



The Socio Economic Impact of US based Remittances in Nezahualcoyotl.

Nezahualcoyotl, May 29-July 2nd 2012

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This article is based on data collected from live interviews conducted in Nezahualcoyotl, State of Mexico, between May and July 2012.

These are the findings of a research study made possible by a partnership between the organization ACORN International and the sponsor Clinton School of Public Service.

The author and researcher is a graduate candidate for the Master's degree of Public Service at the Clinton School, and joined ACORN International for his International Public Service research Project.

This article contains passages from the author's original report "The Socio-economic impact of US based remittances in Nezahualcoyotl", and was compiled for publication at Social Policy Magazine.

Executive Summary:

This paper is a reflection about the recent study conducted by the author, investigating the real impact that remittances have on the immigrant families, living in one of the newest and yet fastest growing municipalities in the metropolitan area of Distrito Federal, Mexico.

The research project was a partnership between ACORN International and The Clinton School of Public Service, and served the purpose of looking into the relationship between those who immigrated to the US, and those who stayed behind, and what use was being made of the money that was sent home.

The researcher's goal with this project was to bring in a whole new perspective about remittances, based out of one of the most strategic places in Mexico. This had not been possible without the assistance of ACORN International, who has been organizing for remittance justice in Nezahualcoyotl since 2008.

The Clinton School also benefited, as the sponsoring organization of this study, as part of its academic mission to advance social change through academic initiatives all over the world.

This study involved an investigation conducted in Mexico, from May to July 2012, to understand and document the type of change that US remittances brought to residents in the Municipality of Nezahualcoyotl.

The focus of the survey was set around two broad questions: How were locals using that added income and how they felt about any associated costs with the services used to collect that income.

This research highlighted the most critical challenges faced by immigrant workers and their families in Nezahualcoyotl, supporting the evidence behind the social and economic impact of US based remittances, and its correlation with the financial services provided by money transfer operators (MTO's).

Results from the research study revealed patterns in the data, significant findings, such as the users systematic attempt to explore alternative options to send their money home, or the recurring trend to slow down the frequency of transactions to reduce the associated costs.

Following the interviews conducted with the general population in Nezahualcoyotl, several recommendations were presented in a workshop that gathered many local experts, and that were articulated with findings from primary and secondary data.

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Approximately one out of three and a half people interviewed in Nezahualcoyotl demonstrated to be eligible for the purpose of this research. In fact, almost one third of the randomly selected candidates showed that they had at least one personal experience with money transfers, between the US and their place of permanent residence in Nezahualcoyotl.

The municipality of Nezahualcoyotl, located in the vicinity of Mexico City, represents a major hub for all migrating workers to relocate. Usually they come from the deserted rural areas in Mexico and surrounding Latin countries, on their way to a more prosperous urban livelihood and eventually decide to immigrate, predominantly to the US.

This research project followed the protocol for data collection and human subjects interaction and received the approval by expedited review of University of Arkansas

Institutional Review Board, under the Belmont Report Ethical Principles and Guidelines for the Protection of Vulnerable Populations.

Statement of purpose:

Historically, remittances have always been a major factor for the sustainability of the economy of Mexico.

Overall, remittances in Mexico currently represent 2.1 percent of the national GDP, outranking foreign direct investment as the second highest source of national income, since 2008.

According to data from the Inter-American Development Bank (IADB), in 2010 Mexico received more money in remittance transfers than any other country in Latin America.

The irony is that it is that country's poor economic health in the first place that enables (and welcomes) that source of foreign exchange, by releasing each time more of their citizens to embark on the journey to immigration, predominantly to the US.

But like Bank of Mexico has already admitted, this crucial inflow of foreign currency is mainly used to balance the country's trade deficit.

Such bold statement issued by the single greatest beneficiary from the final product of this economic activity in Mexico, corroborates evidence that remittances in Mexico are not being predominantly used to fight the country's structural poverty.

Families became the indirect beneficiaries of an economic activity that themselves initiated and pay for. They are not even allowed to help themselves. After exchange rate taxes, their share cut of those income dollars is only enough to satisfy short-term basic needs, like garment and shelter, and they don't even cover that sometimes.

There is no justice to families who send foreign currency to Mexico and generate the country's wealth, when their hard earned subsistence money is taxed and taken away from those who can least afford it.

Any government reforms to combat this predatory practice have been to promote greater competition between agencies, to allow for immigrants to shop for better rates. However, price shopping is not an option for minimum wage jobs or undocumented immigrants. Benchmarking does not increase the immigrant's range of choices for sending money, because it does nothing to foster market competition between transfer operators. Western Union alone, still with eighteen percent global market share, raised profits on transaction fees alone by four percent in 2011 (NY Times, 2012).

This leads to the logical conclusion that immigrants are being used as tools for public policy development, however at the cost of their own, and sometimes only means of survival.

Since September 11th 2001, there has been increasing resistance from governments in Mexico to impose, adopt or enforce any type of regulatory measures over the pricing of services charged by remittance transfers operators.

But without most Mexican States or banking regulatory commissions overseeing MTO's licensing and charges, there is no way to determine what are the actual costs involved on remittance transactions, or how much is fair to charge over each remittance transfer.

This is especially true when money transfer operators do not disclose the spreads they benefit from when they set exchange rates. One of those companies, Western Union, has been previously served in the US for misrepresenting exchange rates and hidden fees in foreign exchange revenue. They settled for 400 Million dollars (Chicago Tribune, 2007).

Statement of necessity for change:

First: Although it is painstakingly obvious that in a global financial system, electronic communications and computerized transactions have long been free of charge, this does not mean that MTO's should not get paid on deadweight costs.

