

Report on Activities of the
UCLA North American Integration and Development Center

on the subcontract with
Fundación para la Productividad en el Campo
for the
Inter-American Development Bank Project

[TC-01-08-01-7]

“Investment of Remittances for Development in a Migratory Economy”

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I. BASIC INFORMATION

Project Name: Investment of Remittances for Rural Development in a Migratory Economy

Executing Agency: *Fundación Para La Productividad en el Campo* (FPPC)

Sub Contracting Agency: UCLA North American Integration and Development (NAID) Center

Beneficiaries: The overall beneficiaries of the Project will be those communities in rural areas affected by high migration in the states of Guerrero, Oaxaca and Michoacán. The direct beneficiaries will be the predominately female workforce in migrant sending communities, particularly those involved in the development of agricultural projects.

II. BACKGROUND

The UCLA North American Integration and Development (NAID) Center was founded in 1995 with an applied research mission that combines data analysis and primary fieldwork with active creation of “best practice” approaches to economic development in both the U.S. and Mexico. Since its inception, the NAID Center has been working on issues of transnational migration, remittances and local economic development projects. Communication on these issues with the IDB and the MIF has been continuous over the past decade, including a conference on Remittances and Hometown Associations (HTAs) attended by Enrique Iglesias, IDB President, which took place in January 2000 in Los Angeles. [See Appendix 1]

Beginning in mid-2000, the NAID Center began discussions with the MIF about a possible grant to extend the NAID Center’s work on Remittances and Hometown Associations (HTAs). NAID Center research had shown that while HTAs were successful at social projects, they were generally ill-prepared to engage in rural development projects even though they expressed strong interest in being involved in such productive projects. As part of our continuing effort to build transnational institutional linkages, the NAID Center recruited the *Fundación para la Productividad en el Campo* (FPPC), Mexico, to join the NAID Center in developing a proposal to the MIF. The idea was to promote collaborative work in both the U.S. and Mexico, given the FPPC’s track record in rural development projects and previous collaboration with NAID Center on HTAs in Jalisco. Beginning in early 2001, a series of proposals were submitted to the MIF for review and comment, which resulted in MIF staff conducting an analysis mission to both the NAID Center and FPPC in 2001 [Appendix 2]. Given restrictions on MIF financing of institutions in the U.S., the final proposal was submitted by FPPC with the NAID Center as a sub-contractor.

FFPC was awarded a grant for this project. In February 2003, FFPC signed a subcontract with the Regents of the University of California, acting on behalf of UCLA and the NAID Center [Appendix 3]. NAID Center staff actually began to work on the project much earlier, in the summer of 2002, utilizing other NAID Center funds. This early work included visiting FFPC productive project sites in Mexico, contacting Mexican migrants from designated project villages in Los Angeles, and helping to organize the FFPC workshops that occurred at the Los Angeles Mexican Consulate in November 2002 [Appendix 4 & 5].

III. SUMMARY OF OBJECTIVES

The agreement between these parties is stipulated in “Component 4” of the FFPC IDB grant and reiterated in the subcontract between the FFPC and the University of California.¹ The principal objectives of the UCLA NAID Center described in “Component 4” were:

- Promoting and disseminating information about Mexican rural productive projects for possible financial support by HTAs and community members in the United States.
- Promoting cooperation with other public and private sources of capital for additional financing of Mexican rural productive projects.
- Orienting and supporting organized migrants in developing the commercialization of Mexican rural products in U.S. markets.

The subcontract stipulated that there would be six rural productive project sites in Mexico, including two in the state of Guerrero (Huamuxtlán/Tlapa, and Huitzuco); two in Michoacán (Zitácuaro and Alvaro Obregon); and two in Oaxaca (Ayoquezco de Aldama in Zitmatlán and Santa Ana del Valle in Tlacolula). Work stipulated in the United States was to focus on HTAs and their communities in California and Illinois.

IV. EVALUATION AND RECOMMENDATIONS

Overall, the transformation of remittance flows into investment funds for sustainable rural development projects is a highly complicated process, a scaleable solution for which is still very elusive. The involvement of HTAs and immigrant groups in the process must be regarded as having a mixed evaluation, not providing as straightforward a source of support or funding as many had hoped for. Yet this MIF-funded project did find some unexpected dynamics of support for rural productive projects, including the forming of new migrant organizations in the U.S. inspired by their discovery of projects in Mexico, as well as a variety of private and public sources of capital and support. These findings

¹ Documento Del Banco Interamericano De Desarrollo Fondo Multilateral de Inversiones. México. Programa Piloto De Inversión De Remesas Para Desarrollo Rural: En Economía Migratoria (TC-01-08-01-7), Memorandum De Donantes. Preparado por el equipo de proyecto integrado por: Nobuyuki Otsuka, Maritza Vela, Sarah Almonte, Alberto Bucardo, and Maria Landázuri-Levy. Section E, Subsection 3.20-3.22, n.d.:10.

indicate a promising approach based on expanding partnerships between migrants' organizations and rural producers' groups, with financial intermediaries and private investors on both sides of the U.S.- Mexico border.

NAID Center research had shown that while HTAs are much more focused on social projects, they express strong willingness to be involved in productive projects. The HTAs with whom we worked, however, are not yet equipped to identify substantive and sustainable productive projects, let alone fund and run them. Thus this MIF-funded project sought to focus more on identifying productive projects and assuring their technical assistance in rural Mexican communities.

This experience shows that getting local productive technical assistance (TA) organizations involved as partners is indeed of crucial importance in identifying and developing potentially viable projects. While necessary, however, this prerequisite is by no means a sufficient condition for getting remittances transformed into investment funds for these projects. This experience has uncovered a number of important obstacles to this end, pointing to a number of recommendations for potential next step strategies.

First, there is often a disconnect between the strongest of HTAs and the most viable productive project in their respective villages. Indeed, the spontaneous coincidence of both strong HTAs and viable projects is rare and, some might say, expected since the most productive rural areas are usually not the strongest out-migrating regions. It should be remembered that this MIF project was preceded by an extensive search by both the NAID Center and FPPC to pre-identify HTAs and potential projects before the MIF funding began. While we do not believe that strong HTAs and strong projects are mutually exclusive, we clearly believe that insuring both will likely require investments in both productive project TA and HTA organizational strengthening.

Second, even with pre-identified and potentially viable productive projects, it is not at all clear that HTAs, mostly focused on collective social remittance projects, are the best sources of financing for these productive projects. Indeed, a major finding of this MIF project is that even in the case of strong HTAs, such as in the El Trapiche and Santa Ana del Valle examples, HTAs are limited for two major reasons: (1) the scale of investment for viable projects will usually exceed what HTAs are able to raise through collective contributions; and (2) HTAs face major political problems in making the transition from mobilizing collective remittances for public goods to mobilizing funds for the production of private goods. That an organization of Ayoquezco migrants interested in the MENA project (MIGPOA and then CHAPULIN) had to be created from the ground up is also evidence of this.

Third, viable projects in the absence of HTAs and collective community remittances are even more problematic in most cases (Humauxtitlan, Alvaro Obregon), but surprising fertile ground in others (Ayoquezco). The fundamental lesson from the Ayoquezco case is that solid community organization and sustained technical assistance in Mexico is the best foundation upon which to build a successful transnational community development project. While local participation and technical assistance are necessary conditions for

success, they are not sufficient if there is not also a focused effort for transnational outreach *by the local community itself* to their members living across borders.

Fourth, community members living and working in the U.S. are potentially important partners for commercialization of products from rural areas (Ayoquezco). The Ayoquezco MENA nopal cooperative is indeed the most successful example of the six projects examined in this study, but the organization of migrants was driven by a few individuals and certainly does not encompass all Ayoquezco migrants in the United States. A concerted effort to provide TA to U.S. side migrants in close coordination with Mexican side TA is essential. Yet there is no substitute for the engagement of the “entrepreneurial spirit” of leaders in the community ready to risk their own social and financial capital. Small business leader development and assistance (marketing, financing, legal-logistic) is critical.

Fifth, other private sector sources of financial capital are potentially very interested in working with migrant and/or transnational entrepreneurs. The most successful example of financing for a productive project came thorough a private investor in the U.S. that invested in a Mexican private company associated with FPPC (*Grupo Creative*) seeking to develop Internet Cafés in Mexico geared towards the transnational market.

Another important lesson from this IDB project is that “Dissemination” is a much more labor intensive process than just web sites, newsletters and academic/community seminars. This work requires close to the ground grassroots cultivation of key individuals and small networks before more board-based communication can be effective. Focused individual and small group leadership development must quickly lead a community-wide effort only to be followed by more mass approaches of dissemination.

Finally, perhaps the most important conclusion that the NAID Center has come to from its engagement in this work is that the only really viable way to scale up these activities is to expand the local partnerships to include financial intermediaries to collect private remittances through savings and make them available through loans and investments. Usually these intermediaries by themselves, such as micro-finance institutions, do not and cannot also specialize in technical assistance, thus creating the potential for real synergism. Working with local communities on both sides of the U.S.-Mexico border, tied to providing technical assistance in a transnational coordinated way, will only really be effective if we can partner with financial intermediaries to create an integrated approach to community mobilization, technical assistance and sustainable financing. This combined synergistic approach is now the basis of all future NAID Center proposals for further work with institutions such as the IDB, IFAD and a number of foundations now entering into the field of transnational sustainable community development.

V. DESCRIPTION OF ACTIVITIES: REGIONAL PRODUCTIVE PROJECTS IN MEXICO & MIGRANTS IN THE U.S.

This section describes in greater detail the activities of the UCLA North American Integration and Development (NAID) Center on the subcontract between the *Fundación para la Productividad en el Campo* (FPPC) and the University of California, Los Angeles (UCLA) for the Inter-American Development Bank (IDB) Project. Featured are productive projects that provide possibilities for regional economic development in Mexico. Also featured is the NAID Center's work in identifying and soliciting support for these projects from transnational migrants from the project sites living in the United States; from other institutions including foundations, credit unions and other financial entities on both sides of the border, and non and for profit organizations. Research conducted by the NAID Center in support of the projects is also considered here.

The Mexican regional development projects are typically organized as cooperatives. A final productive project described here is different from the regional projects in so far as it is not site specific and potentially has project counterparts in the United States. That is, the Internet Café project or technology center network spans regions in Mexico and eventually will have a transnational counterpart that spans regions in the U.S.

Changes to the Selection of Project Sites and Productive Projects

The FPPC-UCLA subcontract stipulated that the project focus on six rural productive project sites in Mexico, two in the state of Guerrero (Huamuxtlán and Huitzuco); two in Michoacán (Zitácuaro and Alvaro Obregon); and two in Oaxaca (Ayoquezco de Aldama in Zitmatlán and Santa Ana del Valle in Tlacolula). However, several changes were made during the subcontract period in regards to project sites and productive projects.

First, the expansion of a network of technology centers (the Internet Café productive project) became a major focus for the FPPC and NAID in Guerrero and Oaxaca. This required expanding the project sites in Guerrero to the town of Tlapa de Comonfort where two of the technology centers were located.² Internet Café technology centers in Oaxaca included those constructed in the stipulated project sites of Ayoquezco and Santa Ana de Valle as well as in the communities of Santa Gertrudis and Santa Cruz.

Second, Huitzuco, Guerrero and Zitácuaro, Michoacán were project sites stipulated in the original subcontract and later in the March 2003 FPPC-NAID *Plan de Trabajo*. However, despite the FPPC's work in these areas prior to the IDB project and their efforts to re-establish projects there, no productive projects were developed in Huitzuco and Zitácuaro during the FPPC-UCLA subcontract period.

Third, the subcontract stipulated that work in the United States was to focus on HTAs and their communities in California and Illinois. In California, this included work with migrants in Los Angeles, San Diego and Fresno. Work in Illinois was not developed

² According to a list of technology centers provided by Oaxaca FPPC staff, there were four technology centers in Tlapa de Comofort in August 2003 [See, Appendix 6].

since a productive project in Zitácuaro, Michoacán was not initiated and migrants from Alvaro Obregon, Michoacán were not located in Chicago.

Instead, New York City became a U.S. project site. FPPC and NAID staff discovered in July 2002 that the majority of migrants from Huamuxtitlán and Tlapa, Guerrero were living and working in New York City. Both FPPC and NAID directors met with Mexican migrant leaders in New York on several occasions. Extensive work with *Guerreranese* migrants in New York was also carried out by NAID contracted researchers, the findings of which are included in this report.

NAID Center Research Teams

Prior to the FPPC and UCLA signing a subcontract in February 2003 and in anticipation of funding for this project, the NAID Center funded three teams of researchers in summer 2002. The first team accompanied NAID Research Director Raul Hinojosa to Oaxaca, the second to Guerrero and Michoacán. Hinojosa directed the third team to identify and interview migrants from the productive project sites living in the United States.

In keeping with the transnational scope of the project and subcontract, NAID's objectives on these initial and subsequent trips to the Mexico sites and projects were to:

- (1) acquire for the NAID Center a working knowledge of the FPPCs respective projects;
- (2) to meet families in these regions who have relatives in the United States;
- (3) to explain the NAID's role in the IDB Project; and
- (4) to solicit from these families, the names and contact numbers of the migrants.

The Oaxaca research team included NAID Center Associate Director David Runsten, Felipe Lopez, and Yolanda Cruz. Runsten is an agricultural economist with extensive experience working in Mexico and with Mexican migrants in the U.S. Lopez is a Ph.D. Candidate in the UCLA Urban Planning Graduate Program as well as a recognized leader in the Zapotec transnational community. Cruz is a Chatina woman born and raised in Oaxaca with a Masters of Fine Arts from UCLA in film. Dr. Paule Cruz Takash, an anthropologist and Visiting Assistant Professor at UCLA, accompanied the team.

The Guerrero/Michoacán research team included Mr. Joshua Kirshner and Mr. Lars Trans. Now a Ph.D. Candidate at Cornell University, Kirshner then held a Masters degree from the UCLA Urban Planning Graduate Program. Mr. Lars Trans was an exchange graduate student from the Anthropology Department at Copenhagen University, Denmark and at that time, an intern at the NAID Center. Hinojosa and Runsten monitored Kirshner and Trans' fieldwork via emailed field notes and supervised the project as it progressed.

From July 2002 to June 2004, Hinojosa also organized a research team focused on identifying and working with migrants from the Mexico productive project sites living in

Los Angeles, San Bernardino, San Diego and Fresno, California. UCLA graduate students Rita Mercedes Davila, Alejandra Ricardez and Rory Overby comprised this team. Davila and Overby also visited Santa Ana del Valle (SAV) and Ayoquezco in March 2003. Overby returned to Ayoquezco that summer to interview MENA cooperative members. Takash, Runsten and Lopez supervised the U.S. focused work and returned to Mexican project sites at intervals.

In the fall of 2003, the NAID Center subcontracted a Columbia University research team supervised by Dr. Robert Smith to provide base-line data on *Guerreranese* transnational migrants in New York City. Members of the team also traveled to Huamuxtlán and Tlapa de Comonfort, Guerrero earlier that summer and in March 2004, where they conducted a number of migrant household surveys.

During the course of the FPPC-UCLA subcontract, Hinojosa met frequently in Mexico with Roberto Rodriguez and other FPPC personnel as well as with Sergio Garnelo, founder of *Grupo Creative* and a collaborator in the Internet Café project. Under Hinojosa's direction, the Columbia University research team also identified potential sites and partners for sister Internet Cafés in New York for Guerrero and Michoacán migrants living in that city. Lindsay Dailey worked with Hinojosa to identify sister Internet Café sites in Los Angeles and conducted research under his direction on the record of sustainability of community technology centers (CTCs) in the U.S. Dailey was a cofounder of *Computación Sin Fronteras*, a community based CTC in Los Angeles and works closely with Oaxacan women and families in LA.

VI. REGIONAL PRODUCTIVE PROJECTS IN MEXICO & MIGRANTS IN THE U.S.

REGION 1: OAXACA: AYOQUEZCO DE ALDAMA & SANTA ANA DEL VALLE

The ethnically diverse state of Oaxaca is divided into eight regions and represented by sixteen language groups. The Mixtec and Zapotec are two of the most prominent indigenous groups in that state. In a paper co-authored by NAID researchers Felipe Lopez and David Runsten, they note that Mixtec and Zapotec show high incidences of migration to the United States yet exhibit differences in transnational migratory settlement and employment patterns.³ Mixtecos are primarily found in agricultural locales and work, Zapotecos in service work in urban areas.

Two Oaxacan sites were designated in the FPPC-UCLA subcontract, Ayoquezco de Aldama (Zitmatlán District) and Santa Ana de Valle (Tlacolula District). While inhabitants from these two communities both recognize themselves as Zapotec, Santa Ana de Valle has far more Zapotec (de Valle) speakers.

The initial FPPC projects focused on an Ayoquezco women's cooperative and their efforts to market their bottled and fresh cactus (*nopal*) among other food products to niche and immigrant markets in the United States, and upon expanded textile products by and foreign markets for Santa Ana de Valle weavers. The Oaxaca productive projects were expanded to include five new technology centers or Internet Cafés, one of them located in Ayoquezco, another in Santa Ana de Valle. Eventually, the Internet Café would be the only FPPC productive project in Santa Ana de Valle.

