Andean countries, Chile, the United States, Canada and, most recently, China.

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[19] In a prior to my research in 2000b, Peruvians in the United States acknowledged having received the following products: textiles, gold handcrafts, folkloric objects, tinned food, cassettes of music, red peppers, yellow potatoes, Inca Kola, corn, smoked pork, sweets, garlic, custard apple, *lucuma*, lemons, medicinal items, etc. In Peruvian stores, they also purchase: dried *paiche* (a type of fish), clothing made by the Shipibo (an Amazonian ethnic group), fine wood, culinary ingredients, handcrafts, textiles, gold items, tinned food, guinea pig meat, *patasca* (a thick soup or stew), processed corn, shrimp, cotton, etc.

[20] The owner is a Peruvian who studied cooking in Paris and who owns a chain of restaurants in Peru and abroad. In recent years, he has opened branches in Madrid, London, Miami, Los Angeles, Bogotá, Santiago, etc.

Three flagship products are often sent from Peru: panettone, which was introduced by Italian immigrants in the 19th and 20th Centuries; pisco, a grape brandy; and Sublime chocolates, which were also introduced by Italian immigrants. These three products can be found on the table at Christmas and New Year's dinners in the households of nearly all Peruvians around the world.

Peruvian ceramics and fibre products and colonial paintings of the Cusco school grace Peruvian homes. Many of these products have been sent by relatives, while others were purchased by migrants when they returned to Peru for visits. Some artisans specialising in religious paintings and sculptures, ceramics and fibre crafts have emigrated to the United States, Spain, France and Italy, where they have workshops; many Peruvians seek them out to purchase gifts for family and friends. Because of their quality and appearance, Peruvian handcrafts are increasingly found in non-Peruvian homes, as well.

After 11 September, 2001 many agricultural products and handcrafts, particularly those made of metal, could not be taken into the United States. Similarly, after the attacks in Madrid in 2004 and London in 2005, certain items were restricted or prohibited. Little by little, however, these prohibitions have been lifted, and many handcrafts and agricultural products can enter when shipped as cargo.

Just as many suitcases arrive in Peru filled with gifts. Peruvian travellers leave the international airport with overflowing baggage. The exchange of non-monetary transfers is greatest in the lower-income sectors and middle class, but can also be seen in the upper class.

I once saw the objects with which an emigrant filled three suitcases. In her home province, she belonged to the upper-middle class, but in Lima she was in the middle class. She had packed a ground mixture of dried peas, Lima beans and quinoa; D'onofrio chocolates; a panettone; a package of pisco sour mix; a bottle of pisco; *tejas* (chocolates filled with caramelised condensed milk and pecans); and a small cake. Most of these products were purchased by the traveller; the rest were gifts from relatives to relatives in the destination country. When this person returns once a year, she brings clothing, perfume, whiskey, etc., for the family members who sent the gifts.

This interchange and reciprocity reinforces bonds of kinship and creates states of satisfaction on both sides, even though the economic and financial value of the products is not the same. It is an unequal exchange, but for the senders and the recipients, the values are similar. For example,

a panettone costs approximately US$ 5 in Peru, but the cost of a bottle of perfume brought from abroad could be three or four times that amount.

This example can be extended to other household interchanges. The same thing occurs with Muslims, Buddhists, Shintoists, etc. In every society, giving and receiving contains a degree of satisfaction and enjoyment. The practice goes back to the dawn of civilization, especially in societies and cultures whose social and economic organisation is based on the symbolic and subjective value of objects. To understand remittances, therefore, it is absolutely necessary to take this dimension into account.

In short, in societies and cultures in which the religious world is part of everyday life, where emotions are always present, and where material objects have meaning or symbolism or are ritualised, non-monetary household remittances take on a dimension that transcends the tangible and the monetary. Because it is impossible to measure this or express it in percentages, it is not reflected in remittance statistics; nevertheless, it should be taken into account in the design of development policies. Economists, especially those in big banks and financial institutions, often fail to consider this, because they start with the premise that material goods determine objective and subjective well-being. There is no cause-and-effect relationship between objective and subjective well-being. The former may be necessary for confronting existential challenges, such as achieving a higher income and therefore increasing material satisfaction; the second is part of the cultural sphere, because each society and culture takes a different view of material goods. In capitalist societies, for example, having a car, a house and household appliances is necessary, especially if they are the latest model; in societies where spirituality predominates, those same objects have a meaning with a very different subjective value, because austerity and simplicity are higher values.

3.4. MONETARY COLLECTIVE TRANSFERS

All aboriginal cultures base their social, economic and political organisation on collective action. As has been emphasised, the main conditioning factor of an ethnic group is collective action.

In the case of transnational migrants, this concept has a broader application, because it includes upper- and middle-class migrants who, despite their individualism, construct collective mechanisms for representing themselves to society and the receiving culture, as well as

for developing professional, trade and occupational alliances. There is a tendency for marriages to occur between members of the same social class; this reinforces economic relationships. Chambers of commerce and clubs perpetuate alliances that existed before the migration. In my research, I have concluded that social and economic class relationships or social differentiation that existed before the migration do not disappear when migration occurs. In a list of 477 Peruvian associations in the United States that I recorded in 2006, I found all social classes represented.

In this section, I will focus only on the lower-middle and lower classes, on labour migrants from low-income urban and rural areas. The reason for this choice is that they are more effective in forming collective networks, despite the huge cultural, social, economic and political costs they encounter in their destination countries. Another reason is that although their income is lower than that of other social classes, their remittances are of higher amounts and are sent more regularly, especially those sent by women, and particularly women from low-income urban neighbourhoods and rural areas.

The most genuine expression of collective action lies in the thousands of migrant organisations in destination countries. The organisational structure, motivations, goals and social and cultural composition are similar to those of organisations of rural migrants in large cities in the country of origin. Nevertheless, there are differences that arise from the nature of the society and culture in the destination city, the civil rights legislation in each country, human rights organisations, and the legality and/or illegality in which the migrants live. Both their strengths and their weaknesses are related to degrees of identity and belonging. Migrants from countries where nationalism is part of the national culture will have more reasons to establish and forge associations, thinking of the country they left behind. Those who have a long-term historical memory will be more likely to include this component in the formation of their organisations. Examples of migrants from Mexico, Guatemala, Peru, Bolivia, Ecuador, Morocco, Algeria, Egypt, South Africa, Kenya, etc., contrast with those from Argentina, Chile, Venezuela, Brazil, Panama, Colombia, etc.; in Asia, the Indians, Chinese, Bangladeshis, Pakistanis, Philipinos, Indonesians, etc., contrast with the Australians, Japanese, Koreans, etc. The former are more likely than the latter to engage in collective action. One tangible proof of my hypothesis about the greater effectiveness of migrants' organisations in countries with larger rural, indigenous and lower-class-urban populations is the amount of remittances, as repeatedly

confirmed by the World Bank, the IDB and countries of origin. Regarding the relationship between migration, remittances and development, Laura Olsen of the UNDP in the Dominican Republic organised a virtual forum on 8-12 September, 2008. Most of the participants were from Peru, Bolivia, Guatemala, South Africa, Senegal, Mozambique, the Philippines, Mexico, the Dominican Republic, etc.

Associations of migrants have given different names to their collective actions; for example, Mexicans in the United States and Canada call them Home Town Associations (HTA); authors such as Alarcón (2002) and Orosco (2002) have analysed both their organisations and their ties with their communities of origin through remittances; they refer especially to the 3 x 1 development model, the Godparent or Adopt a Community programme, a model also studied by Corchado (2002) in Mexico. In the Dominican Republic, Georges (1990) calls them Transnational Communities; in the case of Peru, in my study of internal migration published in 1986 and 2006b, I called them Clubs of *Provincianos* (rural residents) for International Migration and Peruvian Communities Abroad.

In the rest of this book, I will refer to all types of migrant organisations as Transnational Communities (TCs), because one of their basic purposes is the transfer of remittances to contribute to local development,[21] especially for the poorest people, although those who migrate are not necessarily in that group, with the exception of those from Mexico and some African countries, such as Senegal, Zimbabwe, the Ivory Coast, Ethiopia, Somalia and other sub-Saharan countries. Collective remittances have an impact on poverty reduction for two reasons: first, they can create temporary jobs for the poor in social work, and second, they can stimulate domestic consumption. Unlike household remittances, these empower communities economically, socially and politically. Nevertheless, neither household nor collective remittances alone can reduce poverty; they must be accompanied by other social actors and government policies and regulations to protect and facilitate the design, implementation and evaluation of projects, as shown in Figures 2, 3 and 4.

To be considered such, collective remittances must have the following characteristics:

[21] A local geographic area may be a farming community, local organisation, district or canton, native or tribal population, lower caste, parish or specific ethno-linguistic group. Local also refers to a neighbourhood, grassroots urban sector, religious association, fraternity or voluntary association or club. The necessary condition is that its purpose be to promote collective, rather than household, development.

- There must be an autonomous organisation formed by a specific sector of transnational migrants or by some philanthropic, governmental, religious, political or social institution.
- The organisation must have a distribution of functions (rights and obligations), and decisions must be made with migrants' participation. One function is to generate income through collective activities or receive individual donations or contributions from charitable institutions to be sent to the migrants' countries of origin.
- They must be registered as non-profit organisations; they may be informal, but must have specific, transparent functions legitimised by their members.
- There must be a network and ties with a local organisation in the migrants' country of origin, with which there is a constant exchange of information. These organisations are the beneficiaries of the collective remittances and are responsible for managing their investment in social development works that benefit not only the organisation, but the social collective.
- In setting priorities for development works, the organisations that send the remittances must participate directly in the design, implementation and evaluation of the works in their countries of origin. In the four case studies discussed in Chapter 5, we will analyse their effectiveness and limitations with regard to human development.

3.5. NON-MONETARY COLLECTIVE TRANSFERS

Unlike their monetary counterparts, non-monetary transfers are transfers of consumer goods. In five previous studies (three on internal migration: 1984, 1996 and 2000; and two on international migration: 2000a and 2006b), I have analysed the collection of funds, institutional activities, frequency of sending and receiving, and types of products. In three of the studies (1984 and 2000b for internal migrants, and 2000b for international migrants), I prepared a list of the registered TCs, breaking them down by name, type, mailing address, city and country of residence, and telephone and fax numbers. These studies take a comprehensive look at internal and international migration of Peruvians in the world, particularly with regard to collective remittances.

The greatest methodological problem I encountered was the lack of previous studies; as a result, there are no statistical data that allow

quantification, especially for comparison with household remittances, about which there are many studies, mainly by economists. There has also been little study of monetary collective remittances. There are scattered qualitative studies and ethnographies that describe the origin, the transfers and their impacts on local development projects. The exception is Mexico, where amounts have been quantified and impacts measured. The lack of quantitative data makes it difficult to establish base lines or carry out studies to support arguments about why every project should have measurement components that allow for projections and samples, as well as calculation of cost-benefit ratios. This book will present these data through case studies in Chapters 5 and 6.

In general, non-monetary transfers have two meanings, one for the senders and one for the recipients. For the senders, they are the product of collective actions with the participation of the members of transnational communities, or the reception of a donation from a charitable or humanitarian institution or an individual. In this case, the Peruvian TC is an intermediary between the donor or donors and the Peruvian institution receiving the transfer.

I am most familiar with the case of Peruvian migrants. To illustrate how these transfers work, I will discuss TCs in the United States. Many organise large-scale activities, not only for their own members, but also for Peruvian institutions, especially in the areas of health, education, religion and sports.

In the field of health, one of the 477 TCs is the Peruvian American Medical Society (PAMS), a 30-year-old organisation of some 2,000 Peruvian physicians. Since its founding, PAMS has held an annual convention; one paragraph of its statutes states: "To assist and advocate for the health of Peruvians by providing medical equipment, medicines and professional support". In situations such as the 1991 cholera epidemic or the 2007 earthquake in Ica (in southern Peru), the organisation provided medical assistance. It often assists hospitals and health posts in rural areas; every year, a medical team travels to Peru to perform surgery for free in places not served by government health services. PAMS has signed five agreements with Peru. It is the most active and organised professional TC. There are other TCs that send medical equipment, especially, for small communities in the highlands, on the coast and in the Amazon basin.

In the area of education, there are several examples of transfers of educational equipment for schools that have received little or no government assistance. One is the Huancayo Club of Miami, which belongs

to the Association of Peruvian Institutions in the United States and Canada (Asociación de Instituciones Peruanas en los Estados Unidos y Canadá, AIPEUC). In 2006, the Huancayo Club of Miami dedicated a building where single mothers or those living in poverty can attend workshops to learn handcrafts and baking skills. The building is located in the city of Huancayo. AIPEUC is the only Peruvian TC that signs annual agreements among Latin American TCs in the United States. Many municipalities and schools in the Peruvian highlands have received donations of computers and audio equipment.

There are more TCs in the religious sphere. In the United States alone, there are 20 fraternities dedicated to the Lord of the Miracles,[22] eight dedicated to Saint Rose of Lima, patroness of America and the Philippines, and seven dedicated to Saint Martin de Porres, the only black saint in Peru and South America. Both saints lived in the 17th Century. Approximately 30 percent of the Peruvian TCs have religious names; many take their names from the patron saint of the migrants' community of origin. It is common for these TCs to celebrate the saint's day in the United States. Money is collected at these celebrations to purchase clothing for the patron saint statues and send it to Peru.

Other TCs send decorations, candelabra and other items for churches and chapels. When members of the religious TC travel to Peru, they purchase appropriate decorations for their saints and take them back to the United States. In recent years, devotion to the Lord of the Miracles has expanded to other countries where Peruvians live. There are two fraternities in Santiago, two in Buenos Aires, two in Milan, one in Rome, five in Spain, three in Tokyo, one in Sao Paulo, three in Canada, two in Sidney, two in La Paz, one in London, and two in Paris. Most of these fraternities send mementos and gifts to the image in Peru, or one or more members return to Peru in October, the month of celebrations.

As is also typical among internal migrants, there are as many as 155 sporting TCs, whose names are taken from the most popular national clubs (Alianza Lima and Universitario de Deportes), as well as the migrants' communities of origin.

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[22] The devotion to the Lord of the Miracles dates to the 17th Century colonial era, when a black slave from Angola painted an image of the crucified Christ on a wall. The painting remained intact despite a huge earthquake that nearly destroyed the city of Lima. It subsequently gained fame as a source of miracles. This is now the most popular devotion in Peru. It is celebrated every October, and the procession is considered one of the largest in the world.

In recent years, delegations from the TCs have often returned at Christmas and New Year's to give gifts of sports equipment to local clubs.

In short, non-monetary collective transfers, like monetary transfers, are extensions of internal patterns to and from countries abroad; the difference is that the remittances from abroad are more expensive and have a greater impact on the modernisation of education, health and religious activities. These are acts that reflect collective identity in the diaspora, which resists giving in to the individualism produced by international migration. These practices will begin to disappear in the first and second generation of migrants; as long as there is migration, however, there will be collective monetary and non-monetary remittances.

CHAPTER 4
THE STATE: ALLY OR OBSTACLE?

4.1. TRANSNATIONAL MIGRATION POLICIES

Since nation-states came into being, a recurrent subject of debate is the border as the geographical dividing line between nations. The aim of these borders has been to protect the wellbeing of the inhabitants.

Recent years have seen liberalisation of trade, investment, capital flow, imports and exports policies. The nation-states have entered a stage of crisis. Added to trade flow is now international migration (emigration and immigration), a process which has accelerated over the last fifty years. States' nationalist and protectionist laws, giving rise to nationalism and patriotism, have had to give way to others in which these values have been losing their meaning. People speak of world citizens, persons who move from country to country, fundamentally for labour reasons. Again, the destination countries which need foreign human capital, skilled or not, satisfy their internal demand and then begin to amend the migration legislation on migration, tightening it up. The idea of travelling, migrating or moving is part of many peoples' culture. Despite the growing restrictions on migration, workers still leave their countries in search of new opportunities and plans. International human rights organisations and NGOs[23] are beginning to protect migration rights.

[23] The Second World Social Forum on Migration has just ended in Rivas (Spain). Some 2,000 NGOs attended and have drafted a Declaration which in summary condemns the migrant recipient countries and their repeated breaches of migrants' basic rights,

The subject of international migration has enormous human, economic, social, cultural, political and legal importance and is on the global agenda of all countries and economic and political blocs like NAFTA; the European Union treaty; the Union of Central American Countries; the Andean Community; the Union of South American Nations (UNASUR), etc. In view of increasing international mobility and migration, the major recipient countries have had to adjust their internal and external policies to new realities. Some of them avoid changing them as a means of self-defence. Others have modified them, like the European Union which in June 2008 passed the Return Directive. Other countries on establishing trade agreements do not include the subject of migration, as in the case of NAFTA. Others permit the free circulation of persons from countries in the bloc, as in the case of UNASUR and the European Union. The emerging Asian countries are flexibilising their policies because they need foreign skilled and unskilled human capital. Matters in the African countries are more complicated, because 70 percent of compulsive migrants in the world are on that continent.

In recent years, since the United Nations system was created, many treaties on migrants' rights in the world have been written. Most sender countries have ratified the treaties through their governments. However, most of the destination countries, in particular the United States, Canada and the Western European countries, Australia and Japan have not done so (Altamirano 2006: 73).

This hampers the standardisation of the treaties and many are not enforced. Since September 11th, 2001, May, 2004 and July 2005 in New York, Madrid and London, the differences between the sender and recipient countries have deepened even further and it is unlikely that more treaties will be formulated to protect migrants' human rights.

In recent years as a consequence of increased emigration, the countries of origin and destination have taken political decisions to bring order to migration. The Philippine government has decided to set up a department directly linked to its domestic and foreign policy which directly or indirectly favours, organises and facilitates emigration. There are two reasons for its decision. First, the high degree of youth unemployment.

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in particular, of illegal migrants. It also condemns the new Return Directive, which was signed by the 27 European Union states, and establishes a standard migration policy geared to promoting the return of legal and illegal migrants. It is estimated that there are 12 million illegal migrants in the United States and in the European Union.

Second, the country and households benefit from the enormous amounts of remittances. The Philippines is one of the four countries which receive the most remittances in the world, together with Mexico, China and India. In 2007, they totalled US$ 13 billion. In Spain, the government has added the word "immigration" to the name of the ministry of labour. It is now called the ministry of labour and immigration. This is due to the enormous importance of immigration in Spain. Ten years ago only 1 percent of the population was immigrant. It is also the country which has received most immigration in the European Union, particularly from the Andean countries (Colombia, Ecuador, Peru and Bolivia) besides Paraguay. Today 11 percent of the population of Spain is immigrant. Ecuador has recently created the Migrant Secretariat. This is a department with similar structure and power as a ministry, due to the enormous amount of emigrants, particularly to Spain. It is estimated that 600,000 Ecuadoreans live in Spain. Some 15 percent of Spaniards are also abroad.

