

**Collective Remittances and the 3x1 Program
as a Transnational Social Learning Process**

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ABSTRACT: In Mexico, during the past fifteen years, family remittances have grown explosively, and they have had a significant positive effect on the nation's economy and on household well-being for those families that receive remittances. For their part, collective remittances and the 3x1 Program have improved the living conditions for the general population in the communities of origin, where hundreds of basic infrastructure projects have been implemented. Despite the marked limitations of the program's budget—at the federal level only US\$15 million for 23 states in 2005—its most significant contributions have been the promotion of transnational community organizations and the establishment of negotiating room for those communities vis-à-vis the three levels of government. This has become an arena in which a transnational learning process is unfolding related to collaboration on joint projects and the promotion of an incipient culture of public oversight and accountability, which is beginning to spread to various communities and *municipios*. This program faces challenges for its future development, including substantially increasing its budget; strengthening organization and training for the communities of origin and destination; and transforming the Comités de Obra (Project Committees) into true instruments of public oversight, with full community support from the hometowns and the clubs. The 2006 political transition at the three levels of Mexican government and the civic maturation of the Mexican people will also be factors in the future evolution of the program.

RESUMEN: Las remesas familiares han tenido un crecimiento explosivo en México en los últimos quince años produciendo importantes impactos positivos en la economía nacional y en el bienestar de los hogares receptores de las mismas. Por su parte, las remesas colectivas y el Programa 3x1 han propiciado la elevación en las condiciones de vida del conjunto de la población en las comunidades de origen donde han promovido cientos de obras de infraestructura básica. No obstante la acentuada limitación presupuestal de ese Programa, que a nivel federal no rebasa los 15 millones de dólares para 23 estados en el 2005, sus aportes más relevantes consisten en promover la organización comunitaria transnacional, en establecer un nuevo espacio de negociación de esas comunidades con los tres niveles de gobierno que se convierte en un proceso de aprendizaje transnacional respecto a la colaboración para proyectos conjuntos y promover una incipiente cultura de control social y rendimiento de cuentas que comienza a expandirse a diversas comunidades y municipios. El desarrollo futuro de este Programa se enfrenta a los desafíos de un aumento sustancial del presupuesto, la mayor organización y capacitación de las comunidades de origen y destino, la transformación de los Comités de Obra en verdaderos instrumentos de control social con todo el respaldo comunitario de las comunidades y los clubes, el cambio institucional en los tres niveles de gobierno y la maduración cívica del conjunto de la población mexicana.

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1. REMITTANCES: THEIR SIGNIFICANCE FOR MEXICO'S ECONOMY AND SOCIETY AT THE START OF THE TWENTY-FIRST CENTURY

According to Mexico's National Population Council (Conapo 2004), remittance inflows are enormously important for many countries. El Salvador is a notable case: Remittances were 14% of GDP and 64% of the country's total export earnings in 2002. For Mexico, remittance income that year was 1.5% of GDP and 6.15% of export earnings. Remittances sent to Mexico grew from US\$2.494 billion in 1990 to US\$13.396 billion in 2003 and US\$16.613 billion in 2004 (Banco de México 2005).

According to estimates by the Mexican central bank, Banxico, if the current upward trend continues, remittance income for 2005 may exceed US\$19 billion. In the second quarter alone, the inflow of resources to the country from remittances was US\$5.214 billion, which indicates an annual increase of 17.7%. From January through March, Mexico received, on average, US\$51.5 million dollars daily from co-nationals residing abroad, primarily in the United States (*El Financiero* 2005).

During the 1990s, Mexico recorded a significant increase in the amount of remittance money, coming primarily from the United States. Annual growth rates were around 10%. Tremendous dynamism characterized remittances in the early years of the new millennium, when the transfers grew at a rate greatly surpassing that seen in prior years. Annual growth rates were close to 24%: From 2002 to 2003, Mexican remittances grew by US\$3.582 billion, and between 2003 and 2004, by US\$3.217 billion.

During the past fifteen years, Mexico has received family remittances totaling nearly US\$95 billion. This is because remittance flows have grown at much faster rate than has migration itself. Additionally, intermediary financial institutions are providing greater coverage for these transfers, and costs involved in monetary transfers between the two countries have declined considerably.

In the last two decades, remittances have become tremendously important to the Mexican economy as source of foreign exchange, and constituting a principal category in the balance-of-payments account, and because they contribute to reactivating regional and local economies. A comparison of the remittance flows with certain national-level macroeconomic indicators reveals the importance of these resources. In 2003, the money sent by migrants to their families was equivalent to approximately 80% of Mexico's oil exports and 73% of the maquiladora industry trade surplus, and these flows exceeded the earnings from the tourism industry by 42%. In 2004, remittances represented 70% of oil exports and 87% of the maquiladora trade surplus.

Moreover, the regional distribution of remittances has been diversifying and spreading to more states in Mexico. This is occurring because the regions with a long history of international migration, such as western central Mexico, are experiencing a

shift in the pattern of movement to the United States—from temporary to permanent migration involving the entire family—and because international migration has spread to almost every corner of Mexico in response to the nation's profound agricultural and economic crises (García Z. 2003).

