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The Migration and Development Pendulum: A Critical View on Research and Policy

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ABSTRACT

At the dawn of the new millennium, international development agencies and governments have "discovered" the potential of migration and remittances to stimulate development in poor countries. However, migration and development is anything but a new topic. The debate about migration and development has swung back and forth like a pendulum, from optimism in the postwar period to deep "brain drain" pessimism since the 1970s towards neo-optimistic "brain gain" since 2000. Influenced by growing policy disappointment, we might now be at the beginning of a backswing towards more pessimistic views. While these shifts are rooted in deeper ideological and paradigmatic shifts, a review of empirical evidence yields a much more nuanced picture. Despite the often considerable benefits of migration and remittances for individuals and communities involved, migrants alone can generally not remove more structural development constraints and migration may actually contribute to development stagnation and reinforce the political status quo. Despite their development potential, migrants and remittances can therefore neither be blamed for a lack of development nor be expected to trigger take-off development in generally unattractive investment environments. Recent views celebrating migration as self-help development "from below" are partly driven by neoliberal ideologies that shift the attention away from structural development constraints and, hence, the responsibility of migrant-sending states to pursue political and economic reform. Immigrant-receiving countries can increase the development potential of migration by creating legal channels for high- and lower-skilled migration and integration policies that favour socio-economic mobility of migrants and avoid their marginalization.

INTRODUCTION

Over the past decade, the issue of migration and development has been at the centre of attention of research and development policies. This has coincided with a striking, rather sudden turnaround of views, from pessimist "brain drain" views, which dominated thinking on the issue before the 2000s, to optimistic "brain gain" views on the same issue a few years later. In many ways, migration and remittances seem to have become the new "development mantra" (cf. Kapur, 2003).

How can we explain this surge in interest in the issue alongside the shift towards optimistic views? In part, this has to do with the spectacular surge in global remittances. According to

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official World Bank statistics, in 1990 migrants sent back the equivalent of US$24 billion to lower- and middle-income countries: this amount had doubled to US$59 billion in 2000 and reached a spectacular US$243 in 2008. Although a significant part of this increase should be attributed to the better measurement of remittances by central banks – itself a consequence of the increasing attention being paid to the issue – there is little doubt that there has also been a real increase.

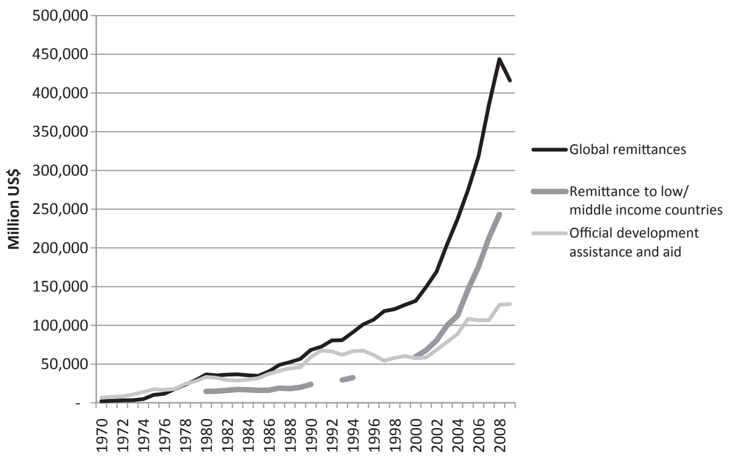
Real remittances are estimated to be at least twice higher, as many remittances are sent through informal channels or taken as cash payments (de Haas and Plug, 2006; Pieke et al., 2005). Remittances have also overtaken the amount of official development assistance (ODA) provided to low- and middle-income countries. In 1990, with US$55 billion, ODA was still more than twice the amount of remittances. In 2000, ODA had stagnated at US$53 billion and grew to US$126 billion in 2008 (see Figure 1).

The rapid growth of remittances has contributed to the increasing attention being paid to migration as a potential development resource by – mainly European – governments, development agencies and organizations such as the United Nations (UN) and the European Union (EU), financial institutions such as the World Bank (WB) and the International Monetary Fund (IMF), as well as other international organizations such as the International Labour Office (ILO), the International Organization for Migration (IOM) and the UNDP (IOM, 2006; Skeldon, 2008; UNDP, 2009; World Bank, 2007).

While surging migrant remittances can partly explain the increasing attention being paid to migration and development, it cannot entirely explain the rapid shift from pessimistic to optimistic views. In fact, remittances have increasingly come to be seen as a rather ideal "bottom up" source of development finance. The argument is that remittances are a safety net for relatively poor areas and countries, and remittances are freer from political barriers and controls than either product or other capital flows. Remittances appear to be a more effective instrument for income redistribution than large, bureaucratic development programmes or development aid. This "private" foreign aid seems to flow directly to the people who really need it, does not require a costly bureaucracy on the sending side, and far less of it is likely to be siphoned off into the pockets of corrupt government officials (Kapur, 2003).

FIGURE 1

GLOBAL REMITTANCE AND AID FLOWS, 1970–2009



Source: World Development Indicators database, World Bank.

As part of the same shift, there is also growing optimism about the potential role of "migrant diasporas" in contributing to social, economic and political development. Additionally, the argument that migration would lead to remittance dependency and "brain drain" is increasingly being countered by the argument that migration can lead to significant gains through a counter-flow of remittances, investments, trade relations, new knowledge, innovations, attitudes and information (Lowell and Findlay, 2002; Stark et al., 1997).

