



Productive use of Migrants' Remittances by Women Family Members in Mexico

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Introduction

- 11.2 millions of Mexicans living in USA.
- 48% women
- Families left behind in almost every municipality in Mexico (93%)
- Remittances are received for consumption mainly, level of remittances national level (23 bd) and state level.
- Remittance per person; 200-300 dls. per sending.

Schemes for productive use of remittances

- “3x1”

3x1 for Migrants since the late 1990s in Zacatecas, Coordinated by Sedesol, since 2002.

“Do invest in Mexico!” (Invierte en México)

- With IDB funds in coordination with NAFINSA (Mexican agency for the promotion of Industry)
- Since 2004 in Zacatecas, Jalisco, Michoacan and Hidalgo
- IDB and states provide funds, managed by NAFINSA.

Requirements for Hidalgo State

- Mexicans or Mexican-Americans, living in the USA or in Mexico but with at least one relative in the USA.
- Interest in starting a business in Hidalgo State.
- Provide at least 50% of initial investment and other requirements.
- In opposition to 3x1, this program do not provide funding, just entrepreneurial and financial counseling, capacitation and technical assistance.

Best practice case

(2006) Tepetitlán

Exportation of agave bath sponges to The Body Shop

- Production of ixtle sponges by 250 indigenous local women of hñahñú community in Tepetitlan.
- Handmade: cut, partial burning, smash, dry, moisture again, combing, drying again, whitening, knitting (15 days for the total process).
- Production: 30 - 45 thousand pieces yearly, with capacity for producing 80 thousand per year.
- Initial investment 80 thousand dollars, generates 250 jobs.

Producing agave (ixtle) bath sponges for The Body Shop



Lessons learned

- Remittances can have a more productive use in Countries of Origin.
- Previous existence of entrepreneurial drive is essential.
- Connections with global markets can be achieved through some multinationals.
- Competitive advantages can be found anywhere.
- It is important to consider investment requirements of relatives left behind.
- Trickle effect can produce substantial local development and jobs that may prevent further outmigration of those communities in the future.

For domestic workers abroad

- To consider such kind of investment schemes as replicable for the use of their remittances by their relatives left behind.
- To encourage the productive use of remittances by their relatives left behind.
- To encourage and undertake entrepreneurial skills acquisition for the more productive use of remittances.