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The amount of family remittances in Mexico: Myth or reality?

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Abstract

Family remittances have registered an explosive increment in recent years. However, the authors argue that the official figures generated by the Bank of Mexico are sustained in some conceptual ambiguities and show marked differences with other information sources (mainly censuses and surveys, which are coherent between them). As a consequence, the authors maintain that not all the resources registered by the Bank of Mexico regarding family remittances are so. Besides this kind of mailing, the statistics of the Bank of Mexico are assessing another type of private transfers (related to legal activities and even with illegal activities).

Key words: international migration, monetary remittances, Bank of Mexico, Mexico.

Background

The remittances sent by the Mexican emigrants residing in the United States to their households in Mexico have received an increasing attention by the government as well as by the Mexican society. In fact, in the country, a wide range of strategies have been put into practice in order to foster a better use of the remittances, to reduce the shipment fees and to improve the register of incoming resources, among others.

In Mexico, these efforts have been produced along with many others put into practice internationally. The modernization of the banking system and the...
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Simplification of the procedures for international money transfers have propitiated an increasing use of formal channels for the shipment of remittances. So, from the relatively low percentage of remittances sent via normal channels, now it has changed to the fact that most of the remittances are sent by formally established, renowned and registered enterprises.

The Bank of Mexico—in charge of measuring the amount of the incoming economic resources by remittances—developed in 2002 a register system for the resources transferred by these enterprises, built based on the shipments from physical persons abroad to physical persons in Mexico.

The authors do not have a doubt about the entrance of resources from the United States to Mexico in the amounts indicated in the statistics by the Bank of Mexico (16,613 million dollars in 2004, 20,034 million dollars in 2005 and very probably a figure close to 24,000 million dollars in 2006). We are sure that this flow of resources exists and is based on the countable registers from professional enterprises dedicated to the funds transfer and whose statistics are sent to the Bank of Mexico. What we argue, though, is that not all these resources are from family remittances. From our point of view, besides the family remittances, the statistics from the Bank of Mexico are tabulating as such other kinds of private transfers (even related to illegal activities). To support our stance, in the following paragraphs we will develop our arguments and we present a series of evidence showing the inconsistencies between the data reported by the Bank of Mexico and other sources of information.

The subject is relevant and exceeds the mere methodological, technical or strictly conceptual matters. In different Mexican means of communication, and even in the United States conclusions are drawn—from the figures reported by the Bank of Mexico—on the benefits from the family remittances or even to create increasing expectations on the role these transfers currently play, or could play, in the development of the country. For all these reasons, we consider indispensable to make a strong and rigorous effort to determine whether we are

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1 Our affirmations are strengthened by the researches of the Attorney General of the Republic (Procuraduría General de la República — PGR) and the declarations from the Attorney General, as well as for the results of a study elaborated by 16 dependencies of the American government. On January 19th, 2006 it was published in the media that, according to an investigation by the PGR, there is a network of money exchange bureaus and remittances shipment enterprises which allegedly washed the Cartel de Juárez’s earnings. In that occasion, the attorney Daniel Cabeza de Vaca indicated that such network would have allowed the Cartel de Juárez «to launder earnings of close to one billion dollars annually». To this fact it would have to add the declarations from the attorney general in regards to the fact that «the money exchange bureaus and remittances shipment enterprises that operate in the US with branches in Mexico are very frequently used by the drug trafficking cartels to send funds».
properly dimensioning or not the family remittances’ flow and carefully appraising some of their economic and social effects.

The arguments

The data published by the Bank of Mexico indicate that the income for family remittances have registered an important dynamism in the last few years. In fact, their amount increased systematically since year 2000 and multiplied —at current prices— to about 3.6 times in the last six years (when changing from 6 580 millions to 23 800 million dollars between 2000 and 2006, according to data from Graphic 1), whereas at constant prices, it increased 3.1 times (Graphic 1a).

