

Hometown Associations and Development:  
The Case of El Salvador

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## Introduction

Worldwide, between 1991 and 2000, the amount of money sent by migrants to their communities of origin in developing countries nearly doubled from US \$33 billion to US \$65 billion, as reported in the IMF *Balance of Payments Statistics Yearbook*, (Gammeltoft, 2002). The World Bank estimates remittance flows today to be about US \$80 billion per year, 31% of which goes to Latin America (As cited by Orozco, February 2003). What is even more significant is that, because of a lack of standard reporting and measuring, as well as limited data on remittances, actual numbers are likely much higher than reported (Waller Meyers, 2002, p. 59).<sup>1</sup>

This large and rapidly growing volume of remittances has not been overlooked by international development agencies, who view remittances as a potential tool for mitigating poverty in some developing countries. In part, the burgeoning interest is due to the staggeringly large volume of money represented by remittances when compared to current development funding flows. For example, while total remittance flows amounted to US \$72 billion in 2001, official development assistance was only US \$55 billion (Gammeltoft, 2002). The amounts are particularly significant for Latin America, which, as a region, receives the largest share of total worker remittances (31%) (de la Garza 2000, p. 41). Another reason for the increased interest in remittances for economic development is the recognition of the unique characteristics of collective remittances, which represent a smaller portion of the remittance market (Goldring, 2004).

Concurrently, migration and remittance practices and how these are defined and analyzed in the development discourse have changed significantly in the last decade. Migration used to be viewed as a discrete shift in location whereby immigrants left their home country to forge new lives in a host country, or to reside temporarily and sell their labor (Itzigsohn and Saucedo, 2002). However, a growing body of literature presents a new practice of “transnationalism,” in which “migrants have one foot in the host society, and one foot in the sending country” (Itzigsohn and Saucedo, 766). The concept of transnationalism redefines migration analysis in the discourse—we no longer regard these populations as ‘uprooted’ and ‘permanently relocated,’ nor are they sojourners who will return. A notion of

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<sup>1</sup> The methods for estimating and tracking private unilateral transfers in the national accounts frequently vary.

simultaneous connectivity emerges through the exploration of transnationalism which redefines our notion of the ‘immigrant’ and questions the processes of ‘integration,’ ‘assimilation’ and ‘acculturation.’ As Glick Schiller observes: “Transnational migration is the process by which immigrants forge and sustain multi-stranded social relations that link together their societies of origin and settlement” (1995, p. 48).

Transnationalism manifests in many forms in social, economic, and affective ties to the home country; the practice of remitting; sending money and resources to family, friends and community members. The latter is one feature of transnationalism that has been examined extensively in the literature. Specifically, the development practitioners who express an interest in these financial flows increasingly focus their attention on collective remittances. Central to the sending of collective remittances is the formation of migrant groups that generate funds and send resources to their home communities for charitable, community development projects (Goldring 2002, p. 57; Goldring, 1998; Levitt, 2001, p. 10).

Hometown associations (HTAs) are one example of transnational migrant organizations that have received increased attention from the development community as potential actors in the process of leveraging funds for ‘investment’ and ‘development’ in resource poor countries. Their participation is seen as part of a broader strategy to find ways to harness remittances for development (Andrade-Eckhoff et al, 2003; Lowell et al, 2000; Lopez et al, 2001; Alarcon, 2000; Orozco, 2000a).<sup>2</sup> For example, USAID included in its Regional Strategy for Central America and Mexico a goal to begin working with HTAs to encourage the productive use of remittances (USAID, 2003). The Pan-American Development Foundation (Crowell 2003), Inter-American Development Bank (Sanabria, 2003)<sup>3</sup>, Inter-American Foundation (Sanabria and Mojica, 2003), Inter-American Dialogue<sup>4</sup> the Ford Foundation<sup>5</sup>, and the Rockefeller Foundation (Sanabria and Mojica, 2003), have

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<sup>2</sup> Recent literature points to four emerging recommendations for ways to leverage remittances, based on research and past experiences: (1) allocating a certain portion of each remittance transfer to a development fund; (2) using special financial instruments to promote savings and investment; (3) providing investment breaks or training in order to capitalize on migrant labor earnings; and (4) entering into joint ventures with home town associations in the U.S. For further discussion, see Lowell et al, 2000, Nyberg Sorenson et al, 2002, and Meyers, 2002)

<sup>3</sup> For more information is available at their Web site: [www.iadb.org](http://www.iadb.org)

<sup>4</sup> More information is available at their Web site: [www.thedialogue.org](http://www.thedialogue.org)

<sup>5</sup> These authors are involved in a current research effort that is funded by the Ford Foundation. The project focuses on assisting and understanding better Washington, D.C. Salvadoran HTAs’ contributions to local development in El Salvador.

also begun in the last decade to explore ways to help HTAs become more effective agents for development in their home and host communities.

