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11.462 Housing Problems and Policy in Developing Countries

Prof. Anna Hardman

No Place Like Home:

Transnational Dominican Migrants and Their Housing Choices

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ABSTRACT

Today's migrants differ from past waves of newcomers because many maintain even closer ties to their sending country. These connections, which can be defined as "transnational", may be emotional but may also take physical shape. In particular, return migration and remittance payments may influence the housing choices migrants and their kin make in the host country and in the sending country. Because "home" expresses identity, prosperity, and investment decisions, it is important to gain an understanding of how transnational migration influences housing preferences. The number of Dominican migrants in the United States continues to grow along with the funds they are transferring to families and relations in the Dominican Republic through remittance payments. Anecdotal evidence suggests that a significant portion of remittances flows towards housing. However, an empirical study of data gathered by the Latin American Migration Project does not show that remittances are not directly impacting housing investment decisions even though qualitative studies suggest the opposite. Future research should try to address the disconnect between current data and determine how housing preferences are driven by the migrant experience.

Introduction

Some migrant groups have established themselves as “transnational” meaning they are able to maintain close ties to their sending communities and often return there after many years in the host country. Current research has shown that Dominican migrants in the United States have established a transnational identity that spans their sending and receiving communities. (Levitt, 2001) The phenomenon is extremely relevant with one in nine Dominicans living abroad. 1 million Dominicans of a total population of 9 million are believed to be living in the United States.¹ Living in this transnational social field impacts all aspects of life, including housing choices. The following research originates in the significance of the transnational phenomenon among Dominican migrants and a concern for housing quality in the United States and in sending communities.

Anecdotal evidences suggest that many Dominican migrants establish two homes, one in the receiving community in the United States and one in their sending community in the Dominican Republic.²

Working Hypothesis: Dominican migrants make housing choices that are influenced by the close ties they uphold with their sending communities. Key characteristics of migrants and the availability of funds from abroad drive the choices Dominicans make to invest in and maintain homes in the Dominican Republic and the United States.

Working with data collected by the Latin American Migration Project³ (LAMP), the following paper aims to test this hypothesis and provide guidelines for future research. The data gathered by LAMP provides insight into five areas concerning the migrant experience and housing investment decisions:

- Current living conditions
- Evolution of living conditions
- Existence and condition of a home in the Dominican Republic
- Sources of financing for housing in the United States and the Dominican Republic
- Amount and spending of remittance flows

1 Martin, Philip and Elizabeth Midgley, Michael S. Teitelbaum. “Migration and Development: Whither the Dominican Republic and Haiti?” *International Migration Review*. V. 36, no2. (Summer 2002), pp. 570-592.

2 Peggy Levitt. *The Transnational Villagers*. (Berkeley: University of California Press, 2001). José Itzigsohn, and Carlos D. Cabral, Esther Hernández Medina, Obed Vázquez. “Mapping Dominican Transnationalism: Narrow and Broad Transnational Practices,” in *Ethnic and Racial Studies*. (Vol. 22, No. 2, March 1999).

3 Latin American Migration Project, <http://www.pop.upenn.edu/lamp/>

The data were not compiled with specific attention to housing and many questions remain unanswered. However, the results presented here are a starting point for future empirical studies, which could provide conclusive data on the connection between migration and housing conditions. With increasing flows of remittances and numbers of migrants, the suggested future research could assist policy-makers in understanding the demand for housing by transnational communities in the Dominican Republic and the United States.

An “Anecdotal” Hypothesis

Many of our informants have houses, tracts of land, or small businesses that are tended to by family or friends, or maintained idle waiting for their owners return. Consider the case of Juan, who has lived for fifteen years in Providence. Juan had some university training when he migrated, but in all his years in the United States he has been a factory worker. Nevertheless, Juan has saved enough money to buy land near his home town in the Dominican Republic. Juan has also bought a number of cows, currently kept by his father. The goal of Juan’s investment is not to make a living out of [it], but to have some assets for an eventual retirement home. Whether Juan will retire in the Dominican Republic is an open question. The fact is that the desire to return leads a large number to invest money in businesses and real estate in the Dominican Republic.

(José Itzigsohn, and Carlos D. Cabral, Esther Hernández Medina, Obed Vázquez. “Mapping Dominican Transnationalism: Narrow and Broad Transnational Practices,” in *Ethnic and Racial Studies*. Vol. 22, No. 2, March 1999, pp. 327-328.)

This anecdotal account was delivered to José Itzigsohn who has studied transnational life in Dominican communities in Providence, RI and New York, NY. Juan’s story and similar histories provide evidence that migration influences housing choices. *Transnational Villagers* by Peggy Levitt documents similar scenarios.⁴ Even though these studies are not designed to address shelter and investment the research implies that housing decisions and migratory experiences are interrelated.

⁴ Mary M. Kritz, Charles B. Keely, and Silvano Tomasi. *Global Trends in Migration: Theory and Research on International Population Movements*. (New York: Center for Migration Studies, 1982), p. 270: “The few studies that have been carried out in this general area, however, indicate that increased savings are often directed towards purchase of land, housing, and consumer durables (usually with high import content).”

The ethnographic, anthropological, and sociological research performed by Itzigsohn and Levitt connects housing and migration in several different ways. First, migration increases the amount of disposable income available in the sending community, which allows families to consume more goods like housing. Second, the migratory experience affects a family's way of life, which changes household consumption patterns. Third, living in a new environment can modify preferences for different types of housing perhaps at higher standards.⁵

Both studies emphasize that the quality of life for sending communities improves. Low-income families receive or buy durable and non-durable consumer goods because they send migrants abroad.⁶ Relations are likely to be living in significantly better conditions by having access to another source of income in the form of remittances. Remittance payments are funds sent back to the home country by workers earning wages in a host country. For 2001, the IMF estimated that the Dominican Republic received US\$1.8 billion in remittance payments, which is considered a gross underestimate as not all transmissions of funds are captured by the IMF tracking methodology. Recently, the Inter-American Development Bank's published *Billions in Motion*, which documents the magnitude of remittance payments and their flows.⁷ The report underscores the important effects of remittance payments and the difficulty of tracking them.

Sending families not only consume more but also change their consumption patterns. When migrants transfer funds back to their relations they convey information about the new life they are leading in their receiving community. In the words of the Dominican consul, "Dominicans abroad are always present by means of the remittances they send."⁸ Levitt calls these exchanges "social remittances" and stresses their importance for understanding the impacts of migration.⁹

Social influences can drive physical transformations within sending communities because new daily routines change the type of housing demanded by return-migrants or migrants' families. Peggy Levitt observed that Miraflorenos returning to their village in the Dominican Republic

5 India is experiencing a significant amount of return-migration. These return-migrants are demanding higher quality housing similar to the homes they were living in abroad. Developers are responding by building expensive gated communities that fulfill the specific preferences of these return-migrants.