There is no room for doubts in regards the fact that the transferences via electronic means —as they enable faster, safer and at better rates— are propitiating an important change in the remittances shipment market and the incorporation to the formal market of the operations that previously were through formal channels. The implementation of new regulations of the Bank of Mexico (mainly those of October 2002), directed to increase the countable coverage of remittances have allowed improving the register of the flow of resources between physical persons in Mexico and the United States.

However, we also consider that the explosive increment of the family remittances registered by the Bank of Mexico does not correspond to the trends registered by other sources (which do concur among them), or with the knowledge, in both Mexico and the US, about the Mexicans’ migratory phenomenon.

In order to support this fact we present a conceptual proposal and four pieces of information:

1. The measurement from the Bank of Mexico does not only count family remittances, but also other "private transfers" and makes no distinction between them. The households’ surveys (as the National Survey on Households’ Income and Expenses —Encuesta Nacional de Ingresos y Gastos de los Hogares— ENIGH in Spanish, 2000, 2002 and 2004; the Employment National Survey, —Encuesta Nacional de Empleo, ENE in Spanish, 2002; the Occupation and Employment National Survey —Encuesta Nacional de Ocupación y Empleo— ENOE, 2005, and the survey associated to the Population Census, 2000) enable quantifying the amount of received remittances by the households to a figure close to one third of the figure estimated by the Bank of Mexico.
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GRAPHIC 1
EVOLUTION OF REMITTANCES, 2000-2006
(CURRENT PRICES)

Source: Bank of Mexico, 2006.
* The 2006 amount derives from the data registered by the Bank of Mexico during the first three quarters of 2006 and from an estimation of the remittances in the last quarter done by the authors.

GRAPHIC 1A:
EVOLUTION OF REMITTANCES, 2000-2006
(CONSTANT PRICES OF 2000)

* The 2006 figure derives from the data registered by the Bank of Mexico during the first three quarters of 2006 and from an estimation of the remittances in the last quarter done by the authors.
2. The amount of the remittances received by some States, according to the statistics from the Bank of Mexico present inconsistencies with the estimated number of households that receive them or that are involved with the migratory phenomenon. The case of Chiapas is the most notable in this matter, but there are other States that show similar inconsistencies.

3. An extremely differentiated dynamic is noticed between the increment in the amount of remittances, the Mexican population in the United States and the households that receive the transferences in Mexico. So, for example, according to the Bank of Mexico, the amount of remittances increased between 2000 and 2005 a total of 2.7 times, whereas the number households receiving these transfers increased around 16 percent in the same period.

4. The estimations from the Bureau of Economic Analysis, in charge of measuring the issue of "private remittances and other transfers" in the United States’ balance of payment differ considerably with the estimations from the Bank of Mexico.

5. In this document we reaffirm the importance of these pieces of information and we include some additional arguments of a conceptual and empirical nature.

**The data from the Bank of Mexico**

Remittances constitute extremely difficult to measure or tabulate flows of resources. On one hand, it has been said that the measuring efforts are at risk of sub-estimating the amount of remittances, among other reasons because they do not always adequately include the resources sent by formal and informal channels, or those delivered in species; on the other hand, there is also the possibility of over-estimating these flows, as it is not always possible to clearly distinguish between the family remittances from "other private transfers". As a consequence, the available data is far from being perfect.

A central matter in the debate is that of the concepts directing the measurements’ efforts. For that reason, it is necessary to ask; what exactly is the Bank of Mexico measuring?, or in other words; which is the relation between the concept of ‘family remittance’ and the figures gathered and reported by the Bank of Mexico under this entry?

The concept ‘family remittances’ is tightly attached to the migratory phenomenon. The Bank of Mexico acknowledges so when it mentions that the family remittances are "unilateral transfers" of resources " from residents abroad
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(mainly from the United States) who send people residing in Mexico with whom they have family ties” (Bank of Mexico, 2004).

In order to make the measurement viable, the Bank of Mexico is obliged to identify functionally those subjects involved in the transfers and to delimit the operational outreach of the concept. That is the reason why the measurement is reduced to the following:

The amount in national or foreign currency from abroad, transferred through the enterprises, originated by a physical person, called remitter, to be delivered in the national territory to another physical person, called beneficiary, and which the terminology of the balance of payments identifies as ‘family remittance’ (Bank of Mexico, 2002).

