



Yvonne: Hello, this is bbclearningenglish.com - I'm Yvonne Archer!
Now terms like 'the black economy' and 'indirect taxes' shout 'business', but how do they connect to ordinary people? We'll find that out from a Mexican point of view as we do business on today's Weekender!

Miguel Molina, an Editor with the BBC's Latin American Service, is one of only about 5,000 Mexicans who live, work and study here in the UK. But although they're 'abroad' - living in another country - they're still extremely important to Mexico. Why?

Miguel Molina

Historically, the main source of income for Mexico and Mexicans has been oil. However, the second most important source of income has become the money that Mexicans abroad send to Mexico. So we're talking about billions of pounds really.

Yvonne: For many years, 'historically', Mexico's 'main source of income' has been oil – so most of the government's money is made by selling it. But after oil, the largest amount of money comes from Mexicans abroad who are sending huge amounts of money back to their families! The money's often sent through 'official channels' - financial institutions like banks that are recognised by the government. So how does the Mexican government get their part of all that money?

Miguel Molina

...Well, in the form of indirect taxes and taxes to the families eventually who receive the money. But so far, the Mexican government has decided not to touch those monies because if they did, people would stop sending money through those official channels, such as banks and, you know financial houses and exchange houses.

Yvonne: Ah! For example, to change their pounds into local money, a family pays bank charges. Then the bank pays some of that money to the government in taxes. That's an 'indirect' tax because the family doesn't pay it to the government itself. And if the government changed all that, as Miguel explained, Mexicans abroad would find other ways to send their money home. Ways which probably wouldn't involve any taxes at all.

In the UK, most Mexicans are students but as we've been hearing, there are some who work. They still manage to send money home when they don't earn very much. Who are they and what's the term that Miguel uses to help us understand their situation?

Miguel Molina

There are some people who came as tourists and ended up staying and they are now a part of the black economy.

Yvonne: Tourists who come to the UK are not allowed to work and must leave the country when they've agreed to. But like people from many countries, some Mexicans don't go home. They find jobs but can't pay taxes on what they earn in the UK because the government would find out that they're still here. They became a part of 'the black economy'. So do they pay any taxes?

Miguel Molina

Whether you're legally or illegally in any country, you end up paying taxes - indirect taxes. Every time you buy a bottle of water, every time you buy a beer, every time you buy anything, you pay taxes. So, I understand, a very important part of the income of any government. So it's not that they get a tax-free existence. Nobody does.

Yvonne: Aha - indirect taxes again, this time on things like a bottle of water. So everyone pays tax. As Miguel puts it 'there's no such thing as a tax-free existence'. So really it's good news for both the Mexican and the UK government. But sad news for others....

Miguel Molina

There are towns in Mexico where only women, old men and children live because all men of working age are abroad. Mostly in the United States.

Yvonne: The men who are old enough to leave school and find jobs and those who are still young enough to work, do just that - but abroad. They send money home to feed their families and to pay school fees but at what cost? Would you be able to leave your family behind to find work?

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