International labour migration: Consequences for countries of origin

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In this paper I will give an overview of how contemporary international labour migration can affect the country of origin. I do not intend to reach a grand conclusion concerning the ultimate effect of labour emigration on development. International labour migration is a complex phenomenon with a multitude of actors involved, occurring in a wide variety of contexts. A more satisfying approach, therefore, is to explore what effects are possible and who gains and profits under varying circumstances. Furthermore, international labour migration is likely to evoke changes which are difficult to assess normatively, but are nonetheless influential on society.

Weiner (1996: 129) has stated that “international migration and its causes, consequences, benefits and costs have taken on the centrality and sharpness that once belonged to the study of multinational corporations.” This quote illustrates the fact labour migration is not simply a matter of capital and labour. It is also a matter of space, place and power.

Migration both contributes to and is stimulated by *time-space compression*. However, the inherent inequalities in this process also lie at the centre of contemporary labour migration. Migration is affected by to what Massey (1993, 1996) calls the *power-geometry* of time-space compression. There are differences not only in the degree to which people move and communicate across the globe, but also in the degree to which they initiate and control their movement. Imagine for instance a Canadian financial executive and a Filipino barmaid both working in Hong Kong. They share the characteristic of being labour migrants, set within a context of time-space compression, but they are worlds apart when it comes to power in relation to their own role in it.

Migration also involves the stretching out of social relations across space (King 1995). The *relations of production* between employers and workers
and their families has come to transcend international borders. Similarly, the personal social networks of migrants are extended across the world. Households have become spatially disaggregated, serving as tight networks of exchange and support rather than as residential units (Momsen 1992). Emigrant nations have become rooted in an identity of cultural ties rather than in the geographical confines of their motherland (eg. da Silva and da Silva 1993).

In addition to reorganizing space as social relations, migration involves a re-moulding of places within that space (Massey and Jess 1995). While destinations become meeting-places, nodes of social relations stretched across the world, places of origin are affected in a very different way. Apart from the societal impacts of emigration, the large-scale departure of migrants can affect the way in which the place of origin is defined and conceptualized by its past and present inhabitants. Consider, for instance, these lines written by a poet and musician from the Cape Verde Islands:

I know a mother  
who has suffered much  
She has endured  
incomparable pain  
seeing her ungrateful children  
deny her, run away from her, despise her

Djurumani (Carlos Germano) (my translation)

Not only are the migrants presented as the offspring of the motherland, but the motherland itself, the place of origin, has come to embody notions of desertion and abandonment.

Migrants also commonly construct an idealized view of “home,” disregarding both the hardship which made them leave and the changes induced by their departure (King 1995). Places of origin thus become imagined places in the minds of the emigrants (Massey & Jess 1995).

It is in this context of reorganization and re-moulding of space, places and identities that international labour migration is set.

**International labour migration**

There are several general trends which characterize contemporary international labour migration. Most of them are related to changes in the world economy over the last two decades. These changes include the contraction...
the manufacturing sector in industrialized countries, the rise in oil prices during the 1970s followed by their decline in the 1980s, and the persistent economic crisis in much of the developing world since the early 1980s. The following section summarizes contemporary changes in the nature of international labour migration and the driving forces behind it (Russell 1986, Jones 1990, Allen & Hamnett 1995, King 1995, World Bank 1995):

- **Globalization.** More and more countries are incorporated into international migration systems, resulting in a growing spatial spread and cultural diversity of origins and destinations. A growing share of international labour migration comes from low-income countries.

- **Differentiation.** International migration flows are increasingly stratified and segmented along lines of skill and legality, as well as length of stay, ranging from international commuting to semi-permanent and permanent resettlement.

- **Polarization.** Related to the increasing differentiation is a growing polarity between cheap, low-grade, casual migratory labour on one hand, and a much smaller, but rapidly growing number of highly qualified “executive nomads” (King 1993) on the other. Stahl (1991) terms the latter *capital-assisted migration*, as it is often associated with foreign direct investment.

- **Feminization.** While labour migrations in the past were male-dominated, women now play a leading role in many migration streams. Examples include Asian women working as housemaids in the Middle East, Filipino nurses in the United States and Ghanaian prostitutes in Côte d’Ivoire (Brydon 1993).

- **Acceleration.** International labour migration is accelerating in the sense that the number of migrants grows, while the average length of their stay becomes shorter. Since the 1960s, there has been a shift in the pattern of international migration, from permanent migrations for resettlement to temporary migration of workers for employment. At the same time, however, international labour migrants constitute a declining share of the total world population.
• **Volatility.** Compared with the relative stability of labour migration flows during the “long boom” (1945-1973), the last two decades has witnessed rapid changes in migration flows. Politically and economically motivated mass expulsions of foreign workers from several host countries have been a major issue for countries of origin. Examples from the 1980s include expulsions from Nigeria, Libya and Venezuela (Castaño 1988). During the 1991 Gulf War, two million foreign workers were uprooted, with detrimental impacts on countries of origin (Connell 1992).

• **Push-pull balance.** In general, push factors from countries of origin are becoming more important than pull factors in countries of employment, especially in the industrialized countries. Deteriorating standards of living in many developing countries are becoming ever more sharply contrasted with increasing knowledge of conditions in developed countries. In the countries of employment, the decline in manufacturing industry has led to reduced demand for traditional labour migrants. At the same time, the expansion of service industries and informal sector activities creates new niches of casual, seasonal and insecure employment for “post-industrial migrants” (King 1993, Sassen 1988). It is worth emphasizing, however, that although the push-pull balance is shifting, *actual migration* is still primarily demand-induced, not supply-induced (Weiner 1987).

A particular feature of the last decade has been the return of migrants who emigrated in the 1950s or 1960s and spent their entire working life abroad. Such “retirement returnees” have become a widespread phenomenon in the Caribbean (Byron and Condon 1996).

In short, it is especially interesting to note that women, highly-qualified personnel and migrants from developing countries all constitute greater shares of the global labour migrant flows, particularly at the expense of unskilled workers from the European periphery.

The overall increased difficulty of migrating from one country to another is epitomized in the notion of a “Fortress Europe.” In this world-wide tendency lies two paradoxes. One is the contrast between barriers to migration and the globalization of communications and social networks, with associated ease of long-distance migration (Surkhe 1993, Allen & Hamnett 1995). The other is the contrast between growing obstacles for migrants and the
increasing mobility of capital. “Capital is free to roam the world, labour is not” (King 1995). In the case of Europe, one might add a third paradox, namely the contrast between the walled “fortress” and the complete freedom of movement within the union.

The nature of this paper does not require a lengthy discussion of the problems of classification and data sources. However, it is worth noting at the outset that there is no clear-cut category of labour migrants in the movement of people across international borders. Of the world’s more than 100 million foreign-born, we find refugees, students, labour migrants, and others who do not fit neatly into any of these categories. Indeed, the theoretical distinction between economic emigration and emigration motivated by political, religious or social repression may be difficult to apply to reality (Stahl 1982). Furthermore, many illegal immigrants and asylum seekers are migrants who work or seek work, but they are commonly not classified as labour migrants (King 1995). In a peculiar example, the government of El Salvador actually helps Salvadorian citizens in the United States apply for political asylum, in order to ensure a continued flow of remittances (Weiner 1996).

A slightly different approach to the problem of classification can be related to the large number of Asian women who cross international borders every year. They travel mainly as domestic servants (usually legally recruited), workers in the “entertainment industry” (mostly illegal) and mail-order brides. One might question a strict division between these three, regarding them instead as only slightly different modes of humiliating exploitation based on material inequality (cf Estrada-Claudio 1992, Chant and Radcliffe 1992).

It may be particularly difficult to categorize labour migrants entering countries which accommodate legal permanent immigration, such as Australia and the United States. Those who are granted permanent residential and work permits will not normally be identified as labour migrants in statistics. However, classifying migration as either temporary (recurrent) or permanent (non-recurrent) is problematic for two reasons. Firstly, the initial intention of the migrant can be more important than the eventual outcome, for instance regarding the propensity to remit earnings. It is well-known that many labour migrants intend to return when they leave their country of origin, but later decide to settle in the country of employment.
Secondly, permanent emigration may have many of the same implications for the countries of origin as temporary overseas employment, as long as family and social ties are maintained.

I have chosen to define international labour migration as all population movements across national frontiers for the purpose of employment. This may be on a short-term contract basis, a life-long stay abroad followed by return upon retirement, or economically motivated settlement in a foreign country. This does not mean that distinguishing between different types of international labour migration is not important. However, for the country of origin, all the forms mentioned will have their consequences.

The term emigration is often reserved for permanent settlement only. However, I will use labour emigration (cf. Stahl 1982) to cover the whole range of movements referred to above, both temporary and permanent.

For an overview of present labour migration flows, I refer to figure 1. While I will comment briefly on the map in the next chapter, a few caveats are in order at the outset. First of all, there is a shortage of reliable, well-defined data, and the accuracy of the map is accordingly questionable. The stocks of migrants in each pole of attraction only includes those with the assumed intention of returning home (cf. Segal 1993). Secondly, the map is constructed on the basis of absolute flows, and small, isolated poles of attraction with large numbers of foreign workers relative to the national population are not included. A case in point is the Dominican Republic. In addition, most poles of attraction receive small numbers of migrants from outside the realms indicated on the map which might be of great importance to the particular country of origin. Thirdly, as noted above, contemporary flows of labour migrants are highly volatile and constantly changing. The map gives a rough indication of the situation in the late 1980s.

**Countries of origin**

The object of enquiry in this paper is not migration per se, but the countries which share the characteristic of sustained labour emigration. These countries have been variously labelled as sending countries, source countries or countries of origin. Labour migration is sometimes conceptualized as the export of labour power (Moreno 1986, Potts 1990), and the countries in question can thus be labelled labour-exporting countries. Stalker (1994) interestingly refers to the migrants’ home country as the country left be-
Table 1 Selected countries of origin of international labour migration

Overseas workers as a percentage of the active labour force can be several times higher that the share of the total population. Remittances are not included in export earnings, so that if the percentage is 100, this means that the two flows are equal.

<table>
<thead>
<tr>
<th>remittances as a percentage of exports</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-20</td>
</tr>
<tr>
<td>------</td>
</tr>
<tr>
<td>&gt;10</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>6-9</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>1-5</td>
</tr>
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<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>&lt;1</td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>


* Based on data from before the unification of Yemen in 1990.

**hind.** These terms may seem arbitrary and mutually interchangeable, but in fact, very different notions of agency are embedded in them. While a “sending country” seems to actively deploy workers, a “country left behind” is desperately passive. I have chosen to use the somewhat more neutral term *countries of origin*, except where the particular context makes labour-exporting countries more appropriate.

Virtually all countries are, to varying degrees, countries of origin of labour migrants. There are two principal ways of establishing the intensity of labour emigration, and thereby identify countries of particular relevance to this paper. One is to consider the share of the total population or labour force
Figure 1 International labour migration: an empirical overview
employed or residing abroad. The other is to look at remittances - the portion of international labour migrants’ earnings sent back to the country of origin - relative to the national economy (usually as a percentage of exports, imports or GDP). Table 1 shows selected countries of origin using both types of criteria.

Both measures employed here are relative measures, which clearly show the extreme intensity of labour emigration experienced by many small countries. For instance, nearly a quarter of Tongans live abroad, and remittances total more than 350 percent of exports (Hayes 1991, Ahlburg 1991 *rsp.*). In fact, an astonishing five percent of all labour migrants come from countries with populations less than one million, which together account for less than 0.2 percent of the world’s population. (Segal 1993, World Bank 1995). At the other extreme, several hundred thousand Indonesians work abroad, and remittance inflows exceed 300 million USD per year, but both are negligible compared to the total population and total exports (Segal 1993, World Bank 1995).

Typical countries of origin are what the World Bank would categorize as middle-income countries. In the same way emigrants usually come from low- or middle-income households and not from the very poorest families, there are few labour-exporting countries among the world’s poorest countries. There are several reasons for this, including the extent and ease of economic relationships, and geographical and cultural proximity to the countries of employment (Böhning 1994). There are exceptions, however, including Bangladesh, Burkina Faso and Mali. It is also worth mentioning that some countries such as Lesotho, Swaziland and many Pacific Islands might have been considerably poorer (in GNP terms) in the absence of labour emigration.

It can be useful to consider the contribution of remittances to household incomes, and not just to the national economy. A quarter of Salvadorian families received remittance income in the mid-eighties, as did 90 percent of Tongan households (Kaimowitz 1990, Ahlburg 1991 *rsp.*). Fifteen to twenty-five percent the population in the Philippines are partially dependent on overseas sources of income, while 42 percent of households in Lesotho have remittances as their principal source of subsistence. (Jackson 1990, Russell *et al.* 1990 *rsp.*).
Unit of analysis

As previously noted, the unit of analysis of this paper is the country of origin of labour migrants. However, there are several reasons to question what seems like an obvious choice. First of all, internal migration also has effects on the areas of origin. Several countries marked by sustained labour emigration also experience large-scale rural-urban migration. Moreover, a large share of international labour migrants were originally rural dwellers. For a particular rural area in Egypt, Colombia or the Dominican Republic, it may be difficult to disentangle the effects of international migration from the effects of migration to the capital city. In many cases, it may matter whether remittances come in the form of foreign exchange. However, numerous countries of origin share the same currency as the regional poles of attraction, such as the CFA Franc in West Africa and Australian dollars in several independent Pacific states.