In 2004, four states (Michoacán, Guanajuato, Jalisco, and México) each received more than US\$1 billion in family remittances, and in Michoacán alone, the figure exceeded US\$2 billion. That year, although more than half of the remittances were concentrated in only six states (the four already mentioned and Puebla and the Distrito Federal), in Mexico's other states, remittances have gained increased visibility and importance. For example, in 1995, nearly 40% of the remittance income went to the three states with the longest histories of migration (Michoacán, Jalisco, and Guanajuato), but, by 2004, that figure had declined to only 31%. In contrast, in terms of amount of money remitted, Veracruz and Chiapas, whose participation in international migration was, until recently, only marginal, have risen from 15th and 27th places, respectively, in 1995, to 7th and 11th places in 2004. The state of México, for its part, was in 4th place. Based on these figures (Conapo 2004, 24), the average remittance per capita in Michoacán in 2004 reached US\$539, whereas Guanajuato and Zacatecas received, respectively, US\$313 and US\$311 per capita (Conapo 2004).

Based on information from the Encuesta Nacional de Ingreso Gasto de los Hogares (National Survey on Household Income and Expenditure, ENIGH), it is estimated that the number of remittance-receiving households doubled, rising from 600,000 in 1992 to 1.4 million in 2002, with the remittance money directly benefiting 5.6 million people. That increase can be explained by the effects of the Mexican economic crisis of 1995, which forced more households to rely on international migration as an alternative in the face of deteriorating standards of living. Between just 1994 and 1996, the number of remittance recipients grew by more than 400,000, from 665,000 to 1,076,000. Notably, only a little more than half of all remittances (52%) go to households in rural localities with fewer than 2,500 inhabitants. In that category in 2002, about 734,000 households, or 12.6% of all households in those small places, received remittance resources. In localities with 2,500 or more inhabitants and in semi-urban and urban areas, approximately 670,000 households received remittances, or 3.5% of all households (Conapo 2004)

This growing trend in the number of remittance-receiving households is occurring throughout Mexico. The states of Zacatecas, Michoacán, Durango, Nayarit, Guanajuato, and San Luis Potosí - all in the western central region, the part of the country with the longest tradition of international migration - stand out because they have the highest percentages of households receiving remittances, ranging from 8% to 13%. The relative share of households receiving remittances is also very significant in the more recent migrant sending states of Guerrero and Morelos, located in the south. In terms of regional differences, 9% of the households in western central Mexico receive remittances, 3.5% of families in the north, 2.9% in the south and southeast and 2.6% in the central region.

The average annual remittance income for the receiving households rose to US\$2,590 in 2002 (US\$215.80 per month); in localities with fewer than 2,500 inhabitants, the annual average was US\$2,373, whereas in localities 2,500 or more inhabitants, the annual average was US\$2,830.

Households use most of this income to satisfy basic needs and other types of domestic consumption, including expenses that are, in reality, an investment in human capital, such as education and health. It is estimated that the remittances also contribute major resources to development in communities with a history of international migration, which has significant multiplier effects in terms of regional and local economic activity. It is calculated that at least 10% of the remittances are allocated to savings and productive investment.

Undoubtedly, remittance transfers from migrants to their families play a determinant role in household support for those receiving the money, since, on average, it represents 35.6% of total current income, and almost half of current cash income (46.9%). The relative importance of these resources is greater in localities with fewer than 2,500 inhabitants, where on average it represents an equivalent of 53% of household cash income; in locations 2,500 or more inhabitants, it represents 43%. It is important to consider that remittances constitute the sole source of cash income for one in five receiving households, making them highly vulnerable should that resource flow be interrupted (Conapo 2004, 90).

1.1. Household Use of Remittances and Their Impacts

Based on ENIGH (1996) data and Castro and Tuirán (2000), a comparative analysis of the composition of family spending among remittance-receiving and non-recipient households revealed the following:

1. In both remittance-receiving and non-recipient households, in rural and more urban areas alike, about 8 in every 10 pesos spent went to cover current expenses, including food, clothing, care of the home, health, transportation, education, recreation, and other expenditures. In short, the funds were spent on family maintenance. Another 20% went to financial and capital expenditures.

2. Even though the proportion of both categories of expenditure seems to be similar in the two types of households, remittance recipients in comparison to non-recipient households spend a smaller proportion of the remittance money on current expenditures and a larger proportion on financial and capital expenditures, largely for house purchases. The difference is more visible in rural than in urban areas.