6 Itzigsohn, 1999, p. 327.

7 Recent report produced by the Pew Hispanic Center and the Multilateral Investment Fund.

<http://www.iadb.org/exr/PRENSA/2002/REMITTANCES.pdf>

8 Itzigsohn, 1999, p. 327.

9 Levitt, 2001, p. 61-62. and Peggy Levitt, "Social Remittances: Migration Driven Local-Level Forms of Cultural Diffusion," *International Migration Review*. Vol. 32, no. 4 (Winter 1998), pp. 926-948.

replaced the front galería of typical houses with more private backyards or surrounded them with higher enclosing walls. Used to a more private life in Boston, the new home plans emphasized personal space and implicitly discouraged drop-in visits from neighbors, which are part of local village culture. In this case, the change in daily practices does not impact migrants’ decisions to invest in housing but it does influence the type of structures they build.

A Theoretical Framework

The range of anecdotal evidence can be organized in a theoretical framework grounded in studies of the transnational phenomenon and migration. Itzigsohn suggests that transnational activities differ significantly from each other and can be classified along a continuum that is labeled broad and narrow at the extremes. The following table is taken from Itzigsohn’s research and shows how he organizes transnational behaviors:

Mapping Transnational Practices

Transnational Practices		
Narrow		Broad
High	Institutionalization	Low
Constant	Participation	Occasional
Regular	Movement	Sporadic

Dimensions of narrow and broad transnationality. (Table 3. Itzigsohn 1999, p.323.)

The table maps all the transnational practices Itzigsohn identified among Dominicans living in Providence, RI, New York, NY, and the Dominican Republic. Investment decisions are categorized as long-term and broad activities falling in the right column. The symbolic, forward-looking aspect of buying real estate in the sending or receiving community distinguishes housing investment from other forms of economic transnationalism.¹⁰

In Itzigsohn’s model, the long-term impact of housing choices and the sporadic movement of goods and people makes housing investment a broad transnational activity. Migrants investing in housing are engaging in a transnational social field but they are not part of a frequent exchange of goods, services, and funds as a result. They may be engaging in other activities, which are narrowly transnational but their housing choices are determined by long term visions.

¹⁰ Itzigsohn, 1999, p. 327

Itzigsohn’s conclusion depends on interpreting housing primarily as an economic activity. As a social construct, housing could also be interpreted as a narrow transnational activity. In a 1997 working paper by the International Food Policy Research Institute,¹¹ researchers tested the role remittances play between households and migrants. In some cases, migrants remit as a form of insurance. In other cases, remittances are investments towards potential return-migration and retirement. When migrants are insuring the welfare of relations in the sending community they engage in narrower transnational activities with frequent contact and regular movement. Investment decisions, however, would not necessarily induce the same amount of intense interaction and mutual dependence.

The following table combines the motivations driving migrants to remit funds with housing choices:

Housing and Remittances

Reason for Remitting	Location of Housing	
	Sending Community	Receiving Community
Investment	Assisting parents, siblings	Maintain base in receiving community
Insurance	Future inheritance	Investment for children born in receiving community

The motivation and the location of the house or land will drive spending by migrants and their relations on housing. In turn, each scenario can be associated with specific physical characteristics of the lot, house, or apartment. With this theoretical framework supported by anecdotal evidence, the following section analyzes relevant findings from the LAMP database.

11 Benedicte de la Briere et al. “Why do migrants remit? An Analysis for the Dominican Sierra,” Working Paper. Washington, D.C.: Food Consumption and Nutrition Division, International Food Policy Research Institute, 1997, <http://www.cgiar.org/ifpri/divs/fcnd/dp/dp37.htm>.

Benedicte de la.Briere, Elisabeth Sadoulet, Alain de Janvry, and Sylvie Lambert. “The Roles of Destination, Gender, and Household Composition in Explaining Remittances: An Analysis for the Dominican Sierra,” *Journal of Development Economics*, v. 68 (2002), pp. 309-328.

LAMP-DR7 Data and Results

An available data set collected by the Latin American Migration Project (LAMP) was used to begin testing the relationship between housing and migration quantitatively. LAMP, a collaborative research project based at the University of Pennsylvania and the University of Guadalajara and supported by the National Institute of Child Health and Human Development (NICHD),¹² collects migration data on four Central-American and Caribbean countries. Seven communities were interviewed over two years to compile the data in the LAMP-Dominican Republic Database (LAMP-DR7). Communities 1 through 5 were interviewed during the summer of 1999, community 6 was interviewed in February 2000, and community 7 was visited in December 2000. Two communities are urban and located in the capital Santo Domingo. The remaining communities are rural. Please refer to Appendix 1 for a map of the Dominican Republic and Appendix 2 for a detailed summary of each community compiled by LAMP. Migrants were interviewed in the Dominican Republic and in their U.S. communities. Tables 1, 2, and 7, 8, which will be discussed in more detail below, summarize the characteristics of migrants and households by community and place of survey.

The DR7 database is subdivided into six files. Two data files were used for the purposes of this research, the migration data file (MIG) and the housing data file (HOUSE). The data on migration and housing results from a survey questionnaire, which addresses the following specific issues related to this study:

- Monthly spending, including rent/lodging
- Amount of money sent/taken back to Dominican Republic in form of remittances and savings
- Spending of remittances and savings
- Real estate ownership schedule
- Source of financing for real estate holdings (including migration dollars as a separate category of financing)
- Tenancy
- Characteristics of housing and real estate: type of property and building materials
- Location of housing and other real estate
- Household amenities (running water, electricity, sewage, appliances)

¹² Latin American Migration Project, <http://www.pop.upenn.edu/lamp/>

While the questionnaire aims to capture the migrant experience, certain questions also begin to describe the housing choices made by migrant households and their relations in sending communities.

Methodology

Initially, all the characteristics of the population samples were compiled. The summaries are unweighted descriptions of the samples interviewed by LAMP. In a second step, descriptive statistics were calculated. In some cases, weighted statistics are included at LAMP's recommendation to balance the disparities between rural and urban communities as well as interviews conducted in the United States or the Dominican Republic.¹³ Frequency distributions, quartiles and means are the primary statistics provided. Additional charts and crosstabulations ensue that outline the interconnection between remittance flows, migrant characteristics, and housing choices.

Results

The sample of 168 observations documented in the migration data file is described in Tables 1 and 2. Overall, half the migrants were interviewed in the Dominican Republic and half in the United States over the course of three years from 1999 to 2001. However, the distribution was not even within communities. In an extreme case, only one interview of 16 was conducted in community 7. Approximately one quarter of the respondents were from urban communities in Santo Domingo. 70% of the interviewees were male and 30% female. The average age was 10 years. The level of schooling was high among respondents with three quarters having attended school for more than five years and one half of respondents reporting nine or more years of schooling. On average, respondents attended school for ten years with almost no difference between the rural and urban samples.

