



PERSPECTIVES

Should governments encourage migration?

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It would seem self-evident that governments will not want to encourage migration since it will not be in their interest. Encouraging migration can lead to the weakening if not the dissolution of the state, which after all only exists because its citizens have voluntarily agreed to incorporate themselves by relinquishing some of their individual rights in return for social order and for civil rights guaranteed by the state. Migration, at least of the permanent variety, is by contrast an act of opting out of the social contract with one group of individuals (the origin state) and joining another (destination state). Assuming that no state wishes to “self-destruct,” one could assume that governments (used here loosely as the chief agency of the state) would not want to encourage migration.

Encouraging migration can only be interpreted as a sign of serious failure of the state, an indication that the polity created by social contract among its citizens has not brought about the expected benefits. On the other hand, it is more understandable why governments would want to encourage migration since expanding membership (more individuals joining the social contract) means more hands

available to attain common goals, a larger market that would reward specialization and the economies that it implies, and greater weight as a player in international affairs.

Since contemporary migration largely consists of the movements of so-called guest workers, most of whom are on “short-term” contracts, we assume that the question applies to encouragement by governments of the short-term employment of their nationals abroad. This is much more consistent with the logic of the state since the migrants continue to be members of the origin polity and are in fact contributing substantially to its welfare through the incomes they send home. Many are arguably not temporary migrants since they tend to repeatedly go abroad for employment, but they do not migrate with their families and thus maintain their links with their home societies. The term “transnationals” has recently been coined to refer to these people.

The main threads of arguments against promoting migration have been built on real and perceived social and economic consequences of the phenomenon. Migration means losing to other countries valuable human resources in whose development public monies have been invested. It means driving up wages, which might make local industries less competitive in global markets. It means making vital services like those of public health and public education more expensive to maintain, and driving a wedge in incomes between those who are able to migrate and those who stay at home. The severity of these consequences depends, however, on whether migration is permanent or temporary. Other consequences frequently attributed by sociologists to migration include delinquency among children with parent/s abroad, breakdown of marriages, and what many lament as the spectacle of conspicuous consumption among the *nouveaux riches*—or those members of the lower classes who, tasting money for the first time, spend beyond their means.

The question has been raised because, paradoxically, many governments indeed appear to be encouraging their nationals, especially their workers, to migrate. A recent survey conducted by the International Labor Organization (ILO) of all its member states is instructive. Among ninety-three member states that responded, forty-six reported having national authorities placed in charge of labor emigration.¹ Of these, thirty-eight states have policies regarding the employment of their nationals in foreign countries, thirty regularly enter into agreements with foreign employers, and twenty-nine actually recruit nationals for employment abroad. In Asia, almost all developing countries have

policies and programs for placing their nationals in employment abroad. They include countries belonging to a wide spectrum of economic and political philosophies, from China and Vietnam on one end to Thailand and the Philippines on the other.

Although Japan already had a government-sponsored program that sent farmers to Hawaii and to South America in the 1920s, we trace the origin of many government programs on migration to several decades later, or the 1970s. Faced with high unemployment in the early 1970s, the Republic of Korea created the Korean Overseas Development Corporation (KODCO) whose main function was to recruit Korean workers for work abroad. By the early 1980s, five states in India were already operating public corporations (the so-called overseas employment corporations) whose main business was to find jobs abroad for Indian workers. Pakistan created a similar corporation at around the same time, followed later by Bangladesh. In the Philippines the Department of Labor created in 1975 the Overseas Employment Development Board and the National Seamen Board, which a few years later were merged into the Philippine Overseas Employment Administration (POEA), all with the dual functions of regulating recruitment and promoting overseas employment.

Other governments in Asia and Africa, as well as in Central Asia and Eastern Europe, have since followed suit to legislate new powers for national agencies to promote labor migration. Notable among these were the Russian Federation where a new law was passed soon after the dissolution of the Soviet Union, allowing the operation of private recruitment companies to service foreign employers; Georgia and Azerbaijan, which also licensed private recruitment agents and encouraged them to find jobs for their nationals in foreign labor markets; and more recently Albania where private agencies have been authorized to look outside the country for employment opportunities. Even the Islamic Republic of Iran has similar policies and programs for promoting employment abroad. In Africa, programs to promote the placement of nationals in foreign employment were already established by the early 1990s in Kenya, Nigeria, Senegal, and even earlier in the countries supplying workers to South Africa.

How can all these governments be “deluded” into thinking that they have something to gain from encouraging migration?

It is clear that there is something more fundamental behind these actions of states than the possible mistakes of their leaders. The countries that have adopted these programs include some of the

world's most dynamic economies like the Republic of Korea and Thailand, which were later transformed by rapid economic growth from being countries of emigration to countries of immigration. One might also note that the campaign for the liberalization of trade in services (some of which are arguably a form of migration) is led by some of the more dynamic developing countries including India and China. It is thus not only economies on the fringes of global development that view migration as a valid policy option.

One can indeed convincingly argue, as many leaders have done in the past, that sending a part of the labor force abroad when an economy is unable to absorb them into productive employment at home makes a lot of sense as a temporary development strategy. A country's demographic structure may, for instance, see a surge in the population joining the workforce who cannot all be productively employed at the time of entry. If job opportunities exist abroad, investments in their education can earn a higher return through migration than by staying unemployed or underemployed at home. To the more cynical, this amounts to "exporting discontent". Moreover, in democratic societies, migration is still an individual decision, presumably not coerced by the state.

Although the Philippine government has been widely credited for having a model program for regulating labor migration,² many consider it inconsistent with sound development policy. There are not a few (including this author) who wonder if the sluggish growth of the Philippine economy is attributed not only to political uncertainties but also to the massive scale of migration, which has undoubtedly robbed the country of some of its most critical human resource and, often also with them, considerable capital flight. The Philippine government appears oblivious to this problem and is seen to continue promoting migration, a policy captured in the popular imagination by the Philippine president's ritual trips to the airport on Christmas day to greet returning migrant workers as the country's "new heroes."

What exactly comprises the policy of encouraging migration?