Secondly, political independence as implicit in the term country may be largely irrelevant. Overseas territories such as Puerto Rico and the Cook Islands experience labour emigration in much the same way as their independent neighbours. One difference obviously lies in the ease of migration. However, resettlement in the metropolitan country is often restricted, as in the case of Hong Kong, while many newly independent countries have had preferential immigration arrangements with former metropolitan powers. Indeed, the majority of small island states have experienced sustained emigration over the last century, both before and after independence.

Thirdly, one may question the preference for states over nations in studying the costs and benefits of migration. In other words, there is a tendency to make an implicit choice that the fate of the Philippines, for instance, is more relevant than the well-being of the Filipino nation, scattered across four continents. Most scholars agree that migrants and their families gain from migration, but there is disagreement concerning the impact on the natives who remain in the country of origin. However, both sides generally assume that the country (state) is the appropriate unit of analysis. Stahl (1982) calls this a “domestic perspective” as opposed to a “national perspective.” A domestic perspective implies that only the costs and benefits which emigration confers upon those remaining behind count. The costs and benefits which accrue to migrants personally, because of their emigration, only come into consideration when they return. A national per-
spective, on the other hand, would consider the well-being of all members of the nation wherever they may live. Weiner (1987) points out that in contrast to most scholars, governments of countries of origin often take a national perspective. The well-being of nationals abroad then becomes an important concern in the foreign policy of states.

In this paper, I will take a domestic perspective on the costs and benefits of labour emigration. However, I do this as a matter of methodological convenience rather than out of firm belief. Similarly, the other caveats concerning the choice of states as units of analysis and the validity of the category “labour migrants” will be borne in mind.

Several aspects of labour emigration discussed in the paper are situated on a sub-national level. However, when changes at the level of local communities, households and individuals are widespread enough, they will come to affect the country as a whole. Essentially, less widespread consequences of labour emigration are not included in the paper, even though they may be of great importance to those affected.

Chapter two introduces the major theoretical perspectives on international migration with particular emphasis on the assumed consequences for the countries of origin. Chapter three presents the different aspects of labour emigration thematically, using examples from a variety of countries of origin. Theoretical views on specific aspects such as the developmental impact of remittances or the loss of human capital through “brain drain” are also considered in this chapter. Chapter four explores the issue of assessing the consequences, in light of the preceding discussion and the major theoretical approaches. Chapter four is followed by a brief conclusion.
Theoretical background

Logically, migration theory has three questions to answer: how population movements are initiated, why population flows are perpetuated, and what consequences migration has for the areas of origin and destination. Different approaches will emphasize different questions, and they will differ in the way they see these questions as linked. Often, the first two questions are collectively referred to as “causes” of migration. Unfortunately, one might say, there is no coherent “theory on the effects of emigration.” However, the way in which these consequences are conceived is often influenced by a general approach to the phenomenon of migration. In this chapter, I will therefore summarize different theories on international migration, and illuminate what is assumed about the consequences of emigration for the countries of origin.

The overview of different theories on migration is based primarily on the reviews presented by Adler (1977), Wood (1982); Brochmann (1990) and Massey et al. (1993). It is worth emphasizing that in a brief outline of this nature, nuances in the different theories will easily be lost.

Equilibrium models

Within the equilibrium perspective, migration is explained in terms of the economic laws of supply and demand associated with neo-classical economics. Migration is always analysed with the individual as the basic unit of analysis. Furthermore, migration is conceived as a process of spatial allocation of resources, an equilibrating mechanism in response to uneven distribution of land, labour, capital and natural resources. Labour moves from areas where capital is scarce and labour is abundant to areas where capital is plentiful and labour is scarce. This is assumed to result in rising
wages at the origin and declining wages at the destination. The inter-
national movement of labour is seen as conducive to a *gradual convergence*
in the levels of economic growth and social well-being. In the context of
contemporary labour migration, this process is thought to be aided by the
flow of remittances from countries of employment to countries of origin.

**Table 2** The logic of the equilibrium model of migration

<table>
<thead>
<tr>
<th>CAUSE</th>
<th>DESTINATION</th>
<th>ORIGIN</th>
</tr>
</thead>
<tbody>
<tr>
<td>abundance of capital</td>
<td>scarcity of labour</td>
<td>scarcity of capital</td>
</tr>
<tr>
<td>scarcity of labour</td>
<td></td>
<td>abundance of labour</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CONSEQUENCE</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>increasing supply of labour</td>
<td>falling wages</td>
<td>declining supply of labour</td>
</tr>
<tr>
<td></td>
<td></td>
<td>rising wages</td>
</tr>
</tbody>
</table>

*Note:* labour supply is often related to the totality of complementary factors (capital, land, natural resources, entrepreneurial and technical expertise, etc.) but capital can be seen as the most important.

The equilibrium model of migration has been extensively criticized. In par-
ticular, the internal consistency of the model has been said to obscure the
underlying causes of the structural parameters within which individual de-
cision-making takes place. According to the logic of the model, labour
movements from one country to another are caused by “excess population”
relative to complementary factor endowments in the country of origin.
However, such an explanation of emigration makes little sense without ref-
erence to the distribution of the means of production in the country of ori-
gin (Meintel 1984). Furthermore, likening capital with natural resources as
a predetermined endowment is highly questionable.

Given the causes stated in the model, the effect is bound to be beneficial,
not only for the destination, but also for the origin. As the name of the
model suggest, the cause of migration is essentially a situation of *disequi-
librium* (disharmony), while the consequence is one of *equilibrium* (har-
mony). However, many critics of the equilibrium model would oppose this
separation of causes and consequences as two different conditions:
The ‘causes’ of migration cannot be separated from their consequences, for migration is not just the consequence of unequal development due to ‘natural’ causes… Migration is also an element in unequal development, reproducing the same conditions and contributing in this manner to their aggravation.

(Amin 1974: 93)

In other words, the assumption that migration contributes to convergence in development across space is rejected. Furthermore, the microeconomic model gives an unwarranted appearance of free choice under conditions of extreme deprivation or where extra-economic coercion is involved.

Few, if any writers would analyse contemporary labour migration in such a simplistic fashion as the equilibrium model outlined here indicates. However, many are influenced by the underlying liberal ethos of free movement of the factors of production, as well as the assumed beneficial effects of international labour migration. For instance, the World Bank (1991: 94) states that “looser immigration and emigration policies in both industrial and developing economies are likely to lead to global gains in human welfare.”

**Historical-structural perspective**

Within the historical-structural perspective, migration is seen as historically-based and structurally-ordered. Historical factors are important in the emergence of migration flows, while structural factors influence migration through their impact on the spatial variation in demand for labour. Migration is therefore seen as a macro-social rather than an individual process. Obviously, the individual migrant makes the decision to migrate, but the individual motives are conceived as secondary to structural forces.

The historical-structural approach contends the treatment of migration as a discrete dimension of social reality. As indicated in Amin’s statement above, unequal development is a keyword in historical-structural explanations of migration. It follows that population movement can only be studied with reference to a general theory of socio-economic and political transformation. World systems theory, dependency theory and the theory of articulation of modes of production have all provided such frames of reference. For all of them, the unit of analysis is the migration stream itself,
as opposed to the atomistic equilibrium approach which treats migration flows simply as aggregations of individual choices. I will limit myself to comment only on the dependency-related view of labour migration. This approach is based upon the following hypotheses (Adler 1977):

- Developed countries (destinations) can control migration flows in such a way as to maximize their own benefits at the expense of those accruing to a less developed country (the origin).

- Migration limits the alternative choices open to an less developed country in terms of development strategy and international relations by subjecting it to the whims of an external economic system.

- Migration is not only a manifestation of present dependence, but contributes to future dependence.

- Migration can be used by a developed country as a means of exerting pressure or extracting concessions from the less developed country in question.

Dependency theory views migration as either benefiting developed countries (destinations) more than developing countries (origins), or as positively retarding the development of the peripheral origins. If élites in the periphery support the emigration of labour, then, this only goes to prove that they are not acting in the best interest of their country, but are “dependent” (cf. Adler 1977).

In a Marxist sense, it is correct to say that migrant workers are “exploited” if they sell their labour power for less than the value which capitalists in the core economy are able to realise when they sell the product of that labour (Adler 1977). However, it does not necessarily follow that the country from which the migrants originate is “dependent” upon the country to which they go to sell their labour. For this to be the case, labour emigration must be pervasive or intense enough to affect the national economic and political system.

In short, historical-structural approaches to migration have been criticized along two lines. First, they have been accused of being extremely abstract and difficult to apply in any specific context, not to mention test empirically. Second, the emphasis on macro-structural forces often precludes
attention to the decision-making of individual actors. In addition, dependency approaches have been subjected to the general criticism of hard-core dependency theory as deterministic and excessively concerned with external factors. Concerning migration, this primarily means emphasizing driving forces in the core, and ascribing passivity to the peripheral countries of origin.

Several writers have applied elements of dependency theory to the empirical study of contemporary migration streams. Referring in particular to the Dominican Republic, Moreno (1986) suggests that international labour migration constitutes an essential part in what he calls *modern dependency*.

Under traditional dependency, cheap labour is exported in the product or in raw materials produced at low cost; under migratory [modern] dependency, cheap labor is exported in the migrant worker himself.

(1986: 108)

The remittances from Dominicans abroad generate foreign exchange used to buy imports for the inefficient substitution industry. In this way, Moreno also sees migratory labour as a central element in the cycle of traditional dependency based on foreign trade. Less deterministic views on labour emigration and dependency are presented by Fergany (1982) in the case of the Yemen Arab Republic, and Adler (1977) in the case of Algeria. Adler’s perspective is particularly flexible, with the conclusion that…

the relationship is more dependent if we observe consistent asymmetries in sensitivity, bargaining and power resulting from migration… [and] more interdependent if these three dimensions prove to be more symmetrical

(1977: 192)

The important point is that unlike writers with an equilibrium perspective, he is open to the possibility of migration-induced dependency.

Adler presents a summary table of the interests of countries of origin and countries of employment, containing both coincidence and conflict. At the risk of accommodating a simplistic view of “national interest,” his overview can be a useful point of reference, and is represented in Table 3.
Table 3 International migration: Interests of countries of origin and countries of employment

<table>
<thead>
<tr>
<th></th>
<th>country of origin</th>
<th>country of employment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of migrants</td>
<td>relatively many</td>
<td>relatively few</td>
</tr>
<tr>
<td>Status of flow</td>
<td>fixed</td>
<td>flexible</td>
</tr>
<tr>
<td>Age of migrants</td>
<td>young</td>
<td>young</td>
</tr>
<tr>
<td>Education</td>
<td>maybe literate</td>
<td>literate</td>
</tr>
<tr>
<td>Qualification</td>
<td>unqualified</td>
<td>mostly unqualified</td>
</tr>
<tr>
<td>Salary</td>
<td>high</td>
<td>low</td>
</tr>
<tr>
<td>Occupational mobility</td>
<td>high</td>
<td>low</td>
</tr>
<tr>
<td>Production technology</td>
<td>medium</td>
<td>very low and very high</td>
</tr>
<tr>
<td>Occupational training</td>
<td>considerable</td>
<td>little</td>
</tr>
</tbody>
</table>

Source: based on Adler 1977 table 2.1. Slightly abbreviated and rephrased

Historical-structural approaches constitute the backbone of much of the criticism of labour emigration. The bulk of this criticism can be referred to as neo-Marxist in a broad sense (cf. Weiner 1987). However, it is worth mentioning that many of the arguments are echoed by nationalist critics who do not necessarily have the same theoretical foundation. While they may share ideals of self-determination and autonomy, nationalist critics would add concern about national humiliation and cultural losses.

Migration systems

It can be useful to conceptualize labour migration as a core-periphery process, with poles of attraction (core countries) attracting labour from a surrounding sphere of influence (peripheral countries). This does not signify a wholesale adoption of world systems or dependency theory. Rather, it relates labour migration to what Johnston (1994: 113) calls “the well-known core-periphery organization of economic space.” The vast majority of labour migrants travel from relatively poor countries to relatively prosperous countries, often, but not always, within the same region. The same countries usually engage in a broader asymmetrical exchange of people, goods and capital which provides a multi-dimensional context for labour migration.
This approach is broadly consistent with *migration systems analysis*, which is not a separate theory of migration so much as a generalization drawing from several theories. It can be seen as a part of the historical-structural approach to migration inasmuch as explanations are sought in the totality of relations between different countries. The migration systems perspective has yielded several interesting propositions regarding the formation of such systems (Massey *et al.* 1993: 454):

- Countries within a system need not necessarily be geographically close since flows reflect political and economic relationships rather than physical ones.

- Multipolar systems are possible, whereby a set of dispersed core countries receive migrants from a set of overlapping countries of origin. Consequently, any one country of origin might send labour migrants to several countries of employment.

- As political and economic conditions change, systems evolve, so that stability does not imply a fixed structure. Countries may join or drop out of a system in response to social change, economic fluctuations, or political upheaval.

Even if there are important similarities which support generalizations about migration systems, it is important to note that the mix of exchanges varies, for instance concerning counter-currents of investment from the core to the periphery.

Within this framework, it is possible to identify several countries as *migratory semiperipheries*, importing unskilled workers from neighbouring countries, and at the same time losing skilled migrants to industrialized countries. Argentina, Malaysia and Nigeria are cases in point.

Figure 1 referred to earlier can thus be seen as an attempt to identify the world’s major systems of international labour migration. My intention with the map is to emphasize the existence of systems rather than isolated flows. Furthermore, the absence of arrows indicates a recognition of labour migration as a *two-way process*. Initially, migrants move from origin to destination. However, flows of remittances and not least returning migrants go in the opposite direction, while information travels both ways.
Household analysis

Attempts have been made to integrate individual and structural approaches to the study of migration by shifting the unit of analysis to the household (Wood 1982). Bach and Schraml (1982: 334) argue that “even at the household level of analysis, the vast differences between structure and individual remain.” While they also note several other difficulties, it is sufficient here to note that household analysis should not be regarded as the ultimate answer to the problems of migration studies. However, focusing on households can illuminate how migration occurs as an integrated part of household strategies. Household analysis has also been concerned with the motivation behind migration as risk minimization rather than profit maximization.

