Migrant Associations, Remittances, and Regional Development between Los Angeles and Oaxaca, Mexic

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May 2001
Research Report Series No. 011

Research Report Series
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1. Introduction

Most of the recent literature on Mexican migration to the United States gives particular attention to the role and potential of immigrants’ remittances in the local sending communities (e.g., Taylor, 1999; Durand, Parrado, Massey, 1994). Some of these studies have expanded our understanding of the extent to which these remittances have had an impact on the well-being of households in their communities of origin. However, most of these studies are limited to the impact of individual remittances, thus paying little attention to the structure of informal and formal institutions for collective remittances and the ways in which they collect, channel, and spend these remittances. As such, the developmental potential of remittances may be following new paths.

This report presents some of the results of our study on collective remittances from Oaxacan immigrant associations in California. These associations, most commonly known as home-town associations (HTAs) or clubs, are formed by immigrants from a particular community in order to promote, organize, and obtain support for the benefit of their communities in Mexico. Our research project was carried out throughout the last months of 1999 and the first half of 2000 among Oaxacan HTAs in Los Angeles. Part of this research follows in the steps of two previous studies carried out at UCLA’s North American Integration and Development Center with migrant communities from the Mexican states of Jalisco and Zacatecas in Los Angeles, focusing on money transfer mechanisms (Alarcón, Runsten and Hinojosa 1998; Alarcón, Illíquez and Hinojosa 1998).

In this case, our research on Oaxacan HTAs in Los Angeles expands the scope of the previous studies by assessing not only the issue of money transfer mechanisms, but
also two other significant areas: first, the extent to which these immigrants’ associations promulgate social and productive projects in their hometowns; and second, the extent of the support of Mexico’s federal and state government policies for such involvement in Mexican communities. It is estimated that there are more than 500 Mexican HTAs registered with the various Mexican Consulates throughout the United States (SRE, 1999). For the most part, these HTAs are concentrated in Southern California. And most of these associations are involved in one or more programs of the Mexican government, an issue that research on Mexican HTAs has shown to be important for the HTAs involvement.

The findings of this study aim to contribute to a better understanding of how migrant groups in the United States, through the self-organization of their communities, can send collective remittances that may have an impact in their communities of origin in Mexico. By focusing on the perceptions and opinions of members of different Oaxacan associations in Los Angeles, we explored the extent of their collective efforts to have a significant impact in their hometowns. Three different aspects are therefore examined in this report: (1) the issue of remittances, the mechanisms it involves, and their uses in the context of Oaxacan migration to Southern California; (2) the role of Oaxacan migrants’ associations in the promotion of social projects and the extent of their participation in productive investment in their hometowns; and (3) the role of policies of the state government in Oaxaca in regards to the dynamics of these associations.
2. Method

Given the geographical dispersion of the communities we considered in our study, and our interest on their organizational character in California, we decided to use focus group discussions to guide our research inquiries. A focus group is a research technique commonly used in the social sciences and in marketing research (Morgan, 1997; Merton, 1990). We carried out a focus group session for each of the five Oaxacan communities in this study. We selected five home-town associations that represent migrants originally from the villages of Santa Ana del Valle, Abasolo, Tlacolula, San Mateo Cajonos, and San Pablo Macuiltianguis in Oaxaca. The first three villages are located in the Central Valley region and belong to the municipio of Tlacolula. San Pablo Macuiltianguis belongs to the municipio of Ixtlán de Juárez, in the Sierra region, and San Mateo Cajonos belongs to the municipio of Villa Alta. However, all of them are of Zapotec ethnicity.

In the Los Angeles area, members of the Abasolo Association are concentrated in the cities of Venice and San Fernando. Members of the San Mateo Cajonos Association live mostly in downtown Los Angeles. The members of the Santa Ana del Valle association are settled mostly in West Los Angeles, Santa Monica and Mar Vista. Members of Tlacolula’s COTLA live mainly in Santa Monica. And members of the “2 de abril” organization from Macuiltianguis live in the cities of Santa Monica, Santa Ana, and San Gabriel.

For the organization of each of the focus groups, we met with members of these communities between August 1999 and May 2000. First, we contacted the leaders of these organizations to discuss our research, and to ask for their assistance in promoting this research among the members of their communities. For the most part, we had an
initial meeting and follow-up conversation over the telephone before we set a date for the formal meeting to implement a set of questionnaires with them. The leaders of four of the clubs were responsible for contacting the other members to meet with us for the focus group. In the case of the Abasolo community, we had to contact the members and send them a formal invitation in the mail, as well as remind them before the focus group session. We originally requested to meet with about fifteen persons from each organization, in order to guarantee a minimum attendance of six members. In general, 45 people participated throughout our five focus groups: 11 from the Abasolo community, 10 from San Mateo Cajonos, 9 from Santa Ana del Valle and from Macuiltianguis, and 6 from Tlacolula.

For each focus group, we organized a dinner in a Oaxacan restaurant located in the area where the club members reside. The discussions took place before and after dinner for an average of an hour and a half. The sessions included three parts:

1.- General presentation about our research objectives.

2.- Completion of a personal questionnaire that was designed to obtain some quantitative data from the participants (see Appendix).

3.- An open-ended set of questions, which were taped, where we tried to engage everyone in the discussion. The discussion centered around three topics: i) The migration process to the United States from the town of origin; ii) the organization of the association; and iii) the use of remittances.

It is important to point out here that the information collected in the questionnaires comes from a small and non-random sample of Oaxacan immigrants.
However, though this sample is not representative of all of the Oaxacan immigrants in Los Angeles, we have to keep in mind that our main goal was to understand better the dynamics of migrant associations -- like these HTAs -- in the promotion of well being in their communities in Oaxaca, and not necessarily to understand the flows or wider configurations of Oaxacan migration.

The main objective of these HTAs is to help their pueblos back in the state of Oaxaca. They do so by raising money through organizing dances, basketball tournaments, or raffles. The money raised by these organizations is spent for social projects and other needs of the community. For instance, some Oaxacan clubs have donated ambulances, helped paved roads, and built other social infrastructure. In this sense, and given the growing importance of the activities that these grass-roots organizations are carrying on at a binational level, our study intends to provide a better understanding of the role of these associations, particularly in regards to the use of individual and collective remittances that are sent home.

2.1. Interviewees Profile

Participants in our focus groups revealed some of the main features of Oaxacan migration to the United States. Migration from Oaxaca has a much shorter history compared to other regions in Mexico. Indeed, migration to Los Angeles only began in the late 1960s and early 1970s (Zabin et al. 1993), and accelerated in the 1980s when, for the first time, families settled here in large numbers, an issue that was consistently confirmed throughout the five focus groups’ sessions. As one of the participants pointed out, “while in the previous generation it was the men who came to places like California, nowadays
everyone is coming from our town, you can find women, men, sons and daughters, complete families are migrating!” We can appreciate this relatively recent arrival to the Los Angeles area in Table 1: the median year of arrival among our participants was 1990.

