

Money sent from U.S. changes Latin America Young people turn from school, low-wage jobs.

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Body

Working and going to **school** have become optional in this highland Guatemalan town, thanks to a flood of **U.S.** dollars **sent** home by migrants living in the **United States**.

The family-run mills that produce brightly colored, hand-woven traditional fabrics have fallen quiet as their potential work force - most of them **young** men - hang out at the town's pool halls or video game salons, living off remittances and waiting to make their own journeys north.

"Kids have easy **money**, and the only thing they know how to do is spend it on video games," complained Salcaja Mayor Miguel Ovalle. "In this town, **school** attendance has fallen, in part, because many go to the **U.S.**, and also because those who stay don't want to go to **school**."

Some 48,000 Guatemalans left between 2005-2006, almost all to the **United States**, says the Geneva-based International Immigration Organization. It also found that more than 1 million Guatemalans between the ages of 10 and 20 were getting **money** from relatives in the **United States** last year.

Last year, Guatemalans in the **United States sent** home more than \$3.6 billion, of which \$300 million went to some 300,000 **people** in the province of Quetzaltenango, home to Salcaja. That's a substantial cash flow in a \$35 billion economy with an industrial output of just \$6.7 billion last year as measured by gross domestic product.

Similar challenges are evident in other parts of **Latin America**, where remittances have made **low-wage** labor increasingly undesirable. In some places, local employers are being forced to raise salaries. In others, traditional industries are simply being abandoned.

"In many communities in Mexico and Central **America**, remittances have prompted a healthy competition among employers who offer better salaries because of the scarce work force, but dependence on remittances has also slowed local economic growth," said Eliseo Diaz, a researcher with the Colegio de la Frontera Norte, based in Tijuana, Mexico .

In the 1980s and part of the '90s, almost every household in Salcaja had at least one loom, and weaving the fabric used for traditional Mayan skirts was the first way **young** men earned their own **money**.

Now, some mill owners have moved their looms to remote, rural villages with little or no migration, where **people** will work for a salary of 900 quetzales, or about \$120 a month.

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"The thing is that this work is really hard, and you earn very little," said Secundino Taracena, the owner of one mill. "It's easier for a young person to sit back and receive money" from the United States.

About 1,000 families in this town of 12,000 people receive their remittances through a finance and credit cooperative called Salcaja, R.L., which encourages the development of small businesses under its "More than Remittances" program.

"We want to foster investment, instead of consumption," said the cooperative's general manager, Romualdo Pizabaj.

But for many, such as Franklin Robles, 32, who lived in Chicago and Trenton, N.J., for 10 years, wages will always be too low in Guatemala.

"None of the young guys are going to work for the 1,400 quetzales (\$200) that you earn in a month," said Robles, now unemployed. "And why would they study when someone who goes to school doesn't earn any more than that?"

Many wait to get into the United States - legally or not.

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