Regarding the consequences of labour emigration, the gender sensitivity of household analysis contrasts with the sexless (or implicitly male) “rational migrant” in equilibrium models and the focus on impersonal macro-social processes in the case of historical-structural perspectives. Household analyses can also be important in understanding the use of remittances. Focusing on households is perfectly compatible with situating labour migration in an international structural framework (e.g. Pessar 1982, Momsen 1992).

In short, equilibrium models contain an assumption of positive consequences for the country of origin. Historical-structural approaches are heterogeneous, but generally assumes that the consequences are largely negative. Household analysis does not in itself contain any assumptions about the consequences for countries of origin, but can be a useful tool in the investigation of such impacts.

Causes and consequences, theory and policy

Before proceeding to the discussion of different aspects of labour emigration, it could be useful to clarify how the topic of this paper relates to the preceding discussion of theories, as well as to the problem of causes versus consequences. Figure 2 is constructed around the logical steps of the migration process: there are underlying causes of migration which somehow initiate the departure of the migrants, and their departure somehow affects the country of origin. This paper illuminates the second step. The different
Theoretical approaches to migration relate to the entire process. They have different explanations and interpretations of the underlying causes of migration, the initiation of the movement, and the way in which labour emigration affects the country of origin. It is this final aspect which strikes to the core of the paper topic.

It is worth noting that feedback mechanisms are implied in both major theoretical approaches. The logic of the equilibrium model states that migration will alleviate the pressures which caused it in the first place, and there will consequently be an element of negative feedback. The historical-structural approaches, on the other hand, generally argue that “unequal development” is both the cause and the consequence of international labour
migration. The same can be said about “dependency.” This constitutes a positive feedback mechanism, where the consequence reinforces the cause. Household analysis is not included in the model because it does not encompass any coherent approach to the whole migration process. However, as noted earlier, household analyses can make important contributions to understanding different individual parts of the process.

The perceived effects of labour emigration will usually elicit policy responses from the authorities in the country of origin. The nature of these policies is determined through a political process. They may attack the causes of emigration directly, affect the link between potential and actual movement, or seek to modify the impact of labour emigration on the home country. It is the latter effort which constitutes a natural part of the paper topic. Of course, policy formulation may be informed by theory. However, for the sake of simplicity, such indications are omitted from the model.

To put it another way, regardless of whether one considers migration a process of convergence or polarization at the overall level, the effect comes about through more tangible mechanisms. They include the flow of labour power, remittances and human capital between countries of origin and countries of employment. The purpose of the next chapter is to show how these and other mechanisms can affect the country of origin in both beneficial and adverse ways.
Labour emigration can be seen as a multi-faceted process which is bound to have a wide range of implications for different parts of the society. These consequences are obviously interlinked, and may be difficult to separate. The categories adopted in this chapter frequently overlap, and the boundaries between them are highly permeable.

It would have been possible to include several other aspects. For instance, some authors have been concerned about the role of labour migration in the spreading of epidemics such as AIDS (eg. Madigan and Pagtulong-an 1990). There are also important socio-cultural aspects of labour emigration which have not been included in this paper.

As noted above, the analysis is focused on the national level. This has resulted in the exclusion of issues which are essentially international. In the discussion below, the question of the impact of labour emigration in countries of origin relative to the impact on countries of employment has therefore largely been omitted1.

Before considering the different aspects of labour emigration in detail, two background factors will be discussed briefly. One is the immediate demographic impact of labour emigration; the other is the policy framework within which labour emigration occurs.

**Immediate demographic impact**

Some countries of origin have been severely affected by labour emigration in terms of absolute population. The constant outflow of migrants has offset population growth in several Caribbean countries despite significant

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1 I am aware that widening inequalities due to unequal gains from labour emigration can be seen as contributing to the condition of “dependency” of the country of origin, and thereby have effects on the national level.
differentials between death rates and birth rates. In Cape Verde, net emigration during the first three-quarters of this century exceeded 120,000, compared to a total population of approximately 280,000 at the end of the period (Carreira 1982). While these are predominately cases of permanent or life-long labour emigration, other countries have a considerable share of their population temporarily absent. Haiti, the Dominican Republic, Jordan, El Salvador and Burkina Faso all have ten percent or more of their total population employed abroad with the supposed intention of returning home (Segal 1993).

Even in countries where the total population is only slightly affected by labour emigration, effects on age and sex distribution can be considerable. The most typical impact is a disproportionately low number of young males. This is likely to be less evident in the future, considering the prevalent feminization of migration mentioned earlier. Since labour migrants by definition are economically active, their departure will still result in increasing dependence ratios in the country of origin, unless they take their dependants with them. In the Caribbean, large-scale emigration of men in the 1950s and 1960s followed by the departure of large numbers of female labour migrants since 1970 has resulted in island populations dominated by children and grandmothers (Momsen 1992). Migration-induced imbalances in the sex ratio has also been found to have indirect effects on nuptiality and marital fertility (Balán 1988b).

Finally, it should be noted that short-term overseas employment usually escapes registration in demographic statistics. For instance, the number of men absent at a specific point in time may be much higher than statistics on the gender balance would indicate.

National policy framework

This paper is concerned with the consequences of labour emigration in themselves, and policy issues are largely omitted. However, various policies often constitute key determinants of the impact of labour emigration. At the most fundamental level, policies regarding labour emigration itself are of crucial importance. Before the different aspects of labour emigration are considered in detail, I will comment briefly on such policies.

Government attitudes towards labour emigration range from virtually complete laissez faire in the case of the Yemen Arab Republic to active
promotion in several Asian labour-exporting countries (Seccombe and Lawless 1989, Lim 1992 *rsp.*). Indonesia, for instance, has a monetary target for remittances built into their five-year development plans in the same way as targets are set for the export of commodities (Arnold 1992). Many small island states such as Tuvalu and Kiribati offer educational programmes for overseas employment while the Barbados government offer direct financial assistance to emigrants (Connell 1988).

Bilateral agreements between countries of origin and countries of employment governed much of the labour emigration to Europe during the “long boom.” Such agreements are largely absent, or at best ineffective, today (Seccombe and Lawless 1989, Abella 1992). Meanwhile, commercial recruiters have come to play a dominant role in migration processes. Different countries of origin have very different policy frameworks to control the operations of these companies. A considerable proportion of international labour migrants move illegally between states, with or without the help of recruitment syndicates (Lohrmann 1989, Singhanetra-Renard 1992).

**Remittances**

Remittances constitute one of the most central links between international labour migration and the consequences for countries of origin. The global flows of officially recorded remittances are very large, second in value only to crude oil. Net remittance transfers to developing countries were nearly two-thirds the size official development assistance (ODA) in the late 1980s (Teitelbaum and Russell 1994). A fundamental difference between the two flows is that while ODA is essentially a “top-down” transfer, remittances “percolate up” through developing economies. However, just like the impact of ODA is debated, the effect of remittances is a matter of great controversy. The debate has centred on issues such as the potential impacts of remittances on the balance of payments, consumer demand, savings and investment, inflation, and income distribution. There is also concern about the wider social and political implications of remittance inflows (*eg.* Meintel 1984, Kaimowitz 1990, Arnold 1992). The latter impacts will be integrated in the following sections, while in this section, I will concentrate on economic matters.
The remittance system

The flow of remittances can be conceptualized in terms of a remittance system, centred on a set of intermediate relationships which mediate between determinants and long-range consequences (Figure 3). Such an approach can help illuminate the complex mechanisms which influence the impact of remittances on countries of origin.

Available pool of remittances

In short, the available pool of remittances for a specific country of origin will be influenced by a) the number of workers abroad and b) the average wages for those workers. The number of workers abroad is directly related to the complex questions of the causes of labour migration. Three factors explain much of the variation in the wages of workers abroad:

- Which are the countries of employment?
- In what occupations are migrants employed, and under what conditions?
- What are the wages demanded by migrant workers from other countries?

Figure 3 The remittance system

Source: Russell 1986, Figure 1 (Dotted lines represent additions to the original model).
Propensity to remit

The propensity to remit earnings essentially depends on two factors: the savings rate and the proportion of savings remitted. In other words, the migrant’s income is shared between consumption and saving, and a varying share of the savings are sent back to the home country. While the savings rate heavily depends on the living expenses in the country of employment, the propensity to remit savings is dependent on a large variety of macro and micro-level variables. These have been extensively debated, and the empirical evidence is partly contradictory (Russell 1986). For the sake of brevity, some of the most important potential determinants of the propensity to remit savings are summarized in table 4.

Many countries have attempted to increase the inflow of remittances through various policy measures. Incentives have included tax exemptions, high-interest foreign exchange accounts in the home country and a “premium” exchange rate offered to emigrant workers, giving them more local currency in return for their remittances than through the official exchange rate. Several studies have questioned the effect of such incentives. Straubhaar (1986) concludes in the case of Turkey that neither premium exchange rates nor foreign exchange accounts have affected the remittances inflows as much as the migrants’ confidence in the stability of the Turkish government.

Other countries have imposed mandatory remittance requirements for overseas workers. For instance, the Philippines have required remittances of up to 70 percent of a migrant’s earnings. In the case of South Korea, workers abroad are often employed by Korean contractors as part of a project package. The government then enforces remittances by having the companies deposit wages in the workers’ bank accounts in Korea (Russell 1986).

How to remit

The classic, if not the most prevalent, pattern of remittance transfer is as follows (Russell 1986): The worker takes his money to a bank in the country of employment and initiates a foreign transfer, usually in a “hard” currency. The foreign currency is received by a corresponding bank in the migrant’s country of origin and converted through the central bank to local currency for deposit in the migrant’s account. The central bank keeps the
Table 4 Potential determinants of the propensity of labour migrants to remit

<table>
<thead>
<tr>
<th>Variable</th>
<th>Propensity to remit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Real wage differentials between countries of origin and employment</td>
<td>Propensity higher where wage differentials are large</td>
</tr>
<tr>
<td>Exchange rate</td>
<td>Propensity lower in cases of currency overvaluation</td>
</tr>
<tr>
<td>Political and financial risk in country of origin</td>
<td>Propensity lower if migrants see political and economic conditions in the home country as risky or unstable</td>
</tr>
<tr>
<td>Facility, cost and speed of transferring funds</td>
<td>Propensity lower if banks are slow and transfer charges high (In the Philippines, charges of up to 18% have been reported, while transfers have been known to take as much as 45 days)</td>
</tr>
<tr>
<td>Intention to return</td>
<td>Propensity higher among migrants who know they are returning (contract workers) or intend to return (As much as 70 to 80% of earnings were common among Bangladeshi contract workers in the Middle East in the 1980s)</td>
</tr>
<tr>
<td>Years since emigration</td>
<td>Propensity lower over time, especially if migrants are joined by dependants or marry and settle in the country of employment</td>
</tr>
<tr>
<td>Ratio of females among labour emigrants</td>
<td>Propensity lower when (as usual) a higher proportion of females is associated with a higher dependency ratio. However, unmarried female migrants are thought to remit more to their families than unmarried males</td>
</tr>
<tr>
<td>Marital status</td>
<td>Propensity lower among unmarried migrants than among married migrants separated from their spouses. Lower if married migrants are joined by their spouses (cf Ratio of females above)</td>
</tr>
<tr>
<td>Household income level and income sources</td>
<td>Higher if household members in the country of origin have a low total income and/or few other sources of income</td>
</tr>
<tr>
<td>Educational and occupational level</td>
<td>Propensity lower among highly educated migrants and those in higher occupational levels who a) are more aware of alternative uses and exchange rate fluctuations, b) are more likely to take their dependants with them and c) are less likely to be under pressure to remit for family support</td>
</tr>
<tr>
<td>Government policies in countries of origin</td>
<td>See text</td>
</tr>
</tbody>
</table>

foreign currency, which is recorded as a receipt on the balance of payments. This pattern and its near-variants are the “official channels” of remittance transfers.

In addition, there are numerous “informal channels” for the transfer of remittances. Estimates of the portion of remittances sent through informal channels range from 90 percent in Sudan to 4 percent in Thailand (Stalker 1994). The various mechanisms include trusted “money couriers,” postal money orders and “currency swaps” whereby migrants buy goods or settle invoices abroad for clients in the home country. In return, they are paid an equivalent sum in local currency when they go back to the country of origin. Funds may also be hand-carried by migrants or friends during visits or upon repatriation (Choucri 1986).

Finally, migrants may use their savings to buy goods abroad which they send to their families or bring with them on return. The proportion of remittances repatriated in-kind have been estimated to about 8-12 percent in Yemen, 9-17 percent in Pakistan and 24 percent in the Caribbean (Arnold 1992). Estimates for the Pacific Islands are much higher, up to 68 percent in the case of Tonga (Ahlburg 1991).

The variety of transfer mechanisms makes it very difficult to estimate accurately the influx of remittances to any one country. In addition, the magnitude of non-official flows restrict governments’ influence over remittances. Remittances in kind may reduce the inflow of goods that would otherwise have been imported (especially in countries with a small domestic production), but also represent a loss of foreign exchange earnings and a potential reduction in demand for domestic products. Much depends on the nature of remittances in kind, which may include investment goods.