**Table 1:**
Demographic Characteristics of Oaxaqueño Focus Groups Participants
Los Angeles, 1999 and 2000

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<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Median Age</td>
<td>37</td>
</tr>
<tr>
<td>% Female</td>
<td>22.7%</td>
</tr>
<tr>
<td>Years of education (median)</td>
<td>8</td>
</tr>
<tr>
<td>Year of Settlement in the U. S. (median)</td>
<td>1990</td>
</tr>
<tr>
<td>% who are home owners in the U. S.</td>
<td>3.7%</td>
</tr>
<tr>
<td>% who are home owners in Oaxaca</td>
<td>60%</td>
</tr>
<tr>
<td>Number of Persons Interviewed</td>
<td>44</td>
</tr>
</tbody>
</table>

In addition, the participants were mostly men. This is consistent with what other scholars (Goldring 1997) have pointed out in regards to the gender dynamics of these associations, in which men outnumber women participants. In fact, of all the leaders of the five HTAs we examined were men.

3. Literature Review

International migration and development has been widely accepted to have an intricate relationship (Appleyard, 1992; Piore, 1979; Taylor, 1999, Durand, Parrado, Massey, 1994; Rubenstein, 1992). This section of the report reviews some theoretical approaches and debates on the issues of international migration and development. Although the reasons for migration vary widely, one of the common underlying reasons for migration is the lack of economic opportunity in the country or region of origin. That
is, people from poor countries leave to look for a better life for themselves and their families.

In order to help the family members left behind, immigrants begin to send money to their families once they find employment in the host country. Hence, the impact of migration (via money remittances) usually is first felt at the family level. According to the literature on remittances (Mayer 1998), usually the money that is sent to the family serves either to buy food or to pay for their children’s education. However, it is also important to note that there has been a great debate on the real impact of remittances. Some researchers (for example Reichert 1981) have argued that remittances have a detrimental impact on the local sending community, while others (Durand, Parrado, and Massey, 1996, Taylor et al. 1996) agree that remittances do help the community.

Despite the disagreements that exist among many researchers, one certainty is that migrants, through remittances, do contribute to a country’s GNP, and remittances are a source of foreign exchange and hard currency in developing countries (O’Connor and Farsakh, 1996: 10). Mexico is an example of the power of remittances, where it is estimated that about 8 billion dollars is being remitted each year. Yet, the real impact of remittances on the development of the sending communities is not well understood by the government and greatly debated among researchers.

3.1. Economic Approach

One of the proposed theoretical frameworks that aims to explain international migration and economic development has been the economic approach, also known as the equilibrium or functionalist approach. It argues that, eventually, through migration,
the backward sending region or country will catch up with the more developed one. The central argument of this model asserts that that people migrate because they choose to do so. It assumes that there is a free flow of information, which is available to these potential migrants, thus allowing them to make a rational decision to migrate (Harris and Todaro 1970).

As some observers have pointed out, this framework is limited because it turns into externalities all factors that are too difficult to deal with, thus concluding that these externalities are not directly affecting the issue of supply and demand and therefore do not need to be considered in the equation. This becomes problematic in that it does not take into consideration important elements such as self-perpetuating forces, network linkages, and political corruption, all major factors in why people migrate. As some scholars concluded, it conceives "international migration as a simple sum of individual cost-benefit decisions undertaken to maximize expected income through international movement" (Massey et.al 1994).

An off-shoot version of this approach argues that developed regions have created a push-pull factor, which attracts labor from less-developed areas (Lewis, 1954). These paradigms are based on "equilibrium models that treat migration as a voluntary and rational decision made by individuals who seek to enhance their economic position by responding to higher wages offered away from home" (Papademetriou and Martin, 1991: 8). Thus, the result of this migration ultimately would be to restore balance where an unequal distribution of resources had existed. Basically:

According to neoclassical theory, flows of labor move from low-wage to high-wage countries, and capital (including human capital) moves in the opposite direction. At equilibrium, the international wage gap exactly equals the cost of migration between the countries and net migration ceases. Labor migration
theoretically should continue until this equilibrium is achieved and should not stop until the gap in expected wages has been closed. In theory, emigrants should go to the destination country in which they expect the highest net gain (Massey et al. 1994).

However, critics of this approach (Portes and Watson, 1981; Arizpe, 1982) see these models as rather reductionist and mechanistic approaches. That is, these models assume that the individuals who migrate have all the information they need and "will use such information in a rational cost/benefit fashion; and will invest in their future by moving to areas where capital and most other resources are abundant but labor is scarce" (Massey et al. 1994). These classical theories do not take into consideration the international political-economic environment. This approach has received much criticism, since empirical data suggest that international migration has not led to any gradual convergence in the rate of economic growth or better social welfare among countries.

3.2. The New Economics of Migration

In order to understand the complexities of international migration, other economic-based theories are emerging. One of these proposed models has been the "new economics of migration" approach. It sees migration as an effective way to lessen risk and overcome the lack of economic resources. Taylor, et al. argues that “earlier research generally decoupled the determinants of migration from the effects of migration on sending areas; but in the new economics, migration is hypothesized to originate in the desire to overcome market failures that constrain local production” (1996:404). This approach “expounds migration’s role as an intermediate investment that facilitates the transition from familial to commercial production” (ibid.). In the same way, Stark and
Levahari (1982), through graphical representation, argue that "migration is a means to spread risk rather than a manifestation of risk-taking behavior on the part of migrants" (cited in ibid)

3.3. **Social Capital Approach**

The immigrant social networks have been a key factor for immigrants in their settling process in the United States, providing them with valuable resources, such as obtaining jobs and housing, as well as learning the ropes of living in their new country (Massey et al. 1987; Zabin et al. 1993; Mines 1981). These networks constitute what several scholars (Coleman 1988; Martinelli 1994) have called *social capital*. This notion refers to the accumulation of knowledge, experience, and contacts by some members of the immigrants’ network. Once this network has been established it fosters an increase in migration as people become socially connected. In this sense, often, what takes place over time as the social network is enhanced and sustained is that people migrate not necessarily to respond to the economic conditions, but because social networks links.

Immigrant associations like HTAs are a more formal manifestation of these social networks. Indeed, Mexican HTAs began as social networks revolving mostly around soccer games and hometown patron saint day parties, and evolved to a more formal organization of clubs and eventually federations (Zabin and Escala 1998). The importance of these associations is based on their philanthropic nature, aiming to raise money in the United States to benefit their communities in Mexico to meet basic needs. Monies are spent on a wide range of activities, but investments are primarily made in infrastructure. When HTAs fund the construction of public infrastructure, such as roads
and bridges, they improve local economies by facilitating economic transactions. Similarly, their financing of education and health projects is a direct investment in human capital. However, despite HTA’s widespread presence in key regions such as Los Angeles, there are important differences among the various Mexican immigrant associations. Among the different factors that explain these differences, we speculate there are at least two: the levels of organization among different migrants’ groups, and the implementation of policies by Mexican state governments regarding their communities abroad. In the remaining pages we will explore both issues.