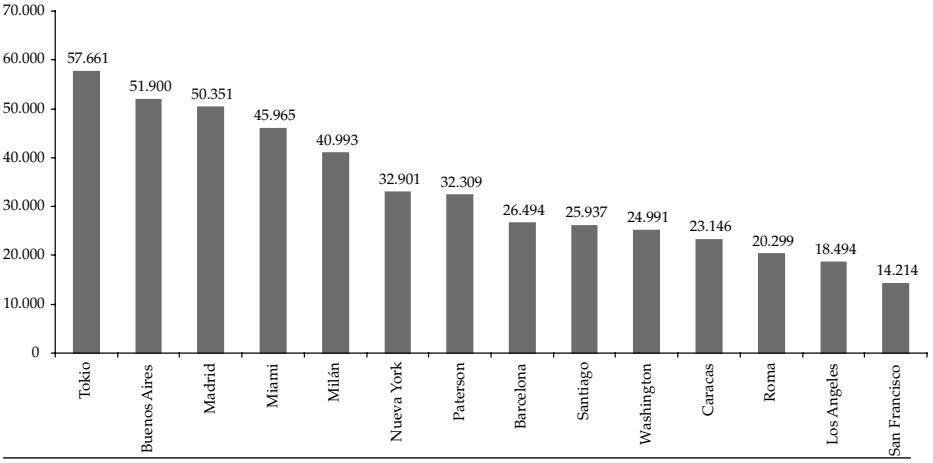
El Salvador has created a ministry of migration, not just because 20 percent of its population is basically in the United States, but because remittances represent 18 percent of the GDP. Mexico for many years has had the Institute for Mexicans Abroad (IME). This also has the rank of a ministry and was created to protect the rights of migrants to the United States and Canada. In fact, Mexico has migration in its veins, not only because of the number of migrants in the United States but because of the amount of remittances which in 2006 totalled over US$ 20 bn.

In summary, each country has a department to oversee migration, both the recipients and the senders. The latter include Peru, which six years ago created the Sub-secretariat for Peruvian Communities Abroad (SSCPE).

4.2. THE CASE OF PERU

Most Peruvian embassies and consulates were opened after the Second World War when Peruvian emigration began to rise. Since the 1980s more consulates were created in cities where there were more Peruvians. In the 1980s, Peruvian emigration went on rising. In the first six years of this century about a million Peruvians left the country. This is an estimate I find from my own research and is backed by a report made in 2007 by the INEI with the IOM and DIGEMIN. Today there are 77 embassies and 140 consulates, including official and honorary ones (see Figure 1).

Figure 1
Number of cases attended at consulates 2005



Source: Ministerio de Relaciones Exteriores <www.rree.gob.pe>

In 2004, The Peruvian Ministry of Foreign Affairs asked the Pontificia Universidad Católica del Perú Political Sciences Faculty to include in its Masters degree a course on international migration, globalisation and development[24] in order to provide academic training for a more global view of the phenomenon of migration. One of the subjects it was most interested in was the debate over the transition of the consul called the "prefect" (or bureaucrat) to the consul counsellor and public servant, to ensure Peruvians' wellbeing. Clearly budget constraints and some old and antiquated habits can be found among consuls, who are almost constantly inundated with demands from the growing numbers of Peruvians in the world, in particular in the United States, Spain, Italy, Argentina, Japan, Venezuela and Chile, the countries where most Peruvian migrants go.

To achieve its new objectives, the Foreign Affairs Ministry has established six goals, including:

- Reforming and improving service quality
- Providing legal protection

[24] In 2006, the course offered a Diploma of that name in the Political Science Master's degree course, commended in International Relations at the Pontificia Universidad Católica del Perú. The Diploma is the only one of its kind in Latin America and teaches about migration policies, illegal migration, gender, remittances, the formation of identity and a course on methodology and another on international relations.

- Providing humanitarian assistance in case of misadventure
- Supporting legal and productive insertion, with respect for rights, in the recipient countries
- Promoting cultural links with the country
- Linking products with the destination country

In the legal field:

- Promoting the Vienna Convention on consular relations between countries.
- Promoting the Vienna Convention on diplomatic relations between countries.
- Promoting and enforcing Peru's Constitution.
- Circulating Supreme Decree N-076-2005-RE which approved the Consular regulations.
- Circulating Supreme Decree N-046-2005-RE which created the Secretariat for Peruvian Communities Abroad (see Diagram 2).
- Circulating and establishing Supreme Decree N-019-2007 dated 18 March which changes the name of the Secretariat for Peruvian Communities for the Sub-secretariat for Peruvian Communities Abroad.

Diagram 2:

Organigram of the Sub-secretariat for Peruvian Communities Abroad

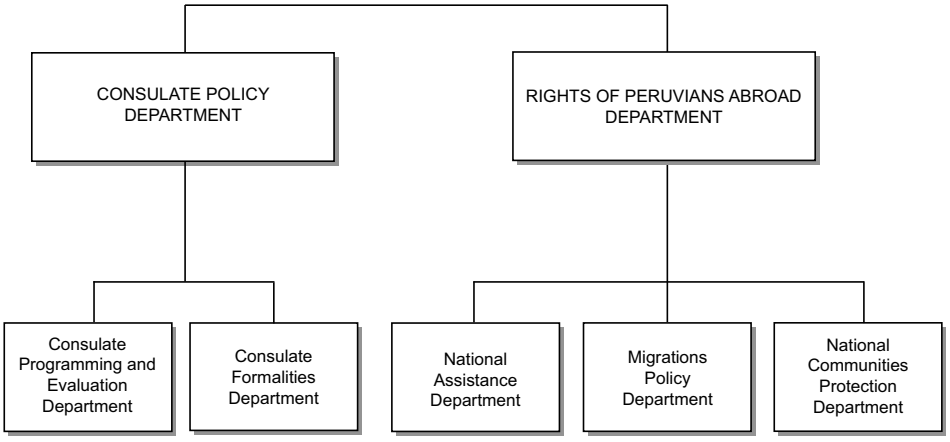


Diagram: Teófilo Altamirano Rúa

– Circulating Supreme Decree N-108-2003-RE which authorises the Foreign Affairs Ministry to grant economic subsidies to Peruvians abroad who are indigent or in great need.
– Circulating and enforcing Ministerial resolution (Ministry of Foreign Affairs) N-1075-2005-RE: Directive for Applying the humanitarian Assistance Programme of Supreme Decree N-108-2003-RE.

To reform and improve consular services in the United States, hours for attending the public have been extended; there is an electronic hotline at this address: sugerencia@rree.gob.pe and telephone information on 51-1-3112400. At each consulate there is an emergency number. An "itinerant consultation" has been established to take these services to where there are more Peruvians. The consulates are currently open for the public one Saturday per month. There is an agreement with the Public Records Office (RENIEC). The procedure for legalising papers in Peru's provinces is being simplified. More official consulates are being opened, replacing the honorary consuls. Consulates have been opened in Seville (Spain), Dallas (the United States) and Nagoya (Japan), and the ministry is studying the possibility of opening consulates in Helsinki (Finland), Brasilia (Brazil) and Cuenca (Ecuador). These consulates have been opened because of the rise in numbers of Peruvians in those cities.

The humanitarian assistance policy is geared to helping the indigent who wish to return to Peru. This is in Article N-1075-2005-RE. Peruvians who are affected by natural disasters, social disturbances or are victims of theft or accidents are given material support. Peruvians under arrest, in prison, in hospital or in vulnerable situations are visited regularly. Clearly the support does not cover the demand because the consulates generally have two major problems. First, they have few staff and the demands grow proportionately with numbers of migrants. Second, because their budget is insufficient. They have an estimated US$ 100,000 per year for a population of a little over three million who are living abroad. In various cases, of sudden death by accident, earthquake etc., the consulates take charge of repatriating the bodies of the deceased.

Regarding the improvement in the quality of life, there is a programme to support Peruvian in their insertion into the productive sectors of society and country which has accepted them through workshops, seminars and activities, in accordance with local law.

The consulates address the legal situation by providing advice to help put papers in order through negotiating with the recipient country, and

thereby encourages more orderly migration. A number of agreements have been signed with countries like Argentina, Chile and Spain regarding social security in healthcare, retirement and recognition of university degrees. However, the vast majority of destination countries have no agreements for recognising university degrees and hence the vast number of Peruvian professionals who cannot get this done, and have to work in areas for which they were not trained and often as manual labourers.

The following agreements have been signed to date: the Memorandum of Understanding with Mexico on consular co-operation and migration affairs. Peru signed agreements with Spain on co-operation on immigration; with Argentina in 1988, the agreement on Migration Regularisation benefitting 80,000 Peruvians, besides simplifying the regularisation procedure; in August 2008, with Chile to regularise 30,000 Peruvians living there illegally; in 2003, with neighbouring Bolivia to regularise 60,000 Peruvians and a mutual agreement was signed with Uruguay on mutual health care services.

In 2008, the Congressional Committee on Foreign Affairs approved a ruling to create an electoral district for Peruvians abroad to elect two congressmen, one for the American continent where most Peruvians are, and another for other continents. In the last elections (2006), 450,000 voters were registered with RENIEC, and over 260,000 voted.

Concerning the use of remittances for productive purposes and household and social development of, the Sub-secretariat for Peruvian Communities Abroad (Ministry of Foreign Affairs) has signed an agreement with Exxed, an insurance and remittances company and the Huancayo Municipal Savings Bank to promote loans of ten times the amount of the remittances households receive (this subject will be fully discussed in Chapter 5).

Similarly, in 2003, Mi Vivienda, a state programme run by the housing ministry, withdrew the ban on Peruvians living abroad from buying houses in their own name. They used to need to show that they had been living in the country for the last few years. Now they can buy a house or flat and can access Mi Vivienda credit to buy and own their property. This has linked them back to Peru and encourages them to return when they retire. For further information, see the portal <www.quintosuyo.org.pe>. This is one of the reasons for Peru's property boom (in 2008 it grew by 21 percent). It is Peru's fastest growing sector.

To promote these new products, besides strengthening a wide network of Peruvian TCS, the ministry of foreign affairs' Sub-secretariat

for Peruvian Communities Abroad, has created the Advice Councils, a kind of intermediary between consular policy and Peruvians abroad. Their attempts to be more effective have been hampered because they are requesting autonomy and because of difference with the current government, however, in Peru two forums have been organised to evaluate their progress and weaknesses. One of the major difficulties of these new networks are the power struggles in the TCS because they are composed of different social classes, party political interests, apart from their capacity for representing Peruvians abroad. The fact that in the United States alone there are 477 TCS (Altamirano 2000b) shows how fragmented they are.

Since the AIPEUC, which in theory represents all the TCS in the United States and Canada, moves have been made to set up a network called the World Association of Peruvian Institutions (AMIP), an enormous effort to create a macro network. The AMIP has centres in Spain, Japan, Argentina and Venezuela, although it has minimal representativity.

In 2004, the Peruvian government decided to pass a Return Act. The Act encourages the voluntary return of Peruvians who want to invest in Peru, exonerating them from taxes, and motivating the repatriation of their household goods without imports duty. The Act facilitates the investment of repatriated capital for setting up small and medium or big businesses. There are no figures for judging the results, although there is some evidence that many retired people are taking advantage of it. Due to the global financial crisis and if Peru shows greater political stability and the economic growth of the last six years, the number of returnees will probably rise.

In summary, there is a substantial change in Peru's foreign policy towards Peruvians, partly because of population change which shows an increase of approximately 230,000 Peruvians who leave the country every year to live abroad and who require more attention, in addition to the pressure they themselves exercise. The main argument of these demands is that they send over US$ 3 billion to the country annually, apart from strengthening and promoting tourism and Peru's cuisine and image abroad. Figures show that half of all tourists who come to Peru are Peruvians. 1,300,000 tourists will come in 2008, 13 percent more than in 2007. The government wants to adapt to contemporary events, in particular tourism and international migration with a more modern view in accordance with current demands which spring from globalisation and new international relations. In this new context, the IT revolution, have a decisive role by linking individuals, families, TC to Peru with recipient countries. Clearly

the channels for linking Peruvians abroad must be perfected; a number of the legal provisions and agreements are still declarations which need greater participation on the part of social and political groups involved and the migrants themselves, the recipient societies and cultures and their domestic and international policies. The TCS and the new legal provisions which are being implemented in accordance with the changes in international relations, find support in some political parties, but opposition in others.

Globally, the new provisions in the destination countries on migration policy in the European Union and the United States, the main regions of global migration, are becoming increasingly protectionist. In the Americas, the free trade agreements and the new blocs of nations, which we mentioned at the beginning of this chapter, will be those that condition the flow of migration and aid policies between countries, apart from defining the treatment of migrants and their real and virtual link back to their countries.

All these conditioning factors develop independently and differently. Some are determined by historical conditions, some by structural conditions and others by expediency. It is the migrants' families who see the results of decisions over migration and evaluate if it is worth migrating or not. At the end of the tunnel the benefits of migration prevail, even when the process is at times uncertain, unsafe, risky and produces family and individual crises.

At the heart of these macro, meso and micro conditions is the migrant, a hinge which better articulates and brings into sight the migration phenomenon. The greatest impact of the phenomenon is the remittances and the mobilisation of human capital. Remittances are the final product of a series of interactions in space and time. If there are more or less of them it will depend on this context. As in this context, state policies condition their flow and efficiency in creating individual, household, local, regional and national development. As we have seen in the case of Peru in the last few years the state has taken political decisions to bring some order to migration. There are still no tangible results, but this may happen with time. Other states still have no public policy to promote development. They may be thinking of this or implementing it. In states like the Philippines, El Salvador, Mexico, Ecuador, Algeria and Morocco, migration is a matter of national interest and as such the development programmes influenced by remittances are much more advanced.

In response to one of the questions, the subject of this chapter, states to start with, in general, do not have the legal instruments to facilitate the flow of remittances and regularise migration, or those they have are out of date and do not correspond to contemporary changes. Because of the quantity and macro-economic and micro-economic impact of remittances, governments are currently becoming more aware, in particular, of linking them up with development programmes. The studies conducted on the subject are making a direct contribution, not only to ascertain the nature of remittances, but to design options and alternatives to link them to productive development projects, especially in poor or middle-income areas.

In the future, to the extent that migration increases or stabilises as it has been doing, governments will incorporate remittances in their political and social policies as we have shown in this chapter. Twenty years ago, remittances were not of national interest. Countries with more nationalist economies and politics like Venezuela, Bolivia, Ecuador and Cuba did not oppose revenue from remittances. Rather, in the case of Ecuador and Bolivia, they are implementing social development projects.

CHAPTER 5
TRANSNATIONAL DEVELOPMENT EXPERIENCE

The growth of remittances in the world is leading to a series of experiences in local, regional, national and international development. While household and community remittances are essentially private because they are produced by the individual and collective labour of migrants, they are becoming part of national development policy. Some countries do this to have better regulations or greater autonomy for those who send the remittances and the households and communities which receive them. Others see remittances as "the goose that lays the golden eggs", which can have a direct social effect on individual, household and community wellbeing, and reduce their own obligations as states for social programmes, an unavoidable responsibility. Some governments even encourage or condition the emigration of their young population with the idea that remittances reduce the problems of finding jobs or of unemployment. Again, the formal and informal transfer agencies and the banks look at emigration with enthusiasm because they receive the benefit of the transfer costs. Indirectly, the NGOs and human rights organisations also contribute to emigration because they defend the human rights of illegal migrants. This occurred in the Rivas Declaration on Migrants' Rights (Spain), published in September, 2008. These organisations condemn the recipient countries for their inhuman policies on migrants, but not the governments and state policies of the sender countries as equally responsible for the breach of human rights, because they do not create the proper conditions for wellbeing which would reduce the number of illegal migrants.

This is the context of the transnational experiences for the use of remittances. I will use as illustrations well-known and emblematic cases of such experiences in different countries. These include: model 3 x 1, implemented in Mexico; co-development, another model which originated in France, followed by Spain and implemented in southern Ecuador; the 10 x 1 model, which works in the city of Huancayo, in the central highlands of Peru; and community development in the highlands of Peru's central Andes. We will discuss each of them below.

5.1. THE 10 X 1 MODEL: THE HUANCAYO MUNICIPAL SAVINGS BANK (PERU)

The city of Huancayo[25] is in the Mantaro Valley, which is one of the most economically developed inter-Andean valleys of Peru. It has an annual growth of 3.9 percent due to internal migration mainly from the southern highlands. It is recognised for its great economic activity due in part to the fact that it was never colonised by the Spanish, which has allowed its inhabitants to have a fairly free and enterprising spirit. Writers like Norman Long and Bryan Roberts (1984); Julian Layte (1976); Richard Adams (1959) and Gabriel Escobar (1982) stress the special nature of the local people and in particular their industriousness matched by their great festive spirit (Romero 1999).

Further typical features are their great mobility and internal —and recently international— migration, not only of the men but also women. Between 1970 and 1972, when I conducted a research project with Norman Long and Bryan Robert,[26] we found that a number of the valley's residents already lived abroad. They were migrants from the local *élites* who for professional reasons had gone to European countries, the United States and Argentina. These migrants subsequently became pioneers going before relatives and non-relatives who emigrated to the same countries because of family and regional networks. These new migrants were from the provincial middle class, from the city of Huancayo and the provinces of Jauja and Concepción and recently Chupaca.

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25 This is Peru's fourth biggest city after Lima, Arequipa and Trujillo, with a population of 465,000 in 2007. It is in Peru's central highlands, 300 km from Lima. It is the most developed city in the Peruvian Andes since it was connected to Lima via road and railway a hundred years ago.

26 The project was called Regional Structure and Entrepreneurial Activity in a Peruvian Valley, funded by the then UK Social Science Research Council (SSRC).

From the 1980s, most emigrants were workers, although professional people still emigrated.

As in the case of the current sender countries, internal migration, particularly from the Mantaro Valley to the city of Lima in the 1940s, to the mining towns some ninety years ago and to the high jungle in the 1990s, have led to international migration, as discussed in a study of shepherds from the highlands of the valley to the western United States (Altamirano 1990; 1992; 2006).

This readiness to move has made the Mantaro Valley a much studied area among other valleys and cities in Peru's highlands.

This cultural and migratory history has shaped the Mantaro Valley and the city of Huancayo which have become the area with the highest migrant population compared with others, even some cities and valleys on the coast. As a result, studies show that the city of Huancayo receives 17 percent of remittances nationwide. Estimates suggest that the figure will reach a little over US$ 3 bn this year, in agreement with my own research and that of the National Institute of Statistics and Information (INEI 2007).

This is the context for our case study of the Huancayo Municipal Savings Bank.[27] Created thirty years ago, the Huancayo Municipal Savings Bank has mainly offered loans to people living in shanty towns and those in the districts and peasant farmer communities of the four provinces of Huancayo, Jauja, Concepción and the recently created province of Chupaca. Subsequently the geographical area has extended to include other provinces, as we shall discuss below.

It all began in 2007, when the workers of the Huancayo Municipal Savings Bank realised that the micro-credit loans were paid from the remittances received by people living in shanty towns and in other districts and communities in the south of the valley, mainly from the recently created province of Chupaca some 10 km from the city of Huancayo. In the interviews held with households for loans, the families stated that they regularly received between US$ 200 and US$ 300 per month, an amount higher than the national average of US$170. If they had two or more relatives abroad, the sum could be higher. The banks began to discuss and

[27] The bank was founded twenty years ago and is an organisation which belongs to the Huancayo provincial municipality and to all the people of Huancayo; but it also acts as a private bank because it makes small loans to promote the creation of small businesses.

analyse the possibility of creating a financial product attractive both to the Savings Bank and its clients (the households). Following an evaluation of feasibility and sustainability, they decided to create a credit line.

In February 2008, the bank opened its new product calling it "Remittance credit" *(Crediremesas)*. The aim was to give loans ten times over the amount of remittances received every month. The condition was that the loans be invested in setting up micro-businesses or small businesses which would make a profit and improve the households' standard of living. A part of the credit would be to pay the loan back. At the same time the *Crediremesas* were given insurance under the average price, and another insurance scheme giving a double grace period to protect the remittance sender and recipient for thirty months, in the event that one of them died, thanks to an agreement signed with the secretary of Peruvian Communities Abroad who represents the Minister of Foreign Affairs; i.e. the government. The credit ceiling is S/. 15, 000 paid over a maximum of fifteen months. On receiving the loan, the client is given a 147 telephone card to make calls to their relatives abroad. The Huancayo Municipal Savings Bank is obliged to provide the borrowers with advice in entrepreneurship.

