

Remittances in Guatemala

(Country of Origin)

- **General information**

Guatemala covers a surface area of 108,889 km². The country has a population of 14,285,300 inhabitants, of which 46.8% live in urban areas and 56.2% live below the national poverty line (1). It is estimated that 10% of the population lives outside of the country, 28% of which are women and 72% men. The main destination country for Guatemalan migrants is the United States (98.2%), although much smaller proportions of migrants can also found in Mexico, Canada, Costa Rica, El Salvador, Honduras and Belize.

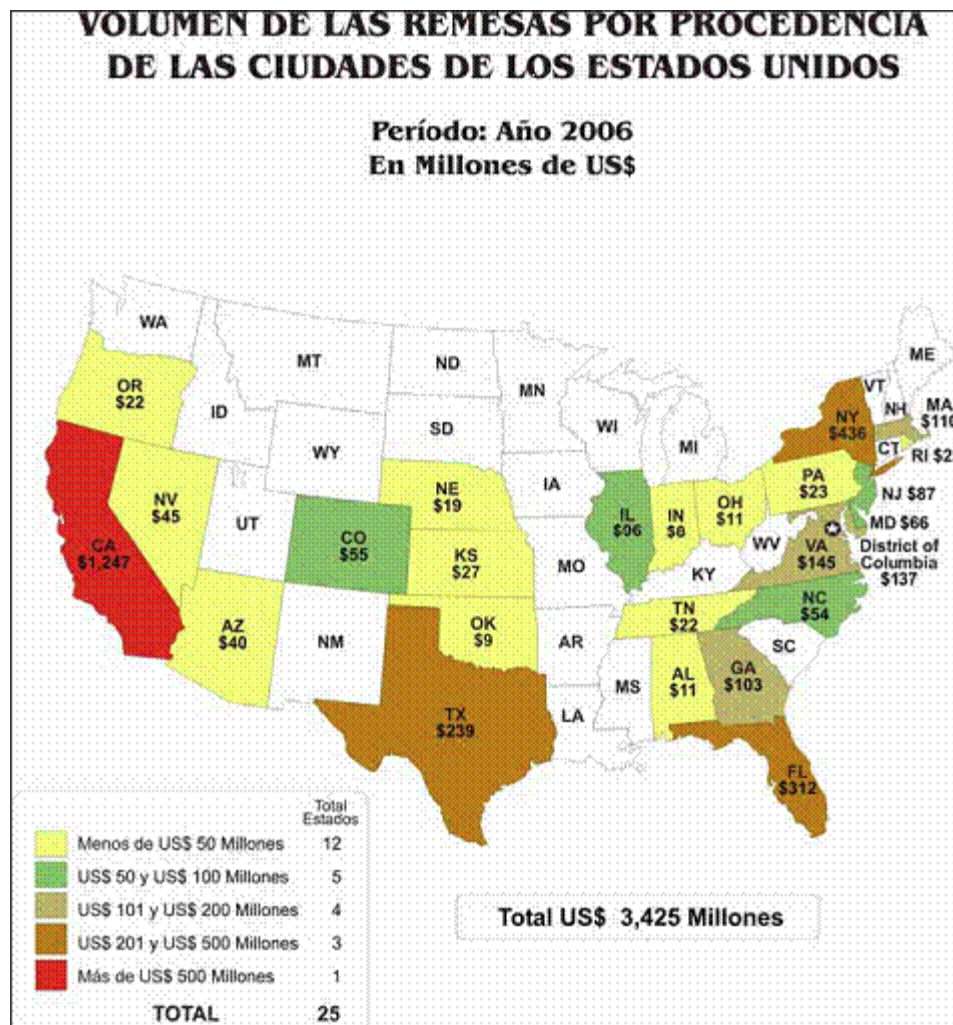
- **Gender**

Gender Development Index (ranking)	90/177
Gender Development Index (index)	0.659
Gender Inequality in Education (female literacy rate as a % of the male rate), 2004	84%
Female Economic Activity (% ages 15 and older), 2004	33.7%

Source: UNDP, <http://hdr.undp.org/hdr2006/statistics/countries/>

- **U.S. states from which remittances are sent to Guatemala**

According to 2006 data from the International Organization for Migration (IOM), remitters (those who send remittances) in the United States live in Los Angeles, CA. (32.8%), as well as in New York NY, (12.7%), Miami, FL., (8.4%), Washington, DC., (4.0%), Houston, TX., (3.9%), Norfolk, VA., (3.6%) and Boston, MA (3.2%). The rest of the remittances come from other US cities and states. The following map illustrates the distribution of remittance flows to Guatemala according to the U.S. state of origin.