On the basis of an analysis of the evolution of the migration and development debate, in this paper I challenge the above views. First of all, I show that migration and development is anything but a new topic, and that the recent wave of optimism largely tastes like old wine in new bottles. In fact, in postwar Europe, the debate on migration and development has swung back and forth like a pendulum between optimistic and pessimistic views.

Second, in this paper I argue that shifts in the migration and development debate have been part of more general shifts in development theory, which, in their turn, largely reflect ideological shifts. Over the past decade, national governments of European countries such as the United Kingdom, the Netherlands, France and Belgium have attempted to formulate policies to link migration and development issues. Policies have particularly focused on attempts to facilitate remittances and to engage migrants and so-called "diaspora organizations" in development cooperation, but have turned out to be very difficult to implement. The extent to which the stated priority for this issue has been turned into *concrete* action has been very limited (de Haas, 2006), and there seems to be an increasing feeling of disappointment with the issue, somehow similar to the early stage of 1970s pessimism.

Third, in this paper I argue that empirical evidence on the mixed and strongly *context-dependent* development impacts of migration should warn against overly optimistic views that somehow portray migration as a silver bullet development "fix", as well as against overly pessimistic views that put the blame for underdevelopment on migration, and that undervalue the real, day-to-day contributions migrants make to improve well-being, living standards and economic conditions in origin countries.

Despite its considerable benefits for individuals and communities, migration alone cannot remove more structural development constraints. In fact, if lessons from past experiences and research are not taken on board, there looms a huge danger of naïve optimism, which overlooks the fact that much "neo-optimism" on migration and development reflects neoliberal views in which migrants and markets, not states, become responsible for bringing about development.

This leads to the following two questions:

- What is the impact of migration in development processes in origin countries?; and, on the basis of these insights
- What role can public policies (in sending and receiving countries) realistically play to enhance this impact?

In the remainder of this paper, I aim to answer these questions through a review of research and policy evidence.

THE MIGRATION AND DEVELOPMENT PENDULUM

Migration and development is anything but a new topic. In the entire postwar period, the issue has been at the core of the migration policy debate, particularly in Europe. The policy and research debate on migration and development has swung back and forth like a pendulum, from optimism in the 1950s and 1960s, to pessimism, scepticism and relative neglect since the early 1970s, and towards more optimistic views since 2000. These rather sudden mood swings are the most striking character of this debate, and demand further explanation.

In the postwar decades of rebuilding and rapid economic growth in North-West European countries, migration from Southern Europe, North Africa and other countries on the European periphery, such as Turkey, Ireland and Finland, was generally seen as a process that benefited both destination and origin countries. While migration of surplus labour from poor countries provided the industries of wealthy countries with much-needed labour, the expectation was that remittances – and, more broadly, the experience, skills and knowledge that migrants acquired before returning – would greatly help developing countries in their economic take-off. So, in this view, migration simultaneously stimulates growth in origin and destination countries (Adler, 1981; Kindleberger, 1965; Penninx, 1982). In this "developmentalism" era, states were ascribed a crucial role in development planning. Hence, both sending and receiving states aimed to "manage" migration, often through concluding bilateral recruitment agreements.

After the oil crisis of 1973, Europe experienced a massive economic downturn, industrial restructuring and increasing unemployment. This more or less coincided with a turning point in thinking on migration and development issues. As of the late 1960s, prevalent optimistic views on migration and development were increasingly challenged by views of migration as a mechanism that was provoking not only a "brain drain" but also dependency of emigration regions and countries on migrant remittances, thus aggravating problems of underdevelopment. It was increasingly believed that migrants would tend to fritter remittances away on "conspicuous consumption" and that they would mainly invest their money in "non-productive" enterprises such as housing (cf. Almeida, 1973; Lipton, 1980; Reichert, 1981; Rhoades, 1979). Also, the sociocultural effects of migration were increasingly placed in a negative light. Exposure to the relative wealth and success of migrants, combined with changing tastes and expanding material aspirations, were thought to make the way of life in migrant-sending regions and countries less appealing. A "culture of migration" would subsequently perpetuate a vicious circle of ongoing out-migration and aggravated underdevelopment.

It should be noted that this shift partly reflected a general paradigm shift in social sciences towards neo-Marxist views and particularly, in development theory, from "developmentalist" towards dependency theory. This coincided with increasing critique on the assumed benefits of capitalist growth for poor societies, in which migration was increasingly seen as a exploitation mechanism. In European policy circles, the attention being paid to the issue was rapidly disappearing as well. This was partly because of growing disillusion with policies linking return migration and development through departure bonuses, training programmes before return and investment programmes for return migrants (Entzinger, 1985; Penninx, 1982). At the same time, some research programmes concluded that unfavourable economic and political conditions in origin countries such as Turkey and Morocco explained why relatively few migrants were willing to return and invest (De Mas, 1978; Hamdouch et al., 1979).

There was concurrently an increasing awareness that many supposedly "temporary migrants" or "guestworkers" from Mediterranean countries were there to stay. This shifted the attention of policy and of (government-funded) research to issues around migrant integration. In addition, in the 1970s and early 1980s it was widely assumed that the great age of migration had ended. Consequently, the origin country and development perspective was quickly lost from sight. In the development policy field, a high degree of scepticism on the issue of migration and development persisted until the late 1990s. Against the background of a long period of pessimism and near-neglect, the sudden "rediscovery" of the migration and development issue, and the rapid shift from pessimistic to optimistic views of "migration and development" among multilateral organizations, governments and development agencies since 2000, are remarkable phenomena.