Regarding the impacts of household remittances on families and on the country, Jerónimo Cortina, Rodolfo de la Garza, and Enrique Ochoa (2005, 35) recognize that these resources are very important for the receiving households, but they warn about the limitations of remittances when it comes to developing appropriate public policy:

1. Mexico's current account deficit has declined in recent years, in part because of the significant increase in family remittances being sent home. However, the Mexican government would be committing a grave error if it were to suppose that the remittance flows will continue to increase during the next decade. As future emigration leads Mexican immigrants now living in the United States to be reunified with their families, the supply and demand for remittances will diminish. As a consequence, it is likely that the flow of remittances from the United States to Mexico will grow at a slower rate in coming years, and, eventually, total remittances will decline, to even below current levels. Remittances are not a substitute for public policies designed to address macroeconomic disequilibria. In the best-case scenario, the flow of remittances will provide maneuver room to allow for economic adjustments and reforms.

2. Remittances do not remove the need for financial intermediaries that invest capital in projects in regions with low levels of human development. Most remittances are destined for basic household subsistence, and only a small fraction of remittance money is destined to finance collective projects (according to the authors, only 9% of all remitters belong to migrant associations). Similarly, in Mexico, there is little evidence to support the idea that remittances act as an efficient micro-financing mechanism.

3. Remittances alone are insufficient to raise the population's income above the poverty line. The regions of Mexico with the lowest levels of per capita income and inadequate education and health care are not necessarily the regions receiving the most remittance money. The cost of migrating to the United States (around US\$3,000) creates an exit barrier for members of families with few resources. Thus, members of poor families are not necessarily the people who emigrate, and, in turn, send home remittances. The income from remittances is essential for basic subsistence in the receiving households, but that fact should be viewed as a complement to, and not as a substitute for, national policies to reduce poverty and inequality.

In light of what has been discussed here, from the 1980s to the present, international migration and family remittances have clearly been important for the functioning of Mexico's economy and society. Macroeconomic stabilization policies have not resulted in positive economic or employment growth. We can see an illustration of the gradual deterioration of the economy in the per capita GDP growth rate, which averaged only 0.35% annually between 1982 and 2002, whereas in the fifty years prior to 1982, it had averaged 3.1% annually (García Z. 2004). This has led to government discourse that frequently overestimates the impacts and potential of family remittances as an instrument for financing productive projects and as a detonator for regional development, in the absence of public policies for those objectives. Various Inter-American Development Bank publications have recently repeated this discourse, calling remittances to Latin America a "river of gold" and a "lever for development" (FOMIN 2003). This has generated criticism from several Mexican researchers, such as Fernando Lozano (2004). He notes that a new development "paradigm" has appeared, which sees in migration and remittances a deliverance from economic and social problems in the

migrants' countries of origin, while forgetting that remittances are essentially private resources, which express an intimate relationship between the migrant and his or her family. The migrants and the resources they generate cannot be burdened with responsibilities that belong to the Mexican government.

Along the same lines, in order to put the migrants' contribution to local and regional development in perspective, Alejandro Canales (2004) challenges the purported productive potential of the remittances. The migrants should not be seen as post-modern heroes, who carry on their shoulders the burden of propelling their communities' development. However, neither should they be seen as disempowered subjects, sunk in a migratory syndrome, which would create a perverse dependency on the remittances and the migrants. Canales notes that those who think the US\$16 billion that flowed into Mexico in 2004 is a potential source of financing for vigorous growth in the communities of origin (if only those remittances were used less for household expenditures and non-productive social and family projects) misunderstand the true economic significance of the remittances. In Canales's view, remittances are not really a type of migrant savings. Instead, remittances constitute a paycheck, which is usually destined for the same uses and expenditures as are any other type of pay or wages.

2. COLLECTIVE REMITTANCES AND MEXICO'S 3X1 PROGRAM

2.1. Collective Remittances as a Quality Resource

At the end of the 1990s, the Economic Commission for Latin America and the Caribbean (ECLAC) did a major study on the impacts of international migration in the Central American countries of El Salvador, Honduras, Guatemala, and Nicaragua, "Uso productivo de las remesas familiares y comunitarias en Centroamérica" (Productive Use of Family and Community Remittances in Central America) (CEPAL 1999). It focused on remittances and emphasized that their primary positive impacts were an improved standard of living for hundreds of thousands of poor families, multiplier effects in the economy, and through collective remittances, the financing of a growing number of community projects. Regarding the mechanisms that had been employed in Central America for encouraging the productive use of remittances—such as the opening of bank accounts in dollars for emigrants and investment funds for them or their families—the report notes that there were few results. The participation of remittance recipients in loan or microenterprise programs has been very limited. Based on the lack of progress achieved with these tools, in Central America, the concern continues to find alternatives that would foster a more productive use of family remittances.

In seeking that alternative, ECLAC finds that collective remittances (donations for community projects from migrant associations located outside the countries of origin) are important, not so much in terms of quantity but of quality. First, they actualize a spontaneous connection of solidarity between groups within civil society. Second, unlike family remittances, these flows are destined basically for social investment. Finally, they can respond to special modalities of financing better than other sources can. Thus,

collective remittances offer the possibility of putting in to practice new schemes or models for productive projects in areas with varying levels of development and resource endowment.

