Migration, Remittances and the Empowerment of Women in Central America and the Andean Region

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Migration, Remittances and the Empowerment of Women in Latin America and the Andean Region

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Currency Conversions Used

All currencies listed as USD unless noted:

$1 = 18.71 Honduran Lempiras (Honduras)

$1 = 520 Chilean Pesos (Chile)

$1 = 2.95 Peruvian Soles (Peru)
SUMMARY OF RECOMMENDATIONS

This study on “Migration, Remittances and Empowerment of Women in Central America and the Andean Region” was commissioned by the PROMESHA program of the Housing Development and Management Program (HDM) at Lund University, for two purposes:

- To contribute to a better understanding of the impacts of migration on women in and from Latin America, their remittance sending and receiving patterns and their priorities regarding uses;
- To provide the background research essential to developing strategies and programs designed specifically to assist Latin American women affected by migration in investing remittance funds into key assets, chiefly housing.

The research is particularly relevant in light of the increased attention given in recent years to the phenomenon of women’s migration. Millions of women worldwide are crossing international borders in search of a broader range of economic opportunities to benefit their families. Millions more are receiving remittances from relatives abroad, often as part of family livelihood strategies. This is especially true in Latin America, where women have represented a considerable proportion of those involved in migratory movements for decades.

The flows of remittances generated by years of cross-border movements have provided the additional resources needed for some households to move out of poverty. Increased monthly incomes have allowed families to advance beyond survival toward longer-term strategies. However, extra income is not sufficient in itself to keep households from slipping back below the poverty line in the case of financial hardships. Families need to acquire and develop a range of human, physical, financial and social assets to safeguard them against economic adversity. These investments are particularly important for women in developing countries who tend to face more difficulties in securing financial stability.

The research component of this study was composed of five interlinked field surveys in the U.S.A., Honduras, El Salvador, Ecuador and Chile. The information generated was analyzed and provided the basis for the identification of areas of opportunity to assist women migrants and remittance recipients in accomplishing their goals. In turn these areas of opportunity were then discussed with practitioners in the specialized fields involved in order to develop policy recommendations and proposals for concrete programs and projects that can be implemented with appropriate assistance from the development community.

Key points are summarized below:

- **Women migrants and remittance recipients have the resources and the desire to invest in the acquisition of a range of diverse assets.** Women are regularly making considerable sacrifices to be able to provide for the well-being of their families, an objective that includes not only covering nutritional needs, paying for better schooling and improving access to health care, but also making strategic financial investments in savings, housing and income-generating activities to help build their households’ economic stability. Yet women’s funds are notably underleveraged.

  *Specific programs designed to encourage asset accumulation in a variety of areas should be developed to assist women to overcome the obstacles they face in accomplishing their goals, including lower overall income than their male counterparts, some restrictions on access to credit and land, and a lack of confidence in making financial decisions.*
• The development of one type of asset may contribute to building others. Different categories of assets, such as housing and home-based businesses, tend to be strongly linked and investments serve more than one purpose. Women demonstrate different priorities than men and among themselves in their approach to investing according to the needs of their families as well as their own skills, talents and desires.

*Programs that are flexible and encourage investments in a variety of assets selected by participants would be equally effective as those that target one specific type of investment.*

• Different groups of migrant and recipient women require specific programs tailored to their needs. Clearly, not all women have the same financial resources to leverage when considering household investments. Moreover, certain groups with longer histories of migration are sometimes better equipped and organized to manage more complicated financial options, such as loans for a variety of purposes.

*Different programs and strategies should be considered for specific groups of women, taking into account location, levels of education, experience with migration, and available funds.*

• Options for financing housing projects are in demand. Investments in housing, particularly new construction and improvements, are a priority among women migrants and remittance recipients, many of whom are considering loans to complete their housing projects more quickly and efficiently. Women remittance recipients in particular have long been overlooked by government support programs and microfinance institutions as they have had too much income to be considered “poor” but not enough income that they are generating themselves to qualify for lines of credit. Findings from this study indicate that these assumptions are faulty and this group has the capacity to pay and will fulfill their obligations.

*Microfinance institutions in areas with a long experience of migration should develop loan products specifically for housing construction and improvements targeted toward women remittance recipients.*

• Savings programs would reinforce existing savings habits and facilitate the accumulation of assets. Women migrants and remittance recipients at all income levels demonstrate an ability to save both small and large amounts. These savings are often eventually spent on costs related to asset building, such as school fees, housing improvements, income-generating activities, or healthcare.

*Structured programs providing incentives to save in bank accounts for specific assets combined with financial education tailored to women’s needs would be a powerful tool to reach those without banking experience and increase savings capacity. This type of program would be especially effective in lower-income areas with less migration experience.*

Proposals for three pilot projects directed toward women migrants and remittance recipients have been developed in consultation with practitioners to respond to the opportunities and recommendations described above. Each program addresses the needs of a different group of women with specific goals and resources. The first two products are designed primarily for remittance recipients and could be immediately implemented. The third project should be considered for the future to substantially improve the leveraging potential of investments by women migrants from Latin America.
1. **Housing Improvement and Construction Loan**

- This loan product would be created to provide options for women remittance recipients investing in large and small housing projects focused on construction on previously-owned lots or improvements to an existing house. It would be open to clients with a range of credit histories, including those without any previous access to credit.
- Loan amounts and terms would be determined according to the proposed housing project, the client’s past investments in land or housing, and the financial stability of the migrant family member sending remittances. The process of acquiring a loan would be fairly flexible but would become more rigorous depending on the amount requested. Smaller amounts and shorter terms would be employed to manage risk. No loan term would be longer than three years, and there would be an option for repayment to be financed exclusively with remittances.
- As many women remittance recipients find themselves facing the demands of managing a construction project for the first time, this product would be combined with a substantial technical assistance component that would provide clients with the knowledge to make informed decisions regarding negotiating with contractors, purchasing materials, and administering a project budget. Technical assistance is a key component of microcredit that targets poorer, less experienced women. It requires the financial institutions to devote staff time and develop contextual training materials tailored to the needs of this particular client group. Most microfinance institutions look to outside donors to fund this effort in order to avoid raising interest rates beyond the target group’s capacity to pay.
- The product would be marketed specifically to women through typical marketing channels and by undertaking outreach at locations frequented by women remittances recipients, including remittance transfer services, women’s organizations, markets and child health clinics.

2. **Voluntary savings account with matching funds**

- The objective of this program would be two-fold: to offer women who are already saving incentives to increase the money they are putting aside; and to encourage women who are saving in their homes to start a bank account for a specific purpose.
- Participants would open simple passbook accounts with a very low minimum balance and no transaction fees. These accounts would be labeled for an asset-building purpose of the women’s own selection; choices would include education, health, housing or microenterprise.
- Matching funds would be disbursed to participants at a specified ratio based on savings performance. The women’s own funds would be available at all times for withdrawal for any purpose, but only withdrawals designated for spending on the selected asset would be matched. The match would be capped at a low amount of $50 to $100 to target lower-income participants.
- The savings program would be combined with a comprehensive financial education course to maximize the benefits of the matching funds. The instruction would cover basic financial topics such as budgeting but would also include classes related to the specific asset selection, such as entrepreneurship training for those saving to invest in a business.
- Participants would be encouraged to form savings groups for increased accountability to access financial education, although they would maintain individual accounts.
3. **A web-based information clearinghouse**

- Although use of the internet among Latin American migrants is still somewhat limited, it is increasing rapidly. Looking to the near future, an internet data portal compiling details on a range of loan opportunities and financial products throughout Latin America has the potential to increase the investment capabilities of women migrants by improving their access to accurate and comprehensive information.

- The site would contain sections describing financial opportunities broken down by country and category, including housing, microenterprises and savings. Separate pages would describe the products and links would take users to the homepages of the institutions offering these options. Products tailored specifically for women would be highlighted.

- The clearinghouse would also provide practical tools for using these financing opportunities effectively. Topics would include homeownership and construction, the process of starting a small business, personal finance and saving, and planning for retirement.

- Given the widespread use of cell phones among migrants and their families, cell phone technology could be used to increase the number of site users. Text and video messages could be used to disseminate key information on the website.

- A link to a remittance transfer platform that would allow users to send money to family members through their cell phones, a practice already used in the Philippines and Kenya, would go a long way towards helping migrants using the portal to optimize the effectiveness of their investment decisions and foster their use of banking institutions.
1 INTRODUCTION

A striking 68 billion dollars per year are sent in remittances to Latin America and the Caribbean, more than to any other region in the world. This substantial flow is composed of small sums that average $180 per month ($2,128 per year), sent by at least 30 million hard-working migrant men and women, some of whom live in difficult conditions and hold two or three jobs for little pay. Women constitute at least half of these migrants, and while some of them travel to reunite with their husbands abroad, more and more single women and female heads of household are crossing international borders as the sole providers for their families back home. Women also make up the majority of those receiving remittances and deciding on their use in Latin America, a trend that is contributing to shifts in traditional gender roles and familial structures.

Women’s migration experiences differ considerably according to their countries of destination. Those who decide to leave the Latin American region for the United States face heightened immigration security that has made acquiring even a tourist visa difficult. Attempting the trip by land requires a prohibitive financial investment relative to income and carries almost certain physical and emotional risks, including a high probability of sexual assault. Integrating into life in the U.S. demands a significant cultural adjustment, often including learning a new language.

Intraregional migratory flows in Latin America are dominated by women, who take advantage of some of the financial benefits of migration without the level of expense or risk associated with a trip to the U.S. Increasing demand for domestic labor throughout the region has drawn women migrants from lower to higher-income countries. However, the ease of finding employment is offset by the lower wages these migrants earn in comparison to their U.S. counterparts, limiting the amount of money they can send home.

Women remittance recipients are equally, if differently, impacted by migration. The departure of both male and female family members that had previously held positions of responsibility in the household has shifted these duties onto their shoulders, and many feel the burden heavily. While increased decision-making authority regarding household spending is often positive for the individual women and their families, the suffering resulting from separation particularly from husbands, daughters and sons is a cost that can outweigh the benefits of remittances.

It is well documented that the largest share of remitted funds from both men and women is used to provide for daily expenses such as food, utilities and other goods. However, it is also the desire of many migrants and remittance recipients, both men and women, to use their increased income to acquire assets such as land, housing, small enterprises and education that will strengthen their longer-term economic situation and that of their families. Women migrants and remittance recipients face similar challenges in acquiring these assets, including lower overall incomes compared to men, gender-related barriers to entering the labor force, and domestic and childcare responsibilities that can limit the time available for other activities. Developing strategies to help women improve living standards for themselves and their families in a sustainable way requires considering the specific needs of both women migrants and remittance recipients.

This study, based in large part on field interviews, explores the experiences, goals and priorities of women migrants and remittance recipients in selected countries, including:

- Women migrants to the United States from El Salvador, Honduras, Ecuador and Colombia;
• Women migrating intra-regionally, from Peru to Chile and Ecuador;
• Women heads of household receiving remittances in El Salvador, Honduras and Ecuador.

In addition to documenting experiences, the research examines and evaluates the women’s current activities related to acquiring a range of diverse assets and identifies some of the key challenges they encounter in the process. The study is designed to provide the critical background documentation needed to develop policy recommendations and proposals for programs and projects that enhance women’s ability to build assets that improve their living conditions, generate income and offer security.
2 WOMEN, MIGRATION, AND ASSET ACCUMULATION

For many households, a strategic objective of sending a migrant abroad is not only to increase income to address immediate and urgent needs but also to accumulate assets that will sustain a family over the longer term. Migrants and their families plan to use the extra funds they believe the migrant will earn to improve nutrition, education and health but also envision fulfilling dreams of improving or constructing a home, starting a business, or enhancing their children’s (or their own) education. Whether or not these plans are accomplished, they are justifiable: decades of literature on poverty reduction indicate that increasing income alone, while necessary, does not offer the stability that low-income households need to move out of poverty or make themselves less vulnerable to economic shocks. For households in developing countries migration is the fastest and most efficient means of acquiring and developing assets that, if well managed, help to provide that stability. The earning potential and opportunities for personal development in the country of destination tends to surpass those in the country of origin, allowing migrants to send remittances, save some of their income, and develop new skills.

Clearly, the term “asset” does not refer solely to financial wealth but can be used to cover a range of different resources that can be acquired, developed, improved and transferred. In the late 1990s, the UK Department for International Development (DFID), as part of the development of their “Sustainable Livelihoods” approach to poverty reduction, classified these resources into five well-accepted categories. These include physical capital (e.g. housing, equipment, land in some cases.), financial capital (e.g. savings, credit, equity in a business), human capital (e.g. education, health, nutrition), social capital (e.g. social relationships and structures, rules, norms and obligations) and natural capital (e.g. soil, forests, water and land in some cases). Although all of these categories are affected in different ways by migration, this report deals primarily with the development of physical, financial and human capital, and to a lesser extent social capital, among women migrants and remittance recipients.

For women who are migrating and those who are receiving remittances from migrant family members, the development of diverse assets is central to increasing overall empowerment. Women migrants tend to make the often risky decision to leave their home countries out of desperation to provide a different life for their children. Accomplishing this goal requires developing human and social capital in order to integrate into the destination country and earn the income necessary to send money home, in addition to making financial investments that will improve the lives of their family members in the longer-term. Female remittance recipients, increasingly heads of household, face a level of uncertainty regarding the duration and consistency of remittances; there is always the risk that remitted funds will diminish due to the migrant’s financial hardships, health issues, or the establishment of new ties in the destination country. In trying to reduce their own dependency, women face barriers to entering the labor market and social pressures that can restrict their work opportunities. The acquisition and management of assets can provide the buffer they need to increase their independence.

In essence, investment in a variety of assets can expand options and broaden the range of self-improvement strategies for women migrants and remittance recipients by providing them with:

- Diversified income-generating opportunities. A house can be rented or boarders can be taken in, an appliance can be used to start a business, or new skills can be leveraged for more employment opportunities.
- Increased financial security. Savings can protect families in the face of adversity, and physical assets can be sold in emergency situations. Assets can also help women cope more effectively with abandonment, divorce, separation or widowhood. In addition, in some cases they can also be used as collateral for securing credit.
A new array of choices. The independence associated with acquiring diverse assets can influence major decisions such as whether and whom to marry, whether to enter the labor market, how to raise children and even whether to invest in more assets.

Social influence. This independence can also increase women’s bargaining power in their homes and communities, giving them a stronger voice in decision-making.8

2.1 The development of assets versus the productive use of remittances

Since the 1990s when development banks and multilateral aid organizations began to systematically track remittance flows to Latin American countries, practitioners and academics have debated the most effective means of channeling some of the money into “productive uses” to promote development.9 Early literature on migration and remittances lamented that these funds are spent too often on consumption goods, leaving little left over to key productive investments that could help to generate more income. Critiques of these observations are myriad, arguing in part that development practitioners differ over which goods and services should be considered consumption and which are productive, and that investments in better nutrition, education and healthcare should be seen as encouraging the development of human capital.10 Housing, at one time considered a consumption item, should be viewed as a productive investment because of its range of uses, an argument advanced as early as 1993.11 In addition, trying to pinpoint the uses of remittances by asking families the ways in which they are spent ignores the fact that remittances are absorbed into total household income and are fungible. While families may report spending the majority of remittances on one use, such as food, receiving these funds has an effect on the use of other income.12

Viewing the expenditure of remittances in terms of the acquisition and development of diverse assets rather than investment in ambiguous “productive uses” is a more effective framework by which to create policies and programs that foster the investment of remittances. Categories of assets are strongly linked and an investment in one area may lead to an indirect investment in another. For example, investment in human capital through better household nutrition may lead to higher levels of individual productivity and higher income, or spending time and resources on education or training could provide the foundation for starting a business.

This consideration is particularly relevant when considering women migrants and remittance receivers as they tend to be somewhat constrained in the choice of investments they can make, being less likely than men to have land and housing in their own names or to access credit and other financial products. Furthermore, a broad definition of what constitutes an asset may be more in line with women’s priorities in the spending of remittances. Several studies, for example, have shown links between higher nutrition levels in children, overall child welfare and women’s control over income.13

2.2 The overlap of key physical and financial assets: housing, savings, and small businesses

For women migrants and remittance recipients, investments in housing represent a very tangible way of caring for their families. In some cases, it is one of the few investment channels open to them and one of the best means of protecting savings. In terms of tendencies to invest remittances in housing according to gender, however, the little research available on the subject shows conflicting results.

A survey in El Salvador indicated that men were slightly more likely than women to cite paying for housing as the first or second priority in their current remittance spending,14 and other studies have suggested that male migrants are somewhat more likely to invest in housing than women simply because they are able to send larger monthly remittance amounts.15 However, a 2007 working paper focusing
specifically on gender differences in the use of remittances in Guatemala tells a different story. Results from a survey of 3000 households throughout the country showed that women invested 10.6% of the remittance income they received into real estate or housing construction, while men directed only 7.4% of remittances into housing related investments. Qualitative evidence from a case study focusing on women migrants from Vicente Noble, Dominican Republic also demonstrates women’s tendencies toward housing investment. This rural community is characterized by a predominance of female migration to Spain, and the majority of these migrants choose to send their remittances to female relatives. The case study showed housing was a major priority in remittance spending, and investments in housing have transformed the community’s living conditions. While before their migration the majority of Vicente Noble residents lived in shacks constructed of a mixture of mud and palm tree wood, today most houses are built from cement blocks, have an average of three bedrooms, and indoor bathrooms and kitchens.

Housing and small businesses are intricately linked, particularly in terms of a woman’s investment of remittances in Latin America. Various research studies have shown that homeownership provides the foundation for home-based businesses, and businesses, once established, provide income that can be invested in part in home improvements. For women who may be restricted by marital or family obligations from seeking employment outside of the home, home-based activities provide an extra vital source of income, and the home is one of the assets that can be leveraged to generate that income. Moreover, property can be used to generate rental income, particularly in urban areas with a higher percentage of renters.

Savings often have a dual purpose: providing protection against potential emergencies and accumulating funds for the purchase of assets. In this light many times savings and the acquisition of assets can be viewed as interchangeable. Findings from this study indicate that both women migrants and recipients tend to put money aside first for assets, particularly housing, and may then decide to build a reserve for emergencies or for the future. A lack of security and stable employment underpins women’s marked preference for reliance on savings rather than loans to finance investments in real estate.

Other key products and services can also be considered as assets which contribute to the development of productive enterprises such as a home-based business. Basic services such as water and electricity are vital, as is the equipment necessary to create or offer the product or service, such as a refrigerator or a sewing machine. Investments in appliances typically lumped into the category of “consumption” such as a washing machine can also be a productive investment if the machine is used to operate a laundry service. At the very least, home appliances have a significant impact on the productivity of a woman running a home-based enterprise as more time can be freed to devote to income generating activities.

The results of this study indicate clearly that women migrants and remittance recipients have the will and capacity to invest in a range of assets, particularly housing, and are actually achieving their goals. In cases where they are not investing, often the desire to do so is strong. The challenge is to create programs that help bridge the gap between aspirations and accomplishments.
3 FIELDWORK AND DATA ANALYSIS

This study is based on fieldwork in five different countries, the United States, El Salvador, Honduras, Ecuador and Chile. IIUD staff and regional affiliates interviewed or held focus groups with a total of 356 women who were either sending or receiving remittances to gather information on their migration experiences, their patterns of remittance use, and their desire and capacity to invest in and develop assets. 183 of the women were migrants who were sending or had sent remittances, including 16 women who had returned to their home country, while 173 were remittance receivers, more than half of whom were heads of household. Two preliminary questionnaires containing a combination of open-ended and closed-ended questions, one for remittance senders and one for remittance receivers, were developed by IIUD staff and given to the research teams in each country prior to conducting the fieldwork. The researchers then adapted these survey instruments to their specific contexts and type of fieldwork, whether interview or focus groups. Interviews were held with leaders of NGOs and CBOs related to women’s development and migration, business owners, and municipal officials to gain additional information, clarify key issues and identify existing programs and policies designed to facilitate the investment of remittances.

Other larger datasets were also analyzed to gain a more quantitative sense of national trends. The Honduras research team was able to access raw data from Honduras’s 2004 Household Survey of Living Conditions (Encuesta Nacional de Condiciones de Vida – ENCOVI), which provided information regarding the quality of life of Honduran households. The research team disaggregated the dataset to compare remittance-receiving and non-receiving female heads of household.

Additionally, in 2004 a researcher affiliated with the Honduras team had carried out a survey of 114 women remittance receivers in three neighborhoods of the city of Choluteca for an unpublished study on migration and remittances. We were able to use this microdataset for the purposes of our study, and an analysis of the raw data was very helpful as the findings corresponded with the results of the focus groups in Honduras. The final focus group was held in one of the Choluteca neighborhoods visited for the 2004 study.

In El Salvador, the research team had access to the raw data from a 2007 market study on remittances. The original database included 951 women, and was a medium-to-high representative base among female remittance recipients. An analysis of this data contributed to our understanding of remittance-based expenditures and investment in El Salvador.

Finally, the research team in El Salvador also reviewed and analyzed information from the client database of Integral S.A. de C.V., a leading microfinance institution that disburses a variety of microenterprise and housing loans. Integral’s experience with female clients, particularly remittance recipients, and their clear demand for housing substantially influenced the conclusions and recommendations of this report.

3.1 Fieldwork with women migrants

3.1.1 Migrants in Boston, Massachusetts

Massachusetts is home to a growing number of Central and South American immigrants. The majority live in Boston neighborhoods and inner-ring suburbs with high Latino populations, but they are increasingly moving to outer suburbs to escape the city’s high cost of living.
As is the case throughout the U.S., immigration authorities in the City of Boston and its metro area have been increasing their efforts to track and deport illegal aliens, particularly those with criminal records or associated with gang activity. Frequent raids have led to considerable fear among immigrant communities. Given the current political climate, it was evident that to reach women migrants, particularly those lacking legal documentation, it would be necessary to work with local groups serving Latino immigrant communities. The team established relationships with several organizations serving distinct groups in the Boston area, including Latinos Unidos en Massachusetts (LUMA), the East Boston Ecumenical Community Council (EBECC), which among other activities offers English classes specifically for women and the Massachusetts Immigration and Refugee Advocacy Coalition (MIRA), one of the only groups working specifically with the Ecuadorian population in the Boston area.

Numerous meetings with leaders of these organizations were held to discuss the goals of the study and the challenges facing women migrants in the Boston area. The IIUD team collaborated with them to conduct 44 in-depth interviews with women migrants. Initial contacts with the women were made through the organizations, and the team followed up with the participants to organize interviews often taking place in their homes or workplaces. Only women who were sending or had sent remittances and who had been in the U.S. for more than one year were asked to participate.

The decision to eventually return to the country of origin is particularly complex, and it was explored in further detail with the addition of 16 interviews with Ecuadorian women who had returned to their hometowns after varying lengths of time away. The interviews were conducted by IIUD’s affiliate research team in Ecuador. The interviewed migrants were all originally from rural and urban areas of the provinces of Azuay (Cuenca, El Sagrario, Sigsig and Santa Isabel), and Loja (Macara, Yangana, Clodoveo, Daniel Alvarez), had migrated to either the US or Spain, and had sent remittances for at least one year.

3.1.2 Peruvian women migrants to Chile and Ecuador

Over the last decade Chile has seen a substantial influx of Peruvian migrants seeking improved economic opportunities. This migratory flow is dominated by women working primarily in the domestic sector. Almost 20% live in the city of Santiago where there a high demand for childcare and live-in domestic services.

The research team in Chile conducted interviews of 80 Peruvian women in Santiago. The women interviewed mainly resided in Santiago center and surrounding areas due to the ease with which contacts could be made and the high concentration of migrants and migrant organizations in the central areas. In other areas of the city Peruvian migrants are more dispersed.

Potential interviewees were contacted principally through migrant associations active in Santiago. These included ProAndes, an organization that has been working with Peruvian migrants since 1997, and Colectivo Sin Fronteras, a group that focuses on immigrant women and their children in Recoleta, Independencia and Santiago and has been operating since 2002. The research team used the organizations’ extensive contact lists to organize the interviews, all with women who had been in Chile for at least one year and were or had been sending remittances to Peru. In addition, the team held interviews with the leaders of the associations to understand their work and their perception of Peruvian migration.

Women from Peru also migrate to Ecuador as a closer alternative to Chile. Although wages are lower, work opportunities there tend to be less limited to the domestic sector. Interviews with 40 female
Peruvian migrants in Ecuador were also conducted to assess the differences between the women’s experiences in the two countries.

The interviews were concentrated primarily in the urban areas of the Municipality of Cuenca because of the high concentration of Peruvian migrants residing there, but nine interviews were also conducted in the rural areas of Cuenca and Azuay Province to provide a wider range of data. Only women of Peruvian origin who had sent remittances at least once in the past year were considered for the interviews. The women interviewed had migrated from a range of Peruvian cities primarily in the North near the Ecuadorian border, and migration from more remote regions occurred in isolated cases. Women were also interviewed who had migrated back and forth between Ecuador and Peru several times but were currently living in Ecuador.

### 3.2 Fieldwork with women remittance recipients

#### 3.2.1 Honduras

In Honduras, five focus groups were organized with the assistance of the Honduran Network of Committees of Migrants and their Families (Red de Comités de Migrantes y Familiares de Honduras/RED COMIFAH), and individual committees located in the selected focus group areas. The National Forum of Honduran Migration (Foro Nacional de Migraciones de Honduras/FONAMIH) also assisted with the selection of participants in the focus groups. The final selection of focus group sites was controlled for level of urbanization and the proportion of female remittance recipients in the study area. Two were held in the rural areas: the community of Buenos Aires in the Municipality of Ojos de Agua, Department of Comayagüela, and the community of El Tibe in the Municipality of El Negrito, Department of Yoro. Two were held in intermediate cities of strategic importance: the City of Progreso in the Department of Yoro, and the city of Choluteca, capital of the Department of Choluteca. A final group was held in a neighborhood of Honduras’s largest urban area, the conurbation of Tegucigalpa-Comayagüela.

In each area, the Honduras research team relied on a key informant, often a leader or participant in a local Committee for Migrants and their Families, to provide background information, select a meeting place, prepare for the group meetings, recruit participants and respond to follow up questions. Participants in the focus groups were required to be remittance receivers and to manage their use. Most participants selected were also heads of household.

55 women in all participated in the study in Honduras. Participants met in a familiar environment, either at a local church or community center or in a participant’s home. The research team began with some individual interviews to gather more specific information and establish family profiles. During the group session, an open-ended questionnaire was used in the first two locations, Buenos Aires and Colonia Tres de Mayo, to facilitate group discussion, and in the last three locations a survey was used with questions that allowed for both short answers that could be quantified as well as longer descriptive follow-up answers that generated discussion. In all five groups in addition to the group questionnaire, a social analysis tool known as “The Wheel”, developed by researchers from Carleton University and the International Development Research Centre (IDRC), was used to measure the impact of receiving remittances on participating households (See Section 7.5.5).
3.2.2 El Salvador

Fieldwork in El Salvador was conducted through the Fundación Salvadoreña de Apoyo Integral (FUSAI), an organization dedicated to providing housing to lower-income groups, and its partner microfinance institution Integral S.A. de C.V. (Integral), located in San Salvador. A significant number of study participants were associated with the housing projects of FUSAI or had taken a credit through Integral to invest housing or in a small business.

83 women receiving and administering remittances received from relatives in the United States, some as heads of household, participated in the study in El Salvador. All of the women had migrant relatives that had been abroad for ten years or fewer, and had been receiving remittances for three or fewer years.

Two techniques were used to gather information. First, the research team conducted semi-structured in-depth interviews with 18 women receiving remittances located in rural and urban areas of six different departments. Second, six focus groups with a total of 65 women were conducted to identify perceptions, emotions and opinions that the women held in common. Participants in the groups were selected according to the same criteria used for the interviews and the selection maintained similar proportions and characteristics as those of the interview respondents.

Two different survey instruments were used to collect the information for the study. One was designed for the in-depth interviews, while the other was developed to foster discussion related to the research variables. This guide was restructured early in the study based on information obtained from prior in-depth interviews. (See Annexes).

3.2.3 Ecuador

The research team in Ecuador conducted interviews with 35 women receiving remittances from urban and rural areas in provinces with high incidence of remittance reception. Women were interviewed from the provinces of Azuay, Cañar and Loja, three of the four provinces with the highest levels of outmigration. The municipality of Cuenca in Azuay Province was selected for almost one-third of the interviews.

The team generally selected participants who were unmarried with migrant children or spouses of migrants. Women were chosen in both urban and rural areas with high percentages of remittance-receiving households using local migrant networks to locate receiving families. The team also visited rural areas with a high incidence of remittance reception where the architectural styles of homes constructed with remittances indicate receiving households. More than three quarters of the women were heads of household, and all participants had been receiving remittances for at least one year.

Fewer remittance recipients in Ecuador were contacted and surveyed due to the extent of the other fieldwork conducted in the country with returned migrants from the U.S. and migrants from Peru. However, all of the women who participated were individually and extensively interviewed.

Note on the report structure:
This report is composed of the findings of five separate but interlinked field studies. It has been separated into two parts, one on women migrants and the other on women remittance recipients. The distinct nature of migration to the U.S. compared to migration in the Latin American region led us to consider migrants to the U.S. and Peruvian migrants to Chile and Ecuador separately. In the section on remittances recipients, the results of the three field studies in Honduras, El Salvador and Ecuador were combined according to theme to avoid repetition.
4 REMITTANCE TRENDS IN SELECTED LATIN AMERICAN COUNTRIES

Remittance flows to Latin America and the Caribbean are often considered in the aggregate because of the sheer size of the total transfers to the region. However, their effects vary considerably from country to country. The three focus countries of this study, Honduras, El Salvador and Ecuador, are among ten countries in Latin America whose overall economies are strongly impacted by remittances as demonstrated by a range of economic indicators. Colombia is discussed in the beginning of this report due to the large Colombian community in the Boston Metropolitan Area where interviews with women migrants were conducted. While remittances have not had the same overall effect in Colombia, the country does receive the third largest amount of annual remittance flows per year in the region, after the far more populous countries of Mexico and Brazil.

Remitted funds are an especially important contributor to the Honduran economy, accounting for almost a quarter (24.8%) of the country’s GDP in 2006. While growth in overall remittances to Latin American and the Caribbean region has slowed, inflows to Honduras rose 11% to $2.56 billion in 2007, up from $2.3 billion in 2006. The majority of remitted funds originate in the United States, the primary destination of Honduran migrants, but research indicates that increasing amounts are coming from Europe, particularly Spain. Honduras is the fastest growing remittance market in Central America, with about 950,000 adults receiving an average $225 each month.

In 2005, an estimated 13% of the Salvadoran population was residing in the United States, and in 2006 24% of Salvadoran households received remittances. Total remittance inflows in 2006 amounted to $3.3 billion, about 18% of El Salvador’s GDP, and rose to $3.7 billion in 2007. About 40% of remittance-receiving households are in rural areas. While results from El Salvador’s nationwide Multi-Purpose Household Survey indicate that the average monthly transfer of remittances is about $170, other estimates suggest that they are much higher, often over $300.

Remittances to Ecuador from abroad have grown consistently since 1999, after a series of changes in Ecuador’s economic policy led to financial collapse and a decision to dollarize the country’s economy. The crisis set off the most recent massive wave of migration from Ecuador during 1999 and 2000, primarily to the U.S. and Spain. The average annual growth of remittances between 1999 and 2006 reached 15.2%, a performance superior to that of any other indicator of the national economy. In 2006, Ecuador received more than $3.1 billion in remittance flows. This amount is similar to that received in El Salvador but in contrast only represents 7.8% of GDP. Estimates of monthly transfers seem to range from about $165 to just under $300.

In 2006, Colombia received $4.5 billion, amounting to 3.3% of the country’s GDP. A considerable number of Colombians have left the country over the years, in part due to the instability of the economy and in part due to violence and political upheaval. According to some estimates, as much as ten percent of the population have migrated seeking employment and security. Much of the migration is regional, with many Colombians living in Venezuela; however, the United States and Europe, particularly Spain, are the primary sources of remittances flowing into Colombia. As of 2004, 16% of the adult population was receiving remittances, and average transfers tend to be just over $200. About 75 percent of the Colombian population resides in urban areas, indicating that remittances are far more likely to affect urban, as opposed to rural, sectors.
5 WOMEN MIGRANTS TO THE UNITED STATES

In 2006, census data indicated that Central and South American immigrants made up close to 2.5 million of the almost 37.5 million foreign-born individuals living in the United States, or about 6%. Of those, 988,000 were originally from El Salvador, 387,000 were from Honduras, 345,000 were from Ecuador, and 801,000 were from Colombia, the four countries represented in this study’s interviews of women immigrants to the U.S. 47% of the immigrants from these countries were women.

Taking into account the 10.5 million undocumented migrants that reside in the United States, it is evident that the census numbers do not tell the whole story. Although data is collected from respondents regardless of their legal status, it is likely that the number of undocumented immigrants in the United States is underestimated. In 2006, 1.2 million people were deported from the United States. Of these 96% were from Mexico, El Salvador, Honduras and Guatemala. While data on deportation is not disaggregated by sex, between 2003 and 2005, the proportion of women migrants detained in Mexico on their way to crossing the U.S. border increased from 16.7% to 21.3%, a trend that may indicate higher numbers of women migrating illegally by land. Many others, particularly those from South America, tend to make the trip by air with tourist visas which eventually expire, leaving them undocumented.

Women’s migration experiences in the U.S. differ from men’s. They take greater risks to receive a proportionately smaller financial payoff and must face a number of challenges that men do not encounter. These hardships occur in phases, beginning with the potentially traumatic trip from their country of origin and continuing as they adjust to the U.S. culture and labor market. Both undocumented and documented women migrants face challenges finding decently-paid employment, and many must cope with sexual harassment in the workplace or in their lodging. In addition, social pressures related to shifting gender roles, changes in familial structure and the pain of separation from children, abandonment by spouses or partners, and domestic violence define and affect women’s migration experience. All of these issues, individually and in the aggregate, impact remittance-sending patterns of women migrants, affect their ability to accumulate and build assets, and in turn have consequences for their immediate and extended families.

5.1 Profile of women migrants from Honduras, El Salvador, Ecuador and Colombia

An analysis of data from the American Community Survey of 2006 confirms some established trends related to women migrants in the United States and reveals some interesting comparisons between foreign-born women from Honduras, El Salvador and Ecuador. Women are employed primarily in the services sector, particularly women from El Salvador and Honduras, and typically earn substantially less than men although in most cases they are more educated. In comparing the two Central American countries, while Honduran women in the U.S. tend to be more educated than those from El Salvador, they have lower incomes, and more Honduran than Salvadoran female-headed households are living in poverty. Ecuadorian women, in contrast to women from both Central American countries, are more likely to be married, have higher levels of education, are more often employed in management or professional positions, and have significantly higher incomes, although still less than their male counterparts. Colombian women are more likely to be better educated than their counterparts from the three other countries surveyed. Also, they are more likely to be naturalized citizens and employed, especially in management or professional positions.
Among migrants from the four countries, 47% of Hondurans and Salvadorans in the U.S. were women, while women made up 45% of Ecuadorians and 53% of Colombians (See Illustration 5.1). Men from the four countries outnumbered their female counterparts in the 18 to 34 age range, while numbers of men and women aged 35 to 64 were about equal, indicating that women migrants may wait longer to make the trip abroad. For the senior age group over 65, women outnumbered men quite substantially particularly among Salvadorans and Colombians. Some of the women in the older age group may have been brought to the U.S. once their migrant son or daughter was more established, while others may have chosen to migrate many years ago because of natural disasters or civil unrest. Interestingly, more women than men from each of the four countries had become U.S. citizens, with the greatest gender disparity occurring within the Honduran population.46

5.1.1 Marriage and family

The incidence of female-headed households was highest among the Honduran population, with 25% of families headed by single mothers, compared to 20% among the Salvadoran population, 16% among Ecuadorians, and 17% among Colombians. Females living alone were more likely to be Colombian. Colombian and Ecuadorian women were more likely to be married than Honduran or Salvadoran women (See Illustration 5.2). In fact, 36% and 38% of Salvadoran and Honduran women, respectively, reported never having been married, versus only 27% for Ecuadorians and Colombians.
5.1.2 Education, employment and income

Colombians, particularly women, exhibited the highest levels of educational attainment when compared to Ecuadorians, Hondurans, and Salvadorans, with 31% of women receiving a bachelor’s degree or higher. Ecuadorian women also tended to be better educated than their Central American counterparts, 17.7% having attained at least their bachelor’s degree. Female Hondurans and Ecuadorians achieved higher education attainment than males from those countries.