To date (July, 2008), 300 people have benefited from this credit scheme. More people are expected to take advantage of it in the future, because it is successful. According to the bank directors, it is a unique and pioneering model in Latin America and should be a very efficient alternative, not only for the social and economic development of the borrowers and their relatives but also in future it will have a social and community impact to the extent that it could provide more local employment and increase production in crafts, farming and trade, which are the main activities in the Mantaro Valley.

The bank has designed the web page <www.cajahuancayo.com.pe> to publicise the *Crediremesas* service. It also has a round-the-clock telephone line to provide updated information. The Municipal Savings Bank has its premises in Huancayo's main commercial street, and every time I went to interview the directors I could see large numbers of people filling the offices.

The Municipal Savings Bank directors say that the transfers of money from abroad have stabilised this year due to the economic crisis in the United States, Spain and Italy, from where large amounts are sent, as most Huancayo emigrants are living in those countries. The president of Western Union, the biggest transfer agency in Peru, with about 1000

offices in Peru and its headquarters in Huancayo, told us that 50 percent of the remittances for Huancayo come from the United States and the rest from Spain, Italy, Canada, Chile and Argentina. According to a Western Union executive, the growth in deposits this year to September is over 20 percent against the same month in previous years.

Other Municipal Savings Banks offering credit are those in Piura, Sullana, Paita, Chimbote, Trujillo, Arequipa and Cusco, although they do not use the 10 x 1 model. These are Peru's biggest cities after Lima. The difference with the Huancayo Municipal Savings Bank is that they give loans to people regardless of whether they are relatives of migrants. However, they are interested in building on the example of Huancayo given its success and because many of their clients have relatives who have migrated.

The Huancayo Municipal Savings Bank has 19 branches, mainly in the south of the Mantaro Valley. It also has two branches in Lima and other cities as the Figure below shows. This figure shows that the movement of funds is over one million Sols per month.

Figure 2
Loans made per branch, March-July2008

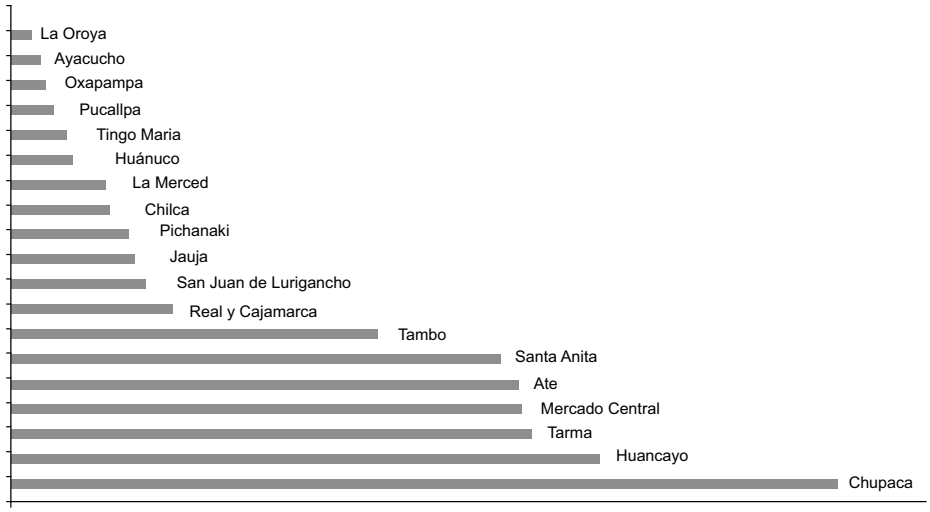


Figure: Teófilo Altamirano Rúa

It is clear that the city of Chupaca receives the most loans. This is because this city handles most of the trade of the eastern, western and southern Mantaro Valley, apart form the high-Andean communities of Chaquicocha and Usibamba, home to the shepherds who work in the United States, who we mention in this chapter. The main office is in Real Street and has approved the most loans after Chupaca. Next is the branch in Tarma, the capital of the province of the same name, one hour from the city of Huancayo, and also a trading city, towards the central jungle of Chanchamayo and Satipo, a large coffee-growing area. In fourth place is Central Market area, where many industrial, agricultural and livestock products from the city of Huancayo are traded. In July 2008, the Lima supermarket chain Plaza Vea opened a store and is enjoying great success. In fifth place is the branch in the district of Ate, in the eastern sector of Lima, where many of the migrants from the Mantaro valley live. Sixth is the Santa Anita branch, another district in the east of Lima, where again many migrants form the Mantaro valley live. The seventh branch is in Tambo, a district to the north of Huancayo, part of the metropolitan area. The eighth is the Real Street branch, near the head office and in the city centre. Ninth is the San Juan de Lurigancho branch, in a district in eastern Lima, next to Ate and Santa Anita; it is the most highly populated of Lima's 44 districts, with a population of over one million. The tenth is in Jauja, one of the Valley's four provinces; it is the second most populated city after Huancayo, in the north of the Mantaro Valley. The eleventh is Pichanaki, a very prosperous city in the central jungle, with a lot of trade in coffee, timber and fruit exports. The twelfth is Chilca, another metropolitan district of Huancayo, to the south, and the poorest of the three districts. The thirteenth is the La Merced branch, another of the seven provinces of the Junín department, also in the central jungle, two and a half hours from the city of Huancayo, an old city with less trade than Pichanaki. The fourteenth is the branch in Huánuco, capital of the department of the same name, similar to Tarma, a city at the entrance of the centre-northern jungle of Tingo María and Tocache. In fifteenth place is Tingo María, a high jungle city and producer of coca-leaf, livestock, agriculture and timber producer. Pucallpa comes sixteenth: it is the capital of the Ucayali department, an entirely jungle areas of with high and low jungle, a city with major population growth due to migration from the Andes and Amazon and a great timber producing areas, with a border with the Huánuco and Junín departments. Oxapampa is in seventeenth place. It is the capital of the province in the department of Cerro de Pasco,

bordering on Ucayali, Huánuco, Junín and Loreto; known for the best Peruvian coffee of export quality, an areas settled by immigrants from the Austrian and German Tyrol one hundred and fifty years ago. The eighteenth branch is in the city of Ayacucho, a department to the south of Junín and one of the poorest departments of Peru, whose main activity is tourism and folk crafts. Finally the nineteenth branch is in La Oroya, a mining town at 4,000 metres above sea level, on the road from Lima to Huancayo.

Unlike the banks, the Huancayo Municipal Savings Bank is closer to the medium-sized and smaller towns. It offers small loans to low-income clients. It charges lower interest than the banks and is part of a growing network in countries like Peru, Bangladesh, Pakistan and many African countries; it is less vulnerable to the major financial crises which the big banks suffer. It adapts to the economic rationale of households which are typically reluctant to take risks. Women, as in Bangladesh, have started working in these micro-credits and are good payers.

The example of the Huancayo Municipal Savings Bank shows that we must be more informed about how it works and also see how we can connect up with local development so that this can become part of government social policies in countries in which medium and small businesses make up over 50 percent of the economy. In Peru they constitute 80 percent of our economy.

5.2. THE 3 X 1 MODEL (MEXICO)

For Mexico, the question of migration, particularly to and from the United States, has a structural and historical character and is always at the top of the international, national, regional and local agenda. This is one of the reasons for the great number of studies, especially on remittances, conducted by authors such as Rodolfo de la Garza and Lindsay Bryan Lowell (2002); Manuel Orosco (2005); Rafael Alarcón (2002); Germán Hoyos-Zárate (2002); Daniel Mackensie (2006) and others, analysing the social and economic impact of remittances. They all have a positive position because they argue that for the poor countries remittances have a quantitative significance not just in terms of volume but also of the benefits they bring to households and communities.

The authors make a distinction between household and community remittances. They contend that the former empower the households that

remain in the country and that the latter have a more social function. In this chapter we will be looking at the latter, which have given rise to the 3 x 1 model. Before the discussion, we will pay special attention to the role of the migrants' associations called Home Town Associations (HTAs) in the United States.

According to Rafael Alarcón (2002), it all started in 1970, when a group of manual labourers in Arizona who had formed the Arizona Workers' Union, decided to send part of their salaries to their communities of origin to invest them in farming development, to reduce the number of workers emigrating illegally. In 1990, a commission created by the US Congress to study international migration and cooperative economic development, recommended using remittances to reduce the number of illegal workers and that this problem be resolved by migrants themselves organised in the HTAs.

These organisations are set up by migrants from specific places, who share kinship relations, a common language and transnational cultural relationships. The state of Zacatecas has about three million inhabitants, of which 1.5 million are in the United States which is where the project began. Already in 1995, Goldring states that this state had 56 public projects in 34 villages where investment totalled US$ 600 million. Similarly, the Michoacanos Club Federation in Illinois by that time had sent US$ 650,000 to support public projects in the villages of Michoacán.

The HTAs are organised and run in four different ways. First, when a group of migrants who come essentially from the same village, district or state decide to form a voluntary association to provide each other with reciprocal economic help, especially at times of crisis and supporting new arrivals; second, when a group of migrants from the same village decides to set up a "hometown" association. Third, because of the migrants' religious faith they organise and celebrate the festival day of their village's patron saint and assign someone to take charge of the celebration; fourth, when the Mexican consulate, through the Mexicans Abroad Programme (PACME), decides to organise them to hold social and political activities and be part of a communication network with the Mexican federal government and the state.

The first three forms of organisation are the creation of the migrants themselves and are more autonomous and sustainable. The fourth is a top-down organisation and is more dependent and may run the risk of disbanding when there are political changes in the Mexican state or government.

The HTAs come from fundamentally rural areas, where the ethnic and kinship relationships are stronger, in particular in the states where there is higher emigration like Zacatecas, Michoacán, Jalisco and Oaxaca. For 1998, according to the consul general in Los Angeles, there were already 170 HTAs from 18 states all registered at the Mexican consulate. Similar or bigger HTAs are being set up or exist informally and which work in the same way as the formal associations, or do not wish to be registered because their politics are different from those of the PRI (Independent Revolutionary Party) which was in power. In the mid-1980s, the Zacatecanos Clubs Federation (FCZSC) was established in southern California sponsored by the governor of Zacatecas.

By 1986 the Zacatecas governor and the FCZSC had established an agreement to formulate a development programme called 2 x 1. It involved the State and the federal government contributing US$ 1 to match the same amount provided by the migrants through the HTA. Subsequently, this programme was extended to other states.

The right-wing government of President Ernesto Zedillo cancelled the programme. Nevertheless, the state of Zacatecas pressed ahead with it. As a political response to the PRI party, Zedillo, the Zacatecas governor who belonged to the opposition party Revolución Democrática (Democratic Revolution - PRID), created the 3 x 1 model with the participation of the HTAs, the local municipality, the state and the federal government, each with one-quarter participation and run by the HTAs. This programme began in 1997 with a capital of US$ 300,000 (Alarcón 2002). One year later, this capital rose to US$ 5 million invested in 93 projects in 27 municipalities.

Alarcón (2002: 105) states that the Zacatecanos Clubs Federation in southern California is now part of the Jaliscienses Clubs Federation. However, according to Zabin and Escala (1998), quoted by Alarcón (2002) on page 105, this federation has not had much success because its leaders have centralised power. One of the reasons why the 3 x 1 model has failed to reach its objectives in many states is the struggle for political power. Each of the four entities ascribe functions to themselves and claim successes as their own. The power struggle between the PRI, the PRD and the PAN (National Action Party) often caused more conflict than consensus. It is also often very hard to maintain the balance of the 3 x 1 as a model, because one or two of the four participants give more money than the others, which makes trouble. Mexico is a country in which provincial figureheads are part of the political landscape. In addition, the federal government has

noticed the modest success of these programmes and has cut back on its social policy functions and obligations. The government has also created its own programme called Oportunidades, geared to poor households, who receive money each month for their children's health and education. This programme is generally managed by women.[28] Evaluations indicate that it is relatively successful because it has managed to reduce extreme poverty particularly in the southern states. For various governments, the link with the HTAs was vital for electoral, political and economic reasons. For the PRI, the PAN and the PDR the benefits become political resources because of the amount of Mexican migrants involved at election time. Now that since 2006 migrants can vote in the presidential elections in the United States, political party interest in the migrants has grown. The Institute for Mexicans Abroad (IME) which is part of the Ministry of the Interior, aims to join all the HTAs into a single organisation to facilitate communications with the federal and state governments and the municipalities.

Below we present some collective projects which have used the 3 x 1 model in Zacatecas.

Chart 8
Collective 3 x 1 model projects

Village	Municipality	HTA funds	Projects	Total cost (Pesos)
La Capilla	Pinos	475,000	Paving the highway	1,900,000
Estanzuela	Sombrerete	207,000	Water well construction	82,000
Tlatemango	Tlatemango	250,000	Improving the bull-ring	1,000,000
Río Chico	Frerrillo	27,500	Computer equipment	119,000

Source: Alarcón (2002: 111-112)

These are some of the projects funded to 1999. Others include building schools, improving sports fields, churches, chapels, roads, installing

[28] Peru has a similar programme called "Juntos". The difference is that it grants 100 New Sols (about US$ 30) per month to women in Peru's poorest departments in the southern Andes.

electricity plants, paving streets, etc. Clearly most projects are to improve the look of the village and few aim to set up small businesses or to improve agriculture with an impact on production. They do however create jobs because construction work means employment and income for those who remain in the village. As such, they improve the workers' quality of life.

A reading of the destination of collective remittances shows that the construction works given priority by migrants are for them synonymous with development. As in the case of the Andean countries, development is related to urban improvement: the more the villages look like towns and small cities like medium or big cities, the better. The migrants wanted to find their villages more urbanised on their return.

Critics of collective remittances argue that projects run by migrants are geared to urban development and neglect the needs of the rural population where the poorest population lives. They also say that they are not sustainable because they do not create wealth or empower peasant farmer families.

Those who differ maintain that remittances not only demonstrate the link with the village but also that apart from providing construction works they provide a kind of social security for the future for the immigrants who return to their place of origin —providing comforts they did not have before migrating.

In my opinion, these contradictory views should take a third one into account, a middle way which analyses the costs and benefits of the construction works. Certainly, like all development projects, these are not perfect, but they are perfectible and as such they can be improved. We should also recognise that construction works have a social impact unlike household remittances which tend to provide economic empowerment to the families who remain, producing differences and inequalities between households whose relatives have migrated or not. Migrants can decide not to send collective remittances and deposit income in a bank or buy food where they work or elsewhere. So it is a positive move if they send this income to their villages of origin.

According to García-Zamora (2003: 213), in 2000, the Zacatecas clubs had invested US$ 1,500.000 using the 3 x 1 model in 93 community projects. He points out that from 2002 onwards, they began to implement productive projects improving the farming of *maguey*, the raw material of tequila; vegetables, aloe vera and oregano, for export. They have also improved livestock farming and have created textile factories for women,

all in the south of Zacatecas. In recent years, the Zacatecas clubs have been negotiating IDB loans. The bank has shown a lot of interest because these are initiatives of the local people themselves and not the state or the federal government.

According to the Mexican Consulate, in Chicago (the city with the second highest number of Mexicans after Los Angeles), in August 1998 there were 29 HTAs set up by Zacatecas migrants. Like their countrymen in Los Angeles, they also send collective remittances for the 3 x 1 programmes.

Like the Mexican HTAs, and in particular the Zacatecas HTA, there are also others composed of migrants from the Dominican Republic, Guatemala, and El Salvador. I conducted a study in 2000 and recorded 477 Peruvian HTAs throughout the United States. These organisations typically have a common denominator: they are founded to promote development in their villages of origin, they state clearly in their statutes that they belong to no specific political party, they do not discriminate between religion, social class, economic position, gender, race or ethnic background, although most of them are composed of migrants with similar economic, social and ethnic positions. This was one of the main obstacles on the various occasions they tried to establish a more inclusive and democratic policy. As a result, peasant farmers and the indigenous belong to the same organisation, while Creoles and *mestizos* belong to others. The high-class white *élites* tend to set up their own organisations although they are not very interested in development projects or programmes like the 3 x 1 model. Neither do they send home remittances in the same quantities as the poor urban communities or the manual labourers. The nature of the upper-class HTAs is more social and cultural and sometimes political, to support the right-wing political parties in their countries of origin.

To summarise, despite the number of studies conducted to date on the advent, organisation, functions and socio-economic impact of collective remittances through the HTAs, there is a lack of anthropological information, besides studies of their sustainability because in general it is the migrants but not their children that are committed to the development of their places of origin. While there are migrants, there will be HTAs and they will reproduce themselves constantly. Some will be more organised and effective for the development of their villages, others less so, or at some point in their life cycle they have been more useful to their places of origin.

The form of other associations must also be analysed, although authors such as Alarcón (2002), and Portes, Escobar and Walton (2006) have tried to find similarities and differences between those from Mexico, Guatemala, El Salvador and the Dominican Republic. I have conducted a study with internal migrants in Peru and Peruvians in Spain and the United States and I have analysed subjects like leadership, social organisation and the links —economic (collective remittances), social and cultural— with their villages of origin in a comparative study (Altamirano 2000a y 2000b).

An interesting aspect of the HTAs is that they have common and specific features. The common characteristics are as follows:

- The organisation is composed of those who come from the same place of origin and go to the same destination.
- The aim of the association is to help and keep in touch with their villages through collective remittances —monetary and non-monetary— frequent trips back to the village and maintaining networks using internet.
- The organisation structure is similar to that in their villages of origin with similar functions.
- They develop as pressure groups addressing the governments of their countries to demand the rights of those who have stayed behind.
- They have the capacity for negotiating with other entities, in both the country of origin and of destination.
- They have a definite life cycle. Some are created with great enthusiasm and survive, others arise in response to certain circumstances to achieve particular objectives and then enter into a lengthy decline or disappear.

The specific characteristics include:

- Mexican HTAs have a more solid organisation structure and clearer functions as promoters of development.
- Peruvian HTAs in the United States and Spain are very similar to the Mexican ones, although their development projects do not have structures like the 3 x 1. They tend to have very specific and informal functions.
- The HTAs of El Salvador, Guatemala and the Dominican Republic are more sporadic and are becoming consolidated, because they are more recent than their Peruvian and Mexican equivalents.

- Peruvian HTAs are more scattered and less concentrated than the Mexicans. An indicator of this is that there are 477 HTAs in the United States and 15 in Spain for a migrant population of about one million and 130,000 migrants respectively.
- The HTAs of Mexican origin vary. Those from Zacatecas have greater experience in local development and are better organised in comparison with those of other states. As a result, they can become models for the other states and other countries whose migrants are organised.
- The HTAs and their development practices have also shown weaknesses in their organisations. One of them is their limited continuity and sustainability due partly to the fact that many migrants have not joined or shown interest because of the local or regional figureheads. As a result, in terms of local development policy, the 3 x 1 model experience is a very useful example; without it other models would start from scratch and be experimental. This often happens in rural development projects, most of which have failed because either the human or the social capital or both have been inadequate or were not sufficiently skilled to implement the draft project and later evaluate or monitor it.

Many draft development projects are very well designed. The problem emerges when they are implemented because human relations do not allow the original guidelines to be followed, sometimes because of professional or expert ethnocentrism. The professionals or experts often act on their own, considering the rest of the team casual, complementary or supplementary. These aspects will be studied in the final chapter of this book.

