

**Remitting Back Home and Supporting the Homeland:
The Guyanese Community in the U.S.**

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Introduction

A key worldwide change has been the impact of international labor mobility in integrating a country in the global economy. Whether through transportation, tourism, telecommunication, trade or transfer of remittances, migration has positively affected economic growth in countries with significant migration rates.

Guyana represents an important illustration of the effects that migration can have on a country's economy. This report looks at the extent to which the Guyanese diaspora is connected with its home country and the level of remittances and contributions made to its country's economy. The first of four key findings in this report is that Guyanese society is significantly in contact with its home country and communities. Their level of activity is widespread throughout the United States and focuses on a variety of philanthropic projects. Second, the flows of remittances sent back home are significantly high relative to the country's main economic indicators, amounting to at least one hundred million dollars annually. However, these flows are officially underestimated at fifty million. Third, costs of sending money are among the highest in the Americas and the market is largely uncompetitive. Fourth, although a percentage of senders use banks to transfer remittances, there is no international electronic deposit fund capability in the country. This situation signals an opportunity to enable an international infrastructure that in turn provides a cost effective money transfer system.

The recommendations in this report recognize the potential and desire of the Guyanese diaspora to work with its communities in Guyana. One important recommendation highlighted in this report is to support a strategy that encourages the adoption of an international electronic deposit fund capability using interchange companies operating worldwide. Other recommendations emerging in this report involve the support of a strategy to attract recipients to banking institutions, thus lowering transaction costs, and also leveling the playing field with the other players in the money transfer industry. Importantly, it is recommended that records about money transfers be improved in order to have better estimates.

1. A country of migrations

As globalization stretches and deepens, the movement of people, their connection as a diaspora and their economic contributions are becoming a more widespread pattern. Cornwell and Stoddard (2002, 7), for example, stress that in contemporary affairs “seeing the world through the diasporic lens is effective in illustrating that movement and dispersal are the rule, not the exception, of human history.”

Today’s Guyana does not escape this reality. The formation of the Guyanese nation state and its development are in large part a function of the migrations that have surrounded this South American country’s history. A mosaic of at least six ethnic and racial groups, Guyana was formed by the migrations of East Indians, Anglos, Africans, Chinese and other cultures and groups since the seventeenth century. These groups became true diasporas, that is “people with a common national origin who reside outside a claimed or an independent home territory” (Shain 1995). The large majority of Guyanese retain a diasporic identity of belonging to an imagined community of a far off ancestral nation.

Races

East Indian 50%,
Afro-Guyanese 36%,
Amerindian 7%,
Caucasian, Chinese, and
mixed 7%

Religions :

Christian 50%,
Hindu 35%,
Muslim 10%,
other 5%

Languages :

English,
Amerindian dialects,
Creole,
Hindi, (few)

Source: CIA World Factbook
2002

But this nation has also become a source of emigration and has formed its own Guyanese diaspora. People from Guyana have traveled to many countries in Europe, North America, and the Caribbean. Political and economic conditions led many to migrate in the seventies, setting in motion a pattern of linkages that are now significantly consolidated. Although no reliable data exists about the number of Guyanese living outside Guyana, the number may be as high as the total population residing in the country, which today is over 700,000.

A 1992 report showed that at least 20,000 people were leaving Guyana annually for the United States, the United Kingdom and Canada (see Table 1). According to a senior immigration official in Guyana that number today is at least 50,000. Interviews with Guyanese community leaders in the United States and Canada reveal that there are between 500,000 and 1,000,000 Guyanese living abroad. Moreover, the US Census counted somewhere between 200,000 and 220,000 Guyanese in America, with the large majority residing in New York. Considering that there has been a significant undercount of other Latin American groups, at times by as much as 50%, the number of Guyanese in the U.S. conservatively may be as high as 300,000.

Table 1: Comparative Migration from Guyana to Three Destination Countries

Out Migration	1990	1991	1992	2002
Total	13,453	17,559	23,554	50,000
to US		9253	7513	
to Canada		2428	2130	
to UK		65	49	

Source: TradePort, Thomas-Hope, 1.2.16.

Table 2: Born in Guyana and Living in the U.S., by State

State	Number	Percent
United States	209,533.00	100.00
New York	131,909.00	62.95
New Jersey	18,610.00	8.88
Florida	13,738.00	6.56
Georgia	8,763.00	4.18
Maryland	7,579.00	3.62
Virginia	4,586.00	2.19
California	3,534.00	1.69
Other	20,814.00	9.93

Source: US Census Bureau, CPS 2000.