In terms of employment, 47% of Salvadoran and Honduran women had jobs in the service industries, compared to 25% and 20% of men, respectively. Men preferred employment in the construction sector, with 44% of Hondurans and 30% of Ecuadorians taking jobs in that field. Ecuadorians differed significantly from Hondurans and Salvadorans in employment. Only 30% of Ecuadorian women had jobs in the service sector, while 21% worked in management or as professionals and 30% were employed in sales or office work (See Illustration 5.3). Ecuadorian men showed similar divergence from their Central American counterparts, but a significant number were also employed in construction jobs. For both Colombian men and women, nearly a third held management or professional positions. The remaining two thirds of the Colombian women were split almost equally between services and office work.
As expected, the income of women from all four countries was significantly less than that of men. The median income for female Salvadorans in 2006 was only $20,332, only 78% of the median income for men at $26,095. Honduran women’s median income was about the same as that of Salvadoran women, but Honduran men tended to earn about $2500 less than Salvadoran men. Colombians had the highest median income, but again, women earned significantly less than men, with median incomes of $27,623 and $34,098 respectively. Ecuadorian women earned more than those from Honduras and El Salvador, making $23,833 annually. However, the male median income for Ecuadorians was, again, more ($27,992). The median income of female-headed households led by Honduran women was only $21,388, while households headed by Colombian women had a median income of $32,190 (See Illustration 5.4).

Source: American Community Survey, 2006
43% of households headed by Honduran women lived below the poverty line, and that number rose to almost 50% if the household had children under five. Poverty for Salvadoran female-headed households was significantly less at 33%, and 38.5% with children under five, and the percentages were comparable for households headed by Ecuadorian women. Colombian women had the lowest percentage of female householders below the poverty line, 21.2%; however, that number increased sharply for female-headed households with children under the age of five, 45.4%.

5.2 Research findings

A general demographic profile of Latin American remittance senders in the United States is helpful in providing a comparison to the overall profile of the women interviewed for this study. According to a recent survey conducted by the Inter-American Development Bank, about half of Latin American immigrants to the United States send remittances to their home countries. This percentage is considerably higher for Central Americans, at 65%, and somewhat lower for South Americans, at 42%. The representative sample indicated that 21% of the remittance senders were from Central America, while 10% were from South America. 42% were between 18 and 34 years of age, and over half had been in the United States for more than 10 years. 47% were undocumented, while 32% had legal status and 21% had become citizens. Of the full sample of Latin American immigrants including those that did not send remittances, the average monthly salary from the first job acquired in the U.S. was $900, while average household income was $1,600, or about $19,000. However, one-third had a monthly household income of less than $1,000.

5.2.1 Characteristics of women interviewed

The women who participated in the interviews were selected from four diverse countries in the region to represent a broad spectrum of experiences and viewpoints from both Central America and the Andean area. 11 of the women had migrated from El Salvador, 13 from Honduras, 12 from Colombia and 8 from Ecuador. The hometowns of those from Honduras and El Salvador spanned their respective countries, while participants from Colombia and Ecuador tended to be concentrated in specific areas, reflecting to some extent both the outmigration patterns in the country of origin and the concentration of immigrants from certain areas in the Boston Metropolitan area (See Illustration 5.5).
Statistics indicate that the majority of remitted funds to Latin America go to urban areas, indicating that a considerable number of the migrants are originally from cities. This proportion was reflected among the women interviewed. Almost two thirds of the women had migrated from urban areas, 15 from large cities such as Medellin (pop. 2.5 million), and Guayaquil (pop. 2.4 million) and 14 from smaller centers. Participants from rural areas are generally from villages located near small towns such as El Tambo, Ecuador (pop. 9,700) or Metapan, El Salvador (pop. 12,000).

Participants ranged in age from 20 to 72, and 27 women were 40 years old or younger. On average, they left their countries at 30 years of age and are currently about 38. Education levels tended to be higher than average; 17 had no schooling beyond primary level, but 27 had completed secondary school. 15 of the women had gone on to tertiary degrees, with six completing them. However, very few of the respondents spoke English well, even some of those who had been in the U.S. for many years, and over three quarters could not hold a conversation in English. 18 of the women had held a full time job in their country of origin before they left, earning an average of $385 per month.

All of the women interviewed lived in the Boston metropolitan area, primarily in certain neighborhoods and inner ring suburbs with large Hispanic populations including Chelsea (48.4% Hispanic), East Boston, (39% Hispanic), Everett (9.5% Hispanic) and Revere (9.4% Hispanic). Family and other social connections with those who had migrated previously influenced the women’s choice of neighborhood.
On average, the women reported being in the U.S. for 8.9 years, ranging from less than two to more than 25. There were two distinct groups evident in examining the length of stay; those who have been in the U.S. for three to four years and those who have lived in the country for ten to fifteen years (See Illustration 5.6). Legal status was fairly evenly distributed, with 20 of the women residing illegally in the U.S., and was closely linked with the length of time in the country. Among the 14 women that had been in the US for fewer than four years, 11 were illegal, while 11 of the 16 who had resided in the country for nine to fifteen years had secured legal documents.

Two-thirds of the respondents reported living with a partner in the U.S., 22 as a married couple and seven in a relationship. While 15 reported being single, all of the women except for three had children, and seven had brought their children when they migrated. 19 had children only in the US, 9 only in their country of origin, and almost one-third (13) in both countries. All of the children in the home country lived with the migrants’ mothers or close female relatives.

5.2.2 Determinants and objectives of migration

The women’s decisions to migrate to the U.S. were characterized by ambivalence due to the prospect of leaving their country of origin, separating from their families and children, facing unknown dangers in making the trip, and integrating into a country with a different language and culture. However, the overall pull to migrate was very strong. 32 of those interviewed indicated that they initially wanted to travel, while 12 did not want to leave but felt forced by violent situations in their countries, the desire to reunite with their partners, or the lack of opportunity at home.

Some decisions were made together by family members as household strategies to improve their collective well-being. However, as social networks have grown in destination countries making the process of migration easier, many individuals, are choosing to migrate without familial permission or input. 23 of the women interviewed indicated that the decision to migrate was completely their own, while another nine made their own decision but took into account the feelings of their families. Both Elena 50 from Honduras and Estrella from Colombia, for example, told their husbands they were leaving for the U.S. and would go whether or not the men chose to accompany them. Despite making decisions alone, however, most of the women would not have been able to make the trip without financial help from their families, both at home and in the country of destination. 30 did not pay the substantial trip expenses on their own: 11 stated they received money from siblings, cousins, or other relatives, seven from parents, six from friends, and six from partners.

Social networks played a central role in facilitating the migration process and influenced the decision to leave home. All of those interviewed had a contact person in the U.S. originally from their home country.
and received help in the form of shelter, food and money, the majority of which was unremunerated. 21 respondents said they would not have migrated if they hadn’t known someone who could assist them in the adjusting to life in the U.S.

As the primary motivator of migration worldwide, economic necessity figured significantly into the women’s decisions to leave their countries. Providing for the well-being of their families was the most common reason, cited by 24 respondents. The economic incentive was implied in the further comments of other women who migrated because they “wanted to live better” or “wanted to make more money”. For example, Nancy’s son was one year old when the father abandoned them. She could not find work in Ecuador, so she decided to migrate to be able to feed her son. Her mother agreed to look after the boy while she worked in the US, and even sold her house to help Nancy pay for her trip. Carolina’s young daughter was her motivation for migrating. She explained that “In Colombia, when you turn 30, you can’t aspire to a good job if you don’t already have a career”, so at 33 Carolina left her country to be able to afford an education for her daughter and provide her with a better future.

**Table 5.1: Reasons for migrating**

<table>
<thead>
<tr>
<th>Reason</th>
<th>Very Important</th>
<th>Important</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provide wellbeing for my family in my country</td>
<td>21</td>
<td>4</td>
</tr>
<tr>
<td>Earn more money</td>
<td>13</td>
<td>5</td>
</tr>
<tr>
<td>Live better</td>
<td>13</td>
<td>3</td>
</tr>
<tr>
<td>Reunification</td>
<td>13</td>
<td>0</td>
</tr>
<tr>
<td>I was very poor</td>
<td>6</td>
<td>5</td>
</tr>
<tr>
<td>Provide wellbeing for my family by bringing them to the US</td>
<td>6</td>
<td>1</td>
</tr>
<tr>
<td>My parents wanted me to migrate</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>My partner wanted me to migrate</td>
<td>5</td>
<td>1</td>
</tr>
<tr>
<td>My children wanted me to migrate</td>
<td>3</td>
<td>0</td>
</tr>
<tr>
<td>Escape from war</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>Escape from gangs</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Find a partner</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>Study</td>
<td>3</td>
<td>2</td>
</tr>
</tbody>
</table>

The objectives of providing for their families or achieving a higher standard of living translated into dreams of building diverse assets, particularly housing. These aspirations were also key motivators for migration. For example, Gabriela lived in the small town of Apastepeque, El Salvador with her parents and nine siblings in a two bedroom house. She had just finished high school despite her father’s disapproval, even while working with her mother selling fruit on the street since she was very young in order to help feed her large family. When she had an opportunity to migrate to the US, she took it to make more money for her family.

**Illustration 5.7: Objectives for migrating**

![Illustration of objectives for migrating]

<table>
<thead>
<tr>
<th>Objective</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>House</td>
<td>3</td>
</tr>
<tr>
<td>Better work</td>
<td>2</td>
</tr>
<tr>
<td>Children's education</td>
<td>1</td>
</tr>
<tr>
<td>Personal education</td>
<td>0.5</td>
</tr>
<tr>
<td>Food</td>
<td>0.5</td>
</tr>
<tr>
<td>Car</td>
<td>0.5</td>
</tr>
<tr>
<td>Nothing</td>
<td>0.5</td>
</tr>
</tbody>
</table>
and to buy land and a bigger house for them.

27 of those interviewed said that when they made the decision to come to the U.S. they had imagined they would eventually purchase a house, and 19 had envisioned being able to pay for education for themselves and their children. 15 aspired to finding a better job with higher pay, presumably to be able to save more. Despite these desires, however, only six of the women said that they had prepared to migrate to the US in some tangible way, primarily by learning English.

5.2.3 Crossing the border

A visitor to the airport in Toncontin, Honduras, the main destination of migrants deported from the U.S., would observe about 80% men and 20% women. In the Tegucigalpa and San Pedro Sula airports, however, apart from tourists, women migrants constitute a clear majority. In Honduras, as in many other Latin American countries, men tend to migrate illegally by land while women have tended to make the trip by air with tourist visas which eventually expire, leaving them undocumented. However, as immigration to the U.S. has become more restricted and tourist visas much more difficult to obtain, more women are risking the journey by land. Some experts estimate that as many as 35% to 45% of those currently crossing the U.S. border illegally are women, whereas 20 years ago that number would have been 20% or less.

Of the women interviewed, 23 were able to make the trip by plane using tourist visas, while 21 crossed the Mexican border illegally into the U.S. Half of the total number migrated alone, and seven traveled with children although only one illegally. The trip expenses represented a substantial investment for the women and their families considering their incomes prior to migration. The average amount of money spent on the trip to the U.S. was $4,000, but women who flew spent an average of $1920 compared to those who traveled illegally, paying an average of $6400 to a coyote (smuggler) who would shuttle them from their home countries to points of entry into the United States.

The women’s journeys lasted about one month, and most faced challenges along the way. Although some stories are more dramatic than others, many of the difficulties they encountered were similar. They spoke about walking and sleeping in the desert for days without food and very little water, sleeping in windowless houses, spending hours in buses, vans and boats in terrible conditions, witnessing sexual abuse and drug use, and about being ambushed, robbed and assaulted by the coyotes and guides themselves. Some were caught by immigration officials, put in jail for a few hours, and then let go with a permit to stay in the U.S. for a few months and the phone number of a lawyer. All were forced to hide once they arrived in Mexico since the locals would alert the police when they identified immigrants by their way of speaking and their clothing.

Isabel and Nancy’s experiences illustrate the dangerous conditions in which they traveled. According to Isabel, her group’s coyote had paid for everyone to go on a seat on the bus, but the guides forced two of the women to go in the tank compartment above the wheels. One of the women they sent was asthmatic, so Isabel, knowing that the woman would not survive without proper ventilation, volunteered to go instead. They were told the bus trip would last four hours, but it took over eight. Nancy left by boat from Guayaquil, Ecuador to Guatemala. The conditions on the boat were terrible, and when they arrived to Aguadormida in Guatemala, there were no waves, the boat got stuck, and the coyotes abandoned them with no food or water. They were in Guatemala for two weeks. They would see other ships passing by and hope that they were manned by immigration officials; they wanted to be caught because they were starving. Many of the women were drinking salt water, and some were pregnant.
Some also told stories of coyotes taking advantage of women during the trip. Gloria travelled to the U.S. through Tijuana, Mexico with her three small children. They were told that the children would have to cross first, separate from the adults. The children were able to pass and were taken to California. The adults were then stopped by immigration officials. The unfortunate separation became a kidnapping when they told Gloria that her children were in Los Angeles and that she would have to pay $5000 to get them back. When Isabel’s group reached Mexico, they had to hide for two nights in the living room of a family house in Mexico City. She knew that the other women were being abused at night, but because she spent her time helping the house’s owner with cooking and cleaning, they allowed her to sleep in the bedrooms with the owner and her daughters instead.

5.2.4 Living in the United States

Interview participants spoke frequently about the difficulties of adjusting to life in the US and the differences between cultures. Even those who were able to quickly settle and begin to work towards their goals talked about the trade-off between the monetary advantages of living in the U.S. and the loss of some of the aspects of life that they enjoyed most in their countries. Irma succinctly explained that “here you make money but lose values.” Estrella also expressed her sacrifice in terms of happiness: “I am not happy here. There, even though there is not as much money, people are happy in their poverty; they go dancing, on vacation… They make the minimum and they still have some money left over to go to the coast on vacation. In Colombia if I didn’t have enough to go on a trip with my family, they would lend me.”

Estrella’s point echoes other women’s observations about the absolute need for money in the U.S., implying that in their countries they had other ways to survive. Whether this reflected the difference between their previous rural environment and their new urban one, or between their culture and American society, it was a hard lesson to learn. Luzmina explained that “life here is hard. If we don’t work we can’t afford food or rent. Here you only live on money.” Mariana also said that “if you don’t pay the rent you can’t survive.”

The women also noticed a difference in how people relate to each other. According to Vanessa, “The social aspect here, the people are very different. Work has priority and is part of your personal life,” and Carolina agreed: “You have to work very hard. You don’t have that social part of inviting a neighbor for lunch. People here do their own thing, and you are living with strangers because rent is expensive.” To try to connect socially, two-thirds of the women joined churches once they had become settled. Only two were very active in migrant associations, and although the rest were unaware of the existence of migrant groups, 36 expressed interest in joining one.

All of the women confirmed that life in the U.S. was different than they expected. They specifically noted that they realized when they arrived that the idealistic picture they had formed in their countries only applied to those who migrate legally. The difficulties they spoke about do not refer only to the dangers of crossing the border with coyotes, they also relate to living in the US illegally. According to Claudia, “there is not work without papers.” Vanessa also spoke against illegal migration because “The U.S. has a very drastic immigration policy.”

A key challenge is the language barrier. Viviana believed that migrants are discriminated against “when you go look for work, for not speaking English,” and Estela stated that this disadvantage makes migrants an easy target, that “it gives them [anger] that you don’t speak the language.” A few women mentioned having to wait long hours in hospitals for a translator, although Lita justified this: “The doctors try very hard. They put their heart and soul into trying to understand you, but it’s not possible.”
27 of the women said that they had felt discriminated against, and of those, 10 said it was due to their language ability. Mariana described a situation at work when she noticed one manager’s racist attitudes: “at the restaurant, servers are American and the cooks are all Latinos. The previous manager, American, treated the kitchen and the floor equally, but I noticed that the new manager (also American) is racist because he is more authoritative with the kitchen.” However, among those 27 were a few women who talked about being discriminated against by Latinos themselves. According to Nadina, “a Hispanic that is the boss wants to look good in front of the company’s owner, wants to stay in that position. We don’t want to fall… Go from being something to being no one, so they want to keep their position any way they can.”

A few women had particularly harsh experiences when they first arrived in the U.S. For example, Eva’s cousins took her in when she first arrived and recommended a lawyer who would help her put together her paperwork and apply for a social security number. She was to receive her number and a green card six months later. The lawyer turned out to be a fraud, as well as the paperwork he had filed. Eva was accused of being an accomplice to her lawyer’s crimes and was put in prison for three months. Her jail experience was difficult because she did not speak English and because she had no one to bring her things that she needed. She mentioned only having the underwear that other inmates would give her. She was let go with $10,000 bail and 5 years of probation.

More than half of the women, 24, stated strongly that that they would advise a women contemplating migrating to the U.S. not to come, particularly without documentation. The remaining 20 women would advise another women to “think about it” before she makes the trip, because life in the U.S. entails suffering and the costs might outweigh the benefits.

5.2.5 Employment and income

The ability of migrants in the U.S. to fulfill their plans to invest in key human, physical and financial assets is dependent chiefly on two factors: securing steady employment with a wage that they can use to survive, save and send home; and economizing to reduce their costs of living. Both of these aims are harder for women to achieve, and even more so if they have children. Finding a job in the U.S. is not necessarily more difficult for a woman, especially in the domestic and service sectors, but the incomes earned by migrant women tend to be considerably lower than those earned by men (See Section 5.1.2). Education levels, legal status, and language skills also reduce income potential. Moreover, having children can affect the possibility of securing employment and paying for childcare substantially increases monthly expenses, leaving fewer resources available for other options.

Two-thirds of the women interviewed were currently working. The others were between jobs, a fairly common occurrence particularly among those without legal status. 35 of interviewees worked in three areas of the service sector. Cleaning services or in restaurant industry were by far the most popular with 14 and 12 employed in them respectively, and 5 were taking care of children. Another 9 were working or had previously worked at other service-related jobs. It is noteworthy that three-fourths of the respondents without legal documentation had cleaning or food-related jobs, compared to less than half of those with legal status. In general, the women that worked for cleaning companies made $13 per hour, while those at restaurants made $11. Many of the women reported working long hours to supplement their income; for example, Marta worked two jobs from 4 AM to 4 PM and then from 5 AM to 1 PM, leaving her with two hours to sleep. 5 women said they worked two jobs, some carried two shifts; and others added cleaning of individual houses on the weekend to supplement their incomes.
Social networks proved vital in finding employment. 31 of the women were introduced to their first job via their social network: 24 by a friend and seven by a family member. In terms of job mobility, they tended to stay in unskilled jobs given the little English they knew, the connections they had before they arrived, and the availability of jobs at the time for those without documentation. Often the first job the women acquired had a role in determining their future income; three-fourths stayed in the same industry for the duration of their time in the U.S, even if they were in the country legally. One woman explained: “…sometimes you make $8 and you think “I don’t want to change jobs because I don’t know if I’ll be smart or good enough. For me, the problem in thinking about leaving my job for a better paid one is insecurity. Because where I am making $8 I am practically fixed, I know that they are not going to throw me out tomorrow, and if I go and try to experiment with something new, I won’t have that security. But I want to find something better.”

On average, the women interviewed earned $1,227 per month for a total of just under $15,000 per year, somewhat more than the average migrant from Latin America earns at his or her first job. Monthly income tended to be similar across the board, with a range of $500 to $2,000 and a median of $1,000, but some differences were noted when examining income by several variables. While the interview sample was small and these tendencies cannot be generalized, they give some indication of potential income limits women migrants can face.

The average monthly incomes of the women according to country of origin were fairly similar. The Salvadorans and Colombians participants earned the most on average, about $1,210, while the Honduran women earned $1,178. The Ecuadorian women made a monthly average of $1,162, somewhat surprising considering that Ecuadorian women in the U.S tend to earn more than their Central American counterparts. Part of this discrepancy could be accounted for by considering legal status. Some Salvadorans and Hondurans have had access to a special immigration treaty between the U.S. and their countries or have been issued Temporary Protected Status (TPS) due to natural disasters that occurred in their countries, which in essence has allowed them to work legally. Colombians have also been beneficiaries of special status due to the “drug war”. Ecuadorians do not benefit from any of these measures. In the interviews conducted, 4 of the 8 of the Ecuadorian women were in undocumented.

Higher education levels tended to lead to increased income, but the income span was not as broad as one would expect. This discrepancy was likely because the incomes of the more educated women were influenced by other limitations such as level of English ability. It is interesting to note, however, that per each degree completed, the women made an additional $100 per month (See Illustration 5.8).

Illustration 5.8: Average income of women migrants by education level

<table>
<thead>
<tr>
<th>Education Level</th>
<th>Average Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Incomplete elementary</td>
<td>$1,085</td>
</tr>
<tr>
<td>Complete elementary</td>
<td>$1,178</td>
</tr>
<tr>
<td>Complete high school</td>
<td>$1,277</td>
</tr>
<tr>
<td>Tertiary</td>
<td>$1,371</td>
</tr>
</tbody>
</table>
Other factors that seemed to have an impact on income were legal status, the category of the women’s hometown, whether rural or urban, and their relationship status. The women with legal documentation earned an average of about $120 a month more than the women in the U.S. illegally, a fact that the respondents clearly understood. In one woman’s view, “It’s not so much the language, because if you know 3 or 4 words you manage. The thing is having your papers to earn well. [Without documentation], if they have me building blocks [working in construction], I do it. Most of us would do it. How many women are washing cars? Some do it because they are undocumented. And they make almost nothing.” The 29 respondents from urban areas made slightly more, $40 per month, than the women from rural areas due to higher education levels, and the women who were not in a relationship tended to make $50 to $100 more than those with a partner, likely because they had more hours to spend working.

Living on incomes of about $15,000 in the high-cost Boston Metropolitan area while managing to send money to family members requires ingenuity, sacrifice and often the contributions of other people. The fact that two-thirds of the women interviewed had partners should be emphasized as their contribution to living expenses allowed the women to save or send home significantly more. However, those that were on their own also economized, as migrants do around the globe, by sharing rents and food with others in their situation. It was not uncommon to hear of six to eight individuals living together in a three bedroom apartment, although when asked, very few of the women complained about their living conditions.

Food and rent tended to make up about 55% (an average of $885) of the women’s monthly expenses, a significant accomplishment in an area where the average rental price of a one-bedroom apartment is about $1,400. Most had some kind of free health care due to Massachusetts state laws, allowing them to save on an expense that easily depletes savings if a crisis occurs. In addition, they saved on transportation by living fairly close to their places of work, with 31 women living less than 30 minutes away.

Care for children was a major expense noted by some of the women in relation to both employment and income. Celia used to work cleaning houses and at a restaurant service company counting the newly-arrived merchandise. She was making $1000 a month, but when the woman that was taking care of her children decided to move back to Argentina, she could not find anyone else she could trust and stopped working. She now looks after a Salvadoran family’s children after school for four hours a day on the weekdays, making $50 a week, and receives $388 from welfare for her 13-year-old daughter. Her new partner is responsible for rent and other expenses.

### Table 5.2: Average monthly income of women migrants

<table>
<thead>
<tr>
<th></th>
<th>Average Monthly Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Documented</td>
<td>$1,217</td>
</tr>
<tr>
<td>Undocumented</td>
<td>$1,095</td>
</tr>
<tr>
<td>With a partner</td>
<td>$1,152</td>
</tr>
<tr>
<td>Single</td>
<td>$1,180</td>
</tr>
<tr>
<td>Urban</td>
<td>$1,176</td>
</tr>
<tr>
<td>Rural</td>
<td>$1,135</td>
</tr>
</tbody>
</table>

5.2.6 Remittance transfers for key expenses

Despite low incomes, interview participants were able to send considerable amounts of money to their families in their home countries. Upon further examination, it became clear that in almost three-quarters of cases the women were sending two distinct types of transfers: money for daily expenses of their families at home, including health care and the education of their children (a typical understanding of remittances) and money directed explicitly toward savings or investment in a significant financial or physical asset, nearly always housing. For the purposes of this report, the average amounts sent by the respondents to their countries of origin have been analyzed according to these two categories.
Regarding the first type of transfer, remittances for key family expenses, respondents sent an average of $298 per month, equaling about 15% to 25% of their average income. Even when considering partners’ potential contribution to the women’s living expenses, the amount is substantial. As would be expected, when the women’s income went up, remittances also tended to go up; those that earned $1000 or below per month remitted an average of $235 while those that made more than $1000 sent $286.

Other factors also seemed to impact the amounts sent. For example, those without legal documentation sent 10% more of their income on average to their families. They also sent more in absolute numbers per month, $307 compared to $198 sent by those who were documented. This tendency might have had more to do with the shorter length of time the undocumented women had been in the U.S. rather than their legal status, because length of stay also seemed to contribute to the amounts sent home. The women who had lived in the U.S. fewer than five years sent about $50 more on average than those who had been in the country for ten years or more. Surprisingly, the women without partners also tended to remit a higher percentage of their income than those who were in relationships, despite having less help with living expenses. In addition, contrasting with overall trends of remittance sending to Latin America, participants originally from rural areas sent 27% of their income as remittances, an average of $300 per month, while those from urban areas sent 20%, averaging $250 per month.

One interesting observation is related to remittances and annual tax returns, the only money that some migrants are able to send. Although Lola is an illegal immigrant, she was able to pay Casa Vigo, a money transfer company, $80 to file the request to obtain a $40 pin number from the state which allows her to pay taxes. Those who are undocumented do not receive as many tax deductions as legal residents, but generally if they pay taxes the government does not take action against them for their illegal status. They also often receive the bulk of the money back as a tax return because of their low income levels.

In the majority of the cases (37), the women sent money for expenses either to their mothers or to their children living with their mothers. Interestingly, about half of the women preferred to remain unaware of the details the use of this money, frequently due to guilt over not being at home. Vanessa from Colombia commented, “My mother sometimes starts to explain to me how she is spending the money but I don’t like it when she tells me.” Others had a fairly good idea of how the money was spent, particularly those who were paying for the education of their children, significant health bills, or a debt. 42 of the 44 women stated that the transfers of this kind were administered according to their wishes.

Illustration 5.9: Remittances spending by importance to the migrant

As stated earlier, there is some overlap between expenses and investments when considering the uses of remittances. Overall, similar to the women remittance recipients participating in the study (see Section 7.3.4), the women interviewed identified food (34), health (29), and education (26) as the most important uses of the money they were sending to their families. Spending on food was associated with better health and was considered an investment, as was
the education of their children. Once these priorities were covered, new or improved housing became the next objective.

5.2.7 Remittance Transfers for investments

The second category of transfers made by the women specifically focused on savings or investments. These differed from the monthly transfers for expenses in that the migrant determined how they were spent, sometimes with input from family members. They also tended to be larger amounts sent at less frequent intervals. In the majority of cases, the money for investments was managed by a trusted recipient in the country of origin who was responsible for actions related to the investment, including arranging for housing construction or improvement, making payments on a loan or depositing in an account. Being able to trust a family member was essential; in a limited number of cases women reported sending money home for a specific purpose only to have it used for other expenses.

Housing

Housing dominated as the main investment plan, and it was an objective that many of the women both desired and accomplished. 27 of respondents mentioned acquiring or improving a house as one of the objectives they believed they would accomplish by migrating, and 40 indicated wanting to invest in housing in some way. By the time of the interview, three-fourths of the group had actually improved, constructed or purchased a house, or acquired land for housing construction. As part of their dream, and as a broader strategy of accumulating assets, it was clear that the women had developed a range of different approaches to save for housing ranging from the more typical method of saving a little every month to a more creative strategy of sending the total of their annual tax return, sometimes reaching $5,000, for housing payments. Combined with the money they remitted monthly to their families for expenses, women that also invested in housing sent on average $6,500 per year over the duration of their time in the U.S. Interestingly, those that invested in housing also remitted more for other expenditures than those that did not invest in housing, at $312 and $235 per month, respectively.

Types of housing investment included improvements to their parents’, their children’s or their own housing, the construction of new housing, and the purchase of new housing and land. Improvements were the most frequent form of investment, likely because of the lower costs of improving relative to acquiring new housing. However, many of the women found ways to build or buy. Norma, for example, was able to start paying for a house in Honduras after her mother found out about Banco Atlántida’s foreclosures. They were reselling those houses for $18,000 at $300 a month and Norma and her husband decided they could afford it. They have already sent $15,000. They are currently renting the house, but will not have the title until they finish paying for it. They are able to participate in this program from the US because her mother takes care of making the payments with her remittances. Norma believes that her goals for migration are being reached because she is close to owning her own house in her country. She will start looking for a job so that they can finish paying for their house and return to Honduras once they obtain passports for their children. She feels safer because “at least if I have to go back to my country I have my house, somewhere to go,” a statement that describes many of the participants’ feelings about the importance of housing.
Each participant had invested an average of $17,837 \text{ }^{61} \text{ in housing by the time of the interviews. The amount of investment was also tied to income; the women earning $1000 or less invested an average of $16,100, while those earning over $1000 invested an average of $21,000. As expected, there seemed to be a connection between legal status and amount of investment in housing, likely influenced in part by their longer time in the U.S. and the relative ease of securing employment paying higher wages. The women with legal status had each invested an average of $22,366, while those who were undocumented had each invested an average of $12,611. However, factoring in the length of stay in the U.S. showed a difference in the amount the women were investing per year. Women with legal status, who had been in the US a mean of 12.1 years, invested an average of $2,043 a year, while undocumented women, who had been in the US a mean of 6.1 years, invested an average of $2,893 a year. This difference may indicate either that the bulk of housing investment tended to happen during the first ten years in the U.S., or that the women tended to invest less the longer time they spent in the country and as they began to consider staying in the U.S. rather than returning home.

Examining partnership status in relation to investment in housing gave an indication of the significance of partners’ contributions to living expenses. Of the 32 women who said they were sending money home for housing, 22 had a husband or partner and invested an average of $21,444, twice as much as the average investment of those who were single, widowed, divorced or separated at $10,222.

Place of birth, whether urban or rural, also seemed to impact the amount sent for housing. Comments from the women indicated that this was largely related to the price of land and construction costs in rural and urban areas, as well as to the type and scale of investments made. In general, the participants originally from rural areas tended to inherit or buy land and then construct new housing, while those from urban areas preferred to improve an existing home or to purchase a house already constructed. Existing housing in rural areas is often in need of substantial structural changes as well, and it tends to be simpler to construct a new home than to try to change the old one. In addition, land and housing construction in rural areas are substantially less expensive. These factors may explain why the women interviewed who had migrated from rural areas each invested 140% more in housing than those from urban areas, at an average of $29,611 versus $12,260. Looking at more detailed averages, rural women each invested $3,994 a year ($333 per month), and urban women, $1,700 a year ($142 per month).\text{ }^{62}

<table>
<thead>
<tr>
<th>Table 5.3: Type of investment in housing by area</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Purchased new:</strong></td>
</tr>
<tr>
<td>%</td>
</tr>
<tr>
<td>Urban</td>
</tr>
<tr>
<td>40%</td>
</tr>
<tr>
<td>average (house)</td>
</tr>
<tr>
<td>average (land)</td>
</tr>
<tr>
<td><strong>improvements</strong></td>
</tr>
<tr>
<td>%</td>
</tr>
<tr>
<td>Urban</td>
</tr>
<tr>
<td>60%</td>
</tr>
<tr>
<td>average</td>
</tr>
</tbody>
</table>

Illustration 5.10: Areas of investment in housing

<table>
<thead>
<tr>
<th></th>
<th>Maintenance</th>
<th>Materials</th>
<th>New House</th>
<th>House Improvement</th>
<th>Land</th>
</tr>
</thead>
<tbody>
<tr>
<td>%</td>
<td>10%</td>
<td>2%</td>
<td>32%</td>
<td>39%</td>
<td>17%</td>
</tr>
</tbody>
</table>

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\(61\) International Urban Development
Cambridge, Massachusetts, USA
32
Honduran women interviewed invested in housing more than twice the average amount of women from other countries. The difference, particularly striking between neighboring Hondurans ($28,000 on average) and Salvadorans ($12,600 on average), could be related in part to the prices of basic goods in each country. Basic goods in Honduras tend to be less expensive, suggesting that Hondurans were able to send lower amounts to their families for necessities and therefore direct more money to investment. The fact that the Salvadoran women sent over 50% more as remittances for their families’ expenses than the Honduran women supports this idea. Half of the Honduran women interviewed were from the Department of Olancho, an area of the country known for its high migration rate and with programs that allow investment in housing from abroad.  

Table 5.4: Food Prices in El Salvador and Honduras, June 2008:

<table>
<thead>
<tr>
<th></th>
<th>Honduras ($/pound)</th>
<th>El Salvador ($/pound)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rice</td>
<td>.60</td>
<td>.65</td>
</tr>
<tr>
<td>Eggs</td>
<td>.90</td>
<td>1.13</td>
</tr>
<tr>
<td>Beans</td>
<td>.87</td>
<td>1.03</td>
</tr>
<tr>
<td>Sugar</td>
<td>.32</td>
<td>.39</td>
</tr>
</tbody>
</table>

Source: Instituto Nacional de Estadística, Honduras, Dirección General de Estadística y Censos, El Salvador

Illustration 5.11: Individual Investment in Housing
Decision-making and titling

If a new house was purchased or constructed, the decision of what to buy and where it would be located was most often made by the women themselves. Of the 15 women that purchased or constructed a house, nine said they made the decision, two said it was made by their parents another two, by their partners.

Property titling became an issue for some respondents for a variety of reasons. Two of the women mentioned specifically that their partners did not want the women’s name on the property, while others cited difficulties in acquiring land in their names because they were not in the country where the property was being purchased. In these cases, the women often registered the property in the name of a family member rather than pay the high legal fees required to endow someone with a power of attorney to sign in their names. For example, Gabriela was able help rebuild her parents’ house in the small town of Apastepeque, El Salvador with $5,000 after it was destroyed by an earthquake. She also bought her own land for $3,500 from one of her sisters and has started building a house, estimating that it will cost about $20,000. She was not able to own the title to the land so it is registered in her oldest sister’s name, who lives in El Salvador and takes care of their parents. Her sister is single and Gabriela trusts her because “she doesn’t have a lizard by her side.” Gabriela is designing the house herself, and she can track the progress through the pictures that her sister sends her.

