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**Some characteristics of the Ecuadorian immigrants in  
Murcia and their influence in the remittances sending to  
Ecuador**

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# Some characteristics of the Ecuadorian immigrants in Murcia and their influence in the remittances sending to Ecuador

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## ABSTRACT

From 1997 the volumes of remittances entering Ecuadorian economy have soundly grown impelled by the massive migration flows that took place after the late 1990s economic crisis. From this time, remittances have become one of the main sources of Ecuadorian foreign income being only surpassed by oil exports, the most important exportable good in Ecuadorian export basket. Remittances acquire special importance owing to the fact that Ecuadorian economy was “dollarized” in 2000 and the only sources of foreign income for Ecuador are: exports, foreign credit, foreign income and lately remittances, further on some state that remittances are the only source of Ecuadorian income which enters directly into the economic system, and has steadily grown in the time. The biggest part of the remittances arriving in Ecuador have been used to cover regular expenditures such as food, rent, basic services, medicines, and so on, being therefore a complement to the family income that in many cases allows migrants’ families to slightly surpass the poverty line, so remittances have turned into a poverty attenuator for remittance recipients and have disguised a little bit the serious social problems prevalent in Ecuador. However, the outstanding growth that remittances have had could fall in the next years due to the fact that many of the Ecuadorians who migrated to Spain after the economic crisis have been able to regroup their families in Spain and so they would not have any direct relatives in Ecuador to send money. The present study performed on Ecuadorian immigrants in the Region of Murcia, Spain; suggests that a biggest majority of Ecuadorians (85%) still send money to Ecuador and from these 73% do it monthly. Nevertheless, when performing cross tabulations between variables such as time of stay in Spain, intended time of stay in Spain, and family structure of the migrants; and the frequency and amount of the transfers it is possible to observe that transfers of more than US\$ 300 are higher for those who have lived in Spain from 4 to 6 (29.4%) than for those who have stayed from 7-9 years (25.5%). In a similar way, 21.5% of those who have stayed in Spain from 7-9 do not remit any money. A 24% of the surveyed do not have the intention of coming back to Ecuador and 19.1% of those do not remit. In contrast, 30% of those who plan to stay 2 or 5 years in Spain transfer more than US\$ 300. Finally, the immigrants who have been able to regroup their families tend to remit less and less frequently than those who have their children in Ecuador and their spouse and children in Ecuador. These results suggest that as far as Ecuadorians are able to definitively settle in Spain and to regroup their families in the Iberian

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country, they tend to reduce the amounts and frequency of the transfers to Ecuador.

## 1. Introduction

After the deep economic crisis that Ecuador experienced in the late 90s, international migration in the country was no longer an isolated phenomenon mainly restricted to the southern part of the country and started being a general process which would affect 15% of the families in the three biggest Ecuadorian cities (FLACSO, 2004). Estimations made by Acosta *et al.* (2006) suggest that as many as 700,000 people would have left Ecuador in the recent migratory wave<sup>2</sup>, further on Hall (2004) sustains that 2,500,000 Ecuadorians would currently be living abroad. According to IDB-MIF (2003), some 1,000,000 Ecuadorians would be remittance beneficiaries, the same study states that the main reason for Ecuadorians to leave their country is that of being able to send money for the relatives left back in Ecuador. Hence, remittances would have been a complement for the household economy and in many cases a balsam to attenuate poverty. From the macroeconomic point of view, remittances have turned into one of the main pillars supporting the Ecuadorian economy. The transfers made by immigrants soundly US\$ 644 millions in 1997 to almost US\$ 2,916 in 2006, year in which they represented 7.1% of the GDP (BCE, 2006). In the case of the remittances coming from Spain, country where almost 500,000 Ecuadorians live (García- Calvo, 2006), they reached US \$ 1,289 millions in 2006.