While there are many reasons to be optimistic about the role of HTAs in development, as a phenomenon, they are still poorly understood. The purpose of this paper is to explore reasons why HTAs have formed in the last decade in Greater Washington, DC, and examine the factors that led to their emergence as possible actors in development.<sup>6</sup> How is it that these organizations have engaged the interest of development agencies and practitioners? Why do they form? How do they function? What are their strengths and weaknesses as new actors in the private-public sphere? This paper draws upon work with five Salvadoran HTAs in the Greater Washington, DC area and highlights the examples provided by the United Community of Chinameca and the Tejar Committee. The field research was undertaken between July 2003 and December 2004 during which time we interviewed members of HTAs, participated in meetings, visited home town communities, and collected data on migration and remittance practices from 120 Salvadoran residents in Greater Washington, DC. The paper provides a brief case study of El Salvador's experience with migration and HTAs, and concludes with some recommendations for further research and best practices for encouraging HTAs' active and effective engagement in the development process.

### **Historical context for the remittances-development link**

Studying the connection between remittances and economic development is not new. Remittances have been the primary focus of research exploring the economic relationship between migration and development, principally because remittances provide easily quantifiable contributions to household well-being and afford measurable evidence for ties between migrants and their home countries (Guarnizo, 2003, p. 1). The study of remittances and their impact upon household income, individual and household measures of poverty, their contributions to micro-enterprises, and their importance for the acquisition of economic and human capital has experienced ebbs and flows in line with the volume of their transfers (Guarnizo, 2003, p. 5). However, it should be noted that this research has focused mainly on "individual" or "family" remittances, or those remittances sent by an individual

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<sup>6</sup> By development we mean the process of stimulating economic, social and political change that brings about measurable improvement in well-being for members of the recipient community.

migrant directly to his or her family (Durand and William, 1996; Gammeltoft, 2002; Barham and Boucher, 1998; Conway and Cohen, 1998; Jones, 1998a,b; Martin, 1998; Massey and Parrado, 1994; Waller Meyers, 2002; Massey and Basem, 1992). The central focus of the literature is to explore how remittances are sent, the amounts remitted, how they are used, as well as whether they make significant contributions local development (Durand and William, 1996; Gammeltoft, 2002; Barham and Boucher, 1998; Conway and Cohen, 1998; Jones, 1998a; Martin, 1998; Massey and Parrado, 1994; Waller Meyers, 2002; Massey and Basem, 1992). Discussion of all four of these areas of the literature is beyond the scope of this paper; we will attempt to focus on the fourth locus of inquiry: whether individual and collective remittances can contribute to local development.

The literature is divergent. The more pessimistic analysis suggests that individual remittances do not contribute to local development because the greatest portion of this income is spent on consumption, and very little is directed towards 'productive investment' (Delgado Wise 2001, p.9; Zárate Hoyos, 1999).<sup>7</sup> The pessimistic analysis views remittances as a mechanism for engendering dependence between the remittance-sending migrant and the remittance-receiving non-migrant. Non-migrants in the home communities depend on remittance funds for their survival, their labor effort is reduced, savings consequently decline, and regional and local development initiatives are not pursued.

An optimistic analysis emphasizes that remittances should be viewed in broader, less partial equilibrium terms that focus on the multiplier effects of the consumption spending from remittances, and emphasize the indirect effects of migrant savings and asset acquisition in the home country. This view also suggests that productive investments are, in fact, taking place. Massey and Parrado, in their research in 22 communities in Mexico, estimated that approximately \$84 million was invested in Mexican business activities per year during the late 1980s, as a direct result of migration to the U.S. They also point out that remittances appear to be more stable than development assistance or other local economic flows (Massey and Parrado 1994, p. 25). Another study of a Mexican migrant village conducted by Adelman, Taylor, and Vogel in 1988 estimated remittance multipliers from international migration to be equal to 1.78. That is, for each \$1 sent back in remittances, an additional \$1.78 was generated in village income. The additional income was created as the result of expenditures

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<sup>7</sup> Various authors suggest that between 70% and 90% of all remittances are spent on consumption (Desipio 2000; Orozco 2000b, 2002; Segovia 2002; Andrade-Eekhoff, 2003; Suro, 2003)

by households and individuals receiving remittances and demanding locally produced goods and services in the community of origin. The same authors also found that remittances created new rural-urban growth linkages by increasing the demand for manufactured goods in Mexican cities (ibid). Woodruff and Zenteno (2001) estimate that remittances are responsible for almost 20% of the capital invested throughout urban Mexico. Within the Mexican states with the highest rates of migration to the United States, almost one third of the capital invested in micro-enterprises derived from remittances (ibid).

Other authors argue that ‘migradollars’ are important because there is little ‘leakage’ and remittances go directly to low-income populations in developing countries. The transfer is direct and meets immediate needs and income shortfalls as opposed to grants from foundations and funding institutions, in which substantial portions of the transfer may be lost to bureaucratic processes and staff salaries (Durand and William, 1996, p. 261, Massey and Parrado 1994, p. 20).

Remittances may also be spent on acquiring or improving human capital, through investment in education and healthcare. Desipio (2000, p.18) observes from his analysis of the Mexican Migration Project data, that the largest single reported use of remitted or saved funds was for healthcare expenses for family members. There is also evidence that remittances may foster both social mobility and intergenerational economic mobility (Waller Meyers 2002, p. 66).

Despite these claims, some authors argue that, although remittances may provide a significant net source of foreign exchange, they have not been proven to engender lasting and far-reaching economic impacts (Delgado Wise 2001, p. 8). Proponents of this view maintain that since a substantial portion of remittances never enter the formal banking system, they are unlikely to be used for assisting in long-term development (Waller Meyers, 2002). Yet this argument can be misleading: the multipliers estimated in many studies do not require that these flows pass through formal institutions, merely that they are exchanged for locally-produced goods and services.