Illustration 5.12: Name on property title

Financing of housing and awareness of housing programs

Three-quarters of the 32 women that invested in housing did so incrementally, without any kind of loan financing or mortgage. Money was not usually sent monthly but was often saved in a bank account and then sent in larger amounts. Some secured a second job for the specific purpose of sending extra funds, particularly during a construction phase when considerable sums were needed more regularly.

For almost half of those who sent money for housing, debt was seen as something to be avoided. Nancy, who works in McDonald's and makes $7.50 per hour, expressed, “Debt is difficult. Interests are high and I wouldn’t be able to pay in the winter when there’s no work because of the snow.” However, 11 of the women interviewed have taken out a mortgage to purchase a new house. They have invested $11,700 on average to date, but four are currently still paying. The average final price of the houses, including the estimates of those that have not yet finished, will be $21,850. Raquel, for example, pays monthly installments of $350 for her house in Colombia. She took a CONAVI Bancolombia loan at 25% interest, and she has already paid $10,000 of the $15,000 the house will cost. Silvia has a house in San Vicente, El Salvador, which she rents for $100 monthly. Her mortgage payments are $40 a month, and the remaining $60 are for her mother's expenses. Two of the women said that they are renting their houses in their countries, and one is not able to because her house in El Salvador was taken over by gang members.
She continues to pay her mortgage so that she does not lose her lot. Of the 11 women who have a mortgage, seven of them are undocumented.

In addition, more than half of the women interviewed said they would be interested in using some sort of financial product for housing even if they weren’t currently doing so. Dissemination of information related to housing loans and programs was a key problem among the women interviewed. Recognizing the importance of housing to migrants and seeing the potential for investment, a growing number of private companies, government agencies, non-profit organizations and microfinance institutions have developed initiatives and programs allowing migrants to invest in housing at an array of prices and in a variety of locations. The women interviewed were generally unaware of these programs, and only eight were informed about the possibility of mortgages.

The importance of saving

For more than half of the women interviewed, their incomes and ability to economize have allowed them to not only send money to their families at home but also to save, whether for future investment in assets or for their well-being if they return home. Gabriela, a participant from El Salvador, commented, “Even if I have a house and land, if I don’t have savings, I can’t survive when I get back while I look for work.” Even if they weren’t currently putting money aside due to difficult circumstances, almost all of the women had saved money in the past, often when they were at a previous job which paid more or if they were holding down two jobs. Relationship problems also contributed to a lapse in savings; if the women stopped living with a partner due to a break-up their expenses dramatically increased.

The women who reported saving managed to amass an average of $195 per month, although the individual amounts ranged from $50 to $800 and it is not clear if some of the women included savings amount when indicating the monthly amounts sent home to their families to cover expenses. Some had developed resourceful schemes of their own to increase their savings and earn interest. For example, Carolina participated in a CD with six people from work, where each person contributes $50 to $70 monthly to a bank account held by a member of the group (a legal resident). After six or seven months, the group divides the money and the interest. To increase their individual deposits, the women in the group will also sell food they have prepared or hold raffles.

The women’s desire to save was demonstrated by the large number who reported having bank accounts, even if they were not currently making deposits. 34 of the 44 had opened an account in the U.S. Interestingly, 12 were undocumented; several national banks including Bank of America have started allowing clients to open accounts using their Individual Taxpayer Identification Number (ITIN), issued by the IRS. 19 of the women also said they had a second account in their home country, although some expressed mixed feelings about the safety of depositing in financial institutions there as certain banks had closed and clients had lost their savings. Two had their only account outside of the U.S, and only nine had never opened an account.

While it is unclear exactly how the women were using their savings, there seemed to be some overlap with investing in housing. 10 of the 23 women who were currently saving said they would be interested in a housing loan, 13 had already invested in housing, and two had taken out a mortgage.

Investment in businesses

Starting or supporting small businesses, while a subject of some interest to the women interviewed, was clearly not the investment of choice. One quarter reported having relatives who ran businesses in their
home countries, including restaurants, grocery stores, a hotel, and a mechanic’s shop, but only two women were sending small amounts of money for the support of one of these enterprises.

None of the women owned small businesses themselves, either in the U.S. or in their home country, but seven indicated that one of their objectives in migrating was to eventually start some sort of enterprise to generate income. It was clearly understood that because of the economic situation in the countries of origin, if the women were to return housing would not be enough to sustain them. Adriana felt strongly that investing in housing is an important priority, but she was not convinced that owning houses would be enough to keep a family out of poverty. “A house is a house,” she said “but it doesn’t provide you with money to live…if all of the money that will be spent on building a wall at the U.S.-Mexico border was invested in creating jobs in El Salvador, we would never have come here.” At the same time, she is more likely to spend part of her paycheck from her cleaning position at a local university on housing than to invest it in a small business or any other future income-generating effort, primarily because she is not sure if she will return to El Salvador.

Victoria, who has already completed work on a house in El Salvador, expressed a desire to open a small pharmacy there. However, when asked if she would go back to El Salvador if she was given a house and her own business, she said she would not. She has “dreamed that I am back in El Salvador and I am desperate to come back [to the U.S.]. I don’t like the insecurity and lack of jobs.”

Moreover, investing in a business is significantly more difficult to accomplish from abroad than investing in housing, and it is more likely that if the women planned to eventually launch an enterprise they would save while in the U.S. and invest only upon their return rather than relying on the administration of a family member at home.

Investment in education

All of the women interviewed expressed their desire to study but they find themselves with "other priorities" and no available time due to their work schedules and their demands at home. They prioritize sending remittances, saving for housing and providing for their children above education for themselves.

Child care is one of the key issues that women migrants face when attempting to attend classes. To address this challenge, some non-profit organizations have begun offering English classes with childcare provided for the time the students are in class. Some of the women use their free time from working two shifts and taking care of their children to study English. The East Boston Ecumenical Community Council, for example, charges $50 per three month course and includes childcare during the three-hour class.

Some women are able to study at a post-secondary level, particularly those that have spent more years in the U.S. To be eligible for technical schools, college or university, migrants must have legal documentation. Four of the women interviewed had pursued a tertiary degree, and all of these spoke English well and had been in the U.S. for more than 15 years. One woman was applying to community colleges, and another had sent out applications twice with no response.

5.2.8 Perceptions on the relationships between gender and migration

Migration to the U.S. is challenging for both men and women, but some of the difficulties they face are gender specific. The women interviewed expressed strong opinions regarding the differences between the experiences of men and women during the migration process. Two-thirds of the participant felt that it
had been harder for them as women to migrate, eight because they felt the separation from their families more keenly, five because they had to play two simultaneous roles of mother and father with their children, and four because women tend to earn less.

However, the women mostly seemed to feel that they had gained personal, not simply economic, benefits from migrating. Some said the experience had helped them to grow as individuals, others felt more secure and stronger emotionally. Several were gratified that they were able to provide for their family, and some even said they felt more respected.

During the interviews, many of the women talked about overcoming problems that stemmed from being abused or oppressed by the men in their lives. Whether this abuse was the reason for their migration or a difficulty they encountered once they reached the U.S., they were able to free themselves and become independent. As Eva described it, when women “come with their husbands, they come hunched behind them, and here they start to lift their heads up until they break free.” Some interviewees suggested that the risks involved in the dangerous trip through the border are worth taking for those who are oppressed or abused by their husbands, partners, or fathers at home.

For example, Isabel married very young and lived “like a slave” in El Salvador. Her husband worked all day, kept her trapped in the house and did not allow her to work or study. After Isabel tried to leave home, she narrowly escaped her husband’s beating, and she emigrated a week later. Marta is another example who decided to migrate because of the economic situation in Colombia and to get away from her husband, whose public abuse was starting to drive customers away and harm her business.

Other women have encountered machismo and abuse in the U.S. as well. Gabriela explained that men assume that “women sleep with the men during the trip [through the border]. They have no trust and no respect.” When she arrived to the U.S., her partner repeatedly mistreated, insulted, lied to, and humiliated her. He also hit her twice. Gabriela was depositing her earnings in her husband’s bank account, and when they separated she lost all her savings. Now that she has remarried, she manages her own money. Nadina’s abusive husband left her and her children. Nadina wrongly assumed he was still paying the mortgage, and three months later Nadina and her children were evicted from their house and left on the street.

Some women observed that women from previous generations are more submissive and more supportive of the machismo mentality, while younger women – or those who migrate – are able to realize that men “don’t want you to improve yourself so that you continue to depend on them” (Gabriela). They disagreed with their mothers or aunts’ views on priorities and roles of women, and they disregarded their advice, for example when Nancy’s aunts taught her that “the husband is more important that the children, meaning that it is acceptable to leave the children behind in order to be with the husband”, or when Nadina’s husband was abusing her and her mother would respond, “sometimes you have to put up with it.”

This increase in their responsibilities and obligations towards their families contrasts with their opinions about men. Some women mentioned that men do not prioritize their family, that “women think about their children, and men think about themselves” (Nadina) and that “women are mothers before women” (D’Nar). They also observed that men live day-by-day, while women think in the long term and plan for the future. For example, Gabriela noted that men “come [to the U.S.] to work and earn money but in the end they stay ignorant and sometimes poor because they are stuck doing the same thing. Women are more interested in studying and learning English”. They also mentioned that women save because they think of the future, of returning to their countries or to pay off their debt, while men spend their money.
5.2.9 The Decision to Stay or Return

The decision to stay in the U.S or return to the home country is one that impacts a range of economic, social and emotional issues for women migrants. The majority of individuals from Latin America heading to the U.S. leave their home countries and their families expecting to return within a relatively short period of time. The question on the minds of most is not whether, but when. Nevertheless, reality as dictated by children, legal status, and adaptation in the U.S. tends to lead to a shift in these expectations.

Of the 44 women interviewed, only a third arrived with no intentions to return. Plans of the remaining women tended to be vague in terms of timeline but were dependent on the achievement of specific goals. Naturally these responses show a snapshot of attitudes from the perspective of women who have not returned. However, anecdotal information indicates that women migrants' plans change over time: according to the long-time director of a major Latino-support organization in the Boston area, she has "not seen any woman, with or without a partner, who has children in the U.S. return to her country." A comment by Lita, a participant from El Salvador, supports this observation: “In my mind I think that I want to return when I get old, but I have no one left to receive me there.” On the basis of these observations it seems likely that a significant number of the women interviewed who came intending to return may have their paths redirected by their ties to their U.S.-born children, as 19 of the women had children only in the U.S and 13 had children in both countries. All of the women who had been in the U.S. for more than 10 years had children there, and deep conflicts were observed in the women with children in the U.S. and at home, whose plans are contingent upon being able to bring their children in their countries to the U.S.

When the women discussed their plans to return, they often referred to the objectives they had set for themselves before migrating. These were almost all related to building assets: of the 31 women who planned to return, 13 said they would do so when they had amassed sufficient savings, 10 mentioned the completion of their children’s education, and 4 wanted to purchase or construct a house in their country. When asked if they thought their dreams were becoming reality, 23 affirmed this was the case while 8 were undecided. The rest had experienced circumstances that had affected their ability to accomplish their goals. For example, Lola and her husband had expected to stay for 8 to 10 years, save enough money to buy a house in Colombia, and return. Their plans changed, however, when their son was two and a half years old and had a serious accident. He fell down the stairs and sustained severe injuries. He was in treatment for four years, until recently. Since their savings and earnings were spent on the boy’s medical bills, returning to Colombia was postponed until they have enough money to do so.

Several women who had planned to see their children through their education in the U.S. faced profound disappointment when many U.S. jurisdictions began require proof of legal status to attend college and citizenship for grants and scholarships. Ana from Ecuador lamented: "One of the main reasons I came to this country illegally with my family was to provide for a better future for my children through better education. My son, who is in high school, is a very good student, but now we found out that he cannot go to college, not even to a community college, because he is undocumented. Now he will be working in construction with my husband...just what we did not want to happen...we should all go back...."

Planning for Retirement

Whatever their thoughts about their home country and their level of adaptation to U.S. culture, the women that had been in the U.S. for longer than ten years were starting to think about their retirement. Several
with children acknowledged that they would be independent in a few years and free to return home. Even those with legal status, some citizens, were considering retiring in their country of origin.

Returning home for retirement was a frequently mentioned strategy that a number of the women were actively preparing for, mostly by investing in housing and saving. Rosa, for example, had bought a house in Honduras and wants to go back in several years to “enjoy my old age”. Living expenses in the U.S are astronomical in comparison with those of their home countries; hence their investments for retirement would afford them a much higher standard of living if they returned. Moreover, most of the participants do not have extended family in the U.S. to serve as a support network. Many of these women will have a home in their countries as well as grandchildren (children of the children they left behind) in their country of origin, whom they are longing to see, which is a form of 'redemption' from the culpability they feel for having left their own children.

Remaining in the U.S.

The 15 women who were adamant about remaining permanently in the U.S. cited a range of diverse reasons for not returning, one of the most important among them becoming accustomed to life in the U.S. Julie explains that she plans to remain in the U.S. because “I’ve made my life here.” Despite often being in a Latin American microcosm for years in the U.S., women adapt --albeit to widely varying degrees-- to the U.S., learn English, and especially through their children, become exposed to different mores. Importantly, some attain a degree of independence from the traditional social controls exerted on women by their families in many Latin American environments. Therefore, the return home, to the watchful eye of mothers in law, mothers, brothers, can be a constraint these women no longer wish to accept; Celia, for example, mentioned machismo in Honduras as a reason for not returning. Moreover, some women that have had harder lives in their countries of origin, some having suffered abuse, felt liberated by their migration experience and seemed to have made peace with staying away from their countries while sending money to pay the bills.

The political and economic situation in their countries was also a key factor in their decision to stay. Violence and insecurity in the countries of origin, specifically gang violence in El Salvador and Honduras and guerrilla activity in Colombia, had motivated a number of the women to migrate, influenced or determined their decision to stay in the U.S, and affected their ability to invest. Four of the Colombian women migrated solely to escape Guerilla violence. For example, two of Eva’s brothers were killed by the guerrillas, and her father suffered a heart attack soon after witnessing the youngest’s assassination. Her mother died three months later. Eva’s own son was also killed by the guerrillas, and she had started to get threats at the store. She talked about the fear she felt when on a busy day she would find an envelope on the counter with threats such as “the cemetery is big. There’s room for you and your family.” Eva described living in fear as “not living during the day and not sleeping at night.” The family together decided to escape the situation and everyone moved away.

Crime in Honduras and El Salvador is associated with gangs. Mariana was socially involved with Maras in Honduras, and her experiences gave some insight on the conflict and its effects. She explained that there are two main gangs, MS13 and 18, which are mostly active in the city and fight over domain. Mariana lived in an area controlled by MS18, and came to know some of the members. Her boyfriend was a bus driver who was forced to pay a “war tax” to the gang. They demand these regular payments from anyone, ranging from street vendors, to workers on their way to work, to store owners who receive remittances. Mariana explained that “not paying is death.” Although Mariana’s boyfriend was not a gang member, he was automatically a “friend” for paying the tax, so when the MS18 was forced to leave the
area (most of Mariana’s friends from MS18 migrated to Brazil, Costa Rica, the U.S., or their town of origin) and MS13 moved in, she had to hide her past ties to MS18 for fear of violence or death.

Women from all countries expressed that they were reluctant to return home because of the crime and violence. Celia, from Honduras, said “I don’t want to have anything to do with my country. So many things happen there: people get killed, children, disgusting things, the gangs.” Viviana, from El Salvador says that “we like to think that we could start saving for our own little business there, but then we think about the delinquency there and how immediately they start sending you anonymous messages…” She said that the Maras are responsible for the robberies and kidnappings. Based on the memories of being assaulted at knife point on her way to work, her husband’s experience with fraud, and the usurpations of her house, she said that violence and delinquency is what keeps them from going back or investing in El Salvador. Paula clearly stated that “there is no amount of money that could convince me to return to Colombia, because there still exists crime, poverty. A hungry person has to steal.”

5.3 **Women migrants who had returned to Ecuador**

Interviews of migrants who returned home presented an interesting point of comparison with the interviews conducted with women currently in the U.S. The majority had very defined goals upon leaving their countries, stayed abroad for a relatively short period, and returned with substantial savings or having made significant investments.

The 16 returned migrant women who were interviewed were a diverse group, ranging in age from 28 to 58. Half were married and half were single, but all but one had children, generally between two and four years of age. All except three had achieved at least a high school education. The geographical distribution of the interviews was as follows:

<table>
<thead>
<tr>
<th>Province</th>
<th>Zone</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Azuay</td>
<td>Urban</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>Rural</td>
<td>3</td>
</tr>
<tr>
<td>Loja</td>
<td>Urban</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>Rural</td>
<td>3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>16</td>
</tr>
</tbody>
</table>

Eight of the women migrated to Spain and eight to the United States. The average time the women were abroad was 5 years, although one woman stayed only for six months and another said she moved back and forth between the two countries for 20 years. Most of them had previously determined the time that they would spend abroad, but in many cases the time increased or decreased depending on family and economic circumstances.

Asset accumulation was an express goal of eight of the women, three of whom aimed to purchase or construct a house, three to save money and two to pay off debts. Three also mentioned starting their own businesses as a second goal. For another four, their primary goal of migrating was more vague, to find work and improve their economic situation, and the remainder left Ecuador to reunite with their husbands abroad. In contrast with the women migrants interviewed in the U.S., almost half of the women were made the decision to migrate under some type of familial pressure, in agreement with a household plan. This may partially explain why these women returned to their country while many others have not.
5.3.1 Employment and income

The jobs held by the women were generally in domestic services, food service (mainly dishwashing) or in factories, where they often stayed the longest because of the possibility of extra hours. Others preferred domestic work because jobs in the factory were perceived to be much harder. Restaurants offered the option of free food and for that reason were sometimes sought. None of the women had difficulties finding employment, even those who did not take the first job offered to them. Some even found that they were easily hired because Ecuadorians were reputed to be hard workers.

Although their monthly income ranged between $500 and $3,600 per month, their income averaged $1,100 monthly in Spain and $2,100 in the United States. This amount was considerably higher than the average income of the women interviewed in the U.S., but this is likely because in some cases partners’ income was considered in the total. Their expenses were divided mainly into two categories: housing and food. For the first they allotted around $200 in Spain and in the United States about $600. The spending on food fluctuated between $80 and $100 in Spain, while in the U.S. they reached $300. Interestingly, in one-third of cases spending on leisure between $40 and $50 a month was reported.

It was clear that the women had been willing to sacrifice comfort in their daily living conditions to save money. For more than half, their housing was considered poor, even precarious. They mainly commented the difficulty of living with strangers and the harsh climate, since some did not have heating or ventilation. In some cases they mentioned things like “we lived like sardines”, “I have a basement with rats”, “because of the heat, we had to sleep with the doors open and afraid that someone would come in and hurt us”. Few women interviewed considered their living conditions to have been comfortable, a stark difference from the previous respondents in the U.S.

5.3.2 Remittances for expenses and investment

Not all of the 16 women sent money to their families to cover expenses. In four cases, the money was sent exclusively for saving or to cover housing construction costs. The remaining participants sent monthly funds with combined purposes, including paying off debt, reactivating a family business, investing in housing, and saving. The average amount sent was a substantial $930 per month, ranging in amounts from $200 to $2000. In five cases, the larger amounts were being used to cover debt payments. Children’s education was a major expense mentioned by 11 of the women. The amounts allocated to schooling were considerable, varying between $50 and $300 and increasing during registration periods.

For the most part, the women interviewed accomplished an enormous amount considering their work and income. 15 of the 16 women reported saving and investing during their time abroad. Amounts averaged $27,000 each, but ranged from $2,000 to $70,000. Saving was a clear priority, with 11 participants reporting depositing in a bank account. One woman indicated that she was able to
put aside $10,000 in six months. Some used their savings to eventually purchase assets, while others immediately invested the money they were able to spare.

Nine invested in land and housing purchases or improvements, two of whom reported that the cost of the total family investment in a new house was $80,000 and $120,000 respectively. All of the properties purchased were titled, but none were registered only in the women’s name. Five were registered jointly between a husband and wife, while two were in the parent’s names and two did not respond. Very few were interested in knowing the details of construction, materials, location or dimensions of the new home, trusting the administration of the investment to family members. These relatives generally selected the land and decided on the housing design. However, several women were not happy with the outcome of the construction upon their return, and one woman had been cheated by an engineer out of a significant amount of money.

Six of the women who invested in housing had not been interested in acquiring a loan. For more than one-third, a main motivation for migration had been to pay off debts and they were reluctant to take on new obligations. Several stated that avoiding debt was precisely the reason they worked so hard and saved so much. Three did decide to seek financing for their investment. Two of these found that the process was relatively easy, but they seemed to have had considerable assets to use as collateral. No respondents had heard of any programs specifically designed to assist migrants in purchasing housing.

While they were abroad, two women sent money back to Ecuador to support their family’s business, one a retail shop and one a carpentry enterprise. One woman had migrated specifically to help her father to restart his business. Another participant had opened a grocery store upon her return, and five others mentioned a desire to begin income-generating activities. However, they acknowledged a lack of understanding and counsel on the process of starting a business which may limit their ability to fulfill their goals.

5.3.3 The decision to return

As is evident among the 44 women migrants interviewed in the U.S., the decision to return to the country of origin can be complicated. Life events and adjustment to the destination country can lead to changed plans and longer stays that originally intended. For these 16 women who did return home to Ecuador, 14 of whom had wanted to go back for the duration of their stay in the U.S, two key factors had the most influence on their decision:

- **The desire to be with family.** 15 of those interviewed mentioned the difficulty of separation from family as the primary reason they wanted to return to Ecuador. Comments included, “Being alone is terrible, it was us against the whole world,” and “I was very depressed, and it was worse when I was alone.” One even said she would not have gone back if it was not for her family. Several left the U.S. earlier than planned in order to avoid ruptures in their relationships with their partners or to take care of issues with their children.
• Reaching their intended goals. 12 of the 16 women believed that they had reached the goals they set before migrating, which included paying off debt, saving, educating their children, acquiring housing, investing in a business for a family member, reuniting with their relative abroad and, in general, improving their economic situation. The majority of respondents believed that they administered their income well, reducing their personal expenses in order to save or send more money home. Determination, adaptability, assertiveness, organization of priorities, freedom from prejudices and flexibility were evident as character traits of the women who reached their goals.

During their time in the U.S., several of the respondents experienced significant depression and stress due to the separation from family and the amount of work they had to do to accomplish their objectives. Their comments were very expressive: “I hit rock bottom, I was upset,” “I did not think about anything, only about working and producing,” “I was going crazy,” “I was constantly stressed, a lot of suffering and tired from work,” “I had to harden myself because I was feeling desperate.”

Almost all of the women currently feel “very happy”, “well” or “at peace” since they have returned, enjoying their time with their families. Most value their country, saying “this is paradise,” and “money isn’t everything.” Most plan to stay in Ecuador and continue working, realizing dreams of expanding a business, supporting their families, and educating their children.
6 INTRAREGIONAL MIGRATION

The departure of large numbers of working-age migrants to industrialized countries has led to labor shortages in the affected occupations and wage increases for remaining laborers. This in turn has sparked secondary patterns of intraregional migratory flows. In 2001 at the same time that El Salvador was experiencing net out-migration of 223,375 Salvadorans, it was receiving 232,576 immigrants, over 186,000 of which were from other Central American countries. Since the dollarization of El Salvador’s economy, Hondurans and Nicaraguans have flooded into the country seeking work as farm laborers. They can typically earn in El Salvador more than twice the amount they would make in their countries of origin. An additional benefit is that El Salvador provides an excellent starting ground for migration to the U.S.

Latin America has a long history of intraregional migration. Historically Argentina has hosted large numbers of Bolivians, Chileans, Paraguayans, and Uruguayans, and Venezuela has been a haven for Colombians. Today both Chile and Ecuador have become receiving countries, particularly of Peruvian migrants.

For decades Latin American women have participated in regional migration, taking jobs in the agricultural and manufacturing sectors, working informally mostly in domestic services, or participating in the sex industry. Since the 1980s, the majority of intraregional migrants within Latin America have been women, and today women particularly dominate the flows of Colombians into Ecuador and Venezuela, Chileans and Paraguayans into Argentina, and Peruvians in Chile. A demand for domestic workers as women have entered the workforce in some middle-income countries has contributed to increasing the number of women migrants to these more wealthy Latin American countries.

Intraregional migration demonstrates different characteristics than transnational migration to developed countries. First, it is a much less expensive undertaking and allows people of a lower-socioeconomic status to participate in and benefit from migration. Second, it is of a more temporary nature as the countries’ proximity permits more frequent travel. Third, it involves less risk as regional border crossings are relatively easy and the need for documentation less enforced.

Remittances generated from intraregional migration in Latin America represent only 10% of total remittance flows to the region, but they do contribute to improving living conditions of families unable to participate in the more expensive venture of travel to the U.S. and Europe.

6.1 Peruvian migration to Chile and the changing nature of labor

According to the 2002 Chilean census, close to 70% of the migrant population in Chile come from countries within the region, primarily Argentina (26%), Peru (21%), Bolivia (6%) and Ecuador (5%). From 1992 to 2002, recorded Peruvian migration to Chile grew by 394%, reaching 37,860 persons. This figure probably underestimate the number of Peruvians in the country, as already in 2001 it was estimated that the country was home to between 15,000 and 20,000 undocumented migrants. Other Andean nationalities have experienced significant increases in the number of Peruvian migrants including Ecuador (314%) and Colombia (145%), but their absolute numbers are below 10,000 persons in both cases.

According to the visas granted in 2005, 15,300 Peruvians are legally settled in the Chile. However, an amnesty law set in place in the beginning of 2008 is expected to increase that number considerably.
Official numbers have not yet been released by the Ministry of the Interior. Visas are generally granted only to those who can demonstrate that they have acquired a legal work contract.

### Table 6.1: Visas to Peruvian immigrants to Chile, 2005

<table>
<thead>
<tr>
<th>Visas given to Peruvians in 2005</th>
<th>Percent of total visas</th>
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</thead>
<tbody>
<tr>
<td>Perú (based on work contract)</td>
<td>15,300</td>
</tr>
<tr>
<td>Perú (temporary)</td>
<td>4,070</td>
</tr>
<tr>
<td>Student visa</td>
<td>571</td>
</tr>
</tbody>
</table>

Much Peruvian migration into Chile is the result of the conflict between the Peruvian government and rebel forces during the Perez presidency coupled with the opportunities opened up by the fall of the Pinochet regime. These opportunities contrasted to the macroeconomic instability prevailing in Peru during the late 1980s and early 90s and allowed many Chileans to find employment in the professional, industrial and agricultural sectors, leaving low-paying domestic service jobs with no prospect for advancement to be taken up by migrants in Chile’s major cities. Furthermore, middle class families in Chile experienced a substantial increase in income. They were able to afford domestic employees, especially as many women sought employment in the professions and required assistance with childcare and housework. Migration of Peruvian women to Chile rose from 50% of the total flow of Peruvians in 1992 to 60.8% in 2002. This shift is largely due to the high demand for domestic workers. In fact, 70% of registered Peruvian women migrants in Chile worked in this sector.  

Recent legal advancements have afforded laborers in Chile basic protections and minimum standards for working conditions and placed requirements upon employers. For example, Chilean law requires that workers be provided with contracts which outline specific tasks and expectations but also contain clauses regarding fair treatment, hours, and compensation. There are also requirements regarding contributions to social insurance and pensions, many of which are disregarded by Chilean employers, especially female heads of household wishing to maintain a traditional mistress-maid relationship with their domestic servants.

The threat posed to this traditional relationship has been augmented by an environment of opportunity allowing many Chilean women who may have been employed in domestic service to look elsewhere for employment, or simply demand more of their employers. Many studies of Chilean households indicate that changing attitudes of household workers are evident in the tasks they are willing to perform, and the nature of the employment. For example, many women prefer not to live in the homes they work in, while employers still prefer to keep a live-in maid. Chilean heads of household also indicate that Peruvian women are willing to acquiesce to the cultural and historical implications of domestic service and lack the Chilean entitlement afforded by labor laws and contracts.

Surveys of Chilean households with Peruvian female domestic workers reveal that while many Santiago employers find Peruvian women to be uneducated and of a lower class, they prefer to employ them because they allow for the maintenance of a certain relationship and the class division and status implied by the keeping of domestic help. Many immigrant workers do not demand the labor protections that Chilean employees may, and will work without contracts and under the stipulations outlined by an employer.
In some cases, organizations like the Catholic Church provided assistance in obtaining employment for Peruvian female immigrants looking for work in urban homes. One study indicated that as many as 82% of the females employed by families participating in a survey were younger than 40 and entered the country after 1996, this migration wave occurring after the political and economic turmoil of the early 1990s. Most of these immigrants were also from urban areas in their native countries, and many had held positions as professionals. In fact, many Peruvian women working as domestic servants in Santiago had completed secondary and higher education degrees; 90% of those surveyed in the above mentioned study held high school diplomas.  

In the city of Santiago, different neighborhoods with high concentrations of Peruvian migrants demonstrate varying population breakdowns according to gender. For example, in the neighborhoods of Santiago, Recoleta, Estación Central and Independencia, there are almost equal numbers of Peruvian migrants, whereas in the communities of Las Condes, Vitacura and Lo Barnechea there are considerably more women than men. This is likely related to the labor patterns of Peruvian women migrants; in the latter neighborhoods many are employed as live-in domestic workers.

### Table 6.2: Persons born in Peru by sex and residence in selected neighborhoods in the Province of Santiago, 2002

<table>
<thead>
<tr>
<th>Neighborhoods of Santiago Province</th>
<th>Men</th>
<th>Women</th>
<th>Both sexes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Santiago</td>
<td>2,933</td>
<td>2,917</td>
<td>5,850</td>
</tr>
<tr>
<td>Las Condes</td>
<td>535</td>
<td>2,561</td>
<td>3,096</td>
</tr>
<tr>
<td>Recoleta</td>
<td>736</td>
<td>730</td>
<td>1,466</td>
</tr>
<tr>
<td>Vitacura</td>
<td>150</td>
<td>1,275</td>
<td>1,425</td>
</tr>
<tr>
<td>Estación Central</td>
<td>676</td>
<td>675</td>
<td>1,354</td>
</tr>
<tr>
<td>Independencia</td>
<td>646</td>
<td>642</td>
<td>1,288</td>
</tr>
<tr>
<td>Providencia</td>
<td>387</td>
<td>857</td>
<td>1,244</td>
</tr>
<tr>
<td>Lo Barnechea</td>
<td>147</td>
<td>1,031</td>
<td>1,178</td>
</tr>
<tr>
<td>La Florida</td>
<td>498</td>
<td>614</td>
<td>1,112</td>
</tr>
<tr>
<td>Penalolén</td>
<td>426</td>
<td>683</td>
<td>1,109</td>
</tr>
<tr>
<td>Other neighborhoods</td>
<td>3,650</td>
<td>4,967</td>
<td>8,617</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>10,787</strong></td>
<td><strong>16,952</strong></td>
<td><strong>27,739</strong></td>
</tr>
</tbody>
</table>


### 6.2 Peruvian women migrants in Santiago

#### 6.2.1 Profile of interview participants

Information from the 2004 Chilean census indicated that almost 75% of Peruvian immigrants to Chile were between 15 and 44 years old. Those younger than 15 constituted less than 10% of the migrant population. The respondents selected by the Chilean research team ranged in age from 22 to 57, with 52 of the 80 women between the age of 20 and 40, corresponding with the census data.

Some of the respondents had come from medium and small cities of Peru. However, the largest percentage, 32 of the 80 women, had migrated from Lima, the capital city. The educational levels of the respondents were fairly high. 57 finished secondary school, and 16 of these had gone on to the superior level. 23 had completed part of technical school. 34 of the women participating in these interviews had been in Chile three years or less, 12 had been in the country for four to six years, and the rest had lived in Chile for more than seven years.
Table 6.3: Respondents by hometown in Peru

<table>
<thead>
<tr>
<th>Hometown in Peru</th>
<th>Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lima</td>
<td>32</td>
</tr>
<tr>
<td>Trujillo</td>
<td>17</td>
</tr>
<tr>
<td>Chimbote</td>
<td>10</td>
</tr>
<tr>
<td>Chiclayo, Northern Peru</td>
<td>4</td>
</tr>
<tr>
<td>Arequipa</td>
<td>4</td>
</tr>
<tr>
<td>Huancayo, Department of Junín.</td>
<td>2</td>
</tr>
<tr>
<td>Guacho</td>
<td>2</td>
</tr>
<tr>
<td>Other areas of Peru</td>
<td>9</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>80</strong></td>
</tr>
</tbody>
</table>

Almost one-third of the respondents were single, and nine were separated. The rest were married or in a relationship with a partner. Of these, 36 of the women lived with their partners in Chile, while ten had partners still living in Peru. One woman reported being married but separated because her husband would not permit her to migrate to Chile.

69 of the 81 respondents had children. Of these, 26 lived with their children in Chile, 33 had left their children in Peru, and ten had children living in both countries. Women tended to migrate to Chile without their husbands and children at first, and started to bring in their families once they had become more financially secure. The respondents mentioned a range of situations regarding the custody of their children. In most cases their children were not with them in Chile because the women were employed as domestic workers and live in their place of employment. Often the children are left with family members or neighbors in Peru. One woman noted, “I have five children, ages 23, 22, 18, 17 and 16. All of them live in Peru with my husband. They take care of each other, some work, some study.”

Table 6.4: Residence of migrants’ children

<table>
<thead>
<tr>
<th>Residence of Children of Peruvian Women Migrants</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>No Children</td>
<td>11</td>
</tr>
<tr>
<td>Children in Chile</td>
<td>26</td>
</tr>
<tr>
<td>Children in Perú</td>
<td>33</td>
</tr>
<tr>
<td>Children in Perú and Chile</td>
<td>10</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>80</strong></td>
</tr>
</tbody>
</table>
6.2.2 Determinants of migration

Most of the women interviewed, 70 of 80, stated that this was their first experience of migration. Those who reported previous migratory experiences, all above the age of 40, mentioned mostly migrating within Latin America. There were six cases of women who migrated to Chile from Argentina after the crisis of 2003, three who had previously lived in Ecuador, one in Australia and another in Japan. However, 74 respondents reported having other relatives who had migrated at least once, and in most cases these were immediate family members such as mothers, fathers and siblings. 52 women said their family members had migrated to Santiago. Other main destination countries were the U.S. and Spain with Los Angeles, Chicago, Miami and Madrid as the receiving cities.

Motivations for migrating generally fell into four categories and were based on the family’s financial needs:

- **To find better-paid employment as a means of supporting and sustaining the family.** This was the most frequently mentioned reason for leaving Peru. Generally women with older children were motivated to provide better education to give their children opportunities for a more prosperous future. The lack of jobs for women in Peru was also a motivating factor, in some cases galvanized by the reversal of roles that results from men heads of household becoming unemployed. 57-year-old Maria from the city of Ica, Peru, stated, “[I left] because of a serious need, we couldn’t eat or pay the light bill. Because my husband was working, and the factory closed, and he couldn’t retire, because you have to be 65 years old to retire, and as he didn’t have work, we made the decision that I would come [to Chile].”

- **To reunite with parents or other relatives already in Chile.** In many situations access to better education was a strong factor, as in the case of 23-year-old Arlim from Chimbote: “My parents brought us to study and we would decide whether we’d stay or return, and since we were able to study immediately, I stayed. They had been here for almost 4 years and decided to bring us to study.” Within this group are those who “try out” migration by making the trip to study or look for work for the first time. In general, this type of migration is initiated by the relative who invites a new migrant to “try her luck” in Santiago. The relative who has previously migrated facilitates the migration process, providing for basic needs while the new migrant looks for shelter and employment.

