

**REMITTANCES, MICROFINANCE AND COMMUNITY INFORMATICS—
DEVELOPMENT AND GOVERNANCE ISSUES**

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A growing consensus points to the strategic significance of remittances from international migrants as a source of increasing amounts of capital for families and community development programs throughout the South. Today, diverse transnational communities sustain the local development process at home. To achieve a qualitative leap in available resources and their impact, a series of alliances must be negotiated amongst migrant Hometown Associations, microfinance institutions, government regulatory entities and development agencies, public and private. Numerous recent reports and policy studies share similar conclusions regarding this potential, although few underscore the challenges to lowering money transfer costs, the new alliances required, emerging useful digital tools, constraints of regulatory environments, and associated governance issues.^{1 2} Remittance transfer reform and innovation occurs in the emerging field of community informatics and information-linked rural and urban development policies. Whereas today's dynamic remittance flows contribute to stability in local governments as resources arrive from abroad for individual families and for community betterment, local and regional political processes are or may be rearticulated under these historically novel conditions. This paper reviews some issues associated with digital value transfers, local microfinance organizations, community informatics, regulatory impediments and the governance issues now evident as the remittance components increase their specific gravity within national economies. Examples are taken from experiences in Mesoamerica, a region sharing a cultural common denominator, stretching from Mexico to Costa Rica; the issues underscored, however, may be generic to remittance economies everywhere.³

The consensus context

Remittances are a portion of international migrant workers' earnings sent home from their country of employment. This flow reflects the "monetary dimension in the complex web of linkages that exist between migrant *diaspora* communities and their home countries".⁴ Remittance payments may also be viewed as the product of a moral contract among family members, suggesting this emerging global phenomenon has financial, social and hence, political dimensions. With roughly 175 million persons now outside their country of birth sending home over \$100 billion USD per year (with 60% going to developing countries), today's global remittance flow far exceeds official development assistance (ODA) and in most cases, foreign direct investment (FDI). At the International Migration Policy Programme (IPM) conferences (the official venue for this discussion), governments are asking: how can "we" increase remittance flows and what strategies should be adopted to maximize their development impact? Similarly, government officials participating at IPM consultations have evolved a common perspective on the general issues: remittances have a positive effect on the economies and development prospects of the countries where migrants originate; governments should proactively encourage remitting behavior by establishing targeted incentive schemes and improving financial infrastructures and macro-economic environments; and in the same vein, governments

should seek to enhance the developmental impact of remittances by adopting effective policy tools and strategies.⁵ Civil society organizations tend not to be represented at these official events nor mentioned as strategic partners, and thus, a major contradiction appears between concerned governments observing and attempting to “profit” from what is essentially a large scale private financial transfer process embedded in social networks of trust. These linkages are as yet not well organized and largely reside in the informal economy. The microfinance organizations are to the commercial banks as NGOs are to the political parties, at the margin of orthodox preferences and rules. Whereas the participation of HTAs and microfinance institutions is central to negotiating lower transfer costs and additional user-friendly services for migrants and their communities on both ends of the *diaspora* circuits, both these groups currently reside at the margin of the policy process.

The argument

The core argument here is straightforward: in order to liberate more capital for families and their community development in today's growing migration-remittance circuits, a common strategy with the appropriate incentives should be devised that banks the unbanked and links awareness and promotion among migrants' Hometown Associations (HTAs) in the North, with receiving country financial and telecommunications regulators and relevant government programs; as well, the leadership and staffs of cooperating microfinance institutions (MFIs) are partners in this alliance throughout the migrant exporting regions of the South. This is inherently a political process, involving negotiations among actors with different degrees of power in complementary and often poorly articulated arenas. While commercial money transfer operators (e.g. Western Union and Money Gram) and established banks continue to garner a larger share of the remittance business, they are not a priority focus here, although they are significant players. Among them there is little or no concern for community impacts and payouts, nor a commitment is observed to strengthening civil society organizations that on balance govern the remittance process today and will no doubt in the near future. And this process is underway within the emerging context of information and communication technology-enabled commercial transactions plus the increasing use of digital tools and services by young people everywhere. Any discussion of remittance transfer innovations must consider the e-commerce readiness of countries together with the design of community informatics-based alliances amongst all institutions involved.⁶