From these numbers it is possible to understand the importance of the remittances for the economy of both the remittance recipients and in general the country's economy, however the same ciphers also warn about the consequences of an eventual reduction in the amount of the transfers. Falquez (2004) suggests that the amount of money transferred to Ecuador would reduce at the short term because most of the Ecuadorian immigrants in Spain have the intention of staying in Spain, plan to apply for family regrouping and are interested in buying a fixed asset like a car or an apartment in Spain. By his side, Sergio Bendixen from Bendixen-Associated foretells a grown of remittances in the future coming from the United States and Europe to Ecuador will increase in the future years, the consuler considers that patriotism and love to the relatives left in the home country are crucial factors for migrants to keep sending money. Certainly, the money entering to Ecuador as remittances has experienced a sound increase from 2003 to the present. However, it is necessary to take into account other factors linked to this increment such as the devaluation of the US Dollar with reference to the Euro, the processes of regularization that have taken place in Spain and the implementation of a more accurate information collecting system by the Central Bank of Ecuador.

The case of the Ecuadorian immigrants in Spain deserves special attention because the latter have had more openness to processes of regularization and familiar regrouping, factors that could drive to a decrease in the amounts remitted to Ecuador

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<sup>2</sup> In the late 1990s Ecuador experienced a crisis without precedents in its history. In 1999 the biggest fall of GDP was registered passing from 23,255 million USD in 1998 to 16,674 million USD while the GDP per capita was reduced from 1,619 to 1,119 USD, almost 32% within one year. Between 1995 and 2000 the number of poor people grew from 34% to 71% of the total population at that time, as the percentage of people living under extreme poverty went up from 12% to 31%. Hence, Ecuador experienced the fastest process of impoverishment in Latin-America before the Argentinean crisis (Acosta *et al.*, 2006). Such an economic calamity drove hundreds of thousands Ecuadorians to leave the country being Spain the main destination.

in the future. In this sense, the organization REMESAS.ORG (2006) states that in some cases the number of migrants from a country is not proportional to the amount of money remitted to that country. For instance, in 2005 Colombia accounted for 23% of the money sent from Spain as remittances but Colombians represent only 8% of the total migrants with residency, similarly Bolivia is the third receiver of remittances from Spain although Bolivians account only for 1.2% of the total migrants with residency. In opposition Ecuador receives 20.2% of the remittances sent from Spain even when Ecuadorians with residency are 13% of the total.

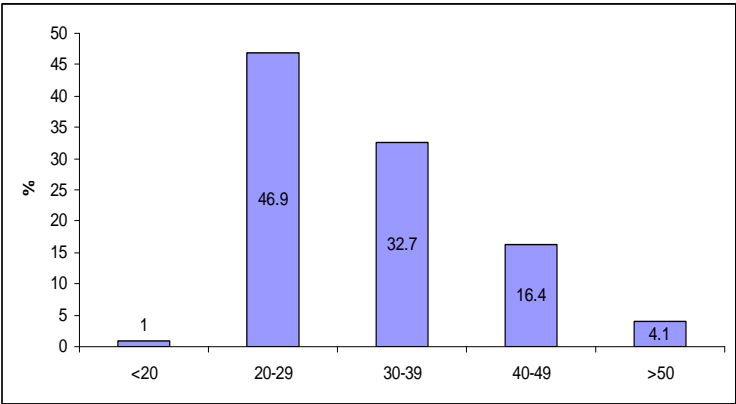
This paper analyzes the influence of variables such as: time of stay in Spain, intended time of stay in Spain and family structure in the amount and frequency of transfer for the Ecuadorian immigrants in the Region of Murcia, where Ecuadorians are the predominant foreign community and which has the third largest Ecuadorian population after Madrid and Barcelona. The analysis will be based on data from a survey administered to 196 Ecuadorian immigrants in the localities of Murcia, Lorca and Totana in October and November 2006.