- **To escape from painful personal situations, including separations from partners.** In addition to financial need, personal crises sometimes provide the extra motivation to leave Peru for a new life: Tamia from Arequipa told the following story: “Well, there were two reasons for going to Chile, one was economic, which I think is the main one for everyone, and the other was emotional because in October of 2002 I started to separate [from my partner] and I wasn’t well enough to continue at work. My cousin came to visit us in Peru and invited me to come to Chile, and I agreed, went to the migration office, took out my passport and came right away, without thinking about it…”

- **To try something new and exciting.** A number of women were seeking to leave their homes and have new experiences. Some were interested in tourism particularly in Chile, others did not seem to care about their location, as long as it was different from Peru. For example, Judit from Lima said she left Peru “for tourism, to know [something about Chile]...for curiosity.” This reasoning represented a significant divergence from the thinking of women migrants to the U.S., who needed to consider the risks of travel and the possibility that they would not return home for many years.
6.2.3 Decision-making and the support of social networks

48 of the women interviewed reported making the decision to migrate to Chile on their own and later discussing their plans with family members. Parents and children tended to support the women’s decisions, while husbands and partners tended to be less supportive. In few cases the respondents explicitly made the decision together with their husbands or partners, and there were situations, such as Apolonia’s, in which the migrant made the decision in direct conflict with her partner: “I made the decision with my two oldest daughters. They supported me, but my husband didn’t, he didn’t agree. My nieces also supported me, and one of them came with me from Peru.” There were even some cases in which the migration coincides with the couple’s break-up. Maria Elvira stated, “It was because of a couple problem, not planned at all, quick. I came quickly.”

A second group, mostly of younger women, described the decision to migrate as part of a collective reflection made together with their families and partners. Another group of young migrant women decided to migrate as a result of an “invitation” from a friend or relative who already lived in Chile, including Isabel: “My cousin mentioned to me, “come to Santiago”, she told me and I came, I had a whole year to think about it. After, I came, without saying anything to anybody, well except my mother obviously because she was caring for my little daughter…”

Chile was most often selected as a migration destination because of proximity and accessibility. While crossing the border is becoming increasingly difficult for Peruvian migrants, it is much easier to migrate to Chile than to other destinations, and the women interviewed perceived migrating to Chile as much safer than making the trip to other destinations such as the U.S. or Mexico. Chile is also perceived to be more economically stable than other Latin American countries and to offer better opportunities to migrant women. Maria Ubaldina from Lima noted, “…According to the reports I’d see that Chile was a little bit better than other countries… Argentina wasn’t, Bolivia wasn’t either, it’s the same as Peru, so I decided to come to Chile.”

Chile is also selected as a destination once other options have failed. In several cases women had attempted to migrate to Spain or the U.S. but were not able to obtain the large sums of money or complete the paperwork required. 44 respondents said they did consider other migration destinations, primarily Spain but also Argentina, Australia, Italy and the U.S. because of existing social networks in those countries. In the end, the long distance, significant expense, and bureaucratic procedures involved were strong deterrents.

Other migrant family members and social networks were the primary facilitators of migration and influenced the women’s decisions to leave Peru. Most of the respondents counted on the support of a direct relative who already lived in Chile. Zoila commented, “Because my partner’s wife was here in Chile, and she recommended and told us that there was work and opportunities. The trip was organized all of a sudden. In Valle Escondido they needed people to work and I came right away, I left the next day”. This experience was repeated again and again during the interviews.

The Catholic Church, particularly the Chilean Catholic Migration Institute (INCAMI) and a specific parish church near the city center, was mentioned several times as a group that welcomed Peruvian women migrants and helped them to establish themselves in Chile. Some women contacted the Church to look for work, while others viewed it as a social support system.
6.2.4 Travel from Peru to Santiago

Although considerably less harrowing than the trip by land from South America to the U.S., travel to Chile from Peru is a central part of the migratory experience and presented some significant physical and financial challenges for the women interviewed. All of the respondents traveled to Santiago either by bus or airplane, with 60 women choosing the bus as the preferred means of transportation as it was significantly less expensive, although the travel could take almost one week if they came from central areas in Peru. The typical travel trajectory was to organize transportation from the city or town of origin to Lima, if they did not already live there, and travel from there to the border cities of Tacna (in Peru) and Arica (in Chile). From there, they would take another bus to the Chacalluta pass, generally considered the main point at which to cross the Chilean border. If the women had proper documentation and were allowed to pass, they would take a bus to Santiago; very few would stay in Arica.

As expected, those attempting to cross illegally into Chile faced many more delays and hardships. Olga, for example, was refused entrance in Arica and chose to try to enter through Bolivia: “I bought my ticket from Chiclayo directly to Chile, but because they [border officials] would not let me enter I lost everything, it was a double cost, because then I went to Bolivia to cross. That’s how we arrived in Chile, the four of us…we were delayed eight days.” Several other respondents mentioned taking advantage of the seven days of safe-conduct without a visa allowed by the Chilean government for tourists passing through the country en route to another country. Silvia, originally from Lima, chose this option. “I left from Lima for Tacna, and from Tacna arrived at Chacalluta, and there they give you a pass so that you can go into Chile, directly to Santiago, or you can remain in Arica for seven days. They usually give you a visa [in Tacna] for three months to go to Santiago, but they denied me because they thought I was bringing drugs. Because they denied me, the only way was to go by train to Arica from Tacna, and there, they let me pass, they didn’t check me, nothing, but passed me through and gave me a safe-conduct for seven days…”

While almost all of the women were able to enter Chile, even illegally, without paying anything, three reported having to pay “crossers” to pass over the border. This amount fluctuated dramatically. Zoila and Maria Ubaldina, for example, paid $150 to Chilean men who helped them to cross, and for Maria, it was part of the bus ticket. However, for 31-year-old Tania, the expense was much greater: “My only contact was my cousin, she went [to Chile] and that motivated me…of course for crossing the border, I couldn’t cross with her, I crossed with a person they call the “crossers”, that are those that help a person cross for an amount of $1,000 U.S. I didn’t expect this amount. I expected $200 or $300 maximum. My cousin lent me the money…”

Most respondents indicated that they paid more than $200 to reach their final destination, whether by plane or by bus. The cost depended on the type of transportation and the distance traveled. The trip by bus, without money paid to “crossers”, was about $50, while by plane it ranged from $150 to $250. 38 of 80 women said that the all or part of money used for the trip was a loan or donation from a close relative, friend or husband, some of whom sold possessions to obtain the necessary amount. 18 financed the trip from their own savings. In a few extreme cases women mortgaged their assets, others were given money by their employers in Chile, and the rest were unwilling to discuss how they obtained the funds. The comparison to the cost of the travel to the U.S. is striking, $200 as compared to between $10,000 and $15,000.

While some of the women interviewed had problems during their trip related to theft and fraud, 64 respondents said that their travel was uneventful, including the border crossing. For the 16 that did encounter obstacles along the way, they were most frequently due to problems with the entry permit. A
small number of women experienced considerable discrimination from border officials. Socorro, for example, was held for three hours at the airport and her passport was confiscated. Others were uncomfortable and fearful when interrogated by officials, and some pretended to be tourists. Lady Inga stated, “at the border, in Chacalluta they asked me questions…I had to tell a few lies, I told them that I was a nutritional engineering student and that I was coming on vacation to see Santiago, he asked me how much money I carried, like he wanted to see the money, I told him I carried a purse but that I was scared of taking it out and it worked…”

6.2.5 Employment in Chile

Access to increased work opportunities was a chief motivation for migration, and many of the women interviewed entered the country with high expectations of new employment options. However, many found their choices restricted and their work devalued. Employment for almost all of the women interviewed was substantially different than the work they had done in Peru. More than one-third of respondents had previously run their own small businesses such as bakeries, salons and flower shops, while another third had been salaried workers at other commercial enterprises. A final group had not worked outside the home but had taken care of domestic responsibilities.

Social and familial contacts were important, and sometimes necessary, to acquire a job in Chile. 57 women interviewed found work through their sisters, cousins or friends. Often, the heads of the households employing the migrants’ relatives found jobs for the new migrants in the homes of other friends or members of their extended family. Friends already established in Chile assisted migrants and placed them in “good” locations: Yolanda expressed, “I came with my friend, just the two of us. But there were other people here from my neighborhood that had come before, so they supported us while we looked for work. When we arrived we rented together a residential room, then after a month we got together with the others, when we found each other here.” A very small number of respondents found their jobs through other sources, such as the Catholic Church or the Consulate.

16 of the respondents had developed their own commercial activities, either formal or informal. In several cases, the women had decided to invest in a microenterprise after having been in Chile for some time in order to further establish themselves. Examples of these types of businesses were internet cafés, warehouses, restaurants serving Peruvian food, and artisanal craft shops. The businesses market their goods and services primarily among Peruvian communities in Chile.

17 women worked in a variety of sectors, primarily in services. Some interviewees were nannies, secretaries, nurses, cashiers, and waitresses. Others were not employed as they were students or housewives. Many of those interviewed perceived that it was fairly easy to find work in Santiago as a woman and if they did not have a job they would know how to find one. A participant observed, “Well, it is like this, there are many available jobs here. It is not hard to find a job if you..."
are a woman. I have not lacked work. I know there is also work in restaurants, as waitresses and in cleaning companies. And lately in supermarkets as shelf stockers.”

Women who brought small children with them to Chile did find themselves more limited in their employment options, though, particularly if they did not have other family members or networks in Chile with whom to share the responsibilities. Some women attempted to overcome this problem by taking on jobs that they could do in their homes, such as caring for the children of Chilean working mothers. A 31-year old respondent with small children lamented, “I’m always told that if I could work as a live-in or everyday and ‘if you started a little bit earlier and would get out a little bit later I would have you come every day,’ but I can’t since I have my kids, that is my big problem.”

**Table 6.5: Type of employment in Chile**

<table>
<thead>
<tr>
<th>Type of Employment</th>
<th>Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Self-employed (including microenterprise)</td>
<td>16</td>
</tr>
<tr>
<td>Domestic work</td>
<td>47</td>
</tr>
<tr>
<td>Administrative and technical positions</td>
<td>5</td>
</tr>
<tr>
<td>Others</td>
<td>12</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>80</strong></td>
</tr>
</tbody>
</table>

However, the largest proportion by far of the women interviewed worked in the domestic sector, particularly in middle to upper class households. 47 of the 80 women interviewed worked as housekeepers or cooks, some living in the homes of their employers and some in separate residences. Some respondents mentioned finding employment through the support of specific networks linked to the housekeeping labor market. They are contacts “inherited” from parents, such as those of 22-year-old Yajaira, who pass them on to help their daughters travel: “There was a person there that was in charge of bringing people to work here in Chile, and he brought my mother first. She was coming to work right away, and then my father came, about two months later, but there was that person that brought people here. He was Peruvian, but he worked with some people here in Chile and they needed nannies so he’d bring them from Peru. [My parents] sent us an invitation letter when they were already legal, so we entered normally…”

In other situations, future employers in the domestic work sector organized migration from Peru, sending money and even waiting for new employees at the airport. Maribel described her experience: “My bosses organized my trip, they paid for my ticket, they have Peruvian friends, my sister got in contact with them, they wanted [live-in domestic help], and they sent the ticket money to Lima.”

The existence of formal contracts between the migrants and their employers, both in domestic labor and other sectors, affects the women’s quality of life and the type of residence they are able to access. It allows them to legally enter Chile and obtain documentation to settle in the country. These papers impact the type of work they are able to obtain, opening a wider range of employment possibilities, offering access to the health care system, and allowing them to benefit from a housing subsidy and mortgage options. Many employers, however, were unwilling to grant work contracts to Peruvian migrants, preferring to hire those without documentation and pay them lower wages. At least 18 women, almost one-quarter of the total, reported working without a contract, and 23 others didn’t respond to the question.

The average income of the respondents who were willing to discuss their wages (55 women) was $425 per month, ranging from $150 to $1,500. For most, wages tended to fluctuate between just under $300, the Chilean minimum wage, and $600 per month, although clearly some were earning less than this...
amount. The average income for domestic workers was also about $420. Those without contracts tended to earn less, an average of $360.

6.2.6 Living conditions and health care

Housing

The majority of the women interviewed, 59, live at least part of the time in the central area of the City of Santiago, where they rent “rooms” at $125 or $150 monthly and live with roommates or their partners and children. Others live in neighborhoods to the north of the center, including Quinta Normal, Recoleta, Independencia and Renca. New migrants settle where friends and relatives are located, often in the historic center of the city in older housing that has been divided into tenements. These neighborhoods are often chosen because they are close to downtown, providing easy access to transportation, rents are not excessive, and have commercial facilities corresponding to their needs.

In several interviews, respondents mentioned that because they were renters their living conditions were not optimal. They had hoped that they would be able to make repairs to their rooms or apartments. However, in most cases the landlords flatly refused to share the expenses, leaving the responsibility of the costs of repairs completely to the renters. One woman commented, “We have not invested in repairing the house, because the landlady said to us that if we fix anything she will not give us a discount in rent, the improvements are for our own behalf only.” It is likely that poor housing conditions led to frequent relocation to new areas; 27 of the women had lived in their residence for less than one year.

Table 6.6: Type of housing in Chile

<table>
<thead>
<tr>
<th>Type of Housing</th>
<th>Number of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rents a house or an apartment</td>
<td>25</td>
</tr>
<tr>
<td>Lives during the week at their place of work and rent a room on the weekends</td>
<td>6</td>
</tr>
<tr>
<td>Rents a room</td>
<td>29</td>
</tr>
<tr>
<td>Lives at place of work</td>
<td>16</td>
</tr>
<tr>
<td>Owns a home</td>
<td>4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>80</strong></td>
</tr>
</tbody>
</table>

For domestic workers, living with employers represents a money-saving strategy that allows them to send larger amounts home to their families in Peru. 22 of the 80 women interviewed chose this option. By working as live-in housekeepers or nannies, some of them were able to reduce their monthly expenses to almost nothing in order to save or remit all of their monthly income. However, this benefit comes at the cost of their privacy and in some cases, leisure time as some domestic workers living with their employers...
are forced to work very long hours: “I arrived in Chile seven years ago...at this moment I do not have a contract. I work [as a live-in domestic worker] and I work every day...” Several of the women interviewed also work in a number of houses within the same family or in different homes on different days of the week, even giving up days off so as to maximize their earnings to send home money to their families or to save. One respondent described, “I am a domestic worker. I have a contract and the schedule...is about from 7:30 to 22:00...[at this house] I work Tuesdays, Thursdays and Saturdays [which is where she sleeps every night]. At the other house...I work Mondays, Wednesdays and Fridays, and a third house is only Sundays. I give myself only holidays off.”

In order to maintain a life outside of work, a number of women lived at their place of work during the week and rented a room on the weekend for their day off. One respondent said, “I live here [at my place of work]. I have Sundays free, I get off Saturday after lunch until Monday morning, and I rent a room on the weekends to share with a friend downtown.”

**Healthcare**

Access to Chile’s public health system, known as FONASA, generally requires the presentation of an identity card to receive service. For immigrants, this identity card is distributed once a visa has been approved, and those who have entered the country illegally do not hold one. This situation impacts migrant workers and their children across the country, but particularly in Santiago where many are concentrated. In fact, a 2005 survey conducted in the metropolitan region indicated that 40% of immigrant children were not registered in the public health system, and in neighborhoods with high immigrant concentrations that proportion was much higher at 73%.77

Almost one-quarter of the Peruvian women interviewed were working without contracts and therefore were unable to use the public health system unless their partners were legally documented. It is also important to note, however, that the legal situation of the migrants did not guarantee access to healthcare. In some cases, employers would fail to pay the necessary fees that would allow their employees to benefit from the services offered by FONASA. One respondent described this type of situation: “What happens is that my husband has a contract, but they don’t impose anything and that’s why we don’t have any health care, when we have gone to check they tell us that if we don’t pay impositions we cannot be taken care of, that is the problem. The company makes the contract but they don’t pay. It has happened that I’ve been sick and I have had to walk like that because since we have no assistance I have not been able to go to the hospital, if I fall ill I have to buy my medicine, I have to have 20 thousand pesos[USD $40], I cannot give myself the luxury of going to a hospital, because I have no one to leave my kids with. I cannot get sick.”

Of those who can use FONASA, most go to public health centers where they receive adequate, but rarely excellent care. One woman noted, “Because of what my husband has, a FONASA card. We normally go to the health center. But I always take the girl to a private pediatrician, because here every time I take her there they don’t catch it, they say ‘no, it’s something simple’ so I take her to her pediatrician who has seen her since she was born...They took good care of me, everything”. Women with contracts who live at their places of work tend to have better health care than others because of the privileged neighborhoods in which they live. Health centers in these communities tend to receive more money and attention.

### 6.2.7 Sending remittances to Peru

Providing for children is the principal motivation for sending remittances. Transfers are sent primarily to parents or other close family member who have taken on the responsibility of caring for the children
while the migrant is away. In some cases, the women interviewed stopped sending monthly remittances after they brought their children over to live with them in Chile, although a number of these continue to send sporadically to other family members. In addition, respondents reported sending remittances to cover the living expenses of their families in Peru, who depended on the monthly amounts for survival. Some send money to their families monthly to provide for daily needs and others only send money on special occasions such as birthdays, Mother’s Day or other holidays. 56 of the 81 respondents said that they sent money monthly, primarily to children, mothers or siblings, while others remitted funds more sporadically.

The average amount sent by the 47 women willing to discuss their remittances was considerable at $171, and ranged between $40 and almost $400. This average amount is particularly striking in relation to monthly income. Of the 31 women who indicated both their income and the amount of monthly remittances sent, 27 were sending at least 20% of their income and 13 were remitting 50% or more. Several who were able to save on housing and other expenses by living with employers or friends were sending almost all of their wages back to Peru. If the respondents had a permanent residence visa and were planning to bring their children to live with them, they sent significantly less money to relatives at home.

Remittances were mainly transferred through facilities in the central district of Santiago or through a specialized banking system established as a joint venture between the Development Bank of Chile, Mi Banco and the Banco del Trabajo in Peru. The experiences of the women interviewed suggest a large variability in the quality of services offered. Some women have lost money, others have been assaulted, and still others have transferred money only to have it arrive in Peru much later than anticipated. The banking system tends to offer better service and has a better reputation, however 50% send money through the agencies. A small percentage sends money through friends or acquaintances who charge a commission for the service.

In relation to who decides how to use the remittances at home, most often the person who receives and spends the remittance is a relative of the same gender. In general terms, the first priority is the mother, the aunt and lastly the son or daughter directly. Very few times the person who receives the remittance is the partner who resides in Peru, if one exists. More than one-third of the women determined themselves how their remittances should be spent, either alone or in conjunction with the relative at home, while the rest left the decision to the family member to whom they were sending. Often, although the remittance receivers were frequently women, the heads of household were men. In the case of a disagreement, the remittance receiver would defer to the husband.

6.2.8 Remittances and asset accumulation

The most common use of the remittances was for home expenses, including food, health costs and utilities. Daily consumption of the households receiving the remittances varied between $50 and $100 per month, and the maximum mentioned was $120. However, for half of the respondents a substantial amount of the monthly transfer paid for the costs of their children’s education. A number of women were covering university tuition for family members, and one was even paying for English classes. Apart from these investments in human capital, a significant proportion of respondents were also building financial or physical assets.
Housing

More than half (41) of the Peruvian women interviewed had already invested in housing or were actively saving for that purpose, a considerable number in light of their monthly wages. The majority of respondents investing in housing fell into three main categories:

- Those who already owned a house in Peru before migrating and are improving it
- Those who have bought a new house in Peru
- Those who intend to buy a house in Peru or Chile and are saving for that purpose

14 had purchased a new house or land in Peru because of the additional income they had earned as a result of migrating to Chile. Of these, eight have started new projects to expand or improve the house they purchased or construct a new house on their land. One 25-year-old woman stated, “The money that I have spent was well spent. Because I bought the land, and land is a good business because it doesn’t fail, it won’t spoil, and as time goes by it will cost more and in the mean time you do more things with the land, you invest and the land is more valuable”. Of these women who purchased a house or land in Peru, eight chose the lot themselves, but only three have the title under their name. Three do not have a title for their property, another three have it under a parent’s name, one under her husband’s, one under her daughter’s, and three did not answer.

Of the 25 women who already had a house in Peru before migrating, 14 made improvements to these structures. In many cases, the improvements consisted of reconstructing walls, floors and ceilings using more durable materials such as bricks and cement. Other women mentioned adding bathrooms, building more floors, and fixing kitchens, and one spoke about adding a roof to her mother’s large patio.

Another 13 respondents plan to invest in housing in Chile through a subsidy program offered by the Ministry of Housing and disbursed through the municipalities in which the women reside. Five have already begun the process of securing this subsidy, and two have already received it. They plan to register their homes in their own names and have not had any problems thus far in purchasing property. The remaining six are saving to accumulate the minimum amount required to initiate the proceedings required to obtain the subsidy.

The Housing Subsidy System is framed within the New Housing Policy implemented by the Chilean Ministry of Housing and Urbanism in 2004. It is targeted to low and middle income population groups who have the capacity to save and are in a position to commit to a small mortgage. In order to serve these groups, which demand small loans that are generally not profitable for credit entities, The Ministry has signed an agreement with 14 financial institutions that are given incentives to grant loans and relax some requirements. These measures have secured access to the credit needed to finance the cost of the acquisition or construction of housing. A key actor in this subsidy system is the private sector, particularly the banks that finance the construction companies through credits to build the housing units that will be offered for sale.

The subsidy program has several levels designed to encourage the participation of residents from a range of income categories. The first level, disbursing the smallest subsidy amount, is the most relevant to the situation of Peruvian migrants. The program requires interested individuals to save an initial sum of about $2,000 before applying. Once approved, participants receive a maximum subsidy of about $8,200 as well as a loan to acquire or construct a home (on their own land) of no more than 140 square meters, with a maximum price of about $40,000.78
Respondents showed considerable interest in the possibility of obtaining mortgages in Chile, but their eligibility was dependent on their legal status. A legal residence permit is a requirement, but it is important to note that acquiring this permit requires possessing an indefinite work contract. A number of women indicated that when they obtain their residency permits they will be able to benefit from the same opportunities as Chileans in terms of access to the housing subsidy, but two respondents were totally unaware of the process for obtaining this subsidy. Respondents who had already received their residence permit said that they had received the same treatment as other applicants when applying for the housing program despite their fears of being discriminated against: “When I applied I thought they were not going to give me [the subsidy], because I am an immigrant. I had this distrust and thought they would give it to Chileans, no one else. So it was a big surprise when I received the aid.”

Of those who have not invested in housing, ten indicated that they plan to do so in the future. The remaining participants simply said that they are not investing or do not think they will have the financial resources to purchase, build or improve a house, and some women indicated that they have not decided whether they will purchase the property in Chile or Peru. The fact that they do not qualify for the Chilean housing program is a major deterrent for those without legal documentation, and others are hesitant to invest in Peru when their strategy is to bring their family over and settle permanently in Chile.

Respondents seemed to have more information on programs assisting them to purchase housing in Peru than women migrants from other countries in this study, but few were taking advantage of these programs. Several women mentioned that high-profile financial institutions such as Mi Banco and Banco de Materiales have programs that facilitate investments in housing, and others indicated that development banks might also help to finance housing purchases. Six women said they knew of programs that specifically helped migrants sending remittances to channel money into housing construction. A few had heard of new programs that would allow them to send money directly from Chile, but did not have further knowledge on the subject. One woman explained, “Yes, but you have to have proof of salary for five years. Now they are making it easier for people who work abroad, from the State through the banks they help to finance the homes, improvements and expansions [housing projects] of the migrants”. Many migrants who would like to purchase a home in Peru believe that it would be impossible for them to access mortgages in their home country as they no longer reside there or have the work contracts necessary that would allow them to qualify for a mortgage.

Saving

The decision to save money in Chile or send more money to Peru was based largely on migrants’ perceptions of their future, the financial responsibilities they carried, and their wages. The women interviewed demonstrated a moderate saving capacity. 50 out of 80 reported voluntarily saving some of their monthly income. The average from those who indicated amounts (19 respondents) was about $190 per month, but most were saving between $75 and $150. Several others mentioned the total savings they had in their accounts, ranging from about $600 to $1,000.

Very few were able save substantial sums if they had commitments to provide for dependent families in Peru. One woman stated, “No, everything goes. Sometimes I keep very little, I have only 10,000 pesos ($20) to pay for transportation [on the days she has off]. Everything is for paying bills, for the expenses of the house, the children, my papa is ill, paying for medicine. If they were to ask me right now ‘do you have money?’ I don’t have anything.” However, it is likely that some respondents were sending large monthly remittances to their families with the stipulation that a portion should be saved.
Of the 50 respondents who were saving, 26 of these put their money into a bank account while the others preferred to save in their homes or in Peru. Several women indicated distrust of the banking system in their comments, citing unfamiliarity with banking procedures and a fear of banks as reasons for not opening an account. Some preferred to hold on to the money themselves for easy access in the case of emergencies.

The possibility of acquiring the Chilean housing subsidy was an effective incentive for saving. As mentioned, 13 women had accounts in the State Bank for the express purpose of accumulating the funds required to apply for the subsidy. Some women noted saving together with their husbands for the purchase of their home, as in this case: “I have a housing account at the State bank. I’ve had it for more than four years. For what we want, we need about seven million [pesos – about $13,500] 79 - if they save this amount they will not need a loan] and they will give us a subsidy for the urban zone…now we lack about two and a half [million pesos], something like that. We are saving together between the two of us for the house.”

Microenterprises

16 of the women were self-employed, supporting themselves through various formal and informal activities that they had developed. Of these, ten considered themselves entrepreneurs and saw their activities as microenterprises, which included internet cafés, call centers, restaurants serving Peruvian food, artisanal craft shops, small grocery stores and stalls in the market. The microenterprises marketed their goods and services primarily among Peruvian communities in Chile. These women had generally decided to create these businesses after having been in Chile for some time in order to further establish themselves.

At least four of the entrepreneurs invested substantial portions of their income in their businesses. One woman commented, “As we run a café we invest every day. Each week I make 400,000 [pesos – about $780] in profits and I invest enough, like 50%. I decide how the money should be invested.” Another expressed, “Well, as I am the owner everything is invested, of course taking out the expenses necessary to live as a human being, right? I make the decisions about investing.”

Whether or not the women ran businesses in Chile, many of their family members in Peru were entrepreneurs. More than half of the respondents reported having close relatives who ran microenterprises, primarily mothers, fathers, brothers and sisters. These tended to be small family ventures such as grocery stores, furniture stores, bakeries, clothing stores, restaurants, food kiosks, and flower shops. In the majority of cases, the businesses were managed by women in Peru, possibly because of the work flexibility of the business with respect to household tasks, even more so in cases where the microenterprise was located in the home. Nine women migrants indicated having invested in the business of a family member at one point, and several invest regularly. Remittances at times contributed significantly to the initial capital needed to start the enterprise and to maintain it. On some occasions, a portion of remittances were used to help during unfavorable moments.

Moreover, 32 women expressed a desire to use their earnings to create microenterprises in Peru, sometimes after returning and other times to be administered by a relative while the immigrant remained in Chile. In fact, it was evident that in a number of cases the migrant and the family at home believed that owning a business would justify enduring all of the hardships of migration. One women expressed, “I believe that in Peru, they suppose that since I have been here in Chile for 10 years I must have put together some money so I could return to Peru and start a business there, or have one in Peru and here.”
However, these plans do not always reflect the reality of what they are able to accomplish, considering their relatively low incomes and the expenses of their families in Peru.

In several cases women expressed a desire to invest income generated from a business into a housing purchase or improvement. One 31-year-old woman stated, “I think that with the business that I will have, I will I will be able to have a house”

6.2.9 Returning to Peru

For many migrants, plans for the future and returning to their countries of origin change substantially once they have become established in the destination country. 41 of the women interviewed plan to return to Peru or see themselves in their country in ten years. 14 said they plan to reside permanently in Chile because of the opportunities they have found there. 26 respondents were less sure about remaining in Chile but had no definite plans to leave. For example, Maria Ubaldina remarked, “Well, now that I’ve gotten used to it…I don’t know. I thought I would stay while my daughter finished her studies…but her daughter has finished and she is still in Chile.] I’m not thinking about leaving.” Plans for the future are influenced by four main factors:

- **Economic considerations.** The majority of the women interviewed do not want to return to Peru because they have not yet accomplished the financial goals which originally motivated them to leave their country. One woman working as a live-in housekeeper, lamented, “It is difficult, you don’t save much here, and I can’t say ‘I’m leaving’, because I came from so far and at least I want to have a small amount of savings, but the years pass and you don’t have anything, you come here and you don’t save anything…I believe that the reason people stay is because they haven’t saved anything. How can I go back without anything...” Younger women and those without children are generally aiming to save specific sums of money that would allow them to start a small business in Peru. In other cases, the families are dependent on remitted funds and would not be able to survive if the migrant were to return home.

- **Family considerations.** When family members have joined the migrant, the family usually remains in Chile. In particular, when children have started school in Chile, parents are hesitant to interrupt the children’s education to go back to Peru where they are not sure the children will receive the same quality education. The longer the family remains in Chile, the less likely they are to return to their home town, as demonstrated by this woman’s experience: “...we have a business, and now I have my daughter here, so...every year you say, ‘no, I am going to go back’, but having a baby here complicates things. And I am a little bit afraid to go back [to Peru], everyone says that the situation is bad there. I have settled here, I have started in this new place, and I am a little afraid of starting at zero again in Peru now that I have a family...”
• **Professional considerations.** In terms of employment, migration represents a radical shift in the career choices of women migrants. Despite the fact that 40% of the women interviewed (31) had completed post-secondary schooling and some had studied in technical fields, none planned to return to Peru to pursue careers in their chosen profession. This pursuit has been replaced by a desire to start businesses in Peru, an endeavor that is perceived to be more profitable. In fact, only four of the women interviewed plan to pursue their professions in Chile: two were recent graduates who had studied in Chile and the other two had practiced their profession before migrating and only left Peru to join their spouses in Chile.

• **Adjustment to city life.** A subject that frequently arose in the interviews was the respondents’ experience of city life. Many of those interviewed had come to Santiago from much smaller towns. Even those who migrated from Lima had generally lived in suburban areas. In Santiago, migrants often tend to inhabit the city center and find themselves actively inserted in urban life. Respondents frequently mentioned the fast pace and impersonal nature of the social relations in the city. They were uncertain as to whether they would be able to readjust to life in their places of origin. One woman found she could not return to the pace of life in Peru: “When I left [Peru] I thought, 3 years, no more. I returned home after three years and then I couldn’t stay.” Others prefer to remain in Santiago because of the possibilities a large city offers to their children in terms of education, recreation and access to information and opportunity.

6.3 Peruvian migration to Ecuador

Ecuador has not historically been a haven for South American immigrants; in 2001 less than 1% of the Ecuadorian population was foreign born. However, as more and more Ecuadorians have migrated abroad, the number of migrants from neighboring countries has been increasing. Despite the unstable economic climate of the late 1990s, the dollarization of the economy made Ecuador an attractive destination country for laborers seeking wages in dollars, especially those from nearby Peru. Some estimates have placed the number of Peruvians in Ecuador at between 60,000 and 120,000, but a review of entrance and exit data from 2001 to 2004 shows that a net of 345,000 Peruvians crossed into Ecuador during that time. In the southern region of the country, Peruvian immigrants live in specific neighborhoods in the larger cities and have taken over jobs in sectors abandoned by Ecuadorian migrants to the U.S. and Europe, including street vending, domestic employment, and construction labor. Peruvian migrants earn significantly higher incomes in Ecuador than in their home countries, although they are paid less than other Ecuadorians.

In Cuenca, the third largest Ecuadorian city, many domestic worker positions are filled by immigrating Peruvian women. High demand has increased wages, as Cuenca is at the core of a region of high out-migration. Replacement for women who have entered the work force as well as a high level of migration among Ecuadorians is the main draw for female Peruvian migrants into...
Ecuador. Also, some studies have found that division of labor in Ecuador is less gendered than other places, and while much female work is domestic, Ecuador offers opportunities for migrants in services, agriculture and manufacturing (textiles).

The Ecuadorian government has made significant strides to begin to regularize the large numbers of Peruvian migrants in the country. A bilateral agreement to grant legal status to thousands of Peruvians was negotiated in December 2006 and activated in February 2007. 328 work visas have been issued to Peruvians working in construction, landscaping, cleaning and domestic service by the end of October 2007. Of these, 43% were distributed in Azuay Province, 28% in Cañar, 22% in El Oro, 4% in Loja, and 3% in Zamora Quipiche. At the same time, the Government also distributed 514 authorizations to Peruvian workers to allow them to begin the process of obtaining work visas.

6.3.1 Profile of women interviewed

Interviews were conducted with urban and rural areas in the Municipality of Cuenca and in rural areas of Cuenca and Azuay Province. The respondents varied in age from 18 to 57, with an average age of 29. The time the respondents have spent in Ecuador ranges between six months and eight years, with an average of 2.5 years. Most have stayed in the country continually, but some have gone back and forth between Ecuador and Peru because of the relative ease with which they can cross the border. One person interviewed had been deported to Peru at one point but had returned to Ecuador.

| Table 6.7: Interviews completed of Peruvian migrants in Ecuador |
|---------------------------------|-----------------|----------|
| Province | Zone  | Number |
| Azuay    | Urban  | 31      |
| Azuay    | Rural  | 3       |
| Cañar    | Rural  | 6       |
| Total    |        | 40      |

More than one-third of the respondents had completed their secondary education, and most of these women had also completed some post-secondary training. The remainder had not gone further than primary school. Almost half of the women interviewed were single, and nine had partners but were not married. Only five were married. 30 of the respondents had children, and many were single mothers. Half of the women left their children with relatives in Peru, one-third have children in both Peru and Ecuador, and eight have their children with them in Ecuador. In many of these cases the women must keep their children with them while they are working as they do not have the resources to pay for childcare.

6.3.2 Determinants of migration

As in the case of Peruvian women migrants to Chile, lack of employment opportunities in Peru was the driving force prompting decisions to migrate to Ecuador. Many had heard from friends and relatives that Ecuador had decent jobs for Peruvian workers, and the country’s proximity to Peru made the prospect appealing. A small group was attracted to Ecuador by the idea of receiving wages in dollars, while others mentioned they were eager to leave difficult situations in Peru, such as strained relationships with husbands, partners or family members, or threats from gangs.

Although most of the respondents reported having low incomes, the motivations for migrating were not solely economic. Five of the women had come to Ecuador in part to continue or complete their studies,
believing that education is avenue to improving their financial situation. While the other respondents were not planning to pursue schooling, they were determined to provide opportunities for their children to attain a high level of education.

Most of the women interviewed made the choice to migrate to Ecuador on their own, without family pressure. The short trip does not involve the same cost and risks as traveling to Europe or the United States, and probably for that reason does not require the same amount of deliberation among family members. The respondents spent an average of $62 to travel to their destinations in Ecuador, which included transport (in all cases except one, by bus), food, lodging and miscellaneous expenses. The women’s perceptions of whether this amount was expensive or inexpensive varied according to the difficulties they experienced in acquiring the necessary funds. Most of the respondents indicated that they save for two to six months to finance the trip or they used savings they had already accumulated. However, 25% did rely on loans from relatives or friends, while another 25% had the trip paid for by relatives who did not expect to be paid back.

