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Transnational Migration: Addressing or Importing Risk

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<u>Abstract</u>

Economic conditions in developing countries are quite volatile. Economic theory suggests that the migration of family members is a strategy to diversify their income and resources, in absence of other ways to insure against these risks. Families in the agrarian and urban sectors usually exist close to subsistence level; poor households face serious risks to their well-being. Against this backdrop, the paper tries to analyze whether and how transnational migration reduces vulnerability and risk of households. The paper is based on secondary data sources regarding international evidence and case studies.

It reveals that transnational migration has the capacity for individuals, households as well as for developing countries to improve their socio-economic conditions and protect themselves against volatile political, economic and social conditions. But a shift in focus from financial flows to migrant's moves uncovers that just as migration can address risks, in certain cases – there is an importation of vulnerability along with resilience at different levels of analyses.

Key Words: Transnational migration, vulnerability, resilience

1. INTRODUCTION

In the current phase of globalization, international migration is a phenomenon that affects increasing number of people, households and communities worldwide. Poverty, social upheaval and political turmoil are only few of the factors that make people migrate. The numbers of migrants are increasing worldwide and there are a higher percentage of women migrants as well. Poverty, economic instability, not having a steady source of income, lack of resources, political instability and social problems – all contribute to increasing the vulnerability of people and this is especially true for those living in the developing world. For them migration is seen as a strategy to improve their current state, have stability and basically is seen as a strategy to decrease their vulnerability in different spheres of one’s life. Hence, in that regard migration has been able to bring enormous benefits to the people. But with the increasing mobility of workers, there are certain risks that the migrant or the family left behind might need to face due to this process. Hence, it is like double-edged sword – has costs and benefits. And it is important for policy makers and different stakeholders to recognize them both if we want to make this a more sustainable phenomenon and reap its benefits more fully.

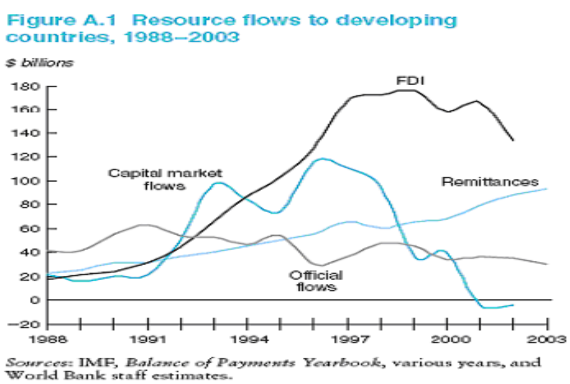
1.1 International Migration & Remittances - Overview

Between 1990 and 2000, the number of international migrants increased by 14 per cent. In 2002, some 175 million people lived outside their country of origin, and this figure is projected to reach 230 million by 2050 (UNFPA, 2004). Neither economic recession nor increasingly strict border controls in the recipient countries seem to be able to reverse the constantly increasing trend toward international migration (Ramirez, Dominguez & Morais, 2005).

One of the main features of transnational migration are remittances. Remittances represent long-distance social links of solidarity, reciprocity and obligation that connect women and men migrants with their relatives and friends across national borders controlled by States. This intimate and long-distance “bounded solidarity,” which in principle has a rather narrow scope of action since the intention of individual migrants is to benefit their domestic groups and social networks, easily becomes a macroeconomic factor that sets off a vast chain of effects not only in the countries of origin but also at a transnational level (Guarnizo, 2004 in Ramirez, Dominguez & Morais, 2005).

While the average size of an individual remittance may be quite modest, at the global level remittances are emerging as the second largest source of external financing for developing countries. According to World Bank estimates, in 2004 remittances received by developing countries amounted to some US$126 billion, almost twice the amount of Official Development Assistance (US$72 billion) and 76 per cent of total foreign direct investment (US$165 billion) (World Bank, 2005). Furthermore, this volume has been steadily increasing and all factors seem to indicate that, unlike other financial flows, the flow of remittances will continue to grow in the future.

Figure 1: Resource Flows to Developing Countries (1988- 2003)



Source: World Bank, 2004

From a regional perspective, the Latin American and Caribbean region is the main recipient of remittances worldwide, having received approximately 35 per cent of all remittances in 2004. Southern Asia (20 per cent) comes in second, followed by the Middle East and North Africa (17 per cent), East Asia and the Pacific (13 per cent), Europe and Central Asia (11 per cent) and Southern Africa (4 per cent) (World Bank, 2005).