These numbers reflect two important issues. First, there is a significant level of emigration with population groups settling predominantly in the United States and Canada. According to the UNDP, Guyana's population exhibits one of the highest negative net migration rates. The current estimate for Guyana is in excess of 6 persons

per 1,000 leaving the country, and it is estimated that by 2010 the number will increase to 97 (UNDP 2001, 147). Second, and perhaps more importantly, this migration is producing important outcomes beyond population dynamics. Specifically, transnational networks have been established between Guyana and its diaspora. The next section will address this particular trend.

2. A Diaspora Connecting Back Home

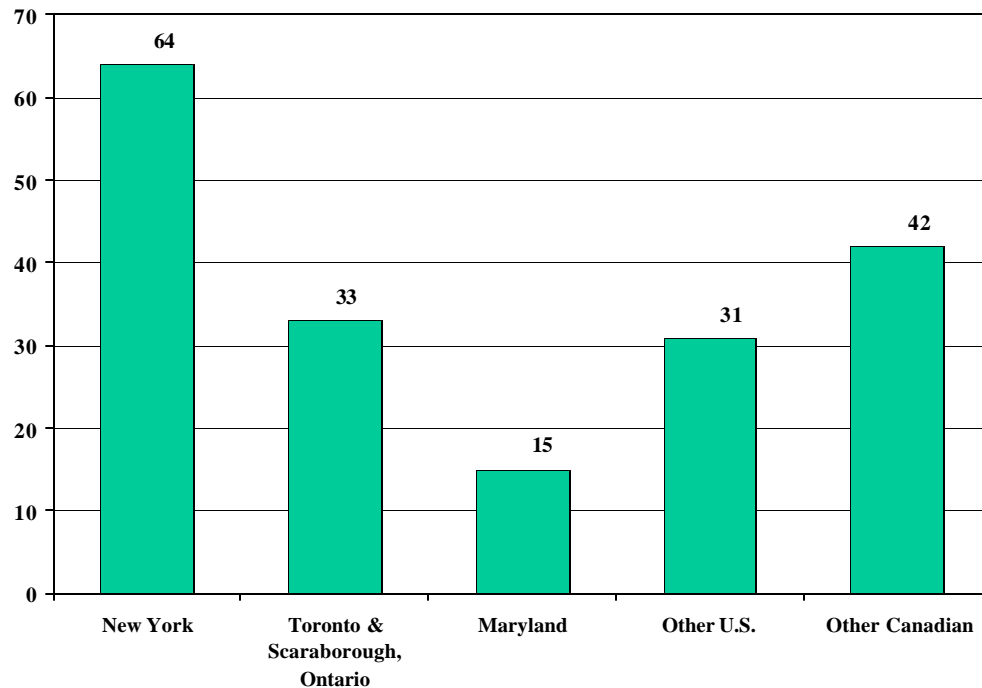
Diasporas tend to maintain symbolic linkages with a homeland. However, as globalization is shortening the distances and increasing the forms of communication between places and people, migrants are strengthening their level of contact. Hometown associations (HTAs), community based organizations made up of immigrants to help their country of origin, are an important example of how contact with the home country is increasing. These associations “have sought to retain cultural ties and improve their home country communities” (Orozco 2002c).

Guyanese Associations

The international activities of hometown associations comprise a range of issues, from charitable aid to investment in wealth generating activities. Moreover, these organizations’ structures vary with different degrees of formal domestic structures and different relationships with their hometown and governments abroad. The organizations’ decisions about defining their activities depend on factors like availability of resources, relationship with their hometown, preferences of their members, and organizational structure. In the majority of cases, HTAs have a small economic resource base (Orozco 2002d).

Guyanese organizations also exhibit these traits. According to one source (Land of Six Peoples, 2002), about 183 organizations of the Guyanese diaspora exist in the United States and Canada. These organizations perform a range of activities, but predominantly concentrate on charitable work. Figure 1 shows the geographic distribution of these associations. As the chart shows, the large majority of associations are based in New York. Another significant amount is based in Toronto, Canada.

Figure 1. Guyanese Associations in Canada and the United States



Interviews were conducted with different leaders of the Guyanese associations to assess the extent of their linkages and the challenges they identify. The community leaders were asked about the type of activity their organizations perform in Guyana, the socio-economic status of their members, the extent of contact with Guyana and difficulties in staying in touch and sending remittances. Some of the main characteristics emerging from the interviews are the following:

- The organizations are predominantly philanthropic groups offering charitable assistance;
- In the majority of cases, the associations are formed by people from the city where the diaspora resides rather than the home country's town;
- Most groups invest resources in education or relief assistance from a natural disaster;
- As in Latino organizations, Guyanese groups raise less than \$20,000 a year.