For almost all of the interviewed women, the trip of one to three days was calm and fairly easy. A small number spoke of being terrified during the journey that they would be caught by immigration authorities, while a few others had problems with their passports or struggled with their smaller children during the travel. All except three of the women made intermediate stops in other cities before arriving at their final destinations in Ecuador to look for work opportunities or visit relatives, but then decided to move on to other areas.

While a small number of women considered migrating to Chile or even Spain, the closeness of Ecuador and the relative ease of the trip there made Ecuador the only destination considered by the majority of respondents. All of the women were very conscious of the disruption to their family life that their leaving would cause, and some believed that Ecuador’s proximity would spare them and their families some pain. Furthermore, the majority already had relatives living in Ecuador who were able to provide information and job leads. The fact that their relatives had successfully found employment was a very influential factor in these women’s decisions to migrate to Ecuador. Others were unwilling to take the risks or unable to meet the costs required for migration to Europe or the United States.

The interviews confirmed the findings of other studies that the migration of friends and relatives and the development of social networks facilitating migration is a key driver in the decision to migrate. In several cases, the women interviewed were not initially thinking of migrating but were exploring other options to improve their economic situation. However, the success of a friend or relative who migrated convinced them to attempt the experience themselves.
6.3.3 Work opportunities

All of the women interviewed were currently employed. In the majority of cases they have permanent full-time positions, but a few have temporary work that they supplement with other jobs. One-third of the women were private employees, working as secretaries, in warehouses, in bakeries or as retail salespeople. The majority of respondents worked in positions requiring considerable physical effort such as agricultural workers, street sweepers or cleaners in open air markets or commercial centers. Employment on flower plantations was frequently mentioned. In contrast to the survey data from Chile, only three of the Peruvian women interviewed in Ecuador were employed as domestic workers. This may be because a number of larger companies in Ecuadorian cities hire Peruvian workers, even in some cases without legal status, because of their willingness to work for lower wages.

Several of the women interviewed were also self-employed in informal commerce. Given the ease of cross-border travel, some women have found that they can bring Peruvian goods to sell in Ecuador. These activities can increase problems with the authorities if the women are undocumented, but some women perceive working in the informal sector as a good transition activity as they look for a more stable job.

Most of the respondents obtained their employment through friends and relatives, but several had acquired work contracts in Ecuador before leaving Peru. A smaller number secured employment through newspaper advertisements or employment agencies. Most of the women believe that it was fairly easy to find employment. Slightly more than half knew of other or better opportunities, but the majority of respondents believed that they took the best job out of all of the options open to them, although in some cases these were limited by lack of legal documentation or the need for caretakers for their children. Slightly less than half of the women took the first work option presented to them without trying any others.

While in Peru, one-third of the women interviewed had been employed as domestic workers or had cared for children or the elderly. Another third had not worked, and the remainder had worked in a variety of jobs from secretarial to agricultural. For those who had worked in Peru, incomes ranged from $20 to $200, at an average of $68 monthly. In Ecuador their incomes varied from $90 to $350, for an average of $179, more than double their average wages in Peru. The fact that the wages in Ecuador are in dollars makes the income even more valuable.

The primary expenditures reported by the women are presented in the following table. They spend the most money on food and housing, although some are able to save by living at their place of work if they are agricultural or domestic workers.
Table 6.8.: Expenditures of migrants

<table>
<thead>
<tr>
<th>Category</th>
<th>Minimum (USD)</th>
<th>Maximum (USD)</th>
<th>Average (USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Housing</td>
<td>10</td>
<td>80</td>
<td>38</td>
</tr>
<tr>
<td>Food</td>
<td>10</td>
<td>100</td>
<td>46</td>
</tr>
<tr>
<td>Clothing</td>
<td>10</td>
<td>30</td>
<td>19</td>
</tr>
<tr>
<td>Health care</td>
<td>10</td>
<td>25</td>
<td>17</td>
</tr>
<tr>
<td>Education for children</td>
<td>5</td>
<td>10</td>
<td>7</td>
</tr>
<tr>
<td>Entertainment</td>
<td>5</td>
<td>20</td>
<td>11</td>
</tr>
</tbody>
</table>

6.3.4 Perceptions of the migration experience

In general, most respondents believe that the reality of life in Ecuador was much different than they had imagined. About half felt satisfied in general with their experience, citing better work opportunities and good relationships with Ecuadorians as the most positive aspects. In contrast, the other half has had a harder time adapting to life in Ecuador. They were pleased to be able to help their families but they deeply regretted the separation. Some feel they were mistreated by the Ecuadorians.

When asked if they would repeat their migration experience to Ecuador, the majority said the experience was positive overall and that they would do it again. Almost one quarter, however, said they would migrate again but would change the destination country, citing the U.S., Spain, Argentina or Chile as possible choices. A small group would not choose to migrate again, as they were forced to leave Peru to begin with.

The majority of the women interviewed have experienced some type of discrimination on account of their nationality. A perception exists among some Ecuadorians that Peruvian migrants are untrustworthy and past border conflicts between Ecuador and Peru have led to Peruvians being branded as “land and work stealers”. In several cases, respondents reported having been discriminated against when applying for work. In other cases, their employers have threatened them with deportation. None of the interviewed women belong to any organizations offering assistance to migrants.

All of the respondents have permanent living quarters. Almost half complain that their housing is sub-standard and that they lack adequate resources. It should be noted that Peruvian migrants live in “conventillos,” large historic houses that have been subdivided into rental quarters similar to those in Santiago’s historic center. The majority, however, are content with their housing situation. They appreciate their locations, and do not consider their
commute to work to be long or complicated. Most live with one or more relatives, including spouses, children, sisters, in-laws, or cousins. Only a small group live alone or with their employers.

Almost three quarters of the women expressed that the migration experience is harder for women for three reasons:

- Women experience more emotional pain due to separation from their children;
- Women generally lack the physical strength of men, which costs them job opportunities or requires them to work beyond their capacity;
- Single women tend to be abused physically and verbally by employers and coworkers.

One quarter of respondents believed that the opportunities and disadvantages were equal for men and women. Only a few believe that women have an advantage over men in that they can use “feminine tools” to achieve their objectives.

6.3.5 Remittances sent to Peru

All of the respondents send remittances to their families in Peru, in amounts ranging from $8 to $290. The average amount sent in one transfer is about $83. The majority of the remitters try to send money monthly, but some send every two to three months or when they accumulate enough to justify the transfer charges. Only a small number sends an amount sufficient to cover all of the expenses of their families in Peru as most do not earn enough to provide for all of their financial needs. Those interviewed expressed sadness over the fact that the amounts they send do not contribute more to the well-being of their families, as they are making significant sacrifices in their living conditions. These amounts are quite small indeed compared to remittances sent from Europe or the U.S. but they do make up a large proportion of their incomes.

Most respondents send money to their mothers, who then make the decisions on spending to take care of the migrant’s children and other family members. A smaller group sends money to other relatives. Those mentioned include fathers, brothers, children, nieces, aunts, grandmothers and fathers-in-law. In some cases the migrant decides how the money will be spent, but in most cases the recipients make the decisions.

The majority of women interviewed send their remittances through formal money transfer companies, although several reported using banks, relatives and friends, or cooperatives. A few have taken the money themselves when they have gone back to Peru for visits. Most are not aware of the different alternatives for transferring money and choose the service they perceive as most convenient and most trustworthy.
After food and other daily expenses, most respondents indicated that the remainder of remitted funds is invested in the education of their children and siblings. In only a few cases, education was not a priority expenditure for remittances. A quarter of respondents did not know how their remittances are spent in Peru. The rest of the women interviewed were very aware that remitted funds only covered one or two major family needs.

For example, when María Teresa became a widow and her father passed away, she found herself in need of work to maintain her daughter and mother. Limited work possibilities in her community in Peru made her decide to look for better opportunities in Ecuador. Her main goal in leaving home was to secure the resources she needed to finally finish building her house. In Ecuador her income is of $170, which is practically double what she earned in Peru. At the flower plantation where she works, she has housing and access to medicine at no cost, so her monthly expenses are practically limited to food, to which she allocated about $25 a month. She sends $100 a month for her mother and daughter’s expenses in Peru. Monthly, $12 is allocated to her daughter’s education, and although she has to pay an additional amount at the beginning of the year, she seems able to pay for schooling without any problems.

6.3.6 Remittance-based investments

Housing

Only 12 of the 40 women interviewed reported having their property, either their own or their families, and only two of these women said the properties were titled in their names. 27 of the women interviewed were very interested in investing their earnings in housing, although not as many have been able to do so because of the limited amounts of money they are able to save. The families of two of the women are in the process of constructing houses using remitted funds, one said she had already purchased property with her earnings from Ecuador, and four others are extending or improving their homes in Peru, for a total of seven who have invested in real estate. Migrants have usually left the family to deal with the details to be decided and have very little knowledge of the process. All of the construction work is being done on land already owned by the family, so the migrants did not discuss the process of registering property in Peru.

The majority of the respondents would be very interested in obtaining a mortgage to purchase a home in Peru, as this would allow them to return to their country much earlier. They were aware of mortgage opportunities, but almost none believed they would be eligible for a mortgage because they were not residing in Peru and they lacked working contracts and fixed wages. One reason cited frequently was the need for a guarantor, a requirement that discouraged respondents. Three women were aware of special programs through the Banco de la Nación and the Banco de Materiales in Peru to assist migrants in investing in housing, but they had not explored the possibilities of participation in these programs.
**Saving**

Most of the women interviewed stated that they place a high priority on saving money, and more than half are actually saving regularly, in amounts ranging from $10 or less per month to almost their entire salary, depending on living expenses. Half of those who save keep their savings in Peru, while half save their money in Ecuador in their homes. Only four reported having a bank account. Many that do save find it difficult, as after their monthly expenses and the money they send to their families there is little left over. They are forced to do without anything that isn’t an absolute necessity. The majority of respondents believe they are managing their money well, because they are fulfilling their obligations to their families while managing to support themselves.

Saving is also a priority among the migrants’ families. Half of those interviewed reported that the remittance recipient saves some of the money sent, most “under the mattress” but a small group in financial institutions. On average, they save about $40 per month, a significant amount relative to income.

**Microenterprise**

Eight of the women were self-employed in Ecuador, mostly selling goods in the market ranging from toys to food. Only one of these had a more developed business, traveling and selling cosmetics. However, as with Peruvian migrants to Chile, more than half of the women interviewed have plans to eventually invest their savings in a small business. Many of them have decided on the type of business and have made some preliminary plans, but have not been able to realize their goals. As with housing, ownership of a business is viewed as a way to enable return to Peru. Only 11 of the respondents mentioned family members that had a microenterprise or small business, and only four of these stated that remittances were invested in these ventures.

6.3.7 **Plans for the future**

Slightly over half of the women interviewed have clear short and medium-term goals for their migration, which revolve primarily around improving the family’s economic situation. Of those who are forward thinking, most are planning to save enough money to allow them to return to Peru. Three-quarters of respondents want to return to their country primarily because of their families, but they are also aware of the economic situation in Peru. Some would rather stay in Ecuador for an extended period because of better employment opportunities. With respect to their long-term plans, the majority envision themselves returning to Peru to reunite with their families. 12 specifically mentioned returning to Peru only after having acquired a house, while eight others envisioned themselves in the future with a business in their country. Only two women stated that they would like to establish themselves in Ecuador, become legal citizens and bring their families over.

In general, the women interviewed perceive that their families do not have any expectations from them other than that they achieve what they set out to do and are happy. Only a quarter of the women’s families expect them to return to Peru, and only two respondents indicated that their families expected to receive remittances.
7 REMITTANCE RECEIPTORS

Migration impacts two groups of women: those who leave their countries and those who remain at home. In Latin America, women can make up half to three-fourths of adults receiving remittances, depending on the country. Many of them are taking on leadership roles in an unprecedented manner, making decisions about the use of household income and facing increased familial, social and economic pressures due to the migration of family members who previously contributed substantially to managing the household. While remittances do present an opportunity to alter established gender roles as women exercise more control over spending, the funds can also create financial dependency, along with the pressure of accountability to the migrant for their use. Moreover, the social and emotional costs of migration, particularly the loneliness resulting from the departure of family members, can take a toll on the women’s well-being.

Investment in a diverse range of assets is necessary for women remittance recipients who tend to face lower overall incomes, fewer opportunities in the formal job market and less access to credit than their male counterparts. Moreover, the accumulation of assets helps to protect them from dependence on remittances, which can vary according to the circumstances of the migrant and which research has shown tend to diminish as the migrant becomes more established in the destination count. Although some studies indicate that women tend to spend more on food and basic household expenses than men do, once these needs are met, women can and do use remittances to invest in providing for the health care and education needs of their children and accumulating other key assets that improve their household’s financial security. This section explores the impact of remittances on women recipients in Honduras, El Salvador and Ecuador and examines their priorities related to asset accumulation.

7.1 General characteristics of remittance recipients

The distribution of remittances as well as the proportion of women recipients differs somewhat across countries. In Honduras, where 20.9% of households received remittances in 2006, the majority of recipients are women but only 46% of remittance-receiving households are headed by women. This can be explained in part by the fact that some women whose spouses have migrated still consider their partners to be the heads of the household and respond likewise in surveys. It is also often the case that women who are not heads of household are in charge of administering the remitted funds. Although households throughout the country receive remittances, they tend to be concentrated in the four departments of Francisco Morazán (with the capital Tegucigalpa), Cortés (with the large city of San Pedro Sula), Olancho and Yoro, as these departments have the highest populations. A larger percentage of urban households (23.7%) receive remittances than do rural households (18.2%), and urban households also tend to receive larger amounts. Almost 70% of remittance-receiving households headed by women are in urban areas.

In 2006, 28% of households in El Salvador received remittances. Some studies indicate that about three-quarters of the receivers are women, but as in Honduras a smaller percentage (47%) of households receiving remittances are headed by women. Regions with a greater proportion of receiving households show a higher percentage of female-headed households and lower poverty rates when compared to regions with a low proportion of remittance receivers. As in Honduras urban areas have the largest absolute numbers of migrants, but the departments with the highest proportion of households receiving remittances are in the rural east and north of El Salvador, especially La Union, Cabanas, and Morazan.
In Ecuador, the most recent comprehensive survey undertaken in 2006 by the National Institute of Statistics and the Census (INEC) indicates that only 6.5% of the population receives remittances. That incidence is higher for women (8.3%) than for men (4.7%), and 65% of remittance recipients are women. While remittance-receiving households are distributed throughout the country, they are most concentrated in the provinces of Cañar, Azuay, El Oro and Loja. In Cañar, the province with the highest percentage of receiving households, almost one out of every four women received remittances during 2006.

Several sources contribute to establishing a profile of remittance recipients in the region. Extensive surveys conducted by the Pew Hispanic Center and the Multilateral Investment Fund in 2003 of both male and female recipients in Central America and Ecuador present a broad overview of their characteristics. In the Central American sample, women accounted for 54% of recipients, a number other surveys estimate to be much higher, while 66% of the Ecuadorian recipients were female. Contrary to widely held beliefs, most recipients were not receiving money from spouses but from other relatives. About 30% in El Salvador, Honduras and Ecuador received remittances from their brothers or sisters, while children sent about 28% of the transfers. Ecuadorian recipients tended to be older, with 32% falling between the ages of 36 and 49, compared to 15% in Honduras and 20% in El Salvador. Education levels in Honduras and El Salvador were lower; 56% of the Hondurans surveyed and 46% of the Salvadorans had only finished primary school, compared to only 27% of Ecuadorians. However, while recipients in El Salvador and Honduras were from all income levels, in Ecuador the highest concentration of remittance receivers was among those just above the lowest income quintile, earning between $250 and $500 per month. The average remittance received per transfer in Honduras was $170, eight times per year; in El Salvador, $170, 10 times per year; and in Ecuador, $175, eight times per year. In all three countries, the majority of recipients were from urban areas or more urbanized regions.

An analysis of two other datasets accessed for this study offers a profile more specific to women recipients. In 2007, 951 women receiving remittances were surveyed from urban and rural areas in El Salvador for a study of the remittance market (See Section 3 for more information). Among the women interviewed, only 12% were receiving transfers from a spouse, while more than half were sent money by a brother, sister, son or daughter. In terms of education, two distinct groups were present. Almost 50% had a primary school education or lower, while 33% had completed high school. About 10% had gone on to a university. 64% of respondents lived in households with more than four members, and more than one quarter of the households had six or more persons.

A much smaller study in Honduras profiles women remittance recipients in three urban neighborhoods of the same city. 114 female remittance receivers were interviewed from the neighborhoods of Piedras Azules, Sagrado Corazón and Santa Lucía in the city of Choluteca. The sample was conducted largely with women whose primary occupation was the care of the home and family. 80% of participants reported themselves as “housewives” although women from other occupations were also interviewed. The majority of participants were older than 35, with about one-third over 50 years of age and another 29% between 36 and 50. Education levels were low; 16% of all respondents were illiterate, more than half had completed only some or all of primary school, and less than one-quarter had gone on to secondary school. More than half of respondents were in a steady relationship, with 26% married and 28% in a civil union. The majority of participants lived in households of three to five people, while 29% lived with six to eight others. Respondents’ households had an average of two to three relatives abroad, almost all in the U.S. Sons and daughters were the most frequently listed. Only one-third of those who were married or in a civil union had partners who had migrated.
7.2 Participants in fieldwork in Ecuador, El Salvador and Honduras

A total of 173 women remittance recipients participated in interviews and focus groups in the three focus countries of this study. As different data collection methods were employed, it is beneficial to understand the general characteristics of the participants by country.

7.2.1 Ecuador

28 of the women were heads of household, while the other seven were not household leaders but were responsible for the administration of remittances. All participants had been receiving remittances for at least one year. In terms of location, respondents were fairly evenly distributed in rural and urban areas in provinces of high outmigration (See table 7.1).

Table 7.1: Place of residence of women interviewed, Ecuador

<table>
<thead>
<tr>
<th>Province</th>
<th>Zone</th>
<th>Interviews</th>
</tr>
</thead>
<tbody>
<tr>
<td>Azuay</td>
<td>Urban</td>
<td>11</td>
</tr>
<tr>
<td></td>
<td>Rural</td>
<td>9</td>
</tr>
<tr>
<td>Cañar</td>
<td>Urban</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Rural</td>
<td>4</td>
</tr>
<tr>
<td>Loja</td>
<td>Urban</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>Rural</td>
<td>5</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>35</td>
</tr>
</tbody>
</table>

The ages of the selected women ranged between 17 and 65 years, with an average age of 44. 22 of the recipients interviewed had migrant relatives in the U.S, 12 in Spain, and one in England. In contrast to general trends mentioned in the previous section, 24 of the 35 women interviewed were married with husbands who had migrated, seven were single mothers, three were separated or divorced and one was unmarried but in a committed relationship. In most cases those interviewed were the spouses or mothers of migrants, but some recipients were sisters, daughters, nieces, aunts or ex spouses.

Almost all of the respondents reported having more than one relative who had emigrated; one woman indicated that 20 members of her immediate and extended family were abroad. The time that the migrant family members had been away from Ecuador varied from 1 to 25 years, with an average of about 9 years. Almost one-third had been abroad for ten or more years.

The remittance recipients cared for between one and nine children, with an average of three per household. The average household size was about four family members,
with some households of up to nine people. About half of the respondents lived only with their children, while the rest of the households had extended family with them.

7.2.2 El Salvador

In El Salvador, interviews and focus groups were conducted with women connected to the NGO FUSAI and its partner microfinance institution, Integral (See Section 3). All of the women who participated in interviews and focus groups in El Salvador had migrant relatives that had been abroad for ten or fewer years, and had been receiving remittances for three or fewer years. The 18 individual interviews were conducted with women in rural and urban areas of seven different departments, distributed in the following manner:

<table>
<thead>
<tr>
<th>Department</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>San Salvador</td>
<td>4</td>
</tr>
<tr>
<td>Chalatenango</td>
<td>3</td>
</tr>
<tr>
<td>Usulután</td>
<td>3</td>
</tr>
<tr>
<td>La Libertad</td>
<td>2</td>
</tr>
<tr>
<td>San Vicente</td>
<td>4</td>
</tr>
<tr>
<td>San Miguel</td>
<td>1</td>
</tr>
<tr>
<td>Santa Ana</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>18</strong></td>
</tr>
</tbody>
</table>

The youngest respondent was 22 years old while the oldest was 57, and the average age was 39. 11 women interviewed were either married or in a relationship, while four were single and three were widowed. The average number of household members was three persons, the majority of these households composed of mothers and their children. Seven participants affirmed having only one relative in the United States, primarily husbands/partners or one of their children, while the others had more family members abroad.

The six focus groups in El Salvador were also carried out in both rural and urban locations in which FUSAI and Integral were developing housing projects. Focus group participants demonstrated characteristics similar to those interviewed.
Table 7.3: Locations of focus groups, El Salvador

<table>
<thead>
<tr>
<th>Department</th>
<th>Number of women</th>
</tr>
</thead>
<tbody>
<tr>
<td>San Vicente (2 focus groups)</td>
<td>13</td>
</tr>
<tr>
<td>Usulutan (2 focus groups)</td>
<td>28</td>
</tr>
<tr>
<td>San Salvador</td>
<td>6</td>
</tr>
<tr>
<td>Chalatenango</td>
<td>18</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>65</strong></td>
</tr>
</tbody>
</table>

7.2.3 Honduras

Considerable attention was paid to selecting the location of the five focus groups in Honduras. Knowledge of the locations is therefore helpful to understanding the participants.\(^97\) These communities have witnessed substantial demographic changes due to migration. Four of the five selected areas had higher percentages of migrants than the municipalities in which they were located, and all of the locations except the smallest and most rural, El Tibre, had populations with more women than men.

The first focus group took place in Buenos Aires, a rural community of 200 people in 50 households located in the Municipality of Ojos de Agua in the Department of Comayagua. The Municipality is one of the poorest in the Department, and most of the rural communities are dependent on coffee cultivation. Work opportunities are seasonal according to the schedule of the coffee harvest. High levels of outmigration starting with Hurricane Mitch in 1998 led to a significant loss in the economically active population, and of the 50 households in Buenos Aires, 20 to 25 have at least one person who has left the village to live in the United States. Monthly incomes, even with remittances, remain low in Buenos Aires, but residents are able to provide for themselves to some extent with subsistence crops and animal products.

Colonia Tres de Mayo, where the second focus group was held, is an urban neighborhood in the city of Comayagüela, located adjacent to the nation’s capital, Tegucigalpa. Tres de Mayo is considered to be a marginal settlement of the city, but not one of the poorest. The Colonia was first settled through illegal land occupations in the early 1970s and although currently some inhabitants have legal titles, many other do not. Within the neighborhood’s land area – 31.2 blocks – there are close to 5000 homes housing between 13,000 and 18,000 residents.\(^98\) The typical structure shelters large, extended families, an average of seven to nine persons per house. A certain segment of the Colonia’s male population had already migrated to the US before Hurricane Mitch, and migration increased afterwards. It is estimated that of every 10 households, three have one or more migrants abroad, almost all living in the US.
The rural community of El Tibre in the Municipality of El Negrito, Department of Yoro was the site of the third focus group. It is well-located geographically, benefiting from its relatively close proximity to San Pedro Sula, the second largest city in Honduras, and El Progreso, a strategic intermediate city in which another focus group was held. Similarly to other communities in the Department of Yoro, El Tibre has very productive agricultural land for the cultivation of coffee. The community also demonstrates high social cohesion among its 110 residents, distributed in 24 households, who make their living growing coffee and grains. Agricultural production has largely allowed households to provide for their basic food needs and maintain fairly high levels of nutrition. Of the 24 households in El Tibre, 18 of them receive remittances from abroad.

The fourth focus group was held in the northern zone of El Progreso, an intermediate city of 150,000 in the western section of the Department of Yoro that is experiencing significant growth. If the expansion continues, El Progreso will likely merge with nearby San Pedro Sula. For many years, this city has been recognized as one of the country’s most productive urban areas, benefiting from surrounding lush agricultural land watered by the Ulúa River. Coffee storage and processing as well as banana packing and shipping are key economic activities due to the Department of Yoro’s high production of these products, and the city experiences more investment and boasts more employment opportunities than other cities of similar size across Honduras. Despite its high economic activity, the Department of Yoro, home to both El Progreso and El Tibre, has a higher percentage of households with migrant members than the national average.

The final focus group was held in the Sagrado Corazón de Jesús neighborhood of Choluteca, a city of about 100,000 and the capital of the Department of the same name. It is generally considered the regional center of Southern Honduras and is a transportation node for Central America. The Sagrado Corazon neighborhood has a population of about 1700 people, the majority of whom have lived in the neighborhood since birth. The neighborhood has a long history of migration that began before Hurricane Mitch but increased after the disaster. Until the late 1990s, the neighborhood had been considered a marginal area of Choluteca but this status changed in 2006 with infrastructure upgrades implemented by the city’s new mayor.

The attendance at the five focus groups was as follows:

- **Buenos Aires**: twelve women heads of household;
- **Colonia Tres de Mayo**: eight women heads of household and three women who administer remittances;
- **El Tibre**: three women heads of household and two women who administer remittances;
- **El Progreso**: eight women heads of household and four women who administer remittances;
- **Choluteca**: thirteen women heads of household and two women who administer remittances.
7.3 Monthly income, remittances and income-generating activities

Most households take a significant risk in sending a migrant, particularly one traveling by land. It is possible that he or she may never reach the destination country, due to deportation, injury, or death. If the migrant does arrive safely, it usually takes time to adjust to a new culture and find work, and remittances are not always sent right away. Partners take the chance that their spouse may form a new household abroad and may send very little money. In most circumstances, the sending families are left for some time without extra money from remittances and without the income the migrant would be providing if he or she were at home. In interviews in Ecuador, more than half of the respondents felt a sense of economic abandonment and fear after the departure of their family member as well as dependence on the prospect of forthcoming remittance transfers, even though most were working. In eight of the 35 cases, the families experienced a prolonged period of waiting for the migrant to acquire a stable enough income to be able to send some money back to Ecuador, sometimes more than 5 years.

While many households count on income apart from remittances from the work of other household members, informal activities or microenterprises, a proportion of families are completely dependent on the funds they receive from migrants abroad. This situation puts them at risk of severe poverty should the migrant family member fail to send adequate amounts and also limits their personal development and sense of independence.

For example, five of the women who participated in the focus groups in Honduras noted that the amount they receive from abroad is not enough to even provide food for their families. This circumstance was generally observed in large households that had been living in poverty or extreme poverty prior to the departure of the migrant, and their conditions worsened when they lost one of the major contributors to the household’s income. After his departure, the migrant completely or almost completely disconnected from the family in Honduras, in some cases forming a new household in the US. In other situations, the migrant was unemployed or had a precarious, seasonal or unstable job, or had gone into hiding to avoid deportation.

Several focus group participants in El Salvador mentioned the uncertainty associated with remittances as a motivator for supplementing their income with other activities. Sonia from Usulután stated strongly, “No. I don’t want to just wait for them to send. Because he can make a decision overnight, or something can happen to him, a tragedy, you never know. Imagine that if something happens to him, if he dies, I would just have my arms crossed waiting for him to send me. No. How is he going to help me if he’s dead?”

7.3.1 Income apart from remittances

Income levels varied by country, and also between rural areas, where earnings are lower but families tend to have land to cultivate or animals, and urban areas where all food must be purchased and households are much more affected by rising food prices. In the rural community of Buenos Aires, Honduras, the average monthly income of the households in the focus group without remittances was about $65. This income was primarily generated by the sale of coffee and worker’s wages during the harvest season from December to February. Most of the participants stated that this amount was insufficient to cover the expenses of even feeding the family. However, participants in rural El Tibre, an area with similar income levels, noted that they were able to feed their families prior to receiving remittances because of the higher productivity of their agricultural land.
In Choluteca, a smaller and poorer urban area, more than half of 114 participants in the larger 2004 survey did not have anyone in the household receiving a fixed salary, although some of these respondents earned income as day laborers or through a small business. The average income for participants without remittances was $154, and the average income without remittances for those without anyone in their family receiving a fixed salary was only $104. Average monthly income did rise according to the number of people in the household, from $94 for families with four or fewer members to $160 for households with five or more people, but average per capita monthly income for the larger households was just $20 while for the smaller households it was $37.

In Ecuador, of those who reported their monthly income without remittances, the highest income was $500 while earnings averaged about $210. In the rural areas of the Cañar, Azuay and Loja cantons, the average income was lower at $201 while respondents from the urban areas reported higher earnings averaging $225. Nine respondents stated that they would be able to live on the income they made monthly without remittances. Interestingly, these responses were evenly distributed between rural and urban dwellers as well as large and small households.

The 18 participants in interviews in El Salvador who were primarily from urban or peri-urban areas reported an average income of between $250 and $300 per month without remittances. Seven indicated that they had less than $200 monthly, while the remaining 11 earned between $200 and $600. Comments from focus group participants confirmed those average amounts. The results from the market study were more indicative. Without remittances, more than 60% of the 951 women surveyed earned less than $200 per month, while almost a quarter (23%) earned less than $100. Only 12% reported that their households earned more than $300 per month.

7.3.2 Amount of remittances received

The average monthly remittance received by the women participating in the study was between $250 to $300, indicating that in the majority of cases remittances at least doubled the recipients’ household income. In the rural community of Buenos Aires, for example, income almost tripled. A breakdown of average remittances by country showed considerable differences in the amounts the participants received as well as the needs these funds could cover. In Honduras, the average transfer received by the participants in the focus groups was roughly $185. In El Salvador, the 18 women interviewed reported an average of $300 while the members of the focus groups that discussed remitted amounts received about $275. In Ecuador, the amounts were substantially higher, averaging $365 per month. This was in part because one woman was receiving regular large transfers to pay a housing loan which she included when discussing their monthly remittance amount, while two other women reported receiving $1,000 to $1,500 per month to pay off their considerable trip debt. The average amount received monthly not including these women was $265.

The relative abroad usually decided on the size of the transfer. It was clear that the amounts varied according to the migrants’ incomes and expenses as well as their perceptions of family needs at the time the transfer was made. At the beginning of the school term in Ecuador, for example, households received significantly larger monthly transfers to cover the costs of tuition, uniforms and supplies.

The research conducted in Honduras demonstrated an interesting variation in remittance transfers according to different urban and rural locations. Amounts seemed to rise with the area’s average income. In Buenos Aires, the most rural and the poorest area, focus group participants received between $90 and $180 per month, while in El Tibre, a rural area with a slightly higher income, they received $150 to $200. Residents of the Sagrado Corazón Neighborhood in Choluteca and the marginalized Colonia Tres de
Mayo in Tegucigalpa-Comayagüela tended to receive more than some rural areas but less than other urban areas, also about $150 to $200. Participants in El Progreso, a higher income urban area received the most money, about $200 to $300 per transfer. These trends correspond with data from national surveys in Honduras and El Salvador, which indicate that households in urban areas tend to receive larger monthly amounts.

However, the same sending patterns were not observed in Ecuador. In fact, excluding women who were paying off substantial debt, the participants in rural areas received substantially more per month, at about $320, than did their urban counterparts, at about $210.

7.3.3 Additional income generation

To augment their monthly income and reduce some dependence on remittances, about two-thirds of participants engaged in various economic activities ranging from formal employment to selling produce or handicrafts in the market to a home-based or independent business. The Ecuadorian women were very likely to be employed or engaged in income-generating activities; only four respondents, three living in urban areas and one from a rural location, specifically stated that they were dependent on remittances or other family income and didn’t work.

In El Salvador, 14 of the 18 women interviewed said they supplemented their monthly remittances with income earned from other activities. Six noted that the money they received was not enough to maintain their families, while another eight stated that they continued to work after receiving remittances because they enjoyed the independence of having their own earnings. Participants in the focus groups echoed these responses. Lilian observed, “…in the [market] stand that we have there’s no room for both of us she and her husband] there. Because otherwise you get spoiled, as a woman you get bad habits, if you don’t work and the man only has you in the home, we want to be given everything. And since I have been taught not to be like that… not to be putting my hand out asking, so not because as a woman the money your husband gives you is not enough to buy an expensive pair of shoes or blouse or pants, you have to work, otherwise you have to be asking, begging your husband. But if you work yourself, if you want something you buy it, and if he asks you say ‘I bought it for myself.’ If he likes it good and if not, good too. Just like that. But thank God in my case we both share the work. If one isn’t there, the other one goes.”

Very few of the women interviewed in El Salvador chose to augment their income with formal employment; most had developed businesses or informal activities. Integration into the formal labor market is difficult for the women due to lower overall education rates and fewer employment opportunities for women, particularly in rural areas. The findings of the market study confirmed this
tendency. Of the 951 women interviewed, only 27% reported having remunerated employment, and this proportion decreased to as low as 10% or 15% in certain rural locations.

The focus groups in Honduras indicated a lower proportion of women earning additional income. About 40% of the participating women did not engage in any income-generating activity, but this proportion differed according to location. In the urban areas such as Colonia Tres de Mayo, only a few women had no outside income. Most earned additional funds through running “pulperías”, or home-based grocery stores, selling home-cooked foods or offering seamstress services. In rural Buenos Aires, however, a number of participants reported having no personal income as their husbands abroad had forbid them to work outside of the home, believing they should devote all of their time to caring for their children. Informally, some women expressed that they thought this decision was motivated by jealousy.

The data from the 2004 survey in Choluteca, Honduras showed similar tendencies. 40% of participants represented households that were completely dependent on remittances for their survival, and almost half of these families had five or more members. More than three-quarters of those who did not have any other income listed housewife as their occupation. However, the 23 women who listed other occupations also had trouble earning sufficient income; eight of them had no income outside of remittances, while another six earned less than $200 monthly.

7.4 Decision-making

Migration and the sending of remittances has clearly increased decision-making power for some women recipients and has given them new, more authoritative roles in the home. Women heads of household are frequently managing remittances and making significant decisions regarding their use. In the end they find themselves carrying the weight of responsibility for the well-being of the entire family. For some women, these changes open up new opportunities for personal development and positive change. For others who remain when family members migrate, however, these new roles are not always welcome, nor is the decision-making power always unrestricted. Despite the undeniable new opportunities, for some women assuming other responsibilities only means more work without increased autonomy or empowerment.

Determining who makes decisions on the use of remitted funds is somewhat complex because there are different categories of money sent home from migrants abroad. Two are relevant here: remittances for larger investments, which the migrant often controls (See section 5.2.6), and remittances for daily expenses which are often left to the recipient. These two categories are not always sent or managed separately; in one transfer a migrant may dictate the spending of a certain amount for an investment,
while the rest would be left to the receiver’s discretion. In other cases, the migrant would send money to be invested directly to a bank to pay off a housing loan, for example, while sending separate monthly transfers for daily needs. Clarifying decision-making tendencies is further complicated because recipients will often make considerable sacrifices to be able to save or invest out of the money they have been sent to cover expenses, sometimes without telling their plans to the family members abroad.

The interviews and focus groups revealed a range of decision-making approaches regarding household expenses. While almost all of the women who participated were either heads of household (their husband or other dominant male family member had migrated, or they did not have a partner) or reported administering remittances, responses varied as to which decisions the women felt they had the authority to make on their own.

In Honduras, in the larger dataset from Choluteca, 65% of respondents said that their migrant family members did not dictate to them how their remittances should be used, although it is not clear whether they consulted with family members for spending advice. The remaining 35% received some instruction on remittance expenditures, and of these, 10% were unable or unwilling to spend the money as directed, usually in cases where the migrant was requesting the purchase or improvement of a house.