2. MIGRATION AS A STRATEGY TO STRENGTHEN RESILIENCE, REDUCE RISK AND VULNERABILITY

The poverty so common in much of the developing world suggests that migrant's hopes are of a better standard of living and to somehow improve their current state. One of the common characteristic of poor around the world is that they are faced with ever increasing vulnerability as economic, social and political conditions in developing countries are quite volatile. Pursuing mobile livelihoods can be seen as a vulnerability/risk reducing strategy, which involves refashioning resources dispersed in space into family livelihoods. Migration is thus an important part of people's livelihoods diversification, with the potential to strengthen resilience, to manage or reduce risk and vulnerability.

It is important to understand the concepts of vulnerability, resilience and risk here as these are normative concepts, representing values and goals of those who define them, and they are embedded in larger social, economic and political contexts.

- Vulnerability is not the same as poverty. It means not lack or want, but defenselessness, insecurity, and exposure to risk, shocks and stress. Here, vulnerability refers to exposure to contingencies and stress, and difficulty in coping with them. Vulnerability has thus two sides: an external side of risks, shocks, and stress to which an individual or household is subject; and an internal side which is defenselessness, meaning a lack of means to cope without damaging loss. Loss can take many forms – becoming or being physically weaker, economically impoverished, socially dependent, humiliated or psychologically harmed. (Chambers 1989 in Cassel-Gintz, 2006).

- Resilience is the ability to exploit opportunities, and resist and recover from negative shocks (Alwang, Siegal & Jorgensen, 2001).

- Risk refers to the probability of harmful consequences, or expected losses (deaths, injuries, property, livelihoods, economic activity disrupted or environment

> damaged) resulting from interactions between natural or human induced hazards and vulnerable conditions. Beyond expressing a possibility of physical harm, it is crucial to appreciate that risks are always created or exist within social systems. It is important to consider the social contexts in which risks occur and that people therefore do not necessarily share the same perceptions of risk and their underlying causes. (UNISDR, 2004) .

According to Massey (1990), households face life with a set of resources that is fixed in the short run, including land (farmland, real estate), labor (fixed by the number, age and sex of the household member) and capital (savings, tools). Households also face basic needs of consumption and reproduction that depend on their age-sex composition and the families' social and economic aspirations.

Although the household model of analyses has limitations as feminists and academics argue that within a household exist multiple voices, gendered interests and unequal distribution of resources. The critique mainly highlights that the problem is that the household is treated as 'individual' and any behavior exhibited by the individual is de facto interrupted as motivated by household interests (Wolf, 1990). But Massey stresses that household resources are combined productivity in a variety of ways to meet the requirements of family maintenance and improvement, and migration is a very effective way of capitalizing on the households labor power. A household's behavior in allocating workers to different productive pursuits maybe viewed as a series of dynamic, flexible strategies that shift as needs and economic situation changes. Given this conceptualization, Massey stresses that the unit of analyses when studying migration should be the household and not the individual.

2.1 Theoretical Insights

In rural areas of developing countries, migration has become a key component of household's economic strategy. The most rigorous and systematic theoretical treatment of the role played by labor migration in household economic strategies has been that of Oded Stark. According to Stark & Katz (1986) families evolve economic strategies not only to maximize household earnings (as in Todaro model) but also to minimize risk. Theorists have long argued that economic factors dominate the decision to migrate. Early economists distinguished between ‘pull’ and ‘push’ factors, saying that migration results from either favorable economic development in the receiving region or adverse development in the ending region. The Harris- Todaro model of rural-urban migration integrates these two factors by saying that wage differentials are the main motivating force behind migration. The Harris-Todaro model is an important formulation of the role of economic incentives in the migration decision. But the Todaro model is quite restrictive. A broader set of motives is now seen to underline migration behavior than expected wage differentials. Also, individual migration is increasingly seen as an outcome of family decision-making, particularly in response to uninsured risks. Hence, Stark looks at migration as a risk diversification strategy. Since economic conditions in developing countries are quite volatile, and because families in the agrarian and urban sectors usually exist close to subsistence level, poor households face serious risks to their well-being. In addition to the usual risks from drought, crop failure and natural disasters, the social and economic transformations that occur during development and modernization create a very uncertain and unpredictable economic environment. In absence of other ways to insure against these risks, the migration of family members serves to reduce the overall risk to family income.

In the same way that investors diversify their portfolio holdings to limit risks, households diversify the allocation of workers to productive activities in different places. Since international borders create a discontinuity that promotes the independence of earnings at home and abroad, foreign migration is an effective way of reducing risk, even if there were no differential in earnings.