Clearly, remittances play a very important role in the lives of many communities in developing countries. Remittances are an important source of income to households and they contribute to national stability by mitigating poverty and generating foreign exchange (Lowell and de la Garza, 2000, p. 36; Segovia, 2002). Waller Meyers concludes from her literature review on remittances that “remittances can (and do) make important

contributions to the development of certain countries.” (Waller Meyers 2002, p. 75). There is also some agreement in the literature that at least some portion of remittances are channeled towards productive use, such as local business activities, investments into local education, and expanding homes.

The debates over whether family and individual remittances have had a positive impact on local development have spurred some authors to propose different research questions and to focus on how to increase the productive use of remittances. Some have suggested that, given the mixed and inconclusive nature of many studies on remittances for local development, the appropriate questions to ask are (1) Why do some communities benefit substantially from remittances, while others do not?; and (2) What are the conditions that lead to positive relationships between local community development and remittances? As a result, the discourse is beginning to center on how to foster the productive use of remittances by increasing savings rates, promoting the securitization of remittance funds, establishing remittances banks, and encouraging remitter-specific uses (Waller Meyers, 2002). Specifically, researchers are beginning to view migrant groups like HTAs as potential vehicles through which to encourage more productive remittance investment and expenditure (Orozco, 2000a; Alarcon, 2000).

### **The Case of El Salvador**

We focus here on research undertaken with five Salvadoran HTAs in Greater Washington, DC. El Salvador, the smallest and most densely populated country in Central America, has experienced a large out-flow of its population in the last two decades. Since 1980, nearly 2 million of its residents migrated to other countries, primarily to the United States, but also to Canada, Australia, and Europe (Sanabria, 2003, p. 35; Gammage and Schmitt, 2004). Total out-migration for the country is estimated at approximately 20 percent of its current population (Landholt et al 1999, p. 292). Most of these immigrants have settled in Washington, DC and Los Angeles, but many have also made their way to Houston, Chicago, and other major cities in the U.S. According to the 1992 Current Population Survey (as cited by Landholt et al, 1999, p. 293), approximately 300,000-500,000 Salvadorans were living in California and 250,000 were living in the Washington, DC. The 2000 Census data estimate that there are approximately 377,000 Salvadorans living in Los Angeles and 107,000 (Gammage and Schmitt, 2004). The Salvadoran consulate however, estimates that

the number of Salvadorans living in California and Greater Washington DC is closer to 800,000.

The bulk of migration from El Salvador to the United States occurred during the twelve-year civil war (1980-1992) (Menjivar 2000, p. 56). Those who arrived before the war appear to have had more positive experiences assimilating to their host society, and have been more successful than the migrants who arrived after. Certainly, our interviews with 120 key informants in the Salvadoran diaspora in Washington, DC, the majority of whom arrived after the civil war had begun, conclude that 75% of those interviewed found the process of adapting to life in the United States both painful and difficult.

The bulk of Salvadoran HTAs have been formed by migrants who were displaced as a result of the civil war and fled the country in the early 1980s. Motivated by a common desire to assist their family members and communities that they had left behind (Sanabria, 2003), this earlier group of Salvadoran migrants began to focus on fundraising and community development efforts within the cultural and community groups they had already formed, in addition to creating new HTAs. However, there is an emerging group of migrants who left after the Peace accords in 1992 who are also beginning to form HTAs. A significant number of Salvadoran HTAs have emerged in the last five years. (Lowell and de la Garza 2000). Many Salvadoran HTAs were formed after some of their members visited their war-torn home after gaining legal papers and residency permits that allowed them to travel, only to be shocked by the conditions that they found in their communities of origin (Chinchilla and Hamilton, 1999). Certainly, of the five HTAs with which we worked, only 2 pre-dated the Peace Accords while the other three were less than 5 years old.

### **Overview of HTAs: History and Organizational Structure**

HTAs are organizations comprised of migrants who are from the same community in their country of origin and reside in or seek to re-form a distinct community in the host society. They may be formally or informally organized and their activities and purposes can be philanthropic, political, social, and economic in nature (Orozco, 2000a; Itzigsohn, 2000; Levitt, 2001, 2002; Menjivar, 2000; Alarcon, 2000; Lowell and de la Garza, 2000, Sanabria 2003, Landholt et al 1999). HTAs that exist in the U.S. are frequently organized as informal social networks through which new migrants can obtain moral and financial support from co-ethnics while adjusting to life in the U.S. Migrants from the same home communities are



able to use the HTAs to socialize, solidify cultural values, and bond at events such as picnics, dances, and soccer games (Orozco, 2000a; Alarcon, 2000; Lowell and de la Garza, 2000; Levitt, 2000; Delgado Wise and Rodriguez, 2001). As some of the HTAs become more established, they begin to garner political influence in their home countries and pursue low-scale community development projects in their home towns (Orozco, 2000a; Levitt, 2000). It is clear from our findings that Salvadoran HTAs in Greater Washington, DC also act as informal networks for obtaining employment and housing, sharing information about schools and child-care programs, and creating an extended community among disperse settlements in the suburbs.