Responses in both urban and rural focus groups indicated that female heads of households or administrators of remittances most often make the final decisions on the following categories of expenditures:

- The amount of money to be spent on food and the types of food purchased;
- Medical attention and prescription medication;
- Educational opportunities for teenagers and children;
- Clothing and shoes;
- The purchase of home appliances and electronics;
- Investment in a home-based business (decisions to invest in businesses outside the home were only made by male family members);
- Small monthly savings.

For larger investments including the purchase of land or the construction of a home, the remittance recipient generally made the final decision in conjunction with the migrant. In these cases, the role of the woman receiving the remittances was to help the migrant make the decision, discuss with him or her the details of costs, materials, housing style, and choice of contractors, and directly administer the money sent for the investment. The women were generally also in charge of making decisions related to the interior design of the home, including colors, number of rooms, or furniture.

There were, of course, exceptions to these general tendencies. In one interesting case, two sisters living in separate houses with their respective husbands shared remittances received from their mother who had migrated to the US years ago. Each of the sisters recognized her husband as the head of the household, but neither man made any decisions about the remittances received by his wife. However, the women recognized that their husbands directly benefited from some of the uses of these remittances because they were freed from certain household expenses and investments. This case demonstrates one way in which women sometimes control remittances without being the head of household.

However, despite this decision-making power, more than half of the women in the Honduran focus groups felt that the migration of their family member brought them greater responsibilities in the household without a commensurate level of independence. While they were responsible for final
choices, they almost unanimously declared that they consulted with someone, most often a man, before they spent remittances. About half of the participants discussed expenditures with the person abroad, while the others spoke with members of their households for advice. They tended to feel substantial pressure and accountability to the migrant for the appropriate use of the funds and in most cases did not have a sense that the money was “theirs”. Some of the women displayed a lack of confidence in their own ability to manage the incoming funds, with one saying “I consult with people here because I do not have extra income, the money is for surviving and not for spending on unproductive things.”

All of the women participating in the interviews and focus groups in El Salvador similarly acknowledged the weight of the increased responsibilities in assuming a role as administrator of income, provider and protector, service contractor and overseer of the health and education of the household, in addition to former, more traditional activities of housewives such as caring for the children, cooking and cleaning. One woman expressed the feelings of most of the participants, saying “The work is always there and it is worse because there is a gap left by the person who left.” However, the majority of women in both the interviews and focus groups in El Salvador said they had full autonomy in the use of remittances, and they expressed significantly more confidence in their ability to manage household funds than participants in Honduras. They noted that administering income gave them more security in providing for their families. In fact, all the participants said categorically that their gender allows them to manage remittances in better, more responsible ways than men would and that the choices they make regarding remittances are substantially different than the choices a man would make in their position. For example, Lillian from San Vicente noted, “Of my dad’s remittances, when I was younger he sent for me to buy pants, a blouse. But now with that money I bought a washing machine. That’s it.”

In contrast to some of the respondents in Honduras, the participants in El Salvador trusted their own discernment as to how to administer the remitted funds. Blanca from a focus group in San Vicente observed: “But since I’m alone I have to make all the decisions. It’s the same thing to buy something, when he was here we went together. Now I only say ‘look, with what you sent me I bought this thing.’ I don’t say ‘I’m going to buy…’ but rather ‘I bought’. For example, the TV that I bought for my older sons, and then I bought the other appliances, but afterwards I told him what I bought and he says ‘that’s good honey, so that my sons have everything they want.’ I only tell him after I do things.” She went on to say, “…when we are both here we don’t make the same decisions, there are always varied decisions; you always have to ask them for permission or ask for their opinion. But when you’re alone you only tell them. It’s not the same, because when he’s there you do it, and when he’s here you ask for their opinion.”

The participants in El Salvador also seemed to have more control over larger investments, including housing and business development. Sonia, from Usulutan, made a quick decision to accomplish her goal: “When I found out about this project [for housing loans through FUSAI/Integral] I signed up for it. Before telling him [her husband who had migrated] about it, I signed up, and only afterwards I told him ‘look, there is this project for houses, I already signed up, and they approved me for the credit, and now what I want is for you to send me money for the down payment. And if after that you don’t want to help me anymore, don’t help me, but my children will have their home.” Maria, also from Usulutan, spoke about her business, “In my case, I made the decision about the store...Because when he had just left he’d send me $50 because he was earning very little there too. At first he sent very little and I signed up at the bank and little by little I saved, and that’s how I started my business. But I didn’t tell him that I would open the business until I already had it and that was when he told me he was coming and he had a surprise, and I told him I had a surprise too. And so we decided to work together so that we wouldn’t have to work for anyone else. Because as a woman you are strong and very sure of what you do.”
The interviews in Ecuador indicated that the migrant generally selects someone, usually a wife, daughter or mother, in whom he has complete confidence and allows that person to make the majority of the decisions regarding the use of the remittances. However, seven of the 35 interviewees indicated that their family members send remittances with a request or expectation that they will be used a certain way, although in three of these cases the receiver had some decision-making power. Four respondents stated that they simply distribute the funds according to the express wishes of the family member abroad.

For larger purchases and investments, the migrant tended to exercise more oversight over the money sent. Of the 13 households that were making investments in housing (11) or businesses (2), in six cases the investment was controlled completely by the migrant or a male member of the household. Furthermore, most respondents noted that in the case of accumulated savings brought home by the migrant, it would be the migrant’s prerogative to decide on their use. Only six indicated that she and the migrant would decide together how to spend the savings.

One of these six was Malena, from the province of Loja. Nine years after her husband migrated to the U.S, she has recognized herself as the head of household. She has made most of the decisions regarding the resources that her husband sends her. Although food and education have been priorities, over time it has become possible to buy a vehicle and an apartment. Both assets were registered in Malena’s name. She saves for a few months a year for the times of increased spending, especially at the beginning of her children’s classes. In the future, she expects that her husband will be able to return and together they will decide how to invest the money that they have been able to save. Malena considers opening a small store as the first option, probably a grocery store in her town.

7.5 Asset Accumulation

7.5.1 Providing for household needs

Perceptions of the adequacy of remittances

It was apparent from the interviews and focus groups that not only did the amount that could be purchased with remittances vary between countries, but also that perceptions of the adequacy of remitted amounts were relative. In both urban and rural focus groups in Honduras, participants noted that before receiving remittances their incomes were insufficient to provide for even basic family needs, but with remittances they were able to cover all of their expenses as well as to invest in housing and save. In fact, in the urban area of Colonia Tres de Mayo, the participants stated unanimously that after feeding the family there was “always money left over to save or invest.” In general they were pleased about the amounts they received and reported being able to accomplish a range of financial goals.

In Ecuador, however, the majority of respondents indicated that the remittances did not completely cover the household’s expenses. About half were very understanding of the migrant’s situation and acknowledged that “although it is a small amount, it helps.” The other half were vocal about their displeasure, stating “we have other expenses that our family member does not take into account, and in most cases the extra expenses are to take care of his children”, or complaining “the money is only sent to pay off debts.” Hardly any of the respondents were satisfied with the amount of remittances they received. Most were conscious that the transfers had improved their quality of life to some degree, but stated that nothing but the basic necessities were covered. In cases where the recipient was caring for the children of a migrant relative, the remittances went solely into covering the children’s expenses and were sometimes acknowledged to be sufficient for those costs. Perceptions differed significantly as to what
amount was considered “enough”. Several respondents in Ecuador were content with an income of $130 per month, while most others, even those with similar household sizes, found that situation untenable.

Participants in El Salvador vocalized similar opinions to those of respondents in Ecuador. One-third of those interviewed acknowledged that they were obliged to supplement their income because remittance transfers did not cover all of their expenses, and women in the focus groups commented on the difficulty of stretching the money they received and their concern about the expectations of the migrants upon their return. One exchange in a focus group in Usulután was as follows:

Maria: “I expected that they would help us pay the debt we had outstanding. I also have a business and we are in a lot of debt, but there are a lot of us and we can’t finish paying off the debt. They don’t send much, they send little and to a lot of people because the family is big. So what we do is pay off and then take out another credit and you never get out of it. That’s how it is now. They will come back and they will find us always indebted.”

Adilia: “That’s completely true”

Sonia: “I tell that to my husband and he’ll say ‘honey you paid everything I left you and I find you with even more debt.’ Because the times we are living now are not like when he left. I tell him it’s not even close to the situation when you were here – dollars are not enough.”

Reynalda: “the dollar is not enough.”

Sonia: “the more dollars you earn the less you can buy at the market.”

Building human capital: using remittances to improve nutrition, health and education, and overall living conditions

The use of remittances for daily needs includes expenses ranging from food, education and health to debt repayment, utilities, and home equipment. As expected, food was the largest expenditure category for all participants, and improvements in nutrition were largely viewed as investments in preventative health care for the family as well as in education as children were observed to perform better in school when they were well-fed. Participants in the focus group in Buenos Aires, Honduras, noted that after receiving remittances and improving nutrition, the household members that worked as day laborers bringing in the coffee harvest were sick less often and were more productive in the fields.

Debt repayment was a major expenditure that typically took precedence over every other need apart from food and health emergencies. In a number of cases, paying off debt was a primary motivator for migration. Reynalda from Usulutan, El Salvador, commented, “First pay off the debt’, [my daughter] says, because there is always debt, we always have it. As poor people from the fields we always have debt. And with the money they send us we get out of it little by little. If they send enough they can do something, but if they send a little it’s only to get by, for food expenses.” However, more often the debt paid by remittances had been incurred in the course of financing migration. In Ecuador, three of the women interviewed were using remittances solely to pay back loans, in one case totaling $16,000 at 3% interest, and ten others said that for at least one to three years all of the remitted funds sent at the beginning of the migration period were used to cover debt payments, leaving little for daily necessities. One woman noted that the household had to pay off loans associated with her husband’s migration for six years as he attempted to cross the U.S. border three times before arriving successfully.

Children’s education and healthcare were the top priorities after food needs were met and debt payments were made, but the importance given to one category or the other was based on the context of the individual households. For example, some women were able to send their children to high quality free public primary and secondary schools, while others, particularly among the Ecuadorian respondents,
preferred to use remittances to pay for their children to attend private school so as to receive the best possible education, considered to be the avenue to upward mobility and status. Several women from the focus groups in El Salvador mentioned providing for their children’s education as the main objective of sending a migrant family member. Sonia stated, “for me it was to educate my children, because only with what you make here I would not have been able to send both of them to high school at the same time. They both graduated, thank God, and our idea was to send them to a university this year but we couldn’t, unfortunately we couldn’t. But for next year my husband and I have a plan, so they can be ready for the future.”

In some cases, access to quality health care was dramatically improved with the reception of remittances. For example, Honduras’s 2004 national household survey showed that among households headed by women, almost 60% of those receiving remittances bring their families to private hospitals or clinics, versus only 33% of non-receiving households who are more apt to use public health care providers. Participants in the Colonia Tres de Mayo focus group in Honduras noted they now have access to private doctors in the clinics in and around the Colonia. Even if they choose to visit the public hospital, with the extra income from remittances they are now able to see specialists and purchase medication, privileges that were out of reach before. In El Salvador and Ecuador, some participants mentioned using remittances exclusively for health purposes in the case of serious family problems. Maria, from Usulutan, El Salvador, stated, “I…use it for health. Because when we get sick and don’t have a way to pay a doctor they [the migrants] ask us ‘and how are you?’ and it could be anyone in the family. ‘Look, go pick up this amount of money that I’ll send you to bring to the doctor’s.’ Even for surgeries, when someone in the family needs and operation, with their help we have enough to pay for the surgery.”

<table>
<thead>
<tr>
<th>Type and Location of Health Care</th>
<th>Female Heads of Household</th>
<th>Receiving remittances</th>
<th>Not receiving remittances</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Hospital of the Ministry of Health (public)</strong></td>
<td>17.6</td>
<td>27.0</td>
<td></td>
</tr>
<tr>
<td><strong>Hospital of the IHSS</strong></td>
<td>3.4</td>
<td>7.6</td>
<td></td>
</tr>
<tr>
<td><strong>Private Hospital/Clinic/Doctor</strong></td>
<td>58.8</td>
<td>33.1</td>
<td></td>
</tr>
<tr>
<td><strong>Clinic for mothers of infants</strong></td>
<td>0.0</td>
<td>0.2</td>
<td></td>
</tr>
<tr>
<td><strong>Public Health Center [CESAMO (Centro de Salud Médico Odontólogo)]</strong></td>
<td>12.9</td>
<td>22.0</td>
<td></td>
</tr>
<tr>
<td><strong>Public Health Center [CESAR (Centro de Salud Rural)]</strong></td>
<td>2.7</td>
<td>6.0</td>
<td></td>
</tr>
<tr>
<td><strong>Village healer</strong></td>
<td>0.5</td>
<td>0.0</td>
<td></td>
</tr>
<tr>
<td><strong>Pharmacy</strong></td>
<td>1.8</td>
<td>1.4</td>
<td></td>
</tr>
<tr>
<td><strong>In their own household</strong></td>
<td>1.1</td>
<td>0.6</td>
<td></td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td>1.2</td>
<td>2.2</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>100</td>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>

Bills for basic utilities took up a considerable portion of monthly income. Xiomara from San Vicente, El Salvador, described her monthly spending as follows: “I receive my remittances every two weeks... And in my case since I pay everything, water, electricity, gas, cable, telephone, if the boy gets sick, I pay everything. My husband tells me “here goes $200” and I am the one that has to economize the money, because from those $200 I have to pay everything, water, electricity, gas, phone. We are talking about almost $60 or $70 in bills and after that you have to see how you can save after buying food for the week.”

The importance placed on acquiring basic services is well-demonstrated by the interesting case of El Tibre, Honduras, where a focus group was held. This small community is far enough away from urban areas that it does not have access to electricity services provided by the National Energy System. This need has motivated homes that receive remittances to invest in the installation of solar energy plants in their community. After providing for food, health and education, the construction of these plants has become a priority expenditure and often occurs in conjunction with home improvements. Five of these plants have currently been installed, and although they are the least expensive of their kind on the market, they have cost the community several thousand dollars each. In order to guarantee unbroken domestic service, the plants rely on two car batteries that store the accumulated energy. The homes that use this service have enough electricity to power five light bulbs, a stereo, and either a television set or a combination of small appliances such as electric mixers. The limited electricity available to households in the community inhibits them from purchasing larger household appliances such as refrigerators and stoves, although they have the funds to do so.

A significant finding from the focus groups and interviews was the fact that the purchase of some items typically classified as “consumer goods” was in some cases directly related to future business investments. While this relationship was clear in the case of such items as refrigerators or sewing machines, it was less obvious with other appliances. Washing machines, mentioned frequently by women in the El Salvador focus groups, were the best example. Several women noted that because of the considerable time they saved using a machine rather than washing by hand, they had more time to spend working. Among several comments to this effect, one exchange in Usulutan, El Salvador was telling. Reynalda began, “the first thing that my daughter bought me was a washing machine, because I couldn’t wash. I bought it but with the money that she sent me. But I asked for her opinion and my husband’s too...Because I didn’t want to spend all my time washing. Just me at home, so that I had more time to work.” Maria, who has a stall in the market, continued, “I tell my sister, because I come here to sell every day, and I get home at 6 in the afternoon. She told me ‘you don’t have a washing machine?’ I said no and she said ‘I will send you money for you to buy one.’ I said ‘ok, and you will help me a lot with that because then I won’t have to do that work or pay for someone to do it...My clothes get really clean in the
washing machine. I prefer the washing machine. And I feel that it is more useful than a TV. I have a TV, but if I had to choose between a TV and a washing machine, I pick the washer, it’s more useful.”

7.5.2 Housing

“We [as women, compared to men]…seek the well-being of the family, the protection of the children and that is easier when we acquire houses.” This observation from a woman interviewed in El Salvador expressed the importance of housing to the women remittance recipients who participated in this study. Improved housing represents security, status and success, and came out clearly as a key investment priority. While providing for daily needs did take up between half and three-quarters of income for the majority of the women, considerable investment in housing was certainly taking place. Reynalda in Usulután, El Salvador expected to eventually “have a little house for the son that left, having a little house for him because if he sends money from there…it’s to have something for them. Because even if it’s just a little ranch, it’s somewhere to live and to rely on. That is my idea.”

Both quantitative and qualitative data demonstrate the priority women remittance receivers place on housing and their willingness to invest significantly to acquire or improve it when their income is augmented enough to allow for investment beyond daily needs. In Honduras the 2004 ENCOVI national survey results confirm housing as a significant investment priority of women heads of household receiving remittances. The average value of the homes headed by remittance recipients was 209,000 lempiras or about $11,000 while the houses headed by non-recipients had an average value of 134,000 lempiras or about $7,000. Receiving households tended to have larger homes, at about 99 square meters versus the average of 73 square meters for non-receiving households. They were also significantly more likely to live in homes made of durable materials such as cement block rather than adobe, with cement rather than dirt floors. Remittances also seemed to impact home ownership and property titling among women heads of household. 60% of receiving households reported having completely paid off their homes, compared to 54.3% of non-receiving households. Furthermore, receiving households were also more likely to have property titles, 73% compared to 68.8% of non-receiving households.

Women participating in focus groups in Honduras confirmed housing as a key priority. In Honduras, about 40% of the 55 participants were using or had used remittance-supplemented income to invest in housing through improvements, housing, or purchase or to buy land on which to construct a home, and more were planning to do so. In Buenos Aires, for example, the 12 women in the group made clear that although much of the remitted funds are spent on food, healthcare and education, the main objective that justifies sending a migrant is to construct, purchase or improve a house. Five of the participating households were in the process of constructing or improving a home. The households usually began by saving to purchase a small plot of land if they did
not already own one. Once the land has been acquired and the construction has begun, the migrant family member usually increases the amount of remittances sent by 100 percent to speed the construction phase. Similarly, in Colonia Tres de Mayo, participants stated categorically that remittance-based investments by women in the community are almost all for improving housing or purchasing new homes, and the visible proportion of new or improved homes in the neighborhood, estimated at 25% of the housing stock, confirmed their statements.

Of the 951 women receiving remittances who were interviewed for the market study in El Salvador, 75% fully owned their own home and another five percent were making payments on a home, compared to the national average of homeownership of 65%. More revealing were the responses to questions on future investment. 47% of respondents indicated concrete plans for investment projects. Of those, fully 83% were related to housing, whether improvements, construction, or land purchase. Of the total number of respondents, almost one in three had plans to improve their housing situation.

**Table 7.5: Planned Investment Projects of Remittance Recipients in El Salvador**

<table>
<thead>
<tr>
<th>Investment Projects</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchasing the house in which they are living</td>
<td>46</td>
<td>4.8%</td>
</tr>
<tr>
<td>Purchasing another house</td>
<td>43</td>
<td>4.5%</td>
</tr>
<tr>
<td>Purchasing or establishing a business</td>
<td>33</td>
<td>3.5%</td>
</tr>
<tr>
<td>Purchasing land for housing construction</td>
<td>47</td>
<td>4.9%</td>
</tr>
<tr>
<td>Constructing a house on previously-owned land</td>
<td>54</td>
<td>5.7%</td>
</tr>
<tr>
<td>Improving the house in which they are living</td>
<td>186</td>
<td>19.6%</td>
</tr>
<tr>
<td>Purchasing a vacation home</td>
<td>1</td>
<td>0.1%</td>
</tr>
<tr>
<td>Purchasing other goods</td>
<td>2</td>
<td>0.2%</td>
</tr>
<tr>
<td>Agriculture</td>
<td>1</td>
<td>0.2%</td>
</tr>
<tr>
<td>Other investments</td>
<td>38</td>
<td>4%</td>
</tr>
<tr>
<td>No plans for investment</td>
<td>447</td>
<td>47%</td>
</tr>
<tr>
<td>NR</td>
<td>53</td>
<td>5.6%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>951</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

Women in the El Salvador focus groups made frequent references to housing, often mentioning that improvements or new construction had been their key purchases when they first started receiving remittances. When one focus group was asked if their expectations were being met after 10 years of having migrant family members abroad, three of the women responded immediately with housing-related comments. Roxana stated, “Yes, because my sister and her husband here in Joya de Tomasico [a FUSAI project] they already have their home and they finished paying. I used to come here to pay $267 monthly and they had to send the money from there and they have their little house and they are happy because they say that they’ll come. Now it’s just a matter of waiting for them to save more money to start their business and survive here too.” Maria continued, “in the case of my brothers, they also bought a little solar for my mom and built her the house because she didn’t have one.” Adilia finished, “they made my little house too because mine fell down. There was no one else, only them and God helped them get there to work to help me.”

The prospect of owning their own home motivated several of the women to take decisive actions. Blanca, from San Vicente, decided that if her husband would not send money for a house, she would accomplish it herself: “I [made the decision to buy a house in San Vicente]. He didn’t want to. He wanted us to always live with his mother. And I told him, ‘you have the VISA, if you don’t decide (to buy a house) I’ll leave and look for someone to help me and leave the child with my mother.’…So he said ‘well then try.’ I went and I left, left the boy with my mother, and from Mexico I came back because the boy would say ‘mommy, and I don’t know what…’ and I got desperate. I tried to leave twice, couldn’t stand it and came
back. I tried again and the same, because it’s not the same for the man to leave, as a mother you feel your children more than men and I returned because of the children and I told myself that I would not leave a third time. So in order to not lose the money [we used the lot we had as collateral] and with that we got a credit with…PROCREDIT and they helped us build the house…”

In Ecuador, 28 of the 35 women interviewed owned their own house or land. Ownership gave families a sense of stability and security. Although acquiring housing is significantly more expensive in Ecuador and most of the women interviewed said they had a difficult time simply meeting daily needs even with remittances, three of the women were spending money (two of them monthly) to expand or improve their homes or construct a new home, four were making regular house payments for the purchase of a new home or apartment (previously constructed), three others had concrete plans to purchase new homes or land in the near future, and four had previously purchased housing or land with remitted funds before being interviewed, for a total of 11 that had invested in housing or land in some way and three others that were planning projects, more than one-third of interviewees.

Although seven of the 11 women who had spent money on housing were either receiving fairly high monthly remittances or had other significant sources of income giving them combined monthly incomes of between $600 and $1000, two women making housing improvements and two who had already purchased a home had fewer resources. One of the women was making small housing improvements although she received only $50 to $100 in remittances and earned only $130 per month.

Julia S. from Sig Sig, a rural area of Cuenca Municipality, has received remittances from the U.S. for more than four years. Although she has nine children, only the youngest, who is disabled, lives with her. Her husband migrated some time before, but remarried abroad and therefore stopped sending remittances for her and her children. One of her older daughters migrated five years ago and has decided to provide for her mother and younger sister. She receives between $50 and $100 monthly, and although she declares that it is not enough, she is content because at least it is enough for her to eat and for her medical expenses, since she suffers from osteoporosis. To supplement her income, Julia works sewing straw hats, which generates an income of approximately $10 monthly. Three of her sons have also migrated because of their father’s influence, but only her daughter sends money regularly to provide for her needs. However, when she has unexpected need, she has access to the resources that one of her sons has deposited in a local cooperative. Interestingly, although her daughter sends a small amount of monthly remittances, she decided to provide for Julia’s housing needs by taking out a loan from the Jardin Azuayo Savings and Credit Union to purchase a home for her. The daughter sends an additional substantial sum of $1000 to $1500 a month to pay off the loan.
Improvements vs. new construction

As a large number of the women participating in the study already owned their own homes, there was a relatively even distribution of those who chose to improve their existing homes and those who decided to construct or purchase. In the El Salvador market study, for example, of the 377 women who were planning a housing investment project, 51% were going to improve their homes while 49% planned to construct or purchase (See Table 7.4). This choice tends to be dependent on the amount of disposable income available for such projects as new construction or purchase generally costs more than improvements, but in some cases it is also a function of geographic location and available land. Information from focus groups in Honduras indicated that investment in new construction was more likely in rural areas where land was more plentiful and materials and labor less expensive than in urban locations where land was at a premium. Rural residents also preferred new construction believing that their current homes were not worth saving due to their design and poor quality materials. In El Tibre, for example, six of the 24 households in this rural community were constructing new homes and three were making improvements, while in Buenos Aires, five of the 50 households were constructing new homes. In contrast, in El Progreso and the Sagrado Corazon neighborhood of Choluteca, the focus group participants investing in their homes were making improvements. Improvements in urban areas also included securing titles to the land.

In Colonia Tres de Mayo, participants observed that newly constructed homes, in many cases outside of the neighborhood, tended to be destined for the migrant’s return, while improved homes in the Colonia were more for the remittance receivers and their families. Due to a lack of land in Tres de Mayo, it is common for families receiving remittances to substantially expand their houses vertically by adding floors. A number of households have begun to rent rooms in their expanded houses for additional income, and fairly recently buildings with several floors containing only rental apartments have begun to appear, often renovated and expanded with remitted funds.

New construction funded by remittances tends to follow a different pattern than traditional homes as far as model, layout and building materials. In Buenos Aires, Honduras for example, they are generally constructed with cement blocks rather than adobe and have brick or cement floors. They are designed with internal walls creating several bedrooms, a living room and kitchen rather than the one-room model with areas separated by fabric curtains. The houses are equipped with electricity and water connections and the families have stopped cooking with firewood as fuel and have instead purchased electric stoves. The homes have indoor toilets and some of them have indoor laundry facilities as well.

“Modern” housing styles tend to be dictated or influenced by the migrant in the style of the country to which they have migrated and can be easily identified as being constructed or improved with remittances. In fact, in Ecuador interview participants were selected in several cases by visiting areas with large numbers of homes identified as remittance-funded because of the construction styles. This is often the case because although women remittance receivers may make decisions regarding investments in housing, they tend to defer to their husbands on the design and construction details, although they are the ones who will generally be living there. This point was confirmed in the Honduras focus groups and emphasized in the groups in El Salvador, for example with Blanca from San Vicente describing the house that she made the decision to construct: “Inside it’s all wood, all the walls are brick, it’s small but inside everything is wood. I don’t like a big house, it’s small, and it has two floors. He (her husband) [decided to build it this way]. He decided to make it with the style over there, because he’s been there several times, he liked the way they were and decided to do it. [He did not ask me about the style.] I never went there to say I like or I don’t like. He decides that, I only went there to live...The thing is that the construction of the house is a man thing, they decide. In construction the men decide, but in furnishing, in
the house’s things, I am the one that decides. Because we have a little bit more taste for those things than men.”

Xiomara continued the conversation: “In my case we only have the lot and I am living in my mother’s house…And construction on the lots will start now if he comes and they give him a permit to come, and he’ll do it, so I’ll wait for him…Because I feel that in construction, all the materials are expensive now, and for me, I feel that that is a man’s job, because if I hire someone, they are going to scam me and charge me even more for things, and it’s not like the man who can say ‘I want this and that.’”

**Financing housing investments**

Investments in housing among study participants were financed in three ways:

- Construction and improvement projects were continued monthly as remittances were sent;
- Larger sums were saved, either by the migrants or the receivers, and then used to pay for bigger projects;
- Loans were taken out to cover costs up front and remittances were used to make monthly payments.

The choice of financing differed by location and household. For example, in rural Buenos Aires, Honduras, five households were building new homes. Two of the homes were valued at $7,000, one was worth $10,500, another $13,000, and another $15,000. None of the households had taken out a loan; in each case the house was being constructed in parts as the remittances arrived. The houses currently under construction were all on land already owned by the household. In Colonia Tres de Mayo, the investment in new homes ranged from $10,500 and $31,000. Some were paid for over a long term using remittances, not loans, while others were paid for in cash at once by migrants who generated savings previous to investing. Almost no one in the Honduras focus groups mentioned using loans to purchase housing.

In Ecuador, three of the seven women that were investing in housing at the time of the interview had taken out loans and were paying substantial monthly amounts ranging from $1000 to $1,700 per month. One woman’s husband had secured a loan in Spain, where he had migrated, for housing in Ecuador and they had managed to purchase an apartment which they were still paying off. It was clear from the interviews that there was a lack of knowledge regarding loan programs for housing; of the 32 women who
were not paying housing loans (even those who had previously purchased a house or land), only five had heard of programs that might assist them in acquiring a property. Gina, from a rural area of the Loja canton, was the only one of the Ecuadorian respondents that was constructing a house, paying $80 per month to continue the construction for a planned total of $20,000. She was actively seeking an organization that would give her a loan to finish the construction, but was unaware of any programs to help her.

Findings from the 2007 survey of 951 women in El Salvador showed a move toward loan products for financing housing. Of the 292 respondents that indicated how they would pay for their planned investments, almost all in housing, the answers were as follows:

- 46% said they would use credit
- 20% said they would use their savings over time
- 9% said they would finance their investment at one time, with accumulated savings
- 11% said they would use remittances
- 7% said they would use a mix of credit, savings and remittances.
- 7% mentioned other resources.

The inclination toward credit could be indicative of the expanding microfinance industry in El Salvador. As more MFIs are established and older ones further develop, information about loan products is becoming more accessible. Furthermore, remittance recipients have typically had a difficult time securing credit in the past if their own income apart from remitted funds was not sufficient to qualify for the loan. MFI’s are slowly allowing more remittance-backed loans which are increasing women recipients’ access to credit.

Despite a desire for credit on the part of some of those surveyed, 54% preferred to finance their future investment in another way, primarily with savings.

7.5.3 The capacity to save

The interviews, focus groups and additional field data indicated plainly that saving a portion of income, including remittances, was important to the participants. Women from all income levels and household situations were able to save at least small amounts if it became a priority.

The results from the 2004 Choluteca study support this point. A surprising number of respondents from all income levels were able to save from their earnings or remittances. Saving was practiced by 39% of the 114 respondents, about half in a bank account and half in an account with a cooperative. Only three respondents who reported saving did so informally, in their homes. Income levels did affect respondents’ decision to save. Of the 69 respondents who said they were not saving, 74% had incomes with remittances of $400 or less per month. Also, the average income with remittances of those who were able to save was significantly higher than that of respondents not saving, at $468 and $320 respectively. However, respondents who reported being able to save some amount came from all income levels. In fact, of those who were saving, 56% had incomes of less than $400, and almost one-quarter were living on less than $200 per month. Even those with large households and low income were able to save. For example, twelve families with less than $200 per month including remittances were able to save, and six of those households had more than five members.

Many more participants reported saving or investing than reported spending income on luxuries and leisure activities (10%). In fact, more than half (51%) reported either saving or investing a portion of
remittances, and 17% both saved and invested indicating that purchasing assets or saving for their eventual purchase was a key priority among participating households. 

Saving typically takes place by making sacrifices here and there, taking small sums from different budget lines, and the participants were frequently very resourceful in trying to amass these amounts. Blanca from San Vicente, El Salvador, noted, “From there they send the money, we decide “I’ll take this much to save and this much to spend.” However being here they [husbands] only give you enough for expenses or for food…I take all the money he sends …but he tells me “take $200 to spend” and I don’t take the $200, but rather I spend $100 and save $100 and then from there I take little by little because everything is expensive and it’s not enough.”

Similar to the patterns of women migrants, in general there were two separate types of saving emphasized by the women in the study: saving for assets and saving for the future/emergencies. The priority, and by far the largest category, was saving for assets, and there was clearly a hierarchy of investment. After paying off any debt the migrant incurred from the trip, the women tended to save for the construction, purchase or improvement of a house first, accumulating amounts as they were able from remittances and other income. Next they would save to invest either in income-generating activities, such as businesses or land for cultivation, or in education, mostly for their children. While some saved for microenterprises or education first, it was not the general trend. Once these key assets had been established, savings for the future or for security in emergencies became much more important.

This timeline was very evident in the responses of the focus groups in Honduras. In Buenos Aires, where the average time the women’s family members had been gone was only 1.5 years, most of the women were still paying back the debt from the trip and were saving to make investments in construction or improvement of housing. All of the participants noted that after improving their housing, their second objective was to purchase land to cultivate coffee or to begin a home-based grocery store (pulpería) and their final priority was to build up savings for the future, which they expected to be able to do more often in two to three years. None of the women had a savings account. However, in Colonia Tres de Mayo, where migrants had been away for longer periods and income was higher, many of the participants had already invested in both housing and businesses and the majority indicated that their first priority was to save in a bank account or cooperative to be prepared for potential health concerns or the possible deportation of the migrant family member. The average amount saved by the women in the Colonia Tres de Mayo focus group was about $10 per month.

While this savings pattern reflects the women’s major priorities after taking care of basic needs, it can be counterproductive if emergency situations require immediate financial resources. Participants in the focus group in El Progreso, Honduras, noted that investing in housing or other assets is immediately
stopped and the money diverted in the case of a crisis, particularly those that are health related. Maria from San Vicente, El Salvador confirmed this statement, saying “With my son... he sends me $200 a month. But since he left I’ve been sick, I’m disabled, and now the new disease I caught. Because although I was disabled I always used to work, but now I have a disease that is making me lose my sight. The totality of what he sends has been only for the hospital, for medicine, for transportation because I can’t take the bus because I’m afraid of falling. So if I start to think about all the money my son has sent me, my God, I would have such a beautiful house.”

A number of women in the Honduras and El Salvador groups expressed a strong desire to save for their hopes of the migrant’s return, recognizing that if the family member were to come back the household would lose a large proportion of their income. In some cases, the women were saving in secret in order to surprise the migrant upon his or her return with financial resources. Rosa Lila, from San Vicente, El Salvador, expressed, “What he is doing now is sending monthly, so what I have done is open an account for him here, because one of these days, you never know, he might want to come and not be there anymore, so he can take that money and start a business... he doesn’t know. I just opened it. He says ‘what are you using the money I send you for?’ oh well…I have opened an account, but he doesn’t know it’s for him.”

Only one-quarter of the 35 women interviewed in Ecuador currently save some of their income and remittances, and of those only three put aside substantial amounts (in two cases all of the monthly remittances) while the others struggled to save $20 to $30 at a time. However, of the 26 women who responded that it would be impossible for them to save, nine either had a microenterprise which they were financing or were currently spending money on housing, bringing the total of those saving or investing to more than half of those interviewed. The desire to save came across strongly, but most of the respondents lacked access to an organized framework fostering savings and financial management offered by microcredit institutions and were unable to do so.

It was clear from the Ecuadorian women’s answers that much of the saving that was occurring was for the eventual accumulation of assets and not for emergency funds. Of the three women that were saving larger sums, two were planning to purchase property and one saved all of her remittances at the express wish of her son, hoping that he would start a business when he returned. In case of financial emergencies, more than half of the women interviewed said they would obtain extra money through contracting loans or by asking family and friends for assistance. In fact, most respondents seemed to have prepared themselves psychologically for emergency situations by developing a contingency plan, either identifying ahead of time organizations that would extend loans to them or making arrangements with selected relatives and friends. Very few would use remittance funds to cover emergency situations, and none would try to contact the migrants, as they did not think they would receive a timely response.

7.5.4 Investment in small businesses

Alternative income generating activities, particularly home-based businesses and market stalls, held considerably more importance for the women remittance receivers participating in the study than for the women migrants. The receivers were more apt to report having a store or going regularly to the market to sell their products, and were also inclined to invest some of their income supplemented by remittances into these activities. As a general tendency, housing came first; participants would complete their housing investments and then turn to strengthening their existing businesses or starting new ones. This was a logical decision for those who used their homes as a base for their businesses. Those who had their own small enterprises generally perceived them as contributing to their independence. However, some of
the women did not consider themselves entrepreneurs and preferred to avoid the risks associated with running their own businesses.