4. OAXACAN MIGRATION

4.1. Background

Oaxaca is one of the southernmost states in Mexico and according to the preliminary 2000 census results, Oaxaca has one of the highest indigenous populations in Mexico, 37.4% of ages 5 years and older, where 19.8% are mono-linguals. Oaxaca is composed of 570 municipios or municipalities, of which 69% have a population of less than 5,000 people. Oaxaca is the second poorest state in Mexico (after Chiapas), where "over 46 percent of the municipalities have a high degree of poverty" (Livas and Gamboa, 1998:168). For instance, only 59.8% of households have a sewer system (the lowest in Mexico), about 35% of households lack potable water, the average school year is a mere 5.8 years of education in Oaxaca, and more than 10% of Oaxacan households have no electricity (2000 Census). Further, the states GDP per capita was only $US 1,127.00 in 1990 (3,947 pesos).
Under these conditions, it is not surprising that Oaxaca has one of the greatest rates of emigration. Of the 570 municipios that exist in that state, it is estimated that 60% of them have emigration (Labra 1996). These migrants are, for the most part, between 20 and 30 years old, and therefore Oaxaca is losing the most active part of its labor force. All of our participants provided us with extensive narratives portraying their communities as dead-end paths, characterized by recurrent unemployment and a lack of opportunities. One of them mentioned that “the worst problem that prevails in Oaxaca, and I guess that everyone from there knows it, is unemployment, that was the key thing that made us leave our hometown behind.” Another one added, “what’s the point of getting an education -if there’s any at hand in your town- if there’s no work? We have people from our town who went to school, but what for? They ended up coming here, sometimes even washing dishes at a restaurant, and why? Because there are no jobs down there.” Someone else emphasized the prevailing stagnant conditions of their towns, “because it’s been said that there’s hunger in Africa, but the truth is that in our hometown in Oaxaca there’s also people starving, people die because there’s no medicine, we don’t have to go to Africa to see that.”

In this sense, migration became an option for the members of these communities, as well as for their families. One of them commented on the importance of migration as a survival matter, “because it’s really good when you can earn dollars for your family members who live down there in Oaxaca, you’re like in heaven compared to what you could get if you were in your town”. However, some participants pointed out that this is not a smooth passage. One of them mentioned that “it feels really awful to migrate to another country, but the fact is that we’re all looking for a way of living and a slightly
better life, not because we like to sleep above a carpet, or to have a place with more light, or with a paved road, that's not why we're here, but it's part of the sacrifice, for us like peasants”.

Oaxacan immigration to the United States is relatively recent, dating back to the Bracero Program. All of the participants in our focus groups mentioned that event as the departing point in the rise of migration from their hometowns. As one of them pointed out, “most of our fathers and uncles were at least once here in California during the 1940s, working in the fields.” However, and unlike the more traditional Mexican migration that dates back to the beginning of this century (i.e. from states like Zacatecas, Jalisco, and Michoacán) (Massey et al. 1987), it was not until the 1970s that Oaxacans began to participate as a constant migration flow (Lopez and Munro, 1998, Zabin et al. 1993, Runsten and Kearney, 1994). As a consequence of their recent arrival, their very low economic position in Mexico, as well as language and other cultural barriers, few Oaxacan groups immigrants have reached the same level of economic achievement as Mexican migrant communities from other states (such as Zacatecas and Jalisco).

A salient feature of Oaxacan immigrants, in contrast to other groups of Mexican migrants, is their belonging to one of the many indigenous ethnic groups that exist in Oaxaca. Two of the indigenous populations that have the most immigrants in the United States are the Mixtecs and the Zapotecs. In terms of research, Mixtec migration has been the most widely studied group. The Zapotecs, on the other hand, have been the focus of much less academic inquiry. Consequently, this report helps illuminate the dynamics of this group since all of the communities contemplated in our study are of that ethnicity.
4.2. Binational Relations

There is a strong interrelationship between Oaxaca and Los Angeles, constantly fostered within the Oaxacan immigrant community. This relationship has led to the rise of communities that have been termed either binational (Rouse, 1991 and Rouse, 1992) or transnational (Basch et al., 1994; Kearney, 1995a and Kearney, 1995b). Indeed, transnational migration is a process of linking communities across borders in practically all daily life endeavors, from family to work, which allows communities to sustain themselves (Schiller, Basch, Szanton Blanc 1992).

As we will explore below in other sections, it is important to understand that the rise of transnational communities implies not only cultural and social ties across two different nations, but it may also be significant for the economic development in the sending region. As the social network becomes more transnational, these various linkages become more important in retaining their connections with the community of origin, exploring new ways to organize their lives.

4.3. Remittances

The money sent back home either from domestic or international migration is referred to as remittances. These remittances, for the most part are used for the family consumption expenses (see McCabe Grimes, 1998; Hulshof, 1991 for the Oaxaca case).

Remittances have been the subject of an ongoing debate regarding both their beneficial and negative impacts. We may highlight three basic positive benefits to sending regions. First, remittances can be used as a mechanism to equalize inequalities within communities. As the poorest members of the community move away to make
money in other lands, their family members left behind are boosted up the social ladder from the remittances they receive. Second, remittances tend to bring international flows into very peripheral regions, making it to the hands of the poorer families rather than the usual upper entrepreneurial class (Jones 1998). And third, remittances are a strong influence on family maintenance. Indeed, many families rely on these economic flows not only for consumer goods but also for basic needs such as food, health care and education, a key issue in a society like Mexico which lacks a welfare system (Cornelius 1990).

However, several negative aspects have also been noted out. Remittances can have a negative impact on the community when multiplier effects are not felt within the migrant-sending community. Some researchers point out that remittances often tend to be spent not on productive or job-generating activities, but rather on immediate consumption. Massey and Parrado (1994) found that two thirds of households spent “migradollars” on consumption in the 22 localities they surveyed in Western Mexico: 48 percent of households surveyed spent remittances on family maintenance, 10 percent went to housing and 7 percent to consumer goods and recreation. In addition, some scholars (Durand, Parrado and Masey 1996; Mines 1981) contend that remittances create a form of economic dependency since they are mostly spent on consumption, with very little money going into productive investments. Further, this income may eventually lead to a sort of “migration syndrome” (Reichert 1981), given that it encourages more people to migrate to the United States, increasing the community’s dependence on remittances.