5.3. THE MURCIA-CAÑAR CO-DEVELOPMENT PROJECT (SPAIN-ECUADOR)

Ecuador is an Andean country and together with Peru and Bolivia has witnessed a similar migration process. First came the internal migration from the Andes, particularly from the south (Loja, El Oro and Azuay) to the coast, attracted by the export-driven agriculture of bananas and figs. From the 1970s, migration began to move abroad, principally to the United States, preceded by the upper class migration to Western Europe (Altamirano

2006: 14-17). The largest wave of migration took place between the 1970s and the 1980s, when the US economy, including the Southeast of Canada, was growing rapidly. This created more jobs in industry, construction and agriculture.

In the 1990s, the United States put up more barriers to immigration due to the growing labour demand of millions of immigrants, chiefly Latin Americans not only from Mexico but Central America and the Andean countries of South America. Until then, Ecuadoreans had diversified their destinations going to countries like Colombia, Venezuela and Western Europe, led by the indigenous or *tavadeños* who were the pioneers. However, far fewer went there than to the United States. In a study in 2006, I discussed four stages in Ecuador's migration process. It began in the period of the 1920s to the 1940s, characterized by the migration of the political and economic élite to Western Europe. Subsequently, in the period of the 1950s to the 1960s migrants went in search of work and specialisation to the same destinations of Western Europe and the United States. The 1980s became more unilateral, in other words to the United States and in a lesser number to south-eastern Canada, Colombia and Venezuela. Finally the last eighteen years, particularly since the second half of the 1990s, migrants have gone mainly to Spain and Italy.

The events of 11 September, 2001 in New York, when the Twin Towers were demolished, meant for Ecuador and all the Andean and Latin American countries a dramatic change in the direction of migration due to the new US migration policies which involved greater restrictions and control.

Until then, Ecuadoreans did not need a visa to visit the European Union, particularly Spain. This meant that hundreds of thousands of Ecuadoreans, mainly from the South, the region of highest emigration, decided to emigrate to Spain, which at that time was experiencing economic growth and needed manual labour because its demographic growth had suddenly come to a halt. A smaller number emigrated to Italy, where circumstances were similar. In a few years, Ecuadoreans became the second largest immigrant group in Spain, outnumbering Moroccans, Colombians, Dominicans and Peruvians. Current estimates suggest that there are some 600,000 Ecuadoreans throughout Spain. In April 2006, the Spanish government decided that all Ecuadorians who wished to cross its borders needed a visa. This meant a drop in immigration, although it did not stop because covert immigration began. Spanish law also permitted family reunion for those who had residence and Spanish nationality.

This is the context of the co-development policies. This is a measure which tries to reduce immigration by creating development conditions in the areas of high immigration and also by the positive assimilation of immigrants into Spanish society and culture. This is what theoreticians and specialists in migration call co-development. The events of March 2004, at the Madrid railway station, was another point which influenced Spain's internal migration policy. However, the in-coming Socialist government did not take steps against immigrants, in particular those from the Andean countries like Ecuador, Peru, Colombia and Bolivia. The recession in the Spanish and Italian economies and the Return Directive of 18 June, 2008 are other events of recent months leading to qualitative change in European Union migration policy, especially in Italia and Spain.

The concept of co-development has provoked diverse interpretations and criticisms, both for and against. Para Almudena Cortes (2005: 254), co-development is a clearly positive response to make migration an instrument for the development of migrants and their families and their communities of origin, as for the recipient country. For me in particular it is rather more a subtle way of reducing immigration or encouraging return after the destination countries have benefited from cheap and plentiful labour. Once the migrants contribute to Spain's economic growth, or cover the labour market, immigrants are no longer necessary and migration policy will be more restrictive, as has happened over the last four months, not only in Spain but in other European Union countries.

The concept of co-development first appeared in France with Sami Nair, the first to use it in the French Ministry of Foreign Affairs. The core idea, according to Nair, is to benefit the countries of origin and France, generally using the view of migration as a means to unite two or more nations.

In this perspective migrants are an agent of development, with their personal and social qualities and through their family and local networks. This example is taken up by European Union countries when they begin to feel the pressure of immigration and no longer see immigrants as necessary, but as a problem for the political stability of the European Union countries.

Subsequently this perspective would be strengthened by the events of 11 September, 2001 in the United States. It was then that the concept of internal and external security entered the political debate; migrants no longer seemed to contribute to wellbeing, but to be suspicious. From the academic debate and implementation the subject moved into

the political arena. Following the events of March, 2004 at the Madrid railway station, the question of immigration became agitated and there was greater controversy about its nature. The question of security entered political debate again. However, the Spanish government wanted to see humanitarian treatment for immigrants and allocated a lot of money to implement co-development policies and thus sustain the ideal of being a "good immigrant", in particular from the Andean countries which seem much more biddable and obedient and many immigrants from there had higher education and were ready to accept lower wages provided that they could realise their "Spanish dream" and send remittances home, while in the Andean countries the economy and political crisis is an every-day problem. The events of July 2005, in the London underground, reminded the European Union countries again of immigrants and how to deal with them.

In 2003, Spain signed an agreement with sender countries like Poland, Romania, the Dominican Republic, Ecuador, Colombia, Peru and Chile to fight against illegal immigration. The agreement with Ecuador, specifically, consists of selecting immigrants to cover labour needs and jobs vacant. In March 2005, a member of the Spanish Cooperation Secretary of State visited Ecuador to continue planning and implementing the project, although the Migration, Communication and Development Plan had begun to shape the base-line for the Ecuador-Spain co-development project. The plan has been working since 2005 at the behest of civil society organisations like the Ecuadorean Episcopal Conference (CEE). Three years earlier, in January 2002, the Migrants' Centre project was begun in Quito, an initiative backed by the Quito Municipality. While this was happening in Ecuador, the recently formed Rumiñahui Association in Spain decided to be the intermediary organisation between migrants and civil organisations which support migrants, including another Rumiñahui Association based in Quito.

This is the backdrop for the formulation of the Murcia-Cañar co-development project which we will use as a reference for the whole project. Below, we present the organisation, functions and various individual, social and institutional parties involved.

The Spanish Embassy in Ecuador, the Spanish Cooperation Agency, the Murcia Region and the Ecuador National Migrants' Secretariat provide the major part of the legal, social, political and economic framework.

The more specific institutional framework of the project is composed of the following parties: in Spain, the Spanish Cooperation Plan

Department 2005-2008, part of the Ministry of Labour and Social Affairs,[29] and the Spanish Strategic Plan for Citizenship and Integration 2007-2010. In Ecuador: the National Committee on Migration and the Discussion Group on Co-development and the Secretary of State for Immigration and Emigration, a mixed body of Spanish and Ecuadoreans. In 2005, the project began to call itself Ecuador-Spain Co-development. This decision involved implementing the Murcia-Cañar pilot project. All of these bodies are geared to providing the foundations for guaranteeing the human rights of Ecuadorean migrants at their origin and their destination. And to incorporate migrants as actors in integration and development and grant them sustainability and funding.

These activities were to be carried out in the places of origin and destination. In the places of origin, they involved support for co-development projects, governance and institutional strengthening; in the destination places, recognition and enforcement of immigrants' rights to education and health. The Murcia Autonomous Community and the Cañar Canton decided to transfer resources, labour, social capital and funding. The Cañar Canton has 54,000 inhabitants, 12 parishes and 270 indigenous communities. The population is made up of 60 percent *mestizos* and 40 percent indigenous people; it has an emigrant population of about 30 percent who have gone to the United States, Spain and Italy, in that order. In Murcia there are about 4,000 Ecuadorean working in agriculture.

The project began in January 2006 and will last until 2010 with a total budget of US$ 6,389,310. The local and national entities involved in the project are the Ecuadorean National Migrants' Secretariat; the Autonomous Community of the Murcia Region through the Foreign Action Service, Immigration and Volunteer Work; the Spanish funding entities are AECI, the Murcia Region Autonomous Community, the Mediterranean Savings Bank and the Totoma Municipality. In Ecuador, the Cañar Provincial Council, local NGOs, and the indigenous communities of the Cañar province. Diagram 3 summarises the interaction of the entities in operating co-development.

All development projects need constant monitoring and evaluation to ensure that they reach at least most of their objectives.

People and institutions from both countries must carry out evaluations to decide whether the project goes ahead or not. To date, the evaluations

[29] From 2007, this ministry was known as the Ministry for Labour and Migration, due to the growing importance of this process in Spain, particularly, immigration.

have been good, although some objectives have not been achieved, or have only been achieved in part. Two of the greatest obstacles here was that the budget was clearly not enough for some ambitious objectives and the cultural difficulties between the Spanish and Ecuadorean teams. They had high expectations because it was the first time they had implemented a bi-national project, and the organisational capacities vary because of the way they use their time. While for the people of Cañar time is flexible, for the Spanish it is finite and a scarce resource when there are goals and deadlines, since the project will not go on forever. Another difficulty is the almost constant movements of the teams in both countries. It is hard to organise meetings in such circumstances. They also differ over who takes decisions and how to distribute the funds for each objective. So for example, as shown in Diagram 3, in Cañar the objective is comprehensive development including economic, social and cultural aspects. Those involved in achieving the goal do not work in a complementary manner. For example, the funds are distributed unequally across the population. This happens in other countries and in the Andean cultures. A few have more and the majority little or nothing. Sometimes more people demand their rights but the project is only geared to a specific sector which is not necessarily an efficient agent for consolidating inequalities and injustice. This in turn leads to social unrest and the agents for change lose legitimacy and representativity.

Another major obstacle in implementation is the large number of people and entities involved. The beneficiaries and their organisations are just some of the many and as such can become passive recipients. In turn, this can limit the extent to which their capacities and liberties are strengthened. An additional obstacle is the difficulties involved in conveying information to local leaders and organisations. This affects sustainability. A project is successful when local organisations can manage it alone without the supervision of third parties, because such people would be leaving, in this case in 2010, and it is the people of Cañar who remain.

On the other side of the Atlantic (Murcia), the job is to integrate the Ecuadoreans socially, economically and culturally. They also have people, institutions and the migrants' own organisations to do this. This is not an easy task either, even though they have a common religion and language. My experience with other migrants has taught me that migrants develop a way of being and of living and assume a subordinate demeanour for two reasons: first, because they are in another country; second, because they need to send money to family or village. These two situations leave them

Diagram 3:

Interaction of the Murcia-Cañar Project (Spain-Ecuador)

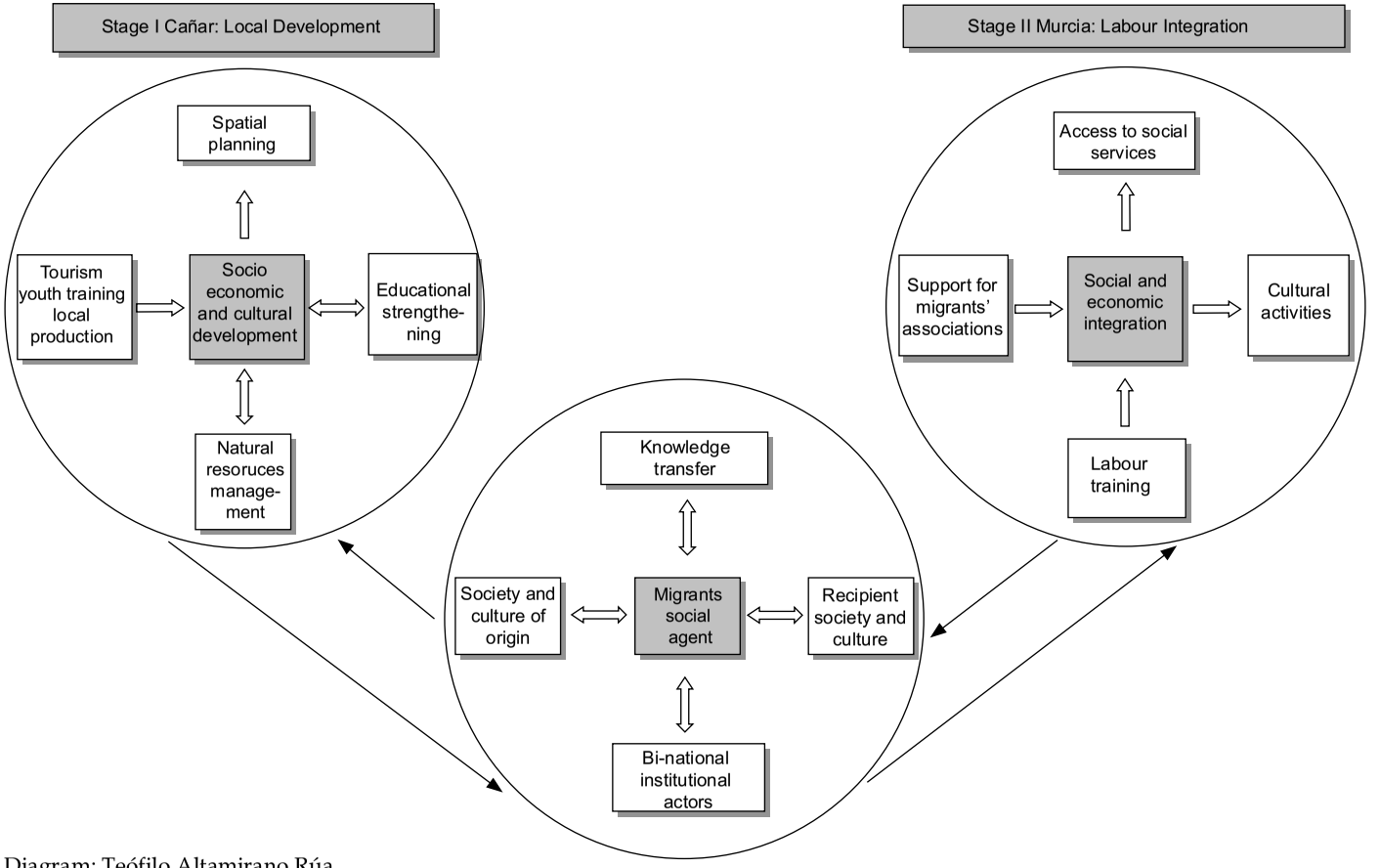


Diagram: Teófilo Altamirano Rúa

more vulnerable in their dealings with the entities and people in charge of the project.

Their first priority is their work, and this impedes them in demanding that their rights be respected. They act relatively freely when involved in their cultural activities, but they do this on public holidays. They have an advantage compared with those who do not work in agriculture, which is that most of them have been peasant farmers. As a result, they do not face labour shock. They also have the chance to get training in new techniques. Their families are with them, which reduces the emotional cost that others feel, particularly in the cities.

In the third stage, also called the intermediate or intermediary stage between the two (origin and destination), migrants are the heroes of co-development and all the parties involved. They are at the forefront of linking up the transnational family, those who are still home in the village with the recipient culture and society and act as intermediaries, because they cover the labour need left by the adults and young people who went to the medium and big cities within the country and abroad. It is the migrants who revive schools which have ever fewer pupils, talk to those in charge of the project with the good of their country, their parish or their community at heart, constantly thinking of returning or not, bringing over their family or not, and who learn new crop and stock farming technologies.

It is a winding road, but one full of hope to lay the foundation of a sometimes elusive and unsatisfying prosperity. Migrants give completely, with no thought for themselves, so that their children and their whole family can have a better life. While the household at home is expecting the next remittance, and perhaps in the near future will not need co-development projects "from above" or bi-national entities. In development work in other parts of the world these have helped generate and consolidate paternalism, mere charity or patron and client relationships, inhibiting the innate qualities of organisation, management and agency of the beneficiaries themselves. They are responsible for success and failure and will deal with the costs and benefits. Perhaps these co-development entities are necessary only in the early stages because they have the capacity for organisation, management and money and can gradually delegate that capacity to the migrants, their transnational households and their representative organisations. Then the co-development entities will have done their job and will not become permanent, which is what happens with projects brought in "from above". Projects "from the

middle" i.e. designed, implemented and evaluated by organised migrants and their counterparts in their communities of origin will be more independent and relatively more autonomous than NGOs or regional or national authorities. Since they are closer to the grass roots, particularly to the poorest members of the community, they will be able to convey their knowledge of agency, management and organisation to generate and create conditions for development "from below" which can give the poor the opportunity for self-government or self-development, concepts now apparently utopian, but nevertheless possible to realise when the country men and women who have traditionally been marginalised and excluded by larger societies and cultures are empowered.

5.4. COMMUNITY DEVELOPMENT: SHEPHERDS IN THE UNITED STATES (PERU)

Unlike Peruvian emigration, which has generally been the option of the middle, lower-middle and high classes, the shepherds are indigenous and peasant farmers from the highlands of the Mantaro Valley in Peru's central Andes. The story goes back to 1971, when the first of these emigrated to the western US to work as hired labour on the ranches of Wyoming, Idaho, Utah, Nevada, California and Colorado.

According to the information I received from the shepherds in the city of Evanston in Wyoming (April, 1991), the first shepherds started working with the wool livestock. The ranchers were Scots, Irish and some from the US and were wool farmers supplying the garment industry. The first shepherds were Basques (Spain), called "sheep herders". In 1939, Spain was ruled by Franco and the domestic economy stagnated. The Basques saw going to the United States as progress, because salaries were better. When Franco died in 1975 and the constitutional monarchy was established, the economic conditions and salaries for shepherds began to improve, as did the chances of remaining in Spain.

This produced a foreign demand for shepherds. Nevertheless, since the wool industry ran into difficulties on the domestic market because the garment industry started using large amounts of synthetic cloth. The demand for cotton also fell and with it employment. Cotton production also, produced in great quantities in the Mississippi valley, especially in the south where the plantations had existed, also slowed. The children

of the sheep ranchers started working in other jobs in industry or business.

The new circumstances led the ranchers to look for cheap labour to offset the drop in demand for wool. In 1970, the Western Ranch Association (WRA), based in Sacramento, the capital of the state of California which was from the start an intermediary between the Basque shepherds and the US government, heard that Peru had shepherds in the central highlands. A member of the WRA came to Peru and travelled to the central highlands and "hired" some shepherds. Once on the ranches, Peruvians were seen to be very efficient, hard workers and they won the trust of their employers. Some of the latter were the children of Basque shepherds, who had gone on to become owners of small ranches. The large ranches were owned by Americans and the descendents of the Irish and Scots. The Peruvian shepherds' capacity for work and ability to adapt was the strongest card for bringing in more of them.

Fewer and fewer Basques came. Spain was growing economically, and had a low birth rate similar to other European Union countries. Almost all of the pioneer shepherds returned to Peru after four or five years. Their return raised great expectations in their communities because they brought Dollars, told of their experiences, invested in modern housing, their children's education, etc.

Some bought cars to transport farm produce, others built houses in the cities of Huancayo, Cerro de Pasco, Junín, etc., or invested in improving farming. Ten years later, the number of shepherds had grown to about 3,000, according to the oldest sources. By then, the Peruvians had definitely replaced the Basques. A labour recruitment office was opened in Lima , run by an engineer who had worked for many years on an *hacienda* which belonged to the US-owned Cerro de Pasco Copper Corporation. It was no longer necessary to go out to the communities to recruit labour, because the shepherds came to Lima to be selected. In Lima they had to pass an exam. It was most important that they should be shepherds or shepherds' children and had to be healthy to be able to deal with sharp temperature changes, specially in summer. Once selected, the labourer travelled to Los Angeles or San Francisco with the H2A visa, initially for two or three years, for the duration of the contract. Work began the next day, with training by shepherds who were generally relatives and who helped as interpreters or took over teaching the new labourers their work.

In the 1980s the WRA extended its area of recruitment to other countries like Ecuador, Chile and Mexico, where fewer people came,

partly because they lacked prior experience. There was more of a demand for Peruvians however.

