

//Notas de Análisis//

Challenging Emigration: Tackling Economic, Social and Security Issues

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Migration is a fundamental aspect of international political economy (IPE). It encompasses every aspect of the field of study but has been distanced from IPE mainstream. Nonetheless, it is an international phenomenon that requires joint participation and negotiation between the sending and receiving countries to determine their policies. Migration generates interdependence from below, where micro-structures are initiated by the people. States, political, economic and social aspects are inherently touched by people's mobility. In this article we will highlight the impact that remittances have on the home country, and how dependent Guatemala is on fluctuations of the host country. It will explore how remittances shape Guatemala's economy.

This article will follow three main questions: Why do people migrate from Guatemala to the United States? How does emigration impact Guatemala economically and socially? What are the challenges the Guatemalan government faces and needs to overcome to move forward from an ever growing dependency on emigration? It will be argued that remittances generate a greater dependency to the US. Remittances represent one of the main incomes in Guatemala. Not only are they bound to the receiving country's volatility (e.g. economic crisis and immigration law), they are not sustainable in the long term. But underdeveloped countries have yet to realise this in their policies, as remittances feature as a cushion to the balance of payment and emigration a relief to unemployment rates. Nevertheless, it is an issue that has to be targeted immediately. Furthermore, it is argued that social networks are the cornerstone of migration. The social impact on determinants of out-migration, diaspora and return are all intertwined within security issues, where American originated gangs return to their home countries, exporting criminal behaviour (known as the cost of social remittances). (1) *Maras* in conjunction with organised crime are new actors in determinants of emigration. This vicious circle revolves not only around IPE but becomes an international security issue. The state must act now for it to avoid its own erosion and cataclysm in the long term, taking down its credibility, economy and security.

Heated debates come afloat between international migration and economic development. On one hand, there is the assumption that economic development will enhance emigration and others who argue the opposite. This article will favour the latter argument that development will improve conditions for potential migrants to stay home. Since Guatemala's emigration came basically from political instability and insecurity, an important variable is the current economic and security situation. Internal migration and refugee movements initiated during the civil war and terror repression, were it is estimated that over 200,000 people were killed or disappeared. A politically generated migration mobilised and displaced 1.5 million people between 1981 and 1983. (2) Most people fled to neighbouring countries as refugees and asylum seekers. This

migration tendency was eased once democracy returned and peace accords signed in 1996. There are currently 1.4 million Guatemalan migrants in the US, of which more than half are undocumented. Violence in Guatemala has not ceased and therefore *maras* or gangs, corruption and insecurity are current out-migration push factors. Development should include not only economic development (higher GDP), but should be complemented with social development that pursues poverty alleviation, education, and security.

Remittances have captured most of the attention concerning migration. Worker remittances are defined as '*the quantity of currency that migrants earn abroad and then send home to their families and communities*'. (3) They are a source of foreign (hard) currency and can be used towards consumption, savings, investment, affecting both the household's and the country's economy. Globally, remittances to middle and low income countries in 1990 amounted to US\$ 31 billion; in 2006 the amount increased to US\$ 200 billion. (4) One fourth was sent to Latin America of which US\$ 52 billion were sent back and can be compared to foreign direct investment (FDI) and official development assistance (ODA) flows.

A growing concern in Latin America refers to remittances *vis-à-vis* GDP. Mexico is the first recipient of remittances in Latin America (net billion and in 2005 represented 45% of recipient of remittances). In Guatemala, remittances constitute one of the highest sources of household income and represent a large percentage of the country's GDP (11,3%) compared to the less than 5% in Mexico. Given the importance of economic migrants sending money home, any fluctuation or variation in the receiving country will make the sending countries even more vulnerable and dependant than what they already are. Latin American countries face a big challenge: create more employment possibilities at home and persuade potential migrants to stay, or ignore and continue, in their best interest, encouraging emigration to ease unemployment rates and gain from remittances. Until now, remittances have been a consistent income for developing countries. They constitute a positive aspect of emigration. However, in the long run, a country cannot rely on 'comfortable' income from emigrants dissatisfied by their government's instability and incapacity to create jobs, and wage differential. The free ride is bound to end, and attention has to be paid before it is too late. (5)

Guatemala has become excessively reliant on remittances. The main setback is that they are not sustainable in a long term. If the trend continues, further emigration will stimulate depopulation of the home country. Consequently, economic development through GDP is not the long term answer to fight off dependence on remittances. On the other hand, social and human development needs to be fostered and invest in education, healthcare, poverty reduction and security.

The latter issue has given migration a new twist. It represents another major issue to governments to tackle urgently, and a determinant of further emigration due to the growing violence in the territory, just as civil war times in Guatemala. International organised crime and migration has to seek state intervention and international cooperation. If migration and security are not managed wisely, Guatemala can expect a downward spiral and meltdown in the long term.

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(2) IOM, 'Guatemala, Country Profile', <http://www.iom.int/jahia/Jahia/guatemala>
Accessed on 01/08/2010.

(3) Manuel Orozco, 'Globalization and Migration: the Impact of Family Remittances in Latin America', *Latin American Politics and Society*, 44:2 (Summer 2002), p. 43.

(4) Acosta, Pablo, Fajnzylber, and Lopez, J. Humberto, 'How Important Are Remittances in Latin America?', in Pablo Fajnzylber and J. Humbert Lopez, eds., *Remittances and Development: Lessons from Latin America*. Washington DC: World Bank/The International Bank for Reconstruction and Development, 2008,
p.1. http://siteresources.worldbank.org/INTLAC/Resources/Remittances_and_Development_Report.pdf Accessed on 30/08/2010.

(5) Emigration has been sought as a 'necessary evil': '*supplying needed short-term economic and social benefits but also imposing immediate human and cultural host hindering long-term development*'. Marc R. Rosenblum, 'Moving Beyond the Policy of No Policy: Emigration from Mexico and Central America', *Latin American Politics and Society*, volume 46, number 4, Winter 2004, p. 104.

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