However, the ECLAC report pointed out that at the end of the 1990s, the full conditions needed to realize that type of initiative were not yet in place. The migrant associations expressed doubts about participating in productive projects without having reached a certain level of maturity and having accomplished projects benefiting their members, things they must achieve before getting involved in tasks of greater breadth and complexity. There is also still a long row to hoe in matters of organizational development, including achieving legal personhood as nonprofit organizations and having the power to pursue broader fund-raising activities (CEPAL 1999, 66).

For Central American migrants, progress toward more complex projects is constrained by, among other things, the need for a clear and non-political local counterpart in the communities of origin. The migrants' lack of presence in those localities (whether that would be directly or through a representative) is one of the most obvious weaknesses, and a problem that is not easy to solve. It requires a big effort on the part of civil society in the country of origin to fill that gap as soon as possible.

According to the ECLAC report (CEPAL 1999), the challenge for the governments and the international organizations lies in supporting the organizational processes of the migrants and their local counterparts, so that these latter actors can work together to expand, on a broader scale, projects financed with collective remittances while succeeding in fortifying the efficacy and permanency of their actions. The condition is that this support not be used to try to force or manipulate the processes that have developed up to now in a spontaneous fashion, nor should it be used to replace the initiatives of the actors or to make those initiatives dependent on subsidies.

In ECLAC's view, the processes underway in Central America can be accelerated and increased through a gradual, decentralized, and participative strategy involving the migrants and their organizations, civil society, and the governments. That strategy would seek to institutionally strengthen the migrant associations and to tie them to their communities of origin, in order to encourage, in the medium term, a more favorable framework for the productive use of collective remittances. The local development projects financed with collective remittances will then be able to connect to broader programs for social development and for combating poverty, and they will also connect to any efforts that might be made to improve the use of family remittances, through new saving and investment mechanisms, created by the migrant associations themselves.

2.2. The Appearance of the 2x1 Program in Zacatecas

Zacatecans have been migrating to the United States for more than one hundred years. That long tradition of international migration enabled these migrants, at the close of the twentieth century, to create an important network of Clubes Zacatecanos

(hometown associations representing Zacatecan migrants) in the United States. It is based essentially on a shared sense of community with the places of origin, which connects the clubs in the destination communities to their hometowns, so that together they can accomplish joint activities benefiting those communities. These clubs originated in the 1960s in Southern California, organizing incipiently in Los Angeles in an effort to support migrants who were ill or injured, or in the case of deceased migrants, to help to arrange to transport the body home to Mexico (Moctezuma 2000). In the next phase, the first community infrastructure projects—among them, repairs to plazas, churches, sports fields, and cemeteries—were accomplished just with funding from these hometown associations. Zacatecan migrant leaders have nicknamed this period “0x1” since the sole instrument for financing the projects was the migrant dollar. In the final fifteen years of the twentieth century, the Zacatecan clubs entered a phase of development that now, in the twenty-first century, has turned them into the most important Mexican migrant network, based on the number of clubs (more than 230) and federations (14), and their systematic support in financing social infrastructure projects in the communities of origin (García Z. 2003, 213).

The appearance of the 2x1 Program in Zacatecas in 1993 is explained by the long history of Zacatecan migration to the United States, the emergence of major transnational social networks, the migrants’ long-term support of their hometowns, the intensification of international migration and remittance inflows to Mexico, combined with the arrival of a new type of public policy that attempted to leverage the migrants’ contributions. The 2x1 Program’s objective was to institutionalize the Zacatecan clubs’ support of social infrastructure construction in the communities of origin by having the state and federal governments each contribute one dollar for every dollar that the migrants invested. In 1993, the first projects were launched with an investment of US\$575,000. From the program’s beginning as “2x1” to its transformation into the “3x1 Program” in 1999, 310 basic social infrastructure projects were accomplished. From 1999 to 2003, projects were realized in over 35 *municipios* in Zacatecas. Because of their importance, emphasis was placed on projects for the provision of potable water, construction of sewer systems, electrification, road construction, paving, and repairs to or construction of sports fields, churches, parks, public plazas, and *lienzos charros* (rodeo rings).

2.3. The 3x1 Program in Zacatecas and Its 2001 Transformation into the 3x1 Citizen Initiative Program

The scheme was renamed the 3x1 Program in 1999 when the municipalities joined by contributing an additional dollar, which was available thanks to greater budgetary resources derived from the decentralization of the federal budget. In 1999, almost US\$5 million in funding supported 93 projects in 27 *municipios*. In 2000, the migrants contributed US\$1.5 million, which, when added to the government contributions, totaled US\$6 million, financing 95 community projects. Most notable was the promotion of a new type of social project: scholarships for students from first grade through college in the *municipios* of Jalpa and Monte Escobedo. In 2001, the program invested US\$7

million in 113 projects; in 2002, that figure rose to 8.6 million invested in 149 projects; and in 2003, it reached US\$20 million invested in 308 projects. Thus, from 1999 to 2003, in Zacatecas, 758 community projects were accomplished with the co-investment of migrant associations. This significant growth is explained by the new contributions by the *municipios* and the determined involvement of *alcaldes* (the top official in the *municipio*, similar to a mayor), who are trying to promote the formation of new Zacatecan clubs in the United States in order to expand the projects and the size of future investments.

