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Challenges, Options, and Opportunities for Migrant
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REMITTANCE OUTCOMES IN RURAL OAXACA, MEXICO: CHALLENGES, OPTIONS, AND OPPORTUNITIES FOR MIGRANT HOUSEHOLDS

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Abstract

In this paper, we investigate the ways in which migrant households in rural Oaxaca, Mexico use remittances. We use data from a survey and ethnographic research in 12 rural communities in the central valleys of the state to examine three investment strategies: those made in the local (village) commercial economy, those made in the agricultural/dairy sector, and those made in Oaxaca's tourism industry. In our discussion, we examine the challenges that surround such local efforts and ask whether such patterns increase dependency, or create opportunities. Finally, we ask, can the investment of remittances mitigate future migration?

Keywords: migration, remittances, development, households, Mexico

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In a recent survey of migration outcomes and remittance patterns among migrant households in the central valleys of Oaxaca, Mexico, we discovered that a small percentage of remittances were invested in local business start-ups and expansion, the purchase of land or expenses related to agriculture. In this paper, we review how these investments influence outcomes for migrant households in 12 rural, central valley communities in Oaxaca. First, we examine how remittances are used by households and across the communities. Second, we ask, can remittances create alternatives to the dependency that most researchers have found working in Mexico (Kearney 1986; Reichert 1981; Rubenstein 1992). Third and finally, we ask can such efforts effectively limit future migrations. Our findings suggests that while the overwhelming majority of remittances will continue to go to the maintenance of the sending household, migrants sometimes invest their remittances in economically productive ways (Durand and Massey 1992; Gijón-Cruz, et al. 2000; Lowell and de la Garza 2002) with little influence over rates of migration.

Oaxaca's central valleys and methodology

Our work is based upon four years of research in the central valleys of Oaxaca; the intermountain region that surrounds the state's capital (Oaxaca City), and includes the Centro, Etla, Ocotlán, Tlacolula and Zimatlán districts. Communities in the central valleys are relatively well off when compared to villages in the rest of the state. They are linked to Oaxaca City through bus and taxi service and their local economies benefit from Oaxaca's labor market and tourist industry (INEGI 1999).

We conducted a random ethnosurvey in approximately 15% of the households (N=590) in 11 randomly selected villages (see Table 1). In addition, ethnographic data

were collected in a 12th community where the first author has worked over the last decade (see Cohen 1999). The ethnosurvey, was administered to household heads, and consisted of several sections that documented a household's membership and organization, work history, migration experiences, land use and wealth, goods and households and participation in village politics.[1] We also conducted participant observations and interviewed key informants as well as village leaders in each community and returned to villages throughout the four years of the project to collect additional information (for a detailed discussion of methods see Cohen, et al. 2003).

In the Etla valley, which runs west/northwest of Oaxaca City, we surveyed four communities: San Juan del Estado (27 km from Oaxaca City), San Pablo Huitzo (31km from Oaxaca City) and Guadalupe Etla (19km from Oaxaca City). South of the city in the Ocotlan-Zimatlan valleys, we surveyed two communities: San Martín Tilcajete (23 km from Oaxaca City) and Santa Inés Yatzeche (40 km from Oaxaca City). Finally, to the east and in the Tlacolula valley we surveyed five communities: Santa Maria Guelace (23 km from Oaxaca City), San Juan Guelavia (37 km from Oaxaca City), Villa Díaz Ordaz (40 km from Oaxaca City), San Lorenzo Albarradas (68 km from Oaxaca City) and San Juan del Rio (80 km from Oaxaca City). Additional ethnographic materials come from Santa Ana del Valle, also located in the Tlacolula valley and 34 kilometers east of Oaxaca City (and see Cohen 1999).

Central valley communities share many features. Brick and cement block homes of one or two stories with red tile roofs radiate in standard grids from central plazas. The plazas are constructed around churches, government buildings and small market areas. Often the plazas include basketball courts where competitions are held nightly, a band

shelter and other public spaces. Circling the communities are farmlands that households depend to produce maize for self-consumption. Often these lands are not irrigated; rather, they are rain-fed and described locally as temporal lands. Households hold an average of 1.7 hectares of land produce an average of 4.4 months of maize annually over the four years of our work.[2]

Central valley communities share many demographic and socio-economic attributes. Each community has experienced a rapid increase in its population since the 1950s. The total population for these communities has nearly doubled in 50 years. A rise in the demand for wage labor, schooling, services (electricity, running water) and medical care paralleled this increase. Unfortunately, the economic infrastructure of these communities remains woefully underdeveloped and the market for local labor is limited (DIGEPO 1999). Thus, there are few opportunities for wage labor, few doctors, poor schools and limited local access to market goods; important motivations for migration.

A review of work and wages in the state captures the challenges rural Oaxacans face. The Mexican government defines a living wage as two times the daily minimum. In Oaxaca, the daily minimum hovered around US\$5.00 for the decade of the 1990s. Yet, on average 80% of the households in the state made less than twice the minimum—in other words a living wage (INEGI 2001a). Only 20% of the households in central valley communities made more than twice the minimum wage (typical of the state). For specific communities, the percentage of households making more than twice the minimum ranged from a low of 6% in Santa Inés Yatzeche to a high of 41% in Guadalupe Etla.