The migration patterns reported by respondents show significant spells in the United States averaging approximately two and a half years. More than half of all respondents entered the United States as legal residents on their first and last migrations. Tourist entry was the second most common form of documentation used for migration. For the first and last migration, almost half the

¹³ A complete document on the weights calculated by LAMP is located on their website.

<http://www.ssc.upenn.edu/lamp/documents/MMP%20and%20LAMP%20Weights.pdf>

illegal migrants stemmed from community 5. Interestingly, community 5 is located within a city that has been linked to drug trafficking with New York City.

Migrants were asked to describe their monthly budgets for food, rent, remittances, and savings. The summary findings are compiled in Table 3. Overall, much higher spending was reported by migrants interviewed in the Dominican Republic. The average monthly remittance payment was reported at approximately US\$115 and approximately US\$140 were contributed on average to savings every month.

70% of respondents reported savings or remittances. The levels of remittances and savings are documented in Table 4. Chart 1 shows the distribution of remittances according to the cumulative percentage of migrants sending money back to the Dominican Republic. The distribution is very regular but concentrated between US\$80 and \$200 per month. Chart 4 maps remittance levels onto levels of education of migrants. The highest levels of remittances fall in the group with the highest level of education, which can also be interpreted as a measure of income.¹⁴ Chart 5 breaks out remittances according to the principal occupation of the household head as another indirect measure of income. Skilled workers who are likely to earn higher wages are also sending larger remittance payments back to their sending communities.

Chart 3 as well as Tables 5 and 6 show how remittances and savings were used. The majority of savings and remittances were spent on immediate expenditures labeled food and maintenance in the survey. Less than one percent of respondents reported purchasing a completed house or buildable lot with savings or remittances. Approximately 5% listed construction or repair work as a portion of their savings expenditures. Possibly, some of the food and maintenance expenditures include smaller housing investments that respondents did not interpret as significant enough to list separately. Nonetheless, the empirical evidence based on the LAMP data seems to indicate that migrants are not investing large portions of remittances or savings in housing.

In addition to the sample of migrants, the DR-7 database includes 968 observations of household behavior mostly collected in the Dominican Republic. Table 7 summarizes the characteristics of the households surveyed by community and Table 8 describes the sample by place of survey. 70% of the household heads were male and a significant amount, 30%, were female. The level of educational attainment for the household heads was evenly spread among the categories of

¹⁴ The survey does not provide clear measures of income or general expenditure. Some wage information in the sending community and the receiving community was collected but it is unclear how regular income streams from wages were. Education is used here as an alternate measure of income.

education and slightly lower overall in the rural communities (see Table 8b). Chart 4 shows that educational attainment was almost equally high for female and male household heads. For those household heads who were also migrants, educational attainments were not as equally distributed but fell either in the highest or second lowest level of educational attainment.

The results from the housing data reinforce previous evidence that migrants are in fact not investing significant amounts of US dollars in housing. As shown in Table 11 and Chart 3, migrants are relying most heavily on savings to purchase housing. While these savings may result from remittance payments over time, the connection between remittances and housing investment is not straightforward.

Physical housing characteristics also fail to support the hypothesis that migrants are spending significant funds to upgrade their homes. In the survey, households were asked to describe their property holdings to surveyors. Almost all respondents listed their first property holding as their primary residence. Therefore, more than 90% of the homes sampled were located in the Dominican Republic. Very few respondents listed a second property holding. Of those listed, however, all but one property were located in the Dominican Republic. Table 9 shows the type and location of respondents first and second property holdings. Almost no third properties were listed.

Households described their primary residences in the survey. Most of the homes in the United States and the Dominican Republic seem to be completed brick and cement structures. The homes in the United States were much more likely, however, to have wooden floors while the homes in the Dominican Republic mostly had cement floors. Table 10 describes all the attributes tested in the survey.

Approximately half the sample of homes described in Table 10 and located in the Dominican Republic were owner occupied. 40% of these homes were acquired between 1966 and 1985 suggesting that families have maintained long-standing ties with their home communities even while migrating to the United States. Table 12a breaks down all primary residents by type of tenure. More owner-occupied properties were located in the Dominican Republic, which again reinforces the importance of the sending community for transnational migrants. Rural households are much more likely to be owners than urban households as shown in Table 12b for all the responses gathered in the Dominican Republic.¹⁵

¹⁵ The rural-urban categories were determined by grouping communities 3, 4, 5, and 6 together as urban and communities 1, 2, and 7 as rural. Please refer to Appendix 2 for LAMP's summary of the community characteristics.

Rent levels are not discussed in the housing data file but the migration data ask respondents their average monthly rent. In Chart 2, the distribution of rent is shown cumulatively for the percentage of migrants in the United States. The distribution is almost completely even with equal numbers of migrants paying high rents and low rents.

In addition to tenure, the questionnaire asked about the availability of certain household amenities, which are listed in Table 13. Almost all respondents surveyed in the United States had access to running water, electricity, sewage, stoves, refrigerators, radios, televisions, stereos, and telephones. In the Dominican Republic, utilities (running water, electricity, sewage) were available in most households. Of the remaining amenities, it is noteworthy that almost 90% of households in the Dominican Republic had television sets.

The availability of certain amenities in households sheds some light on how remittances are being used to improve living conditions in general rather than the physical structure providing shelter. Table 15 explains the relationship between household amenities and the likelihood of receiving remittances. Of those families surveyed in their home community, a slightly higher proportion of households receiving remittances had access to the 11 amenities tested in the study.

In contrast, form of tenure seems unrelated to the availability of remittances. Table 14 enumerates how many households receiving remittances were renting or owning their primary property located in the Dominican Republic. Households with access to flows of additional income from abroad were not more likely to own their home according to the LAMP survey.

To further understand the role of remittances, the study asks how families are spending US dollars. The survey tests whether large expenditures such as real estate and vehicles are more likely to be covered with US dollars. Table 16 shows how many households financed property or vehicles or both with US dollars. More families financed their vehicles with US dollars than their property but overall US dollars were not used to cover these significant costs by many households.

None of the attempts to correlate remittances with housing expenditure in the LAMP survey lead to conclusive evidence that households are investing directly in their physical home. Chart 5 compares savings to remittances showing how some migrants contribute equal shares of funds to remittances and savings while others dedicate any additional income to one or the other.

The LAMP-DR7 database provides insight into some aspects of housing and remittances. Some key conclusions are:

- Respondents seemed to invest only a small portion of remittances in housing.
- Migrants seem to be investing a much larger portion of their savings in housing suggesting that remittances are used primarily for immediate consumption.
- Migrants with higher incomes seemed to be remitting more.
- Almost all second property holdings were located in the sending communities.
- According to the results, housing was paid for mainly with savings and not US dollars.
- Durable consumer goods were more common in households receiving remittances.

