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## Immigrant Remittances Flows: Where Does Canada Fit?

Luz Rodríguez-Novoa

One of the effects of globalization and labour mobility has been the increase in remittance flows. According to the World Bank, global remittances—the portion of international migrant workers’ earnings sent back to family members in countries of origin—have grown from an estimated US\$73 billion in 1999 to over US\$125 billion in 2004. This substantial increase has resulted not only from globalization and changes in immigration policies, but also from the remarkable development of information and communication technologies. Technological progress has led to hyper connectivity and an increase in migrant transnational activities.

The development community has recognized the importance of remittances in promoting development and economic growth. In the past five years there have been a myriad of studies, conferences, and multilateral agreements aimed at assessing how international migration and remittances can be linked to international development. Policymakers and scholars have explored remittances from diverse angles, including the sources, uses and typologies of remittances, as well as the profile of remitters and beneficiaries.

Recently, the emphasis has been on implementing technological innovations to reduce the cost of transferring money and on strengthening financial regulations to avoid money laundering. As well, there has been a focus on *banking un-banked* families in host and home countries, and on assessing co-investment initiatives between immigrant host countries and their Diasporas.

Where does Canada fit within the current discussions about immigrant remittances flows?

Together with the US and Australia, Canada receives the largest proportion of immigrants from developing and transition countries. Some of the main remittance-receiving countries (in nominal terms) are among the top-ten countries that send immigrants to Canada, including India, Pakistan, China, and Sri Lanka. Also, anecdotal information and preliminary small-scale studies suggest that certain growing (i.e. Latin American) or more established immigrant communities (i.e. Caribbean) regularly transfer money to their home countries. Given these realities, one may presume that remittances from Canada have been and will continue to grow at a dynamic pace.

However, the information on remittances from Canada included in International Monetary Fund (IMF) and World Bank databases suggests that remittances from Canada are very small. Canada does not even appear as one of the world's 20-top

source countries for remittances payments. Nevertheless, this figure may be misleading, due to the fact that Statistics Canada has limited expertise in collecting this information, and as such the reality of the remittance situation in Canada remains unclear. Remittances from Canada have been under-recorded, under-studied, and awareness about their importance is still in its initial stage.

Remittances from Canada are a relevant issue to be studied. Emerging, though limited, efforts are being made by the federal government to gather and process data on remittances from Canada, and fortunately, some progress has been made. In 2004, Finance Canada put in place pilot partnerships with Indian and Jamaican governments and Canadian commercial banks to explore ways to reduce the cost of sending remittances from Canada to these countries. The Canadian International Development Agency (CIDA) funded initial studies aimed at exploring how remittances help to mitigate poverty. This year Statistics Canada officials participated in the *International Technical Meeting on Measuring Migrant Remittances* organized by the World Bank and the IMF.

Nevertheless, given the current global trends in the study of remittances flows, Canada is still far behind in the exploration of the transnational activities of immigrant Diasporas. What can Canada do to better understand the role played by Diasporas in their home countries and facilitate an environment for remittances?

To be effective in promoting policies linked to remittances, there is a need for an integrated federal agenda that sets the terms of reference for a national strategy and allocates human and economic resources to study remittances flows from Canada (Orozco, 2005). Efforts should also be made to reduce transfer fees and to examine models of tax exemptions in certain cases, for instance when immigrants are supporting relatives in their countries of origin (Simmons, 2005). Furthermore, promoting the participation of alternative financial institutions and credit unions in the remittances market in Canada is pivotal.

Additionally, the challenge for Canadian policymakers and researchers is to critically discuss how market-oriented policies are affecting immigrants and their circumstances. In many cases market-oriented policies demand that Diasporas complement the social protection and welfare services provided to families and communities by their home governments.

Remittances do play an important role in mitigating income shocks and avoiding extreme poverty for certain groups. However, immigrant remittances cannot become a substitute for international development aid, for welfare policies, or a surrogate for local private sector investment in immigrants' home countries. Remittances are not a development model, but rather indicate that development has failed in immigrants' home countries. Remittances should be considered as one of the multiple components of development.