My key argument is that, in order to develop a more nuanced view on migration and development, and to think of more sensible and realistic policy responses, it is crucial to move beyond the "negative versus positive", "brain drain versus brain gain", "consumption versus investment" type of debates. In the following sections, I will further elaborate this argument by analysing the key arguments and assumptions of the "optimistic" and "pessimistic" views on migration and development, and by discussing ways to bridge these views.

TWO RADICALLY OPPOSED MIGRATION AND DEVELOPMENT PARADIGMS

Migration and development has been the subject of continuous and sometimes heated debate in the social sciences for over half a century at least (Bauer and Zimmermann, 1998; de Haas, 2010a; Russell, 1992). In this debate, one can broadly distinguish two opposed approaches; that is, the "balanced growth" theory versus the critical "asymmetric development" theory. Alternatively, one might call them "migration optimists" and "migration pessimists". The migration optimists are generally inspired by neoclassical migration economy and/or "developmentalist" modernization theories (I elaborated the theoretical foundations and assumptions of these theories in de Haas, 2010a). Notwithstanding significant differences between neoclassical and developmentalist views – particularly the different roles that they attribute to the state – they both believe that migration has generally had a positive impact on the development process in sending areas.

Most migration pessimists are affiliated to what I dub here as "structuralist" social theory, which encompasses neo-Marxist, dependency and world systems theory (Frank, 1966, 1969; Wallerstein, 1974, 1980). In general, structuralist approaches towards migration and development tend to treat migration as a negative phenomenon, contributing to the further *underdevelopment* of the economies of the sending countries and to the undermining of their sociocultural cohesion (Hayes, 1991). Table 1 summarizes the main arguments of both migration and development paradigms.

Basically, migration pessimists generally view migration as an outflow of larger processes of capitalist expansion, which undermine traditional livelihoods, uproot rural populations and leave them no choice but to join the urban proletariat in order to survive. Situated within the broader paradigm of (historical) structuralism, migration pessimists postulate that

TABLE 1

OPPOSED PARADIGMS ON MIGRATION AND DEVELOPMENT

Migration pessimists		Migration optimists
"Structuralist" social theory	↔	Functionalist social theory
Dependency theory	↔	Neoclassical theory
Disintegration/uprooting	↔	Modernization
Net South–North transfer	↔	Net South–North transfer
Brain drain	↔	Brain gain
More inequality	↔	Less inequality
Remittance consumption	↔	Remittance investment
Dependency	↔	Development
Divergence	↔	Convergence

Source: Adapted from de Haas (2010a).

economic and political power is unequally distributed among wealthy and poor countries, that people have unequal access to resources, and that capitalist expansion has the tendency to reinforce these inequalities. Instead of modernizing and gradually progressing towards economic development, underdeveloped countries are trapped in their disadvantaged position within the global geopolitical structure. Within this view, the process of international migration further undermines local and regional economies through depriving them of their most valuable human resources.

Because migrants are assumed to be among the "best and brightest" and most entrepreneurial spirits, migration goes along with "brain drain", which systematically undermines development efforts by states and educational investments in particular. Because international migrants are seldom among the poorest sections of communities, remittances are believed to reinforce income inequality in origin communities. Remittances provide only a temporary, unreliable and external source of income, which is rarely invested "productively" but, rather, spent on (often conspicuous) consumption of consumer goods (for which the spread of consumerist capitalist ideologies is creating an insatiable need), which have to be imported from abroad, thereby further increasing the dependency on remittances and undermining local or domestic production.

So, the pessimists view migration not just as detrimental to the economies of underdeveloped countries, but also as one of the *very causes* of underdevelopment. According to these perspectives, migration ruins stable peasant societies, undermines their economies and uproots their populations, further fuelling out-migration. In this way, communities and entire societies get caught up in a structural dependency on migration which, despites its contribution to the survival of migrants and their families, constantly undermines processes of sustained development.

The migration optimists turn this analysis completely upside down. Neoclassical and developmentalist approaches evaluate the movement of people from labour-abundant to labour-scarce regions and countries – along with a presumed transfer of capital in the opposite direction –as a process contributing to a more optimal allocation of production factors, higher productivity and, hence, better outcomes for all. Additionally, through counter-flows of knowledge and/or through return, migrants are seen as active agents of economic growth. Migration optimists tend to counter the "brain drain" argument by arguing that the productivity of labour in sending areas is low and that unemployment and underemployment are often high. Migration enables people to increase the returns on their skills and their "human capital", which is to their own benefit as well as to the benefit of the economies as a whole. It also enables the labour of those left behind to become more productive and to increase their earnings.

Migration optimists counter the argument that remittances encourage consumption and that this is negative by pointing out that many migrants do invest and that consumption always consumes the major part of household expenditure, that consumption enables people to improve their living standards and that, last but not least, consumption can have positive multiplier effects as long as goods and services are mainly bought locally or domestically. This view also casts so-called "non-productive investments" in a much more positive light. For instance, migrants have often been castigated for massively investing in housing. However, besides the argument that decent housing contributes to basic well-being, health and safety, and that denying migrants' rights to proper housing would be to apply different standards to migrants than policymakers and researchers would probably apply to themselves, investment in construction in migrant-sending areas can create significant employment and income for the often poorer non-migrants (de Haas, 2007).