**2. Characteristics of the immigrants surveyed**

***Sex and age***

The survey randomly considered men and women older than eighteen years; however the majority of the surveyed (56.1%) were men. This tendency may be explained considering the importance that the agriculture and construction, activities that mainly employs male labor force, have in the Region of Murcia. The Figure 1 shows that the biggest part of the immigrants approached (46.9%) were in the range between 20 y 29 years. Almost one third of the immigrants polled were in the range between 30 and 39 years, while 16.4% were from 40 to 49 years old. These data are similar to those presented by García-Nieto (2004), which state that Ecuadorians with ages between 20 and 29 years represented 41% of the total sample, while within the group from 30 to 39 accounted for 38% of the cases. The proportion of immigrants older than 50 years was low (3.1%), only two people were younger than 20 years.

**Figure 1.** Ranges of ages for the Ecuadorian immigrants surveyed in the Region of Murcia.

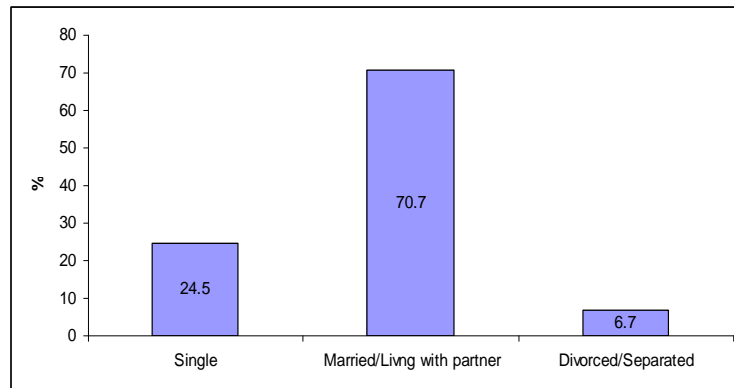


Source: Vasco (2007)

## Civil status

More than two thirds of the surveyed 68.9% are married or have a partner (Figure 2) while 24.5 % is single. The remaining 6.7% is divorced or separated. Single male account for 29% of the total men surveyed; this proportion is lower for single women who represent 18.6% of the female surveyed. Instead, the percentage of total married women (75.6%) is higher than the proportion of men in the same condition (63.6%).

**Figure 2.** Civil status of the Ecuadorian immigrants surveyed in the Region of Murcia.

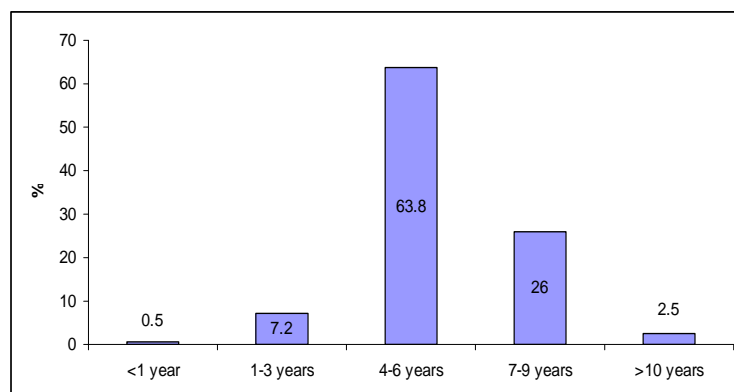


Source: Vasco (2007)

## Time of stay in Spain

Figure 3 shows that 63.8% of the immigrants surveyed have stayed in Spain from 4 to 6 years. This group includes 69.1% of the total men and 57% of the total women surveyed. A 26% of the respondents have stayed in Spain from 7 to 9 years. Within this cluster, the proportion of women over the total female respondents (27.9%) is slightly higher than the sharing of men over the total male surveyed. The groups from 1 to 3 and more than ten years had less importance with 7.2 and 2.5 % respectively. The survey included only one person who had stayed for less than one year in Spain when approached.