Many stakeholders involved in the study of remittances agree "international migration is a global process, and as such, understanding it requires a global vision". Canada must join forces with labour exporting countries to better

understand the structural problems faced by migrant communities abroad and work together to create inclusive welfare systems and support fair-labour conditions that will lead to integral developing strategies. Public authorities, financial institutions, and civil society on both sides of the remittance equation need to come together and promote dialogue about a development model that is progressive, sustainable and democratic.■

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Luz Rodríguez-Novoa is a professional urban planner and researcher. Her interests include local socio-economic development, financial exclusion, and the economics of migration. [luz.rodriguez@utoronto.ca](mailto:luz.rodriguez@utoronto.ca).

## Cuban Women Struggle Even After Pay Raise

Ileana Fuentes

In May 2005 Fidel Castro announced a new salary scale and a nation-wide salary increase that raises the minimum salary from 100 to 225 pesos (with certain exceptions for Armed Forces-run companies, where the minimum monthly wage will be 277.88 pesos). According to this new salary scheme, a high school teacher with 20 years of experience will now earn 453 pesos—US\$18—an increase of 51 pesos over the previous 384 peso salary.

However, the salary scale is not standard across the occupational divide, and the starting salary for certain professions is higher than others. For example, social workers graduating from specialized non-university schools start at 345 pesos per month. (Some Cuban sociologists point out that the government needed to provide a salary incentive to attract new people to a profession that is increasingly challenging given the myriad social problems troubling Cuban society). Teaching professionals also find little incentive to stay in the classroom. The starting salary for teachers licensed after a one-year, fast-track program, and School of Education college graduates entering the work force after 5 years of training, are now the same. The latter's salaries started at 198 pesos; the fast-track graduates at 167. Now both will start at 225 pesos, in spite of the difference in their respective educations.

Cuban teachers and health workers are not happy with the current situation, which has serious gender-implications. An estimated 70% of education workers, and 72% of those in public health, are women. According to one regional leader of the dissident Independent Teachers Association (*Colegio de Pedagogos Independientes*), discontent among educators is such that teachers are leaving their profession—for dollar-generating employment—in greater numbers than workers in any other professional field. “Women don’t want to be teachers any more. Aspiring candidates know they can earn

dollars in the tourism industry and fare much better. Also, it is common knowledge that a *jinetera*—a prostitute that caters only to foreign visitors—can make a teacher’s annual salary in one week”, says exiled educator Miriam García Chávez, founder of the independent *Colegio*, who continues to monitor the situation on the island.

## Cuba-European Union

On July 24, 2005 the European Union (EU) issued a statement saying that it was “extremely concerned” by the detention of opposition activists in Cuba, including the temporary detention of Martha Beatriz Roque—president of the opposition organization Assembly for the Promotion of Civil Society (APSC). Some experts have noted that recent detentions show a “clear hardening” on the part of Havana, which was designed to intimidate protesters ahead of the country’s July 26 celebrations marking the anniversary of Fidel Castro’s attack against Moncada garrison in 1953. Signs of social unrest have been visible throughout the island. The summer has been hard for Cubans, as an energy crisis has led to lengthy power outages and a lack of water and fresh food, in addition to the damages caused by Hurricane Dennis, which left 16 people dead and destroyed 120,000 homes.

The latest roundup was the second that Cuban authorities launched against the dissident movement in July. Twenty-four individuals were arrested in Havana on July 13 during demonstrations commemorating the 1994 drowning death of 41 people trying to flee Cuba by boat. Six of the 24 dissidents imprisoned were not immediately released and remained behind bars. A demonstration at the French embassy organized by the APSC on July 22 resulted in a second crackdown, with 33 dissidents detained. The APSC said the protest was meant to call for the release of “all political prisoners”, including the six who remained detained after the July 13 arrests. But dissidents appeared also to have chosen the French embassy to show their displeasure at French and EU policies toward Castro’s regime. Namely the fact that after EU sanctions on the Cuban government were lifted in January 2005 EU governments have changed their policies and are now able to invite Cuban authorities—and not dissidents—to diplomatic events. Given the change in policy, France invited Cuban authorities to the French Embassy’s July 14 Bastille Day celebration, and invited dissident leaders, including Roque, to a parallel dialogue the day before France’s National Day.

