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Coming Home: Salvadorans hope MCC compact attracts investment from diaspora community

Over the past few decades, Salvadorans have traveled to the United States in search of jobs and the “American Dream.” As small communities and national authorities work with local and international allies to improve El Salvador’s economic outlook, a new group of investors, members of the Salvadoran diaspora, are slowly returning to provide an economic spark to local businesses and job markets. With increasing availability of new local economic opportunities, including those created by the Millennium Challenge Corporation (MCC) compact in the northern zone of El Salvador, Salvadoran expats are opening new business ventures in their home country and leading private sector growth in local economies eager for new jobs and economic activity.



José Angel Quirós (far right) speaks to Dimas Escobar (far left) at the outreach event organized by the Salvadoran Government

Twenty-five years ago, Dimas Escobar moved from his home in Morazán, El Salvador, to New York. Soon after he arrived, Dimas landed a job at a wholesale seafood distributor, where, after years of hard work and perseverance, he learned the trade and skills needed to open his own business. Today, Dimas owns several successful businesses, including his own fish market and restaurant in New York and a small dairy farm in El Salvador.

Dimas always hoped to return home to El Salvador to retire alongside his family and friends. His plans didn’t include new business ventures or investment opportunities until he was approached by FOMILENIO, the agency responsible for the implementation of the country’s MCC compact, at an outreach event in Long Island, NY.

Curious to witness firsthand the impact of MCC’s \$461 million investment in roads, education, rural electricity, and other growth-promoting sectors, Dimas travelled to the northern zone of El Salvador to



Salvadoran diaspora listen attentively during the outreach presentation in New York

gauge the potential for new investments of his own. Impressed, he saw the progress as both a business opportunity and a chance to help improve conditions in the country of his birth. Soon after his visit, Dimas purchased land to build a small shopping center, and invested further in his dairy farm to boost quality and production to meet the demands of the northern zone's reinvigorated dairy market.

Dimas's investments reflect his solid business acumen. For members of his community, new employees at his dairy facility, and workers who will be hired to build his planned shopping center, his investment breathes new life into a depressed economy. Improving the environment for private investment like Dimas's is just one example of the impact of the MCC-funded infrastructure project on the economy of the northern zone.

MCC's investments are designed to help partner countries overcome hurdles to economic development. The investments, by design, are limited to a five-year time frame. When an MCC compact ends, private investors must take advantage of the new resources and opportunities created by the U.S. investment. Private investors are key to the sustainable economic growth that truly reduces poverty and creates a better life for Salvadorans.

José Angel Quirós, CEO of FOMILENIO, recognized that members of the Salvadoran diaspora – people like Dimas who maintain strong ties to El Salvador even as they earn a living abroad – are ideal candidates to make follow-on investments that advance the country's economic opportunities. Many of these individuals are already pillars of the local economy, sending money home regularly to support their families and communities. As native Salvadorans, these potential investors have a unique understanding of their home country that often enables them to spot business opportunities others may miss.

Mr. Quirós explained, "For those entrepreneurs who left El Salvador in search of a better future, they are now encouraged and hopeful about the opportunities that await them."

Mr. Quirós hopes these investment opportunities, combined with what he calls the "power of nostalgia," will motivate more Salvadorans to invest in the future of their home country. If FOMILENIO is right, Dimas will have plenty of company when he trades in his New York apartment for a retirement home in a new, more prosperous El Salvador.