This "trickling down" also explains why migration and remittances indirectly contribute to increasing incomes and decreasing poverty of all members of sending communities, including non-migrants. Because increasing incomes and the expansion of networks further remove poverty constraints, migration becomes accessible for increasingly large sections of the population. In this view large-scale, largely free migration is highly beneficial for development, and obstacles to migration will severely limit these poverty- and inequality-reducing effects.

So, while migration optimists and migration pessimists both see migration as an intrinsic part of capitalist expansion, economic growth and urbanization, they have radically opposed views on the outcome of this process. However, they share the fundamental view that migration is the outcome of development failure and assume a negative correlation between development levels and rates of out-migration. While it is important to observe that this is a problematic assumption in view of evidence that aspiration- and capabilities-increasing development processes tend to *increase* migration propensities, and that highly developed societies tend to have structurally higher levels of mobility and migration (de Haas, 2010b), this issue lies beyond the scope of this paper.

For the purpose of this paper, the more relevant issue is to understand why such radically different views on migration and development can coexist. In fact, both paradigms provide such different accounts of migration both in its causes and consequences, that it leaves one wonder to what extent these views can be reconciled. I will argue that, to a certain extent, this is possible if we see these accounts as two extremes, or ideal types, of a diverse continuum of possible migration impacts, in which the specific *conditions* under which migration occurs also largely determine the nature of its development impacts.

In brief, my key argument here runs as follows. The more unfavourable and constrained local development contexts are, the more restricted the access of the poor to social security, public services and markets, and the more structural are the socio-economic and power inequalities and authoritarianism that are ingrained into societies; and the more difficult the access of the poor to non-exploitative forms of (labour) migration is, the higher is the probability that the impacts will fit within the predictions of the migration pessimists, particularly with regard to the potential contributions of migration to sustainable, macro-level development processes. In these situations, migration might even function to reinforce pre-existing inequalities by mainly serving the material interests of the already well-off and by maintaining the (often authoritarian) political status quo.

On the other hand, in environments where positive development conditions prevail, where structural inequalities are relatively low or decreasing, and also the relatively poor have access to basic education, health and markets, migration is more likely to play the positive role predicted by the migration optimists. This is related to the core critique on neoclassical views: they tend to be rather blind to power inequalities that make the poor structurally disadvantaged and severely constrain their access to markets and information, as well as their ability to reap benefits from their inclusion in the capitalist economy. Rather, such conditions are likely to trap them in situations of structural exploitation and might make them even worse off. In fact, this is the situation prevailing in many countries characterized by high levels of inequality, corruption and sluggish economic growth.

A second way to bridge apparently irreconcilable views is by distinguishing different levels of analysis when assessing migration impacts. For instance, when the focus is on micro-level indicators such as the role of migration in sustaining, securing and improving the livelihoods of individuals, families and communities (which has been the focus of many surveys and much statistical analysis), one is much more likely to draw positive conclusion than if the focus is on a concept of "national development", or the contribution of migration to structural reform or decreasing inequalities. In fact, "national development" was the focus of the "developmentalist" paradigm of the 1950s and 1960s, and, with the benefit of hindsight, it can therefore not be surprising that those who believed that migration would do the "development trick" were bound to become disappointed. Empirical researchers, to the contrary, tend to base their views on analysis of household survey data and generally conclude that migration does contribute to household income, living standards and investment. However, such household comparisons cannot be used as an argument that migration "thus" contributes to more general processes of national development and structural reform.

This is obviously related to the hugely different ways in which "development" tends to be seen and (mostly implicitly) defined by different paradigms, social science disciplines (ranging from economics to anthropology) and political ideologies. This is why some of the apparently "fundamental" differences can in fact be rather spurious, as they reflect implicit definitions of what "development" actually entails, as well as widely diverging epistemological viewpoints on which empirical and analytical tools are valid means to measure a complex, multidimensional concept such as "development".

The latter observation brings me to the third way in which conceptual confusion can be reduced and apparently opposed views can be partly bridged. Besides the clearly distinguishing different levels of analysis (micro–meso–macro), it is equally important to unpack the analysis of migration impacts along the multiple dimensions of development. This includes aspects such as income levels, socio-economic inequalities, social security, living standards, physical and socio-psychological health, education, gender roles, cultural change and political reform. In practice, migration impacts are generally mixed across these different dimensions. This is another reason why the extremely positive or negative accounts or ideal types on migration development presented in Table 1 are less likely to occur in reality.

Migration rarely has a uniform impact across these dimensions, and this reveals the fundamental ambiguities involved in weighing these different dimensions. For instance, how should we judge a situation in which migration remittances have led to an overall increase in incomes, but have significantly increased inequality in a sending community? How does this affect our evaluations of migration impacts on the aggregate level? Does it mean that migration had a positive or negative impact on migration? Such an exercise will inevitably partly reflect value judgements, in particular with regard to the weight attached to distributional versus mean income objectives (see also Stark et al., 1988). Another example is the concept of "dependency". Structuralist views see dependency on global capitalism as inherently detrimental to the economic sustainability and sociocultural cohesion of communities and nations, whereas functionalist views would rather interpret dependency as a sign of spatial "connectivity", which facilitates economic exchanges and increases productivity.

