

Remittances, Migration and Development: Policy Options and Policy Illusions

Hein de Haas

This is a preprint version of a chapter whose final and definitive version has been published in K. Hujo and N. Piper (eds), *South–South Migration: Implications for Social Policy and Development*, London and Basingstoke: Palgrave Macmillan.

Introduction

In the past few years there has been a remarkable renaissance in the interest in remittances by policy makers, multilateral organizations, such as the World Bank, the International Monetary Fund (IMF) and the International Organization for Migration (IOM), and scholars (Ratha 2003; Kapur 2005). After years of relative neglect, remittances have been rediscovered as a potential source of development finance. This interest has partly been triggered by a striking increase in remittance flows.

Registered remittances sent back to developing countries rose from \$31 billion¹ in 1990 to \$83 billion in 2000, to no less than \$338 billion in 2008. While remittances to developing countries surged, official aid flows showed a declining trend. Although this surge partly reflects the surfacing of erstwhile informal remittances, improved recording of remittances and declining depreciation of the United States (US) dollar, there is little doubt that at least part of this increase has been real.

To a considerable extent, this interest in remittances is part of a broader debate on migration and development, or, more precisely, how migration and remittances affect development in communities and countries of origin in the global South. Also this debate has recently shifted from the rather pessimistic, structuralist perspectives – which saw migration leading to a dangerous dependency on remittances and a loss of productive potential – that dominated from the mid-1970s to the late 1990s to the current views that see migration and remittances as highly beneficial for development in countries of origin (de Haas 2005).

This shift from more pessimistic to optimistic views has concurred with a similar shift in social scientific and development policy paradigms from structuralist and dependency perspectives to functionalist, agency-oriented and neoliberal views emphasizing the efficiency of (free) markets and the capacities of individuals to improve their own lives and bring about structural changes. Under the influence of surging remittances, there has been a rapid increase in the number of scholarly studies analysing their nature, trends and impacts upon development in sending countries. However, there are still major gaps in our understanding. Perhaps the biggest flaw is their almost exclusive focus on North-South remittances emanating from South-North migration. According to recent estimates, only about 40 per cent of all migrants from

1. All \$ references are to US dollars.

developing countries live in wealthy Organisation for Economic Co-operation and Development (OECD) countries, 47 per cent in other developing countries, while 13 per cent live in wealthy non-OECD countries, such as Saudi Arabia, the United Arab Emirates, Hong Kong Special Administrative Region (SAR) and Singapore (Ratha and Shaw 2007b).

The share of South-South migrants in total emigrant stocks seems particularly high in the poorest countries. In sub-Saharan Africa, for instance, 64 per cent of all international migrants live within the region. Only 27 and 22 per cent, respectively, of all international migrants from sub-Saharan Africa and South Asia have migrated to wealthy OECD countries (Ratha and Shaw 2007b). The poorest are less likely to be involved in international migration because of the significant costs and risks usually involved in moving abroad, and most poor people therefore seem to migrate internally (Zohry 2005). Nevertheless, it should be stressed that other work seems to contradict these results showing that in certain countries (Egypt), even the poorest do migrate successfully (Sabates-Wheeler et al. 2005). However, if poor people migrate, they are likely to run serious risks and experience substantial losses (Waddington and Sabates-Wheeler 2003).

South-South remittances are estimated at between 10–29 per cent of total remittance flows (Ratha and Shaw 2007a). Although this might not seem very high, the real number of South-South migrants and remittances may be substantially higher because many South-South migrants are irregular or undocumented and remittances are often sent informally. Furthermore, the *relative* importance of South-South (and internal) remittances seems to be disproportionately high for the poorest countries and communities, which often have limited access to South-North migration and, hence, North-South remittances. Most North-South remittances flow to middle-income countries because most South-North migrants originate from these countries. One-third of all the remittances are sent to Latin America and the Caribbean, followed by South Asia (20 per cent), while sub-Saharan Africa only receives 5 per cent of all transfers to developing countries (Nyberg-Sørensen 2005).

Although middle-income countries receive most remittances, the relative economic importance of remittances expressed as a share of total gross domestic product (GDP) tends to be higher in low-income countries (IFAD 2007). In relative terms, remittances tend to be more important for small and sometimes very poor countries (such as Haiti, Lesotho, Moldova and Tonga), which often receive more than 10 per cent of their GDP in remittances (World Bank 2006:89). In other poor countries, such as Somalia, official remittance figures are not available, or much money is remitted informally, and actual flows are likely to be very high relative to GDP (Pieke et al. 2005).

Particularly since 2003, states, non-governmental organizations (NGOs) and international organizations such as the World Bank have become increasingly interested in developing policies to maximize remittances, to direct them into formal channels, as well as to maximize their impacts on development in sending countries. Reflecting the overall bias towards South-North migration, this debate and policies have almost exclusively concentrated on North-South remittances. This is unfortunate because of the importance of South-South migration and remittances for, particularly, poor countries and the fact that the costs of South-South remittances are often higher

than for North-South remittances because of a frequent lack of efficient banking infrastructures within and between countries in the global South.

Despite the debate on and implementation of policies to maximize remittance flows as well as to improve the overall impact of migration and remittances on development in sending countries, we know very little about the actual impact of such policies. This is primarily related to a striking lack of independent evaluations of such policies. More fundamentally, this is linked to the general failure to embed policy impact analyses into a more general debate on migration and development. Without taking into consideration the wider processes of social transformations and economic change of which migration (and remittances) is an intrinsic part, it is impossible to specify the impacts of targeted policies, since they cannot be analysed 'in isolation' of the broader development context.

This chapter intends to turn the conventional analysis around by grounding the evaluation of actual and likely impacts of targeted 'remittances, migration and development policies' into a broader review of the empirical literature on the relationships between migration and remittances, on the one hand, and various dimensions of social, economic and cultural changes in the global South, on the other.² On the basis of this broader understanding and theoretical framing, this chapter will subsequently assess the impacts of specific policies to increase remittances and improve the impact of migration and remittances on development in origin countries and communities. This chapter places particular emphasis on the impact of remittances on development in receiving countries. It also attempts to develop thoughts on the specific features of South-South migration and what the likely impacts for social development as well as policy implications might be.

Current insights into migration impacts

Remittances, income and livelihoods

Most empirical work exemplifies that labour migration, "rather than a response to destitution" (Hampshire 2002: p. 15), is a livelihood strategy pursued by social groups (typically households) in reaction to relative deprivation (Stark and Taylor 1989; Quinn 2006) so as to spread income risks, hence stabilize and secure income, to gain access to higher income and to overcome local market constraints. Remittances stand central in such household strategies. Besides protecting against income shocks, a range of empirical studies have confirmed the positive contribution of international remittances to household welfare, nutrition, food, health and living conditions in migrant sending places and regions.³

However, the extent to which households succeed in achieving these goals critically depends on the specific circumstances under which such migration occurs. This, in turn, depends on the destination and selectivity of migration. In this respect, there

2. The review in this section is a summarized and updated version of an earlier paper (de Haas 2007a).

3. See Itzigsohn (1995); Lindley (2006); Conway and Cohen (1998); de Haas (2006a); Stark and Taylor (1989); Koc and Onan (2004); and Nwajiuba (2005). For general overviews, see Rapoport and Docquier (2005) and the World Bank (2001).

seem to be fundamental differences between South-North and generally less remunerative South-South migration (Hampshire 2002; Wouterse 2006; de Haas 2006a). However, in some situations, there can also be significant income gains for South-South and internal migration. A study conducted in rural China found that internal migration increased per capita household income for those left behind, by between 16 and 43 per cent (Taylor et al. 2003).

Because there are only few studies that systematically study the impact of South-South remittances, it is unclear to what extent this pattern applies to other countries or continents. However, it seems likely that, because of their higher volume, North-South remittances generally represent a more effective way to increase income for remittance receiving households and families, whereas the risk diversification dimension will often be relatively more important for South-South and, particularly, internal remittances.

Remittances often tend to be counter-cyclical and hence, have an important function in protecting families from income shocks caused by economic downturns, political conflicts or climatic vagaries. Analysing survey data on Mexico-United States remittances, Amuedo-Dorantes and Pozo (2006) concluded that increases in receiving country income risks significantly raises both the propensity and the proportion of labour earnings sent home for family-provided insurance and for self-insurance. The other way around, an increasing number of studies indicate that economic and currency crises in origin countries do tend to increase remittance transfers (Blue 2004), corroborating the idea that remittances serve to spread income risks and smooth consumption.⁴ There is little reason to doubt that South-South and internal remittances play similar roles.

Macroeconomic significance of remittances

Also on the national level, there is substantial evidence that remittances are an increasingly important and relatively stable source of external finance and that they play a 'critical social insurance role in many countries afflicted by economic and political crises' (Kapur 2005:2). North-South remittances have proved to be less volatile, less pro-cyclical, and are a more reliable source of foreign currency than other capital flows to developing countries (World Bank 2005; Ratha 2003; Buch et al. 2002). It is claimed that remittances are close to tripling the value of the official development assistance (ODA) provided to low-income countries, and they comprise the second largest source of external funding for developing countries after foreign direct investment (FDI), and often cover important parts of current account deficits (GCIM 2005; Orozco 2002; Glytsos 2002; de Haas and Plug 2006).