In this way, the Bank of Mexico, when calling this issue as "family remittance", implies that the data presented by the mentioned enterprises correspond—absolutely all of them— to:

1. Transferences where the remitter is not only a physical person (as established by the regulations), but also resides abroad (as established the concept in the terminology of the Balance of Payment, but not in the regulations).
2. The beneficiary is not only a physical person residing in Mexico (as established by the regulations), but also has family ties with the remitter) as established by the concept, but not by the regulations).
3. That the shipment has the objective of contributing to the "family economy", without mediating any counterparts (as established by the concept, but not by the regulations).

However, in the informs sent by the credit institutions and enterprises to the Bank of Mexico—elaborated based on the countable registers (supported by 51 million and 59 million transferences between particulars in 2004 and 2005, respectively), and that according to the requirements established by the aforementioned regulations—there is not a way to verify the exact proportion of the transfers that really sticks to these suppositions.

So, as it can be seen, there is a huge difference between the content of the concept and what the Bank of Mexico actually measures.

This leads us to a first conclusion (quite obvious, but for not that reason less relevant). In the aspect of the "family remittances" of the Balance of Payments of Mexico with the United States are counted the transactions without counterpart between people with family ties (properly family remittances), as well as "other
private transferences” (with or without counterpart from a physical person to another physical person, not necessarily with a family relation), whose characteristics and amounts are unknown. Nonetheless, the Bank of Mexico incorrectly makes them "remittances that the residents of Mexican origin in the exterior send their relatives in Mexico" (Bank of Mexico, 2004).

Unfortunately, the registers from the credit institutions and the enterprises in charge of the transfers do not provide the Bank of Mexico the details that would enable it to distinguish between family remittances and "other private transfers". This distinction is relevant because the family remittances and the "other transfers" surely demand different explanations and follow different dynamics, motivations and uses.

Besides, it is important to acknowledge that the governmental regulations are not rigid or impassable as to stop the fact that the shipment of "remittances" can be covering other kinds of transactions. In the field work done in Mexico and the United States, we have not seen that the controls are excessively rigid as they do not go further from the special register of the remittances of more than 10,000 dollars; of the non-compulsory register of an official identification of the beneficiary when then remittance is over 2,500 or 3,000 dollars, and the register, which is not compulsory or systematized, of the times the remitter sends remittances or the number of times the beneficiary receives these. Similarly, we have proven that the enterprises dedicated to the transference of funds do not know if the remitter and the beneficiary are linked by a family tie, or if the remitter resides in the United States.

For such reasons, it cannot be ruled out that part of the flow of resources is sooner or later connected to the operation of micro-business in the US that informally transport and sell Mexican products in that country or with the financing from other activities (legal or illegal).

Data from the ENIGH and the Bank of Mexico

The distinction made between family remittances and "other transfers" is useful to explain the huge differences we have found between the data from the ENIGH and those from the Bank of Mexico statistics.

The ENIGH is the best tool in the country to obtain estimations from the variables related to the families’ incomes and their expenses. As a consequence, if the family remittance represents an income for the household, it must be measured by the ENIGH. This survey has as a probabilistic, multi-staged,
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stratified and by conglomerates sample design to provide estimations from the different income and expense variables with a national representativity and for the conjunction of the country’s urban and rural areas.

The Bank of Mexico has tried to disqualify the use of ENIGH 2004 to measure the amount of remittances entering the country, saying that

The sampling design of the survey is not adequate for quantifying the amount of remittances or to identify their distribution by deciles. Therefore, if better information on the number of families in the country and at State level that receive remittances is desired and to quantify the importance of such resources in the family income, an adequate sampling design should be made.

This institution reminds us that "the ENIGH-2004 did only 1 001 questionnaires of families that receive remittances (from a total of 22 595 questionnaires the survey included)". Based on these figures, the Bank of Mexico says that the authors of this work draw conclusions from but a few survey questionnaires and we present them against the aggregate statistics from that institution, statistics from 51 million transactions in 2004.