There is an important distinction between remittances sent by workers abroad to their dependants in the country of origin and the savings brought by the migrant upon return (Stahl 1982). Both are commonly referred to as remittances, and much of the literature fails to differentiate explicitly between the two. It seems logical, however, that their uses will be different, since the former comes regularly in small sums while the latter involves the sudden presence of a large sum. A third category, seldom mentioned, is pensions drawn from the country of employment by lifetime migrants who return upon retirement. For some countries of origin, this constitutes a con-
siderable share of total receipts (e.g. Jackson 1990, Lobban 1995, Byron and Condon 1996). The following discussion is marked by the common tendency to aggregate the flows.

**Impacts on the international financial position**

The discussion of the impact of remittances will be divided into two parts. This section considers the impact on the international financial position of countries of origin, while the next section considers the contribution of remittances to domestic economic development.

**Impact on trade flows and balance of payments**

Labour emigration and associated remittance inflows are generally thought to have a positive effect of the balance of payments of countries of origin (Russell 1986). Remittances constitute the largest source of foreign exchange for many labour-exporting countries. Indeed, if one abstracts from the possible adverse effects of labour emigration on domestic industry, remittances can be seen as a uniquely inexpensive way of acquiring foreign exchange (Stahl 1982). In countries troubled by production bottlenecks due to foreign exchange shortages, remittances can therefore provide important relief.

A common concern in studies of the impact of remittances is the fear that they will increase import demand. This could result from increased purchasing power (stemming from remittances) and from increased preference for imported goods. Dependents of overseas workers might receive remittances in kind and thereby become accustomed to foreign products. Similarly, return migrants may continue to demand goods from abroad upon repatriation. These consequences may be extended to non-migrants households as a result of the so-called demonstration effect. Moreover, Arnold (1992) raises the possibility that return migrants who become entrepreneurs will be more liable to place orders with suppliers abroad, thereby increasing imports. Indeed, as will be seen shortly, the effect of remittances on the balance of payments depends to a large extent on their effect on import demand.

There may also be positive effects on the balance of trade, such as the export demand stimulus provided by emigrant communities. Emigrants
may open shops which specialize in export products from their home country, or they may demand foodstuffs and other items from the country of origin for their personal consumption (Weiner 1987, Arnold 1992).

**The case of the Yemen Arab Republic**

The possible effects of remittances on the balance of trade and balance of payments might become clearer with the aid of a case study. The Yemen Arab Republic (North Yemen) in the 1970s has been described as a ‘laboratory case’ of wide-scale labour emigration (Fergany 1982: 760). It is particularly interesting to study the effect of labour emigration on the country’s international financial position. Birks and Sinclair (1980) estimate that one third of all male workers were employed abroad in the mid-1970s. Virtually all were working in Saudi Arabia, mainly in construction and transport.

Figure 4 shows the tremendous growth in remittance receipts during the early 1970s, when the inflow increased more than tenfold in four years. Around 1977, however, Yemeni workers in Saudi Arabia were faced with increasing competition from Pakistani and Indian labour migrants entering the labour force at wages less than a third of those previously demanded by Yemenis. In 1978, following the influx of cheap labour, the unskilled wage rate fell by roughly one half in less than six months (Russell 1986). Figure 4 clearly shows how remittance inflows to Yemen stagnated around this time and remained relatively constant during the rest of the decade.

The remittance bonanza of the early 1970s followed eight years of devastating civil war, and fuelled an explosive increase in private consumption. Martin (1982: 56) writes of the capital Sanaa in the late 1970s that small shops were filled with “frozen chickens from Italy, French processed cheese [and] bottled drinking water from the United Arab Emirates… Japanese-bottled Coca Cola is everywhere, and so are Suzuki motor scooters… Yemenis do not hoard their savings: they spend whatever they can buying the things they want.” At first, the growth in remittances more than offset the deteriorating balance of trade. In other words, there was still money left when the import bill had been paid, and the balance of payments steadily improved. However, by the time of the decline in Saudi

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2 South Asian workers actually experienced the same problem a decade later, when competition from Southeast Asian workers reduced wage levels further (Knights 1996).
wages, the value of imports was nearly 40 times the value of exports. While remittance incomes stagnated, the balance of trade continued to deteriorate, resulting in a rapid plunge in the balance of payments.

![Figure 4 Yemen Arab Republic: Balance of payment items 1972-80 (Billions of Rials)](image)

*Figure 4 Yemen Arab Republic: Balance of payment items 1972-80 (Billions of Rials)*

*Note:* Data relate to fiscal years starting in the year shown. Figures for 1980/81 are annualized on the basis of data for the third quarter of 1980. *Sources:* Central Bank of Yemen (Presented as Table 1 in Fergany 1982). ‘Fall in Saudi wages’ is based on information in Russell 1986.

The case of Yemen seems a godsend in the argument that remittances will lead to conspicuous consumption and rising imports. Furthermore, the case shows how improvements in the balance of payments due to remittances can be extremely vulnerable when remittances are used to fill a widening gap in the balance of trade. While established consumption trends are difficult to change, remittance incomes are highly volatile. In reference to the remittance system, what occurred was a decline in the available pool of remittances. In this case, it was due to sharp fall in wages. Thirteen years later, Saudi Arabia expelled 800,000 Yemeni workers in retaliation for
Yemen’s pro-Iraqi stance during the Gulf war. This constituted another and far more devastating reduction in the pool of available remittances, but this time in the form of a reduction in the migrant stock.

Perhaps the most important conclusion to be drawn from the case of Yemen is the need for a temporal dimension in assessing the impact of remittances. It also shows, as noted above, that remittances can lead to explosive growth in personal consumption and a rapidly deteriorating balance of trade, but this provides no basis for generalization.

**Impacts on exchange rates**

Logically, one would expect an appreciation of the local currency when hard-currency remittance inflows are large. However, this may not always be the case. Choucri (1986) has shown that in the Middle East, foreign exchange inflows coincide with a deterioration of the local currency. This is attributed to the role of financial intermediaries or currency dealers. These are the trusted agents referred to above, who constitute one of the most important informal channels for remittance transfers. Choucri shows how they derive a profit by delaying the delivery of local currency to the migrants’ families when the local currency is depreciating. Indeed, the financial intermediaries control such massive flows of currency that they are able to manipulate the real exchange rate for this purpose. In other words, “the quasi-institutionalized processes of financial intermediation are sustained by induced deterioration of the real exchange rates” (Choucri 1986: 707). This example shows the usefulness of the remittance system model, inasmuch as the decision of how to transfer remittances has important implications for the national economy.

Kaimowitz (1990) reports that courier companies also constitute a large and powerful sector in El Salvador. However, he argues that in Central America, remittance inflows have had the effect of offsetting devaluation and making overvalued exchange rates possible.

It is probable that the large remittance transfers to many countries of origin will affect the real exchange rate. However, it is difficult to generalize about these effects. Furthermore, in specific cases, it may be difficult to disentangle them from other impacts on unstable economies.
**Impacts on domestic economic development**

During the 1970s, research reports on the negative impact of remittances accumulated while official disenchantment over the benefits of remittance inflows spread among labour-exporting countries, especially in the Middle East. Towards the mid-eighties, however, new research was “beginning to add shading and dimension to the rather flat portrait which has been painted” (Russell 1986: 687). This does not mean, however, that the debate has settled. Indeed, while remittance inflows are generally seen as beneficial to the balance of payments (allowing for exceptions like Yemen), there is no such consensus regarding their effects within the domestic economy. Especially, the relative split between consumption and investment in the use of remittances is a matter of great importance and controversy. Researchers and policy-makers have been concerned about the supposedly very high propensity to consume from remittance income. Moreover, the traditional view has held that remittances tend to be “frittered away” in conspicuous and status-oriented personal consumption (cf. Choucri 1986, Russell 1986, Adams 1991a, b). In addition to questioning the value of initial uses, critics have argued that the dominant use of remittances is associated with high levels of inflation.

**Consequences of expansion in demand**

The inflow of remittances will lead to an expansion of demand in the domestic economy. It is generally acknowledged that the use of remittances is dominated by expenditure on land, housing, basic staples and consumer durables (Russell 1986). Other commonly cited uses include expenditure on jewellery, agricultural machinery, education and social or religious ceremonies. Remittances are also used for loan repayment, for instance to repay the cost of emigration.

The effects of new demand for consumer goods depend to a large extent on whether or not domestic producers are able to respond through increased output. If there is a supply response from domestic producers, the expansion in demand can have substantial beneficial effects on the national economy. Indeed, lack of effective demand is a major obstacle to development of the productive forces in many less developed countries. However, if supply is inelastic, rising imports are likely to result. If imports are re-
stricted by the government’s trade policy, the excess demand is likely to manifest itself in inflationary pressures (Stahl 1982).

As noted above, however, much remittance-induced demand is for non-traded goods such as land and housing. Excess demand then easily results in accelerated inflation. Indeed, rapid and disproportionate rises in the prices of land, housing and construction are commonly cited negative effects of remittance inflows (Stahl 1989, Arnold 1992). For instance, in Pakistan during the 1980s, a quarter of all remittances went into real estate, causing very high inflation in this area (Gilani 1988). In addition to inflating prices, land purchases may be largely speculative and remove land from cultivation, thereby exacerbating problems of land shortage which emigration was thought to relieve (Roy 1991, Stalker 1994). Stahl (1989) claims that while remittance inflows may be associated with increased land prices and construction costs, there is no evidence to indicate that this has resulted in general inflationary pressures.

Impacts on consumption, savings and investment

In 1982, Stahl (p. 875) concluded from his review of empirical studies that “the marginal propensity to consume out of remittance income is very high.” A high propensity to consume will necessarily lead to a low propensity to save. This would offset one of the potentially very beneficial effects of remittances, namely the expansion of locally available credit. Seven years later, however, Stahl (1989: 370) concluded from a new set of empirical studies that “there is a relatively high propensity to save out of remittances.” Even if savings are only short-term, he argued, they constitute a huge supply of loanable funds when added together. Furthermore, remittances may have the double effect of a growth in the “banking habit” as well as in the means to support it (Russell 1986). It is probable that Stahl’s contradictory conclusions partly reflect the shift in predominant views on remittances referred to above.

In other words, the propensity to save may not be as low as previously thought. However, there is little doubt that remittance recipients and return migrants have a very low propensity to undertake productive investment (cf Stahl 1989, Arnold 1992). This fact has been approached with a two-pronged response in more recent research.

First, several authors point out the necessity of comparing the behaviour of migrants with that of non-migrants. Russell (1986) concludes that the
low propensity to save and invest should not be surprising, given the socio-economic level of the vast majority of migrants. Indeed, she questions whether the perceived negative consumption effect of remittances are any different from what would have been the result if the poorer members of a developing society had been made better off by some other means. Weiner (1987: 193) points out that the critical eye on remittance recipients has usually not been directed to other, wealthier members of society: “What is the propensity to save and invest in productive activities, for example, on the part of doctors, lawyers, engineers and other professionals with high and expanding incomes?” In other words, this approach attempts to explain why investment propensities among remittance recipients are so low. Consistent with this line is Stalker’s (1994: 128) somewhat condescending remark that “a period overseas may have made them a little wealthier but it will not have transformed farmers or unskilled workers into entrepreneurs.” Explanation of the remittance recipients’ low propensity to invest have also focused on the general lack of viable investment opportunities in many countries of labour emigration (Russell 1986, Arnold 1992, Stalker 1994).

A second approach to the low propensity to invest out of remittance income is centred on the argument that some consumption expenditure can be seen as forms of investment. At the basic level, improved diets, housing and clothing in a low-income household is likely to increase the future productivity of the whole family (Stalker 1994). Furthermore, valuables such as jewellery can be attractive investments, especially in unstable economies. Houses can be rented to provide a regular cash flow. In societies where bridewealth or dowry are common, even marriages can constitute a sensible investment in economic terms. In this vein, Russell (1986) concludes that “there is little evidence that migrants have done other than put their money where the rates of return are best.” Rather than attempting to explain the “unproductive” behaviour of migrants and their dependants, this approach stresses the rationality behind a large part of remittance expenditure. It is important to note, however, that even if the border between investment and consumption is blurred, most of the above examples can hardly be called productive investments, and will do little to increase national output.
It is also possible to question the negative attitude to personal consumption implicit in the traditional view. In many countries of origin, increased daily consumption may not consist in “squandering,” but rather in meeting basic needs (Choucri 1986). Roy (1991) argues in the case of Egypt that sceptical verdicts about the purchase of consumer durables for increased information and entertainment, rest and comfort or reduced drudgery represent “value-laden judgements” typical of Western observers.

Secondary effects of remittance expenditure

Regardless of the distinction between consumption and investment in the initial use of remittances, their expenditure will have secondary effects on the economy (Russell 1986, Stahl 1989). Remittances spent on domestic goods and services will be re-used by those selling what the migrants or their dependants buy, and may provide important stimulus to indigenous industries. Indeed, if migrants fail to exhibit “entrepreneurial spirit” upon return, others may take advantage of the increased demand and channel remittance money into productive activities. For instance, the housing industry has a very high ratio of domestic to total inputs, and generates a large multiplier effect in the domestic economy (Russell 1986, Stahl 1989). Stahl argues that these wider macroeconomic effects have been largely ignored in the literature, and that this partly explains the pessimistic view of the developmental value of remittances.

Effects on inequality and income distribution

Remittances have a large potential to affect income distribution in many countries of origin. In short, this depends on the selectivity of migrants. If labour migrants are recruited mainly from lower income levels, the inflow of remittances to their dependants is likely to reduce income inequality. Kaimowitz (1990: 644) reports that this has been the case in El Salvador, where remittances “have a strongly egalitarian effect.” Similarly, Russell (1986) reports findings that remittances have had a decisive role in reducing absolute poverty in Pakistan.

