

UCLA

**The Population of the Central American Isthmus in 2003
Conference Papers**

Title

International Migrations and Their Economic Effects in El Salvador (Translation of Spanish Version)

Permalink

<https://escholarship.org/uc/item/37r6f320>

Author

Rivera Funes, Oscar Francisco

Publication Date

2005-03-01



California Center for Population Research
University of California - Los Angeles

***The Third International Population
Conference of the Central American Isthmus,
2003***

**International Migrations and
Their Economic Effects in El
Salvador
(Translation of Spanish Version)**

Oscar Francisco Rivera Funes

CCPR-CP-007-05

***California Center for Population Research
On-Line Conference Paper Series***

**PAPER PRESENTED AT THE
THIRD INTERNATIONAL POPULATION CONFERENCE
OF THE CENTRAL AMERICAN ISTHMUS, 2003**

International Migrations and Their Economic Effects in El Salvador
(Translation of Spanish Version)

*Oscar Francisco Rivera Funes*¹

I.- THE MIGRATION PHENOMENON IN EL SALVADOR

Migration is population movement; more precisely, it is the movement of persons across a specific boundary, whether on a temporary or permanent basis.

International migrations imply passage over a border, and as such require special treatment. In general, all migrant sending and receiving countries regulate these movements with laws and policies. This is an important variable to ascertain, together with fertility and mortality, in order to prepare population estimates and projections based on a Census, as well as to evaluate a country's demographic growth.

In El Salvador, starting in the 70's, international migration has involved all of the country's socio-economic sectors, in all of the Departments (Major Political-Administrative Divisions), in both urban and rural areas.

The armed conflict that began in 1980 was the main cause during that decade motivating Salvadorans to emigrate in massive numbers, primordially from the zones in conflict. This means that the migration phenomenon that arose during the 80's was provoked in a forced manner when war broke out, more than in a planned manner due to economic situations as had prevailed in the past.

An outstanding characteristic of this phenomenon in El Salvador was that the urban population emigrated to distant countries such as the United States, Australia, Canada, and several European countries, these migrations were quasi-planned but in relative terms, forced by the war; the rural population emigrated fleeing the conflict towards countries within Central America, The former (urban population) has been estimated at around 900,000, who are difficult to identify due to the fact that a majority of them are illegal migrants. With regard to the latter group (rural population), according to research carried out at the *Universidad Centro Americana José Simeón Cañas* (UCA) and the United Nations High Commissioner for Refugees (UNHCR), in 1984, there were around 245,000 refugees in the Central American countries and other neighboring countries as follows:

¹ Licenciante in Economics, Director of Projects, *Dirección General de Estadística y Censos*. Profesor at the Universidad de El Salvador, orivera@ufg.edu.sv

Receiving Country	Total Immigrants
Belize	7,000
Costa Rica	10,000
Guatemala	70,000
Honduras	20,000
Mexico	120,000
Nicaragua	17,500
Panama	1,000
Total	245,500

Migration in El Salvador, as is true of a majority of countries, has its historical roots in population flows moving inside the country or which sought to move beyond the country. This mobility was due principally to the tremendous demographic density which grew from 68 persons/km² in 1930 to 309 persons/km² in 2002, according to data from the population and housing censuses and the *Encuesta de Hogares de Propósitos Múltiples* (Multiple Purpose Household Surveys) carried out in these years, to high levels of fertility (3.0 children per woman, according to the (Encuesta de Fecundidad y Salud Familiar, FESAL 2002/03, Fertility and Family Health Survey), the exhaustion of the agricultural frontier, and the concentration of wealth in a reduced percentage of the population.

After 1979, there have been quantitative changes in the volume of the population emigrating and the causes of their mobility have also varied. During the 80's the two major motives were violence and the internal conflict. The economic variable continued during this period, and became more accentuated due to the political crisis, as well as due to internal and external displacements caused by the war, which forced thousands of Salvadorans to abandon their assets and properties in their flight.

After the Peace Accords in 1992, domestic production grew, achieving levels close to 7.0%, but after 1995, the economy began to decline, reaching 2% growth in 2002, all of which has encouraged international migration to continue its intensification.

In order to understand all aspects of the migration phenomenon among Salvadorans, it is important to comprehend that it is not a recent event. Migration flows are as old as the human race itself, and have been inherent in the intricate cultural, economic, and political evolution of societies. However, there are also variables related to natural phenomena.

Any attempt to ascertain the Salvadoran phenomenon in a manner isolated from historical contexts would be superficial and we might understand the event on a local basis, but migration flows were globalized long before what we now call "a globalized world".

1.1. Relevant aspects of migration flows

Currently, the industrialized countries geographically located in the northern hemisphere are the final destination of the manpower migrations coming from the less developed countries. According to reports for the International Labour Organisation (ILO), the most important and attractive labor markets for worldwide emigration are the following: a) the European Economic Community, headed by Germany; b) the North American Free Trade Area, headed by the United States and Canada; c) The Area of the Asian Tigers, dominated by Japan and emerging economy countries in southeast Asia.