Because many remittances are sent through informal channels, the actual importance of remittances is even higher than official figures show. A recent overview study concluded that, thanks to highly developed informal remittance systems, the economies of countries such as Somalia, and, to a lesser extent, Surinam or Fiji, are in a much better state than official figures would lead to believe (Pieke et al. 2005; Gundel 2002).

4. Kurosaki 2006; Alper and Neyapti 2006; Lindley 2006.

Remittances have often been expected to be an unreliable source of external revenue for families, regions and states, because it has been generally assumed that remittances would rapidly decline after migrants settle and integrate at the destination (Merkle and Zimmermann 1992; Ghosh 2006). This remittance decay hypothesis (Brown 1997) has recently been challenged under influence of empirical evidence suggesting that remittances can be a *relatively* stable flow of capital. Research also pointed to the fact that the relationship between duration of stay and remittances is unlikely to be linear, and integration indicators, such as employment and income, may increase the *capability* to remit. This might partly or entirely counterbalance a possible weakening of ties with origin countries over time (de Haas and Plug 2006; Taylor 1999; Brown 1994; Fokkema and Groenewold 2003). This complements macro-evidence that the level and cyclical fluctuations in economic activities in destination countries explain most of the variations in remittance flows (Puri and Ritzema 1999; Swamy 1981; Straubhaar 1986).

Migration, poverty reduction and inequality

The fact that remittances significantly contribute to income stability and welfare in developing countries does not necessarily imply that they also contribute to poverty alleviation. Because of the costs and risks associated to migration, it is generally not the poorest who migrate the most. As migration is a selective process, most direct benefits of remittances are also selective and do not tend to flow to the poorest members of communities (CDR 2002; Schiff 1994), nor to the poorest countries (Kapur 2005). Indeed, the main beneficiaries of South-North remittances are lower middle-income countries which receive nearly half of all remittances worldwide (Kapur and McHale 2003). However, as has been argued above, small and sometimes very poor countries are among the most dependent on remittances, receiving more than 10 per cent of GDP as remittances (World Bank 2006).

Yet, this does not tell much about the effects of remittances in poverty and inequality within middle- and low-income countries. In general, evidence of macro and survey data suggests that remittances do reduce poverty even though the non-poor often benefit more and remittance inflows often initially lead to increasing inequality. Although most remittances are not likely to flow to the poorest people, they might be affected indirectly through the economy-wide effects of remittance expenditure on wages, prices and employment in migrant sending communities and countries. On the basis of an analysis of a data set covering 71 developing countries, Adams and Page (2005) concluded that international migration and remittances significantly reduce the level, depth, and severity of poverty in the developing world. High-skilled, international migration is evidently likely to be more selective than low skilled, internal migration; and migration occurring under liberal immigration regimes is likely to be less selective than migration under restrictive immigration regimes driving up the costs and risks associated with migration.

Although South-South internal migration is generally associated with lower overall income gains, more poor people migrate to other poor countries or internally. This lower selectivity means that the relatively poor can migrate and this might, under certain circumstances, strengthen the poverty and inequality reducing role of migration. This implies that the positive role of South-South, as well as *internal*

migration in spatial and social income redistribution, poverty alleviation, and economic growth, should not be overlooked (Deshingkar 2006).

Most studies conclude that international North-South remittances have reduced poverty directly or indirectly. While only a few studies specify the impact of South-South remittances, most available work focuses on internal remittances. Based on analysis of household survey data, Adams (2004) concluded that both internal and international remittances reduce the level, depth, and severity of poverty in Guatemala. The squared poverty gap, which Adams constructed to measure the severity of poverty, fell by 21.1 per cent when internal remittances were included in household income, and by 19.8 per cent when international remittances were included.

This result can be explained by the fact that low-income households receive a very large share of their total household income from remittances. So when these 'poorest of the poor' households receive remittances, their income status changes dramatically, which has a large effect on poverty reduction (Adams 2004). An analysis of Chinese household data found that having an internal migrant increases a household's income per capita between 8.5 to 13.1 per cent, but that the overall impact on poverty is modest because most poor people do not migrate, not even internally (Du et al. 2005).

Also the effect of migration and remittances on income distribution and inequality seems to be primarily a function of migration selectivity. A recent overview of case studies on migration and inequality across Central America, Eastern Europe, West Africa and South Asia demonstrated how the relation between migration and inequality varies both between and within regions, and emphasized 'the need for defining which kind of migration, and which kind of inequality are being analysed' (Black et al. 2005: p. 18). If migrants mainly originate from relatively wealthy households, migration is more likely to imply greater inequality in the community of origin, but the reverse seems true if migrants come from relatively poor households. As South-South or internal migration is often less selective than the more costly and risky South-North migration, the effect of the latter form of migration is more likely to be inequality-increasing. In this vein, Taylor et al. (2005) found on the basis of a Mexican survey that a 10 per cent increase in international remittances increased rural inequality by 2.8 per cent, and that a similar increase in internal remittances reduced rural inequality by 0.1 per cent.

However, it is dangerous to overgeneralize, because inequality effects are primarily dependent on the specific circumstances determining the selectivity of migration. Moreover, migration selectivity has the tendency to decrease over time, primarily due to the development of migrant networks, which diminish the risks and costs of migration (Bauer and Zimmermann 1998), and the flow back of information (Korner 1987). As a consequence, the often initially negative effects of remittances on equality might therefore be dampened or even reversed over time (Jones 1999; Taylor 1999; Rapoport and Docquier 2005; Stark et al. 1988).

Migration, remittances and economic community development

Remittances potentially enable households to invest in regions and places of origin. Several studies suggest that households receiving international remittances have a higher marginal propensity to invest than non-migrant households (Massey et al. 1998; Adams 1991; Taylor 1999; Woodruff and Zenteno 2007; Lindstrom and Lauster 2001; Rapoport and Docquier 2005). Empirical work also suggests the economic impact of migration can initially be negative through the ‘lost labour effect’, and that positive development responses to migration through remittance expenditure and investment may take decades to fully materialize. Local development effects seem to take at least two, three, or even more decades to fully materialize, as migrants have to save money before being able to invest. In a study of migration from five African countries to South Africa’s mines, Lucas (1987) concluded that migration diminishes domestic crop production in the short run, but enhances crop productivity and cattle accumulation through invested remittances in the long run and results in increased domestic plantation wages. Taylor (1994) found evidence that the combination of lost-labour and remittances effects may originally have a negative effect on production in migrant sending regions, but have a positive impact in the long run.

However, the extent to which such investments occur, and *where* and in which sector they are allocated, fundamentally depends on the migrants’ legal rights in destination countries (with regards to residency, legal work, public services, social welfare), the household’s income as well as the specific political and economic conditions in countries and regions of origin, factors which eventually determine their attractiveness for investments. This explains why remittances impact so differently on different countries and regions. Whereas, in some cases, remittances have enabled migrants to invest in land and cattle (Taylor et al. 2006; VanWey 2005; de Haas 2006a), in other cases remittances have generally not been dedicated to agricultural improvements and overwhelmingly invested in housing and land (Jokisch 2002). Similarly, while in some cases most remittance-driven investments have remained within the sending region (de Haas 2006a), in other cases migrants prefer to invest in urban areas (McCormick and Wahba 2003).

This seems particularly the case when sending regions lack adequate infrastructure, agricultural resources and urban centres providing opportunities to allocate such investments (Berriane 1997). Internal migration and South-South migration is perhaps more often associated with rural and agricultural stagnation or even decline (Regmi and Tisdell 2002; de Haas 1998) than international migration to wealthy countries, where much higher remittances potentially enable households to substitute the lost labour and to actually invest in agricultural and other sectors. However, due to a lack of comparative studies, this remains a hypothesis in need of more empirical testing. Moreover, it is dangerous to overgeneralize the impact of remittances. It is necessary to take into account the general investment conditions, which largely determine the extent to which South-North, South-South and internal migrants are tempted to invest their money in countries and regions of origin.

There has been a recent re-evaluation of the potentially positive impacts of consumptive remittances expenditure. Much earlier research has tended to negatively evaluate consumptive expenses as non-contributive to local economic development.

However, consumptive expenses can significantly contribute to well-being by providing non-migrants with labour and income, provided that they are not mostly spent on imported goods. This seems to be confirmed by some evidence that a high local consumption level of migrant households leads, via multiplier effects, to higher incomes for non-migrant households (Adelman et al. 1988; Durand et al. 1996), although related increases in house prices might negatively affect poorer community members. The same holds true for ‘non-productive’ investments. For example, prior research has bemoaned the high amounts of money spent on housing. Nevertheless, construction activities can generate considerable employment and income for many non-migrants (Stark 1980). In this way, expenditure on housing and consumption may have significant multiplier effects in the wider economy (Djajic 1986; Russell 1992; Taylor et al. 1996; de Haas 2006a).