It is important to point out that even before 2001, when the 3x1 Program became a federal-level program under the Secretaría de Desarrollo Social (Social Development Secretariat, Sedesol), it did not have specific financial support from the federal government. The governor and the state-level Sedesol officials negotiated each project, to try to place the migrants' projects within already established Sedesol programs. That situation changed in 2001, when the program gained full recognition as the 3x1 Citizen Initiative Program, with a specific budget, one that was small, but specific (García Z. 2005c). The presidential decision had significant implications for many states, which immediately tried to take advantage of the program's benefits to multiply government resources by leveraging initiatives that Mexican migrant associations outside the country had worked out with the authorities in their *municipios*. Among other effects, this generated a dispute among the state governments over budget reductions, since government funding declined from 113 million pesos in 2002 to 97 million in 2003 and only reached a modest 175 million in 2004 (Sedesol 2005). It also accelerated the strategy club formation, that had been taken up by officials in the states with the heaviest international migration.

One of the most frequent criticisms of the program focused on the small budget. Thus, Carlos Fernández Vega (*La Jornada* 2005b) said that at first glance, the Citizen Initiative seemed effective. However, before very long, the "buts" became apparent. For example, the federal government's financial contribution "will be subject to the program's budgetary resources," and in 2005, there will be a "maximum federal contribution per project of up to 800,000 pesos." However, the 2005 budget was only 160 million pesos "to support 574 projects," or an average of 278,745.64 pesos per project. This columnist asked: Is it possible that 160 million pesos (US\$14.6 million, compared to US\$45.5 million contributed *daily* by the migrants in 2004, and US\$53.4 million, the anticipated 2005 daily contribution) represent "a leading axis of economic and social development in the communities of origin of the Mexican remitters in the United States," as the president of the Inter-American Development Bank declares? The federal government's contribution of 160 million pesos (the second largest budget since the 3x1 Program began) "in benefit" of the Mexican migrants' communities of origin are equivalent to 0.07% of the approximately US\$20 billion in remittances that Mexicans will send home during 2005. That amount slightly surpasses the 141 million pesos that President Fox will spend this year on public relations and opinion surveys to gauge his popularity ratings.

Analyzing the 3x1 Program in its Citizen Initiative form, the slow but steady increase in the number of funded community projects from 2002 through 2004 stands out, as the activities have broadened from twenty to twenty-three Mexican states. There were 942 projects in 2002, 899 in 2003, and 1,438 in 2004. In order of importance in terms of money, in 2002, the most relevant projects were urbanization (things such as street paving), building of community development centers, electrification, and provision of potable water. In 2003, the most important projects were urbanization, community development centers, electrification, and provision of potable water. In 2004, urbanization was still the most important, followed by provision of potable water, building of community development centers, and electrification.

Regarding the number of migrant associations participating in the program, in 2002, there were twenty from eight U.S. states; in 2003, 200 from seventeen U.S. states, and in 2004, 527 from thirty-one states. The Mexican states of origin, in descending order of importance for 2003, were Zacatecas (71), Michoacán (57), San Luis Potosí (37), Oaxaca (17), Guanajuato (11), Tlaxcala (7), and Jalisco (5). The most important states, in terms of the percentage of the total committed investment for 2003, were Zacatecas (33%), Jalisco (22%), Michoacán (8.3%), San Luis Potosí (7.1%), Guanajuato (4.3%), and Oaxaca (4.3%) (Sedesol 2005). Here it is worth noting that the quantity of projects realized with collective remittances is underestimated in the case of Oaxaca, since that state has a long ethnic-community tradition of accomplishing many social projects, with the collaboration of migrant associations in the United States and without government intervention. Recent years have seen an increase in actions in collaboration with *municipio*-level governments, but despite that, most Oaxacan collective remittance projects remain outside of the 3x1 Program framework.

3. THE 3X1 PROGRAM AS A TRANSNATIONAL LEARNING PROCESS

The understanding and study of the 3x1 Program, at its various stages, have produced opposing assessments, depending upon who is doing the evaluating. For example, the *alcaldes* and governors see the program as a way to multiply public works undertaken during their administrations. International organizations see in the migrants and their communities of origin a huge capacity for collaboration with the three levels of government to solve the problems of basic infrastructure and well-being. Along the way, the Mexican government, responding to migrant associations' pressure and initiatives, not only supported the program but also institutionalized it at the federal level and took it over. As a consequence of the program's national expansion, it has turned into one of the principal instruments for interaction with the Mexican community in the United States and for negotiation with international organizations, such as the Inter-American Development Bank. In the academic community, there is general consensus that it is wrong ethically to allow those who were driven out of Mexico as migrants, because of the lack of adequate development opportunities, to become the financial support of social policy for building basic infrastructure, which, strictly speaking, is the responsibility of the Mexican government (García Z. 2005a). That argument is unassailable, as is the willingness of the Mexican migrant associations, which repeatedly point out that absent

their collective remittances and projects, their communities of origin would be considerably worse off than they already are.

