Migrant Remittances and Development: Research Perspectives

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Preface

This is the second edition of the *Anthology on Migrant Remittances and Development*, which was first published on the website of the Social Science Research Council (SSRC) in 2009. Consistent with the original goal, this new edition offers a collection of articles that are based on empirical research and provides insight into key conceptual, methodological, and theoretical issues relevant to researchers and policy makers who seek to understand and enhance the developmental impact of remittances.

The most substantive change that the Editors have introduced to the second edition is an expanded exploration of the effects of remittances on social aspects of development (including gender relations and family cohesion) and a new section that examines socio-cultural (non-monetary) remittances. A small number of articles have been transferred between topics, others have been replaced with more recent articles, and more than twenty new articles have been added.

Since the first edition, some publishers have become more guarded about exposing copyrighted materials to open access on the web. As a result, while the majority of articles in the anthology are still available for immediate and free download, others are only available for purchase. Until our project funds are exhausted, the SSRC will purchase and email to readers those articles that are not available for free download. Instructions are provided where relevant in the Anthology text. When grant funds run out, readers will be linked to publishers' websites where they can purchase articles at their own expense.

The Anthology is available on the Web at: http://essays.ssrc.org/remittances_anthology/
Readers can identify articles that are of interest to them through:

- The list of topics in the Anthology's Table of Contents
- A search bar located on the Anthology webpage, which enables key word searches of topic introductions and article abstracts, but not the articles themselves.
- The complete article list, which is arranged alphabetically at the end of the Anthology

For their advice in creating this anthology, we are indebted the members of the SSRC's International Committee on Migration and Development Research: Stephen Castles, Raúl Delgado Wise, Devesh Kapur, Amitabh Kundu, Frank Laczko, Peggy Levitt, Valentina Mazzucato, Kathleen Newland, Manuel Orozco, Patricia Pessar, Alejandro Portes, Gustave Ranis, Dilip Ratha, Ronald Skeldon, L. Alan Winters, Hania Zlotnick, and David Zweig. In addition we thank Ed Taylor, Bimal Ghosh and Neil Fantom for their contributions to the first edition. Finally, we are grateful to the Global Migration and Human Mobility Program of the John D. and Catherine T. MacArthur Foundation, whose grant support has made the Anthology possible.

In selecting articles and web resources for this Anthology, another team of Editors would no doubt have made different choices. We encourage readers to send to migration@ssrc.org suggestions for a third edition of the Anthology, should that become feasible.

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Overview

Topic 1 – Overviews of Migration and Remittances

The earnings that migrants send home to their families, particularly international migrants, have grown in recent years to levels that exceed official development assistance and direct foreign investments. The World Bank (2005) estimated that international remittances rose from $85.6 billion in 2000 to $167 billion in 2004 as compared to $79 billion of development assistance and $166 billion of direct foreign investment. Currently the bank estimates that international remittances reached $318 billion in 2007, some $240 billion of which went to developing countries (http://siteresources.worldbank.org/EXTDECPROSPECTS/Resources/476882-1157133580628/BriefingNote3.pdf). While potentially of similar significance, the amounts of internal remittances, sent largely by urban migrants back to rural communities of origin, as cash or kind, are not regularly recorded and are difficult to estimate. More migrants move internally than internationally, but their earnings tend to be lower. Despite problems of measurement, the obviously large amounts of remittances sent by international and internal migrants have attracted many researchers to examine their impact on various aspects of development.

As research about remittances has burgeoned, particularly on international remittances, a number of researchers have prepared synthetic summaries of the issues investigated and the findings. The three overview articles offered here provide distinctive theoretical, analytic, and policy perspectives in introducing the research and debates about the different topics covered in this anthology and in showing how these topics are interrelated with one another in relation to development.

Hein de Haas helpfully reviews how past theories of development (developmentalist, neoclassical, historical structural, dependency) have led researchers to relatively optimistic and pessimistic expectations regarding the contributions of migration to development. Adopting a pluralistic theoretical approach, which combines the new economics of labor and livelihood approaches, he then undertakes an assessment of the impact of remittances on development focusing his analysis on micro and macro levels of analysis and within different temporal scales. Conceiving of remittance sending as a livelihood strategy by which migrants spread risk and create insurance, he evaluates contemporary research for evidence that doing so improves well-being, reduces poverty, and stimulates economic growth. The article provides a valuable theoretical orientation and analytical approach toward a wide range of specific topics and questions taken up in this anthology.

Bimal Ghosh's review of Migrants' Remittances and Development: Myths, Rhetoric, and Realities (2006) provides an overview of the research and debates about a range of topics also covered in this anthology including: measurements and directions of remittance flows; the motivations, mechanisms, costs, and policies that affect the size and increase in remittance flows; the economic impacts of remittances at the level of households, communities, and nations; the limits to which policy makers can depend on remittances to promote development; and the positive roles that migrant organizations, diasporas, and financial institutions can take to increase positive development outcomes. Based on his review of the research evidence, Ghosh concludes that remittances are unlikely to realize their developmental potentials without a coherent and cooperative policy framework between migrant sending and receiving countries.

Jeffrey Cohen describes the scope and contributions of macro-level studies that focus on the national impacts of remittances, including such issues of balance of payments, capital flows, trade, taxes, and Gross Domestic Product, and micro-level studies that focus on remittances' impacts on individuals, families, and communities. Weighing the positive and negative findings of both approaches the author suggests that outcomes are not "unidimensional" and often neither one or the other. He goes on to suggests ways to improve future research that not only connects the two levels of analysis but also takes into account geographic relations between rural and urban areas receiving remittances, long-term changes over the life cycles of migrant families, and migrants' transnational ties as they mature both within and between generations. The article's framing of the issues draws upon a view of development that includes not only economic, but also cultural, social, and political roles of migrants.

The World Bank's Global Economic Prospects 2006 examines existing research knowledge about "The Economic Implications of Remittances and Migration" from a market and policy perspective. Placing the growth and impact of remittances within the wider context of current prospects for the global economy, the report emphasizes the policy challenges that migrant sending countries face in enhancing the impact of remittances on poverty and inequality and on consumption, savings, and investment. Particular attention is given to policies that can reduce migrants' costs in sending remittances – particularly transmission fees – as a means of maximizing the amounts and beneficial impacts of remittances on their families and home country economies.

Topic 1 – Articles

de Haas, Hein. 2007. "Remittances, Migration and Social Development: A Conceptual Review of the Literature," *Social Policy and Development Programme Paper Number 34.* Geneva: United Nations Research Institute for Social Development (October).

This paper reviews the empirical literature on the relationship between remittances and various dimensions of social development in the developing world within a broader conceptual framework of migration and development theory. Migration and remittances are generally part of risk-spreading and co-insurance livelihood strategies pursued by households and families. Migration and remittances also have the *potential* to improve well-being, stimulate economic growth and reduce poverty directly and indirectly, while their effects on inequality are much more ambiguous. The significant empirical and theoretical advances that have been made over the past several decades highlight the fundamentally *heterogeneous* nature of migration-remittance-development interactions, as well as their contingency on spatial and temporal scales of analysis, which should forestall any blanket assertions on this issue. Notwithstanding their often considerable blessings for individuals, households and communities, migration and remittances are no panacea for solving more structural development problems. If states fail to implement general social and economic reform, migration and remittances are unlikely to contribute to nationwide sustainable development. Migrants and remittances can neither be blamed for a lack of development nor be expected to trigger takeoff development in generally unattractive investment environments. Therefore, policies aimed at increasing people's welfare, creating functioning markets, improving social security and public services such as health and education are also likely to enhance the contribution that migration and remittances can make to social development.

Ghosh, Bimal. 2006. *Migrants' Remittances and Development: Myths, Rhetoric and Realities*. Geneva and The Hague: International Organization on Migration and The Hague Process on Refugees and Migration.

Prepared at the request of the Hague Process on Refugees and Migration and the International Organization for Migration, this study highlights the ways in which the development potential of remittances could be most effectively used, while avoiding the possible risks. In doing so, it seeks to help promote a more balanced approach to the issue of remittances and development, which, as indicated above, is now high on the global economic agenda. In focusing attention on the nexus between remittances and development, the study uses a narrowly circumscribed frame of reference. Obviously, remittances cannot be separated from migration; and migration no doubt entails both benefits and costs, which, it is widely recognized, are shared differently both between and within the sending and receiving countries. Remittances are an integral part of the welter of these benefits and costs. However, these latter and much wider issues of migration are not taken up in this short study as they remain outside its scope. Also, even in examining the impact of remittances on development in this limited context, the study essentially deals with migrant-sending developing countries.

Chapter 1 discusses the level of remittances, both formal and informal, and their geographical distribution. It also discerns types and personal characteristics of migrants as remitters. Chapter 2 examines the various ways in which formal remittances to developing countries can be increased, covering such questions as migrants' remittance behavior, cost of transfer, effectiveness of incentives and regulatory measures, and the importance of political and macro-economic environments. Chapter 3 describes the economic and social impacts of remittances, and this is followed by a more critical and relatively detailed appraisal of the development potential of remittances as well as of the possible pitfalls involved. Chapter 4 provides a critical appraisal of relying on remittances for development including an appraisal of their stability, contribution to growth, inflationary pressures, poverty and inequality, and the weakening of family ties. Chapter 5 examines the role of three major non-state actors, namely migrants' associations, the diasporas and the corporate sector. Chapter 6 sums up the report's major findings.

Cohen, Jeffrey H. 2005. "Remittance Outcomes and Migration: Theoretical Contests, Real Opportunities," in *Studies in Comparative International Development,* 40 (1): 88-112

This paper usefully summarizes the contributions of research that addresses the developmental impacts of remittances on both macro (national and structural) and micro (individual, familial, communal) levels and weighs the pros and cons of analytic perspectives and research findings that emphasize negative (dependency) and positive (maintenance and/or growth) outcomes for social and economic development. Significantly the article examines remittances and development broadly to take into account not only their economic aspects but also the political, social, and cultural roles of migrants. The author convincingly suggests that understandings of potential mix of both positive and negative outcomes of remittances as a part of migration processes more broadly can be improved by taking in to account the geographical location and linkages of rural and urban locations receiving remittances, long-term trends within both communities as migration becomes more prevalent and families as they go through life cycles, and the robustness or decline in transnational connections with and between generations.

World Bank. 2006. *Economic Implications of Remittances and Migration*. Washington, DC: Global Economic Prospect.

The report has two goals. The first is to explore the gains and losses from international migration from the perspective of developing countries, with special attention to the money that migrants send home. The second goal is to consider policy initiatives that could improve the developmental impact of migration, again with particular attention to remittances. The report focuses on policies to improve the developmental impact of remittances. It documents the high level of transactions costs facing migrants sending small remittances to their families, and it outlines the regulatory issues and market imperfections that keep costs high. Fewer barriers to remittance flows and greater competition among remittance service providers could substantially reduce costs and boost remittance flows to developing countries. The report shows how sound domestic policies and an investment- friendly climate can significantly increase the contribution of remittances and migration to improved living conditions back home.Our focus (for economic purposes) is on international migration from developing countries to high-income countries. Despite their importance, internal migration, migration among developing countries, and the political and social impacts of migration are beyond the scope of this work.

Chapter 1 reviews recent developments in and prospects for the global economy and their implications for developing countries. Chapter 2 uses a model-based simulation to evaluate the potential global welfare gains and distributional impact from a hypothetical increase of 3 percent in high-income countries' labor force caused by migration from developing countries. Chapter 3 surveys the economic literature on the benefits and costs of migration for migrants and their countries of origin, focusing on economically motivated migration from developing to high-income countries. The chapter then turns to remittances, the main theme of the report. Chapter 4 investigates the size of remittance flows to developing countries, the use of formal and informal channels, the role of government policies in improving the development impact of remittances, and, for certain countries, their macroeconomic impact. Chapter 5 addresses the impact of remittances at the household level, in particular their role in reducing poverty, smoothing consumption, providing working capital for small-scale enterprises, and increasing household expenditures in areas considered to have a high social value. Chapter 6 investigates policy measures that could lower the cost of remittance transactions for poor households and measures to strengthen the financial infrastructure supporting remittances.

Concepts, Methods, Measures, and Flows

Topic 2 – Remittances and Migration: Conceptual and Methodological Challenges

There are at least four methodological challenges that confront any economic (or social science) work on international migration and remittances. These problems include: simultaneity, reverse causality, selection bias and omitted variables. This introduction reviews each of these challenges, and suggests possible solutions (for more, see McKenzie and Sasin, 2007).

First, many of the decisions on international migration are made at the same time as other household decisions. For example, a household may decide to send its oldest male to work abroad at the same time that it decides to send its youngest daughter to school. As a result, variables that "cause" international migration may also "cause" household patterns of consumption and education.

The second problem is reverse causality. For instance, while international remittances may help reduce poverty in the developing world, the level of poverty may also influence the amount of remittances received by a particular country. Thus, any attempt to analyze the impact of remittances on poverty that fails to consider the reverse causality between these two variables might lead to erroneous conclusions.

The third problem is selection bias, which refers to the "selectivity" of people who tend to migrate and to receive remittances. If, for example, households with more education or income are more likely to produce migrants, then it is impossible to identify the effects of migration by simply comparing the characteristics of migrant and non-migrant households.

Fourth, when households produce migrants or receive remittances on the basis of unobservable characteristics – characteristics like the risk averseness of the household head – then the problem of omitted variable bias arises. For example, it is possible that households with more risk averse heads will be less likely to produce migrants, but it is very difficult to collect data on this issue.

To meet these various methodological challenges, at least five possible solutions have been proposed in the literature. Most of the studies included in this anthology employ one or more of these solutions.

The first, and perhaps best, solution is to use a randomized, "natural" experiment whereby individuals desiring to pursue international migration are denied the right to migrate (by a lottery system, for example), thereby creating a "control group" of would-be-migrants to compare with a group of actual migrants (see e.g. McKenzie, Gibson and Stillman, 2006). Comparing the characteristics of would-be-migrants to those of actual migrants would then yield accurate information on the causal motives for migration. Unfortunately, however, it is very difficult to conduct such randomized, "natural" experiments in the developing world to such an extent that the only real example at this time of such a natural experiment is MeKenzie, Giibson and Stillman (2006).

A second, and slightly less difficult, solution is to use panel data. Panel data, which includes repeated observations on the same household over two or more time periods, is a good solution because by taking "first differences" between various variables it becomes possible to eliminate many of the methodological problems discussed above. Unfortunately, however, panel data sets on international migration and remittances in the developing world are relatively rare.

A third solution is to construct a "counterfactual" situation, that is, to artificially construct what the status of a migrant household would have been had that household not produced a migrant. For example, if the topic is remittances and income, then it would be necessary to estimate the income of a migrant household by imputing the value of that migrant had he stayed and worked at home (see e.g. Barham and Boucher, 1998).

A fourth solution to use econometric procedures to regress the outcome of interest (for example, poverty) on a set of independent variables, and then supplement this approach with a sample selection procedure, like the two-stage Heckman model (see e.g. Acosta et al., 2007). Here the selection model is used to estimate the size and direction of the selection bias. However, the difficulty comes in specifying an exogenous variable that "causes" migration or the receipt of remittances in the first-stage equation, but has no direct impact on the dependent variable in the second-stage equation.

A fifth, and quite common, solution is to use instrumental variables. A good instrumental variable, one that is correlated with the explanatory variable but uncorrelated with the outcome variable, can eliminate many of the biases that arise from endogeneity, selection bias and omitted variables. In practice, however, selecting a good instrumental variable in migration and remittances work can be difficult. For example, assume that migration is the explanatory variable and poverty is the outcome variable of interest. The challenge is then to find an instrumental variable (like distance, for example) that is correlated with migration but exogenous to the outcome variable, poverty.

As noted above, many studies employ one or more of these solutions to the problems of simultaneity, reverse causation and selectivity. It is not uncommon, for example, to find instrumental variables used in conjunction with panel data. Other studies estimate counterfactual situations with the use of instrumental variables (see Acosta et al, 2007).

Topic 2 – Articles

Acosta, Pablo, Pablo Fajnzylber, and Humberto Lopez. 2007. The Impact of Remittances on Poverty and Human Capital: Evidence from Latin American Household Surveys. In *International Migration, Economic Development & Policy*, edited by C. O. a. M. Schiff. Washington, DC: World Bank.

This paper uses nationally-representative household surveys from 11 Latin American countries to examine the impact of international remittances on poverty, education and health. Since remittances may be endogenous, the authors estimate counterfactual incomes for migrants had they stayed and worked at home, and they control for selection bias using a two-step Heckman procedure. The authors find evidence of selection bias in the migration process, suggesting that households with a higher propensity to not migrate also have higher per capita incomes. Results from the counterfactual income estimates suggest that the impact of remittances on poverty is positive but modest: in most countries poverty headcounts fall by no more than 5 percent when remittances are included in household income.

Ashraf, Nava, Diego Aycinena, Claudia Martinez A., and Dean Yang. 2010. Remittances and the Problem of Control: A Field Experiment Among Migrants From El Salvador.

While remittance flows to developing countries are very large, it is unknown whether migrants desire more control over the uses to which remittances are put. This research uses a randomized field experiment to investigate the importance of migrant control over the use of remittances. In partnership with a large Salvadoran bank, we offered US-based migrants from El Salvador facilities for channeling remittances into savings accounts in their home country. We randomly varied migrant control over El Salvador-based savings by offering different types of accounts across treatment groups. The treatment that offered migrants the greatest degree of control over savings had the highest impact on savings accumulation at the partner bank, compared to comparison groups offered less or no control over savings. Effects of this treatment on savings are concentrated among migrants who express demand for control over remittances in the baseline survey. We also find positive spillovers of our savings intervention in the form of increased savings at other banks (specifically, banks in the U.S.), which is likely due to the financial education implicitly conveyed by our intervention. Our findings point to the potential for future innovations to enhance migrant control over remittance uses in other areas such as financing for education, health, housing, or micro-enterprises.

Barham, Bradford, and Stephen Boucher. 1998. Migration, Remittances and Inequality: Estimating the Net Effects of Migration on Income Distribution. *Journal of Development Economics* 55 (3):307–331.

This study uses a small, non-representative household survey from Nicaragua (152 households) to examine the effects of international migration on income distribution. Since remittances may be endogenous, the authors estimate counterfactual incomes for migrants had they stayed and worked at home, and they control for selection bias using a two-stage Heckman procedure. Controlling for human capital and networks, the authors find no evidence of selection bias in the migration process, suggesting that migrants are selected randomly from the population. With respect to income inequality, the authors find that when the observed income distribution is compared with two no-migration counterfactual situations, income inequality is higher when international remittances are included in household income.

McKenzie, David, and Sasin J. Marcin. 2007. Migration, Remittances, Poverty and Human Capital: Conceptual and Empirical Challenges. In *World Bank Policy Research Paper 4272.* Washington, DC: World Bank.

This paper reviews common methodological problems faced by social scientists interested in measuring the impact of migration and remittances on poverty, inequality and human capital formation. It briefly reviews methodological problems such as endogeneity, reverse causality, selection bias and omitted variables. The paper also proposes a number of solutions to these problems, including: conducting "natural" experiments, constructing counterfactuals, using panel data and creating instrumental variables. Since many researchers use instrumental variables, the paper pays particular attention on how to create and test for the validity of instrumental variables.

McKenzie, David, John Gibson, and Steven Stillman. 2006. How Important Is Selection? Experimental Versus Non-Experimental Measures of the Income Gains from Migration. In *World Bank Policy Research Working Paper 3906*. Washington, DC: World Bank.

This study uses a small, non-representative household survey from Tonga (438 households) to examine the income gains from international migration. All empirical studies that analyze the income gains from migration face the methodological problem of the non-random selection of migrants. To meet this problem, the authors use a migrant lottery system whereby New Zealand allows a certain quota of Tongans to migrate each year. This allows the authors to estimate the income gains from migration by comparing the incomes of 3 groups: migrants who were selected in the lottery, and migrated; those who were selected in the lottery, but did not migrate; and those who did not apply to the lottery. Results suggest that Tonga-to-New

Zealand migrants are positively selected in terms of both observable and unobservable skills. Results also show that an instrumental variables approach works best in estimating the income gains from migration.

Topic 3 – Defining and Measuring the Level and Trends of International Remittances

The measurement of remittances has been no straightforward affair because states, international organizations, banks, and researchers use varying concepts, definitions, and methods to measure and report remittances (see Kapur 2003 and World Bank 2007). Although there has been a general agreement that migrant remittances have grown and reached substantial levels relative to other international transfers of funds, inconsistencies in definitions and data have contributed to some uncertainty about the magnitude and trends in remittances and their impact on development.

Concepts and methods used to compile data are not the same in all countries. Some countries report incomplete or no official data while others include data from non-governmental sources such as commercial transfer companies. Distinctions between investments and remittances can be rather ambiguous. These inconsistencies pose problems in compiling and comparing national remittance statistics (World Bank 2007).

Another common problem in estimating remittances is that official records capture formal transfers but not informal remittances sent through family, friends, or "black market" operators. Though the amount of informal transfers is unreported, it has been estimated by the World Bank as roughly equal to formal remittances

The most frequently cited official data on remittances is that provided by the International Monetary Fund based on balance of payments data. In response to a request from the G7 meeting of 2004 for improved remittance data, the Statistics Department of the IMF, the Development Data Group of the World Bank, and the Statistics Division of the United Nations formed the International Working Group on Improving Data on Remittances, which proposed more unified concepts and definitions for measuring remittances that have since been adopted by the IMF for compiling balance of payments statistics. According to the new definitions, *total remittances* include all *personal transfers* (cash or in kind goods transferred between resident and non-resident households), *compensation of employees* (wages of workers abroad net of taxes and travel expenses), and *social benefits* (social security and pension fund payments). For a history, definitions, and discussions of these recommendations and adoption by the IMF, see World Bank 2007 and IMF 2008.

Household surveys are a useful source for enhancing official data on remittances. For social scientists, representative household surveys have been extremely valuable in improving the quality of data on remittances for

particular populations, particularly of informal transfers, and providing insights into the determinants of remittance flows. Smaller, often non-representative surveys and ethnographic studies have been useful in revealing the nature of various informal remittance transfer systems, such as the *hawala* and *hundi* systems, (Kapur 2003; Salomone 2006), and the importance of in-kind remittances. (For a January, 2008 discussion of the role of household surveys in measuring remittances, which was organized by the United Nations Economic Commission on Europe, World Bank, and US Census Bureau, see:
http://www.unece.org/stats/documents/2008.01.migration.htm).