Ayoquezco de Aldama, Zitmatlán de Alvarez

Ayoquezco de Aldama, a rural community of approximately 5,770 people, is one of a number of towns comprising the District of Zitmatlán de Alvarez which together with other districts including Tlacolula, makes up the region known as the *Valles Centrales de Oaxaca* (Central Valleys of Oaxaca). Ayoquezco is situated along the 21 Federal Highway that runs from Oaxaca City to the state's coastal port, Puerto Escondido. This Highway is the main transportation artery connecting a corridor of towns and villages to Oaxaca City, located 45 kilometers from Ayoquezco. Interviews with Ayoquezco

³ Lopez, Felipe, and David Runsten. "Mixtecos and Zapotecs Working in California: Rural and Urban Experiences." In Jonathan Fox and Gaspar Rivera-Salgado, (eds.), *Indigenous Mexican Migrants in the United States*. La Jolla: Center for U.S.-Mexican Studies, University of California, San Diego, 2004. (also published in Spanish as "El trabajo de los Mixtecos y los Zapotecos en California: Experiencia rural y urbana." En Jonathan Fox y Gaspar Rivera-Salgado, coordinadores, *Indígenas Mexicanos migrantes en los Estados Unidos*. México, DF: Miguel Ángel Porrúa, 2004.)

inhabitants and with migrants in California suggest that almost half of the Ayoquezco population resides and works in Southern California.⁴

Productive Project: MENA (*Mujeres Envasadoras de Nopal de Ayoquezco*)

The MENA cooperative was formed prior to their involvement with the FPPC. According to Doña Francisca Cruz Sanchez, cofounder and first President of MENA, the group first met informally to discuss forming the organization that three years later became *SSS Mujeres Embasadoras de Nopales de Ayoquezco* (MENA).⁵ The production and selling of *nopal*, an economic activity in Ayoquezco and this region for over eighty years, has become more important for many families in recent years.

The FPPC learned about MENA through one of its incoming staff members Ubaldo Ferias. Ferias had earlier worked for *Coordinacion Estatal de Atencion al Migrante Oaxaquoeno* (CREAMO) contracted to follow-up and evaluate the cooperative's efforts. Feria currently coordinates the FPPC's Oaxaca office and together with agronomist María Gómez Vargas, provides technical assistance to projects in that region. Their efforts have contributed significantly to MENA's ability to produce a higher yielding, pest-resistant *nopal* and over time, to become certified as organic producers. FPPC has also contributed to the industrialization and marketability of MENA's bottled *nopal* and other food products.

On July 8, 2002 Paule Cruz Takash and NAID representatives Hinojosa, Runsten, Felipe Lopez and Yolanda Cruz made an initial visit to Ayoquezco. Lopez and Cruz returned to Ayoquezco in late July and August 2002. Lopez was charged with acquiring a working knowledge of the MENA project for the NAID, and with soliciting the names and contact numbers of family members in California from its members. The NAID Center subcontracted Cruz to make a film about MENA and other FPPC productive projects as stipulated in the FPPC- UCLA subcontract.

Also under the direction of Hinojosa and Runsten, Kirshner and NAID graduate student researchers Alejandra Ricardez and Rorie Overby focused on identifying and working with Ayoquezco migrants in Los Angeles, San Diego, Fresno and Salinas, California who expressed interest in promoting and distributing MENA products in the U.S. Kirshner organized NAID meetings with these migrants and conducted a formal interview with Candida Hernandez, founder of *Union de Mujeres Oxaquenas* (UDMO) and a MPA (*Migrantes Por Ayoquezco*) Board Member who became an active promoter of MENA products.⁶

⁴ Kirshner, Joshua. Fieldnotes on Ayoquezco de Aldama, May 2003. Also, Ricardez, Alejandra. Coordinating Transnational Economic Development in Ayoquezco and El Trapiche: Transnational Perspectives on Two Case Studies of Economic Development, Community Mobilizing, Home Town Associations and NGOs. In, Hinojosa Ojeda, Raul. Los Angeles in the World Economy: Transnational Community Development in Greater North America, Chapter Three: June 2003. UCLA Urban Planning Masters Comprehensive Project 2003, under the auspices of the UCLA NAID Center

⁵ Ibid.

⁶ Kirshner, Joshua. Interview with Candida Hernandez, 10 February 2003.

Born and raised in Aqua Blanca, Zitmatlán, Ricardez migrated as a youth with her family to San Diego. She is a founding member of COCIO (*Coalicion de Comunidades Indigenas de Oaxaca*), in San Diego County in which Ayoquezco migrants participate, and an active supporter of MPA also known as MIGPAO (*Migrantes por Ayoquezco, Oaxaca*). Ricardez is a member investor of CHAPULIN as well, a small business founded by Ayoquezco migrants to distribute Mexican products including MENA food products.

Hinojosa instructed Ricardez in a comparative analysis of Ayoquezco's MENA project and an unsuccessful green house flower productive project in a neighboring community, El Trapiche. This work contributed to the FPPC UCLA project objective of understanding how transnational and local social capital can be successfully mobilized for sustainable investment strategies that raise the standards of living for migrants and their families on both sides of the border. In regards to the success of MENA, the study found that:⁷

“... critical in explaining the differences in dynamics and outcomes is the potential and ability of the local actors to mobilize the transnational community, NGOs and the local community. A second variant [*sic* – factor] that appears essential is for project participants to possess local knowledge of the product. Further still, the Ayoquezco case displays the importance in recognizing the complex relationship between gender and indigenous knowledge. The knowledge possessed by the Ayoquezco women in *nopal* production and management, particularly as a sustenance resource, appears to have been a vital element in grounding the project. While it must be acknowledged that these variants [factors] are embedded in local knowledge and mobilization resources present viable alternative potential for sustaining productive projects based on a permanent basis.” [Appendix 7].

Rorie Overby was a graduate student in the UCLA Urban Planning Master's Program and an intern at the NAID Center in 2003 who worked closely with MIGPAO members active in promoting MENA products. First visiting MENA in Ayoquezco with other Hinojosa graduate students in March 2003, Overby returned to Ayoquezco that August to document for the NAID Center advances in MENA's organic cultivation, *nopal* processing and sales, and construction plans for the processing plant. In California, he represented the NAID Center at *Guelaguetza* events in San Diego County (San Marcos and Carlsbad (July 27-28, 2003) in which the FPPC and MENA President Francisca Cruz and Secretary Rosa participated. The agricultural city of Fresno, situated in the California Central Valley, is home to a large number of Ayoquezco migrants. In October 2003, Overby accompanied Candida Hernandez and her cousin Margarita Hernandez to Fresno to inform Ayoquezco migrants about the MENA productive project, to assess the market demand for MENA products in that region, and to identify the best means of distribution and sales of the products.⁸

⁷ Ricardez, Alejandra. Coordinating Transnational Economic Development in Ayoquezco and El Trapiche. Chapter Three: June 2003.

⁸ Overby, Rorie. Fieldnotes, March 2004.

Overby also represented NAID at a number of seminars organized by MPA and/or FPPC in San Marcos, San Diego County. The seminars focused on: (1) anticipating and planning for problems migrants may face in supporting MENA;⁹ (2) informing MPA (aka MIGPAO) of the progress made on the design and construction of the food processing plant in Ayoquezco by Industrias TONALY; and on devising a business plan between MENA and MPA;¹⁰ (3) developing an Ayoquezco immigrant owned promotion and distribution business (SAMAY, LLC) that could support MENA;¹¹ and (4) clarifying MPA's role and financial responsibilities via MENA in preparation of SAMAY officers' trip to meet with FPPC in Mexico City and with MENA in Ayoquezco.

MPA members wanted clarification regarding when FPPC would turn over control of the project to MENA and FPPC's role in decisions that had been made. Some members expressed feeling left out of the decision-making process and thus the wisdom of their investing in the project.¹² Apparently these doubts were sufficiently addressed by the FPPC at the Mexico City meeting, as the group decided to continue their association and moved forward to consolidate the U.S. based distributor enterprise. SAMAY, LLC would eventually take the name CHAPULIN.

U.S. Markets for Mexican Food Products

NAID Center researchers including David Runsten, Rorie Overby, Margerie Reyes and Felipe Lopez, spent considerable time researching possible diverse markets for the MENA product line. Under Hinojosa and Runsten's direction, Overby authored four reports to assist MPA (MIGPAO) support MENA in the U.S. and to assist the fledgling migrant distributor's network to become a viable small business. The first report, "Coordination of Migrant Associations, Hometowns, and Governments in Transnational Small-Scale Export Enterprises: Exporting Nopales from Ayoquezco, Oaxaca to Los Angeles," examines how various actors - governments, non-profit and for profit sectors, universities and transnational migrants - together can better provide a coordinated approach to transnational economic development.¹³

A second report, "Oaxacan Communities in California," provides a series of Geographic Information Systems (GIS) generated maps designating the distribution of Oaxacan immigrants throughout the state and Los Angeles County; markets for organic Oaxacan

⁹ The seminar was sponsored by *El Centro de Estudios Ambientales y Sociales para el Desarrollo Sostenible* (CEASDES) and funded by FUPAD (*La Fundacion Panamericana para Desarrollo*), Overby fieldnotes, October 26, 2003.

¹⁰ FPPC Executive Director Roberto Ramirez informed MPA of the progress made on the design and construction of the food processing plant in Ayoquezco by Industrias TONALY, an architecture, engineering and construction firm from Zitácurao, Michoacán specializing in processing plants, Overby fieldnotes, 29 February 2004.

¹¹ The formation of SAMAY, LLC at that meeting was documented as was the election of its transitional committee of executive officers of which Felix Cruz and Candida Hernandez were elected President and Vice-President, respectively. Overby fieldnotes, 15 February 2004.

¹² Overby fieldnotes, 25 April 2004.

¹³ This report is available upon request.

products; Oaxacan owned businesses; and public services for the West Los Angeles Oaxacan communities [Appendix 8]. A third report, “Immigrant Microenterprise and Transnational Development in Los Angeles,” provides information about funding and technical assistance resources available for individuals and groups to create microenterprises [Appendix 9].

“Exporting Oaxacan Flavors: A Feasibility Study on Importing Oaxacan Food Products to Southern California,” focuses on various markets for MENA and future CHAPULIN products described in more detail in this report and below [Appendix 10]. While the latter report was specifically prepared for MIGPAO, MIGPAO and CHAPULIN have been used all four reports.

Candida Hernandez invited the NAID Center to present this market research at a MPA (MIGPAO) meeting held in San Marcos, February 15, 2004. Overby presented data that included the U.S. market for traditional Latino food products and in particular for those products including fresh *nopal*, produced by MENA. U.S. firms were identified that target Latino foods and grocery markets to measure market potential for Mexican food products made for export to the U.S (Heinz, Hormel). Also identified were: Mexican food processors that have opened facilities in the U.S. (Embasa, Verde Valle, and Bimbo); Latino owned supermarkets (Gigante and Commercial Mexicana) and supermarkets catering to Latinos in Southern California (Vons); regional Latino grocery chains (Vallarta, El Tapatio, Liborio, Numero Uno, Gallo Giro) and small non-chain Latino owned markets and corner stores.

GIS maps locating Latino grocery stores as well as organic stores and restaurants in Los Angeles were presented. The data regarding Oaxacan restaurants and stores is based on research by Felipe Lopez and David Runsten among other sources. Another map depicting the many Oaxacan communities in greater Los Angeles is based on Overby’s site visits to each area and from secondary sources.

This research identifies various marketing opportunities for MENA’s product line including wholesale and retail markets. To absorb the 60 tons in fresh and jarred nopales MENA is capable of producing, it is recommended that MIGPAO develop a marketing strategy to both traditional Latino populations and upscale and organic foods markets. While suggesting that food brokers could identify and negotiate sales with purchasers, Overby noted they also required additional costs. Most independent grocery stores on the West Coast including the majority of Los Angeles Latino supermarket chains and stores catering to Latino tastes belong to United Western Grocers (UWG), a wholesale cooperative in the City of Commerce. If MIGPAO could convince UWG to support MENA products, it would reduce the numbers of hours MIGPAO would otherwise need to reach individual purchasers.

Fair Trade and Organic Markets

One of the Subcontractor Activities specified in the subcontract was to “attempt, in a pilot fashion, to facilitate marketing in the United States of products from the village projects” (Attachment A: Scope of Work I. 6. p.7). As part of this activity, NAID Associate Director David Runsten conducted research regarding potential fair trade and organic niche markets in the United States for products from rural cooperatives in Mexico, and in particular for the MENA products from Ayoquezco (A proposal for further work was developed and is included as Appendix 11).

NAID staff contacted by telephone a significant list of importers and alternative trade organizations, including fair trade coffee importers, Transfair USA, as well as importers of grains and teas. Runsten also discussed importing the *nopales* with Jacobs Farm/Del Cabo, which imports organic fruits, vegetables and herbs from Mexico and Central America, and with a firm in Santa Cruz, California, that dehydrates mangoes in two Mexican sites. Both of these latter firms distribute to a wide array of retail grocers throughout the United States. MENA’s products are both prepared (jarred *nopales*, *tlayudas*, mole, chocolate) and fresh (*nopales*) food products that require somewhat different markets as well as marketing strategies in the United States.

- The jarred nopales were investigated by Rorie Overby, with the assistance of other UCLA graduate students, and in cooperation with Ayoquezco migrant Candida Hernandez. They found that there would be a “nostalgia” market for these among Oaxacan immigrants, that various Mexican grocers would sell them, and that there might be some demand for them from Oaxacan restaurants (see below). There might also be an eventual demand for them in upscale grocers as a quality organic product. Runsten and graduate student Felipe Lopez inventoried and mapped almost 40 Oaxacan-owned restaurants in Los Angeles in support of this investigation.
- The *tlayudas* are somewhat fragile and may face shipping problems, but there is a strong nostalgia market for them. Dr. Paule Cruz Takash interviewed Mr. Raymundo Morales a Oaxacan entrepreneur who reported having brought to Los Angeles many boxes of fresh *tlayudas* for local Oaxacan restaurant owners. A legal U.S. resident, Morales returns frequently to Oaxaca to oversee his money remittance (*envios*) payout locations in the Valley of Tlacolula. What began as a favor for a few friends became a torrent of requests from numerous Oaxacan restaurant owners to such a degree that Morales finally had to stop bringing them. He confirmed there is currently a strong market for this product and a need for more formal means of importing and distributing these and other Oaxacan food products.
- The mole would face stiff competition, as there are many alternatives currently available.
- Several of the Fair Trade importers thought there would be a market for the chocolate, particularly if it were organic. There is apparently unmet demand for organic chocolate in the United States, and no one could identify a similar product in the Mexican style.

To consider possible marketing strategies for MENA’s fresh (and in particular fresh organic) *nopales*, Runsten contacted Larry Jacobs, owner of Jacobs’ Farm/Del Cabo, about the possibility of importing fresh *nopales* from Oaxaca. Jacobs is the principal importer of fruits and vegetables from small producers in Mexico. In particular, he personally set up and developed a cooperative of several hundred *ejidatarios* in the Cabo area of Baja California Sur, who produce organic cherry tomatoes, herbs and vegetables for the U.S. market. He has developed other projects in Nayarit and Central America.

Jacobs was interested but knew nothing of the fresh *nopal* market. He suggested the women of MENA in Ayoquezco ship a box on a commercial airline from Oaxaca to Los Angeles or San Francisco, and he would be the importer. Runsten gave these instructions to Roberto Ramirez of FPPC, but FPPC was unable to comply with customs requirements. In an effort to have FPPC deal directly with Jacobs, the NAID Center provided Jacobs’ phone number to Roberto Ramirez.

Runsten spoke with Jacobs again on March 9, 2004. Jacobs was still interested in the idea but he was quite certain that the market for fresh organic *nopales* would be very small. He was still willing to import some test boxes and send them to the distributors that sell organic produce in the United States, with instructions to see if there is interest among the

restaurants in particular. In Overby's surveys, he found that some high-end restaurants in Los Angeles (e.g. Border Grill) were interested in the fresh product.

It will be necessary to emphasize the higher quality and different variety of the MENA-grown *nopal*. Jacobs was concerned that they cannot be delivered to stores or restaurants with the spines on, even though it is necessary to keep the spines on as long as possible to preserve freshness. He was also worried about potential liability if someone injured themselves on the spines. However, NAID staff found fresh nopales pads being sold in Whole Foods stores with the spines on. There is apparently an operation in Watsonville (Northern California) that is chopping up *nopal* and selling it in plastic bags. Perhaps some such preparation would be necessary, but this would drive up the cost since it would have to be done in the United States.

If the *nopales* have to be sold via conventional Mexican produce distributors it will not work, as they operate strictly on price and there are cheaper *nopales* from northern Mexico. Once again, only if the product could be differentiated in some way would it make it into Mexican markets in the United States. The *CHAPULIN* distributor of the Ayoquezco migrants could experiment with these markets.

