



Re-reading remittances through solidarity: Mexican hometown associations in New York City



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ABSTRACT

This paper analyzes how Mexican hometown associations in New York City practice solidarity so that they might best meet the needs of the transnational communities that they serve. Commonly formed by immigrants in the United States, hometown associations are organizations which send money collectively to their home countries, supporting public infrastructure and community projects. Scholars have debated both the merits of remittance programs that channel migrant funds as economic development and the agency of immigrant economies in neoliberal development structures. Through primary data collected from interviews in New York City, I review the frustrations that hometown associations have with one such program: Mexico's *programa tres por uno para migrantes*. Concurrently, I examine how the same hometown associations engage ethical economic practices of collective remittance sending and community service provision in New York City. Drawing on feminist literature on diverse economies, I argue that the solidarity work of hometown associations disrupts the dominant remittance as development discourse. Migrants are not content to participate in *tres por uno* and through practicing solidarity they distance themselves from this neoliberal policy.

1. The work of Mexican hometown associations

In the fall of 2013 a small group in New York City (NYC) met to discuss forming a hometown association (HTA) so that they could raise funds to support their town in Central Mexico. After the meeting, they gathered approximately a dozen other people from their hometown living in NYC, partnered with 10 others in their hometown, and formed a HTA. Together they polled their broader communities in NYC and in Mexico and discussed what project would benefit the hometown. Some members wanted to build a school or repave roads, but eventually they collectively decided to rebuild the town cemetery. The cemetery was over 100 years old, had few spaces left for burials, and there was serious soil erosion that was disturbing and destroying burial plots.

The core dozen members in NYC registered the HTA and cemetery project with the Mexican Consulate in order to be eligible for matching funds from the *programa tres por uno para migrantes* (three for one program for migrants, hereafter referred to as 3×1). They began collecting \$50 donations from the approximately 800 people from their hometown who live in the NYC area. The money was deposited in a bank account in the capital of the hometown's *municipio* (municipality)¹ and, through 3×1 , was matched by the three levels of the Mexican government: federal, state, and municipal. Not including matching

funds, the members in NYC raised between \$10 and 11,000 USD. With this money, the cemetery project was undertaken in the last four months of 2014, one year after the group first met.

At first glance this is a success story: migrants from Mexico collaborate and make a much-needed improvement to the infrastructure in their hometown, and receive significant sponsorship from the Mexican government. However, the reality is more complex. Based on my research of HTAs in NYC, I argue that migrants are not content to participate in remittance channeling policies, like 3×1 that represent an attempt on behalf of the government to share the burden of infrastructure maintenance and development with migrants. Mexican migrants build volunteer networks in NYC that help their hometown out of a sense of shared economic responsibility, and in doing so engage in democratic decision-making and mutual support. It is for these two reasons that I consider the HTAs' practices of cooperation and concern for the well-being of people in NYC and Mexico as a form of solidarity. By studying how HTAs practice solidarity we learn how they distance themselves from the neoliberal remittance policy regime that pressures migrants to send remittances to rural municipalities in Mexico.

HTAs struggle to maintain autonomy from 3×1 as they work for the mutual benefit of their members, which raises the question that guided this research: how do immigrants create and navigate

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¹ The state of Mexico and federal government has smaller administrative divisions beginning with states and then municipalities. Each municipality is led by the elected *presidente municipal* (municipal president).

transnational economic practices based on solidarity? Empirically, I draw on research with Mexican HTAs in the United States (US), and situate my work in feminist literature on diverse economies and solidarity. This framework allows for an analysis of how HTAs serve the needs of transnational communities through the lens of ethical economic practices. While HTAs engage with 3×1 they refuse to be controlled by its governance. Considering the missions of HTAs as solidarity practice disrupts the dominant discourse of remittance as development, and stresses the economy as a space of difference where migrants prioritize the well-being of community.

In section two I review the literatures that contribute to my analysis of HTAs in NYC: remittances in development studies, solidarity and diverse economies, and literature that contextualizes the work that HTAs do for immigrant population living in the US. The third section details my methods for researching Mexican HTAs in NYC. In the fourth section I summarize how HTAs work with the Mexican government through 3×1 and describe the problems and concerns that arise in this relationship. The ways that HTAs practice solidarity is the basis for the fifth section of the paper. Finally, I conclude that not only is the Solidarity Economy literature helpful for understanding HTAs, but that the solidarity practices of HTAs also contribute to a deeper analysis of the Solidarity Economy.

2. Remittances and solidarity

2.1. Channeling remittances via neoliberal policy

HTAs are a part of a vast remittance network, involving migrants across the globe. Remittances are money or goods sent by migrants to their families and friends in their place of origin. Worldwide, the value of migrant remittances climbed from \$31.1 billion USD in 1990 to almost \$76.8 billion USD in 2000, and is estimated currently to be around \$441 billion USD (de Haas, 2010; Ratha et al., 2016). Remittances to Mexico from the US doubled from less than \$5 billion USD in 1995 to approximately \$10 billion USD in 2002 (FitzGerald, 2009). Since 2010 remittances have competed with oil exports as the largest source of revenue for Mexico (Aparicio and Meseguer, 2012). In 2016 remittances to Mexico reached almost \$27 billion USD (Banco de México, 2017; The Associated Press, 2017).