Surveys also shed light on the importance of internal remittances, which are probably more frequent within rural households but smaller in value than international remittances (see topic 5 on internal remittances).

Notwithstanding definitional, data, and measurement problems, it is certain that global remittance flows have increased substantially over the past two decades. According to IMF Balance of Payments Statistics data, recorded remittances to developing countries have increased from $31.1 billion in 1990 to $76.8 billion in 2000 to reach $240 billion in 2007 (Ratha *et al.* 2007). The real increase in remittances is probably lower than these figures suggest because part of the increase in officially recorded remittances reflects improvements in defining and recording remittances, a shift in the sending of remittances from informal to formal channels (Kapur 2003), and a depreciation of the US dollar during that time period.

Registered remittances now amount to well over two times the amount of official development assistance and are widely considered to be a more stable, counter cyclical, and sustainable source of foreign currency than foreign direct investments (Salomone 2006). Not all remittances originate from wealthy countries. According to recent estimates by Ratha and Shaw (2007), South-South remittances represent 10 to 29 percent of total remittances received in developing countries.

Topic 3 – Articles

International Monetary Fund. 2008. *Balance of Payments and International Investment Position Manual, Appendix 5: Remittances. 6th Edition.* Washington, DC: International Monetary Fund.

This appendix to the *Balance of Payments and International Investment Position Manual,* presents the economic concept of remittances, describes the components of balance of payments data that are to be used in calculating remittances ("personal transfers" replace the previously used "worker remittances"), and offers three different definitions of remittances that draw on this data:

1- Personal remittances: household-to-household transfers and the net earnings of nonresident workers;
2- Total remittances: personal remittances plus social security and pension transfers;
3- Total remittances and transfers to nonprofit institutions serving households: total remittances plus donations, in cash or kind, from government and enterprise sectors to charitable organizations in another economy that provide cultural and educational resources, such as scholarships, to households.

The appendix considers how to distinguish migrants' remittances from investments and refines concepts used in defining and compiling remittance data.

Kapur, Devesh. 2003. *Remittances: The New Development Mantra? G-24 Discussion Paper Series.* New York and Geneva: United Nations: United Nations.

This paper examines the causes and implications of remittance flows. It first highlights the severe limitations in remittance data, in sharp contrast to other sources of external finance. It then examines the key trends in remittance flows, and their importance relative to other sources of external finance. The paper subsequently analyses the many complex economic and political effects of remittances. It highlights the fact that remittances are the most stable source of external finance and play a critical social insurance role in many countries afflicted by economic and political crises. While remittances are generally pro-poor, their effects are greatest on transient poverty. However, the long-term effects on structural poverty are less clear, principally because the consequences of remittances on long- term economic development are not well understood. On a critical note, the author warns against naïve optimism about remittance as a lever for development by arguing that attractiveness of remittances is in part a reaction to previous failed development mantras. The paper concludes by suggesting a role for an international organization to intermediate these flows to lower transaction costs and increase transparency, which would both enhance these flows and maximize their benefits.

Ratha, Dilip, and William Shaw. 2007. *South-South Migration and Remittances.* Washington, DC: World Bank, Development Prospects Group.

This paper highlights the importance of South-South migration and remittances and sets out some working hypotheses on the determinants and socio-economic implications of South-South migration drawing on a survey of the literature. The authors estimate that 74 million, or nearly half, of the migrants from developing countries reside in other developing countries. Estimates of South-South remittances range from 10 to 29 percent of developing countries' remittance receipts in 2005. The impact of South-South migration on the income of migrants and natives is smaller than for South-North migration. However, even small increases in income can have substantial welfare implications for the poor. The costs of South-South remittances are even higher than those of North-South remittances, because of lack of competition in the remittance market, a lack of financial development in general, and high foreign exchange commissions at both ends of the transactions.

Ratha, Dilip, Sanket Mohapatra, KM Vijayalakshmi, and Zhimei Xu. 2007. *Remittance Trends 2007*. Washington, DC: World Bank.

This document analyses recent trends in global remittance flows. Recorded remittances to developing countries are estimated to reach $240 billion in 2007. The true size of remittances including unrecorded flows is even larger. A near stagnation in remittance flows to Mexico and a deceleration in other Latin American countries contributed to a slowdown in the global rate of growth of remittances. Nevertheless, the growth of remittances to developing countries remains robust because of strong growth in Europe and Asia. The remittance industry is experiencing some positive structural changes with the advent of cell phone and internet-based remittance instruments. The diffusion of these changes, however, is slowed by a lack of clarity on key regulations (including those relating to money laundering and other financial crimes). Remittance costs have fallen, but not far enough, especially in the South-South corridors.

Salomone, Sara. 2006. Remittances. Overview of the Existing Literature. In *2006 Florence School on Euro-Mediterranean Migration and Development Conference*. Florence: European University Institute, RSCAS.

This report summarizes the outlines the activities and achievements of the International Working Group (IWG) on Improving Data on Remittances, starting with the analysis of data weaknesses, the work program of the IWG, the improvement of concepts and definitions, and the creation of compilation guidance. It discusses data weaknesses and global discrepancies related to remittance data; summarizes the new and improved definitions and concepts; contains a draft outline of the forthcoming compilation guide, and discusses the role of household surveys in further improving remittance data.

World Bank. 2007. *Final Report of the International Working Group on Improving Data on Remittances*. Washington, DC: World Bank with input from the International Monetary Fund.

This paper reviews the remittance literature. It discusses stability, cyclicality and sustainability of remittances and reviews the literature on behavioural and economic determinants of remittances, concluding that the distinction between such motives is rather blurred.

Topic 4 – Formal vs. Informal Remittances

Recently an increasing amount of attention has come to focus on the size and impact of informal remittances. While formal remittances refer to those remittances which enter a country through official banking channels, informal remittances include those money transfers which occur through private, unrecorded channels. Such private transfers include remittances brought home by friends, relatives and even the migrant himself/herself. While formal remittances to developing countries now total over $167 billion (2005) a year, the level of informal remittances is virtually unknown because they tend to flow through unrecorded channels. Estimates of the size of informal remittances vary widely, ranging from 35 to 250 percent of formal remittances.

In one of the few empirical attempts to estimate the size of informal remittances Freund and Spatafora (2005) use insights from the literature on shadow economies to estimate informal remittances for more than 100 developing countries. Results suggest that informal remittances amount to 35 to 75 percent of formal remittances to developing countries. Findings also suggest that the size of informal remittances varies by region: informal remittances to Eastern Europe and Sub-Saharan Africa are high, while those to East Asia and the Pacific are relatively low.

Other preliminary work suggests that the level of informal remittances also varies by type of migrant, that is, internal or international migrant. For example, a recent household survey in Ghana (Adams, 2007) found that while only 1 percent of internal migrants remit through formal channels (banks, Western Union, post offices), 43 percent of international migrants remit through formal channels. These figures are interesting because they reveal that fully one-half of all international migrants in Ghana prefer to remit through informal channels, namely, through friends and relatives.

One important factor causing migrants to remit through informal channels is the high cost of transferring funds through banks and transfer agencies. In 2000 the average cost of remitting money to 8 Latin American countries was above 10 percent of the amount being sent (Orozco, 2006). By 2006 the transaction cost of remitting money to these Latin American countries had declined to 5.6 percent, but still this figure is much higher than that charged by informal channels.

From a policy perspective, it is important to reduce money transfer costs in order to increase the amount of remittances returning through formal channels. Remittances sent through official banking channels can facilitate financial sector development in developing countries in a number of ways: (1)

as bank deposits from remittances increase, banks are able to make more loans; (2) remittance receivers who use banks can gain access to other financial products and services; and (3) banks that provide remittance transfer services are able to "reach out" to unbanked recipients and those with limited financial intermediation (Aggarwal et al, 2006). Also, in economies where the financial system is underdeveloped, remittances made through official channels can help alleviate credit constraints and promote growth (Giuliano and Ruiz-Arranz, 2006).

Topic 4 – Articles

Adams, Jr., Richard. 2007. *An Overview of Data Contained in the 2005/06 Ghana Living Standards Survey (Glss 5) on Migration and Remittances*. Washington, DC: Unpublished draft manuscript.

This short, descriptive paper provides an overview of the main findings of the migration and remittances data contained in the nationally-representative, 2005/06 Ghana GLSS 5 Survey (sub-sample). It finds that households receiving internal remittances (from Ghana) and international remittances (from African and other countries) tend to be different – in terms of human capital, etc. – than households with no remittances. It also finds that while only 53 percent of all migrants in Ghana remit, many migrants remit to households other than their nuclear households; that is, they remit to relatives and friends. It also finds that migrants prefer to remit through informal, private channels: 99 percent of internal migrants remit though informal channels (friends, relatives) and 57 percent of international migrants remit through informal channels.

Aggarwal, Reena, Asli Demirguc-Kunt, and Maria Soledad Martinez Peria. 2006. Do Workers' Remittances Promote Financial Development? In *World Bank Policy Research Working Paper No. 3957* Washington, DC: World Bank.

This paper uses data on international remittance flows to 99 developing countries to analyze the impact of remittances on financial sector development. It finds that remittances have a positive effect on bank deposits as well as on bank credit to the private sector. Controlling for endogeneity, on average, a 1 percentage point increase in international remittances leads to a 0.2-0.5 percentage increase in the ratio of bank deposits to GDP and a 0.1-0.4 percentage rise in bank credit to GDP. Instrumental variables estimations also show that remittances have a positive and significant effect on bank credit and deposits.

Freund, Caroline, and Nikola Spatafora. 2005. Remittances: Transaction Costs, Determinants and Informal Flows. In *World Bank Policy Research Working Paper 3704*. Washington, DC: World Bank.

Using insights from the literature on shadow economies, and historical data on migration, remittances, and transaction costs, this paper empirically estimates the size of informal remittances for more than 100 developing countries. Results suggest that informal remittances amount to about 35-75 percent of official remittances to developing countries. Findings also suggest that the size of informal remittances varies by region: informal remittances to Eastern Europe and Sub-Saharan Africa are high, while those to East Asia and the Pacific are relatively low. With respect to the determinants of informal remittances, the paper finds that the stock of migrants abroad is the primary determinant, but that the level of money transfer fees also plays a role.

Giuliano, Paola, and Marta Ruiz-Arranz. 2005. Remittances, Financial Development and Growth. In *International Monetary Fund Working Paper No. 05/234*. Washington, DC: International Monetary Fund.

This paper uses data from 100 developing countries to analyze how local financial sector development affects a country's ability to use remittances. Controlling for endogeneity, it finds that remittances promote growth in developing countries by providing an alternative way to finance investment. By becoming a substitute for inefficient credit markets, remittances improve the allocation of capital by alleviating credit constraints. With regards to the cyclical nature of remittances, the paper finds that remittances are generally "pro-cyclical," that is, remittances increase when the economic situation (and investment opportunities) in a country are more favorable.

Orozco, Manuel. 2006. International Flows of Remittances: Cost, Competition and Financial Access in Latin America and the Caribbean, prepared for the Inter-American Development Bank, May 12, 2006. Washington, DC: Inter-American Dialogue.

This paper analyzes recent trends in the cost of money transfers in Latin America, paying particular attention to the recent decline in these costs. For example, between 2000 and 2005 the average cost of sending US $200 to 8 Latin American countries declined from 10 to 5.6 percent. Some of the factors causing this decline in transfer costs include the rapid increase in the number of money transfer companies operating in Latin America, and the increase in both the average amount of remittances sent and total remittance volume. Regression analysis suggests that when the average size and total volume of remittances increase, transfer costs tend to fall.

Topic 5 – Internal Remittances

While much attention has been focused on recent years on measuring the level and effects of international remittances, relatively little attention has been paid to internal remittances (remittances taking place within a country). For example, there are no global estimates on the size of total internal remittances. At the individual country level, there is a dearth of comparative studies on internal and international remittances and so there is much debate about how the effects of internal remittances – on poverty, inequality, gender and social stratification – differ from international remittances.

When compared to international remittances, internal remittances appear to be smaller in size but more prevalent among households. One recent nationally-representative survey in Ghana (Adams, 2007) found that while the average value of internal remittances received by households is only about 30 percent of the value of international remittances, about 5 times as many households receive internal as opposed to international remittances. A smaller household survey in Morocco (de Haas, 2006) also found that the average cash value of internal remittances received was only about 30 percent that of international remittances. In many developing countries internal remittances seem to go mainly to rural households, because they represent the product of rural-to-urban migration, while international remittances go more to urban households.

There is a real need in the literature for more studies examining the differing effects of internal and international remittances on various social and economic factors. Recent studies in Mexico (Taylor et al, 2005) and Nepal (Lokshin et al 2007) suggest that international remittances reduce poverty more than internal remittances. In Mexico, for example, a 10 percent increase in international remittances reduces the rural poverty headcount by 0.8 percent versus 0.4 percent for internal remittances. With regards to the spending behavior of households, a recent study in Ghana (Adams et al, 2008) suggests that households receiving internal and international remittances spend roughly the same at the margin on consumption and investment goods as households with no remittances. In other words, in Ghana there are no changes in marginal spending patterns for households with the receipt of either internal or international remittances.

The literature also needs more studies comparing the determinants of internal versus international remittances. One study in Mali (Gubert, 2002) found that international migrants are more likely to remit, and to remit more money, than internal migrants. This finding parallels similar results in Ghana (Adams, 2007), which found that while 68 percent of international migrants remit, only 49 percent of internal migrants remit. Since international migrants earn 3 to 5 times more than internal migrants, it is likely that the propensity to remit (and the level of remittances) is positively linked with the income levels of migrants.

Topic 5 – Articles

Adams, Jr., Richard. 2007. *An Overview of Data Contained in the 2005/06 Ghana Living Standards Survey (Glss 5) on Migration and Remittances*. Washington, DC: Unpublished draft manuscript.

This short, descriptive paper provides an overview of the main findings of the migration and remittances data contained in the nationally-representative, 2005/06 Ghana GLSS 5 Survey (sub-sample). It finds that households receiving internal remittances (from Ghana) and international remittances (from African and other countries) tend to be different – in terms of human capital, etc. – than households with no remittances. It also finds that while only 53 percent of all migrants in Ghana remit, many migrants remit to households other than their nuclear households; that is, they remit to relatives and friends. It also finds that migrants prefer to remit through informal, private channels: 99 percent of internal migrants remit though informal channels (friends, relatives) and 57 percent of international migrants remit through informal channels.

Adams, Jr., Richard, Alfredo Cuecuecha, and John Page. 2008. Remittances, Consumption and Investment in Ghana, edited by W. Bank. Washington, DC: World Bank.

This paper uses a nationally-representative household survey from Ghana (2005-06) to analyze how the receipt of internal remittances (from Ghana) and international remittances (from other countries) affects the marginal spending behavior of households on various consumption and investment goods. Controlling for endogeneity and selection, it finds that households receiving remittances do not spend more at the margin on food, education and housing than households that receive no remittances. Households in Ghana treat remittances just like any other source of income, and the paper finds no changes in marginal spending patterns for households with the receipt of remittances.

de Haas, Hein. 2006. Migration, Remittances and Regional Development in Southern Morocco. *Geoforum* 37 (4):565–580.

This study uses a small, non-representative survey of households in Morocco (2000) to examine the impact of internal and international migration and remittances on economic development. Results suggest that the incomes and living standards of internal migrant households are similar to non-migrant households. However, international migrant households receive a large boost to their incomes from remittances, and tend to invest in housing and agriculture. For example, over 80 percent of international migrant households have invested in housing, and international migrant households have spent, on average, more than three times as much on construction than non-migrant and internal migrant households.

Lokshin, Michael, Mikhail Bontch-Osmolovski, and Elena Glinskaya. 2007. Work-Related Migration and Poverty Reduction in Nepal. In *World Bank Policy Research Working Paper 4231*. Washington, DC: World Bank.

This paper uses data from two nationally-representative household surveys in Nepal (1995 and 2004 NLSS) to examine the impact of internal and international migration on poverty in Nepal. To deal with selectivity issues, the authors use an instrumental variables approach and employ a maximum likelihood estimation that simulates various counterfactuals for different migration scenarios. Results suggest that almost 20 percent of the decline in poverty in Nepal between 1995 and 2004 can be attributed to increased internal and international migration. Without migration, the authors estimate that the poverty rate in Nepal would increase from 30 to 33.6 percent.

Taylor, J. Edward, Jorge Mora, Richard Adams, and Alejandro Lopez-Feldman. 2005. Remittances, Inequality and Poverty: Evidence from Rural Mexico. In *Working Paper No. 05-003*. Davis: Department of Agricultural and Resource Economics, University of California, Davis.

This study uses a small rural household survey in Mexico (2003) to examine the impact of internal and international migration and remittances on inequality and poverty in rural Mexico. Decomposing income by source, the authors find that internal remittances (from Mexico) and international remittances (from US) have differing effects on poverty and income inequality. On poverty, the authors find that a 10 percent increase in international remittances will reduce the rural poverty headcount by 0.8 percent, and a similar increase in internal remittances will reduce the poverty headcount by 0.4 percent. With respect to inequality, while a 10 percent increase in international remittances will increase overall rural inequality by 2.8 percent, a similar increase in internal remittances will reduce rural inequality by 0.1 percent. The authors stress that these inequality effects differ over region and time. As the incidence of international migration spreads in rural Mexico, its effects on rural inequality become more equalizing over time.

Factors Affecting the Sending of Remittances

Topic 6 – Socio-Cultural Factors Affecting Remittances

Remittance flows and remittance expenditure patterns are determined not only by economic variables in destination and origin countries, but are also affected by patterns of migrant selectivity and socio-cultural factors in origin societies. This is exemplified in a paper by Jones and de la Torre (2011) who find evidence for remittance decay stemming from: long-term residence abroad, anchorage at the destination including economic mobility, increasing numbers of family members abroad, purchase of a home, and legalization of family members. In addition, although communications and visitation increase with longer periods abroad, they find that cultural values become "modernized" in a way that distances the migrants from their home communities in the long run. This study adds to the debate on the endurance of transnationalism. Smith (2002) addresses this debate by focusing on three common critiques of transnationalism—that it is nothing new, that as a concept it is antagonistic to assimilation, and that a small proportion of migrants actively participate in transnational activities. His findings from comparing the contemporary transnational ties of Mexicans with those of Swedish migrants in the past tend to agree with all three critiques, with important qualifications. First, transnationalism existed earlier just as now, but was not recognized as such and was treated only obliquely. Second, in the Mexican case particularly, transnationalism in the first generation changes to settlement in and commitment to the United States in the second generation, although cultural pride and frequent visitation to Mexico also characterize the second generation. Third, in both the Swedish and Mexican cases, a relatively small group was engaged in transnationalism, but they had a disproportionate influence within their communities.

Kurien (2008), based on extensive ethnographic fieldwork on remittances in three village communities in Kerala, India, observes striking differences in remittance flows and remittance expenditure in the three villages, which all experienced large-scale migration to the Gulf region. The author finds that whereas in the Muslim village, emphasis was given to distributing remittances to a large circle of community members, migrants in the Hindu village tended to spend large sums of money on life-cycle rituals. In the Christian village, remittance expenditure was largely confined to the immediate family, with an emphasis on saving the money earned for dowries and education. These differences should also be partly attributed to differences in migration selectivity, with Muslim migrants mostly working in the informal sector of Gulf countries and Hindu and, particularly, Christian villagers taking up formal positions as technicians, clerical workers and semi-professionals.

Finally, Tacoli (1999) concludes that among Filipino labor migrants in Rome, women's commitments and obligations toward their households in home areas are generally stronger than those of their male counterparts. However, spatial distance and increased financial independence may provide some Filipina migrants with the opportunity to pursue `self-interested' goals while at the same time keeping within the 'altruistic' role dictated by normative gender roles.

Topic 6 – Articles

Jones, Richard 2011. Diminished Tradition of Return? Transnational Migration in Bolivia's Valle Alto. *Global Networks* 11: 1-23.

This article addresses the reduction in economic and social remittances and the decline in traditional values with extended working time abroad. Results from a questionnaire survey of 417 households in the Valle Alto area of Cochabamba Department in 2007 suggest that transnational ties are strong: the average 'active' household has two adults overseas and three at home, depends on monetary remittances for ½ of its income, and maintains frequent communications between its local and foreign branches. However, after ten years of cumulated time abroad the intention of active migrants to return to Bolivia drops markedly, along with economic and some social remittances—and the cultural values of the household become less traditional. These declines are strongly related to the mediating forces of family members abroad, legal status, and home ownership abroad. The loss of traditions coupled with a dilution of economic resources from migration presents dilemmas for Bolivian villages. More broadly, this model of demographic shift between origin and destination and the resultant decline in social and economic remittances suggests that transnationalism is not as durable as sometimes assumed, and this may have resonance for other developing countries that have recently become remittance-dependent, as well as for the study of the migration and development in general.

Kurien, Prema A. 2008. *A Socio-Cultural Perspective on Migration and Economic Development: Middle Eastern Migration from Kerala, India.* Geneva: International Organisation for Migration.

Based on qualitative fieldwork among 276 households, the author examines the use of remittances in three villages in Kerala, India, which has experience large-scale migration to countries around the Persian Gulf. The author finds that remittance expenditure varied significantly according to community cohesiveness structure and the cultural-religious background of villages. In the Mappila (Keralite Muslim) village, remittances were distributed to the largest circle of people within the community and to supporting religious activities. In the Ezhava (lower caste Keralite Hindu) village, migrant households spent large sums of money on elaborations of life-cycle rituals during which there was lavish gift giving and entertaining. Thus, there was a smaller circle of exchange than in the Mappila village. In the Syrian Christian (upper caste Keralite Christian) community, the gains of migration were largely confined to the immediate family, such as financing education and dowries. The major forms of economic investment in the three communities varied also, from business activities in the Mappila Muslim community, to usurious lending in the Ezhava Hindu village, to fixed deposits and bonds in the Syrian Christian locality.