It is valid to assess the seriousness of a government's commitment to a policy by the amount of public resources it devotes to achieving the policy goal. Proclaimed commitment to education will ring hollow if the budget for building schools, employing and training teachers, and equipping classrooms with textbooks represents only a small proportion of the national budget. Policies to promote tourism will not be credible in the absence of adequate budgets for better airports

and roads, maintenance of peace and order, good communications, and support for recreational investments. Indeed, in a wide area of public policy—from support of agriculture to promotion of the arts—much insight into real priorities can be derived from simply looking at budgetary appropriations. Money is, of course, not the only measure of commitment. We know that commitment to objectives like human rights is much more complex, one not indicated simply by expenditures on an effective judicial system but by the way power is used by the political leadership. Commitment to effective defense may be reflected in wise diplomacy, rather than in expenditures for arms. However, as long as consideration of its limitations is taken into account, budgets do provide insights into how seriously governments pursue their objectives and how they set priorities.

In the following, we review the case of government support to promoting migration. We use the case of the Philippine government since, as mentioned earlier, it has often been criticized for promoting the migration of its people and has not given enough attention to promoting employment creation at home.

Like similar institutions in other countries, the POEA was established to protect workers against fraud and other malpractices in recruitment, establish minimum standards for their employment in foreign countries, and develop and promote markets abroad for Filipino workers. The bulk of its operations consists of screening job offers to determine if they meet minimum standards, registering job contracts and issuing exit clearance, and attending to workers' complaints. The agency's priorities are driven by the public demand for greater protection of migrant workers, failure in which can have a high political cost not only to the agency but to the government as a whole. The protection work engages most of the POEA staff, that of diplomatic missions abroad, and many agencies of local governments involved in raising or settling cases of recruitment fraud. Promotional activities, on the other hand, actually account for a relatively insignificant proportion of the administration's operational activities.

The Philippine government spends some USD 24 billion a year or 18 percent of the country's gross national product (GNP). What is spent for the operations and activities of POEA is just a little more than USD 5 million, or 1/50 of one percent of this amount. In these bottom-line terms, it does not look like the Philippine government is putting much effort to promote migration. It is not putting its money

where its mouth is! Filipino workers are migrating in large numbers, not because of policy but in spite of an apparent lack of one.

Filipinos living outside the country are estimated to be remitting home some USD 12 billion in remittances, nearly a tenth of the country's GNP. It may not be legitimate to claim that these are huge returns for a minuscule investment of public funds in the migration program run by the government. Indeed many would argue that the investment in migration should also take into account the public subsidies to education. Such an argument will, however, only be valid if educational investments by government are only meant to promote migration, which is clearly untrue. It is virtually certain that the government would continue to allocate anything from 8 percent to 10 percent of the national budget on education regardless of what happens to migration. The key determinant of public funding for education has always been the size of school-age population, not the demand for labor outside the country. There may be a few small cases, especially at tertiary levels of schooling, where migration enters into consideration in the public support to education, but these are very small items in the government's overall budget.

The more important question is whether migration has allowed the country's political leadership to avoid or postpone necessary but politically costly reforms. For example, by absorbing many into employment, has migration eased the pressure on government to pursue job creation more vigorously? Through its impact on the labor and foreign exchange markets, has migration caused a rise in real wages out of keeping with local productivity growth, thus penalizing local industries and arresting the country's industrialization? On the other hand, can it be argued that migration has substantially helped to raise needed revenues to improve the country's infrastructure, the poor state of which has been the major impediment to investment and economic growth? Some of these questions require serious study as they are not yet being addressed by our scholars.

NOTES

1. ILO, *Migration Survey 2003: Country Summaries* (Geneva: ILO, 2004).
2. The POEA program has frequently been cited in contemporary literature as a model for organizing labor migration. See, for example, the final report of the Global Commission on International Migration (2004) and the ILO Multilateral Framework on Migration (2006).

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The migration and development discourse has entered into third-generation research, which focuses on the policy debates on migration management and liberalization, an improvement over the previous regulatory type policy thrust.¹ Nonetheless, the debate is still ongoing, centered on two apparently irreconcilable issues of insecurity and liberalization. What aspects of migration policy should be liberalized and to what extent? What should governments do to ensure economic interest of home and host countries without jeopardizing security prospects? What kind of safeguards need to be introduced for the protection of migrant workers' rights and well-being without hampering economic growth and the security question?

Two opposite forces—the bombing of the twin towers on September 11, 2001 and the war on terror in the aftermath, and the dictates of market forces that demand greater liberalization of trade and movement of natural persons—played key roles in generating this debate. Globalization accelerated transnational movements and the number of international migrants—albeit small, not exceeding 3 percent of the global population—already created a critical mass of transnational movers who transcend geographical boundaries. This has generated debates on some of the age-old and cherished values such as allegiance and the sense of belongingness (Jordan and Duvell 2003). Increasingly, free movements are linked with terrorist ploy, smuggling of arms and drugs, human trafficking, and transnational criminal activities (Cronin 2002; Buzan, Weaver and Wilde 1998).

Interestingly, however, the United States (US) that started the war on terror does not impose any embargo on its clients to declare the source of their incomes, although it professes the grand nexus between migrants' remittances and terrorist funding. Moreover, research does not find any substantial evidence to link migration with criminal activities (Battistella and Asis 2003). On the contrary, there is ample evidence that insecurity—either economic, environmental, personal, political, health, or psychological—can exacerbate migration.

The opposite is also true in some cases in which migrants suffer from insecurity and vulnerabilities resulting from migration.² In the context of the poor state of ratification of major international conventions that guarantee protection of migrant workers and ensures minimum wages and better working conditions, blatant discrimination remains against migrant workers in terms of wages and other entitlements.

Researches have established that migration is largely beneficial for migrants and their families. Through their productivity and labor, migrant workers make major contributions in running the wheels of development in destination areas. Sending workers abroad helps reduce the number of surplus workers in the home country, and remittances boost development of the latter. With remittances reaching USD 170 billion for developing countries, surpassing official development assistance (ODA) by more than USD 100 billion (if the remittances flowed through informal channels are taken into account), policymakers and academia of both home and host countries show more interest in the migration debate.

