North begins to lose allure for Brazilians
Richard Lapper

At the end of 2004, Genini Danelli paid what locals call a “consul” $10,000 to take him to Mexico and across the border into the US. The 44-year-old construction worker from the Brazilian city of Governador Valadares has had a poor return on his investment.

Working on building sites in Boston, New Jersey and most recently in North Carolina, Mr Danelli earned about $500 (€315, £251) a week when times were reasonably good. Even so, it took him a 1½ years to pay off the debt, and in the past year or so things have gone downhill rapidly.

The Brazilian real has strengthened against the US dollar, depressing the value in local currency of the $300-$400 a month that Mr Danelli sent home to his wife and four children.

Over the past year or so, work has been harder to find as a result of the downturn in the US housing market; some months he even struggled to meet his $700 a month US rental bill. Shortly before Christmas, he returned to Brazil and is now organising building work from his home and working as a taxi driver to make extra money.

“It worked out for some people, but for me it didn’t. I don’t know why, but it just wasn’t worth it in the end,” says Mr Danelli, whose brother lives in the US managing a successful landscape-gardening business.

In Valadares, returned and disappointed migrants like Mr Danelli are increasingly common. Since the Brazilian recession of the late 1980s, the city has won something of a reputation as a centre for emigration to the US. Indeed, 30,000-40,000 people from Valadares – equivalent to at least one in eight of the city’s 250,000 population – live and work in the US, the vast majority of them in Boston suburbs, such as Framingham.

But in the past few months hundreds – perhaps as many as 3,000 – have returned home, says José Bonifacio Mourão, the city’s mayor. The weakening dollar, rising US living costs, the collapse of any prospect of immigration reform and increasingly fierce policing have all made the US a less attractive place.

“Migrants are really down. They feel they have no prospects,” says Raimundo Santana, a journalist and adviser to the city’s mayor who himself spent several years in the Boston area.

Even successful migrants have been discouraged by the slow decline in their spending power. For six years Edson Djalma Fernández, 53, and his wife, Giany Aparecida, 37, worked double shifts at Boston branches of Dunkin’ Donuts and sent up to $3,000 a month back, enough to build a smart new house in a middle-class area of their home city.

But they say things got harder after 2005. “We started noticing that our tips were getting smaller. People started to pick up their change when they came in for a coffee,” says Ms Aparecida.

Petrol costs started to rise and the strength of the real – it has more than doubled in value since 2002 – meant Ms Aparecida could afford to send back less to her mother and children. At the end of 2006 she returned home, followed a year later by her husband. “We would have stayed a couple of years more but, because of the currency, it really wasn’t worth while,” she says.

The flood of people back to Valadares is causing some damage to the city’s economy. Sueli Siqueira, a sociologist at the Universidade Vale do Rio Doce in the city, interviewed 200 recent returnees and found that less than half of them had accumulated any capital from their period in the US.

Mr Santana says property prices have fallen and agents say few if any migrants now have the cash to pay outright for land. More than 20 travel agents that had specialised in the Mexico-US trade have closed their doors in the past two years.

The decline in remittances – estimated by Mr Santana at about R$120m (US$68m, €44m, £35m) a year – could cause further problems, hitting local spending power in all sorts of ways. Ms Siqueira says many students rely on money sent by relatives living abroad to pay their fees but are now building up substantial arrears, for example.

Already many recently returned migrants are considering emigration again. Ms Siqueira says 28 per cent of her interviewees are thinking about migrating to Europe, partly because stronger currencies will increase the value of the money they send home.

Countries such as Portugal, Spain and Italy are especially attractive because Brazilians do not need visas to go there, she says.

Genilson Soares, a 22-year-old recently deported from the US where he worked on building sites, is one of them and says he would love to go to Portugal or – better still – to study in Canada. “I learned how life is lived away from Brazil and I really want to try to do this again,” he says. “You can earn $100 in a day there. Here it takes me two weeks.”

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