The argument's corollaries follow: 1) attention should be focused on remittance receiving countries' financial and telecommunications regulatory norms that facilitate or inhibit lower cost remittance transfers and communications among families allowing for the adoption of state of the art digital technologies (e.g. VoIP). 2) The administrative information systems and software employed by participating institutions (HTAs, Credit Unions, MFIs in country, etc.) and the cost, licensing rules, security and privacy aspects, plus open source software options suggest the need for a multi-stakeholder portal that synthesizes these data and their respective training programs to enhance awareness and their effective use. 3) Incentives must exist to catalyze the considerable training of relevant personnel that must occur among all those institutions participating in any lower cost configuration of diverse institutions using available and emerging digital tools. 4) Additional services (e.g., medical insurance, agricultural input upgrades, etc.) may be

linked to a generic HTA-MFI remittance transfer system and the institutional network created thereby. 5) These actions should be embedded in a comprehensive development strategy, rural and urban, that optimizes remittance resources, migrants' social capital and the political will of countries' administrative and NGO leadership. At present, this remains a tall order.

Current scenario

In Mesoamerica today, it is safe to state that all the economies are sustaining their informal sectors via remittance transfers from migrants in the United States and Canada. In most, remittance receipts figure as the primary source of foreign exchange, and as well these economies are *de facto* "dollarized" at the local level (dollars also circulate in micro transactions along with the national currency).⁷ Thus, the informal, "street stall" economy, so evident in Latin American cities and villages, subsists in part with complementary income from family members abroad.⁸ While governments call for expanding the capture of remittance receipts within formal, banking channels, money arrives in family's hands via informal means as well. Money transfer costs include commissions (sometimes on both ends) and exchange rate surcharges (or manipulations that few clients understand). While costs have declined over the past three years, in part due to the dedicated campaign of the InterAmerican Development Bank, this same institution claims costs could be halved again.⁹ Commissions today appear to average around 4.4% of the amount sent home,¹⁰ but rates do vary and the competition increases as private, regional money transfer operators (MTOs) compete with large commercial banks, credit card companies and more recently, credit unions.¹¹ Transfer mechanisms include specific amounts sent to MTO franchisee pickup windows, commercial bank account transfers, ATM debit cards issued for family members North and South, payments at MTO receiving windows that are deposited via credit union links in savings and loan cooperative accounts back home, and more recently, monetary value transferred to stored value or "smart" cards (SVCs). These mechanisms also include the purchase of construction materials and gifts paid for in the North to be delivered at home via franchised distributors.¹² Estimates vary regarding the amounts of remittance funds not moving through the formal financial network; an additional 10% seems to be a (disputable) best guess and probably dropping as migrants and their families become more transfer savvy and trusting. It is evident that a combination of increased competition, applied IT and community informatics, regulatory reform and government-anchored initiatives can reduce the transfer costs much more, thereby liberating considerable sums of money for families and their communities.

Governance Issues

Remittance transfer reform involves governance issues that link the fields of telecommunication and financial regulation with the politics of public policy negotiations. The latter may be more important than the former, if changes in the status quo are to occur. The emerging growth in the strategic importance of Hometown Associations (HTAs), civil society organizations bar none, represents a challenge to the hegemony of traditional political parties in many national and regional contexts. In Mexico, for example, a limited number of political parties dominate the public policy process, effectively squeezing out initiatives proposed by Non Governmental Organizations (NGOs) not organically linked to

the parties. The dramatic increase in remittance income and the financial commitments of HTAs to community improvement projects has accelerated the interest of state and provincial governments in neighboring countries in controlling these resources. But the negotiating scenarios for the agreements required to govern these local level processes are limited, to say the least. The proliferation of “3x1” resource multiplier programs in Mexico has also been noteworthy, whereby one HTA dollar contributed to community improvements is matched by the local, state and national levels of government. Similarly, political parties are rushing to create liaison offices with migrants who have left their home region with an eye on maintaining or increasing party loyalty and perhaps, campaign contributions. In Mexico, for example, the Zacatecas state legislature has been the first to pass legislation allowing their citizens now living in the United States to return and run for office with a short three month home residence requirement prior to election day. Others will no doubt follow suit elsewhere in the Mesoamerican region where migrants’ HTA contributions for community projects and involvement in local politics are increasing, and hence attracting the interest of political parties who need to recruit leaders with resource networks and a loyal constituency.