An average 51% of the adults over the age of 15 in the central valleys had not completed primeria, the first six years of primary school, although men have a slightly higher rate of education (about ½ a year for the communities surveyed) than women on average (see Kowalewski and Saindon 1992). Guadalupe Elta had the highest education rate among the surveyed villages with 78% of its adults completing primeria. At the other extreme, 70% of the adults in Santa Inés Yatzeche had not completed the six years of compulsory education mandated by the government. Local educational opportunities are limited to primary school, although San Pedro Ixtlahuaca is home to a tele-secundaria (closed-circuit high school). Students interested in training beyond primeria must travel to nearby cities or the state capital. Healthcare is deficient throughout the state, and only 23% of the Oaxaca's population has direct access to medical services (INEGI 2002). Healthcare in the communities surveyed in this study included only casas de salud (health clinics) that are part of the national health care system (Secretaría de Salubridad).

Infrastructure including electrification is problematic at best. An average of 18% of a community's households lack access to sewers, while 29% lack access to water (DIGEPO 1999). Where improvements are made, they are typically self-funded or funded through a combination of local and state monies. To cover the costs of development, village leaders assess fees for households in their community. These funds, called cooperación, pay for projects and programs for which there is no, or only limited state support.

Cooperación is one dimension of the traditional model of social organization and control that Oaxacans rely upon and that are found in most rural communities (Cohen 1999). Households are also required to supply individuals for tequio (communal labor

brigades that volunteer services) send members to serve in comites and cargos (community offices that burden or weigh upon the individual charged with service). Comites and cargos are prestige bearing, formal groups (typically made up of seven men) that manage the political, civil and ritual life of their village (for an overview of the cargo system in Mesoamerica, see Cancian 1965).

Migration in Oaxaca's central valleys

Contemporary Oaxacan migration is motivated by the perception of real and perceived needs by members of a sending household. These needs are often economic—the household head is searching for higher wages, the physical household is in need of repair, or the goods and services that the members of a household desire are beyond the means of those individuals as defined by local wage work. The decision to migrate follows one of two paths to an internal or international destination with few households sending multiple members to both destinations. Internal (Mexican) destinations include urban centers like Mexico City where wage work is typically available or to the northern border and the state of Baja California where agricultural work can be found. Migrants who move internationally and cross the border into the U.S. typically travel to destinations in southern California (Conway 2000; Massey, et al. 1994).

Contemporary Oaxacan migration is rooted in the mid-20th century and patterns of movement that characterized Mexico in general (Monto 1994). Migrants from the central valleys left for national destinations as well as the U.S. as early as the 1940s, and many found contract work through the bracero program (Cockcroft 1983; Durand, et al. 2000). Following the program's demise, Oaxacans sought jobs in agricultural and service industries settling throughout California, but also in less well-known destinations

including Chicago, Illinois and Poughkeepsie, New York (see discussion in Mountz and Wright 1996). Nevertheless, international migration from the region remained low and was of minor importance through the early 1980s. In fact, through the 1980s, internal destinations were somewhat more common among central valley movers.

International or transnational (that is circular, repeated movement between sending communities in Oaxaca and receiving communities in the U.S.) migration increased rapidly through the last two decades of the twentieth century and in response to Mexico's continued economic crises. Oaxacans continued to travel to internal destinations; however, the nation's poor economic health and Oaxaca's position as one of the nation's poorest states, effectively pushed Oaxacans across the border (Cohen 2001; Runsten and Kearney 1994).

By the year 2000, Oaxacans were well represented in the migrant stream heading for the U.S. and on average 46% of a central valley community's households included at least one migrant; however, Oaxacans remained a small (approximately 4% of the total) percentage of the Mexican population living in the U.S. (INEGI 2001b). The majority of U.S. bound migrants from the central valleys are men (76%) who depend upon strong social networks, defined through kinship and friendship, to successfully negotiate their border crossings. Oaxacan migrants will settle with family or friends once in the U.S. (87% lived with a relative or friend), in southern California (the Los Angeles, Santa Monica area is home to 94% of the central valley's migrants) and 62% found work in the region's service sector.

Lozano Ascencio (1993) estimated that Oaxacans returned at least 55 million dollars to their home communities in 1990, and that total has only risen through the last

decade. U.S. bound migrations remitted an average of just over US\$730.00 bi-monthly basis and for an average of 6.5 years. Internal movers returned much less, an average of US\$130 bi-monthly and over an average of 8 years. Finally, U.S. bound women returned only about ½ of the total remitted by men, while women who moved internally returned 80% of what men remitted. Regardless of their origin, remittances are critical to sending households and communities and Binford estimated that remittances to rural households in Mexico may constitute anywhere from 75 to 90% of local incomes (2003:306).

Not only do remittances create safety nets for those households that exist beyond the scope of the state and lack local wage work; remittances also support local investments that are largely ignored by the international movement of capital (Jones 1998). Finally, remittances bring much needed capital to sending households. These resources, both liquid and fixed are available at a moment's notice and in response to immediate needs, emergencies and plans for the future (Taylor, et al. 1996:402).

The bulk of the money remitted to sending households in the central valleys typically goes to daily household expenses, home construction and the purchase of consumer goods (see below). Many scholars working in Mexico argue that remitting to meet daily expenses and the purchase of luxury goods creates a migrant “syndrome” among sending households (Reichert 1981). In effect, rural households become addicted to migration. Migration becomes the way in which a household's members satisfy cravings for goods and services. Migrants make sojourns to earn money and satisfy needs and improve their households, at the same time, the actions of migrants lead to little if any productive investment and thus an every repeating cycle is created—sojourn begets sojourn and desires continue to mount.