It is crucial to observe that definitions and the relative importance attached to different dimensions of development, as well as the related methodological choices, partly reflect deep-seated preferences and value judgements. This also partly explains why ideological shifts have had such a profound influence on social scientific views on migration and development. However, before further discussing the large role of value judgements and ideologies in shaping views on migration and development, it seems useful to have a closer look at the empirical evidence on the highly diverse impacts of migration.

EMPIRICAL EVIDENCE ON MIGRATION IMPACTS

Since the 2000s, there has been a rapid increase of the number of research papers on migration and development and remittances. While their tone on migration and development is generally upbeat, this somehow obscures a substantial research literature that has developed over the 1980s and 1990s, which has allowed for a much more nuanced view, and which has moved the academic debate on migration and development well beyond a simplistic opposition between optimistic and pessimistic views. This particularly happened under the influence of the *new economics of labour migration* (NELM) (Stark, 1991; Taylor, 1999) and related "livelihood perspectives" in other social science disciplines (de Haan, 2002), which challenged the then dominant pessimistic views on migration impacts and offered a more subtle view, in which both positive and negative development responses were possible, depending on the degree to which sending countries and regions provided attractive environments in which to invest and to which to return (de Haas, 2010a). A growing number of studies have countered overly pessimistic views on migration and development. Several reviews of the research literature (Agunias, 2006; de Haas, 2007; Katseli et al., 2006; Özden and Schiff, 2005; Taylor et al., 1996a, b; UNDP (United Nations Development Programme), 2009) have pointed to the *potentially* positive role of migrants and remittances in social, economic and political transformation processes in societies and communities of origin.

These reviews of empirical evidence also support the view that migration is a rather deliberate attempt by migrants and their families to spread income risks, and that migration can often been seen as a livelihood strategy and an investment pursued by a household to improve its social and economic status in the longer term. In this way, both internal and international migration can have a crucial insurance function in protecting people from the destabilizing and exclusionary effects of absent or ill-functioning markets, high inequality, corruption and authoritarianism, failing state policies and a lack of state-provided social security and basic public services such as education and health care. Migration has enabled millions of families around the world to substantially improve their incomes and living conditions. And expenditure and investment of remittances can have substantial positive effects on economic growth in origin communities and regions, from which also (poorer) non-migrants can benefit to a certain extent. From a perspective of human development that focuses on the well-being and capabilities of people, as proposed by Amartya Sen (1999), this constitutes progress and should be seen in a positive light.

However, the accumulated evidence also demonstrates that migration and remittances cannot overcome more structural development constraints such as misguided macro-economic policies, socio-economic inequalities, authoritarianism, corruption and legal insecurity. Evidence shows that the extent to which migration can play a positive (or negative) role in social, economic and political change in origin countries fundamentally depends on more general development conditions.

In contexts that are unfavourable to human and social development more generally, migration may actually reinforce existing inequalities. High poverty and inequality often mean that international migration (particularly to wealthy countries) remains a prerogative of the better-off groups in origin communities and societies. Such strong "selection" is reinforced by immigration policies that discriminate in favour of the skilled and against the low-skilled. If it is mainly elites that are migrating, migration might therefore actually reinforce the status quo. For instance, while migration rates from most sub-Saharan African countries to OECD states are rather low it is mainly the higher-skilled who are able to migrate legally, as students, workers, entrepreneurs or tourists. Inasmuch as the lower-skilled are able to migrate at all, they more often do so illegally and tend to end up in structurally disadvantaged positions.

For instance, elite groups in North African countries often send their children to elite universities in France, the United Kingdom and the United States, generally after the children have attended expensive private or international secondary schools in their own countries. At the same time, relatively poor, often irregular migrants working in Europe or the Gulf may struggle to spend their remittances to send their children to private schools in order to avoid the failing public education system, the quality of which has deeply suffered from decades of public disinvestment, partly pursued under the influence of Structural Adjustment Policies. But such expenditure to compensate for the failure of public policies may prevent them from making other investments. While education and labour migration by elite groups are often defended using the argument that they contribute to so-called "good governance" (e.g. better macro-economic policies[1]), the preferential access of higher- and upper-middle-class groups to legal migration options is likely to reinforce the structural inequalities between rich and poor.

Also on a global level, available remittance data suggest that international remittances may sustain international inequalities, and particularly the gap between the low- and middle-income countries. According to World Bank data, in 2008, 68.7 per cent and 26.4 per cent of global remittances went to middle- and high-income countries, respectively, while only 4.9 per cent went to low-income countries. This largely reflects the fact that the middle-income countries tend to have the highest emigration rates. If we compare remittances with other foreign major currency inflows, such as foreign direct investment (FDI) and official development assistance (ODA), Figure 2 shows that remittances are relatively most important for middle-income countries, and particularly for the *lower-middle-income* group. For higher-middle-income countries, FDI is comparatively more important. For low-income countries, ODA is still the most important resource flow.