It is difficult to estimate the numbers of HTAs in U.S. cities, because they fade in and out of existence frequently, change names and re-emerge as different organizations. However, there is no doubt that they grew in number during the 1990s (Orozco, 2000a; Lowell and de la Garza, 2000). In 1999, Mexican HTAs were estimated to total 500 throughout the U.S. In the same year, Salvadoran HTAs were estimated to be 70 in Los Angeles and 15 in Washington, D.C. Of the HTAs that are more established, their structures are generally varied, but several similarities have begun to emerge in the past few years. They range from being loosely organized associations of co-ethnics without any substantial funding base, such as the Committee Tejar in Washington, D.C. which supports the local school in Tejar, to specialized organizations that focus primarily on raising funds and donating goods for specific purposes such as education, to permanent coalitions of HTAs with broad development and advocacy goals, as are exemplified by Comunidades Unidas Salvadoreñas<sup>8</sup> or COMUNIDADES in Los Angeles. Mexican HTAs have formed several federations of HTAs, the oldest and most established of which is from Zacatecas. Mexican HTAs from Oaxaca have created the most (3) federations for any region from any country (Alarcon, 2000). Salvadoran HTAs have also established similar federations, such as COMUNIDADES (Sanabria and Mojica, 2003).

Within the individual HTAs, there is usually a “*junta or mesa directiva*” situated in the migrant community and responsible for coordinating the work of the HTA. Sometimes, there is a reference or sister organization in the local community of origin. For example, the Comité Pro Playa El Tamarindo in Virginia, has a counterpart organization in El Tamarindo,

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<sup>8</sup> CUS is an umbrella group that raises funds for educational initiatives and has worked with a number of non-governmental organizations to provide disaster relief and educational scholarships.

La Unión that is responsible for generating project ideas. With the help of a local NGO, Comité Pro Playa El Tamarindo was able to gain funding through the Pan American Development Foundation for an ecological project to reforest denuded mangroves in their estuarine community. Within the HTA membership, there are usually several working committees that may be responsible for different aspects of fund-raising, communicating with community members in the home country, or arranging local events. Finally, the activities frequently incorporate a cultural component aimed at preserving or celebrating the national and regional music, dance, food, and art of their home countries (Sanabria and Mojica, 2003).

Many federations, and some individual HTAs, have established relationships with the state, local, and national governments of their countries. To date, this has only occurred with the governments of El Salvador and Mexico, but these relationships have broadened the reach of HTA investment activities. In some cases, the collaboration has been initiated by El Salvador's and Mexico's national governments, and in other cases the initiative has been taken by the HTAs themselves (Alarcon, 2000). For example, the Comité Amigos Pro-Mejoramiento de El Chiquirín is credited with providing the impetus for the development of the Unidos por la Solidaridad Program, operated by the FISDL in El Salvador through their petition for funds in 2000. Both Mexican and Salvadoran national governments have made efforts to maintain and improve relations through the establishment of special government directives.<sup>9</sup> In Mexico, both the national and some state governments have implemented programs to match funds for public works projects, called "two-for-one" and "three-for-one" programs. El Salvador's national government has also begun to offer matching programs, implemented by the government entity FISDL<sup>10</sup> (Alarcon, 2000; Levitt, 2000).

While the literature notes the importance of relationships between HTAs and their home governments, at the same time it emphasizes the strained nature of these collaborations, particularly between HTAs and local or municipal governments. This does not seem to have prevented implementation of shared community development, public works, or infrastructure improvement projects, but it has certainly impeded them. HTAs

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<sup>10</sup> The FISDL program Unidos por la Solidaridad offers funds to migrant organizations to engage in local development through small infrastructure projects such as building schools, roads, laying down the pipes for water, and installing public spigots. To date there have been 14 competitions where migrant organizations have solicited and obtained co-financing which have channeled over \$11 million towards 45 projects in 27 municipalities.

have sometimes been forced to work around the local governments to achieve their goals when the municipal government has proven uninterested in collaborating (Orozco, 2000a; Alarcon, 2000; Levitt, 2000; Landholt et al, 1999)

Although little empirical research has been conducted to learn about the motivations of individuals for joining HTAs or about HTA decision-making processes to engage in philanthropic and community development projects at home, anecdotal evidence among Mexican, Salvadoran, Dominican, and to a lesser degree, Honduran and Guatemalan HTAs, provides some insights into these processes. Importantly, the motivations for HTAs to send remittances seem to be influenced by different factors than individual remittance decisions. These factors include the migrants' sense of identity and feeling of solidarity with their home countries, as well as sociocultural and political bonds (Guarnizo, 2003) or the feeling of being useful and powerful. For example, one member of Comunidad Unida de Chinameca explained that: "I feel good when I am with my *paisanos*. Suddenly, one gets the urge to be with your compatriots. It is nice and I like it. I feel Salvadoran when I am with them. I had various experiences building houses in the community. I remember one old lady of 80 years, she hugged me. You know, through these actions you learn that this is important."