Recent studies show how migrant remittances constitute an indispensable part of the economic survival of many countries, and have the potential to lift people out of poverty at the local level (Nyberg Sorensen 2004; Adams and Page 2003). While impacts of remittances on poverty are positive, their impacts on equality are inconclusive (McCormick and Wahaba 2000; Taylor 1999). Negative externalities associated with migration and remittances can be offset by liberalizing immigration and emigration policy measures. Assuming free migration fulfills three conditions—including equalizing the marginal productivity of labor, ensuring full employment of all workers, and paying the value of their marginal productivity—then it is likely to double global gross domestic product (GDP) from USD 8 trillion (in 1977) to USD 16 trillion (Hamilton and Whalley 1984). The growing importance of remittances as a major development mantra can be seen from some researches that claim there are potentially higher gains from marginal liberalization of international flow of migrants than those from trade liberalization (Rodrik 2002).

New literature suggests that recruitment, remittances, and returns can create a virtuous cycle of development in migrant countries of origin, so that countries should welcome the opportunity to send professionals abroad in order to encourage more residents to get more education. The negative impact of brain drain can be minimized through brain gain, more remittances, and from returning migrants

who become entrepreneurs or contributions from the diaspora abroad (Martin, Abella, and Midgley 2004). National governments and international development institutions are trying to increase the volume of remittances and the share flowing through regulated financial institutions. The United Nations, development agencies, and nongovernment organizations are engaged in harnessing greater impacts of remittances on development by increasing the share invested in migrant areas of origin in ways that create jobs. The Organization for Economic Co-operation and Development (OECD) also argues that if the European Union, Canada, Japan, and the US allow migrants to make up just 4 percent of their labor force, the returns to origin areas are likely to reach USD 160-200 billion a year, far more than any potential debt relief (*The Guardian*, August 26, 2002). The need for open-door migration policy can hardly be overemphasized.

The responsibility of poverty reduction left alone with the least developed countries is not likely to make much headway unless it is supplemented and complemented by global collective action because it is a global public good. In today's globalizing world, societies everywhere gain from poverty reduction, not just because of humanitarian reasons but because of the negative externalities associated with poverty—e.g., violence, the spread of communicable diseases, illegal immigration, and the pressures on the environment. While the percentage of the world's poor has declined, the absolute number of people living in poverty has not.

Existing researches have convincingly demonstrated not only the strong poverty reduction potential of migration but also its development nexus. Obviously, restrictions on migration are likely to have economic costs. Thus, we may say that any policymaker who proposes to block migration in either developed or underdeveloped countries “must face up to the fact that in this game, as played under many sets of rules, the goal keepers have never won.”

Open-door policy requires a commitment from host countries to liberalize their labor market by allowing at least 3-4 percent migrant labor, and from home countries to ensure free flow without barriers but maintaining zero-level tolerance for fraudulent practices. Institutions and policies should aim to facilitate migration and create level playing grounds that are likely to ensure efficiency and greater productivity while minimizing the risks of illegal migration and negative externalities. I would like to conclude by quoting a Bangladeshi fisherman (he had been traveling back and forth crossing the India-Bangladesh border at

the eastern side) who remarked on how cross-border migration could be stopped:

Can the river stop flowing? Can you block the rains? People who talk about such things do not know what they are saying. The Assamese (Indian) need us, we (Bangladeshi) need them. (Hazarika 2000, 194)

NOTES

1. The first-generation researches on migration were largely directed to explain the causes of migration and establish classificatory patterns to distinguish diversified forms of migration. Thus, an entire body of theoretical discourses has developed in the first half of the twentieth century, primarily explaining migration motivations. In the second phase, migration research tried to establish linkages between causes and consequences as the debate centered on the development impacts of migration.
2. However, there is no empirical evidence suggesting that individual level of insecurity can be transmitted at the state level and transformed into criminal activities.

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People cross borders for many reasons: to marry, for personal development or to seek asylum. They also migrate for economic motives: to make a living or to improve their earning power. The question, “Should governments encourage migration?” lends itself in the first instance to considerations of those motivated principally by the latter set of reasons. Clearly governments should not be doing things that encourage their citizens to seek asylum, and the role of the state in encouraging or discouraging individuals in the conduct of emotional and personal business is highly contentious. Moreover, while this question has a different resonance for sending and receiving states, underlying it is the fundamental question: how should states balance competing interests—of individuals, businesses, the broader economy, and society?

At the outset one should acknowledge the importance of notions of “skill” (highly gendered and classed) that are often implicit in discussions of migration policy. Those who are “low skilled” are often considered by receiving states to be a potential net drain on resources, and potentially competing with citizens for employment. Sending states, on the other hand, may view their migration as a potential solution to un(der)employment and perhaps political unrest. From receiving states’ point of view, migrants are typically desirable when they are perceived as bringing particular sets of skills for which there are shortages. Indeed, receiving states compete among themselves for access to “skilled” labor. For sending states, of course, loss of skill is considered as “brain drain” that they can ill afford. Thus wealthy receiving states are increasingly challenged on their global responsibilities with reference to migration, not on the grounds that it should be promoted in the interests of equality, but that it should be discouraged to prevent the loss of skilled professionals from countries that can ill afford it. So let us consider two archetypal case studies, the nurse and the agricultural worker, exploring the kinds of arguments used by both pro- and anti-migration positions.

Agricultural work that is the preserve of migrants is typically physically arduous, low waged, with poor working conditions, isolated, and often seasonal. Migrant labor, it is argued, is exploited, often employed below their skill levels, endures racism and discrimination, and all for the profit of others, and often, to keep companies in business, which would go bust if they had no access to cheap labor. Migrant labor keeps down wages, keeps out unions, and competes with local working people for jobs and services. Therefore, neither sending nor receiving states should be encouraging migration as in the end it only benefits businesses and undermines the working and living conditions of citizens and migrants alike.

Others argue that low-waged agricultural work, while harsh, is one of the very limited options available to migrants. While low paid, it is often better paid than the alternatives available in countries of origin. Remittances may be invested in education as well as providing basic livelihoods for relatives in countries of origin. Remittances may also be a valuable source of foreign exchange. It benefits not just individuals and their families, but sending states and receiving states.