This affirmation constitutes a real distortion of our arguments. As can be verified in practically any elemental sampling text, the number of questionnaires from the ENIGH 2004 is enough to estimate averages (as in consequence, totals) from the variables considered in the design the sample with a certain degree of precision and dependence.

Given the complexity and the variability of the concepts of income and expenses gathered throughout the survey, the design of ENIGH takes as a starting point those variables whose estimation presents specific complexities and low incidences, to ensure that the latter are measured with a certain degree of precision and dependence. For example, the size of the sample in the 2000 survey was calculated to have acceptable estimations of the proportion of the income per property rent that has a two percent incidence. It is for this reason that it is possible to say that the estimation of the sample size allows that relatively frequent variables (as the income by remittances present in more than five percent of the households) can be estimated with relatively low errors.

According to the results from the ENIGH 2004, it is estimated that in the country, around 1.44 million households received remittances from abroad during the last 2004 quarter. This estimation, with the correspondent standard deviation and a dependence of 95 percent, results in an interval of between 1.19 and 1.68 million households.
Graph 2
Estimations of the remittances flow according to the Bank of Mexico and other sources (surveys and censuses)

Graph 3
Percentage of the estimations of the amount of remittances derived from the surveys to households in respect to the data of the Bank of Mexico

Estimations of Bank of Mexico equals to 100%
Considering that in the same households there could be more than one remittances receiver, the calculation on how many people received them in the trimester. In this sense, the survey estimated a total of 1.64 million remittances receivers, with a dependence interval that varies from 1.35 million people to 1.93 millions (using as well a dependence of 95 percent for this calculation).

Regarding the amount of remittances, the survey estimates that a total of 11 860 million pesos in the last quarter of 2004, with a dependence interval that varies between 8 000 millions and 15 100 million pesos. When these values are multiplied by four to obtain the annual estimation (taking into account that, according to the statistics from the Bank of Mexico, the remittances from the last quarter represent approximately one fourth of the total) and that amount is converted to dollars, the figures are the following: the annual amount of received remittances would be equivalent to approximately 4 312 million dollars (Graphic 2) and the dependence interval would vary between 3 134 millions to 5 491 million dollars. This estimation rank confirms that the family remittances represent a minimal amount of 18 percent, an intermediate amount of 25 percent (Graphic 3) and a maximum amount equivalent to 33 percent of the resources flow registered by the Bank of Mexico.

Other national surveys

When we incorporate in our analysis the information from the ENIGH and from other national surveys, stands out the fact that in the Mexican households linked to the migration to the United States we only find a reduced part of the large volume of resources estimated by the Bank of Mexico for the concept of family remittances.

We also noticed that it is precisely in the last years when the inconsistencies between the figures reported by the Bank of Mexico and the statistics from all the other sources have widely extended. As a consequence it is necessary to provide a satisfactory explanation to this fact.

The evidence on which we support our argument does not only come from the data of the ENIGH 2004. In fact, other surveys done in recent years produce results that are close to each other.

There are, at least, five national income and expense surveys, besides the ENIGH 2004, that allow estimating the number of households that receive remittances and the quantity of resources transferred by this means from the United States. These surveys measure the remittances from abroad as part of
the people of 12 years of age and more income. In these surveys is considered as a receiver of this kind of income those people who receive resources from relatives who are abroad. As a consequence, a household that receives these transfers has, at least, one of its members receiving remittances from abroad.

In agreement with these surveys, the number of households that receive remittances in Mexico have increased from 665 thousand in 2004, to 1,076 millions in 1996, 1,172 millions in 1998. 1,253 millions in 2000, 1,402 millions in 2002 and 1,438 million households in 2004 (Graphic 4). These figures represent 5.4 percent, 5.3 percent, 5.7 percent and 5.8 percent of the total households in the country, respectively.