Several examples help to illustrate the work of these Guyanese HTAs. The *Guyanese Philadelphia Non-Profit Organization* is a typical group that raises funds for charitable purposes. Their work has included raising funds to help fulfill children's basic educational needs in Guyana by purchasing school supplies and clothing. *The Guyana Association of Georgia* is a more established group that also donates school supplies. They have donated computers to various schools in Guyana through a lottery procedure to determine which school receives the donation. An interesting feature is that this organization works with local Guyanese charities rather than simply shipping the goods directly to a school. *The Guyanese Association of Houston, Inc.* is also a well organized association which sponsors scholarships and donates school supplies. This organization distinguishes itself from the other groups in that it also raises funds for the local Guyanese and Caribbean community in Houston. Among the activities they perform to that effect include the donation of two \$500 scholarships to students attending college in the Houston area. Similarly, *Guyanese International* in New York also focuses its activities on the diaspora in the United States. This organization has worked with Guyanese owners of small businesses by offering management seminars to help them learn skills such as accounting. They have also participated in a residential awareness and advocacy campaign to help legalize the basement apartments in which many Guyanese immigrants were living. In addition, this organization also participates in typical philanthropic endeavors in Guyana by donating medical supplies and sponsoring AIDS awareness campaigns.

One of the oldest organizations, the *Guyanese Assisting in Development (Guyaid)*, founded 20 years ago, concentrates its resources in helping the elderly and families in Guyana. They have also donated school supplies (books and computers) to a school in the rural sector and provided medical donations to an Amerindian village. Most of the members of these associations travel to deliver their donations or to visit the places where they are offering their gifts.

Connecting back home

Another important issue addressed in this report relates to the extent to which Guyanese stay in contact with their home country and families. The majority of the community leaders interviewed stressed that their members maintain close ties with their friends and relatives, but that it is relatively expensive to travel to or call Guyana. As Table 3 shows there are only 24 flights a month, most of which do not have a direct connection to Guyana and cost an average of \$700 from New York or Miami. The limited numbers of flights as well as their costs were deemed by most community leaders to be limiting factors in increasing the contacts between the diaspora and Guyana.

Table 3: Monthly Flights from US to Guyana (23 in total a month)

Carrier Name	Flights	Seats	Seats Per Flight
BWIA WEST INDIES AIRWAYS	14	2100	150
NORTH AMERICAN AIRLINES	5	1035	207
UNIVERSAL AIRLINES	5	1215	243
	24	4350	181

Source: Federal Aviation Administration

This limitation did not reflect an unwillingness to visit the country, but mostly signified that their intention to travel was often curtailed by the lack of choices. This factor is particularly important considering that New York has a large segment of Guyanese residing there, and for many Guyanese it is considered “an extension of Guyana;” however, the travel opportunities are quite limited and expensive. Costs are a major disincentive, and calls, like airfares, are significantly expensive. Table 4 shows the costs per minute to call selected Latin American and Caribbean countries from the US. As the table illustrates, Guyana ranks as the most expensive.

Table 4. Costs of Calling to Selected Latin American and Caribbean Countries from the US (per minute)

Country	Global Cell	AT&T	MCI
Guyana	0.90	0.88	0.87
Haiti	0.56	0.51	0.49
Jamaica	0.46	0.47	0.45
Guatemala	0.44	0.31	0.29
El Salvador	0.32	0.31	0.29
Trinidad & Tobago	0.30	0.37	0.35
Colombia	0.26	0.31	0.29
Mexico	0.20	0.21	0.25
Dominican Rep.	0.20	0.31	0.29

Source: Global Cell, AT&T, MCI rates.

Most of the organizations interviewed do not have extensive investment or economic development programs in Guyana. However, several have said that they are either planning to begin wealth generating activities or they are studying the feasibility of these options. For example, the *Committee for the Improvement of Buxton*, based in Washington, D.C., currently awards scholarships, donates food, and supports a cultural group in Guyana. They are thinking about conducting an economic census of Buxton, however, in order to investigate how to target job opportunities to this area. Similarly, *Guyaid* would ideally like to start a thrift store in Guyana instead of donating clothes. In the same manner, they would like to start a used bookstore rather than donating books. There are no definite plans, however, to implement these ideas.