The migration of healthcare professionals has received a great deal of attention in the past few years. The United Kingdom has even developed a so-called ethical recruitment policy for this sector, in order to fend off criticism that it is “poaching” health professionals from countries that can ill afford to lose them. The argument that governments should *not* encourage migration seems particularly compelling with reference to this sector. The costs to sending states seem potentially higher, as the loss of skilled workers is felt to be draining the sending states’ limited resources, with a direct impact on the health of its citizens. Why should sending states and citizens pay the price of the receiving state’s underinvestment in its healthcare system? Those who migrate to earn better wages are sometimes portrayed as “letting the side down,” more concerned with their own financial well-being than the good of their country as a whole.

In practice, however, these kinds of arguments are complex. What right do states have to constrain individuals’ choices and efforts for themselves and their families, given that often their health training is not paid for by the state but is an investment made by themselves or their relatives? Indeed, the under-resourcing of healthcare systems in countries of origin can be in itself a motivation for migration.

For both agricultural workers and nurses there are more general social arguments that are made regarding costs and benefits of migration. Those who would discourage migration point to broken families, social disruption, loss of reproductive labor, growth of inequality in

states of origin; and to loss of “national identity,” growth of racism and ghettos in receiving countries. Those who would encourage migration, on the other hand, point to the lived opportunities for cultural diversity and exchange, and the growth of transnational communities.

Does the attitude of governments make any difference to the practice of migration? Many argue that, in an increasingly globalized world, migration will happen regardless of whether it is promoted or not by governments. Those who seek to restrict migration only lose control of it, as people then migrate outside of state systems, using their own networks, illegal agencies and smugglers to evade controls. What is important then are the social and economic contexts within which migration occurs. What kinds of labor markets are people migrating from and to? What are the attitudes toward women or ethnic/indigenous minority groups that might render them liable to abuse or exploitation in their countries of origin or countries of destination? Immigration/emigration controls both operate within and help create these contexts. What must be avoided is the creation of groups of people who cannot rely on the protection or oversight of the state because they have broken administrative laws. It is in this way that states’ actions actively make migrants vulnerable to severe exploitation and abuse, and are more likely to drastically undermine local labor standards as they are unprotected by receiving state legislation. Moreover, they are less likely to use official remittance channels, and families are put under greater strains as they are unable to visit home. Should governments facilitate the protection of migrants, through bilateral agreements, through registering of recruitment agencies, through predeparture trainings, through promotion of union organizing? Yes, yes, yes.

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The relationship between international migration and development is currently an issue of growing interest to researchers and policymakers. Certainly the number of international migrants in the world is rising, especially between the “global south” and the “global north,” although not perhaps as fast as the plethora of reports, international conferences,

and academic articles on the subject, which have seen almost exponential growth in recent years. Within all of this attention, moreover, attitudes toward international migration and development appear to be changing. Thus although many still subscribe to the view that migration is fundamentally a consequence of a lack of development, and seek to promote policies that would fund development activities aimed at reducing migration, many more are coming to conclude that migration itself may in part represent an opportunity for development, and not just for individual migrants.

It is not my purpose in this short piece to critically review the evidence on whether migration is good for development or not—although it is worth observing that the gains from migration are highly varied and context-specific, and that there can be significant negative consequences, both for individual migrants who may be cheated by smugglers or trapped in exploitative employment situations (Anderson et al. 2006), and for sending societies and economies that may witness a rise in inequality (Black, Natali, and Skinner 2005), or a rise in real exchange rates that harm export performance (Lucas 2005). Nor do I intend to ask directly whether all governments should encourage all types of migration. Rather, given the increasingly positive tone of institutions such as the United Nations (UN) (GCIM 2005; UN 2006) and the World Bank (Ratha 2005; World Bank 2005; Mansoor and Quillin 2006) on the relationship between migration and development, and given the compelling nature of statistics such as the volume of migrant remittances (currently estimated at USD 200 billion annually, or twice the quantity of international aid flows), I want to ask the question: why would developing-country governments *not* encourage at least some of their citizens to emigrate?

There are several possible answers to this question. Perhaps the most obvious is that despite growing evidence of the potentially positive links between migration and development, many countries remain deeply skeptical of these benefits being realized. Thus although in Asia, a number of countries—including the Philippines, India, Pakistan, Sri Lanka, Bangladesh, South Korea, Taiwan, Malaysia, Indonesia, Thailand, and China—have, to a greater or lesser extent, encouraged the temporary movement of some workers at some time in the last two decades, many states elsewhere remain nervous that the most likely consequence of encouraging migration would be to allow the permanent loss of skilled workers. Across Africa, in particular, concerns about “brain drain” still far outweigh arguments that the

production and circulation of skilled migrants could generate beneficial consequences; such concerns are not unknown in Asia either.

Nor is it simply sending countries that have a say in whether migration is “encouraged.” Another critical factor is the view of receiving countries—where concerns about negative externalities associated with migrant integration, notably the so-called social costs of migration, have ensured that immigration policies remain restrictive. With the United States building a “wall” along its border with Mexico, the European Union (EU) using electronic surveillance to patrol its Mediterranean borders, and receiving countries as diverse as Russia, Saudi Arabia, and Singapore ensuring strict controls on the movement and lives of migrant workers, it is not surprising if sending states also develop relatively negative attitudes toward migration in general. Thus only seven states in the world reported to the UN in 2002 that they felt their emigration levels were too low,¹ compared to the forty-four who felt that emigration levels were too high.

Fears about brain drain, and negative stereotyping of migration in general, certainly help explain why very few nations currently encourage migration. Yet I would go one step further, and argue that encouragement of migration is not the real issue, even if such fears are often misguided, and may be outweighed by remittances and other positive impacts of migration. Why so?

First, to adopt a policy of explicitly *encouraging* migration would likely put any developing country on a collision course with countries of destination, regardless of the potential benefits to individuals and their families of such migration. Indeed, richer northern states often already make their bilateral relations with poor countries dependent on the reverse position—agreement to control their borders; to accept returning “irregular migrants,” asylum seekers, and refugees; and to promote development in migrants’ areas of origin. Attempts have even been made—in the EU, for example—to explicitly link development aid to the implementation of restrictive emigration policies or the signing of readmission agreements.