Even though the data show that housing is not the first use for remittances or savings an indirect effect seems likely. Savings over time are increased by the availability of remittance funds. The fungibility of resources applies to personal spending because it frees up other income, which can be saved or used for other purposes. When households receive windfalls, they may be more willing to invest in larger items such as housing in the expectation of future remittance flows.

The lack of hard evidence within the LAMP data could result from the nature of the survey. The data were not gathered to explain housing investment decisions. Several characteristics of the sample may be understating the impact remittances have on housing investment decisions. The interviewees had very high levels of education suggesting that the poorest families were not captured by the study. A large portion of the respondents were legal U.S. residents, which should affect housing choices. Finally, almost all of the households were interviewed in the Dominican Republic and not in their receiving communities in the United States.

Future Research

The LAMP data does not provide conclusive evidence to connect remittances with housing investment. However, existing qualitative data suggests that migrants are investing in housing. The analysis of the LAMP data provides useful guidance for future quantitative studies that seek to delve into the specific case of remittances and housing.

The survey method can only be effective if certain semantic issues are addressed. Most importantly the LAMP survey does not differentiate thoroughly between the formal-sector of completed homes on serviced lots and the informal sector where incremental development dominates. Respondents answering questions about whether they spent remittances on housing may be misinterpreting the question and attributing progressive development to another category. For the researcher, it would be important to capture those forms of construction in a survey on housing.

The LAMP data also neglects the differences between formal and informal housing. Almost 65% of the housing in the capital city is informal or illegal.¹⁶ It is important to understand how migration is affecting families' decisions to move to the city in the first place, where to locate within the city, and how much to invest in their formal sector or informal sector homes.

As with the housing terminology used in the survey, the words remittances and savings may be interchangeable for certain respondents. The two outliers in the charts discussed above comparing remittances and savings point to extremes that could be the result of a misunderstanding. For some migrants, remittances may be a form of saving. With the increased ability to share bank accounts via ATM machines some families may also consider their savings as a collective pool when traditionally the portion of funds withdrawn by relations in the sending community would be classified as a remittance.

A successful study should also address the issue of fungibility of money. Recipients of remittances may be investing their money in durable consumer goods but using a larger portion of their other income for housing as a result. Perhaps they are living on regular remittance payments and saving other income for larger investments.

To understand the propensity for families to redirect their income streams, it is important to ask how much families are earning. The LAMP study fails to provide good measures of household

¹⁶ Dr. Shlomo Angel, "Diagnosis and Guidelines for Action," prepared for the Inter-American Development Bank, (New York: October – December, 2000).

income making it very difficult to find relationships between levels of income and the likelihood to invest in housing.

The sample should also include a wide range of incomes that is representative of the whole population. The current LAMP database does not seem to be characteristic of the Dominican population making it very difficult to draw conclusions from the data. Only with a better sample can the research begin to explain whether some families are really being disadvantaged because they are not able to access funds from migrants working abroad.

A large portion of the LAMP data was collected in the Dominican Republic. A new study should attempt to interview migrants and their relations in their sending and receiving communities. Additionally, qualitative in-depth interviews with some respondents may further solidify or contradict the passing anecdotal evidence collected by migration researchers so far.

Finally, a future research project will require a theoretical foundation that can explain why migrants have different housing investment patterns from non-migrants if that is in fact the finding. The following table expands on the matrix introduced at the beginning of this paper:

Expansion of Transnational Model of Remittances and Housing

Location of Housing	Reason for Remitting	
	Investment	Insurance
Sending Community	Assisting parents, siblings	Future inheritance
Receiving Community	Maintain base in receiving community	Investment for children born in receiving community
	↓	↓
	Broad Transnationalism	Narrow Transnationalism

The current LAMP data makes it difficult to explain why migrants remit funds in terms of their housing choices. More detailed questions on the location and physical characteristics of homes and secondary residences as well as the living conditions of extended family would provide a better basis for researching how migration impacts housing choices. Similarly, asking migrants what drives their decisions to remit and documenting their personal situation is important for interpreting the type of transnational activity observed.

Policy Implications

Each of the research suggestions made above has benefits for developing policies that successfully bridge the gap between housing and migration. In a country like the Dominican Republic where almost one in nine residents lives in the United States, understanding how migration impacts housing choices could improve approaches to both policy areas. Explaining return migration and remittances through housing could lead to innovative policies that improve living conditions for migrant families and non-migrant families.

Levitt mentions one example of a program that combines migration questions with housing policies. The Dominican government is keenly aware that the second largest Dominican city is New York with significant populations living in other American cities like Boston and Providence. Several programs were designed to sustain ties between sending communities and migrants and encourage reinvestment at home. Under one initiative, 1,373 housing units were constructed in Santo Domingo for return migrants. U.S. banks provided 15-year mortgages to interested households and the government paid for 60% of the down payment. The assistance scheme is the ultimate transnational program and one example how migration policy and housing policy can merge. The finance institution is located in one country and the housing unit in another. The borrower understands both countries and will be followed by the U.S.-Dominican community to ensure low drop-out rates.¹⁷

The transnational housing program of course only benefits Dominicans participating in that emerging social field. Non-migrant families do not have access to remittances and cannot increase their housing expenditures easily and find themselves continuously losing purchasing power and forced into the informal housing market. And the gap between informal and formal sectors in the Dominican Republic is widening. Today, most of the housing in the country is being provided by the informal sector.¹⁸ One of the goals should be to understand whether remittance monies are flowing into the formal or informal housing sectors. Families in informal housing cannot access public subsidies on a regular basis and may be wholly reliant on support from family and friends working abroad especially in the United States. Families in formal housing may have access to much larger tracts of agricultural land and better living conditions thanks to remittance funds being sent back to the home community.

¹⁷ Levitt (2001), 143.

¹⁸ Angel (2000).

In a report completed for the Inter-American Development Bank (IADB) in 2000, Shlomo Angel analyzes housing conditions in the Dominican Republic. He shows that housing units are available and also improving in quality. However, some units are remaining below standard, which reflects the unequal income distribution within the country.¹⁹ Poorer families do not have enough disposable income to access higher quality housing. And these families are not receiving public subsidies. According to Angel, the major housing policy institutions have not addressed issues of informal housing. In the National District around the capital city Santo Domingo, 65% of all housing is unauthorized and approximately three quarters of the total housing production in the country is informal. Without the informal construction sector, housing production could not meet the growing demand for housing. In the current political climate, Angel suggests a housing reform that would provide access to housing finance and subsidies to families living in informal or unauthorized housing. Policies should also encourage and support the informal sector to ensure that housing production does not fall short of increasing demand.

Three years after the IADB's report, Dominican lawmakers are now overhauling the entire institutional framework for housing policy. The responsibilities of the National Housing Bank (Banco Nacional de la Vivienda) and the National Housing Institute (Instituto Nacional de la Vivienda) will be recast and shifted this year.²⁰ It remains to be seen how the transformation of the country's major housing institutions influences the realities for families making choices on the ground. Itzigsohn's matrix implies that institutionalizing certain programs that cross over borders would shift transnational activities to a more narrowly defined field and probably reinforce housing as a transnational phenomenon.