**Figure 3.** Length of stay for the Ecuadorian immigrants surveyed in the Region of Murcia.

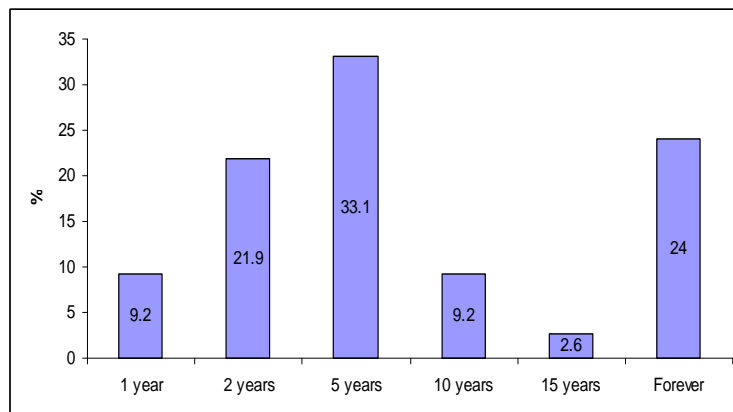


Source: Vasco (2007)

### ***Intended time of stay in Spain***

Figure 4 shows that the majority of the respondents (33.1%) plan to stay 5 more years in Spain. A considerable 24% of the immigrants have the intention of definitively settling in the Iberian country, percentage that is almost the double of that registered by García-Nieto (2004). This fact could be imputable to the skepticism about the future of Ecuador and the notorious trend showed by Ecuadorian immigrants of buying fixed assets on credit. A 9.6% of the surveyed plan to stay only for one year, the same percentage wants to stay in Spain for 10 years. Only 2.6% of the respondents budget to stay in Spain for 15 years.

**Figure 4.** Intended time of stay in Spain for Ecuadorian immigrants surveyed in the Region of Murcia.

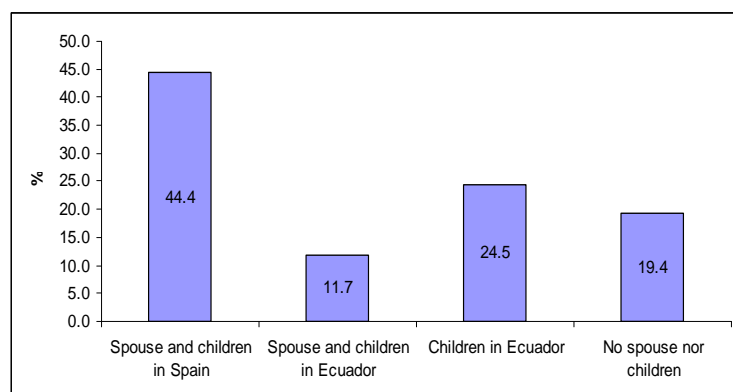


Source: Vasco (2007)

### ***Family structure***

Figure 5 displays that the majority of the respondents (44.4%) have been able to take their spouse and all their children with them. Only 11.7% of the immigrants surveyed have their spouse and children in Ecuador while 24.5% still have children in Ecuador. A 19.4% of the immigrants have neither spouse nor children. This information results interesting if one considers that the immigrants who have been able to reunify their families together with those who migrated alone are the most probable to reduce the amount of the transfers to Ecuador or even to quit remitting.

**Figure 5.** Family structure of Ecuadorian immigrants surveyed in the Region Murcia.



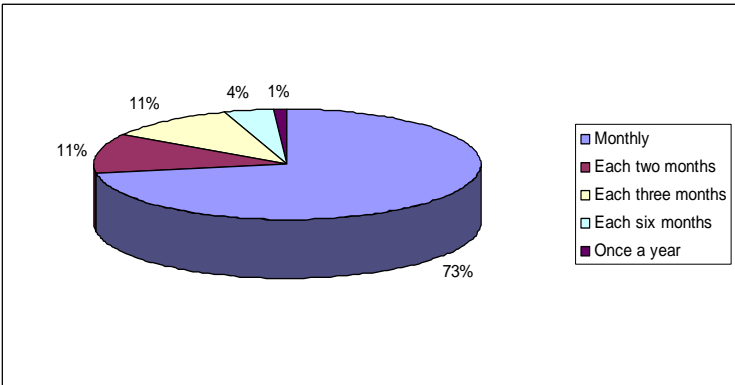
Source: Vasco (2007)