The force of their argument and the importance of their contributions are unquestionable. This justifies declaring that there really is a social policy of the Mexican diaspora, within the context of the twenty-three year search for macroeconomic stability that, among other consequences, has meant reduced social spending. The neoliberal paradox of Mexico and Latin America is that those who are expelled from their countries due to the new economic model's logic of exclusion and impoverishment have become a central element in its macroeconomic stability. For example, in 2004, Mexican migrants provided US\$17 billion in family remittances, and Central American migrants provided US\$45 billion (*La Jornada* 2005a). Moreover, the collective remittances from Mexicans have financed hundreds of basic infrastructure projects in communities of origin. Although the amount invested in these projects is modest in absolute terms, not exceeding even 1% of total family remittances, at the local level, the funds invested in communities and *municipios* in Zacatecas and other states are very significant. Similarly, the impact of the introduction of electricity, potable water, sewers, the building and paving of highways and streets, the construction of schools and telephone centers, and the granting of scholarships all represent major contributions to the general well-being of the population in the communities of origin, beyond the positive impact that family remittances have had on the households.

The significance of 3x1 Program is not in terms of investment alone, however. Rather, it is in the ability to allow for the transnational organization of migrants, which materializes in community projects that elevate the population's standard of living and which have affected local development positively. This reflects the three contributions of collective remittances: uniting the communities of origin with the communities of destination, converting the associations into interlocutors with the three levels of government, and enabling the financing of community projects in regions that were previously marginalized (García Z. 2003). That program fosters what Natasha Iskander has called an unexpected process of social learning among the migrants, their communities of origin, and the three levels of government (2005). That is the most significant feature of the program, both in Mexico's current context of increasing macroeconomic fragility (seen in country's dependence on oil revenues and remittances) and in the national strategic vision, which calls for regional and local development plans for all of Mexico, in which the migrant associations can play an important supporting role.

As a process of social learning, the 3x1 Program has not been simple, nor has it been free from conflict among the migrant associations, their communities, and the three levels of government. The associations themselves see both positive and negative aspects of the program. Its most positive features are (García Z. 2002):

1. It enables the transnational organization of migrants.

2. It allows for the realization of social projects benefiting the communities of origin.

3. It helps the migrant associations to become engines of local development.

Its most important problems are:

1. Excessive bureaucracy in the state and federal offices.

2. Frictions with the *municipios* over the selection of projects.

3. Delays in delivery of the state and municipal share of the contributions.

4. The poor quality of the completed projects, and the failure to maintain what was built.

5. The absence of mechanisms to give continuity to the projects and the completed works.

6. Insufficient funding to respond to all of the project initiatives proposed by the clubs.

7. Failure to respect the judgment of the program's Comité Técnico (Technical Committee) in selecting and approving projects.

The foregoing assessment, developed at the end of the 2000 in Chicago and Los Angeles, expressed the general opinion of the Clubes Zacatecanos about the advantages and limitations of the 3x1 Program. The problems identified also indicate the existence of ongoing difficulties between the clubs and the *alcaldes* and certain state-level authorities regarding not only the things mentioned but also an issue that continues in several states, related to the quality of the completed projects and transparency in the use of funds. These managerial and administrative conflicts have been increasing because of political jealousies that frequently arise between the local and state-level officials as they confront the growing protagonism of the Zacatecan migrant leaders, which has converted the latter into direct interlocutors with the governors in office, the federal officials, and various U.S. officials. This also manifests at the local level because the migrant leaders frequently have greater credibility and popular support than do the *alcaldes* themselves. As the result of this situation, and following accusations, pressure, demands, and proposals from the migrant associations, the government of Zacatecas and Sedesol have sought to overcome the irregularities and to create a more transparent, participative, and professional process for the administration of the program. This was apparent in the creation of Comités de Validación (Validation Committees) for the different projects in states where migrant associations currently play a central role.

It is important to point out that in 2002, with the 3x1 Citizen Initiative Program having been federalized, two other problems appeared: new national-level rules and the sidelining of the migrant associations from participation in the program. First, the new rules, seeking to privilege “productive” projects (the terminology is ambiguous because social spending on health and education indirectly affects those projects in a strict sense), prohibited investments in churches, dance halls, and *lienzos charros*, even though, generally, those sorts of projects were and are a priority for the migrant associations. Second, the *alcaldes*, sensing that they are being displaced by the migrant associations, rejected the requirement that the association and the federation sign off before a project can be approved. Instead, it would suffice to form a Project Committee that would contribute 25% to the project (that contribution, in many cases, was made by the *municipio* government with funds from other Sedesol programs.) This second problem was resolved largely by the migrant associations pressuring and lobbying the Mexican federal government. In 2004, the head of Sedesol agreed that in 2005, the rule was reinstated requiring that the migrant association involved and its umbrella federation sign off before the project could start.