Productive Project: Ayoquezco Internet Café

Reports about the Internet technology project list five Internet Cafés in Oaxaca, two of them in Ayoquezco. Most FPPC-NAID-*Grupo Creative* Internet cafés comprising the network are equipped with fifteen computers. Four sites however are equipped with thirty computers, including Ayoquezco. It appears that for fiscal or other reasons, these sites are counted as "two" Internet cafés.¹⁴

The Oaxaca Internet Cafés were operational early 2003. The objectives of the centers were communicative, educational, and economic. In regards to the latter, the Cafés were development projects intended to provide entrepreneurial opportunity to a group of local associates (*socios*). They were also envisioned as sites at which to receive money transfers (remittances) from family in the United States and to place calls to the U.S. via the Internet (VoIP) for a significantly lower cost than prevailing long-distance telephone rates. In Ayoquezco, the Internet was seen as a potential vehicle for marketing the MENA food product line as well.

FPPC, NAID representatives and Takash visited the Ayoquezco Internet Café on February 15, 2003 to discuss the associates' failure to attend a workshop organized by the FPPC and *Grupo Creative* earlier that week in Oaxaca City. While most of the cafés are run by a minimum of five associates, Ayoquezco was managed by approximately fifteen *socios* the majority schoolgirls under eighteen and the children of MENA members. The girls claimed their parents had not allowed them to go to Oaxaca unaccompanied for the associates' workshop, prompting FPPC Executive Director Roberto Ramirez Rojas to

¹⁴ List of Internet Cafés in Guerrero, Puebla, Tlaxcala and Oaxaca dated August 2003 provided by FPPC Oaxaca office (See, Appendix 6).

also call their mothers to the meeting to discuss the importance of capacitation training to the success of the project. The youth of the associates may have contributed to their eventual abandonment of their roles as *socios* in the technology center. The Oaxacan Internet Cafés in general suffered from poor technical servicing and management training. Moreover, the anticipated build-out of additional services needed to make all the Internet Cafés profitable have not yet materialized.

Currently, Internet Café's hours of operation have been reduced and one person manages it, identified to NAID staff as a teacher (*el maestro*). Still there is anticipation on the part of FPPC and NAID that the technology center can be made to thrive in the future given additional capital investments, better technical service and support and improved technology needed for additional revenue streams. New private partners may also be required to ensure more reliable capital investment and service.

The Ayoquezco technology center is also well situated to become a remittance payout site once that Internet capability is provided since residents already receive remittances at a *zapateria* (shoe store) directly across the street. It could also have a competitive edge in terms of price and service. Upon the NAID's last visit to Ayoquezco in March 2005, MENA members complained not only about the high transaction fees charged by the shopkeeper/remittance agent but also about the inconvenience of the service due to what they claimed were the irregular hours kept by the shop owner.

Promotion of Productive Projects with Ayoquezco Migrants and HTAs in California

NAID researchers met with Ayoquezco migrants on many occasions in Los Angeles, San Diego, and Fresno, California throughout the grant period during which FPPC productive projects in Ayoquezco and potential U.S./California complementary projects were promoted.

November 14-16, 2002. The FPPC and NAID Center cosponsored a three-day conference for project promotion at the Los Angeles Mexican Consulate and at UCLA to which migrants from Ayoquezco were also invited. Candida Hernandez, Margarita Hernandez and Guadalupe Santibanez (Los Angeles) attended the three days and Felix Cruz and Miguel Angel (San Diego) attended the Saturday session. Over the three days, the FPPC gave presentations that included discussion about its various productive projects in Oaxaca, Guerrero, Puebla and Zacatecas, and a demonstration of MENA food products and wool rugs from Santa Ana de Valle (Appendix 5).

NAID Research Director Raul Hinojosa organized a meeting for the second day at which former Oaxaca City Mayor Gabino Que Monteagudo spoke. Hinojosa showed the FPPC's video about the Huamuxtitlan Internet Café, discussed the mechanisms for sending low cost remittances over the Internet and of VoIP (voice-over-Internet) for lower communications costs between migrant families. This meeting was attended by 50 to 60 persons, many Oaxacan migrants who afterwards reported great interest in the productive projects.

Several migrant leaders also suggested that future FPPC and NAID conferences take into account migrant laborers' work schedules to better ensure their full participation. Two and three day conferences require participants to take off an inordinate amount of time from work and lose needed income, or to pick and choose what part of the conference to attend and lose a comprehensive understanding of the overall agenda. They suggested breaking up the agenda over several days, spread out over several weeks. The NAID Center tried out this recommendation when it organized its next promotional conference in Los Angeles focused on the transnational Internet Café project. NAID staff provided the FPPC a written documentation and analysis of the November 2002 meeting in Spanish; a more detailed English version was also prepared.¹⁵

March 6, 2003. Taking into consideration migrant comments made in November 2002 regarding their work schedules and future conference planning, NAID organized a conference comprised of two meetings spread out over several weeks to promote the Internet Café productive project. The first conference meeting agenda introduced migrants' to the Internet Café project in Mexico and addressed how the cafés could also help promote other village-based projects [Appendix 12]. The second conference meeting agenda sought migrant participation in developing a Los Angeles based Internet Café that could link migrants to the Internet café network in Mexico [Appendix 13].

The first half of the conference was held on March 6, 2003 at the Social and Public Arts Resource Center (SPARC) in Venice Beach, located in West Los Angeles where numerous Oaxacan migrants live and work. Approximately fifty persons attended, half of them Oaxacan migrants including Candida and Margarita Hernandez and other members of *Union de Mujeres Oxaquenas* (UDMO).

NAID Center Research Director Raul Hinojosa gave a power point discussion about the rural Internet Café network in Oaxaca, which included photographs of the Ayoquezco and Santa Ana de Valle Internet Cafés. The FPPC video of the Huamuxtitlan (Guerrero) Internet Café was also shown followed by a live video teleconference hook-up from SPARC to the Internet Café in Santa Ana de Valle. Having earlier arranged for Santa Ana de Valle community members to be at the Internet Café at the appointed hour, these family members separated by distance and national boundaries were able to see and speak to one another in real time that evening. Several of the migrants had not seen their family members for many years.

Other projects to improve migrant families' lives in the U.S. and Mexico were also presented that evening; i.e., Mexican microbank and California credit union partnerships; migrant cultural projects at SPARC. Migrants expressed great interest in the Internet café productive project and in particular the video teleconferencing feature. Those from

¹⁵ Joshua Kirshner. [The English Version is more detailed] UCLA NAID Center-Fundacion para la Productividad em el Campo. "Oportunidades de Negocios." Report on the Planning and Proceedings. Conference in Los Angeles, CA, 14-16 November 2002:1-7. [Spanish Version] UCLA NAID Center-Fundacion para la Productividad en el Campo. Conferencia "Oportunidades de Negocios" Evaluacion y Comentarios, 14-16 November 2002:1-5.

regions outside of the Valley of Oaxaca inquired about the possibility of extending the Internet café network to their communities.

April 20, 2003. The second half of the conference was held at the UCLA Public Policy School on April 20, 2003 and attended by twenty-five persons. This conference meeting agenda was more specifically focused on developing a self-sustaining model for an Internet Café in Los Angeles that could link migrants to the Internet café network in Mexico. The Huamuztitlán (Guerrero) Internet Café video was also shown to provide continuity between the two meetings and for those participants who had not been able to attend the first half of the conference held in March.

NAID staff and Oaxacan migrant Rene Aquino (Santa Ana de Valle) presented research they had conducted about various technology center models. NAID Research Director Raul Hinojosa proposed a hybrid non-profit/for-profit model to better ensure sustainability and migrant affordability. He also proposed establishing the Internet café at SPARC (Social and Public Art Resource Center) for several reasons. First, it is located in an area where many Oaxacans reside and work. Second, the non-profit organization had adequate and low cost rental space available at its facility in Venice and had expressed a willingness to house the Internet Café there. And third, SPARC Executive Director Judy Baca, Hinojosa, and Oaxacan migrants had discussed how SPARC personnel could provide migrants instruction about computer-generated art and design. SPARC is a renowned public art production and preservation center with a state-of-the-art digital laboratory at which they have created a digital archive of public art and murals found throughout the country.

July 2003. Raul Hinojosa and Paule Cruz Takash facilitated MENA President Francisca Sanchez and Secretary Rosalva Lustre's trip to California to participate in *Guelaguetza* events in San Marcos and Carlsbad, San Diego County. Takash met the women at the Los Angeles airport, drove them to the home of COCIO member Felix Cruz in San Diego County, and with Hinojosa picked up the shipped MENA food products in Tijuana, Mexico to transport them to the *Guelaguetza* site in San Marcos, San Diego County. Takash also designed and provided MENA for this event, a large poster board describing MENA's history in Spanish and displaying photographs taken by Takash of the cooperative's organic *nopal* fields and food processing. According to Candida Hernandez, MPA (MIGPAO) members continue to use the poster board at other promotion events. Alejandra Ricardez and Rorie Overby represented the NAID at this event as well.

Approximately 5,000 persons attended the San Marcos *Guelaguetza*. NAID staff noted that the women sold 100 jars of nopal and all the chocolate they had brought in addition to the other food products (*tlayudas, quesidillas, molotes, aqua frescas*) and denim aprons and baseball caps with the MENA logo on them. About sixty jars were sold the following day at the Carlsbad *Guelaguetza*. NAID representative Rorie Overby also attended this event. Candida Hernandez took the remaining boxes of jarred nopales, planning to take them to Ayoquezco migrants in Fresno and Salinas.¹⁶

¹⁶ Overby, Rorie. MENA at La Guelaguetza 2003 Summary Notes, 26 July 2003:1-2.

July 31, 2003. The following week, Hinojosa and Takash hosted a dinner meeting for MENA (Doña Francisca Sanchez and Donna Rosalva Lustre) and MIGPAO (Candida and Margarita Hernandez) members at their home in Venice California, to plan future strategies for sale and distribution of MENA products. NAID representatives David Runsten, Rita Davila, Ricardez, and Overby participated as well.

May 24, 2004. NAID also promoted and cosponsored with MIGPAO a cooking demonstration using fresh *nopal* and MENA food products at the Bradley International Center at UCLA. Candida and Margarita Hernandez prepared the foods assisted by NAID representative Rorie Overby who is also a chef. Approximately forty persons attended and sampled the foods. Dr. Paule Cruz Takash welcomed the crowd and took photographs of the event. Candida Hernandez relayed the story of Ayoquezco's centuries old tradition of growing and preparing *nopal* for the local market; the local women's decision to form the MENA cooperative to prepare *nopal* and other foods for broader markets including the immigrant market in the United States; MIGPAO's efforts to promote MENA products in the U.S.; and to found a migrant distributors network that would become eventually become the small business, CHAPULIN. [Appendix 14]

A second demonstration was planned targeting elite restaurateurs in Los Angeles to stimulate this potential niche market. It was postponed by MIGPAO until such time MENA could guarantee an adequate supply of product.

Other Institutional Collaboration and/or Funding

The FPPC- UCLA subcontract also mandates the NAID to look for institutional collaborators and additional funding sources to support the productive projects.¹⁷ To that end, Hinojosa directed the Pan American Development Foundation to and facilitated the FPPC receiving a \$50,000 grant from that institution to support the MENA project.

March-June 2003. Throughout March and June 2003, the NAID Center held a series of meetings with the leadership of several organizations including SPARC, *Computación Sin Fronteras (CSF)*, a UCLA student organization that founded and ran a non-profit community technology center in Los Angeles, and *El Consejo de los Valles*, a nascent Oaxacan organization in Los Angeles comprised of two representatives from about ten Oaxacan communities.

NAID sought their collaboration to establish an Internet Café at SPARC for the purposes aforementioned. An additional goal was to make use of SPARC gallery space to develop and exhibit Oaxacan art and other products (MENA's food line, Santa Ana del Valle *tapetes*, etc.). Meetings were held at UCLA, SPARC and the Hinojosa Takash home. Once collaboration was agreed to, NAID staff wrote a proposal to the UCLA Center for

¹⁷ Otsuka, Nobuyuki, Maritza Vela, Sarah Almonte, Alberto Bucardo, and Maria Landázuri-Levy. Mexico. Programa Piloto De Inversión De Remesasa Para Desarrollo Rural En Economía Migratoria (TC-01-08-01-7). Documento Del Banco Interamericano De Desarrollo Fondo Multilateral De Inversiones. nd/pg. 11.

Community Partnerships for a \$50,000 grant [Appendix 15].¹⁸ Although the project eventually was not funded, this collaboration continued for a while to explore other funding and project options.

March 27-28, 2003. Hinojosa was the featured speaker at a conference organized by Dr. Rosemary Vargas-Lundius, Country Portfolio Manager, Latin America & Caribbean Division, United Nations (UN), International Fund for Agricultural Development (IFAD). Dr. Paule Cruz Takash also attended the conference held at the United Nations IFAD headquarters in Rome, Italy. NAID staff member Pedro Mojica provided technical support. Hinojosa made the case for transnational institutional collaboration and funding for projects supporting transnational migrants living in developed countries like the United States as well as projects in developing countries. He proposed a comprehensive research and development project model similar to the IFAD's Millennium Goals but also focused on transnational financial literacy and institution building, communications (computer literacy and Internet based services) and productive projects that also include the participation and empowerment of local inhabitants and migrants. Other NAID institutional collaborators participated in the Rome meeting including AMUCCS Executive Director Isabel Cruz Hernandez and El Rescate Economic Development Director Salvador Sanabria.

FPPC/NAID collaborator Sergio Garnelo of *Grupo Creative* also participated from Puebla, Mexico via transnational video conferencing. The hook-up was organized by NAID to visually demonstrate the potential of the Internet Café productive project.

NAID invited Roberto Ramirez Rojas to participate in the Rome meeting but he was unable to attend. NAID also included the FPPC in the initial grant proposal as a means to further support the FPPC-NAID collaboration and to expand it to include AMUCCS in Mexico.

June 10, 2003. NAID staff organized and participated in a meeting with *El Consejo del Valle Centrales*, SPARC, *Computación Sin Fronteras*, and local architects at the SPARC facility to consider space available there and a design for the technology center project.

June 24-25, 2003. NAID organized a tour of FPPC productive projects in Oaxaca including the Ayoquezco MENA and Internet Café projects for Dr. Rosemary Vargas-Lundius, Latin American Project Director for the United Nations (UN) International Fund for Agricultural Development (IFAD). The tour was part of the NAID's effort to secure additional funding for these projects since IFAD makes loans and grants to projects aimed at alleviating poverty in rural regions of developing countries. The IFAD's eventual decision to support the NAID and its partners from a fund created in collaboration with the Inter-American Development Bank (IDB) Multilateral Investment Fund (MIF), made the FPPC ineligible for funding.¹⁹

¹⁸ UCLA NAID Center, SPARC, *Computación Sin Fronteras (CSF)*, *El Consejo de los Valles.* "Transnational Partnerships In Our Own Backyard: Community Capacity Building in "OaxaCalifornia" Through Internet-Based Communication. Proposal to the UCLA Center for Community Partnerships, 31 March 2003.

¹⁹ The IDB MIF does not allow its current grantees to apply concurrently for other IDB grants.

August 26, 2003. Hinojosa and Takash hosted a dinner in Los Angeles to which MIGPAO was invited to meet David Myhre, Project Manager for the Ford Foundation 's Mexico City office. MIGPAO members related the MENA story and handed out samples of the jarred nopales and chocolate. Myhre expressed interest in the potential of the local Ayoquezco savings and loan in providing more low-interest loans to the cooperative. Although MENA has an account in that institution, it had not taken out a loan. Most of its members solicit individual loans through personal contacts or *prestamistas*.

October 30-31, 2003. NAID organized another promotional tour of FPPC Oaxaca project sites for IDB MIF Director Donald Terry. In Ayoquezco, MENA members prepared a noon time meal for Terry, FPPC and NAID representatives and gave the group a tour of their organic *nopal* fields. Terry offered \$100,000 to continue support for the cooperative.

April 28-May 1, 2004. Hinojosa organized a promotional tour of FPPC Oaxaca sites productive projects and sites for *Univision Internacional*. Los Angeles based reporter Jamie Garcia and a television crew flew to Oaxaca to film and interview among others, MENA cooperative members and other Ayoquezco residents who have family living in the United States. The final product is a three part series that captures the experiences of transnational migrant families and in the case of MENA, the women's economic development efforts that may eventually result in providing alternatives to migration. Veteran Univision news anchor persons Jorge Ramos and Maria Elena Salinas introduce each series which aired in both Mexico and the United States. Oaxacan and other Mexican residents reported to NAID staff having viewed the series as did migrants in California. Univision is the most watched Spanish language television station in the United States.

Santa Ana de Valle, Tlacolula District

The NAID Center had begun working with Santa Ana del Valle (SAV) transnational families prior to the FPPC-UCLA subcontract. Together with colleagues at the *Colegio de Mexico* and *Instituto Tecnológico de Oaxaca* (ITO), NAID launched a project entitled, "OAXACALIFORNIA: Research Initiation of Remittance Based Financial Mechanisms for Community Development in Migrant Sending Regions in Mexico."²⁰ The research objectives were to develop an analytical framework by which to study the relationship of migration patterns between Oaxaca and California, migrant remittance behavior, and economic development activities on both sides of the border. The research also sought to understand the nature and organizational capacity of migrant networks and organizations in California to support such projects.

