

Mexico depends on the remittances more than ever before

3.8 percent of the GDP in Mexico is the result of the money sent by Mexican migrants, mainly the ones living in the USA. Besides, in five states dependency on remittances surpasses 10 percent of the gross domestic product

Despite the COVID-19 pandemic, the flow of migrants to the USA increased, and Congregación Mariana Trinitaria provides support in those moments through contributions to develop programs to encourage actions for housing, food, education, connectivity, health, financial inclusion, and health. Additionally, it also promotes strategies to make sure they come back home safely.

Now Mexico depends on remittances more than ever. The National Population Council (CONAPO), the Foundation BBVA, and BBVA Research came to that conclusion in their Annual Report about Migration and Remittances 2021. They explained clearly that 3.8 percent of the gross domestic product (GDP) last year was the result of remittances.

In 2013, the dependency on remittances in the country had a minimal record of 1.7 percent of the GDP, and right after that the increase has not stopped increasing. Meanwhile, five states in the country showed numbers over 10 percent on dependency, and they all (except for Tlaxcala) showed a higher dependency than the average before the pandemic.

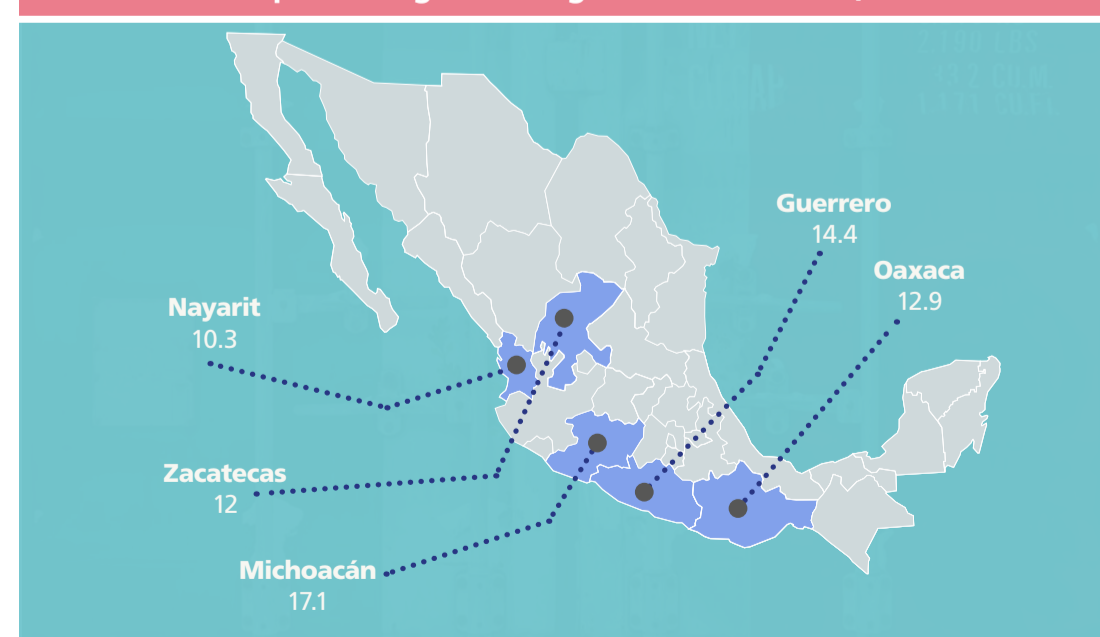
Dependency on remittances in Mexico, period 2013 - 2020 (remittances as a percentage of GDP)

2013	1.7
2014	1.8
2015	2.2
2016	2.5
2017	2.6
2018	2.8
2019	2.9
2020	3.8

In 2020, the remittances in Mexico had a new record as the amount that year was 40.6 million dollars, which meant an increase of 11.4 percent in the annual rate. Most remittances were sent from the United States (95.5 percent), through electronic transfers (98.9 percent) and they were received in non-banking institutions (77.1 percent).

Regarding families who received those remittances in Mexico, we can say that they increased from 3.6 percent in 2010 to 5.1 percent in 2020, and more than half of them live in communities whose population is under 15 thousand inhabitants.

Dependency on remittances in some states, 2020 (remittances as percentage of the gross value added)



Fall in remittances is expected worldwide

The Annual Report highlights that from 2020 to 2021, remittances around the world might fall almost 7 percent as a consequence of the COVID-19 pandemic. This annual decrease would be the sharpest fall on remittances since 1970.

Moreover, the World Bank estimated that due to the crisis caused by COVID-19, in 2020 the regions with the biggest drops in remittances were Europe and Central Asia with 16.1 percent, and in 2021 South Asia with 10.9 percent. On the other hand, in 2021 Latin America and the Caribbean might suffer a contraction of 8.1 percent and a decrease from 96.1 thousand million dollars to 88 thousand million.

The COVID-19 cannot stop Mexican migrants.

The Annual Report mentions that the flow of Mexican migrants to the USA increased in the second half of the year 2020. It is important to take into consideration that detentions of Mexican migrants in the US border that year surpassed the numbers in 2018 and 2019.

“This way, the numbers show that the crisis caused by the COVID-19 pandemic encouraged the flow of Mexican migrants to the United States”, that was revealed in the report published by the middle of July.

Between March 2015 and March 2020, 802 thousand 807 people migrated from Mexico to other countries. Guanajuato (62 thousand 476), Jalisco (60 thousand 587), and Michoacán (50 thousand 770) were the states with the highest rate of migrants; in contrast Tlaxcala (4 thousand 967), Campeche (2 thousand 499), and Baja California Sur (one thousand 998) had the lowest numbers on migrants.

In regard to total numbers of migrant population, the main migratory route in 2020 was from Mexico to the United States with 3.9 percent of the worldwide migration, the second spot is from Syria to Turkey with 1.4 percent, and in the third position we find the route from India to the United Arab Emirates.

Support to efforts

Congregación Mariana Trinitaria, A.C., (CMT) through its Welfare Ecosystem Model, analyzes the social problems to find the best solutions for them, and providing attention to migrants could not be an exception. Programs and strategies allow the increase of resources for Mexican people who migrate with the purpose of improving their quality of life.

An example of the actions developed by CMT in favor of migrants took place in San Juan del Río, in Querétaro; where the authorities mentioned that the program implemented in that area to help families and migrants who come back home had a considerable impact on their welfare.

“We kept the benefit-based program through Congregación Mariana Trinitaria to help families of migrant workers so that they are able to get benefits by making a partial contribution while CMT contributes with the other half so, this way families are able to improve their quality of life”, that was mentioned to the local media by the councilor of the Commission for Migrant Workers in the municipality of San Juan del Río, Mrs. Lourdes Sánchez Vázquez.

Another remarkable case is the one in the municipality of Zacapu, Michoacán; where 802 families, most of them with migrants, got benefits for their housing. Another case was implemented after the collaboration with the Government in Zacatecas where an initiative was promoted for the Community Development of Migrant Families in Zacatecas.

This is the way successful stories take place all over the country. By means of well-organized and co-responsibility, CMT collaborates with Mexican migrants, clubs and associations of migrants in the USA. By making teams, we were able to improve the life conditions of their families in Mexico and in the meantime, we increased community welfare in many populations where people had to migrate to find better opportunities for development.