On the other hand, the financial and social costs of overseas employment may exclude the poor from taking part in migration. If this is the case, their relative poverty may increase as higher-income groups benefit from remittances. It is possible that negative effects on income distribution will be
lessened over time as the development of migration networks lowers the costs of emigration and allows the participation of more poor families (World Bank 1995).

A relatively complex outcome is found by Adams (1991a, b) in the case of rural Egypt. He concludes that the effect on poverty has been positive, since low-income households (lower quintile) produce their proportionate share of migrants. However, the second and third quintiles do not, while the two top quintiles produce a disproportionate share of migrants. The result has been that the positive effect on poverty has coincided with a negative effect on income distribution. Jackson (1990) found that in the Philippines, overseas income (mainly remittances) may have a negative effect on income distribution. However, overall income inequalities have changed very little during the last two decades despite the fact that roughly one fifth of the population has been dependent on such income.

It is important to note that remittances may also have secondary effects on inequality. Regardless of the distribution of immediate increases in purchasing power, the expenditure of remittances may alter relative prices. As a result, there will be change the relative returns to productive factors. Because these factors are unevenly distributed, the shifts in relative prices is likely to affect different groups in different ways (Stahl 1982).

Empirical studies of the total impact of remittances in specific contexts have reached widely divergent conclusions. Roy (1991: 561) concludes in the case of rural Egypt that “the overall use of remittances must be considered to have very positive economic effects, indeed.” Rubenstein (1992: 147) is less enthusiastic about their effect in rural Mexico. He argues that “remittances… are detrimental to the long-range prospects for economic improvement in most of the country’s rural enclaves.”

**Remittance inflows and dependence**

Even if the effects of remittances on the domestic economy are found to be positive, remittances constitute an uncertain source of income. Dependence on remittances may have detrimental effects on the economy when inflows suddenly stagnate or decline. This was shown clearly in the case of Yemen. Similarly, the 1991 Gulf War had disastrous effects on labour-exporting countries across South and Southeast Asia (Connell 1992). Just as remittance inflows may have significant multiplier effects, the loss of such inflows will have repercussions in a variety of sectors in the domestic economy.
It is also possible to argue that dependence on remittances substitutes for other forms of dependence which are no less uncertain (Arnold 1992). Indeed, a large number of developing countries are heavily dependent on a limited number of export products and constantly affected by the vagaries of the world market. In this vein, the export of labour can be seen as an element in a diversified economy where different uncertainties may complement each other.

When one considers individual studies world-wide, there is evidence to support and qualify each of the common contentions about the impact of remittances (Russell et al. 1990). The lesson to be drawn form this is first of all the need for caution concerning general statements about the consequences of remittance inflows.

**Regional disparities and rural-urban migration**

A common concern has been that labour emigration contributes to rural-urban migration (Stahl 1982). This can occur in three ways. First, big cities often serve as gateways to employment abroad. Stahl (1982) argues that the opportunity of recruitment for overseas employment increases the attractiveness of rural-urban migration. As city-based recruiters have an excess supply of registrants, they are reluctant to communicate with prospective migrants in the provinces. Instead, they give the jobs to workers on the spot. Consequently, Stahl argues, workers from the provinces must not only come to the city to sign up, but they must remain in the city to be there when opportunities arise. In other words, the prospects of overseas employment adds to the urban pull factors.

It is probable that this argument is losing some of its validity. Improvements in transport and communication have resulted in closer ties between the rural areas of developing countries and the wider world. On the national level, this has resulted in an increasing incidence of circular migration (long-term commuting) as well as in disruption of the traditional step-wise pattern of migration up the national urban hierarchy (Drakakis-Smith 1987). There is reason to believe that similar tendencies exist in international migration. Singhanetra-Renard (1992) has shown how villagers in North-eastern Thailand are recruited for overseas employment through an increasingly complex network of recruitment companies, illegal syndicates and return migrants. At the same time, the prevalence of labour emigration
has contributed to urbanization of rural areas in terms of amenities and service provision. This has tended to reduce the inclination of rural Thais to migrate to urban centres. Similarly, Roy (1991) has shown that there is an increasing tendency for workers in rural Egypt to move directly to overseas employment. Balán (1988a) reports that in Paraguay, emigration to Argentina increasingly originates in the capital, Asunción. However, rather than supporting Stahl’s hypothesis, this acts as a *counterbalance* to internal migration and tends to check the population growth of the capital city.

A second possible cause of rural-urban migration is that migrants originating in rural areas may choose to settle in cities on their return to the country of origin. Fergany (1982: 779) reports that this is the case in Yemen, where workers from rural areas “develop urban living patterns and consumption habits” while they are abroad and subsequently settle in urban areas. This pattern is not inevitable, however. Seccombe and Findlay (1989) have concluded, in the case of Jordan, that by increasing the level of income, housing standards and consumerism in the villages, temporary international labour migration from rural areas is now seen by villagers as a preferable alternative to rural-urban migration.

Third, labour emigration and remittance inflows may accentuate *push factors* in rural areas, or even develop new ones. Pessar (1982) has shown how labour emigration from rural areas in the Dominican Republic to the United States can be related to rural-urban migration. In short, the decrease in household labour caused by emigration severely reduces the operating capacity of family farms. An increasing proportion of household needs are met by remittance income, while the local range of productive options deteriorates. Consequently, rural labourers are compelled to leave the countryside and join the ranks of the urban labour force. Similar tendencies are described by Sen (1993) in the case of Turkey.

Another interesting example of how labour emigration can affect regional disparities is provided by Meintel (1984) in the case of Cape Verde. For a variety of reasons, inhabitants of different islands have different propensities to migrate and are distributed differently among destinations. Aside from this, however, the success rate of migrants to the United States seems to be related to their skin colour. In this way, racism in the country of employment can accentuate the economic difference between the islands
where descendants of African slaves dominate and those where lighter-skinned inhabitants are in majority.

**Employment and production**

Labour emigration can have important effects on employment and production, either directly through the departure of workers or through various indirect mechanisms.

**Employment**

In theory, labour emigration can reduce unemployment in two ways. First, the unemployed may find work abroad. Second, the unemployed may fill the jobs of those who are suitably employed but seek better employment abroad. Gilani (1988) finds that the second hypothesis is valid for a number of labour-exporting countries. The fact that high rates of unemployment are associated with high rates of emigration does not usually mean that it is the unemployed who migrate. Indeed, most labour migrants were employed prior to departure (Huguet 1989). Consequently, any positive effect on unemployment may be largely indirect.

The first hypothesis (direct relief for the unemployed) is frequently dismissed. Gilani (1988) finds that the direct effect of easing unemployment is minimal in most Asian countries. Similarly, other authors have concluded that most labour-exporting countries have such large labour forces and high unemployment rates that the emigration of workers makes little difference (Huguet 1989, Stalker 1994). In Sri Lanka, more than a third of labour emigrants have been women leaving to work as domestic servants. Many of them would not otherwise have been economically active, and consequently, their emigration has no impact on unemployment (Stalker 1994).

Even so, any change is likely to be in a positive direction. Teitelbaum and Russell (1994: 247) consequently conclude in a more optimistic fashion, stating that “in general… out-migration appears to have a positive effect on reducing potential or existing unemployment…” This effect will be particularly strong in small countries, where the relative number of emigrants is high. The total effect of labour emigration may affect employment in complex ways. The most direct link, then, is that labour emigration will absorb parts of the labour force growth.
Closely associated to the question of employment and unemployment is the possible impact on wages. Labour emigration has contributed to rising wage rates in some countries, including South Korea, Pakistan and Yemen. This often results from a combination of inflationary pressures (as discussed above) and specific skill shortages (Russell 1986). The construction sector has been particularly vulnerable because many labour emigrants are construction workers, and at the same time, remittances often fuel building booms at home. This has had considerable effects in Egypt and Pakistan (Roy 1991, Stalker 1994 *r.s.p.*).

As noted above, remittance inflows can have important implications for domestic economic development. This is likely to have indirect effects on employment, either in absolute terms or for specific sectors or segments of the economy. However, the nature and extent of such impacts is just as uncertain as the overall impact of remittances. One example is provided by Gilani (1988). He shows that in many subsistence economies, wages may be determined by the “reservation wage.” This is the wage level below which a person may decide to live off his extended family rather than work. As remittance inflows increase the income of extended families, the level of the reservation wage may rise, creating an general upward pressure on wages. Gilani notes that this has occurred in Pakistan. In addition to demonstrating the possible indirect effects of remittances, this example shows there can also be upward pressures on unskilled wages due to emigration. This complements the more widely recognized fact that skill shortages are usually crucial in precipitating wage increases.

**Production**

Intimately linked with the effect of labour emigration on employment is the possible consequences for production. The following section should be seen in the context of the effects on urban-rural differentials discussed above. Furthermore, changes in production, either in absolute or relative terms, are likely to affect the balance of trade.

**Agriculture**

A common concern is that labour emigration will have a negative effect on agricultural production and employment. First of all, out-migration of men from the countryside may lead to labour shortages. This is a common, but
not inevitable effect of labour emigration. In Jordan, emigration from rural areas have led to replacement immigration by Egyptian labourers, thereby maintaining the agricultural labour force (Seccombe and Findlay 1989). Where labour becomes scarce, wages may rise. This has happened in Mozambique and Malawi, where wages for estate labour has risen as large numbers of men have migrated to South African mines. While this benefits local wage workers, it may prevent poorer households from hiring labour. It could also encourage wealthier land-owners to mechanize where possible, thereby reducing local employment opportunities (Russell et al. 1990).

The inflow of remittances can sometimes reduce the incentive to work on the land. Indeed, remittances may wholly substitute for income from agricultural efforts (Stahl 1982). Moreover, repatriated migrants may be reluctant to return to arduous agricultural work with meagre returns if they have been accustomed to higher wage standards and better working conditions abroad.

Remittances may also increase investment in agriculture (Russell et al. 1990, Arnold 1992). Beyond the improvement of existing facilities, these investments could be either increased labour input or increased mechanization. Where farmers are struggling on the edge of profitability, remittance inflows can also pay to keep marginal land in production. Indeed, it is said in Mexico that people do not live off their land, but the land lives off “the North” (Stalker 1994).

Labour emigration can also lead to changes in the composition of agricultural production. In Yemen, the growing of qat (a mild narcotic plant) has increased rapidly at the expense of coffee and cotton, which are traditional export crops (Birks and Sinclair 1980, Fergany 1982, Martin 1982). This is linked to labour emigration in two ways. First, qat requires less intensive care, and is therefore an easier option when labour is scarce. Second, qat is a top priority for remittance expenditure, and domestic demand has risen rapidly along with remittance inflows. Despite labour shortages, Yemen’s agricultural production on the whole increased by nearly four percent annually throughout the 1970s (Weiner 1987).

Although Yemen is frequently cited as a prime example of negative effects of emigration on agriculture, the case also shows that massive labour emigration will not inevitably lead to falling agricultural production. Indeed, empirical work on the links between emigration and agriculture is
both scarce and contradictory (Russell et al. 1990). The effects of labour emigration on agriculture are clearly area-specific and closely linked with the overall state of rural development.

**Industry**

As noted above, remittance expenditure may provide an important stimulus to domestic production. Whether it actually has this effect, depends on a number of other factors. Indeed, the development of domestic industry is such a complex matter that labour emigration may have only marginal importance. However, at a higher level of abstraction, one might question whether exporting labour to metropolitan capital will reduce the inflow of productive investment in manufacturing to less developed countries. This concern was expressed by Stahl (1982). He argued that the influx of cheap labour has allowed many relative labour-intensive industries in the capital-rich countries to remain profitable, thereby offsetting relocation of production to developing countries. In this way, even if countries of origin individually experience a net gain from the export of labour, they may be worse off collectively. What he argued was, in other words, that the export of labour by developing countries retards the development of a new international division of labour. This effect seems less probable today, when international labour migration is increasingly dominated by service-sector employment. Regarding the concern that gains to individual countries are detrimental to the developing world as a whole, it is possible to argue that the new international division of labour, to the extent that it has materialized, also yields individual rather than collective gains. Indeed, many labour-exporting countries (such as Mexico, the Philippines, Sri Lanka and South Korea) have also seen a considerable expansion in manufacturing output, possibly to the detriment of other developing countries with negligible export of both labour and manufactures.

Another issue is raised by Kaimowitz (1990) with particular reference to Central America. Because the bourgeoisie benefits directly from remittance inflows, he argues, they become less dependent on domestic production. Consequently, remittance inflows may be seen as detrimental to the development of national productive forces.

At the other side of the argument, Weiner (1987) points to the fact that large-scale labour emigration and rapid industrialization have occurred simultaneously in many countries. In addition to several Southern European
countries, Puerto Rico is a case in point. In this case, he argues, labour emigration has assisted industrialization since return migrants have invested their savings and thereby increased the supply of capital.

**Family and gender**

In many cases, families in the developing world are split when strategies of risk minimization through *multiactivity* also entails *multilocality* of households (Hesselberg 1986, Wikan 1993). While this is usually related to internal rural-urban migration, it is also an important feature of international labour migration. Husbands may spend an entire working life abroad, sending money for the reproduction of the family at home, as has been typical in Cape Verde and the Caribbean. Alternatively, as in Lesotho, they may be away from their families for months at a time, returning only once in a year. In Sri Lanka, on the other hand, 70 percent of all migrants are women (Eelens *et al.* 1992a). The majority of them are married, migrating to the Middle East to work as housemaids on two-year contracts.

Labour emigration certainly has profound implications on immediate human relations. This section begins with exploring potential impacts on family relations and marriage patterns. Secondly, the classic pattern where the male head of the household migrates for employment overseas, leaving his wife and children behind, will be discussed under the heading *female-headed households*. Possible consequences of independent female migration on gender relations will be considered in the last section of this chapter.