Dependency among households (and migrant communities) grows as migration continues. Migrants turn their backs on local work and they leave their agricultural roots for the promise of relatively high wage work in larger Mexican cities and the U.S. (Guidi 1993; Stuart and Kearney 1981). Dependency continues to grow in response to the purchases that migrant households make. The goods that are most often bought send remittances away from the migrant household and community and to the owners of commercial establishments, manufacturers and agribusiness (Binford 2003:311). Jones (1995) makes this point quite clearly when he shows that even as money is spent locally, much of the resulting value goes not to locals but to urban areas that are the home to wholesalers.

Durand and Massey (1992) argue that remittance use can foster growth rather than dependency and that border crossing need not leave a community addicted to migration. Rather, they use data from the central Mexico to illustrate that enough remittances will typically go to other kinds of investments to have a real and substantial effect on public work projects and economic infrastructure of a community.[3] These funds are used to capitalize individual businesses, and may go so far as to allow communities to finance public works projects that are not supported by the state (Gijón-Cruz, et al. 2000; Levitt 1998; Lowell and de la Garza 2002; Orozco 2002). Finally, Durand and Massey suggest that a rural community's location near an urban center and the health of the community's agricultural institutions (for rural Oaxaca, an ability to produce at least a portion of a household's annual demand for maize) will combine to encourage local investments and successful development (1992: 27).

Migrant households and investments in the central valleys

Oaxacans base their decisions to migrate around several related factors. They migrate because of a real or perceived need within their household and because work is unavailable locally. Their decision is also influenced by the resources that the migrant household holds, including the social networks that link potential migrants to other migrants living in a destination community, and the resources available to cover the expenses of border crossing.[4]

A majority of Oaxacans (92%) identified covering the costs of daily life as the most important motivation for crossing the border; an additional 57% also felt organizing resources for home construction or home improvements were valid reasons to migrate. Alternatively, only 1% of Oaxacans believed migrations should be made as a way to have an adventure, or “get-away” from a household. Finally, 12% of Oaxacans felt that migration and the resulting remittances could be effectively used for business start-up and investment.

In terms of real outcomes (that is how Oaxacans reported using their remittances), 57% of all remittances received went to covering immediate household expenses and supplemented subsistence level farming that continued to occupy many households (see table 2). These expenses included daily costs of living (43%); education; the purchase of appliances and domestic goods; ritual costs; and health care. Daily costs of living ranged from the purchase of food to payments for utilities (electricity, gas, and firewood). Many interviewees suggested that using remittances to cover daily expenses was a waste of hard earned cash, but given the lack of local jobs, most argued that there were few alternatives.

Educational expenses included the costs of sending a child to secundaria (high school) or tuition and costs of sending children to post-secondary programs in Oaxaca City such as those at the ITO (Instituto Tecnológico Oaxaca). Households also used remittances to purchase domestic appliances that ranged from radios, blenders and irons to larger items including refrigerators, hot water heaters, vehicles, and in one case, a personal home computer. While all informants argued that using remittances to support religious rituals was a poor use of such funds, we found that a small group did finance the support of saint's day celebrations, quinceñeras (a girl's 15th birthday) and weddings with remittances.

Home construction and/or renovation accounted for 17% of the remittances returned. Many first time migrants made their sojourns with the goal of building a home. Typically, this meant building a home of cement and brick, with a concrete floor and finished roof to replace cane or adobe structures with dirt floors and palm roofs. Migrants refurbished their homes by adding second floors and building “modern” kitchens and bathrooms that replaced open fire kitchens and latrines. Standing in the center of his patio during an interview in 2001, Mario Sánchez Martínez gestured to the freshly painted rooms around him, “look at this kitchen. We finished it with the money we saved from my time in the U.S. And now we have a nice bathroom with a shower too!” (Guadalupe Etla, June 2001).[5] In a similar vein, María Méndez described with pride how she built a new home for her parents in Villa Díaz Ordaz using only the money she earned during a three-year sojourn in the U.S (1996-1999). She built a four-room home with a tiled bathroom, and was able to give her mother a fully modern kitchen with running water, a gas stove and a refrigerator (interviewed May, 2001).

Finally, a small percentage of remittances (8%) went to start or expand businesses, the purchase of land, or toward equipment for commercial ventures.[6] In each case, investments were made after some of the funds were put aside for immediate needs or other expenses, and in no case did a migrant's entire remittance go directly and exclusively to support investments.

Investment-able migrant households included 27 households from throughout the valleys, but with 75% concentrated in just four communities (San Pedro Ixtlahuaca, Villa Díaz Ordaz, San Juan Guelavia and San Juan del Estado). Migrant households that were able to invest remittances fell into three categories. First, were those households that invested into commercial activities focused on local business opportunities (opening small markets, beauty shops, and the like); second, were those households that invested in businesses tied to Oaxaca's tourism industry (producing crafts); and third, were those households that invested in agriculture, animal husbandry or dairy production.

In most ways, investment-able migrant households are quite similar to the typical migrant household in the valley; they are also like most non-migrant households. Migrant households (regardless of their remittance practices) included an average of six members and educational attainment was similar (approximately 6 years). Migrant households also depended upon subsistence level agriculture, as did their non-migrant neighbors and just over 70% of each group included some farming. For all other careers, from craft producers to professionals, politicians to paid domestics, the percentage of migrant and non-migrant households in each career or job was nearly the same (see table 3). Migrants from investment-able households made both internal and international

sojourns, with 37% heading for national destinations, while 63% crossed the border into the U.S.