It is important to highlight that 43% of the immigrants surveyed reported having the intention of taking some relative/s to Spain, of these a 37.7% of the individuals within these group have the intention of taking their child or children with them, a 25.8% a brother/sister, a 18.8% a parent, a 12.9% their couple, and 1.8% some other relative.

**3. Remittances**

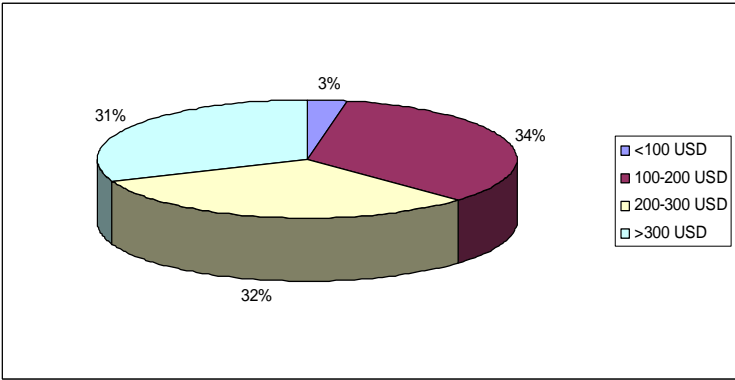
Despite of the fact that a high proportion of the immigrants surveyed have been able to bring their spouses and children to Spain and almost a half have the intention of bringing a relative to the Iberian country, 85% them still transfer money to Ecuador. With regards to the frequency of transfer (Figure 6), the majority of the remittances senders (73%) remit to Ecuador monthly. An 11% sends money every two months and the same percentage transfers every three months. A 4% remits twice a year and only 1% once a year. In relation to the amount sent with each transfer, Figure 7 illustrates that there is equilibrium among remittances from 200-300USD and >300 USD with 32% and 31% of the remittances senders, the share of remittances from 100-200 USD is slightly higher with 34%.

**Figure 6.** Frequency of transfer.



Source: Vasco (2007)

**Figure 7.** Amount sent with each transfer.



Source: Vasco (2007)

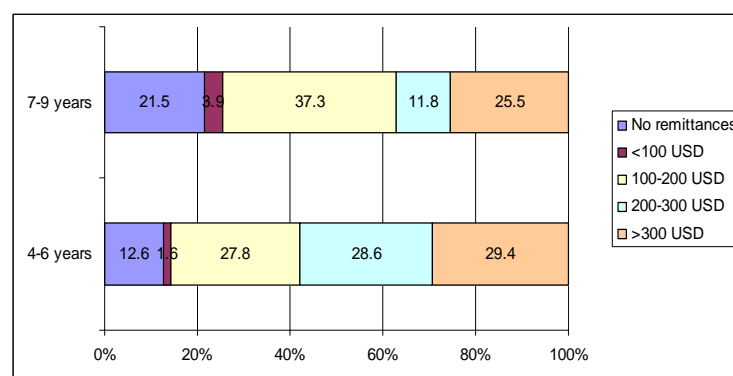
Some authors studying the remittances behavior state that the longer the time that an immigrant has stayed abroad, the higher the amounts that he/she remits to his/her home country will be because immigrants in this condition will have access to better