The strategy of risk diversification assumes that households are free to send members outside, where they remit part of their earnings back to the family. Remittance arrangements are no doubt structured by shared expectations about the obligations of kinship, but Stark has shown that these expectations are also in the common interests of both the migrant and his family, and that under general conditions familial agreements to remit are self-enforcing. When culturally determined kinship obligations to share wealth are reinforced by self-interest, they are likely to prove extremely robust and durable, thereby contributing greatly to the efficacy of migration as a household economic strategy (ibid).

The implications of Stark’s family based risk diversification model are quite different from those of Todaro’s individual income-maximization model. First, the risk-based model does not require an earnings differential between sending and receiving areas; it simply requires that fluctuations in earnings in the two locations be weakly or better yet negatively correlated. Although large wage differentials clearly enhance the attractiveness of migration, their elimination will necessarily bring about a cessation of migration – as in the neoclassic economic theory. Second, the model implies that migration arises from a lack of access to capital markets as well as from a scarcity of well paying and productive employment.

Another reason why migration is attractive as a risk reduction strategy is the development and growth of migrant networks. When migrant networks are well developed, they put a destination job within easy reach of most community members, making it a reliable and relatively risk-free economic resource. Thus, the self-feeding growth of networks that occurs through the progressive reduction of costs also occurs through the progressive reduction of risks. Every new migrant expands the network and reduces the risk of movement for all those to whom he is related, eventually making it virtually risk less and costless to diversify household labor allocations.

2.2 Empirical

Massey (1990) highlights that empirical work done to test the theory of risk diversification has been supportive and the overall perspective is consonant with patterns observed in detailed studies of migrant-sending communities.

A number of studies (within the New Economics of Labor Migration or NELM literature) test the hypothesis that a household organizes the migration of some of its members as a strategy to diversify sources of income and thereby reduce risk, as well as to overcome barriers to credit and capital through remittances substituting for missing markets and providing a form of social protection. Quantitative studies demonstrating the importance of remittances in reducing vulnerability have been carried out in India (Rosenzweig and Stark 1989), Botswana (Lucas and Stark, 1985, Stark and Lucas 1988), Peru (Cox *et al.* 1998), and in the Kayes Area of western Mali (Gubert 2002). Similar findings are also reported in qualitative studies: De Haan (2000) found that migrants in Bihar, India, migrated to reduce the uncertainty of a family income, provide investment funds, and livelihoods for those with small plots. Similar findings are reported of households in rural Andhra Pradesh (Deb *et al*. 2002). And being known to be a migrant in West Bengal improved household credit rating (Waddington, 2003).

NELM studies also emphasize how migrant and household remain linked through processes of 'coinsurance', whereby the household collectively, or members of the household, may fund initial movement and provide a kind of insurance against transitory income shocks whilst the migrant is getting settled, in return for the migrant providing equivalent insurance against unforeseen income shocks at home once they are established abroad. Lucas and Stark (1985) find that there are examples of 'co-insurance' between different migrating and non-migrating members of the same household. This was also found in the Dominican Republic (De la Briere *et al.* 1997, in Gubert 2002). In Cameroon, Schrider and Knerr (2000) find evidence that migration is a social security mechanism for smallholder households in Cameroon. Another finding in Cameroon was that the amount remitted is partly dependent on the size of the inheritance expected by the migrant. They observe how young urban migrants from rural regions have begun to neglect traditional obligations to support their elderly parents, especially if they do not intend to return to their native village, do not expect any sizable inheritance and have no reciprocal insurance commitment with them. In these circumstances, rural (elderly) people are exposed to the risk of staying without support (ibid).

Box 1 -Case Study: Philippines during Asian crisis

Research in the Philippines shows that households with overseas migrants have done substantially better, following the Asian crisis, than those that had no members abroad. This is to be expected since migration is a form of coinsurance and results in families having diversified portfolios. Indeed, even where households have members who are migrants abroad, those families above a certain income threshold are found to use remittances for investment (in the Philippines case in human capital that would make it easier to migrate abroad), while those below this threshold use it to meet subsistence consumption (Yang, 2003). This is particularly true during a crisis when households face substantial financial and economic stress and resultant pressure on consumption (Kapur, 2004).