Besides ignoring the indirect ways in which consumptive expenses and ‘non-productive investments’ expenses can contribute to economic growth, it is crucial to emphasize that conventional views on migration and development also tend to rest on rather arbitrary definitions of what actually constitute ‘productive investments’ (Conway and Cohen 1998), reflecting rather narrow views on what constitutes development. Expenditure in areas such as education, health, food, medicines and investments in decent housing, as well as community projects in education, health and recreational facilities (Nwajiuba 2005) can greatly enhance well-being and human capital. For instance, there is evidence that international remittances have a positive influence on (infant) health (Kanaiaupuni and Donato 1999; Frank and Hummer 2002). From an individual and capabilities point of view, such effects comprise ‘development’ and can also boost economic growth (Sen 1999).

Brain drain, brain gain and remittances

Migration is often believed to be an *obstacle* to development because it deprives poor countries of their valuable human resources. The universality of the brain drain hypothesis has been increasingly questioned over the past decade, giving room to a much more nuanced picture (see Meyer chapter, in this volume). Besides the fact that brain drain seems to be only truly massive in a minority of countries (Adams 2003), it is the representation of migration as the *cause* of development problems that is highly problematic. For instance, migration of health workers in particular is frequently mentioned as extremely harmful for sending countries. However, recent studies have doubted whether migration is the real culprit (Clemens 2007) and have concluded that migration is a symptom, rather than a cause for failing health systems. In fact, most elite health workers would not have provided basic healthcare if they stayed (DRC 2006).

Furthermore, departure of the highly skilled may have long-term beneficial effects in the form of counter flows of remittances, investments, trade relations, new knowledge, innovations, attitudes and information in the medium to long run. Migrants have also played an important role as innovating and transnationally operating entrepreneurs and investors in countries such as Mexico, Turkey and India. Through such social and political investments, migrants can contribute to shaping a better societal climate in countries of origin in general.

Finally, brain drain can be accompanied by significant brain gain (Lowell and Findlay 2002; Stark et al. 1997). There is increasing evidence countering the classical brain drain hypothesis, showing that migration and remittance might cause a 'brain gain' because the prospect of moving abroad (brain drain) can encourage stay-behinds to study (Stark et al. 1997; Fan and Stark 2007). If the opportunity to migrate increases the returns to education, this can motivate non-migrant to invest in education with a view to emigrating (World Bank 2005).

This motivational effect is additional to the role of remittances in potentially *enabling* family and community members of migrants to study. Several studies have indicated that remittances increase educational expenditure in origin households (Yang 2004; Adams 2006), reduce the likelihood of children leaving school (Cox Edwards and Ureta 2003), and increase the number of children, in particular girls, who complete schooling (Hanson and Woodruff 2002, cited in Rapoport and Docquier 2005). On the other hand, there is some evidence that, under certain circumstances, migration and remittances might also create negative incentives for education. This seems specifically the case in migration systems predominated by low-skilled (such as in the case of Mexico-United States migration), often undocumented migration, where few, if any, positive externalities of education can be expected (McKenzie 2006). For instance, differently, a Mexican migrant with a higher education degree working in the US construction sector will not earn substantially more than a migrant with only primary education. This shows that it is almost impossible to generalize about the impacts of South-South migration on non-migrants' incentives to pursue education, since this will primarily depend on the selectivity of migration and whether at the destination migrants end up working in jobs matching their qualifications.

Due to a lack of empirical evidence, it is difficult to specify the effects of South-South migration in comparison to South-North migration. Also in this case, the effect of migration on schooling will primarily depend on the *specific* patterns of migrant selectivity, their labour market insertion in destination countries and, hence, the returns to schooling. In some cases, internal and South-South migrants are generally better educated than South-North migrants, and in such cases South-South migration may have a stronger positive effect on education than South-North migration. However, more pertinent data is necessary in order to test such hypotheses.

Social and cultural impacts

The pivotal role of remittances in social and economic reproduction of (often rural) sending communities has been widely acknowledged (Klooster 2005; Heinemeijer et al. 1977). While sustaining social and economic reproduction of communities, remittances also tend to transform social structures. On the one hand, migration, particularly by women, often disrupts traditional care arrangements for children and the elderly (King and Vullnetari 2006) and creates long-term separation between spouses and parents and children (Pribilsky 2004). On the other hand, remittances may enable households to improve their livelihoods, children's education and to substitute family carers for paid carers (see Kofman and Raghuram chapter, in this volume). While international migration may deter marriage while the migrant is abroad, after returning to his origin community, the remittances and savings accumulated by Mexican migrants facilitate the purchase of housing, businesses and

land, and, as such, help provide the necessary capital to marry and start a family (Parrado 2004).

Migration and remittances can also have profound consequences for class and ethnic hierarchies in sending communities if lower status groups manage to migrate internally or internationally, which may upset traditional social hierarchies (Taylor et al. 2006; de Haas 2006a; Ilahiane 2001).

On the other hand, remittances from migrants may benefit sending communities as a whole (VanWey et al. 2005). The social and cultural changes affected by migration and remittances are themselves likely to affect future propensities to migrate. In this context, the literature refers to a 'culture of migration' in which international migration is associated with personal, social, and material success, where migration has become the norm rather than the exception, and staying home is associated with failure (Massey et al. 1993).

Migration by men and women also tends to affect gender relations in sending communities. Although it has been sometimes assumed that migration of men encourages the emancipation of women who stay behind (Fadloullah et al. 2000), limited empirical evidence suggest that migration and remittances have no or only a limited structural impact on gender roles, and may actually serve to reproduce them (Hampshire 2006; Van Rooij 2000; Taylor 1984; Myntti 1984; Day and Içduygu 1997). Quite on the contrary, Gammage (2004) found that, through migration and remittances, Haitian women have been able to change the political landscape of Haiti and have challenged traditional gender roles.

However, in particular in the longer term there might be (intergenerational) gains for women, such as the education enabling role of remittances and the role models migrant women might represent (Taylor et al. 2006; Crivello 2003). Traditional gender roles are often maintained throughout the migration cycle, and transformations of patriarchal power structures are more likely to be generational (King et al. 2006; de Haas 2009).

Both Courbage (1996) and Fargues (2006) hypothesized that – besides factors such as higher age of marriage, increased female labour force participation and improved education – the migration from north African to European countries – as opposed to Egyptian migration to conservative Gulf countries, where the effect would be the reverse – has contributed to the diffusion and adoption of European marriage patterns and small family norms, and so has played an accelerating role in the demographic transition. This indicates the importance to take into account the specific cultural context of destination societies and the relative differences with origin societies when assessing the social and cultural impacts of migration. This implies it is difficult to generalize about difference between South-North, South-South and internal migration. After all, some forms of South-North migration, for instance from Mexico to the United States, might imply a lower degree of cultural change than some forms of South-South or internal migration, for instance, within large countries such as China and India.

Migration, social inclusion and citizenship

Migration and remittances have an inherently ambiguous impact on civil society, state building, and democratization. Although migrants have recently been celebrated for their ability to sustain and reinforce peace and social development in origin countries, it is important to note that migrants, through remittances and other factors, may contribute both to conflict prevention and reconciliation, and to sustained conflicts, for instance through fuelling civil war by funding warring parties (Nyberg-Sørensen et al. 2002).

Remittances can be seen as either a force of change or maintaining the current power status quo. Sending states tend to have ambiguous attitudes towards migrants. On the one hand, many states see migration as a safety net to reduce unemployment, poverty and political unrest (Gammage 2006; de Haas 2007b). Notwithstanding the direct virtues of remittances, it has been argued that their inflow would represent a serious moral hazard problem, diminishing pressure for domestic reforms (Kireyev 2006). On the other hand, the dependence of states on remittances for maintaining domestic stability and financing trade deficits can increase their willingness to engage with emigrant populations and increase their voice in internal political affairs. Many sending states have therefore embarked upon 'diaspora engagement policies' (Gamlen 2006; Meyer, in this volume).

Migrants' considerable economic weight can eventually create a push for political reforms such as increasing freedom of speech and democratization. The independent voice and economic weight of emigrant populations can play a significant role in increasing political processes, policy reforms, transparency and the emancipation of (migrated) minority groups in sending states (Newland and Patrick 2004; de Haas 2005; Van Hear et al. 2004; Massey et al. 1998; Eckstein 2004). In some countries, (return) migrants who studied and worked abroad have played an important role in reforming domestic policies (Massey et al. 1998). However, migrants can have all possible political colours, so the socio-political influence of migrants cannot be easily predicted. In the end, migration and remittances may also provoke violence by providing support for warring parties (Van Hear 2004). And, evidently, there is no objective, scientific yardstick to determine which direction of political change is ultimately desirable.

Remittances and national development: Economic growth

Whereas views on the impact of migration on social and economic development in migrant sending communities and regions incline towards the positive side, views on remittances and *national* development tend to be more sceptical. Macro studies on the impact of migration, remittances on national economic growth have yielded apparently contradictory findings (Leon-Ledesma and Piracha 2004; Chami et al. 2005). It has also been argued that remittances can contribute to undesirable currency appreciation (Dutch disease), create a strong disincentive for domestic savings, and support private consumption of (imported) goods instead of financing investment, which can potentially hamper competitiveness and increase trade deficits (Kireyev 2006).