A major stumbling block in any reconfiguration of the political landscape is the long timeline whereby migrant HTAs come to recognize their political influence and proactive role as civil society organizations. This may be due in large measure to the limited political experience of their leadership before they left home, or the constrained nature of political participation in authoritarian systems to be found throughout the region in question. A related factor is the degree of digital ignorance among those who left the village before the local cybercafé was opened, and hence are relatively unaware of the virtues and services today’s digital tools can offer citizens and their organizations. HTAs struggle to become consolidated as representative institutions, to adopt modern administrative tools and procedures, to reconcile their mediating role with their constituency at both ends of the migration circuit and to exert pressure in the political arena which they are uniquely equipped to act. This is an emergent process the traditional political parties are reluctant to recognize much less to support enthusiastically, because in this novel situation they are now competing with the HTAs for community and regional legitimacy and leadership.

Larger governance issues are at stake in this evolving scenario wherein migrants and their associations are displacing traditional State functions and undermining political parties as well. It should come as no surprise that historical elites and their newfound commercial allies loudly applaud the increasing remittance flows. The reason: because this flow of self-recruited resources significantly complements fiscal revenues, and consequently reduces pressure on all levels of government to provide quality services they have rarely been able to deliver. In effect, this means those powerful groups who traditionally control national social service and infrastructure budgets may sustain their influence and share of the national rents, because the migrant families and communities are self-financing their subsistence and minor, but significant community improvements; a new type of dual economy is perceptible. It is no wonder the remittance economy press continually highlights the increased remittance income in their respective national spaces.

Look, it’s not the technology...!

The first generation of massive rollouts of information technology (IT) has now taken place throughout the migrant exporting countries. On balance, this occurred after the elites served themselves, when governments embraced the modish conventional wisdom whereby the touted “digital divide” could be breached by installing computer hardware and software in a sample of schools, libraries and public telecenters. Certainly, throughout Latin America it is now evident that these expensive programs are difficult to maintain, evince limited local buy-in and presuppose a level of coordination among different Ministries and official agencies that never existed before nor today. Some argue that the cybercafés, mushrooming everywhere, could produce a greater impact if proper content and incentives were in place. The point is that a top-down, “let’s install technology” focus of public connectivity policy is wasteful and misplaced, although corporate marketing departments would not concur.

The issue at the core, I submit, is one of “orgware”, the capacity of organizations, their staff and constituency to learn and innovate with the new digital tools and contents on hand. This is a key dimension of community informatics which stresses local information flows can converge with designs of IT tools within a framework of “effective use”; online access is required, yes, but attention is focused on the social context and the information culture where gender-focused applications are introduced in traditional situations.¹³ If public institutions such as schools and civil society organizations such as microbanks do not share a willingness to innovate with today’s evolving digital instruments, then the challenges facing my argument may be insurmountable.

Orgware can be a dynamic condition, wherein people and their institutions are open to adapting to changing circumstances and opportunities. Orgware tends to catalyze the adaptive process when incentives are plentiful and training in new techniques easy to acquire and accompanied by value in the job market. Orgware can also be a static state whereby personnel and institutional leadership defend hierarchy and privilege, while rejecting change because it threatens the former. The reasons many microfinance institutions are slow to move to the dynamic orgware condition may be due less to budgetary restrictions, and rather more often is related to a defensive organizational culture their historically marginal condition has engendered amongst leadership and staffers. Redefining the overall public policy ambience and proper orgware perspectives within a community informatics framework is a *sine qua non* for all organizations involved in the remittance reform process.

Regulatory issues

How national governments regulate microfinance institutions, Internet service providers and their non-governmental organizations is a central element in any remittance reform strategy. The core issues shared by all three actors is a set of tradeoffs between protecting incumbents (e.g., commercial banks, monopoly telephone companies and political parties) while stimulating investment and innovation and protecting today’s migrant, citizen consumer. These three sets of actors (MFIs, ISPs and NGOs) tend to be regulated by separate State entities, whose autonomy, accountability and transparency also varies. Whereas MFIs and ISPs are regulated to different degrees, there are constraints on both regarding the series of products or services they may offer. MFIs may be divided