However, beyond the world of *realpolitik*, there are also reasons for caution. For example, we can reasonably ask: What “encouraging” migration would actually mean, in policy terms. Surely not a full “liberalization”—as sometimes advocated by those simply opposed to border controls—a liberalization that could be seen to place the responsibility for development squarely in the hands of migrants? Indeed, few would argue that migration is a *substitute* for development

activities, or migrant remittances a substitute for development aid. Nor is liberalization of movement a likely policy option for most states, outside specific regional circumstances such as recent enlargements of the EU.

But if not liberalization, then what? The most common form of encouragement of migration—short of full liberalization—is the development of temporary migration schemes, often through bilateral agreements, that are targeted on particular workers, for particular industries, and where “win-win” scenarios can be envisaged for home and destination countries (as well as for the migrants themselves). Yet the record for such policies is not good. Some of the most famous—the Mexican “Bracero” scheme in the United States, for example, or the “Gastarbeiter” schemes that brought migrant workers to Germany and Switzerland—have been widely criticized for the way they placed workers in vulnerable labor market positions, and were usually far from “temporary.” More recent schemes have also proven problematic. For example, Italy has signed bilateral agreements with countries such as Tunisia or Moldova to allow migrant workers to enter the country, but in practice, little new migration has been encouraged, as workers already illegally resident in Italy were preferred by Italian employers to new recruits. Meanwhile, schemes such as the “Sector-Based Scheme” in the United Kingdom, aimed at recruiting workers to the hospitality and food-processing industries, have been widely perceived as a failure, with massive oversubscription in some countries, leading to allegations of high and fraudulent fees being charged to potential migrants to participate.

Moreover, whatever the rights and wrongs of such schemes, they are rarely—if ever—designed with the interests of sending countries in mind; rather, they are generally designed to fill the specific labor market needs of *host* countries, and in doing so, may act simply to shift skill shortages from one country to another.

So, does this mean that governments should give up trying to influence migration altogether? Possibly. Certainly this is a field with few simple policy levers, where the ability of governments either to promote or restrict migration is limited, and often costly, given the likely results. Yet there are things that governments can do to maximize the benefits of migration—or to minimize its costs—without trying to influence the number of people who migrate.

For example, the provision of better consular services abroad that actually help migrants—regardless of whether they are “legal” or not—

is something that migrant communities have long demanded, and that could significantly enhance their capacity to contribute to development. Other concerns include the removal of bureaucratic obstacles to the transfer of money and goods; tackling corruption and anticompetitive practices in financial and other institutions that act as a disincentive to investment by migrants in their home countries; the promotion of flexible visas that would allow migrants to travel back and forth; or the possibility of dual citizenship. Yet with the possible exception of policies to facilitate remittance flows, such services and actions are seldom a government priority.

Responding to the concerns of existing migrants—including issues related to their integration in their host societies—may also represent a key confidence-building measure that needs to come before other more obviously development-related initiatives, such as the promotion of remittances, investment, or the return of skilled professionals.

So, should governments encourage migration? In reality, even if they *should*, few are likely to go down this route in the near future. But more important, even if they *could*, there are arguably more important policy priorities, even within the sphere of “migration policy.” It can only be hoped that the current spate of policy interest will be focused on such priorities, rather than being deflected by the sterile debate about whether more migration is good or bad for development.

NOTE

1. The seven states were Bangladesh, Cape Verde, Egypt, Indonesia, Jordan, Thailand, and Vietnam. Interestingly, the Philippines reported emigration as “too high,” and its policy objective as to lower it.

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Migration has become a global phenomenon in this day and age of information technology and globalization. Current estimates say that there are 200 million migrants in the globe, 53 million of them in Asia.

“Should governments encourage migration?” is a very complex question that has no single answer. For the past three to four decades, particularly in Asia, migration has been characterized by single-person and temporary migration for work. For some, migration has become a necessity rather than a choice.

There are various reasons for migration, among them the following:

1. *Globalization*. Uneven growth among countries caused by globalization and neoliberal policies have forced people to migrate for economic reasons.
2. *Global communications and transportation*. Globalization has enhanced technologies of communication and transportation. Global transportation networks have made it much faster and cheaper to cross the globe.
3. *Armed conflict*. War and armed conflict in various southern countries have led to the massive displacement of communities, forcing people to migrate.

4. *Feminization of migration*. More and more women are leaving their countries for work as demand for women workers in the international labor market increases.
5. *Environmental crisis*. Drought, flood, tsunami, earthquakes, and other natural disasters have destroyed communities and led to the displacement of persons and families (as in the case of Indonesia and Thailand).
6. *Migration as an industry*. Grame Hugo (2005), in a paper presented to the Global Commission on International Migration (GCIM), stated that among the biggest facilitators of migration is the vast migration industry comprising migration agents, recruiters, travel providers, immigration officials, etc. who form chains linking Asian communities with overseas destinations and are crucial elements in the migration system.

What is also clearly seen as a growing trend is that migration is enshrined in most developing countries' economic development agenda. Governments need migrant remittances to keep the economy afloat. For some countries in the South, migrant remittances, a big source of foreign exchange, is badly needed to offset the country's foreign debt payment. As of 2006, global migrant remittances have reached a peak of USD 226 billion. Among the top three remittance-receiving countries in the world for 2005, two are from Asia: India (USD 23.5 billion) and China (USD 21.7 billion).

The issue of migrant remittances, migration, and development is being highlighted by numerous multilateral institutions like the United Nations (UN) and the International Organization for Migration (IOM). The UN convened on September 14-15, 2006, the High Level Dialogue on Migration and Development (UNHLD), which aimed to discuss the multidimensional aspects of international migration and development in order to identify appropriate ways and means to maximize its development benefits and minimize its negative impacts. Additionally, the UNHLD focused on policy issues, including the challenge of achieving the internationally agreed development goals, including the Millennium Development Goals (MDGs).

The UNHLD led to the creation of the Global Forum on Migration and Development (GFMD), which has become an annual intergovernmental forum that will look at developing a practical agenda on maximizing the gains from migration and development. The

first GFMD, hosted by the Belgian government, was held on July 9-11, 2007, in Brussels.

The IOM recently launched a website in cooperation with the Belgian government, which provides information on policy development and projects, and includes policy and research papers and events and news (www.migrationdevelopment.org).