jobs and so earn more money. In contrast others argue that the amounts remitted will diminish as the time of stay extends because the immigrants could access to family regrouping processes and as a consequence their links with their home country would turn weaker. In this sense, Figure 8 associates the time of stay with the amount remitted by the groups of immigrants who have stayed in Spain from 4 to 6 and 7 to 9 years, the group from 1 to 3 years has not been considered due to its scarce weight in the total sample. Within the group of immigrants who have stayed in Spain from 4 to 6 years, there is a relative equilibrium among those who send from \$100 to 200, \$200 to 300 and more than \$300 with 27.8, 28.6 and 29.4%, a 12.6% do not do any transfer to Ecuador. A 21.5% of the immigrants that have stayed in Spain from 7 to 9 years do not remit. The highest proportion within this cluster (37.5%) corresponds to those who remit from \$100 to 200 with each transfer, while remittances from \$200 to 300 are reduced to 11.8% for this group. These numbers propose that the amount of the transfer reduces as the time of stay is longer, however the percentage who send amounts higher than \$300 remains high (25.5%) among those who have stayed in Spain from 7 to 9 years.

Curiously, Figure 9 shows that the percentage of immigrants that remit monthly is higher (77.5%) among the group of immigrants who have stayed in Spain from 4 to 6 years (70.6%).

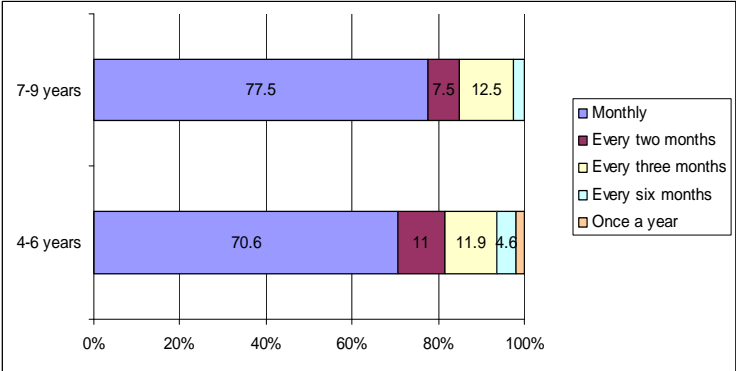
When analyzing the effect of the intended time of stay in Spain in the amount of the transfer (Figure10), it is possible to observe that the percentage of the immigrant surveyed who do not send money to Ecuador is higher (19.1%) for those who have the intention of definitively settling in Spain than for those who project staying from 2 to 5 years (9.4 y 11% respectively). The higher amounts (US\$ 200-300 and > US\$ 300) predominate within the cluster of immigrants that plan to stay for only 2 years, while the remittances from US\$ 100 to 200 prevail (34%) within the cluster of those who do not want to come back to Ecuador.

**Figure 8.** Relation between the time of stay in Spain and amount of the transfer.



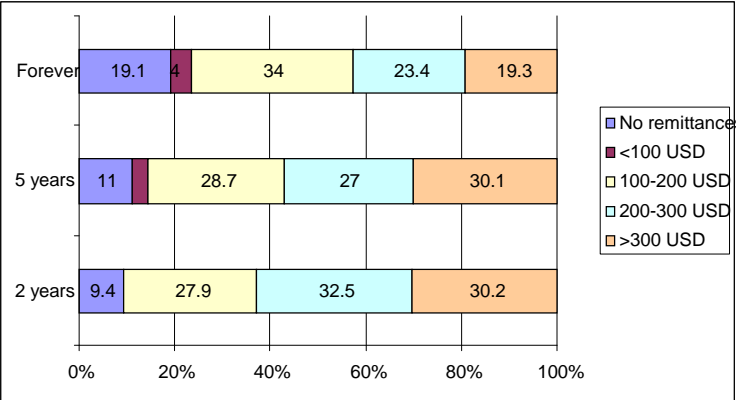
Source: Vasco (2007)

**Figure 9.** Relation between the time of stay and the frequency of transfer.



Source: Vasco (2007)