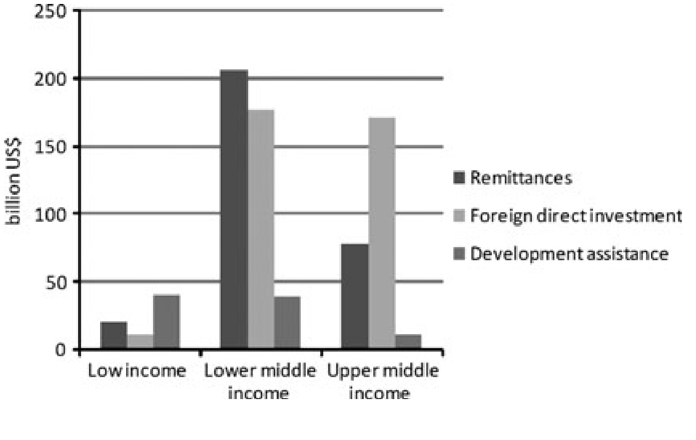
However, if we express remittances as a percentage of total GDP (see Figure 3), a rather different picture emerges. While the bulk of global remittances goes to middle-income countries, the poorest countries have a relatively high dependency on remittances. In fact, their remittance dependency has increased from around 2 per cent of total GDP in the mid-1990s to over 6.5 per cent in 2008. Although the latter increase may largely reflect improved remittance accounting in poor countries, the figures nevertheless suggest that in relative terms, remittance dependency is comparatively high in poorer countries. Although it is impossible to distill firm causal links from this, the data strongly suggests that high remittance dependency is a feature of structurally weak economies rather than a characteristic of growing, diversifying and strong economies.

Although we cannot assume that these observations with regard to country-level data automatically apply to the analysis of migration on within countries, a considerable number of national and micro-level studies do suggest that migration tends to favour the middle- and high-income groups much more than the low-income groups; and that migration may, under unfavourable conditions of high migration selectivity, thus sustain or even reinforce existing economic inequalities.

Also, low-skilled migration might serve to maintain the political status quo. Many (currently or formerly) authoritarian states, such as Morocco, Tunisia and Egypt in North Africa, Mexico in Latin America and the Philippines in Asia, have used migration of non-elite groups

FIGURE 2

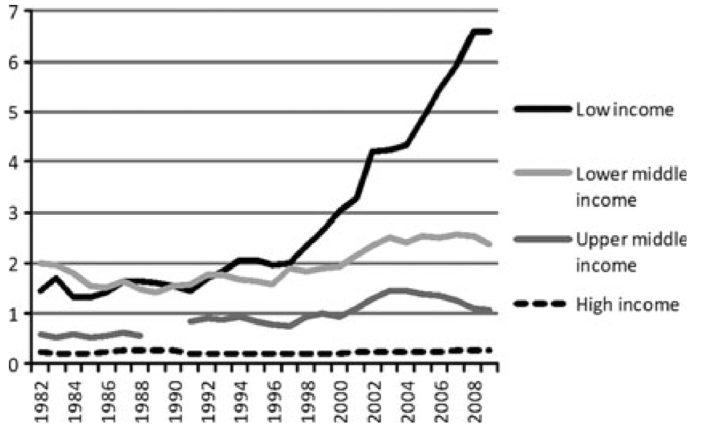
REMITTANCE, FOREIGN DIRECT INVESTMENT AND AID FLOWS TO DEVELOPING COUNTRIES, 2008



Source: World Development Indicators database, World Bank.

FIGURE 3

REMITTANCES AS A PERCENTAGE OF GDP, 1982–2009



Source: World Development Indicators database, World Bank.

as a political-economic "safety valve" to decrease unemployment, poverty and political discontent (Castles, 2007; de Haas and Vezzoli, 2010; Gammage, 2006; Kireyev, 2006). The down side is that this may reduce the domestic pressure on governments to implement structural political and economic reforms needed to create more favourable development conditions.

MIGRATION, REVOLUTION AND THE POLITICAL STATUS QUO

It seems, therefore, that emigration of the elite and the poor may basically sustain the status quo by even further empowering and enriching elites, and by getting rid of potential troublemakers. In this respect, an interesting question is whether there is a relation between the timing of the popular pro-democratic revolutions in North Africa in 2011 and the reduction of emigration rates in the previous years due to the global financial crisis and the concomitant decrease in demand for migrant labour in major European receiving countries. Although this is unlikely to be among the fundamental causes of these revolutions and political unrest, the diminished emigration opportunities may well have further increased the discontent among disenfranchised middle-class youth, and may therefore have been the proverbial straw that broke the camel's back.

It is important not to conclude from this that migration always sustains and reinforces existing economic inequalities and the political status quo. As recent events in North Africa have shown, Tunisian, Egyptian and Libyan exiles and emigrant communities were extremely swift in organizing themselves to support the revolutions from abroad, through oppositional Internet activism, so-called "cyber-attacks" on government sites, by demonstrating in foreign capitals, and by influencing public debates abroad and in origin countries. Although further research is needed into this issue, we can hypothesize that while such activism by emigrants has certainly reinforced revolutionary political change, it has not been the main cause of it, and that high out-migration may actually undermine the growth of a critical mass necessary to enforce structural change.

This reinforces a more general point with regard to migration and development: migration seems to reinforce already existing, more general patterns and trends of social, economic and political change – whether these are more negative or positive; and it is unlikely to reverse general development trends unless emigration is truly massive. Under unfavourable development conditions, and in the absence of domestic reform or internal struggles for political change, migration and remittances are unlikely to contribute to nationwide sustainable development.