Other motivating factors to engage in or form HTAs can include concern for the wellbeing of relatives and close friends who have been left behind in the home community (Sanabria and Mojica, 2003). Many HTAs make direct donations to individuals in need of support. For example, the Comité Tejar and their counterpart organization in the home country have provided medicine, food, clothing, and shelter to particular community members in El Salvador or in other neighboring communities with acute need. Typically, the committee would learn about these needs from petitions made through friends and family members connected to members of the HTA. As one member of the counterpart in Tejar observes: "We have helped where we could. We also went to the community of El Roble and took help to just one family – we gave school uniforms, books, pencils and paper, and money. We did it because we wanted to, because it is God's work, because our desire to help means that we can help others in other departments and not just in our community. We went to San Juan Llamabal in Morazán and we took clothes, uniforms and school books for the church of Las Minutas. We went wherever there was need. And Señora Elvia [the president of the committee in Washington, D.C.] came with us."

Guarnizo (2003) suggests that collective remittances have significant symbolic, practical, and political meaning and impact. Projects to construct roads, improve water supply systems and schools, and build community centers are not only infused with tremendous cultural meaning, but also improve local wellbeing and augment the economic potential of the beneficiary communities. In addition, Guarnizo points out that community development projects made possible by collective remittances can also translate into political influence with local and regional governments (Guarnizo, 2003).

One trip to El Tejar, La Unión taken by Elvia, the president of the El Tejar Committee, exemplifies this previous point. While Elvia was visiting the small community, the mayor came specifically to meet with her. The meeting took place in the front yard of Don Isidro, a local leader involved with the Tejar Committee. In attendance at the meeting were the mayor, Elvia, Don Isidro, 12 men, who were members of the local water committee, and one other woman, the local school teacher. During the meeting, the men spoke respectfully and allowed both women to raise their concerns about the problems with the distribution of water in the community. After a short time, it became clear that the mayor was present entirely because Elvia was visiting the community; his goal was to solicit funds and gain the committee's endorsement for his projects.

El Tejar is a conservative and largely evangelical catholic community in eastern El Salvador, where women's social and economic mobility is sanctioned and circumscribed by rigid norms and customs proscribing women's demeanor and liberty. Instead of conveying the blessing of the committee, Elvia upbraided the mayor for his lack of transparency and his failure to invest in the pumps that would allow the remaining houses in the community to receive water. There was a hushed silence as she spoke. Her commanding voice clearly communicated status and power. No one would challenge her views. The careful positioning of power and resources allowed Elvia to wield substantial influence over the mayor. The water committee was also able to deploy their ties to the Tejar committee strategically to force a commitment from the mayor to upgrade the existing system and replace the pump and pipes.

### **HTAs as agents for development: promises and pitfalls**

The interest and possible potential for HTAs as agents for development stems in part from their use of "collective" or "community" remittances specifically targeted for use

in community development projects. Unlike individual remittances, which are widely agreed to be spent on consumption, collective remittances are intended for a specific, development-related purpose, such as community development or infrastructure improvement projects (Orozco, 2000a). Thus, the uses of collective remittances sent by HTAs are what Waller Meyers refers to as “remitter-specified uses,” and fit well with the programmatic suggestions in the literature for increasing productive use of remittances.

It is difficult to estimate total amounts of collective remittances sent to Latin America, but Serrano (2003) suggests that it is likely not more than 1% of total remittances sent to Latin America. Although this amount seems small, its significance becomes clear when considered in actual dollar amounts. For example, for El Salvador, this small percentage represents approximately US \$15 million invested in resource poor communities with potentially large multipliers (Crowell, 2003).

Much of the literature concurs that HTAs’ remittance-sending can positively impact the wellbeing of home country communities. Orozco (2000a) suggests that HTAs have moved beyond a local focus, and now provide an important economic and social link between immigrants in the U.S. and the home communities. Alarcon (2000) believes that remittance-sending is slowly evolving from being solely undertaken by individuals toward the greater involvement of HTAs. Furthermore, Alarcon believes that projects such as infrastructure improvements provide human capital benefits to which the home community otherwise would not have access, providing investment in schools, or through the exchange of ideas and engagement in collective projects in the home town.

Examples of successful community development projects are abundant in the literature. A Zacatecas, Mexican HTA in Los Angeles, Club Tepechitlan, sent \$2,500 in food to help families affected by a flood. They later helped build a church tower and funded improvements to the town plaza (Alarcon, 2000). A Dominican HTA in New York has funded several improvements to their hometown of Miraflores, Dominican Republic, constructing and maintaining the schools (Levitt, 2001). Another Mexican HTA, the Guanajuato Club Cusacuaran, has collected cash and in-kind donations such as toys. The same group is also trying to conduct a census of the community to determine populations and needs and have benefited from the support of local government and associations (Orozco, 2000a).

Some of the literature, however, also points to some of the limitations of HTAs for long-term community development in home countries. The HTA development projects tend to be short-term (Delgado Wise, 2001; Orozco, 2000a), and their economic base tends to be small, generally less than \$10,000. Yet the range of contributions is substantial. The Comité Tejar for example struggles to generate more than \$2,000 a year in contributions to their community, while the Comunidad Unida de Chinameca in Virginia regularly sends back more than \$25,000 in cash and in-kind donations each year. Orozco (2000a) points out that HTAs' first priorities remain tending to the needs of the home community immigrants that are already in the U.S., and that HTAs have a limited ability to effect economic change in their home countries. However, through our research we observed just the opposite; the priorities of several HTAs in the Washington, DC metropolitan area seem to be firmly located in the home community – and to a lesser degree focused on their membership here.