The issue here is that there is an approximated ratio of three to one over costs associated with remittance transfers, depending if these are processed through a bank or a non-banking operator. This goes to the disadvantage of those users who do not have legal status in the US and cannot open a bank account.

The point is that both banks and non banking money transfer companies, both set their exchange rate at the price they acquire foreign currency, in the same markets, under the same conditions.

In face of this, Mexico still continued to step away from any opportunities to put a capping on fees or exchange rates. Instead they have been playing into the hands of major banking corporations.

In 2004 Bank of Mexico signed agreements to interconnect their banking system with the Federal Reserve's in the US, (that undocumented immigrant workers could not access). The Mexican Federal Government agreed on a matching funds program with Western Union to bankroll projects in Mexico with immigrant's clubs, (that low income immigrant workers could not afford)

President Vicente Fox pursued an aggressive campaign to regularize undocumented immigrants in the US, with the support of the US Treasury Department, to relax banking regulations on Mexican customers, when opening an account without legal residency status. Many undocumented immigrants who chose to adhere to this initiative have reported having their identity stolen and then used for criminal purposes. Nonetheless, this ID card ("Matricula Consular") did raise false expectations about the possibility of a backdoor to amnesty in the US, for those in the US and others still in Mexico.

In 2009 a poll conducted by the Pew Research Center illustrated that the reality was that of all twelve million Mexican born residents living in the US, seven million were still not authorized and a third of all Mexicans at home would move to the US if they could, half of which confessed they were prepared to move illegally if necessary.

Any contradictions between government economic development policy and the individual short-term interests of its lowest income citizens, are particularly tough to undocumented workers in the US, who rely heavily on these sources of income and who have less freedom of choice.

Second: Also, without an adequate balance between the regulatory framework and the creation of incentives for the use of formal fund transfer systems, the prospect of protecting the integrity of informal transfer fund systems (hawala) from those that maybe linked to criminal activities, is low.

These so called low-cost alternative remittance systems were quickly singled out by the World Bank and APEC (Asian-Pacific Economic Cooperation, of which Mexico is a member state), labeled as the weakest link on the "Anti-Money Laundering and Combating the Financing of Terrorism" group (AML/CFT). These were soon placed under close monitoring and induced to shift from informal to formal transfer systems, "to enhance their contribution to development in recipient countries" (APEC, 2003). Meanwhile, on the same

occasion in Phuket, Thailand, The Finance Ministers Meeting (FMM) urged the international financial institutions “to continue their valuable work on remittances” (APEC, 2003).

Since 2008, ACORN International has fought to raise the issue of remittance justice at the global level and bring the public to face the social side of the argument: where does corporate responsibility start and how can authorities ensure that the individual workers abroad and their families at home get their fair share.

According to ACORN International, Mexican authorities have yet to prove that they are willing to pursue a more aggressive agenda, when it comes to protecting the interests of Mexican nationals, both home and in the US; or at least for as long as all undocumented workers and their families are paying on average three times more per remittance transfer, compared to some of their compatriots with migrant status.

According to the Mexican National Council for the Population (CONAPO, 2012), for each three hundred dollars remittance from a bank in the US to Mexico there is an associated average cost of three dollars. However, for the same transaction using a non-banking financial institution there is an associated average cost of ten dollars.

Case Study of Nezahualcoyotl

According to the Mexican Council of Population (CONAPO), starting in the 1980's, migratory fluxes to the US suffered a series of changes, partially due to the US market demand for new occupational skills and also the inability of Mexico's labor market to employ its own labor force.

The large majority of immigrants to the US started coming from urban centers, like Nezahualcoyotl, that were already taking in emigrants from other States in Mexico, and different countries in Latin America.

Nezahualcoyotl is currently the second most populated city in the metropolitan area of the capital city and fourth in the State of Mexico. It ranks 12th overall with the largest number of inhabited households in the country (Censo 2010).

This study was restricted to one out of 125 Municipalities in the State of Mexico. It was not intended to be in any way representative of the national sentiment. However, rarely any studies have been done directly with the population in Mexico about the dissuasive effects of deadweight costs (Aparicio, 2008).

The idea for the research study developed around a hypothesis formulated for ACORN International remittance justice campaign, in Nezahualcoyotl. The goal was to find out if the way that immigrant families were using their remittance income had changed because of the costs associated with the transfer of that income from the US.

From there proceeded another important question: if there were change in economic income, how that affected the social fabric of the communities.

Interviews conducted in seventeen neighborhoods, pre-selected out of a total of eighty-six, and chosen based on voter's registration records and number of households per square mille, concluded that the following variables make legitimate arguments to reshape the dialogue around remittance and their future trajectory:

1. **Remittance families worked too.** Contrary to conventional wisdom, the overwhelming majority of families collecting remittances (in Nezahualcoyotl) also