Apparently conflicting empirical findings on the macroeconomic impact of remittances are not necessarily conflicting on a theoretical level. The macroeconomic impact of remittances is disparate across countries because it is ultimately contingent on the social relations, as well as on economic and political structures, in which the remitted foreign currency becomes embedded (Eckstein 2004). Although remittances play an increasingly vital role in securing and actually improving the livelihood of millions of people in the developing world, it would be naïve to expect that remittances alone could solve more structural development obstacles, such as unstable political environments, misguided macroeconomic policies, unsafety, legal insecurity on property (De Soto 2000), bureaucracy, corruption and deficient infrastructure.

In unfavourable investment environments, remittances might significantly improve the livelihood of migrant-sending families and communities, but do little to promote growth, while provoking passive dependence on remittances and under certain circumstances, even decreasing economic growth. However, if development in origin countries takes a positive turn, if countries stabilize and economic growth starts to take off, it is also highly likely that migrants will be among the first to join in and recognize such new opportunities, reinforcing these positive trends through investing and, to some extent, returning to their origin countries. This has happened in the past decades with several former emigration countries as diverse as Spain, Taiwan Province of China and the Republic of Korea, and might currently be happening in countries like Turkey, since many Turks living in Germany play an important role in Turkey's economic boom as transnational entrepreneurs. In such contexts, remittance expenditure is likely to accelerate such growth and reinforce overall development.

Table 1. Remittances, 2008

	Remittances (US\$ million)	As percentage of GDP
All developing countries	337,761	2.0
Low-income countries	31,567	5.8
Middle-income countries	306,193	1.9
Lower middle-income countries	205,645	2.5
Higher middle-income countries	100,549	1.3
East Asia and Pacific	86,115	1.6
Europe and Central Asia	57,801	1.6
Latin America and Caribbean	64,717	1.8
Middle East and North Africa	34,696	3.8
South Asia	73,293	3.7
Sub-Saharan Africa	21,139	2.2
High-income countries (OECD members)	98,936	0.2
High-income countries (non OECD members)	6,817	0.5
World	443,514	0.7

Source: Adapted from World Bank, Migration and Development Brief 11, 3 November 2009, p.14.

Policy options for optimizing remittance and migration impacts

The preceding analysis has exemplified that the extent to which the potential of migration and remittances for social and economic development is fulfilled fundamentally depends on more general development conditions and, in particular, the extent to which states are able to create attractive environments to invest in and/or to return. This also indicates that the margin of manoeuvre for *targeted* policies toward improving the impact of migration and remittances on development in sending countries is relatively small. The best policies to optimize remittance impact therefore seem to be more *general* development policies, which make countries of origin *also* more attractive for migrants to invest in.

It is therefore important to set realistic expectations about the development potential of migration and remittances, and not create any illusions about the impacts of targeted policies in this domain. Migration and remittances are no panacea for development as they alone cannot overcome more structural development obstacles. It is also important not to overestimate the sheer magnitude of migration and remittances. In fact, less than 3 per cent of the world's population is composed of international migrants and in 2008, remittances represented only 2.0 per cent of total GDP of all developing countries (see table 1). This may put the argument that remittances alone can generate take-off development into a more realistic perspective.

It is true that the share of remittances in GDP tends to be much higher in typical emigration countries such as Mexico, the Philippines or Morocco, and even more in small countries, especially island economies in the Caribbean, the Pacific or the Atlantic (Cape Verde). However, the cases of several such countries show that remittances have been unable to create take-off national development in the absence of more general reform (Castles and Delgado Wise 2008).

Taking into account these rather small margins of targeted policies to increase the contribution remittances can make to development in sending countries, the remainder of this chapter will evaluate a number of policies that might encourage migrants to send remittances as well as to improve their development impact.

Facilitating remittances

Remittances play an important role in increasing the overall quality of life among migrant sending households and communities by decreasing income risks and increasing income. For national accounts, remittances have gained increasing importance as a relatively stable source of foreign currency. Because workers' remittances are often hampered by high transfer costs and lack of transparency of remittance markets, the most obvious way to further enhance this impact is through fostering cheaper, faster and more secure ways to send remittances. In the absence of an adequate banking infrastructure, such obstacles seem to be particularly high for South-South remittances. Various policy measures have recently been considered by development agencies, national governments and multilateral financial organizations such as the Inter-American Development Bank's (IDB) the Multilateral Investment

Fund (MIF)⁵ and the World Bank. Such policies have tended to focus on measures to facilitate and channel remittances into formal channels, as well as to enhance their economic impact. The following main policy areas to enhance remittance flows can be distinguished:

1. Improving data collection on ‘remittance corridors’ in order to identify lack of competition and technical inefficiencies in the remittance industry;
2. Enhancing transparency and competition through the creation and enforcement of a legal framework for banks and money-transfer operators, and through publishing remittance costs (www.sendmoneyhome.org);
3. Improving the financial and economic infrastructure in developing countries to facilitate remittances and improve access to financial services in developing countries (‘banking the poor’), including micro-finance institutions and the use of new remittances technologies (such as the use of debit cards and automated teller machines/ATMs, mobile phones); and increasing financial literacy, in particular among women (United Nations 2005);
4. Special fiscal and financial policies by sending and receiving states, such as tax reduction or exemption of remittances, issuance of remittance-backed bonds, allowing for the opening of foreign currency bank accounts and currency devaluations (de Haas 2006b); for extensive discussions of remittances-facilitating policies see EIB/FEMIP 2006; Maimbo and Ratha 2005).

Besides maximizing remittances, the prime aim of such initiatives is often to channel them into formal channels. First of all, this is in the interests of the established bank sector and can more generally reinforce the banking infrastructure of migrant-sending countries. Informal remittance systems (such as *hawala* and *hundi*) are often thought to be less efficient, and some analysts have linked them to money laundering and even terrorism. While the evidence for the latter allegation has been seriously questioned (de Goede 2003) it is often ignored that sending remittances through informal channels can be considerably cheaper, faster and sometimes even more reliable than formal channels (Pieke et al. 2005). In addition, Pieke et al. (2005) observed that there is no evidence that informal remittances have an impact on development that is systematically different from that of formal transfers.

De Goede (2003) argued how *hawala* systems are connected to the financial exclusion of migrant workers in the West. In the war on terrorist finance, discourses of *hawala* have led to the underestimation of the complexity of cutting off terrorist funding, while criminalizing remittance networks. Therefore, the only feasible way to ensure that more remittances are sent through formal channels is to improve the banking system rather than to clamp down on the informal system without creating viable alternatives, which would cause considerable hardship to migrants and their families in origin countries (Pieke et al. 2005).

5. See, in particular, Manuel Orozco’s numerous publications, for example, Orozco (2009).

Creating more legal channels for migration

It is possible to argue that migration restrictions have decreased the direct poverty-reducing potential of remittances. This poverty-decreasing impact of remittances is fundamentally limited because migration is a selective process, mainly because of the risks and costs associated with migration. The poorest groups have often no direct access to international remittance income, although they might profit indirectly through remittance-fuelled employment and income creation. As a consequence of increasing immigration restrictions, many migrants have to revert to costly and risky irregular migration methods.

Some evidence suggests that measures designed to restrict migration can have negative impacts since they raise the costs and risks of migration for poor people and lower the benefits by keeping them in the informal low-paid job market (Sabates-Wheeler et al. 2007). Hence, besides facilitating remittances, lowering the costs and risks of South-North and South-South migration appears to be the main way through which access of the poor to remittances can be improved, because it is likely to reduce migration selectivity and to increase migrants' income. This can be achieved through creating more legal channels for international migration of the high and, in particular, low skilled, responding to the real and increasing needs for such labour in the global North.

For instance, 'guest workers' who were actively recruited by North West European countries in the Mediterranean were often low skilled and relatively poor – although seldom among the poorest. Equally, guest worker schemes with Gulf countries have enabled relatively poor Egyptian and other Middle Eastern peasants to migrate. This might partly explain why in the Middle East and North Africa (MENA) international remittances have had a relatively positive impact on poverty and income inequality (Adams and Page 2003).

Irregular migrants are particularly vulnerable to severe economic exploitation and social marginalization. This particularly applies to (often female) workers in agriculture and informal service jobs (domestics, nannies, cleaners, restaurant and textile workers) of wealthy countries. Securing the position of migrants through legalization makes them less vulnerable to exploitation and will increase their well-being and enhance their capacity for upward socioeconomic mobility in destination countries. This would also enhance their capacity to remit money, as well as the capacity of the families they leave behind to secure and finance care for children and the elderly. Implementation of legal instruments that promote and protect the rights of female labour migrants, refugees and trafficked persons will probably also enhance the development contribution migration can make.

This also applies to South-South migration. Concerning their low earnings and their often irregular or undocumented status and the authoritarian nature of many receiving states, many South-South migrants live in difficult circumstances. They are often hardly protected by governments of sending and receiving countries and often face exploitation on labour markets. Reflecting such lack of rights, large-scale expulsions have regularly occurred in several African, Latin American and Asian countries (Zoomers and van Naerssen 2006; Bakewell and de Haas 2007, Ford 2004).

Depending on initial selectivity of migration and the degree of diffusion of the migration experience within communities over time, remittances might facilitate the emancipation of certain ethnic and social groups, decrease or instead deepen socio-economic inequalities. Because the impact of migration on inequality is primarily contingent on migration selectivity, more liberal immigration policies increasing the access of the relatively poor to international migration are also likely to enhance the equity-increasing potential of remittances.