Santa Ana del Valle is a Zapotec village of roughly 2,100 inhabitants surrounded by neighboring villages including Teotitlán del Valle, San Miguel and Díaz Ordaz in the Tlacolula Valley of Oaxaca. It is approximately four kilometers north of the district

²⁰ Funded by a MacArthur grant

center Tlacolula and forty-two kilometers east of Oaxaca City. Although inhabitants of Santa Ana and Teotitlán del Valle have been weavers for centuries, the production of *tapetes* or rugs for tourists and for export has become an important source of income in more recent decades. Teotitlán del Valle emerged as the main producer and marketer of woven textiles in that region and internationally the best known of the *tapete* producing villages. It supplements its production and sales by purchasing rugs from independent weavers in SAV and other villages for prices far below its costs. Santa Ana families supplement their income by subsistence farming and in recent years by remittances sent from the United States by migrant relatives.²¹

Productive Project: Textiles, Santa Ana del Valle

At the time the FPPC and NAID Center entered into their subcontract, the FPPC was already collaborating with other institutions to provide marketing and technical assistance to indigenous rug weavers residing in the Valley of Tlacolula, Oaxaca. These institutional partners included *Banco Nacional del Comercio Exterior* (Bancomext), a Mexican national banking institution, *Centro Promotor de Diseño-Mexico* (CDP), a non-profit organization, and *Artesanías e Industrias Populares* (ARIPO), a Oaxacan state government organization. The main objective of the project was to increase local incomes by exporting rugs (*tapetes*) and other woven textiles to foreign markets.

A seven-month training course was organized and conducted from February through September 2002. Weavers from Teotitlán del Valle, Díaz Ordaz and Santa Ana del Valle participated. Participants included women and men of various ages some who also received a small stipend from ARIPO. The weavers adapted their dying and weaving techniques to what the project directors informed them are current urban tastes.

NAID representatives, Hinojosa, Lopez, Runsten, Cruz and Dr. Paule Cruz Takash visited these communities in July 4-10, 2002 where they observed a workshop provided by the CDP in Teotitlán de Valle. NAID staff later compiled a document titled “Productive Project in Santa Ana del Valle, Oaxaca: Production of Woven Textiles for Export” in which a brief history of this institutional partnership and its economic development goals are outlined [Appendix 16].

Thirty *Santaneros* originally participated in the project but only eight completed the course. NAID researchers at first understood their role as identifying transnational migrants from SAV residing and working in Los Angeles to inform them of and enlist their support for the textile design and export project. NAID also initially understood its role as together with the migrants, seeking potential markets in the U.S. for these textile products even though the CDP had primarily targeted European markets especially in France.

²¹ Cohen, Jeffrey. *Cooperation and Community. Economy and Society in Oaxaca*. University of Texas Press, 1999:24.

Since the majority of male and female adult migrants from Santa Ana are weavers and/or have family members who are still weavers in their village, most expressed great interest in supporting a project to export the textiles to the U.S. Before the NAID Center had an opportunity to seriously investigate potential California and U.S. markets for these textile products, the FPPC instructed NAID to instead focus on another productive project initiated in SAV among other sites; the technology center or Café Internet.

Productive Project, Santa Ana de Valle Internet Café

In November 2002, FPPC representatives proposed opening an Internet Café in Santa Ana de Valle to help support the marketing of their textiles to extra-local and foreign markets. The FPPC first raised the idea with the SAV weaving cooperative members who were asked to identify five *Santaneros* interested in assuming the fiscal and managerial responsibility for the Internet Café. The five associates selected were participants in this group of weavers or related to its members.

Together with FPPC Director Roberto Ramirez and invited state officials, Hinojosa, Kirshner and Takash participated in the formal inauguration of the SAV Internet Café on February 15, 2003. A small group of community members attended as well. Children and youths immediately filled all the computer stations and stayed until the Café closed that evening. Some had never before used a computer but with some instruction quickly learned to use simple programs and to access the Internet.

On subsequent visits to the Café, Takash observed adults also using the services. In one case a youth instructed his father how to conduct research for wrought iron goods sold on the Internet. In another case, a woman with a small child at her side was observed working on a Word document one evening about 9:00 PM that she later explained was for a correspondence course in which she was enrolled. Although there are Internet Cafés a half hour bus ride away in Tlacolula, the presence of the Café in the village allowed her to work close to home late into the evening.

The technology center was equipped with fifteen computers with Internet broadband connectivity provided by satellite. Like the others Internet Cafés comprising the network, the Santa Ana site was designed to provide a small business opportunity for its *socios* by providing in addition to basic computer services, low cost Internet connectivity, telephony or Voice over Internet (VoIP), remittance pay-out services and video conferencing. Initially managed by five associates, the Café was open to the public who paid ten pesos (one dollar) an hour for computer usage. Eventually, computer courses on Microsoft Word, Excel and navigating the Internet were offered at reasonable rates and at times convenient to their clients.

Although the SAV Internet Café computer and Internet services were popular with local children and youths, several factors contributed to its eventual closure. The most important is that the services offered did not generate enough income to pay the café's operating costs and bank loan payments. This was affected by the fact that the other

services (VoIP, remittance and video conference services) needed to generate sufficient revenue were never installed.

Other circumstances complicated the acceptance of the Internet Café by some Santa Ana del Valle village authorities and community members. These include an initial misunderstanding about the Internet Café project as a “social enterprise”; that one of the Internet Café associates was the son of the sitting municipal president; and disagreement regarding the measures taken by the FPPC to inform all Santa Ana inhabitants about the Internet Café business opportunity.

In regards to the first issue, the misunderstanding appears to have arisen at an early meeting at which Hinojosa described the Internet Café as “*un proyecto para toda la comunidad.*” While Hinojosa meant that the project services would benefit everyone in the community, some municipal authorities interpreted his statement to mean the Internet Café would be a community managed project rather than privately owned enterprise. In villages like Santa Ana del Valle governed by “*usos y costumbres,*” a community-based project comes under the scrutiny if not the authority of the *palacio municipal*.

This misunderstanding may have cleared up quickly if one of the most prominent Internet Café associates had not been the son of the presiding SAV municipal president. The Internet Café was also constructed on this associate’s in-laws’ private property. Some village authorities questioned if there had been favorable treatment accorded this associate by the FPPC and NAID Center because his father was municipal president. Other villagers commented that the FPPC had failed to inform the whole community about the Internet Café business opportunity while still others supported the FPPC’s claim that a driver and car equipped with a loudspeaker had been hired to drive throughout the Santa Ana del Valle to broadcast the announcement.

Suspensions were also voiced that the president himself had manipulated “outsiders” to steer a resource to his family rather than to the whole community. Several *Santaneros* suggested to Hinojosa and Takash that village officials and others who had not supported the election of the municipal president had orchestrated these accusations.

To address these issues, Roberto Ramirez, Hinojosa, Takash and staff from FPPC and NAID met with the *autoridades* at the municipal palace after the SAV Internet Café inauguration on February 15, 2003. Ramirez explained that the idea of the Internet Café was first mentioned by the FPPC to the weavers’ cooperative members as there was already an established relationship. In regards to the NAID Center’s relationship with the associate in question, Takash noted that NAID researcher Felipe Lopez first introduced the associate in question to NAID personnel at the *Centro Promotor de Diseno-Mexico* (CDP) *tepete* workshop in Teotitlan, in July 2002. Lopez and Aquino knew one another from earlier associations. Aquino never mentioned that his father was the municipal president at this or subsequent meetings.

In the interest of clearing up the misunderstanding, Hinojosa and Takash met with SAV authorities several more times over the next months. The misunderstanding regarding the

private or community basis of the Internet Café project was resolved during one of these meetings (May 11, 2003) by Hinojosa and Takash's offer to personally donate four new computers to the community, the distribution of which was left up to the *autoridades*. After some discussion the officials decided to give two computers to the two local elementary schools.

The municipal authorities also requested that Hinojosa and Takash be honored guests at the formal inauguration of the computers and a meal they planned to organize with the school directors. The event was held with considerable fanfare on June 24, 2003, officiated over by the *presidencia municipal*, school directors and teachers, and attended by students, parents and other community members. United Nations IFAD Program Officer, Rosemary Vargas-Lundius accompanied Hinojosa and Takash at the community event.

Santa Ana del Valle Migrants/HTAs in the United States

Santa Ana del Valle and the Central Valley region of Oaxaca are closely connected to labor markets in Los Angeles. As indigenous migration streams intensify and cluster in a "world city" such as Los Angeles, so do the transnational networks that sustain migratory patterns between the *Valles Centrales de Oaxaca* and Los Angeles. NAID research estimates that the Zapotec population, the largest of Oaxaca's sixteen indigenous groups, may be as high as 200,000 in Los Angeles alone.²² Sizable Zapotec transnational communities live and work in West Los Angeles (Santa Monica, Venice, Culver City), Hollywood, South Central and Downtown Los Angeles (Pico Union). Smaller Zapotec communities are found in nearby cities such as Manhattan Beach and Torrance (LA County) and further out in Santa Ana (Orange County), City of San Bernardino (San Bernardino County) and Santa Maria (Ventura County). *Santaneros* currently can be found as far as Seattle, Washington and New York City but are primarily clustered in West Los Angeles.

Migration from Santa Ana de Valle to the United States began in the 1960s with the Bracero Program, a contractual agreement between the U.S. and Mexico for temporary Mexican agricultural labor. According to Santa Ana migrants interviewed by NAID researchers, migration to the Westside of Los Angeles began in earnest in the early 1970s.²³ The first *Santaneros* found work in restaurants; at present Santa Ana migrants can be found working as dishwashers, busboys, cooks and waiters in numerous Westside restaurants; women work as maids in hotels and as in private homes as domestic workers.

NAID Center staff conducted household surveys of Santa Ana del Valle migrants from May through December 2002 as part of an earlier collaborative research project entitled, "OAXACALIFORNIA," with the *Instituto Tecnológico de Oaxaca* (ITO) and *Colegio*

²² Lopez, Felipe, and David Runsten. "Mixtecs and Zapotecs Working in California: Rural and Urban Experiences." In Jonathan Fox and Gaspar Rivera-Salgado, (eds.), *Indigenous Mexican Migrants in the United States*. La Jolla: Center for U.S.-Mexican Studies, University of California, San Diego, 2004.

²³ Rita Mercedes Davila Rey. Interview with Santa Ana de Valle migrant Lucas Martinez, in Santa Ana de Valle, Oaxaca, April 10, 2003.

de Mexico (COLMEX). The surveys conducted in California by NAID staff averaged 2 hours and 45 minutes long. From July to December 2002, they also afforded NAID opportunities to inform migrant participants of the FPPC-UCLA project and begin to arrange meetings with SAV migrants and organizations at which to promote the productive projects.

One of the organized groups of *Santaneros* with whom NAID staff met through this means and on a regular basis from fall 2002 to fall 2003 was the migrant hometown association *Organizacion de Ciudadanos de Santa Ana del Valle*(OCSAV). The HTA was founded in fall 2001 after a series of meetings held in Lawndale (Southern California) and after an unsuccessful attempt five years earlier. A president and twelve other men comprised the *mesa directiva* or board. Like other HTA's, OCSAV was formed to address a number of issues faced by migrants in the U.S. including education, domestic violence, employment and job security as well as choosing projects in Santa Ana del Valle to support financially. Contributions had been solicited from migrants and sent to Santa Ana to support an education project.

Soon after its formation however, OCSAV became preoccupied with a major transnational community issue, that of the migrants' obligatory unpaid service to their hometown under its indigenous system of *cargo* or civil governance. This issue preempted most others the HTA dealt with in its short organizational life span and affected the NAID Center's ability to substantively engage OCSAV as an organization in the FPPC productive projects. This is more fully discussed below (See, Promotion of Productive Projects with Santa Ana de Valle Migrants/HTAs in Los Angeles).

NAID Center researchers also met with the SAV transnational commission that was created to resolve the cargo service issue. The *Comision Elaborada del Reglamento Indigena Municipal de Santa Ana del Valle, Oaxaca, Mexico* (CERIMSAV, OM) was comprised of eighteen members appointed by SAV *autoridades*. Its U.S. counterpart, the *Comision Elaborada del Reglamento Indigena Municipal de Santa Ana del Valle, Los Angeles* (CERIMSAV, LA) was comprised of four SAV migrants.

As not all Santa Ana migrants were members of the HTA (especially women), NAID staff sought out other SAV organized and informal groups. For example, most *Santanero* members of organized basketball leagues or *clubes* typically did not participate in OCSAV although they would attend events organized by the HTA. From Fall 2003 to Summer 2004, NAID researchers attended weekend basketball practices, organized tournaments among other events sponsored by these sports clubs.

These leagues attract a large and avid migrant following that are parlayed into supporters and donors for other purposes (raising funds to ship back to Oaxaca deceased fellow migrants; educational scholarships, etc.). League organizers or players may also become important community leaders and spokespersons for non-sports issues. In one case, a well known SAV basketball league organizer and former player who worked in Westside restaurants convinced a local Los Angeles foundation to fund a non-profit organization he founded to support migrant youths. He had earlier formed and headed a group comprised

of young basketball players that he used as a vehicle from which to criticize OCSAV's handling of the cargo issue. The group also participated in organizing a well attended SAV patron saint's annual festival at St. Anne's Church in Santa Monica. Oaxacans now comprise the largest number of parishioners at St. Anne's among them migrants from Santa Ana del Valle.²⁴

NAID researchers met and interviewed Santa Ana del Valle female migrants who accompanied their men folk to the basketball courts or who sold food at the weekly practices or at tournaments. Women were contacted as well at *bailes* (dances) organized by various organizations (SAV migrant HTA, sports clubs, religious groups) in particular those women who organized concessions for and at these events.

Key SAV informants also organized for the NAID Center meetings at their homes to which they invited friends and family. These meetings typically started late and were three to five hours long as they also served as a less formal venue for the migrants to get to know NAID staff members. At migrants' invitation, NAID researchers participated in many informal events as well (birthdays, baby showers) that also provided opportunities to inform migrants of the FPPC projective projects.

Promotion of Productive Projects with Migrants/HTAs in Los Angeles

July 1, 2002-May 2003. NAID staff met frequently with leaders of the now defunct SAV hometown association *Organizacion de Ciudadanos de Santa Ana del Valle* (OCSAV). They also attended monthly OCSAV meetings held alternatively in Mar Vista (Los Angeles) or San Bernardino at the homes of *Santaneros*. On an average fifteen to twenty persons attended, one to three of these women. More women congregated in kitchens within earshot of the meeting.

NAID was afforded time on the OCSAV agenda during which the FPPC productive projects were promoted with an emphasis on soliciting the HTAs support. As the majority of male and female adult migrants from Santa Ana are weavers and/or have family members who are still weavers in their village, most expressed interest in supporting a project to export the textiles to the U.S.. There was also great interest in the potential of the Internet Café to provide lower cost remittance and other financial services. Still, OCSAV discussed the difficulty of supporting any hometown project that may benefit some families more than others, an issue they had grappled with many times some even before migrating to the United States. They underscored the importance of the HTA to support projects clearly beneficial to the whole community.

Some mentioned hearing about the Bancomext/CDP/ARIPO/ FPPC sponsored weavers' cooperative from persons in SAV and cited it as an example of a project that appeared to benefit only a few individuals and their families. Several also mentioned that the SAV weaver cooperative members are individuals who always manage to benefit from

²⁴ Takash, Paule Cruz and Raul Hinojosa. Interview with Father Mike Hernandez, pastor of St. Anne's Church, Santa Monica, April 26, 2005.

whatever project is introduced to the community, especially those sponsored by outside institutions and groups. Still, the OCSAV invited NAID to attend their monthly meetings to keep them informed of how the productive projects were developing to assess if at some point the HTA could support some aspect of the projects that would benefit the entire community.

Over time, the fact that the Internet Café associates were also members of the weavers' cooperative seemed to prove their point. The matter was aggravated by their eventual knowledge that one of the associates was the son of the presiding municipal president and that the Internet Café had been built on land owned by that associate's in-laws.

While all HTAs may likewise need to ensure that hometown projects they support are widely beneficial, OCSAV was particularly concerned about how it was perceived by folks back home as it had already created tensions by suggesting SAV's need to adapt the cargo system to the migrants' lived realities. This issue dominated discussion at the OCSAV meetings attended by NAID staff and for awhile in the SAV transnational community in general. It is also a serious issue for most Mexican indigenous communities governed by the cargo system that have experienced high out migration with substantial numbers of migrants living outside the community for most of the year, for many years.