In the Philippines, labor export has been an explicit part of the government's economic plan. The government's policy goals have been consistent: migration should be temporary, and it should be done through official channels. All employment abroad must be approved by the Philippine Overseas Employment Administration, which also contracts directly with foreign companies and governments to provide temporary labor of all types (Newland 2007).

The Philippines is among the top ten migrant remittance-receiving country. The Bangko Sentral ng Pilipinas estimates migrant remittances for 2006 at USD 14 billion. This shows a significant increase from the 2005 figures, which amounted to USD 10 billion.

The Bank of the Philippine Islands (BPI) transferred USD 2.8 billion in overseas Filipino workers' remittances in 2006. This was an increase of 30 percent over 2005 levels. BPI hopes to grow 15 percent in transaction volume in 2007 in an estimated USD 14 billion market (Orozco and Lindley 2006). GCash, a remittance service offered by Globe Telecom, allows Filipino workers to send money from seventeen countries through their beneficiaries' mobile phones. GCash has rapidly gained popularity in the Philippines, establishing a reputation for convenience and safety. In less than two years, it has conducted over USD 100 million worth of transfers per month. Mobile phones are more common than landlines in the Philippines, especially in rural areas, and the use of mobile phones as payment devices is increasing (Orozco and Lindley 2006).

The same trend is starting in Indonesia as the country implements more efficient ways for migrants to send in their remittances. Indonesia's Bank Mega and MoneyGram International have forged an alliance: MoneyGram will enable Bank Mega customers to send and receive remittances. The service has already been introduced in fifty Bank Mega branch offices in Indonesia, with plans for nationwide coverage by the end of 2007 (Orozco and Lindley 2006).

These trends can also be seen in countries such as India, the highest recipient of migrant remittances, where 3.08 percent of the gross domestic product (GDP) is from remittances. The impact of remittances

is more pronounced in parts of the country that have experienced higher volumes of emigration. In the southern state of Kerala, for example, remittances constitute 22 percent of the state domestic product. Experts on Kerala's economy found that per capita income in Kerala is much higher than the national figure because of remittances. Including remittances, Kerala's per capita income in 2002-2003 was 60 percent higher than the national figure, and 34 percent higher excluding remittances (Chisti 2007).

The past three decades have shown us that people in Asia migrate mainly for economic reasons. Worsening poverty and lack of job opportunities and means for livelihood have led almost a million Filipinos to work abroad every year. Thousands of Indonesians, Bengali, Sri Lankans, and Indians are also migrating yearly for economic reasons.

There are several reasons why countries should not be promoting migration. Among these is the right of the individual to life security and economic security in his or her own country. Each country is responsible for providing decent employment commensurate to the skills of its citizens. A country's constitution provides for this, and this responsibility should not be passed on to other countries or states. Ensuring economic security is a country's or state's responsibility. Given a chance to find decent jobs commensurate to their skills in their own country, people will choose not to migrate.

Armed conflict is also among the reasons for migration as people feel that their lives and the lives of their families are not longer secure in their own countries. Armed conflict has displaced persons, families, and communities in the Asian region. Ensuring the safety of a person is once again a responsibility of the government. Once a person finds life and economic security in his or her own country, he or she will not be forced to migrate. Migration should be an option and not a means to survive.

Another issue that should be taken into consideration is the tendency for countries to race to the bottom of the barrel in terms of exporting labor. Migrant workers are human beings with rights—not commodities. Recent trends have shown that countries have accepted lower salaries for their migrant workers in order for their workers to be competitive in the labor market. The Philippines, for instance, is losing its place as the foremost country of origin for migrant domestic workers to Singapore and Malaysia. Domestic workers from Indonesia are paid less than Filipino domestic workers, thus Singaporean and Malaysian

employers tend to hire migrant workers from Indonesia. As more governments aggressively promote migration, this race-to-the-bottom-of-the-barrel trend will become more and more apparent.

Migration, however, is not without its costs. Migrants are subjected to extortion, debt bondage, trafficking, and abuse at various stages of migration. Before leaving the country, migrants are abused by brokers in the forms of debt bondage, illegal recruitment, and extortionate placement fees. On-site migrants are exposed to varying degrees of physical, verbal, and psychological abuses. Some migrants also experience contract substitution, nonpayment and underpayment of wages, and, at times, forced deportation once their contracts are terminated. There is also the issue of social cost of migration, which impacts migrants and their families. Several studies have shown us that migration has led to the breakup of marriages, abandoned children, and virtual orphans. Upon return, migrants are faced with no means of livelihood or support from their community or government. This again leads back to the cycle of migration where the person will once again have to go back abroad to look for another job after he or she finishes her contract. Sometimes, if the parent can no longer work abroad, the parent is replaced by his or her own children as new migrant workers. This again is due to the lack of support for reintegration by both countries of destination and origin.

Thus the question “Should governments encourage migration?” can easily be answered with no. In the Philippines, statistics show that two migrant workers come home dead every day. Migration has cost the lives of overseas Filipino workers who are, ironically, honored as heroes of the nation.

As mentioned earlier, the question of governments promoting migration is a complex issue. Having said all of the above arguments we also cannot negate the fact that migration is every individual’s right, and that a big number of individuals and families have benefited from migration. Article 13 of the Universal Declaration of Human Rights states that every person has the right to freedom of movement and residence within the borders of each state and that everyone has the right to leave any country, including his or her own and to return to his or her country.

Thus it is not just a matter of governments facilitating or promoting migration, which is what is currently happening in most developing countries, but a matter of migration as an option and not as a means to survive.

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Migration from developing economies to the more advanced countries is an age-old phenomenon. In recent years, however, the remittances associated with migration have become a major topic in academic and policy discussions for a number of reasons. First, the magnitude has increased sharply, at rates even faster than the departure of migrant workers. Second, for many developing countries, remittances have exceeded foreign direct investment (FDI), capital market flows, or official development assistance (ODA). Third, remittances provide timely support to otherwise shaky balance of payments and fiscal positions. Finally, remittances appear to contribute significantly to lifting households out of poverty, as well as benefit the wider community through the multiplier effects of increased spending.

