

***IPD Migration Task Force Meeting:
January 15-16, 2009***

- **Rodolfo O. de la Garza**
- **Eaton Professor of
Administrative Law and
Municipal Science**
- **Columbia University**
- **New York**

MAKING BILLIONS COUNT

- **Human capital investments vs poverty reduction**

OBJECTIVES

- **RECONCEPTUALIZE DEVELOPMENT**
- **RELATE MIGRATION AND DEVELOPMENT**
- **RELATE REMITTANCES TO REDUCED POVERTY**
- **INTRODUCE THEORY OF POLITICAL MIGRATION**

INVESTMENTS VS REMITTANCES

- **COMPARE IMPACT OF IMMIGRANT INVESTMENTS IN RECEIVING STATES ON INCREASED HUMAN CAPITAL VS IMPACT OF REMITTANCES**

- **INTRODUCE THEORY OF POLITICAL MIGRATION**
- **ANALYZE IMPACT OF POLITICAL FACTORS ON MIGRATION DECISION**
- **ESTIMATE IMPACT OF POLITICAL MIGRATION ON DEVELOPMENT**

CONCEPTUALIZING DEVELOPMENT

- **GREATER THAN SUM OF
INDIVIDUAL/FAMILY INCOME**
 - **MACRO-INDICATOR OF
SOCIAL WELL BEING**
- INCLUDES ECONOMIC, SOCIAL
AND POLITICAL DIMENSIONS**
- **ECONOMIC INDICATORS
ARE MOST SALIENT**

ECONOMIC INDICATORS

- **INDIVIDUAL AND STATE-LEVEL INCOME**
- **IMPROVED LIVING CONDITIONS**
- **LOWER POVERTY RATES**

OPERATIONALIZING ECONOMIC DEVELOPMENT

- **EXISTS WHEN ECONOMIC INFRASTRUCTURE OF MIGRANT SENDING JURISDICTIONS SUSTAINS ECONOMIC LIFE WITHOUT DEPENDING ON REMITTANCES.**

REMITTANCES

- **FUNDS AND OTHER RESOURCES EMIGRANTS SEND TO FAMILIES/FRIENDS IN HOME COUNTRY**

IMPACT OF REMITTANCES ON ECONOMIC DEVELOPMENT

REMITTANCES DO
NOT STIMULATE
JOB CREATION OR
DEVELOPMENT

IMPACT OF REMITTANCES

- **80-90% ARE USED FOR BASIC CONSUMPTION (CLOTHES FOOD)**
- **REDUCE POVERTY AMONG POOREST RECIPIENTS**

BENEFITS OF REMITTANCES

- **HELP STABILIZE THE ECONOMY (MEXICO 1995).**
- **SERVE AS COLLATERAL FOR INTERNATIONAL CREDITS.**

IMPACT (CONTINUED)

- **EXACERBATE RELATIVE POVERTY AMONG POOREST**
- **REMITTANCES FROM POOREST MIGRANTS HAVE GREATEST IMPACT**

IMPACT (CONTINUED)

**RECIPIENTS ARE NOT A
REPRESENTATIVE SAMPLE**

- **TEND TO INVEST MORE THAN
COMPARABLY SITUATED NON-
RECIPIENTS**
- **STIMULATE SELF-EMPLOYMENT
AND INVESTMENT IN SMALL
BUSINESS**

SUMMARY: ECONOMIC IMPACT OF REMITTANCES

- INCREASE INCOME OF
RECIPIENTS**
- NO EVIDENCE OF JOB
OR BUSINESS CREATION**

UNCALCULATED COSTS

- **INCREASED SOCIETAL COSTS (THEFT, KIDNAPPING, BODYGUARDS)**
- **INCREASED POLICE COSTS DUE TO NACROTRAFFIC, CRIMES LINKED TO MIGRANTS (GUATEMALA, EL SALVADOR, MEXICO)**

REMITTANCES AND POLITICS

- **AFFECT AND REORIENT POLITICAL PROCESSES AND PUBLIC POLICIES**
- **IMPACT MAY BE AS GREAT AS THAT OF ECONOMIC FACTORS.**

MIGRATION AFFECTED POLICIES IN MEXICO

- **MEXICAN TAX INCOME IS 10-12% OF GDP, SLIGHTLY HIGHER THAN HAITI, LOWER THAN BRAZIL, 36%.**

MIGRATION AFFECTED POLICIES IN MEXICO

- **LOW TAX COLLECTION, LOW SOCIAL SERVICES: 2002, 5.3% MEXICO GDP INVESTED IN EDUCACION,**
- **GUATEMALA (9.01%), CUBA (9%), HONDURAS (7.22%), BOLIVIA (6.31%), 5.8% IN THE D. R.**

- MEXICO IN 2002
ALLOTTED 6.10% OF GDP
TO HEALTH SERVICES
- EL SALVADOR (8 %)
- NICARAGUA (7.9 %,
- HAITI (7.6 %)
- CUBA (7.5%).