Cargo positions are divided among two branches, *ayuntamiento* (governmental) and *juzgado mayor* or *alcaldia* (judicial), the former serving as the principal governing body coordinating activities that sustain the village and handling day-to-day problems and conflicts that may arise among villagers. All adult males eighteen to sixty-five years of age are required to serve throughout their lifetime and are named to cargo posts at annual village wide *asambleas* (assemblies). Appointments can be a year to three years long. Service confers respect and ensures one's rights to land and community membership; failure to serve jeopardizes one's social standing in the community, property and communal land rights. SAV migrants are not exempt from this requirement.²⁵

On occasion individuals have hired others usually a relative to serve in their place for at least some part of the time required. This flexibility in fulfilling cargo obligations becomes nonviable however in villages like Santa Ana del Valle of high out-migration and near year round residency outside the community. On the one hand, substantial numbers of migrants paying others to perform their duty changes the very nature of the centuries old institutionalized practice of unpaid communal service. On the other hand, migrants who have achieved a measure of stability in the U.S. who are appointed to a cargo position face giving up relatively secure jobs or businesses, housing, educational opportunities for their children among other potential opportunities.

The OCSAV president and other members communicated their concerns to the *presidencia municipal* through formal communiqués or *oficios* claiming the current requirements of the cargo system placed serious hardship on migrant families. They

²⁵ Rita Mercedes Davila Rey. Interview with Santa Ana de Valle migrant Guillermo Gonzalez (OCSAV President 2002-3), in Los Angeles, California, December 16, 2002.

requested the authorities and community to conduct an official and thorough review of the cargo system with a goal of modifying it to better accommodate the needs of migrants living abroad.

This request stimulated an intense debate in the SAV transnational community that eventually resulted in the *presidencia municipal* enacting an *oficio* delegitimizing OCSAV as representative of Santa Ana del Valle citizens. The declaration was published in *El Oaxaqueno*, a community newspaper printed in Los Angeles with statewide distribution centers in Oaxaca. The municipal authorities also ceased communication with OCSAV members. They did however, in November 2002 also create the transnational commission, the *Comision Elaborada del Reglamento Indigena Municipal de Santa Ana del Valle, Oaxaca, Mexico* and its California counterpart. The independent commission was charged with two objectives; (1) to conduct a census of all persons living in SAV and abroad and (2) to develop and administer a survey to all adult persons living in SAV and abroad. NAID staff further detail their observations of these events and issues in a chapter of a comprehensive study under the direction of Raul Hinojosa entitled, “*Los Angeles in the World Economy: Transnational Community Economic Development in Greater North America.*”²⁶

It was in this intense context that the NAID Center promoted FPPC projects. At the first OCSAV meeting the NAID staff attended, HTA members inquired if the research center could produce a video capturing the lives of SAV migrants to provide their fellow villagers a better idea of the difficulties they encounter abroad. Hinojosa and Takash respectfully declined on the premise that perceived interference by outsiders may aggravate rather than ameliorate the cargo question and diminish the NAID’s and associates’ ability to carry out the productive projects. OCSAV agreed and allowed NAID to keep them informed of the projects.

OCSAV continued to meet as an organization even after the SAV *presidencia municipal* declaration and despite dwindling membership and participation. NAID staff also continued their association with the group reiterating the NAID’s position of working with all interested SAV organizations and individuals and on behalf of all SAV community members in the U.S. and Oaxaca.

July 15, 2002-May 2003. The NAID Center’s position of working with all interested SAV groups was not appreciated by individuals whose *modus operandi* is to augment personal status and influence by being the only broker of resources for their community. This was the case with the aforementioned SAV migrant and basketball organizer who founded a youth organization and foundation.

²⁶ Rita Mercedes Davila Rey. Chapter 1. Rethinking Mexican Hometown Associations: Oaxacan Migrant Social Networks and Transnational Community Economic Development Projects. In, Hinojosa Ojeda, Raul. Los Angeles in the World Economy: Transnational Community Development in Greater North America, Chapter Two: June 2003: 9-61. UCLA Urban Planning Masters Comprehensive Project 2003, under the auspices of the UCLA NAID Center.

NAID staff nonetheless sought out other SAV migrant sports clubs/groups, the majority whose members expressed little interest in engaging in hometown politics. One group with whom NAID researchers worked could be found every Wednesday and Sunday at basketball courts in Torrance at Wilson Park. Despite some initial difficulty in getting the athletes' attention (they were there to play ball), NAID staff's persistence presence and networking with their attendant wives resulted in forming relationships and eventually in meetings about the productive projects. Members of this group became increasingly interested in the projects and in particular the financial services a fully operational Internet Café in SAV could provide. Several became members of a local credit union with whom the NAID also works in anticipation of being able to transfer remittances from that institution to their relatives at the Internet Café or to a microbank account if one was established in SAV or nearby.

November 14-16, 2002. The FPPC and NAID Center organized a three-day conference for project promotion at the Los Angeles Mexican Consulate and at UCLA to which migrants from Santa Ana del Valle were invited. Fantino Guterrez, President of *Organizacion de Ciudadanos de Santa Ana del Valle* attended the first two days of the conference; OCSAV *Mesa Directiva* members Macario Gacia and Gelacio Mendez attended the Saturday session at UCLA. The HTA leaders expressed real interest in supporting the *tepete* and Internet Café projects. Fantino Guterrez was himself completing computer courses at Santa Monica Community College.

November 23, 2002. NAID representatives attended a Santa Ana del Valle *Gran Baile* (grand dance) at the Venice Boys and Girls Club organized by the SAV hometown association OCSAV for fundraising purposes (Appendix 18). During the event NAID Research Director Raul Hinojosa and staff members were introduced by their Santa Ana acquaintances to more *Santaneros* to whom they relayed information about the FPPC and NAID projects. NAID staff passed around a sign-up sheet for persons interested in finding out more about the projects in Santa Ana del Valle and Los Angeles (the West Los Angeles Internet Café).

November 2002. Hinojosa, Takash and NAID staff attended a breakfast meeting at the Valle de Oaxaca Restaurant in Mar Vista with the president of the U.S. Santa Ana *Comision Elaborada del Reglamento Indigena Municipal de Santa Ana del Valle, Oaxaca, Los Angeles*. The *Comisionado Independente* is a transnational committee to which fourteen members residing in the village and four members residing in Southern California were appointed by the SAV municipal authorities. The goal of the breakfast meeting was to discuss the committee's potential collaboration with the NAID Center. After discussion about the FPPC projects in Santa Ana and proposed NAID projects in Los Angeles, another meeting was scheduled so the other three *Comisionado* members could participate.

January 2003. *Comision Elaborada del Reglamento Indigena Municipal de Santa Ana del Valle, Oaxaca, Los Angeles* members Rutilo Cruz Cruz, Maclovio Gutierrez and Manuel Zarate met with NAID representatives for dinner, again at the Valle de Oaxaca Restaurant. The forth Commission member lives in Santa Maria, Ventura County about

three hours from Los Angeles, and was unable to attend. Hinojosa had just returned from a meeting with the municipal authorities and *Comision Elaborada del Reglamento Indigena Municipal de Santa Ana del Valle, Oaxaca*, at which he informed them of the development projects and the NAID's role in soliciting the participation of migrants in these projects.

Rotilo Cruz was appointed chair of the Los Angeles Commission branch. Gutierrez traveled by bus to Seattle, Washington to meet with SAV migrants there. Gutierrez is a legal resident with a steady job that provides vacation benefits. Rotilo Cruz worked full time at a Vons Supermarket in addition to owning the Valle de Oaxaca Restaurant with his wife Socorro, also of Santa Ana del Valle. Meetings to explain and have the survey filled out were organized over the next year in various locations. NAID staff worked closely with Gutierrez and secured meeting rooms at SPARC for West Los Angeles Santa Ana del Valle survey participants.

March 6, 2003. The first half of the NAID promotional conference in Los Angeles focused on the transnational Internet Café project was held at SPARC in Venice Beach. Of the Oaxacan migrants who attended, the majority was from the *Valle de Tlacolula* and in particular Santa Ana de Valle, many who live and work in the Venice/Santa Monica/Mar Vista area. The live video teleconference hook-up was from SPARC to the Internet Café in Santa Ana de Valle. This meeting is described in greater detail above (See, Promotion of Productive Projects with Ayoquezco Migrants/HTAs in California)

April 12, 2003. NAID staff attended another *baile* this one organized by a Sierra Juarez Oaxacan organization, *Club Mejoramiento Social Tavehua* [Appendix 19]. SAV informants had mentioned that SAV migrant families were also attending this dance and could be approached regarding the productive projects. Eleven SAV persons signed up for a future meeting with NAID staff at this event. One of them was a young woman who later introduced NAID researchers to her mother, a woman who worked concessions at these events and has strong networks with other SAV women.

April 20, 2003. The second half of the NAID promotional conference in Los Angeles focused on the transnational Internet Café project was held at the UCLA Public Policy School on April 20, 2003. Santa Ana migrant and entrepreneur Rene Aquino was among the conference panelists who presented research about various technology center models. This meeting is also described in greater detail above (See, Promotion of Productive Projects with Ayoquezco Migrants/HTAs in California). A follow-up meeting at SPARC was arranged to acquaint Oaxacans unfamiliar with the art center and to help build trust between collaborating parties.

July 30, 2003. Dialogue with Oaxacan Entrepreneurs in Los Angeles: Community Oriented Internet Café. SAV migrants among others met at the home of Hinojosa and Takash to further discuss support of the Oaxaca Internet Cafés and development of an Internet Café on the Westside of Los Angeles. About twelve persons attended.

August 10, 2003. NAID staff attended the *Fiesta Anual de la Virgen De Santa Ana* at Saint Ann's Church, Santa Monica [Appendix 20]. This patron saint's day is now celebrated transnationally. Hinojosa attended the *Virgen De Santa Ana* celebration in Santa Ana del Valle, Oaxaca, this same day. NAID researchers gave out flyers regarding the FPPC-UCLA projects, updated SAV migrants familiar with the projects and discussed them with new SAV migrants met at this event. NAID staff also documented the event photographically. It was held near the outdoors Shrine and attended by church officials and several hundred persons, most of them migrant families, the majority from SAV.

August 13, 2003. Meeting with SAV entrepreneurs regarding business plan for an Internet Café on Westside of Los Angeles.

August 19, 2003. A meeting was held at SPARC to assess the space there available for an Internet Café. About fifteen persons attended including migrants from Ayoquezco and Santa Ana del Valle. Members of the Oaxacan organization *El Consejo del Valles Centrales*, a loose federation of Valle de Oaxaca communities, also attended. A tour of the art gallery space was also provided by SPARC Founder Judy Baca and Executive Director Debra Padilla who expressed interest in a potential partnership with local Oaxacan artists that included instruction in digital art design.

August 24, 2003. A meeting held at the home of SAV migrant Maclovio Guterrez for fellow migrant families not involved in organized groups to promote productive projects. About six families participated each comprised of three to five adult members.

December 20, 2003. A meeting was held at the Hinojosa Takash home with SAV among other Oaxacan migrants with former Mayor of Oaxaca City Gabino Cue. Productive projects are discussed; photographs of Internet Cafes shown, MENA food products presented. The group then attended a procession and installation of a statue of Oaxacan Saint Soledad at St. Ann's Church, Santa Monica donated by Mayor Cue and the City of Oaxaca.

April 28-May 1, 2004. Hinojosa collaborated with Univision television reporter Jamie Garcia and his producers to produce a series on transnational migration featuring FPPC Oaxaca sites productive projects and sites. Hinojosa organized a promotional tour for Garcia and a television crew to film and interview Santa Ana del Valle residents who have family living in the United States. Their migrant relatives living in Los Angeles were also filmed and interviewed as they saw and spoke to one another in Zapotec in real time via a transnational video conference hookup. The video transmission was not broadcast from the Santa Ana Internet Café as it was not operational at that time but from a nearby Tlacolula café owned by a Tlacolula small entrepreneur with whom NAID researchers also work. This televised feature nonetheless clearly illustrated the potential of the Internet Café project to visually span geographical distance separating family members and of providing a means to remit and receive money more quickly and economically close to home in the very near future. Numerous persons living in both

Mexico and in California reported to NAID staff having seen the three part series on Univision.

Other Institutional Collaboration and/or Funding

February – September 2003. Collaboration with SPARC, *El Consejo*, and *Computación Sin Fronteras* on establishing a Westside Los Angeles Internet Café to connect with Mexico network of Internet Cafés. Meetings, space considerations, proposal written to UCLA in LA Program, Vice Chancellor's Office. Project not funded.

March 27, 2003-2005. Transnational research framework and productive projects presented at United Nations IFAD meeting held in Rome. Transnational (and transatlantic) live video conference hookup organized by NAID between UN IFAD conference room and *Grupo Creative* founder Sergio Garnelo at Puebla Internet Café. NAID organized mission for IFAD Program Officer Rosemary Vargas-Lundius to FPPC productive project sites including Internet Cafes at SAV, San Gertrudis and Ayoquezco. Proposal submitted to UN IFAD & IDB fund to continue work. Given restrictions of the IDB, prospective funding will support work related to but not the same as on-going productive projects.

October 31, 2003. NAID organized a mission for MIF Manager Donald Terry to Oaxaca productive project sites including the Internet Café in SAV and others in the Oaxaca network.

REGION 2: GUERRERO: HUAMUXTITLÁN/TLAPA & HUITZUCO

Huamuxtitlán

Huamuxtitlán is located in the northern, mountainous part of Guerrero (*la Montaña*) and is one of 17 municipalities in that region. *La Montaña* is one of the most ethnically diverse regions within Mexico. Of its approximately 300,000 inhabitants, eighty-five percent are indigenous and include *nahuas*, *mixtecos* and *tlapanecos*. In the municipality of Huamuxtitlán, population 14,291, the majority (64.5 percent) of the workforce is engaged in the agricultural sector while about half of the population receives no payment for their work. The town of Huamuxtitlán has no industry, banks or any other financial institutions. The closest banks are a forty-five minute drive down a poor quality and winding mountainous road to Tlapa de Comonfort.²⁷

Productive Projects in Huamuxtitlán and Tlapa de Comonfort

In July 2002, NAID researchers accompanied FPPC staff to nine communities that form part of the municipality of Huamuxtitlán. The FPPC was to later inform the NAID Center which of its several projects in Guerrero to promote with migrants from those communities now living in the United States. On October 24, 2002, in response to NAID inquiries to FPPC Executive Director Roberto Ramirez regarding which specific projects

²⁷ Ibid:6-7.

the NAID Center was to promote, FPPC Director of Projects and Training Jorge Martínez Reding García remarked:²⁸

“El proyecto en el que se está haciendo énfasis en Guerrero es el de la RED de comunicación y transmisión de datos (café internet), el cual no se puede acotar a una sola comunidad y se ve como red en el estado. En Huamuxtitlan tenemos además de los cafés internet un proyecto de producción de carne [SPR Huamux 2000].”

Productive Project: Sociedad Productiva Rural (SPR) Huamux 2000

NAID researchers had met veterinarian Rogelio Garnelo Cortes, founder and President of the *Sociedad Productiva Rural (SPR) Huamux 2000*, while in Huamuxtitlán. At that time, the ten or twelve original members of this cattle cooperative had expanded to twenty-five. The *Fideicomisos Instituidos en Relación con la Agricultura (FIRA)* of the *Banco de México* had earlier provided loans to Garnelo and other local cattlemen and in the late 1990's recommended they contact the FPPC. With its assistance, the cattlemen formed the SPR and secured an additional FIRA loan of five thousand pesos, the majority of which had been paid by Summer 2001. Besides cattle-raising, the SPR also produced livestock feed, mainly sorghum and corn. NAID staff detail in its September 2002 report, the FPPC's relationship to SPR; financing for economic activity; and the cooperative's future plans and objectives. The latter included competing with large cattle ranchers in Puebla and Morelos; and becoming the principal meat supplier for the main commercial center of the Montaña region, Tlapa de Comonfort.²⁹

SPR Huamux 2000 also planned to open a chain of six meat markets in the region and incorporate as new SPR members the meat market managers. While several of its members were professionals, Garnelo claimed the project should create at least 100 jobs, thereby benefiting a broader section of the regional population. The primary challenge to their expansion plans was obtaining funds.

According to persons interviewed by NAID researchers, Huamuxtitlán migrants in the U.S. were not organized into Home Town Associations (HTAs) that could have been asked to support SPR Huamux 2000 via collective remittances. Rather, limited financial support came from five members' families living in New York to help pay for SPR's 30,000 peso membership fee. Columbia University graduate students Adrian Franco Espinosa and Jessamyn Waldman later indicated that these migrant individuals or families were actual SPR Huamux 2000 members and that their financial cooperation with their relatives in the cooperative was an example of transnational migrant participation and remittance investment in productive projects back home.³⁰

²⁸ Jorge Martínez Reding García email to Kirshner. Respuestas a consultas Roberto, 24 October 2002.

²⁹ Kirshner, Joshua and Lars Trans. An Examination of Productive Projects in Guerrero and Michoacán, Mexico, and the Role of the *Fundación para Productividad en el Campo*, NAID Center Report, UCLA, September 2002:11-13.