between those that may offer savings accounts akin to commercial banks as well as remittance receipts and those that may not. While commercialization and sound management is the key to the effectiveness and sustainability of microbanks as a financial services subsector, prudential regulation and supervision is the norm. Microfinance operates at a small scale with high unit costs, and hence there is a concentrated risk and credit volatility. Depositor protection and sector soundness is always a goal, and risks involve market conditions, management efficiency and integrity, assets, liquidity and overall governance. Supervision criteria include capital levels, reserves and deposits to loan ratios. Whereas MFIs offer limited financial services, regulation is keyed to the sources of clients' funds. Regulatory rules should be transparent regarding how MFIs can offer remittance receipt services and how these resources may capitalize their clients and offer new investment options.¹⁴

For ISPs a flexible regulatory environment is equally important.¹⁵ Given the rapid advance of wireless Internet technologies, it is now cost feasible to install hybrid DSL or VSAT and wireless fidelity (WiFi) Internet access networks in remote, migrant sending communities.¹⁶ Cybercafes are now found in every small town throughout Latin America. Connectivity is growing, albeit slowly, and today a youthful user population shares a degree of digital literacy. But market incumbents are well entrenched and reluctant to open market access to new players with cheap, fast and long range technology that fixed wireless, for example, now represents. However, for community based technology initiatives and local empowerment to occur there is the need for an appropriately enabling regulatory environment. For example, if community based technology solutions such as community WiFi or locally based ISP's in rural areas accessing the net through KU band satellites is not allowable under local regulatory regimes, then truly grass roots based technology is not possible. Similarly, if low cost Internet access is not widely available, then the development of specific development applications/implementations is equally not possible. Or if the national telecommunications infrastructure is monopolistic, centralized and capital city focused, then the kind of opportunities for local innovation and appropriation of the technology are rendered that much more difficult. Governments and national telecomm companies in the South argue that only through monopolies and strict regulation is it possible to aggregate sufficient capital to maintain and extend the existing infrastructure. An open regulatory environment may lead to over-development in relatively wealthy urban areas and an absence of investment (or access to capital for investment) in rural and low-income areas. While regulatory entities focus on licensing, price regulation, inter-connection norms and fees, competition, and universal service, civil society groups are seldom if ever invited to public discussions of the issues, options and negotiated tradeoffs.¹⁷ The regulatory dimension of innovative community informatics is often overlooked.¹⁸

Increasingly, the regulation of NGOs by governments is a major issue. As noted above, if political parties, the incumbent players who monopolize the electoral and formal political process, are reluctant to engage in public policy debates and propose remittance reform initiatives, then by default this role has been and is assumed today by non governmental organizations. These may be registered or unregistered by governmental authorities, yet their presence and credibility in the community and online projections, given today's low cost or free Web tools, grants them a right to participate seldom fully

recognized by official agents of orthodox political power. Remittance transfer reform is intimately linked to the growing legitimacy, recognition, administrative integrity and negotiation skills of NGOs.

Points of resistance

Several points of resistance can be identified in this common scenario whereby migrant and community organizations supported by tech savvy NGOs and their donor patrons are pitted against powerful financial, telecommunications and political incumbents who now control or limit reforms in the lucrative remittance market. Yes, there are tolerated oligopolies in banking, telecommunications and politics that persist not only due to the limited spaces for public participation, a lack of transparency or just plain undemocratic authoritarian rule, but also due to cultural factors that merit mention and frustrate “pressure from below”. Community informatics presupposes a commitment to empowerment at the local level, and greater control of remittance-based resources is one means of accomplishing this goal. Some impediments have been identified here. Others include: a preference for face to face transactions, widespread digital illiteracy among those over age 25, men exercising discretionary power over women’s resources, an absence of culturally appropriate incentives for using online learning and technical training tools, a stubborn sense of territoriality among official database “owners” that inhibits useful content in the public, digital commons, national connectivity programs without relevant content, prohibitions on community radio, elite indifference to the plight of migrants and their remittance economies, plus the unspoken fear of the risk of financial authorities imposing some form of taxation on remittance revenues. Again, the organizational and technological pieces are present; it is the negotiating process among culturally distinct actors with differential power that requires our attention.