Smith, Robert C. 2001. Comparing Local-Level Swedish and Mexican Transnational Life: An Essay in Historical Retrieval. *New Transnational Social* Spaces: 37—58

Drawing from more than ten years of his own ethnographic research on migration from Puebla state, Mexico, to New York City, and historical research by Robert Ostergren on migration from Ratvik Parish in the Swedish province of Dalarna, to Minnesota, the author addresses transnationalism today and in the past. He finds that transnationalism indeed existed in the earlier example (though it was weaker and endured for less time), and in both cases there was an evolutionary process from transnationalism to assimilation, rather than a "third space," separate from either and existing for an indefinite period. In addition, although a relatively small proportion of persons participate(d) actively in transnational activities, in both cases this group had important economic, political, cultural, and social influences on both origin and destination communities. The case of Ticuani, Puebla, despite its more persistent transnationalism, illustrates nevertheless that the village is being "emptied out" and is increasingly seen by the second generation as a place to go on vacation, rather than as a place to return, get politically involved, or invest.

Tacoli, Cecilia. 1999. International Migration and the Restructuring of Gender Asymmetries: Continuity and Change among Filipino Labor Migrants in Rome. *International Migration Review* 33 (3): 658–682.

Based on a small (N=154) survey and qualitative interviews among 38 male and female respondents, this article examines the factors explaining gender selectivity among Filipino labor migrants in Rome, where women are around 70 percent of this nationality group. Besides an analysis of the demand for female immigrant labor in the domestic service sector, the article explores 'supply' factors, ranging from economic and labor market conditions in the Philippines to non-economic constraints, such as ideologies and gender expectations. The research findings indicate that migrant women's commitments and obligations toward their households in home areas are generally stronger than those of their male counterparts. However, spatial distance and increased financial independence may provide some women with the opportunity to pursue 'self-interested' goals while at the same time keeping within the 'altruistic' role dictated by normative gender roles.

Topic 7 – Gender Determinants of Remittances

Nearly 50 percent of the world's migrants are female. Along with their rising profile in remittance flows, there is a growing recognition that gender plays an important role in the remittance process, as well as shaping its impacts in the origin country environment. Nonetheless, there has until recently been limited research dedicated to understanding how gender affects the remittance process. Pfieffer et al (2007) present an overview of the theoretical and empirical issues on the effects of gender on international migration and remittances.

To explore how the remittance behavior of women and men differ and what the impact of these differences may be, one strand of literature mainly examines the remitting behavior of migrants abroad. Because female migrants tend to earn lower incomes and often have lower rates of labor market participation in the host country, it might be expected that they would remit less than their male counterparts. However, a key question is not the amount, but the share of income that is remitted to the origin family. On this criterion, Osaki (1999), analyzing the data from the Thai National Migration Survey, finds that female migrants remit a relatively higher proportion of their income than do male migrants. Abrego (2009) comes to a similar conclusion for Salvadoran migrants in the United States. Fathers who are away remit less, and more intermittently, than mothers. She attributes this to different role expectations, by which women are expected to sacrifice but "men will be men" and are accorded more independence and moral latitude including a more distant relationship with their children. She carries her analysis a step farther. Interviews with children in El Salvador indicate that a much larger proportion of children in mother-away households are thriving economically, than in father-away households.

Another strand of literature picks up on this latter theme, focusing on the impact of gender on the **use of remittances** by recipients based in the origin country. Researchers have examined whether female recipients channel a larger fraction of received remittances into health, nutrition and educational investments for the origin family and whether they are more likely to maintain social ties with their origin families, which tends to be associated with future remittance flows. Rahman and Fee (2009) find that among temporary migrants from Indonesia to the Asian tigers and Malaysia, female recipients used remittances to invest in human capital, whereas male recipients invested more in physical capital. King and Vullnetari (2009) reflect on this same issue, but from a different perspective. The patriarchal nature of Albanian society dictates that a power structure of in-laws (particularly the father-in-law and brothers-in-law) based in the husband's household often determines how women's remittances are spent. Thus, even when females remit, they have relatively little control of the uses of these remittances.

Some other empirical studies have been rather more inconclusive or reached opposite conclusions. For instance, drawing on household survey data, Semyonov and Gorodzeisky (2005) showed that Filipino male overseas workers remit more money than do women. This might indicate that whereas women are often under higher social pressure to remit money, men might be able to send more money because of their generally higher earnings. In line with this hypothesis, the authors reveal that earnings of Filipina overseas workers are lower than those of Filipino workers, even after controlling for variations in occupational distributions, destination countries, and socio-demographic variables. Even when controlling for income differentials between men and women, Filipino men still remitted more money than female migrants did.

Topic 7 – Articles

Abrego, Leisy. 2009. Economic Well-Being in Salvadoran Transnational Families: How Gender Affects Remittance Practices. *Journal of Marriage and Family* 71, November: 1070–1085.

The gender of migrant parents affects transnational families' remittance behavior and economic well-being. Drawing on 47 in-depth interviews with Salvadoran immigrants in the United States and 83 interviews with adolescent and young adult children of migrants in El Salvador, the author finds that, although men hold better jobs and are legalized to a higher degree than women, their remittances are lower and more inconsistent. As a result, mother-away children in El Salvador are often thriving economically whereas father-away children are just getting by. Because of gendered social (and moral) expectations women tend to make extreme sacrifices. They often enter into new relationships abroad to share expenses and remit more to their children. Men tend to spend more money on recreation and drinking and they diminish their home ties over time, especially when they find new partners abroad (and definitively, if their wives in El Salvador find new partners).

King, Russell, and Julie Vullnetari, J. 2009. The Intersections of Gender and Generation in Albanian Migration, Remittances and Transnational Care, *Geografiska Annaler: Series B, Human Geography* 91 (1): 19–38.

Drawing on in-depth interviews with over 200 Albanian migrants in Italy, Greece, the UK and Albania, the authors reflect on the intersection of gender and generation in emigration, the sending and receiving of remittances, and the care of family members (mainly the migrants' elderly parents) who remain in Albania. The mass emigration of one quarter of the population that ensued from the collapse of Communism in 1990 led to a redeployment of traditional patriarchal power structures both at home (to face the new vulnerability to inequality and unemployment) and abroad (in response to the threat of a new morality). Young males, who constitute the majority of the migrants, channel remittances into their natal families, to which, if they are married, their wives move and become subservient. Migrant households with only daughters are left at a distinct disadvantage. Albanian migrants are faced with conflicting and confusing models of gender, behavioral and generational norms, as well as unresolved questions about their legal status and uncertain economic, social and political developments in Albania.

Osaki, Keiko. 1999. Economic Interactions of Migrants and Their Households of Origin: Are Women More Reliable Supporters? *Asian and Pacific Migration Journal* 8 (4): 447–471.

Based on an analysis of Thai National Migration Survey data, this paper examines, from a gender perspective, the transfers of money and goods between internal migrants and their households of origin. One of the salient features of internal migration in Thailand is the increasing participation of women in such mobility. The analysis suggests that migration functions as a survival strategy of many Thai households. The flows of money and goods into migrant sending households are large and essential supplements for the livelihood of the households. Presumably conditioned by traditional gender roles in Thai culture, female migrants seem to show deeper commitment than male migrants in providing economic supports for their households left behind.

Pfeiffer, Lisa, Susan Richter, Peri Fletcher, and J. Edward Taylor. 2007. Gender in Economic Research on International Migration and Its Impacts: A Critical Review. In *The International Migration of Women*, edited by A. R. Morrison, Schiff, Maurice and Mirja Sjöblom. Washington, DC: World Bank.

The objective of this paper is to present an overview of the theoretical and empirical literature on the effects of gender on international migration and remittances.

Rahman, Md Mizanur, and Lian Kwen Fee. 2009. Gender and the Remittance Process: Indonesian Domestic Workers in Hong Kong, Singapore and Malaysia. *Asian Population Studies*, Vol. 5, No. 2, July: 103-125.

Based on 100 interviews with Indonesian domestic workers in Singapore, Malaysia and Hong Kong and migrant households in Central Java the authors find that this migration stream has become increasingly female in recent years and, owing to restrictions on settling in host societies, largely temporary. The article explores how gender affects remittance-sending, receiving, control, and use, and the resultant implications for development. Despite their lower incomes, female domestic workers remit a greater share of their earnings than their male counterparts and they tend to remit to their mothers and sisters rather than to fathers, brothers and husbands. Discretion in the use of remittances is evenly split between senders and recipients. Female recipients tend to use remittances to invest in human capital, including daily consumption and household maintenance, whereas male recipients spend on physical capital, including land purchases and productive investment.

Semyonov, Moshe and Anastasia Gorodzeisky. 2005. Labor Migration, Remittances and Household Income: A Comparison between Filipino and Filipina Overseas Workers. *International Migration Review* 39 (1): 45–68.

Based on a representative sample of 1,128 Filipino households with overseas workers, the article examines gender differences in patterns of labor market activity, economic behavior and economic outcomes among labor migrants. While focusing on Filipina and Filipino overseas workers, the article addresses the following questions: whether and to what extent earnings and remittances of overseas workers differ by gender; and whether and to what extent the gender of overseas workers differentially affects household income in the Philippines. The findings reveal that men and women are likely to take different jobs and to migrate to different destinations. The analysis also reveals that many more women were unemployed prior to migration and that the earnings of women are, on average, lower than those of men, even after controlling for variations in occupational distributions, country of destination, and sociodemographic attributes. Contrary to popular belief, men send more money back home than do women, even when taking into consideration earnings differentials between the genders. Further analysis demonstrates that income of households with men working overseas is significantly higher than income of households with women working overseas and that this difference can be fully attributed to the earnings disparities and to differences in amount of remittances sent home by overseas workers. The results suggest that gender inequality in the global economy has significant consequences for economic inequality among households in the local economy. The findings and their meaning are evaluated and discussed in light of the household theory of labor migration.

Topic 8 – Economic Determinants of Remittances

A number of empirical studies examine the economic determinants of international remittances. These studies tend to focus on two key questions: first, since only about half of all migrants remit, what are the socio-economic factors that cause migrants to remit?; and second, once migrants decide to remit, what factors affect the amount of remittances that they send home? In general, while these studies find that the propensity to remit is highest when migrants are married and in middle age, the impact of other factors on the amount remitted is debated.

One of the more important determinants of remittances is education, in particular, how the skill level of international migrants (educated or uneducated) affects the amount of remittances sent home. Two recent studies using cross-country data from a variety of developing countries (Adams, 2008 and Faini, 2007) find that skilled (educated) migrants remit less than unskilled migrants. According to these authors, since skilled migrants are more likely to bring their families and to spend more time working abroad, they tend to remit less than unskilled migrants. However, these findings have been contested by Bollard et al (2009). Using microdata from immigrant surveys in 11 OECD countries, Bollard et al (2009) find that while education has a mixed effect on the propensity to remit, education is strongly and positively related to the amount remitted. In other words, microdata suggest that educated migrants tend to remit more.

In a more country-specific study, Durand et al (1996) analyze the determinants of international remittances for Mexico-to-US migrants. The authors find that that the propensity to remit is highest when migrants are married, middle age (40s) and have used a coyote (smuggler) to migrate. They also find that the propensity to remit declines with increasing age and education. With respect to the amount remitted, the amount sent home is positively related to homeownership, education and income. For instance, with each additional year of schooling, the amount remitted increases by 4 percent.

In a similar study using survey data from Nicaragua, Naufal (2007) examines the remittance behavior of international migrants in two destination countries: the US and Costa Rica. Results suggest that male migrants are less likely to remit and that migrants who are working and living in the US are more likely to remit. Migrants are also more likely to remit if they are the spouse or the parent of the household head back home. The author also examines how the propensity to remit varies for migrants from the same household. He finds that migrants from the same household compete, that is, if one migrant remits then the second migrant from that household will tend to remit more.

In a more theoretical study, de la Briere et al (2002) use household survey data from the Dominican Republic to test between two motivations to remit: insurance, whereby migrants remit on the basis of an insurance contract with their parents; and investment, whereby migrants remit on the basis of potential bequests from their families. The authors find that the importance of these two motivations to remit varies by destination (internal vs. international migration) and gender. The insurance motive is mainly fulfilled by female international migrants to the US. Female migrants to the US send more remittances when their parents are ill, while male migrants to the US do not do this unless they are the sole migrant from the household.

Topic 8 – Articles

Adams, Jr., Richard. 2008. The Demographic, Economic and Financial Determinants of International Remittances in Developing Countries. In *World Bank Policy Research Working Paper 4583*. Washington, DC: World Bank.

Using data from 76 developing countries, this paper analyzes how such variables as the skill composition of migrants, poverty, and interest and exchange rates affect the level of international remittances received by different developing countries. Controlling for endogeneity using instrumental variables, it finds that countries which export a larger share of high-skilled (educated) migrants receive less per capita remittances. It also finds that the level of poverty in a labor-sending country does not have a positive impact on the level of remittances received by a country. However, countries which maintain higher (real) interest rates tend to receive more remittances.

Bollard, Albert, McKenzie, David, Morten, Melanie and Rapoport, Hillel. 2009. "Remittances and the Brain Drain Revisited: The Microdata Show that More Educated Migrants Remit More." *World Bank Policy Research Working Paper 5113.* World Bank, Washington, DC.

This paper uses microdata from immigrant surveys in 11 OECD countries to examine the relationship between education and remitting behavior. It finds that while education has a mixed effect on the propensity to remit, education is strongly and positively related to the amount remitted. Controlling for various factors, migrants with a university degree remit $300 more per year than migrants without such a degree. The higher income earned by better educated migrants, rather than family characteristics, explains much of the higher amount of money remitted by educated migrants.

de la Briere, Benedicte, Elisabeth Sadoulet, Alain de Janvry, and Sylvie Lambert. 2002. The Roles of Destination, Gender and Household Composition in Explaining Remittances: An Analysis for the Dominican Sierra. *Journal of Development Economics* 68 (2):309–328.

This paper uses a small, non-representative household survey from the Dominican Republic to test between two motivations to remit: insurance, whereby migrants remit on the basis of an insurance contract with their parents; and investment, whereby migrants remit on the basis of potential bequests from their families. The importance of these two motivations to remit varies by destination (internal vs. international migration), gender and household composition. The insurance motive is mainly fulfilled by female international migrants to the US. Female migrants to the US send more remittances when their parents are ill, while male migrants to the US do not do this unless they are the sole migrant from the household. By contrast, both male and female migrants to the US are motivated by the investment function. Both male and female migrants to the US remit more when their parents have more land assets.

Durand, Jorge, William Kandel, Emilio Parrado, and Douglas Massey. 1996. International Migration and Development in Mexican Communities. *Demography* 33 (2):249–264.

This paper uses a large, non-representative household survey from Mexico (1982-92) to analyze the individual, household and community-level determinants of international remittances. The authors use a probit-OLS model to test for the selectivity of sending remittances and find that the propensity to remit is highest when migrants are married, middle age (40s) and have used a coyote (smuggler) to migrate. With respect to the amount remitted, the authors find that the amount sent home is positively related to homeownership, education and income. For example, with each additional year of schooling, the amount remitted increases by 4 percent and with each additional $1000 in monthly income, the amount remitted increases by 17 percent.

Faini, Riccardo. 2007. Remittances and the Brain Drain: Do More Skilled Migrants Remit More? *World Bank Economic Review* 21 (2):177–191.

This paper examines how the skill level of migrants (skilled or unskilled) affects the level of remittances sent home by international migrants. Using a variety of approaches, including instrumental variables, it finds that skilled migrants remit less than unskilled migrants. Since skilled migrants are more likely to bring their families and to spend more time abroad, their propensity to remit is less than that of unskilled migrants. The author concludes that the brain drain of skilled migrants going to work abroad is thus unlikely to boost the flow of remittances to developing countries.

Naufal, George. 2007. Who Remits? The Case of Nicaragua. In *Discussion Paper 3081*. Bonn, Germany: Institute for Study of Labor (IZA)

This paper uses a nationally-representative household survey from Nicaragua (2001) to examine the remittance behavior of migrants in two destination countries: the US and Costa Rica. Since only about half of all migrants remit, the paper uses a censored tobit model to analyze the determinants of remittances. Results suggest that male migrants are less likely to remit and that migrants who are working and are living in the US are more likely to remit. Migrants are also more likely to remit if they are the spouse or parent of the head of household back home. The paper also examines how the propensity to remit varies for migrants from the same household. It finds that migrants within the same household compete, that is, if one migrant remits then the second migrant from that household remits and remits more.

Topic 9 – Remittances and Migrant Associations

A relatively understudied issue within the remittance literature is the role of migrant associations. One class of migrant associations that have received some attention is hometown associations (HTAs), which are formed by migrants from a specific region or town in the country of origin. HTAs can facilitate the flow of collective remittances, the transfers that migrants and migrant organizations send to the origin country to benefit a specific group or community. Unlike family transfers, collective remittances tend to be targeted towards infrastructural and community-development projects as well as social purposes in the community of origin. Although collective remittances often represent a smaller share of overall remittances, they may have a significant impact in resource-poor communities of origin, with potentially large multiplier effects on the local economy.

Recent studies of migrants' associations including HTAs, professional associations, and cultural groups, have been largely descriptive. Levitt and Jaworksy (2005) outline several methodological challenges associated with studying migrant associations and collective remittances. Orozco and Rouse (2007) report that the percentage of remittance-sending migrants who belong to HTAs varies by country of origin group. For example, on average, only about 9 percent of remittance senders in the United States of Latin American origin belong to an HTA. However, this fraction may be higher for other migrant groups and sending areas. The extent of migrant participation in an HTA may depend on several factors including the dispersion of sending area migrants within the destination community.

A new strand of literature traces the evolution of HTAs as development agents in origin communities (Goldring, 2002: Orozco, 2005). Origin country governments have increasingly shown interest in establishing partnerships with migrant associations. Beginning in the 1990s, the Mexican government developed outreach policies targeted at Mexican migrants to the US, providing support for the formation of hometown associations (HTAs), as well as promoting the flow of remittances to communities of origin (Orozco, 2005). Specifically, local and municipal governments in Mexico have developed matching fund programs to encourage the flow of collective remittances. In many cases, the government has combined collective remittances with government funds and expertise, and in some cases they have used private-sector contributions to finance infrastructure projects. Mexican state governments have also experimented with involving HTAs in private-sector investment opportunities.

Can migrant associations promote economic development in sending communities? The evidence tends to be mixed (Alarcón, 2002). Fox and Bada

(2008), summarizing much literature on Mexico, note that contextual factors such as the development potential of the community, and the degree of cooperation between the HTA, the local government, and the community at large (including non-migrants), can determine the effectiveness of collective remittances in stimulating economic development. In addition, Paul and Gamage (2004) discuss some limitations of HTAs in sending collective remittances using descriptive evidence from the US and El Salvador. The lessons from their case study suggest that policy interventions that aim to increase the flow of collective remittances and to promote migrant associations and their commitment to development objectives may need to overcome organizational capacity and governance challenges in host and origin communities. However, an important question is how to promote the impacts of HTAs and which specific policies (for example, through consulates in sending regions) can lower the transaction costs and facilitate information flows toward HTA development.

Topic 9 – Articles

Alarcón, Rafael. 2002. The Development of Home Town Associations in the United States and the Use of Social Remittances in Mexico. In *Sending Money Home: Hispanic Remittances and Community Development*, edited by R. O. de la Garza and B. L. Lowell. Lanham, MD: Rowman & Littlefield.

This paper examines the development of Mexican Hometown Associations (HTAs) in the United States and the use of their social remittances in Mexico. Money remittances sent by individuals, households, and HTAs may serve as an indirect engine of regional economic development and also function as a substitute for the lack of government welfare in Mexico. The paper discusses the factors that led to the formation of HTAs as well as the uses of the collective remittances in Mexico by HTAs including the funding of public infrastructure, the financing of education and health infrastructure and social goods such as churches or buildings. However, expenditures on projects that have the potential to create sustainable employment appear to be less prevalent. Finally, the paper concludes with the suggestion that greater government involvement in welfare would free up some remittance funds for investment with productive implications and that governments and NGOs can play an important role in fostering the expenditure of collective remittances on employment creation ventures.

Fox, Jonathan, and Xochitl Bada. 2008. Migrant Organization and Hometown Impacts in Rural Mexico. *Journal of Agrarian Change,* 8 (2-3): 435–461.

This article presents a more cautious perspective on hometown associations. The authors pose a *potential* connection between collective remittances and community development, but one that is mediated by relationships between the different actors and the nature of the migrant community itself. They acknowledge that HTAs based in the USA may promote democratization of decision-making by throwing their support behind ongoing projects organized by stay-at-home community members, and by placing pressures on local governments for accountability and voice. However, just as frequently there are conflicts on how collective remittances should be spent: between migrants and non-migrants, between villages and the county seat, between the local government and the migrant association, and between what the town really needs and what elite actors want. Another issue altogether is that expenditures on "public goods" (e.g., sports fields, town plazas, or medical clinics) generally have less effect on community development than directly productive investments by households, such as in agriculture or family businesses. These productive investments, unfortunately, are relatively unpopular with HTAs and local governments alike because they are perceived as having disproportionate impacts on a small subset of the community. Finally, the authors find that some communities without a development track record or viable economic prospects may not respond to HTA investments at all.

Goldring, Luin. 2004. Family and Collective Remittances to Mexico: A Multi-Dimensional Typology of Remittances. *Development and Change* **35:** 799–840.

The development potential of remittances has gained significant attention due to dramatic increases in migration and amounts of money 'sent home', and also due to the growing interest and involvement by states and non-state actors in gaining leverage over remittances. The trend is indicative of an emerging remittance-based component of development and poverty reduction planning. This article uses the case of Mexico to make two broad arguments, one related to the importance of extra-economic dimensions of remittances, particularly the social and political meanings of remittances, and the other based on a disaggregation of remittances into family, collective or community-based, and investment remittances. Key dimensions of this typology include the constellation of remitters, receivers, and mediating institutions; the norms and logic(s) that regulate remittances; the uses of remittances (income versus savings); the social and political meanings of remittances; and the implications of such meanings for various interventions. The author concludes that policy and programme interventions need to recognize the specificity of each remittance type. Existing initiatives to bank the un-banked and reduce transfer costs, for example, are effective for family remittances, but attempts to expand the share of remittances allocated to savings, or to turn community donations into profitable ventures, or small investments into large businesses, are much more complex and require a range of other interventions.