- had to work for a job. Even if one third of those interviewed admitted not having any dependents under their care. This can be partially explained in conjunction with point 2 and 3.
2. **One third relied almost exclusively on remittances.** As predicted, almost two thirds of the respondents confirmed using remittances only to help out with basic expenses, like shelter, children education or medical expenses. For one third of the interviewed, remittances represented fifty up to one hundred percent of their total income. Average amount per remittance transfer ranged between less than one hundred up to five hundred dollars. These values are within the range of minimum wage in Mexico (set around 142 US dollars per month in 2012 for State of Mexico). This point raises questions over the relevance of government initiatives like joint “productive projects” with Western Union. Especially when those matching funds to incentivize immigrant’s investment were unlikely to reduce local poverty, considering that the municipalities of highest and longest migration traditions were not among the poorest ones (Aparicio, 2008).
 3. **Foreign exchange rate fluctuations led to lower frequency of transfers to reduce costs.** More than half of the respondents admitted to deliberately reducing the frequency of transfers from the US to Nezahualcoyotl. Not so much because of how global commodity price shifts impacted their cost of living home and abroad, but especially because of foreign exchange rate fluctuations. Fifty percent respondents then invariably were collecting remittances either every month or every three months. This finding resonated especially with that one third, for whom remittances were fifty to one hundred percent income. This explains the job status of the majority of recipients at home.
 4. **Money transfer operators biggest disadvantage were unexpected costs.** When asked if the original purpose of remittances had been accomplished, forty percent disagreed. Thirty percent blamed the unexpected costs associated with remittances (which led to the irregularity, decreases and even cessations in the frequency of transfers from the US, as elaborated on Point 3.). In reaction to their own dissatisfaction, more than a third of the respondents have changed agency, at least once before, for the primary reason of looking out for less charges when transferring money. When reflecting on the advantages and disadvantages of their current (not past) money transfer operator, the majority of the interviewees pointed out “convenience” and “dependability” as their two biggest advantages. Over seventy percent respondents maintained their complaints about expensive charges per transaction or per amount, even after changing agency. Other complaints were similar and came from those who used banking agencies instead, those complained most about fidelity and long-term commitment, and account maintenance fees. The major conclusion from this variable however was that, when comparing their past and present money operators, only two per cent of the interviewed presented the “lack of alternatives” as a major disadvantage with their past operator. That number quickly increased to twenty per cent with their current one. As they tried all, the pessimism about their current options increased, among remittance families.

Policy options to be considered:

The purpose of this study was to fill a void in research about remittances in Nezahualcoyotl, but at the same time to start a broader consensus around remittance justice.

Right after the results from the interviews were coded and analyzed, it became necessary to gather a few community experts to help interpret those results, according to a local perspective.

For that, invitations were sent out to several representatives of the civil society in Nezahualcoyotl, and other participants as well.

The event took place at *Colonia Impulsora*, Nezahualcoyotl, and counted with the participation of distinguished speakers Laura Juarez, of Universidad Obrera and Economist Roberto Rodriguez, of Universidad de Ecatepec.

All attending guests then proceeded to meet in small groups, where they debated and delivered several recommendations on the topic, issued from four different perspectives, according to each one's area of expertise: civic, political, social and economic were the recurring themes.

This workshop did not intend to exclude the private sector from the conversations, but none of the money transfer operators were available.

A single representative from the Federal government generously accepted to be present and facilitated one of the working groups.

This process was intentional to fit with ACORN International's style of active social participation. Efforts were made to ensure that all interested parties in Nezahualcoyotl, and particularly the families of immigrant workers in the US, had the opportunity to be heard as part of the conversations that were taking place, about social and economic justice.

In that sense, at this level of community organizing, the primary stakeholders were those who were already closest to change. Before thinking about advancing to a higher stage of policy-making, it was more important to make sure to include all those who were already part of the community. Those who were most closely affected by the problem should also be included to help get to the solution.

Recommendations from the focus groups in Nezahualcoyotl were, first of all, an exercise of self-reflection, intended for the local community to feel accountable for their own recommendations.

1. The first recommendation was based on the recommendations of the London International Conference on Migrant Remittances of 2003: "**to develop more accurate public data on remittances and migration**". This recommendation has been since adopted and resonated throughout the international community. Remittance industry has been led by the private sector since the beginning. Therefore, most analysis has been done on a country-by-country approach or global level. For the future, it was decided that it was important to try and explore different angles, to try and approach remittances from the perspective of its relationship with poverty, marginality and immigration, on a community and local levels, particularly in Mexico.
2. Best practices research should be initiated around successful cases of "**productive projects**", around the world, with a successful replication record. The recommendation was to Identify ways to involve MTO's and governments, to act on the interest of the immigrant workers and their families, and explore possibilities of

- creating structures that generate value, and turn remittances into sustainable means of production.
3. Promoting **more community debates** based on local scientific studies on remittances. Allow for the local community to be involved on the debate and take full ownership of the results from those conversations. Empower those agents of change by contrast with a passive role on any significant reforms, or standing by in disbelief, waiting for the global financial community and governmental institutions to take action.
 4. **Invite the governments to talk to the communities regularly**, to give responsible advice about immigration, to be accountable for the immigrant's families. The real experts are the victims and no one better than them to say and claim what they really need. Reopen the dialogue around the portability of the immigrant's rights as citizens who are abroad. Openly debate the opportunistic spirit behind "Matricula Consular", and find ways how the same resources can be leveraged to help undocumented immigrants, with more than opening bank accounts. Replicate success cases of "Club Ciudadano" or "Red Mexicana de Lideres y Organizaciones Migrantes", that already work in Michoacán and Vera Cruz, representing the voice of immigrants in the US, by seating legislators and policy makers together with the immigrant community of Nezahualcoyotl in the US.

Pros and cons of each option:

There are virtually no options for community organizing in Nezahualcoyotl that do not involve, at one point or the other, some sort of research. First hand data however, represents a great challenge to authorities in this matter of remittance justice. It forces the political institutions to acknowledge their research as being outdated at best, especially if it produces different conclusions from theirs.

Most research available on remittances is not exhaustive and their reliability is often challenged. In fact, the sole purpose of research is to start a new debate. So by definition any research is already a turning point to start afresh. Research's impact depends on the point of view of the policy maker. For the government in Mexico, research has to come from an internationally reputable source. However those organizations that produce such research follow a political agenda. In this case, the Inter-American Development Bank is a client of those government's central banks, which in itself already makes them the stakeholders of the research. Challenging the status quo requires independent research, narrower in scope. while IADB research is broader to extend to bigger constituencies and higher up clients. Local based academic research is probably the most authoritative tool to mobilize local resources and challenge decision-makers. If nothing else, new independent research is already useful to compare with previous findings and help determine if those are still current and if they are in any way accurate. But in most cases, research is above all a political tool, and is not likely to be so limited in scope.