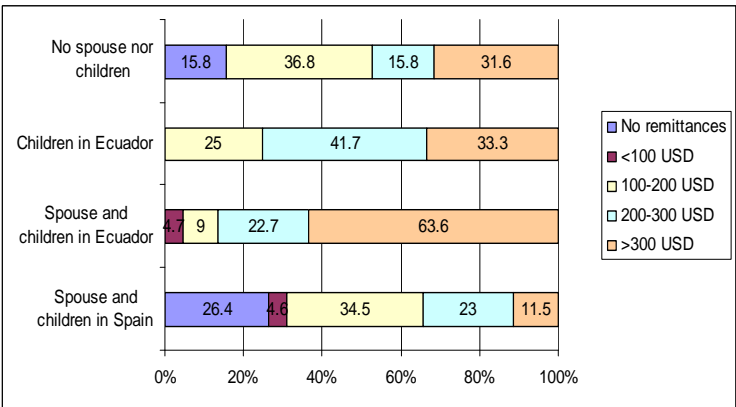
**Figure 10.** Relation between the intended time of stay in Spain and the amount sent with each transfer.



Source: Vasco (2007)

Figure 11 presents the influence of the family structure of the immigrants approached. As predictable, the majority of immigrants that have their spouse and/or children in Ecuador (63.6%) send more than US\$ 300 with each transfer, in the case of those who have only their children in Ecuador this percentage decreases to 33.3%, instead the proportion of transfers between US\$ 200 a 300 rose to 41.7%. All the individuals within this group send money to Ecuador. Another predictable feature was that more than a quarter of those who have their spouse and children in Spain do not remit, the amounts between US\$ 100 a 200 predominate within this cluster with 34.5% of the total. Something that calls for attention is that 15.8% of immigrants without spouse and children do not transfer; this cluster could be formed by young individuals that followed their parents or brothers/sisters and whose entire household moved to Spain, hence there is nobody to remit. Indeed, a recurring answer of those who do not send money back to Ecuador when asked if they transferred was “what for? Everybody is here”.

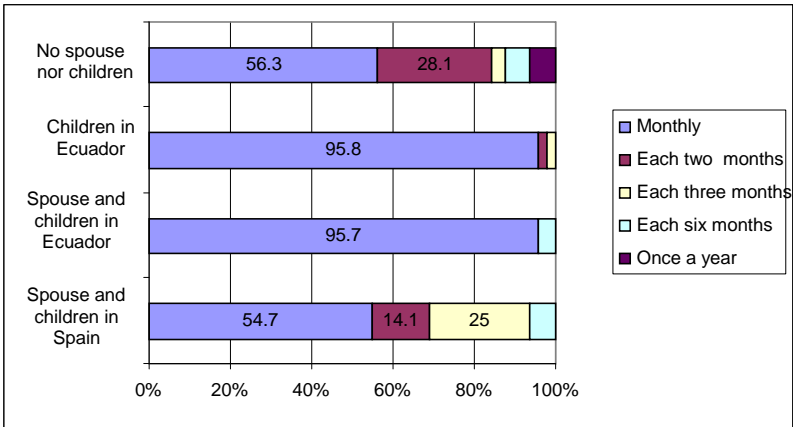
**Figure 11.** Relation between the family structure of immigrants and the amount sent with each transfer.



Source: Vasco (2007)

Figure 12 shows the incidence of the family structure of the surveyed on the frequency of transfer. Almost all the immigrants that have their spouse and some or the totality of their children in Ecuador remit monthly. This proportion is reduced for those who have their spouse and children in Spain or those who have neither spouse nor children (54.7 y 56.3 % respectively). The highest percentage of remittances sent each two months falls within the group of those without spouse or children, while the senders who remit each three months are more within the cluster that has all the family members in Spain.