**Family and household structure**

Sustained labour emigration can have substantial impacts on family and household structures in the country of origin. The dependence on remittances, for instance, can strengthen the importance of the nuclear family at the expense of wider social networks (Russell 1986, Weiner 1987). Alternatively, remittances may reinforce more distant family ties as relatives of migrants seek to improve their relations in order to benefit from the increased income (Arnold 1992). As noted earlier, remittances may also facilitate marriages in societies where dowry or bridewealth are common. Remitted earnings can also enable young couples to establish independent households earlier than what would otherwise have been possible. This has
been observed in Thailand and Egypt as well as in Turkey (Russell 1986, Sen 1993 *resp.*).

Meintel (1984) has shown how marriage patterns in Cape Verde have been affected by labour emigration, irrespective of remittances. Given the economic situation in the islands, emigration has been the principal avenue for improvements in the standard of living. Since the 1920s, emigration to the United States has mostly been restricted to family reunification provisions. If a girl from the islands married into an emigrant family already in the United States, she could subsequently have her parents join her, and the emigration of the parents would enable unmarried siblings of the girl to follow. On the one hand, emigrant women are unlikely to marry men still living in Cape Verde, who are often perceived as sexist and domineering. On the other hand, young men in the emigrant community are more likely to look for prospective wives in Cape Verde, where the chance of finding a “submissive virgin” is greater. In this way, through the possibility of marrying emigrant Capeverdean men, young women became vehicles of socio-economic mobility for entire families. As a result, parents were considerably more permissive whenever “American youngsters” were visiting the islands.

**Female-headed households**

There are various reasons for the prevalence of female-headed households in many developing countries. In addition to male out-migration, female-headedness may be caused by divorce, desertion, widowhood, political turmoil, late marriage and unpartnered adolescent motherhood (United Nations 1995). In some societies, women migrate independently for work and thus establish female-headed households at the destination. It is generally acknowledged that households headed by women are at a higher risk of poverty than those headed by men. However, those households where men are absent as labour migrants and send remittances to their families, are usually better off than other female-headed households.

When it comes to the role of international labour migration, it is worth noting that the incidence of female-headed households is very high in several countries of origin. For instance, more than a third of rural households are headed by women in Barbados, Botswana, Cape Verde and Swaziland (IFAD 1992). However, there is a danger of exaggerating the association of female-headedness with male out-migration. In their study in Cape Verde,
Finan and Henderson (1988) found that only a third of female heads of households were spouses of emigrants. The high number of single mother farmers, they argue, has more to do with the domestic socio-economic context.

Statistics on female-headed households are not always to be trusted. A problem may arise in the common situation where women are *de facto* heads of households whose male *de jure* heads are absent (Agarwal 1986). In situations like this, it is probable that many males in temporary overseas employment will be reported as heads of their households. For instance, the official figure that only 5 percent of rural Yemeni households were female-headed in the mid-eighties (IFAD 1992) seems conspicuously low.

In most cases, international labour migration will increase the share of *de facto* female-headed households in countries of origin. However, discernible effects on the *national level* are likely to be found only where labour emigration is particularly intense and clearly male-dominated. This is the case in Southern African countries of origin, especially Botswana, Swaziland and Lesotho (Russell *et al.* 1990, Chant and Radcliffe 1992). During the “long boom,” it was also the case in the Caribbean. However, since 1970, an increasing number of women migrate independently, and women have come to outnumber men in emigration streams from many islands (Momsen 1992). In Asia, the majority of male migrants are married, and leave their families behind (Stalker 1994). However, the number of migrants is usually very small compared to the total population, and the proportion of independent female migrants is increasing.

In other words, a migration-induced increase in the incidence of female-headed household is likely to affect a relatively small number of countries. However, for those countries, in may be an important aspect of labour emigration. A possible consequence is the “feminization of agriculture,” whereby agriculture increasingly becomes the realm of women (Stalker 1994). This is likely to accentuate labour shortages as discussed above. In addition, women often have poorer access than men to credit and agricultural extension services (Russell *et al.* 1990). A tentative argument can also be made that the reduced involvement of men in agriculture could have a negative effect on the government’s emphasis on agricultural development.

An important aspect of increasing incidence of female-headed households due to male labour emigration, is the possible effect on the status of
women in society. In some cases, women take on new responsibilities, gain control over remittances and enhance their power in the family (Weiner 1987, Arnold 1992). With particular reference to Egypt, Roy (1991: 569) goes as far as saying that “an egalitarian relationship develops between husband and wife as a result of emigration.” In addition to direct control over remittance expenditure, wives of emigrant males actively participate in their children’s education, and often deal with the public domain for the first time. In addition, Roy notes, labour shortage has contributed to a considerable movement of women into formal sector employment, where they replace male emigrants.

In other cases, male out-migration may have a neutral or even negative effect on the status of women. In Cape Verde, emigration has led to the emergence of a new type of household, matrifocal in its composition, yet patriarchal in its structure of authority. Even though women make virtually all the decisions in daily life, important decisions are made by the absent male household head (Meintel 1984). In Muslim countries, family decision-making is often not transferred to the wives of emigrant males, but instead assumed by the absent husband’s parents, brothers or older sons (Arnold 1992). The emotional strain suffered by wives in the absence of their migrant husbands is known in Pakistan as the “Dubai syndrome” (Appleyard 1989).

**Female migrants**

It has been argued that migration by women themselves is a “much more liberating experience” (Stalker 1994). As noted earlier, independent female migrants constitute a growing share of international migration streams, even if they are still outnumbered by men. By far the most dominant category of female migrants is domestic service (Chant and Radcliffe 1992). The largest flows in the “maid trade” go from countries of origin in South and Southeast Asia to richer countries in the region and to the Middle East and is estimated to include 1.4 million women (Heyzer and Wee 1993). Overseas employment as housemaids has also become a dominant form of emigration from Cape Verde and the Caribbean, although in the latter case, nurses and teachers also constitute a significant share of female migrants (King 1993, Momsen 1992 *et al*).
Drèze and Sen (1989) have argued that women’s “percieved contribu-

Drèze and Sen (1989) have argued that women’s “percieved contribu-
tion” to the well-being of households is a major determinant of anti-female bias in the family. Overseas employment as housemaids can make women the principal breadwinners in their families at a wage rate previously never experienced by anyone in the household (Brochmann 1990, 1992). It seems plausible, then, that the greater importance and visibility of women’s la-
bour will promote the enhancement of their status in society. The most op-
timistic conclusion drawn by Brochmann in the case of female labour emi-
gation from Sri Lanka is that this could occur in the long run, and contrib-
ute to the changing of the traditional dowry system.

There are, however, a number of caveats to note. First, women working overseas are often expected to remit a considerable amount of their earnings to their families at home. Indeed, some studies have shown that parents prefer sending their daughters to work overseas rather than their sons, because the daughters are thought to remit a greater share of their earnings (Chant and Radcliffe 1992, Stalker 1994). Upon completion of their contracts, wives or daughters may return empty-handed only to find that their remitted earnings have disappeared in family consumption (Jacobs and Papma 1992, Heyzer and Wee 1993). Even if women are the major breadwinners of their families, then, this does not necessarily give them increased control over the disposition of family income. Brochmann (1992) has shown that when wives overtake their husbands in income generation, many men seem to respond by reinforcing control over their wives. The clearly defined sexual division of labour also means that the absence of one woman in the family will in-
crease the burden of reproductory work assigned to the other women in the household. In societies where control over women is a crucial factor, female labour migration may cause distrust since women are away from the control of their male family members. Jacobs and Papma (1992) argue that in Sri Lanka, the economic gain experienced by households of female migrants is neutralized by a decline of social esteem.

Several authors have pointed out that female migrant workers suffer multiple discrimination on the basis of ethnicity, class and gender (Sassen 1988, Chant and Radcliffe 1992). Eelens et al. (1992b) have similarly sug-
gested that Sri Lankan housemaids in the Middle East are “ultra-
dependent” and “ultra-exploitable” at the hands of their employers. In some countries, such as Thailand, concerns about the treatment of their
workers overseas has resulted in restrictions of the recruitment of women (Singhanetra-Renard 1992). Other countries are positive towards labour emigration by women because their employment overseas is seen as having a low opportunity cost (Hossain 1993). In other words, women’s contribution to the domestic society is seen as less important, and inferior to their contribution as migrant workers. Indonesia is one of the few Asian countries to encourage the migration of women to work as domestic servants in the Middle East. At the same time, the Indonesian embassy in Jeddah, Saudi Arabia, allegedly receives enquiries from around 75 female workers seeking shelter at the embassy every day (Hugo 1992).

Labour emigration may have implications far beyond the number of workers involved in terms pride and identity. Estrada-Claudio (1992) argues that exploitative overseas employment contributes to creating an image of Filipino women as inferior beings, leaving them open to sexual exploitation, ridicule and degradation.

**Human capital**

Labour emigration has the potential to affect the stock of human capital in the country of origin either positively or negatively. On the positive side, migrants can acquire new skills and experience abroad which will be an asset to their country when their return. This possibility is discussed in the second part of this section. The first part deals with the negative effects, frequently termed *brain drain*. This constitutes the permanent loss of human capital through the emigration of skilled workers.

**Brain drain**

Essentially, the brain drain problem has two different aspects (*cf.* Weiner 1987). First, the state receives no return for the cost of rearing, educating and training the migrant. Second, the resulting scarcity of professionals can lead to skill shortages which come to constitute bottlenecks in the development process. Brain drain can occur either through the emigration of professionals and skilled workers or through the non-return of students abroad. In some countries, however, people may enter training *in order to* emigrate. As previously noted, this is arranged by the government in Tuvalu and Kiribati. In the Philippines, several medical schools advertise for
students with a guarantee that they will be employed in the United States upon graduation (Stalker 1994).

Although the term brain drain was coined with reference to migration of British professionals to the United States, it has later been used primarily to denote the loss of human capital experienced by developing countries (d’Oliveira e Sousa 1989). Brain drain has thus been characterized as “reverse transfer of technology” (Donges 1987). Concern over this phenomenon grew in the 1960s and early 1970s. A crucial factor was the 1965 United States Immigration Act which marked a shift from admitting immigrants through national quotas to a system of admission on the basis of occupation and skill. Within six years, the share of Asians among immigrant scientists and engineers grew from 14 percent to more than 60 percent. At the same time, more than half of African physics and chemistry students in the United States never returned (Stalker 1994). Brain drain movements also occur between developing countries. In the context of highly divergent development trends, this is likely to increase in importance (Salt and Findlay 1989).

More recent studies are divergent in their conclusions. Stalker (1994) reports that only half of Gambian students abroad return on graduation. Similarly, Makinwa-Adebusoye (1992: 69) states that “the emigration of professionals from West African countries… appears to be on the rise and has been a source of concern for many governments since the 1970s.” On the other hand, Gilani (1988) concludes that emigration does not constitute a significant drain on the skills on South Asian countries of origin. Kritz and Caces (1992) state that “in reality most foreign students return to their home countries.”

Like many other popular terms in development thinking, “brain drain” has been rephrased by critics. Several authors point to the fact that in many developing countries, the supply of technical personnel far exceeds the economy’s capacity to employ them. Consequently, they argue, “brain overflow” is a more appropriate term (e.g. Teitelbaum and Russell 1994). However, although this is a logical dichotomy, it is not always easy to distinguish between the two. For instance, brain overflow movements may have brain drain effects (Mundende 1989). The fact that the economy lacks effective demand, as it were, of these professionals, does not mean that they are somehow superfluous to the needs of their country.
In a similar vein, Salt and Findlay (1989) have suggested that “brain exchange” is becoming a more accurate description of the phenomenon because large numbers of highly-skilled workers now migrate on a relatively short-term contract basis. As noted initially, international migration has been characterized by a shift in this direction. A specific case in point is that of Filipino nurses. From the early 1970s to the mid-1980s, roughly 20,000 nurses migrated from the Philippines to the United States (Ong and Cheng quoted in Stalker 1994). More recently, Saudi Arabia has overtaken the United States as the principal destination, and contract employment has caught up with permanent emigration (Go 1995). The term “brain exchange,” however, gives an impression of symmetrical benefits which might be inappropriate. It is still overwhelmingly a matter of migration from relatively resource-poor countries to relatively resource-rich ones, even if it is becoming temporary rather than permanent. Therefore, the most relevant question concerning these professionals is whether or not the developmental impact of their remittances and additional training exceeds that of the work they could have performed in their countries of origin during the same period. Bearing these objections in mind, perhaps “brain exchange” should be replaced by “brain lending.”

Even regarding the original concept, “brain drain,” there is considerable disagreement. The basic problem as outlined above, has been expressed by many scholars of international labour migration (Mundende 1989). From a nationalist stance, the emigration of skilled workers is also seen as detrimental beyond economic measures. Under a conference in Mexico in 1977, one speaker referred to this as “an action of treason and theft” (cf. Mundende 1989). Furthermore, brain drain is seen as actively contributing to a widening gap between rich and poor countries.

At the other side are those who argue from a neo-classical or liberal point of view. They reject brain drain as a problem, regarding it instead as the free movement of a factor of production (cf. Mundende 1989). This line of reasoning states that labour simply locates where returns are greatest. This is assumed to maximize productivity, and thereby increase global production. Similarly, it is possible to argue that any human being should be free to leave their country if they feel that their skills will be more highly appreciated elsewhere.
These arguments obscure the fact that many skilled migrant workers are overqualified for their occupations abroad (Mundende 1989). Working conditions may be worse or less rewarding than in the country of origin, but still yield a higher income to the worker. It is questionable whether this is consistent with optimal allocation of resources, as in the neo-classical view.