The Philippines is reputed to be the world's third-highest net remittance recipient country after India and Mexico. In 2006, remittances were officially estimated at USD 12.8 billion—up by 20 percent from USD 10.7 billion in 2005—representing just above 10 percent of the gross domestic product.¹ Clearly, remittances resulting from the Filipino diaspora have become a major factor in the economic and social life of the country. This essay focuses on the home-country consequences of labor migration and remittances.

Because international migrants typically are among the better educated and experienced workers in the home country, their departure often results in a disruption of economic activity before the vacancies are filled. And even when these are filled, the situation may not be the same as before. Labor market responses would depend on the composition of emigration and the nature of labor markets in terms of flexibility, segmentation, and rates of unemployment. Research shows two general types of outcomes: (1) where emigrant workers are easily replaced with no discernible loss in output or rise in wages (e.g., India, Indonesia, and Sri Lanka), and (2) where significant upward pressure on wages is palpable (e.g., Pakistan, Philippines, Mexico, Malawi, and Mozambique). In both cases, the labor market outcome appears to be beneficial to those left behind (Lucas 2005).

Migration also has important effects on the quality of goods and services, reflecting the quality of replacement workers. A deterioration in quality would not be unusual. Such is apparent, for instance, in the quality of education and health services in the Philippines as a consequence of the departure of skilled or professional workers (teachers and health workers). However, the deterioration in service quality could also be partly on account of the diminished real budgets for public services owing to the country's lackluster economic growth.

Some authors claim that while migrants are typically well educated, migration does not take away a very large share of a country's best educated (Adams 2003). Nonetheless, they admit that for a few labor-sending countries, international migration does result in brain drain. Indeed, other authors argue that international migration leads to a significant loss of highly educated persons for a wide range of countries (Lowell 2002). An aspect of these costs is the loss of public funds invested in the education of the labor migrants. Nevertheless, the brain drain is probably not an unmitigated bane as there are compensating benefits, such as remittances, other beneficial links that the emigrants develop and maintain with the home country, and return migration.²

Other cross-country analyses suggest that international migration exerts a strong negative effect on poverty and that the level of international remittances is significantly associated with poverty reduction (Adams and Page 2003). Cross-country regressions, however, are hampered by some shortcomings (e.g., considerable intercountry differences in concepts, definitions, and measurements of the variables used) and, hence, can offer only broad indications. These need to be

complemented or validated by country-specific studies using subnational (regional or provincial) data.

Remittances directly benefit the lower-middle to middle-income families from which many labor migrants usually originate. Poorer households could benefit from remittances in subsequent rounds via multiplier effects from increased consumption and investment spending. How much of the remittances will be spent for consumption and how much for investment by the recipient families themselves, or investment by others from the saved remittances, will depend on the investment climate in the locality (Pernia and Salas 2006).

The economic consequences of remittances can be considered at different levels. At the household level, a substantial portion of migrant workers' earnings are often remitted to family members in their home communities. Remittances serve to enhance family incomes, although whether they represent a net increase is debatable, given that family members may reduce their work effort—a moral hazard effect on labor supply. Overall, however, it seems clear that recipient families are better-off with, rather than without, the remittances.

At the community level, the distribution of incomes across households would be affected by money flows depending on where the remittance recipients are in the income distribution scale. Inequality and poverty would improve to the extent that the poorer households receive the bulk of these income transfers, or the inequality would worsen if the richer families are the main recipients. Nonetheless, creation of jobs and trading opportunities often results from the expanded demand for goods and services, with the beneficiaries in turn spending and generating further spending.

At the macroeconomic level, remittances have become a major source of foreign exchange, especially for developing countries plagued by fiscal deficits, external debts, persistent trade imbalances, and scant foreign direct investment. Foreign exchange inflows, however, may exert upward pressure on prices, requiring skillful monetary management that often includes sterilization. Moreover, these inflows may spur a real appreciation of the exchange rate, thereby constraining the development of export-oriented and import-competing industries. Further, the remittance windfall may have a moral hazard effect as the urgency for the government to pursue policy reforms or improve governance dissipates while people are lulled into complacency, as appears to be the case in the Philippines.

The more developed regions (principally Metro Manila, Southern Tagalog, and Central Luzon) send more overseas Filipino workers (OFWs) than the less developed ones, resulting in appreciably greater shares of the total remittances going to the former. However, OFWs from the poorer regions (such as the Autonomous Region in Muslim Mindanao, Eastern Visayas, and Bicol) appear to send home significantly higher average remittance per worker than the richer regions. One explanation is greater altruism on the part of migrant workers from poorer regions to send more money to assist their more deprived families. Another reason—not necessarily at variance with the first—is higher positive selectivity of OFWs from the less developed regions, i.e., although fewer in number, they may be more highly skilled and, hence, earn higher average incomes. An implication is that while remittances overall may contribute to a widening of the economic disparities across the regions, these money flows do improve the well-being of poor households even in the backward regions.

Econometric analysis provides deeper insights. Remittances contribute significantly to poverty alleviation, as reflected in higher family expenditure per capita of the bottom 40 percent of households, while controlling for the effects of other variables including physical infrastructure and human capital in the regions. This beneficial effect rises monotonically up to quintile 4, then peters out for quintile 5, which is not surprising given that the richest 20 percent of families are unlikely to have OFWs or to need remittances.

Remittances also seem to matter significantly to regional development through increased spending for consumption as well as investments in human capital and housing, and consequent multiplier effects. However, overall regional development does not seem to benefit low-income households as much as the upper-income families.

Migration and remittances appear to benefit households, communities, and the macroeconomy. They alleviate poverty and unemployment, contribute to community development, and finance fiscal and trade deficits and debt. But there are considerable costs. Migration exacts no mean sacrifices and other social costs to OFWs and their families. It is also subject to geopolitical vicissitudes and global market swings. Moreover, migration arguably causes brain drain, which compromises the country's human capital requirements for its long-term development. Likewise, the remittance bonanza makes it convenient for the government to skirt the difficult task of policy

reform to improve the performance of the economy, thereby reducing the need for overseas employment.

Instead of relying on labor migration, the country would be better served if the government seriously pursues policy reforms to put the economy on a rapid and sustained growth path, as did South Korea and Thailand during their labor-export phases in the 1970s and 1980s. A robust domestic economy would make working abroad an option—not a necessity—for Filipinos.