Research is a powerful tool for community action, because it always starts with a hypothesis or a theory. Usually, starts with a hypothesis that shows that the previous and already established truth can and should be falsified.

In Nezahualcoyotl, the purpose of new research represents the difference between being part of the change and being led by it. Considering the social and economic impact of remittances in Nezahualcoyotl, any research on the topic has the potential to be polarized.

One good example of this is that “transparency” is often mentioned as one of the objectives for both sides, seating opposite in the issue of remittance justice. For the proponents of a market-based approach, fostering market competition among MTO’s and price shopping as the consumer’s best option, transparency means stifling informal value transfer systems (masala), to uphold anti-laundering and terrorist financing legislation. But for immigrant’s rights associations, “transparency” means a completely different thing. It is a demand that all MTO’s advertise their spread over foreign exchange rates.

Besides accuracy and reliability, the other meaningful purpose of community-level independent research is the potential to involve, associate and commit the local communities to the process and to results. Community-level research creates more opportunities for stakeholders to be involved and interact with other stakeholders, than any other type of research with a wider focus. The more direct and representative the participation of the communities on research, the harder it is to dismiss its outcomes. Research can be a form of participatory democracy.

Discussing “productive projects” was a fairly consensual point for a recommendation, raised by one participant during the workshop in Nezahualcoyotl,.

The disadvantage of this recommendation is that Mexico has had a bad experience with “productive investments” in the recent past.

One example of a “productive investment”, implemented by former President Fox, was called “3x1”. Besides being unrealistic, this policy was based on faulty research, insisting that the places in Mexico with an older tradition in immigration were those who most needed foreign investment.

Immigration corridors were switching at that point. The immigration fluxes to the US shifted and started to originate mostly from more urban centers in Mexico, like Nezahualcoyotl, as opposed to more rural States.

This program, in (a cover-up) partnership with Western Union and other MTO’s, was channeling investments, coming from immigrant clubs of long established, wealthy individuals in the US, to their respective places of origin in Mexico. So the money was not really going to where it was needed the most.

On the other hand, this “productive investment project” was not a sensitive priority to most families in need, but rather an opportunistic and elitist pledge for foreign currency inflow. Most immigrants do not have any savings and use remittances to cover basic expenses, like it was demonstrated by the results from the interviews in Nezahualcoyotl.

One of the disadvantages of “productive projects” for remittances in Mexico is nepotism, because these often exclude the political input and oversight of disenfranchised immigrants and families. Fox had impending accusations over channeling some of those “productive investment” matching funds to political constituencies in Mexico that were favorable to his party.

The recommendation from the community debates was however self-reflective and proposed to steer away from their previous historical experience. The idea coming from one participant in Nezahualcoyotl, stemmed from the accredited examples of Program “TIGRA” in California and “Remit4Change” in the Philippines. These are positive cases of socially responsible corporate reinvestments in philanthropy, combining economic viability with community engagement.

The last recommendation also involved best practices research and specifically proposed to bring decision-makers into the participatory process of community conversations.

This was the most pragmatic idea to address the problems directly. It consisted on an appeal to the politicians at any level of governance, although with particular emphasis on the Federal level, to come down the executive ladder and seat around with ordinary citizens. Ideally, this process would enhance cooperation through more informal relations between the government and citizens. Some States in Mexico have already made some progresses, even set objectives to address radical proposals like capping the fees on remittance charges and release the pressure over informal money transfer operators to comply with money laundering international directives.

Disadvantages of these initiatives are directly related to the high profile of those involved in these conversations, on both sides. Usually it includes wealthy Mexican immigrant communities in the US, who are already established and have only an indirect interest in implementing these public policies.

This is not to say that their work has not been outstanding, but it often overlooks the importance for disenfranchised and lower income representatives to lead every step of the process and have an equal say from start to end.

Prominent achievements of these advocacy networks, usually based out from the US, include advocating for a reform of US Migration Law, to stop deportations and essentially demand the Mexican government to recognize and enforce the same basic rights to any undocumented citizen in the US, as they would at home.

Recommended course of action:

Based on the actual results from the study conducted in Nezahualcoyotl, from May to July 2012, there were three short-term outcomes that are worthwhile celebrating.

One was the launching of new method for community organizing in Nezahualcoyotl: local community debate around first-hand data. This can be replicated in the future, simply by repeating the steps. This, not only delivered the first study available on the impact of remittances on this strategic enclave in the State of Mexico, but it also opened the door and reached out to a group of stakeholders, with a personal interest to advocate in this topic in Nezahualcoyotl, They can be invited again, every time a new similar study is required.

The second outcome was the political meaning of the data. Through participatory action, the consensus gathered around the study gave it political meaning and legitimacy. The potential opportunities that these bring to present the results from this study at several events, in Mexico and abroad, may enable future partnerships with likeminded organizations, to advance the global campaign on remittance justice.

Third, the remittance project in Nezahualcoyotl brought in a few valuable lessons about the reality of processes and possibilities of change in the community, that were assimilated by direct experience and direct exposure to the events. Some of those observations were described on this research's report, but most of them can only be experienced in person and their characterization beyond the purpose and scope of this paper.

Recommended course of action is directly related to the findings from the interviews that were conducted in Nezahualcoyotl.