Levitt, Peggy, and B. Nadya Jaworsky. 2007. Transnational Migration Studies: Past Developments and Future Trends. *Annual Review of Sociology* 33 (1): 129-156.

This paper provides an overview of current research and future trends on transnational migration. Most scholars now recognize that many contemporary migrants and their predecessors maintain various kinds of ties to their homelands at the same time that they are incorporated into the countries that receive them. Transnational migration studies has emerged as an inherently interdisciplinary field. In this review, the authors provide a short history of theoretical developments, outlining the different ways in which scholars have defined and approached transnational migration. They also summarize what is known about migrant transnationalism in different arenas—economics, politics, the social, the cultural, and the religious.

Finally, they discuss methodological implications for the study of international migration, present promising new scholarship, and highlight future research directions.

Orozco, Manuel, and Katherine Welle. 2006. Hometown Associations and Development: Ownership, Correspondence, Sustainability and Replicability. In *New Patterns for Mexico: Observations on Remittances, Philanthropic Giving, and Equitable Development*, edited by B. J. Merz. Cambridge, MA: Global Equity Initiative, Harvard University, pages ??

This paper surveys what role that hometown associations are playing in transnational development, using evidence from Mexico. The authors develop four criteria—ownership, correspondence, sustainability, and replicability—to study the role of hometown associations in development and they apply these criteria to their field research on Mexican HTA projects operating in rural communities within the municipality of Jerez, Zacatecas. The authors focus on Zacatecas because it is the Mexican state with the highest levels of migration and hometown association activity. The formation in the United States of several umbrella federations representing Zacatecan HTAs has facilitated a strong collaboration with the Mexican government through matching-grant programs to improve hometowns. However, the authors conclude that the influence of hometown associations in Zacatecas may be limited. To exert a greater positive effect, HTAs may require improved contact with community stakeholders in order to learn about development priorities.

Paul, Alison, and Sarah Gammage. 2005. Hometown Associations and Development: The Case of El Salvador. In *Destination, D.C. Working Paper* No. 3. Washington, DC: Women's Studies Department, George Washington University and Center for Women and Work, Rutgers, The State University of New Jersey.

This paper explores the formation of HTAs and examines the factors that led to their emergence as possible actors in development in origin communities drawing upon work with five Salvadoran HTAs in the Greater Washington, DC area. The paper studies how these organizations have engaged the interest of development agencies and practitioners and outlines their strengths and weaknesses as new actors in the private-public sphere. The field research was undertaken between July 2003 and December 2004 and the authors conducted interviews with members of HTAs, participated in meetings, visited home town communities, and collected data on migration and remittance practices from 120 Salvadoran residents in Greater Washington, DC. The paper provides a brief case study of El Salvador's experience with migration and HTAs, and concludes with some recommendations for further research and best practices for encouraging HTAs' active and effective engagement in the development process.

Use and Impacts of Remittances

Topic 10 – Remittances, Consumption and Investment

Since international remittances are so large, many researchers feel that how migrants spend their remittance earnings will have an important development effect on local economies. But the question of how migrants spend their remittance earnings is a topic of much lively debate. Some studies claim that migrants spend most of their remittances on consumption goods (such as food and consumer goods), and that such patterns of expenditure tend to have little positive development effect on local economies. However, other studies find that migrants spend their remittance earnings on investment goods (like education, housing and business), and that these patterns of expenditure help to build human and physical capital. For example, remittance-inspired expenditures on education can help create the type of human capital that is often seen as an important condition for accelerated economic growth. Similar patterns of remittance-inspired expenditure on housing can create both better living conditions for migrants and new income and new employment opportunities for local people working in construction.

In a recent (and rather) pessimistic review of how remittances are spent, Chami et al (2003) report three "stylized facts": (a) a "significant proportion, and often the majority," of remittances are spend on consumption that is "status-oriented"; (b) a smaller part of remittance funds goes into saving or investment; and (c) the way in which remittances are typically invested – in housing, land and jewelry – are "not necessarily productive" to the economy as a whole.

However, these pessimistic findings are challenged by Adams and Cuecuecha (forthcoming) using household data from Guatemala. Focusing on how households spend at the margin, these authors find that households receiving remittances spend less on one key consumption good – food – and more on two investment goods – education and housing – compared to what they would have spent on these goods without remittances. These findings suggest that remittances can help raise the level of investment in human and physical capital in remittance-receiving countries.

Using data from El Salvador, Edwards and Ureta (2003) also find that households receiving remittances spend more on education.. Comparing how income from remittances and income from other sources affect school attendance, the authors found that remittance income has a much larger positive impact on school retention rates than income from other sources. In urban areas of El Salvador the average level of remittances lowers the hazard that a child will drop out of elementary school by 54 percent.

Working in the Philippines, Yang (2005) also found that remittances tend to be spent on education. This author analyzes how exchange rate shocks during the 1997 Asian financial crisis affect the expenditure patterns of households receiving international remittances. Since the author has panel data from before and after the 1997 crisis, he is able to analyze how different types of exchange rate shocks – positive and negative – affect changes in the expenditure patterns of households receiving remittances. Focusing on changes in household spending on education, he finds that a one-standard deviation increase in the exchange rate leads to a 0.4 percent increase at the margin in household expenditure on education. The author notes that these remittance-inspired increases in spending on education can help build human capital in the Philippines at large.

A number of studies have found that migrants tend to spend more on housing. For example, in a study in Nigeria, Osili (2004) found that older migrants and those with higher incomes are more likely to invest in housing. At the mean, a 10 percent increase in migrants' income increases the probability of investing in housing by 3 percentage points. From the standpoint of the migrant, these remittance expenditures on housing represent an important form of local investment.

On the issue of remittances and business investment, Woodruff and Zenteno (2007) found that international migration (Mexico-to-US) is associated with a large (35 to 40 percent) increase in the level of capital investment. Specifically, these authors found that, through remittances, migrant households in Mexico were able to obtain the capital needed to grow and expand their micro-enterprises (those with fewer than 15 employees).

Finally, in a more theoretical study, Osili (2007) examined the extent to which remittances to Nigeria and savings in Nigeria are influenced by altruism vs. insurance motives. The author found that remittances to Nigeria are motivated by altruism because remittances increase as the family's asset holdings (landholdings) at home declines. However, savings in Nigeria are dominated more by investment motives because savings at home are positively associated with family assets.

On the whole, it is possible that migrant households – just like non-migrant households – spend a large portion of their incomes on consumption (food and consumer goods). However, identifying the conditions under which migrant households spend more at the margin on investment goods (like education, housing and business), and the impact of these investments on local economic development, remains an important topic of inquiry. What economic and socio-cultural factors shape decisions to allocate remittances to investment are examined further under Topics 8 and 9, while the developmental effects of remittance spending are examined under Topics 10 through 17.

Topic 10 – Articles

Adams, Jr., Richard, and Cuecuecha, Alfredo, 2010. Remittances, Household Expenditure and Investment in Guatemala. *World Development* 38 (11): 1626-1641.

This paper uses a nationally-representative household survey from Guatemala to analyze how the receipt of internal remittances (from Guatemala) and international remittances (from United States) affects the marginal spending behavior of households on various consumption and investment goods. Controlling for endogeneity and selection, it finds that households receiving international remittances spend less at the margin on one key consumption good – food – compared to what they would have spent on this good without remittances. The paper also finds that households receiving either internal or international remittances spend more at the margin on two investment goods – education and housing – compared to what they would have spent on these goods without remittances.

Edwards, Alejandra Cox, and Manuelita Ureta. 2003. International Migration, Remittances and Schooling: Evidence from El Salvador. *Journal of Development Economics* 72 (2):429–461.

This paper uses a nationally-representative household survey from El Salvador (1997 EHPM) to analyze the impact of international remittances on school retention rates in El Salvador. The authors use a Cox proportional hazard model to compare how two types of income, income from remittances and income from other sources, affect school attendance. Results suggest that income from remittances has a much larger impact on school retention rates than income from other sources. In urban areas, the average level of remittances lowers the hazard that a child will drop out of elementary school by 54 percent.

Osili, Una. 2007. Remittances and Savings from International Migration: Theory and Evidence Using a Matched Sample. *Journal of Development Economics* 83 (2):446–465.

This paper uses a small, non-representative matched survey of Nigerian migrants in the US and their origin families in Nigeria (1997) to examine savings in the country of origin. Since the study has information on both migrant- and origin-household characteristics, it is able to reduce concerns about omitted variable bias. Results suggest that remittance transfers are motivated by altruism: remittances sent home increase as the family's asset holdings (landholdings) at home declines. However, savings in the origin country are dominated by investment motives because savings at home are positively associated with the family's asset holdings at home. The author also finds that unskilled and less-educated migrants have higher savings rates at home.

Osili, Una. 2004. Migrants and Housing Investments: Theory and Evidence from Nigeria. *Economic Development and Cultural Change* 52 (4):821–849.

This paper uses a small, non-representative household survey of Nigerian migrants in the US (1997) and migrant households in Nigeria to examine how migrants invest international remittances in housing in Nigeria. It finds that older migrants and those with more income are more likely to invest in housing in Nigeria. At the mean, a 10 percent increase in migrants' income increases the probability of investing in housing by 3 percentage points. Economic shocks in Nigeria, such as funerals, job loss and crop failure, also lead to an increase in the amount of remittances spent on housing.

Woodruff, Christopher, and Rene Zenteno. 2007. Migration Networks and Micro-Enterprises in Mexico. *Journal of Development Economics* 82 (2):509–528.

This paper uses a survey of micro-enterprises (fewer than 15 workers) in Mexico (1998 ENAMIN) to examine how migration networks affect the level of capital investment in micro-enterprises. Most of the enterprises included in the study are very small: 60 percent of them hire no employees at all. The authors find that international migration (to the US) is associated with a 35 to 40 percent increase in the level of capital invested in a micro-enterprise. Examining the level of investment by type of asset, the authors find that investment in tools and vehicles are both associated with stronger links to migration networks and international migration.

Yang, Dean. 2005. International Migration, Human Capital and Entrepreneurship: Evidence from Philippine Migrants' Exchange Rate Shocks. In *World Bank Policy Research Working Paper 3578*. Washington, DC: World Bank.

This paper uses four linked nationally-representative household surveys from the Philippines to analyze how exchange rate shocks during the 1997 Asian financial crisis affect international remittances and household spending on education. The author finds that positive exchange rate shocks lead to a significant increase in remittance expenditures on education. A one-standard deviation increase in the size of the exchange rate shock lead to a 0.4 percent increase in household expenditure on education and a 1.6 percent increase in the likelihood of a child being a student.

Topic 11 – Remittances and Economic Growth

Despite the positive contribution of remittances to household welfare, most studies have found that international remittances do not have a positive effect on economic growth at the macro-level. Part of the reason for this finding may lie in the difficulty of disentangling the complicated links between remittances and economic growth. For example, identifying the direction of the links between remittances and economic growth may not be fully solvable by using instrumental variables to control for endogeneity and reverse causation. Also, it might not be possible to identify the impact of international remittances on a key component of economic growth -- human capital formation – except over very long periods of time.

In a study covering up to 113 countries over the period 1970 to 1998, Chami et al (2005) find that international remittances actually have a negative and significant effect on economic growth (GDP growth). Using a variety of fixed effects models, the authors find a negative and significant relationship between international remittances and economic growth for different groups of countries over various sets of years. On the basis of this finding, the authors conclude that remittances do not serve as capital for economic development, but rather as a type of compensation for countries with poor economic outcomes.

However, in a similar study covering up to 101 countries for the period 1970 to 2003, Spatafora (2005) comes to slightly different conclusions. Specifically, the author finds no statistically significant link between international remittances and per capita output growth. The author also finds no significant link between remittances and investment (investment/GDP), or between remittances and education. The author, however, cautions that identifying the impact of remittances on these and other outcomes may be complicated by the problem of reverse causation, that is, remittances may both influence and be influenced themselves by economic growth, investment and education.

In the literature it is sometimes argued that international remittances may harm economic growth by leading to real currency appreciation and a loss of competitiveness in tradable goods (Dutch disease). In a cross-national study of 8 Latin American countries over the period 1990 to 2003, Lopez et al (2007) find that large-scale remittances do lead to significant real exchange rate appreciation. Controlling for endogeneity and potential reverse causality, the authors find that a 1 percent increase in the remittances to GDP ratio would lead to a real effective exchange rate appreciation of between 18 and 24 percent.

Focusing on the country-level, Amuedo-Dorantes and Pozo (2006) use household survey data from the Dominican Republic to examine the impact of international remittances on family business ownership. Using an instrumental variables approach to control for endogeneity, they find that households receiving international remittances are not more likely to own a family business than households not receiving remittances. According to the authors, one reason for this outcome may be that remittances increase the reservation wage of household heads, making them less likely to invest in business.

In another country-level study, Mishra (2007) examines the impact of international migration on wages in Mexico. Using an instrumental variables approach, the author finds that emigration has a positive and significant effect on Mexican wages: a 10 percent decrease in the number of Mexican workers due to emigration in a skill group increases the average wage in that skill group by 4 percent. However, the impact of emigration on Mexican wages varies dramatically across schooling groups, with the greatest wage increase being for high wage earners.

Topic 11 – Articles

Amuedo-Dorantes, Catalina, and Susan Pozo. 2006. Remittance Receipt and Business Ownership in the Dominican Republic. *World Economy* 29 (7):939–956.

This study uses several small, non-representative household surveys from the Dominican Republic (1999-2001) to examine the impact of international remittances on family business ownership. Since the receipt of remittances and business ownership may be jointly determined, the authors estimate a system of simultaneous probit models. Results suggest that households receiving international remittances are not more likely to own a family business than households not receiving remittances. According to the authors, one reason for this outcome may be that remittances increase the reservation wage of household heads, making them less likely to invest in business.

Chami, Ralph, Connel Fullenkamp, and Samir Jahjah. 2005. Are Immigrant Remittance Flows a Source of Capital for Development? *International Monetary Fund (IMF) Staff Paper* 52 (1) (April).

This paper uses panel data on international remittances covering up to 113 countries over the period 1970 to 1998 to analyze the impact of remittances on economic development. Using instrumental variables and a variety of fixed-effects models the authors find that international remittances have a negative and significant effect on economic growth (GDP growth). On the basis of this finding, the authors conclude that remittances do not serve as capital for economic development, but rather as a type of compensation for poor economic performance.

Lopez, Humberto, Luis Molina, and Maurizio Bussolo. 2007. Remittances and the Real Exchange Rate. In *World Bank Policy Research Working Paper 4213*. Washington, DC: World Bank.

This study uses cross-national data from 8 Latin American countries over the period 1990-2003 to examine the impact of international remittances on real exchange rate appreciation. Using an instrumental variables approach to control for endogeneity and reverse causality, the authors find that a 1 percent increase in the remittances to GDP ratio would lead to a real effective exchange rate appreciation of between 18 and 24 percent. Since such a large rate of appreciation would lead to a loss in international competitiveness, the authors also investigate policy options for mitigating these effects, such as controlling fiscal policy, limiting the use of sterilization, and shifting to VAT or sales taxes.

Mishra, Prachi. 2007. Emigration and Wages in Source Countries: Evidence from Mexico. *Journal of Development Economics* 82 (1):180–199.

This paper uses data from nationally-representative US and Mexico Population Censuses (1970-2000) to examine the impact of international migration (Mexico to US) on wages in Mexico. Using an instrumental variables approach, the author finds that emigration has a positive and significant effect on Mexican wages: a 10 percent decrease in the number of Mexican workers due to emigration in a skill group increases the average wage in that skill group in Mexico by 4 percent. However, the impact of emigration on Mexican wages varies dramatically across schooling groups, with the greatest increase in wages being for high wage earners (those with 12-15 years of schooling).

Spatafora, Nikola. 2005. Worker Remittances and Economic Development. *World Economic Outlook* (April):69-84.

This paper uses data on international remittances covering up to 101 countries over the period 1970 to 2003 to analyze the impact of remittances on economic growth. Using an instrumental variables approach to account for endogeneity, it finds no statistically significant link between remittances and per capita output growth. The paper also finds no significant link between remittances and education (secondary enrollment) and remittances and investment (investment/GDP). The author, however, cautions that identifying the impact of remittances on economic growth may be difficult using macro-economic data alone because of the difficulty of disentangling the various links.

Topic 12 – Remittances and Multiplier Effects

While international remittances are primarily private transfers from a migrant working abroad to his/her household back home, the way in which these remittances are spent by the migrant household may have important second- and third-round effects on the broader economy. For example, migrant expenditures on housing may create new income and employment opportunities for low-income people working in construction as well as open new business opportunities for merchants selling building supplies. Identifying the scope and magnitude of these remittance-multiplier effects is thus an important topic in the literature.

In one of the more ambitious studies, Glytsos (1993) examines the direct and indirect effects of international remittances on production, imports and employment on the Greek economy in 1971. The author finds that remittances generate a multiplier effect of 1.7 on total gross output, with the highest multiplier effects being in the apparel, machinery and construction industries. In other words, a remittance of $1 million dollars would increase Greece's gross output by $1.7 million dollars. Remittances also lead to a rise in imported goods, but these imports represent only 5 percent of total Greek imports. On this basis, Glytsos (1993) emphasizes that remittances leakages to imports do not have a major impact on the trade deficit.

In a micro-based study based on one rural area, Taylor (1995) examines the direct and indirect effects of international remittances on one Mexican village. He finds that international remittances generate a multiplier effect of 1.6; that is, a remittance of $1 million dollars would raise the village's value-added output by $1.6 million dollars. When disaggregated by income group, the author finds that most of the first- and second-round effects of remittances go to large- and small-landholding households; landless households gain relatively little from the multiplier effects of remittances.

In another Mexican-based study, Taylor and Dyer (forthcoming 2008) use a general equilibrium model to examine the direct and indirect impacts of international migration on prices, wages and investment in rural Mexico. They find that the direct effects of migration are smaller than the indirect effects. In the short-term, a 10 percent increase in returns from international migration lead to a 5 percent increase in rural wages and a 52 percent marginal increase in investment in education. In the long-term, a similar 10 percent increase in the returns from international migration lead to only a slight, 1 percent increase in rural wages and large marginal increases in investment in education (52 percent) and housing (15 percent).

Using household survey data from China, Taylor et al (2003) examine the impact of internal migration and remittances on crop and household income. The authors find that migration and remittances have multiple and contradictory effects on rural household income. On the one hand, when a migrant leaves a household, crop yields fall and crop income declines by about 33 percent. However, the remittances sent home by the migrant have a positive, countervailing effect on household income. For example, with the receipt of remittances, rural households tend to purchase more inputs and to substitute capital for labor. Taking into account all of these various effects, the authors find that participating in migration increases per capita household income in rural China, for those left behind, by between 16 and 43 percent.

Topic 12 – Articles

Glytsos, Nicholas. 1993. Measuring the Income Effects of Migrant Remittances: A Methodological Approach Applied to Greece. *Economic Development and Cultural Change* 42: 131–160.

This paper uses an input-output model to examine the direct and indirect effects of remittances on production, consumption, imports and employment in Greece in 1971. It finds that remittances generate a multiplier effect of 1.7 on total gross output, with the highest multiplier effects being in the apparel, machinery and construction industries. With respect to employment, remittances generate about 74,000 new jobs in the nonagricultural sector. Remittances also lead to a rise in imported goods, but these imports represent only 5 percent of total Greek imports. On this basis, the paper emphasizes that remittances leakages to imports do not have a major impact on the trade deficit.

Taylor, J. Edward. 1995. *Micro Economy-Wide Models for Migration and Policy Analysis: An Application to Rural Mexico*, *Development Center of Organization for Economic Cooperation and Development (OECD)*. Paris: Development Center of Organization for Economic Cooperation and Development (OECD).

This study is concerned with the impact of international migration on the places of migrant origin in developing countries. The author "uses data from rural household and farm surveys to estimate a micro economy-wide model of a typical migrant-sending village and then uses the model to examine the economic impacts of migration. The surveys were undertaken in Mexico….The micro-model used in the estimations is a form of aggregate computable general equilibrium (CGE) model, a modelling structure which is able to capture complex linkages and feedbacks of village production and expenditure. Simulations based on such models are likely to offer a more realistic view of the impacts of policy and market-induced change on village economies."

Taylor, J. Edward, and George Dyer. 2009. Migration and the Sending Economy: A Disaggregated Rural Economy-Wide Analysis. *Journal of Development Studies* 45 (6): 966-989

This paper uses a small rural household survey in Mexico (2003) to examine the direct and indirect impacts of migration on the rural economy. For example, while the direct effects of migration include upward pressure on rural prices and wages, the indirect effects include general equilibrium wage and price effects and dynamic investment effects. Results suggest that the direct effects of migration are smaller than the indirect effects. In the short-term, a 10 percent increase in returns from international migration lead to a 5 percent increase in rural wages and a 52 percent marginal increase in investment in education. In the long-term, a similar 10 percent increase in the returns from international migration lead to only a slight, 1 percent increase in rural wages and large marginal increases in investment in education (52 percent) and housing (15 percent).

Taylor, J. Edward, Scott Rozelle, and Alan de Brauw. 2003. Migration and Incomes in Source Communities: A New Economics of Migration Perspective from China. *Economic Development and Cultural Change* 52:75–101.

This paper uses a small, non-representative sample of rural households from China (1991) to examine the impact of internal migration and remittances on crop and household income. Controlling for endogeneity and selection, the authors find that migration and remittances have multiple and contradictory effects on household income. On the one hand, when a migrant leaves a household, crop yields fall and crop income declines by about 33 percent. However, the remittances sent home by the migrant have a positive, countervailing effect on household income. The authors find that each yuan in remittances is associated with 1.36 yuan of additional crop income. In other words, with the receipt of remittances, farm households tend to purchase additional inputs and to substitute capital for labor. On the whole, the authors find that participating in migration increases per capita household income in rural China, for those left behind, by between 16 and 43 percent.