In the second half of the 1980s the labour demand fell because the price of wool remained low. The labour market was fairly saturated, while the demand for work grew every year because of the impoverishment of the emigrants' places of origin and partly because of the political violence which spread across central Peru from 1985.

From about 1985, fewer migrants returned because of the poor opportunities in their villages. At the same time, labour supply dropped due partially to international competition in wool production and lamb from New Zealand, Australia, Argentina, Canada, etc.

In 1990, the WRA, which ran the 280 ranches, reported that of a total of 4,000 shepherds, 3,000 were Peruvian. This was confirmed in the *Perú* newspaper published in Burlingame, California, in an article on page 7 of its December issue.

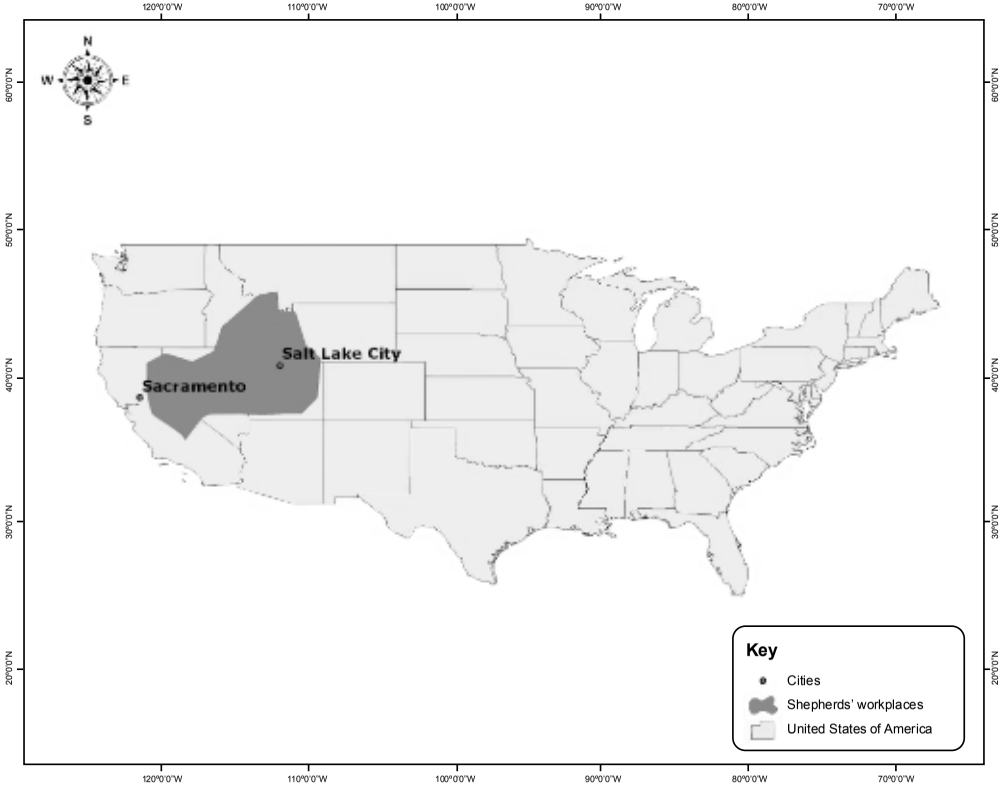
Map 1 shows the area where Peruvian shepherds have worked from 1980 to date.

a) Grazing

Labour conditions changed with technological progress in sheep herding and international wool and lamb's meat prices. The pioneer migrants found a relatively favourable labour environment, the shepherds worked entirely with the sheep and met with few difficulties in doing their work. The attractive salary was the magnet for emigration. They were able to save almost their whole salary to send to their families who lived on what they provided for themselves. Another attraction was the better labour conditions compared with those in their communities. Each shepherd is given a big, strong horse, two dogs and winter and summer clothing. They also have a trailer to live in.

In the 1980s there were no significant changes in their work, the technology for watching the sheep remained the same. The ranches which had begun to grow in the 1970s started to feel an economic and technological recession. Wages did not go up; US$ 20 continued to be the daily wage. Some older shepherds had become foremen and took food and clothes out to the shepherds once a week from the ranch to where they were working, usually an hour or two away by car. Every shepherd wanted to be a foreman, not only because of the sort of work, but because the salary was higher (approximately US$ 800 per month).

Map 1
Grazing areas



Map: Teófilo Altamirano Rúa

A shepherd must be on call all the time, working round the clock. Each shepherd has from 800 to 2,000 sheep, which graze by day and must be brought in at night, near the trailer where they sleep alone.

A shepherd's job has three distinct cyclical phases which depend on the changing weather.

- **First phase**

From March to mid-May, the animals are taken to the ranch or the owner's house in the country. Owners usually live in the town.[30] This is the lambing season. The sheep are shorn, tended and branded. Hay or dried alfalfa bales are bought. The horses are shod, the trailers and clothes cleaned. The shepherds work shifts to attend to the lambing. The new shepherds do the night shift because the older hands do not want to. The weather is still cold and wet, it is very muddy, the ranch smells of sheep manure and the sheep bleat constantly. Fortunately our source was working the night shift and we were able to talk for three hours. He arrived two years ago, he left his family and wants to end his contract to return home. His experience, like that of all the shepherds, can be summarised in his own words, spoken before the interview: "When you are in Peru, you dream of the United States, and when you are here, you dream of being back in Peru". This is the only time the shepherds get together. The four Inga brothers were back together after nine months without seeing each other. It is also the only opportunity to visit Salt Lake City at a weekend or to play in the football match.[31] Days off are few because they need the owner's permission, and he does not like shepherds to leave, because he says that several times they never came back.

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30 In April, 1991 I visited a ranch and saw how the owners took an active part in the work directing it. The work is constant. After lunch, at which we were guests, they got back to work. The shepherds were Peruvian brothers from San Juan de Jarpa (in the Mantaro Valley). The rancher was the former chair of the American Sheep Breeders Association. His last name was Gilmore, of Scottish descent and the former mayor of Salt Lake City, capital of the state of Utah, who died in an accident herding his sheep down from the highlands. His widow and son still run the ranch which is fifty minute's drive to the north of Salt Lake City.

31 Many shepherds and others who have left and now work in other jobs in the city have formed an association called Club Perú (Sports, social and cultural club) and take part in the football championship between March and May. Latin migrants, especially Mexicans, join in.

- **Second phase**

This starts between 15 and 30 May, every year when the shepherds go to the moors or uplands, because it is warmer and the grass is growing. Once back where they were before, they stay for five months until October or November (summer and part of autumn). The shepherds move their trailers as the pasture is eaten down. The foremen help with this work on their weekly visits. During the day they ride their horse accompanied by their sheepdogs. They have a transistor with a cassette player to listen to programmes in Spanish. At night, they go back to the trailer where they make supper and go to bed. But they are always on the alert to any disturbance because there are wild animals like mountain cats, foxes, snakes and wolves that wake up the sheep.

In this season it is very hot, and can reach 35 degrees in the shade. The shepherds complain about the heat, they have to use the pools to bathe. It is the hunting season, and sometimes sportsmen appear. They cannot speak to them because of the language. Sometimes they can visit other shepherds. When one or more sheep die, they inform the owner through the foreman. The shepherds find the days very long, they cannot rest on Saturdays, Sundays or holidays. They are entitled to a month's holiday a year in the first phase, but the employers prefer to pay them 25 percent more wages (about US$ 150), because sheepherding is a permanent job. In October, the owner sends word to the shepherds to come down to the valleys, because there is no more pasture and the weather is growing cold, the frost and snow are on the way and the grass cannot survive the weather.

- **Third phase**

This starts in early November at the beginning of winter. The highlands are covered in snow, the valleys are warmer. For lack of grazing the sheep eat hay harvested in summer.

The shepherds herd the sheep from place to place in search of pasture. A lot of shepherds prefer this time of year because they are closer to the cities and have a better chance of meeting up with other people. The new shepherds are generally sent up to the uplands and the longest-standing to the lowlands. This way there is a rotation in the work. Meanwhile, at the ranch, the owner and one or two shepherds get the corrals and the house ready because the sheep will be brought in by March. In February, the owner sends word again to the shepherds via the foreman to return

to the ranch. They look forward to the news because they feel that the months of March to May are the best in their shepherding life.

In March they return to the ranch and meet up with their workmates, who are usually relatives. The ranch offers better health services, water and bathrooms and they can take some weekends off. They eat better because they are not on tinned food. It is spring, the weather is pleasant, the valley turns green. However, it is only for a short time (three months) before they are off again into the uplands and begin the three phases again, year after year.

b) Remittances

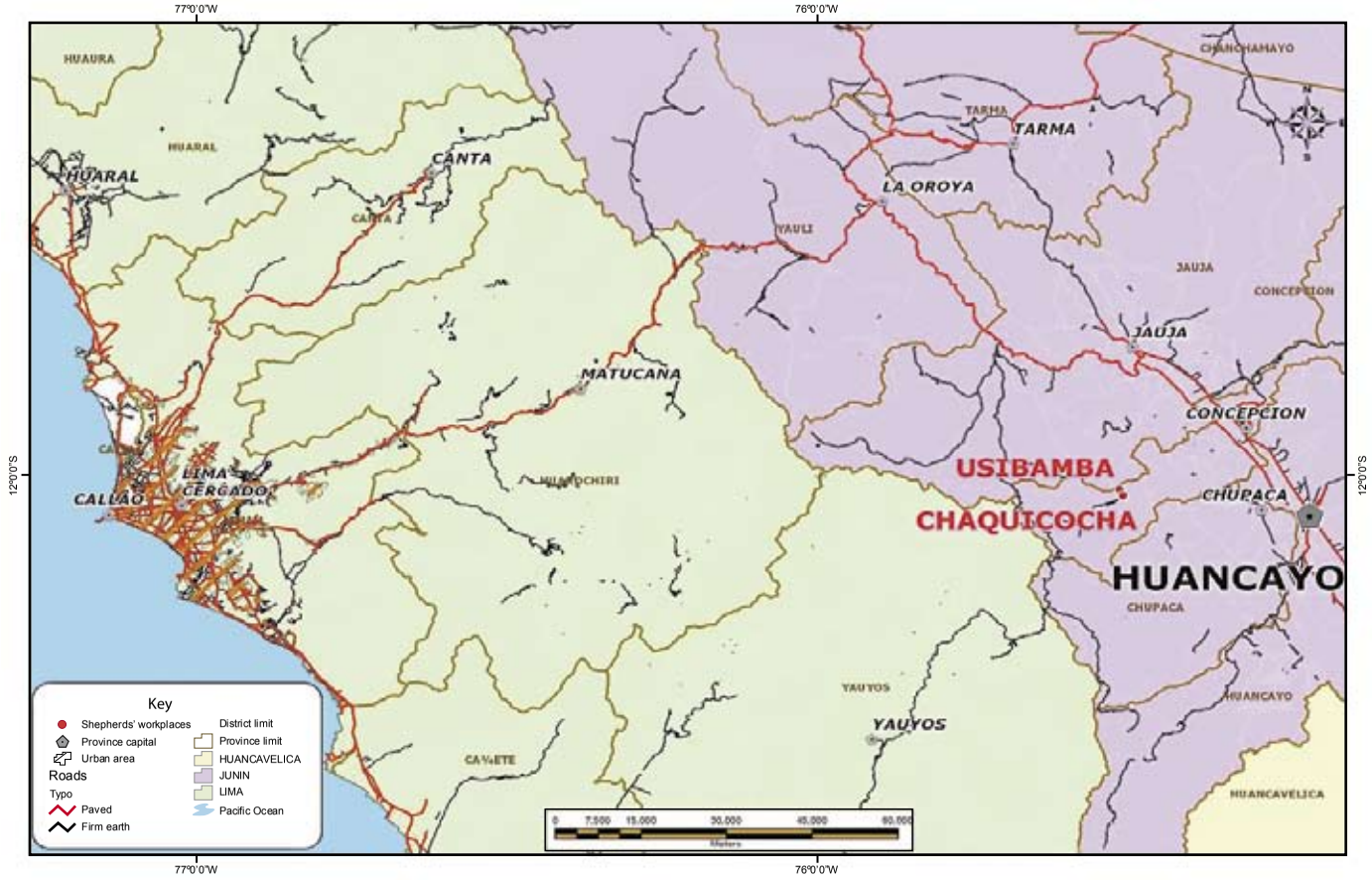
A major motive for migration is an increase in salary and being able to use it in various ways in the peasant farmer economy. The shepherds' migration to the United States has to a great extent allowed them to fulfil their expectations. Let us look at the experience.

The shepherd is aware that he is not going to the United States to realise "the American dream". His information about US culture and the life there is vague. The shepherds have an Andean culture, rather than an urban one, most of them have little prior experience of migration, they have only attended school for a few years, they may be illiterate, many are Quechua-speaking and a part of their community. They are generally married and live in the highlands of the Mantaro Valley in the stock farming communities (see Map 2). Most of their income comes from selling their few sheep. They did not expect high salaries. Until the 1970s, working abroad was not in their plans.

When the first shepherds left for the United States it was the biggest event in their communities, as if they were enlisting in the army and no one knew if they would ever come back.

The shepherds told us that they sent back practically all their wages to their homes. The average monthly wage has not changed since the 1970s and is US$ 600 for new workers and US$ 800 for old hands and the foremen. They are able to save almost all of this because their food, medicines, clothing and accommodation is covered by the employer. Since shepherds have practically no days off and often have no holidays, they have no other expenses. In March 1989, Robin Kirk, associate editor of the *Pacific News Service* newspaper wrote in the *This World* newspaper on 5 March, 1989: "When he finished his three years' work, Mr. Porter (the

Map 2
Places of origin of the shepherds studied



Map: Teófilo Altamirano Rúa

shepherd) had sent some US$ 20,000 to his family". This is a good example which shows us the importance of these remittances and the effect the income has on the peasant economy, as I discussed in a book (Altamirano 1992: 147).

If we have an average income of US$ 700 a month (US$ 7,200 per year) and multiply it by 3,000 (the total number of shepherds), we have US$ 21 mn a year in total income.[32] Clearly the whole sum is not sent to Peru, estimates suggest about 50 percent. There are recent reports of new patterns. Some people send less money to their relatives in comparison with the older migrants; others prefer to save part of their income in a US bank or keep it "under the mattress". One of the Inga brothers in Salt Lake City, the son of one of the oldest shepherds, estimates that he sends 50 percent of his income, or an average of US$ 3,500 per year. If we multiply that amount by 3,000 shepherds, we have US$ 10.5 mn per year. This amount is certainly the major source of income for about 3,000 families in Peru's central highlands, higher than all income from selling livestock, from labour or from internal labour migration. If each household receives about US$ 300 per month, this is the equivalent of two minimum wages in Peru, or the equivalent of the salary of an assistant lecturer at a public university.

How is this money invested? In the 1970s, most was invested in buying cattle and sheep, in building more modern houses in the community or in the city of Huancayo; paying for parts of the religious festivals and in some cases in buying a pick-up or opening a shop. In the 1980s, priorities changed to the education of children, buying electric artefacts, clothes and building houses and opening shops in Huancayo, Chupaca, Cerro de Pasco and Junín. We can see the same process in 1990 in the province of Azuay y Azogues, in the south of Ecuador.[33]

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[32] From this amount, US$ 10 per month is deducted for health insurance and the WRA charges US$ 15 per month for company rights.

[33] In 1991, when I was Visiting Professor of the Universidad Católica de Cuenca (Ecuador), I and my students reading for a Masters in Applied Anthropology conducted research into the impact of remittances on the peasant farmer communities in the south of Ecuador. The money sent by the migrant peasant farmers was mainly used to build American-style homes in the communities. This investment was made so that on their return at retirement the migrants could live in their new house. These migrants, unlike the Peruvians, are not shepherds but workers who mainly lived in New Jersey and New York.

c) Return

Since migration began there were three relatively different phases. The first was from 1971 to 1985; the second from 1985 to 1992 and the third from 2008 to date.

- **First phase**

The shepherds emigrated with the conviction that they would return with money saved to invest in their main activity: sheep farming and agriculture. Almost all of them returned, except those who preferred to get residency which would enable them to bring in their families, marry again or be alone. Those who stayed are currently working in other manual jobs in construction, carpentry, road and railways, etc. In this phase the factors which affected their return were their cultural affinity with their community, the relative stability of the domestic economy, the high exchange rate for the Dollar, the greater prestige of returnees in comparison with those who stayed at home, the fidelity of their wives during their lengthy absence, etc. It was better to return than remain in an unknown country because, despite the passage of time, shepherds did not become assimilated into US society or culture. Estimates suggest that to 1980 80 percent of the shepherds returned. For the owners these were the best shepherds, harder workers and good savers; and who at the end of their contracts went home with their savings or sent them to their households.

- **Second phase**

This began in about 1985, a time in which the conditions for returning began to change, both in the shepherds' destination and place of origin. In the latter, conditions for investing money saved altered. Most of the families and peasant farmers had migrated to the city, because raising sheep and farming were not profitable. Nevertheless, they remained members of the community. The emergence of political violence, in which the peasant farmers were constantly threatened by the groups in arms and by the army and the police, created insecurity. The news reaching the shepherds from Peru and their communities were always related to rural violence and political violence. Letters from the family always spoke of such events. The shepherd did not always fully understand what was happening. Their families' letters contained systematic and desperate pleas for "refuge". While the relatives had used to ask them to come

home, now they wanted them to stay and help the relatives leave. They also warned them that if they come back with Dollars they will be the victims of extortion or might be murdered. The pressure on them to send Dollars increased because of the impoverishment of the peasant farmer economy. In summary, migrants were seen as "redeemers" or "saviours" of the relatives who stayed behind.

At the same time, conditions in the migrants' destinations, in the case of the ranches, were not very encouraging because of the economic recession and lesser need for shepherds. This produced labour conflict and less labour supply. Fewer Peruvians decided to emigrate. Ranch owners preferred Ecuadoreans and Mexicans because they say that some Peruvians have left their work or become suspicious.

- **Third phase**

Peru was pacified from 1992 onwards,[34] and the community reorganised because it had deteriorated internally and in its economic activity. Migrants began to want to return much more, although the shepherds' absence had brought about a distance between them and their wives who had remained at home. It had been hard and expensive for them to communicate with the shepherds. The volumes of migration fell because the ranches were still in recession and offered few jobs. The shepherds were now not just Peruvians, there were increasingly more Mexicans and recently Mongolians, from a country with great experience in livestock farming. Contracts are no longer for two or three years, but shorter and not just for sheep herding but also for cattle farming and agriculture. There are an estimated 1,700 Peruvians currently working on the ranches. Remittances are not so regular, but migration continues to play the same role: it is a means of increasing the community economy.

d) The community

This is the centre of local social, economic and political organisation. To understand how it works[35] and its role in local development, we must

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[34] In September 1992, the political leader of the Shining Path terrorist movement was arrested by the police. It was the beginning of the end of the political violence and the start of a neoliberal system which has continued to date.

[35] In this case we are discussing the communities of Chaquicocha and Usibamba, where I carried out field work. The two are fairly representative of the rest of the highlands of the Mantaro Valley.

discuss the link between the shepherds and their communities. How does this link develop? The peasant farmer communities of Chaquicocha and Usibamba (see Map 2) are two of the 5,300 in Peru. Their organisation is governed by a Peasant Farmer Law which goes back to 1969, the year of the Land Reform. Unlike other peasant farmer communities, the two with which we are concerned have managed to maintain collective land ownership. This involves maintaining control over the community members including those who have emigrated internally or internationally. The latter especially from the start of the migration, have had to request permission to travel to the United States. The condition the community organisation has demanded is that to maintain their membership, the future migrants make the commitment to send US$ 1,500 per year to the community. This is a payment for their absence and failure to carry out their community work. In many cases the wives, if the future migrant is married, makes the commitment to replace the husband in the community assemblies.