There were however, differences between invest-minded migrant households and typical migrant households, and between investment minded migrant and non-migrant households. The “investment-able” households included older children who could work outside the home; while a typical migrant household included younger, school aged children. Investment-able migrant households typically held more land (2.72 hectares versus 1.7 for the average migrant); and the remittances from their members were higher by an average of US\$50. Households that could afford to invest in business, agriculture and tourism tended to have stronger records of community service as well. Not only did these households tend to serve about 50% more time on average, they also tended to hold higher status local offices, often serving as presidentes on village boards and committees. Finally, and with a few exceptions, investment-able households were clustered in towns with easy access to Oaxaca City—particularly San Pedro Ixtlahuaca where 26% of these households were found.

San Pedro Ixtlahuaca has a long history of interacting with Oaxaca City, which is a short commute from the village. Over the decades, Ixtlahuacans have commuted to Oaxaca City for work, to sell in the city’s markets (particularly tortillas) and for advanced schooling. And in fact, several of the investments made by Ixtlahuacans build upon this relationship—we found household involved in transportation, two that have used remittances to enhance their kitchens and the production of tortillas and four that sell produce or livestock, and have used remittances to support their businesses.

Villa Díaz Ordaz, home to 19% of the investment-able households is somewhat farther from Oaxaca City, but only 5 kilometers from Tlacolula, an important political and economic center for the eastern branch of the valley. Ordazenos reach the Oaxaca City by switching buses in Tlacolula. Some villagers also find some wage work in Tlacolula itself. Villa Díaz Ordaz is also home to good quality lands, and Ordazeno households have the largest average land holdings (2.6 hectares) we found in the central valleys, producing an average of 7.1 months of maize for self-consumption annually.

San Juan del Estado is home to 15% of the investment-able households and like San Pedro Ixtlahuaca, its households are strongly tied to Oaxaca City. The community also serves as a minor market center for towns around it. Two of the households in San Juan del Estado invested in transportation, and a third in a small business and delivery service. The fourth household in the community would not describe its investments. The village is known for its high quality, irrigated lands that produced wheat in the past. Currently, even though holdings are on average small (1.4 hectares per home), households tend to produce 6.5 months of maize for self-consumption.

San Juan Guelavia is also home to 15% of the investment-able households we encountered. In the case of San Juan Guelavia, the history of migration in the area reaches to 1941 when the first Guelavian left for the U.S. The community's migrants have spent the most years of any community's migrants in the U.S. (averaging just or 12 years per migrant) and as a group; migrants from Guelavian households have made the most trips of any community (86 sojourns). This means that migration is not a new process for Guelavians, rather it has matured and households can plan for specific outcomes. In San Juan Guelavia, we found that two households invested in new kinds of

businesses, in one case a beauty parlor and in a second, a day-care center. In addition, two households invested in small businesses and one of those included the sale of animals. Land holdings in San Juan Guelavia averaged 2.5 hectares per household. Nevertheless, most campesinos complained about the poor quality of their land holdings and most produced no more than 4.7 months of maize for self-consumption.

Investments among central valley migrant households fall into three categories: commercial activities focused on local business opportunities (52%); agriculture, animal husbandry or dairy production (26%); and businesses tied to Oaxaca's tourism industry (3%). The remaining 19% of the households described their remittances as going to investments; however, they did not describe their use in detail.

Commercial activity

Local commercial activities included owning and managing a small market (tienda), producing and selling tortillas, running a day care center, carpentry, owning and managing a small appliance repair shop, owning and managing a beauty parlor and or restaurant, and managing a taxi fleet.

The most common investment in the area is the tienda. Tiendas are small stores, usually specializing in dry goods with some fruits and vegetables. Goods are typically displayed in one room of a home that fronts onto a major street, with storage space in a second room to which customers do not have direct access. Tiendas allow rural Oaxacans to convert liquid capital (money) into goods that hold their value over the short term and that will increase in value in relation to inflation. A migrant household is thus able to convert its remittances from dollars and pesos (which over time tend to lose value through their devaluation against the dollar) to goods that hold value and that can be sold

for small profits or used as necessary. The household staffs its tienda with adults who are its members and therefore does not spend its resources on employees.

The tienda “Quickly” was typical of those found in the central valleys. Established in 1990 by the Martínez García family in San Juan Guelavia, it was built during the renovation of the family’s home and using funds remitted by the male household head that had left for the U.S. in 1986. Over the six years that Don Moises was in the U.S., he worked as a busboy in a small family owned Chinese restaurant in Santa Monica, California. His remittances averaged about US\$400, which he wired home on a bi-monthly basis. His wife, Doña Amelia hoarded most of what was returned, using a portion to meet the daily costs of living and raising two children. Nevertheless, the family was able to rebuild its home, establish the tienda and in 1998 purchase an additional ½ hectare of land to farm. Working in her store during our interview, Doña Amelia did slow, but steady business. She was most proud of a small copier that she and Moises had purchased in the last year. Copies were five pesos a page.[7] Moises returned to the U.S. in 1999, and at the time of our interview with Doña Amelia, he was again working for a restaurant in Santa Monica.