The results were not totally unexpected, and mostly confirmed the original hypothesis: remitters and their families at home were deeply affected by the impact of the unregulated environment that rules over the market, and were also totally unsupportive of any government incentives to increase free competition between formal money transfer operators.

Based upon these results, recommendations were made by community experts demanding further research and more regulatory action.

ACORN International in Honduras already expressed some interest to use this method of community level research and adapt it to another best practices model that they already use in their organization in New Jersey, similar to what was referred to previously as the 4th recommendation or policy option.

To paraphrase ACORN International's member in Honduras: "*investigation work not only should be seen as a document, but moreover as a tool for social change, that ACORN Mexico needs to influence political decision-makers who have a say in social justice*" (Amador, June 07, 2012).

This opinion resonated throughout the research study and was reverberated by many participants in the focus groups that were held in Nezahualcoyotl, particularly by Prof. Diaz Rodrigues from the Universidad de Ecatepec.

A next research project about remittances in Nezahualcoyotl should focus on diversifying the expertise of focus groups, to include local decision makers and more Federal representatives.

Besides securing representativeness and consensus, it would be important to consider conducting a large-scale media campaign, using all accessible media outlets available and other forms of communication, like immigrant networks, to help disseminate the results and collect further input in return.

A systematic process of stating the facts thorough authoritative research work, combined with participatory democracy forums, should be conducive to a position of authority and influence, to challenge the current predominant regional based research motivated by market solutions. By force of community based legitimacy and political pragmatism, this should become a characteristic of design for every future campaigns on remittance justice.

Reasoning for selecting that course of action:

Remittance industry has been led by the private sector since the beginning. Accordingly, ACORN International previous efforts on remittance justice included reaching out to the twenty biggest banks in North America, to ask for negotiations, to ask for remittance policy reform and cost reduction. Although perfectly understandable to be the right thing to do and the right time do it, this only added to several thousands of previous initiatives from other organizations, individuals and even governments. It was a good way to announce itself on the political arena, but its impact can quickly fade away and even turn against its own, if not constantly reminded.

The reasoning behind the quest for more scientific results, particularly qualitative data, starting from where no previous research is available, is that it represents a groundbreaking tool for social change. It arms the organization with a unique form of pressure that will never stop working. Especially if more research is done on a regular basis, to challenge, corroborate or build up on the previous, in a systematic way.

Research is the best way to keep active in the political arena. Knowledge is the best outcome and shapes hearts and minds of those around in a progressive but ultimately unstoppable way.

There is already a worldwide consensus around the negative impact of deadweight costs on remittance transfers. However, the remittance industry uses the lack of specific research studies, done at the closest level of analysis, like community level, to get by without much contradiction. Looking up from above to the reality of remittances, it's much easier to make

a case against undocumented workers. But to actually listen closely to one of those desperate cases, individually, can jumpstart a chain reaction of solidarity around the world. Just like Phillip Morris and the tobacco industry were eventually dragged to the Congressional hearings and forced to admit they were lying about smoking and lung cancer, to defeat the remittance industry it takes, not just convincing arguments based on scientific evidence, but laying the groundwork for establishing the credibility of those arguments. Scientific evidence in policy-making also requires an indigenous ethical conduct, besides the pure facts. Bridging the gap between science and policy is not only a technical issue but rather political and only possible with the help of citizens.

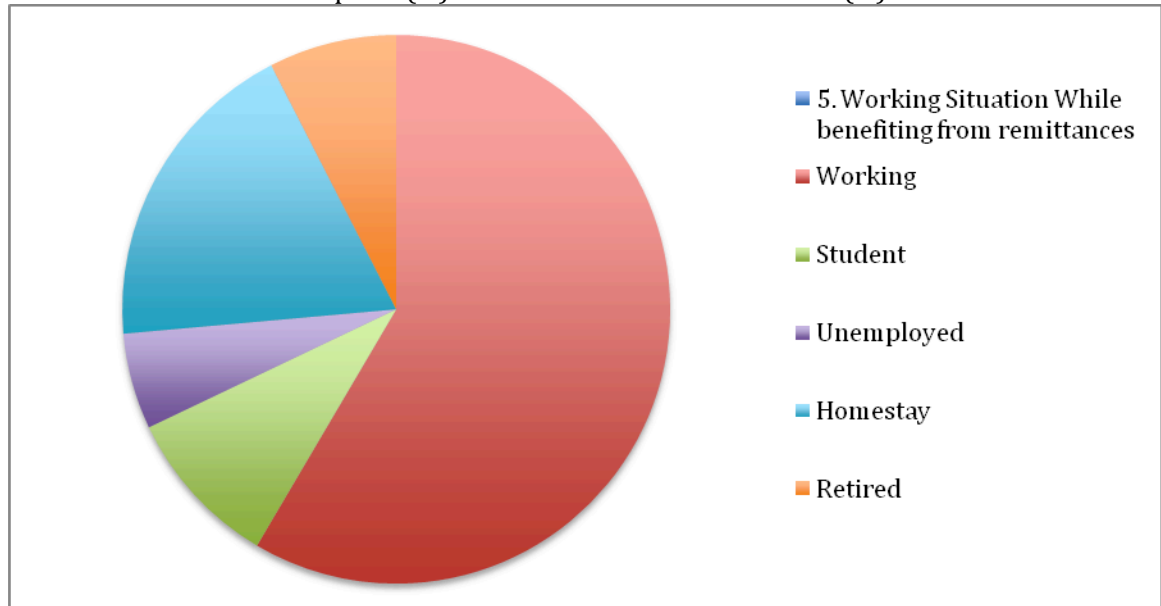
One important strategy to advance the cause of remittance justice in Nezahualcoyotl is to start investigating how to change the current negative image that Mexican immigrants carry in the eyes of their government back home. This is polarizing the public in Mexico and was brought up during the focus groups in Nezahualcoyotl.