There are three basic incentives for people to send remittances: for individual uses, for the social good of the community, and for productive investment in the
community. Most studies on remittances point to the individual uses, or rather the consumer goods families spend the money on (Massey and Parrado 1994). For the Oaxacan case, Hulshof’s (1991) study on Zapotecs in Oaxaca found that the majority of remittance money was spent on housing.

The second driving force of remittances is to support social projects in the originating communities, and usually they are donated by hometown associations of the migrants. This dynamic will be discussed in detail in a section below, but essential HTAS conduct fundraisers to raise money for particular projects in their hometowns. For example, a group of Mexican immigrant workers in New York banded together to fund a complete local sewer system in their hometowns (Conway and Cohen 1998). In one Oaxacan municipality, eight public works projects were completed with the support of remittance dollars and matching government funds (Hulshof 1991).

The third motive of remittances is the least common, for productive investments to promote economic development in the region. For example, Hulshof (1991) comments on a case in Jalisco of returning migrants who had worked in clothing factories in the United States and successfully began to produce women’s and children’s clothing in their hometown. In a specific section below, we will address the dynamics of hometown associations and the mechanisms to transfer remittances to social and productive investment projects.

4.3.1. Money Remittance Mechanisms

Based on previous research at UCLA’s North American Integration and Development Center (Alarcón, Runsten and Hinojosa, 1998; Alarcón and Iñiguez, 2000), we know that
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HTA members send money to Mexico both as individuals and as organizations. In so doing, they choose among many transfer mechanisms that are available in the market. The leading question of our inquiry was to what extent the intra-group trust generated by these HTAs lead them to prefer some mechanisms over other ones available. Our research among Oaxacan HTAs examined this issue as a way of further exploring the relationship between remittances and migrant associations in different Mexican communities in California.

Between November 1999 and May 2000, the 45 participants in our focus group discussions made a total of 126 money remittances to Oaxaca. During that period, the HTA members sent an average of $1,745, per family in four separate remittances of approximately $455. Table 2 shows the distribution of the remittance mechanisms used by the HTA members.

**Table 2:**

**Money Remittance Mechanisms Used by Focus Oaxacan Group Participants**

<table>
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<tr>
<th>MECHANISM</th>
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<tbody>
<tr>
<td>Cash remittances through relatives and friends</td>
<td>31.5%</td>
</tr>
<tr>
<td>Remittances through money-wiring companies</td>
<td>24.5%</td>
</tr>
<tr>
<td>Bank to bank money transfers</td>
<td>21%</td>
</tr>
<tr>
<td>Money orders and checks sent by mail</td>
<td>19.2%</td>
</tr>
<tr>
<td>Other</td>
<td>3.5%</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
</tr>
</tbody>
</table>

The study indicates that the most favored money remittance mechanism is the most traditional one, sending cash through relatives or friends. This is particularly
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</table>

The study indicates that the most favored money remittance mechanism is the most traditional one, sending cash through relatives or friends. This is particularly
significant given that immigrants live in the midst of sophisticated information technology. The predominant use of this informal mechanism relies on the trust between migrants from the same hometown, in the constant circulation of people between Oaxaca and California, and in the strong social networks among relatives, friends and paisanos. In the focus group discussions, the participants consistently reported the following advantages for using this mechanism: first, it is secure and reliable; second, it is free of charge; and third, the recipients in Oaxaca receive the money in cash and consequently receive the highest exchange value for their dollars.

Some participants commented that despite the convenience, they have had some negative experiences by using the services of relatives and friends, opting for other mechanisms. However, practically all the HTA members who had used some other money transfer option at least once, pointed out the shortcomings of these options rather than their advantages. Those who chose the bank wiring service explained that “if you send your money through the bank it is safer, it gets to our town for sure, and they give you a receipt and everything, but the problem is the amount they charge you for it. Anyway they screw us, one way or the other.”

The participants who had used the money-wiring companies had a similar perception. One of them commented, “anyway, you have to face reality, because the stealing is going to happen with all those companies, even the ones that say ‘send dollars and receive dollars’, but what about the way they charge you here? It’s a lot, what you have to pay. And it’s the same with the other companies. If the exchange rate is 9.4 pesos per dollar, the companies pay at 8 pesos, and that’s with all the companies.”
Finally, those who had used money orders or bank cashiers's checks by mail complained of how insecure it has become. Though cheaper than money-wiring, the migrants distrust the Mexican Postal Service, which is also very slow. Someone commented that there was a time when people used this option a lot to send money to their hometowns, but they ended up switching to other mechanisms. Another participant pointed out that he sent a money order by mail on the Day of the Dead (November 1999), and it was never received by his relatives, "that's why I opted to send money through friends and *paisanos*, that way the money gets there faster."

In general, the participants in our discussions displayed little trust in banks and money-wiring companies. This is an important issue given that some of them believed that the ideal means for sending money to their different hometowns in Oaxaca would be through the banking system, since it can be a more reliable and faster method. Indeed, some of the participants suggested they would like to have "bi-national bank accounts" which could be used by persons in both countries to transfer money. As one participant commented, "I think it would be important that the [Mexican] government could support us on that, in creating a system of banks on this and on that side of the border, so that we could transfer money from bank to bank, that way we wouldn't have to pay the huge discounts that the companies impose on us. The truth is that it's a big business the one they are making out of us, and we and our families in Mexico are the ones who're losing."

Some of the participants in our study have developed very creative ways for sending money to their towns outside of the formal mechanisms. The members of one of the HTAs told us how a *paisano* from their hometown decided to create an informal
money-wiring service, in conjunction with a partner in that town in Oaxaca. People usually go to his house and tell him how much they want to send, then he calls his partner in Oaxaca, who has a supply of cash both in dollars and Mexican pesos. Then this partner puts the “wired” money aside, and either calls the recipients or sends someone to let them know that money has been sent to them. As with an ordinary money-wiring company, the partner in Los Angeles charges the users a transaction fee, but one that is smaller than the conventional services, and with the advantage that there are no hidden costs. As a result, the relatives in Oaxaca receive the whole amount, either in dollars or in pesos, and in the latter case at a more convenient exchange rate. While we inquired about the safety of this procedure, these participants assured us they trusted this mechanism much more than the conventional ones because it was embedded in a sense of trust with their paisanos.