OFFICIAL SALARIES

- **2000-06 MEXICAN PRESIDENT HAD HIGHER SALARY THAN FRENCH, ENGLISH AND CANADIAN EQUIVALENTS.**
- **MEXICAN CONGRESSMEN EARNED MORE THAN FRENCH, GERMAN AND ALL LATIN AMERICANS**

THEORY OF POLITICAL MIGRATION

CONCLUSION: A

- **STATES CAN INFLUENCE EMIGRATION IF THEY IMPLEMENT DEMOCRATIC CHANGE, TRANSPARENCY IN POLICY MAKING, AND REDUCE CORRUPTION.**

CONCLUSION B: THE POOR SUFFER MOST

- POORER, LESS EDUCATED INDICATE THE STATE'S INCAPACITY TO RESOLVE PROBLEMS GREATLY INFLUENCED MIGRATION DECISION.**
- SUGGESTS THE POOREST AND THOSE WITH LEAST INFLUENCE ARE MOST IN NEED OF A NEW REGIME.**
- SUCH A REGIME COULD REDUCE THE NUMBER OF CITIZENS WHO NEED TO MIGRATE.**

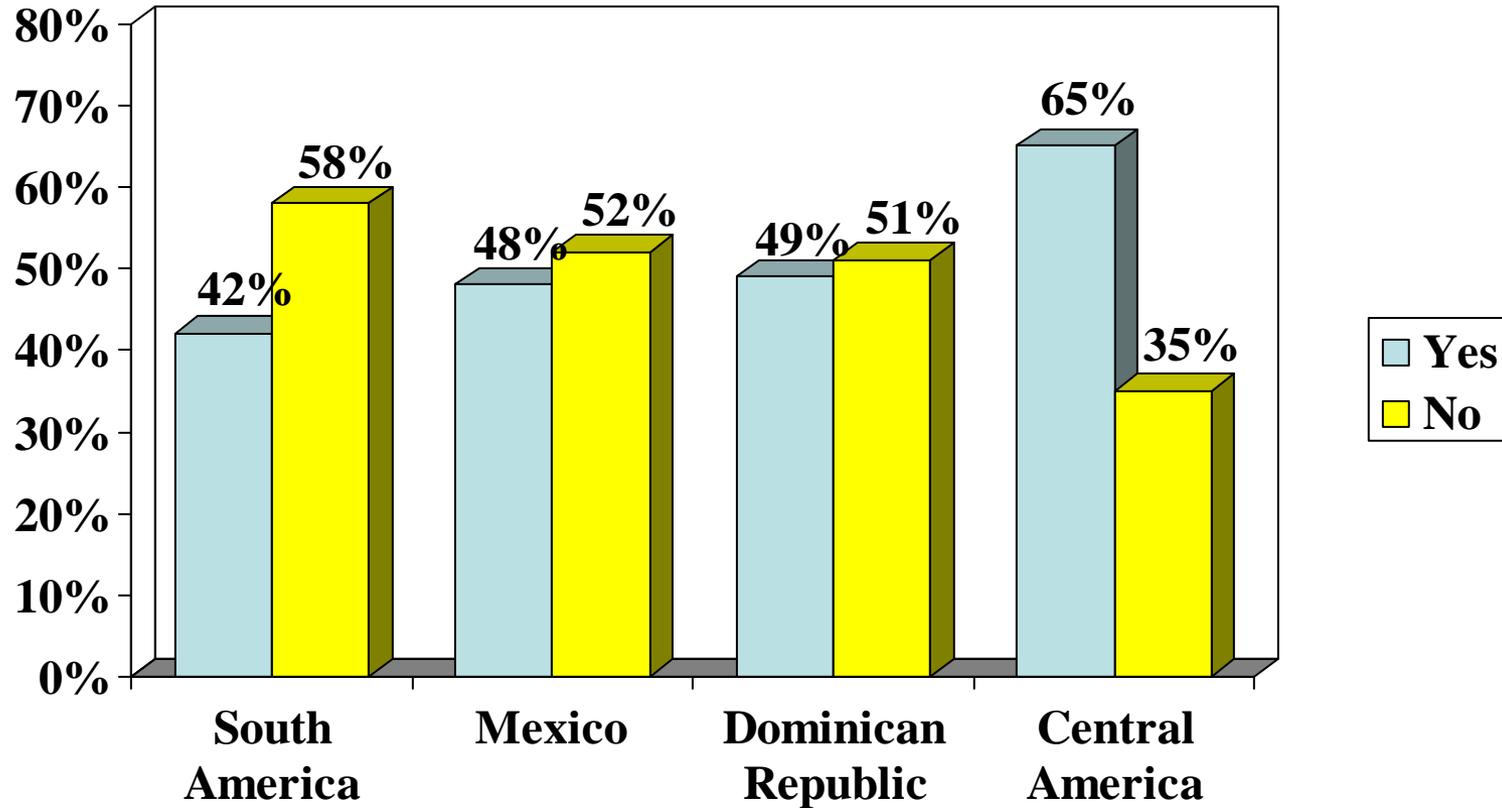
INVEST IN EMIGRANTS

- **ADULT REMITTANCE RECIPIENTS**
- **14% IN ECUADOR**
- **23% IN CENTRAL AMERICA**
- **18% IN MEXICO**

REMITTANCES SPURS MIGRATION

- MEXICO: 19% OF ADULTS
ARE CONSIDERING
MIGRATING**
- 26% OF REMITTANCE
RECIPIENTS CONSIDERING
MIGRATION**

REMITORS



REMITTANCES BY STATE

5000 RESP/, 2008

	2008 Foreign born adults (in thousands)	Percentage that sends remittances	Frequency	Average amount	Total (in millions)
California	5759	52%	15	\$325	\$14,599
Texas	2799	30%	16	\$320	\$4,299
New York	1427	53%	16	\$325	\$3,933
Florida	1354	48%	15	\$315	\$3,071
Illinois	924	58%	15	\$350	\$2,813
New Jersey	704	56%	17	\$290	\$1,943
Georgia	460	53%	16	\$370	\$1,443
Arizona	694	39%	17	\$295	\$1,357
North Carolina	371	59%	16	\$355	\$1,243
Virginia	314	59%	16	\$345	\$1,023

Texas Latino Poverty