NOTES

* This paper is based on the author's UP School of Economics Discussion Paper 0602 titled "Diaspora, remittances, and Poverty in RP's Regions" (July 2006).

1. Total remittances are often estimated to be more if those sent through nonbank and other informal channels—also known as "unbanked" remittances—are included.
2. Good examples are the Chinese and Indian diasporas that are playing an important role in the continuing rise of FDIs into China and India. Both countries are also experiencing return migration, either permanent or circular.

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Conflicts compel people to migrate. Other factors such as ecological crisis, natural disaster, poverty and underdevelopment at home, and economic opportunity abroad together account for the increasing global trend in migration. Population migration leads to the dispersion of a “nation” that was formerly concentrated in one place. The transnational communities constitute a “diaspora” when an attachment toward the homeland and boundaries between the dispersed community and the host community are maintained over time. Diasporas are gradually transforming to become crucial links between migrant-receiving countries and political developments in countries of origin.

Many research works have concluded that diasporas actively support violent conflicts in their homelands. Members of diaspora communities have been found to finance war efforts and to promote extremist ideology and uncompromising political views (Collier 2000; Kaldor 2001). They even directly take part in the conflict as combatants. However, as recent evidences suggest, some diasporas are significantly contributing to peace building and conflict resolution in their homelands as well.

Diasporas provide a major source of foreign direct investment to war-ravaged economies, and supply aid and relief via family-to-family remittances to their homelands in times of hardship. The size of diaspora remittances to home countries is estimated to be nearly double that of international aid (Nyberg-Sørensen, Van Hear, and Engberg-Pedersen 2002). This impressive financial transfer between diasporas and their homelands plays a significant role in preventing conflict (Van Hear, Pieke, and Vertovec 2004), reducing the adverse effects of wars (Fagen and Bump 2006), and contributing to post-conflict reconstruction and economic recovery (Koser and Van Hear 2003). Diasporas become the important source of tourism in states where collapsing infrastructure and war otherwise discourage it. As key benefactors to charity, diasporas help to drive economic development in their homelands. In the midst of ongoing conflicts, diaspora-

contributed resources are largely channeled to populations directly affected by the violence (Van Hear 2002). By protecting the livelihood of those who stay behind, remittances reduce the scope of forced migration. And by supporting basic services such as health care and education, remittances sustain the structures that foster social network and interpersonal trust and provide a basis for future economic recovery.

In many cases, diasporas campaign for conflict resolution in their homelands and support ongoing peace processes. Through campaigning and lobbying host governments and international organizations and aiding processes of transition, diasporas play an important role in achieving political compromise and nonviolent conflict resolution to their homeland conflicts. There are instances when diaspora organizations pressure warring parties in the homeland to refrain from violence and engage in nonviolent modes of interaction by discovering and drawing international attention to their human rights abuses (Zunzer 2004).

During peace-building processes, diasporas are able to provide crucial professional resources, such as representation and consultancy. For example, members of the diasporas either negotiate directly on behalf of the warring parties or provide advisory services, as it was during talks between Afghan factions in 2001, the Sri Lankan LTTE (Liberation Tigers of Tamil Eelam) and the government of Sri Lanka in 2002-2003, and between Somali warlords in 2003-2004.

Diaspora groups help the international mediators to establish contact with warring group leaders to facilitate the peace negotiation processes. Their involvement provides much-needed trust and assurance to both the warring parties and the mediators to engage in the process. Giving insights to the local issues, historical and ideological complexities and personal characteristics of the group leaders, diasporas provide invaluable help to third-party international mediators to make the right and appropriate moves before and during negotiations. During periods of transition, diasporas provide new ideas, values, skills, and know-how important for the creation and consolidation of institutions, and even in filling newly created government posts, as in the recently formed Afghan and Iraqi governments (Mohamoud 2005).

By disseminating moderate perspectives, diasporas influence their homeland kin toward supporting nonviolent conflict resolution and democratic development. Diasporas usually enjoy a superior social status in their homelands. Due to their access to freedom, wealth, and

knowledge needed to create and disseminate various forms of media, diasporas are particularly capable of influencing the identity and interests of their homeland kin. The ideas and attitudes of diasporas develop during the process of integration into the democratic hostland societies (e.g., preferences for political compromise, multiculturalism, tolerance of opposition groups, human rights, gender equality, etc.), which are disseminated via diaspora-controlled media to homeland kin. As it has been seen, through their work as artists, intellectuals, and journalists, many Bosnians living in Western Europe aim to spread a multicultural and inclusive view of politics in Bosnia-Herzegovina (Al-Ali, Black, and Koser 2001). By criticizing homeland governments and rebels for engaging in human rights abuses, diaspora civil-society organizations decrease incentives for violence and increase incentives for engaging in dialogue and compromise.

In light of ongoing globalization, environmental degradation, economic stagnation and violent conflict in many parts of the world, high levels of transnational migration flows will continue in the foreseeable future. Both home and host countries share a strong interest in understanding how diasporas may be encouraged to support peace-building efforts rather than foment violent separatism and war. For homelands, moderating key diaspora communities and supporting their peace-building efforts may help to prevent the development of transnational insurgencies and terrorist networks that might otherwise prove difficult and costly to counter. For host countries, it is important to prevent, or avoid inadvertently fueling, conflicts that lead to humanitarian crises, deteriorating relations with homelands, and greater externalized costs paid by the international community (e.g., accommodating refugee outflows and subsequent repatriation endeavors, demand for humanitarian aid and development assistance, and international terrorism).

While some elements within a particular diaspora have supported war efforts, others have promoted peaceful conflict resolution. This leads us to a crucial element in the research that has not been adequately explored: why some diaspora communities support moderation and coexistence while others aid extremism and secession. The characteristics of a diaspora community are probably not static, but rather change over time in response to particular circumstances. Diaspora communities not only respond to the changing dynamics of conflicts in their homelands, they also initiate and lead insurgencies or peace-building efforts. What are the most influential factors affecting

diaspora interests and behavior? These questions have yet to be adequately addressed in the emerging literature over the role of diasporas in conflict and peace processes. To get a clear understanding of the different role of diasporas, the various elements influencing this process need to be carefully evaluated and examined.

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