The existence of and preference for informal mechanisms like this one reveals the marked limitations of the money transfer mechanisms available for migrant communities. Indeed, the HTA focus group discussions clearly indicated that there is an increasingly competitive market for money transfers to Mexico. However, migrants in Los Angeles, who are members of these HTAs from Oaxaca send relatively large amount of money, pay high transaction fees and receive poor service when they use formal mechanisms. The prevailing opinion in the focus groups of the companies that wire money to Mexico, such as Western Union, MoneyGram and Orlandi Valuta, is that these companies offer a fast service but for a very high price, which includes an adverse exchange rate for the dollar, thus generating a negative attitude towards them.
4.3.2. Uses of Remittances

The participants in our focus groups indicated that remittances are spent on immediate household needs, which included one or more of the following: food, clothing, agriculture and livestock expenditures, and housing. Of the 30 people interviewed and usually send remittances, only 9 thought that their relatives could save some of the money they received as remittances, and these savings were for any unpredictable expenses. This availability of funds for basic necessities has apparently led to a better standard of living in various communities. However, this does not seem to be sufficient to promote any real local economic development. In principle, this goal could only be achieved through the creation of local infrastructure, amenities, sources of capital, and well-paying jobs, which might be provided by the combined efforts of migrants’ associations and Mexico’s government policies.

5. Oaxacan Organizations

5.1. Background

Associations like the ones we relied upon for our study belong to a long tradition among Oaxacan migrants. Indeed, these associations can be found among migrant Oaxacan communities within Mexico, in San Quintín, Baja California, and among migrant Zapotecs (Hirabayashi, 1971) and Mixtecs (Orellana 1973) in Mexico City. Although there are no comprehensive statistics on the number of Oaxacan organizations that exist in the United States, it was estimated that by 1990 there were at least 132 Oaxaca municipios with one or more hometown organization in this country (Rios
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Vasquez, 1990). According to the *Directorio de clubes de oriundos en los Estados Unidos* (1999), in 1998 there were Oaxacan organizations in California, Chicago, Washington D.C., Texas, and Oregon. It must be pointed out that this information refers to formal migrant organizations registered in the Mexican consulates, which does not include many more informal associations that have no contact with the consulates.

Most of these Oaxacan organizations are concentrated in Southern California, especially in the area of greater Los Angeles. While there are different ethnic groups among Oaxacan migrants (Mazatecs, Chinantecs, Chatinos, Triquis, Mixes, and Mixtecs), Zapotecs are by far the most extended Oaxacan community in this area. In most cases, these hometown associations stemmed from hometown sports teams, especially basketball teams, started during the 1970s. Indeed, some observers (Quinones 1999) have pointed out the importance of these teams in bringing together Oaxacan communities. The basketball court becomes a familiar space where new immigrants feel at home.

There is no organization among the Oaxacan associations equivalent to the *Federacion Zacatecana* or *Federación Jalisciense* in Los Angeles, which group together around 50 hometown associations from each of those Mexican states. For the Oaxacan case, there are a number of smaller organizations that serve as a of limited umbrella organization, such as Organización Regional de Oaxaca (ORO), Coalición de Comunidades Indígenas de Oaxaca (COCIO), Red Internacional de Indígenas Oaxaqueños (RIIO), Union de Comunidades Serranas Oaxaqueñas¹ (UCSO), and Frente Indigena Oaxaqueño Binacional (FIOB). Given the shorter history of Oaxacan migration to California, it is quite remarkable that they have achieved a significant level of organization. However, most of the work carried out by these organizations remains
considerably isolated. In fact, they usually work independently of one another and sometimes they have major differences at different levels. Sometimes, some of these organizations split to form new ones. For example, the communities that form UCSO once belonged to ORO organizations (Zabin and Escala 1998: 20). ORO also was once part of the Frente Zapoteco-Mixteco, which later became the Frente Indígena Oaxaqueño Binacional, FIOB. Moreover, some of these umbrella organizations have not been able to retain their community members, thus the number of associations varies at any time. For example, ORO has currently only six communities and UCSO has four. In some communities there also exist divisions, and these divisions seem to be along political lines. At least two communities have two different immigrant associations in the Los Angeles area. In both cases, one of the clubs belongs to ORO and the other one works with FIOB.

Recently, in an attempt to bring all the Oaxacan organizations together, a new organization sprang up, called *Nueva Alianza Oaxaqueña* (NAO). This organization’s work has been mainly concentrated in Fresno and Los Angeles. In February 2000 there was a call to create a Oaxacan federation organization. Leaders and members of more than sixteen communities and organizations attended the meeting to discuss the formation of such alliance. Organizations from Fresno, San Diego and Los Angeles participated. In September of 2000, another group also began to create another Oaxacan federation. Groups such as UCSO, FIOB were part of this effort. In November these two groups begin to bring their efforts together and create one federation, on February 18, 2001, the Federación Oaxaqueña de Comunidades y Organizaciones Indígenas en California or

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1 UCSO, previously known as OCSO (Organización de Comunidades Serranas Oaxaqueñas).
2 At this meeting umbrella organizations such as ORO, COCIO were present, as well as RIIO and NAO.
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(FOCOICA) was created\(^3\). This event received much attention, representatives from the State and Federal Mexican government came to be part of this event\(^4\). Although some local Latino politicians were invited, only Gloria Molina sent someone in her representation.

5.2. Internal Structure

The associations that we studied followed the path of other HTAs in terms of formation and structure: they began as informal migrant village networks, which are based not only on kinship relationships, but are also very much rooted in the common identity of their village of origin. This eventually leads to the creation of a formal leadership committee that organizes and represents the migrant community abroad. Sometimes civic-minded migrants decide to form an association with various goals in mind, but above all to take care of the needs of their towns in Oaxaca. At other times local authorities at home request the formation of a committee representing the migrant community, a request that is often accompanied by a solicitation for financial support for some project or event in the home community (Zabin & Escala 1998). As the participants in our focus groups pointed out, it is usually the municipal authorities who send them a

\(^3\) To be part of the Federation, each community and organization was asked to make a formal petition to be incorporated into the Federation. Each community was asked to send three representatives for the event and a total of 77 representatives registered on the day of the event.

\(^4\) The Oaxacan governor sent three representatives, on the federal level, two diputados were present: from the PRD, Hector Sanchez Lopez, who is also the president of the Comision for Indigenous Affairs (Comisión de Asuntos Indígenas de la Camara de Diputados), and Eddie Varon who is from the PRI. Also, Omar de la Torre representing Juan Hernandez who is the head of Fox's Oficina Presidencial para los Mexicanos en el exterior was part of Mexican funcionarios at the Oaxacan event. From the Mexican Consulate, the Mexican Ambassador, the Consul for Community Affairs, and a Representative of the Programa Paisano attended the event.
list of projected works for the town during the year, and from that list the HTA selects one project.

5.3. Activities

Oaxacan HTAs in Los Angeles carry out fundraising events throughout the year, mainly for philanthropic projects in their hometowns in Mexico. These activities include dances, picnics, raffles, beauty pageants, and other cultural events. These events achieve two major purposes: they finance specific projects in the hometowns, and they promote a sense of community among compatriots by fortifying social ties.