**Figure 12.** Relation between the family structure and the frequency of transfer.



Source: Vasco (2007)

**4. Conclusions and implications for Ecuador**

The raw results of the survey performed on Ecuadorian immigrants in the Region of Murcia<sup>3</sup> suggest that the 85% of the surveyed send Money to Ecuador, a 73% of the

<sup>3</sup> The behavior of Ecuadorian immigrants with regards to remittances sending could be different in other cities and regions of Spain.

latter remit monthly and further a 93% send more than US\$ 100 with each transfer. Nevertheless, when adding variables such as the time of stay in Spain, intended time of stay in Spain and family structure, it is possible to observe results that could have important economic implications for Ecuador in the future.

As it was mentioned before in the text, some opinions express that the amounts send as remittances diminish with the time due to the fact that immigrants tend to definitively settle in the host country and to take their family with them. In the case of Ecuadorian immigrants in Spain this process could be exacerbated by the regularization processes that have taken place in the Iberian country, which would make possible more family regrouping processes in the future. In this sense, the results of the survey conducted in Murcia propose that a 44.4% of the immigrants polled have already been able to take their families with them, and of these 26.4% do not send money to Ecuador. Furthermore, the surveyed present a notorious tendency to buy fix assets on credit. During the field work of this study, the advertisement of financial institutions advertising special offers for immigrants. In fact, some of the surveyed said that they have reduced the amounts and/or frequency of the transfers even quit remitting owing to the fact that they have acquired credit obligations in Spain. Apparently, the Spanish banks (also the Ecuadorian ones) have realized of the saving capacity and acquisition power of this group so often relegated. Sending

From the data obtained it is also possible to observe that the proportion of immigrants that transfer from US\$ 100 a 200 and even those who do not remit is higher for those who have stayed in Spain from 7 to 9 years than for the individuals who have lived in Spain from 4 to 6 years, even when it is necessary to consider that this cluster represents 63.8% of the total sample. In a similar way, the percentage of immigrants that do not send any money to Ecuador is higher (19.1%) among those Ecuadorians that plan to settle in Spain forever than for those who budget to stay in the Iberian country for 2 and 5 years (9.4 y 11% respectively). The cluster of the immigrants that plan to definitively settle in Spain also presents the lowest percentage of remittances of more than US\$ 300 and the highest of transfers between US\$ 100 a 200. It is necessary to take into account that almost one fourth of the surveyed wish to settle in Spain.

With reference to the family structure and its incidence in the amount of the transfers, the highest proportion (63.6%) of remittances of more than US\$ 300 corresponds to the group of immigrants with spouse and children in Ecuador followed by the cluster including immigrants with only children in Ecuador with 33.3%. In contrast, the highest share of immigrants that do not remit any money to Ecuador (26.4%) belongs to the group of Ecuadorians that have their spouses and children in Spain.

When relating the time of stay and the intended time of stay in Spain with the frequency of the transfers it is not possible to observe any important effect. However, the crossed tabulation between family structure and the frequency of transfer suggests that almost all the individuals with direct relatives in Ecuador remit monthly while the immigrants who have their families in Spain are those who least remit monthly (54.7% of the total) and who most transfer every three months (25%). Neither the frequency of transfer produces any important effect or tendency in the amount of the transfer nor the amount of transfer in the frequency of it.

In short the data provided by this study suggest that: a) the longer the time of stay in Spain the lower the amounts sent tend to be; b) the longer the intended time of stay in Spain the lower the amounts remitted tend to be and c) immigrants with spouse and children in Ecuador remit more frequently and higher amounts than those who have their entire family in Spain.

Provided that: a 36.2% of the immigrants considered for this survey still have their spouse and/or children in Ecuador, and that a 43% of them have the intention of taking some relative/s to Spain, it is valid to expect that there will be more cases of family regrouping in the next years, which together with the fact that Ecuadorian migration to Spain has reduced since the visa imposition in 2003, would bring a reduction in the amounts entering Ecuador as remittances from Spain. Neither this mean that Ecuadorians stop remitting nor that the reduction takes place immediately, but it would lead to a drop in the volume of remittances coming from Spain at the mid term

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