With the on-going Globalization process in the World Economy, capital realignment or rearrangement has led to a growth in significant movements of the labor force throughout the world, particularly towards industrialized countries.

1.1.1. Characterization of Central American migrations

The phenomenon of migration flows throughout the Central American region has been favored by two complex situations arising principally from armed conflicts and natural disasters.

The armed conflicts in Guatemala, Nicaragua, and El Salvador were the motives behind a significant migration stream during the second half of the 70's; these conflicts were considered a very dramatic and acute expression of the political, economic, and social crises in the affected countries, provoking population movements within and beyond the boundaries of these countries.

During this decade, the polarization of the internal strife in each of the protagonist countries laid out a new geographic, political, social, economic, and military map of the region. Significant population groups made their exodus from the three unstable countries towards Honduras, Costa Rica, and Belize. However, the flow towards the traditional labor force market, the United States, increased enormously and accelerated a clandestine migrant trafficking industry. Furthermore, the flow and dynamics of huge refugee settlements triggered the attention of international humanitarian assistance. Through UNHCR, arrangements were made for many Central Americans, particularly Salvadorans, to settle in hemispheric countries such as Canada, and overseas such as Sweden and Australia.

According to Castillo (1999), a common identifier among the sending countries of these streams of undocumented migrants was their obvious disinterest in resolving the causes that generated the local population displacement. To the contrary, they considered these displacements as a "safety valve" reducing local pressures.

1.1.2. Causes and effects of the migration phenomenon in El Salvador

The Salvadoran migration phenomenon has been a cause for concern for some local and foreign social researchers. There is abundant literature and the importance of the topic has grown due to the effect it has had on the balance of payments, in view of the

increasing importance of remittances. Currently these represent the second most important source of foreign exchange, after exports. Remittances now occupy first place, if we break exports down by categories. Specifically, the former are more important than coffee and manufactured exports, which had been the most relevant historically.

The migration phenomenon involves 22.4% of the country's households (see Table 4), i.e., 205,380 urban and 132,200 rural households. According to the EHPM-2002, these are the households receiving remittances, so that this population could at any time decide to leave for those places where their relatives reside.

Numerous studies have shown the impact of these foreign exchange flows on the nation's economic structure (García 1994, 1995, and 1997; FUNDE, 1997, 1999; FUSADES, 1995), saying that the remittances have become the most important source of foreign exchange for the economy, and serve as an anchor for the country's economic stability over the last few years. This variable has allowed sustained growth of Net International Reserves, closure of the Trade Gap, and has contributed significantly to Monetary Integration (Dollarization), which occurred in early 2001.

Local migration flows were significant during the years of internal conflict. Evidently, any explanation of this phenomenon must include the existence of the dyad poverty/violence.

However, after the Peace Accords were signed (January, 1992), migration streams continued unabated and, since 1994, have grown from new economic motivations, to wit, due to unemployment, common violence, and despair regarding the country's future.

In mid-1995, the Salvadoran macroeconomic model slid into a phase of deceleration. Between 1992 and 1993, GDP growth was estimated at 7.0%; in 1994 and 1995, GDP growth declined slightly to 6.0%, but by 2002 it had slumped to 2.0%. The declining GDP fostered instability and unemployment; gross private sector internal investment was also affected, falling to 4.7% of GDP. In 1995, gross investment was estimated at 16.6% of GDP, and by 2002 it had fallen to 11.9%. Effective demand had fallen significantly.

1.1.3. Who emigrates and why do they emigrate?

The migration phenomenon has pivoted around three key variables: economy, marginality, and social violence. The most important source of income for the Salvadoran economy is income from the "export" of human resources to the United States of America. The flight of local investors, intellectuals, academics, skilled, and unskilled labor towards the developed world is a constant that limits the real possibilities for the country's future development.

One worrisome fact is the recent migration of families to Sweden, most of whom are middle-class, dominated by professionals, many of whom were employed and others unemployed; nevertheless, the common factor among them was, essentially, desperation, frustration, and insecurity about the country's future. The flight of professionals to Sweden is an event that occurred after the January 13 and February 13, 2001 earthquakes. Another natural phenomenon that later affected the Salvadoran economy was a drought, which wiped out agriculture over much of the country's territory; and finally, when the rains did return, there were floods in the "Bajo Lempa" agricultural zone and landslides in the city of Santa Tecla in January that same year, and in other parts, such as Guadalupe, San Vicente, on September 15, 2001.

Evidently, the uncertainty caused by the natural phenomena and the massive destruction of housing, the loss of jobs, the flight from agriculture, and the lack of investment in new productive infrastructure are direct causes catalyzing migration phenomena and constitute objective situations that anticipated the departure of complete family groups, e.g., towards Sweden.

Another cause of outmigration is the country's high population density. The current estimate of the country's population is 6,5 millions with a density of 309 persons/km² (see Table 1)-- one of the highest densities in the Americas.