Making and selling tortillas is also an effective way to earn money. Many local women will earn about 50 pesos—or about a day’s wage—selling tortillas, and for some households, these funds are critical to meeting the costs of daily life (and see Cook and Binford 1990). However, a few households move into larger scale production of tortillas and purchase grinders and automated tortilla presses. In San Pedro Ixtlahuaca, Senora Rosario Méndez used the remittances of her husband to open such a business. She purchased a small-automated press, and working with her sister-in-law, sold tortillas by

the kilo from her home to families throughout the village.[8] Her husband, who remained in the U.S. (arriving in 1996), worked construction in southern California and remitted about US\$350 on a bi-monthly basis. Señora Méndez complained that the work was hard and sometimes dangerous as the press could easily grab a finger if one was not careful.

Other small businesses that we encountered included managing a small fleet of taxis, beauty shops, restaurants, repair shops, and a day-care center. We encountered two households that had organized the wealth necessary to purchase small fleets of automobiles. The households, one in San Juan del Estado and the other in Guadalupe Etla, owned fleets that included two automobiles in the former and three in the later. In both cases, the male household head had returned to Oaxaca with enough savings to purchase a car and the requisite papers to establish a colectivo. Unlike a cab that patrols streets looking for fares, a colectivo is a car service that moves between set stops linking rural communities like San Juan del Estado and Guadalupe Etla with the state's capital. In these cases, the vehicles move through several stops in each community, picking up fares and then carries those fares to destinations in the city—typically ending in Oaxaca's Centro de Abastos market area where fares returning to their hometowns can be found.

Roman Melchor, a driver in Guadalupe Etla, described his work as fun and fulfilling. He had worked for three years driving for his uncle—who owned the fleet. He dreamed of traveling to the U.S. to purchase his own car and establish his own fleet in the future, but he was not ready to give up one of the few steady jobs available in his community that paid a regular wage, nor was he ready to leave his young daughter who was only just two when we talked in 2000.

Carpenters and repair shops, beauty parlors and cafés as well as day-care centers are businesses founded with remittances, but also businesses that capitalize on rising local incomes (largely made up of remittances) and changing work roles and expectations. People throughout the central valleys are buying more goods and building new homes. Carpenters contract for the work involved and repair shops are opening to fix the goods (radios to televisions, refrigerators to computers) that locals are buying. Alicia Martínez capitalized on these changes, opening a day-care center in 1998 in San Juan Guelavia. She has about ½ a dozen small children – from 1-5 years of age who she watches. The parents work locally for wages or commute to Oaxaca City for employment. She also told us that she has from time to time watched the children of new migrants, giving young mothers a break as they adjust to life in a household whose male head has migrated.

Perhaps the most surprising business we encountered was the Internet café that opened in 2003 in Santa Ana del Valle. This business was not identified in our surveys, but through contacts in the village. In 1993, Santa Ana had one phone to serve the entire village (with a population of about 2,200). By 1996, the number of phones in the community had only increased to three private lines. By 1999, the number of phones rose dramatically (to about 40) and by 2002, people began to purchase Internet access. Mario Hernández purchased 10 computers (he used his own funds as well as some money invested by friends and relatives) and established an Internet café, which has become an important new way for families living in the village to stay in touch with their migrant members.

Agricultural investment

Approximately 26% of the investments made by migrant households were in agriculture, or farm related areas and ranged from the purchase of land to the purchase of animals, including dairy cows, chickens, goats, pigs and teams of oxen. Typical of such efforts was the money used by Señora Leticia Mendoza, a garlic seller living in Santa Maria Guelace. She used remittances returned by her son (an internally bound migrant) to purchase seed and expand her garlic crops. She contracts with a series of restaurants in Oaxaca City that she visits throughout the season and she is able to sell her produce directly. She describes the work as hard, but satisfying and her family (she lived with her husband who was not working, her son's wife, and their young daughter) had built a nice two-story home.

Land has only recently and with changes in laws in Mexico become an important commodity to be bought and sold (Otero 1996). Nevertheless, we found that 20% of the households that invested remittances used at least some of that money to purchase land. For some households the land supplemented family holdings and became an investment for the future well-being of the domestic group. For others, the additional holdings were used to plant cash crops. In Villa Díaz Ordaz, one household purchased land and planted Agave that would be harvested for the production of Mezcal, a second household in San Lorenzo Albarradas planted vegetables to sell locally.

Livestock was also an important investment. Like the goods in a store, stock animals allow a household to convert liquid wealth to goods that will hold value or increase in value over time. One household in San Juan del Estado used the purchase of land to grow alfalfa that they then used to feed several cows they had bought. In San

Juan Guelavia, Salvador Aquino used his earnings to purchase oxen that he or his father would train to work as a team. The team, called a yunta (or unit) cost several hundred dollars to buy, but once trained could fetch several thousand dollars for the family. A trained team also could also earn about 500 pesos daily when its owners rented it for plowing a field or hauling goods.

Craft production and tourism

Tourism has grown in importance throughout Mexico and in Oaxaca over the last twenty years (Clancy 1999). The city and state attracts thousands of internal and international tourists throughout the year who come to see the region's important archaeological sites, historical architecture and vibrant art market. In addition, of particular importance in the central valleys are the many communities that produce crafts of one sort or another for local sale and export and 3% of the migrant households in the valleys used at least a portion of their remittances to invest in tourism related businesses. Two of the more famous craft communities are Teotilán del Valle known for its woolen textiles (Stephen 1987) and San Martín Tilcajete, where alebrijes (brightly painted wooden animals) have captured the fancy of tourists over the last decade (Chibnik 2003). During our work in San Martín Tilcajete, we encountered one household that used a portion of its remittances to invest in the production of alebrijes (57% of the community's households are involved in production). The Sánchez household earmarked a small portion of the money it received from a son living in the U.S. to refurbish their home, creating a "modern" gallery in which to display goods for sale. They also used a small portion of these funds to pay employees who paint alebrijes on a per piece basis (and Chibnik 2003).

