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MIGRATION AND DEVELOPMENT

On behalf of the twenty five Mexican states that I represent, as the national coordinator of state offices for Mexicans abroad, I would like to thank Metropolis, Marin Sopta, Howard Duncan and dr. Juan Hernández, coordinator of the Presidential office for Mexicans abroad, for inviting me to be part of this very important event.

It is a great honor, and great pleasure to be in a city where history decided to stay forever.

Before I focus my speech on remittances, I would like to mention some important issues that we should think about. I would like to make some remarks.

Million Mexican-Americans live in the United States.

9 million of them, are Mexican born. 4 million of them, are undocumented. We share with the United States a 3,000 kilometer border. 1 million people cross this border coming and going everyday with formal documents. 80% of them cross the border at 7 specific points or cities. But, three thousand undocumented people cross the border everyday – through rivers, deserts, climbing border walls, risking their lives.

At least one thousand of these undocumented Mexican migrants, reach their destination everyday and stay on to work in the United States, they don't come back to Mexico for at least two, three or four years. Consequently, at least three hundred thousand Mexican undocumented migrant workers stay in the United States every year. The first fact that we must recognize, in order to be able to establish some measures to support migrants is:

Migration cannot be stopped since its causes are binational in character and cannot disappear.

- a) in Mexico, there is unequal economic development, in many regions of the country; opportunities for work do not exist.
- b) in the United States, a large demand exists for labor in some sectors of the economy, such as: agriculture, agroindustry, building industry, and services which is

not met by the U.S. workforce and requires an external labor force.

- c) Mexican migration is a circular migration coming and going, going and coming with all the effects that this entails.

By not accepting these three facts, it is very difficult to find total solutions, to solve the problems created by the migratory phenomenon.

Since we are dealing with a binational problem, today more than ever we must offer solutions that involve both countries, the United States and Mexico.

It is important to recognize that many people receive many benefits from migration: those who work; those who employ migrants; those who benefit themselves with what Mexicans produce and consume in the United States.

It is very significant to say that the United States is receiving the benefit of 240 billion dollars of Mexican purchasing power from Mexican-Americans and Mexicans in general.

In the same way, Mexico, and many American companies, are benefitting from the remittances migrants are sending home from their earnings. During the past decades remittances have grown in scale and impact. The International Monetary Fund's balance of payments report for 1999, shows that worldwide, the flow of remittances exceeds 100 billion dollars per year, with more than 60% going to developing countries.

In 2001 Mexico was at the top of the list. It received more than 8.9 billion dollars in remittances. The state of Puebla, my home state, received directly 10% of this amount. We receive more than 800 million dollars (in my state), every year. 200,000 money orders are paid monthly. In one single city, Izucar de Matamoros with a population of 50,000 inhabitants, more than 500,000 dollars is exchanged everyday, and you can find 22 money exchange offices in this little town. The total amount of the remittances received last year in Mexico is more than the income generated by tourism in Mexico and represents more than a half of Mexico's direct foreign investment.

Remittances will most likely continue to grow in size, as international migration continues to grow. It is a fact that economic integration is fueling the migratory phenomenon and some migrants are getting better jobs. On the other hand, according to studies conducted by the Interamerican Development Bank, the Central Bank of Mexico and the National Population Council, Mexico's fertility rate is falling. This fact, combined with modest economic growth rates, efficient coordination by

CONOFAM with federal, state and municipal governments involve in promoting development projects, are creating opportunities that will result in the creation of new jobs, a compelling reason to stay home.

Migration has become a cultural behavior factor among some of our citizens.

CONOFAM is promoting educational, cultural, health and sports programs aimed at strengthening the ties between potential migrants and their communities to persuade them to stay in Mexico or to come back to others.

To this end, CONOFAM, and the Presidential office for Mexicans abroad, are working very hard to bring into play remittances, as a resource for development.

The recent investment of about 25 million dollars, by a Poblano (mr. Jaime Lucero, President of Casa Puebla in New York) is an example of how this will generate 7,000 jobs in his community of origin in three years. 2,000 are already working. This is part of President Fox's program: "adopt a micro-region" that we the Mexican states are making a reality.

In 2001, more than 350 small businesses mostly run by women were opened in high emigration areas, in my home state, as a result of migrants' remittances.

It is important to mention, that at least 75% of remittances in Mexico are received by women – a mother, a wife, a sister, or a daughter of a migrant.

More than 600 Mexican clubs that we have in the United States have promoted social projects in their origin communities. About ten years ago, they started supporting the whole project, then, the state governments decided to contribute 1 dollar for each dollar a migrant or club of migrants put in a project.

6 years ago we started with the 2-for-1 program, including municipality governments; and 3 years ago it became 3-for-1 program with the participation of the federal government.

This year for the first time, the 3-for-1 program is an official program of the federal government, and it supports not only social projects, but productive projects for small businesses in migrant origin communities, too are rebuilding their houses with better raw materials and modern services.

Some clubs in the poorest areas have invested in electricity in their communities.

Drinkable water supply is also a priority. We provided this in a small town this year, where the 20% of the cost was supported by the Mixtecos of Brooklyn club.

Inside homes, it is now common to see televisions, refrigerators, sewing machines...

These Mexican clubs in the United States also help to construct schools, health clinics, sport centers, roads and bridges. This year we have inaugurated a very important bridge, 80 meters long, with the Axutecos of New Jersey initiative who contributed 25% towards the cost of the project. In many municipalities we are opening the house of the migrant, connecting people through free video conferences, giving them the opportunity to see and talk with their relatives in the United States.

Many migrants are also investing in restaurants, different kinds of stores, bakeries, factories, etc. Some Mexican migrants that have succeeded in business, have become entrepreneurs in their homeland.

The king of the tortilla, who produces and distributes more than 5 million tortillas daily in New Jersey and New York, decided to invest in his origin state. This is an investment of 5 million dollars, processing jalapeños peppers for the Mexican market in the United States. This market is called the “nostalgia market” and it is growing and growing. Others are producing fried beans, different Mexican sauces, and processing cactus leaves in Mexico, all of this for the “nostalgia market” in the United States.

The municipality government provides migrant investors with free land. The state government provides free training programs for the workers they are going to hire. In addition, we pay these workers a minimum wage, while they are involved in the training program.

And now with the support of Mexican Development Bank and the Interamerican Development Bank, we will finance studies for migrant projects in their homelands, at no cost, in order to help them to make the right decisions.

We have, for the first time, projects that involve Poblano migrants of three different states in the United States, New York, Illinois and Texas that are expected to create 1,000 jobs and to export also to the United States. So we are also coordinating their efforts in the United States.

There are still unmet objectives, but I am sure that by working in coordination with the federal government – specially with the Presidential office for Mexicans abroad, and all other related agencies and international institutions we will solve some of the most important challenges.

Given choices, some will decide to stay, but believe it or not, many will choose to send their families back to Mexico, reducing many of the pressures felt today by the increasing number of families joining workers there.

That is why we are very motivated to participate in designing solutions for migrants' problems and exchanging experiences with all of you.

There is still too much to be done, but we are working very hard!

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Migration and Development