Restructuring the housing finance sector could also change the motivations driving people to migrate. Brière et al. point out the significant implications of assisting only certain categories:

¹⁹ The Gini index for the whole country was 51.5 in 1998.

²⁰ Based on interviews conducted in January 2003 in Santo Domingo and Angel (2000).

Policies targeted at favoring the successful migration of different classes of migrants to different destinations will thus have differential effects on household welfare according to their reasons to remit. In particular, little has been done to help women migrate successfully to the United States in terms of education and language. Since they are differentially entrusted with insuring their parents and siblings, consolidating their success in international migration may serve as an effective source of risk coping, with direct welfare effects and indirect efficiency consequences for households in the emitting areas.

(Brière et. al. "The Roles of Destination, Gender, and Household Composition in Explaining Remittances: An Analysis for the Dominican Sierra," *Journal of Development Economics*, v. 68 (2002), p. 327.)

The researchers make it clear that certain groups are excluded from migration and subsequent benefits. Substandard housing conditions among the poorest families could be linked to a lack of participation in the migration cycle.

A detailed quantitative study that targets the concerns and policy issues raised here could provide significant insight proving or discrediting existing anecdotal data that housing choices are influenced by migration patterns. With a better understanding of the relationship between housing and remittances, effective and targeted housing and migration policies could be developed in the future. Interpreting Dominican transnationalism could also benefit countries experiencing similar waves of migration.

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Chart 1: Cumulative Distribution of Remittances (All Migrants in US) (MIG)

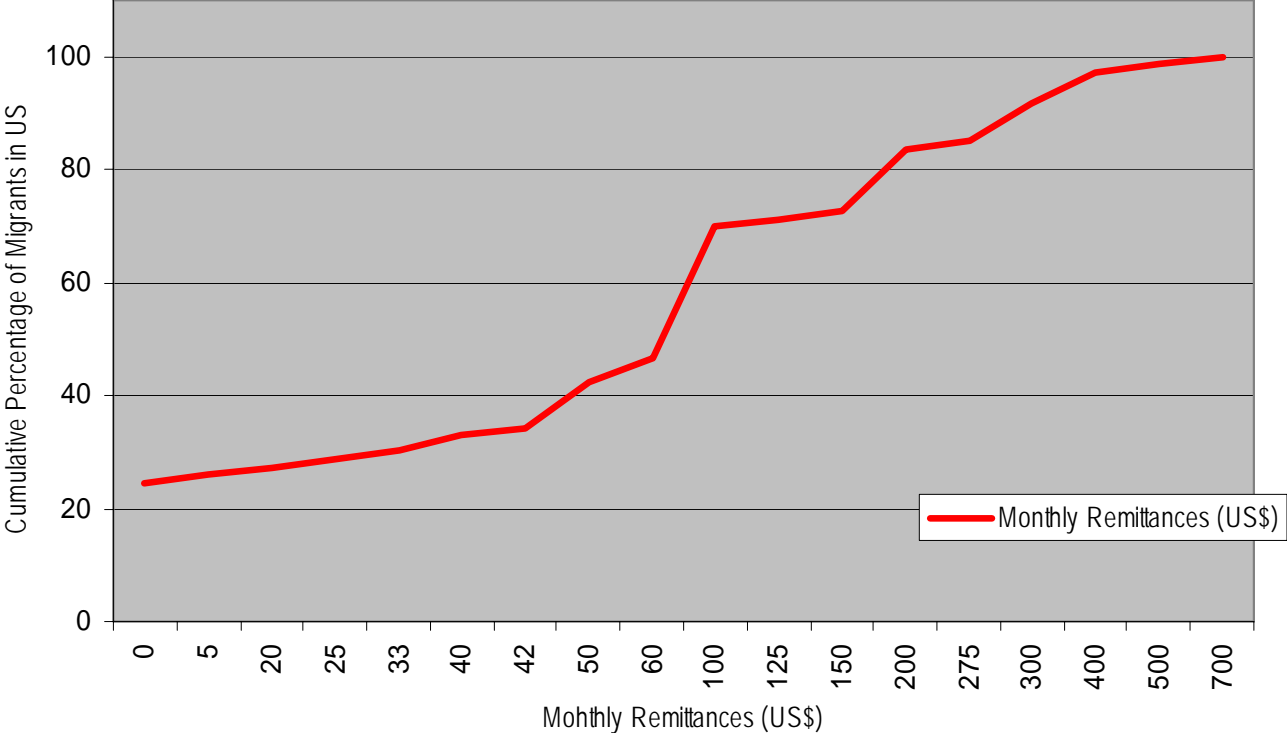


Chart 2: Cumulative Distribution of Rent (All Migrants in US) (MIG)