Another aspect to consider is the large number of people in extreme poverty (1,757,794). Twenty-seven percent of Salvadoran population is in Extreme Poverty and 54% (Figure 1) is living in conditions of poverty according to the UNDP Human Development Report (2002). From a statistical point of view, we could say that El Salvador is a country dominated by poverty, and if we consider poverty-caused despair, we could define the absolute migration potential as 54%

We can conclude categorically that poverty is the primordial determining factor in Salvadoran migrations. The emigrants are caught up in a whirlwind of despair, frustration, social marginality, and lack of opportunities. A majority of the emigrants come from rural sectors, and to a lesser degree they are semi-skilled workers. The flows also include service workers and others that participate in micro-enterprise. The "Swedish Syndrome" is not an exceptional event, but it is worrisome, due to the "Brain Drain" (no cabe aquí con rural y semi-skilled!), which has been occurring since the period during the war. Many individuals that have emigrated have defined their destinations as Canada, the USA, Australia, and countries in Europe such as Spain, France, Switzerland and Italy.

1.1.4. Why do Salvadorans emigrate?

Migration is a multifaceted phenomenon, especially when the observation individualizes those persons undertaking the voyage to settle in another country. Evidently there is a correlation between poverty and the scant or very scant hope of rising out of this status, while the current social, economic, and political context continues. There is also a significant correlation between life in El Salvador and the images of living conditions

brought by migrants when they return to visit their relatives. Another factor is the promise to take the children to the US after they finish school, which is a promise parents made when they left.

There are estimates of a monthly average of 6,000 Salvadorans leaving for the United States, which means that every year 72,000 persons emigrate, which is the equivalent of the natural growth of the Economically Active Population. According to the Central Bank, Salvadoreans receive 1.935,2 millions of dollars in remittances. Family remittances go mostly (80%) to consumption, with the understanding that consumption does not mean that they were destined for the purchase of luxury items such as televisions, appliances, meals in restaurants, etc. Most of this consumption complemented basic family subsistence needs and the remittances can be considered a subsidy for acquisition of items in the basic market basket.

Evidently, in order to reduce poverty and the desperation that motivate Salvadoran migration, an economic model must be defined that considers the individual as the core priority for development. In order to achieve this goal, productive investments must be stimulated within a framework of legal security, which must be accompanied by respect for Human Rights for all generations.

Where do the migrants originate?

As was indicated by the correlation between poverty and the hope of surpassing this condition, those most likely to emigrate are spread throughout the country. However, reality and the high cost of the trip reduce the territory from which the new emigrants depart:

- a. They leave in greater numbers from the zones historically affected by this phenomenon, to wit, the Oriental, Paracentral and Northern zones of the country;
- b. Members of those families that already have relatives abroad are more liable to depart, and this may occur from any part of the country;
- c. There is not much difference between urban and rural areas.

1.1.5. Migrant destinations

The destinations for Salvadoran migrants have expanded from their original place of residence as the means of transportation have made it possible to travel further. Starting with a seasonal "field to field" migration (for the coffee, sugarcane, and cotton harvests), passing through a rural-urban and small scale urban to large urban centers, it then crossed the border to the neighboring countries of Honduras, Nicaragua, and Belize.

Nowadays, the possibility of traveling to more distant countries such as Mexico and the United States has favored numerically more important migrations.

The Salvadoran population living in the United States represents 36% of the country's total which for 1999 was about 6 millions. At the national level, 16.2% of the households have family members abroad, and there are no differences between rural and urban areas. All of the departments have proportions above 11% outside the country. Migration is a phenomenon that has generally affected the eastern part of the country, and most significantly the Department of Cabañas in the paracentral region, which were the scene of armed conflict during the 80's of last century, when mass migration began, and also led to a breakdown of the agricultural export economy based on cotton. This left an economic vacuum, which became an essential factor promoting migration flows.

II.- THE MACROECONOMIC IMPACT OF REMITTANCES

Basically, Family Remittances constitute the most significant income flow sustaining the Salvadoran macroeconomic model. To introduce this topic, we will analyze the following official data from the Central Bank (BCR):

Remittances to El Salvador have increased over time from US\$28.0 million in 1976 to US\$1,935.3 million in 2002.

According to the Multiple Purpose Household Survey for 2002 (see Tables 3 and 4), there were 1,457,114 beneficiaries of these remittances, corresponding to 337,580 Salvadoran households that received them. In both cases, these figures represent 22% (of households or persons) and represent a monthly average of US\$150.70 per household.

First of all, remittances have generated an expansion in aggregate demand, but this has not translated into an equivalent increase in investment, especially in the productive economic sectors, agriculture and industry. The high levels of economic growth during the first few years of last decade were not based in either agriculture or industry, they were found in trade and services, which acted as the motor for GDP growth, contributing to a process of "tertiarization" of the productive apparatus. This process is still perceptible in the departments and communities with heavy rates of international migration and reception of Family Remittances (García, 1994 and 1995; FUNDE, 1997 and 1999)

The massive arrival of foreign exchange has created conditions stimulating imports and is the main factor behind expanding consumption, especially of non-durable goods. This expansion of the import sector has not been accompanied by an equivalent growth in exports. Thus, imports have become the main motor of growth, and their sustainability is determined by the existence and ever-greater need for foreign exchange (F.R.). This dependence is fundamental to closing the trade gap and to cushion the effects of an eventual external sector crisis, since exports have dropped so significantly.