Topic 13 – Remittances, Poverty and Inequality

A number of studies have examined the impact of international remittances on poverty and inequality in developing countries. Since international remittances often represent 30 to 40 percent of migrant household incomes, and incomes earned working abroad are typically 3-5 times higher than those earned at home, most studies have found that remittances tend to reduce poverty in the developing world. However, the impact of international remittances on income inequality is more controversial. Since international migrants generally come from the higher ends of the income distribution, most studies find that remittances lead to a slight increase in income inequality. However, some studies suggest that the negative impact of remittances on income distribution is not inevitable, and may dissipate over time if migration opportunities reach all income classes.

In perhaps the broadest study, Adams and Page (2005) use the results of household surveys in 71 developing countries to analyze the impact of international migration and remittances on poverty. To control for reverse causality, the paper employs an instrumental variables approach. The authors find that, on average, a 10 percent increase in international remittances in a developing country will lead to a 3.5 percent decline in poverty. They also find that, on average, a 10 percent increase in the share of international migrants from a developing country will lead to a 2.1 percent decline in poverty.

In a similar study based on household surveys from 10 Latin American countries, Acosta et al (2006) estimate a "counterfactual" situation (whereby incomes are imputed for migrants had they worked at home) and use instrumental variables to identify the impact of remittances on poverty. They find that international remittances have reduced poverty in Latin America by 0.4 percent for each percentage point increase in the remittances to GDP ratio.

At the country level, various studies by Lokshin et al (2007) in Nepal and Adams (2006) in Ghana have also found that international migration and remittances reduce poverty. Using a maximum likelihood estimation that simulates counterfactuals for various migration scenarios, Lokshin et al (2007) finds that almost 20 percent of the decline in poverty in Nepal can be attributed to increased internal and international migration. Similarly, in Ghana Adams (2006) finds that both internal and international remittances have reduced the level, depth and severity of poverty.

On the issue of inequality, many studies find that international remittances tend to increase income inequality. The reason for this finding is cost: since international migration tends to be expensive (e.g. expenses for passport, travel, job search), international migrants tend to come from middle- to upper-income groups. For instance, using a small household survey from Nicaragua, Barham and Boucher (1998) construct a "counterfactual" situation whereby incomes are imputed for migrants had they worked at home. They find that when remittances are included in household income the Gini coefficient rises by between 12 and 15 percent (the Gini coefficient is a standard measure of income inequality, scaled between 0 and 1, with 1 being complete inequality). Using the same counterfactual approach for imputing incomes in Ghana, Adams (2006) also finds that when international remittances are included in household income the Gini coefficient increases by about 3 percent: from 0.402 to 0.413.

However, these findings are challenged by studies in Mexico by McKenzie and Rapoport (2007) and Jones (1998). According to McKenzie and Rapoport (2007), the nature of migrant selectivity changes over time. In communities with low levels of international migration, the initial effect of international migration is to increase inequality, but as levels of migration increase, international migration tends to reduce income inequality. Similarly, Jones (1998) finds that as international migration increases, rural income distribution improves relative to urban income distribution, since most remittances are targeted to rural areas.

Topic 13 – Articles

Acosta, Pablo, Cesar Calderon, Pablo Fajnzylber, and Humberto Lopez. 2006. Remittances and Development in Latin America. *World Economy* 29 (7):957–987.

This paper uses nationally-representative household surveys from 10 Latin American countries to examine the effect of international remittances on poverty and inequality. The authors find that simple OLS regressions show that remittances have no statistical effect on poverty in Latin America. However, since these results may suffer from endogeneity bias, the authors re-estimate the regressions using an IV approach. Using this new approach, the authors find that remittances have reduced the poverty headcount in Latin America by about 0.4 percent for each percentage increase in the remittances to GDP ratio. On inequality, they find that remittances have only a small impact on income inequality in Latin America.

Adams, Jr., Richard. 2006. Remittances and Poverty in Ghana. In *World Bank Policy Research Working Paper 3838*. Washington, DC: World Bank.

This paper uses a nationally-representative household survey from Ghana (1998/99 GLSS) to analyze the impact of internal and international remittances on poverty and inequality in Ghana. Since remittances may be endogenous to household income, the author estimates counterfactual incomes for migrants had they stayed and worked at home. Results suggest that both internal remittances (from Ghana) and international remittances (from African and other countries) reduce the level, depth and severity of poverty in Ghana. On inequality, results suggest that when international remittances are included in household income the Gini coefficient rises by about 3 percent: from 0.402 to 0.413.

Adams, Jr., Richard, and John Page. 2005. Do International Migration and Remittances Reduce Poverty in Developing Countries? *World Development* 33 (10):1645–1669.

This study uses results from nationally-representative household surveys in 71 developing countries to analyze the impact of international migration and remittances on poverty in the developing world. Since international migration and remittances may be endogenous to poverty outcomes, the paper uses an instrumental variables approach. Results suggest that a 10 percent increase in international migration from a country will lead to a 2.2 percent decline in the poverty headcount, and a 10 percent increase in international remittances will lead to a 3.5 percent decline in the poverty headcount.

Barham, Bradford, and Stephen Boucher. 1998. Migration, Remittances and Inequality: Estimating the Net Effects of Migration on Income Distribution. *Journal of Development Economics* 55 (3):307–331.

This study uses a small, non-representative household survey (1991) of 152 households in Nicaragua to examine the effects of international migration on income distribution. The authors find that when the observed income distribution is compared with two no-migration counterfactual situations, income inequality is higher when international remittances are included in household income. Specifically, when remittances are included in household income, and compared to the two no-migration counterfactual situations, the Gini coefficient rises by between 12 and 15 percent: from 0.40 to 0.43 in the first counterfactual, and from 0.38 to 0.43 in the second counterfactual.

Jones, Richard. 1998. Remittances and Inequality: A Question of Migration Scale and Geographic Scale. *Economic Geography* 74 (1):8–25.

This study uses a small, non-representative household survey (1988) of 692 households in Mexico to examine the effects of international migration on income distribution. Results suggest that income inequality decreases with international migration up to a point, after which inequality increases. At advanced stages of international migration, households with more income benefit more. By contrast, results suggest that at advanced stages of migration, rural income inequality improves more than urban income inequality because agricultural investments made by rural migrants enable farming elites to rise above the traditional urban business class.

Lokshin, Michael, Mikhail Bontch-Osmolovski, and Elena Glinskaya. 2007. Work-Related Migration and Poverty Reduction in Nepal. In *World Bank Policy Research Working Paper 4231*. Washington, DC: World Bank.

This paper uses data from two nationally-representative household surveys in Nepal (1995 and 2004 NLSS) to examine the impact of internal and international migration on poverty in Nepal. To deal with selectivity issues, the authors use an instrumental variables approach and employ a maximum likelihood estimation that simulates various counterfactuals for different migration scenarios. Results suggest that almost 20 percent of the decline in poverty in Nepal between 1995 and 2004 can be attributed to increased internal and international migration. Without migration, the authors estimate that the poverty rate in Nepal would increase from 30 to 33.6 percent.

McKenzie, David, and Hillel Rapoport. 2007. Network Effects and the Dynamics of Migration and Inequality: Theory and Evidence from Mexico. *Journal of Development Economics* 84 (1):1–24.

This study uses two household surveys from Mexico to examine the relationship between wealth and migration, and the impact of international migration on inequality. To control for endogeneity, the authors use an instrumental variables approach focusing on historical migration rates. Results suggest that international migrants come from the middle of the wealth distribution. With respect to inequality, the authors find that in communities with low levels of migration the initial effect of international migration is to increase inequality. However, as levels of migration increase, international migration tends to reduce inequality. In high-migration communities the benefits of international migration reach lower-income groups, thereby reducing inequality.

Topic 14 – Remittances and Access to Financial Services

A recent debate in the literature is the extent to which remittances can promote access to financial services and financial development. This is an important question considering the extensive literature that has documented the growth-enhancing and poverty-reducing effects of financial development. However, how remittances impact financial development is complex issue. Early work on the link between remittances and financial development was mainly descriptive in nature and suggested that remittances may be a potential catalyst for financial development by providing migrants' families with increased demand for credit and other financial services. In addition, remittances can also affect banks willingness to loan money to households in remittance receiving areas. Risk can play a central role in low-income environments. A high default rate may reduce the willingness of banks to lend to poor households, and may also reduce the demand for credit among poor households who do not want to lose their collateral.

In recent work, scholars have attempted to directly measure the link between remittance flows and financial development using existing data sources. Aggrawal, Demirguc-Kunt and Peria (2006) find that remittances promote financial development in a large sample of developing countries. Their study also highlights several potential channels through which remittances can affect financial development. Remittances may increase financial development by paving the way for recipients to demand and gain access to financial services. For example, remittance receipts are often lumpy, and may lead to a higher demand for formal financial services such as savings products. An additional possibility is that remittances can provide financial institutions with information about remittance-receiving households, previously excluded from the formal banking sector, leading to the expansion of credit for small business start-up capital and other investments. Transaction fees associated with remittance flows may also spur the expansion of financial institutions into previously underserved areas.

A key question raised in the literature is whether there are limitations to the financial deepening impact of remittances in countries with less-developed financial systems. In particular, where trust in financial institutions is low, recipients may prefer to save outside the formal banking sector. In addition, where financial systems are less-developed, migrants and their families tend to rely mainly on informal channels to transfer and save resources. However, Gupta, Pattillo, and Wagh (2007) find that remittances have a positive impact on financial development in sub-Saharan Africa, a region where a large share of financial transactions takes place outside the formal sector. Their study documents that remittances promote financial deepening in this region, and their results hold even after accounting for the possibility that reported remittances are likely to be higher in better-developed financial markets.

Finally, one possibility is that remittances may relax credit constraints among recipients lowering the demand for credit and insurance services. In an important contribution, Guiliano and Ruiz (2005) find that in countries with less-developed financial systems, remittances can act as a de facto substitute for financial services, providing households with credit and insurance and increasing investment opportunities, leading to higher growth. Due to data limitations, there are very few studies that allow researchers to study the impact of remittances on financial development by creating counterfactuals with and without remittances.

Topic 14 – Articles

Aggarwal, Reena, Asli Demirguc-Kunt, and Maria Soledad Martinez Peria. 2006. Do Workers' Remittances Promote Financial Development? In *World Bank Policy Research Working Paper No. 3957* Washington, DC: World Bank.

The authors use cross-country balance of payments data on workers' remittance flows to 99 developing countries from 1975-2003 to study the impact of remittances on financial sector development. This study examines whether remittances contribute to increasing the aggregate level of deposits and credit intermediated by the local banking sector. The authors conclude that remittances have a positive and significant impact on financial development. In particular, a one percentage point increase in the share of remittances to GDP is associated with a 0.5-0.6 percent increase in the ratio of bank deposits to GDP and about a 0.3 percent increase in bank credit to the private sector to GDP. The results are robust to the inclusion of country and time fixed-effects, and instrumental variables to deal with measurement error and potential endogeneity concerns.

Giuliano, Paola, and Marta Ruiz-Arranz. 2005. Remittances, Financial Development and Growth. In *International Monetary Fund Working Paper No. 05/234*. Washington, DC: International Monetary Fund.

Using a cross-country of data series covering about 73 developing countries between 1975 and 2002, the authors investigate the interaction between remittances and financial development and its impact on growth. The analysis emphasizes how a country's capacity to use remittances may be influenced by local financial sector conditions. The empirical findings suggest that remittances can promote growth in less financially developed countries. A one percentage point increase in remittances as a share of GDP is associated with a 0.2 percentage points, controlling for the level of financial development. The authors conclude that in countries with less-developed financial systems, remittances act as a de facto substitute for financial services, providing households with credit and insurance and increasing investment opportunities, leading to higher growth. The analysis accounts for the endogeneity of remittances and financial development using a Generalized Method of Moments (GMM) approach, and is robust to various measures of financial sector development used, and is robust to a number of sensitivity tests.

Gupta, Sanjeev, Catherine Pattillo, and Smita Wagh. 2007. Impact of Remittances on Poverty and Financial Development in Sub-Saharan Africa. In *International Monetary Fund Working Paper No. 07/38*. Washington, DC: International Monetary Fund.

This paper investigates the impact of remittances on financial development in 44 African countries over six time periods, composed of five-year averages from 1975 to 2004. The authors find that remittances promote financial deepening in sub-Saharan Africa, after controlling for macroeconomic and institutional variables that are commonly used to explain financial development in low-income countries. These results are robust to accounting for the possibility that reported remittances are likely to be higher in better-developed financial markets.

Topic 15 – Effects of Remittances on Gender Relations

Because migration is a selective process, remittances tend to flow to particular social and ethnic groups within migrant sending communities and societies, and they have differential impacts based on traditional social and gender norms. Therefore, remittances can have profound implications for traditional forms of social and ethnic stratification, most notably involving gender roles.

Three articles draw quite similar conclusions questioning an earlier-held view that male migration empowers spouses left behind by giving them important managerial responsibilities and status within the household and community. De Haas and van Rooij (2010) cite evidence based on their Moroccan survey research that women consider the new responsibilities a burden and given the prevailing patriarchal system may have little independent say-so in how remittances are spent. Almost exactly the same points are made by Menjívar and Agadjanian (2007) based on their in-depth qualitative interviews with women who stayed behind in Armenia and Guatemala when their husbands migrated abroad. An additional point made by the latter authors is that along with remittances came strong pressures on the part of the husband for his wife to cease working outside the home, eliminating this source of power and independence for her. Further support for this interpretation is given in Amuedo-Dorantes and Pozo (2006), whose analysis of a large Mexican government data set suggest that remittances reduce the female labor supply some 10% from what it otherwise would have been, whereas they have no effect on the male labor supply.

A fourth article (Eloundou-Enyegue and Calvés 2006) draws a different conclusion, however. In a large sample of sub-Saharan women, the authors find that female remittances are substantial and even allowing for the patriarchal residential location of married women, they remit to and sponsor foster children from their side of the family.

Topic 15 – Articles

Amuedo-Dorantes, Catalina, and Susan Pozo. 2006. Migration, Remittances, and Male and Female Employment Patterns. *American Economic Review* 96 (2): 222–226.

This paper investigates the impact of remittances on employment status and hours worked for men and women. Based on a nationally representative Mexican survey of over 42,000 individuals of whom 5.5% lived in remittance-receiving households (the 2002 National Survey of Household Income and Expenditures), the authors find that remittance income may decrease or increase hours worked depending on the gender of the recipient and the type of work. Notably, remittance income has no effect on the male labor supply, but reduces the female labor supply by approximately 10%—suggesting the operation of traditional gender roles (particularly in rural areas) in which women engage in formal sector work only when male-generated household income is insufficient. The authors account for the endogeneity of remittance income using an instrumental variables approach. Another potential explanation for the findings may be the selectivity of household composition and out-migration patterns.

de Haas, Hein, and Aleida van Rooij. 2010. Migration as Emancipation? The Impact of Internal and International Migration on the Position of Women Left Behind in Rural Morocco. *Oxford Development Studies* 38(1): 43-62.

This study is based on interviews with 43 Moroccan women married to migrants and non-migrants and surveys of 507 migrant and non-migrant households in six villages of the Todgha Valley in southern Morroco during 1998-2000, in addition to open-ended interviews among prospective migrants from the same area in 2003-2005. The results tend to refute the conclusion that migration liberates and empowers the spouses of male migrants. International migration and remittances do enable Moroccan women and their families to live more comfortable and secure lives (although internal migration often coincides with increasing workloads and uncertainty) and there is a temporary increase in responsibilities and decision-making power, and the enablement of better education for women in the family. However, this new role is generally perceived as a burden by spouses and cannot therefore not be equated with emancipation in the meaning of making independent choices against prevailing gender norms. Furthermore, in a classical "patriarchal" system, the spending of the husband's remittances is determined by in-laws, especially by the mother-in-law. Significant improvements in the position of rural women are primarily the result of general social and cultural change, although migration might have played an indirect, accelerating role in these processes.

Eloundou-Enyegue, Parfait M., and Anne Emmanuele Calvés. 2006. Till Marriage Do Us Part: Education and Remittances from Married Women in Africa. *Comparative Education Review* 50(1): 1-20.

This study derives from a representative sample of 3,369 women from Cameroon, Benin, Malawi, Mali, Rwanda, Uganda, Zambia, and Zimbabwe. The authors ask whether women in this sample remit in significant amounts, including remittances to support fosterage of children from the woman's side of the family, and whether women's educational level is related to this remittance given the common argument that daughters the are "taken over" by the husband's family upon marriage, and thus their education would be a poor investment for families. Their findings from a multivariate logit analysis are that women have a substantial capacity to remit and this remittance increases with their education level. Even when women are symbolically incorporated into their husband's lineage through a new residence and bride name, they have considerable leverage in decisions about fosterage and the use of their earnings.

Menjívar, Cecilia, and Victor Agadjanian. 2007. Men's Migration and Women's Lives: Views from Rural Armenia and Guatemala. *Social Science Quarterly* 88(5): 1243-62.

This study assesses the consequences of men's migration for women who stay behind. Though half a world apart, Armenia and Guatemala share the same broad expulsive forces (the Cold War and its aftermath) and their migration streams are predominantly male. In both countries, patriarchal family structures limit the female empowerment that might be expected from remittances and from women's increased responsibilities at home. The study is based on in-depth village interviews in 2005 with 27 women in Armenia (whose husbands were in Russia), and in 1994-2000 with 29 women in Guatemala (whose husbands were in the United States), in both cases located by chain referral sampling. Overall, the women reported more money for household purchases accompanied by more responsibilities, but relatively little control of how the money was spent and remarkably little independence of behavior. A woman lived under the scrutiny of the husband's relatives and the husband himself, who telephoned to monitor her actions. An interesting finding is that remittances decreased the woman's ability to work outside the household. It was the man to whom remittances gave power, including the power to withhold permission for his wife to work. Indeed, having a wife who was employed or looking for work was seen by townspeople as evidence of the man's lack of success abroad.

Topic 16 – Remittances and Socio-Cultural Change

Remittances often stimulate socio-cultural change, as specific patterns of remittance expenditure engender changing tastes, values, and social norms.

In southern Morocco, de Haas (2006) found that migration and remittances have been an important avenue for upward socioeconomic mobility of low-status ethnic groups. In this case, new forms of remittance-based inequality have been partly superimposed upon the traditional forms of hereditary inequality based on kinship, skin color and land ownership. Depending on migrant destinations, migration and remittances can also affect norms regarding marriage and fertility. This is exemplified by a recent study by Fargues (2006), which found that time-series data on birth rates and migrant remittances in Morocco, Turkey and Egypt are strongly correlated, but in varying ways. While the correlation is negative for Morocco and Turkey, it is positive for Egypt. To explain this pattern, Fargues hypothesized that migration from North Africa to European countries 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. In the case of Egyptian migration to conservative Gulf countries, the effect would be the reverse.

Instead of reducing inequality, remittances may exacerbate it by creating a new social stratification and by creating a juxtaposition of new and traditional cultural lifeways. Other parts of this anthology, particularly Topic 13 (Remittances, Poverty, and Inequality) and Topic 19 (Remittances and Rural-Urban Transformations), call attention to some of these disequilibrating tendencies of remittances.

A study that found remittances to have an equilibrating role is that of Akkeson (2009), who finds that remittances in Cape Verde, a West African island country with a relatively long migration tradition, are resulting in a dispersion rather than a concentration of income. The reason is a fundamental change in family structure over the past generation that has seen free-union and multiple-partner relationships replace marriage. Remittances flow not to nuclear families, but to parents and children from previous households---in Cape Verde as well as abroad. Migrants, both men and women, often form new families abroad. Thus, remittances are sent in small amounts, to several households, in several places. These are not remittances used to create an investment and retirement anchorage for the migrant back in Cape Verde, but to support obligations to dependents from previous family relationships. It is not clear to what degree these demographic trends affect other remittance-sending countries. Akkeson mentions that Mexico does not fit the Cape Verde pattern, while the

Dominican Republic does. The author has raised an intriguing question on whether the developmental impact of remittances may diminish when nuclear family structures for receiving them decline.

Klooster (2005) offers another intriguing question: Can remittances preserve rural lifeways rather than leading to their demise? The literature would appear to point to a retreat in traditional ways of thinking and working as the remittance economy takes hold of a village, but he argues that in indigenous or tribal societies with strong cultural beliefs and institutions, where communal expectations are strong and extend to migrants, remittances from foreign work can support local culture and help ensure the survival of rural villages. In the Lake Patzcuaro region of highland central Mexico, a Tarascan Indian region, wage labor earnings went to fulfill cargo (communal work and giving) obligations, situate the migrant within the local village political structure, and maintain local cultural institutions. People reproduced their rural lifeways through an intimate relationship with nature, producing maize, cooking traditional foods, crafting pottery, practicing their symbiotic religion, interwoven into a web of communal tasks and enterprises.

Again, this topic awaits more research and begs for a typology of cultures that are weakened and strengthened by remittances.

Topic 16 – Articles

Åkesson, Lisa. 2009. Remittances and Inequality in Cape Verde: the Impact of Changing Family Organization. *Global Networks* 9(3): 381–398.

Based on participant observation and 44 interviews on the island of Santo Antão during 2007 and 2008, in addition to ten years of ethnographical background research in Cape Verde, this study reveals how changing family structures affect the receipt of remittances (from the U.S. and Portugal) how these remittances shape social stratification in communities of origin. During the last three decades in Cape Verde, relationships between men and women have become more unstable, such that conjugal families have given way to family units composed of single adults or free unions with or without children and often containing older parents of the man or woman. Remittances do not go to spouses but to parents or children, and they are spread among several households. Migrants do not send remittances to invest in their future lives, but to fulfill obligations to dependents along their life-history trajectory. As a result, sums are small, intermittent, and have little effect on patterns of socio-economic stratification and inequality within the family or between families.

de Haas, Hein. 2006. Migration, Remittances and Regional Development in Southern Morocco. *Geoforum* 37 (4): 565–580.

Based on non-representative survey among 507 non-migrant, internal and international migrant households and qualitative research, this article examines the socio-economic and cultural impact of migration from a south Moroccan sending region to other regions and Europe. The study shows that international migration and remittances have significantly contributed to economic development, improved standards of living and enabled the partial emancipation of subaltern ethnic groups. International migrant households invest more than others in housing, agriculture and other enterprises. Risk spreading and income stabilisation rather than increasing incomes seem to be the prime rationale behind internal migration, although internal migration tends to facilitate the education and international migration of younger household members. Remittance expenditure and investments have stimulated the diversifying and urbanising regional economy and have triggered a counter-flow of "reverse" internal migration. However, several structural constraints prevent the high development potential of migration from being fully realised.