Source: OIM, 2006, Cuadernos de Trabajo Sobre Migración, 23, Encuesta Sobre Remesas 2006, Inversión en Salud y Educación

- **Evolution of remittance flows**

Although there has been a reduction in the sending of remittances due to migrants' length of stay in the U.S. and family regrouping processes, at a global level, the flow of remittances continues to increase.

- **Remittance income in Guatemala as compared to other sources of national income in the country**

According to data from the IOM (2005) (2), remittances reached US\$ 3 billion in 2005, 97.6% of which originated in the United States, representing approximately the 9.5% of the Guatemala's GDP (...) During the period 2002-2005, the volume of remittances increased from the 6.8% the 9.5% of the GDP, that is, an increase of 40.0%. If World Bank indicators are applied to these values, we could say that the single effect of these remittances would have contributed to reducing poverty levels by 6.4% during this four year period (2002-2005).

- **Remittances and Income Distribution among households**

According to the IOM (2006) (3), "of the active aged population which benefits from remittances, 44.6% are men and 55.4% are women. Of this population, 38.0% are economically active 65.0% being men and 35.0% women. In addition, the 89.4% are the occupied population and the 10.6% of the unoccupied population, equivalent to the rate of open unemployment, now the rate of occupation is 34.0%. Also, it was determined that the occupied population is distributed in several occupations; 18.9% work as agriculturists, 18.3% as technicians, 15.5% are operators, the 13.9% are unskilled workers and the rest work in other occupations.

Likewise, it was determined that the beneficiaries of remittances work mainly in two branches of activity. These include commerce (25.9%) and agriculture (24.0%), accounting for nearly half of the occupied population. Nevertheless, it is interesting to note that, in these economic activities, the contrasts between activities according to sex, as women make up 54.4% of those working in commerce, while 95.0% of agricultural workers are men. In addition to these two sectors, remittances beneficiaries are also found working in activities relating to education (17.8%) and industry (12.6%). As in the previous case, there are clear differences according to sex -61.0% of the education sector is female and 59.0% of the industrial sector is male.

Another important characteristic of remittances beneficiaries refers to the fact that 33.6% are self-employed with their own premises to work from and two thirds of them receive an income of between Q. 1,000 and Q. 2,500. It is also worth emphasizing that 25.0% have incomes superior to Q. 3,000, 31.1% are employed privately and 67.5% have wages between Q.500 and Q. 2,500. Additionally, 11.3% are self-employed workers without premises to work from and 92.0% have an income of between Q. 500 and Q. 4,000. Public employees represent 9.3% and 80.0% of these perceive incomes of between Q. 1,000 and Q. 8,000. It was also determined that 3.8% were day laborers and 4.2% were workers who did not specify their occupational category. Finally, 2.9% are unremunerated family workers.

- **Appliances in remittance- receiving households**

According to the OIM (2006) (4), 50.3% of remittances are used for basic consumption. This includes the purchase of food (43.1%), clothing and footwear (3.0%), transportation (1.0%), household appliances (0.8%) and other expenses (2.4%).

- **Characteristics of remittance-receiving households**

Remittance-receiving households are more rural than urban (57% versus 43%). Among these households, 22.0% are indigenous and 78% are non-indigenous. According to the IOM (Cuadernos 23), 24.5% of recipients within remittance-receiving households are household heads, an increasing proportion of which are women (47%), as is shown in the following table:

Population and Heads of Household According to Sex

Head of Household	Population	Percentage
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	2004	2005	2006	2004	2005	2006
TOTAL	770,255	814,911	918,819	100	100	100
Men	470,497	454,420	487,117	61	56	53
Women	299,758	360,491	431,702	39	44	47

Source: OIM, 2006

In those households with relatives abroad, most of the population is unmarried (54% of men and 43% of women). Also, 32% of men and 33% of women are married, 11% of men and 10% of women live in common law, 2% of men and 7% of the women are widows, and 2% of men and 5% of women are divorced or separated (OIM, 2002, Cuadernos 12). There is a notable over representation of unmarried men and divorced, separated or widowed women.

(1) According to UNDP

(2) OIM, 2005, Cuadernos de Trabajo Sobre Migración, 21, Encuesta Sobre Remesas 2005 y microempresas

(3) OIM, 2006, Cuadernos de Trabajo Sobre Migración, 23, Encuesta Sobre Remesas 2006, Inversión en Salud y Educación

(4) OIM, 2006, Cuadernos de Trabajo Sobre Migración, 23, Encuesta Sobre Remesas 2006, Inversión en Salud y Educación