Scholars began to connect remittances to economic development in the 1980s and 1990s (Russell, 1986; Durand et al., 1996; Massey and Parrado, 1994) and international organizations such as the World Bank and United Nations argued that remittances should be deliberately harnessed for economic development in migrant sending communities (Bakker, 2015; Glick Schiller and Faist, 2009). Remittances were heralded as a significant, consistent, and reliable source of capital flow to developing countries (Ratha, 2003). Connecting remittances to poverty reduction led to considerations of how to increase impact and to policies such as incentive programs for capturing and leveraging remittances (Adams and Page, 2005; Brown, 2006; Orozco, 2002; Ratha, 2005, 2007). The Mexican government launched its own remittance loan and matching program: *programa tres por uno para migrantes* (3×1) in 2002, to fund infrastructure development in migrant sending communities.

The rise of state-sponsored programs that seek to channel remittances as a form of development has sparked debate (see Gamlen, 2014). On the one hand, proponents of remittances as development stress the importance of leveraging remittances in certain kinds of investment. For instance, remittances are commonly exchanged between individuals and family members as a source of household income to be spent on education, health, and entrepreneurship (Ratha, 2006). Household remittances are known to reduce poverty and generate positive multiplier effects (FitzGerald, 2009), but there is a push to channel them through “productive investments” such as infrastructure, business, or agriculture (Zarate-Hoyos, 2004). 3×1 encourages these types of investments and Mexican HTAs are frequently analyzed by

policy experts in terms of “development potential” (Orozco, 2006; Orozco and Rouse, 2007).

Others, however, see programs such as 3×1 as contributing to inequality, using remittances in place of funding from the government to pay for public works, and as contradictory. Critics of 3×1 argue that it is unfair to expect migrants to consistently send remittances to fund infrastructure projects (Delgado Wise and Eduardo Guarnizo, 2007) and that putting the responsibility of development on migrants and their sending communities is simply a neoliberal response to the withdrawal of state funding from local development and social support programs (Faist, 2008; Gamlen, 2014; Zapata, 2013). Remittances have been documented as having both negative and positive impacts on migrant sending communities (Jones, 1992, 1998; Kanaiaupuni and Donato, 1999). Datta et al. (2007) point out that programs such as 3×1 fail to address structural inequalities such as push factors that propel often risky cross-border migration or the low wages and exclusion in the receiving countries of the Global North.

This paper contributes to discourse on remittances and development, arguing that HTAs are not simply offshoots of state-sponsored remittance programs. They participate in 3×1 because it multiplies their efforts by matching the funds that they raise. However, they view themselves and the broader communities in NYC and Mexico that they represent, and not the government, as the architects of development in their hometowns.

2.2. Solidarity and diverse economies

In order to analyze the way that HTAs work in the US and in Mexico and how they might be creating alternatives to, or within, the more generally neoliberal development framework described above, I turn to the Solidarity Economy literature that intersects with the Diverse Economies literature and Community Economies methodology spearheaded by JK Gibson-Graham (1996, 2006, 2008). Scholars have developed rich typologies of the Diverse Economy – three are particularly relevant to analyzing how HTAs operate: economies of generosity, the global household, and the Solidarity Economy.² Economies of generosity are a mode of production based on volunteer networks that focus on mutual aid goals (Community Economies Collective, 2001). Composed of family members and friends who live in different parts of the world, the global household is a site of production that makes significant economic contributions (Safri and Graham, 2010). The Solidarity Economy entails economic practices and a social movement, and it consists of organizations and institutions that prize social solidarity, community development, cooperation, ecological sustainability, and democratic self-management (Borowiak, 2014). All three include formalized practices such as investments and savings, dedication to workplace democracy and local community support as well as informal practices like networks of family and friends, community groups, and favors (Pavlovskaya, 2013).

The theoretical framework of the Solidarity Economy challenges the framing of remittances as development described in the previous section. The Solidarity Economy is “a set of practices and theories promoting democratic, just, and sustainable development” (Loh and Shear, 2015, p. 245). Practices of solidarity include “relationships of mutual support” and “shared responsibility and directly democratic decision-making” (Miller, 2010, p. 25). Solidarity economy literature offers an alternative development framework that is not universal, centralized, and hierarchical, but allows for hybridity and operates on principles of pluralism, particularity, diversity, decentralization, and localization (Borowiak, 2014; Kawano, 2010). Solidarity practices center on “altruism, reciprocity, cooperation” and go against neoliberal policy

² There are also exploitative economies within the diverse economy, but those I emphasize are forward looking and progressive, based on cooperation and solidarity instead of exploitation, profit maximization, and competition.

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