³⁰ Franco Espinosa de los Monteros, Adrian and Jessamyn Waldman. Reporte Final, Colaboración Entre El Centro de Integración y Desarrollo de Norte América (NAID), de la Universidad de California, Los Angeles y la sede en la Ciudad de México de la Comisión Económica para América Latina y el Caribe de las Naciones Unidas, agosto 2004:14.

In the summer of 2003, Raul Hinojosa secured internships for Franco and Waldman at the *Comision Económica para América Latina y el Caribe de las Naciones Unidas* (Mexico City). They conducted research for the NAID Center regarding Mexican migration to the New York area. SPR Huamux 2000 was among the several FPPC productive projects sites they visited as part of this transnational research. They also reported that with FPPC's assistance, SPR Huamux 2000 had received more FIRA funds to expand, resulting in a membership of 40 persons and 200 heads of cattle. The cooperative was acquiring a meat processing and refrigeration plant from which to distribute and sell its products in the region as well.

Productive Project: Humuxtitlán and Tlapa Internet Cafés

The Internet Café productive project became a primary focus for the FPPC and NAID in the Guerrero and Oaxaca sites. These technology centers were initiated as small business enterprises for local economic development and communication purposes. Since Internet cafes in Tlapa de Comonfort became part of the Internet Café productive project network, this town was included in the IDB project. The commercial center of the Montaña region, Tlapa attracts not only business interests such as Huamux 2000 but also internal migrants from surrounding small communities. In addition to its commercial activities it is an important regional educational center supporting 848 teachers and an *Instituto de Tecnología*, where one of the partner Internet Cafés was located. While Huamuxtitlán is described as a remittance economy, Tlapa's economy is less dependent on remittances.³¹

NAID researchers visited the Internet Cafés in Huamuxtitlán and Tlapa. The Internet Café serviced by *Grupo Creative* in Huamuxtitlán was opened March 29, 2002. Owner Lizet Sánchez García purchased the ten computers with her own resources; Garnelo provided a loan to finance 25 percent of the additional costs (\$80,000 pesos). Modems were used to connect to a server in Tlapa for which Sanchez paid a monthly fee of \$3,450 pesos. The Internet Café also had several telephones and a fax machine for international calls. At that time, *Grupo Creative* also provided ISP service to three of the six Internet Cafés in Tlapa, and to Cafés in Xochihuehuatlán, Chilpa, San Marcos and Acatlán (Puebla).

Internet users tended to be male and female youths from about 12-20 years of age who used the service primarily to chat or for email, and secondarily, for informational searches. Others were observed downloading music and burning CDs; while others at the Café opened by students at the *Instituto Tecnológico de Tlapa* reportedly also used the computers to surf the Internet. Garnelo planned to expand the number of Internet Cafés and to install VOIP service. The Internet was not used at these locales to send or receive remittances or for other financial transactions.

³¹ The New York-Mixteca Transnational Study. Prepared by Ernesto Chastened, John Coffey, Adrian Franco, Charlie Landow and Leslie Martino, under the direction of Prof. Robert Smith, Sociology Department, Barnard College, Columbia University and School of Public Affairs, Baruch College, City University of New York. Final Report submitted to Dr. Raul Hinojosa, June 2004:6.

However, expansion plans also included opening up two more Internet Cafés in Tlapa to work with a New York-based company, Paisa Paq to offer other services including money transfers and *paqueteria* or package delivery from the United States to Mexico, as well as VOIP. To date, these business relationships and services have not been implemented.

Huamuxtitlán Migrants/HTAs in the United States

FPPC and NAID staff discovered on the Summer 2002 trip that most of the migrants from the Guerrero project sites reside and work in New York City and New Jersey. According to Huamuxtitlán residents interviewed and their review of questionnaires administered by FPPC, NAID researchers noted what they characterized as a “predominant trend of people migrating to the New York area...both the city (upper Manhattan, Queens, Bronx) and New Jersey, particularly Patterson.” One exception is the village of Santa Cruz, Huamuxtitlán, whose inhabitants migrate to Houston, Texas.

Most of the *Guerrerenses* with whom NAID researchers met also claimed that from that region, “the migrants in the USA are not organized into HTAs,” that “their migrant relatives are not part of clubs, and that no clubs exist for their towns anywhere in the USA,” with the exception of Jilotepec.³² Of the nine pueblos in the Huamuxtitlán *municipio* they visited, NAID staff were provided names of only nine migrants in the United States, five of them in New York [Appendix 21].³³ While attending FPPC meetings in Apaxtla, they did meet the presidents of two *Guerrerense* HTAs living in the greater Los Angeles area.³⁴

NAID researchers Kirshner and Trans detail their observations in a report submitted to the FPPC in September 2002 [Appendix 4]³⁵ This report and photographs of these projects taken by the NAID team are also will be located on the NAID Center’s new website currently under construction, on a web page constructed to disseminate this project’s findings at naid.ucla.edu.

Upon their return to Southern California, NAID researchers interviewed Mario Jiménez, President of Guerrerense HTA, Pico Rivera, California, and Manuel Cuevas B., President, Apaxtlense International Benefit Organization, Garden Grove, California. Nonetheless, they concluded that “California did not appear to be a major destination for Huamuxtecos....it would certainly fall behind New York; New Jersey; Houston, Texas; Miami, Tampa and Boca Raton, Florida; and maybe even North Carolina.”³⁶ Lists of HTAs provided to the NAID Center by the Mexican Consulate in Los Angeles confirmed

³² Kirshner e-mail field notes, Huamuxtitlán de los Huamuchiles, 21 July 2002.

³³ Trans e-mail field note, Migrant addresses, 29 July 2002.

³⁴ Kirshner field notes, Apaxtla, Guerrero, 24 July 2002.

³⁵ Kirshner, Joshua and Lars Trans. An Examination of Productive Projects in Guerrero and Michoacán, Mexico, and the Role of the *Fundacion para Productividad en el Campo*, NAID Center Report, UCLA, September 2002.

³⁶ Kirshner Field notes, Huamuxtitlán de los Huamuchiles, 21 July 2002.

the lack of *Guerrerense* organizations or communities from the Montaña region in California.

Huamuxtitlán/Tlapa Migrants in New York

The NAID Center was eager to fulfill its contractual obligation to identify migrant networks in the United States with whom to promote investing part of their remittances in productive projects back home. Given the *Guerrerense* migrants' apparent concentration in the New York area, NAID Center Research Director Raul Hinojosa secured a commitment with a colleague, an expert on Mexican migration to the New York area, to work with the NAID Center on this project. FPPC Executive Director Roberto Ramirez, Sergio Garnelo and Hinojosa had earlier traveled to New York City on several occasions to meet with Guerrero and Puebla organizations (Casa México and Casa Puebla) regarding the Internet Café project. During these visits, and on other occasions, they discussed the need for base-line data about migrants in New York from the project sites in Guerrero.

In late Summer 2003, Hinojosa met with Professor Robert Smith of Barnard College, Columbia University (CU) and eight CU graduate students (two Ph.D. students, six Masters students) enrolled in the School of International and Public Affairs (SIPA) to discuss the IDB project. Smith and the students confirmed there was a significant presence of *Guerrerense* from Huamuxtitlán in New York and New Jersey.

Smith has worked for more than fifteen years in the Mexican community in New York City and in the Mixtec region in which Huamuxtitlán and Tlapa are situated. His book, *Mexican New York: Transnational Worlds of New Immigrants*, is due to be published in 2005 by the University of California Press. Several of the students had earlier worked for the NAID Center or for Hinojosa in Mexico on migration-related research. Luis Uranga had worked on the NAID Center's Santa Ana del Valle, Oaxaca, Social Accounting Matrix and was hired by the NAID Center on the FPPC-UCLA sub-contract to organize the graduate student research team in New York and to begin identifying Mexican organizations and communities in the New York area. Franco and Waldman had spent the Summer of 2003 tracking New York migrants and visiting FPPC productive project sites in Guerrero, Puebla (Internet cafes), and Oaxaca (Ayoquezco). Leslie Martino, a Columbia University Ph.D. student, had written her Master's thesis on migrants living in New York from Tlapa and provided the team with her personal *tlapanecos* contacts.

Base-line research was conducted in New York, Huamuxtitlán and Tlapa over the course of the 2003-2004 academic year. The CU team met with leaders of Mexican organizations in New York City including Casa México, a non-profit organization that provides legal and educational services to immigrants. Casa México provided the team a database and contact information for ten migrants from the Montaña region of Guerrero, whom the researchers subsequently contacted.

In addition to data regarding Mexican migration from the Montaña region to New York, the CU team also conducted qualitative and quantitative research on migrant household economies; access to financial institutions and resources; remittance patterns; and communications, computer and Internet access and use in Huamuxtitlán and Tlapa as well as in New York. In consultation with Hinojosa, the CU team revised the migrant household questionnaires designed earlier by the NAID Center, and conducted seventy interviews with migrants and their families in Tlapa, Humuxtitlán, and New York. Field visits to Huamuxtitlán and Tlapa were made in Spring 2004 by three team members to administer the questionnaire there.

Participant observation and open-ended interviews with survey respondents and other community members provided additional information about the social and financial habits of these transnational families; of the binational economy in general; the potential for the development of productive projects; and new linkages that could come from the construction of new institutions. Smith and the CU student researchers detail their methodologies and findings in a final report submitted to Hinojosa in August 2004 in which they found that:³⁷

- The Mexican population is the fastest-growing immigrant population in New York City, with New York now ranking 11th among all cities in the United States, the great majority (70%) of which comes from rural communities of the Mixteca region covering Puebla, Guerrero, and Oaxaca.
- In New York City, Mexicans are concentrated in Manhattan, Sunset Park, Brooklyn, Jackson Heights, Queens, South Bronx, East Harlem with settlement overlapping other Latino groups particularly Puerto Ricans; migrants from the Montana region of Guerrero (particularly *Tlapanecos*) are highly concentrated in East Harlem, Upper West Manhattan and the Bronx.
- The large majority of Mexican immigrants has come to New York since the late 1980s; there is now accelerated migration with the time from first migration to involvement of the whole village compressed to less than a decade, and such migration often includes larger numbers of young and adolescent single migrants.
- Migrants from the Mixteca region of Guerrero tend to be younger, more recent arrivals with lower incomes than more established immigrants
- Accelerated migration is likely to be more prevalent from the Mixteca region of Guerrero as migration has been more recent than in the Mixteca region of the neighboring state of Puebla.
- The sample population in Huamuxtitlán and Tlapa indicates good conditions to support the capturing of remittances by local financial institutions, as migration from the area is relatively recent, and hence migrants are sending a lot of money home compared to their more established peers [a financial institution would be requisite in Huamuxtitlán]. All of the persons interviewed by the CU team sent

³⁷ The New York-Mixteca Transnational Study. Prepared by Ernesto Castaneda, John Coffey, Adrian Franco, Charlie Landow and Leslie Martino, under the direction of Prof. Robert Smith, Sociology Department, Barnard College, Columbia University and School of Public Affairs, Baruch College, City University of New York. Final Report submitted to Dr. Raul Hinojosa, June 2004.

- money home, and most of them sent home half or more of their disposable income.
- Migrants use about 15-20 percent of their disposable income on a variety of incidental costs including check cashing fees, telephone, remittance fees, and interest on debts which could be significantly reduced through intervention to provide financial services on each end.
 - The relatively high percentage of income spent on communications and related expenses are not luxuries, but rather are part and parcel of a functioning transnational household, wherein the functions of production (working to earn money) and reproduction (family support) are physically separated in two countries.
 - Families of migrants depend on remittances for basic expenses. Interviews showed that high costs can be directly translated into heightened vulnerability for migrant families: illness or death in the family caused them to choose between buying medicine for sick family members or buying food for the rest of the family. When life is lived at the economic margins, the capacity to put more of migrants' money back into their families' pockets in Mexico would make a significant difference. One can speak of the potential of better financial services to contribute to the food security and medical security of these migrant families.
 - There is a significant presence of Internet technology and nascent microfinance and educational institutions in the Mixteca region. For example, there exist privately run small businesses with computer kiosks wherein one can get access to the Internet, email, and other services. And there are some educational institutions that foster computer literacy. But these are neither well-maintained (the computers often do not work or are not attended to) nor are they integrated into some larger structure through which these various financial, educational and other services could be jointly offered.
 - There is more productive potential in the Mixteca region of Tlapa than in, say, Puebla, due to a number of factors, including a more plentiful labor supply (due to fewer years of out-migration), better agricultural conditions (including a good water supply for farming), and the existence of local financial institutions with whom to partner.

Smith and the Columbia University research team concluded that a synergistic offering of services would enable migrants and their families to keep more of their own money and avoid the grave vulnerabilities made worse by the high margin charged for financial, telecommunications and other services, necessary to make migrant transnational households work.

Promotion of Productive Projects with Huamuxtitlán/Tlapa Migrants in New York

As mentioned above, FPPC Executive Director Roberto Ramirez, *Grupo Creative* founder Sergio Garnelo and Hinojosa met on several occasions in New York with leaders of Casa México and Casa Puebla regarding the Internet Café project in particular. On one occasion, a transnational video conference was organized from a New York City migrant organization to a *Grupo Creative* Internet café. The CU research team also

informed migrants they interviewed about the FPPC productive projects. After conducting the base-line data in Summer 2004, they were prepared to organize promotional meetings with Huamuxtitlán/Tlapa migrants in New York. Ultimately this was not possible due to a lack of funding for further work on the FPPC-UCLA subcontract.

Huitzuco de los Figueroa

The municipality of Huitzuco is located in the northern part of Guerrero (*la región Norte*) bordering the states of Morelos and Puebla. The population in the *Norte* region is primarily *mestizo* (mixed heritage) with some isolated groups of indigenous people. Of the approximately 35,668 persons residing in the town of Huitzuco, about 24 percent are engaged in agriculture while another 14 percent receive no payment for their work. There are several commercial markets in the town and a few banks.³⁸

After their travels to Huamuxtitlán, NAID researchers visited the municipality and township of Huitzuco de los Figueroa on July 25, 2002 where they attended a meeting organized by the FPPC for local producers. They returned to Huitzuco on July 27-29 to interview local leaders about their productive projects in that area and about migration to the United States from that region. The following is based on that research.

Productive Projects in Huitzuco de los Figueroa

During the period of the FPPC-UCLA subcontract, no productive project was developed by the FPPC in this region.

The FPPC had worked with producers in Huitzuco prior to the IDB project, and anticipated facilitating and supporting with the IDB funds a productive project in this region. The NAID Center sought on numerous occasions to clarify if a project there had indeed materialized so as to begin identifying corresponding HTAs and migrants in the United States with whom to promote the selected project.

In response to the NAID Center's inquiries to FPPC Executive Director Roberto Ramirez, Martinez Reding Garcia replied on October 24, 2002, "*En Huitzuco tenemos el proyecto agroindustrial de cacahuate y de producción de maíz.*"³⁹ FPPC included a Huitzuco agricultural project in its proposal to the IDB and in the sub-contract it signed with UCLA. The NAID Center was also required to include this anticipated project in its written Work Plan (*Plan de Trabajo*) submitted to the FPPC March 3, 2003 one week after the signing of the FPPC and UCLA sub-contract [Appendix 22].

³⁸ Kirshner, Joshua and Lars Trans. An Examination of Productive Projects in Guerrero and Michoacán, Mexico, and the Role of the *Fundacion para Productividad en el Campo*, NAID Center Report, UCLA, September 2002.

³⁹ Kirshner, Joshua. Field notes, Huamuztitlán de los Huamuchiles, 21 July 2002

Martinez Reding's reference to the *maiz* project referred to an earlier contractual relationship between the FPPC and a group of women corn producers, *Mujeres Indígenas en Lucha* (MIL), with whom they had worked from 2000-2001. In September of that year, MIL received a loan of \$157,400 pesos through FIRA with FPPC serving an intermediary organization (PROCREA). This cooperation included technical assistance in addition to credit extension. The loan was repaid in 2001 after which their relationship with FPPC ended.

Although FPPC had no productive projects in Huitzuco at that time, they held a meeting in the township July 25, 2002 that NAID researchers attended. FPPC Executive Director Roberto Ramirez spoke about the IDB-funded pilot projects in which they were embarking in Guerrero, Michoacán and Oaxaca and described them as focused on working with migrant HTAs to channel remittances toward investment in these rural productive projects. Ramirez and FPPC Regional Coordinator Alma Delia Godínez Jiménez also encouraged the participation of local producers and offered the FPPC's services in facilitating the formation of productive projects.⁴⁰

Although invited, *Mujeres Indígenas en Lucha* (MIL) members did not attend this meeting. Given FPPC's anticipation that it would again work with this organization as part of the IDB project, NAID researchers later sought out and interviewed MIL leader Sra. G ____ . Sra. G ____ also served as a delegate on an advisory committee of the *Fondo Regional Timochimej Tinejmene* (FRTT), with which MIL was associated and which was funded by the *Instituto Nacional Indígena* (INI). According to Sra. G ____, the formation of MIL was in part a response to producers' frustration about the lack of credit sources available to them.