Some of the implicit assumptions in the entire brain drain debate have also been criticized. Böhning (1984: 33) questions the dichotomous division between skilled and unskilled workers:

That all migration of economically active people involves a resource transfer is not a matter of definition but of fact. . . . This banality bears repetition because much of the discussion on human resource flows proceeds as though differences in degree were differences in kind.

Although Böhning illustrates his argument by pointing out the value of “the most humble labourer,” it is possible to extend it further. For instance, one can question the implicit assumption of many writers that the emigration of an unemployed person is essentially a relief to society.

As noted initially, the brain drain problem has two sides, one of which is the loss of returns to the state’s investment in rearing, educating and training the emigrant. However, it is not self-evident that education should be viewed as an investment by the state and not as the right of the individual. Weiner (1987) points out that neither side of the debate deals explicitly with this question. While most countries would sympathize with the investment view, Weiner mentions Romania as an extreme case. For some years, Jews who wished to emigrate to Israel were required to compensate the government for the cost of their education. As a result, Jews abroad or the Israeli state had to pay the Romanian government to release those who wished to emigrate.

Others have criticized the calculation of losses due to brain drain by pointing to the concept of “sunk costs” (Stahl 1982, cf. Weiner 1987). These costs are incurred by past decisions and cannot be diverted to present alternative use. In other words, the critics argue that past expenditure on education cannot be incorporated in the calculation of present costs and benefits of labour emigration. “Only if society was deliberately creating
human capital for export would it be correct to account for such costs,” writes Stahl (1982: 881).

As indicated above, criticism of the brain drain concept has taken on a variety of forms. Kritz and Caces (1992) indicate that the phenomenon has received excessive attention because data sources on permanent flows to developed countries are more readily available than data on other movements of skilled persons. There has, in any case, been less attention devoted to the brain drain issue during the 1980s than during the two previous decades (Mundende 1989). In the early 1970s, the United States immigration law was changed in order to make entry more difficult, and arrivals during the 1970s slowed (Stalker 1994). Although flows are still substantial, this may have contributed to lessened interest in the issue. The World Bank (1995: 66) writes that “the fear of brain drain is receding in many countries….” Again, a positive view on labour emigration is backed by a liberal ethos: “Like that for capital, the market for skills is becoming globalized, and this increases the costs associated with policy failures.” In other words, any brain drain problem that might exist is seen as preventable through policy, and therefore the responsibility of governments in the countries of origin. Weiner (1996: 133) goes further, stating that “governments no longer complain of a brain drain.”

**Return of skill**

The World Bank’s denial of the brain drain problem is complemented by rosy success stories of return migration, whereby migrants bring valuable skills back to the home country (1991: 33):

> Migration, transfers of skilled personnel, and returning workers from abroad all contribute to the diffusion of technology. … In Pakistan, a cottage industry in soccer ball exports was initiated by a Kashmiri immigrant from India, who had studied the sports equipment business in Germany.

The “return of skill” has been seen as one of the potentially most beneficial effects of labour emigation, not only by the World Bank. In short, what is assumed is that workers may obtain skills abroad, at the expense of another country, and return in the form of free human capital.

This hypothesis can be questioned for several reasons. Böhning (1984: 176) denotes it “the myth of the individual’s contribution to modernity.”
Drawing heavily on the work of Cerase in Southern Italy, he sets up four categories of return migrants to rural areas of origin: The *return of failure* consists of those migrants who return early because they have failed to adapt in the country of employment. They are then reabsorbed as if they had never migrated. The *return of conservatism* consists of those who maintain family ties and kinship obligations throughout their stay abroad. They will use their savings to open a shop or buy a piece of land that will give them higher status. Their behaviour will essentially conserve the social structure that was at the root of their initial emigration. The *return of retirement* denotes those who spend their entire working life abroad, but wish to settle in their home country in their old age. These are seen as practically irrelevant to the development problem. Finally, there is the *return of innovation*. This consists of those migrants who return with the intention of realising new ambitions with their increased knowledge and savings. In attempting to do this, however, they quickly encounter opposition from the local elite. Possibly, the migrant will be forced to come to terms with the elite, and his migration-induced potential for innovation will wither away. Alternatively, he will chose not to adjust, and probably move to an urban centre.

While this approach to the issue seems excessively deterministic, it shows some of the weaknesses inherent in the view that return migrants who have received training abroad constitute “free human capital.” Other writers have responded by pointing out the situations where the logic of this view is likely to fail (Stahl 1982, Papademetriou 1988, Teitelbaum and Russell 1994):

First, their skill level may not always be higher upon their return that it was on their departure. Many migrants are educated, and they will not necessarily be able to apply their skills to employment in the destination country. Indeed, much of the work done by migrant workers is essentially unskilled, even though it is not necessarily poorly paid (Stahl 1982). For this reason, Stahl argues, labour emigration could actually involve *de-skilling*.

Second, if the migrants acquire new skills, these might not be appropriate to employment opportunities at home. For instance, many migrants will wish to establish a business upon they return (Stahl 1982, Arnold 1992). However, even if he has accumulated sufficient savings, the skills needed to run the business may be very different from those possessed by the emi-
grant before his departure or acquired during his stay abroad. In fact, very few labour emigrants receive any training in business or management. Alternatively, the skills acquired abroad may be directly related to a high level of capital-intensity in production, and consequently difficult to apply in a capital-poor country. This point touches on the debate concerning appropriate technology, and is obviously possible to elaborate on beyond the limits of what is possible here.

Third, the migrant could acquire skills abroad which can be applied in a domestic context, but may not chose to do so. Considering the fact that similar employment at home is likely to yield much lower returns, he or she might chose to look for other, more remunerative employment opportunities than those directly related to their skills. Alternatively — or “even worse” as Stahl writes — they may simply consume their savings with the intention of emigrating again.

There is empirical evidence to support these arguments. For instance, Gilani (1988) found that only a quarter of Pakistani return migrants claimed that they had learned a new skill abroad, and a mere seven percent thought that this new skill was of any use to them at home. In the case of Turkey, Gitmez (1988: 230) concludes that “return migrants are not a significant source of industrial skills. Even if they have acquired such useful skills, they appear reluctant to enter wage employment in industry.”

Böhning’s notion of “the myth of the individual’s contribution to modernity” relates to the fact that there is more to this than simply straightforward skills. Indeed, “the basic hypothesis is that returning migrants bring back new norms and behaviour, stimulating rural modernisation in a way that non-migrants cannot be expected to do” (1984: 176 emphasis added). While Böhning essentially shows why this fails to happen, other critics have accepted that it does, but find it undesirable. This is the “cultural loss” perceived by nationalist critics as one of the negative consequences of labour emigration (cf. Weiner 1987).

Labour emigration can affect human capital in two other ways, apart from brain drain and the return of skills. First, as was noted above, remittance income is frequently used to finance education (Teitelbaum and Russell 1994). This primarily involves paying for school fees, books and materials, but could also contribute to the expansion of educational facilities by the state. Second, there is the possibility that uneducated migrants return
from abroad with large amounts of money, compared to income levels in the local community. This could send out the message that education is superfluous to earnings, and dilute the motivation of local youngsters to study (Arnold 1992).

It is not easy to make general statements about the effects of labour emigration on human capital in the country of origin. What is more, the overall effects are difficult to identify in a given empirical context. It may be feasible to count the number of professionals leaving the country, but hardly possible to measure the value of their skills. Similarly, the impact of return migration on development is not easy to gauge. Perhaps for this reason, theoretical arguments abound in the study of effects on human capital, while empirical studies are relatively scarce.

**Political implications**

As many writers have pointed out, not least within the dependency approach to labour emigration, large-scale employment of workers abroad is likely to affect the political relationship between the country of origin and the country of employment. However, the departure of workers from a country is also likely to affect the domestic political development. Since this paper is primarily concerned with the national level of analysis, I will concentrate on the latter kind of potential implications. Labour emigration also has implications for development planning. However, as mentioned earlier, policy recommendations and strategic responses to labour emigration will not be discussed in this essay.

Arnold (1992) expresses the concern that remittance inflows may allow political leaders to postpone or avoid harsh but necessary economic reforms, thereby maintaining an unhealthy economy for the sake of political stability. Alternatively, governments of labour-exporting countries may ignore the fundamental problems of underdevelopment and inequality because they are cushioned by lowered unemployment, or preoccupied with the remittances’ positive effect on the balance of payments. (Arnold 1992, Russell 1986 *esp.*). Not only is lowered unemployment in itself an asset to the political leadership, but labour emigration could also mean the physical removal of potential opposition. In this way, emigration of young workers from Paraguay has been credited with preserving the dictatorial Stroessner
regime for decades (Stalker 1994). Regarding the possibility of large remittance inflows serving to prop up unpopular political regimes, Arnold (1992: 217) makes the following observation:

Whether labour migration actually has such effects may be less important than the widespread perception held by political leaders that it does, which explains why political leaders give labour migration strong support.

This shows how Adler’s “national interest-approach” discussed earlier (table 1) has severe limitations: nations are not monolithic entities with internally harmonious interests. It also gives some credibility to the claim by dependency writers that national élites promoting labour emigration are not acting in the interest of their countries. However, to extend this possibility to a general rule would be incorrect.

Potential political implications of labour emigration are intimately connected to the overall development of domestic politics. This has been shown by Roy (1991) in the case of Egypt. While both democratic and religious fundamentalist pressures for reform are dominant in the domestic arena, he notes that most labour emigrants are largely apolitical. They support the political status quo, which makes it possible for them to capitalize on employment opportunities abroad. In this sense, Egypt may be exporting the more stable portion of its working population, taking away more supporters than opponents of the regime. However, political processes at home may be affected by labour emigration in several ways. First, the fundamentalist movement draws a portion, possibly a major portion, of its finances through remittances from its followers working abroad. Even if the majority of labour emigrants are apolitical in their behaviour, some may wish to support fundamentalist reform financially. Second, for democratically oriented professionals, contact with what they consider the archaic regimes of the Gulf States generally reinforces their desire to see a more liberal regime evolve in Egypt. Third, and perhaps most importantly, a growing proportion of the population, while perhaps remaining largely apolitical, will acquire new economic expectations and aspirations. The recognition that, despite Egypt’s position as a leader in the Arab world, it is far behind economically, has caused many Egyptians to question policies that they have long accepted.
There are two lessons to be learned from the Egyptian case. One is that changes stemming from labour emigration are likely to interact with, rather than set the course for political processes in the country of origin. The other is that the political consequences of labour emigration may be highly contradictory. Not only can there be contradictory pressures regarding the direction of political change, but also regarding the demand for change versus the maintenance of the status quo.

Nations without borders

This final section, which borrows its title from Weiner (1987), has two closely connected purposes. One is to highlight the development of what has been called a “culture of migration” in many countries of origin. The other is to comment on the possible value of having a network of nationals overseas. That is, keeping a domestic perspective on costs and benefits, is the spread of the nation across international boundaries in itself an asset to the country of origin?

Continuing migration and return

As a final consequence of labour emigration, it is possible to point to the initiation of emigration by others. In other words, emigration can become a self-reinforcing cycle. This could seem like a repetition of the argument of the historical-structural approach that the major “consequence” of emigration is a reinforcement of the “cause.” However, this takes place at different levels of abstraction. While the historical-structural argument is centred on the continuation of unequal development, it is also possible to focus on more immediate social mechanisms.

Several writers have pointed out that many countries of origin seem to have developed a “culture of migration” (cf. Simmons and Guengant 1992, Massey et al. 1993, Stalker 1994,) or even a “culture of migration dependency” (cf. Russell et al. 1990). Certainly, migration is facilitated by the presence of a migrant network abroad. The presence of past emigrants lubricates present migration flows through transmitting information and providing for new arrivals. However, there is more to the concept of a culture of migration. As noted above, migrants often return as wealthy individuals, and this could make them attract the admiration of people in the local
community. Madigan and Pagtolun-an (1990) note in the case of the Philippines that the person who can accomplish a successful emigration is considered lucky and prestigious. Similarly, the return migrants themselves will often feel that their foreign experience has improved their economic and social standing in the community (e.g. Gilani 1988). This is likely to encourage others to pursue the same avenue of social mobility through emigration. Weiner (1987: 194) goes as far as saying that “the attitude develops that… staying at home means only failure and poverty.”

Emigration of family members can also lead households into what Brochmann (1990, 1992) calls the consumption trap. When Sri Lankan women migrate for work in the Middle East, their remitted income is often spent in such a way that it does not secure future income. The wife returns to a family which has increased its level of consumption, but is unable to sustain it. The only option may be for her to migrate again. While the examples referred to above illustrate the wish for individual economic and social mobility, this case is different. Here, migration becomes motivated by the need or wish to sustain past increases in the level of expenditures.

Beyond the prospect of economic mobility (or sustenance), the desire to emigrate is often associated with cultural values. In other words, it is possible that the culture of the metropole or country of employment eventually is seen as superior to that of the country of origin. Meintel (1984) calls this an ideology of cultural dependence, and argues that it has come to characterize Capeverdian society. American products, for instance, are allotted an importance that far exceeds their monetary or functional value. Television sets were imported even though there was no broadcasting, and similarly, American refrigerators were used as cupboards where there was no electricity. The ideology of cultural dependence also characterized the view of emigrants. Indeed, it was common to say that “any person who amounts to something emigrates.” This attitude was imprinted in early childhood by parents who told their children “don’t do that, it’s bad. They won’t let you into America if you keep behaving like this” (Meintel 1984: 118 *my transl.*). This development describes a scenario which is deeply resented by nationalist critics of emigration.