Opportunity Cost Calculator

An online software tool for calculating the cost of NOT REFORMING the current rules, tariffs and options for remittance transfer is needed. By means of meticulously costing current remittance transfer fees using state of the art IT tools, and in parallel, computing unregulated Internet access costs, including connectivity in all towns and villages, say, above 2500 inhabitants, with kindred, vanguard digital instruments, two benchmarks could be established for each country with significant remittance revenue. Due diligence could establish benchmarking remittance transfer fees pegged at, say, 2.5% of the amount sent,¹⁹ together with a complementary benchmarking of Internet access fees with widespread, low cost WiFi connectivity (and no doubt other factors). These data would allow for the creation of an opportunity cost calculator. Such a calculator could ascertain for policy makers, migrant organizations, MFIs, donor agencies and related NGOs, the price differential being paid by migrants and their families in different sectors of the remittance transfer, inter-family communications, microfinance savings, investment and service options value chain. Countries could be ranked according to the opportunity costs being paid ABOVE the benchmark reasonable profit costs (null opportunity cost), and econometric algorithms can estimate the multiplier effects of resources in local and regional markets presently lost to controlled markets with usurious surcharges, regulatory constraints, limited investment options and public policy occur focusing on the multiplier

effect of opening labor markets and approving short term subsidies for telecommunications tariffs (e.g. broadband Internet by satellite) and other fixed costs. The opportunity cost calculator is a planning and negotiating tool available to all actors in this complex scenario.

New technical and service options

Transferring value with state of the art smart or stored value cards (SVCs) is another regulatory and IT access challenge.²⁰ The extensive network of MFIs and their branch offices, once connected to the Internet, can now offer many financial and commercial services via SVCs.²¹ Local merchants can be offered fixed wireless Internet connectivity by MFIs in small towns in return for allowing their clients to purchase goods and services with their smart cards. Such a possibility pits MFIs in competition with large commercial outlets already linked to commercial MTOs. This option would require SVC readers at these commercial establishments, a start up cost readily absorbed by the volume of purchases that remittance receiving families generate. In effect, under these circumstances local MFIs also become ISPs, offering connectivity to their crosstown clients and a range of services the emerging information technologies now permit. With long range fixed wireless WiMAX technology on the immediate horizon, underused transponders on satellites, and the unlicensed Wifi tools now reaching maturity and commodity prices,²² microfinance organizations need to confront the issues of both installing telecenters in their branches while simultaneously offering connectivity to local merchants that benefits the latter and their clients using their stored value cards charged periodically with remittance transfers from relatives in the North or elsewhere in country.²³

Additional services can be leveraged with MFIs employing smart cards. For example, migrants' hometown associations (HTAs) in conjunction with their regulated microbank could negotiate collective medical and accident insurance for their respective membership and clients on both ends of the migration circuit. These contracts could also be guaranteed by government bodies who are presently taxed to provide competent health services to their citizenry. In other words, migrants and their families could have access to professional health services, independent of the legal status of the remittance-sending family member. A novel start up in Kenya and Uganda now offers medical vouchers for services back home.²⁴ It is not inconceivable that migrant remittances will transform social and health services in their countries of origin over the next few years, if the digital tools are available and the regulatory ambience is supportive.

Agricultural production and remittance-anchored credit programs

With the present growing rate of international migration and remittance transfers, both commercial banks and MFIs can amplify their agricultural credit portfolios. It is well known that barely 5% of remittance revenue is invested in productive endeavors, primarily for lack of locally available, trustworthy options. To a large measure, this situation is due to the limited strategic vision and resources of microbanks as well as the regulatory constraints to which they are subject; however, the absence of reliable management information systems also hinder this alternative. To enhance agricultural production with remittance-anchored MFI credit schemes, a set of software tools is required that link databases, public and private with decision support tools. This is a task for donor and

official agencies working with HTAs and MFIs, and many agreements must be negotiated before an operational program can be fielded.²⁵

New alliances underway

Unquestionably, the dynamic remittance market together with information technologies is catalyzing new alliances among institutions on both ends of the migration circuit. Today, credit unions in the United States are working with traditional money transfer operators (MTOs), to provide the lowest cost remittance sending service on the Mesoamerican market.²⁶ Participating credit unions in many states now offer a special remittance receipt window for latino migrant clients sending money home to family members with accounts at local savings and loan cooperatives. The amounts flowing in this channel are increasing steadily since its inception two years ago, providing scarce capital and credibility to participating microfinance institutions in Mesoamerica while saving money for many families. This precedent has jump started other policy options. For example, Mexico's official BANSEFI now provides a back office software system and remittance transfer services from many MTOs in the United States for the family of seven microfinance institutions that by law this agency now regulates.²⁷ Credit unions are engaged in outreach programs in latino migrant communities inside USA, albeit belatedly, and this banking the unbanked effort is proving fruitful. One paradoxical element of this U.S. situation is that *latino* migrants have limited access to the Internet, as cybercafes are not common and public library services, while ample, are not culturally congenial.