An additional contribution of the 3x1 Program as a process of transnational social learning consists in fostering a new culture of accountability and transparency for the use of public funds and migrant contributions. The process has been slow, complicated, and full of frictions with the three levels of government, from the 2x1 stage until today. In the 1990s, monitoring of projects was deficient, and accountability to the migrants was limited. It was precisely the poor quality of some highway projects, paving of streets, and other things that created unhappiness in the communities of origin. The Federación de Clubes Zacatecanos del Sur de California (Federation of Zacatecan Clubs of Southern California, FCZSC) responded by trying to get the local Project Committees to meet their responsibility of supervising the progress and quality of those projects. However, the FCZSC, through its governing board, had to resort to taking over that supervision themselves, by keeping a photographic and video record of the most relevant details, to use as evidence when presenting demands and negotiating with the competent authorities. This experience was very relevant for the 3x1 Program’s advancement, both in collective learning about accountability, a concept that is beginning to spread to local populations, and in facing challenges in the future. At the end of the 1990s, the additional effort made by the migrant leadership to personally supervise projects—flying from California to the communities in Zacatecas on weekends—and the demands and negotiations with the government, resulted in a better scheme for monitoring project progress and quality.

Apart from negotiating with the three levels of government, collective learning by the communities of origin and the migrant associations also involves recognizing that if these communities exhibit a low level of organization and commitment to the projects underway, the Project Committees will perform poorly in their public oversight role. During the second week of July in 2005, while visiting seven 3x1 Program projects in the *municipios* of Tepetongo and Sain Alto, Zacatecas, we could corroborate this claim, through an examination of projects involving highway construction, road paving, plaza

repairs, bridge building, and church remodeling. In one situation, we saw that when the communities are organized and committed to the project underway, the respective project committee performs adequately, and the work is carried out correctly. A second experience arises when the community is generally indifferent about a project, making no commitment even though it will benefit, but the project committee is presided over by someone who individually takes the lead and guarantees that the project is done right, with the direct support of the migrant associations. A third situation occurs when the community is disorganized, the project committee does not function in an integrated manner, and the leadership of the *municipio* exhibits no public oversight in the management of resources and the development of the project. In this last case, the associations frequently give moral support to a project, but without contributing anything financially, with the consequence that they have little interest in the final results (Garcia Z. 2005b). This anomaly is one of the institutional distortions that the program faces, and it must be resolved in the future.

Finally, the slow advance of the new culture of accountability and transparency in the administration of public and community funds lies essentially in the organizational weakness of the communities of origin, the poor civic maturity of the Mexican people, and at the three levels of government, the limited changes that have been made in support of that new culture. These aspects not only limit the advance of accountability generally for society and for democratization, but they also are obstacles for social and productive projects, as the study on Central American remittances (CEPAL 1999), cited earlier, indicates. These aspects impede the consolidation of transnational social learning as a force for democratization and increased public oversight.

4. REMITTANCES, PRODUCTIVE PROJECTS, AND ECONOMIC DEVELOPMENT

Without falling for the frequent exaggerations of the leaders of Mexico and Central American countries, who see in remittances the key to economic development in migrant-sending regions, it is important to acknowledge that international migration, remittances, and migrant associations have great importance in regions characterized by economic backwardness, the absence of a significant entrepreneurial sector, and a lack of interest on the part of foreign investors. In that context, in places such as Zacatecas, Michoacán, and Oaxaca, remittances and migrant associations can be an important tool for local and regional development projects, as long as the government puts in place public policies to achieve that. In those regions, collective remittances and migrant associations play a critical role in accomplishing basic infrastructure projects. A transnational migrant community is being forged through local development projects, which entail designing strategies with the three levels of government for investments made with the savings of the migrants living in the United States. Those elements lead us to consider that the FCZSC represents the arrival of a new transnational social actor committed to local and regional development. For more than twelve years, it has been accomplishing community projects in over one hundred hometowns, and in 2004, it

launched a strategic planning process, supported by the Rockefeller Foundation, to move into a new stage of productive projects based on migrant investments (García Z. 2005a).

We agree with the critical observations of Fernando Lozano and Alejandro Canales, explained above, in that we do not see in remittances a magic key to achieve economic development in the country. Definitively, we cannot ask of the migrants what the country itself has not been able to achieve: development and well-being for all its people. However, if migrant associations are interested in collaborating to attain that objective, adequate policies must be in place for national economic development, regional and local development, and strengthening of the *municipio*. Furthermore and in particular, policies must be in place to support all actions that help to strengthen the communities of origin and destination, so that they can become protagonists in their own development (García Z. 2004).