After one year, the shepherd sends the US$ 1,500 to the community. This money becomes part of the community equity, earmarked for expenses like the improvement of village infrastructure, the school, the medical post, the church, etc. When the shepherd returns, he goes back to being a community member with all his political, economic and religious rights. Some of these shepherds decide to buy livestock, improve their pasture or buy a plot of land in the nearby city where they send their children to school.

Unlike other migrants, shepherds, because of the nature of their work, cannot form associations. As a result, their contributions to the community are not collective but individual, although they have an effect on collective wellbeing. As we have said above, until about 1985, most of the shepherds returned, and the community organisations were very strong because they controlled the resources (land, water, woods, quarries, livestock, agriculture) and their members. Each one had to assume a political and religious position for a period in their lives. After 1985, the communities were in organisational crisis in the face of constant threats from terrorists, in particular against the leaders. The number of internal and international migrants rose, which meant higher income for the community.

Diagram 4 shows us how community development works.

To discuss the interdependence of the internal social and economic factors with the external factors and vice versa, we can start with the fact that the peasant farmer community, in this case Chaquicocha, is the

Diagram 4:

Organigram of interaction in Chaquicocha (Peru)

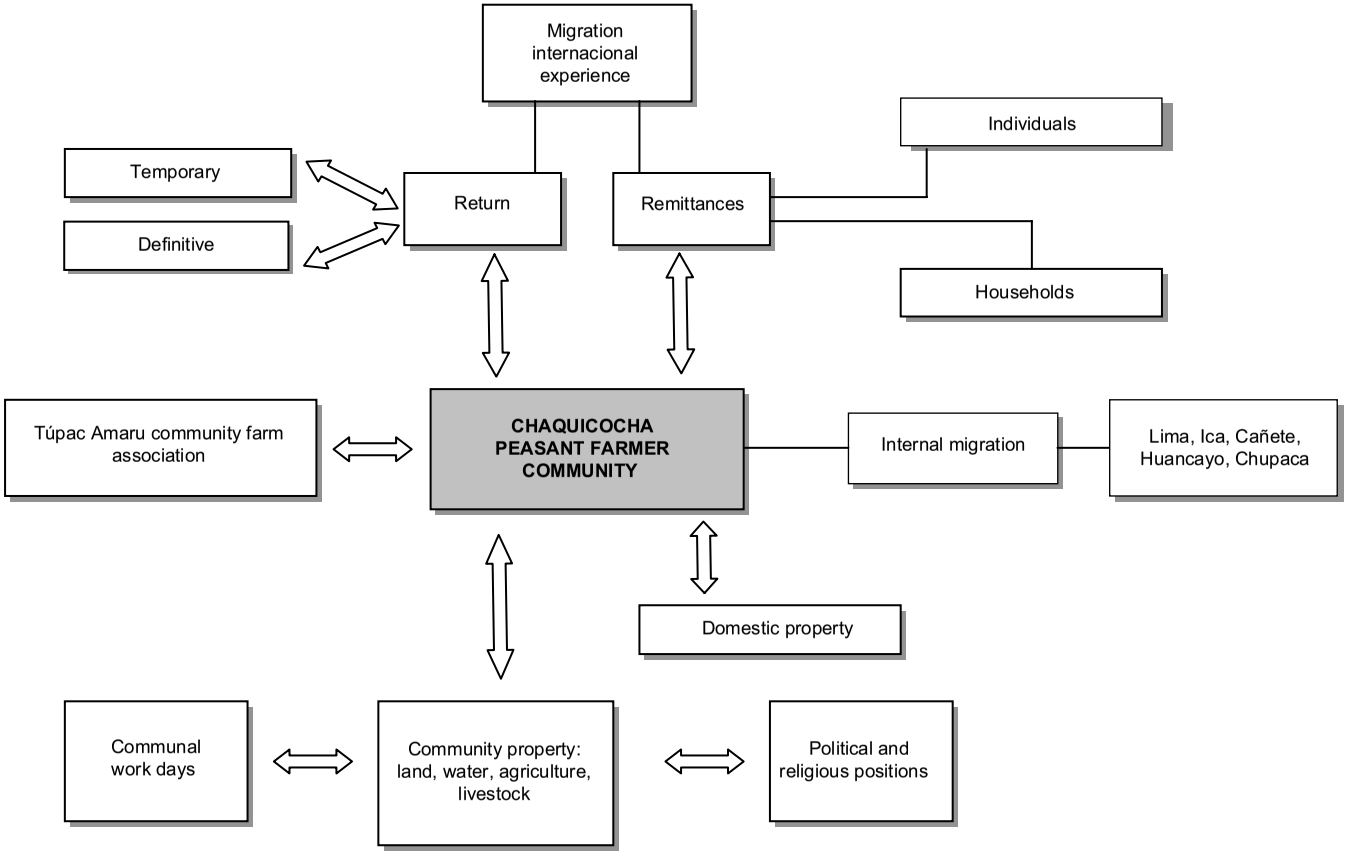

Diagram: Teófilo Altamirano Rúa

centre of gravity for a number of parties involved. First, its membership in a larger organisation called the Tupac Amaru Collective Farm Society (SAIS).[36] The other component is internal migration, particularly of the children of community members, who leave to find work or education in the cities of Huancayo, Chupaca, Cañete and Lima. Many of these young people never return and lose their community membership, although their parents retain it. This is why the number of community members registered in the community rolls has dwindled (it is currently estimated at 380), despite demographic growth which is still high (on average four children per family) and the total population, according to the last census (2007) is 3,500.

International migration continues. Although there is less, estimates suggest that 180 community members of Chaquicocha work as shepherds in the United States. The contracts are no longer for two or three years as they were during the 1970s and 1980s. Now they range from six months to two years. It is estimated that since the 1970s some 3,000 shepherds have returned, and are now scattered. Some have died, others in the cities of Lima, Huancayo and of late in Chupaca, and others live in the community and may have another house in Huancayo, Chupaca or Lima. We interviewed one, who is now the community authority, and he told us that the community has a record of the migrants' contributions. Some shepherds come and go from the ranches, depending on the contracts. They send remittances to their households and also to the community. Household remittances are generally invested in buying land for building houses in the cities of Chupaca, Huancayo or Lima. They also invest in the community, buying tractors to hire out.[37] They also invest in mini-buses or vans for public transport between Chupaca and the community. There is a big fair every Thursday which has created a demand for the buses. The fair is transforming the local economy which is partly activated by remittances, linking it up with the regional and national market. Locally, the Chaquicocha district council is stronger because of the taxes paid by those who have stands at the fair and shops, apart from transfers from central government.

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[36] The SAIS was a macro-community productive organisation, created by the military government's 1969 Land Reform. The organisation incorporates 16 peasant farmer communities and its headquarters are in a former *hacienda* 20 km from Chaquicocha.

[37] According to Karsten Parregaard (2008), in the nearby community of Usibamba, returning migrants bought tractors and hire them out to community farmers.

This has all had some effect on weakening the peasant farmer community. The SAIS, as a productive organisation, has lost its influence over the last fifteen years. Each of the sixteen communities which form it resolves its own internal problems.

In this context of urbanisation and closer links with supra-community markets, the community has had to adapt to change. The most efficient resource the community has is the peasant farmers' pride in belonging to their village and the control of the resources of the land, water, woodlands, quarries, and small-scale communal crop and livestock farming. Days devoted to community work are still customary, but although the number of farmers participating in the work remains the same there are increasing numbers of them who prefer to pay a small fine. They are no longer interested in taking their turn in the political positions, because this is volunteer work and is unpaid. Religious roles are stable, because they can be played by non-members of the community or by migrants who live permanently outside Chaquicocha.

This is the new context of the Chaquicocha peasant farmer community. We can still speak of a balance between the modern and traditional, local and global, private and common, between the old and modern generation. It is a balance which may fail in time due to local, regional, national and global changes. It looks as if all together, these work against the organisational, economic and political integrity of the community. The community's main support is the collective ownership of land and water. If this system is privatised, as the central government wishes, the very essence and existence of the peasant farmer community will be lost.

Chaquicocha and Usibamba are special in comparison with the rest of the Andean communities because most of them have entered into a process of modernisation. Their members play less of a part in community organisation. The lands have passed into private hands, some are even part of transnational mining concessions or oil companies. So Chaquicocha serves to discuss the strengths and weaknesses of the local development projects which incorporate the role of international migrants as a modern component, in a world in which there are increasing numbers of rural communities starting to link up with the external world through their internal and transnational migrants.

As we have seen in the three previous cases, we can no longer speak of endogenous, autonomous and self-sustaining development. What is needed are local development projects which include the local people

who are living away from their homes and who will mostly not return. Nevertheless from their destinations, with their identity as people who belong to a certain community, plus the new forms of communication and their remittances, can all together help to improve the living conditions of those who remain. This will not halt migration, but it can reduce it, because those who remain and are born in their communities will see that it is possible to find backing for their personal, household and community projects while living in their community. Decentralisation can also have a tangible effect by reducing the enormous gaps between the modern and the traditional, the urban and the rural and the local and the global. Finally, migrants —particularly illegal ones— may choose to return, more so at a time when the global economy in the destination countries is suffering an enormous financial crisis which directly affects the employment of the nationals and above all the labour migrants. For internal migration, local development can make temporary, seasonal or even definitive return attractive, because the big cities will also suffer the negative effects of the global crisis.

CHAPTER 6

MIGRATION, REMITTANCES AND DEVELOPMENT: TOWARDS A NEW MODEL

The transition in international migration from a temporary to a structural process has over the past fifteen years produced a global debate among those who consider it to be an previously unsuspected opportunity for designing and applying national, regional and local development policies, and others that judge it to be an obstacle to development due to its costs, its dissociative impact, instability and unpredictability. Between these two extreme positions there are other intermediate positions that analyse both the costs and the benefits stemming from international migration.

In this book, we do not necessarily agree with the two extreme positions but prefer to support one that promotes a broad and dispassionate debate about the relationship between migration and development, in particular regarding human development.

In additional, we make critical use of the concept of human development because it is a concept in the process of construction and consolidation and replaces the classic concept of development as a synonym of economic and technological growth. The essential difference is that human development[1] places people in the centre of the debate and the objective is to ensure material and non-material wellbeing (objective and subjective) that should lead to their being fully free. This concept, at the same time, gives priority to the mobilization of the skills that each person is born with. It remains to be analysed whether this freedom gives rise to social skills where inequality, exclusion, racial and ethnic prejudices are at the forefront, characteristics of the majority of developed countries that, in general, are the main destinations of international migration.

How does the greater or lesser presence of international migration influence the design and practice of human development? This is the central question around which this book is organised. Other questions emerge: first of all, whether greater mobility and/or migration of people between two or more countries, economically, social, culturally and politically links the countries involved in international migration or, to the contrary, further increases the existing gaps among those countries. Secondly, how is it possible to maximize the benefits of migration in poor or medium-developed nations? In the face of this final question, concepts have emerged such as co-development, the 3 x 1 model, and social and cultural capital, categories that refer to the enormous capacity of migrants' organisations, a revaluing of their cultures and a vision of progress, success, development or modernization as a synonym of international migration.

At the time of writing, the primaries are underway for the election of candidates for the Democrat and Republican parties in the United States in order to elect candidates for 4 November, 2008 general elections. The three major issues up for debate are: the economy, the war in Iraq and migration. Once again, the major question that is debated is whether or not migration contributes to the economic development and safety of the country. This same question also emerges each time there are elections in countries which form part of the new European Union. However, currently the issue of migration is not only emerging at election time however, but is also more structural as the causes and consequences are present in all areas of social, economic, political and cultural life in each country.

The experts and politicians in state affairs and migrant organisations view migration and the mobilization of human capital as a major opportunity that has historic precedents without which humanity would not have developed. Each migrant group contributed its technological, economic and cultural knowledge to the development of societies and recipient cultures. The conquests broadened the territories of major cultures (Egypt, Macedonia, Greece, Rome, Aztec, Inca, China, and Turk, etc.). These cultures would not have been able to consolidate without human displacements in history. However, this process did not take place without death, conflict and major separations (where people, nations were stripped of their territory) and in some case they took many years to consolidate as empires and later as nations and states.

Currently, the role of international migration has taken on the following meaning: on the one hand, it continues to maintain its role of territorial expansion (transnationalism) by linking the country of origin

with the destination country through transnational practices. On the other hand, however, its causes and consequences are related to demographic transitions, the disparity of salaries and income between the country of origin and the destination country, the massive use of communication media, resulting from the information revolution and major social and family networks.[2]

There is a very close relationship between migrations in general, which includes types, forms, orientations, densities and the economic, social, political and cultural components that produce them with the resulting volume, types, origins and macroeconomic, mesoeconomic and microeconomic impact of the remittances or monetary and non-monetary transfers both at a household and social level. By combining the phenomenon of migration with the remittances we are in a position to design development policies, not just in terms of the migrants and their families but also for the regions they belong to and the country as a whole. However, these correlations are not developed in a mechanical fashion because they require a series of intermediary structures (agencies) that operate as networks inter-connecting the global and the local.

We have demonstrated throughout this book that the location, the families and the institutions are linked through transnational networks. The same thing takes place with internal migration. The migrant is at the centre of a series of transnational networks with the capacity to link cultures, languages, identities and types of political, economic and social behaviour.

As a result, to the extent that migration and the migrant have these favourable conditions it is possible to generate change that will lead to an improvement in the objective and subjective conditions, in particular in the areas migrants come from. In the present case these are rural and within these areas, the poorest households, although it must be recognized that these do not migrate internationally but only internally. However, they can benefit from remittances to the extent that these activate the local economy by providing temporary employment in household projects and collective work.

Every development model design requires a theory that is nurtured by comparative experiences. Transnational networks are abstractions of a theory or theories of development within the realities of a determined context, time and space and as such have the virtue of serving as replicable theoretic-methodological guides that include systematic variables, instruments and procedures where each of the components should be

mutually complementary. All of these characteristics must operate around defined objectives that include goals to be reached and ways to measure and continuously evaluate the results. These processes should have margins of manoeuvre and a relative flexibility that ensure their adaptation to reality and not the opposite. This ensures that the changes are adapted to the application process itself because every model is applied to human beings, institutions and agencies that do not necessarily understand or take on board the objectives of the project.

In order to understand these processes, see diagram 5, which presents the parties involved, organisations, roles, expected products, either partial or final. For this purpose, let us begin with contributions from contemporary debates about the relationship between migration and remittances. Secondly, we incorporate the concept of transnationalism in the formation and operation of human capital (migrants), institutions and organisations "top down", "from the middle", and "below up" with their own agencies. This also includes the formation of new virtual networks which do not substitute the real networks that emerge as a consequence and need for connection in a world where communication media are replacing traditional face-to-face media.

Thirdly, what is described in the above two points is linked to one of the objectives of the book: an analysis of the functionality and nature of remittances as the most tangible and measurable consequence of internal and international migration with the capacity to create and generate substantial changes in the economy of the migrants, their household, their region and the country in general. Remittances alone cannot create subjective or objective well being. They must be linked to other types of capital (social, cultural and physical) as well as state policies and government decisions that facilitate them but in no way substitute the obligation of providing wellbeing for citizens, in particular the poorest in the countryside and the cities. In this context, the state component appears that, as such, it cannot control the flow of remittances because these are entirely contributed by migrants. In some countries, the state emerges as a complementary agency while in others it is a regulator of laws that stimulate or inhibit the flow of remittances. In general, the states see the remittances as a benefit of migration and they are incorporating them into their official statistics because they have an influence on the GDP, the balance of payments, and the price of the Dollar and are related to exports.

The analysed components cannot, on their own, create the conditions and requirements for the elaboration of a development model if they are not counter-imposed with experiences where migration and remittances are structurally linked. For this effect, we have incorporated the four cases that are currently being implemented in diverse countries that experience migratory processes and at the same time receive remittances. The most important criteria for the selection of the cases were: their variety, their impact in rural zones, their social composition as they are represented by labour migrants with high immigration to the United States, Spain, Italy and some Eastern Europe countries. Moreover, I also have my own research experience and that of other authors from whom I have used some arguments and data, guarding my independence as an analyst and researcher of migration, a fact that has allowed me to analyse and critically propose my positions in order to bring into the debate the relative triumphalism of the majority of authors.

Diagrams 5, 6 and 7 are explanatory and interpretive diagrams about the inter-action and correspondence between the components described. We have divided them into three mutually corresponding phases: first, migrants, second, remittances and third, human development.

6.1. HOW DOES IT WORK?

The three most significant components discussed throughout the book have been integrated into one model: migration (the migrants), remittances and development. Each of these has been analysed both independently and dependently. Independently because they are conceptual, analytical and political categories which have specific components and make it possible to reach a systemic and total conception. Dependent because none of them can be understood without the presence of the other two and, at the same time, each component has its own dynamic that is interconnected to a whole.

Consequently the three categories and their respective sub-categories operate in a dynamic fashion and provide mutual feedback. At certain time and in certain contexts, one can be more significant and can alter the whole. Each category has a relative weight and an absolute weight: relative because it is able to demonstrate flexibility and mutations, depending on the circumstances and the context in which it operates. Absolute because each also has a more stable behaviour. For example, the reasons for

migration have a universal nature and consequences, although within each country of origin and destination there are particular characteristics that make them more specific. Employment is another component that demonstrates a generalized behaviour, because a universal reason for migration is greater income in the destination country due to the disparities between the country of origin and the destination country.

Below is an analysis of how each of the three categories operates. The differentiation is only done for analytical purposes and due to its complexity and not because they can be explained alone but because they are operationally related.

6.2. MEN AND WOMEN MIGRANTS

The migrant is the actor and the central protagonist of development. Their special conditions differentiate them from the remaining actors; he or she synthesises the causes and effects of migration and public and private polices are elaborated around them, both in the place of origin and the destination. Their intermediary role between two or more countries permits the formation of transnational networks, converting their household into a transnational unit. They meet labour demands, they organise, send remittances, transform the cultural backdrop in the destination country; they also spark confrontations between those who support them and those who see in them the cause of disorder, informality, violence, chaos. In the political arena they confront political parties that use them when they are necessary, in particular at election time, and they are also the ones who produce xenophobia, racism and social exclusions.

However, migrants are not products of chance but are the result of historic, structural and daily conditions and, as such, also affect these areas. They come from a specific household (domestic unit). This household lives within a social and cultural context with general and specific characteristics. This society and culture operate within a determined state that produces policies for governance. At the same time, the state is not an island but operates, in the case of migrations, through relationships and international treaties. The state, at the same time has a political-administrative structure that penetrates even the most isolated areas where many internal and international migrants come from. At the same time, there are non government organisations that carry out para-governmental activities in particular regarding the preservation of human rights, health,

education, protection of families and international migrants and lobby for the fulfilment of international treaties on the rights of migrants.

The most tangible characteristics of the migrant are his or her ability to form or forge networks. As a result, migration is not only a populating and demographic process that produces numbers and statistics, but also has a social and cultural impact. Migrants maintain networks with their families, institutions, people and places of origin and also have networks in their destinations with other migrants from their place of origin, from other countries, with local and national institutions, both at a public and private level.

At the same time, they operate individually and collectively within a social, cultural and political process that could be adverse or permeable and tolerant, depending on the prejudices and stereotypes that exist regarding the presence of these new social actors. It is in this context that the so-called cross-cultural or culture of tolerance and/or clash emerges. At the same time, the socio-cultural context of the destination countries is part of a political situation where state policies toward immigrants are born. This is extremely important because it regulates liberties or inhibits them. If it is a state that does not include foreigners, its decisions will limit the exercise of citizenship and the expansion of their skills, whereas if it is a more democratic state, despite dealing with other cultures, languages and types of organisation, in time it will manage to incorporate them as innovators of change.