2.3 Role of Remittances for Vulnerability, Risk & Resilience

- ***At Macro Level***

Remittance flows are the second-largest source, behind FDI, of external funding for developing countries. In 2001, workers' remittance receipts of developing countries stood at $72.3 billion, much higher than total official flows and private non-FDI flows, and 42 percent of total FDI flows to developing countries (see table below) (Ratha, 2003). Remittances to low-income countries were larger as a share of GDP and imports than were those to middle income countries. Remittances are also more stable than private capital flows, which often move pro-cyclically, thus raising incomes during booms and depressing them during downturns. By contrast, remittances are less volatile—and may even rise— in response to economic cycles in the recipient country. But they are expected to rise significantly in the long term, once sluggish labor markets in G-7 economies recover and new procedures for scrutinizing international travelers become routine.

Table1: Remittances Received and Paid by Developing Countries in 2001 (billions of dollars)

	All developing	Low-income	Lower middle income	Upper middle income
Total remittance receipts	72.3	19.2	35.9	17.3
As % of GDP	1.3	1.9	1.4	0.8
As % of imports	3.9	6.2	5.1	2.7
As % of domestic investment	5.7	9.6	5.0	4.9
As % FDI inflows	42.4	213.5	43.7	21.7
As % of total private capital inflows	42.9	666.1	44.9	20.2
As % of official flows	260.1	120.6	361.7	867.9
***Other current transfers**	27.2	6.1	14.0	7.1
Remittances & other current transfers	99.5	25.3	49.9	24.4
Total remittance payments	22.0	1.2	1.7	19.1
Excluding Saudi Arabia	6.9	1.2	1.7	4.0

*Other current transfers include gifts, donations to charity, pensions received by currently retired expatriate workers, and so on. They may also include personal transfers by migrant workers to families back home.

Source: IMF, Balance of Payments Yearbook 2001, and World Development Indicators 2001 in Ratha, 2003

Remittances play a critical insurance role. And this has significant impact on both poverty and equity. For people in the least developing countries states, remittances are critical for personal consumption. In Haiti, remittances were about 17 per cent of GDP. In Somalia following the collapse of a formal government in the early 1990s, remittances from the Somali diaspora based in the Gulf States, several European countries, the United States and Canada, became a critical survival resource for many Somali families. In particular, remittances helped many urban families cope during the harsh years of the 1990s. By the end of the decade with remittances between 25 and 40 per cent of GDP (all figures are very approximate), in some pockets, such as southern Somalia, these resources began to be invested in construction and commerce (Kapur, 2004).

Remittances proved to be the least volatile source of foreign exchange earnings for developing countries and this was seen during the 1990's. While capital flows tend to rise during favorable economic cycles and fall in bad times, remittances appear to react less violently and show remarkable stability over time. For example, remittances to developing countries continued to rise steadily in 1998–2001 when private capital flows declined in the wake of the Asian financial crisis. Even the more stable components of capital flows—FDI and official flows—declined in 2000–01, while remittances continued to rise.

A country that suffers a macroeconomic shock generally receives greater remittances. The many recent economic and financial crises have resulted in two simultaneous shocks that affect remittances: a positive income shock to the remitter because of devaluation and negative income shock to the remitee because of the economic downturn. Both predict an increase in remittances (in domestic currency terms). Kapur (2004) looked at countries that suffered an economic shock (defined as a decline in GDP by 2 per cent in year .t.) and examined remittances relative to private consumption in the years preceding and following the crisis. If the insurance hypothesis holds true, expectation would be that the share of remittances in private consumption would increase. Due to the unavailability of consistent annual data on remittances for the countries suffering a shock, Kapur examined this issue in both an unbalanced panel and in a balanced panel. In the latter he analyzed data for a set of countries for which annual data is available for three years preceding and following a shock. In both cases there is a sharp increase in the ratio: remittances increase if a country suffers a macroeconomic shock (ibid).

- ***At Micro Level***

The emerging consensus with globalization is that factor markets are of crucial importance for poverty alleviation. Households tend to be much more specialized in income (or factor earnings such as land, labor or capital) than they are in consumption. Hence it is the source of income rather than the pattern of expenditure that affects the poor relative to the average household. Remittances provide social protection to poor households, which reduces vulnerability to shocks. Although the immediate impact of remittances is on transient poverty, its long-term effects should not be underestimated. For instance it is now recognized that transient poverty is a serious obstacle to human capital investment. The impact on school attendance of an income shock is consistently larger for daughters than sons (Sawada, 2003 in Kapur, 2004). Thus even if remittances impact only on transient poverty, its effects on human capital investment, especially girls, could be quite substantial. But of course for these beneficial effects to occur the remittances should accrue to poor households in the first place, which in turn depends if the international migrants from that country are drawn from such households in the first place.