Specifically concerning investment initiatives for productive projects for Mexican migrants, since the mid-1990s, several were proposed in Jalisco and Oaxaca, with very limited results. At the beginning of the present administration, the Inter-American Development Bank and Nacional Financiera proposed the “Paisano Invierte en México” (Mexicans Investing in Their Nation) program, which subsidizes 50% of the cost of preparing technical studies for migrant productive projects. It operated initially in Guanajuato, Puebla, and Zacatecas, and later, when Guanajuato and Puebla dropped out, it ran in Hidalgo, Jalisco, and Zacatecas, but it also had limited results. So, too, did the initiatives of the Sociedad para la Prosperidad (Society for Prosperity), a U.S.-Mexico government-business endeavor, which from the beginning of 2002, attempted to motivate migrant and foreign investment in Mexico, weighted heavily toward education and technological innovation.

As noted elsewhere (García Z. 2003), the main limitations impeding progress in productive projects with migrant participation lie in: Mexico’s economic fragility; migrants’ fear of a new national economic crisis; the absence of policies and programs specifically for migrants, and arising through consultation with them; the Mexican government’s excessive bureaucracy; the lack of an entrepreneurial culture in the migrant community, in general; and organizational weakness in the communities of origin. One way or another, Mexican migrant associations continue to have an interest in progressing toward productive projects that would have a greater impact on employment, income, and local development in the communities of origin. This was apparent in the historic meeting with officials from Sedesol and the Zacatecas state government, held on August 18, 2005, at the facilities of the FCZSC in Los Angeles, California, to discuss the rules that will govern the implementation of the 3x1 Program’s productive projects.

Entering this new stage, the proposals from the Primer Seminario Internacional sobre la Transferencia y Uso de las Remesas: Proyectos Productivos y de Ahorro (First International Seminar on the Transfer and Use of Remittances: Productive and Savings Projects) held in Zacatecas in October 2001, organized by Sin Fronteras, I.A.P.; CEPAL,

Mexico; and the Universidad Autónoma de Zacatecas, remain very relevant (García Z. 2003):

1. Move forward on concrete remittance-transfer projects that would lower the cost of remittances, and make it possible to channel more resources to savings, investment, and financing of productive projects.

2. Take on the training of the community, as a central focus for the functioning of the various alternatives for savings and the execution of the productive projects.

3. Take an integrated view in designing and executing projects, while not forgetting that those projects must be initiatives of the communities themselves and that their members should be incorporated into the project planning, execution, and evaluation.

4. It is essential to take into consideration self-sustainability (financial, technical, environmental) and the fact that remittances cannot provide a permanent subsidy for projects; instead, remittances should serve as a catalyst, as seed capital.

5. Integrated and differentiated public policies for the various regions and communities that are deeply affected by poverty and emigration are needed.

6. Strengthen the connection between the universities and civic organizations and the migrants' origin and destination communities, under the assumption that the role of the former is that of a supporting cast, one that can help to orient and train, so that the communities will be able to take ownership of the projects and of their own futures (equitable and sustainable self-development).

7. It is essential to share experiences, methodologies, results, and databanks, and it would be desirable if web pages could be built to that end.

8. International organizations, national and binational community organizations, and private and government institutions should not be overlooked as allies in the construction of new projects for savings, loans, investment, and production by the migrants in their communities of origin.

9. It should not be forgotten that the central protagonists of these proposals must be the migrants, their communities, and various national and transnational organizations.

Finally, to put in perspective Mexico's economic development challenges, and the potential, the contributions, and the challenges of the migrant associations, it is very important to weigh the reflections made by the Red Internacional de Migración y Desarrollo (International Migration and Development Network) through its Cuernavaca Declaration (RIMD 2005). In this statement, it was noted that an integrated development policy cannot refer exclusively to economic growth. Instead, it must imply progress in

democratization, generated by civil, political, and cultural liberty, and in the access to opportunities for learning that would make it possible to strengthen community or individual projects. Migration and its remittances must be a part of the development equation, an equation that takes migration into account, but that does not depend exclusively on it. As such, migration and remittances should be oriented to promoting and renewing local and regional development and reinforcing the institutions that promote the goal of development, generated both by the government as well as by civil society, including migrant associations.

As an alternative to a policy that, at any cost, seeks to promote projects financed by the migrants, it is necessary to strengthen the institutions that might orient their work toward promoting local and regional development. Among these institutions, in particular are various civil organizations and institutions of higher education and training, whose objective is to help the maturation of social agents in development, among them, migrant associations. Similarly, it is necessary to foster, with help from civil-society institutions offering support and training, the initiatives of those *municipio*-level governments interested in promoting participative and democratic development.

International migration is a global process, and as such, it requires a global vision to understand it. In that sense, the appearance of new forms of social organization or structure that transcend borders generates not only a distinct problematic (at the family, community, and national level) but also opportunities to encourage novel development alternatives that eventually could help combat inequality and that could help the migrant communities to develop fully. These initiatives require a new pattern of thinking and acting, one that is divorced from the old development strategies based exclusively on economic growth. Therefore, policies connected to migration as a global process must anchor themselves in the specificities of the local, regional, and national circumstances of the sending countries, as well as in the particular conditions for the migrants' economic and social insertion into the receiving societies. Here, the voice of the migrants—as active citizens, with full social and political rights before the state and society—is essential (RIMD 2005).

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