Participants in Honduras were asked how they would spend their monthly remittances if they were suddenly doubled, and their answers indicated their investment priorities. Apart from participants in Colonia Tres de Mayo, who had already invested significantly in housing and preferred to use additional funds for savings, participants the other four groups responded that they would first complete housing improvements or construction, and then they would start a small “pulperia” (grocery store) out of their home, or, in rural areas, purchase additional land for coffee cultivation, acquire more animals, or improve their seeds. 20 to 25% of the 55 women in the Honduras focus groups said they were currently using remittances to support their businesses or other income-generating activities.

Eight of the 18 women interviewed in El Salvador chose to augment their income through some type of business, primarily informal sales of goods. The Salvadoran participants seemed more likely to work outside of the home than those in Honduras. However, this tendency was likely related to the fact that the women in the El Salvador interviews and focus groups were aware of or connected to the microfinance institution Integral. Owning or renting market stalls was frequently mentioned in the focus groups. Rosa Lila from San Salvador appreciated the flexibility of these arrangements: “Well yes, the stand in the market is my own business. The advantage as a woman is that with the stand if I want to, I can be late. I have no obligation to be at a company at this or that time…”

Several women had owned stores prior to the migration of their family member and had used remittances to further develop them. Maria from San Vicente commented, “I have a store too but it’s not from the money they send. Well, now I do put it there, but not before. I have had it for 20 years. You have to invest in the business to improve.” Sonia, who also had owned a store for many years, continued, “The business is a source from which you can survive. Because you can’t be hopeful and just wait. Because what if they can’t work over there and can’t help you? From what I get from the store, from that I get food for my children, to pay for the water and electricity bills.”

Comments from the El Salvador focus groups also highlighted the link between microenterprise investment and housing improvement, as women who had chosen to invest in their businesses first then used their increased income to purchase homes. For example, Rosa Lila stated, “[the store] was my own decision, so he would not feel obligated. If it is within his reach he will help me, it wasn’t pressure from me or me telling him I need this and you have to buy it for me. He did not have that obligation and that was my decision to buy this stand and now I have two. Two businesses in one. And what I have been investing there, that profit I have been making it prosper because I have bought a house too.”
In Ecuador, seven of the 35 women interviewed had a microenterprise or worked at a business run by their families. Of these businesses, three were produce stalls in a market, one woman owned a beauty salon, and another a small grocery store. The final two were larger family-owned businesses in clothing and furniture that generated more substantial income, and only the two women involved in these businesses indicated investing remittances into expanding their enterprises. The other five stated that their income was insufficient for these types of investments.

Of the 28 women in Ecuador who did not have a business, 23 expressed a desire to start one. A few had more concrete future plans, but most said they did not have the financial resources that beginning an enterprise would require. Most also indicated that they would be willing to invest in the development of a business and were interested in having more information on the process for a time when their income would allow such expenditures.

It is likely that despite the benefits of starting microenterprises, women from all three countries were less likely to invest in them than in housing because of the perceived risks. In Honduras, while it was fairly easy to engage in income-generating activities in rural areas by purchasing land or animals, some of the women expressed hesitation about the business environment in the urban areas of Colonia Tres de Mayo and Choluteca, where high competition was a restricting factor in the development of small enterprises. Violence and the high incidence of robbery were cited as reasons for avoiding business investment in El Salvador. Blanca from San Vicente observed, “…there are a lot of people that don’t like to pay, they like to take and not pay and it’s difficult losing the money…I don’t want so much sacrifice. Although you don’t make much, it [takes] a lot of production. But imagine that because of bad luck they take a lot of things and don’t pay you. You lose everything.” Xiomara continued, “You lose everything. One time and the money is lost. And that’s why I don’t want to do it anymore, and also I don’t think that business is for me.”

7.5.5 The demand for housing: the experience of Integral S.A. de C.V.

The microfinance institution Integral in El Salvador provides a range of loan products for both microenterprise development and housing. In terms of housing, Integral works with its partner organization, FUSAI to offer loans to individual households for construction or improvement or to whole communities living on hazardous land and seeking relocation. In the case of individual households, the organizations provide credit and technical assistance to families with an income of up to four minimum salaries to secure ownership of serviced lots, construct houses on land they already own, expand or improve existing houses or connect them to utilities. Community housing projects are more complex. FUSAI works with local governments and other partners to provide low-cost serviced land and technical assistance for housing construction.
An analysis of Integral’s recent experiences allocating microcredit in El Salvador provides a telling account of the priority women in El Salvador place on securing housing for their families, their capacity and willingness to pay, their significant ability to save, and their interest in microcredit. While Integral does not tailor its loan products exclusively to women, they make up a majority of its clients. The organization has observed a high repayment rate among its female clients.

In 2006 and 2007 FUSAI completed a community relocation project, “Cañaverales”, for 280 families affected by the 2006 earthquake, financed with subsidies from the Government of El Salvador and the Swedish International Development Cooperation Agency (Sida). To qualify for the land and housing offered by the project, households had to be composed of family groups with incomes of less than four monthly minimum wages ($600). Participants were required to save a downpayment of $250 in the initial stages of the program to filter high-risk clients, select those with a strong will to pay, and reduce the credit risk. Later in the process the households were required to participate in the process of constructing their homes and those of other community members.

Based on the project costs and the available subsidies, the initial calculation of the credits that Integral planned to allocate after the downpayment phase was approximately $770,000, for an average credit of $2,600. However, due to the high capacity to save among the participating households, all of the families not only fulfilled their downpayment obligations but also used other savings to reduce the amount of credit they required. By the loan disbursement phase, 70% of the financing that Integral had planned to allocate had been paid off before the credits had been given, reducing Integral’s initial disbursement from $770,000 to $275,000.

76.4% of the clients participating in the housing project are women. It is likely that at least one-third to one-half of the participating households receive remittances and are using them to finance their payments, and 9.3% of the loans (25) are being paid back exclusively by remittances. 20 of these are held by women. The current payment behavior of the clients repaying only with remittances demonstrates their trustworthiness: 23 of the 25 loans have no balance due, and the remaining two have balances that fall within the payment period of 30 days, meaning that Integral has not had to incur costs by using reserves to finance them.

Another example from Integral’s experience emphasizes the asset-building potential of women receiving remittances. As part a larger project focused on remittances and development financed by the Inter-American Development Bank (IADB), the International Fund for Agricultural Development (IFAD) and Sida, Fusai began a remittance transfer service which at this stage has remittance transfer points in Washington DC. Clients in El Salvador using this service to pick up remittances have come in contact with Integral and as a result a substantial number have taken loan credits for business or housing using the remittances transferred through the service to make their payments. Although no evidence exists that remittances are the main or only source of payment, it is very possible that paying off the loan is a major use of remitted funds.
Table 7.6: Portfolio of credits of Integral’s clients who have used the remittance service

<table>
<thead>
<tr>
<th>Lines of Credit</th>
<th>Total Financing</th>
<th>Financing (men)</th>
<th>Financing (women)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Amount Disbursed</td>
<td># credits</td>
<td>%</td>
</tr>
<tr>
<td>TOTAL DISBURSED</td>
<td>$577,351.31</td>
<td>183</td>
<td>13%</td>
</tr>
<tr>
<td>Credits for working capital</td>
<td>$159,863.67</td>
<td>126</td>
<td>69%</td>
</tr>
<tr>
<td>Credits for fixed capital investments</td>
<td>$206,000.00</td>
<td>19</td>
<td>10%</td>
</tr>
<tr>
<td>Credits for acquiring and constructing a house</td>
<td>$153,037.64</td>
<td>12</td>
<td>7%</td>
</tr>
<tr>
<td>Credits for improving a house</td>
<td>$52,650.00</td>
<td>20</td>
<td>11%</td>
</tr>
<tr>
<td>Credits for personal expenses</td>
<td>$5,800.00</td>
<td>6</td>
<td>3%</td>
</tr>
</tbody>
</table>

Source: Integral’s Housing Department.

In this case 89% of clients are women. Although 80% of the credits taken out by women using this product are related to microenterprises and only 16% of the credits are for investments in housing, in terms of total amounts 40% of the financing is directed toward housing. The average loan size for purchasing or constructing a house is about $12,750 and for making improvements, $743. The high numbers of loans for microenterprise almost certainly represent the fact that families find it more useful to finance businesses with microcredit and save remittances and other income for other investments. Again, the payment history is excellent. Only 6% of the total number of credits, equaling only 0.5% of the amount disbursed, has passed the 30 day payment period.

Finally, Integral has been working to develop a loan product geared toward remittance recipients (both men and women) which includes credits for purchases with a higher relative risk such as the acquisition of housing. From September 2007 to April 2008, Integral granted $1,202,130 in credits for housing acquisition to 61 remittance receiving clients. 67% of these clients were women. The average credit given for these housing investments was $17,346 although there was a notable difference in individual amounts. 15 of the total credits totaling $385,859, or 19.4% of the amount disbursed, are being paid off exclusively using remittances, 10 of these 15 clients are women, with total holdings of $152,650. The payment behavior of this group of 10 women has been fairly good to date. 94% of the capital has no balance due, while the remaining 6% left has a balance within the late payment period of 30 days which does not require Integral’s reserves.

7.5.6 Overall impact on receiving households: the case of Honduras

In each of the five focus groups in Honduras, in addition to the group meeting, the Honduras research team led the groups through a participative research technique known as “The Wheel”. This technique is designed to allow researchers to organize and visualize information and compare multiple views at different points in time. It can help to identify priorities as well as changes over time. In this case, the method was applied to evaluating quality of life both before and after receiving remittances. It allowed members of the focus groups to actively participate in identifying the impact of remittances on their well-being.

Prior to the groups, the research team grouped selected quality of life indicators into eight areas:
- Home equipment (appliances, electronics)
- Savings
- Housing
Education
Health
Communication
Businesses
Clothing and shoes

These eight areas and the indicators that defined them (See Table 7.6) were presented to the groups. In four of five of them, the participants added to the list of indicators suggesting ideas and highlighting relationships that the research team had not recognized. The women were then asked to rate each indicator according to the improvement in their quality of life after receiving remittances, according to the following scale:

- 0 = None (does not exist)
- 1 = A little
- 2 = Barely (more than a little, but less than half)
- 3 = Medium
- 4 = A lot
- 5 = Substantially

The ratings were then averaged for an overall improvement in each of the eight areas and the results were drawn on a large wheel as shown below (See Annexes for all drawings):

Illustration 7.15: The use of “the Wheel” in the El Progreso, Honduras Focus Group

Their tallied results are shown on the table on the following page:
<table>
<thead>
<tr>
<th>Areas (Variables)</th>
<th>Rural</th>
<th>Urban</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Buenos Aires</td>
<td>El Tibe</td>
<td>Colonia 3 de Mayo - Tegucigalpa</td>
</tr>
<tr>
<td><strong>Home Equipment</strong> - Appliances: stove, refrigerator, washing machine, TV, radio, video, camera, computer, furniture, kitchen utensils: pots, pans, blender, mixer, oven, microwave and others</td>
<td>2 4 +2</td>
<td>1 4 +3</td>
<td>3 4 +1</td>
</tr>
<tr>
<td><strong>Savings</strong> - Cooperatives, banks, financial institutions, others</td>
<td>0 4 +4</td>
<td>1 4 +3</td>
<td>3 4 +1</td>
</tr>
<tr>
<td><strong>Housing</strong> - Lot, land titling, house improvement, public utilities, street paving, sidewalks built combining private and public funds, exterior decoration, construction of a new house</td>
<td>1 4 +3</td>
<td>1 4 +3</td>
<td>2 5 +3</td>
</tr>
<tr>
<td><strong>Education</strong> - boys and girls attending classes (retention), changing from public to private, performance, backpack, materials, utensils, books, uniforms, money for lunch</td>
<td>2 4 +2</td>
<td>3 4 +1</td>
<td>3 5 +2</td>
</tr>
<tr>
<td><strong>Health</strong> - Nutrition, access to private doctor and specialists, use and access to medicine, preventive medicine practices: medical exams and analysis, vaccinations, taking vitamins, balanced diet, healing medicine practices: medical attention in case of illness</td>
<td>1 4 +3</td>
<td>3 4 +1</td>
<td>2 4 +2</td>
</tr>
<tr>
<td><strong>Communication</strong> - land telephone lines, cell phones, community telephones, public telephones, cyber cafes, travelers</td>
<td>2 5 +3</td>
<td>2 4 +2</td>
<td>2 5 +3</td>
</tr>
<tr>
<td><strong>Business</strong> - Microenterprise, family business, house-workshop, small grocery store, restaurant, store, food stand, clothing confection, livestock for whole or retail sale, agricultural inputs for production, buying for resale</td>
<td>0 3 +3</td>
<td>1 4 +3</td>
<td>2 4 +2</td>
</tr>
<tr>
<td><strong>Clothing and Shoes</strong> - Clothing and shoes</td>
<td>2 4 +2</td>
<td>2 3 +1</td>
<td>2 5 +3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>10 32 +22</td>
<td>14 31 +17</td>
<td>19 36 +17</td>
</tr>
</tbody>
</table>
It was fairly clear from the ratings that education and health needs were already being taken care of to some extent before the households began to receive remittances, first because they were key priorities, and second because families took advantage of free public schooling before the reception of remitted funds. Some basic consumption items including clothing and shoes were also already in place before remittances, and this area was clearly more important in urban areas than in rural. In all of these priority areas, remittances led to some improvement. The drastic improvement in communications is directly related to the necessity connecting with migrant family members abroad. In some cases, as demonstrated by the large jump in improvements in El Progreso and the Sagrado Corazon neighborhood in Choluteca, cell phone technology has allowed families to skip over the step of being connected to a land-line telephone service and go directly to cell phones to keep in touch with their family members.

The results as shown clearly demonstrate the difference in the women’s ability to build physical and financial assets before and after receiving remittances. The savings potential after receiving remittances was particularly noticeable; in three of the five communities, participants had not been able to save at all before receiving, and in one area they reported only having been able to save “a little”. After remittances the women rated their ability to save as particularly high, especially relative to their previous capacity. Since all of the women owned their own home initially, improvements in housing before and after remittances were slightly less dramatic but equally telling. In four out of five of the communities housing was rated as quite poor before the households began to receive remittances, while in all areas but Choluteca the participants reported that their housing improved significantly. In Choluteca, while the category of housing did not show much improvement, the savings category showed the most improvement suggesting the possibility of applying those savings to housing or other assets. Business investment, as well, was considerably increased after remittances particularly in Buenos Aires and El Progreso where there had been no participation in productive activities prior to receiving money from abroad.
8 THE IMPACT OF REMITTANCES ON NON-RECIPIENTS

Migratory movements and their corresponding remittance flows not only impact those who migrate or receive remittances, they also affect households who do not receive the additional source of income. These potential social and economic effects can be both positive and negative. One issue of concern is the dramatic impact remittance-based investments in real estate can have on land and housing prices in areas of high outmigration. In some locations, property prices have risen so much that it is difficult for households without a migrant family member to buy property. This reality diminishes the well-being and asset-building potential of many families.

In Ecuador, the construction sector has been one of the largest beneficiaries of migration, especially in the southern region. Immense houses constructed in less accessible areas of some southern cantons have changed the rural landscape. Elevators and dance floors are some of the additions that migrants choose for a home that in some cases they will never see.

This section presents a brief analysis of the impact of remittances on both real estate values and the socio-economic condition of families that do not receive remittances in two cantons of southern Ecuador, Santa Isabel in Azuay Province and Biblían in Cañar Province. In both cantons, information was collected through meetings with municipal officials, interviews with residents, and discussions with business owners. Data on land and housing prices from the two areas was also acquired and analyzed. Despite similar high levels of outmigration, the economies of the two cantons are very different due in part to the time of the initial migratory wave and resulting remittance investment patterns. Moreover, individuals who are not receiving remittances in these areas perceive their situations differently. Non-receivers in Santa Isabel are much more optimistic about their situation than those in Biblían.

8.1 Santa Isabel, Azuay Province

The Santa Isabel canton occupies about 10% of the land area of Azuay province. As of 2008, Santa Isabel’s population was 19,000, 30% living in the urban area. Migration from the canton’s rural areas and other locales has been considerable because of the urban center’s commerce opportunities, and 13% of the residents are not originally from the canton. However, outmigration has also resulted in demographic change. In the age range of 30 to 44, the proportion of men (6.8%) is considerably lower than at provincial level (16.3%) and national level (18.4%).

Santa Isabel’s central location has made it a commercial center for the surrounding cantons. 82% of the working-age population participates in the labor market, but employment is largely informal and does not provide fixed incomes. Nevertheless, the area’s agricultural and commercial dynamics facilitate a link, even if only temporary, to specific jobs in construction, agriculture, or commerce. Only 19% rely on a fixed monthly income derived from their activities, and their average income is $169 a month. 44% are self-employed, taking advantage of informal opportunities as they arise. Among these workers, the average monthly income is $445. The remaining 19% are day laborers and have an average monthly income of $178. The aggregate average income is $260 per month.

Migration and Remittances

The history of significant outmigration from Santa Isabel dates back to the late 1990s. At the time that this migratory wave began, local economic conditions were less than favorable. Municipal authorities attribute the recent economic improvement in the area to migration. In Santa Isabel, practically one of
every five people (21.7%) receives remittances from abroad. This contrasts substantially with the rest of the province (11.3%) and even more so with the rest of the country (6%). Remittance-related businesses are very common in the area, from telephone kiosks with special rates for Spain and the US, to hardware stores with special credits for migrants’ families, and paid TV services with channels from Spain and the US. Investment as a result of remittances has led the municipality and some foundations to initiate projects such as the collection, classification and organic management of solid waste, as well as medical clinics employing alternative medicine.

Receiving households were sent an average of $974 a month, an amount slightly lower than the average in Azuay Province ($1,204). The frequency of the transfers depended on the salary schedule of the migrant: every two weeks (8.5%), monthly (10.4%) and every three months (25%) were the most common frequencies. Santa Isabel has only one bank, and daily long lines of remittance receivers have prompted municipal officials to approach the bank superintendent to obtain approval for opening a new branch of another bank, a process which is usually the bank’s responsibility.

The labor structure among migrants’ families and the rest of the population is substantially different. Remittance recipients are more frequently self-employed, primarily due to the possibility of starting businesses with the capital they receive. In contrast, non-recipients are more likely to be employed as day laborers or to have jobs with low fixed incomes (See Illustration 8.1).

Illustration 8.1: Types of employment: receivers and non-receivers

Moreover, among the self-employed there are significant differences in income between remittance recipients and non-recipients. It is likely that recipients have more opportunities to invest in and expand their enterprises because of increased monthly income (See Illustration 8.2).
In interviews, municipal authorities indicated that they were planning to take advantage of this flow of resources into the community by generating investment options for the receiving families. These officials were planning to hire an institution to assess the remittance market, estimate the flow of resources and design investment options for the receivers that would also generate sustainable employment opportunities for other households in the canton. These types of initiatives have not been common in the region.

Real Estate Market Dynamics

Homes constructed with remittances are clearly visible in Santa Isabel, as their construction contrasts strongly with the region’s tradition building styles. The materials and layouts are substantially different. While the area’s original houses were built using primarily adobe, cement blocks are now frequently used. A number of hardware store owners interviewed also observed that the materials requested currently in housing construction largely differ from the ones used previously.

A large number of stores specializing in hardware, electronics and furniture have been sustained by the increased housing demand. Store owners observed that about 80% of their sales are to families of migrants. They also noted that the number of daily transactions increased substantially between 2006 and 2007 relative to previous years.

Store owners indicated that in many cases, migrants’ families receive special treatment when making housing-related purchases because these families tend to make larger purchases of about $500 at a time while other customers buy materials in smaller quantities for about $200. The owners also pointed out that they allow the relatives to consult with their migrant family members about the budget of a new home and even deliver materials on credit, to be paid for with the next remittance transfer. Following the migration peak of the end of the 1990s, the demand for land and housing also grew dramatically starting in 2004, after those who had migrated had adjusted to life abroad, found stable employment, and paid off...
the debt associated with their travel. Although hard statistics on this trend do not exist, various hardware store owners and housing contractors interviewed confirmed the increased demand over the last few years.

By the end of 2005, as a consequence of the growing demand for land and housing in the urban area, land values increased substantially. Between early 2004 and mid-2005, the average price\textsuperscript{106} increased from $4.20 per square meter to $39.50 per square meter. This substantial growth was related to the persistant housing demand from migrants and the scarce supply of urban land at the time. In real terms,\textsuperscript{107} land prices had been decreasing until 2004, and after the substantial increases between 2005 and 2007, prices began to decrease again in 2008 (See Illustration 8.3). The average annual rate of increase of the value of land was 73.6\% between 2003 and 2007.

\textbf{Illustration 8.3:} Evolution of the average price of urban land per square meter

\begin{figure}[h]
\centering
\includegraphics[width=\textwidth]{Illustration_8.3.png}
\caption{Evolution of the average price of urban land per square meter}
\end{figure}

The increase in the average value of land occurred in conjunction with a substantial increase in home prices. While at the beginning of 2004 construction costs averaged $1.70 per square meter, by 2005 these costs had reached $15.10 per square meter. Construction costs have continued to rise in nominal and real terms until today, although the rate of increase has been lower in the past year (See Illustration 8.4).

A year later, the unmet demand for land and housing in the urban area generated a substantial increase in the price of rural land. The cost of a hectare of land in the rural areas of the canton rose from $549 in 2005 to $2,917 in 2006. Prices have continued to increase in 2008 with 20.9\% growth in real terms (See Illustration 8.5).
Impact on non-receiving households

Differences in socio-economic status and access to opportunities and services between recipients and non-recipients are evident within the canton. Despite increased property values and starker divisions in living conditions, non-receivers in Santa Isabel show little resentment towards those who left the area and their neighbors who receive remittances. Most non-receivers even assert that they are thankful to those who

Illustration 8.4: Evolution of the average price of square meter of construction in the urban area

Source: Municipality of Santa Isabel, Department of the Cadastre

Illustration 8.5: Evolution of the average price per hectare of rural land

Source: Municipality of Santa Isabel, Department of the Cadastre
left, as migrants who remit provide more cash flow into the area, benefiting everyone. Remittances are seen as yet another source of income to support local businesses and provide new employment opportunities.

Yet these same residents also expressed concerns about family disintegration. It is possible that the combination of larger family incomes and limited supervision of those in charge of migrants’ children have contributed somewhat to the development of new social problems. For example, Santa Isabel is the canton with the highest teenage suicide rate in the country. During 2007, there were 16 registered suicides of teenage girls, all of them daughters of migrants. According to one of the Municipal officials interviewed, drug and alcohol consumption has also increased considerably among the children of migrants. The school drop-out rate is a growing problem as well.

Some of those that do not receive remittances in Santa Isabel confess that they feel a “healthy envy” towards those who are currently sent money from relatives working abroad. In fact, they perceive that migrants’ families have reached a certain status in society, since they have everything that other households aspire to, namely, “big houses and cars.” Many non-receivers believe that this economic success is the main motivation for people to risk their financial, personal and familial security in leaving the country. Building a house becomes a life goal, a symbol of achievement. Ironically, in many cases these homes are never seen, let alone lived in, by their owners.

Many of those who do not receive remittances consider the prospect of owning their own home as unattainable. Non-receivers who own their homes have generally been able to construct because they had inherited land. Some of these individuals have taken out loans from cooperatives in the area with which they have been able to build their houses. However, many of those interviewed who do not receive remittances and do not have their own homes, when discussing the possibility of acquiring a loan from a cooperative, assert that their current income would not allow them to pay off a mortgage. A large portion of those interviewed believe that homeownership assistance should come from the central government, since they feel that it is part of their responsibility as leaders. But they also understand that they cannot count on this possibility.

### 8.2 Biblián, Cañar Province

The Biblián canton is located northwest in the Cañar province. Its capital is the urban parish of Biblián, although a large part of its population of 23,000 resides in its four rural parishes (Nazón, San Francisco de Sageo, Turupamba and Jerusalén). Although the canton’s population growth is slightly lower than the national average at 1.2%, its urban growth has reached 4.6% in 2008. The rural population has been decreasing consistently due to rural-urban migration.

As in Santa Isabel, most migrants out of the canton fall into the 30 to 44 age range, and the population pyramid has been considerably modified. At a provincial level, 13.1% of men are concentrated in this age range, while at the canton level the proportion is only 6.8%.

The canton has not become a significant commercial pole largely because of its proximity to the provincial capital, 30 minutes away. However, 86% of the working age population is economically active. As in other small cantons, the proportion of unskilled workers (35%) is high, and activities carried out are mainly related to informal activities in agriculture, construction, or commerce. Almost one in every four laborers is engaged in work in the agricultural sector, while one in every five works as a machine operator or makes handicrafts. 52% of workers are self-employed earning an average monthly income of $313, an amount substantially lower than the province’s average ($729). 14% of workers are
day laborers, with average incomes of $424. Finally, only 12% of the population earns a fixed income with an average income of $176, 30% less than the provincial average for salaried workers. Municipal representatives point out that during the last few years they have observed a decrease in economic activity in Biblián because many of those who left the community for the U.S. or Europe were able to acquire legal documentation and bring their families to the destination country. However, the entry of foreign currency has led to a decrease in the proportion of poor residents in Biblián (39.4%) relative to the provincial average (44.1%).

Migration and Remittances

The migratory wave in Biblián began earlier in the 1990s than in Santa Isabel. At that time, Ecuadorians were not required to hold visas to enter European countries and, although the price paid to a "coyote" for the trip was not low, a large number of migrants mortgaged their houses or belongings to obtain a loan that would allow them to reach their destination.

25% of the population currently receives remittances. In fact, Biblián is the canton with the highest rate of remittance reception. However, the average amount received ($)254) is substantially lower than the provincial average ($1072). Moreover, the frequency that remittances are sent has been declining. Currently, remittances are received on average every two months, and 52% of recipients report receiving transfers only once a year. The most important transfer agency operates in the canton's capital, and although there are still long lines for remittance withdrawal according to interviewees, the numbers are fewer than they were several years ago.

Biblián residents interviewed expressed opinions that remittance recipients have not invested their resources appropriately. Although they now have housing and in some cases a car, few invested in income-generating activities that would allow them to maintain their capital. These observations are supported by a discrepancy in income levels between recipients, who have an average monthly income of $222, and non-recipients, at $279 (See Illustration 8.6). As the migration wave began more than ten years ago, it is surprising that the income of remittance-receiving households is at this level.

Illustration 8.6: Average income according to type of employment

![Average income according to type of employment](chart.png)

Real estate market dynamics

Although Biblián has a population similar to Santa Isabel’s, the number of businesses related to remittances is substantially lower. Store owners expressed concern about the future of their enterprises. According to their reports, currently about 35% of their sales are purchases by migrants’ relatives. Businesses linked to construction, furniture or other housing-related goods and services in Biblián are not currently experiencing the success of those in Santa Isabel. Prices in the construction market have been constantly increasing and local demand is very limited, resulting in steadily declining sales observed by hardware store owners.

According to various interviews, the canton’s real estate market has changed substantially over the last 15 years. After the migratory wave, the demand for housing increased considerably, to the extent that offers were made for the canton’s best-located properties. Several residents interviewed, owners of houses surrounding the large park in the canton’s capital, noted that they received a series of offers from different migrants as frequently as every week to buy their houses four or five years ago. Most of the owners were offered up to $100,000 for their homes at the time, most of which did not exceed 300 square meters, but that now the properties would fetch about $40,000. In some cases, the properties were sold. While the buyers generally demolished the house to build a new one, the sellers bought two homes in high-priced Cuenca, one to live in and another to rent. Municipal representatives observed, however, that since the speculative housing bubble has passed, housing prices have maintained steady growth, but have not increased substantially during the last few years. The current price of a plot of land in the urban area is $43.20 per square meter (See Illustration 8.7).

Illustration 8.7: Evolution of the average price of urban land per square meter

Construction prices have not suffered important changes in the last few years either, although the values have maintained an increasing trend (See Illustration 8.8). However, according to one interview with a municipal worker in the property department, it is expected that the housing prices will decrease in the future primarily because a series of migrants’ homes have recently been put up for sale.
In many cases, after becoming established in the destination country and bringing their families to join them, migrants from Biblián have chosen to sell their homes. However, very few have been able to accomplish this objective. The prices they quote generally relate to the amount they paid several years ago, but the local residents are unable to afford to purchase homes at those asking prices. As a result, some have chosen to sell for much less than they originally paid.

The impact on non-receivers

In contrast to those in Santa Isabel, individuals in Biblián who do not receive remittances generally predict that their economic situation will not improve in the future. In fact, they consider themselves poor and without opportunities to progress. The possibility of purchasing or constructing a home is almost nonexistent. These residents were pessimistic about their future well-being. As one man remarked, “I was born poor and I will die poor.” Their poverty was the argument they use to explain why no one in their nuclear family has migrated. They mentioned that the amount they would have to pay a “coyote” to cross the U.S. border illegally, about $14,000, would be impossible to acquire as they lack the assets that could serve as a guarantee for this type of loan.

Other residents remarked that those who own some kind of small business have been affected by migrants’ investments in real estate, because four years ago the rent prices of commercial properties increased abruptly. The example was given of the case of a grocery store which was rented at $30 a month, and for which a migrant offered to pay $200 a month.

Similar to responses in Santa Isabel, non-receivers generally believe migrants have better economic opportunities but do not feel discriminated against by migrants or remittance receivers. Some local residents have small enterprises that have been maintained by remittance funds invested in the community, and there are very few negative feelings toward those who receive money from abroad. Also like those in Santa Isabel, inhabitants of Biblián feel victimized by a government they believe has kept them impoverished.
9 CONCLUSIONS AND RECOMMENDATIONS

The accumulation and development of assets is an important tool for women’s empowerment, particularly in relation to caring for their families. This fact is recognized among women migrants and remittance recipients, many of whom are making daily sacrifices to provide for their households’ needs as well as to achieve more long-term financial objectives. The findings of this study highlight areas of opportunity that can be capitalized on by donor organizations, development banks and public agencies to assist women in accomplishing their goals. The research also identifies key challenges women face in fulfilling their aspirations, to be taken into account when developing policies, programs and projects.

9.1 Opportunities

*Women are using remittances to accumulate assets and would benefit from programs to facilitate their investments.* Despite low incomes, new roles and responsibilities and the hardships of migration, both the women migrants and remittance recipients who participated in the study were providing for the fundamental needs of their families in their home countries and building human capital by enhancing nutrition, giving their children access to better education and improving their healthcare. Moreover, they were managing to stretch their resources to invest in key physical and financial assets including housing, land and microenterprises.

Housing was clearly the investment priority for the majority of migrants and recipients, especially those in the U.S. who were earning higher incomes. In addition to sending money for expenses to their families, 32 of the 44 women interviewed in the U.S. had spent an average of more than $17,000 each on housing improvement, construction or purchase. Half of the interviewed Peruvian women migrants to Chile, while struggling to cover their expenses with substantially lower wages, had invested in the purchase or improvement of a home or were actively saving for that purpose. Remittance recipients were also investing portions of their monthly transfers, either at the express wish of the sender or on their own. Almost one-third of the women interviewed in Ecuador and about 40% to 50% of participants in focus groups in Honduras were spending or had already spent remitted funds on housing.

*Some investments are interconnected, and providing support to access one category of assets often results in fostering investments in another.* For example, remittance recipients in a rural community in Honduras observed that the improvements they made in household nutrition because of remittances translated into more productive working hours in coffee cultivation and better focus for their children at school. In El Salvador, women discussed spending some of their first remittance transfers on washing machines, an investment which gave them considerably more time to spend in their market stalls selling produce or other goods to increase their monthly incomes.

Housing and businesses are particularly interlinked. Homes improved and expanded with enhanced utilities and new appliances are used as bases out of which to run small stores, produce food items, generate products such as clothing or handicrafts, or offer services such as clothes washing to other families. Income from small enterprises is similarly invested in housing improvements, construction or purchase. Some women even mentioned investing in a business with the specific purpose of eventually improving their homes with the increased income. In addition, housing itself was used to generate income by a smaller proportion of participants, primarily migrants to the U.S. who had invested in properties in their countries of origin and were renting them out. In some of these cases, the rental income was used to pay an existing mortgage.
There is considerable interest in housing financing options, and women migrants and remittance recipients demonstrate high will and capacity to pay. The majority of women migrants expressed interest in acquiring a housing loan to leverage their own savings. One-quarter of the migrants to the U.S. had already taken out a mortgage to purchase a new house, and half of those who did not have a housing loan said they would be interested to acquire one. Almost half of the 120 Peruvian migrants to Chile and Ecuador stated that a housing loan would be helpful to them, and several indicated that such financing would help them to return home more quickly because they would have met their migration objectives.

The high demand for housing loans among women remittance recipients was well demonstrated by the recent experiences of the microfinance institution Integral and its partner NGO, FUSAI, in El Salvador. In a recent community housing relocation project implemented by FUSAI, 76% of the 280 clients seeking new housing were women, one-third to one-half of whom were likely receiving remittances and using them to finance their payments.113 25 of the housing loans were being paid exclusively with remittances, and of these, 20 were held by women. In addition, Integral has been developing a new loan product geared toward both male and female remittance recipients. In the pilot phase, 67% of the clients were women. Moreover, 15 of the 61 loans were being repaid only with remittances, and 10 of these were held by women.

Integral’s experiences also highlight the strong will to pay and high repayment rates among women remittance recipients. The microfinance institution has acquired 183 new clients from those who have used their recently developed remittance transfer service to collect funds from relatives in Washington, D.C. 89% of these new clients are women, and they have taken out loans for both microenterprises and housing. To date, their payment histories are excellent; only 6% of the loans equaling only 0.5% of the total disbursed are past due, none exceeding 30 days.

Because saving is a priority, women would benefit from more access to structured savings programs. The participants’ will and capacity to save came across powerfully in interviews and focus groups. Women from all income levels were saving a portion of their income, whether it was an average of $10 per month among remittance recipients in an urban area of Honduras, $40 per month among the Peruvian migrants to Ecuador that reported saving, or an average of $195 per month reported by half of the migrants in the U.S.

In the majority of cases, saved funds were eventually used to purchase, construct or improve housing, support a small business or provide for education. In fact, despite interest in housing loans, saving was most often the preferred method by which to invest in assets. Some women had experienced problems with debt in the past, while others were simply unaware of or intimidated by borrowing procedures. In any case, saving represented an effective mechanism to pay for housing improvements which can easily be accomplished in increments.

Saving was accomplished by making small and large sacrifices daily, using ingenuity to lower monthly expenditures and in some cases by finding ways to increase income through a second job or by selling a product. Some Peruvian women in Chile preferred to give up a substantial amount of freedom to work as live-in housekeepers so as to have their expenses covered and save all of their income. In the U.S., women referred to creative group savings schemes such as contributing to a certificate of deposit (CD) with other migrants in one person’s name and dividing the money and the interest at the end of six or seven months.

Women in the U.S. showed a surprising tendency to keep their money in bank accounts, even when they were not legally documented workers. 36 of the 44 women reported holding accounts in the U.S., in
their home countries, or in both places. This proportion diminished among Peruvian regional migrants, only 25 of whom saved their money in an account out of 80. For remittance recipients, participation in the banking system was often related to their locations, whether urban or rural. For example, none of the women in focus groups in rural areas of Honduras had accounts, while it was more common for women in urban areas of El Salvador, Ecuador and Honduras to save in banks or cooperatives.