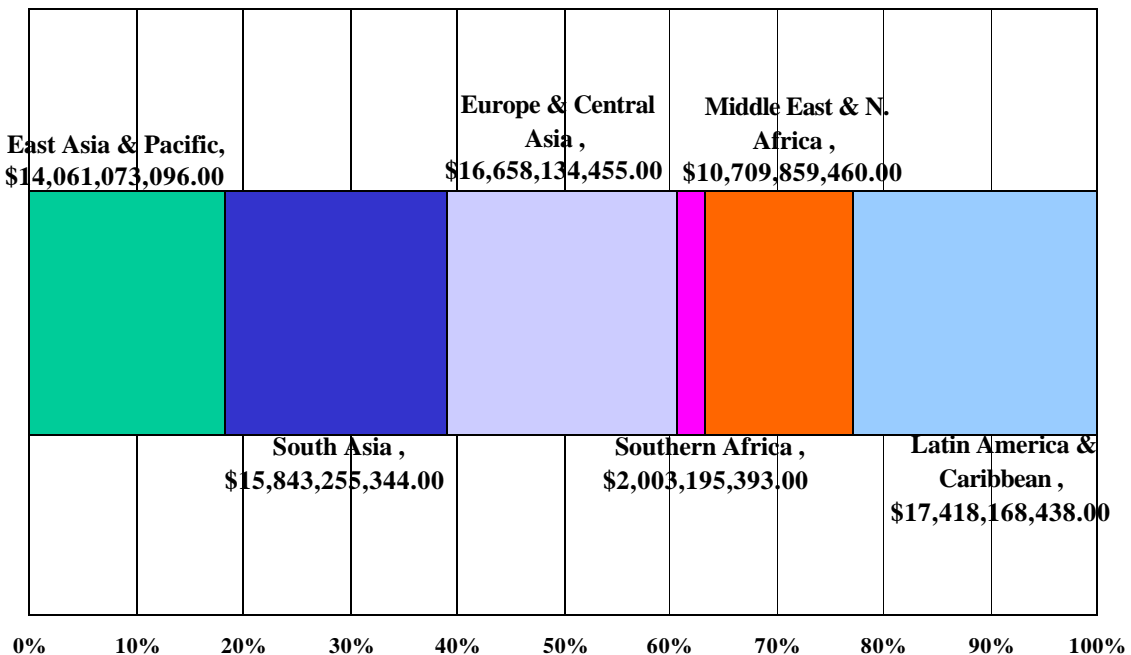
3. Sending remittances

One of the most important forms of connecting with the home country is by stretching the family ties back home. The various ways people strengthen these linkages include traveling, joining hometown associations or groups of a similar nature, staying in touch by phone or mail, but most importantly through remittances. In a world of intense migration, the benefits that the movement of people has had worldwide are quite significant. One important benefit for immigrant sending countries has been remittances. Remittances are what some call ‘the human face of globalization.’ Official numbers show that in a period of ten years, worldwide remittances doubled from \$34 billion in

1990 to over \$66 billion in 2000, “with an annual average in the previous decade of US\$700-1000 per worker” (Harris 2002, 87).

According to World Bank statistics, remittances in 2000 to 80 countries for which data was available, amounted to nearly seventy billion dollars. These estimates provide an illustration of a larger and more significant way in which migrant workers are affecting their home countries’ economies. This data, however, is incomplete and only represents a baseline of what could be the possible flow. There are several reasons for possible underreporting of actual remittance flows: not all countries are reported by the World Bank; sometimes World Bank figures reflect a lower amount than that reported by the Central Banks of each country; and these banks themselves often underreport the actual flows due to a variety of reasons. These shortcomings largely reflect government neglect about recognizing and registering significant outflows of emigrants to various parts of the world and the economic contributions they provide. Some industry experts, in fact, estimate the market to be somewhere between \$140 and \$200 billion dollars. However, despite the lack of significant data, World Bank figures can offer a preliminary map of the remittance trends worldwide (see Figure 2). As the Figure shows, Latin America is the major remittance recipient region in the world.

Figure 2. Worldwide flows of worker remittances by region, 2000



Remittances to Guyana

How much do Guyanese living abroad remit to their home country and what costs do they incur in transferring money? In order to answer these questions, interviews and research were conducted to assess the flows entering Guyana. Government officials, as well as industry competitors, were contacted in Guyana. Moreover, inquiries with community leaders in the United States were also made about the extent to which people remit, and the means they use to do so.

Despite the significantly large Guyanese population living abroad, it is not easy to get a full estimate of the amount of remittances entering the country. Central Bank statistics often do not coincide with private companies' information regarding their transfers. This situation makes the analysis of the trends and their macroeconomic and household impacts more difficult to assess.