This self-righteous attempt to denigrate the image of the Mexican immigrant polarized the public debate on immigration in Mexico, particularly around those who are undocumented, vulnerable and at risk of deportation. This trend seems to play very well to the tune of the market driven, anti-regulation proponents, such as the money transfer operators. That is for the same reason that it serves them not to have much research done at the human level of analysis. The defacing of the disenfranchised immigrant, undocumented and lower income, helps MTO's to maintain the status quo and their market share, at the expense of equal rights for these citizens and their families.

Appendices:

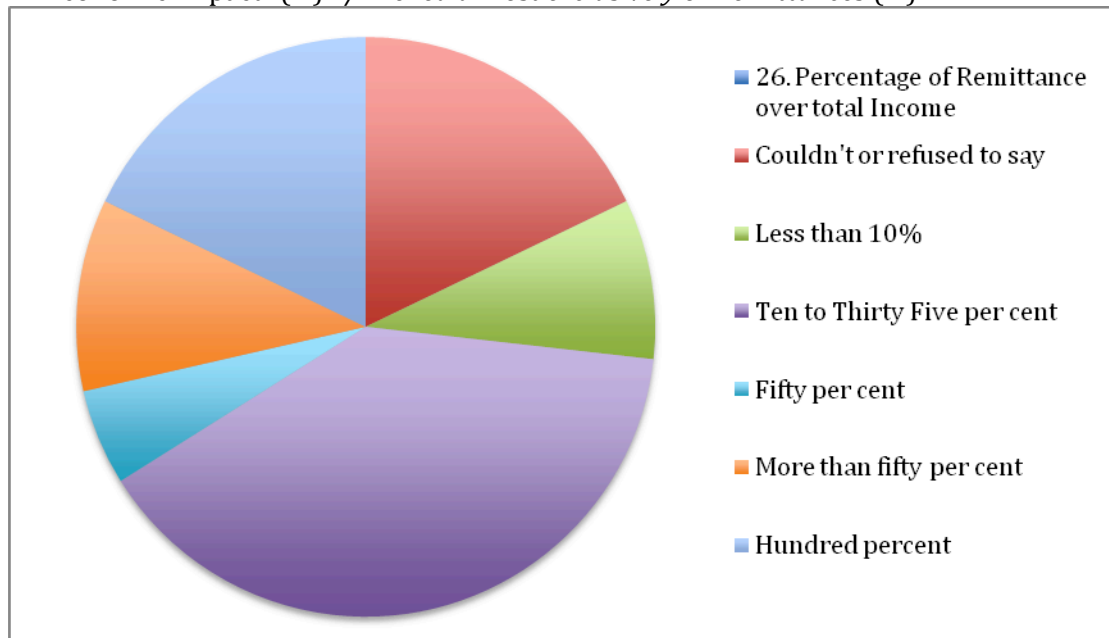
The Social and Economic Impact of US based Remittances in Nezahualcoyotl (presentation at Colonia Impulsora, Nezahualcoyotl, June 23rd 2012)

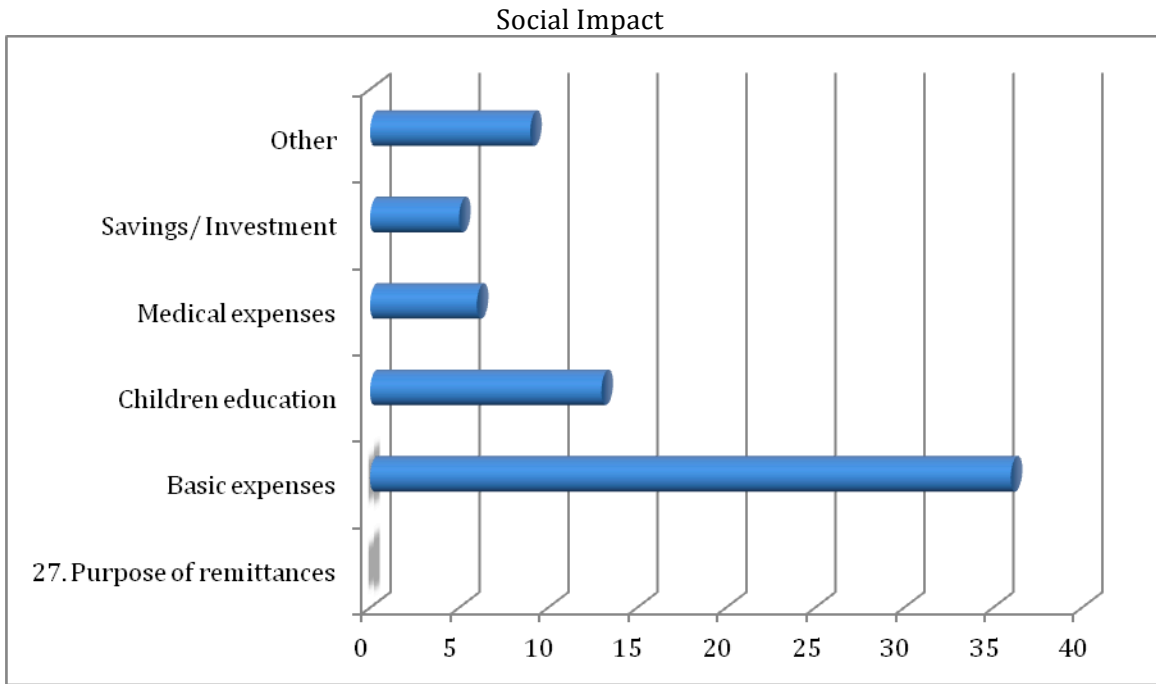
Economic Impact “(...)Remittance Families worked too(...)”