In summary, El Salvador has built an economic model based on the development of the tertiary sector and on growth of imports, with a concomitant discouragement of

investment in the country's productive sectors. What has resulted is an economy based on remittances joining the productive and trade sectors. Thus, since the 80's there has been a growing dependence on remittances and the more the economy depends on them, the more vulnerable it becomes. So that in spite of the advantages mentioned above regarding the balance of the payments and the positive impact on the exchange rate, the massive arrival of dollars, without a concomitant increase in savings, will exacerbate the economy's dependence on the economy of the country receiving the migrants.

In the social realm, F.R. and the emigration that produces them have had a double effect. First of all, migration alleviates societal pressure for employment, social services, and access to productive assets, generating a cushioning effect for potential social conflicts. Secondly, emigration and remittances represent an apparent indirect strategy for fighting poverty on the margin of public policies. For the migrant it represents the possibility of improving his/her quality of life, and for the families that receive them, an increase in income that allows them to meet their needs. The families receiving remittances receive a significant subsidy, without which their needs in the realms of food, health, education, housing, and others would not be met.

2.1. The macroeconomic context

The Peace Accords allowed the country to foresee a new era of expansion, due to the peace regained, throughout the country. However, the last decade of last century has to be divided into two periods: the first 1991 / 1995 and the second 1996 / 2000. The first year of the new millennium, 2001 started with a tremendous national catastrophe, which left the country exhausted, but ready to begin again as it had at the beginning of the previous decade.

During the first five years of the 90's, GDP growth rates were high, around 6.0% or 7.0% per year. This was due to domestic euphoria regarding the new possibilities, external support for the peace achieved, and in part by the emigrants. Furthermore, undoubtedly the high rate of investment in infrastructure by the public sector has influenced national investment. Domestic consumption rates shot up, exports increased up to 30% in 1993 but that year there was also a notable increase in imports. Domestic savings during that period were from totally internal sources. The first five years were "for economic recuperation arising from the Peace Accords, external funding to make them viable and a greater regional demand, which was also undergoing peace processes"¹

The second part of the decade was dominated by significant economic deceleration and stagnation. GDP growth rates fell from 6.2% to 3.0% during the second half of the decade; there was also a decline in consumption, which dropped from 7.0% to 2.0%. Fixed capital formation fell from 17.0% to 0.1% during this second half. Only foreign trade gave any signs of holding steady, with an average of 11.5% for both decades, while imports declined from 16.0% for the first five years to 5.0% for the second five years. Capital formation declined and stagnated, requiring a systematic appeal to

external savings to supply investment needs, and that climbed to represent 66.0% of total savings in 1999.²

The important factors that sustained the whole period analyzed are: draw-back industries, which assumed an ever-more important protagonist role, as well as family remittances. National consumption contributed to maintaining imports, insuring the capital needed for these acquisitions for a period of six months, supporting the exchange rate, which to a great extent becomes an important cushion for holding back inflation.

2.2. Current remittance situation

Different studies have shown the impact from these foreign exchange flows on the nation's economic structure (García 1994, 1995, 1997; FUNDE, 1997, 1999; FUSADES, 1995). All are in agreement that remittances are the most important foreign exchange income for the national economy.

As is shown in Table 4, remittances have grown in a constant and sustained manner since the mid-70's, at an annual average rate of 11.8%. For 1976, they represented 3.7% of exports and 1% of GDP. By 2000, they represented 13.3% of GDP and 145.3% of exports. Growth has been much faster during the last 11 years than during the preceding ones. Between 1976 and 1990, the amount of remittances was US\$1,722 million, with an average annual contribution of US\$114.8 million. Between 1991 and 2002, the amount of remittances grew to US\$15,186 million, with an annual average of US\$1,265.5 million, i.e., approximately eleven-fold what was recorded in the preceding period.

In spite of the irregular increases, the amounts recorded have increased rapidly from one year to the next. Comparing the most recent contributions from the first quarter of 2002, with those from one year previous, a certain degree of stagnation can be seen. Between January and March 2002, the remittances increases by a mere 0.7%, which means that if the figures continue this trend, the total amount for this year (2003) will be US\$2,032 million.

A glance at the increases shows that there are erratic variations. Foreseeing the Peace Accords, emigrants might have believed that they were doing well to send more funds to their relatives in El Salvador; the increase was 8.6%. However the following year, the annual amount stagnated (0.7%) just as can be foreseen for 2003.

Between 1993 and 1995, remittances increased by an average of 10.5%, similar to what was seen from '97 to '99. In 1996 and 1999, we see a slump of 2.3% and 2.6%, respectively. They took off again in 2000, with a 27% growth, and although the growth was about 10% in 2001, the volume of the remittances did not correspond to expectations related to the earthquakes that occurred that year or the landslides in January and February, for 2002, growth declined to 1.3%.