Two other households (one each in San Lorenzo Albarradas and Villa Díaz Ordaz) invested in crafts or craft production. In San Lorenzo Albarradas 45% of the community's households produced petates (reed mats); while 11% of the households in Villa Díaz Ordaz weave woolen textiles that are typically produced on contract for buyers and exporters in Teotitlán del Valle (and see Cohen 1998). In the case of San Lorenzo, the migrant household we encountered used a small portion of its remittances to purchase crafts from the area, snack foods and beverages that were sold to tourists visiting Hierve el Agua, a natural spring on village lands. The household in Villa Díaz Ordaz used funds returned by its migrant members to support the creation of a weaving cooperative as a way to counter Teotitlán del Valle's overwhelming control of the market.

Leaving migration

We discovered that 19% of the investment-able migrant households had elected to bypass future migrations, choosing instead to remain in their home communities. While Oaxacans suggested that work could interrupt migration, no former migrant described their decision not to migrate as related to the demands of a job. Rather, the decisions are motivated by household demands on the individual in question—a father or mother who chooses to remain home with young children, fear of crossing the border, or health concerns. Age was also a factor in decision-making. For one household in San Juan del Estado the decision was motivated by the age of the female household head, a 71-year-old widow. Doña Amelia and her now deceased husband had built a small tienda into a profitable (according to her) business. They also owned a fleet of three large trucks (include a $\frac{3}{4}$ ton pick up) that they contracted to a local lumber industry and stone quarry. The household included three migrants—Doña Amelia had spent time working in Mexico

City, and both her husband and son had migrated to the U.S. Doña Amelia quit migrating following her husband's death about 12 years earlier (we interviewed Doña Amelia in 2000) and committed herself full time to managing her store and delivery service. More recently (1997), Doña Amelia's eldest son also elected to quit migrating and now helps his mother full time.

Discussion

We began our paper by asking two related questions, how are remittances used and what are the possibilities that local remittances patterns might lead to investment and development rather than dependency. It is clear that most remittances have gone to daily expenses and that they will continue to do so for the near future. Thus, it might seem best to argue that remittances to migrant households create syndrome-like systems that increase the dependency of central valley communities. However, knowing that the majority of remittances go to daily expenses, home building and assorted charges (education, healthcare and luxury purchases) is not the same as arguing that dependency will increase.

Kearney (1986) Reichert (1981) and Rubenstein (1992) assume that increasing migration rates lead inevitably to increased levels of dependency in three ways. First, they argue that we should find a move away from agriculture. Second, a rising demand for consumer goods that cannot be produced locally means that the remittances used to pay for those goods will be directed away from rural communities and to urban centers and the offices of commercial, manufacturing and agribusiness firms. Third, a thirst for things foreign will increase future migrations, as such things can only be accessed if

individuals are willing to leave communities, cross a border and enter the wage labor market in the U.S.

Our findings suggest that Oaxacans are not moving away from agricultural production for self-consumption and limited sales. Production of maize and other produce continues to be of importance to a majority of migrant and non-migrant homes. An average of just over 70% of all households continue to produce about 1/3 of the maize they consume during a year. As the wife of a migrant in Santa Ana suggested, “I would be a fool to waste all of my husband’s money on food—so I let my father-in-law farm for me with my eldest son. He gives me some of the maize and that helps us make it.” Table 4 illustrates that migrant and non-migrants fill jobs and attend post-primary schools at more or less the same rates. Some households also build upon their remittances and invest in agriculture selling produce, or move into animal husbandry or dairy production. Jones (1995:118) notes that local investments in commercial agriculture have the highest multiplier effect—returning an average of 134 pesos for every 100 pesos invested.[9]

It is obvious that migrants and non-migrants alike are demanding more services and the goods that are associated with what they think of as modern life. These goods and services cost money. Furthermore, most of the money that is used to make such purchases and improvements is siphoned away from rural communities to urban centers that are home to commerce. Thus, these kinds of remittances have very little impact upon local development (Jones 1995). Nevertheless, many of the services that are in demand (potable water and sewerage) and many of the goods (stoves and refrigerators) that people want enhance public health and improve quality of life for those involved (see discussion in Conway 2000).[10] Remittance use should shift away from purchases and

toward investment, as migration matures as a process, and migrant households age. Investment-able households earmark less money for household maintenance, education and so forth in part because they tend to include older children who participate directly in work (whether for wages or in-kind) that supports the pooling of resources.

Finally, Oaxacans are not choosing to leave their hometowns and households en masse. While some communities have high rates of out-migration, most Oaxacans from the central valleys look for local work and local opportunities—in other words, they are not migrating. Furthermore, for those Oaxacans who do migrate, sojourns are not made forever. Central valley households typically send one or sometimes two members across the border for a little less than 9 years on average and most migrants make no more than two trips to the U.S. Internal movers follow a similar pattern. One or two migrants leave for a national destination for about 11 years, and they tend to make no more than two trips over their careers as movers. Thus, these individuals stay tied to their sending households and communities. To put this another way, rural Oaxacan migrants remain vested in the affairs of their households and hometowns, and these attachments direct at least a portion of remittances to community based needs and programs (see Cohen 2001; Massey et al. 1998:268).