- **SAN ANTONIO, TX - Texas ranked 48th out of 50 states in “Chance for Success” index which measures how well states prepare students based on 13 indicators, including family income and enrollment in pre-school and college**

California Median Family income, 2000

- White, not Latino 65,342**
- Asian 61,383**
- Pacific Islander 50,641**
- Black 39,726**
- American Indian 38,547**
- Latino 35,980**

Importing poverty

- **New York Times: "The surprising drop in median income in New York City that has puzzled demographers studying the results of the 2000 census appears to be traceable in large part to immigration,"**

IMPORTING POVERTY

- **median incomes dropped in Newark, Paterson, and Trenton, and in smaller cities where less skilled, less educated immigrants have moved in."**

DEVELOPMENT VIA INVESTMENTS IN MIGRANTS

- REMITTANCES DO NOT
PRODUCE ECONOMIC
DEVELOPMENT**
- REMITTANCES
UNDERWRITE FAILING
STATES**

INVESTING IN IMMIGRANT COMMUNITIES

- **GREAT MAJORITY OF IMMIGRANTS REMAINS IN US**
- **% OF IMMIGRANTS FROM MAJOR SENDING STATES APPROXIMATES % OF HOME COUNTRY RESIDENTS WHO RECEIVE REMITTANCES**

INVESTING IN IMMIGRANT COMMUNITIES = CODEVELOPMENT

- INVESTMENTS IN
IMMIGRANTS**
- INCREASE EDUCATION**
- IMPROVE HEALTH**
- PROVIDE JOB TRAINING**

IMMIGRANT SELF INVESTMENT PRESSURES HOME COUNTRY STATE

- **SELF INVESTMENT REDUCES
REMITTANCES**
- **REDUCED REMITTANCES
INCREASE SOCIAL SPENDING
DEMANDS**
- **SOCIAL SPENDING DEMANDS
CAUSE INSTABILITY**

POLICY CHALLENGE

- **RESOCIALIZE IMMIGRANTS RE:
INVESTING IN US FAMILIES**
- **INCREASE IMMIGRANT ACCESS
TO ESTABLISHED INSTITUTIONS**
- **ENCOURAGE IMMIGRANT
INSTITUTIONS (HTA) TO MOBILIZE
FOR POLICY CHANGE IN SENDING
STATES**