However, if development in origin countries takes a positive turn, if countries stabilize politically and economic growth starts to take off, then migrants are likely to be among the first to join in and recognize such new opportunities, reinforcing these positive trends through investing, circulating and returning to their origin countries. Such dynamics have occurred in several former emigration countries as diverse as Spain, the Republic of Korea, India and Taiwan – and might be currently happening in a country such as Turkey, where many migrants (and their children) living in Germany and elsewhere in Europe play a significant role as transnational entrepreneurs in Turkey's booming economy (Presseurop, 2010).

The important point here is that migration was not the factor that triggered development but, rather, that development enabled by structural political and economic reform *unleashed the development potential of migration*. So, it is essential to get the causality right. Notwithstanding its importance as a factor of social change, migration is generally too limited in magnitude to *independently* set in motion processes of structural reform and social transformation also known as "development". As Heinemeijer et al. (1977) have already observed, development is a *prerequisite* for investment and return by migrants rather than a consequence of migration! As has already been mentioned, migration tends to reinforce (pre-)existing trends, whether this is for the better or for the worse. So, under unfavourable development conditions, migration may undermine development; but under favourable conditions, it is likely to accelerate such positive trends. Skeldon (2008) has argued that although it should be welcomed that migration is no longer viewed as generally negative for development, we should be cautious not to essentialize migration and to place too great a responsibility upon migrant agency at the expense of the institutional change necessary to bring about development.

THE NEOLIBERAL ROOTS OF NEO-OPTIMISM

Empirical evidence points us to the context-dependency of the development impacts of migration, which should forestall any blanket assertion on the issue. While at the micro- and meso-level, migration can be said to be *generally* beneficial for sustaining and improving the livelihoods of the families and communities involved, the specific role of migration in macro-level process of social, economic and political development depends on the general development conditions and policy contexts in which migration occurs. It seems most appropriate to talk about migration in terms of having a development *potential*. If migration enhances the human capabilities of individuals and families, which it often does to a smaller or larger extent, it gives them the freedom and power to invest *as much as to disengage* from origin countries! This is a key observation. If states fail to implement reform, migration and remittances are unlikely to fuel national development – and can even sustain situations of dependency, underdevelopment and authoritarianism. This questions the "level playing field" assumptions of neoclassical migration theory, particularly within the context of developing countries, which makes the idea of migration and remittances as an effective, "bottom up" form of self-help development sound rather naïve.

Migration and development neo-optimism largely neglects this point. In order to explain its recent popularity, it is important to observe that the recent migration optimism has strong ideological roots, because it fits into neoliberal development paradigms that have – at least until very recently – downplayed the role of states in bringing about development, and have overemphasized the power of markets and individuals to bring about political-economic change and social transformation. These ideologies have links with neoclassical economic theory and the functionalist paradigm in social theory of which it is part, which in their focus on individual actors and markets largely neglects structural constraints such as ingrained socio-economic and power inequalities (de Haas, 2010a).

On a critical note, Devish Kapur (2003) has pointed to the ideological roots of recent remittance euphoria. He argues that remittances strike the right cognitive chords, and fit in with a communitarian, "third way" approach, exemplifying the principle of self-help, in which "Immigrants, rather than governments, then become the biggest provider of "foreign aid" (2003: 10). In a similar vein, Stephen Castles (2007)[2] observes that the "remittance mantra" has parallels with the "trickle-down" theory of development propagated by the modernization theories of the 1960s. This is the main danger of the neo-optimism on migration and development: these views are partly ideologically driven, and shift the attention away from structural constraints and the vital role of states in shaping favourable conditions for positive development impacts of migration to occur.

Despite their development *potential*, migrants and remittances can neither be blamed for a lack of development nor be expected to trigger take-off development in generally unattractive investment environments. So far, most efforts to link migration and development have focused on maximizing remittance transfers through legal channels. However, such policies do not address the larger issue of "contextuality" and will ultimately have very limited effects. In many ways, governments of sending and receiving countries have become overly obsessed with maximizing remittances, while they have generally ignored the basic necessity to first create a fertile soil where the remittance seeds can be sown and can actually germinate and grow.

In the same vein, policies to "channel remittances into productive uses" are often based on the rather condescending view that migrants behave irrationally. They also miss the fundamental point that in unfavourable investment environments migrants generally have good reasons *not* to invest in risky enterprises and, rather, prefer to stick to relatively secure investments such as houses or small-scale commerce. In addition, such propositions unrealistically presume that remittances can be "tapped" by governments whereas remittances are private money; not to mention the deep-seated distrust migrants often have *vis-à-vis* governments.

An increasing number of receiving country governments have linked the issue of migration and development to return or so-called "circular" migration. The assumption is that temporary migration is beneficial for both origin and destination countries as well as for the migrants themselves. There is substantial empirical evidence to question the assumption that temporary migration is the most effective "development tool", while such "revolving door" policies are very difficult to implement in practice. In fact, their stated development intentions often seem to camouflage a hidden agenda of voluntarily or forcibly returning irregular immigrants or rejected asylum seekers, after providing them some modest financial assistance, or rapid and often ineffective professional training (Weil, 2002).