Literature suggests that the money sent by migrants to their homes is more than an act of individual altruism; remittances represent a family strategy to diversify the sources of income and to secure additional funds through migration (Kapur, 2003; IMP, 2003). This model of "household strategy" has been widely studied and documented in the research on migration. Questioning the unitary definition of the household implicit in this model, the feminist critique has shown how the power hierarchies of gender, age, authority and resources within households play a crucial role in determining the dynamics of migrant families and social networks, which also influence the flows of remittances. Understanding remittances and their effects requires, therefore, a gendered analysis of the household. (Ramirez, Dominguez & Morais, 2005) .

In a study of the effect of remittances on 14 rural communities in Mexico with a population of under 3 000, remittances were found to constitute approximately 11 per cent of all household incomes and 17 per cent of the income of households with migrants abroad. For every additional family member who migrated to the United States and sent remittances, the income of recipient families rose by approximately 10 per cent (Yúñez-Naude, 2001 in Vargas- Lundius, 2004).

There is a general consensus on the importance of remittances for the survival of many poor households in developing countries. Studies on the use of remittances show that they are used primarily in to meet the basic needs of households – including food, housing, clothing, health and education (Van Door, no date). According to the World Bank, a 10 per cent increase in the percentage of remittances as a proportion of a country's GDP would result in a 1.6 per cent reduction of the number of people living in poverty in that country (World Bank, 2003). The Moroccan Association of Demographers estimates that 1.2 million Moroccans have escaped poverty because of remittances (Bourchachen, 2000 in Ramirez, Dominguez & Morais, 2005).

Box 2 - Case Study: Pakistan during Earthquake Disaster

Remittances have played a major role in the economy of Azad Kashmir and NWFP for many years. For most recipients, remittances are the primary and in many cases, the only – source of income. Remittance households are generally better off than non- remittance receiving ones, owning better houses and more valuable assets.

The earthquake severely disrupted remittance flows. Communication systems were damaged, delivery outlets destroyed and identification documents lost. As a result, in the immediate aftermath of the earthquake, most people were in need of humanitarian assistance, regardless of whether they had formerly received remittances or not. However, households whose livelihoods included remittances appeared less vulnerable to the effects of the earthquake, and their livelihoods proved considerably more resilient once remittance flows were re-established. Remittances enabled households to repair and reconstruct their homes much more easily than non-recipient households, and meant that they had money to pay for private health care. By contrast, many non-recipient households were compelled to rely on public health care and in some cases had to sell off their assets to pay for the treatment. Remittance money made it easier for families to reach distribution points for relief aid. The revival of remittance systems after the earthquake helped restore local markets, and the spending of remittances on housing repairs has provided crucial wages for local laborers. Overall, remittances played a major role in reducing household's vulnerability to the crisis and helped them recover from the crisis as well (Suleri & Savage, 2006).

3. MIGRATION INDUCED VULNERABILITY AND RISK

Although the general perception seems to be that migration brings enormous benefits for the individual, household and the state - in reality there are different risks that can be imported as well. And the different stakeholders must be prepared to address the challenges raised by the increasing mobility of workers and it is important that these issues need to be recognized as migration can also induce vulnerability and increase risk for individuals and households. One of the areas where vulnerability arises is when the household becomes dependent on migration and its proceeds, but either the migration opportunities themselves, or the cash flows they generate, prove to be unreliable. Studies around this are generally of contexts where there are limited opportunities within a country or area, and where the encouragement of the state or other factors have led to an increasing flow of international migrants undertaking employment in strongly segmented labor markets. Osella and Osella (2003) argue that whilst migration in Kerala is 'a key tool in family strategies towards upward mobility and id entity fashioning', it has also led to high dependency on revenues from an unreliable international labor market. The increased vulnerability of migrants and their dependents at home in the context of unstable employment conditions has been documented from a macro perspective in relation to migrants and their treatment in the context of the Gulf War and the Asian Financial Crisis. Some studies document that the motivation of the families is to diversify risk to individual members, yet the impact of crises like these greatly increases the vulnerability of those households that have become reliant on remittances (Waddington, 2003).