Consequently, co-existing with migrants will be a means to affirm democracy and governance, a basic condition of a culture of peace. At the same time, migrants, when they reach their destinations, join another state, they do it in the areas or places where they plan to reside, which have policies of inclusion and/or determined social, cultural and political exclusion. It is here that they will seek a social and economic space and this is not only true for their place of residence but also for their work.

Consequently, there will be greater intensity of inter-action, on the one hand with migrants from other countries and on the other, with those from the area. And they will gradually become part of a new, more heterogeneous cultural landscape which is also disperse, a condition that can limit their inter-ethnic organisational capacity and therefore render them more manageable and easily influenced by the state and local governments. This frequently takes place among Latin American, Africans and/or Asian migrants. To this is added religious, linguistic and organisational barriers. Frequently, even migrants from one country

are not able to integrate because even prior to their migration they were divided by class, race, ethnicity, gender or geographic origin. On the other hand, the state also operates on a foundation of international relations and treaties regarding treatment of migrants. This takes place, for example, in the European Union that has norms on migrants. Moreover, each country in the European Union may or may not have treaties with the country of origin of the migrants. The same is true for the 50 states in the United States. In general, the more rural and the more limited the formal education, or when speakers of native languages are involved, there are more difficulties to understand the relationships and international treaties, many of them with a clear humanitarian tendency.

These migrants will be more easily manipulated and could even be exploited in their work. From there, the social and economic origin of the migrant is important for their social and economic insertion. These differences are reproduced prior to the migration in the destination places. In fact, their representative organisations will reproduce these initial differences. Therefore, migrants from a rural peasant farmer background will have their own organisations. The same is true for the urban grassroots, the middle class and the upper class. At a local level, as well as migrant organisations there are local organisations from each place, as well as non-government organisations that carry out social tasks which are not covered by the government or the state. In addition, in each place the Church provides spiritual guidance and an evangelizing role.

In summary, knowledge of all these internal and external factors regarding migrants allows us to have an integral vision of migration. For this purpose, the investigative methodology should integrate everything from life histories to personal, present and future projects, the individual and collective view of their own society and culture of origin and that of their destination. Once these characteristics are known, we then proceed to elaborate the designs and the intervention projects "below upwards", through their grassroots organisations both in their place of origin and destination, "from the middle", which is to say from the intermediary role of the migrant (agency) and "top down", which is to say integrating local, national and international institutions, both private and public, whose objective is the wellbeing of the migrant, their household and country of origin as is the case in the four development cases presented in the previous chapter. Diagram 5 synthesises this description.

Diagram 5:

Development model: first phase

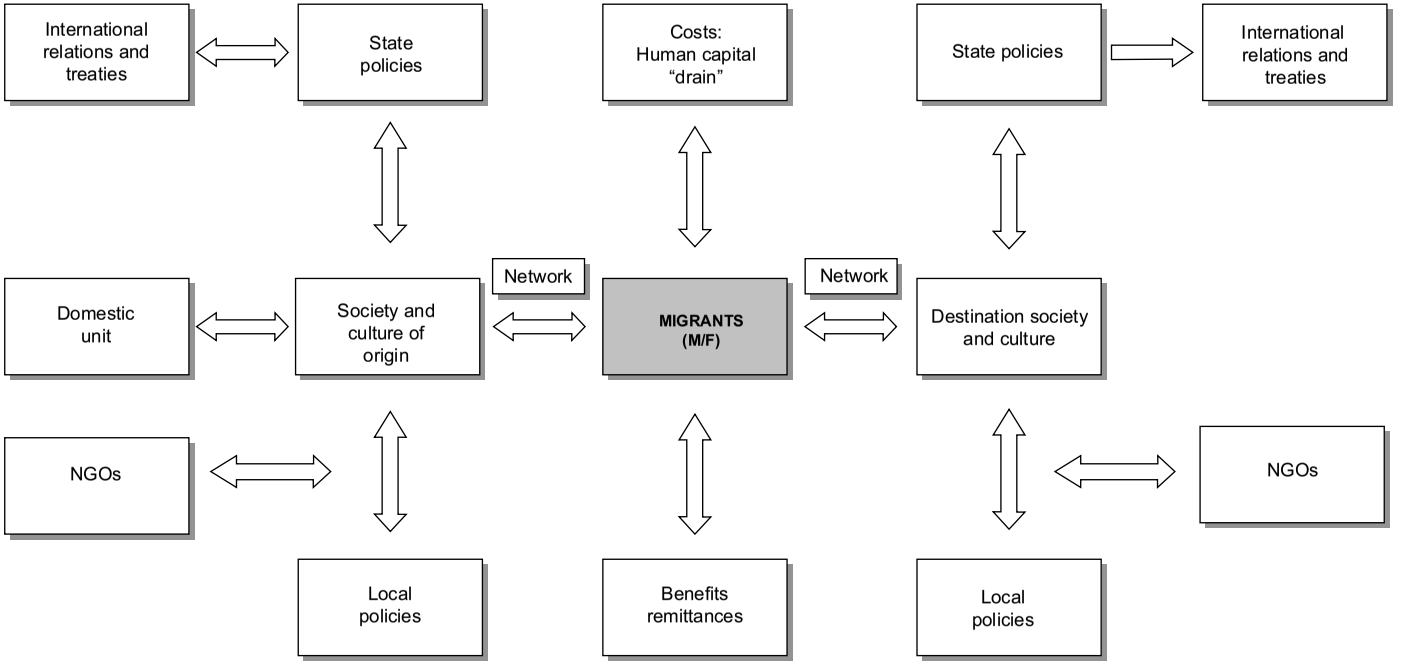

Diagram: Teófilo Altamirano Rúa

6.3. REMITTANCES

They are the final result emerging from the interaction of several interconnected agents rendering them the most tangible and measurable products of international migration, with a capacity to produce qualitative changes in socio-economic, cultural and political structures, not only in the household but in the place of origin and the country in general. These characteristics have resulted in greater attention being focused on the remittances. For this reason, there are more studies and research funded by international, national organisations and by academics and researchers, including myself.

The remittances are structurally linked to employment, income and salaries, reasons that partially explain the dynamic of international migration because, in general, it occurs in a country that has a population surplus due to greater growth and an economy little able to absorb them.

Remittances, given that they have a rural and cultural origin, also produce cultural changes linked to exchange, reciprocity, consumption habits and new types of organisation in the domestic economy. These economies, prior to the international migration, tended to mobilise endogenous resources combined with supra-local relationships that become converted in family segments generally found in the cities.

Remittances, as we explained previously, are not only household-based (monetary and non-monetary) but they are also collective. They have an impact and can empower those who stay behind, whether they are men or women. Collective remittances appear as new economic agents in the local development process that benefit both from the monetary and from the non-monetary transfers. It is true that these processes are not free of obstacles and makeovers that twist their objectives, because the collective money as well as the goods that are transferred are attractive to the recipients. This is even more the case where there are no effective means of control from abroad, as often happens. In some cases, a discontinuation of the payments has even led to family breakdown, one of the most frequent costs in married couples.

In some cases, the objectives required by the migrants' organisations have not been fulfilled. This also occurs with household remittances. How do we create a development model when these examples exist? This is one of the major questions that are raised by development specialists that include remittances in their projects.

Consequently, the development model that integrates remittances as a motor of change must take into account prior examples of this nature in order to avoid the same thing happening in the implementation process. The other major component in the formulation of the project design is what the remittances are used for. In the household environment, to the extent that these are produced by migrants, they are essentially private and cannot be regulated and as such, the purposes are diverse. In a liberal economy, they can be used to satisfy consumption (cars, televisions, artefacts, clothes, imported farming products, etc.). This takes place in nearly all households from countries that have economies that are open to imports. In the majority of the households, the domestic consumption of food products and the education of the children become the leading use of remittances. In other cases, funds are used to pay debt and a small portion is used for the productive generation of small companies or are converted into other uses, which leads us to conclude that it is possible to give the funds better use. In a similar fashion, it was observed in the four cases that public works and services are a priority. When remittances are used to support farming infrastructure projects, small businesses or the creation of community micro-businesses, they contribute to collective wellbeing. The individual and collective perspective on development conditions all of these purposes, both of remittance senders and recipients. As can be observed, the use of remittances, as well as being economically, politically and socially significant, also has a cultural and anthropological purpose, an aspect that should be clearly born in mind in the design of development projects.

A number of aspects must be included in an analysis of remittances. One of them is origin. Where do they come from, which country or countries and how are they generated? Once again, it is the migrant who is linked to transnational households and assumes a principal role because they allocate part of their personal or collective income toward their household and village respectively, motivated by a need to compensate for their absence as well as to cover some unmet needs, due to scarce income and a lack of employment. In this process, the country or countries of destination are also protagonists. In order to understand these we must analyse the structures of employment creation and the comparative salaries with those obtained in the country of origin.

Clearly, employment and salaries are a result of the combination of state policies and private and public business. Together these three components not only determine the structure of employment and salaries

but also encourage or inhibit the decision to migrate or not. In general, jobs tend to be ones nationals consider to be low prestige, low income, and high risk as they are manual and exposed to all types of weather conditions and also require physical effort. While there are international conventions that protect the migrant, independent of their legal condition, the majority of these have not been ratified by governments in their destination country or if they have been in the majority of cases they are not fulfilled. This situation has given rise to the emergence of non-government rights organisations and those that defend migrant workers. In recent years, these organisations have become lobby groups for these rights and quite often hold massive meetings, as in September 2008 in Madrid in the World Social Forum on Migration.

How are remittances measured? There are diverse methodologies to determine the quantity and frequency of these, as well as their impact. One of these is through data provided by global financial institutions such as the World Bank, the IDB, and the OIM and in recipient countries through the bank superintendencies. Together with this official data, it is important to also take into account data from independent studies from social, economic and political investors who work in the academic arena from private foundations and research centres. In order to have more accurate figures, the researcher must generate their own data and apply instruments to gather and measure data until it is possible to decide units of study, the geographic area they wish to cover, the target population and a schedule of activities that ensure it is possible to gather data or ethnographic, statistical and documentary information. The project must have a two-fold purpose: one that is academic and scientific as a means to produce knowledge and one that is more political, i.e. is focused on the application of this knowledge for more pragmatic purposes that, in general, should be geared to strengthening human development as the supreme purpose of academic and applied research.

Diagram 6 explains how the remittance is the final product of the interaction of several internal and external factors

6.4. THE CENTRAL OBJECTIVE: HUMAN DEVELOPMENT

We begin this final part affirming that migration and remittances alone do not create human development. Consequently it is necessary to incorporate it within a dynamic context, both domestic and foreign,

Diagram 6:

Development model: second phase

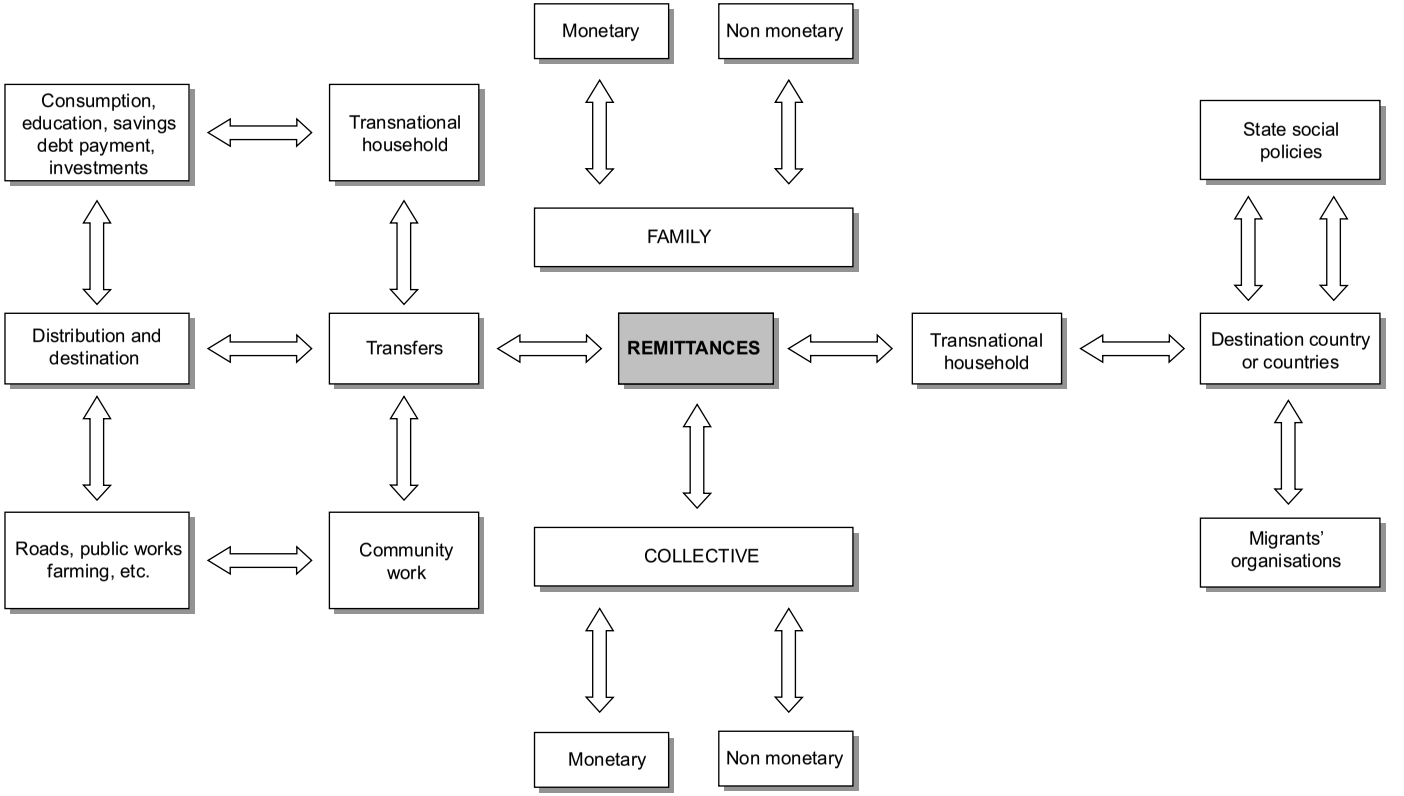

Diagram: Teófilo Altamirano Rúa

local and global. The concept of human development, unlike the classic concept of development that still gives priority to economic growth and technological progress is oriented toward promoting the expansion of personal and collective skills. It is based on the premise that each person is born with their own skills as a result of their biological, social and cultural inheritance. In general, these human skills begin to break down when the individual does not have the external household and social stimulus or because their nutrition is deficient because of historical and structural reasons characterised by inequality, which stems from our societies and cultures.

What other components, as well as the remittances, contribute to the construction of development? First of all, there is social, cultural, human, physical and environmental capital. We see how they inter-relate: human capital is the individual, a product of interaction between educational components, physical and mental health and work. The migrant alone is the most influential human capital because he or she not only produces financial capital (remittances) but their decision to migrate is associated with their view of progress and economic development, not only personal but household, community and national. Each of the actors that play a role in household and community development projects is also considered human capital. Moreover, there are the leaders of local and global institutions which are part of the project. What is certain is that inequality produces inequality in human capital leading to a situation where some are in better condition than others. The chief task of human development is to narrow these gaps by increasing the skills of those who have less formal education, as well as providing them with the conditions that ensure improvements in mental and physical health.

Human capital is part of social capital because it constitutes a greater context, being composed of entities which throughout the book we have called collective action. The more autonomy organisations have, the better the project results will be because it grants more power, both to the individuals that compose it and the entitles. The first task implementing development projects, which includes migration and remittances, is to identify organisations (institutions) both in the place of origin as in the destination countries. Once identified, they analyse their strengths and weaknesses, not only organisational but also their management capacity and ability to work with other state and/or private organisations. Local organisations on their own cannot make decisions about the design and

the process of applying and evaluating projects but they have to work jointly with state and/or private agencies.

In the four cases we have analysed we find these inter-institutional actions. Problems arise when one or more of them believe they are more skilled in taking decisions. On the other hand, it is also not possible to concede equality to each because that would create chaos. The task is to assign specific roles to each so they can generate a dynamic, functional structure as a whole. Behind all of these decisions lies the other component, the cultural one that, unlike the social component, analyses the visions, ideas, concepts, legends, myths, and rituals and all those fields that are related to subjective experience. These components are necessary because in general, rural or urban grassroots development projects are carried out in peasant farmer populations, indigenous, tribes, etc., which have specific needs regarding society and the Western urban culture. The task is to incorporate all of these complex systems in order to understand migration as a bridge that links the traditional with the modern; the countryside with the city, the particular with the general, the local with the global. It is difficult to maintain a balance between these two extremes. However, the combination of human capital with the social and the cultural aspects can lead us to this equilibrium where the excluded can join modern life without leaving aside the social and cultural capital which makes them distinct, but at the same time allows them to be part of the diversity of cultural globalisation.

Both the human capital, the social and the cultural alone also do not generate development if they are not linked to physical capital such as, for example, the remittances with all the sub-components that we have referred to and, on the other hand, the environment, the relationship that is established between human capital, the social and the cultural aspects with resources such as the land, water and other physical resources such as minerals, forests, quarries, domestic and non-domestic animals, subsoil resources, crops and all types of organic and non-organic life. Each people has these resources to a greater or lesser degree distributed in a manner that is relatively equal or unequal. The less equal the distribution the less equal the society and culture and the more prone they are toward internal conflicts. As a result, there is a need to identify not only the inequalities but to ensure that these are reduced, giving rise to greater participation in the distribution of resources to the poorest people and therefore broaden their personal and collective skills.

One efficient way to create equality is through the elimination of patterns of dependency and domination, as well as structures of patronage and clientelism, historic and structural characteristics of rural societies in Latin America, Asia and Africa. The application of the presented model can contribute to this objective through the integration of the social and cultural aspects and the physical environment as inseparable requisites, as well as the remittances, a consequence of migration.

Development is not only a consequence of the interaction of these components but is a dynamic process that is produced over time. Once the objectives are achieved other needs emerge that require a follow-up and evaluation of the costs and benefits. In the theory of human development, these costs and benefits cannot only be economic and tangible but must also include the subjective dimension that leads to harmony between objective and subjective wellbeing. All of these processes, with the evaluations by donors and private institutions, must be carried out by the migrants themselves and the beneficiaries, those who do or do not enjoy the achievements, and who have the capacity to continue the projects once they are concluded by organisations which are only present while funding lasts.

What we propose is that, in order to avoid external dependence, institutions must, from the outset, transfer knowledge to the beneficiary populations, giving them independent decision-taking powers. Consequently, the beneficiaries broaden their skills to continue their own development. It is not possible to trust in the regularity of the remittances because they depend on the structures of employment and income in the destination country and therefore can increase or diminish. This is currently taking place as a consequence of the global economic crisis which has affected and will continue to affect employment and salaries, according to reports in the United States and countries in the European Union, in particular Spain and Italy. The same thing is happening in border countries although the volumes of the remittances from these countries are very inferior to those that come from the United States.