Together with the EU, the French government also demanded that “those arrested be freed without delay”, but the British presidency of the EU suggests that the latest incidents in Cuba are unlikely to prompt action before the next formal review of the sanctions in June 2006. By July 26, Cuban authorities had released 42 of the dissidents imprisoned during the month, but the majority of 75 dissidents imprisoned in 2003 still remained in jail. (*EUObserver*, *AFP*, *AP*, 13-26/ 7/ 2005).

Cuban and foreign gender scholars agree that, in spite of the gains they have made, Cuban women have carried the heaviest burden in the socialist experiment, for in addition to being breadwinners, they continue to be homemakers and caretakers, a thankless task amidst the decades-long economic crisis.

Women face challenges in meeting their own basic personal needs. For example, sanitary napkins, rationed to 1 box a month, were supplied only 5 months of the year until a year ago when distribution increased to seven months. At the *chopins*—the dollar-only stores named after “shopping”—they can be purchased in dollars. Most women resort to homemade cloth liners fashioned from rags, old bed sheets and worn out clothes. As for food, a 2004 study conducted by opposition leader Vladimiro Roca showed that an average monthly salary, if used only for food, would cover family needs for a week to 10 days. It is no different today, after the salary increase. The daily basic food basket (*canasta básica*) still costs 18 pesos, and is calculated on the nutritional needs of a six-person household, where a half a pound of chicken or fish costs 24 pesos; one litre of milk, 30 pesos; 1 litre of soy yogurt, 15 pesos; 1 small avocado, 5 pesos; a whole papaya, 20 pesos; 1 pound of yams, 4 pesos; 1 pound of pork, as much as 25 pesos.

Dissident economist Martha Beatriz Roque estimates the unemployment and underemployment rate at close to 60%, in spite of the government’s assertion that it is 3%. Independent labour activists estimate that inflation is close to 500%, and point out that there has never been a practice of providing cost-of-living adjustments. Opposition leader and social democrat Manuel Cuesta Morúa described the salary increases as “meagre” and blamed the recent alarming rise of discontent with Castro’s 46-year administration on this policy, as well as on “scheduled daily power outages, the poor

quality of services, and the government's crusade against the self-employed".

The recent salary increases do not solve these problems, or any of the problems women—and all Cubans—face on a daily basis. As workers, their labour rights are not protected, in spite of International Labour Organization (ILO) demands. As citizens, they face inefficient transportation, food and medicine shortages, a double-currency economy where even the higher salaries cover half a month's worth of a family's basic needs, power outages that last 14 to 18 hours a day, water shortages and poor and crowded housing. Only time will tell if the veteran Cuban teachers will make do with their monthly salary of 435 Cuban pesos, or if health professionals—including doctors and nurses, already frustrated with deteriorating working conditions

and a generalized shortage of medical supplies and pharmaceuticals—will be able to manage.■

Ileana Fuentes is a feminist author, cultural critic and the Executive Director of Red Feminista Cubana, a Miami-based Non Governmental Organization.

### Telesur is Launched

Telesur—Television of the South—was officially launched on July 24, 2005. Telesur is an alternative 24-hour television network created by Venezuelan President Hugo Chávez to fight what his government has called the “cultural imperialism” of the US and European media. Andrés Izarra, Telesur President and Venezuela's Minister of Communications stated: “We launch Telesur with a clear goal to break this communication regime and present a vision, a voice which until now has been silenced”. Based in Caracas with 160 employees, Telesur will have correspondents in nine countries (Venezuela, Cuba, Argentina, Brazil, Bolivia, Colombia, Mexico and the US) and will carry images from state and academic-related television stations across the region. The company was established with US\$10 million capital, with 51% control held by Venezuela, 20% by Argentina, 19% by Cuba and 10% by Uruguay. Telesur will be broadcast in Argentina, Bolivia, Brazil, Uruguay and Venezuela. Cuban authorities have said that “in this first stage” the Cuban population will access Telesur only through national TV news broadcasts.