Durand and Massey (1992) argue that often enough remittances will go to investments to have a substantial impact on public work projects and economic infrastructure of a community. Furthermore, the indirect effects of remittances (that is the effect of remittances as they move through the economy) can be very large. In fact, Taylor (1992) notes that every dollar remitted to Mexico generated US\$2.90 of growth

domestic product and increased production by US\$3.20. However, much of this growth occurs not in rural sending communities, but in industries based in urban centers.[11]

We found some business investment taking place in the central valleys—particularly in small businesses such as tiendas. However, given the limited opportunities locally, these investments have little if any impact on local economic growth. In 1970 and working in a Tarascan (central Mexican) community, James Acheson argued that investments in small businesses (tiendas and the like) makes sense from an internal, cultural perspective (1972:89). Opening a small business was an effective way for a household to earnings in material goods that could be sold over the short term for profit. While Acheson acknowledged that other more commercially viable investments would likely bring better returns, he realized that the limitations on local investments (and the lack of available investment capital) meant it would be difficult at best to succeed in local commerce. Writing over 20 years latter, Lindstrom found the limits on local investment continued for migrant households in central Mexico (1996). He argues that local economic conditions and the lack of local investment options render it nearly impossible for the investment-able household (migrant or non-migrant) to succeed. The situation has not changed for Oaxacan migrant households. Investment opportunities are limited by lacking local options and disinterest on the part of the state.

Durand and Massey (1992) argue investments should clump in communities with access to urban centers and healthy agricultural lands. San Pedro Ixtlahuaca, Villa Díaz Ordaz, San Juan del Estado and San Juan Guelavia meet these expectations. These communities are linked to the state's capital and each is home to healthy subsistence based farming. Nevertheless, the kinds of investments we found in these villages will not

spur local development or encourage economic expansion. Rather, the investments we found were the kinds that typically support a household as its members convert remittance dollars into goods, livestock and services. Investments are not made into labor, which is not recognized as a cost (rather labor is typically a resource that is not paid for), nor are investment expenses acknowledged (including depreciation).

There is also little evidence that remitted dollars will enhance public works to a larger degree than locally earned pesos. Migrant and non-migrant households tend to contribute equally to projects and our surveys found few incidents where households declined to contribute to communal projects.

Migration does help Oaxacans experience new ways of dealing with community challenges and our discussions with informants suggest that many of the ideas that community leaders bring to local issues have come from their experiences in the U.S. Community leaders regularly described their efforts in terms of making their towns “livable” using the image of U.S. communities to illustrate their point (see Cohen 1999). Nevertheless, the finances for these projects (building sewer and water systems, paving streets and extended electrical grids) come equally from migrants and non-migrant households. Furthermore, migrant and non-migrant households also contribute time and effort in equal parts to community management, serving in village offices and contributing to local projects in cash and kind as expected.

Given these outcomes, it is difficult to argue that migration is adding to dependency in the region, but it is no easier to suggest that remittances have a particularly positive effect. Rather than a cause of dependency or a key to development, we maintain that it is better to think of migration as one kind of response to a series of challenges.

The rise of migration in the central valleys is in response to Mexico's continued economic troubles and the lack of local opportunities. Where opportunities are present, as in tourism, Oaxacans are not so apt to leave. One wealthy artisan in San Martín Tilcajete argued, "Why would I migrate? Why would I spend US\$5,000 to go and buy a US\$20 toaster? I can get everything I need here and I do well for myself." In a sense, this is the problem. Local opportunities are too few and too far between to create the kinds of alternatives that might significantly lower migration. Additionally, even as the occasional household finds it is able to invest in the local economy, because the infrastructure of the rural communities is so lacking and because the investment efforts of household do not encourage local capital investment by the state or large commercial enterprises, the opportunity for growth is limited.

Can the patterns we have found in Oaxaca play a role in limiting the increase in migration rates for the region? There is little evidence that migration is slowing in Oaxaca. While 19% of the investment-able households had decided to leave their migrant pasts, no member made such a change in response his or her work. Some informants did suggest that for the first time they were rethinking their choices when it came to crossing the border. But this was a decision influenced by fears of violence on the border and had little to do with local opportunity. The increased security on the border, a fear of harassment by U.S. and Mexican border patrols and an increase in the costs coyotes (smugglers) charge would be migrants have given at least some migrants pause. In fact, in a survey of attitudes concerning migration, the dangers of the border were the second most frequent reason cited that might limit migration. Nevertheless, family was the most frequently cited impediment to migration, followed by danger and

health related concerns. Thus, it is difficult to argue that a household that invests its remittances will be more likely to limit its future migrations than a household that uses its remittances solely for immediate expenses.

Our findings suggest that where work is available, and particularly work in tourism and agricultural production, a household may not choose to send members across the border. Woodcarvers in San Martín Tilcajete were less likely to migrate than their neighbors who were not involved in craft production. Similarly, in Guadalupe Etla and San Juan del Estado, dairy producers were keen to describe how well off their efforts left their households. In Guadalupe Etla, one couple commented, “give a man dairy cows, and he’ll be happy! He doesn’t need a thing. There is plenty to earn and the money is good.” Unfortunately, moving into dairy production is expensive and time consuming. It is also work that involves skills that many household heads may not have. San Juan del Estado and Guadalupe Etla also have access to milk cooperatives that will purchase their production; this is something not available throughout the valleys. Finally, while craft production is effective in some situations, the market is quite unpredictable and erratic and it is impossible to know what will be popular in the future (see Chibnik 2003; Smith and Ellingwood 2001).