Different groups of women migrants and remittance recipients have specific needs according to their location, experience with migration, and available resources. Communities vary in their experiences with migration and the financial resources they are able to leverage for investments. For example, in the rural community of Buenos Aires, Honduras where the migration of family members is a fairly recent phenomenon, in some cases households are just beginning to receive remittances and are using them to pay off the debt of the relatives’ travel to the U.S. Some investment in housing and household goods is occurring, but there is very little capacity to save and equally little exposure to the financial system, including banking and loans. In contrast, women in the urban neighborhood of Colonia Tres de Mayo in Honduras, a community with a longer history of outmigration, have already made substantial investments in housing and are seeking ways to increase their savings. In El Salvador, many of the women from urban and periurban areas connected with programs offered by FUSAI and Integral have been receiving remittances for years. They have significant experience using these funds for investment purposes. Moreover, their link to Integral has considerably expanded their knowledge of financial options, increasing their demand for loan products. Each of these communities of women would benefit from different programs to assist them in acquiring assets.

9.2 Challenges

Lower overall income. The biggest challenge faced by the women participating in this study was economic, as women tend to earn less overall than their male counterparts. In the case of the women migrants interviewed in the U.S., Chile and Ecuador, the reasons for lower incomes were largely related to two factors:

- The sectors in which they were employed. Most of the women had jobs in the service sector, as housecleaners, nannies, restaurant workers, and these jobs tend to pay lower wages than the construction or industrial sectors which more often employ male migrants. In the U.S., a lack of knowledge of the English language held women migrants back from seeking other employment options.

- Their responsibilities to their children. Many of the women interviewed had children with them in the destination country. The women’s domestic responsibilities limited the hours they could spend working and in some cases made it more difficult for them to find jobs as employers were less likely to hire women with children. Moreover, once employment was secured, childcare costs could require a significant amount of monthly income.

According to census data, Salvadoran women migrants in the U.S., for example, earned a median annual income of $20,332 in 2006, while Salvadoran men brought home $26,095. In the case of male and female heads of household, the discrepancy in income is even more striking: Ecuadorian male heads of household without spouses earned $47,671 while female heads of household earned only $31,370. These trends are similar for men and women migrants from a number of countries in Latin America. (See section 5.1.2). Women migrants to the U.S. participating in this study earned an average of $1,200 per month, substantially less than the average monthly household income of Latin American immigrants to the U.S., $1,600, documented by the Inter-American Development Bank in 2008.
Peruvian women migrants to Chile and Ecuador dealt with more difficulties earning sufficient income to acquire assets. Although the demand for foreign workers in the domestic sector in Chile is high and jobs are readily available, the average monthly earnings of the domestic laborers participating in this study, was about $420, and many made only the national minimum wage of about $300. In Ecuador, although the Peruvian women interviewed had access to a wider range of employment opportunities, they earned an average of $179, an amount still substantially more than they could earn in Peru (an average of $68 among the 40 migrants to Ecuador).

Women remittance recipients confronted similar constraints related to their cultural contexts on their ability to generate additional income apart from remittances. Already high unemployment rates that motivated male family members to migrate are even higher for women who remain behind, and family responsibilities limit their ability to seek jobs outside the home. In the focus groups in rural areas of Honduras, for example, some husbands who had migrated had prohibited their wives from participating in any income-generating activity, preferring that they devote all of their attention to caring for the children. Even among those who had steady work or income from informal sales or service activities, these amounts were rarely enough to cover household needs. Although only four of the 35 women interviewed in Ecuador stated that they did not work, the average monthly income without remittances was about $210, just above the monthly minimum wage.

**Difficulty fulfilling their financial objectives.** While a remarkable number of women were able to realize substantial investments in spite of income constraints, others referred to goals they were not managing to reach. The desire to save or invest was strong and was almost always a motivating factor for the decision to migrate or support the migration of a family member, yet there were few support structures or mechanisms in place to allow some women to connect their aspirations with realistic actions. This was especially the case among the remittance recipients interviewed in Ecuador, who reported struggling to cover their expenses even with remittances more than women in Honduras and El Salvador. In response to questions about saving or investing, the most frequent response was, “I would like to, but I don’t have enough.”

For women migrants, the timeline for migration and the decision to return home was frequently related to achieving financial goals. For example, 56 out of 120 Peruvian migrants in both Chile and Ecuador had aspirations to start a small business in Peru. For many, these plans were short-term and the women preferred to return to their countries and their families as soon as they could. More than half of all of the Peruvian women interviewed were saving monthly to accomplish their goals, but their incomes and occasional emergencies inhibited their progress. A number of women lamented that their stay in Chile was continually being extended because of their need to save more money before returning to Peru.

**Lack of confidence in financial decisions.** While some remittance recipients were able to take on their new roles as administrators of household income with ease, others expressed concern over their ability to appropriately manage remitted funds. Particularly in Honduras, women consulted frequently with migrants abroad and other family members regarding both small and large purchases, and felt the weight of accountability to the migrant for the use of the funds he or she had sent. The repayment of debt acquired both before the migrant had departed and as a result of the prohibitive cost of travel to the destination country was a frequent source of anxiety, and women in all three countries worried that their family members would return home to find them still in debt. Even among those who were confident in their capacity to plan their household’s monthly expenditures, stretching income to meet family needs was a significant source of stress.
In addition, many of the remittance recipients who were investing in housing were being exposed for the first time to the intricacies of constructing or improving a home: choosing materials, working with contractors, determining layout. Most of the women in this situation, even those who were making all other household spending decisions, were intimidated by their lack of familiarity with housing construction and preferred to defer all construction decisions to the migrant, sometimes slowing the process. Moreover, because of their lack of knowledge the women were more vulnerable to losing money through fraudulent actions by unscrupulous contractors or developers. For example, one woman migrant who returned to Ecuador from Spain found upon her arrival that the house in which she had been investing, the details of which had been entrusted to the family, was much too big and hadn’t yet been completed because one of the engineers involved in the project had charged them double the amount necessary for his work.

**Obstacles to accessing credit and land.** The responses of Peruvian women migrants in Ecuador demonstrate some of the barriers that keep women from accessing credit, particularly mortgages. Of the 40 women interviewed, 25 said that acquiring a housing loan in Peru would be very difficult. Reasons cited frequently included the need for a guarantor, a requirement that discouraged respondents. Other obstacles mentioned included the need for a stable income and an overwhelming amount of paperwork.

The microfinance institution Integral and its network of partner MFIs have observed that women remittance recipients specifically, particularly those who do not have other sources of household income, have become an “invisible population” for those in microfinance or development fields. They are receiving too much monthly income to qualify for assistance from the state, but as the remittances they receive are not perceived as “theirs”, they have also tended to be rejected for lines of credit requiring collateral or a monthly fixed income.

While women in Latin America face few legal constraints purchasing property titled in their names, there are still obstacles related to customs and traditions that they struggle to overcome. Among women migrants in the US that were investing in housing, two women stated specifically that their partners did not want the women’s names on the properties. Remittance recipients also met with difficulties. In Ecuador, for example, only five of the 27 women who reported owning property held it in their own names. The subject of housing purchased with remittances and the registry of the property seemed to be a source of conflict for some women because of personal problems relating to their relationships with their partners. In three cases the houses or land had been purchased using money sent by the husband and had been registered in the name of the husband or jointly under the names of both the husband and wife. The husband had then started a relationship with another woman in the country of destination, and the wife in Ecuador was left with a property that was not fully hers, a fact that could cause problems if she sought separation or divorce.

**Lack of information on investment opportunities and assistance.** Some women migrants, particularly those to the U.S. who are earning higher incomes, clearly have the desire to invest substantially in assets in their home countries. Of the 16 migrants interviewed who had returned to Ecuador, for example, 15 had invested, or saved with the purpose of investing, an average of $27,000 over 4.5 years. Moreover, some women who are not considering returning to their countries in the near future are planning to go back for retirement and are investing in housing and businesses for that purpose.

In response to this obvious demand from both men and women migrants, more and more banks and companies have begun to offer products designed to facilitate the investments of migrants and their families, whether from abroad or in-country. For example, a Honduran technology corporation called “Alooo.com” is a for-profit company that facilitates the transfer of remittances directly into the purchase.
of a home. In Guatemala, a program creating an alliance between Guatemalan migrants in the US, the migrants’ families in Guatemala, the Government of Guatemala and the International Organization of Migration constructs low-cost housing for migrants and their families using remittances to partially cover the costs. In addition, some microfinance institutions in Latin American countries offer loans or savings products tailored to women’s needs that could be accessed by remittance recipients.

Despite the growing prevalence of these offerings, few women are aware of them, and some of those who have knowledge about these programs find them intimidating. None of the women migrants to the U.S. had heard of programs of this sort that would facilitate their investment in housing. Peruvian women were slightly more informed, with six discussing programs specifically designed to help migrants purchase a home in Peru, but they had very little knowledge of these programs and did not plan to participate. Five remittance recipients in Ecuador mentioned programs they thought might offer assistance, including a nationally funded loan program for housing, but only one had taken advantage of them.

Health-related emergencies. Health-related costs are some of the least flexible uses of income. An illness can destabilize a household’s economic situation and prevent other basic needs from being covered. Among remittance recipients, health emergencies were cited by women in all three countries as major factors impeding their ability to save and invest. Focus group participants in Honduras commented that any funds being channeled into housing would be immediately diverted toward health problems if they arose. Some participants in El Salvador and Ecuador stated that their monthly transfers were consumed entirely by healthcare costs. One woman lamented that if she had not required a life-saving surgery, she could have constructed a beautiful house.

Women interviewed in the U.S. did not struggle with this issue to the same degree, particularly in smaller expenditures, because of the free health care offered in a number of states including Massachusetts that can be accessed even by those without legal status. Some did describe changing their plans to return home due to a larger health-related problem with their children that required all of their savings. Peruvian migrants, if they were among those working without a contract, were only able to access healthcare at a prohibitive cost. Several commented “I cannot get sick” or spoke of working through difficult illnesses because they lacked the funds to cover doctors’ visits.

Impact on non-remittance recipients. Investments by migrants and family members receiving remittances in Latin American countries have been a contributing factor to rising prices of housing and land. These high prices result in the exclusion of the poorest population groups from purchasing property, sometimes even in the informal sector. For example, in the Santa Isabel municipality of Ecuador, an area with a very high rate of out-migration, between early 2004 and mid-2005 average land prices increased from $4.2 per square meter to $39.50 per square meter. This substantial growth was primarily the result of incessant housing demand from the migrants and the scarce urban supply at the time. Any efforts to channel remittances into investments in housing and land should consider the impact these expenditures may have on those who do not have the extra income provided by migrant family members abroad.

9.3 Proposed Programs

The findings of this extensive field research provide support for the development of specific programs and projects to meet the needs of women migrants and remittance recipients. The following three proposals have been conceived based on the opportunities and challenges identified in the previous section, most notably the demand for housing loan products, the desire and capacity of women to save,
and the lack of accurate and accessible information on loan products and other programs that can assist migrants and recipients in accumulating assets. These proposals are designed to bridge the gap between the goals women have when first migrating or expecting remittances and what they are able to accomplish by providing some financial support in the form of loans or small grants, combined with accurate dissemination of information, financial education and training for both senders and recipients, and technical assistance. None of these proposed products or services excludes men or households not receiving remittances, but they are targeted toward women migrants and remittance recipients.

The programs are not “one size fits all”; each addresses the needs of a different group of women with specific goals and resources. The first two products are primarily for remittance recipients and could be immediately implemented in collaboration with NGOs and microfinance institutions in selected countries. The third project is designed to better leverage the resources of women migrants from Latin America and should be considered for the future.

The three proposed programs and issues they address are:

1. A **housing improvement and construction loan** with a substantial on-site technical assistance component targeting primarily women remittance recipients.

2. **Voluntary savings accounts with matching incentives** dedicated to the acquisition of specific assets targeting women remittance recipients.

3. A **web-based information clearinghouse** describing available financial products facilitating asset accumulation with cell phone outreach capabilities especially targeting women remittance senders and recipients.

9.3.1 **Housing improvement and construction loan product**

The objective of developing this product is to meet the demand of women remittance recipients for housing improvement and construction loans with a specific loan tailored to their needs. The research team in El Salvador, composed of senior directors and staff of the microfinance institution Integral S.A. de C.V. and its partner NGO, FUSAi, reflected on this need and developed ideas for the proposed loan product as a direct result of their participation in this study.

A pilot project testing the effectiveness of this product could be conducted through the microfinance institution Integral S.A. de C.V. and its partner NGO, FUSAi, in El Salvador but could eventually be scaled up to other Latin American countries. El Salvador is an excellent location for the development of such a product because its long history of migration to the U.S. has led to the development of a fairly well organized migrant population. The high visibility of microfinance institutions in El Salvador has also led to increased demand for these types of products.

**Rationale for the project**

In general, there are two main types of housing loans in El Salvador:

- Improvement and construction loans, in which “construction” implies new housing on previously-owned plots that may or may not contain another structure;
- Loans for the purchase of new housing (mortgages).
The experiences of microfinance institutions in El Salvador indicate that out of ten requests for loans, one is for the purchase of new housing while nine are for improvement or construction. Moreover, 80% to 90% of these requests come from women, the majority of whom are receiving remittances. The findings of this study also suggest that improvements and construction of housing take precedence over buying new houses, particularly for women who cannot afford larger investments and have typically preferred to use remittances or savings to carry out projects incrementally. However, national programs offering subsidies, credits and other supports for families to purchase new housing far surpass the meager resources available for households seeking financing for housing improvements or construction.

In targeting women remittance recipients and through them, remittance senders, loans for housing improvements or construction make more sense. These credits meet ample demand and are relatively easy to apply for and disburse. The project cycle is arranged and managed through the recipient in the country, who needs only to demonstrate a consistent income and a will to pay. The loan amounts can be smaller with shorter terms, allowing clients to develop credit histories while accomplishing their objectives and reducing the risk to the microfinance institution.

Loans for housing improvement and construction are obviously not a new idea and can be used by men and women, remittance recipients and non-recipients. Apart from meeting a clear demand that is particular to women, this product would differentiate itself by targeting women remittance recipients in three ways:

- **Allowing loans to be repaid exclusively with remittances.** As mentioned, Integral already has experience managing loans paid only with remitted funds in the community housing projects developed by FUSAI.
- **Offering comprehensive on-site technical assistance.** Training courses tailored to women would be offered to foster the development of basic abilities in housing design, budgeting and construction management.
- **Launching a targeted outreach campaign.** In addition to the typical channels used by Integral to market its products, outreach would be conducted through channels connected to migration and remittances.

**Product Description**

**Amounts, terms and interest rates:**

The amount and term of the loan would be customized taking into account the following factors:

- The client’s monthly income (partially or exclusively from remittances). The sender’s length of stay in the U.S. and his or her legal status may be considered to assess risk. Monthly installments would be defined taking into account the stability of the relative abroad.
- Previous investments in land and housing made by the client.
- The credit history of the client. If no credit history is present, loans would need to be much smaller and shorter term but could be increased contingent upon successful repayment.

While the process of acquiring a loan would generally be flexible, it would become more rigorous if higher amounts were requested. No loan term would be longer than three years. Interest rates would be adjustable to manage risk but would generally reflect market rates.

**Downpayment**

Another risk management tool is the requirement of a small downpayment, known as a “prima”. The remittance recipient would be asked to save a percentage (e.g. 5%-10%) of the total loan in an escrow...
account managed by Integral. Once this goal was achieved, the credit would be disbursed. This approach fosters and strengthens the habit of saving and allows Integral to assess the clients’ will and capacity to pay.

**Technical Assistance**

Hands-on training would be an essential component of the loan product to teach participating women such capabilities as identifying important housing improvements to make, choosing appropriate construction materials, and negotiation, budgeting and supervision. Studies conducted by FUSAI indicate that the technical assistance component they currently offer costs an average of $55 per family per housing credit. Other microfinance institutions have leveraged donor funding to cover these costs. FUSAI and Integral are currently working with the internet-based peer-to-peer microlending program KIVA ([www.kiva.org](http://www.kiva.org)) to conceive a way to finance this component so that FUSAI and Integral can absorb those costs without raising interest rates. If this is successful, clients will be able to access loans at market rates while still receiving technical assistance, a lower-cost financing model that provides benefit to the clients but does not require the financial intermediary, in this case Integral, to provide a subsidy.

**Marketing**

In El Salvador, marketing of loan products usually takes place through the existing network of microfinance institutions and their partners, including credit unions, non-profit organizations, community-based organizations, private microfinance institutions and cooperatives. To ensure that this new product reaches its intended audience, outreach would need to be conducted at points associated with migration and remittances, such as remittance transfer centers, or at locations frequented by women, including markets, child health clinics, and Salvadoran women’s associations. In addition, marketing materials specifically directed at women could be developed and distributed through traditional and alternative channels. It may be necessary for organization representatives to visit neighborhoods, villages or market areas with high concentrations of women receiving remittances to increase product awareness.

The product could also be marketed to women remittance senders in the U.S. with the understanding that loans would be disbursed through the remittance recipient. Alliances could be developed with NGOs offering support services to immigrants, with institutions providing financial services, and with migrant associations to establish a promotional program that would alert migrants to opportunities in their home countries.

**Challenges**

Clients without credit histories have typically been required by Integral to have a guarantor in El Salvador to enable the financial institution to manage the risk of the loans. For potential new female clients, this requirement may be an insurmountable obstacle and the main factor in their decision not to seek a loan, even if they have the capacity to repay it with remittances. To remove this barrier, this loan product should explore other options for guaranteeing the loan that women remittance recipients may find more manageable, such as using household goods for collateral.

### 9.3.2 Voluntary savings account with matching incentives

This savings instrument would be designed to allow clients to put aside money targeted toward specific assets such as housing, small businesses, education or health and would provide small amounts of matching funds initially as an incentive to start an account and begin saving. The program would also
include a financial education component to provide assistance to increase savings and facilitate investment.

This program can be targeted to different sub-groups of women remittance recipients than the housing improvement and construction loan. Those with fewer financial resources and less exposure to banking procedures, such as residents of rural areas in Honduras, would be ideal candidates.

**Rationale for the program**

Although at least half of the women participating in this study expressed interest in accessing loans for housing and other assets, saving has long been the preferred, and often only, method of financing investments for lower-income groups. It is practiced by women from a range of income levels, and has become a habit of many, even if amounts are small. Saved funds offer flexibility and security for those who do not want debt, as well as interest if the money is held in a financial institution.

Despite the benefits of loans, the high cost of debt in many Central and South American countries can be a deterrent to applying for credit. For investments in such assets as housing and education that do not necessarily offer the same immediate income-generating capacity as an investment in microenterprise, savings products may be an appropriate alternative. Small matching grants that emphasize asset accumulation, offered only in the first year, would provide an incentive for “unbanked” women to open savings accounts and would offer extra motivation to those who had previously saved in financial institutions.

Developed countries, particularly the U.S., have made use of the concept of matched savings programs for almost two decades to provide incentives for households at a range of different income levels to build assets. Known as Individual Development Accounts (IDAs), these programs leverage participants’ own savings to secure matching funds, at rates ranging from 1:1 to even 4:1, to invest in assets such as home purchases, small business development, and post-secondary education. These accounts have earned political support as a means to assist some of the poorest groups in the U.S. to improve their financial situations, and the methodology is currently being evaluated to determine ways to scale it up. More than 40 U.S. States have adopted some type of IDA policy.

The matched savings model has only recently been adapted for application in Latin America, but the results are promising. As part of the *Corredor Puno-Cusco Project* sponsored and implemented by the International Fund for Agricultural Development (IFAD) and the company *Edge Finance* in rural areas of Southern Peru, a savings program with matching incentives, targeted specifically to women, was launched in 2005 in collaboration with two formal, regulated financial institutions in the region. To receive matching funds, savers were required to open a personal account, add to their balance monthly and make withdrawals for asset-related expenditures in education, housing, health or microenterprise development. By 2006, more than 5,000 women had opened accounts, and by 2007 they had managed to increase their savings rate and had more cash available for investment as a result of successful business plans they had developed as a part of the program. The women had also substantially increased their knowledge of and trust in the financial system in Peru. As a result of this success, a new regional project is being explored (at present in Mexico, Peru, Colombia, Ecuador, and Chile) aimed to scale up the lessons learned and find ways to reach new beneficiaries by connecting the matched savings concept with existing conditional cash transfer programs.

Other organizations are considering the matching incentives model. The Dominican Association for Women’s Development (ADOPREM), a microfinance institution in the Dominican Republic supported by...
the Multilateral Investment Fund (MIF) of the Inter-American Development Bank (IADB), is exploring programmed savings with matching components, in direct response to a market study they conducted that indicated women remittance recipients’ strong interest in such products.124

**Program characteristics**

The savings program would need to be structured as a partnership between an NGO, perhaps one dedicated to women’s development, and a trusted, regulated financial institution with many easily accessible branches to reduce women’s transportation and transaction expenses. The process of participating in the program should be very simple to keep overall costs low, ensure transparency and allow individuals at all educational levels to participate.125

**Account specifications**

Program participants should be required to open a simple passbook savings account in their own names which are private, secure and allow for easy deposits and withdrawals. Ideally the accounts would have a very small minimum balance, at most $10, and no transaction or maintenance fees that could prevent clients from participating. These stipulations could be negotiated with the collaborating bank before launching the program.126

The accounts should be clearly labeled according to the asset the participant chooses to save for, including housing improvements, education (particularly school fees), health costs or microenterprise investment. While it would function as a normal savings account, the label can be a powerful tool for accountability.127

To qualify for a match, participants should have to show an increase in their savings balance by the end of a specified time period, e.g. six months. This timing allows flexibility for emergency withdrawals and months where savings is not possible, but also creates an incentive structure to encourage deposits.

**Matching funds**

The match rate does not have to be high to be effective in drawing participants. A 1:1 match should be enough to convince potential participants that they would benefit from the program. Similarly, match amounts do not have to be large, as they are essentially motivational tools. In the project in Peru, participants received an average total match of $40.128 In fact, an appropriate cap on matching funds can help to target the program to appropriate beneficiaries by offering an amount that would only appeal to households at a lower income level.129 However, the matching amount would need to be determined by the context in which it would be applied; potential clients in urban areas might require a higher match to motivate them to participate than those in rural areas with lower incomes.

Matching funds can be disbursed in several ways. One less costly option is to make direct transfers to personal bank accounts, while another method is to make checks payable to specific suppliers for asset-related expenditures. The second option can be prohibitively expensive with such small match amounts, while with the first the provider runs the risk that the client will spend her matching grant on something other than asset accumulation. In general, to keep costs low experts have recommended not monitoring the use of matching funds but relying on labeling and frequent reminders of the purpose of the accounts to encourage participants to spend the funds on their intended use. It is also recommended that matches be disbursed at certain times of the year connected to asset development, such as the start of the school term, and should avoid major holidays when consumption expenditures are more prevalent.130
These accounts would differ substantially from the compulsory savings programs required by the housing improvement and construction loan product. Saving would be completely voluntary with the same liquidity as a normal savings account. Only withdrawals for asset-building purposes would be matched, but clients would have full access to their funds at all times for any purpose. This model would allow clients to work toward acquiring a particular asset while maintaining a fund for emergencies.

**Savings groups**

One proven way to increase accountability in the use of saved and matched funds is to require participants in the program to form small savings groups. While each client would maintain her own individual savings account, the group would offer peer support and encouragement. One suggested approach is to reward the accomplishments of groups through savings bonuses. For example, if each group member achieved their monthly savings goals, the group would receive a small bonus to be divided among them in addition to the matching funds.131

**Financial education**

Despite its high cost, financial education must be an integral component of matched savings programs to maximize their benefit. Topics could include:

- Basic household budgeting,
- Techniques to use a combination of savings, credit and housing investment to increase wealth and improve quality of life,
- Basic instruction on consumer protection laws and their legal rights regarding savings and credit.
- The importance of microinsurance to protect assets
- The advantages of different payment options for accumulating assets, including those with a transnational focus

Ideally, participants would also receive training related to their selected asset, (for example, planning for housing improvements, or the development of a business plan) in addition to general education on such topics as budgeting or understanding their MFI’s financial system. These training sessions could easily be tailored to address the issues and needs specific to women remittance recipients.

The savings program and its corresponding financial education component could be part of a broader, two-part entrepreneurship program, including:

- A technical training program directed toward developing vocational abilities that would allow women to generate products out of their homes and to operate as providers under sub-contracts with formalized companies;
- A market development program that would identify local micromarkets to connect with women’s home-based production of goods.

**Microinsurance**

This program would also benefit from a link to a microfinance institution offering microinsurance for health costs taking into account the significant impact that health-related emergencies can have on savings and investment. Alternatively, a basic microinsurance product with a preventative focus could be developed in conjunction with the savings program.

Institutions considering developing this type of insurance would need to establish two alliances necessary to the implementation of this product:

- A relationship with an insurance agency, preferably one with experience in microinsurance;
• A network of doctors, nurses, and health professionals who would be willing to address the needs of potential users of the microinsurance product.

Challenges

Because of its reliance on banking services, this program would need to be implemented in a country with favorable economic context, ideally with low inflation, relatively high economic stability, well-developed banking legislation, positive interest rates and deposit insurance, and program participants would need to be aware of the safety of the banking services. Lack of trust in the banking system could be a major deterrent to program participation.

Subsidies of some sort, whether from donor organizations or governments, would be necessary to finance the provision of matching funds. While this situation may not be ideal from a perspective of sustainability, the program could provide results that would warrant the expenditures. For example, to support the program governments could redirect existing subsidy funds to matched savings programs thereby leveraging them, improving their targeting and increasing their effectiveness. Similarly, linking matched savings with existing conditional cash transfer programs can become a very effective mechanism to empower the poor and build their children’s future.

9.3.3 A web-based information clearinghouse

The objective of developing an information portal focused on available asset-building products in a range of Latin American countries is to help channel migrant women’s interest in and financial capacity to invest in their home countries into concrete investments on the ground. This clearinghouse could be maintained in any country by an NGO or microfinance institution, or by individuals hired exclusively for the project. Considering the amount of data available and the time necessary to develop such a portal, compiling information should begin as a pilot project in one country first and scale up according to interest.

Rationale for the program

To be able to invest effectively, women need to be accurately informed of their investing options and the best means of accomplishing their financial goals. Given their working schedules and commitment to earning as much money as they can, however, few have the time or the means to perform the necessary research.

One way to address this need is to improve the dissemination of accurate, accessible, and relevant asset-building information for women migrants and recipients. This clearinghouse would concentrate information related to housing financing, small business loans, and savings products available in each Latin American country, so that the migrant and recipient would have access to a one-stop information resource for making secure and informed decisions. The site would also provide links to existing network and organizational websites so that information is not duplicated. The development of this clearinghouse could be also supported with tools such as wikis, user ratings, and integration with other websites. The site would need to be user friendly and extremely simple in terms of technical requirements, using plain language accompanied by videos, podcasts, and heavy use of graphics over text.

Other organizations have created web resources with some similarities that could serve as useful precedents. For example, "The Hub" initiative currently being developed by the human rights
organization WITNESS, is a portal that enables people, many of them in developing countries, to both access and provide information related to human rights violations as a way to promote better accountability.

**Product characteristics**

The site should contain sections on asset-building resources tailored to women as well as basic, practical educational "how-to" tools for leveraging these resources. Information would be grouped by asset categories, while the "how-tos" would range from home ownership to retirement planning. The clearinghouse would have a dedicated section describing programs tailored to women.

An innovative aspect of this clearinghouse would be its use of cell phone technology. While relatively few migrants and their families have access to and actively use the internet, almost all use cell phones for communication. Text messages could be used to disseminate information from the website, a practice that is becoming more common in developing countries.

**Clearinghouse content: Information resources and practical learning tools**

Site resources would be grouped by country and category and would cover the following topics:

**Housing:**
- *Financing for housing*
  Descriptions would be given of existing housing loans, programs and subsidies available and accessible to migrants and remittance recipients in each country, with links to each relevant loan network or housing organization. Loans targeted to women, such as housing loans offered by ADOPEM in the Dominican Republic, would be highlighted.

- *Available properties*
  This section would provide information on different housing developments and properties for sale in a range of Latin American countries. These investment opportunities should be connected to financing options.

**Microfinance**
- *Loans for microenterprise*
  This page would provide details of existing loans for entrepreneurs in each country, with links to loan networks and microfinance institutions. Again, loans for women will be highlighted. For example, the microfinance institution Pro Mujer has branches in Argentina, Peru, Bolivia, Nicaragua and Mexico and offers small group loans to women interested in developing income-generating activities.

- *Micro business development and marketing*
  Information would be provided on non-profit organizations that support small businesses in the areas of development, marketing and law.

**Other financial services**
- *Financial institutions and savings products*
  This section will provide information about existing financial institutions, including banks, microfinance institutions, cooperatives and credit unions, and their products. These institutions could link their homepages to the clearinghouse. Special attention will be paid to those institutions that offer tailored programs for women.
• **Internet services**
  Financial institutions that offer online banking and services, particularly those related to remittance transfers, will be highlighted in this section.

**Clearinghouse content: Training and tools for asset accumulation**

The web portal will also offer practical financial information, techniques and tips including the following:

* **Home ownership and the mortgage market**
  Information for migrants and recipients about home ownership and the pros and cons of taking out a loan.

* **Personal finance, savings for asset acquisition**
  Information on budgeting and administering income, including techniques for saving.

* **Starting a micro-business**
  Information on first steps for starting a business and how to apply for a loan

* **Saving for retirement**
  Information on preparing for retirement and potentially returning to the country of origin.

**Challenges**

By far the biggest obstacle to the success of such an information resource is the level of Internet access and literacy among migrant women. Also, especially for those with lower education levels, diminished literacy and trust in written communication may be a barrier. For example, only 7 of the 44 women interviewed in the U.S. reported using computers, although many others expressed interest. As a result of exposure to computers in school however, children are potentially much more connected to the internet and can potentially serve as bridges for their mothers. The use of cell phone technology to circulate information via text message is another way to overcome this impediment.

Additionally, the clearinghouse could be marketed through a network of microfinance institutions, credit unions, NGOs, community based organizations, and cooperatives, which could both benefit from the clearinghouse and assist their clients in its use by offering internet access at their locations.

**The next step: a remittance transfer platform**

If the clearinghouse is successful, a possible next step would be to include a link on the site to a remittance transfer platform. This service would need to be administered by a credible international institution and regularly monitored for accountability. Migrants would be able to transfer their money via cell phone, internet or through supermarket and pharmacy chains, to Institutions like Fusai in El Salvador or other in their country of origin. Funds could be diverted to accounts for different asset-building uses (e.g. health, education, housing, savings, small business development). This remittance transfer platform would aim to provide transparency and control to both remitters and receivers.

One innovative precedent for this type of service is M-PESA, or Mobile Money, launched by the Safaricom mobile phone network in Kenya. This product, a result of a partnership between a bank and a cell phone company, has allowed people to store funds in a “virtual account” on their cell phones and transfer amounts to other users, who then cash the transfers at an agent by giving a secret code with their
Companies in the Philippines were the first to develop this type of technology and apply it to remittance transfers. Smart Communications’ “Smart Money” and Globe Telecom’s G-Cash have facilitated money transfers via mobile phones since 2004 using agents located throughout the country.
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ENDNOTES

1. IFAD, 2007a.
2. Ramirez, Garcia & Miguez, 2005
6. Plassl, et al., 2002
7. DFID, 1999, Moser, 2007. Land has generally been considered a natural asset, but as we are considering land primarily for housing purposes we have listed it as a physical asset. We also consider equity in a business as a financial asset. Caroline Moser in her 2007 paper acknowledges other potential asset categories, including psychological, aspirational, political, and productive.
8. Also see Deere and Leon, 2001; Sherradan, 1991
10. Among others, see Carling, 2005, Mahler, 2000
11. Study leader Mona Serageldin made this argument at a presentation of the 14th Commission of UNCHS/HABITAT in Nairobi in 1993. See Serageldin et. al, 1993
13. Deere and Leon, 2001; p. 15. Several examples of studies are cited.
14. Centro de Opinión Pública (COP), 2006
15. Ramirez, Dominguez, Morais, 2005
16. UN-INSTRAW, IOM, 2007
17. Garcia and Palewonsky, 2006
18. Moser, 1998; Schriener, 1999
20. See Annexes for the bios of the Chile research team.
21. Honduras has 26 of these functioning committees. They are geographically distributed as follows: nine in the Department of Yoro, eight in the Department of Choluteca, five in the Department of Francisco Morazán, two in the Department of Cortés, one in the Department of Valle and one in the Department of Ocotepeque.
22. See Annexes for a list of the Honduras research team.
24. IFAD, 2007a
25. IFAD, 2007a
26. MIF, 2008b
30. Damon, 2007
31. UNDP, El Salvador Human Development Report 2005
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38. INEC Household Survey 2006, Orozco 2007
39. Bérubé, 2005
41. IADB-MIF, 2006
44. United States American Community Survey 2006. The largest group, 30.7%, is from Mexico.
46. For more detailed graphs comparing the results of the American Community Survey, refer to Annexes.
47. IADB, 2008a
48. A substantial proportion, 63%, were from Mexico.
The Nicaraguan Adjustment and Central American Relief Act (NACARA) provides various forms of immigration benefits and relief from deportation to some Nicaraguans, Cubans, Salvadoreans, Guatemalans, nationals of former Soviet bloc countries and their dependents. (source:http://www.uscis.gov/portal/site/uscis/menuitem.5af9bb95919f35e66f6f14176543f6d1a/?vgnextoid=20c148afcb41e010VgnVCM1000000ecd190aRCRD&vgnextchannel=628807b03d92b010VgnVCM100000045f3d6a1RCRD)

TPS is a temporary immigration status granted to eligible nationals of designated countries who are temporarily unable to safely return to their home country because of ongoing armed conflict, an environmental disaster, or other extraordinary and temporary conditions. (source: http://www.uscis.gov/portal/site/uscis/menuitem.eb1d4c2a3e5b9ac89243c6a7543f6d1a/?vgnextoid=609d3591ec04d010VgnVCM10000048f3d6a1RCRD&vgnextchannel=609d3591ec04d010VgnVCM10000048f3d6a1RCRD)

The names of women interviewed have been changed at their request.

Respondents gave more than one answer to this question.

Observation from fieldwork

Alvarez and Broder, 2006

The recent slump of the US economy and the tightening of US immigration have probably contributed to reducing the women’s income.

One of the Ecuadorian women was not included in the average as she was on disability and therefore only earning US $350 per month.

Citizens Housing and Planning Association (CHAPA). www.chapa.org

With a median of US $200

Observation from fieldwork

Estimates of yearly investment in housing estimates in this section were obtained by dividing each woman's investment to date by the number of years in the U.S., then taking an average. Yearly remittances were added to estimate total yearly amounts sent home.

The average amounts invested in this section exclude an outlier, who invested US $135,000

The women from rural areas had been in the country an average of 10.5 years, compared to 8.6 years for those from urban areas.


This survey was carried out by the immigrant support organization Collective Sin Fronteras.

The amount of the subsidy and required savings is measured in Unidades de Fomento (U.F.), a unit of account that is used in Chile when discussing such financial topics as mortgages and house prices. The value of the U.F. remains constant because the exchange rate between the Chilean peso and the U.F. is continually adjusted. As of August, 2008, the value of the U.F. is 20,551.08 Chilean pesos. The required amount of savings to receive the smallest subsidy amount is 50 U.F. and the maximum subsidy at the lowest level is 205 U.F. The maximum housing price is 1000 U.F. The exchange rate used is 1 Chilean peso = 0.00192 US dollars. For more information on this subsidy program, see the website of the Chilean Ministry of Housing and Urbanism, www.minvu.cl.

http://www.minvu.cl/ 

The exchange rate used is 1 Chilean peso = 0.00192 US dollars

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