There is a fundamental mismatch between labour needs and formal immigration policy. The irony is therefore that many policies to fight illegal migration are bound to fail because they are among the very causes of the phenomenon they pretend to combat. Opening the borders to demand-driven labour migration while guaranteeing migrants' rights can significantly enhance the developmental potential of labour migration for both the sending and receiving societies because it allows them to circulate. Recently renewed hope has been placed on circular migration, however, restrictive immigration policies tend to push migrants into permanent settlement while interrupting patterns of circular migration. Irregular migrants, the very product of such policies, tend to be the least inclined to return (Van Liempt 2007). This significantly lowers the potential contribution of migration to development in sending countries. The key to encouraging circular migration is to give migrants the genuine opportunity to migrate again if the return is unsuccessful. The paradox is that, if migrants are given the right to re-immigration, they will probably have fewer justified fears of returning, circulating and investing in their origin countries.

Enhancing productive potential of remittances

Remittances can also potentially contribute to the productive potential of migrant sending communities and countries through investments and development projects initiated by diaspora organizations. However, the extent to which this potential is fulfilled fundamentally depends on more general investment conditions. Therefore, assertions that remittances can be 'channelled' into productive investment (Zarate-Hoyos 2004; CEC 2005) or be 'mobilized' for national development (Athukorala 1993) by governments seem rather naïve if general investment conditions remain unfavourable. Many policies trying to channel remittances into productive investments are not only patronizing, but also neglectful of the potentially positive impacts of consumption and 'non-productive' investments. Recently, two policy measures to increase productive use of remittances have received attention: facilitating partnerships between micro-finance institutions and mainstream financial institutions; and sustaining joint development project initiated by diaspora organizations (sending 'collective remittances') and local partner organizations (CEC 2005; de Haas 2006b). However, such targeted policies to channel remittances seem to have only limited success as long as general investment conditions do not improve.

Recognizing emigrants as development actors

People do not only migrate to secure or increase their income. One of the factors motivating people to migrate is the lack of democracy, accountability and meritocracy in sending countries. Although some states have considered migration as a safety

valve to decrease internal political tensions, many saw the departure of migrants as draining the country of its vital human resources. Yet policies to stop the brain drain have generally failed because they do not alter the structural conditions why people migrate. A more fruitful approach would be to create an attractive social, economic and political environment restoring trust among migrants in the state, and that would encourage them to remain involved in their origin countries, to return and circulate, and to make social and economic investments.

Governments of sending countries are increasingly abandoning stay-at-home policies, which have not only proven to be ineffective, but also seem to alienate migrants. Emigration states have recently styled emigrants as heroic citizens, as they seek to encourage emigrants to direct financial resources homeward, in the form of remittances, taxes and investment (Barry 2006). According to Gamlen (2006), diaspora engagement policies can be broken down into three main categories (1) capacity-building policies aimed at developing a set of state institutions to govern the diaspora (for example, emigrant ministries, homecoming conferences); (2) extending rights to the diaspora (for example, voting rights, dual nationality); and (3) extracting obligations from the diaspora (for example, mandatory remittance payments; knowledge transfer). Emigrants themselves have increasingly asserted political claims in origin countries, and some states have extended political rights to their emigrant populations (Gamlen 2006; Barry 2006, see also Meyer, in this volume).

Also in sending countries, governments and development agencies have attempted to enhance the contribution of the social, economic and political involvement of migrants in origin countries, notably through supporting migrants to set up small enterprises in countries of origin and facilitating 'brain circulation' through exchange programmes (de Haas 2006b). Governments of both receiving and sending countries can support self-help organizations established by migrants with the aim of promoting development in origin countries. For instance, as part of its Programme for the Attention of Mexican Communities Abroad, the Mexican government has implemented two-for-one and three-for-one programmes, matching funds for every dollar raised by so-called Home Town Associations for approved public infrastructure projects in Mexico (de Haas 2005). However, again the magnitude and impacts of such programmes are generally very limited and are by no means a substitute for more general political and economic reform, which will ultimately influence the level of transnational social and economic engagement by migrants. Most impact assessments have focused, on the one hand, on the number and costs of projects carried out by migrants within the policy frameworks, and, on the other hand, on their success and failure. But little is known about their impact on the broader development of sending areas.

Policy options on brain drain

It is important not to overemphasize the impact of targeted policies to enhance the development impact of migration in the absence of general political and economic reform in origin countries and a reform of migration policies in receiving countries. The same seems to apply for targeted measures to prevent brain drain, which is unlikely to stop if its structural causes persist. For instance, in the case of Zimbabwe, Tevera (2005) argued that a coercive approach to brain drain would only intensify the

level of discontent among prospective skilled migrants. High unemployment among the high skilled is often the result of misguided education policies and a better approach is to orient education and training toward the true needs of a country (DRC 2006). Although ethical recruitment policies are often advocated to mitigate brain drain, their effects are likely to be limited, besides the fact that they are difficult to implement and exclude certain individuals from opportunities and could therefore be seen as discriminatory on the basis of country of origin (DRC 2006).

In this context, Bhagwati (2003) argued that a more realistic response to emigration requires abandoning the 'brain drain' approach of trying to keep the skilled at home. Instead, governments of sending countries should encourage a reverse brain gain through granting emigrants to increase their commitment and encourage remittances, investments and their participation in public debate. Countries as diverse as India, Taiwan Province of China, the Republic of Korea, the Philippines, Mexico and Tunisia seem to have shown considerable success with policies aimed at fostering links with emigrant communities and effectively turning a brain drain into a brain gain (O'Neil 2003; de Haas 2005). Therefore, the best option to reverse brain drain is national development (Chang 1992; Agunias 2006).

Conclusion

Available empirical evidence suggests that migration is part of risk spreading and co-insurance livelihood strategies pursued by families, and that remittances have the *potential* to improve well-being, stimulate economic growth and reduce poverty directly and indirectly. An increasing number of studies have highlighted the generally positive effects of livelihood security, income level, as well as health and education outcomes. However, the evidence also highlights the fundamentally *heterogeneous* nature of the development impacts. The evidence strongly suggests that the extent to which migration and remittances can positively or negatively affect broader, national social and economic development strongly depends on the more general development context and investment environment. Migrants are unlikely to massively invest and/or return if under unfavourable investment conditions, or if political repression, corruption and legal insecurity (for instance, on property rights) prevail.

Against the background of a long period of pessimism and near neglect, the recent 'rediscovery' of remittances and the rapid shift from pessimistic to optimistic views on migration and development is a remarkable phenomenon. On a critical note, Kapur (2005) wondered whether remittances are the newest 'development mantra'. He argued that remittances strike the right cognitive chords with policy makers since they fit with a communitarian, 'third way' approach and exemplify the principle of self-help: 'People from poor countries can just migrate and send back money that not only helps their families, but their countries as well. Immigrants, rather than governments, then become the biggest provider of "foreign aid" . . . What could be better?' (Kapur 2005: 10). However, Kapur warned against uncritical optimism, which sometimes characterizes this latest fashion in development thinking. Empirical evidence and past experience clearly indicate that migration and remittances are no panacea to 'solve' more structural development problems.

To a considerable extent, migration and remittances seem a response to failing markets, institutions, nepotism and a lack of meritocratic incentive structures, which tend to exclude non-elite groups for social and economic ascendancy. Migration is, to a considerable degree, a quest to spread income risk and to overcome such structural constraints. Notwithstanding the generally positive valuation of migrants spreading income risks, educating children, constructing houses, financing investment and (collectively) building roads and wells through remittance income, they are in fact compensating for the lack of social protection and functioning markets provided by states.

The positive impacts of remittances on social development, in particular in education, health and infrastructure, paradoxically point at the failure of state's policies to provide such public services. If states would improve their social policies and create a less risky and more reliable institutional environment, people would not be compelled to spend such amounts of money on securing their livelihoods. This seems to apply equally for South-South and North-South remittances. However, if we assume that South-South migration is more accessible for *relatively* poor people than South-North migration, we might hypothesise that this insurance dimension of remittances – partly compensating for market failure, the absence of social policies redistributing the wealth and protecting the poor, and other forms of state policy failure – is even larger in the context of South-South migration.

It is an illusion to think that remittances can trigger take-off national development in the absence of more general reform. Structural development constraints often prevent the development potential of migration and remittances from being fully realized. Therefore, social policies aimed at redistributing wealth, increasing people's livelihood security and providing basic public services, such as universal health care and education, as well as economic policies enhancing access of non-elite groups to insurance and credit markets, are likely to enhance the contribution that migrants and remittances can make to development.