Table 5: Remittances and Other Transfers to Guyana (millions US\$)

Type of transfer	1997	1998	1999	2000	2001
Worker remittances	15	14	20.5	27.3	22.3
Migrant Transfers	3	0.9	1.4	26	32.3
Other Unrequited Transfers	36	44.4	40.8	43.1	37.1
Total	54	59.3	62.7	96.4	91.7

Source: Central Bank of Guyana

According to Central Bank figures, remittances and other migrant transfers (such as deposits into personal accounts) accounted for nearly US\$55 million in 2001, up from US\$18 million in 1997. Moreover, the Bank shows that there were also an additional \$37 million in other transfers. These three categories add up to ninety million dollars that come into Guyana from immigrants. The Bank defines these categories in the following way:

“Workers remittances would include transfers made by workers who stay in foreign economies for at least one year. These transfers are made by migrants living and working in new economies to residents of the economies in which the migrants formerly resided. Migrant transfers or remittances and receipts to bank accounts abroad would be transfers made

by migrants to their bank accounts abroad and not to their families. ‘Other unrequited transfers’ mean any non-financial transfers. These would include barrels and boxes, etc.”

The numbers reported seem relatively low considering the large population of Guyanese living abroad. Minimum annual amounts sent per individual generally equal \$1,000. But, more importantly, the average amount an immigrant sends in Latin America is much higher and approximates \$270 a month. Table 6, which reports monthly amounts sent between January and June 2002 to a number of Latin American countries, suggests that there is a relatively stable sending pattern among immigrants, seventy percent of which remit between \$260 and \$280.

Table 6: Monthly Averages Sent by Immigrants from the U.S. (US\$), 2002

Country	January	February	March	April	May	June	July	Mean
Argentina	193	198	193	193	188	198	198	194
Bolivia	279	282	316	278	268	297	271	284
Brazil	372	239	275	341	317	427	425	342
Chile	301	304	293	298	311	318	310	305
Colombia	269	249	257	262	252	260	263	259
Costa Rica	381	349	338	376	375	373	374	367
Ecuador	277	271	269	290	275	296	290	281
Guatemala	259	257	248	265	271	288	284	267
Honduras	258	262	264	276	266	264	280	267
Mexico	379	376	372	394	372	399	380	382
Nicaragua	139	149	149	148	145	148	149	147
Paraguay	302	303	292	301	306	340	320	309
Peru	190	190	198	198	190	188	203	194
Dom. Rep.	204	209	208	214	202	202	197	205
El Salvador	250	245	225	242	248	266	224	243
Mean	270	259	260	272	266	284	278	270

Source: NMTA

Competition and costs

In addition to consulting government information, money transfer companies and banks were approached to learn about the extent to which they participate in the money transfer industry from Canada and the United States. In addition, these companies provided

information about specific characteristics reflected in the relationship between Guyana and its diaspora. In most cases, the results of the interviews and the information provided suggest that the amount of remittances is far higher than that officially reported, and the relationship that Guyanese immigrants maintain with Guyana is quite significant and exceeds the money transfer transaction. This situation leaves a question mark as to the real inflow of remittances.¹

This report sought to obtain information about the extent to which there is an existing competitive system of remittance transfers and whether it is reflected in the costs charged to immigrants. Guyana exhibits two types of money sending groups, in addition to those involved in informal transfers. First, licensed money transfer companies do most of the remittance transfers. One company in particular, Western Union/Grace Kennedy, possibly transfers two thirds of the flows. Second, banks also operate as money transmitters mostly from deposits or as check cashers from immigrants who send checks to relatives. These two institutions represent the type of sender remitting to his or her relatives. In both cases, these businesses also handle remittances sent from Canada. ScotiaBank, for example, receives a significant flow from Canadian deposits. Other companies like Western Union or Laparkan stress that 10% of their remittances to Guyana come from Canada.

Table 7 shows the flows received and distributed by each company studied. Most businesses were interviewed in this study, except for *National Pride*. As the table shows, using the calculations provided by the different companies and banks, annual remittances approach ninety million dollars. This amount does not cover the informal sector or the goods remitted in kind (“barrels” or “boxes”) which could represent at least 20% of total flows.² As the table shows too, this is largely an uncompetitive market, with one company, as in the Jamaican case, significantly transferring nearly three out of ten remittances and a closer competitor handling almost 20% of the flows.

¹ The Central Bank statistics also show that there is an outflow of remittances representing about 50% of what comes into the country.

The remittances handled by banks are mostly SWIFT deposits into a recipient or a sender's account. Notice that banks claim to receive relatively small amounts, about \$200 instead of \$250 as reported by Grace Kennedy and Laparkan. These deposits are clearly more expensive than the amounts charged by the money transfer groups. According to the money transmitter businesses, most remittances stay in Georgetown. Grace Kennedy, for example, stressed that 50% of their transactions are delivered in the Georgetown area and vicinities like Buxton.