In recent years there are also some other sociodemographic surveys that conform a statistic series that also marks a regular pattern — Employment National Survey (ENE), the Occupation and Employment National Survey (ENOE) and the survey taken in parallel to the 2000 census. The estimations of this series of surveys on the number of households that receive remittances are the following: 987 thousand households, according to the survey associated to the 2000 census; 1,333 million households in the 2002 ENE (fourth quarter), and
1.1428 million households in the 2005 ENOE (second quarter). These figures represented 4.4 percent of the total Mexican households in 2000, 5.5 percent in 2002 and 5.7 percent in 2005. So, as it can be noticed, the households that receive remittances according to the three surveys show a regular sequence and with an increasing trend, consistent with all the data of the national households’ income and expense surveys and the increment registered in the magnitude of the migratory phenomenon.

The ENIGH and the national counts

According to the Bank of Mexico, the households’ income and expense surveys underestimate both the households’ income as well as the expense:

So, in 2004, the total consumption of the families (annualized) derived from the ENIGH is equal to half the Private Consumption registered by the national accounts for that year, the same happens in the ENIGH figures for 2002 and 2004. Therefore, if the ENIGH underestimates the income and the expense of the families, hence, also underestimates the income by family remittances.

Regarding this issue, it is important to call the attention to a recent study, elaborated by the adjoined general director of Economic Statistics of INEGI, where is very clearly mentioned the following:

As the two sources are constructed, "it is to be expected that the income statistics published in National Accounts (Contabilidad Nacional) and in the ENIGH households’ surveys, provide different results from the total households’ income (Leyva, 2005:32)".

The fact that the national accounts involve in their construction a wide range of sources only guarantees the countable congruence of the different entries, but it does not necessarily implies that their measurement is closer to the reality than the results from the ENIGH. The adjustment will guarantee congruence between both sources, at both the total income levels as well as in its dynamics, but there is not one hundred percent certainty that its households’ income estimations are more accurate than those from the survey (Leyva, 2005:33).
Remittances distribution by federative entity

The ENIGH survey does not have a State representativity. Its use of this disintegration level is incorrect, essentially because of the selection method used and because of the number of questionnaires applied in every State. As a consequence, when we try to refer to this aggregation level we chose the use of data from the survey associated to the Population Census (which is a sample of more than two million households).

In Chiapas, for example, the Bank of Mexico in 2005 registered approximately 655 million dollars for remittances. However, the Occupation and Employment National Survey enable us to identify an annualized average of 32 households that received remittances in that same year. This means that if the amount of remittances registered in 2005 would have been distributed among those households, each one of them would have received an average of 20 000 dollars a year, two thirds if the average income of the Mexican households in the United States. Even if we accepted, without granting, that the number of households receiving remittances is much larger (for example, the double), the annual average amount would still be really high (more than 10 000 dollars a year).

Chiapas is not the only State with these inconsistencies; we can also mention Hidalgo, Quintana Roo, Tabasco, Tlaxcala and Veracruz, among others.

It is possible to suggest some hypotheses to explain why we did not find a trace of that huge amount of resources transferred from abroad to the households in Chiapas.

1. The shipments can be related to the human trafficking and the payment of "coyotes" or "smugglers". This is, an unknown number of people in the United States could be using Chiapas as the platform to send resources to third parties (mainly from Central America) in order to finance the long and dangerous moving from the south of the country toward the United States.

2. The transfers could be covering supports aimed to foster the non-lucrative institutions and organizations’ labor (for example churches and civil society organizations, among others).

3. The transfers could be directed to the financing of other activities (legal or illegal).
Recent Mexican migration to the United States

One of the main arguments used by the Bank of Mexico to explain the evolution of the family remittances is the increment in the number of migrants. In fact, the Bank of Mexico explicitly mentions that “the improvement in the coverage of the family remittances transactions, along with the increment in the number of migrants, it explains the important increment that has been registered in the last years in regards to the family remittances”.