Conclusions

Remittance practices in rural Oaxaca point toward a variety of outcomes. In some cases, remittances encourage at least a modest level of investment—even as they sometimes exacerbate dependent relationships. This is to be expected given the situation. Migration in the central valleys has engaged households as early as the 1930s and 1940s, but it has increased dramatically in importance only over the last two decades. It

is too early to clearly define how remittances will fully change rural society in the state. It is likely that remittances will continue to flow to households and cover those households' immediate expenses. It is also equally likely that the percentage of households that invest at least a small part of their remittances will also increase. A community's location nearer an urban center like Oaxaca City and access to good agricultural lands (including San Pedro Ixtlahuaca, Villa Díaz Ordaz, San Juan Guelavia and San Juan del Estado) will continue to enhance that prospect. Nevertheless, the outlook for villages that are farther removed from urban centers and that lack local resources, such as Santa Inés Yatzeche, the prospects is rather bleak.

We suggest that how remittance pattern will play out into the future is keyed not to migration outcomes, but instead to the continued involvement of migrants in their sending households and communities, the location of a community vis-à-vis an urban center and the local resources that village households can access. Currently, migrants share a level of commitment to their households and communities that is nearly identical to non-migrants. If households and local communities are to continue to benefit from their migrants, that involvement cannot decline. Oaxacans remain committed to their households and communities and because the majority of migrants have family (and often children) in sending communities, that commitment should continue into the future. Unfortunately, we expect that while strong ties will continue to pull Oaxacans home to rural sending villages in the central valleys, the prospects for development that would allow Oaxacans to live their lives locally and with dignity, and most importantly without the pressure to migrate, will be in the distant future.

Notes

1. An ethnosurvey combines controlled and open ended questions that allows for a more complete and complex exchange between investigator and respondent (see Massey 1987).
2. Agriculture in the state is often plagued by drought. Martha Rees (personal communication) has found that drought years typically occur 7 out of every 10 years on average.
3. The history of migration and remittance practices is critical to this pattern. Dependency and “syndrome-like” outcomes tend to occur over the short-term and during the early stage of migration, resulting in declining levels of local employment. However, as migration matures and remittances continue, local opportunities tend to increase and local investment alternatives typically grow (Massey, et al. 1998:267).
4. Border crossing is an expensive endeavor and Oaxacans responded that they might be asked to pay up to US\$5,000 to cross into the U.S.
5. All names are pseudonyms.
6. The remainder (17%) included households that would not identify the uses for remittances or those households that received no remittances from their migrating members.
7. Throughout the four years of this project, the exchange rate hovered around 10 pesos to the dollar.
8. It is interesting that people complain about “manufactured” tortillas and say they are not homemade. At the same time, there is a cache that comes with being able to afford “manufactured” tortillas (Howell, personal communication).
9. While Jones notes that the 34 pesos of added value for each 100 pesos invested in agriculture is not high as multipliers go. However, it is much higher than the average multiplier effect he found for all remittances (108 pesos) as well as the additional 1 peso that comes from remittances invested specifically in small businesses and commercial efforts (Jones 1995:118).
10. The importance of household improvements to health should not be discounted. Informants reported a series of changes that ranged from a decline in lung problems as women replace open fires with gas stoves for cooking to more sanitary homes as families penned in livestock and fowl.
11. At least some of the money earned by Mexican migrant workers never leaves the U.S. Arroyo and Berumen estimate that nearly 72 cents of every dollar earned by Mexican migrants in the U.S. stays in the U.S., paying for food, shelter, travel and so forth (2000:344). Transferring money from the U.S. to Mexico further reduces the

remittances reaching Mexico. While most wire services take 15-20% of gross transfers in fees (Martin 1996), the growing use of ATMs should reduce that cost.

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Location	District	Kms from Oaxaca City	Population (2000)	Households surveyed	Migrant households
San Pablo Huitzo	Etla	31	5,066	41	9
San Juan del Estado		27	2,277	66	35
Guadalupe Etla		19	2,000	66	30
San Pedro Ixtlahuaca	Centro	10	3,599	50	26
Santa Maria Guelace	Tlacolula	23	753	28	12
San Juan Guelavia		37	2,919	87	54
Villa de Diaz Ordaz		40	5,583	61	25
San Lorenzo Albarradas		68	2,542	56	17
San Juan del Rio		85	1,349	47	20
Santa Ana del Valle		35	2,140	54	34
Santa Ines Yatzeche	Zimatlan	40	1,175	30	17
San Martin Tilcajete	Ocotlan	23	2,776	58	30

Table 1 Communities surveyed

Outcome	Percentage of households reporting	
No remittances received	60	14%
Daily expenses	182	43%
Home construction/renovation	71	17%
Education	27	6%
Purchase of domestic items	16	4%
Ritual expenses	8	2%
Healthcare	6	1%
Purchase of agricultural/farm goods	2	-
Business start-up and expansion	27	6%
Land	7	2%
Other	13	3%

Table 2 Remittance use in the central valleys

	Migrant households	Non-migrant households
Subsistence farming	72%	71%
Artisans	21%	18%
Small businessmen and women	13%	11%
Professionals	6%	6%
Teachers	2%	3%
Politicians	2%	-
Post primary students	26%	28%
Skilled workers	3%	2%
Paid domestics	26%	19%
Dairy producers	4%	3%
Chauffer	5%	6%
Mezcal producer	2%	1%

Table 3 Selected careers for migrant and non-migrant households