As can be seen, the behavior of the amounts of the remittances is not constant over time, although there has been tremendous growth. "The basic factor on which the remittances are based is family assistance." However, on what does it depend and how can we explain the accelerated growth in family remittances, at an annual average of 13% or 14%; this is the main question, and the response is probably the existence of "replacement migrants"³

The purpose of analyzing quarterly behavior is to seek trends in the remittance of funds within the same year. We see here that the fourth quarter of 1993 appears as the most important. The second quarter is, almost always, in second place with regard to the amounts, although it alternates with the third quarter in some years. Without a doubt, the first months of the year are the least productive with regard to remittances. These data were analyzed during eleven years.

III.- UTILIZATION OF REMITTANCES

The purpose behind emigration is to find opportunities for employment that would allow the emigrant to climb out of poverty and to do the same for the rest of his/her family.

In general, the adventure related to the trip, as an "undocumented" migrant, begins in the early morning hours, with the ideal of reaching the final goal without contretemps, and entering the selected labor market as soon as possible. Basically, a migrant needs quick labor placement to begin earning the income necessary to pay for the financing the trip, family expenditures of his/her family group and, at least, what is required to survive in the destination country.

A study carried out with Salvadoran migrants to the US by Dr. Segundo Montes from the Universidad Centroamericana (UCA), resulted in some findings that are presented below:

The motivations for emigration are fundamentally economic: lack of work, poverty, the desire to excel. Other types are related to very subjective fears that do not endure, in the mind of the individuals that are accustomed to other serious and complex problems, such as natural phenomena that periodically lash the country.

However, each day it gets more difficult to leave El Salvador. The border controls are becoming more rigorous and crossing the border has become much more difficult and dangerous. The recommendation from the older travelers for the new migrants is that they not travel illegally.

In an attempt to interpret the recommendation of the interviewees, they seem to assume a responsible and serious attitude, probably on the basis of accumulated knowledge and experience, which is backed by the fact that 60.77% indicate that migrants should not travel illegally. This is seconded by the 29.23% of interviewees that opined that the migrants should obtain a visa.

Another 7.69% of those interviewed felt that the laws should be obeyed in the countries that act as bridges for their trip, so that they will be treated with greater respect.

Those indicating that one should “travel however s/he can (2.31%)”, although limited in numbers, show the desperation caused by their precarious economic situation, to the point of ignoring the risks and dangers that are involved in their journey.

The survey informs us that, seen from here, the family members assure us that 42.0% say they will return some day, but 58.0% are fine where they are. Why return? The response is immediate, to set up a business, according to 40.35%, to live with my family that I miss very much, was the response of another 45.6%. And 14% indicated other options, such as helping my family, to continue with my friends, etc. Then they make the comparison between what they earn here and what they can earn there.

A majority of the migrants consider that there are many reasons for not returning home; 52% state that there is no work in El Salvador and for that reason they abandoned the country in the first place. Thirty-two percent indicate that the wages are low and that they cannot live on that kind of pay. In conclusion, the citizens living abroad continue to clearly identify the problems that affect El Salvador.

3.1. The families that receive remittances

The *Asociación Salvadoreña de Investigación y Promoción Económica y Social* (Salvadoran Association for Economic and Social Research and Promotion, ASIPES) carried out a survey in 2002 with interviews of 166 families, each of whom declared that they have a close relative living abroad, for a total of 603 persons outside the country.

The universe was questioned in four Salvadoran Municipalities: Soyapango, San Salvador Department; Ilobasco and Sensuntepeque from Cuscatlán Department; and Guadalupe from San Vicente Department; and it identified the characteristics of resident families and of the citizens abroad.

With regards to the persons that responded to the survey, 35.0% indicated that they had a female relative abroad and 65% said that they had a male relative abroad. The concentration coincides with the age groups missing in El Salvador, i.e., 20 to 50 years.

Ninety-seven percent of the men and 92% of the women that remit money live in the United States. If the men are concentrated in the U.S., Canada, and Australia, the women have also immigrated to the same places. “Both in 1990 and in 1996, the stocks of Mexican migrants show a clear majority of males, an attribute, although less clear-cut, shared by the Salvadorans”.⁴

Migrants sent their remittances in the following manner from these countries: 40.3% in funds, 7.5% in kind, and the rest in kind and in funds.

Several countries have communities of Salvadoran emigrants; the largest communities are found in the United States, Canada, Australia, Sweden, and Belize. Ninety-six percent of the Salvadoran emigrants reside in the United States. This is confirmed by our survey, which focused on families with relatives abroad.⁵

Among the families interviewed, a majority of the emigrants left illegally. The data indicate that 49% first sought a visa and then relied on a relative or friend to find work and room and board. However, 51.2% went as “wetbacks”. Travel costs varied over time; the distribution in our responses is quite uniform. The final cost that we find, and the most frequent is around five thousand dollars, but the average should be between three and five thousand dollars.

Migrants face many problems on the precarious journey that leads from their home to the United States. What affects them the most is being robbed, according to reports cited. One-quarter of the migrants have had their savings, which they expected to use during the trip, stolen. Some had accidents, nevertheless, they were able to continue on their way. Others had to remain somewhere along the way to earn sufficient money to be able to continue the trip. Almost 9% fell into the hands of the police, most probably Mexican, but one way or another, were able to continue their trip.