Fargues, Philippe. 2006. The Demographic Benefit of International Migration: Hypothesis and Application to Middle Eastern and North African

Contexts. In *World Bank Policy Research Working Paper 4050*. Washington, DC: World Bank.

This paper argues that international migration may have resulted in a smaller world population than in the non-migration scenario. The author claims that most ~~of~~ recent migration has been from high to low birth-rate countries, and since migrants typically adopt and send back ideas that prevail in host countries, they are potential agents of the diffusion of demographic modernity to their country of origin. To explore this issue, the author analyses time series data from three major emigration countries: Morocco and Turkey (where emigration is bound for the West), and Egypt (where emigration is bound for the Gulf). The host countries are either more (the West) or less (the Gulf) advanced in their demographic transition than the home country. The analysis ~~article~~ finds that time-series data on birth rates and migrant remittances (reflecting the intensity of the relationship between the emigrants and their home country) are strongly correlated. The Correlation is negative for Morocco and Turkey, and positive for Egypt. This suggests that Moroccan and Turkish emigration has been accompanied by a fundamental change of attitudes regarding marriage and birth, while the opposite holds for Egyptian migration. The broader conclusions from this paper are that migration may have caused a relaxation of demographic pressures for the world as a whole. In addition, if it turns out that emigrants are conveyors of new ideas in this area, the author hypothesizes that the same may apply to a wider range of civil behavior.

Klooster, Daniel J. 2005. Producing Social Nature in the Mexican Countryside. C*ultural Geographies* 12: 321-344.

The loss of traditional culture is often cited as a by-product of international migration, as monetary remittances re-structure village life around economic goals and social remittances patterned on dominant foreign cultures. Klooster presents a counter-thesis: remittances can permit the survival of rural communities through the reproduction and preservation of cultural contexts. His study was carried out in two indigenous villages along the shores of Lake Pátzcuaro, Michoacán, during several months of observation and fieldwork during 1998 and 1999. He found that remittances from wage labor in the U.S. and elsewhere in Mexico enabled the continuance of everyday practices of woodcutting, tending cattle, growing maize, making pottery, preparing food, taking care of children, tending the saints and their chapels, and various communal interactions with neighbors. These practices would have likely atrophied or been corrupted if they were dependent on competitive advantage in markets. As cultural activities, they continually re-created aspects of a culture that residents valued, and that allowed them to continue living in their rural communities.

Topic 17 – Remittances, Labor Supply and Participation

International remittances can have various effects on labor markets in developing countries. On the one hand, remittances may allow recipients to overcome the type of liquidity constraints that prevent the creation of new entrepreneurial enterprises. On the other hand, remittances can also reduce labor force participation by increasing the level of minimum wages at which members of migrant households are willing to work (the reservation wage). In general, most studies have found that international migration and remittances tend to reduce household labor supply and participation, although these effects are sometimes influenced by gender.

In a study using panel data from two large surveys in Nicaragua, Funkhouser (2006) finds that international migration does indeed tend to reduce labor force participation. The author finds that when compared to non-migrant households, households with migrants have fewer working members and less labor income. However, households with migrants are less likely to be poor, because migrant households receive more in remittance income than they do from work in the local markets.

In a similar study using panel data from El Salvador, Acosta (2007) finds that the effects of international remittances on labor force participation differ by gender. Specifically, the author finds that with the receipt of international remittances, labor force participation falls much more for women than for men. For example, urban females in remittance-receiving households are 42.2 percent more likely to quit the labor market, while urban males in remittance-receiving households are only 9 percent more likely to quit. The author also finds both males and females reduce their total hours worked per week upon receiving remittances.

In a similar study from Mexico, Amuedo-Dorantes and Pozo (2006) examine the impact of international remittances on the male and female decision to work. For males, the authors find that an increase in international remittances is associated with a decline in formal sector work and with an increase in informal sector work. With the receipt of remittances Mexican males seem to prefer the flexibility of informal jobs. For females, the authors find that the overall female labor supply tends to decline with the receipt of remittances, but only in rural areas. Rural females in Mexico appear to use remittances as a means of escaping from low-paying types of employment in the informal sector.

In a more theoretical study using data from Tunisia, Mesnard (2004) analyzes the impact of international migration and remittances on the occupational choice of return migrants. The author finds that for return migrants the likelihood of self-employment increases significantly with the amount of savings from abroad. For each additional 1000 Tunisian dinars in savings, the likelihood of a return migrant being self-employed increases by 18 percent. However, education is also important: having no schooling positively affects the probability of being self-employed upon return.

Topic 17 – Articles

Acosta, Pablo. 2007. Entrepreneurship, Labor Markets and International Remittances: Evidence from El Salvador. In *International Migration Policy and Economic Development: Studies across the Globe*, edited by C. O. a. M. Schiff. Washington, DC: World Bank.

This paper uses a 4-year rural panel survey from El Salvador to analyze the effects of international migration and remittances on labor force participation. To account for the possible endogeneity of remittances, the author uses a fixed effects probit on the 4-year panel. Results suggest that with the receipt of international remittances, labor force participation falls more for women than for men. For instance, urban females in remittance-receiving households are 42.2 percent more likely to quit the labor market, while urban males in remittance-receiving households are only 9 percent more likely to quit. The authors also find both males and females reduce their total hours worked per week when they receive remittances. Urban males and females in remittance-receiving households reduce their hours worked per week by 24.4 and 20.8 percent, respectively.

Amuedo-Dorantes, Catalina, and Susan Pozo. 2006. Migration, Remittances and Male and Female Employment Patterns. *American Economic Review* 96 (2):222–226.

This paper uses a nationally-representative household survey from Mexico (2002) to examine the impact of international remittances on the male and female decision to work. Since remittances may be endogenous, the authors use an instrumental variable tobit model. For males, the authors find that an increase in international remittances is associated with a decline in formal sector work and with an increase in informal sector work. With the receipt of remittances Mexican males seem to prefer the flexibility of informal jobs. For females, the authors find that the overall female labor supply tends to decline with the receipt of remittances, but only in rural areas. Rural females in Mexico may be using remittances to get away from low-paying types of employment in the informal sector.

Funkhouser, Edward. 2006. The Effect of Emigration on the Labor Market Outcomes of Sender Households: A Longitudinal Approach Using Data from Nicaragua. *Well-Being and Social Policy* 2 (2):5–25.

This paper uses panel data from two large, nationally-representative household surveys in Nicaragua (1998 and 2001) to examine the impact of international migration on labor market participation and poverty. With panel data, the author is able to control for selectivity by using fixed effects.

Results suggest that when compared to non-migrant households, households with migrants in Nicaragua reduce their number of working members and their labor income. However, households with migrants are less likely to be poor, because migrant households receive more in remittance income than they do from work in the local markets.

Mesnard, Alice. 2004. Temporary Migration and Self-Employment: Evidence from Tunisia. *Brussels Economic Review* 47 (1): 119-138

Topic 18 – Remittances, Health and Education

A recent literature examines what impact remittances have on investments in human capital in the source country, particularly in health and schooling. The broad consensus within the literature is that migrant remittances can lead to human capital formation in the country of origin. However, measuring the impact of remittances on health or education is challenging, because migration itself is a choice variable that may reflect household health and education priorities Further migrant remittances may be directed towards multiple recipients and tracking their end uses is complicated and difficult.

Edwards and Ureta (2003) find that income from remittances has a much larger positive impact on school retention rates than does income from other sources. In urban areas, the average level of remittances lowers the hazard that a child will drop out of elementary school by 54 percent. Based on household level evidence from the Philippines, Yang and Martinez (2006) found that a 10 percent increase in remittance flows led to a 1.7 percent increase in school attendance and a 0.35 hour decline in child labor in a week per household. Supporting these conclusions is the study by Gubert (2007) in Mali, which finds that finds that remittances alleviate poverty and enable investment in education.

Considering the impact of both remittances and parental migration, Jampaklay's (2006) analysis of a large, longitudinal sample of Thai children found that parental absence countered the positive impact of remittances on school attendance. The short-term absence of the father negated the positive impact of remittances and the long-term absence of the mother was even more negative. The Jampaklay conclusions about the effects of parental absence correspond with those of other studies that do not specifically consider remittances but which conclude that parental absence (particularly of the mother) deprives the child of bonding and role-modeling that underlie success in school and beyond.

Other studies have examined the impact of remittances on child health outcomes. Kanaiupuni and Donato (1999) investigate the impact of remittances on child health, focusing on infant survival. With a sample of 150-200 households in 25 communities from the Mexican Migration Project, they examine how village migration patterns affect infant survival outcomes in sending communities. The authors' main hypothesis is that migration is a cumulative process with varying health effects at different stages.. Their results suggest infant mortality rates are high in communities experiencing intense U.S. migration but that over time increases of migration from a community and in the inflow of migrants' remittances then leads to a reduction of infant mortality rates. The authors conclude that migration is likely to yield health benefits to all infants over time. The results do not deal with the selectivity of the migration process.

Mckenzie and Hildenbrandt (2005) investigate the impact of international migration and remittances on child health outcomes in rural Mexico using a 1997 nationally representative demographic survey. To correct for the endogeneity of migration status, the authors use historic migration networks—1920s, state-level migration rates in Mexico—as instruments for current migration stocks. The authors find that children in migrant households have lower rates of infant mortality and higher birth-weights than those in non-migrant households. One contribution of this study is that the authors also explore the channels through which migration may affect health outcomes and find evidence that migration raises health knowledge as well as wealth, thus providing a broader view of the health consequences of migration than is typically offered by the existing literature.

Topic 18 – Articles

Edwards, Alejandra Cox, and Manuelita Ureta. 2003. International Migration, Remittances and Schooling: Evidence from El Salvador. *Journal of Development Economics* 72 (2):429–461.

This paper uses a nationally-representative household survey from El Salvador (1997 EHPM) to analyze the impact of international remittances on school retention rates in El Salvador. The authors use a Cox proportional hazard model to compare how two types of income, income from remittances and income from other sources, affect school attendance. Results suggest that income from remittances has a much larger impact on school retention rates than income from other sources. In urban areas, the average level of remittances lowers the hazard that a child will drop out of elementary school by 54 percent.

Gubert, Flore. 2007. Migration and Development: Mixed Evidence from Western Mali. *Development* 50(4): 94–100.

This study is based on a spatially-clustered non-random sample of 305 rural households in eight villages in Mali in 1997. The author finds that remittances serve an insurance function, protecting households against situations of transitory economic hardship that has been shown to have strong detrimental effects on children's education and health outcomes. Since poverty is one of the major reasons for children being taken out of school, remittances encourage human capital formation. The author goes on to discuss how migrant-driven projects in rural areas tend to be non-productive in terms of income generation (e.g., investments in real estate, transportation, or hotels). Most projects are abandoned before they have time to generate any notable spill-over effects on village economies. In these villages, poor weather conditions and inadequate road infrastructure are strong factors that offer no incentive to reinvest in the local economy.

Jampaklay, Aree. 2006. Parental Absence and Children's School Enrolment: Evidence from a Longitudinal Study in Kanchanaburi, Thailand. *Asian Population Studies* 2(1): 93-110.

This study employs a comprehensive, longitudinal (panel) data-set of 2576 children, 13-18 years old in 2000, in which their enrollment in secondary school in 2003 was predicted from a series of key independent variables for 2000-2002, including parental absence and receipt of remittances, in addition to controls for gender, household assets, and education of the household head. Parental migration was principally internal, to other parts of the Kanchanaburi province or elsewhere in Thailand. The results from a multivariate odds-ratio analysis establish, in line with previous studies, that receipt of remittances significantly improves enrollment of children who stay in their villages, but also encourages and enables students who do not enroll to seek employment elsewhere. An even more significant and inverse effect occurs, however, owing to parental absence, particularly when it is the mother and when she has been away two years or more. The study suggests the contrasting roles of remittances—directly providing the economic resources for education of the children left behind, but indirectly, in certain situations, denying children the parental guidance needed for staying and excelling in school.

Kanaiaupuni, Shawn M., and Katharine M. Donato. 1999. Migradollars and Mortality: The Effects of Migration on Infant Survival in Mexico. *Demography* 36 (3):339–353.

This paper uses a sample of 150-200 households and 25 communities from the Mexican Migration Project to examine how village migration patterns affect infant survival outcomes in sending communities in Mexico. The authors' main hypothesis is that migration is a cumulative process with varying health effects at different stages of its progression. Their results suggest higher rates of infant mortality in communities experiencing intense U.S. migration. However, their findings also suggest that the impact of migration on infant survival changes over time due to inflow of migrants' remittances and the institutionalization of migration. Mortality risks are low when remittances are high and decrease as migration experience increases in a community. The authors conclude that migration is likely to yield eventual health benefits to all infants over time. The results do not deal with the selectivity of the migration process.

McKenzie, David J., and Nicole Hildebrandt. 2005. The Effects of Migration on Child Health in Mexico. *Economia* 6 (1):257–289.

This paper investigates the impact of international migration on child health outcomes in rural Mexico using a 1997 nationally representative demographic survey. To correct for the endogeneity of migration status, the authors use historic migration networks—1920s state-level migration rates in Mexico—as instruments for current migration stocks. The authors find that children in migrant households have lower rates of infant mortality and higher birth-weights. One contribution of this study is that the authors also explore the channels through which migration may affect health outcomes and find evidence that migration raises health knowledge in addition to its direct effect on wealth. These results provide a broader view of the health consequences of migration than is offered by the existing literature.

Yang, Dean, and Claudia Martinez. 2006. Remittances and Poverty in Migrants' Home Areas: Evidence from the Philippines. In *International Migration, Remittances, and the Brain Drain*, edited by C. O. a. M. Schiff. Washington, DC: World Bank.

This paper exploits a unique natural experiment that helps identify the causal impact of remittances on poverty in migrants' origin households and in remittance-receiving areas. The authors relate exogenous shocks (sudden changes in exchange rates due to the 1997 Asian financial crisis) to the remittance receipts of Philippine households. They find that the appreciation of a migrant's currency against the Philippine peso led to increases in the origin household remittance receipts, and reductions in poverty in migrants' origin households. The authors also find evidence of spillovers to households without migrant members, focusing on cross-regional variation in the mean exchange rate shock experienced by the region's migrants. In regions with more favorable mean exchange rate shocks, aggregate poverty rates declined even in households without migrant members. However, they do not find strong evidence of effects on regional inequality.

Topic 19 – Remittances and Family Cohesion

In other sections of this anthology we have summarized research at the macro level—the effects of remittances on national growth, balance of payments, and social change—and at the micro level—the effects of remittances on individual human capital (education and health) and the empowerment of women. Here we present research at the "meso," or family level, which raises interesting questions: Do remittances bind family members together in mutual hope and pooling of resources to achieve common goals, or do they split families apart in ego-trips and inequality of resource distribution among individuals? How much of remittances go not for consumption and investment per se, but for the mitigation of the negative externalities of separation? Do families adjust to and embrace the transnational lifestyle, or is permanent maladjustment more the norm? Does family unity – based on emotional attachment, intimacy, and priority of group over individual needs – survive spatial dispersion?

Because such concepts and questions are not easy to measure, research on family disintegration as a consequence of migration tends to rely on attitudinal instruments and qualitative designs involving relatively small number of in-depth interviews and participant observation. What these studies lack in statistical rigor they often make up for in their insights and in the generation of new research questions.

These studies focus either on the effects of separation on children whose parents migrate or on the effects of separation on parents whose children migrate. Regarding the effects on children, Schmalzbauer (2008) shows convincing evidence of a seeming unity of purpose between Honduran teens who are living middle-class lifestyles in Honduras and their parents whose willing sacrifices to work in the United States make this life style possible. The teens are motivated, serious students who are confident they can move into professional jobs without having to migrate and sustain a US-inspired middle class life. In reality it will be difficult for transnational youths to attain their expectations without a permanent flow of remittances and thus the ongoing separation of family. The inequality of sacrifices between parents' and children's expectations threatens to generate generational resentment and conflict and damage family unity. Dreby (2007) focuses not on the inequality of sacrifice, but on the inequality of power between parents and children. Echoing research by Salazar-Parreñas on Philippine children, she finds deep-seated alienation of young children from their parents that cannot be easily reversed. The Mexican children that she interviewed felt abandoned and powerless to change their situation. This alienation transformed into behavioral problems among adolescents, including drinking and smoking, fighting, and abandoning their studies. Parents used the power of remittances and communication to attempt to remedy this situation, purchasing books, clothing, computers; calling home; and purchasing tickets home to mediate these problems—largely to no avail. Children occasionally abandoned Mexico to join parents in the U.S.—effectively canceling whatever career prospects remittances might have provided.

Evidence suggests that the impacts of migration and remittances on parents who are left behind by migrating children depend on the distance of migration and the culture and social context. . Thailand, for example, has a rapidly-aging rural population many of whose children have migrated to urban areas. Despite the difficulties the children have in providing parental services and care, a duty emphasized by Theravada Buddhism, Knodel et al. (2010) find that older Thai have adjusted quite well to this situation. The children call regularly, visit frequently, send remittances that enable their parents to enjoy advanced lifestyles. It is hard to imagine a more different situation than that in Albania (Vullnetari and King 2008), where severe economic disruptions created a massive exodus of youth after the collapse of a political system after 1990. Migration has been sudden, long distance, and largely irregular and host-country backlash has hindered the labor force integration of Albanians abroad and reduced the remittances they have been able to send home to their parents. "Care drain" has resulted, leaving parents lonely, unfulfilled, and destitute. The related notion of "care resource extraction" is used in other research to refer to the appropriation of women from developing countries to care for the children and the elderly in developed countries, a process that threatens the mental health of the women's own children and parents left behind.

A final article (La 2004) exposes a trend of remittances that is by no means unique – the forced payments that criminal or political organizations require of migrants or their families back home. Based on interviews and observation of Sri Lankan Tamil enclaves in Canada, the author details how the Tamil tigers in Sri Lanka extort money to support their insurgency from the Sri Lankan migrants in the diaspora and from their relatives in Sri Lanka. In a somewhat different context, Mexican criminal organizations have begun to contact expatriates in the United States, threatening to kill family members unless ransom money is sent. This is a sobering development whose impact on families and remittances is yet to be assessed.

Topic 19 – Articles

Dreby, Joanna. 2007. Children and Power in Mexican Transnational Families. *Journal of Marriage and Family* 69: 1050–1064.

Do remittances to children compensate for the loneliness and loss of power that children face when a parent goes abroad to work? The author addresses this question through structured interviews with 44 Mexican migrant parents in New Jersey and 60 children of migrant parents, along with their caregivers, in the Mixteca region of rural central Mexico, in 2004. She finds that despite having money for possessions, schooling, and special wants and needs, children manifest deeply-entrenched feelings of abandonment that are not reversible but which lessen and evolve with age. Pre-adolescents react more subtly to the absent parent, feigning indifference to phone calls and deferring to caretakers rather than parents on questions of permission, whereas adolescents react by overtly rebellious behaviors such as aggression and disobedience. An interesting point is that remittances may have to serve remedial purposes, such as trips home by the parent to solve their child's problems and gifts to appease guilt, and they may be wasted if the child drops out of school to join the parent working in the United States.

Knodel, John, Jiraporn Kespichayawattana, Chanpen Saengtienchai, and Suvinee Wiwatwanich. 2010. How Left Behind Are Rural Parents of Migrant Children? Evidence from Thailand. *Ageing & Society* 30: 811–841.

Thailand faces demographic trends that pose future challenges for the support of its older residents, including rapid population aging, smaller family sizes, and increased separation of parents and children due to rural-urban migration. This article employs data from 1011 interviews with parents 50-79 years of age left behind by migrating children—part of the Migration Impact Survey (MIS) conducted in Thailand in 2006. The authors find that remittances increase with migration distance, but services that require personal contact (providing food at least weekly, regular assistance with work or business, and help with household chores) decrease with distance. A surprising 80% of the sample agreed that "Children who live far away do not need to visit frequently if they often call their parents on the phone." Not only did parents receive help, but they gave it as well. Almost 40% of parents believed that net care received was in the parent's favor (compared to just under 30% who felt it was in the child's favor). The conclusion is that parents and children exercise human agency, adapt to socio-economic changes, and meet needs for family unity via advances in communications and transport technology. Rather than modernization leading to the demise of the family, a modified extended family is able to fulfill the responsibilities to each other that previously required geographical proximity, including filial obligations to older parents.

La, John. 2004. Forced Remittances in Canada's Tamil Enclaves. *Peace Review* 16(3): 379–385.

This descriptive narrative of forced remittances is based on secondary research on Tamil enclaves in Canada. They compose the largest Sri Lankan diaspora from the civil war that has pitted the Tamils against the Singhalese since 1983. The extorters— the Tamil Tigers, insurgents fighting for autonomy in northeastern Sri Lanka—use the funds to continue their civil war against the government, and they are notorious for using tactics such as political assassination, suicide bombing, and the recruitment of child soldiers. Their funding initiatives in Canada and in Sri Lanka create family fear and chaos. In this case, the practice of forced remittances creates victims on both sides of the migration system because it draws resources from the host state to fuel a destructive war in the sending state. This extortion is abetted by the cohesiveness of the diaspora community in Canada, its middle-class economic status, and the geography of migration in which the insurgents retaliate in Sri Lanka against family-members of non-complying diaspora members in Canada.

Schmalzbauer, Leah. 2008. Family Divided: The Class Formation of Honduran Transnational Families. *Global Networks* 8(): 329–346.

This article is drawn from in-depth interviews with 34 Honduran immigrants coupled with participant observation in Chelsea, a Central American enclave of Boston, in addition to 48 children and other family members of these U.S. respondents interviewed in San Pedro Sula, Honduras, between 2001 and 2005. The author finds that economic remittances bolster the expectations and generate middle-class, US-inspired lifestyles among children in Honduras, who as students in professional fields such as computing and industrial design express confidence in their future employment prospects in Honduras. Parents support these goals, working in low-paid jobs and legal limbo and hiding ('relativizing') their struggles when communicating with their children. This situation has serious consequences. Flows of economic and social remittances have fostered a lack of understanding among transnational youths of their parents' lives in the US, a hidden resentment of this by the parents, and a growing inequality within families. Furthermore, her data suggest that it will be difficult for transnational youths to meet their newfound expectations and maintain their lifestyles without a permanent flow of remittances and thus the ongoing separation of family.