Sra. G ____ noted that the objective of MIL and the *Fondo* (FRTT) is to become autonomous and to avoid dependency on the municipal and national government. NAID researcher Joshua Kirshner observed that the expressed goal:

“...seemed to carry an implicit critique of government development financing in general and of FIRA in particular, in the way they require a large amount of collateral as a precondition to offering credit. Sra. G ____ mentioned that this exacerbates inequalities, in the sense that these institutions can only invest in people who already have resources. Municipal centers such as Huitzuco have more resources so more often receive financial assistance than do the rural communities. MIL attempts to address this imbalance by actively bringing their skills and resources to these communities.”⁴¹

Sra. G ____ also mentioned that the FRTT fund “is much more flexible than loans obtained through FIRA in terms of not requiring collateral,”⁴² a possible reason why MIL chose not to become involved in another productive project with the FPPC at that time.

⁴⁰ The meeting was attended by about 100 persons, primarily campesinos, as well as Rogelio Garnelo Cortes, President of Sociedad Prod. Rural “Huamux 2000;” Heladio Romero, President of S.S. de Santa Cruz Aeropista, Mario Jiménez, President of *Comite Pro-Ayuda Mexico* and of *Guerrerense* HTA, Pico Rivera, CA; Manuel Cuevas, President of Apaxtlense International benefit Organization, Garden Grove, CA; and several *regidores* of the *municipio* of Huitzuco.

⁴¹ Kirshner, Josh & Lars Trans. Fieldnotes, Productive Project in Huitzuco, Guerrero, 30 August 2002:2-4.

⁴² Ibid.

NAID researchers confirmed with others they spoke to in Huitzuco, including FPPC staff (Teresa), that the FPPC had no projects operating in Huitzuco at that time.⁴³ Nine months later, FPPC staff member Jorge Martínez also stated in a phone conversation with Kirshner that he thought there was no project in Huitzuco and soon after confirmed this fact.⁴⁴

Huitzuco de los Figueroa Migrants/HTAs in the United States

During their stay in Huitzuco, NAID researchers also interviewed the *presidente municipal*, Eduardo Castro Vergara. He and an assistant had both worked in the United States and claimed that the most common migration destinations for Huitzuco migrants were Highwood, Illinois (between Lake Forest and Highland Park), Wakeegan, Illinois (near a naval base), Atlanta, Georgia, and Anaheim, California. They also knew of a few people from Pololcingo, a community in the *municipio* of Huitzuco, who now reside in Charlotte, North Carolina. According to Vergara, significant migration from that region began in the early 1970s and has accelerated to the point where 30 to 40 percent of the population is engaged in seasonal migration.

Regarding migration and Huitzuco hometown associations, Sra. G_____ commented that although many relatives of the MIL members lived in the United States, she did not know of actual financial participation of migrants in productive projects through remittances. NAID researchers point out, however, that MIL's office is located in a house owned by a migrant in Chicago, who makes it available for use by that organization, indicating "that there is already transnational participation in the project."⁴⁵

Promotion of Productive Projects with Huitzuco Migrants in the United States

No promotional activities were initiated as this productive project did not materialize during the subcontract period.

REGION 3: MICHOACÁN: ALVARO OBREGON AND ZITÁCUARO

Migration from Michoacán to the United States is a phenomenon with a long tradition.

⁴³ Kirshner, Joshua. Emailed fieldnote from Chilpancingo, Guerrero, 30 July 2002; Email fieldnotes, una llama glocal, 07 August 2002.

⁴⁴ Kirshner, Joshua. Notes from Phone Conversation with Jorge Martinez, 28 May 2003.

⁴⁵ Kirshner, Josh & Lars Trans. Field notes, Productive Project in Huitzuco, Guerrero, 30 August 2002:3.

In 2000, Michoacán had the second highest number of Mexican migrants in the United States, with 947,743, surpassed only by Jalisco with 1,470,485 migrants.⁴⁶ Within Michoacán, only eight municipalities had a positive net in-migration (where the number of immigrants exceeds emigrants), as these numbers were negative in the remaining 105 municipalities. The municipalities with the highest rates of international migration are mainly in the northern part of the state and to a lesser extent in the *tierra caliente* (lowlands) to the south. The most common areas of destination in the United States are predominately in California (45.5 percent); Texas (7.5 percent); and Illinois (2.5 percent).⁴⁷

Projects in the state of Michoacán stipulated in the FPPC-UCLA sub-contract included one in Alvaro Obregon (agriculture) and a second in San Felipe, Zitácuaro (flowers).

Alvaro Obregon

The municipality of Alvaro Obregon is located in the northern part of Michoacán, about 25 kilometers from the state capital of Morelia. Thirty-seven percent of its 19,858 inhabitants live in extreme poverty, accounting in part for the high rates of cyclical migration to the United States from this area. The main crops grown in the township of Alvaro Obregon are corn and wheat, used for human consumption, and sorghum, used for cattle feed. Occupying 85 percent of the farmed areas, grains are the most important crops economically in the region.

Productive Project: *Agricultores Unidos Región Guayangareo* (Grain Production and Commercialization)

NAID researchers arrived at the offices of the *Agricultores Unidos Region Guayangareo* in Alvaro Obregon on 5 August 2002, to meet with FPPC Michoacán Coordinator Marco Antonio Rodríguez, with whom they had earlier corresponded. Although Antonio was unable to keep the appointment, the NAID research team explained their purpose to describe and document this productive project to *Agricultores Unidos* President Raymundo Alcaraz and technical advisor Jesus Argote. During the weeks they remained in that area, NAID researchers conducted four interviews with *Agricultores Unidos* members including two with the cooperative's founders. They also accompanied Argote to the fields in Zinapécuaro and Tarímbaro, where the cooperative members work, and to Tzintzinmeo, where they toured "*Los Globos*" a grain storage facility owned by a state enterprise called ASTECA (*Almacenes, Sevicios y Transportes Extraordinarios a Comunidades Agropecuarias del Estado de Michoacán*).⁴⁸

⁴⁶ Numbers and information are based on materials provided by—and an interview Kirshner conducted with—the Coordinación General para la Atención al Migrante Michoacán, Gobierno del Estado de Michoacán.

⁴⁷ Numbers based on Fundacion working paper, cited by Kirshner in notes, Productive Project in Alvaro Obregon: *Agricultores Unidos Region Guayangareo and Grain Production and Commercialization*, 31 August 2002.

⁴⁸ Kirshner, Joshua and Lars Trans. Email fieldnotes, Una llamada global. 07 August 2002.

Marco Antonio Rodríguez introduced the NAID team to Claudio Mendez, expert on Michoacán migration to the United States. Kirshner corresponded with FPPC Executive Director Roberto Ramirez as well, to apprise him of their field activities in Alvaro Obregon and Zitácuaro.⁴⁹ NAID staff provided a detailed report about this FPPC productive project from which the following account is taken.⁵⁰

Agricultores Unidos Región Guayangareo is an agricultural cooperative legally recognized as a *Sociedad Productiva Rural* (SPR). Founded May 1996 in Alvaro Obregon, its mission is to improve the social and economic conditions of its membership by accessing credit and finding markets for grain products. Beginning with 141 members, membership reached 525 by 2000, 1,325 by Summer 2001, and 1,100 by May 2003.⁵¹ This growth was achieved by incorporating members from the other four municipalities comprising the Gauyangareo region, Indaparépeo, Zinapécuaro, Queréndaro and Tarímbaro. Members must be small-scale agricultural producers. Some work communal fields (*ejidal*) while others are sharecroppers or small land owners. About five to ten percent of its members in 2001 were female heads of households, usually of households where male family members had migrated to the United States.

The cooperative's office was centrally located in Alvaro Obregon near the main plaza and used for meetings and the distribution of seeds, fertilizers and other products. Its eight full time staff members included three technical advisors,—including the cooperative's president and legal representative, Raymundo Alcaraz—a grain storage consultant, and five office workers. The organization also employed thirteen full-time workers at a grain storage facility. A five-member advisory board, of which Alcaraz is also president, serves the cooperative as does its three-member *Consejo de Vigilancia* (oversight committee).

Agricultores Unidos operates as a service organization that provides its members with access to credit at low interest rates, to collectively owned agricultural machinery, and to markets they otherwise would not have had. It also purchases raw materials in bulk at reduced prices and provides technical advisors. This contributes to the cooperative's primary objective of increasing grain productivity.

A second main objective of *Agricultores Unidos*, to maintain some control over the commercialization process while avoiding intermediaries, is accomplished by holding bi-annual meetings at which its members agree upon prices for its products. This goal is also achieved by storing grains that can be sold directly to buyers. In 2001, the cooperative rented space at "*Los Globos*," a nearby grain storage facility but lost its rent

⁴⁹ Kirshner, Joshua. Email to Roberto Ramirez, Los investigadores de UCLA, 15 August 2002.

⁵⁰ Kirshner, Joshua and Lars Trans. Productive Project in Alvaro Obregon: *Agricultores Unidos Región Guayangareo* and Grain Production and Commercialization. Case study report, 31 August 2002.

⁵¹ Jorge Martinez Reding provided the 2003 membership update in a phone conversation to Kirshner. He does not state why there was a drop-off of membership. Kirshner, Joshua. Phone conversation with Jorge Martinez, 26 May 2003.

space by 2003.⁵² This led to *Agricultores Unidos* and the FPPC embarking on constructing the cooperative's own storage facility for which they decided to seek funds from both the Mexican government's matching fund program "*Tres Por Uno*" and from the cooperative members' relatives living in the United States.

Alvaro Obregon Migrants/HTAs in the United States

Based on interviews NAID researchers conducted in Alvaro Obregon, the most popular migrant destinations in the United States were all in California: Napa Valley (Northern Bay Area), Santa Maria (Santa Barbara County), Santa Ana (Orange County), Redwood City (Bay Area), and Watsonville (Central Coast). However, informants were less forthcoming about the actual whereabouts of their migrant kinfolk. NAID interviewers received no HTA contacts nor names and addresses of Michoacán migrants living in the United States from families in Alvaro Obregon, Zitácuaro and other Michoacán towns they visited with FPPC personnel in August 2002.

In September 2002 NAID staff identified Michoacán HTAs and individual migrants in the United States from information received from the "*Coordinacion General par la Atencion at Migrante Michoacáno.*" Of the many clubs listed, only one HTA represented Morelia (Club Morelia, Chicago); no HTAs representing migrants from Alvaro Obregon or Zitácuaro were listed [Appendix 23]. Club Morelia reported not knowing the whereabouts of migrants from Alvaro Obregon.

The lack of migrant contacts was a fundamental obstacle to promoting the *Agricultores Unidos* project. Since the FPPC had a longer working relationship with *Agricultores Unidos*, NAID staff requested the FPPC to ask project participants for the names and contact numbers of their relatives in the United States; but no more names were forthcoming.

Promotion of Productive Projects with Migrants in the United States

NAID Center staff requested clarification from FPPC about which projects the NAID Center was to promote in Michoacán and later, in the case of *Agricultores Unidos Región Guayangareo* (Alvaro Obregon), which aspects of the project was to be promoted.

In the case of *Agricultores Unidos*' there were several aspects of the project that could have been promoted. These included: (1) promoting migrant participation in purchasing needed John Deere pneumatically-operated precision harvesters (about \$250,000 each) or other needed equipment; (2) the creation of a non-profit micro-bank for receiving money transfers, currency exchange and savings; (3) the formation of an integrated agribusiness

⁵² Information from video produced by the FPPC. *Juntos Para Hacer Más: Agricultores Unidos Región Guayangareo, S.P.R. de R.I.*, n.d.

in the Guayangareo region in which U.S. migrants could invest with shares; and/or (4) promoting the entire project.⁵³

In regards to the first possibility, the two harvesters the cooperative owned at that time represented about 20 percent of what it needed. Many members had to purchase their own harvesters while those without their own had to pay a fee to use the cooperative's harvesters. The John Deere equipment would also allow more uniform sowing and harvesting thereby increasing productivity.⁵⁴

The second possibility needed even further clarification as the FPPC's concept of creating a non-profit micro-bank seemed somewhat at odds with *Agricultores Unidos*' expressed plan to form a small enterprise they called "*Guayangareo Express*." Although each party's purpose for creating a financial institution appeared the same, the *kind* of financial institution (non-profit micro-bank or for-profit business) was not, an important difference in regards to recruiting potential migrant micro-bank cooperative members or migrant private investors.

Likewise, the NAID Center would have needed much more detailed information about the feasibility and actual plans to implement the third or fourth possibilities—forming an integrated regional agribusiness or supporting the entire project—before being able to promote it to migrants in the United States. In Summer 2003, Ramirez provided Hinojosa with a promotional video of the *Agricultores Unidos* project titled, "*Juntos Para Hacer Más: Agricultores Unidos Región Guayangareo, S.P.R. de R.I.*" As this grain productive project appeared robust, NAID expected that when migrants from the *Guayangareo* region living in the United States were identified, they may find the *Agricultores Unidos* project attractive.

Nonetheless, the video did not resolve the lack of clarify about important aspects of the project. While informative about the origins of the cooperative, much of the video now focused on the cooperative's need for funds to finish constructing its own grain storage facility. Plans to create some kind of financial entity to capture migrant remitted contributions to the project are mentioned by two individuals but are very vague. In the NAID Center's experience, migrants become dubious and less inclined to participate when presented with vague or seemingly overly ambitious project descriptions.

On several occasions, Runsten and Lopez also requested the base-line study or *diagnóstico* of Alvaro Obregon that FPPC said it had conducted, thinking it could perhaps provide the more specific information NAID needed regarding the project.

⁵³ These goals were expressed to NAID researchers by Roberto Ramirez and *Agricultores Unidos* leaders who they interviewed in Summer 2001. See NAID case study report by Joshua Kirshner and Lars Trans, 31 August 2002

⁵⁴ Kirshner, Joshua. Interview with *Agricultores Unidos* cooperative member Francisco Rodriguez, Alvaro Obregon, Michoacán, August 2002.

However, the study was only completed in December 2003 and provided to the NAID Center in March 2004.⁵⁵

Other Institutional Collaboration and/or Funding

The FPPC-UCLA sub-contract also required the NAID Center to seek the cooperation of other public or private entities to help support the productive projects and foster an exchange between different groups. To this end, and given the FPPC's goal of creating a micro-bank to serve *Agricultores Unidos Región Guayangareo*, Hinojosa recommended to Roberto Ramirez a collaboration between the *Agricultores Unidos Región Guayangareo* and the Asociación Mexicana de Uniones de Credito del Sector Social A.C. (AMUCSS). AMUCSS had built and staffed a number of micro-banks in rural areas of Mexico, especially in migrant expelling and indigenous areas. AMUCSS' expansion plans included building a micro-bank in Alvaro Obregon, Michoacán. Hinojosa facilitated discussions between Roberto Ramirez and AMUCSS director Isabel Cruz, but the collaboration was not pursued. To the best of the NAID Center's knowledge, *Agricultores Unidos* has not founded its own micro-bank or other financial institution to date. AMUCSS recently opened a micro-bank in Alvaro Obregon in cooperation with municipal authorities.

Most recently in March 2005, AMUCSS microbank staff provided Hinojosa and Takash with names and phone numbers of Alvaro Obregon migrants living in the greater Los Angeles region (Harbor City, Torrance). Takash met and interviewed several of these migrants who confirmed they are not organized into hometown associations despite being a sizable community in Los Angeles. They claimed no knowledge of the FPPC productive projects but expressed some interest in them and in the now operational AMUCSS micro-bank. Greater interest was expressed in actual services that significantly lower their money transaction costs to Mexico and allow them to communicate with their relatives in real time via video teleconferencing at an affordable price, services now provided by a private corporation in Los Angeles. Takash noted that the enthusiasm stimulated by their teleconferencing experience generated rapid and strong cooperation from these migrants who offered to provide Takash with more contacts and to help promote projects with which NAID is affiliated among fellow migrants in the U.S. and family members in Mexico.

San Felipe Los Alzati, Zitácuaro

Prior to the FPPC-UCLA subcontract, the FPPC and municipal government of Zitácuaro supported a project involving the production and marketing of poinsettia flowers (flor de noche buena). During the course of the subcontract, FPPC Executive Director Roberto Ramirez informed NAID Research Director Raul Hinojosa that local politics precluded the FPPC from continuing to work on this project at that time. The following is an

⁵⁵ The study was given to Runsten by Ramirez after Runsten again requested it during Ramirez' visit to the NAID Center in March 2004; the document is dated December 2003. The information was thus received six months after UCLA had stopped all spending on the project.

account of NAID researchers' initial visit to San Felipe los Alzati, Zitácuaro and subsequent efforts to locate migrants from that community and municipality in the United States prior to being told that the project was no longer viable.