Officers at the Central Bank say that remittances are those sums with amounts between US\$50 and US\$300. These amounts must also be fully justified.⁶

The two classical ways for sending remittances are: national banks that have established offices in certain cities in the United States, and the traditional couriers, such as Western Union, which have now established agencies within the national banks, to facilitate the delivery of funds. Few make use of the mails to send money. Although the proportion was thought higher, only 7.4% make use of trusted individuals to send money to their families. The adaptation process is not a simple one. It may at times represent a long and difficult period, which may end with their expulsion, or the return of the migrant to his or her place of origin.

There are numerous difficulties that hinder a rapid and satisfactory immigrant insertion in his or her new place of residence. For 33.0% there have been many difficulties. Thirty percent identified problems for integration with difficulties finding stable work. As a result, 8.0% have had to sell their labor cheaply. Mistreatment or latent racism has also been problems among the communities of immigrants themselves. Another very relevant factor is “homesickness”, missing the family, children, or close relatives, which depresses the spirit of the immigrants and in many cases makes them give up on their original plans. Twenty percent claim to have suffered “homesickness”.

3.2. Remittance destinations

The amount received by each family on a monthly basis falls in the range of US\$50 to US\$150, for 96% of Salvadoran families receiving remittances.

Forty-two percent utilize the remittances to purchase medicines and 26.0% for the migrants' children's education. This is linked to the tendency among the youths to emigrate following their parents or close relatives that are in the U.S.

Of those who are in condition to use the remittances for savings or investment, i.e., 57% of those interviewed, almost 60% want to start a "business". Specialists on the topic would call it a "micro-enterprise", which generally would be a neighborhood store for those interviewed. Eighteen percent would like to invest in a production cooperative, while 10% would like to start up some agricultural project and another 14% along other productive or industrial lines. What appears important is that 42% of those interviewed look forward to investing the product of the remittances, even if the amounts were limited.

On the basis of these intentions, it would appear that the remittances will have a future impact on these families. For 80% of the families, remittances have contributed to raising their standard of living. Only 20% were not in agreement with this observation.

Remittances are not only a financial contribution to the poorest or neediest families, but also contribute to raise the social status and quality of life for the groups receiving them.

Among the factors that improve, 61% mentioned their food supply. This is followed by educational access with 38% and health with 34%. These are more social achievements, since they do not represent substantive changes in the population. Fifteen percent also indicated that they have enhanced respect within the community or neighborhood. Ten percent have received other acknowledgements from their neighbors.

When the ties abroad cease, the acknowledgement from friends and neighbors also disappears, both for the migrant and the family. Aware of this situation, we can make reference to the concept of transnational migrant. In fact, this concept proposed by several social researchers, pretends to explain the territorial relationship among members of a single family who are spread beyond administrative boundaries. "Transnationalism, therefore, refers to a broad network of cultural, social, economic, and political relations fostered by migrants across borders."⁷

IV.- CONCLUSIONS AND RECOMMENDATIONS

4.1. Conclusions

Thus, we can conclude categorically that poverty is the critical factor explaining migration among Salvadorans. Migrants are immersed in the whirlwind of desperation, frustration, social marginalization, and the lack of opportunities. Most of the migrants come from rural areas and, to a lesser extent, are workers with some skill level; furthermore, they include persons working in the services and in micro-enterprise. The '**Sweden Syndrome**' is not an exceptional event, but it is worrisome; the "brain drain" has been

recognizable since the period of armed conflict, where the migrants have set their sights on Canada, the U.S., Australia, and countries in Europe such as Spain and France.

The migration phenomenon is not new in El Salvador, what is new in the “transnationalization” of the phenomenon. This is the first conclusion that this study seeks to present the reader. Ever since the arrival of export-oriented agriculture, such as coffee, sugarcane, and later cotton, landholders planned their harvests with reference to migrant laborers that arrived periodically at the farms. There is ample bibliography describing to this.

The shortage of available land led the Salvadorans without land to Honduras, where they settled until the “Soccer War” crisis in 1969. Many of them then moved to Belize. Additionally, some Salvadorans had begun to emigrate to the United States. After the civil war, migration to that country began to grow. But with the crisis after the Peace Accords, and the ease of crossing borders by plane, the flow expanded. Currently there are 2.5 million Salvadorans abroad, legally established or illegally residing, who are sending approximately US\$1,935.2 million to their relatives. The numbers of expatriates and the volume of family remittances mean that the phenomenon has become a structural one. The nation’s economy and the country’s internal policy depend on that third of the nation’s population residing abroad. The closeness between the United States and El Salvador has been forged not only by the number but also by the exchange that has arisen between the two communities.

This leads us to three conclusions:

- a. The flow of remittances, as “complementary income” or “complementary pension contributions” or “contributions for education”, has not diminished, but rather continues to grow.
- b. The line item for remittances has become an integral part of the country’s finances. For the third time, Banco Cuscatlán has issued bonds for the sum of US\$100 million, guaranteed by the electronic transfers that the bank receives, and by more traditional transfers.⁸
- c. Migration is no longer uni-directional; rather, little by little it has been transformed into a bi-national flow between two related but territorially separated parts of a country, similar to the movement of Dominicans or Puerto Ricans.