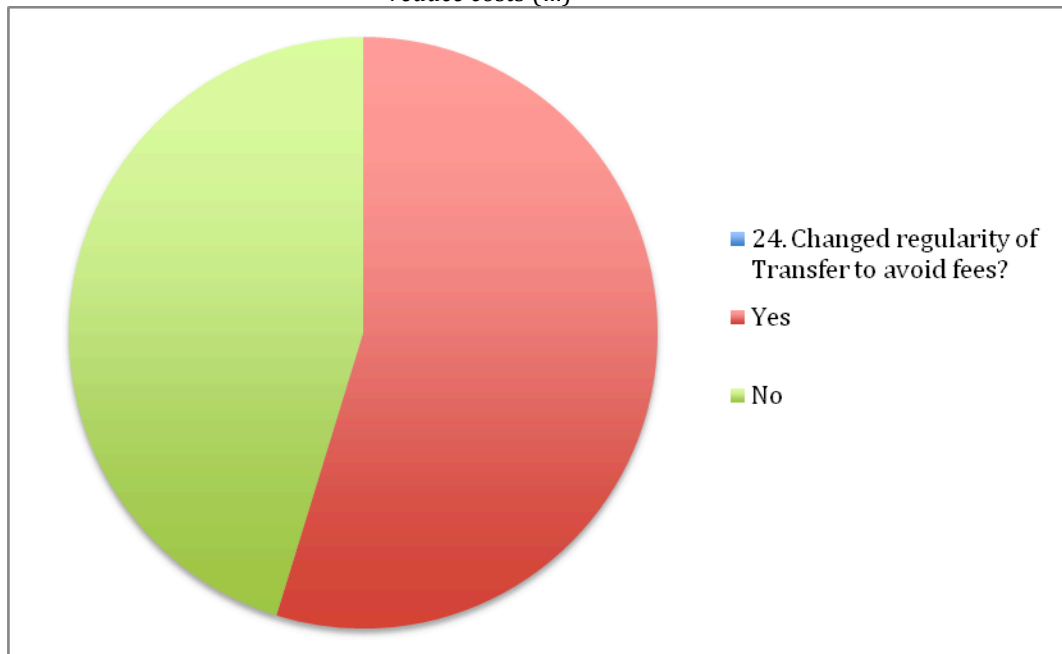
Those who worked were beyond those whose remittance income counted for more than 50%. This can be explained by unexpected costs associated and reduced frequency in transactions.

Economic Impact “(...) 1/3 relied almost exclusively on remittances (...)”



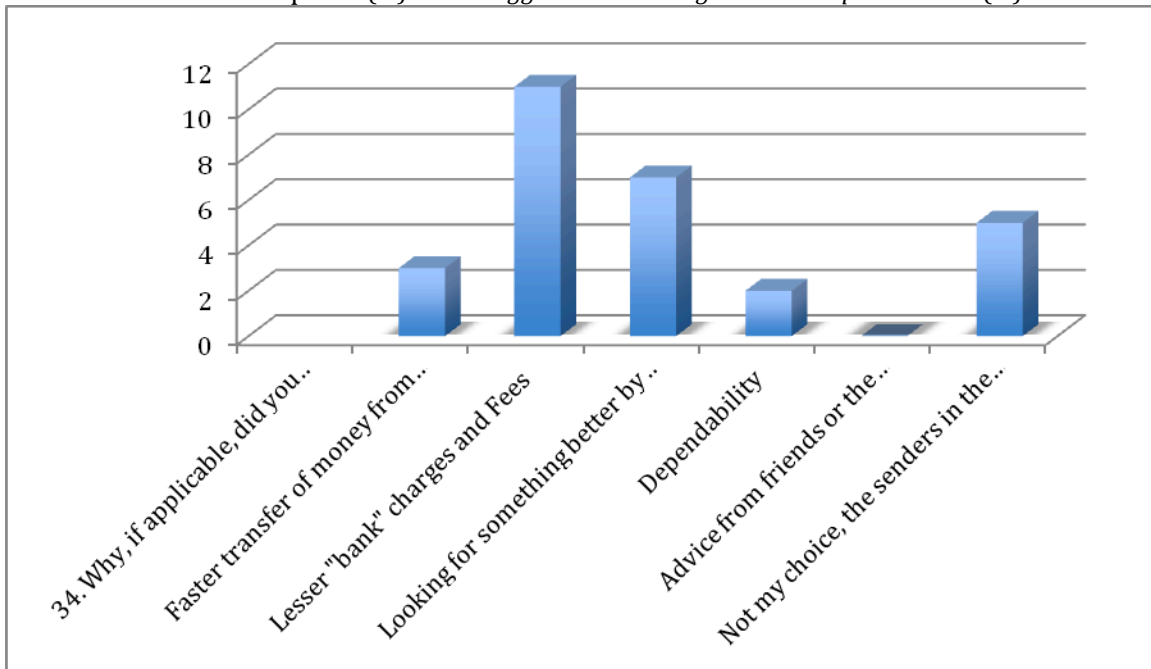


Economic Impact “(...) Foreign exchange rate fluctuations led to lower frequency of transfers to reduce costs (...)”



Majority of respondents were forced to slow down the frequency of remittance transfers to escape MTO's charges per transaction. At least 37% of the interviewed were undocumented and those had no other choice but MTO's.