Vullnetari, Julie, and Russell King. 2008. 'Does Your Granny Eat Grass?' On Mass Migration, Care Drain and the Fate of Older People in Rural Albania. *Global Networks* 8(2): 139–171.

This article deals with the issue of care drain after the collapse of the Albanian communist system and the ensuing mass emigration of up to ½ of the younger generation since 1990. Older people have been the main social casualties and some have had to forage for survival on a near-starvation diet, making broth from grass and weeds. The study is based on intensive author interviews in 2004-2006 with 38 older residents in a village cluster in southern Albania, and with 23 Albanian migrants from the same villages who had relocated to the Greek City of Thessaloniki. Remittances from emigrant children ensured adequate material well-being for some villagers, but in all cases a loss of locally-based trans-generational care and of intimate family relations was found, embedded in poignant narratives in which older people compared themselves to "orphans," logs, or bare trees left behind to die. Not only were they deprived of care, but as the authors point out, of care-giving for their children and grandchildren, without which their lives had little meaning. This study echoes an expanding literature documenting family disintegration in new remittance-receiving countries, and suggests the limits of transnationalism in providing emotional and physical sustenance for parents left behind.

Remittances in Broader Processes and Contexts

Topic 20 – Remittances and Rural-Urban Transformations

While internal and international migration tends to be part and parcel of broader processes of urbanisation and rural development, remittance inflows to migrant sending localities and regions tend to accelerate and transform these same processes. First, remittance inflows tend to increase the share of non-agrarian income among migrant and nonmigrant households. Second, migrants often prefer to invest remittances in nearby urban centres, thereby reinforcing existing tendencies of urbanisation. Third, return migrants often prefer to re-settle in urban centres with their families while remittances can also finance rural-urban migration of family members for work or study. Finally, the aggregate positive effects of remittances on income and employment growth in migrant sending regions have transformed some regions into relatively prosperous areas.

For instance, de Haas (2007) found that in Morocco an increasing share of return migrants prefer resettling and investing in urban centres within migrant sending regions (rather than capital cities), due to the presence of public amenities, schooling, employment opportunities and the greater potential for investment. Through urban-based real estate and business investments, remittances receiving households simultaneously capitalize on, and actively contribute to, the accelerated urban growth and concentration of economic activities in migrant boomtowns, which have become destinations for internal migrants.

Remittances also tend to contribute to accelerating rural transformations, albeit in very heterogeneous ways. Whereas under favourable agro-ecological conditions, remittances have enabled migrants to modernise agriculture and invest in land and cattle, in other cases remittances have led migrant households to de-intensify or wholly abandon agriculture. Taylor et al (2006) found that in rural Guatemala remittances have permitted the conversion of rainforest into cattle pasture and also resulted in the accumulation of land in the hands of migrants. Jones (2009), in a study of rural central Mexico, finds that remittances have enabled rural migrant households to improve their position relative to non-migrant households and relative to urban households—regarding income, possessions, and a variety of investments including agriculture and family businesses. Nevertheless, viewed over time (1988-2002), their villages are declining in both population and investment, such that remittance-based improvements in a diminishing number of households ring rather hollow. It is precisely the unfavorable conditions for agriculture, coupled with the exogenous factor of U.S. border militarization that hinders return migration, that have curtailed investment and transformed some villages into ghost towns. Nearby towns and county seats have absorbed some of the out-migration from these villages.

In a study of migration and agricultural change in an Ecuadorian sending region, Jokisch (2002) found that remittances have neither led to agricultural abandonment nor to agricultural improvements. However, large investment in housing converted much of the region into a peri-urban landscape of cultivated real estate. In some Moroccan rural regions, remittances have enabled investments in modern irrigated agriculture, whereas they have triggered abandonment in other regions (de Haas 2007). The same evidence from Morocco also suggests that agricultural production may decline in the short term as a result of the lost labour effect, whereas in the long term effects may be positive after agricultural systems have readjusted and migrants start to invest. This seems to be corroborated by a study of the effects of temporary labour migration from five African countries to South Africa's mines on agricultural production in countries of origin, in which Lucas (1987) finds that migration diminishes domestic crop production in the short run, but enhances crop productivity and cattle accumulation through invested remittances and increased domestic plantation wages in the long run. These findings demonstrate that the impact of migration and remittances should not been seen through a short-run lense, but should instead be studied with a longitudinal perspective.

There is a great need for research on interactions between international and internal migration, including the role of remittances in possibly facilitating a shift from rural to urban sectors. In fact, a lack of longitudinal data on migration and urban-rural transformations has hindered research in this area to date, and this seems to be a priority area for future research.

Topic 20 – Articles

de Haas, Hein. 2007. The Impact of International Migration on Social and Economic Development in Moroccan Sending Regions: A Review of the Empirical Literature." In *IMI Working Paper 3*. Oxford, United Kingdom: International Migration Institute, University of Oxford.

This paper reviews the impact of international migration on socio-economic development in sending regions. Migration and remittances have considerably improved living conditions, income, education and spurred economic activity through agricultural, real estate and business investment, from which non-migrants indirectly profit. This has transformed migrant-sending regions such as the Rif, Sous and southern oases into relatively prosperous areas that now attract internal 'reverse' migrants. Although this challenges prevailing pessimism, the developmental potential of migration is not fully realized due to several structural constraints. Migration impacts are heterogeneous across space, socio-ethnic and gender groups, and tend to change over time and household migration cycles. Depending on the specific development and investment context, migration and remittances may enable people to retreat from, as much as to invest in, local economic activities. Paradoxically, development in migrant-sending regions seems to be a prerequisite for return and investment rather than a consequence of migration.

Jokisch, Brad D. 2002. Migration and Agricultural Change: The Case of Smallholder Agriculture in Highland Ecuador. *Human Ecology* 30:523–50.

This paper examines the effects of international migration from two regions of Canar Province in Ecuador to metropolitan New York on agricultural production and land-use. Thousands of farmers from the highland provinces of Canar and Azuay, Ecuador, have immigrated to metropolitan New York, where they work in menial jobs and remit, as a group, millions of dollars annually. A small agricultural survey was administered in two communities to determine land-use and agricultural production of migrant and nonmigrant households. The results suggest that migration has neither led to agricultural abandonment nor have remittances been dedicated to agricultural improvements – refuting the two opposite hypotheses that predominate in the literature. Agriculture was not significantly affected by the large labor loss and the significant inflow of remittances. Semisubsistence agriculture remains an important riskaverse economic and cultural activity, but cultivation is a poor investment. A large investment in housing and land has converted much of the region into a peri-urban landscape of cultivated real estate.

Jones, Richard C. 2009. Migration Permanence and Village Decline in Zacatecas: 'When You Can't Go Home Again', *The Professional Geographer* 61(3):382-399.

This study is based on a survey of a stratified random sample of 301 households in Villanueva municipio (county), Zacatecas, in 1988, and 233 households in the same towns in 2002, employing the same questions and methodology. The results suggest that restrictive U.S. border policies in the intervening years, promoting both fewer initial migrants and more long-term stayers, have had a negative impact on village economies in the municipio. Although in both periods migrant families (those with at least one member working overseas at some point) held a distinctive edge on nonmigrant families in terms of possessions and productive investments, there was a decline in levels of investment and remittances in the municipio between 1988 and 2002. In the latter year, Villanueva had more nonmigrant families as well as more families with permanent migrants—both trends leading to less money remitted to rural families and lower agricultural investments. Observations and interviews with migrants and townspeople in the municipio in 2005 and 2008 strongly corroborate these trends. Rural villages are facing depopulation as migrant families settle for good in the United States while non-migrant families gravitate towards the county seat or nearby cities.

Lucas, Robert E.B. 1987. Emigration to South-Africa's Mines. *American Economic Review* 77 (3):313–330.

This article examines temporary labor migration from five countries to South Africa's mines. The author extends the analysis of labor withdrawal from agriculture to embrace long-term effects. What has been neglected is the possibility that earnings of migrants may serve as a source of capital accumulation in the rural areas. Emigration (a) diminishes domestic crop production in the short run; (b) enhances crop productivity and cattle accumulation through invested remittances in the long run; (c) increases domestic plantation wages. In both Malawi and Mozambique, emigration to South Africa's mines significantly inflated labor costs to the local estate and plantation operators. This points to the conflicting interests between employers in the sending countries and in the mines.

Taylor, Matthew J., Michelle J. Moran-Taylor, and Debra R. Ruiz. 2006. Land, Ethnic, and Gender Change: Transnational Migration and Its Effects on Guatemalan Lives and Landscapes. *Geoforum* 37 (1):41–61.

Based on extensive ethnographic fieldwork, this article analyses how migrants and their remittances effect gender relations, ethnicity, land use, and land distribution. Evidence is drawn from research in four communities. San Pedro Pinula and Gualan are communities of eastern Guatemala. San

Cristobal Totonicapan is an indigenous town in Guatemala's western highlands, and San Lucas is a lowland frontier community in the Guatemalan department of Ixcan, which borders Chiapas, Mexico. The results suggest that migrants and their financial and social remittances result in significant changes in land use and land distribution in Ixcan. Migrant money permits the conversion of rainforest into cattle pasture and also results in the accumulation of land in the hands of migrants. In terms of land use, we see in San Pedro Pinula that migrant money also allows the Pokoman Maya to make small entries into the Ladino (non-indigenous) dominated cattle business. In San Pedro Pinula, the migration and return of Maya residents also permits them to slowly challenge ethnic roles. Also in Gualan and San Cristobal migration and social remittances permit a gradual challenge and erosion of traditional gender roles. However, migration-related changes in traditional gender and ethnic roles is only gradual because migrants, despite their increased earnings and awareness, are confronted with a social structure that resists rapid change. Despite the advantages that migration brings to many families, especially in the face of a faltering national economy and state inactivity regarding national development, the analysis suggests that migration and remittances have not resulted in community or nation-wide development.

Topic 21 – Social Remittances

Over the past 10-15 years, the concern with social and cultural impacts of migration have tempered the optimistic functionalist literature of the 1980s and early 1990s, that tended to emphasize the positive economic consequences of remittances on origin societies. In 1998 Levitt coined the term "social remittances" to refer to the normative structures, systems of practice, and social capital that are transferred by migrants from host to sending communities. They accompany monetary remittances but also range far beyond them in terms of the characteristics of their transmission and the time over which they operate, as well as their bi-directionality. Social remittances are closely tied to the paradigm of transnationalism, which specifies a broad set of interchanges by which migrants and their families live in two societies at the same time.

Economic and social remittances share some of the same features. In both cases, as pointed out by Levitt and Lamba-Nieves (2011) in their study of two villages in the Dominican Republic, they may be individual as well as collective; may be transmitted by interpersonal contact or electronic means; and have multiplier effects that extend beyond their original spatial concentration on the family or the village (e.g., regarding social remittances, the "scaling up" of repatriated practices from the local to the regional and national). As these authors point out, however, social remittances may of themselves be negative as well as positive for the recipient (this is not the case with economic remittances, which almost always directly benefit the recipient, even though from a broader societal perspective they may generate inequality, dependency, etc.). They may also move in both directions, which barring an extreme reversal of fortunes, is not true with monetary remittances.

Another way in which social remittances are different is that they continue to shape origin societies long after monetary remittances cease. This occurs, in particular, through the mechanism of return migration. At the level of the individual, return migration truncates monetary remittances but continues and facilitates social remittances (i.e., their application is enhanced by the physical presence of the migrant to implement them). In a study of international migration from the Valle Alto, Bolivia, Jones (2010) focuses on household work, consumption, and investment patterns that distinguish return migrant households from other households, and that are likely to lead to economic growth through multiplier effects in local village economies. In returnee households, a higher proportion of members work, own a family business or a farm, purchase more business inputs locally, and make more business or farm sales outside the municipio, than in active migrant households. Social remittances, in the form of skills learned abroad and "modern" attitudes, in addition to greater local embeddedness, provided an explanation for this conclusion. However, as shown by De Bree, Davids, and de Haas (2010) for northeast Morocco, the successful re-integration of return migrants may just as likely be hindered by negative social remittances in the form of experiences abroad that compel the return. These experiences are themselves contingent upon the demographic profile of migrants. Males returning because of unemployment or divorce, and dependents forced to return due to decisions of household heads, integrated less successfully than males returning to retire or invest.

Social remittances include political attitudes and political participation in home country electoral and non-electoral politics. Guarnizo et al. (2003) document this for a large cross-sectional sample of Colombian, Salvadoran, and Dominican migrants in the United States. Higher educational levels, legal status, and greater economic mobility in the U.S. are associated with more participation rather than less, as would be predicted by the traditional assimilation model. Nevertheless, as pointed out in other research, political participation does not necessarily equate to progress; the reinforcement of power asymmetries and conflict between competing groups may tip these social remittances to the negative side. Nor do political attitudes, which clearly change as a result of migration, necessarily lead to more democratic and participatory stances on the part of migrant families and return migrants—even when migrants return from working in societies more nominally democratic than those they left. Rother (2009), interviewing returnees to the Philippines from three Asian employment destinations, finds no relationship between support for democratic ideals and the level of democracy in the country of destination based on Freedom House ratings. Positive experiences of the migrants in the enclaves where they work may result in their evaluating the country's regime positively on measures of human rights and transparency, despite their undemocratic nature based on objective criteria.

Topic 21 – Articles

de Bree, June, Tine Davids, and Hein de Haas. 2010. Post-Return Experiences and Transnational Belonging of Return Migrants: A Dutch–Moroccan Case Study. *Global Networks* 10(4): 489-509.

This article summarizes results of a non-random sample of 14 Moroccan return migrants assisted by a Dutch foundation in their re-entry to Morocco, and 9 other returnees (not seeking such assistance) located by chain referral sampling, in northeast Morocco in 2006-2007. It addresses the question of how transnational experiences in the host country (the Netherlands), as mediated by age, gender, and motivation for return, shape feelings of transnational belonging upon return to Morocco. Detailing economic and social dimensions of transnational behavior through the lens of a typology of return migration pioneered by Cerase, the authors find that return migrants are not automatically re-accommodated into Moroccan society. Instead, they must renegotiate their position in it. Men who returned involuntarily due to unemployment, divorce, or illness found themselves alienated but nevertheless considered themselves superior to native Moroccans, Dependents who returned involuntarily experienced problems being accepted in Moroccan society. Men who returned voluntarily, however, maintained their social networks and had a positive view of the host society, looking to their retirement or investment there. They maintained supportive social and economic infrastructures in Morocco and used their positive social capital and ties to the Netherlands to better their position back home. Social remittances from their Dutch experience were parlayed into their successful re-integration.

Jones, Richard C. 2010. "The Local Economic Imprint of Return Migrants in Bolivia: a Case of Embeddedness and Social Remittances. *Proceedings of the Conference on Trans-Atlantic Perspectives on International Migration: Cross Border Impacts, Border Security, and Socio-Political Responses.* The University of Texas at San Antonio, March 4-5.

Drawing upon Granovetter's notion of embeddedness and Levitt's concept of social remittances, the author argues that return migrants are able to mobilize social capital to induce local multiplier effects and contribute to the economic base of their communities. The research is based on a 2007 survey of 417 randomly-selected households from three municipios in the Valle Alto of Bolivia, near Cochabamba. Return migrant households (those in which at least one member worked abroad in the past, but none were active at the time of the interview) were more likely to work locally, to own a family business, to purchase business inputs locally, and to sell products or services outside the municipio, than were active migrant households. This was true in spite of the fact that returnees were older, less-educated, and earned less abroad than active migrants. This "negative selectivity" was unimportant vis a vis their family and business contact networks in Bolivia and the systems of practice and social capital with which they returned from abroad and which furthered their economic involvement in Bolivia.

Guarnizo, Luis, Alejandro Portes, and William Haller. 2003. Assimilation and Transnationalism: Determinants of Transnational Political Action among Contemporary Migrants. *American Journal of Sociology* 108 (6): 1211–1248.

This study is derived from the Comparative Immigrant Enterprise Project (CIEP), and based on qualitative and quantitative data gathered from 353 key informants in areas of immigrant concentration in the United States and 1,202 adult family heads in the countries of origin: Colombia, the Dominican Republic, and El Salvador. The conclusions refute the traditional assimilational model that poses stronger home-country political ties for less-educated, less-mobile migrants with shorter residence times at that the destination—finding relationships that are just the opposite. Most significant are differences by nationality. Colombians want little to do with their country's politics, having escaped a situation of profound instability, official corruption, and widespread violence. The return to social peace in El Salvador and the relative political stability in the Dominican Republic facilitate regular cross-border ties by their expatriates. The authors caution that based on their analyses, transnational political action is regularly undertaken by a small minority, is socially bounded across national borders, occurs in quite specific territorial jurisdictions, and appears to reproduce preexisting power asymmetries.

Levitt, Peggy, and Lambda-Nieves. 2011. Social Remittances Revisited. *Journal of Ethnic and Migration Studies*. Forthcoming.

This article is based on continuous research by the first author in one Dominican community in Boston, coupled with semi-structured interviews and observations carried out by the second author with 50 members of this and an adjacent community, both in Boston and in the Dominican Republic. To bring the original concept of social remittances into line with much recent research, they discuss cultural as well as social remittances, collective remittances, the interplay between positive and negative flows, bi-directional flows, and the scaling out (or multiplier) effects of remittances in the context of their Dominican case study. A key idea is that migrants bring pre-existent skills and interests, for example community organizational capacity and a passion for baseball; refine these in the host setting; and remit these refined attitudes and skills back home (for example, accountability and efficiency in the implementation of a community ambulance service and a sports complex). Unlike the case of economic remittances, social remittances may be positive (calls for government transparency) or negative (conflicts stemming from disagreement on how collective funds should be spent) and they may be bi-directional (starting with pre-selected traits of the migrants). Finally, political accountability at the local level may spread upward to higher levels of governance.

Rother, Stefan. 2009. Changed in Migration? Philippine Return Migrants and (Un) Democratic Remittances. *European Journal of East Asian Studies* 8(2): 245-74.

The inculcation of democracy as a social remittance is still indeterminate in the migration literature. The author compares attitudes in support of democratic principles for 1000 return migrants and 1000 pre-trip contracted migrants from the Philippines (as controls), matched on a "statistical twins" design for three Asian destinations during 2005-2008. These destinations were specifically chosen to test the expectation that returnees from the most democratic state (Japan) would display the strongest support for democratic ideals, and those from the least democratic (Saudi Arabia) would show the least support, with those from Hong Kong (moderately democratic) falling somewhere in between. All respondents rated democratic structures less favorably in the Philippines (it was viewed as a 'defective democracy') than in any of the three destinations. In general the results were quite contrary to expectations, with declines in support of democratic ideals (between pre-trip and post-trip cohorts) for returnees from Saudi Arabia and Japan, and no change for returnees from Hong Kong. The author explains this by the particular demographics and experiences of the migrant groups: (1) male construction workers to Saudi Arabia saw the material progress of the country and thus rated autocracy positively; (2) female migrants to Japan saw the government make no effort to protect them in the exploitative night-club enclaves where they performed, and rated democracy negatively; (3) female Hong Kong domestic workers found both good working conditions and government activism on their behalf, and rated democracy positively. Thus, migrants' own backgrounds, and their 'specific support' of democracy based on its outcomes for them, may be more important than 'diffuse support' for democratic ideals.

Topic 22 – Remittances, Diasporas and States

Diasporas are an important and long-standing feature of the migration experience. Researchers have argued that diasporas can have a significant effect on their countries of origin through their economic and social linkages, particularly during times of civil conflict, war and insecurity. As the flow of remittances from international migration has increased, interest in the economic and social impact of remittances from diasporas has grown.

Several studies rely on the case study approach to illuminate the remittances sent by diasporas. Koser (2003) explores the Eritrean Diaspora and provides a detailed picture of the close involvement of a migrant population in the political and economic life of its country of origin. An interesting issue highlighted in his study is that since independence, adult Eritreans abroad have been asked by their governments to provide a voluntary contribution of their annual income to their homeland.

Empirical studies on diasporas and remittances face significant data challenges because existing data sources do not often provide information about the size of diaspora populations in the host economies. However, some insights can be drawn from studies that study how the size and strength of family and community networks in host and origin communities impact remittance flows. Funkhouser (1995) for example, finds that the greater the number of family migrants, the lower probability of sending a transfer and the contribution from an individual migrant, other things being equal. However, diaspora networks may also affect the migration decision and earnings opportunities in the host environment.

A current question in the literature is how sending countries can engage diaspora populations in order to maximize remittance and impact development in their homelands. For example, the Chinese and Indian diasporas have fueled development in their countries via both cash remittances and their direct engagement associated with the remittances. Many sending countries have sought to develop policies to maximize the amounts of remittances sent back and to stimulate investments by migrants. Remittances may be viewed as a vital source of foreign exchange and a major instrument of national economic development. In the Asian and Pacific context, this has also been referred to as the MIRAB model (Bertram 1986). This is as a national development model, in which a combination of "migration, remittances, aid, and (government) bureaucracy" is expected to contribute to the economic take-off of developing countries.

Over the past decade, many sending states have embarked upon more inclusive diaspora engagement policies through extending special political and economic rights to emigrants and allowing dual citizenship (Gamlen, 2006). Besides fostering ties with migrants and their descendants, improving banking systems and improving competition on remittance markets is seen as a vital strategy to prevent remittances from declining. The Moroccan state, for example, has been rather successful in stimulating remittances through a combination of Diaspora engagement policies, the creation of a network of banks abroad as well as macro-economic, fiscal measures favoring migrants to remit money (de Haas and Plug, 2006). Although such policies to attract remittances may yield some success, past experiences suggest that it is unlikely that increased remittances alone can trigger national economic development, as this requires creating institutional environments that are attractive for migrants to invest in.

Topic 22 – Articles

Bertram, Geoffrey. 1999. The Mirab Model Twelve Years On. *Contemporary Pacific* 11:105–138.