What remains to be defined are the set of agreements that must be negotiated among different actors in this complex array of companies, NGOs, government bodies, donor organizations and international agencies in order to create an optimal, null opportunity cost model for remittance transfers and associated services. As suggested above, a series of benefits could accrue to migrants and their families, in the North and the South, if these accords were in place. These agreements require a degree of political will among actors with marked power differentials and who traditionally refrain from negotiating novel alliances: State agencies, private companies and civil society groups. As an example, the negotiated set of arrangements between Mexico's official Banco de Servicios Financieros and a range of private MTOs and microfinance institutions anchored in a civil society tradition is noteworthy (see note 26). The World Council of Credit Unions' (WOCCU) project with private MTOs is increasing the clout of national networks of cooperating microfinance bodies in Central America, and this will no doubt eventually lead to adjustments in regulatory frameworks throughout the region. To my mind, it is incumbent upon the international agencies, public and private, to create the incentives and political pressure to push this process forward and extend it to all remittance dependent countries.

Towards an integral policy

On balance, remittance transfer reform is linked to the focused emergence of a community informatics perspective among HTAs, MFIs and policy-linked government agencies. This can occur along with a territory-anchored rural development strategy.²⁸ Every migrant exporting region constitutes a territory that is socially constructed, i.e. it shares a cultural and linguistic identity, a social capital and resource base as well as

investment potentials for its inhabitants, wherever they may reside. HTAs are a *de facto* extension of the home territory, a unique condition whereby the “belonging sentiment” permits gearing remittances for productive and institutional transformations back home. If our common goal is to reduce rural (and periurban) poverty and catalyze a democratic process, employing a null opportunity cost remittance transfer strategy may be effective. To be sure, any productive changes using these voluminous resources require a series of novel alliances amongst a diverse set of institutional players active in specific regions around the globe. This is a heterogeneous process with as yet unwritten rules. These alliances will be hybrids; and as examples here attest, they are beginning to be negotiated on a piecemeal basis. The politics of remittance transfer reform needs to be recognized as such, while producing scalable, accountable and legitimate policy options that permit negotiations to be actively pursued. This, I firmly believe, is our task.