References

- Adams, Richard. H. and John Page. 2005. "Do International Migration and Remittances Reduce Poverty in Developing Countries?" *World Development*, Vol. 33, No. 10, pp. 1645-1669.
- . 2003. "Poverty, Inequality and Growth in Selected Middle East and North Africa Countries, 1980-2000." *World Development*, Vol. 31, No. 12, pp. 2027-2048.
- Adams, Richard H. 2006. "Remittances, Poverty, and Investment in Guatemala." In Çağlar Özden and Maurice Schiff (eds.) *International Migration, Remittances, and the Brain Drain*. WorldBank, Washington D.C.
- .2004. *Remittances and Poverty in Guatemala*. World Bank, Washington D.C.
- . 2003. *International Migration, Remittances, and the Brain Drain: A Study of 24 Labour-Exporting Countries*. World Bank, Washington, DC.
- . 1991. "The Economic Uses and Impact of International Remittances in Rural Egypt." *Economic Development and Cultural Change*, Vol. 39, No. pp. 695-722.
- Adelman, Irma, J. Edward Taylor and Stephen Vogel. 1988. "Life in a Mexican Village: A Sam Perspective." *Journal of Development Studies*, Vol. 25, No. pp. 5-24.
- Agunias, Dovelyn Rannveig.2006. *From a Zero-Sum to a Win-Win Scenario? Literature Review on Circular Migration*. Migration Policy Institute, Washington D.C.
- Alper, A. M. and B. Neyapti. 2006. "Determinants of Workers' Remittances—Turkish Evidence from High-Frequency Data." *Eastern European Economics*, Vol. 44, No. 5, pp. 91-100.
- Amuedo-Dorantes, C. and S. Pozo. 2006. "Remittances as Insurance: Evidence from Mexican Immigrants." *Journal of Population Economics*, Vol. 19, No. 2, pp. 227-254.
- Athukorala, Premachandra. 1993. "Improving the Contribution of Migrant Remittances to Development: The Experience of Asian Labour-Exporting Countries." *International Migration*, Vol. 31, No. pp. 103-124.
- Bakewell, Oliver and Hein de Haas. 2007. "African Migrations: Continuities, Discontinuities and Recent Transformations." In L de Haan, U Engel and P Chabal (eds.) *African Alternatives*. Brill, Leiden.
- Barry, K. 2006. "Home and Away: The Construction of Citizenship in an Emigration Context." *New York University Law Review*, Vol. 81, No. 1, pp. 11-59.

- Bauer, Th. and K. Zimmermann. 1998. "Causes of International Migration: A Survey." In P. Gorter, P. Nijkamp and J. Poot (eds.) *Crossing Borders: Regional and Urban Perspectives on International Migration*. Ashgate, Aldershot.
- Berriane, Mohamed. 1997. "Emigration Internationale Du Travail Et Micro-Urbanisation Dans Le Rif Oriental: Cas Du Centre De Taouima (Région De Nador, Maroc)." In (eds.) *Migration Internationale Et Changements Sociaux Dans Le Maghreb. Actes Du Colloque Internationale Du Hammamet, Tunisie (21-25 Juin 1993)*. Université de Tunis, Tunis.
- Bhagwati J. 2003. Borders beyond control. *Foreign Affairs* January/February:98-104
- Black, R., C. Natali and J. Skinner. 2005. *Migration and Inequality*. World Bank, Washington DC
- Blue, S.A. 2004. "State Policy, Economic Crisis, Gender, and Family Ties: Determinants of Family Remittances to Cuba." *Economic Geography*, Vol. 80, No. 1, pp. 63-82.
- Brown, R.P.C. 1994. *Consumption and Investments from Migrants' remittances in the South Pacific*. ILO, Geneva.
- Brown RPC. 1997. Estimating remittance functions for Pacific island migrants. *World Development* 25:613-26
- Buch, Claudia M., Anja Kuckulenz and Marie-Helene Le Manchec. 2002. *Worker Remittances and Capital Flows*. Institute for World Economics, Kiel.
- Castles, Stephen and Raúl Delgado Wise (eds.). 2008. *Migration and Development: Perspectives from the South*. International Organisation for Migration, Geneva.
- CDR. 2002. *The Migration-Development Nexus*. Centre for Development Research, Copenhagen.
- CEC.2005. *Migration and Development: Some Concrete Orientations*. Communication from the Commission of the European Communities,
- Chami, R., C. Fullenkamp and S. Jahjah. 2005. "Are Immigrant Remittance Flows a Source of Capital for Development?" *IMF Staff Papers*, Vol. 52, No. 1, pp. 55-81.
- Chang, S.L. 1992. "Causes of Brain-Drain and Solutions—the Taiwan Experience." *Studies in Comparative International Development*, Vol. 27, No. 1, pp. 27-43.
- Clemens, Michael A.2007. *Do Visas Kill? Health Effects of African Health Professional Emigration*. Center for Global Development, Washington D.C.

- Conway, Dennis and Jeffrey H. Cohen. 1998. "Consequences of Migration and Remittances for Mexican Transnational Communities." *Economic Geography*, Vol. 74, No. 1, pp. 26-44.
- Courbage, Youssef. 1996. "Le Maroc De 1962 À 1994: Fin De L'explosion Démographique?" *Monde Arabe/Maghreb Machrek*, Vol. 153, No. Jul-Sep, pp. 69-87.
- Cox Edwards, Alejandra and Manuelita Ureta. 2003. "International Migration, Remittances, and Schooling: Evidence from El Salvador." *Journal of Development Economics* Vol 72, No. 2, pp. 429-461.
- Crivello, Gina. 2003. *Dreams of Passage: Negotiating Gender, Status and Migration in the Moroccan Rif*. PhD Thesis, University of California, Riverside. Mimeo
- Day, Lincoln H. and Ahmet İçduygu. 1997. "The Consequences of International Migration for the Status of Women: A Turkish Study." *International Migration*, Vol. 35, No. 3, pp. 337-371.
- de Goede, Marieke. 2003. "Hawala Discourses and the War on Terrorist Finance." *Environment and Planning D: Society and Space*, Vol. 21, No. 5, pp. 513-532.
- de Haas, Hein (2009) International migration and regional development in Morocco: a critical review of the literature. *Journal of Ethnic and Migration Studies*. 35(10), pp. 1571 – 1593.
- de Haas, Hein. 2007a. *Remittances, Migration and social Development: A Conceptual Review of the Literature*. Programme on Social Policy and Development, Paper No. 34. UNRISD, Geneva.
- . 2007b. "Morocco's Migration Experience: A Transitional Perspective." *International Migration*, Vol. 45, No. 4, pp. 39-70.
- . 2006a. "Migration, Remittances and Regional Development in Southern Morocco." *Geoforum*, Vol. 37, No. 4, pp. 565-580.
- . 2006b. *Engaging Diasporas: How Governments and Development Agencies Can Support Diasporas' Involvement in Development of Origin Countries*. International Migration Institute, University of Oxford, Oxford.
- .2005. "International Migration, Remittances and Development: Myths and Facts." *Third World Quarterly*, Vol. 26, No. 8, pp. 1269-1284.
- . 1998. "Socio-Economic Transformations and Oasis Agriculture in Southern Morocco." In Leo de Haan and Piers Blaikie (eds.) *Looking at Maps in the Dark: Directions for Geographical Research in Land Management and Sustainable Development in Rural and Urban Environments of the Third World*. KNAG, Utrecht, and, FRW UvA, Amsterdam.

- de Haas, Hein and Roald Plug. 2006. "Cherishing the Goose with the Golden Eggs: Trends in Migrant Remittances from Europe to Morocco 1970-2004." *International Migration Review*, Vol. 40, No. 3, pp. 603-634.
- De Soto, Hernando. 2000. *The Mystery of Capital*. Bantam Press, London
- Deshingkar, P. 2006. "Internal Migration, Poverty and Development in Asia: Including the Excluded." *Ids Bulletin-Institute of Development Studies*, Vol. 37, No. 3, pp. 88-100.
- Djajic, Slobodan. 1986. "International Migration, Remittances and Welfare in a Dependent Economy." *Journal of Development Economics*, Vol. 21, No. pp. 229-234.
- DRC. 2006. *Skilled Migration: Healthcare Policy Options*. Development Research Centre (DRC) on Migration, Globalisation and Poverty, University of Sussex Brighton.
- Du, Y., A. Park and S. G. Wang. 2005. "Migration and Rural Poverty in China." *Journal of Comparative Economics*, Vol. 33, No. 4, pp. 688-709.
- Durand, J., W. Kandel, E. A. Parrado and D. S. Massey. 1996. "International Migration and Development in Mexican Communities." *Demography*, Vol.33, No. 2, pp. 249-264.
- Eckstein, S. 2004. "Dollarization and Its Discontents—Remittances and the Remaking of Cuba in the Post-Soviet Era." *Comparative Politics*, Vol. 36, No. 3, pp. 313-330.
- EIB/FEMIP. 2006. *Study on Improving the Efficiency of Workers' Remittances in Mediterranean Countries*. Ecorys, Rotterdam.
- Fadloulah, Abdellatif, Abdallah Berrada and Mohamed Khachani. 2000. *Facteurs D'attraction Et De Répulsion Des Flux Migratoires Internationaux. Rapport National: Le Maroc*. Commission Européenne, Rabat.
- Fan, C. Simon and Oded Stark. 2007. "International Migration And "Educated Unemployment"." *Journal of Development Economics*, Vol. 83, No. 1, pp. 76-87.
- Fargues, Philippe.2006. *The Demographic Benefit of International Migration: Hypothesis and Application to Middle Eastern and North African Contexts*. WorldBank, Washington D.C.
- Fokkema, Tineke and George Groenewold. 2003. "De Migrant Als Suikeroom." *DEMOS*, Vol. 19, No. June/July 2003.
www.nidi.knaw.nl/web/html/public/demos/dm03061.html, accessed on 6 January 2010.