In order to demonstrate that this phenomenon has increased much more than what we mentioned between 2000 and 2004 (1.5 million people, amount that derives from the difference of 9,161,000 people born in Mexico residing in the United States in 2000 and 10,646,000 in 2004, according to Graphic 5, the Bank of Mexico uses alternate information sources and cites a study by Steven Camarota (2004) to point that between 2000 and March 2004, “the Mexican immigrant population increased in 2.1 million people”.

This information is incorrect. The Bank of Mexico used a not very trusty information source. Camarota is one of the best well known spokesperson of the anti-immigrant groups of the United States. Camarota is known in the academic circles for the loose use of the figures and for his eagerness to minimize the benefits of immigration and to exaggerate its costs, mainly the Mexican immigration.

For the debate with the Bank of Mexico, the figure Camarota presented comes from a question on the year of arrival in the United States applied by the Current Population Survey (the Census office of the US) in a survey to the people previously identified as born in Mexico. The little critical use of this information omits the fact that such question is an overestimation of the recent migrants for the following reasons: a) those who move regularly only report the last date of arrival; and b) in those years it was erroneously included the temporal migrants who were in the country just the time their work lasted.

Since 2001, when the Current Population Census adjusted its surveys on population to the results of the 2000 census, the definition of residence included those who live in the dwelling as well as those people living there temporarily for working reasons.

Of the supposed 2.1 million Mexican migrants, Camarota mentions that around 708,000 Mexican people in that period acquired their permanent residence, or the so-called "green card". However, according to the information
from the Immigration Statistics Office of the United States, just less than half of them were already living in the country (almost all of them illegally) and during those four years their regularized their residence. This means that a considerable part was not part—during the four years we are referring to—of the emigrants flow to the US.²

GRAPHIC 5
EVOLUTION OF THE POPULATION BORN IN MEXICO WHO RESIDES IN THE UNITED STATES, 1970-2004

The family remittances in the Balance of Payments

An additional piece of information is that referred to the marked differences between the estimations on "family remittances" from the Bank of Mexico and the estimations from the Bureau of Economic Analysis (BEA) of the Department of Commerce on "private remittances and other transfers". As it can be noticed by the entries, both sources of information are not strictly comparable. The estimation from the Bank of Mexico refers to incomes sent from a physical person in the United States to another in Mexico. The estimation from the BEA

² Conversely, the information we incorporated in our research on the stock of Mexican population in the United States was generated by Jeffrey S. Passel of the Pew Hispanic Center.
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derives from the net balance between the expenses and the income of remittances, not only private or personal, but also institutional. Apart from the differences of conceptual nature, there are important differences of a methodological nature.

Despite these differences, in Graphic 6 can be seen that both estimations run in parallel until 2002 and the gap between these sources is relatively smaller until that year. However, the gap widens and becomes really notorious from 2003 on. By 2004, for example, the amount estimated by the BEA is of 9 653 million dollars, which barely represents 58 percent of the estimation by the Bank of Mexico and a figure of almost 7 000 million dollars under the estimation of the latter for that same year. In 2005, the gap is even wider: the data from the BEA represent but half (53 percent) of the estimation generated by the Bank of Mexico. In spite of these huge differences, there has not been until the date any effort from the authorities from both countries to explain them.

When the information from the balance of payments from countries as Mexico and the US are compared it is necessary to known in detail the treatment each one of them gives the three components related to the remittances:

1. The transfers done by the migrants who usually reside in a foreign country.
2. The transfers of the common residents of the origin country who work as salaried workers abroad temporarily (generally for less than a year), or, the flow of resources from the residents of the border zones that on a daily basis, or almost daily, go to the neighbor country to work.
3. The flow of goods and financial resources a migrant brings along to his origin country (or that takes from it).

The International Monetary Fund, in the fifth edition of the *Manual of Balance of Payments*, establishes that the first component must be tabulated in the entry of "current transfers", because it does not have a counterpart; the second must be tabulated in the entry of "income" in the "factorial services", because it has as a counterpart the labor remuneration of workers residing in the country, and finally, the third is a component of the "capital transfers".