NOTES

- ¹ http://www.pewhispanic.org/site/docs/pdf/Remittances_Senders_and_Recipients_LAC_2003_Final.pdf
This 2003 Pew Hispanic Center commissioned survey found that 40% of the adult, foreign-born Latino population in the United States, some 6 million people, send money home on a regular basis. Money Transfer Operators capture 70% of these resources, banks 11% and 17% goes through informal channels. In Mexico, 18% of the population receives money from family members in the North; in Ecuador, 14% and 23% in Central America. See also Billions in Motion, 2002: http://www.pewhispanic.org/site/docs/pdf/billions_in_motion.pdf
- ² No discussion of Latin American remittances, their amounts, patterns and impacts, can occur without a tribute to Manuel Orozco, who with sensitivity and timely acumen has produced a series of studies that profile this phenomena and allow others to discuss the issues intelligently. Some of his papers are available in the DOCUMENTOS section of www.migracionydesarrollo.org In particular, consult his “Mexican Hometown Associations and Their Development Opportunities”, http://meme.phpwebhosting.com/~migracion/modules/documentos/manuel_orozco2.pdf
- ³ The Declaration of Principles agreed at the World Summit on the Information Society in Geneva, December 2003, emphasize a “commitment to build a people-centred, inclusive and development-oriented Information Society”. This is the overall context for remittance-pegged services and the Pacific Islands states, the subject of this conference, are one of the best examples to be found.
- ⁴ Dennis Ahlburg, cited in D.N. Addy, B. Wijkström and C. Thouez, MIGRANT REMITTANCES COUNTRY OF ORIGIN EXPERIENCES: STRATEGIES, POLICIES, CHALLENGES AND CONCERNS, a paper prepared for the International Migration Policy Programme (IMP), for a London, U.K. conference, October 2003. www.impprog.ch
- ⁵ Ibid. IMP document, p. 3.
- ⁶ <http://www.regulateonline.org/2003/dp/dp0307.htm> Robin Mansell writes: “Electronic commerce can be defined as the application of ICTs to support global networks, a variety of business oriented software applications, and business processes involved in trading in goods and services. The main conclusion of the analysis is that the inclusion of developing countries in the potential benefits of new forms of electronic commerce will require measures that address country and sector specific characteristics of markets in which firms operate as well as measures that address the issues raised by the advent of ICT supported means of electronic trading.”
- ⁷ El Salvador is completely dollarized since 2002, i.e. U.S. coins circulate as well as paper tender. In Ecuador, the legal currency is U.S. dollars, but the coinage is Ecuadorean.
- ⁸ The Mexican Private sector reports that the informal sector accounts for 12.5% of gross domestic product. <http://www.reforma.com/negocios/articulo/413126>
- ⁹ Consult the program of the Multilateral Investment Fund and research documents relating to remittances. www.iadb.org/fomin A synthetic overview is available: Remittances to Latin America and the Caribbean - Goals and Recommendations, May 2004.
- ¹⁰ Consult Manuel Orozco, “The Remittance Marketplace: Prices, Policy and Financial Institutions”, available at: www.pewhispanic.org

- ¹¹ Consult the International Remittance Network program of the World Council of Credit Unions. http://www.woccu.org/prod_serv/irnet/index.php
- ¹² Cementos Mexicanos offers such a program. See www.cemexmexico.com in Servicios, Construmex menu.
- ¹³ Consult: Michael Gurstein, “Effective Use: A Community Informatics Strategy Beyond the Digital Divide”, FIRST MONDAY, December 2003. http://www.comtechreview.org/article.php?article_id=56
- ¹⁴ Consult an overview of microfinance regulation: www.iris.umd.edu/adass/proj/Zambia_comparative.pdf
- ¹⁵ See E. Tanner and K. Hawkins, “Bridging Latin America’s Digital Divide: Government Policies and Internet Access, JOURNALISM AND MASS COMMUNICATIONS QUARTERLY; Autumn 2003; 80,3; pp. 646-665.
- ¹⁶ The forthcoming WiMAX technology promises to offer cost effective connectivity solutions that will pressure regulatory entities to make market entry requirements and voice over Internet Protocol telephony rules more flexible than today’s environment. http://www.alvarion-usa.com/runtime/materials/pdffiles/WiMAX_WP.pdf
- ¹⁷ Consult useful regulation sources at: <http://www.infodev.org/projects/314regulationhandbook/> and <http://www.regulateonline.org/>
- ¹⁸ Michael Gurstein, personal communication, 4 June 2004.
- ¹⁹ Suggested by a reputable source as the cost plus breakeven point for the transfer services.
- ²⁰ Consult sample suppliers: <http://www.alaric-systems.co.uk/> and <http://www.e-pso.info/epso/index.html>
- ²¹ The competition is already stiff in this category. For example, consult: www.no-borders.com, www.emida.com, www.worldpay.com,
- ²² See note 15; for wireless Internet information: <http://www.w2i.org/> and <http://www.iptel.org/>
- ²³ A related, privacy-sensitive issue is one of biometric identification cards to reduce fraud and enhance security. See www.theregister.co.uk/2004/05/21/biometric_trial_glasgow/
- ²⁴ See www.mamamikes.com
- ²⁵ A FAO-FORD Foundation supported demo project in conjunction with a Canadian company provides one example. <http://mockups.ictdevgroup.com/pesa>
- ²⁶ Consult the Remittances section of www.woccu.org
- ²⁷ See details at: http://www.lared-delagente.com.mx/htmls/productos_y_servicios/remesas.html
- ²⁸ The baseline document for Desarrollo Territorial Rural can be found at: www.fondominkachorlavi.org/dtr/sintesis.doc This strategy calls for intense GIS-anchored data, and implies HTAs are an extension of local space; thus, remittances may focus on productive issues.