- Ford, Michele. 2004. "After Nunukan: The Regulation of Indonesian Migration to Malaysia." In A. Kaur and I. Metcalfe (eds.), *Mobility Labour Migration and Border Controls in Asia*. Palgrave Macmillan, New York.
- Frank, R. and R. A. Hummer. 2002. "The Other Side of the Paradox: The Risk of Low Birth Weight among Infants of Migrant and Nonmigrant Households within Mexico." *International Migration Review*, Vol. 36, No. 3, pp. 746-765.
- Gamlen, Alan. 2006. *Diaspora Engagement Policies: What Are They, and What Kinds of States Use Them?* Centre on Migration, Policy and Society (COMPAS), University of Oxford, Oxford.
- Gammage, S. 2006. "Exporting People and Recruiting Remittances—a Development Strategy for El Salvador?" *Latin American Perspectives*, Vol. 33, No. 6, pp. 75-100.
- . 2004. "Exercising Exit, Voice and Loyalty: A Gender Perspective on Transnationalism in Haiti." *Development and Change*, Vol. 35, No. 4, pp. 743-771.
- GCIM. 2005. *Migration in an Interconnected World: New Directions for Action*. Global Commission on International Migration, Geneva.
- Ghosh, Bimal. 2006. *Migrants' Remittances and Development: Myths, Rhetoric and Realities*. IOM/ The Hague Process on Refugees and Migration, Geneva/ The Hague.
- Glytsos, N. P. 2002. "The Role of Migrant Remittances in Development: Evidence from Mediterranean Countries." *International Migration*, Vol. 40, No. 1, pp. 5-26.
- Gundel, J. 2002. "The Migration-Development Nexus: Somalia Case Study." *International Migration*, Vol. 40, No. 5, pp. 255-281.
- Hampshire, K. 2006. "Flexibility in Domestic Organization and Seasonal Migration among the Fulani of Northern Burkina Faso." *Africa*, Vol. 76, No. 3, pp. 402-426.
- . 2002. "Fulani on the Move: Seasonal Economic Migration in the Sahel as a Social Process." *Journal of Development Studies*, Vol. 38, No. 5, pp. 15-36.
- Heinemeijer, W.F., J.A. van Amersfoort, W. Ettema, P. De Mas and H. van der Wusten. 1977. *Partir Pour Rester, Une Enquête Sur Les Incidences De L'émigration Ouvrière À La Campagne Marocaine*. NUFFIC, Den Haag.
- IFAD.2007. *Sending Money Home: Worldwide Remittance Flows to Developing Countries*. International Fund for Agricultural Development, Rome.

- Ilahiane, H. 2001. "The Social Mobility of the Haratine and the Re-Working of Bourdieu's Habitus on the Saharan Frontier, Morocco." *American Anthropologist*, Vol. 103, No. 2, pp. 380-394.
- Itzigsohn, J. 1995. "Migrant Remittances, Labor Markets, and Household Strategies: A Comparative Analysis of Low-Income Household Strategies in the Caribbean Basin." *Social Forces*, Vol. 74, No. 2, pp. 633-655.
- Jokisch, B. D. 2002. "Migration and Agricultural Change: The Case of Smallholder Agriculture in Highland Ecuador." *Human Ecology*, Vol. 30, No. 4, pp. 523-550.
- Jones, Richard C. 1998. "Remittances and Inequality: A Question of Migration Stage and Geographical Scale." *Economic Geography*, Vol. 74, No. 1, pp. 8-25.
- Kanaiaupuni, S. M. and K. M. Donato. 1999. "Migradollars and Mortality: The Effects of Migration on Infant Survival in Mexico." *Demography*, Vol. 36, No. 3, pp. 339-353.
- Kapur, Devesh. 2005. "Remittances: The new development mantra?" In Samuel Munzele Maimbo and Dilip Ratha (eds.), *Remittances: Development Impact and Future Prospects*. World Bank, Washington D.C.
- Kapur, Devesh and J McHale. 2003. "Migration's New Payoff." *Foreign Policy*, Vol. November/December, No. 139, pp. 49-57.
- King, R., M. Dalipaj and N. Mai. 2006. "Gendering Migration and Remittances: Evidence from London and Northern Albania." *Population Space and Place*, Vol. 12, No. 6, pp. 409-434.
- King, R. and J. Vullnetari. 2006. "Orphan Pensioners and Migrating Grandparents: The Impact of Mass Migration on Older People in Rural Albania." *Ageing & Society*, Vol. 26, No. 5, pp. 783-816.
- Kireyev, A. 2006. *The Macroeconomics of Remittances: The Case of Tajikistan*. International Monetary Fund (IMF), Washington D.C.
- Klooster, D. J. 2005. "Producing Social Nature in the Mexican Countryside." *Cultural Geographies*, Vol. 12, No. 3, pp. 321-344.
- Koc, I. and I. Onan. 2004. "International Migrants' Remittances and Welfare Status of the Left-Behind Families in Turkey." *International Migration Review*, Vol. 38, No. 1, pp. 78-112.
- Korner, Heiko. 1987. "International Labour Migration. Theoretical Considerations and Evidence from the Experience of the Mediterranean Sending Countries." *Pakistan Development Review*, Vol. 26, No. 4, pp. 723-734.
- Kurosaki, T. 2006. "Consumption Vulnerability to Risk in Rural Pakistan." *Journal of Development Studies*, Vol. 42, No. 1, pp. 70-89.

- Leon-Ledesma, M. and M. Piracha. 2004. "International Migration and the Role of Remittances in Eastern Europe." *International Migration*, Vol. 42, No. 4, pp. 65-83.
- Lindley, Anna. 2006. *Migrant Remittances in the Context of Crisis in Somali Society*. Humanitarian Policy Group, ODI, London.
- Lindstrom, D. P. and N. Lauster. 2001. "Local Economic Opportunity and the Competing Risks of Internal and Us Migration in Zacatecas, Mexico." *International Migration Review*, Vol. 35, No. 4, pp. 1232-1256.
- Lowell, L.B. and A. Findlay. 2002. *Migration of Highly Skilled Persons from Developing Countries: Impact and Policy Responses*. ILO/DfID, Geneva.
- Lucas, Robert E.B. 1987. "Emigration to South-Africa's mines." *The American Economic Review*, Vol. 77, No. 3, pp. 313-330.
- Maimbo, Samuel Munzele and Dilip Ratha (eds.). 2005. *Remittances: Development Impact and Future Prospects*. World Bank, Washington D.C.
- Massey, Douglas S., Joaquín Arango, Graeme Hugo, Ali Kouaouci, Adela Pellegrino and J. Edward Taylor. 1998. *Worlds in Motion: Understanding International Migration at the End of the Millennium*. Clarendon Press, Oxford.
- . 1993. "Theories of International Migration: A Review and Appraisal." *Population and Development Review*, Vol 19, No. 3, pp. 431-466.
- McCormick, B. and J. Wahba. 2003. "Return International Migration and Geographical Inequality: The Case of Egypt." *Journal of African Economies*, Vol. 12, No. 4, pp. 500-532.
- McKenzie, David J. 2006. "Beyond Remittances: The Effects of Migration on Mexican Households." In Çağlar Özden and Maurice Schiff (eds.) *International Migration, Remittances, and the Brain Drain*. World Bank, Washington D.C.
- Merkle, L. and K.F. Zimmermann. 1992. "Savings, Remittances and Return Migration." *Economic Letters*, Vol. 38, No. pp. 77-81.
- Mutersbaugh, T. 2002. "Migration, Common Property, and Communal Labor: Cultural Politics and Agency in a Mexican Village." *Political Geography*, Vol. 21, No. 4, pp. 473-494. Reference not mentioned in text – delete or insert?
- Myntti, Cynthia. 1984. "Yemeni Workers Abroad." *Merip reports*, Vol. 124, No. 5, pp. 11-16.
- Newland, Kathleen and Erin Patrick. 2004. *Beyond Remittances: The Role of Diaspora in Poverty Reduction in Their Countries of Origin*. Migration Policy Institute, Washington D.C.