In this context, stands out the fact that among the different factors cited by the Mexican authorities to explain the discrepancies between the measurements from the Bank of Mexico and the Bureau of Economic Analysis, is not

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1 The Bank of Mexico has mentioned, among other things, the following: a) the figures from the BEA are "net", this means, they include income and expenses; b) the figures derive from different entries (they include personal and institutional remittances); and c) the sources where the BEA took its figures from seemingly have a limited coverage as they do not include a wide range of instruments.
mentioned the fact that the Mexican statistics registered in the entry of "family remittances" an unknown magnitude of resources actually associated to the entry of "factorial services".

To this respect, it is important to remember that the remitters of resources can be people who reside in the US, as well as residents of Mexico who work temporarily in the US. Nonetheless, due to the difficulty that represents gathering information on the time and the kind of residence in the United States, the statistics from the Bank of Mexico (from financial enterprises or institutions dedicated to the professional transference of resources) do not allow determining what amount comes from the first group of migrants and what from the second group.

This determined that an unknown amount—but a very significant one—of resources ends being classified in the entry of "family remittances" of the Mexican balance of payments instead of being tabulated in the entry of "factorial services", fact that in consequence contributes to overestimating its amount, as the Bank of Mexico is well aware of.

Only to have an idea of the magnitude of the group of migrants who reside in Mexico and work in the United States part of the year, and of its eventual importance in the transference of resources to Mexico, it is possible to mention that a conservative estimation enables us to calculate a range between 600 thousand and 800 thousand people to this group of workers. It has to be mentioned that the temporal migrants stay, in average, around eight months in that country.4

Remittances shipment and reception patterns

To the previous reflection on the concept of "family remittances" and their measurement in the Balance of Payments other inconsistencies related to the number of receptors and remitters must be added.

An approximation of the number of remitters can be derived from the total number of transactions and the average number of shipments per remitter. According to the information available, in 2004 and 2005 the Bank of Mexico registered, in the entry of "family remittances", almost 51 million and 59 million transactions from the United States, respectively.5 According to the "surveys led by the Bank of Mexico", around "80 percent of those who send remittances do it about ten times a year" (Gúemez, 2005).

Notwithstanding that the average of shipments per person registered by the surveys of the Bank of Mexico is very high (and even this is not consistent with the figures derived from other surveys), let accept for the time being that this hypothetical figure (10) is representative of the senders' practices. If this is true, the number of people who send remittances in the United States would increase

4The amounts mentioned are estimated from two data sources: the Survey on Emigration to the North Border (EMIF) that has been continuously done for the last 10 years and that has involved—by means of a procedure of sampling of mobile populations—the identification and interview of approximately 28 thousand migrants per year in the main northern border cities of the republic, and the three evaluation surveys from the Paisano Program, taken in November and December 2002, 2003 and 2004 in seven border cities and in the four airports of the interior used by the temporal migrants in their Christmas holidays to their places of origin (Guadalajara, El Bajio, Morelia and Mexico City).
5It is estimated that, in 2006, the number of transferences could reach something close to 67 millions.
to 5.1 millions in 2004 and to 5.9 millions in 2005 (this figure makes approximately 85 percent of the Mexican occupied population in that country).

If alternatively we accept that the average number of shipments per remitter is not 10 times a year, but six, as other surveys indicate, then the number of remitters would increase to 8.5 million people in 2004 and 9.3 millions in 2005, respectively (figures that represent between 1.4 and 1.6 times the size of the Mexican occupied population in the United States). This data would seem to suggest that the shipment of remittances is not only a practice widely spread among the Mexican population in the United States, but also very recurrent and systematic. However, the analysis of authors such as Cortina et al. (2005) clearly indicated that there are two differentiated groups among the Mexican population in the United States; those who send resources and those who do not. The two main indicators that distinguish one group from the other are: having (or not) a relative in Mexico and maintain (or not) the willingness of returning to live to Mexico in the future. 80 percent of the interviewees with these characteristics are those who send remittances. Conversely, more than 90 percent of the Mexican immigrants who do not send remittances do not present any of these characteristics.