Developed in the mid 1980s to explain economic processes in New Zealand's sphere of influence in the Pacific islands, the MIRAB model has proved applicable across a wide range of island economies. Identifying features of a MIRAB economy are heavy reliance on transfer payments, including repatriated factor incomes, to finance current expenditure; a migration process that disperses the members of ethnic groups across geographical space while retaining the organic unity of families and communities; and a consequent transnationalization of the society's economic activity whenever external niches of economic opportunity become accessible. Production of tradable goods is marginalized by the operation of market forces in the absence of regulation, and policies to promote tradable-led development have little application. The paper presents macroeconomic data to illustrate three stylized facts for MIRAB economies: persistent gaps between national expenditure and gross domestic product, a combination of large trade deficits with balanced current accounts (and hence limited debt accumulation), and the long-run stability of per capita aid flows. Some country-specific variations on the basic MIRAB model in the recent literature are reviewed, along with some recent economic literature on the microeconomics of transnational networks of kin and community.

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* 40:603–634.

In contrast to earlier predictions, migrant remittances from Europe to Morocco have shown an increasing trend over the past decades. Remittances constitute a vital and relatively stable source of foreign capital. The so-called "euro effect" and concomitant money laundering can only explain part of the recent, extreme surge in remittances. The structural solidity of remittances is explained by the unforeseen persistence of migration to northwestern Europe; new labor migration toward southern Europe; and the durability of transnational and transgenerational links between migrants and stay-behinds. The stable economic-political environment and new "enlightened" policies toward migrants explain why Morocco has been relatively successful in channeling remittances through official channels.

Funkhouser, Edward. 1995. Remittances from International Migration: A Comparison of El Salvador and Nicaragua. *The Review of Economics and Statistics* 77 (1):137–146.

This paper uses household data from El Salvador and Nicaragua to examine the determinants of remittances from international migration. Nearly twice as many households in San Salvador, the capital of El Salvador, receive remittances from relatives abroad than do households in Managua, the capital of Nicaragua, and of those who receive remittances, the average remittance received in San Salvador is over double that in Managua- $119/month to $45/month The author finds that the role of observable characteristics in explaining differences in the level of remittances, accounting for the self-selection in the decision to remit, is not large. The difference is explained by differences in the behavioral coefficients and by differences in the self-selection bias of those who remit out of the pool of emigrants between the two countries. The number of family migrants abroad has a negative impact on the propensity to remit and the amount remitted by an individual migrant.

Gamlen, Alan. 2006. Diaspora Engagement Policies: What Are They, and What Kinds of States Use Them? In *Working Paper 06-32*. Oxford: Centre on Migration, Policy and Society (COMPAS), University of Oxford.

This paper presents an original typology of diaspora engagement policies intended to facilitate comparative research. The typology is arises from a two part argument: a) that diaspora engagement policies consist of a diversity of measures aimed at (re)producing citizen-sovereign relationships with expatriates, and b) that these measures can be coordinated as part of states' attempts to manage the scale of their political and economic manoeuvres. By using the typology to systematically review the diaspora engagement policies of over 70 states, the paper questions four key assumptions in existing literature on diaspora engagement policies, establishing that they are compatible with two models of citizenship, and arguing that they are not confined to any one kind of state.

Koser, Khalid. 2003. Mobilizing New African Diasporas: The Eritrean Case Study. In *New African Diasporas*, edited by K. Koser. London: Routledge.

In this chapter, Koser examines the the relationship between the Eritrean government and Diaspora. He argues that the Eritrean state has been able to build on the pre-war link between the Eritrean Diaspora and the government to mobilize support from the Diaspora and finance the Eritrean-Ethiopian conflict. In the post-independence era, the state has intensified its efforts to enhance its relationship with the Diaspora. The state has employed multiple strategies including the re-opening political offices in major host countries, the revitalization of Eritrean relief associations; and the participation of the government in events organized by migrants. Koser recognizes diaspora communities' growing disillusionment with the government, and the emerging religious, ethnic and political factions in the post-independence era.

Topic 23 – Remittances, Environment and Natural Disasters

Recent studies have shown that remittances may be of considerable importance during crises and economic and political insecurity. During natural disasters, emergencies, conflict or war, remittances may provide a relatively stable source of income, and contribute significantly to household welfare. Because formal market transactions tend to be disrupted and government capacity may be limited in times of insecurity, researchers and policymakers have shown a growing interest in understanding how remittances can help mitigate the economic shocks that impact crisis-affected populations.

One strand of the literature on this topic is largely descriptive. For example, Ismail (2000) provides a descriptive overview of the role of remittances, provided by a large diaspora of migrant workers and refugees, in post-war Somaliland. Based on field-work conducted in Somalia, the paper discusses trends in the size, sources, means of transferring remittances, distribution and use of remittances, their role in livelihoods and in the country's economic recovery and future prospects. The author suggests that remittances have contributed to the rapid growth of a vibrant private sector in the post-war period. However, the economic impact of remittance flows may also be limited by the lack of credit schemes and facilities for saving.

Another strand of literature aims to measure the degree to which remittance flows respond to natural disasters and shocks. Yang (2006) examines the impact of hurricane exposure on international resource flows, including remittances to developing countries. The author finds that the impact of hurricane exposure on resource flows varies according to the receiving country's income level. In the poorer half of the sample, hurricane exposure leads to a substantial increase in migrants' remittances, such that total inflows from all sources in the three years following hurricane exposure amounts to roughly three-fourths of estimated damages. However, in the richer half of the sample, hurricane exposure stimulates inflows of new lending from multilateral institutions, but induces declines in private financial flows that are very large.

A central question then is whether remittances can provide insurances in the face of shocks induced by natural disasters and other emergencies. Clarke and Wallsten (2003) examine whether remittances can insure households against income shocks, using a longitudinal household-level data set from Jamaica. The panel dataset includes remittance information as well as detailed self-reported information about damage incurred due to a major hurricane (Hurricane Gilbert in 1988). The authors conclude that remittances act as insurance, but only partially: parameter estimates suggest that remittances increased by only about 25 cents for every dollar of hurricane damage experienced by a given household. The authors rely on household fixed effects to deal with unobserved heterogeneity and potential moral hazard problems.

Yang and Choi (2007) investigate whether remittances sent by overseas migrants serve as insurance for recipient households using a nationally representative household survey from the Philippines. The authors find that remittances from international migration respond to income shocks experienced by Philippine households. In particular, changes in income are found to lead to changes in remittances in the opposite direction, consistent with insurance motives. About 60 percent of declines in household income are replaced by remittance inflows from overseas. Because household income and remittances are jointly determined, rainfall shocks are used as an instrumental variable for income changes. The authors conclude that while consumption in households with migrant members is unchanged in response to income shocks, while consumption responds strongly to income shocks in households without migrants.

A final strand in the literature treats remittances as a monetary substitute for resources that have been exhausted by a combination of physical environmental change and human environmental degradation. An example is the study by Massey et al. (2010) that predicts out-migration from a valley in Nepal with instrumental variables reflecting environmental change, controlling for socio-economic factors. Beyond episodic environmental events are more insidious processes whose impacts are important over longer time periods. In the past, data availability, operationalization problems (the scale at which different environmental variables operate), and disciplinary myopia have presented obstacles for researchers. Now, as the literature begins to recognize that environmental forces are indisputable exogenous forces in migration and remittances, researchers will hopefully begin to tackle these problems.

Topic 23 – Articles

Ahmed, Ismail I. 2000. Remittances and Their Economic Impact in Post-War Somaliland. *Disasters* 24 (4):380–389.

This paper provides a descriptive overview of the role of remittances, provided by a large diaspora of migrant workers and refugees, in post-war Somaliland. Based on field-work conducted in Somalia, the paper discusses trends in the size, source, means of transfer, distribution and use of remittances, their role in livelihoods and in the country's economic recovery and future prospects. The total value of remittances, originating mainly from migrant labor in the Middle East and more recently an exodus of refugees to the West, and greatly facilitated by the growth of telecommunications in Somaliland and of remittance agencies, is estimated at some US$500 million annually — around four times the value of livestock exports. Contrary to the prevailing view that remittances are mainly used for consumption and unproductive investments such as housing and land, the author suggests that in Somalia, the author suggests that remittances have contributed to the rapid growth of a vibrant private sector. However, remittance flows have also been associated with a number of negative side-effects such as the loss of the skilled labor, increased income inequality and booming sector effects, and their positive impact is limited by the present lack of credit schemes and facilities for saving.

Clarke, George R.G., and Scott Wallsten. 2003. Do Remittances Act Like Insurance? Evidence from a Natural Disaster in Jamaica (Working Paper). Development Research Group:Unpublished Working Paper.

This paper examines whether remittances can insure households against income shocks, using a longitudinal household-level data set from Jamaica. The panel dataset includes remittance information as well as detailed self-reported information about damage incurred due to a major hurricane (Hurricane Gilbert in 1988). The authors conclude that remittances act as insurance, but only partially: parameter estimates suggest that remittances increased by only about 25 cents for every dollar of hurricane damage experienced by a given household. The authors rely on household fixed effects to deal with unobserved heterogeneity and potential moral hazard problems.

Massey, Douglas S., William Axinn, and Dirgha Ghimire. 2010. Environmental Change and Out-migration: Evidence from Nepal. *Population and Environment* 32: 109–136.

This article re-conceptualizes remittances as a source of replacement for environmental resources that have been degraded, as when migrant families must purchase fossil fuels to replace ever scarcer firewood or fertilizers to stem declines in agricultural productivity due to deterioration of local soils. It draws upon a large multi-stage cluster sample (n=5,271) of adults living in the Chitwan Valley, Nepal, in 1996. The authors tap into the literature on environmental change and resource exhaustion in rural societies to develop indicators for environmental conditions in encompassing "neighborhoods" expected to influence out-migration (defined as leaving home for a non-education or marriage purpose for at least one month), along with controls for social and economic variables that are usually employed by social scientists to explain migration. Their logit-probit model uncovers a significant direct relationship between short-distance moves (within the Valley) and perceived decline in agricultural productivity, time needed to collect firewood and fodder, and absence of vegetational cover. Long-distance moves are predictable only from perceived productivity decline. They also show that effects of environmental change vary by gender and ethnicity, with women being more affected by changes in the time required to gather fodder and men by changes in the time to gather firewood, and high-caste Hindus generally being less affected than others by environmental change.

Yang, Dean. 2008. Coping with Disaster: The Impact of Hurricanes on International Financial Flows, 1970-2002. *The B.E. Journal of Economic Analysis & Policy* 8 (1) (Advances), Article 13.
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This paper examines the impact of hurricane exposure on international resource flows, including remittances to developing countries. Using meteorological data, the author constructs a time-varying storm index that accounts for the fraction of a country's population exposed to storms of varying intensities over time. The author finds that the impact of hurricane exposure on resource flows varies according to the receiving country's income level. In the poorer half of the sample, hurricane exposure leads to a substantial increase in migrants' remittances, such that total inflows from all sources in the three years following hurricane exposure amounts to roughly three-fourths of estimated damages. However, in the richer half of the sample, hurricane exposure stimulates inflows of new lending from multilateral institutions, but induces declines in private financial flows that are very large.

Yang, Dean, and HwaJung Choi. 2007. Are Remittances Insurance? Evidence from Rainfall Shocks in the Philippines. *The World Bank Economic Review* 21 (2):219–248.

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This paper investigates whether remittances sent by overseas migrants serve as insurance for recipient households using a nationally representative household survey from the Philippines. The authors find that remittances from international migration respond to income shocks experienced by Philippine households. In particular, changes in income are found to lead to changes in remittances in the opposite direction, consistent with insurance motives. About 60 percent of declines in household income are replaced by remittance inflows from overseas. Because household income and remittances are jointly determined, rainfall shocks are used as an instrumental variable for income changes. The authors conclude that while consumption in households with migrant members is unchanged in response to income shocks, while consumption responds strongly to income shocks in households without migrants.

Additional Resources

Topic 24 – Web Resources on Remittances and Development

FINANCE AND DEVELOPMENT INSTITUTIONS

- **International Monetary Fund**
  The IMF provides definitions, guidelines for compiling data, and statistics about remittances as part of its keeping track of balance of payments between nations. This page provides a link to the *IMF's Balance of Payments and International Investment Position Manual*, which defines remittances and provides guidelines for collecting and preparing remittances statistics.
  http://www.imf.org/external/np/sta/bop/remitt.htm

- **World Bank Group**
  Various departments and programs of the World Bank and the International Finance Corporation provide data, analysis, and policy regarding remittances and their impact on development.

  - **The Development Prospects Group** seeks to monitor and forecast remittance and migration flows and to provide timely analysis on topics such as remittances, migration, and diaspora issues related to general global economic trends, The webpage links to the *Migration and Remittances Factbook*, which has been updated to 2011 and provides annual remittance data beginning in 1997 for 210 countries, regions, and income groups of the world and to other resources and publications related to remittances.
    http://econ.worldbank.org/WBSITE/EXTERNAL/EXTDEC/EXTDECPROSPECTS/0,,contentMDK:21121930~menuPK:3145470~pagePK:64165401~piPK:64165026~theSitePK:476883,00.html

  - **The Poverty Reduction and Equity Group's** webpage on Migration and Development links to a publication on the *International Migration of Women* and to other reports and data related to remittances.
    http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTPOVERTY/0,,menuPK:336998~pagePK:149018~piPK:149093~theSitePK:336992,00.html
    This group prepares two of the bank's "flagship" publications:
    1- ***Global Development Finance***. Chapter of the 2003 issue is widely credited with having brought public attention to remittances and development:
    http://siteresources.worldbank.org/INTRGDF/Resources/GDF2003-Chapter7.pdf

2- *Global Economic Prospects*. The 2006 issue focuses on the economic implications of remittances and the bank's policy to reduce remittance transaction costs: http://econ.worldbank.org/WBSITE/EXTERNAL/EXTDEC/EXTDECPROSPECTS/GEPEXT/EXTGEP2006/0,,contentMDK:20709766~menuPK:1026823~pagePK:64167689~piPK:64167673~theSitePK:1026804,00.html

- **The Development Research Program on International Migration and Development** gathers data and conducts analysis the Determinants and Impact of Migration and Remittances. This site describes the methods and findings of household survey research about the impact of remittances on poverty and inequality related to health, education, housing, and entrepreneurship for Guatemala, Mexico, Ghana, New Zealand and Samoa: http://econ.worldbank.org/WBSITE/EXTERNAL/EXTDEC/EXTRESEARCH/EXTPROGRAMS/EXTINTERNATIONAL/0,,contentMDK:20665598~isCURL:Y~menuPK:1719317~pagePK:64168182~piPK:64168060~theSitePK:1572893,00.html

- **Financial and Private Sector** webpage on **Payment Systems and Remittances** provides documents describing the bank's research and policy to reduce costs and increase the efficiency, reliability, and security of remittance transfers: http://www.worldbank.org/paymentsystems

- The **Gender and Development** webpage provides access to research publications that address gender and remittances, which can be found by searching for "remittances" on this website: http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTGENDER/0,,menuPK:336874~pagePK:149018~piPK:149093~theSitePK:336868,00.html

- **People Move: A Blog about Migration, Remittances, and Development**
  Initiated by lead economist Dilip Ratha, this blog provides access to data, analysis, and commentary on current trends related to remittances and development as written by six regular bloggers and eight guest bloggers, all of whom work for the bank: https://blogs.worldbank.org/peoplemove/

- **Inter-American Development Bank**
  The IDB's Multilateral Investment Fund (FOMIN) reports on its

policies toward enhancing remittance flows and their development impacts and provides data and research reports about remittances and their impact to Latin American and the Caribbean from all parts of the world.
http://www.iadb.org/mif/subtopic.cfm?language=English&SUBTOPIC=REMS&TOPIC=

- **Department for International Development (UK)**
The DfID Remittance Information Library, which is called "Money Move," provides comprehensive thematic and geographically categorized links to publications on remittances.
http://www.moneymove.org/English/httpdocs/dril0.cfm

  Searching the DfID website for "remittances" turns up additional DfID studies, reports, news and resources:
http://www.dfid.gov.uk/

  DfID's strategy toward migration and development, including remittances, is described in a policy paper, "Moving Out of Poverty, Making Migration Work Better for Poor People": http://www.dfid.gov.uk/pubs/files/migration-policy-paper-draft.pdf

- **United States Agency for International Development**
The USAID's Global Development Partnership program, which links public and private enterprise, has launched a Diaspora Networks Alliance (DNA) to leverage migrant resources, including remittances, for development.
http://idea.usaid.gov/gp/diaspora/diaspora-network-alliance-dna

  A "PDF Full Text Search" for "remittances" in the USAID publications library, Development Experience Clearing House, provides access to many research and policy publications related to remittances.
http://dec.usaid.gov/

- **International Organization on Migration**
The IOM supports policy and research activities related to migration and development. A search for "remittances" yields many of IOM's publications on the topic generally and in numerous countries.
http://www.iom.int/jahia/jsp/index.jsp

- **Overseas Development Institute**
ODI is a research and policy organization that has focused on international and internal migration and development, including remittances:
http://www.odi.org.uk/themes/migration/#remittances

ODI has examined remittances during crises: implications for humanitarian response
http://www.odi.org.uk/HPG/remittances.html

UNITED NATIONS

- **United Nations Economic Commission for Europe**
  A search for remittances on the UNECE homepage provides access to numerous research and policy documents of interest.
  http://www.unece.org/unece/welcome.html

  For researchers interested in household surveys, a joint meeting of the UNECE, World Bank, and US Census Bureau on January 14-15, 2008 examined the use of household surveys in measuring remittances in sending and receiving countries. The agenda of the meeting and conference papers can be found at:
  http://www.unece.org/stats/documents/2008.01.migration.htm

- **United Nations, Department of Economic and Social Affairs, Statistics Division**
  Searching for "remittances" at this website yields numerous reports on the definition, measurement, research publications, and policy activities related to the United Nations.
  http://unstats.un.org/unsd/default.htm

- **United Nations, Department of Economic and Social Affairs, Population Division** organized for state members of the UN a High Level Dialogue for on Migration and Develoment, which took place 14-15 September 2006 in Turin. A second High Level Dialogue is expected to assess the recommendations of the meetings of the Global Forum on Migration and Development (see below) Some of papers prepared for this meeting covered remittances.
  http://www.un.org/esa/population/migration/turin/index.html

- **United Nations International Research and Training Institute for the Advancement of Women (UN-INSTRAW).**
  Initiated in 2004 the UN-INSTRAW project on Gender, Migration, Remittances, and Development provides access to data, research reports (remittances to Lesotho, Dominican Republic, Senegal, Philippines), publications, news, and other resources with a gender perspective.
  http://www.un-instraw.org/

RESEARCH CENTERS

- **Institute for Development Studies, University of Sussex**
  The IDS website "Livelihoods Connect" provides a general overview of remittance and development issues and links to international conference agendas and papers and publications on the role that remittances play in the livelihoods of people during emergencies. There are also links to a large number of organizations researching remittances.
  http://www.livelihoods.org/hot_topics/migration/remittancesindex.html#3

- **Institute for the Study of International Migration**
  ISIM has organized a Research Consortium on Remittances in Conflicts and Crises, which coordinates between international researchers and provides links to studies by some of it members.
  http://isim.georgetown.edu/pages/RCRCC.html

OTHER RESOURCES

- **Financial Action Task Force**
  The FATF is an inter-governmental body whose purpose is the development and promotion of national and international policies to combat money laundering and terrorist financing.
  http://www.fatf-gafi.org/pages/0,2987,en_32250379_32235720_1_1_1_1_1,00.html

- **Global Forum on Migration and Development**
  Created by state members of the United Nations to promote positive relations between migration and development, the Global Forum on Migration and Development has met three times – in Brussels 9-11 July 2007, in Manila 27-30 October and in Athens 2-5 November 2009. On the GFMD website, a reader can search for "remittances" which will provide access to 29 or more documents on remittances in relation to various topics and countries.
  http://www.gfmd.org/

- **Migrant Remittances Newsletter**
  Migrant Remittances is a quarterly e-newsletter providing information about news and trends in migrant remittances, the latest in remittances research, and links to valuable publications and events. The newsletter is a co-publication of USAID and DFID. It is aimed at USAID staff, donors, financial service providers, and other interested parties. Subscriptions and back issues are available.
  http://www.thedialogue.org/migrantremittancesnewsletter

- **Migration Policy Institute**
  The organization's Global Remittances Guide provides data on remittances as they are linked to both international migration and development. To provide a portrait of global remittance flows, the guide leverages remittance data compiled by the **World Bank's Development Prospects Group** on more than 150 countries.

  The regional and country profiles displayed through the Global Remittances Guide:
  - Provide time series of formal remittance flows;
  - Compare remittances to GDP and critical financial flows including foreign direct investment,
     commercial service exports, merchandise exports, agricultural exports, and official
     development assistance;
  - Provide relevant international migration and socio-economic development data;
  - Display estimates of informal remittances from various sources;
  - Identify national economic and demographic sources relevant to remittances; and,
  - Suggest references for further research.

  To provide a portrait of global remittance flows, the guide leverages remittance data compiled by the **World Bank's Development Prospects Group** on more than 150 countries.

  A full **Remittances Glossary** is available along with **Further Readings on Migration and Development topics**.

  This data tool is a project of the Migration Policy Institute's ***Migrants, Migration, and Development*** program.

  The organization's Migration Information Source provides policy analysis, reporting, and summaries of findings by leading researchers. A search for "remittances" yields over 35 publications on various aspects of remittance flows, their impact on development, and policies for development.
  http://www.migrationinformation.org/search.cfm

- **Red Internacional de Migracion y Desarrollo/International Network on Migration and Development**
  This organization promotes research and practice that document and support positive relations between development and migration. With individual and institutional members the organization organizes an international conference every two years and publishes a bi-annual

journal, *Migraciones y Desarrollo,* which is available on line. A search for "remesas" and "remittances" pulls up book, reports, and research articles by members of the red/network in Spanish and English. http://migracionydesarrollo.org/

- **Centro de Investigación y Cooperación Especializado en Remesas de Emigrants**
  This organization provides Spanish-language access to news, research, and other web resources particularly related to the organization's activities in Spain -- capacity building, investigations, and cooperation, which are organized to enhance the development contributions of remittances http://www.remesas.org

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