3.1 Global Care Chains

Migration may affect the level of vulnerability felt by migrants themselves and also affects the vulnerability of those that stay put. In West Bengal, many couples migrate seasonally for work, often leaving behind very young children, and other older adults (Rogaly & Rafique, 2003). When the children are old enough, they migrate with their parents initially, and later alone or with their partner. Some mothers are constrained from migrating because they are widowed or do not have people they can leave their children with. Also potential migrant workers require others to stay behind and look after their children, land, house or animals. The experience of those staying put may be one of increased vulnerability. This is true also of those at the end of so-called ‘global care chains’.

While economic and social gaps are widening in poor countries, a crisis in the established reproductive model in developed countries has resulted in an ageing population, the incorporation of women into the labor market and the lack of public services for the care of dependants. Women’s incorporation in the ‘productive’ labor market has not been accompanied by a redistribution of the ‘reproductive’ work that continues to be primarily their responsibility. As a result, migration has become a private solution to a public problem for both women from poor countries and their employers in rich countries. Ehrenreich and Hochscild (2003 in Ramirez, Dominguez & Morais, 2005) coined the phrase ‘global care chains’ to describe the importation of loving care from developing to developed countries. The argument here is that as care is looked as a precious resource – children and elderly who are left behind from poor countries pay the highest price for this transfer, after women themselves, who manage their households from different countries and try to maintain their families. This refers to the strongly segmented labor markets for care workers in industrialized countries, which results in migration by women from poorer countries to work as nannies, maids and sex workers. Literature about this is infused with debates about what happens to children that are left behind. Spencer (2003 in Waddington, 2003) reports how in a context of high female-out migration, villagers in Sri Lanka perceive that children are left in other's care and when things go wrong, the mother is not there to handle things. In the end, the mother is to blame and migration is looked as a thing of moral disorder. In another study, Gamburd (2000 in Waddington, 2003), it is documented that the money sent home by wives is spent on alcohol and cigarettes by the husbands or men of the households.

Also, female out migration would idealistically mean that more childcare responsibilities are taken on by the men, but this might not be the case. This is shown as Filipino women working abroad often continue bearing the responsibility for childcare by organizing and funding a domestic worker back home to raise the children, with little expectation that men will increase their caring role. Another phenomenon that is highlighted with female out migration is how male roles within the family are rigidly defined and how difficult it is to change them. For example, in Bangladesh when men migrated, women readily assumed many of the traditional household functions performed by men. However, in the absence of their wives, men were found to be inflexible in accepting new roles in household management. Instead, the extended family came into operation once the women were away (Siddiqui, 2001).

3.2 HIV AIDS

In some migrant populations there are higher rates of HIV/AIDS infection than in more stable populations, such as in South Africa (Lurie 2004 in Jolly & Reeves 2005). Mobile populations, including refugees and labor migrants, may be more likely to have unsafe sex due to: isolation resulting from stigma, discrimination and differences in languages and cultures; separation from regular sexual partners; desire for intimacy, comfort and pleasure in a stressful environment; sense of anonymity; power dynamics in buying or selling sex; and lack of access to health and social services, information and condoms (Inter-Agency Group on Aids 2004).

The care burden is also an issue. For example, men have commonly migrated within and from Botswana for many decades, leaving women to care for children and maintain the home. It was also common for children to be sent to older women to be looked after. Previously, these women would rely on some remittances and financial support, usually from their migrant husbands or sons, for up to half their income. Now, however, rates of HIV mean men are increasingly falling ill and unable to provide income, and mothers are ill and dying, so older women are caring for more children with less income.

Migrants are sometimes stigmatized as disease carriers and it is important to make the point that migration does not in itself cause HIV infection, rather it depends on how migration happens and under what conditions.

3.3 Brain Drain

For the last few years, the pace of international migration has accelerated. According to the United Nations (2002), the number of international migrants increased from 154 million to 175 million between 1990 and 2000. The consequences for countries of origin and destination have attracted the increased attention of policymakers, scientists, and international agencies. The phenomenon is likely to further develop in the coming decades as a part of the world globalization process. The international community must be prepared to address the challenges raised by the increasing mobility of workers. In particular, the migration of skilled workers (the so-called brain drain) is a major piece of the migration debate (Docquier & Marfouk, 2006). A brain drain or human capital flight is an emigration of trained and talented individuals ("human capital") to other nations or jurisdictions. It parallels the term "capital flight" which refers to financial capital that is no longer invested in the country where its owner lived and earned it. Investment in higher education is lost when a trained individual leaves and does not return. Also, whatever social capital the individual has been a part of is reduced by his or her departure. Spokesmen for the Royal Society of London coined the expression “brain drain” to describe the outflow of scientists and technologists to the United States and Canada in the early 1950s.