What we want to demonstrate is that human development is not an isolated process but is structurally incorporated into more global processes; an economic slowdown in the destination countries directly affects employment policies, which affects the income of the migrants, which in turn affects the volume and frequency of the money transfers. This has a direct impact on those receiving the money whether these are families

or communities which having adapted to the volume and frequency of these remittances, must now redefine and redesign their income. As a consequence goals and products to be reached in a given period cannot be fulfilled or will be partially fulfilled. These variations must be taken into account in the design of human development projects with contingencies in place to reduce the impacts. One of these is to manage internal resources, reviving strategies used prior to international migration to reduce these impacts or create alternatives for income generation, both by families and communities, which will make it possible reduce immigration as an alternative, and sometimes the only alternative, in rural populations and urban grassroots sectors that will make it possible to reduce dependence on remittances.

For a summary of the above, see diagram 7.

Diagram 7:

Development model: third phase

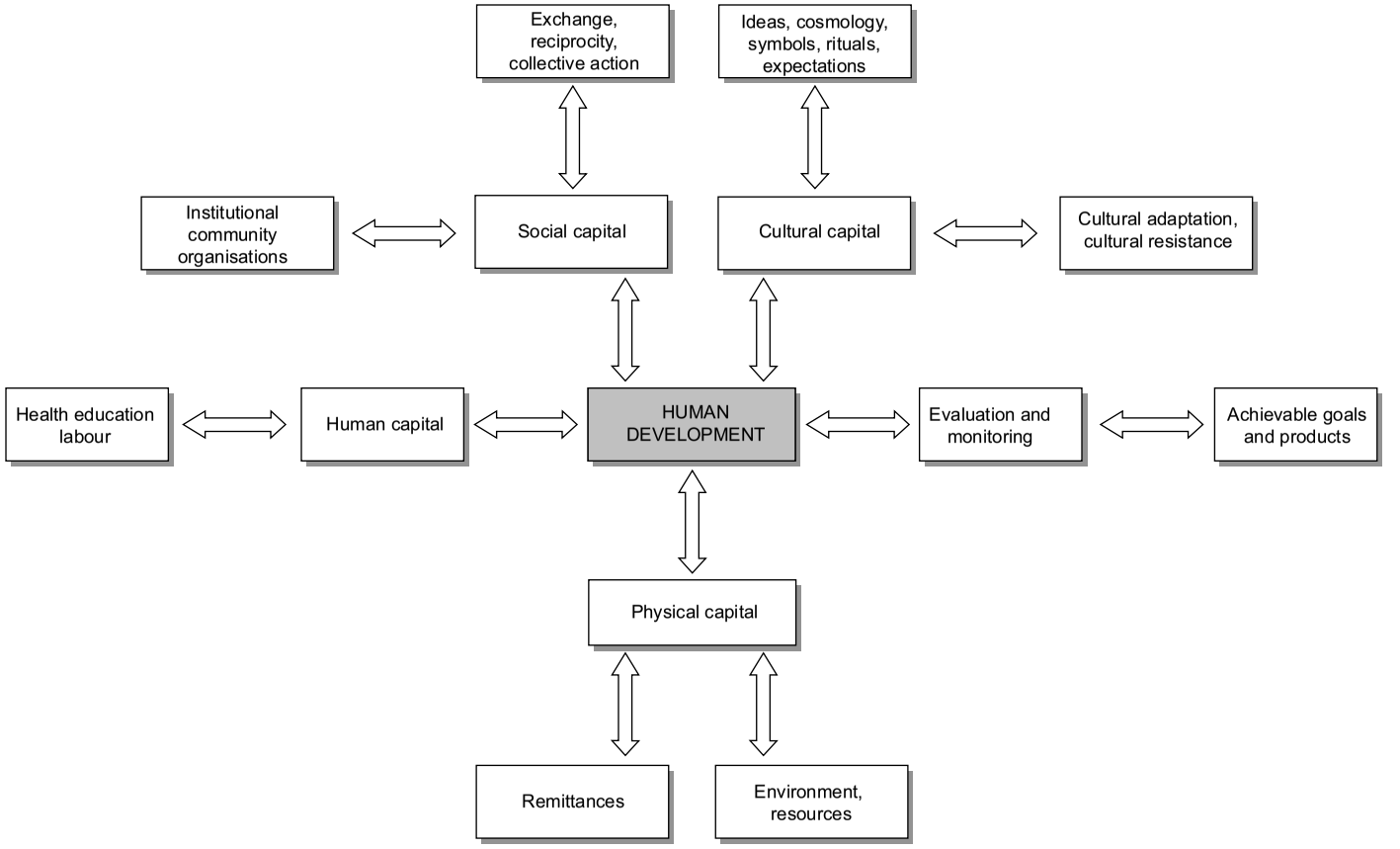

Diagram: Teófilo Altamirano Rúa

CHAPTER 7
THE FUTURE

We started with the premise that the current economic scenario, characterised by the global economic and employment crisis which affects both the migrant sender and destination countries, is producing effects in the very nature of international migration. This impact will be felt in the volumes, frequency and purpose of migration and in the migrants themselves and their families. Migration as a global phenomenon has not only a historical, structural, social political and cultural significance, it also has economic impact and will have in the future. This impact will promote, condition or determine migration, employment, salaries and income; and most particularly collective and household monetary remittances and the chance to design development projects in the migrants' places of origin.

On the basis of the facts and arguments presented here, we will go on to formulate a series of arguments in the form of possible scenarios which will or could occur. Clearly the margin of error will depend exclusively on the evolution of the economic crisis and the social and political agents accompanying it. It is also clear that the crisis has revealed a phenomenon which could be perceived but governments, particularly the Peruvian government, tried to hide for political reasons. The crisis was heralded in daily conversation and in the circles of some analysts of the future, and by migrants and their families themselves. The fear was felt that migration would not go on growing, and the European or Japanese or American dream began to be disturbed by uncertainty and concern. It felt as if the party was over and that the bills were coming in. It is time to pay for a party promoted by the rich countries because they wanted to look

generous, democratic and open to immigration. Some countries will pay moderately while others will pay more. In this scenario migrants have also been co-participants because they associated migration with personal and family success and the feeling of being in a more developed country. This behaviour confirms that we see ourselves as invalids, as helpless. Migrants thought that being in Europe or the United States was a goal which automatically granted added value to a person. We know from innumerable studies that this is not so, in particular at this very time. All these factors which are not necessarily economic are cultural and as such influence our vision, judgement and even decisions about migration. In future, all these factors will figure when the decision to migrate or not to migrate is to be taken.

This is the backdrop for some possible scenarios for the sender countries, the destination countries and migrants and their relatives.

a) A reduction in the number of labour immigrants because that is the sector which will suffer most impact. Economic sectors like construction, the motor industry, textiles, mining, agriculture, services, tourism and the tertiary sector of the economy are where most migrants work will bear the brunt of the financial crisis. Recent figures from reports on the volume of labour migration show this "trend", in particular in the case of Peru, where it is expected that the number of emigrants will fall in comparison with 2008.

b) While the crisis continues labour migrants, as we have seen, will be the target of verbal and even physical attacks from conservative and nationalist parties and sometimes the public, who continue blaming the migrants for partially causing the economic and employment crisis.

However, the professional and highly-skilled will not only be unscathed by the disagreements, they will be welcome, not just because there are few of them but because they can cover competitive and desired jobs. The fact that ten months ago the European Union decided to grant these immigrants a blue card confirms this interpretation. The blue card is like the US green card which enables the immigrant to work, obtain residency, move freely within and beyond the European Union and adopt the nationality of one of the 27 European Union member countries. Professionals in the fields of IT, telematics, engineering, medicine and the environment will be much sought-after by the European Union countries.

c) We expect more restrictive US and European Union immigration policies, and in each of the states and the countries. The European Union Return Directive, approved in June 2008, aims to halt immigration, particularly labour immigrants. The measure is applied to both legal and illegal immigrants, although the former may benefit from economic incentives. In general, this measure will not have a great effect, since immigrants will prefer to stay for several reasons. First, they may have a mortgage which they are paying. Second, they have a family with them. Third, they can get social services like health and education and unemployment benefit. Returning does not solve the problem either because the sender countries are also suffering from the economic and employment crisis. As a result, they will prefer to keep up the illusion that the economy and employment will improve. The few Peruvians who have returned from Spain (about 150 according to the Sub-secretariat for Peruvian Communities Abroad of the Ministry of Foreign Affairs), say that they are not happy in Peru and that they will wait the three years stipulated by the Return Directive to migrate again.

d) The blue card is to benefit the highly-skilled, in particular those with professions in great demand like physicians, nurses, civil and IT engineers. It will also attract many university graduates, especially from private universities. The blue card is the document which favours selective immigration to cover internal demand which has not been covered by their own higher education and research centres.

In the last ten years European Union universities, particularly those in Spain, have adopted a very aggressive policy for attracting students from Latin America. They aim to increase their revenue. Thousands of Latin American students are studying in universities in the European Union, particularly in Spain, which has the advantage of having up to 400 million Spanish-speakers in the world. In the future, these new professionals will find a very reduced employment market in Spain because it is the country with the highest unemployment rate in the European Union, as we have said. Neither will they find work easily in Peru because their competitors will have studied at Anglo-Saxon universities which are in much greater demand by employers.

The European universities offer grants. The number of applicants has increased enormously and the number of grants remains the same or lower and will continue to fall owing to budget cuts because of the economic crisis.

All these reasons together make the employment panorama in both sender and recipient countries very gloomy, more so still for professionals in the humanities, arts, communications and social sciences.

e) There will be far fewer jobs in the economic sectors which are suffering the impact of the economic crisis like textile, agriculture, fisheries, crafts and mineral exports. Peruvian exports in general have fallen by 20 to 30 percent after maintaining 10 percent annual growth over the last 8 years. The sector which is still active is that of small and medium businesses which produces for the domestic market. This sector employs 75 percent of the EAP and as Chart 3 shows has been growing. The problem is that when employment drops, so does income and this affects consumption. Reports for February to September show that Peruvians are consuming less in comparison with previous years. The textile export sector creates most employment and is the hardest-hit because most exports go to the United States. A sector which has continued to grow is construction, but in the last three months it has only grown 6 percent against 14 percent the previous year. It is a sector which uses a large amount of manual labour. Another sector which is managing is tourism, although it has fallen from 12 percent to 5 percent in the last 8 months. This sector also provides jobs for many Peruvians who have been affected, especially in cities like Cusco and Puno which live almost entirely off tourism.[38]

Remittances, one of the most tangible benefits of international migration has had two phases in their development. First, prior to the crisis and second during and after it. Projections for this year indicate that they will fall by between 11 and 13 percent globally according to estimates (IDB). In Peru, the figure will be 7 percent according to a conference held on 8 October, 2009 by a researcher from the IDB's FOMIN (Multilateral Investment Fund). In Peru the figure might fall less, according to reports provided by the Central Bank and the biggest Western Union office which already has about 250 offices in Peru. Both entities agree that it will only fall by 4 percent against the previous year, although other analysts predict a 10 percent fall for 2009.

[38] Source: Monthly report of the National Statistics and IT Institute, based on the Household Survey and reports from the ministry of labour to June, 2009.

Before the crisis, remittances grew exponentially against the percentage and increase of emigration, which in Peru was 6 percent per year. The crisis will affect not only their volume, but also the fact that there are fewer migrants. In Peru, 10 percent of households receive remittances from abroad; approximately 2 million people whose budgets include the remittance (INEI 2008). In many households remittances constitute over 40 percent of the household total. The weighted monthly volume is of US$ 170. Households which receive remittances report that the amount has fallen by 10 percent. The remittances are more spaced, in other words, they no longer arrive 12 times a year but 8 to 10 times. This means that the recipient households are reducing their expenses and will do so more in future. Domestic consumption continues the same (food, education and services costs), but luxury expenses are diminishing, while they used to be very common. This in turn will have an effect on the macro-economy because if there is less consumption there will be fewer imports and less national production; with less production companies will lay off workers or offer them fewer days' or hours' work.

On 10 July, 2009, the Spanish consulting company INMARK reported that Peruvian remittances in Spain had managed to resist the crisis between August 2008 and March 2009. The report states that Peruvians send an average of 10 times a year an average monthly amount of 219 Euros. The report also says that 50 percent of labour migrants are from Latin America and that of this proportion 9.1 percent are Peruvian. The Peruvians are aged an average 39, four years older than those from other Latin American countries. One out of every four Peruvians has a mortgage. The report also says that it is likely that from April of this year the frequency and the amount of remittances will have lessened. Peruvians have opted less than Ecuadoreans, Bolivians, Colombians, Paraguayans and Argentineans to accept Spain's offer for temporary return. The report concludes that many Peruvians have Spanish residency and that the unemployed will be spending their savings to avoid returning in the hope that the country's economy will improve (quoted from the *El Comercio* newspaper, Lima, Peru, Financial Section, 10 July, 2009).

Households whose members are in two or more countries can receive more in comparison with those who only have a relative in Spain.

In summary, the chances of more jobs being created through the use of remittances are in abeyance and the trend is for less chance of creating jobs, in particular in construction and house purchasing, a sector where part of the remittances were used prior to the crisis. Small businesses (shops and workshops) are seeing a reduction in employment. Recipient households which used to go out to eat or went shopping in shopping centres or malls, now prefer to stay at home, and so these economic areas are not hiring more staff. In other words, reduced remittances are producing changes in consumer patterns and individual and family habits.

Recipient countries are first expected to cut down on working hours and wages and working conditions will be more precarious. Changes in social services are also forecast, in health and education. It will be hard for migrants to get pensions, naturalisation, residency and new work contracts. This is what is described by those who have returned for short periods and others probably definitively. Other sources however report that they feel good and that the crisis will pass and life will return to normal. Relatives at home say that those who emigrated between 1990 and 2000 will not have major problems because they are residents and some have double nationality and may vote in the general elections in Peru. In June 2009, the Spanish government decided to withdraw the possibility of family reunion. This benefit may only be requested by immediate relatives for those under 18 and over 65.

Second, there are fewer Peruvian returnees in comparison with Ecuadoreans, Colombians, Bolivians, Paraguayans and Argentineans, and they have a more stable legal status, partly because in 1992 they were required to have a visa. It is reported that 180 Peruvians have requested government assistance, apart from the 150 who have returned.

Third, as has happened at times of migration crisis like the current one or when emigration increases due to economic and political crises in the countries of origin, the major beneficiaries are those involved in trafficking of persons. A 2005 IOM report affirmed that these traffickers received an average of US$ 7 billion. Even though emigrating is not what it was, it is evident that people still want to leave Peru.

Forth, the current financial and employment crisis is producing impacts on the relationship between gender and employment. The crisis is affecting men more than women. The reason for this is that the sectors where men work and want to work are in recession, particularly construction, almost an exclusively male activity. Another sector is industry, again a mainly male activity, particularly the motor and mechanical industry,

agriculture and transport. Other activities, like personal services, domestic employment, personal care, hospital work and sales staff are generally for women. These activities have not been so hard hit by the crisis and have even increased. Such is the case of carers for the elderly. Tourism and catering will suffer marked change. This is a sector where both men and women work.

According to reports from the Peruvian Ministry of Foreign Affairs, more men have returned or are thinking of doing so for the reasons given. It is also clear that it is mostly women who want to migrate, again for the reasons given. This is a trend which will further increase the percentage of women emigrants, which was already higher before the crisis. At the end of 2009, when there are reports on the volume of emigration, we will see two trends: first that the volume of emigrants to Spain will be the same or less than in 2008. Second, more women will have emigrated from the poorer sectors, the majority group already living in Spain. The existing migration networks between transnational households will increase because they will suspect Spain's migration laws will tighten up, more still after the next government takes power. The present government opposition has openly declared its disagreement with current migration policy. It constantly states that one of the reasons for the crisis is the pro-immigrant policy of recent years.

International migration is a structural process which cuts across societies and cultures in the countries of origin, destination and the lives of migrants and their families. As such, the phenomenon will continue with or without the crisis, with or without restrictive measures and policies because the idea is deep in the mind of the global population. The volume will probably stabilise or may fall in some countries, in others it will see a moderate rise, in particular in countries suffering climate change and economic and political crises. In Peru, this will be moderate compared with other countries. If the destination countries' economies begin to recover, migration will recover, although not in volumes as high as in the 1980s and 1990s and the first eight years of this century. Each country will adapt its migration policy to its own conditions. Some countries will do so faster than others.

In future, the following migration policies are most likely to be adopted:

a) The destination countries will adopt economic stimuli to promote voluntary return, but at the same time greater policing and in some

cases breaches of human rights, particularly of the illegal immigrants who are generally the urban poor, peasant farmers, indigenous and rural people. These economic stimuli are expressed in some small development projects in the villages of origin. The Spanish have a pilot project called Murcia-Cañar in southern Ecuador which began in 2008 and ends in 2010, but which could be extended. The project has run into some difficulties because the communities involved have not shown the required support. However, now that those who wish to return or have returned need help, the project makes more sense. Spanish co-operation, the communities and the migrants agree on the subject. The problem is the funding, which will face budget cuts by the Ecuadorean and Spanish governments as a result of the economic recession and the high unemployment in both countries.

b) More treaties and agreements will be made between sender and recipient countries on migrant workers. These decisions will be taken partly as a response to greater pressure from organised global and national groups and associations that advocate migrants' rights. The treaties will be geared to regularising migration and avoiding increased clandestine or illegal migration. No further agreements are expected on employment because the European countries and in particular Spain are suffering high unemployment. Spain will give priority to the Spanish in employment. Cyclical migration programmes will be promoted (coming and going) to avoid permanent immigration.

c) There will be measures adopted to monitor migrants. From January 1st of this year, the United Kingdom is applying a biotype measure to each immigrant. It involves each person having a number so that they can be located anywhere in the United Kingdom. It is likely that the other European Union countries will adopt this measure too.

d) Decisions on asylum-seekers and refugees will be reviewed and amended to make them practically inaccessible to immigrants who had formerly been able to take advantage of these legal and juridical resources. These measures will reduce the numbers of requests, and these will avoid being clandestine, which would increase their insecurity and vulnerability. These measures are already being adopted separately by the Netherlands and France. The European Union itself may adopt the measures. On 18 June, one year after the Return Directive was approved, the European Union leaders approved an "urgent" measure to urge countries like Malta and Italy to put a

stop to clandestine immigration. The measures include increasing the budget for opening negotiations with Libya for it to open holding centres for clandestine migrants and asylum seekers and those who ask for refugee status in Malta and Italy.

In summary, despite the measures mentioned above, international migration will continue in the future. While structural problems persist, in particular in Saharan and Sub-Saharan Africa, emigration to Europe will continue. Everything indicates that the problems in those countries will go on and even increase due to climate change which aggravates desertification, water shortages, floods, droughts and food scarcity. In a 2006 United Nations conference on desertification held in Tunis, it was forecast that by 2020, up to 60 million people could emigrate from Sub-Saharan Africa to North Africa and to Europe and that this has been happening for many years. Climate change will also lead to deterioration in the environment which will become another motive for forced displacement. In addition, there is the demographic growth in Africa, which in comparison with other continents is still the highest in the world.

Emigration from the Andean countries, particularly Ecuador, Bolivia, and also Paraguay, will slow. While in Peru it will be maintained although slightly less. Border countries like Chile, Argentina and mainly Brazil will continue to be recipients. In the future, Brazil looks to be very attractive due to its economic and political stability. It is currently the country that receives most immigrants from border countries.

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migration, remittances and development

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Is a new book by Teófilo Altamirano Rúa in which the author takes another look at migration, but with a different perspective, relating the subject to the world economic crisis. He analyses four interdependent categories: the prevailing profile of current international migration as part of contemporary socio-demographic and economic globalisation; remittances as the most tangible product of migration; human development as the product of the link between migration and remittances; and finally the financial and economic crisis and the way this affects the flow of human mobility, remittances and the development of the villages, towns and cities the international migrants come from.

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