The new TV network has stirred the already strained relations between the Venezuelan government and Washington. Four days before the network's first broadcast the US House of Representatives approved a measure authorizing the US government “to initiate radio and television broadcasts that will provide a consistently accurate, objective, and comprehensive source of news to Venezuela”. Florida Republican Connie Mack, who proposed the resolution, linked the inception of Telesur with Chavez's plans to launch a Latin American television network “patterned after al-Jazeera to spread his anti-American, anti-freedom rhetoric”.

President Chávez, who considers the network vital to his vision of Latin American and Caribbean integration, reacted to Washington by saying he was ready to enter into an “electronic war” and jam the transmissions from the US in the same way Cuban President Fidel Castro did when the US set up Cuba-directed Radio Martí in 1985. (AFP, CNSNews.Com, Radio Rebelde, Reuters, 20-25/7/05).

### Editorial

#### Race in the Americas: Memín Pinguín is the Least of our Worries

Carlo Dade

Far from being a tempest in a teacup, the controversy over the publication in Mexico of an official stamp of the Afro-Mexican comic book character *Memín Pinguín* is a harbinger of what will be an increasingly vocal and strident clash within the Americas about race. How the issue is managed between the US and Mexican civil society and governments will go a long way in determining the ground rules for resolving future controversies.

That race, and particularly the social, political and economic marginalization of Afro-descendent populations, is becoming important in the Americas should not come as a surprise. People of African descent in Spanish and Portuguese speaking Latin America, also known as “Afro-Latinos”, comprise 150 million of the region's 540 million population according to World Bank and Inter-American Development Bank (IDB) figures. Afro-Latinos are classified ahead of women and indigenous populations as being the poorest and most marginalized group in the region. In recent years, Afro-Latino organizations have become more vocal in demanding increased rights and representation and are finding a receptive audience in international fora and institutions such as the World Bank, the IDB, USAID, the British Department for International Development (DFID) and United Nations agencies such as the Pan-American Health Organization (PAHO). The rising presence of these groups—and the rising volume of their demands—has prompted positive and constructive responses in Brazil and

Colombia, but a negative backlash elsewhere. Part of the negative reaction has been a perception among many in the region that Afro-Latino groups and their allies are simply, and incorrectly, projecting US conceptions of race to the region.

This impact of racial discourse in the US on Latin America is complicated by racial conflicts between US Latinos and African-Americans being projected into Latin America. An immediate example of this conflict is the tensions between African-American and Latino communities in Los Angeles over the police shootings and killings of Devon Brown, a 13-year-old African American boy, and Suzie Marie Peña, a 19-month-old Hispanic girl—both of which generated denunciations and large-scale street protest. The shootings laid bare the Los Angeles Police Department's (LAPD) troubled history with minorities, but the shootings also highlighted the difficult state of relations between African-Americans and Latinos in the city. It was not just that Latinos did not participate in the protests over the Brown shooting, or that African-Americans did not participate in protests over the Peña, but that both sides felt that attention to the "other" shooting took attention away from the more dire situation in "their" community. This is a distinction that is lost on many outside these communities including the LAPD. Earl Ofari Hutchinson, an African-American reporter in Los Angeles writes of being berated by African-American activists for attending memorial services for the Peña girl.