Migration and its economic impact, family remittances, are now a part of the social reality of El Salvador. Thus, just as the coffee cycle made a profound impression on the nation’s life and educational cycles, so the “transnationalization” of the Salvadoran population will leave a profound mark on the nation’s culture.

One interesting phenomenon is that it is impossible to plan an economy on the basis of family remittances. A Salvadoran working abroad generally tends to maintain a constant flow of family remittances or savings, as long as his/her irregular status prevents

permanent settlement. Once these individuals achieve some stability derived from a change in their legal status, their remittances tend to diminish, since the second step is emigration of their family group.

It is important to note that the demands of Industrialized Societies are extremely competitive and qualified; a peasant is very limited in his/her performance in a highly mechanized and intensive agriculture; a professional from a third world university must train on vanguard technology and have resources to afford a postgraduate specialization, one of our workers becomes a service worker; a secretary ends up as a saleswoman in a shopping center and a housewife can merely hope for placement as a maid. With appropriate exceptions, the panorama of possibilities for our emigrants is a difficult one, and at times dehumanizing.

During the stage of insecurity generated by xenophobia and the rigorous controls applied by the Immigration and Naturalization Service, our migrants are the victims of injustice and the arbitrariness of the system. Households tend to break-up, the children become frustrated and join the gang underworld, there is rampant social and economic marginalization, and finally there is violence against society, the State, and the family. We Salvadorans have experienced the brute force of that phenomenon, many migrant children who have been deported, are returned for having formed part of a criminal gang, for prostitution, or drug trafficking. Many deportees have suffered psychological harm to their self-esteem and tend towards social violence in a country that looks on them as “hybrids or foreigners”, who have lost their cultural identity.

Another worrisome fact is the emigration of family groups to Sweden, a majority are middle-class persons dominated by professionals, many employed and others unemployed; however, the common factor linking them was basically the desperation, frustration, and insecurity for the country's future.

Evidently, the uncertainty caused by the natural disasters and the massive destruction of dwellings, loss of jobs, flight from the countryside, and lack of investment in new productive infrastructure are direct causes catalyzing migration, and are objective variables that anticipated the departure of whole family groups to Sweden.

Basically, the ideal situation would be that no Salvadoran needed to emigrate for reasons based on poverty and desperation; nevertheless, migration will continue to be a reality as long as effective economic and social growth does not occur.

Subjectively, the visit by George Bush, President of the United States (March 24, 2002), generated expectations on how to achieve better treatment for our migrants and economic recovery, primordially thanks to a possible Free Trade Agreement (FTA) and the possibility of attracting significant foreign investment (5).

Basically, the effort to neutralize the flow of illegals holds a very important place, undocumented migrants are captured and the traffickers, known as “coyotes” are jailed (6). In this context, the countries with economies dependent on family remittances have

no other option than to stimulate the creation of new sources of production and thus avoid their economic collapse.

In the past, the most conflictive countries in the region (Guatemala, Nicaragua, Honduras, and El Salvador) considered that they could aid in the resolution of their internal problems by tolerating the flow of undocumented migrants, to attenuate “their boiling pot of internal conflict”, and increase family remittances. To avoid these possibilities, a strategy has been designed to rebuild Central America after hurricane Mitch, which takes into account the need for stabilizing the region from the social, migration, environmental, and political points of view, to promote the development of the countries that constitute the region.

4.2. Recommendations

1. The household questionnaire prepared by DIGESTYC should also include additional questions relating to the propensity to emigrate.
2. Include questions on **youthful aspirations**, so that true migration trends may be studied. For that reason, we recommend that **Section 1 Demographic Characteristics** and **Section 7 Family Remittances and other Household Transactions** should be **maintained on a permanent basis**. Furthermore, questions on plans or intention to emigrate should be included.
3. The survey should include questions that explore effects related to family disintegration and educational and occupational levels of the emigrants.

BIBLIOGRAPHY

Juárez S., Laura. 1999. La inserción de los trabajadores de México y Centroamérica en la conformación del mercado de trabajo de América del Norte. *Revista Trabajadores, Universidad Obrera de México*, No. 6: 1-6 pp.

Castillo, Manuel Ángel. 1999. Tendencias Recientes y Políticas hacia las Migraciones Centroamericanas: Una mirada desde el Norte. Documento HTML

Banco Central de Reserva de El Salvador, BCR, 2002.

Alvarado Raimundo “La Investigación en Migraciones Internacionales en Centroamérica” ponencia de El Salvador, en San José, Costa Rica del 28 al 30 de mayor de 1992, San Salvador. May 1992. .

Foweraker, Joe. 1995. Perspectivas para el Libre Comercio a Nivel Hemisférico. Capítulo 9, Documento.pdf.

Consejo de Seguridad, ONU, S/2001/1249: Misión Permanente de El Salvador ante las Naciones Unidas: compromiso ante el Consejo de Seguridad en Lucha contra El Terrorismo. Documento pdf.