Table 7: Remittances by Industry Type and Company

Industry Type and Company	Month			Annual Volume	Estimated Market share
	Transactions	Amount sent per individual	Aggregate		
<i>Money Transfer Agencies</i>					
Western Union/Grace Kennedy	20,000	250	\$5,000,000	\$60,000,000	67%
Laparkan	5,000	250	\$1,250,000	\$15,000,000	17%
MoneyGram	760	200	\$152,000	\$1,824,000	2%
National Pride	NA	NA	NA	NA	
<i>Banks</i>					
ScotiaBank	4000	200	\$800,000	\$9,600,000	11%
GBTI	500	200	\$100,000	\$1,200,000	1%
NBCI	650	200	\$130,000	\$1,560,000	2%
Total	30,910		\$7,432,000	\$89,184,000	

Source: Data compiled by the author from each company's information. Market share is also an estimate by the author based on current data.

Laparkan, a major competitor of Western Union, also transfers its remittances mostly in Georgetown. This competitor, one of the largest retail stores in Guyana, uses its stores as the distributing network. Banks, on the other hand, use their branches for the transfer. However, in most cases, most of the checks and deposits are cleared in the main branch offices of the banks.

Many of the customers, however, who keep their money in bank accounts, are encouraged to use ABMs (Automated Banking Machines) to withdraw the money. Unfortunately, banking institutions in Guyana suffer from two drawbacks. First, there are not many ABMs in the country. The largest bank, for example, has a total of 12

ABMs and the second largest competitor has 7. Second, the ABMs lack international electronic fund transfer capability, thus reducing their chances to attract funds from the U.S. using credit and debit cards issued in the U.S. These drawbacks are significantly relevant considering that Guyanese society has a larger propensity to have bank accounts than other Central American and Caribbean countries. In addition, geographically the operating costs of setting up more ABMs and banking people would not be as high as for larger and more rural countries.

Banking the unbanked in Guyana, as well as motivating account holders to receive remittances through banks, either through direct bank to bank transfers, or by using ABMs, would reduce transaction costs significantly. These costs are currently high, not only in relationship to the value of the principal, but also in relationship to the amounts charged in other Latin American countries. Table 8 shows the costs of transferring \$250, which average about \$26 when considering the top four main sending businesses. Western Union, the main remittance sending company, which controls nearly 70% of the market, charges above this average.

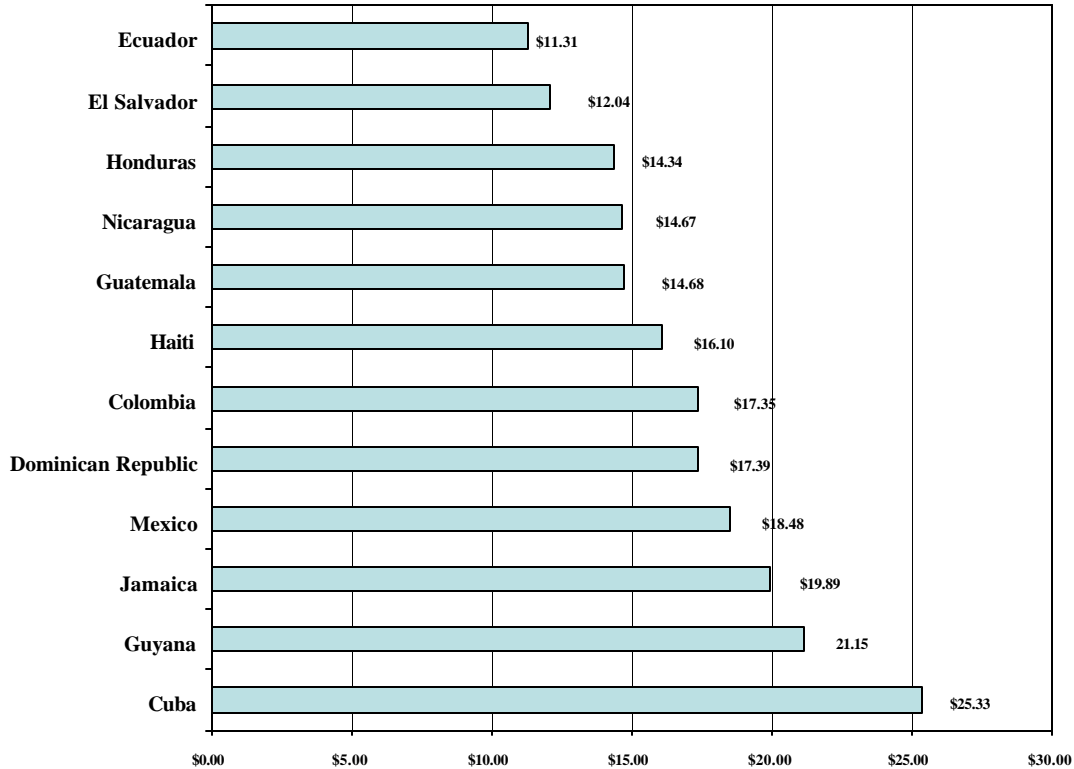
Table 8: Costs of Transferring \$250 to Guyana from the United States