In fact, policies that try to forcibly link restrictive immigration policies centred around temporary and return migration often seem misguided, not only because of their usual failure to meet their stated objectives (Castles, 2004, 2006), but because they paradoxically seem to *reduce* the development potential of migration. They do so by infringing on migrants' residency and socio-economic rights and by effectively pushing migrants into permanent settlement. Through raising barriers to immigration, migrants have to assume higher costs and risks to migrate, which also increases the risks of returning. Therefore, the degree of circulation and temporariness tends to be higher under free migration than under restrictive immigration policy regimes. While the latter often officially proclaim that they encourage return, temporary and circular migration, they actually tend encourage permanent settlement. For instance, the post-1973 recruitment freeze on "guestworkers" and the adoption of certain immigration restrictions in North-West European states encouraged many migrants to stay on the safe side of the border (Entzinger, 1985). In the same vein, migrants who either lack legal status and whose socio-economic mobility is frustrated by discrimination and social marginalization tend to have less financial, human (knowledge, education) and social (social networks) resources that can potentially be deployed to the benefit of human and economic development in origin countries.

Therefore, the much sought-after "issue linkage" between migration and development is generally not desirable, and can actually undermine broader development agendas and justify depriving migrants of their fundamental rights. Rather than crunching the two issues together into a forced and unhappy marriage, it therefore makes much more sense to conduct *separate*, sensible migration and development policies that improve economic and political conditions in origin countries and that optimize migrant rights and socio-economic mobility. This seems to be the most effective way to optimize the positive role of migration in development processes.

CONCLUSION

Empirical evidence indicates that although migrants can potentially accelerate development at home, they can neither be blamed for a lack of development nor be expected to generate development in generally unattractive investment environments. Migration alone cannot independently set in motion broader processes of human and economic development. So, the right question is not whether migration leads to certain types of development, but how differences in migration policy and investment environments explain why migration plays a positive development role in some cases and less positive or even negative roles in others.

This shows the need to reframe the debate on migration and development. Because development is a condition for attracting migrants' income-generating investments rather than a consequence of it, policymakers would be wise to reverse their perspective on migration and development. Rather than asking what migrants can do to support development, or to forcibly, unrealistically and harmfully link the issue of return or temporariness to development, governments would be much better off identifying how to make conditions in origin countries attractive for migrant to invest socially, politically and economically. The second question that they should be asking is how they can design immigration policies that empower (instead of exploit) migrants and that maximize their social, human and economic capabilities to contribute to development in origin countries. While migrants' cumulative capabilities determine the *development potential* of migration, the development conditions in origin countries will ultimately determine the extent to which this development potential will be unleashed.

From this, we can draw clear lessons for policy. First, targeted remittance, "diaspora" and investment-stimulation policies will have marginal (if any) effects if they are not accompanied by general reform and progress in origin countries. The only way of genuinely releasing the development potential of migration and migrants' resources is to create attractive investment environments and build trust in political and legal institutions of origin countries. Here lies a clear responsibility for origin-country governments, and this also shows the crucial importance of fundamental political change in contexts where governments largely or uniquely serve the interests of the elite and perpetuate structural socio-economic inequalities and the exploitation of the poor.

Public policies that improve the functioning of legal, economic and political institutions, and the access of ordinary people to education, health care and basic rights, are crucial not only for creating a fertile ground for development in general, but *also* for compelling migrants to invest in origin countries. Discourses celebrating migration, remittances and transnational engagement as self-help development "from below" are driven by neoliberal agendas and shift attention away from structural constraints and the limited ability of individual migrants to overcome these and the responsibility of states to redistribute resources. This exemplifies the crucial role that states continue to play in shaping favourable conditions for human development.

Also, immigrant-receiving governments can play a significant role in increasing the development potential of migration through lowering thresholds for legal immigration, particularly for the relatively poor and the lower-skilled, and through favouring their socio-economic mobility through giving access to residency rights, education and employment. By deterring the relatively poor from migrating or forcing them into illegal channels, and by discouraging return and impeding circulation, restrictive immigration policies may damage the poverty-alleviating and development potential of migration.

The recent wave of optimism about migration and development was overly naïve and has failed to take on board lessons from decades of research and policies. Because expectations about migration as a development panacea ran unrealistically high, it is therefore no surprise that there is an increasing feeling of disappointment around the issue. For instance, the British government has largely abandoned its Diasporas program while the Dutch government is cutting down the number of officials working on migration and development (see also paper by Vammen and Mossin Brønden in this special issue). As has been argued above, this all is rather reminiscent of the early 1970s, when the high hopes of the past also turned into deep disillusionment and scepticism.

So, we may be at a new turning point, in which case we are heading towards a neo-pessimistic backswing of the migration and development pendulum. This would be unfortunate, as it would also shift the attention away from the real, everyday contributions that millions of migrants around the world make to improving the lives of their families and communities back home; as well as things that governments in sending and receiving countries can do to improve migrants' capabilities to contribute to development in origin countries, and their propensity to do so.

The key issue is to take on board past policy lessons and research insights on the context-dependent nature of migration impacts and, last but not least, to set expectations right. Instead of swinging between exaggerated optimistic and overly pessimistic views, there is a need for much more nuance. Now that the migration and development pendulum has swung from sheer optimism to sheer pessimism and back again, it is time to nudge it steadily towards the middle.

NOTES

1. It should be mentioned, though, that what is understood by good economic governance also depends on ideological positions; for instance, about the role of states in processes of economic development.
2. See http://www2.lse.ac.uk/government/research/resgroups/MSU/documents/eventsRelated/castles151107-presentation.pdf

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