This phenomenon is perhaps most problematic for developing nations, where it is widespread. In these countries, higher education and professional certification are often viewed as the surest path to escape from a troubled economy or difficult political situation. According to a World Bank publication titled 'International Migration, Remittances and Brain Drain (in Docquier & Marfouk, 2006) '- this phenomenon is massive in small and poor developing nations – with over 50 percent of college graduates leave countries in the Caribbean and Central America and in ome of them the figure is as high as 80 percent. L. Alan Winters, the director of the banks development research group, says while the mobility of highly skilled workers can offer many benefits, the consequences of the brain drain could be serious for many developing countries.

Clearly, the international mobility of skilled workers is a crucial issue for middle- and low-income countries, mainly because their share of tertiary educated workers remains low compared with high-income countries and the skilled labor force that they might, migrates to the developed world.

3.4 Dependency on Remittances

In some cases, the household that stays put, and that does not have enough activities for a sufficient or sustainable livelihood, is dependent on remittances, other resources such as livestock, and social relations and kinship networks; and the literature documents the increased vulnerability resulting from out-migration. Whilst remittances may be a crucial form of insurance for households engaged in migration, family members that stay put may be very dependent on their male (agnate) relatives for protection and for loans. In West Bengal, this is found to be the case for some of the women whose husbands migrate seasonally (Rogaly & Rafique, 2003). Respondents reported having to borrow food and ask for assistance in emergencies and the longer term. In Mali, seasonal migration resulted in the women and children in one household using up their granary, and spending the remainder of a season living off loans and millet donated by family and neighbors despite their efforts to cultivate a field (De Haan, 2000). Rogaly and Rafique (2003) find that women in households with a single male earner rely more heavily than others on social relations outside their household to keep things going during their husband’s absences. This relies on good relationships being maintained with their relatives – the cost here is felt through compromise or in continuing to play a full part in the life of a community, e.g. giving gifts at marriages and other important occasions. A study of 72 female-headed households in different parts of rural Bangladesh found that women from households with men who had migrated feel more vulnerable to food insecurity, social insecurity and illness when the men are gone (Waddington, 2003).

Case Study: Remittances in Conflict – Darfur, Sudan

Darfur has a long tradition of trade, migration and, during the past 30 years, remittance transfers from the Darfurian diaspora. Migration has shaped the social, economic and even the political profile of Darfur. Historically, Darfur was an important centre for both trade and religion. Migration and trade have been central features of livelihoods in Darfur for the past 100 years or more. Several studies, surveys and information systems in Darfur have remarked on the scale of labor migration, and the significance of the remittances sent back to the region. While millet farming was the dominant livelihood strategy, men tended to migrate to central Sudan or (less commonly) to the Gulf States in search of work for usually between one and two years, while women tended to migrate to South and West Darfur in search of seasonal agricultural employment between the months of November and January.

After the conflict began in 2003 in the region and the country, the livelihoods of these people have been heavily impacted as they have lost out on remittances and migration. Their main source of food and income is currently food aid. The first food distribution was in October 2003, and they now receive food assistance every month. Communication lines and transport is practically non-existent now, hence remittances cannot even be transferred back home. Borders are closed and insecurity due to conflict is very high which makes migration very hard (Young, 2006)

Unlike farming and herding, labor migration is not subject to the vagaries of the weather, and in the past was an option even in periods of profound drought and famine. However, while migration is impervious to rainfall it is influenced by a range of wider economic and political processes and policy changes. The livelihoods of these people are in dire straits due to the closing of migration and remittances.

Although some studies argue that remittances may have had an equalizing effect on the distribution of income among socioeconomic groups in Mexico (see Taylor 1999; Adelman and Taylor 1990). But remittances may also raise inequality because rich (workers) are better able to pay the high fixed costs associated with international travel. Indeed, household survey data from Pakistan reveal that the share of income originating from external remittances rose with the income groups—the highest income group received the highest share of income from external remittances (see table below). Such patterns may be reinforced where remittances are exempted from tax.