A large portion of the literature on HTAs and their obstacles to effectively leveraging remittances has to do with immigrants' lack of participation in the formal banking system. Not all money sent enters official banking services, as 90% of remittances are sent by electronic transfer or money orders (Orozco, 2000b). This critique may be more relevant for individual and family remittances. But, frequently, HTA members bring cash with them and make expenditures directly or purchase goods and inputs abroad, dampening the local multiplier effects. A related problem is that fees to transfer money through such means, though lower today than in previous years, are still high (Orozco, 2000b). Another popular method of transferring money, goods, and information are through *viajeros*, trusted individuals who hand carry items back and forth between the U.S. and Latin America. It is believed that if the funds from remittances enter the formal banking system, they will be more likely to be utilized effectively and transparently, or expended locally in ways that enhance spillovers and multiplier effects (Orozco, 2000a, 2000b; Alarcon, 2000; Lowell and de la Garza, 2000). Several efforts are underway among international financial institutions, such as the Inter-American Development Bank, as well as other actors in the international development community, to find ways to address this.

A lack of organizational capacity also impedes the effectiveness of HTAs as a vehicle for development. HTA members have not been trained in participatory development techniques; they work on a purely voluntary basis, and communicate informally through friends and relatives with their home towns. There are few examples of HTAs that engage in

a systematic appraisal of community needs. The projects are typically chosen by the HTA in the host country and prioritized according to whether they can raise sufficient funding for their execution.

In addition, local labor shortages in the home community might provide a further constraint for using collective remittances for development purposes in HTAs (Delgado Wise, 2001). For example, in Chinameca, there are no electricians or carpenters. When the Comunidad Unida de Chinameca builds housing, or repairs existing infrastructure in their home town, they bring their own laborers and work on the project themselves while they take their vacation.

Other limitations of HTAs reflect the complexities of how and why they are formed within the transnational sphere (Glick Schiller et al, 1995; Portes et al, 1999; Chinchilla and Hamilton, 1999; Guarnizo, 2003). Communicating and managing development projects that cross national boundaries, that require working and coordinating with local government, drawing up contracts, managing the flow of funds and supervising construction or implementation requires both time and skills.

Much of the transnational literature emphasizes the importance of the social and political aspects of transnationalism. Levitt (2001) and Menjivar (2000) highlight the importance of social networks as a basis for transnational linkages such as the formation of HTAs. Economic success and social status was previously thought to be located on acculturation and “entrance into mainstream circles of the host society.” But, for some migrants today, cultivating strong social networks across national borders has become equally, if not more, important (Portes et al 1999, p. 229).

Some of the research on HTAs as expressions of transnationalism demonstrates that conflicts and strains in interpersonal relations arising from social networks and occurring within transnational organizations like HTAs provide complexities not yet entirely understood (Goldring, 1998, 2001; Levitt, 2001). Individual self-interest can sometimes usurp the collective intent, particularly when members within the HTA attempt to gain social status from leadership or participation in an HTA. The complexities of acting across national boundaries and political realms in the transnational sphere may provide one explanation for the difficulties and occasional antagonism between local governments and HTAs. Local governments clearly can experience HTA engagement in their community as a threat to existing power structures, and will impede HTA activities.

HTAs also can create, maintain and reinforce hierarchical structures in the transnational sphere, both in the home and host country. The more successful HTAs in Greater Washington DC clearly demonstrate the importance of status and power garnered through membership. For example, members of the Centro Latino Cuscatlán are also members of the local Chamber of Commerce, and have deep roots in local businesses and NGOs in Virginia and El Salvador. Overlapping social capital is mobilized for individual and collective gain. Participation in many HTAs can be seen as an extension of a system of patronage: favors are rendered and returned, reciprocity is emphasized, and status is garnered.

From a gender perspective, while some literature suggests that HTAs build upon and create opportunities for social capital formation for women (CEPAL 1998 report, as cited by Mahler 2000), other literature suggests that women's participation is often limited to subordinate and supportive roles, rather than leadership and decision-making ones (Goldring, 2001). Of the five HTAs that participated in this research project, three had women in key positions as active members of the leadership whose protagonism was both apparent and meaningful.

Yet, despite the observed equality in these HTAs, they maintained largely hierarchical relationships with their home communities. The migrants in the HTAs held disproportionate influence over project identification and planning and in some cases implementation, while the non-migrants' role in the home community was limited primarily to oversight and logistics. These dynamics varied, and all HTAs declared that they were open to greater community participation. The limitation appeared to be a lack of knowledge, time, and resources to invest in more participatory audits, problem identification, and solution generation

### **United Community of Chinameca**

The United Community of Chinameca (CUC) was founded in the early 1990s, and began to focus on community development projects in 1992. Members began their work by donating to the church in Chinameca for reconstruction after the war. Their fundraising efforts have included dances, raffles, picnics, and other community events to raise funds. The three chapters have also actively pursued a strategy to diversify their funds. To this end,



they have been able to obtain support of large companies, such as Sprint and United Airlines, Pollo Campero, and Budweiser, all of which have donated funds to the community.