Productive Project: “Flor de Noche Buena,” San Felipe Los Alzati

Prior to the FPPC-UCLA subcontract, the FPPC and municipal government of Zitácuaro supported a project involving the production and marketing of poinsettia flowers (*flor de noche buena*). The poinsettia production project was focused in the community of San Felipe los Alzati, in the municipality of Zitácuaro. This is recognized as an indigenous community of the ethnicity Otomí, or N̄hañhu. Although poinsettia production began in this community in 1996, FPPC became involved in supporting the project in April 2002. According to FPPC staff Miguel Angel Nevarez and Marco Antonio Rodríguez, migrant remittances played an important part in providing capital for equipment used in flower growing.⁵⁶

NAID researchers visited the “*Flor de Noche Buena*” project August 19-27, 2002. They initially met and interviewed Cesar Arvisu and Benjamin Avila in the Zitácuaro municipal government, contacts given to them by FPPC Michoacán Project Manager Marco Antonio Rodríguez. Arvisu and Avila provided Kirshner and Trans a history of the project and of other development projects in Zitácuaro and the surrounding region. Kirshner and Trans also met with Miguel Angel Nevarez, who gave them more detailed information about the poinsettia project as well as a report he had authored titled, *Producción de Flor de Nochebuena, San Felipe los Alzati, Michoacán*. The poinsettia, or *flor de noche buena*, is an authentically Mexican flower used as a decoration during the Christmas season. Cultivated in greenhouses in order to control conditions of temperature, lighting and humidity, the poinsettia has become an important component of the local economy in this part of the Zitácuaro region.

NAID researchers arranged for a field visit to San Felipe los Alzati with Nevarez and Avila. The flower production takes place outside the village of San Felipe in an area known as *la meseta de San Felipe*, where they were able to ask questions of several flower producers. Avila and other representatives of the *Dirección de Fomento Económico* also took NAID researchers on site visits of the CRECER office, which supported small businesses in Zitácuaro, and to meet the President of a neighboring municipality, Susupuato. Among the industrial sites visited was *Industrias Tonalá*, a small enterprise in Zitácuaro that designs different types of machinery. They would later learn that this firm had been hired by FPPC to design, build and equip the Ayoquezcó, Oaxaca, processing plant.

The FPPC's goals were to offer credit at low interest rates in order for producers to access productive capital. This productive capital largely consists of inputs such as plastic flowerpots, soils, fertilizers and fungicides, plastic sheeting and poinsettia

⁵⁶ Kirshner, Joshua. Productive Project in San Felipe Los Alzati, Zitacuaro, Michoacán Summary Sheet, June 2003:1

cuttings. FPPC also aimed to support producers through capacity building and technical advising. Additional goals included strengthening and consolidating poinsettia cultivation through organized production groups and improving producers' overall economic conditions and living standards. FPPC believed that this would ultimately decrease the level of out-migration from the area.

San Felipe, Zitacuaro Migrants/HTAs in the United States

Many of the poinsettia producers in San Felipe spent several months each year working in the United States. In some cases, money that was sent back to families in San Felipe was used for production infrastructure, such as greenhouses. Anecdotally, NAID researchers learned that many of the metal greenhouses were built using migrant remittances, but they could not be certain to what extent this was always the case. Interestingly, they point out that this sort of investment from migrant relatives in the United States has preceded the work of FPPC on this project, and had occurred throughout the poinsettia production period. Several producers remarked that principal migrant destinations were Oxnard and Los Angeles, California, Chicago, Illinois, and Texas. None provided NAID staff with specific contact information for their relatives in these places. While in Susupuato, they stopped into an office providing international telephone service and asked where people tended to place calls and were told Atlanta, Georgia, and Chicago, Illinois.

NAID staff later consulted the "*Coordinacion General para la Atencion al Migrante Michoacáno*" for HTA and individual migrants' contacts in California and Illinois. No HTAs specific to San Felipe or Zitácuaro were listed (Appendix 24). Inquiries made of several Michoacán HTA's in California netted no contacts. Hinojosa also questioned the Michoacán Federation in Chicago; while acknowledging the presence of migrants from Zitácuaro in the area, the federation leaders were unable to provide specific information. NAID Graduate Research Associate Felipe López was assigned to continue the inquiry in June 2003. Lopez contacted Mexican Consulate offices in Los Angeles, Oxnard and Fresno, which provided no specific leads for migrants from the FPPC Michoacán project sites.

Promoting Productive Project with Migrants in the United States

Tracking migrants living in the United States from specific Mexican locales can be time consuming. The NAID Center was committed to pursuing the identification of San Felipe migrants or migrants from Zitácuaro through other contacts. For example, López had begun to call organizations serving migrants in Oxnard including the California Rural Legal Assistance (CRLA). Once informed by FPPC that it had discontinued this project, the NAID Center ceased work on it as well.

INTERNET CAFÉ PROJECT: RURAL TECHNOLOGY CENTER NETWORK

The Internet Café productive project became a major focus for the FPPC and NAID Center in the Oaxaca and Guerrero subcontract sites. These technology centers were initiated as small business enterprises for local economic development, communication and educational purposes. The first Internet Cafés in the network indicated that with strong management training of the associates, the cafés could economically break-even providing basic computer and Internet services. The objective of the proposed model of service diversification (video conferencing, VoIP, low cost payout centers for money transfers) was to better ensure the cafés sustainability over time as small enterprises and with a goal of significantly improving their profitability by providing other revenue streams for support.

The project began as a partnership between the FPPC and Sergio Garnelo, co-owner of *Grupo Creative*, a small business founded in September 2001 that provided Internet service to several locally run Internet cafes in remote communities in Guerrero and neighboring states. Garnelo had begun his business with credit from the federal government but needed more capital. Realizing the Internet could help expand opportunities such as e-commerce for local agricultural and rural handicraft producers, the FPPC secured Garnelo initial FIRA credit from the Banco de México. These funds may be the first ever provided by FIRA for a non-agricultural project.

Shortly afterwards, FPPC Executive Director Roberto Ramirez introduced Garnelo to NAID Center Research Director Raul Hinojosa. At that time, *Grupo Creative* consisted of three Internet Cafés in the state of Guerrero. The Huamuxtitlán Internet Café was one of the first to be established in April 2002 with 10 computer stations. A comprehensive strategy was conceived to expand the technology centers into a broad transnational network of Internet cafés that included:

- (1) obtaining more financing for the further expansion of a sustainable network of Internet Cafés in Mexico;
- (2) identifying and working with other technology partners that could help resolve rural connectivity issues;
- (3) concentrating on ways in which other services – VoIP and remittances - could be installed to provide the technology centers additional revenue streams to better ensure their sustainability; and
- (4) creating sustainable sister technology centers in the US through migrant networks concentrated in Los Angeles and New York City

Hinojosa played a significant role in the further expansion of the rural technology center network:

- (1) **Financing.** Hinojosa first secured \$350,000 USD from a major investor that provided a liquid guarantee required by the Banco de México to lend the project an additional \$2 million dollars to expand operations in 2003. A broad network of 42 rural technology centers was eventually opened in these three states and in the states

of Puebla and Tlaxcala.⁵⁷ In December of 2003, Hinojosa again secured an investor to provide additional funds to support the Internet Café project and in particular, those in Oaxaca. These additional funds were provided to and managed by the FPPC.

(2) Technology Partners. Hinojosa conducted research to find the integrated system required to provide the additional services at the Internet Cafés but found no one company in the market producing such a solution. Hinojosa therefore identified and met with principals of Point Red Technology, GlobalSat and FRONTCOM, technology companies that together could help resolve rural connectivity issues. Point Red Technology is a San Jose, California based company that provides MMDS Wireless “last mile” rural connectivity primarily in India and El Salvador. GlobalSat is a Tijuana based satellite provider of broadband communications and FRONTCOM a company in San Diego that provides VoIP protocol telephony to rural areas of Mexico. Point Red and GlobalSat technologies were installed at various Internet Cafés in the network.

(3) Additional Services. FRONTCOM conducted several tests to confirm the viability of VoIP. The NAID Center then shifted toward finding stored value card issuers that Hinojosa theorized would be the most important application of broadband technology for sending remittances via Internet at a substantive reduction of prices. Throughout 2003, Hinojosa met with various stored value card companies including ASI Cards Solutions in Los Angeles and GPS (Global Payment Solutions) out of Las Vegas. After examining their products and those in the market at that time, Hinojosa realized that there was no one company that had an adequate platform capable of the integration of services sought.

(4) U.S. Based Sister Technology Centers. NAID researchers located transnational migrants from Guerrero, Michoacán and Oaxaca living in Los Angeles and New York City to interest them in and gain their support for the Café Internet project. In New York City, Hinojosa and Roberto Ramirez met with leaders of Casa Mexico and Casa Puebla. In Los Angeles, NAID Center staff solicited Oaxacan organizations including *El Consejo del Valles Centrales*, *Oaxacan entrepreneurs* and individuals. In 2003, the Executive Director of a well known Latina/o community center agreed to locate a sister technology center in its Venice Beach community center situated in a large Zapotec community.

U.S. Market Research on Non-Profit/For-Profit Community Technology Centers

The NAID Center funded research on community technology centers (CTCs) in the United States to discover best practices that contribute to the sustainability of Internet Cafés. Hinojosa was assisted by Lindsay Dailey, a cofounder of *Computación Sin*

⁵⁷ While Hinojosa and other NAID Center researchers visited and included the Puebla and Tlaxcala Internet Cafés in its overall analysis of the Internet network, these sites are not part of the NAID Center’s contractual obligations under the FPPC-UCLA sub-contract.

Fronteras. Besides her experience in community based CTCs, Dailey has close ties to Oaxacan families in Los Angeles and Oaxaca, Mexico.

NAID staff consulted with organizations that design and support CTCs (One Economy), with private companies that fund or donate computer and other technological equipment and expertise (CISCO), and with non-profits whose other activities could have helped sustain an Internet Café at their facilities (SPARC, *Computación Sin Fronteras*).

Findings from the NAID research indicate a break-even pattern or poor record of sustainability for non-profit community technology centers that provide only basic computing services (word processing, email, chat, Internet), underscoring the need for other revenue streams for support.

Research was also conducted to explore “hybrid” models of technology centers. Under Hinojosa’s instruction, the Columbia University team identified existing financial service sites (money transfer and check-cashing businesses, small community credit unions like BETHEX) with significant migrant clients that could become partners in the transnational Internet Café network. The NAID Center anticipated that partnering with small businesses already providing financial services to migrants could facilitate the objective of Internet based remittance transfers at prices significantly below the existing price structure. The addition of other computer and Internet services at these sites including VOIP and video conferencing could also provide increased revenues for these small businesses.

Promotion of Productive Projects with Migrants in the United States

The NAID Center is currently seeking additional funding to pursue potential partnerships identified by the Columbia University team in the New York region for promoting and developing the transnational Internet Café network.

The project was promoted earlier by NAID researchers with Oaxacan organizations, community members, and entrepreneurs in Los Angeles at a two part conference the NAID Center organized March 5 and April 20, 2003 and at a series of meetings held prior to and after the conference meetings. The first conference meeting agenda introduced migrants’ to the Internet Café project in Mexico and addressed how the cafés could also help promote other village-based projects. The second conference meeting agenda sought migrant participation in developing a Los Angeles based Internet Café that could link migrants to the Internet café network in Mexico. The conference and meetings are described in greater detail above (See in this report, Promotion of Productive Projects with Ayoquezco Migrants/HTAs in the United States, *And*, Promotion of Productive Projects with Santa Ana del Valle Migrants/HTAs in the United States).

The NAID Center also organized experimental transmissions (video teleconferencing) between Internet Cafés in Oaxaca, Guerrero and sites in the US in which migrants participated. NAID envisioned video teleconferencing as not only providing migrants and their families a means to communicate transnationally in real-time but a potential

means to facilitate transnational migrant participation in annual community assemblies in which important communal offices and responsibilities are decided. Migrants expressed great interest in this technological possibility.

Other Institutional Collaboration and/or Funding

The NAID Center sought the collaboration of US institutions and organizations including SIPA at Columbia University in New York, One Economy, a non-profit organization that provides low-income families funding for personal computers, *Computación Sin Fronteras*, and S.P.A.R.C. (Social and Public Art Resource Center). Together with migrants and these heads of community based organizations, NAID researchers identified potential sites for complimentary Internet technology centers, and wrote and submitted a proposal to the UCLA Center for Community Partnerships for a \$50,000 grant to fund and staff a site in the West Side of Los Angeles.⁵⁸ SPARC Executive Director Judy Baca agreed to locate a sister technology center in its Venice Beach community center situated in a dense Oaxacan community.

The NAID Center also investigated the possibility to partner the Internet Cafés with credit unions in both Mexico and the U.S. to provide a wide range of financial services to clients of both partners as a further means to sustain the build out of the required technology platform. This collaboration was sought with NAID Center partners in a Ford Foundation funded project with the California Credit Union League and AMUCCS. In New York City (the Bronx), Hinojosa met with and secured a preliminary Memo of Understanding for this kind of partnership with BETHEX, a community based credit union recognized throughout the United States for its service to poor people and for its innovative financial strategies and practices. With additional funding, the NAID plans to follow up on these and/or similar collaborations.

VII. DISSEMINATION

Reports and Communications

UCLA signed a contract with FPPC in February 2003 that required the NAID Center to report on its activities every two months. Since the NAID Center started working on this project eight months prior to the actual signing of the contract (July 2002), NAID staff submitted its first report to FPPC in September 2002.

[An Examination of Productive Projects in Guerrero and Michoacán, Mexico, and the Role of the Fundación para la Productividad en el Campo \(Joshua Kirshner and Lars](#)

⁵⁸ UCLA NAID Center, SPARC, *Computación Sin Fronteras (CSF), El Consejo de los Valles.*” Transnational Partnerships In Our Own Backyard: Community Capacity Building in “OaxaCalifornia” Through Internet-Based Communication. Proposal to the UCLA Center for Community Partnerships, 31 March 2003.

Trans, September 2002). This first document reported on NAID researchers' activities in FPPC project sites in Guerrero and Michoacán including the Internet Café project sites [Appendix 4].

(English Version). UCLA NAID Center- Fundación para la Productividad en el Campo. "Oportunidades de Negocios" Conference in Los Angeles, CA, November 14-16, 2002:1-7. (Spanish version) UCLA NAID Center- Fundación para la Productividad en el Campo (FPPC) Conferencia "Oportunidades de Negocios" Evaluacion y comentarios. November 14-16, 2002:1-5. NAID staff submitted a second report to FPPC late November outlining the NAID's recruitment activities for this three day FPPC-UCLA conference; an evaluation by the migrant attendants of the conference structure and presentations; and their suggestions for future meetings. It also provides an evaluation by NAID staff of the conference overall with recommendations for improving future conferences to maximize migrant attendance [Appendix 5].

Conferences

NAID/FPPC Conference. NAID Center- Fundación para la Productividad en el Campo Conferencia "*Oportunidades de Negocios.*" Los Angeles, November 12-16, 2002.

NAID Conference, Part I. AGENDA (Transnational Internet Café Project). *Reunión con Miembros de la Comunidad de Oaxaca Radicada en Los Angeles, El Centro NAID de UCLA, SPARC, y La Unión de Crédito Water & Power.* SPARC, 625 Venice Blvd., Jueves, 6 Marzo del 2003.

NAID Conference, Part II. AGENDA (Internet Café Project in West Los Angeles). *Reunión con Miembros de la Comunidad de Oaxaca Radicada en Los Angeles, El Centro NAID de UCLA.* Public Policy Building Room 2252, Domingo, 20 de Abril del 2003.

Project Web Site

One of the tasks specified in the sub-contract with FPPC was that the NAID Center would put information about the six FPPC projects and villages on a web site. The NAID Center contracted with SPARC (Social and Public Art Resource Center) to create this site. NAID Center intern Lars Trans provided photographs from the four villages he and Joshua Kirshner had visited in Michoacán and Guerrero, and Paule Cruz Takash, David Runsten and other employees of the NAID Center provided photos for the Oaxacan villages. Josh Kirshner wrote text to explain each of the photos, and also wrote a summary of FPPC projects in each village. Yolanda Cruz supplied a digital copy of the film she had created about the Ayoquezco project.

These were transferred to SPARC in the spring of 2003. SPARC designed the site and put it up on the web in July 2003. However, it was not linked to the NAID Center site due to domain name problems NAID Center site due to domain name problems. More recently NAID has had software engineers recreate it and put the FPPC project

information on a new NAID site (naid.ucla.edu). At present only this final report is available on the web site; other supporting reports and materials will soon be available .

NAID Center Project Film & FPPC Videos

Another of the tasks specified in the sub-contract with FPPC was that the NAID Center would film the projects in the six villages. The NAID Center hired Yolanda Cruz, a Chatina native of Oaxaca who had completed a master's degree in film at UCLA. She started with Ayoquezco, since at that time it was a rapidly advancing project that involved a pre-existing organization of women.

Cruz filmed the women of MENA harvesting and preparing the *nopales* in the village, traveling to Oaxaca City in a truck, and selling the *nopales* in the market. The film crew was with the Ayoquezco women for several days. The crew arose at 3:30 AM to accompany the women to the market, they interviewed the cooperative leaders about their family members in the United States, and they filmed an FPPC seminar held with MENA. Once additional funds are available, footage from this film will be available on the page dedicated to the FPPC project on the NAID Web Site (naid.ucla.edu). The FPPC may be contacted for promotional videos they contracted regarding the Guerrero and Ayoquezco projects.

VIII. APPENDICES

(check back for posted appendices)