Table 2: Remittances by Income Group in Pakistan, 1986-87, 1990-91

	Average income per capita, 1986 Rupees 5 year average)	Percentage of per capita income from external remittances
Lowest 20%	1176	1.0
Second 20%	1721	1.7
Third 20%	2200	4.8
Fourth 20%	2876	7.2
Highest 20%	5261	13.8

Source: Adams 1998, survey based on 469 Pakistani households during 1986-87, 1990-91

With reference to remittances on the macro level, they are also said to increase the demand for and consumption of imported goods; cause inflation; increase inequality; raise the costs of land and housing; provoke dependency; and discourage the search for other income-generating activities. It is also said that international migration drains the available labor force, an instability that consequently discourages foreign investment (Vargas- Lundius, 2004). Some studies have also shown that a growing number of young people are losing interest in education and local livelihood options because they maintain the (often unrealistic) hope of being able to emigrate (Carling, 2005 in Vargas- Lundius, 2004). A further negative aspect of remittances is the brain drain from developing countries, and the obstacle that this loss of skilled human capital presents to their economic and social development.

4. CONCLUDING REMARKS AND KEY MESSAGES FOR POLICY MAKERS

4.1 Positive Potential of Migration

The continuing preoccupation of states, particularly richer states with managing migration flows can be at odds with the development agenda. Transnational migration over the years has and is an important strategy for people/households in developing countries to insure themselves against volatile political, economic and social conditions. It is seen as a mechanism to reduce their vulnerability to internal and external shocks.

Migration can have a positive impact on livelihoods in both sending and receiving areas, providing remittances to sending communities and cheap labor for receiving communities. For many countries remittances represent a significant proportion of Gross Domestic Product as we see in the case of many low and middle-income countries. This reliance on remittances from workers, which is often viewed both as a life-improvement mechanism for the migrant worker and family as it reduces their risk, as well as providing a positive economic benefit for the sending community, is reflected in the pro-emigration policies of India, Pakistan, Bangladesh and Sri Lanka. Each has its own regulatory mechanisms to protect and promote worker welfare. Although often scapegoated, migrants in fact contribute to the economies of both sending and receiving areas. Women as much as men contribute, through their labor and remittances when they migrate, or through their reproductive and productive input when they are left behind. Women can also benefit by opportunities for autonomy and empowerment presented by migration. The benefits of migration, however, are currently hampered by restrictions on migration in both sending and receiving areas and by the range of discriminations endured by migrants, particularly women. Neither sending nor receiving areas currently take sufficient responsibility for ensuring the rights of all migrants

4.2 Inducing Vulnerability & Risk

Just as migration seems to address the risks of poor and vulnerable households - in certain cases there is an importation of risk along with the benefits. The increasing mobility of laborers is resulting in brain drain, importation of highly infectious diseases like HIV/AIDS and increased dependency on remittances, which can induce risks of those staying behind.

Development work has to some degree taken on a human rights approach, but approaches to migration are more resistant. The right to a safe livelihood, which includes the option but not the imperative, to migrate needs to be ensured. Gender sensitive generation of local employment opportunities, rural development programs, and poverty alleviation programs are needed to ensure people can choose whether to stay put or migrate, and that those left behind have other livelihood possibilities – rather than only relying on remittances. Low and middle income countries which already have scarce educated and skilled workers need to come up with programs that discourages human flight so that these countries can benefit from these vital human resources. The emigration of highly skilled workers has been linked to skill shortages, reductions in output, and tax shortfalls in many developing countries. Also, it is commonly seen that doctors, engineers etc from developing counties get low skilled jobs after migration and this results in a 'brain waste', which is also a crucial issue.

Hence, the challenge is to manage and document migration properly so that states and international community can also deal with the challenges that come with the high mobility of workers. Given the diversity and volume of migration flows, it is important that states come up with a coherent migration policy so that the benefits of migration can be reaped fully as this is a vital process for the poor and for development.

4.3 Further Work …

- ✓ The rights of migrants, particularly of those most vulnerable such as women, must be protected.

- ✓ Public awareness campaigns in both sending and receiving areas, to promote understanding among general public about the different costs and benefits.

- ✓ Migration can accelerate economic growth at both micro and macro level and reduce risks for the migrant and those staying behind hence, this process should be encouraged.

- ✓ Relaxing restrictions on internal and international migration in both sending and receiving areas.

- ✓ Forging of bilateral agreements between sending/receiving countries on the protection of migrant's rights and welfare in order to combat health and safety issues.

- ✓ Confidential and sensitive HIV/AIDS and Sexually Transmitted Infections (STI) programs for migrant men.

- ✓ Programs for families left behind for example in remittance management and care giving.

- ✓ Better data collection and research including, gender-disaggregated data collection on migrants, including monitoring development of returnees. Research including on mental and physical health of returnees and other social costs of migration.

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