	Company's Exchange Rate	Interbank Exchange Rate	FX Spread	FX Charge	Fee Charge	Total Charge
MoneyGram ³	189	191.05	0.98927	\$2.68	\$25.00	\$27.68
Western Union	189	191.05	0.98927	\$2.68	\$29.00	\$31.68
Ria Envia/Laparkan	189	191.05	0.98927	\$2.68	\$20.00	\$22.68
Ria Envia (USD)					\$26.00	\$26.00
National Pride (USD)					\$24.00	\$24.00
Caribbean International Shipping Services	192	191.05	1.00497	-\$1.25	\$20.00	\$19.76
Caribbean International Shipping Services (USD)					\$21.00	\$21.00

Source: Data compiled by the author.

Moreover, these charges are among the highest in Latin America. Other Latin American immigrants tend to pay less for the amounts suggested. For example, as Figure 3 shows⁴, Guyana is the most expensive country after Cuba for sending \$200. It is important to note that the most expensive countries, Dominican Republic, Cuba, Haiti, Jamaica and Guyana, are Caribbean countries. More importantly, in these countries one of three practices is observed: a company controls over 60% of remittance transfers, (Jamaica and Guyana); there is a significantly high level of informality, above 50% of the amounts transferred (Cuba and Haiti); or the business is controlled by a conglomerate of companies (Dominican Republic) (Orozco 2002a; Orozco 2002b).

Figure 3. Average Total Charge to Send \$200



Costs matter, to both senders and recipients. It affects the sender as well as those who would be able to receive more from the senders. Moreover, as new technologies emerge and banking mechanisms become more affordable, the opportunities to use remittances as a leveraging tool for development are very important and possible. The impact at the macro-economic and household levels would be quite significant.

Impacts

The literature on remittances has shown that these flows have an important macro-economic impact in the receiving sectors. A country's balance of payments benefits significantly from remittances as they help reduce trade deficits, or increase foreign currency reserves. Moreover, as money enters the banking financial system, the national savings rates increase, too, allowing the country to increase opportunities for domestic investment. Guyana has already benefited in many of these respects. For example, the

deposits in bank accounts from Guyanese living abroad are both an important source of foreign exchange and evidence of domestic saving. Also, another benefit has been that remittances have helped to improve property conditions or purchase a new property. The New Building Society claims that many immigrants send money for payment of mortgages and obligations acquired by relatives in Guyana.

Table 9 shows that remittances represent more than foreign direct investment and nearly as much as current official development assistance from all donor parties. Even when compared to trade, which is the country's major source of foreign earnings, and over 80% of the country's GDP, remittances represent an important share. They also represent about 60% of trade with the United States. Despite this significance, there is little or no policy targeting remittances and their possible effects on the country's economy.

Table 9. Macro-economic Relevance of Remittances

	Guyana	El Salvador	Dominican Republic	Mexico
Remittances, millions USD	90	1751	1689	6572
Remittances as % of Merchandise Exports	16%	60%	30%	4%
Remittances as % of Official Development Assistance	83%	973%	2724%	
Remittances as % of Foreign Direct Investment	134%	946%	177%	49%
Remittances as % of GDP	13%	13%	9%	1%

Source: *World Bank Development Indicators*. Remittances data as calculated from Table 7.

In addition to looking at the macro-economic impact of remittances, the effects at the household level are also significant. Evidence from other case studies suggests that about 10% of remittances are secured for some form of investment or saving scheme, which can grow over time. Moreover, there is also discussion as to the rationale of remitting back home: is it for altruistic or economic benefit reasons? This point is important as the effects of remittances in a household can increase the multiplying effects on the economy depending on whether remittances arrived for altruistic or economic purposes.

Studies on remittances to Mexico have suggested that immigrants tend to remit as part of a savings strategy for the future, rather than following purely altruistic reasons (Amuendo-Dorantes and Pozo 2002). This means that immigrants use remittances as ‘insurance;’ that is, they send money back home with the intent to save it or put it to work immediately. Amuendo-Dorantes and Pozo stress, for example, that “when remittances appear to increase with income risk but they are sent home to purchase assets, . . .the immigrant is self-insuring via the accumulation of precautionary saving” (22). In the case of Guyana the evidence suggests a different trend. According to a household survey looking at the Guyanese motivations to remit, the altruistic motivation in remitting prevailed (Agrawal and Horowitz 1999). The relevance of altruism over precautionary saving is quite important. It is assumed that over time altruism can lower remitting commitments because one loses motivation to help the household.