Anyway, the estimation of the number of remitters can be used as a first approximation (of course, an imperfect, though indicative one) of the number of households that receive remittances. According to the information available, the remitter usually makes his sending to only one member of the household (between 90 and 92 percent does it to only one member, according to the last three ENIGHs) and even if he or she can send remittances to more than one household, there are no suggestions that this really happens.

6 Considering only the migrants that make money shipments to the country, the frequency of the remittances vary depending on the population group they belong to. The temporal migrants, whose existence as such is precisely originated in the seeking for income in other countries to send them back to their families in Mexico, have a large average number of remissions, although actually the resources involved should not be tabulated as family remittances rather —as we have said before— in the entry of «factorial services». So, for example, a total of 7.9 times a year is registered by this population group in the Survey on Emigration to the North Border (EMIF) in 2002 and 2003; 9.4 times according to the Household’s Survey on Migration from the State of Hidalgo, taken at the beginning of 2005 and the Module on Migration from the 2002’s fourth quarter of the Employment National Survey (ENE, 2002). Among the immigrants who are already living in the United States, the average of remittances per year is between six and seven shipments, as documented by available surveys. For example, the group of migrants with stronger ties to their places of origin, the most recent ones, that are included as those who went to live to the US in the five years previous to the interviews, manifested an average of 5.6 times a year in the Guanajuato 2004 Household Survey, of 7.3 in the aforementioned survey from Hidalgo in 2005, and 6.7 times according to the 2002 ENE.
If the number of remitters increases, as indicated above, to a figure that varies from 5.1 millions to 8.5 million people in 2004 (or from 5.9 millions to 9.3 millions in 2005), and we presume that each one of them has as a counterpart one single household in the country of origin, then, the receptor countries would represent between 21 and 35 percent (between 23.8 and 37.5 percent in 2005) of the Mexican domestic units. This is, according to these figures, about one out of every five and one of every three households of the country would have received remittances in 2004 (this relation is even larger in 2005). In contrast, the ENIGH 2004 directly estimates that approximately something more than one of every 20 households registered transference of resources from abroad.

As it can be noticed, the combined figures of the remittances from the US to Mexico and the average number of shipments per person indicates a very significant number of remitters and, hence, of receptor households in Mexico, which does not correspond to the figures from the different surveys of the last years.

This exercise can be extended to each one of the States of the Mexican Republic. In order to do so, two very simple arithmetic procedures had to be done. The use of the indicated suppositions and the data from the Bank of Mexico (amount of remittances per State in 2005), as well as from the Census (regarding the number of households per State in that same year) produce the results presented in Graphic 7, which would imply, for some States, an overwhelming dependency of the flow of resources from remittances:

1. More than 80 percent of the households in Michoacan would totally or partially depend from the remittances.
2. 45 percent of the households in Guanajuato.
3. Approximately 44 percent of the households in Zacatecas and 42 percent of the households in Hidalgo.
4. 39 percent of the households in Guerrero and 37 percent of the households in Aguascalientes.
5. Between 25 and 35 percent of the households in Colima, Durango, Jalisco, Morelos, Nayarit, Oaxaca, Puebla, Queretaro and Tlaxcala.

This is, to divide the total amount of remittances and the average amount per transference to obtain the approximate number of transactions per State, and then, divide that result between the hypothetical number of the shipments per remitter (10) we previously used to estimate the number of people who send resources and the households that receive them.
6. Between 10 and less than 25 percent of the households in Chiapas, Chihuahua, the Federal District, State of Mexico, San Luis Potosi, Sinaloa, Tamaulipas and Veracruz.

7. Less than 10 percent of the households in Baja California, Baja California Sur, Campeche, Coahuila, Nuevo Leon, Quintana Roo, Sonora, Tabasco and Yucatan.

As we all know, there is not evidence that there is a dependence of external resources to that extent and degree in the States of the Mexican Republic.

All the arguments contained in this document were presented in time to the Bank of Mexico. We know that in order to measure the impact the family remittances have in the development of the country and to propitiate its use it is necessary to dimension this flow of resources in the best way possible. However, as mentioned, this condition is far from being accomplished.

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