The participants in the focus groups pointed out how these activities enabled them to achieve their different goals. For example, the yearly Oaxacan Guelaguetza, a festival celebrating traditional indigenous dances, dress and music, enables them to promote the cultural manifestations of their different hometowns, while at the same time providing a captive market for the sale of food and merchandise from each of the participating organizations, providing them with additional resources for their corresponding projects. In addition, these gatherings also foster the socialization of the sons and daughters of the members of these associations. Sports events like basketball tournaments are used for this purpose. As one participant mentioned, "the idea is to promote sports among the young ones, teach them the basics on sports, that way we’ll enhance our community”.

5.4. Social Projects

As we previously noted, though there is an extensive literature on individual-family remittances and economic development, researchers have given little consideration to the role played by Mexican HTAs and the collective remittances they
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invest in migrant-sending communities. Indeed, these associations try to promote the well-being of their community in Mexico by carrying out fundraising activities in the United States, in order to promote the construction of public infrastructure and the creation of social projects. Mexican HTAs have funded important public works, including the construction or renovation of roads, bridges, parks, churches, schools, health care clinics, sports facilities and streets. In addition, the social projects funded by these associations benefit the poor in the community of origin through the support of health care clinics, childcare centers and convalescent homes for the elderly. Finally, HTAs also donate ambulances, medical goods, school supplies, and distribute educational grants among low-income students (Massey et al. 1987; Zabin and Escala 1998; Goldring 1998; Alarcón, Runsten and Hinojosa 1998).

While there is no exhaustive listing of expenditures by the different Mexican HTAs in the United States, the use of collective remittances can be illustrated by reviewing the projects funded by the HTAs that participated in our focus groups. Comité Abasolo was created in 1996 as a result of a specific request from the municipal authorities in their hometown in Oaxaca. The newly created association decided to fund the paved road, a three-year project that was partially funded by this association as well as by matching funds from the municipal and state governments. In total, this HTA was able to contribute $22,000. While this was a long-term project, the members of this association considered it worthwhile. As one of them commented, “thank God that the people of our community here in California decided to stick together for this project, they worked with us, and I don’t mean we did something outstanding, but I think that the necessary support for carrying on a work that is going to benefit a community is very
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important. That’s how this committee came up, and until today thank God it’s still on”. They are currently promoting the repair of the main church in their town, and for that purpose they are planning to request a contribution from each member of their association, as well as from each migrant of their community that they have registered on the list.

Asociación San Mateo Cajonos was created in 1989, but it was not until 1997 that they began supporting social projects for their town. They initially provided part of the funds for the pavement of some streets; later they funded a water pump; more recently they partially funded the purchase of a dump truck for community purposes. And most recently they have just bought a property on which a school will be built.

Asociación Santa Ana del Valle was just created at the beginning of 2000, but it has existed for a number of years as a sports league named “Raza Unida”. Last year they were able to fund the purchase of a bus, which was the first one ever in their town. Later they also funded a kindergarten, and in both cases they collected funds from a list of paisanos either settled or recent migrants from their town to the Los Angeles area rather than through carrying out different fundraising activities. Though they faced significant problems in getting the necessary funds, their success has raised expectations among their members. They are currently planning to fund a middle school and a sports plaza (unidad deportiva).

Comunidad Tlacolulense de Los Angeles (COTLA) was founded in 1989, and though the members of this association point out the various needs in their community as a major reason to get organized, they have not yet been able to consolidate a single project in their community of origin. Instead, they have promoted their involvement in
cultural activities within the Oaxacan communities in Los Angeles. For example, they participated in the yearly Guelaguetza festival from 1989 until 1996, when they decided to withdraw from ORO. They also have a yearly celebration of the patron saint of Tlacolula at Saint Anne’s church in Santa Monica. In fact, as members of this associations noted, the creation of a shrine dedicated to the saint in that church was a major achievement, since it involved a significant number of people from their community.

Organización Macuiliangense 2 de abril is the result of a politically-motivated split among migrants from that Oaxacan community in Los Angeles, on April 2nd 1995. Since that date, they have carried out only one important project in their town, the building of a metallic gate for the rodeo ring. In this case, the migrants’ association provided half of the necessary funding, while the community in Oaxaca provided the rest. Even though they mention their interest in promoting more and better projects, they point out the obstacles they have faced as a result of the split among macuiliangenses in Los Angeles, and the resulting existence of two different associations. This has lead them to focus on sports and cultural activities within the Oaxacan community in California.

Despite the different levels of achievement in regards to their activities and social projects, all of the participants in our focus groups emphasized the importance of creating an organization that promotes a sense of community with other migrants from their towns of origin, eventually leading to different projects for the benefit of these towns in Oaxaca. As one of them commented, being a migrant in California provides them with a “moral obligation” to get together with other paisanos, “because that’s the idea, to support our people. When someone comes from Mexico to California, we’re all illegal,
and what are we going to do about it, and if our organization has the chance to help those people who’re coming, and they don’t have resources, well, then let’s just do it. There’re many things that we can do as migrant workers, but the very first thing we need is to get organized, create a group, and from there on things can be worked out.”

And while most of the participants of these associations are now reaping the benefits of being organized in HTAs, they were also very emphatic on the different obstacles they had to overcome. One of them pointed out how some countrymen ridiculed their efforts to promote any social project in their hometown: “He was telling me he was not pledging any donation for a road, because he ultimately didn’t need it, he usually walked over there on the trails. Or this other one, who asked why he needed a road if he didn’t have a car, and he was laughing in my face and telling me I’m a fool, because if that project is built, he’ll be using the road anyway.” Other people interviewed also pointed out the issue of distrust and lack of a sense of solidarity as the main difficulty to surpass. As one member said, “it’s really regrettable all the things you have to deal with when you want to create an organization of any kind, even among your own fellow countrymen. They distrust you, and personally it’s been a real struggle. I’ve received all kinds of insults and mistreatments, and they can tell me whatever they want to, but I know that what I’m doing is right. People can talk out of envy, but what we have to do is to be united for our communities.”

5.5. Productive Investments in th Home Towns

A recurrent issue among the participants in the focus groups was the possibility of promoting economic development in their home towns through the participation of migrant groups in productive investments. Several members pointed out their willingness
to carry out a productive project in their hometown in Oaxaca: “let’s get together five or ten of us, members of our organization, and come up with some amount of money each one of us, and with the money collected we could figure out a way to create some business down there that would provide some jobs.” Someone else commented on his interest to provide both money and technical assistance for an agricultural project in his town. “What we’d like is to improve the conditions in our town, that way migration could be slowed down just a little bit, and I don’t mean to say that the people down there shouldn’t come, but if one thinks about the prevailing dangers when crossing the border and the lost lives nowadays, well, people now know that they leave their lands behind, but they don’t know if they’ll ever go back. So if we could, we’d love to have more jobs over there so that people could stay with their families.”