Conclusion and Recommendations

Family remittances illustrate the challenges and opportunities in the age of globalization. The Guyanese community that sends money back home offers important development and growth opportunities. However, these opportunities depend on how certain challenges can be addressed. One of these challenges is the high transaction cost in transferring remittances. Another is the country's limited international connectivity. Depending on the measures employed, reducing transaction costs would create a new economic opportunity in terms of increased remittance flows. Moreover, government incentives in reducing costs could address money management issues nationwide and at the household level.

Central to taking advantage of the opportunities offered by remittances is the ability of governments, the private sector, and development communities to enable an efficient money transfer system that can facilitate low cost remittance transfers. In addition, these different actors can also help offer other choices in economic exchanges between Guyana and its community in North America. A step in that direction involves addressing the electronic deposit fund capability via international interchange venues like Cirrus, Maestro and others. In doing so, remittances could be transferred when the recipient withdraws money through ATMs from a sender's dedicated account to remit back home. Another step involves the forging of alliances between banks in the United States and Canada and Guyanese banks to transfer remittances. This scheme would level the playing field of the prevailing uncompetitive market. Money transfer companies could also participate in such processes by establishing strategic alliances with banks that support the deposit of money received into a recipient's bank account.

The use of banking institutions offers significant benefits to senders and recipients. Senders are able to transfer remittances via ATM technology or by depositing directly into a recipient's account, both at lower costs than prevailing ones.

Recipients, on the other hand, can benefit by accessing their money from a bank or via an electronic deposit fund as needed. In most countries, the majority of recipients are poor,

unbanked, and unable to save, and mostly use remittances to make ends meet. In that case, having a debit card guarantees the recipient the opportunity to access his or her money on an as-needed basis, while safely keeping a balance in the electronic deposit fund. For those able to save, money could be deposited into a regular checking account and accessed by check, debit or store value card. These recipients could also enjoy the advantage of other banking services, which in turn would help increase the country's saving rate. Using these strategies would also contribute to the integration of citizens into financial institutions.

It is also important to consider the implementation of a reliable estimate of remittance flows. The fifty million dollar estimate not only does not coincide with company data, but also does not seem to coincide with worldwide average flows. Annual minimum amounts sent by immigrants are no less than \$1,000, and the per capita average is \$3,000. Using the Guyanese Central Bank figure (\$50 million) and assuming that 100,000 to 120,000 households send money, the average sent per year comes to a low figure between \$458 and \$550. In other words, 50% lower than the minimum reported worldwide and \$2,500 lower than the Latin American average. For an immigrant population size like that of Guyanese in the United States, the likely aggregate amount sent per year is at least \$300 million. Even when assuming that people are sending only \$1,000 a year, the annual flow would exceed \$100 million (see table below). Therefore, it is important to improve tracking mechanisms and methodologies in order to learn more from these flows.

Table 10. Estimates of Guyanese Population in the United States

	Total Guyanese diaspora in the U.S.		
Percent who Send	400000	300000	200000*
30%	120000	90000	60000
25%	100000	75000	50000

Source: author's estimates. * US Census estimate.

Table 11. Annual Per capita Amounts

	400000		300000	
	CB	Estimates	CB	Estimates
	\$55,000,000	\$100,000,000	\$55,000,000	\$100,000,000
30%	\$458	\$833	\$611	\$1,667
25%	\$550	\$1,000	\$733	\$2,000

Table 12. Average Per capita For Latin America

Annual per capita	\$2500	\$3000
Households sending Remittances	120,000 (30% of 400,000 population)	120,000 (40% of 300,000 population)
Resulting Volume	\$300,000,000.00	\$360,000,000.00

This report has sought to understand the contributions of remittances to Guyana as well as the prevailing market structure. As the recommendations and the information provided above convey, the possibilities to further enhance flows into this country are viable and supported by the community residing in the United States.

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Organizations Contacted

In Guyana:

The New Building Society, Ltd.
National Bank of Industry and Commerce, Ltd.
Grace, Kennedy Remittance Services (Guyana), Ltd.
Immigration Service, Guyana.
Public Service Union's Credit Union, Guyana.
Guyana Bank for Trade & Industry (GBTI).
Scotiabank.
Laparkan Financial Services, Ltd.
Ministry of Tourism, Industry and Commerce, Guyana.
Guyana Lawyers Association.

Overseas Organizations:

Committee for the Improvement of Buxton.
The Guyanese Philadelphia Non-Profit Organization.
Guyana Watch.
Guyanese Association of Houston, Inc.
Guyanese International.
Guyanese Assisting in Development (Guyaid).
The Guyana Association of Georgia.