There are three branches of CUC in three cities in the U.S.: San Francisco, Los Angeles, and Arlington, VA. Although all three chapters of CUC are active – the most influential one is in Virginia. They largely work independently of each other on different community projects. Each of the branches is informal<sup>11</sup>, but has elected leaders with clear roles and responsibilities, and maintains close ties to notable residents of the town of Chinameca. Information flows informally through individuals, and petitions to CUC are directed to the leadership in each city. Members of the organization travel at least once a year to the community, usually in August for the town festival. During these visits the CUC leadership directs projects, contributes funds, and visits with residents and key members of the community such as the priest, the mayor, the Red Cross and others who make up the local elite and power-brokers. The purpose of the visits is to vacation, build and repair infrastructure, as well as to further assess the community's needs.

In total, CUC has contributed more than \$100,000 to their town since they began in 1992. Initially, they built a small school with US\$5,000 in funds. Later, they spent \$10,000 to fund the installation of a septic tank, and \$43,000 on a small clinic. In addition, they have also funded the construction of 200 laundry facilities (in cooperation with a sister organization in Los Angeles), and purchased an ambulance for their town as well. They have also donated substantial amounts of aid to reconstruction efforts after the earthquake in El Salvador, to Chinameca and to San Vicente (Orozco, 2000a; Medrano 2003; Landholt, n.d.).

Political differences and fissures between the three chapters and within the community have caused internal conflict for the organization. Certainly, ties with the local government of Chinameca have been strained. In an interview with a member of the organization's branch in Arlington, Landholt (n.d.) found accusations of political corruption of the leadership in the different chapters. It was "well known" that some of the leadership has strong ties to the ARENA party of El Salvador, which also was the party of the mayor of Chinameca at that time. Some community members, both in the U.S. and in Chinameca, believed that organization and town leaders were unethically collaborating to portray the organization's projects as government-funded. However, more recently, Orozco (2000a) noted that the organization's ties to the local government are strained because of an

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<sup>11</sup> None of the three branches have 501c3 status in the United States or NGO status in El Salvador.

unwillingness on the part of the local government to work with the organization. Therefore, they will only work with selected officials who are “openly supportive of their efforts.” (p. 91).

Yet, our research appeared to uncover a further nuance to these differences. While key individuals with which CUC has worked in the past, and members of the recently formed counterpart organization in Chinameca, may be more strongly pro-ARENA, the leadership in Virginia did not profess and nurture these ties to the party. In fact, their lack of collaboration with previous and recent mayors stemmed not from any political objections, but a deeper distrust of the motivations and mechanisms that encouraged private-public partnerships. They were concerned, for example, that programs such as Unidas por la Solidaridad operated by the FISDL, which requires close collaboration and co-financing with local government, also requires that only government-approved contractors assume the role of building and maintaining infrastructure. The objection of the leadership in Virginia was that they found many of these contractors to be corrupt and inefficient and that CUC as builders, carpenters, electricians, and plumbers, preferred to control and oversee the construction and maintenance themselves. Since all members of CUC work full time, some at several jobs, they are unable to oversee and maintain effective control over any project once it has been handed off to another agency or contractor. CUC prefer to use their vacation time to undertake the bulk of their construction and project-related work, because they can ensure that it is completed to their specifications in a timely and efficient manner. As one member pointed out, “if we raise the money, we want to be sure it is being spent properly. We know what a good building looks like, if it has strong foundations, if the wiring was done properly, whether the drainage is right. We don’t want to be pushed aside in the very area where we have competence. We have spent a lot of time and effort to do this, we want to be sure it is done right.”

#### **Tejar Committee, Washington, D.C.**

The Tejar Committee was formed in 2002 and has approximately 10 active members and a varied number of affiliates and occasional supporters. Their mission is fairly narrow, although they hope to expand beyond their stated goal of helping the most needy children in the parish to attend school. The committee provides funds for books, school uniforms, shoes, pencils and other small items to enable children to attend the El Tejar and El Pastor

schools in their community in Tejar, la Unión. In addition to providing resources for the local schools, the committee also provides direct support, responding to petitions by individuals for medicines and money.

The committee has limited resources, and faces many constraints raising funds and donating to the schools and few individuals that they support. In a given year, the committee in DC struggles to raise more than \$2,000. They generate funds by holding Charismatic Catholic concerts, and lotteries, and selling nostalgic foods to other community members. In 2003, they were able to provide books, uniforms, and shoes to more than 201 children in schools in three communities in the municipality of Yayantique.

The framework that unites the members in DC is their devotion to service and their shared membership as Charismatic Catholics, who, as the President Elvia observes “are called to serve and to help those less fortunate.” Meetings begin with a prayer, and all activities are seen as an expression of their devotion or commitment to “God’s work.”

Among their future goals, they hope to build a clinic to provide healthcare in the community. To this end, they have secured donations of several tracts of land and commitments from various wealthier members of the community to provide resources and collaborate.

The Tejar Committee works with a counterpart organization that comprises members of the local church and the water committee in Tejar. Communication between the groups is informal, and frequently through relatives and friends. The committee in D.C. works with the local school principal to channel their support and is respectful of their role in identifying the potential beneficiaries.