However, while all the HTA’s had found similar ways to implement different social works in their hometowns through the participation of their organizations, none had followed a similar path for carrying out any sort of productive investment in their communities of origin. The only cases of productive investment they could recall were micro-entrepreneurial initiatives by migrants who either returned to their hometowns or provided the funding to their families in town. In those cases, people usually opened tortillerías, drug stores, small liquor stores, bakeries, and building materials stores. All these initiatives were at an individual level, and HTAs were not involved.

The reasons for this lack of collective productive investment pointed out by the participants in our focus groups were basically three: lack of financial resources, lack of technical assistance, and the lack of information and guidance, particularly from the state government. The first reason highlights the dire conditions that prevail in the majority of
Oaxacan towns, making it an unlikely environment for the success of any business initiative. As one of the participants pointed out, “it’s very difficult to think of a successful business in our town, our town is small, and it’d be very hard to keep it up. If we can hardly maintain our families down there, it would be more difficult to sustain a business down there. That we all want to have one, that’s true, we’d like to, but we can’t.”

These opinions are consistent with some studies on the productive potential of remittances. Taylor (1999) concludes that remittances are not spent on productive projects because "the poor public services and infrastructure seriously limit the potential for remittances to contribute to local production". As he explains,

Most migrant sending communities are rural villages distant from natural markets and lacking basic infrastructure such as paved roads, electricity, running water, sewage, and phones. Many are characterized by poor quality land, a fragmented tenure system and unequal land distribution. It is unrealistic to expect migration to promote development where complementary infrastructure, service, and ecological conditions are so unfavorable (1999: 73).

Under these conditions, it is understandable that money - a key component for the development of any productive project - is one of the scarce resources in these towns. From the five communities interviewed, only one (Tlacolula) had a bank; two (Abasolo and San Mateo Cajonos) had Cajas Populares; one (Macuiltianguis) had a community funding entity, the Comisariado de Bienes Comunales; and one had no financial institution. Even in Tlacolula, with access to a bank, the participants pointed out that people in that town usually do not request loans from it, believing that it involved too much paperwork and high interest rates. Further, they shared the distrust of this institution, citing the cases of people who lost their properties because they could not
cope with the high payments, thus making it preferable to request a loan from a money lender, which in this case was a rich family in the town. In the other cases, while there was access to loans through less bureaucratic, more convenient and cheaper mechanism, the amounts of the loans are limited: in two cases (Abasolo and Macuiltianguis) it was up to ten thousand pesos; in another case (San Mateo Cajonos), it was up to five thousand pesos.

A second main obstacle to investment mentioned in our focus groups was the lack of necessary technical assistance for implementing any kind of productive project. Migrants' associations might be willing to carry out productive investments in their towns, but they also felt discouraged by the absence of expert guidance in that area. They needed assistance in identifying the possible options they might have, the ways in which both communities (in California and Oaxaca) could cooperate to achieve it, and the technical expertise needed to carry out the project. One of the participants summed it up as follows: "In our community there are some resources, but our association in California can't cope with such a big issue as a productive project by itself, because it would mean organizing our people down there, telling our fellow countrymen 'look, you've got to do this, you've got to do that', because if we're going to put in some or all of the money, this in itself is a problem, because it's a small town and we're always jealous of each other. If we launch a productive project, it has to be well organized, well planned, with discipline, with rules, which enable us to succeed, and for that we need the right support."

Finally, the third main obstacle pointed out by most of the participants is related to the previous one, and refers to the lack of reliable information and guidance from the government. With the exception of Macuiltianguis, which has a long history of
confrontation with the state government in Oaxaca, the other HTAs emphasized the need for this involvement. As one participant put it, “That’s another thing, there’s no willingness from the government to organize the inhabitants of our towns and to really take advantage of our resources, it just doesn’t exist, because only the government has the ability to tell them ‘you know what? We have to do this or the other’, and that is a huge enterprise.” Given the importance of this issue, it will be discussed in the policies section below.

In sum, a puzzling finding from our focus group discussions was that the five HTAs that participated in our study conveyed a promising yet pessimistic view in regards to the realization of productive projects in their hometowns. On the one hand, they expressed high expectations regarding the potential of these initiatives for the promotion of economic development in their regions of origin. On the other hand, they showed an acute awareness of the obstacles they would face to create such an enterprise. This does not mean that they are dealing with a challenge impossible to surmount. In fact, we recently learned that some Oaxacan immigrants have begun to take on some initiatives for productive projects. For instance, migrants in Southern California from the town of El Trapiche created a plant nursery in their community in Oaxaca. Interestingly, this project was created by migrants who actually came to work in nurseries in California. They went back to their hometown to start this project, thus transferring their newly obtained skills from California to Oaxaca. Their first harvest in Oaxaca was successful, and now they are in the process of expanding their nursery. However, this initiative is facing some of the obstacles we have just discussed. Currently one of the main problems
these Oaxacan migrants are confronting is the lack of available credit and technical assistance.


6.1. Background

Despite the important role of the government and government policies in migrant sending nations, the topic has received little attention in the international migration and development literature. In fact, some sending countries have tried to design policies to improve the use of remittances derived from international migration and to direct them toward productive domestic investments.

After several decades of limited attention to the immigrant community in the United States, in the 1990’s the Mexican government reinvigorated the role of Consulate offices through the creation of several new programs, and funneled substantial resources toward Mexican communities living abroad (Smith 1998; Goldring 1997; Gonzalez Gutierrez 1993, 1995). The Programa para Comunidades Mexicanas en el Exterior (PCME) is one of the key instruments for carrying out this connection. In fact, from 1993 to 1995, PCME ran a matching funds program at the federal level that matched each dollar raised by a HTA with two dollars, one from the federal government and the other from the state government, giving it the name of the “2 for 1” program. A clear sign of the extent of this new relationship can be appreciated through the widespread acceptance and implementation of this program. As one commentator pointed out, “[PCME] operates through the network of 42 consulates and 23 institutes or Mexican cultural centers in the United States” (Orozco, 2000: 12).
Following the success of the “2 for 1”, other programs were implemented throughout the 1990s: the “3 for 1”, the Paisano Program, and the Fondo de Apoyo para las Empresas de Solidaridad (FONAES). Their importance relies most of all in the consolidation of a new framework between the Mexican government and the Mexican communities in the United States. And while the achievements of these policies varies from one state to the other, the fact is they have been a key factor in the involvement of Mexican communities abroad in the promotion of local economic and social development in different regions of Mexico. As some scholars have noted (e.g., Goldring 1998), these programs reflect a growing interest of an increasingly extraterritorialized Mexican state, aiming to cultivate the potential of transmigrant associations in the U. S.