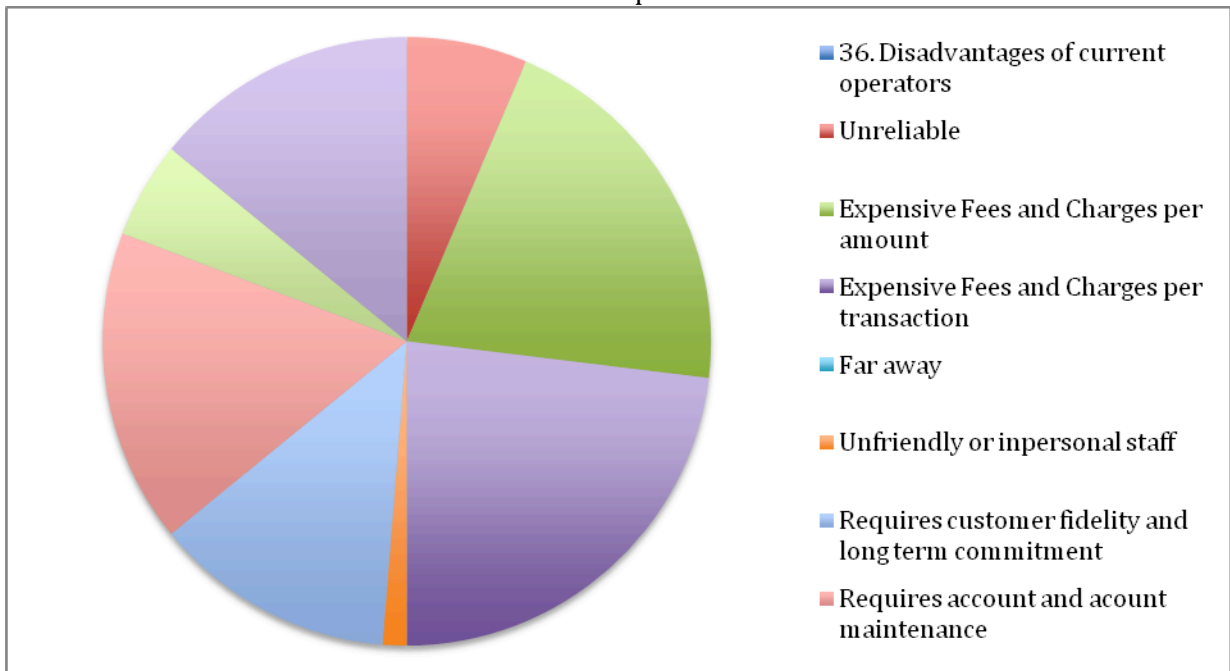
Economic Impact “ (...) MTO's biggest disadvantage were unexpected costs (...)”



Why, if applicable, did respondents change their MTO.

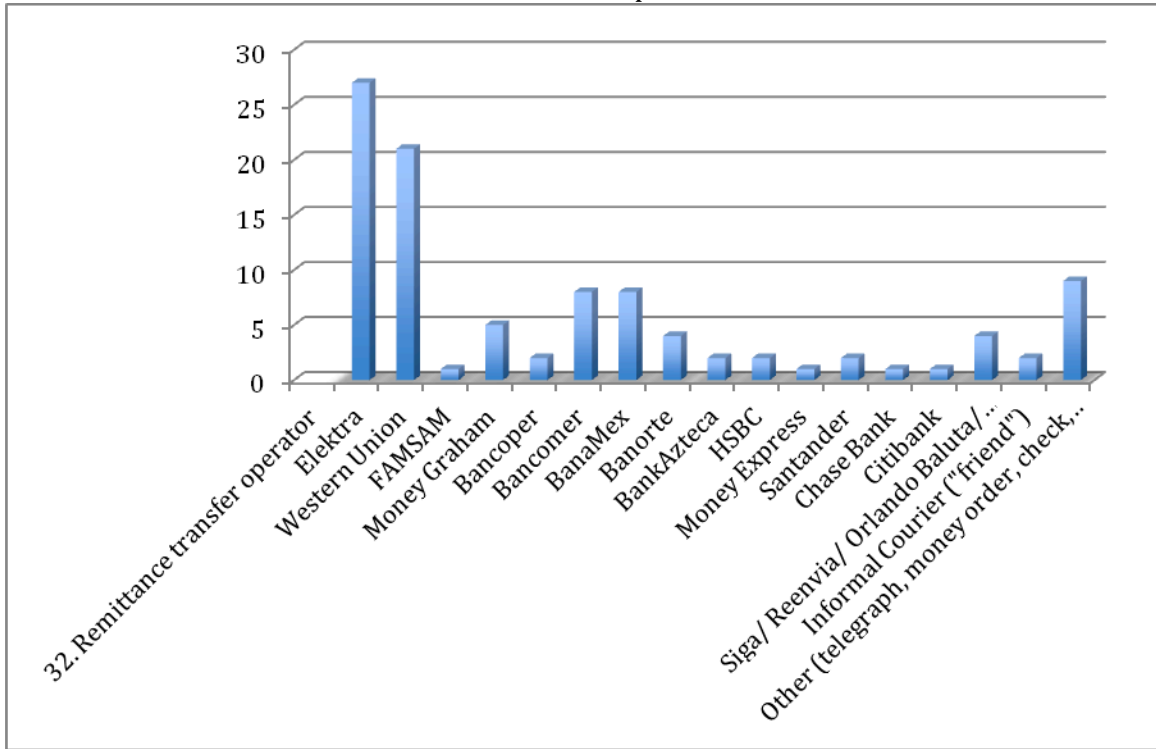
Majority remarked for a reduction in transfer charges.

Economic Impact



Even for those who changed operators, expensive fees continued on top of complaints and the difference is marginal compared to previous operator.

Economic Impact



The MTOS's that were used by respondents and how often

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