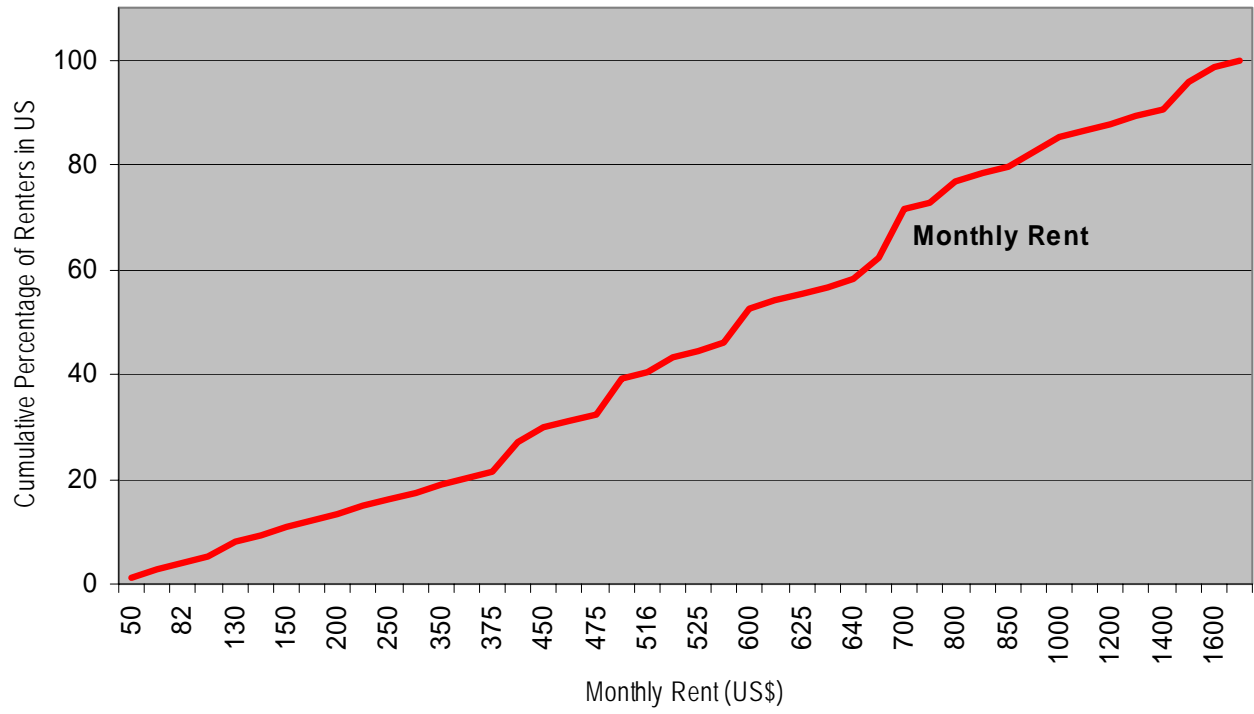
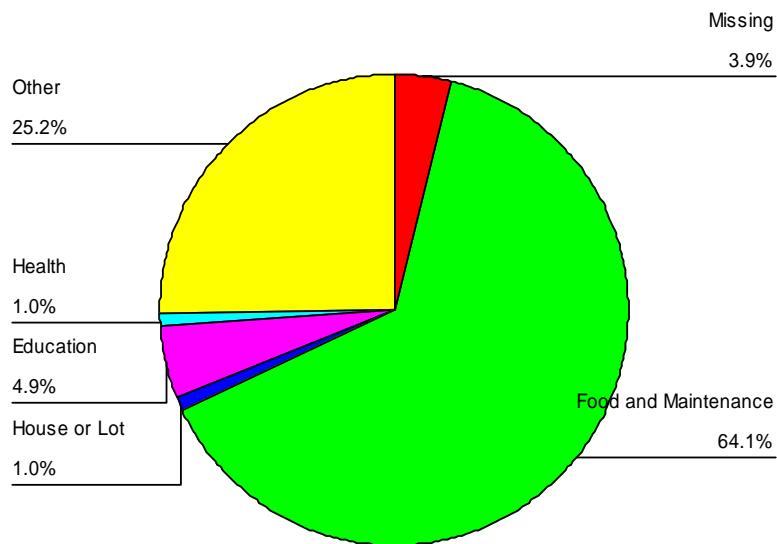
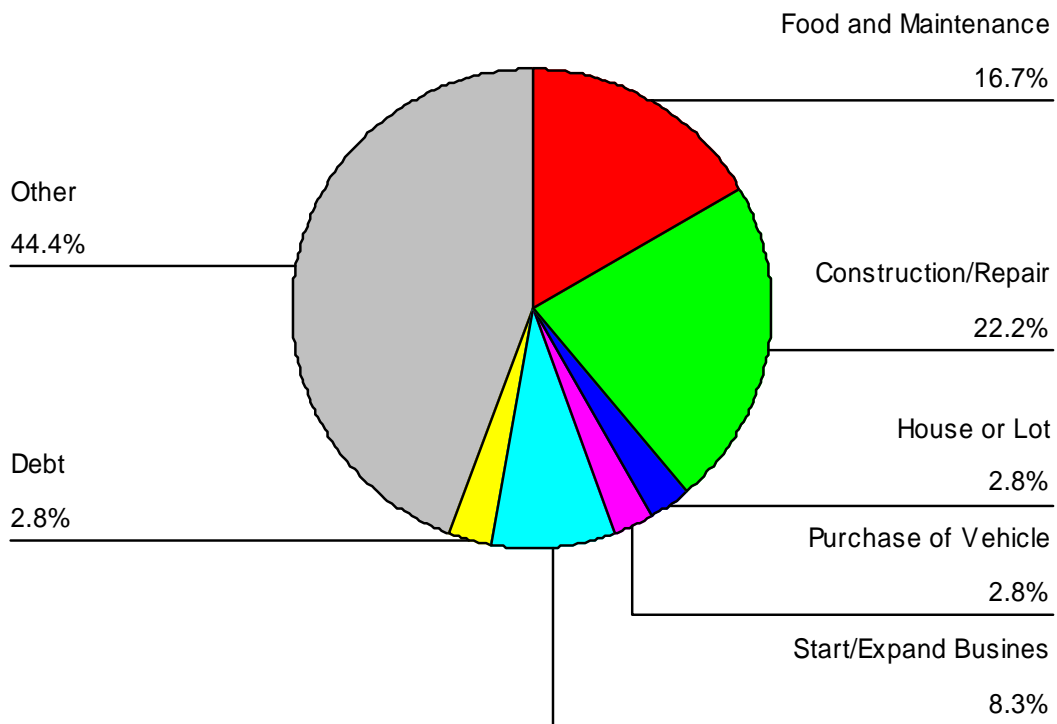


Chart 3: First Use for Remittances and Savings



Use of Remittances (All MIG Reporting Remittances)



Use of Savings (All MIG Reporting Savings)