- Nwajiuba, Chinedum. 2005. *International Migration and Livelihoods in Southeast Nigeria*. Global Commission on International Migration, Geneva.
- Nyberg-Sørensen, Ninna. 2005. *The Development Dimension of Migrant Transfers-Towards a Gendered Typology*. Paper presented at the International Forum on Remittances, IADB Conference Centre, 28–30 June, Washington, DC.
- Nyberg-Sørensen, N., N. Van Hear and P. Engberg-Pedersen. 2002. "The Migration-Development Nexus Evidence and Policy Options State-of-the-Art Overview." *International Migration*, Vol. 40, No. 5, pp. 49-73.
- O'Neil, Kevin. 2003. *Brain Drain and Gain: The Case of Taiwan*. Migration Information Source. Migration Policy Institute, Washington DC. (<http://www.migrationinformation.org/Feature/display.cfm?id=155>, accessed on 6 January 2010).
- Orozco, Manuel 2002. "Globalization and Migration: The Impact of Family Remittances in Latin America." *Latin American Politics and Society*, Vol. 44, No. 2, pp. 41-66.
- Orozco, Manuel. 2009. "Remittances and Social Development: The Latin American Experience." In Katja Hujo and Shea McClanahan (eds.), *Financing Social Policy. Mobilizing Resources for Social Development*. UNRISD and Palgrave, Basingstoke.
- Parrado, E. A. 2004. "International Migration and Men's Marriage in Western Mexico." *Journal of Comparative Family Studies*, Vol 35, No. 1, pp. 51-72.
- Pieke, Frank , Nicholas Van Hear and Anna Lindley.2005. *Informal Remittance Systems in Africa, Caribbean and Pacific (Acp) Countries*. Department of International Development (DFID) UK, European Community's Poverty Reduction Effectiveness Programme (EC-PREP), Deloitte & Touche, New York.
- Pribilsky, J. 2004. "'Aprendemos a Convivir': Conjugal Relations, Co-Parenting, and Family Life among Ecuadorian Transnational Migrants in New York City and the Ecuadorian Andes." *Global Networks-a Journal of Transnational Affairs*, Vol. 4, No. 3, pp. 313-334.
- Puri, Shivani and Tineke Ritzema. 1999. *Migrant Worker Remittances, Micro-Finance and the Informal Economy: Prospects and Issues*. ILO, Geneva.
- Quinn, Michael A. 2006. "Relative Deprivation, Wage Differentials and Mexican Migration." *Review of Development Economics*, Vol. 10, No. 1, pp. 135-153.
- Rapoport, Hillel and Frédéric Docquier.2005. *The Economics of Migrants' Remittances*. Institute for the Study of Labor (IZA), Bonn.

- Ratha, Dilip. 2003. "Workers' Remittances: An Important and Stable Source of External Development Finance." In (eds.) *Global Development Finance 2003*. World Bank, Washington D.C.
- Ratha, Dilip and William Shaw. 2007a. *South-South Migration and Remittances*. Development Prospects Group, World Bank, Washington D.C.
- . 2007b. *South-South Migration and Remittances*. World Bank, Development Prospects Group, Washington DC.
- Regmi, G. and C. Tisdell. 2002. "Remitting Behaviour of Nepalese Rural-to-Urban Migrants: Implications for Theory and Policy." *Journal of Development Studies*, Vol. 38, No. 3, pp. 76-94.
- Russell, Sharon Stanton. 1992. "Migrant Remittances and Development." *International Migration*, Vol.30, No. pp.
- Sabates-Wheeler, R., R. Sabates and A. Castaldo. 2005. *Tackling Poverty-Migration Linkages: Evidence from Ghana and Egypt*. Development Research Centre (DRC) on Migration, Globalisation and Poverty, University of Sussex, Brighton.
- Sabates-Wheeler, Rachel, Claudia Natali and Richard Black. 2007. *Migration, Legal Status and Poverty: Evidence from Return to Ghana*. Development research centre on migration, globalisation and poverty, University of Sussex, Brighton.
- Schiff, Maurice. 1994. *How Trade, Aid, and Remittances Affect International Migration*. World Bank, International Economics Department, Washington D.C.
- Sen, Amartya. 1999. *Development as Freedom*. Anchor Books, New York.
- Stark, Oded. 1980. "On the Role of Urban-to-Rural Remittances in Rural Development." *Journal of Development Studies*, Vol. 16, No. 3, pp. 369-374.
- Stark, Oded, C. Helmenstein and A. Prskawetz. 1997. "A Brain Gain with a Brain Drain." *ECOLET*, Vol. 55, No. 2, pp. 227-234.
- Stark, Oded, J. Edward Taylor, and Shlomo Yitzhaki. 1988. "Migration, Remittances and Inequality: A Sensitivity Analysis Using the Extended Gini Index." *Journal of Development Economics*, Vol 28, No. 3, pp. 309-322.
- Stark, Oded and J. Edward Taylor. 1989. "Relative Deprivation and International Migration." Vol 26., No.1, pp. 1-14.
- Straubhaar, T. 1986. "The Determinants of Remittances: The Case of Turkey." *Weltwirtschaftliches Archiv*, Vol. 122, No. 4, pp. 728-740.

- Swamy, G.1981. *International Migrant Workers' Remittances: Issues and Prospects*. World Bank, Washington D.C.
- Taylor, Edward J. 1994. "International Migration and Economic Development: A Micro Economy-Wide Analysis." In Edward J. Taylor (eds.) *Development Strategy, Employment and Migration*. OECD, Paris.
- Taylor, Elizabeth. 1984. "Egyptian Migration and Peasant Wives." *Merip reports*, Vol. 124, No. pp. 3-10.
- Taylor, J. Edward. 1999. "The New Economics of Labour Migration and the Role of Remittances in the Migration Process." *International Migration*, Vol. 37, No. 1, pp. 63-88.
- Taylor, J. Edward, Joaquín Arango, Graeme Hugo, Ali Kouaouci, Douglas S. Massey and Adela Pellegrino. 1996. "International Migration and Community Development." *Population Index*, Vol. 62, No. 3, pp. 397-418.
- Taylor JE, Mora J, Adams R, Lopez-Feldman A. 2005. *Remittances, Inequality and Poverty: Evidence from Rural Mexico*, Department of Agricultural and Resource Economics: University of California, Davis
- Taylor, J. Edward, S. Rozelle and A. de Brauw. 2003. "Migration and Incomes in Source Communities: A New Economics of Migration Perspective from China." *Economic Development and Cultural Change*, Vol. 52, No. 1, pp. 75-101.
- Taylor, M. J., M. J. Moran-Taylor and D. R. Ruiz. 2006. "Land, Ethnic, and Gender Change: Transnational Migration and Its Effects on Guatemalan Lives and Landscapes." *Geoforum*, Vol. 37, No. 1, pp. 41-61.
- Tevera, Daniel S. 2005. *Early Departures: The Emigration Potential of Zimbabwean Students*. Southern African Migration Project, Cape Town.
- UN. 2005. *2004 World Survey on the Role of Women in Development: Women and International Migration*. WomenWatch, DESA, Division for the Advancement of Women, New York.
- Van Hear, Nicholas 2004. *Diasporas, Remittances, Development, and Conflict*. Migration Information Source.
http://www.migrationinformation.org/Feature/MIS_Selected_Readings.pdf, accessed on
- Van Hear, Nicholas , Frank Pieke and Steven Vertovec.2004. *The Contribution of UK-Based Diasporas to Development and Poverty Reduction COMPAS* ; Department for International Development University of Oxford
- Van Liempt, Ilse. 2007. *Navigating Borders. An inside Perspective into the Process of Human Smuggling*. Amsterdam University Press, Amsterdam.

- Van Rooij, Aleida. 2000. *Women of Taghzoute: The Effects of Migration on Women Left Behind in Morocco*. MA Thesis. University of Amsterdam, Amsterdam.
- VanWey, L. K. 2005. "Land Ownership as a Determinant of International and Internal Migration in Mexico and Internal Migration in Thailand." *International Migration Review*, Vol. 39, No. 1, pp. 141-172.
- VanWey, L. K., C. M. Tucker and E. D. McConnell. 2005. "Community Organization Migration, and Remittances in Oaxaca." *Latin American Research Review*, Vol. 40, No. 1, pp. 83-107.
- Waddington, Hugh and Rachel Sabates-Wheeler. 2003. *How Does Poverty Affect Migration Choice? A Review of Literature*. Development research centre on migration, globalisation and poverty, Brighton.
- Woodruff, Christopher and Rene Zenteno. 2007. "Migration Networks and Microenterprises in Mexico." *Journal of Development Economics*, Vol. 82, No. 2, pp. 509-528.
- World Bank, *Migration and Development Brief 11*, 3 November 2009.
- World Bank. 2006. *Global Economic Prospects 2006: Economic Implications of Remittances and Migration*. World Bank, Washington D.C.
- .2005. *Global Development Finance 2005* World Bank, Washington D.C.
- .2001. *Global Economic Prospects 2002*. World Bank, Washington D.C.
- Wouterse, Fleur. 2006. *Survival or Accumulation: Migration and Rural Households in Burkina Faso*. Wageningen University and Research Centre, Wageningen.
- Yang, Dean.2004. *International Migration, Human Capital, and Entrepreneurship: Evidence from Philippine Migrants' Exchange Rate Shocks*. University of Michigan Ann, Arbor.
- Zarate-Hoyos, G. A. 2004. "Consumption and Remittances in Migrant Households: Toward a Productive Use of Remittances." *Contemporary Economic Policy*, Vol. 22, No. 4, pp. 555-565.
- Zohry, A.2005. *Interrelationships between Internal and International Migration in Egypt: A Pilot Study*. Development Research Centre (DRC) on Migration, Globalisation and Poverty, University of Sussex, Sussex.
- Zoomers, Annelies and Ton van Naerssen.2006. *International Migration and National Development in Sub-Saharan Africa. Viewpoints and Policy Initiatives in the Countries of Origin*. Radboud University, Ministry of Foreign Affairs and the Ministry of Social Affairs and Employment, Nijmegen and The Hague.