Rivera Funes, Oscar Francisco, "Efectos Demográficos de Guerras en el Istmo Centroamericano. El Salvador: Caso Departamento de Chalatenango". Paper given at the Primer Seminario Internacional sobre la Población del Istmo Centroamericano, held in San José, Costa Rica, October 19-21, 1995.

Montes Segundo. "El Salvador 1985 Desplazados y Refugiados, Instituto de Investigaciones UCA, San Salvador, 1985

Montes Segundo. "El Salvador 1987 Salvadoreños Refugiados en los Estados Unidos", Instituto de Investigaciones UCA, San Salvador, 1987.

APPENDICES

Table 1.- El Salvador: Population Density by Department, 2002

Department	Inhabitant / Km²
Total	309
Ahuachapán	268
Santa Ana	283
Sonsonete	382
Chalatenango	99
La Libertad	436
San Salvador	2,342
Cuscatlán	273
La Paz	248
Cabañas	140
San Vicente	140
Usulután	161
San Miguel	241
Morazán	121
La Unión	142

Source: *Encuesta de Hogares de Propósitos Múltiples 2002*.DIGESTYC

Table 2. El Salvador. Population Receiving Remittances by Department, 2002

Department	Total	With Remittances	Percent
Total	6,510,348	1,457,114	22.4
Ahuachapán	331,771	59,614	18.0
Santa Ana	573,192	148,027	25.8
Sonsonete	468,784	70,338	15.0
Chalatenango	198,827m	57,129	28.7
La Libertad	721,090	130,070	18.0
San Salvador	2,075,148	377,554	18.2
Cuscatlán	206,794	32,410	15.7
La Paz	302,849	53,604	17.7
Cabañas	154,428	47,967	31.1
San Vicente	165,261	39,144	23.7
Usulután	342,333	85,971	25.1
San Miguel	499,961	151,714	30.3
Morazán	175,796	62,584	35.6
La Unión	294,114	140,988	47.9

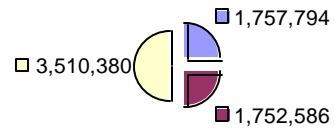
Source: *Encuesta de Hogares de Propósitos Múltiples 2002*. DIGESTYC

Table 3. Population by Department, Proportions Illiterate, and Households in Poverty and Extreme Poverty

No.	Department	%. Illiterate	% Relative Poverty	% Extreme Poverty
1	Chalatenango	22.70	19.94	28.7
2	Santa Ana	19.00	24.17	18.1
3	Ahuachapán	14.14	24.45	29.3
4	Cuscatlán	14.94	21.96	14.9
5	Cabañas	26.67	26.53	30.7
6	Morazán	29.61	24.42	27.2
7	San Vicente	20.86	26.88	27.8
8	San Salvador	8.21	17.25	8.3
9	Sonsonete	21.35	26.17	18.3
10	La Libertad	13.89	16.20	10.6
11	La Paz	18.84	24.81	19.9
12	La Unión	28.85	24.73	17.4
13	San Miguel	20.68	22.70	20.1
14	Usulután	22.90	25.61	21.7
Total Country		16.63	21.00	15.8

Source: DIGESTYC (2002)

Socio-Economic Condition of the Salvadorar Population



■ Extreme Poverty ■ Relative Poverty ■ Non-Poor

Figure 1. Graphic Representation of Poverty in El Salvador

Table 4. Comparative Values of Family Remittances (BCR)

El Salvador: Family Remittances (US\$ millions) 1976 - 2002					
Year	Remittances	% Growth	% of Exports	% of Imports	% of GDP
1976	28.0	0.0	3.7	3.7	1.0
1977	34.0	21.43	3.5	3.6	1.0
1978	45.0	32.35	5.7	4.4	1.3
1979	49.0	8.89	4.3	4.7	1.2
1980	60.0	22.45	5.5	6.2	1.5
1981	75.0	25.00	9.4	7.6	2.0
1982	87.0	16.00	12.5	10.2	2.3
1983	97.0	11.49	12.8	10.9	2.8
1984	121.0	24.74	16.7	12.4	3.3
1985	102.0	-15.7	15.0	10.6	2.5
1986	135.0	32.35	16.5	15.2	3.2
1987	169.0	25.18	28.6	17.0	3.8
1988	194.0	14.79	31.9	19.3	4.2
1989	204.0	5.15	40.9	17.7	4.1
1990	322.0	57.84	55.5	25.5	5.9
1991	518.0	60.87	88.1	36.8	9.8
1992	686.0	32.43	114.7	40.4	11.5
1993	864.1	25.96	110.8	42.7	11.8
1994	962.5	11.39	117.5	42.8	12.0
1995	1,061.4	10.28	105.8	37.2	11.2
1996	1,086.5	2.36	104.2	40.0	10.3
1997	1,199.5	10.40	88.3	32.1	10.5
1998	1,338.3	11.57	108.0	34.5	11.5
1999	1,373.8	2.65	116.8	33.6	11.0
2000	1,750.7	27.43	145.3	35.4	13.3
2001	1,910.5	9.10	157.4	38.0	13.9
2002	1935.2	1.29	157.0	37.3	13.8

Source: Banco Central de Reserva de El Salvador