Chart 4: Level of Education by Sex of Household Head

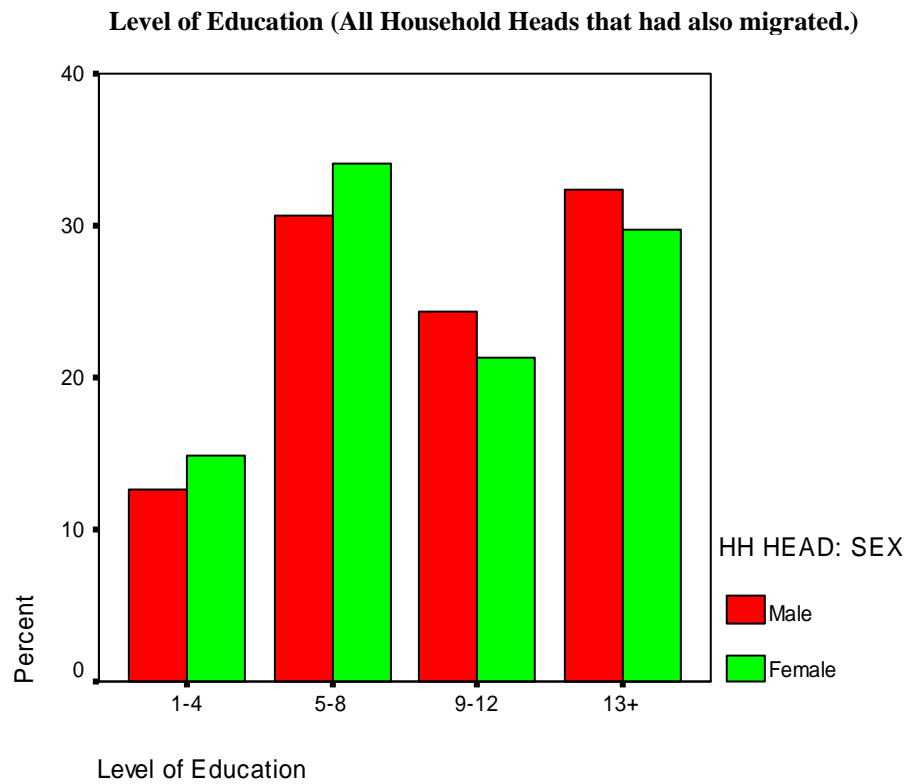
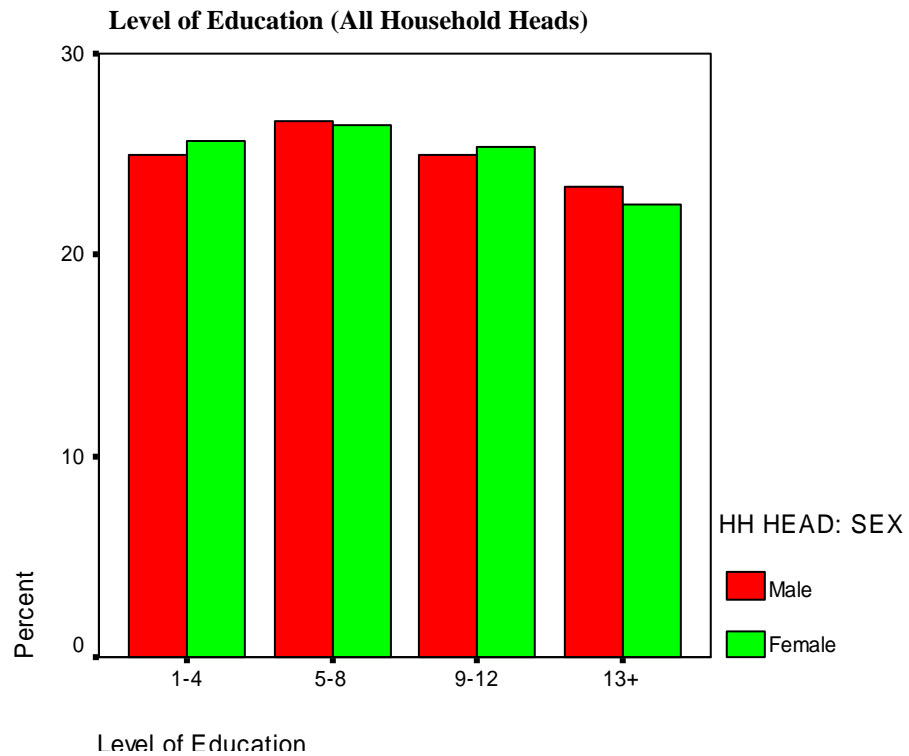


Chart 5: Education against Remittances for All Migrants Sending Remittances (MIG)

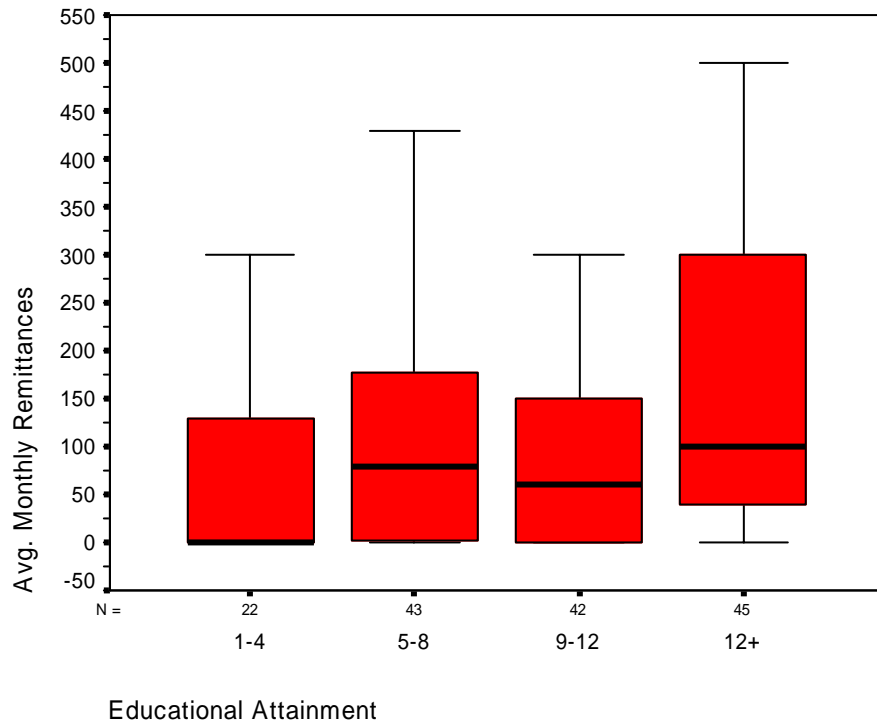


Chart 6: HH Head Occupation against Remittances for All Migrants Sending Remittances (MIG)