6.2. Oaxacan Government Policies

The State government of Oaxaca has designed and implemented different policies in order to deal with the growing population of migrants from that state in the United States. During the administration of then-governor Diódoro Carrasco (1992-1998), various programs were put in practice. While this government was not able to adopt a “2 for 1” program, a “1 for 1” was offered. In addition, it created the Fideicomiso de Apoyo a Migrantes in 1998. Several Oaxacan migrant associations participated in its formation, and its major goal was to support projects with a community focus and local participation, targeting the core demands of these communities: education, health, urban infrastructure, human rights, and research. However, the extent of its work has been limited: so far, the Fideicomiso has financed only one project.
Current governor José Murat has also promoted the creation of policies that are designed to address issues of Oaxacan migrant communities. His administration has proposed a "4 for 1" program. In contrast with the previous administration's programs, the proposed program's purpose is to promote productive, rather than social, projects in Oaxaca. This program would incorporate the participation of Oaxacan communities and non-governmental institutions as well. Hence, it was not intended to provide free matching funds, as in the "2 for 1" or the "3 for 1", rather a part of the funds would be a loan that would need to be repaid on preferential terms. However, this program is still pending. Contrary to the previous governor (who came to California to visit Oaxacan migrants), the current governor has not made any attempt to create links with Oaxacan migrants in the United States.

6.3. Perceptions of Government Policies Among Oaxacan Migrants

For the most part, Oaxacan associations have not participated in Mexican government programs in Los Angeles. In general, several factors can help explain these limitations. First, Oaxacan associations (and migration) are fairly recent, and some of them are more concerned with the consolidation of their communities in a new environment, which leads them to focus much more on the preservation of their culture. Second, there is much mistrust of the Mexican government, and for many people within the Oaxacan community Spanish is not a first language. Instead, they speak an indigenous language. The Mexican consulate does not yet offer any assistance or provide any type of mechanism to overcome this barrier. Indeed, in several instances the lack of fluency in Spanish becomes an obstacle to creating a relationship between the
government and the community. Furthermore, sometimes speakers of an indigenous language experience discrimination, and, to avoid it, they prefer not to deal with the government.

This gap between the Mexican federal government or the Oaxacan state government and communities abroad was consistently brought up by the HTAs we examined. In our focus group discussions, the participants highlighted a number of negative features in regards to their state government and its policies, namely the lack of information, the lack of consistency, the lack of attention from the Oaxacan authorities, and the limited role of the Mexican Consulate in Los Angeles. In what follows we elaborate on the ways in which these negative perceptions were articulated.

a. Lack of information: when asked about the extent of their knowledge of the different programs promoted or are being promoted by the Oaxacan government among the Oaxacan communities abroad -- either the “4 for 1” program or the Fideicomiso de Apoyo al Inmigrante -- almost all of the participants commented that they had never heard of these or any other initiatives promoted by the government. Only a few participants acknowledged that they had heard of these programs once, at a meeting they attended with representatives of the state government and held at the Mexican Consulate in Los Angeles, but other than that they have not had any further news about them.

b. Lack of consistency: the participants mentioned that while the Oaxacan government might have designed several programs for the Oaxacan communities abroad, the information about them has been erratic, without a consistent follow-up. In addition, they brought up a number of experiences in their own communities in Oaxaca, in which the government attempted to implement one or more initiatives of regional economic
itself as the one who’s organizing all Mexicans around here, or that it’s organizing all the activities that refer to the Mexican migrants, and that’s a lie”.

In sum, our participants revealed a somewhat negative perception of the extent of policies designed by the Oaxacan government for the Oaxacan communities abroad. And while we have to keep in mind that these opinions might not be necessarily representative of the Oaxacan community in Los Angeles or in California as a whole, we consider our finding to be at least puzzling given that these four Oaxacan associations had different features and trajectories among them. In addition, we speculate that this perception to some extent may also be the result of policies displayed by other Mexican state governments for their migrant communities in California. More than once, our participants invoked different achievements of other Mexican communities with the support of their governments in Mexico, which in turn enabled them to point out the shortcomings of the state government of Oaxaca.

6. Conclusions

This report documents some of our research findings among Oaxacan associations in Los Angeles regarding three major areas: (1) the point of remittances, the mechanisms involved, and their different uses; (2) Oaxacan HTAs and the extent of promotion of specific projects in their towns of origin in Oaxaca; and (3) the extent of policies by the state government of Oaxaca specifically designed for the involvement of communities like the ones behind these associations. Overall, the members of these associations displayed an abiding concern for both their families and their communities in Mexico, which is the basis for both individual and collective remittances. In regards to the former,
the majority preferred the use of informal mechanisms to send their monies, based on a well-founded distrust of the formal options, and practically all remittances were destined for household consumption. In regards to the latter, their associations have been able to provide a variety of goods and infrastructure works for their hometowns. Most of them had heard of at least one of the different policies designed by the state government of Oaxaca. However, despite being the alleged beneficiaries of these policies, they had a negative perception of them and of the government actions, a skepticism that was articulated in different ways.

Mexican HTAs are complex organizations that raise considerable collective remittances, which are primarily invested in local economic development. There have been a number of studies that have consolidated a pessimistic perspective on remittances, by emphasizing the economic dependency they may create, given that they are mostly spent on consumption with very little money going into productive investments. However, the activities of these migrants’ associations strongly support an optimistic view of the role of remittances in sending communities, by highlighting that even this consumption generates indirect economic benefits, by stimulating the economic supply. In our focus groups discussions, all the HTAs displayed and open interest and willingness to advance the implementation of productive investments in their hometowns. And although these associations were critical of the extent of the policies of the Oaxacan government regarding the Oaxacan communities abroad, most of them remain willing to work with that state government.

Our findings intend to shed some light in regards to the developmental potential of remittances, and how collective remittances from migrant groups in the U. S.
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constitute a variant that have yet to be fully assessed. Certainly there remains much that we do not know about HTAs and there are questions about their activities that deserve to be asked in regards to the extent in which they can be a significant factor in the promotion of economic development in the sending regions. In the case of Oaxacan HTAs, and in the context of the features of Oaxacan migration, it is remarkable that they have achieved a significant level of organization. However, this potential will not be realized without changes in other sectors. For example, it is clear that both Mexican federal and state governments, as well as nongovernmental organizations, can play an important role in fostering expenditure of collective remittances, and that banks and other financial institutions are necessary to increase the money supply and expand credit.

It is in this perspective that HTAs could have a more comprehensive role given their potential to mobilize capital in its two variants: financial (through collective remittances) and social (through the creation and expansion of social networks). Indeed, these associations speak for the needs of their communities, thus contributing to a more active government in the process of development. Development cooperation must be fostered between the efforts of these HTAs and these of other governmental institutions. Helping to strengthen these efforts would be an essential prerequisite for their project to succeed and for sustainable development.
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