The individual migrants or their local communities may feel the simultaneous pull of different sets of values. Simmons and Guengant (1992) note that “despite ambivalence and resistance to many elements in the Western
cultural system, most of the Caribbean population identify with it and aspire to many values which can be attained more readily by living in the metropole.” In other words, “culturally motivated” emigration may be embedded with ambivalence.

These ambivalent feelings often include a feeling of nostalgia or homesickness which contributes to the return of migrants. Indeed, Rubenstein (1992) writes of a “return ideology” among Mexican migrants to the United States. The case of Cape Verde is no exception to this, and the wish to return is strong in most migrants, even if many are unable to realize it (da Silva and da Silva 1993).

McPherson (1990: 114) describes how migration became “part of the Samoan life cycle” and a natural avenue for social and economic mobility. This pattern was reinforced by values and ideals transmitted through the media and return migrants. However, during the late 1970s and 1980s, the possibilities for emigration declined rapidly in response to world recession and strict immigration controls in the countries of employment. During the previous decades, few local alternatives for social and economic mobility were developed. Now, when the emigration option is severely restricted, Samoan youth experience widespread frustration over the lack of alternatives to their “stolen dreams,” as McPherson puts it.

Labour emigration has developed as a viable way of life for many countries of origin. However, labour export is inevitably subject to the whims and long-term trends of the world market. The disruption of a “culture of migration” can have profound and extensive implications.

**Dynamic networks overseas**

Migrants can be rooted in their home country and take on successive periods of contract employment overseas, maybe in different countries of employment. Alternatively, labour emigrants may feel settled in the country of employment, but return to their home country as often as they can afford. In both cases, as well as in their variant forms, the overseas network of migrants may be highly dynamic and closely tied to the country of origin. Hayes (1991: 7) argue that modern transport and communications have enabled many Polynesian societies “to become dispersed in space while retaining some degree of organic unity at the level of the social system.” This can be at the overall level of society, or, as is common in the Carib-
bean, a matter of extending the household unit across international bounda-
ries as a tight network of exchanges and support (Momsen 1992). These
households, or groups of them, then become what Bertram calls “transna-
tional corporations of kin.” Not unlike transnational corporations, he ar-
gues, they are “allocating their resources of labour and finance across
niches of opportunity on a world, or at least regional, scale” (1993: 224).

In the case of Cape Verde, Meintel (1984) concludes that the emergence
of an international Capeverdean community is the potentially most benefi-
cial result of emigration. This community could, she says, play an impor-
tant role in the development of the country. Indeed, the emigrant communi-
ties have played an important part in the recent transition to a multiparty
democracy, and three seats in the national assembly are reserved for emi-
grants (Lobban 1995). In a similar way, Kaplinsky (1983) concludes that
emigration from the Seychelles has contributed to “the breakdown of the
islands’ isolation.” For many small countries of origin, labour emigration
can bridge the gap between geographical isolation and socio-economic in-
tegration into the world community.

Weiner (1996: 132) writes about emigrants that, “once escapees of their
native countries, they have now become expatriate members of their na-
tions.” In this way, countries of origin can benefit from their emigrant
communities long after their departure from the home country, as long as a
cultural identity is maintained. For instance, overseas Chinese have spurred
development in South-eastern China by investing and remitting earnings
(Arnold 1992: 213). Expatriate nationals can also make contributions in
terms of human capital. The World Bank (1995) has pointed out that the
development of India’s software industry has depended upon Indians re-
turning from Silicon Valley and similar areas in the United States. India’s
former Prime Minister Rajiv Gandhi once said that he regarded Indians
abroad as a bank “from which one could make withdrawals from time to
time” (Weiner 1996: 133). Many countries of origin attempt to reinforce
this role by strengthening the cultural identity of their nationals abroad.
This includes the establishment of Koranic schools and cultural centres in
the countries of employment (Weiner 1987). Allegedly, scripts for the Fri-
day prayers are sent out to Turkish emigrant communities throughout the
world by fax from Ankara.
In line with such a positive view of labour emigration, Bertram (1986) has argued that a number of Pacific Island economies should take advantage of this opportunity, rather than strive for “self-reliant” development of the domestic economy. This has led to the conclusion that “dependency doesn’t matter” (Bertram and Watters quoted in Hayes 1991). It is argued that far from being a pathological condition, dependency in this context represents a generally successful attempt at maintaining a high standard of living through intense contact with the outside world. In this way, the extension of the nation beyond the borders of the state becomes an asset rather than a loss.

This certainly represents a rosy view of labour emigration which is difficult to apply to other contexts. Indeed, even in the case of the South Pacific, there is considerable disagreement (Hayes 1991). What this section shows, however, is that having a dynamic network of nationals overseas can in itself be a valuable asset to the country of origin. A valid counter-argument could be the one previously raised by Estrada-Claudio that the exploitation of Filipino women abroad is detrimental to the national pride and identity. It is also possible to question at a more fundamental level the desirability of “integration” into the global economy, but that goes beyond the limits of this paper.
Assessing the consequences

I have now presented some of the different ways in which labour emigration can affect the country of origin. How it does, is a different question, only possible to answer in a specific context, and perhaps not even then. It is not too daring to conclude that undue generalizations abound in the literature. In this way, emphasis on the need for caution and context-sensitivity is in itself a valuable conclusion.

Furthermore, awareness of the range of mechanisms is a prerequisite for any thorough approach to the effects of labour emigration on any one country. However, there is a need to differentiate and disaggregate in future research. Especially, it is uncertain, far too often, whether “remittances” are remitted earnings or returnee savings and whether “return migrants” have been employed overseas under short-term contracts or spent their entire working life abroad. As several authors have pointed out (eg. Cobbe 1982, Brochmann 1990, 1992, Arnold 1992) it is also necessary to distinguish between short- and long-term consequences.

Signs of a paradigm shift?

From the preceding discussion, it should be obvious that there are two sides to almost every argument regarding the impact of labour emigration. Such was the case thirty years ago, and it remains so today. Perhaps, then, it is not correct to speak of a paradigm shift. However, with a question mark attached, it can serve to highlight the perceptible shift towards a more positive view on labour emigration. In the preceding overview, this was particularly evident in the case of “brain drain” and remittance use.

Once such a shift has been acknowledged, a pressing question will concern why it has occurred. I would say that there are three possible answers,
intimately connected to each other. In fact, there is probably an element of truth in all of them.

First, it is possible that the shift has come about through what Russell (1986: 687) in the case of remittances called “add[ing] shading and dimension to [a] rather flat portrait…. In other words, as the debate progressed, a more elaborate picture of labour emigration emerged. Considering the largely negative focus of the discussion during the 1970s and the complex nature of the whole phenomenon, this seems plausible. At least, as more aspects were brought to the fore of the discussion, it became exceedingly difficult to maintain a wholly negative view of labour emigration.

Second, the shift may have come about in response to changes in the external environment. As remittance inflows became comparable to ODA, their role as a global mechanism of resource transfer became evident. When the United States immigration law was changed, fewer professionals were lost to developing countries. Also, brain drain may have been partly replaced by “brain exchange,” or more correctly “brain lending.” These are all valid points to make, even if there are relevant qualifications to them. It is also possible that in the face of growing xenophobia and high unemployment in most developed countries, it is less fashionable to argue that labour migration is beneficial to the destination at the expense of the origin.

Third, the shift may result from what Kay (1993) calls the “neoliberal counter-revolution” in development thinking. As we have seen, the World Bank, one of the key exponents of the neoliberal message, according to Kay, is overwhelmingly positive towards labour emigration on the basis of a free market ethos. The neoliberal view is strengthened by the continued labour export strategies of many developing countries. As Weiner (1987: 197) puts it: “The neo-Marxist and nationalist critics of emigration have not persuaded governments to forgo the benefits of remittances, reduced unemployment, and construction contracts from exporting labor.”

Certainly, there are significant weaknesses in the criticism of labour emigration. Within the neo-Marxist (historical-structural) approach, there has been a deterministic tendency in the denouncement of labour export. Böhning’s description of the four types of return migrants is a good example of this. As was evident in the section on political implications, there could be some weight to the claim that governments may promote (or ac-
cept) labour export to the detriment of overall development. However, if one considers variety of countries from which labour emigrants originate, it is difficult to argue that these are all states with “dependent” élites.

Concerning the nationalist criticism, it may be more correct to speak of biases and prejudices than of weaknesses. One example is the preoccupation with the demonstration effect’s negative consequences in terms of diffusing foreign attitudes and values. Harrison (1992: 31) responds to similar claims concerning the effect of tourism by arguing that “there is something quite patronising in the view that the culture of many less developed countries is weak and in dire need of protection from outside.” This can be seen as a weak point in much of the nationalist criticism of labour emigration.

Of course these two strands of criticism are not completely separate. Virtues of self-determination and autonomy are in fact central to both. In addition, some radical criticism is blurred with romantic conceptions of village life, disrupted by “inappropriate” influences from abroad (eg. Patterson 1987). The frequent claim that labour emigration fosters consumerism has also been raised by critics with different theoretical backgrounds. While there is undoubtedly some truth to this, it is frequently based upon value judgements about what is “productive” behaviour.

On the other side, there are many weaknesses in the neoliberal (equilibrium-inspired) approach to labour emigration. If the radical criticism can be called deterministic in its view of the costs, then much of the neoliberal defence can be called naïve in its expectations of the benefits. Perhaps the best example is the faith in technology transfer through return migrants.

It is undeniable that the whole phenomenon of labour migration is founded on the existence of spatial inequality. To what extent this constitutes “unequal [or uneven] development” in a neo-Marxist sense, is debatable. However, it is clear that international labour emigration today is an integrated part of global capitalism. It is also true that countries of employment have much greater control over the flows of labour migrants than the countries of origin have. But it is possible that even if the system is founded on inequalities of wealth and power, and the countries of employment gain more than the countries of origin, labour-exporting countries could be better off with labour emigration than they would have been without.
The fallacy of the balance-sheet approach

It is possible to think that one could add together all the positive and negative effects of labour emigration and arrive at an ultimate net effect. It is obvious that this is not a sound approach for assessing the impact of labour emigration in general, since conditions are likely to be different in different contexts. However, I would argue that it equally problematic to assess the consequences for any one country of origin in this way.

It should be evident from the preceding chapter that there are two sides to most arguments concerning labour emigration. It is possible that “choosing sides” as it were, in these arguments will be determined as much by the a priori adoption of a theoretical model as by the review of empirical evidence, which is often contradictory. The process of assessment then becomes a matter of gathering weight for each scale of the balance in order to achieve a fit with the theoretical (or ethical) model. What is omitted becomes as important as what is included. For instance, it is difficult to disagree with the World Bank’s (1995: 66) statement that “migration generally leads to important gains for the sending country….” However, one could argue that the costs outweigh the benefits, or that the gains to the country of employment far exceed those to the country of origin. In terms of dependency, this is in itself detrimental to the development of the periphery because it promotes widening disparities in wealth and power.

If we abstract temporarily from the subjectivity of the researcher, we can imagine the possibility of “objectively” accounting for all the costs and benefits to the country of origin. Is it not possible, then, to arrive at a net outcome?

This question will find its answer in all the other questions which immediately come to mind: Can a loss of skilled individuals be compensated by an enhancement of the status of women? Is it possible for the degradation of national pride to be mitigated by an improvement on the balance of payments? Can the increased welfare resulting from remittances justify their contribution to the sustenance of an oppressive regime?

Even within the economic realm, costs and benefits are not necessarily possible to add together. If, as Adams (1991a, b) found in Egypt, there is an alleviation of poverty but a negative effect on overall income distribution, is this positive or negative?
All these arguments can be made with no reference to spatial differences within the country. However, this adds an additional dimension to the problem. For instance, can labour shortages in the countryside and the consequent deterioration of agriculture be compensated by increased welfare in the capital city resulting from increased international trade?

Perhaps the most important problem arises from the adoption of a temporal dimension. As Brochmann (1990, 1992) found in Sri Lanka, there may be a short-term increase in welfare, but a negative long-term effect in the form of dependence on remittance income. On the other hand, the effect on the status of women is at best neutral in the short-term, but possibly positive in the long term. Whether this amounts to a net social gain or loss is not a particularly constructive question.

In short, there are two insurmountable problems with the balance-sheet approach. First, the consequences of labour emigration are so different in kind that one impact cannot automatically compensate for another. Second, focusing on only one aspect, the social, spatial and temporal distribution of gains and losses makes the calculation of a net result impossible. We must also ask ourselves who should decide what are costs and what are benefits: outsiders, migrants or those left behind?

The above discussion is not a call for apathy. Certainly there are exploitative aspects of labour emigration, as well as forms of injustice inherent in its foundations. The uneven distribution of costs and benefits is in itself a reason for concern.
Conclusion

International labour migration has led to the stretching out of societies beyond the borders of countries. However, this is not a matter of static “misfits” between nations and states. Rather, as we have seen, it concerns the development of complex spheres of exchanges, exploitation and support, transcending international borders. The existence of such spheres is a central feature of the economies, societies and cultures of many countries of origin. There are many possible consequences of labour emigration. While it is futile to look for a “net result,” it is necessary to investigate the social, spatial and temporal distribution of effects.
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NOTE: References in the text are marked *cf.* (confer) when the argument is not made by the author referred to, but concluded from the information presented by him/her. References are marked *rsp.* (respectively) and ordered accordingly when there is more than one reference, and they refer to separate parts of the preceding sentence. All works are used in the original unless otherwise stated. I am grateful to Mette Gullesen, Svenn-Erik Mamelund, Daniel Toa-Kwapong and Eileen Wood for help with providing the literature used in this paper.


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