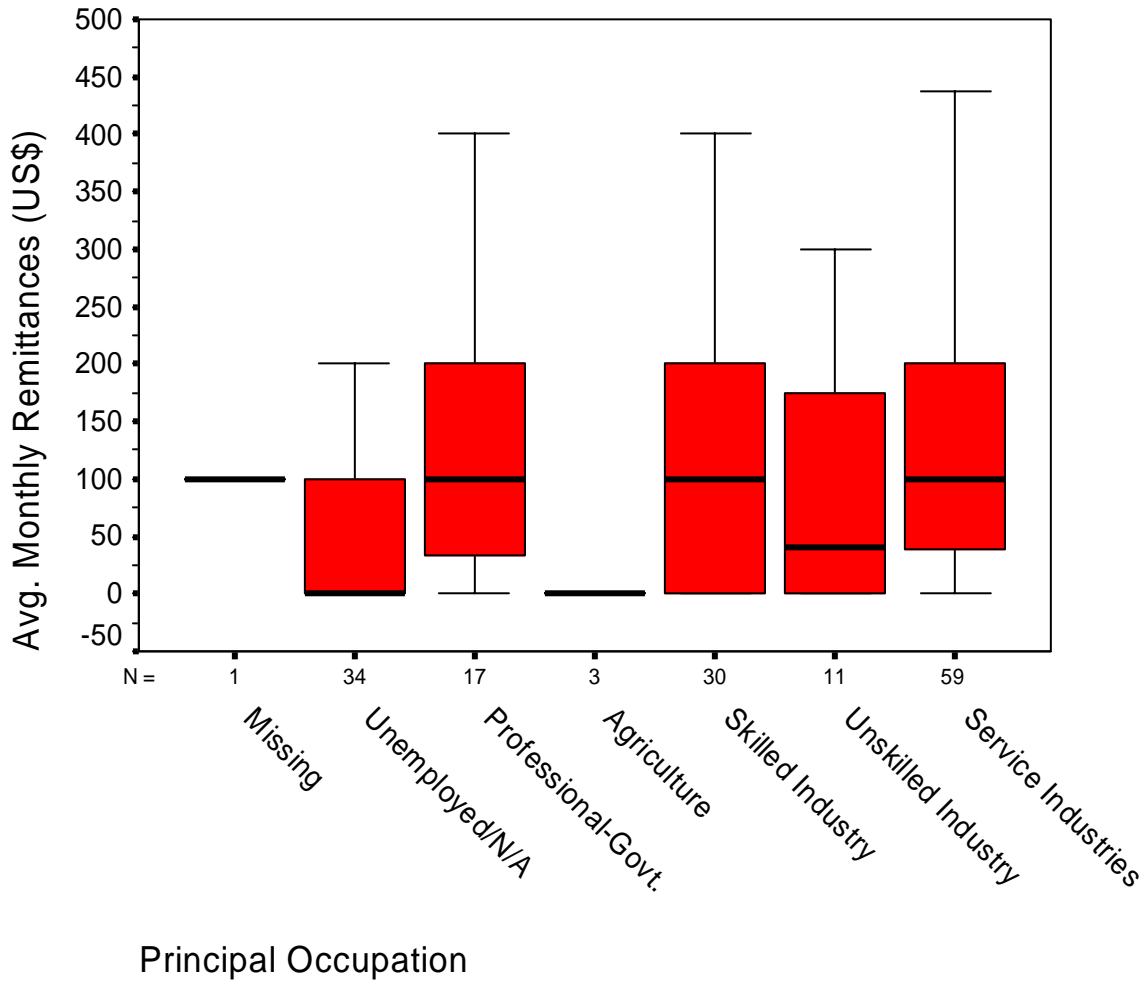


Chart 7: Savings against Remittances (All Migrants) (MIG)



APPENDICES

Appendix 1: Map of the Dominican Republic

Appendix 2: Descriptions of the Surveyed Communities Provided by LAMP

Community 1 (139 households in the Dominican Republic; 12 in the US)

Community 1 is situated in the foothills of the Dominican central mountain range. It is a relatively small and quiet town with well-maintained roads and carefully groomed public areas. The region's economy relies on coffee production and, to a lesser extent, milk and meats. Community 1, however, depends heavily on remittances sent by migrants in the United States. Many young men can be seen in bars and public areas during working hours. However, male rates of unemployment and labor force participation in Community 1 are more or less similar to the other communities surveyed by LAMP. It is women of Community 1 who show the lowest rate of labor force participation of the six communities that form LAMP-DR6. Another distinct feature of Community 1 is the absence of poor children on its streets. LAMP fieldworkers reported that, while working in Community 1, no children approached them to offer their services, such as car washing or shoe shining. By contrast, while conducting the survey in Community 2, our fieldworkers' rented car was always shiny, washed two or three times a day by children who would not take no for an answer.

Community 2 (97 households in the Dominican Republic; 8 in the US)

Community 2 is also situated in the foothills of the central mountain range, but on the opposite side of Community 1. It is located at roughly 100 km. west of Santo Domingo. The land surrounding Community 2 has been increasingly devoted to intensive agriculture, with a concurrent clearance of forest and pasture areas in the process. Erosion, a common problem in the mountainous areas of all Caribbean islands, reaches highly worrisome levels in this area. Both the government and local NGOs have implemented various projects aiming at a better management of natural resources, with additional funding from international organizations. Water management has been improved through projects focusing on small irrigation and the distribution of water supply for domestic use. Reforestation projects also achieved some success. Other community projects focus on poverty levels and illiteracy, which remain high.

Community 3 (125 households in the Dominican Republic; 9 in the US)

Community 3 is a working class neighborhood in Santo Domingo, the Dominican capital. Community 3 is a dense barrio, with high levels of pollution, traffic congestion and overcrowding. Poverty levels are reportedly above the Santo Domingo average, and so are crime and accidents. Community 3 is known to be a "hot" area, the starting place of riots during times of general strikes or political turmoil. As any highly dense urban area, Community 3 features its share of intensive commercial, financial and social activity. Trade dominates the daily scene in the barrio, with three blocks on one street devoted to a daily market.

Community 4 (99 households in the Dominican Republic; 9 in the US)

Community 4 is also a barrio in Santo Domingo, only a few blocks away from Community 3, although much smaller and quieter. It consists of about twenty blocks surrounded by four avenues. Commercial activity tends to be concentrated on the avenues, while the area in between is primarily residential. A first stroll down the streets of Community 4 would lead the passerby to quickly classify it as a middle class neighborhood. LAMP fieldworkers, however, were surprised to discover densely populated hidden shantytowns in the interior of three of Community 4 blocks, connected to the outside by a few narrow alleys separating peripheral houses. Thus, Community 4 features a striking income inequality, although invisible to the unaware eye. Households within the hidden shantytowns were enumerated and included in the sample.

Community 5 (147 households in the Dominican Republic; 16 in the US)

Community 5 is a neighborhood in a middle-size city of the Cibao Valley, surrounded by fertile farmland subject to a subtropical climate. The area functions as the commercial and processing center for the larger agricultural region. Economic prosperity has traditionally been based on the growing and shipping of rice, and the trading of cattle. In recent years the town has gained infamy because of its alleged links to drug trade in New York City. According to widespread rumors, some of the most luxurious residences in the town belong to prominent drug dealers. Community 5 is far away from those residences, and consists of about 30 blocks of middle and working class homes.

Community 6 (149 households in the Dominican Republic; 5 in the US)

Community 6 is a neighborhood in another mid-size city of the Cibao Valley, about one hour north of Santo Domingo. The city, founded early in the sixteenth century, is one of the oldest in the Americas. Agricultural production (especially rice) and mining (gold, silver and zinc) have traditionally dominated the regional economy. The region exports oranges, as well as processed pineapple juice and marmalades. The patron saint festivities last nine days and include sportive and artistic activities. The annual carnival celebrations, for which local artists create a wide assortment of colorful masks, are a central piece of local culture.

Community 7 (151 households in the Dominican Republic; 15 in the US)

Community 7 is located in the southwest of the Dominican Republic, between Sierra Martín García and Neiba Bay, in one of the economically most depressed areas of the country. The region features a moderate subtropical climate, and is undergoing a serious process of desertification. This is a rural area with small conucos for local consumption, in addition to guineo, plantain, pepper, yucca and corn. There is a marble mine as well, but the village economy depends heavily on remittances sent from Spain and the United States. Since the early 1990s there has been an increase in the number of small grocery stores, barbershops and bars. There is a high illiteracy rate among the population of the community. Though most households have running water and electricity, blackouts and water cuts are frequent. Therefore, it is not unusual to see trucks delivering potable water.

Urban Communities: 3, 4, 5, 6

Rural Communities: 1, 2, 7

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