Tensions between Latinos and African-Americans simmer below the surface throughout the US, from New York to North Carolina to Los Angeles, and

these tensions centre on economic and political issues. On the political side many African-Americans fear that in the zero-sum game of US politics their hard won gains in government and its attendant patronage, earned through decades of struggle, will be swept aside by the "new" largest minority. These concerns have been cited when explaining the low African-American support for the candidacy of Los Angeles mayor Antonio Villaraigosa; analysts contend that African-Americans preferred to see a white republican rather than a Hispanic democrat as mayor because the former candidate would at least maintain the status quo in terms of patronage toward the African-American community, while the later candidate would apportion more resources to the Hispanic community. On the economic front the situation is tenuous, as African-Americans at the lower end of the socio-economic ladder face declining incomes and job prospects while watching recent immigrants begin to climb the economic ladder in a manner and at a speed that has eluded most African-Americans.

It was in this environment—just prior to the Peña shooting—that Mexican President Vicente Fox made his comment that "Mexican immigrants to the US take jobs that not even blacks want to do" and the *Memín Pinguín* stamp was released. Though President Fox's comments echoed sentiments expressed by many in the US private sector who depend on immigrant labour, the comments touched a raw nerve among African-Americans, and more importantly, the comments put a face on rising tension and economic frustration felt by African-Americans levelled at Hispanics. In effect, Vicente Fox became the poster boy for much of this resentment, while *Memín Pinguín* added another face to the growing perception of Mexican/Hispanic hostility toward African-Americans. Many Mexicans view the stamp as a beloved reminder of an innocuous childhood comic book character whose crude characterizations are the norm for all characters in Mexican comics, be they Mexican or Indigenous. However, to the African-descendant populations throughout the Americas the crude racial characterizations of the comic book character cannot be seen as anything but emblematic of the imagery that has been used to justify and perpetuate violence, exclusion and

### CAFTA Passes

On July 27, 2005, with a margin of two just votes—217 in favour, 215 against and two abstentions—the US House of Representatives passed the Central America Free Trade Agreement (CAFTA), following intense lobbying by the Bush administration. The ratification of the agreement by the House, which extends trade relations between the US and Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica and Dominican Republic, followed the approval of the Senate in June 2005.

CAFTA will enter into force on January 1, 2006, creating a market of US\$30 billion. With CAFTA in place the trade of goods and services will be more secure and, according to the Bush administration, US products will have equal access to Central America markets—the second largest Latin American market for US products after Mexico. Although the agreement is not expected to have an important economic impact on the US, ratification was important to demonstrate US commitment to free trade.

US ratification follows the approval of the agreement by El Salvador, Guatemala and Honduras. Although ratification in the US was the most important challenge for the implementation of the treaty, Nicaragua, Costa Rica and the Dominican Republic have not yet ratified it. The Nicaraguan legislature is anticipated to pass the agreement shortly.

marginalization. This is especially true in the United States where the image of *Memín Pinguín* is an exact copy of the pickaninny and sambo imagery of Jim Crow.

The rapid and intense movement of information and people is bringing the Americas closer together. As a result it is drastically changing discussions about race. On the one hand, the openness and centrality of race in the US social discourse is being transmitted to the region, and some would argue to Canada. This is helping nascent Afro-descendant organizations to find their voice and to forge a common vision and strategy based on a shared history of slavery, political exclusion, state repression, institutionalized racism and poverty. On the other hand, the transnational linkages between Latino immigrant communities in the US and their countries of origin are likely serving as a conduit for existing African-American-Latino tensions in the US, allowing these issues to be recycled with the arrival of new immigrants from the region and making the resolution of these conflicts more difficult in the US. The solution is more open discourse about race. Unfortunately, an opportunity to begin this dialogue was missed with the most recent tempest over *Memín Pinguín* and President Fox's comments. ■

Carlo Dade is a Senior Advisor at FOCAL

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# FOCAL

1, rue Nicholas Street,  
Suite/Bureau 720  
Ottawa, Ontario  
K1N 7B7 Canada

Canadian Foundation for the Americas Tel/Tél : (613) 562-0005  
Fondation canadienne pour les Amériques Fax/Télé : (613) 562-2525  
Fundación Canadiense para las Américas E-mail/Courriel : [focal@focal.ca](mailto:focal@focal.ca)  
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