The committee members are open to working with the local government but have concerns about how to do this. Don Isidro, a key member of the counterpart organization in Tejar explained: “Unfortunately, we haven’t worked closely with the mayor—primarily because we don’t know how to do that. We don’t know how to solicit support from the local government, what doors to knock on, whether there is money or not.” Elvia, the president in D.C., is even more emphatic when she refers to the scarcity of water and the failing water pump in our community. “He got elected saying he would repair the pump. So, he has to do it. Our money is for other things. He should complete what he said he was going to do. We can help, we can support the water committee – but the mayor has to loosen the purse strings a little. Right now we are focusing on the clinic. Even if it takes us

years – that is what our money is for. Our community deserves a clinic and we are going to hold concerts, sell food, and knock on every door until we get one.”

### **Analysis and Recommendations**

It is clear that HTAs provide a critical focus for Salvadorans in the diaspora to channel their energies and efforts to remain attached to their communities of origin. For many HTA participants, the opportunity to be with co-ethnics, to share a common purpose, to validate and celebrate their culture, is central to their membership. The HTAs perform an important function of coalescing a community in the diaspora, forging and validating a shared diaspora identity, and cementing ties to the community of origin.

The HTAs make significant economic, political, and social contributions in their home communities. They channel collective remittances to specific projects, compensating for the lack of public investment in infrastructure. They also “crowd-in” public and non-governmental investments, redirecting government funds from particular programs such as Unidos por la Solidaridad, or garnering additional support from international NGOs like the Pan American Development Foundation. Notwithstanding, many of the Salvadoran HTAs have a limited economic base. They are private voluntary organizations that rely on the commitment of their members to raise funds and direct investment.

Frequently, conflicts arise between the HTAs and their counterparts in the community of origin. Members of the HTAs may be distrustful of the leadership, pointing to a possible lack of accountability and skills for effective leadership of philanthropic organizations. Our research and accompaniment of five HTAs in Greater Washington, D.C. underscores that concerns about transparency and accountability extend to the structures of local government and have impeded effective collaboration. There are often difficulties working with local governments. The organizations can also be hierarchical and clientelist in their dealings with the community of origin, with more of the project identification and planning being carried out by elite leaders, rather than the community as a whole.

Migration is a painful and complex process of dislocation and relocation that separates families and communities. Despite the multiple human and financial costs, migration generates benefits. Migration compensates for the lack of labor demand in the sending country and enables migrants to garner critical financial resources that can be deployed in the home and host communities. Social status can also be enhanced through

migration. The acquisition of a new economic and social position within the home and host country plays a significant role in the HTAs' ability to work with municipal governments, or leverage funds for projects. Yet these collaborations can be trammled with political differences, a generalized lack of trust, and can be impeded by the lack of structures to facilitate better communication and ensure transparency and accountability. There is a strong role for intermediaries to facilitate communication between the home communities, local government, and the HTAs to encourage community participation and work with the HTAs to develop mechanisms for accountability and transparency.

The importance and complexity of the social and political networks of patronage and reciprocity that engender HTAs and give rise to their protagonism in the development process is highlighted in the Salvadoran experience. Unfortunately, simply not enough is known about the characteristics of these social and political networks generally, and in El Salvador specifically.

Our research also suggests some key areas for further analysis. Many authors point to the problems of forging and maintaining co-equal relationships between the HTAs and their home communities. These problems include that the HTAs frequently cannot work with the municipal governments and local community organizations, and have strained relations with home community members. What the literature seems to gloss over, however, and what seems to be a more prominent issue for the Salvadoran HTAs in our research, is how pre-existing political ties are enmeshed in the process of community development. In a country emerging from civil war, with acutely contested democratic processes, these differences and fault lines remain active. Attending to conflict resolution and providing structures to facilitate communication, accountability and transparency will be essential as development agencies create strategies to work with HTAs and include them in the practice of development.

Two additional conclusions can be distilled from the Salvadoran experience. First, our research underscores how little empirical evidence exists exploring and motivating why migrants engage in HTAs. We remain largely ignorant of why people engage in transnational practices (Itzsigohn and Saucedo, 2002). What we do know is that HTAs are fragile, poorly understood entities, in part because of the complex social, cultural, and political relationships they unite and mediate. A second and related point about the Salvadoran experience that can be emphasized is that, while the literature has a tendency to homogenize the HTA

experience, the case of El Salvador clearly shows that important differences in individual and collective motivations, practices, and outcomes exist. These circumstances makes predictions about future HTA engagement with development agencies impossible to make. It also calls for iterative learning and flexible, tailored programs for development agencies and other development actors as they attempt to foster collaboration with HTAs or encourage the productive use of collective remittances.

HTAs afford promising possibilities for displaced and dislocated individuals and groups to become significant transnational actors in the development of their home and host communities. They have demonstrated a remarkable ability to organize and mobilize to raise funds and provide critical resources and infrastructure that can underpin community development in their home towns. However, there is still much to learn about how and why HTAs form, whether they will continue to be interested in engaging in community development at home, and whether their organizational capacity will allow them to continue to do so. In addition, there are many exogenous factors that can affect their future as active participants in the development process, such as the prevailing social and economic conditions in the U.S., the policy environment toward immigrants in the U.S., and the policy environment toward migrants by their home countries. Neither the external nor internal factors, of course, are predictable, but further research on HTAs and the factors that influence their success needs to be conducted, and better practices should continue to be analyzed and proposed.

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